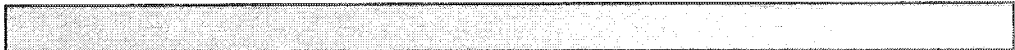
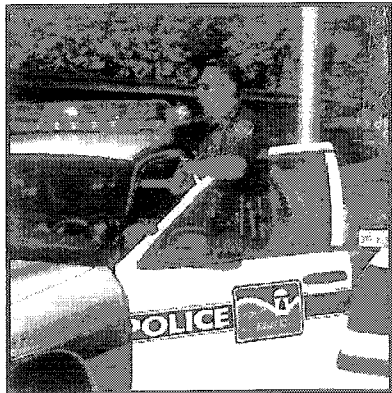


city of
san luis obispo,
california



MID-YEAR
BUDGET REVIEW



*For the 2005-07
Financial Plan*

**FISCAL YEAR
2005-06**

2005-07 Financial Plan

MID-YEAR BUDGET REVIEW: 2005-06

DAVID ROMERO, MAYOR
ALLEN SETTLE, VICE-MAYOR
JOHN EWAN, COUNCIL MEMBER
CHRISTINE MULHOLLAND, COUNCIL MEMBER
PAUL BROWN, COUNCIL MEMBER

KEN HAMPPIAN, CITY ADMINISTRATIVE OFFICER

Prepared by the Department of Finance & Information Technology

Bill Statler, Director/City Treasurer
Carolyn Dominguez, Finance Manager
Debbie Malicoat, Accounting Supervisor



city of san luis obispo

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Section A

TRANSMITTAL MEMORANDUM

TRANSMITTAL MEMORANDUM

February 21, 2006

TO: City Council

FROM: Ken Hampian, City Administrative Officer
Bill Statler, Director of Finance & Information Technology
Carolyn Dominguez, Finance Manager
Debbie Malicoat, Accounting Supervisor

SUBJECT: MID-YEAR BUDGET REVIEW FOR 2005-06

OVERVIEW

In monitoring our fiscal condition, we provide ongoing financial information through a variety of methods, including on-line access to up-to-date information, “hard copy” monthly reports, quarterly financial newsletters, and focused reports on key fiscal indicators such as sales tax, transient occupancy tax (TOT) and investments.

In addition to these, the City’s *Budget and Fiscal Policies* also call for preparing a formal report to the Council every six months on the City’s financial status. This allows us to take a broader look at our financial picture at the mid-point of the fiscal year by:

1. Updating beginning fund balance projections based on actual results for the prior fiscal year.
2. Analyzing revenue trends since adoption of the Financial Plan, and revising revenues and ending fund balance projections accordingly.
3. Identifying and presenting any fiscal problem areas to the Council, and recommending corrective action or additional funding if required.

This is also an opportunity to provide the Council with a formal update on the status of major City goals, capital improvement plan (CIP) projects and other objectives.

Summary of Findings and Conclusions

Revenues are generally consistent with the projections in the 2005-07 Financial Plan, with downward revisions in specific revenue sources offset by upward revisions in others. One bright spot: as reported in our monthly transient occupancy tax (TOT) newsletters, TOT revenues are performing much better than initially projected in the 2005-07 Financial Plan, and we have revised our projections for this key revenue source accordingly.

Stronger Ending General Fund Position.

As previously discussed with the Council in January 2006 when we presented the Comprehensive Annual Financial Report for 2004-05, we enter 2005-07 in a stronger General Fund position than initially projected.

However, it is important to stress that while this stronger ending position improves our ability to weather future fiscal storms, it does not change the underlying, long term gap between projected General Fund revenues and the community’s needs and hopes for the future. In short, our aspirations as a community are higher than simply buffering against the next fiscal crisis.

In considering the need for a revenue ballot measure, our emergency savings account won’t do anything towards strengthening our ability to support needed day-to-day services, like police and fire protection, much less to enhance our community’s “standard of living” goals. These one-time savings won’t help us to:

1. Restore our suspended annual neighborhood paving program.
2. Properly maintain our infrastructure, for which funding has been cut by 50% annually in recent years.

“Ups and Downs” Summary

At the end of the *Transmittal Memorandum* is a one-page overview of our projected ending financial condition for the General Fund at June 30, 2007 that summarizes “where we’re up” and “where we’re down” from our initial estimates in the 2005-07 Financial Plan.

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3. Hire more traffic officers or paramedics, or improve police response times.
4. Have a full-time Fire Marshall (ours is half-time) and a Fire Training Officer (we don't have a permanent training officer).
5. Support new senior citizen programs or build a new senior center
6. Build and maintain anything remotely close to the Damon-Garcia fields in the future.

In summary, our ability to deal with future downturns has certainly improved; however, our ability to deliver needed services in the long-term has not.

General Fund Focus

This mid-year budget review primarily focuses on programs and projects financed through the General Fund. Consistent with the City's policy of annually reviewing our enterprise fund rates, a comprehensive analysis will be presented in June 2006 addressing rate and revenue issues in the water, sewer, parking, transit and golf funds.

Limited Mid-Year Budget Requests

Given our current fiscal outlook for 2005-07, we have only proposed mid-year budget requests that need to be considered now in order to meet timing requirements or adequately fund current programs through the end of the fiscal year.

FINANCIAL CONDITION SUMMARY

Beginning General Fund Balance

As previously discussed with the Council when we presented the Comprehensive Annual Financial Report for 2004-05 in January 2006 the beginning General Fund balance (net of encumbrances and carryovers) is \$2.3 million greater than projected in the 2005-07 Financial Plan. As noted at that time, this was largely due to greater

expenditure savings than projected. This resulted from the hiring and training "freeze" in place during 2004-05, as well as the successful efforts by the operating departments to hold the line on costs in light of the fiscal challenges facing us.

Projected Ending Financial Condition. Largely due our improved beginning financial condition, we project the General Fund ending balance will be 21.8% of operating expenditures at the end of the 2005-07 Financial Plan period. This is consistent with our minimum fund balance policy of 20%, and will prudently position us for the uncertainties ahead. As reflected in the recent "benchmark analysis," a 20% reserve policy is in the mainstream of comparable cities.

General Fund Revenues

Included in Section B of this report is a summary of revenues by fund and major source that provides actual results for 2004-05 along with a comparison of the revised 2005-07 revenue projections with original budget estimates. The following summarizes the most significant General Fund revenue revisions:

Increased Transient Occupancy Tax (TOT) Revenues: \$374,500 in 2005-06 and \$431,100 in 2006-07. As discussed in the December 2005 TOT newsletter, year-to-date revenues are significantly higher than last year: they are up by 12% compared with December 2004. Accordingly, we have increased our growth estimate from 3% to 9% in 2005-06; and from 3% to 4% in 2006-07. While year-to-date results are stronger than 9%, the last six months from last year were very strong, and given this, we do not expect a continuation of current trends for the balance of the year; and given the much stronger base with which we will enter 2006-07, we believe that only a modest upward revision in the growth rate for 2006-07 is warranted at this time.

Development Review Fees: Net Decrease of \$154,700 for 2005-06. Estimating revenues for development review fees is quite a challenge. Looking into the fiscal crystal ball when the budget was developed, we assumed plan check and building permit fees for the Margarita area in 2005-06, which have not yet materialized. However, as applications for

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subdivision and other reviews are now in progress for this area, our development review fee estimates remain the same for 2006-07.

Police Service Charges: Decrease \$76,500 Annually. Revenues from property damage collision reports have not been received as projected. When citizens learn there is a fee to obtain extra reports, they no longer request them, resulting in a reduction to projections of \$67,300 per year. Third false alarm fee projections are also being reduced by \$9,200 annually. We believe that the increased fee has reduced the number of incidents requiring officer response.

Early Repayment of VLF Gap Loan: No Net Change. The City has received \$756,500 from the State as repayment of the VLF “gap” loan. Since receipt of this revenue was included in the 2005-07 Financial Plan (although in 2006-07 versus 2005-06), this early repayment has no net effect on ending General Fund balance for 2005-07.

SB 90 Reimbursements: \$37,000 in 2005-06. Surprisingly enough, we have received \$37,000 for mandated claims reimbursements under SB 90 from the State in 2005-06. We do not expect any similar payments for the balance of 2005-06 or in 2006-07.

Operating Programs

Section B includes an overview of changes to the operating program budgets. Organized by fund, these schedules include the original budget, re-appropriations for encumbrances and carryovers, and budget changes to-date since approval of the 2005-07 Financial Plan in June 2005. These summaries also reflect the mid-year budget requests, which are discussed below.

Capital Improvement Plan

This part of Section B reflects the original CIP budgets for 2003-05 by fund, re-appropriations for encumbrances and carryovers, and budget changes to-date since approval of the 2005-07 Financial Plan in June 2005. These summaries include mid-year budget requests, which are discussed below.

Interfund Transactions

This portion of Section B reflects actual interfund transfers for 2004-05 along with the original budget and revisions for 2005-07. The revised operating transfers are generally driven by other changes in the mid-year budget review. The reimbursement transfers are based on the 2005-07 Cost Allocation Plan adopted by Council on February 7, 2006, resulting in increased reimbursements in the General Fund of \$110,300 in 2005-06 and \$169,300 in 2006-07.

Projected Fund Balances/Working Capital

Based on the revised revenue projections and expenditures summaries, this part of Section B includes a summary of projected changes in financial position for each of the City's operating funds. As with the revenue projections, the changes in financial position schedules include the actual fund balances/working capital for 2004-05 and the original budget and revised projections for 2005-07.

Anticipated Release of Last “Frozen” Position: City Biologist. Given the General Fund’s stronger financial condition, upon approval of the mid-year budget review, the CAO is considering releasing the last “frozen” full time regular position – City Biologist – because of the benefits that this position provides to the City, both environmentally and fiscally. This position is budgeted in the 2005-07 Financial Plan, and has the potential for significant cost saving offsets, such as not having to pay consultants for various environmental review and mitigation activities.

MID-YEAR BUDGET REQUESTS

As noted previously, we have only proposed mid-year budget requests that need to be approved now in order to meet timing requirements or adequately fund current programs through the end of the fiscal year. Supporting documentation that fully justifies the need for these adjustments is provided in Section C, summarized as follows.

TRANSMITTAL MEMORANDUM

Operating Programs

The following summarizes operating program mid-year budget requests by fund:

Operating Budget Request Summary		
	2005-06	2006-07
Water Fund	6,600	
Sewer Fund	156,000	38,000
Total	\$162,600	\$38,000

As reflected in this summary, there are no General Fund *operating* budget mid-year budget requests.

Water Fund

1. **Chemical supplies for water distribution: \$6,600 in 2005-06.** Meeting regulatory requirements for water discharged from water facilities to adjacent waterways required an expenditure of an additional \$6,600 in 2005-06 for chemical supplies from the Water Distribution operating budget.

Sewer Fund

2. **Disinfection pilot study: \$40,000 in 2005-06 and \$20,000 in 2006-07.** Pilot testing of chlorine dioxide, a disinfection alternative to chlorine, at the Water Reclamation Facility to meet the requirements of the City's National Pollutant Discharge Elimination System (NPDES) permit, will cost \$40,000 in 2005-06 and \$20,000 in 2006-07.
3. **Increase in natural gas costs: \$36,000 in 2005-06 and \$18,000 in 2006-07.** Increasing the budget for natural gas energy will allow the Water Reclamation Facility to continue to meet all operational and regulatory requirements for wastewater treatment and reuse or discharge to San Luis Obispo Creek, at an additional cost of \$36,000 in 2005-06 and \$18,000 in 2006-07.

4. **Regulatory study for Water Reclamation Facility: \$80,000 in 2005-06.** Completing a regulatory study for San Luis Obispo Creek, to determine appropriate beneficial uses and discharge requirement for the Water Reclamation Facility, will cost \$80,000 in 2005-06.

Capital Improvement Plan

The following summarizes the CIP mid-year budget requests by fund:

CIP Budget Request Summary	
	2005-06
General Fund	172,500
Proposition 42 Fund	186,000
Transportation Impact Fees	63,000
Sewer Fund	30,100
Golf Fund	18,000
Total	\$469,600

General Fund

1. **City Hall carpet replacement: \$97,500.** After the move to 919 Pal Street offices, replacing old, deteriorated carpeting in City Hall will cost \$97,500 in 2005-06.
2. **California Street storm drain replacement: \$75,000.** Replacing failing storm drain pipe in California Street will cost \$75,000 for design and construction in 2005-06.

Other Funds

3. **Environmental review for LOVR/Hwy 101 interchange: \$63,000.** Completing environmental review of the Los Osos Valley Road/Highway 101 interchange project will cost an additional \$63,000 in 2005-06 in the Transportation Impact Fee Fund.
4. **Pavement maintenance: \$186,000.** The City will receive \$186,000 in Proposition 42 grant funds in 2005-06, which will help offset even

TRANSMITTAL MEMORANDUM

further paving reductions we already made during 2005-06 due to rising asphalt costs.

5. **Laguna lift station pump upgrade: \$30,100.** Upgrading and reprogramming the pump controllers at Laguna Lift Station to ensure more reliable pump control and enhance telemetry communications will cost \$30,100 in the Sewer Fund in 2005-06.
6. **Fuel storage tank installation at Laguna Lake Golf Course: \$18,000.** Installing a fuel storage tank at Laguna Lake Golf Course will cost \$18,000 in 2005-06. While accounted for in the Golf Fund, this cost will need to be subsidized by the General Fund.

STATUS OF GOALS AND OBJECTIVES

Section E of this report provides a formal look at the status of Major City Goals, Other Council Objectives and Major CIP Projects as of February 2006. As reflected in the report, with about 30% of the Financial Plan period completed, we are generally on track in achieving the major City goal "action plans."

PROSPECTS FOR THE FUTURE

What's Likely to Change with the 2006-07 Supplement?

The following summarizes areas where we are most likely to see changes between the Mid-Year Budget Review and the Financial Plan Supplement for 2006-07:

Landscape Maintenance Contracts. As noted in the report to the Council when we awarded the landscape maintenance contracts in November 2005, funding these services will require an additional appropriation in 2006-07 of \$16,400 in the General Fund and \$8,500 in the Parking Fund.

Mill Street Curb and Gutter. Abandoning a drainage inlet and repairing curb and gutter will cost \$15,000 in 2006-07.

Toro Street Creek Bank Stabilization. Stabilizing the creek bank along Toro Street will cost \$20,000 for environmental review, design, and easement acquisition in 2006-07 with an estimated construction cost of \$30,000 in 2008-09.

Fire Overtime Costs. Based on year-to-date trends, there may be significant cost overages in Fire emergency response overtime costs. We are in the process of performing a detailed analysis of the reasons for this, the likely cost impacts in 2005-06 and 2006-07, and possible cost mitigation measures. Since this work is still in progress, it is too soon to bring a budget request to the Council at this time; however, an in-depth report will be provided with the 2006-07 Financial Plan Supplement (if not sooner).

Beyond 2005-07

For the next two years, we have been successful in preparing a Financial Plan for 2005-07 that reasonably balances the delivery of core services with the resources available to us. However, achieving this balance required service reductions in all areas of the City's operations, including public safety and basic infrastructure maintenance like street paving.

Need for New, Stable Revenue Source. In the long run, we need to develop a stable new revenue source, which will require voter approval via a revenue ballot measure. As discussed with the Council in May 2005 when we presented the results of a revenue measure feasibility analysis, the need to do so is driven by four key factors:

- ① The State has taken \$22 million of our City revenue over the past 15 years, and continues to take \$3 million from us each year to help balance the state budget. This measure would give us more local control and keep local tax dollars here to pay for essential services.

TRANSMITTAL MEMORANDUM

② The City has been forced to use millions of dollars from our emergency reserves to provide essential City services. Without additional funds, we will no longer be able to provide important services, such as paving streets and upgrading the 100-year-old storm drains.

③ Calls for fire and paramedic services have increased by 65% in the last decade, but our emergency services have not been able to keep up. Without this measure, rather than adding needed firefighters and paramedics, we will have to cut back emergency services even more.

④ Budget cuts have forced the City to reduce spending on infrastructure and facility upkeep by 50 percent. If a funding measure is not passed, the City infrastructure, including parks, roads, and storm drains, will deteriorate.

Regular revenue growth will not fix these problems, even with revenues from Costco and Court Street (which we have already factored into our budget). Without new, significant revenues, we will simply not be able to keep up with needs in essential service areas like street paving, flood protection, traffic enforcement and congestion, paramedic services and senior citizen programs.

And we can't fix this problem on the expenditure side, either. The facts are that the City has been an excellent steward of the community's resources. As the recent "benchmark" analysis shows:

Serious Service Gaps Remain

- We have cut sworn positions in the Police Department, including in the high priority area of traffic enforcement.
- In the Fire Department, we have a ½ time contract Fire Marshall and an interim Training Officer. In a full-service city of our size, these should be full-time, regular positions.
- We have suspended the Pavement Management Plan, ending the eight-area rotation program in neighborhoods. In 2005-07, we will only be able to complete limited arterial street repairs.
- There is virtually no funding for flood protection or storm drain maintenance.
- We have discontinued General Fund support for the open space acquisition program.
- We only have one Code Enforcement Officer. In a City our size, this is inadequate to address community concerns such as building violations, property maintenance, sign violations and other code matters.
- Counter support is cut in the Community Development Department, in the front line in customer service.
- We have reduced cultural and social service funding to community organizations, even though the services provided by these groups help make our community a special place.

We are efficient. We've tightened our belt: we're a lean organization. In fact, we have fewer General Fund regular positions today than we did 15 years ago.

We are well-managed. We use "best practices" in managing our fiscal affairs: we're a national leader in financial planning and reporting.

We are accountable. We are open and accountable. Our financial management is transparent: we routinely receive immaculate audits year after year.

It's about the future of our community. Stated simply, we have put our fiscal house in order: with the cuts we've made beginning in 2003, we have achieved "structural budget balance" for the long-term. But are the resulting cuts – like the 67% reduction in paving – an acceptable level of service for the community in the long run?

If we place a revenue ballot measure before the voters in November 2006, this will be the issue before them: what kind of community do we want to be?

CONCLUSION

The Budget Review Team and Department Heads will be prepared to respond to any questions the Council may have regarding this report at their February 21, 2006 meeting. If you have any questions in the interim, or require additional information, please do not hesitate to contact us.

GENERAL FUND FINANCIAL CONDITION SUMMARY: UPS AND DOWNS

Comparison of Mid-Year Budget Projections with Those Initially Presented in the 2005-07 Financial Plan

WHERE WE'RE UP

Revenues and Other Sources	Transient Occupancy Tax Reimbursement Transfers (Net of Golf Fund) Infrastructure Plan Check & Inspection Fees
Non-Recurring	Beginning Fund Balance (Net of Carryovers) SB90 Reimbursements VLF Gap Loan Repayment

Changes from the 2005-07 Financial Plan		
2005-06	2006-07	Two-Year Total
374,500	431,100	805,600
102,200	143,100	245,300
213,700		213,700
2,308,700		2,308,700
37,000		37,000
756,600	(756,600)	0

WHERE WE'RE DOWN

Revenues and Other Sources	Multi-Dwelling Fire and Life Safety Inspection Fees Building Permit & Plan Check Fees Police Property Damage Collision Report Fee Police Third False Alarm Fees
Expenditures and Other Uses	Mid-Year Budget Requests Golf Fund Subsidy for Underground Tank Installation Council Approved Budget Changes-To-Date Other Ups and Downs

(68,000)	(68,100)	(136,100)
(368,400)		(368,400)
(67,300)	(67,300)	(134,600)
(9,200)	(9,200)	(18,400)
(172,500)		(172,500)
(18,000)		(18,000)
(167,700)	(3,000)	(170,700)
(12,700)		(12,700)
\$2,908,900	(\$330,000)	\$2,578,900

NET CHANGE

Ending Fund Balance
Percent of Operating Expenditures at June 30, 2007

\$8,577,200
21.8%

Section B

FINANCIAL CONDITION SUMMARIES

REVENUES BY MAJOR CATEGORY AND SOURCE

	2004-05 Actual	2005-06			2006-07		
		Original Budget	Revised Projection	Variance	Original Budget	Revised Projection	Variance
GENERAL FUND							
Taxes & Franchise Fees	30,241,000	31,622,000	31,996,500	374,500	32,953,400	33,384,500	431,100
Sales & Use Tax							
General	11,745,400	12,275,600	12,275,600		12,696,100	12,696,100	
Public Safety (Proposition 172)	276,200	262,900	262,900		269,500	269,500	
Property Tax	6,630,600	6,981,500	6,981,500		7,470,200	7,470,200	
Transient Occupancy Tax	4,079,800	4,161,100	4,535,600	374,500	4,285,900	4,717,000	431,100
Utility Users Tax	3,670,200	3,968,600	3,968,600		4,127,300	4,127,300	
Franchise Fees	2,005,600	2,128,400	2,128,400		2,213,500	2,213,500	
Business Tax Certificates	1,518,800	1,568,900	1,568,900		1,615,900	1,615,900	
Real Property Transfer Tax	314,400	275,000	275,000		275,000	275,000	
Fines and Forfeitures	243,500	250,000	250,000		253,600	253,600	
Vehicle Code Fines	157,500	160,000	160,000		160,000	160,000	
Other Fines and Forfeitures	86,000	90,000	90,000		93,600	93,600	
Investment & Property Revenues	458,300	272,000	272,000		272,000	272,000	
Investment Earnings	394,700	225,000	225,000		225,000	225,000	
Rents & Concessions	63,600	47,000	47,000		47,000	47,000	
Subventions & Grants	2,907,100	2,682,800	3,588,300	905,500	4,240,600	3,484,000	(756,600)
Motor Vehicle in-lieu (VLF)/VLF Swap	2,187,000	2,306,200	2,306,200		3,143,900	3,143,900	
Homeowners' Property Tax Relief	78,800	81,000	81,000		84,200	84,200	
Other in-lieu Taxes	47,100	48,900	48,900		50,900	50,900	
SB 90 Reimbursements			37,000	37,000			
Police Training (POST)	43,400	84,000	84,000		84,000	84,000	
Local Law Enforcement		100,000	100,000		100,000	100,000	
Mutual Aid Reimbursements	304,000						
Booking Fee Reimbursement	105,400						
State Repayment of VLF Gap Loan			756,600	756,600	756,600		(756,600)
Other State & Federal Grants	141,400	62,700	174,600	111,900	21,000	21,000	
Service Charges	4,333,700	5,576,600	5,277,300	(299,300)	6,175,300	6,030,700	(144,600)
<i>Police Services</i>							
Accident Reports	4,000	4,200	4,200		4,300	4,300	
Alarm Permits	108,300	116,900	116,900		119,800	119,800	
DUI Cost Recovery	7,500	5,400	5,400		5,600	5,600	

REVENUES BY MAJOR CATEGORY AND SOURCE

	2004-05 Actual	2005-06			2006-07		
		Original Budget	Revised Projection	Variance	Original Budget	Revised Projection	Variance
Second Response Fees		2,000	2,000		2,100	2,100	
Booking Fee Recovery	36,300	41,300	41,300		42,300	42,300	
Tobaco Permit Fees	12,900	13,200	13,200		13,600	13,600	
Other Police Services	24,400	28,200	28,200		28,800	28,800	
Vehicle Tow Release Fee	1,100	34,300	34,300		42,500	42,500	
Third False Alarm Fee		45,800	36,600	(9,200)	45,800	36,600	(9,200)
Property Damage Collision Report		82,300	15,000	(67,300)	82,300	15,000	(67,300)
Total Police Services	194,500	373,600	297,100	(76,500)	387,100	310,600	(76,500)
<i>Fire Services</i>							
Cal Poly Fire Services	199,800	200,000	200,000		200,000	200,000	
Medical Emergency Recovery	138,900	135,000	135,000		137,700	137,700	
Fire-safety/Haz Mat Permits	72,500	75,200	75,200		76,700	76,700	
CUPA Fees		68,000	68,000		69,400	69,400	
Multi-Dwelling Unit Inspections		370,400	302,300	(68,100)	370,400	302,300	(68,100)
Other Fire Services	12,700	10,000	10,000		10,200	10,200	
Total Fire Services	423,900	858,600	790,500	(68,100)	864,400	796,300	(68,100)
<i>Transportation</i>							
Maintenance of State Highways	28,100	25,000	25,000		25,000	25,000	
Zone 9 Reimbursements	87,600						
Total Transportation	115,700	25,000	25,000		25,000	25,000	
<i>Development Review</i>							
Planning & Zoning Fees	830,200	710,900	710,900		704,800	704,800	
Construction Plan Check & Inspections	1,023,700	1,500,000	1,131,600	(368,400)	1,485,000	1,485,000	
Infrastructure Plan Check & Inspections	404,000	185,000	398,700	213,700	185,000	185,000	
Encroachment Permits	130,600	165,000	165,000		165,000	165,000	
Fire Plan Check & Inspections	125,400	120,000	120,000		120,000	120,000	
Total Development Review	2,513,900	2,680,900	2,526,200	(154,700)	2,659,800	2,659,800	

REVENUES BY MAJOR CATEGORY AND SOURCE

	2004-05 Actual	2005-06			2006-07		
		Original Budget	Revised Projection	Variance	Original Budget	Revised Projection	Variance
<i>Parks & Recreation</i>							
Adult Athletic Fees	103,400	107,800	107,800		122,500	122,500	
Youth Athletic Fees	20,800	24,500	24,500		25,000	25,000	
Instruction Fees	72,100	100,000	100,000		102,000	102,000	
Special Event Fees	73,300	75,500	75,500		77,000	77,000	
Rental & Use Fees	100,900	88,500	88,500		90,300	90,300	
Childrens' Services	452,600	561,500	561,500		572,000	572,000	
Teens & Seniors	19,300	21,000	21,000		21,400	21,400	
Aquatics	134,600	163,400	163,400		186,700	186,700	
Other Recreation Revenues	13,800	64,800	64,800		65,000	65,000	
Total Parks & Recreation	990,800	1,207,000	1,207,000		1,261,900	1,261,900	
Margarita Area Park Reimbursements					650,000	650,000	
Airport Ares Specific Plan Reimbursements		323,800	323,800				
<i>General Government</i>							
Business License		48,100	48,100		265,100	265,100	
Sales of Publications	32,000	36,400	36,400		37,900	37,900	
CCCSIF Reimbursements	10,100						
Other Service Charges	52,800	23,200	23,200		24,100	24,100	
Total General Government	94,900	107,700	107,700		327,100	327,100	
Other Revenues	141,900	75,000	75,000		75,000	75,000	
Insurance Refunds	9,200						
Sale of Surplus Property	29,900						
Other Revenues	102,800	75,000	75,000		75,000	75,000	
TOTAL GENERAL FUND	\$38,325,500	\$40,478,400	\$41,459,100	\$980,700	\$43,969,900	\$43,499,800	(\$470,100)

REVENUES BY MAJOR CATEGORY AND SOURCE

	2004-05 Actual	2005-06			2006-07		
		Original Budget	Revised Projection	Variance	Original Budget	Revised Projection	Variance
SPECIAL REVENUE FUNDS							
Downtown Association							
Investment and Property Revenues	3,400	4,000	4,000		4,000	4,000	
Service Charges	430,100	414,700	438,700	24,000	427,600	427,600	
Total Downtown Association Fund	\$433,500	418,700	442,700	24,000	431,600	431,600	
Community Development Block Grant							
Subventions and Grants	\$920,300	718,800	1,369,400	650,600	438,200	645,900	207,700
Gas Tax Fund							
Subventions and Grants	\$875,100	800,000	800,000		824,000	824,000	
Transportation Development Act Fund							
Subventions and Grants	\$32,900	20,000	20,000		20,600	20,600	
Law Enforcement Grant Fund							
Investment and Property Revenues	2,500	10,000	3,000	(7,000)	10,000	3,100	(6,900)
Service Charges	10,800	10,600	10,600		10,600	10,600	
Total Law Enforcement Grant Fund	\$13,300	\$20,600	\$13,600	(\$7,000)	20,600	13,700	(6,900)
Public Art (Private Sector Contributions) Fund							
Investment and Property Revenues	1,200		3,000	3,000		3,100	3,100
Service Charges	500	50,000	60,000	10,000	51,500	51,500	
Other Revenues	69,600						
Total Public Art Fund	\$71,300	\$50,000	\$63,000	\$13,000	51,500	54,600	3,100

REVENUES BY MAJOR CATEGORY AND SOURCE

	2004-05 Actual	2005-06			2006-07		
		Original Budget	Revised Projection	Variance	Original Budget	Revised Projection	Variance
CAPITAL PROJECT FUNDS							
Capital Outlay Fund							
Subventions and Grants							
<i>State of California</i>							
Surface Transportation (STIP/SLTPP)			992,500	992,500			
Traffic Safety Grant			40,000	40,000			
State SHA Grant		479,000	1,203,900	724,900			
Other State Grants	108,000	44,000	630,100	586,100			
<i>Federal Government</i>							
Transportation enhancement (TEA)	187,900		222,500	222,500			
Highway and Bridge Rehabilitation and Replacement (HBRR)	2,627,200		3,071,500	3,071,500			
Other Federal Grants	248,700		729,700	729,700			
Contributions			76,000	76,000			
Total Capital Outlay Fund	\$3,171,800	523,000	6,966,200	6,443,200			
Parkland Development Fund							
Investment and Property Revenues	9,500	7,000	14,000	7,000	7,200	14,400	7,200
Subventions and Grants	78,200		137,500	137,500			
Service Charges							
Park in-lieu Fees	325,300	25,000	55,000	30,000	25,800	25,800	
Dwelling Unit Fees	14,800	10,000	10,000		10,300	10,300	
Total Parkland Development Fund	\$427,800	42,000	216,500	174,500	43,300	50,500	7,200
Transportation Impact Fee Fund							
Investment and Property Revenues	44,900	31,800	50,000	18,200	32,800	40,000	7,200
Subventions and Grants	65,000	1,138,800	1,557,100	418,300	325,000	325,000	
Service Charges	521,000	450,000	450,000		450,000	450,900	
Other Revenue			100,000	100,000			
Total Transportation Impact Fee Fund	\$630,900	1,620,600	2,157,100	536,500	807,800	815,900	8,100

REVENUES BY MAJOR CATEGORY AND SOURCE

	2004-05 Actual	2005-06			2006-07		
		Original Budget	Revised Projection	Variance	Original Budget	Revised Projection	Variance
Fleet Replacement Fund							
Investment and Property Revenues	21,900	12,000	25,000	13,000	12,400	25,000	12,600
Other Revenue	11,200	20,000	20,000		20,600	20,600	
Total Fleet Replacement Fund	\$33,100	32,000	45,000	13,000	33,000	45,600	12,600
Open Space Protection Fund							
Investment and Property Revenues	12,300	7,500	15,000	7,500	7,700	15,000	7,300
Subventions and Grants		125,000	5,680,000	5,555,000	125,000	125,000	
Total Open Space Protection Fund	\$12,300	132,500	5,695,000	5,562,500	132,700	140,000	7,300
Airport Area Impact Fee Fund							
Investment and Property Revenues	13,500	8,700	15,000	6,300	9,000	15,000	6,000
Service Charges		29,800	165,300	135,500	30,700	30,700	
Total Airport Area Impact Fee Fund	\$13,500	38,500	180,300	141,800	39,700	45,700	6,000
Affordable Housing Fund							
Investment and Property Revenues	32,500	20,000	30,000	10,000	20,600	30,000	9,400
Service Charges	323,300	300,000	300,000		309,000	309,000	
Total Affordable Housing Fund	\$355,800	320,000	330,000	10,000	329,600	339,000	9,400
TOTAL-GOVERNMENTAL FUNDS	\$45,317,100	\$45,215,100	\$59,757,900	\$14,542,800	\$47,142,500	\$46,926,900	(\$215,600)

REVENUES BY MAJOR CATEGORY AND SOURCE

	2004-05 Actual	2005-06			2006-07		
		Original Budget	Revised Projection	Variance	Original Budget	Revised Projection	Variance
ENTERPRISE & AGENCY FUNDS							
Water Fund							
Investment and Property Revenues	324,900	77,600	250,000	172,400	67,000	150,000	83,000
Subventions & Grants	1,363,000		803,400	803,400			
Service Charges	9,197,100	10,103,200	10,103,200		10,819,200	10,819,200	
Other Revenue	17,700	15,500	15,500		16,000	16,000	
Total Water Fund	\$10,902,700	10,196,300	11,172,100	975,800	10,902,200	10,985,200	83,000
Sewer Fund							
Investment and Property Revenues	98,400	59,900	100,000	40,100	52,400	75,000	22,600
Subventions & Grants	3,000						
Service Charges	8,841,400	9,788,900	9,788,900		10,894,000	10,894,000	
Other Revenues	31,000	22,000	22,000		22,000	22,000	
Total Sewer Fund	\$8,973,800	9,870,800	9,910,900	40,100	10,968,400	10,991,000	22,600
Parking Fund							
Fines and Forfeitures	700,100	697,000	697,000		704,000	704,000	
Investment and Property Revenues	177,200	112,100	150,000	37,900	120,300	120,300	
Service Charges	3,000,600	2,641,500	2,641,500		2,710,400	2,710,400	
Other Revenues	18,800						
Total Parking Fund	\$3,896,700	3,450,600	3,488,500	37,900	3,534,700	3,534,700	
Transit Fund							
Investment and Property Revenues	6,000	2,600	7,500	4,900	2,600	5,000	2,400
Subventions and Grants	2,405,900	2,318,800	2,486,200	167,400	2,390,000	2,390,000	
Service Charges	429,400	499,800	499,800		514,800	514,800	
Other Revenues	5,600	2,000	2,000		2,000	2,000	
Total Transit Fund	\$2,846,900	2,823,200	2,995,500	172,300	2,909,400	2,911,800	2,400

REVENUES BY MAJOR CATEGORY AND SOURCE

	2004-05 Actual	2005-06			2006-07		
		Original Budget	Revised Projection	Variance	Original Budget	Revised Projection	Variance
Golf Fund							
Investment and Property Revenues	2,300	1,500	1,500		1,500	1,500	
Service Charges	288,800	302,600	302,600		302,600	302,600	
Other Revenues	26,000	25,000	25,000		25,000	25,000	
Total Golf Fund	\$317,100	329,100	329,100		329,100	329,100	
Whale Rock Commission							
Investment and Property Revenues	18,700	10,000	20,000	10,000	12,000	20,000	8,000
Service Charges	918,100	799,700	799,700		793,300	793,300	
Other Revenues	2,900						
Total Whale Rock Commission Fund	\$939,700	809,700	819,700	10,000	805,300	813,300	8,000
Total Enterprise & Agency Funds	\$27,876,900	\$27,479,700	\$28,715,800	\$1,236,100	\$29,449,100	\$29,565,100	\$116,000
TOTAL - ALL FUNDS	\$73,194,000	\$72,694,800	\$88,473,700	\$15,778,900	\$76,591,600	\$76,492,000	(\$99,600)

OPERATING PROGRAMS

ALL FUNDS COMBINED

	Original Budget	Budget Changes To-Date		Mid-Year Budget Changes		Revised Budget
		Carryovers & Encumbrances	Other Changes	Mid-Year Requests	Other Changes	
2005-06						
General Fund						
Public Safety	19,298,300	137,600	241,200			19,677,100
Transportation	2,196,600	45,900	7,800			2,250,300
Leisure, Cultural & Social Services	5,818,500	30,600	25,500			5,874,600
Community Development	4,824,600	145,800	145,500			5,115,900
General Government	9,398,300	95,600	122,300			9,616,200
Total General Fund	41,536,300	455,500	542,300			42,534,100
Downtown Association Fund	443,600		24,000			467,600
Community Development Block Grant Fund	237,500	34,500				272,000
Water Fund	4,833,700	141,600	29,400	6,600		5,011,300
Sewer Fund	4,667,200	376,200	4,400	156,000		5,203,800
Parking Fund	1,548,000	2,100	21,700			1,571,800
Transit fund	1,914,100	12,800	4,900			1,931,800
Golf Fund	424,200	11,600	5,100			440,900
Whale Rock Fund	709,600	17,600	8,300			735,500
Total - All Funds Combined	\$56,314,200	\$1,051,900	\$640,100	\$162,600		\$58,168,800

SUMMARY OF BUDGET CHANGES TO-DATE: 2005-06

	Council/CAO Approval Date	Budget Change	Revenue or Transfer Offsets	Net Change
General Fund				
MOA Adjustments	Various	244,200	244,200	-
GFOA support for satellite training	12/20/2005	100	100	-
Recovery of damage to city property	various	5,500	5,500	-
Broad Street Corridor study grant - Cal Trans	7/5/2005	130,000	110,000	20,000
Swim center furnace replacement	11/17/2005	5,900	5,900	-
Public Safety Grants for Vests, CERT, ABC Program	various	5,900	5,900	-
Reimbursement for repair of OES assigned fire engine	12/28/2005	1,900	1,900	-
Janitorial service contract increase	11/1/2005	15,200		15,200
Grant for CERT course	10/31/2005	1,000	1,000	-
Reimbursement for fire badges	7/13/2005	100	100	-
Public education and community outreach	7/19/2005	132,500		132,500
Total General Fund		542,300	374,600	167,700

OPERATING PROGRAMS

ALL FUNDS COMBINED

SUMMARY OF BUDGET CHANGES TO-DATE: 2005-06

	Council/CAO Approval Date	Budget Change	Revenue Or Transfer Offsets	Net Change
Downtown Association				
Adjust various revenue and expenditure accounts to actual	12/31/05	24,000	24,000	-
Water Fund				
Transfer from capital for HDR agreement	12/5/2005	25,000	25,000	-
MOA Adjustments		4,400	4,400	-
Total		29,400	29,400	-
Sewer Fund				
MOA Adjustments		4,400	4,400	-
Total		4,400	4,400	-
Parking Fund				
Landscape maintenance services increase	11/1/2005	8,500		8,500
Transfer from capital for emergency repair work at garage	10/13/2005	12,200	12,200	-
MOA Adjustments		1,000	1,000	-
Total		21,700	13,200	8,500
Transit Fund				
Transit fare media	8/16/2005	4,500		4,500
MOA Adjustments		400	400	-
Total		4,900	400	4,500
Golf Fund				
Transfer from capital for utility cart		4,700	4,700	-
MOA Adjustments		400	400	-
Total		5,100	5,100	-
Whale Rock Fund				
MOA Adjustments		600	600	-
Transfer from capital for floating fish trap nets	8/9/2005	7,700	7,700	-
Total		8,300	8,300	-
TOTAL		\$640,100	\$459,400	\$180,700

OPERATING PROGRAMS

ALL FUNDS COMBINED

	Original Budget	Budget Changes To-Date		Mid-Year Budget Changes		Revised Budget
		Carryovers & Encumbrances	Other Changes	Mid-Year Requests	Other Changes	
2006-07						
General Fund						
Public Safety	19,602,900					19,602,900
Transportation	2,214,900					2,214,900
Leisure, Cultural & Social Services	5,897,200					5,897,200
Community Development	4,805,000					4,805,000
General Government	9,563,700		3,000			9,566,700
Total General Fund	42,083,700		3,000			42,086,700
Downtown Association Fund	431,700					431,700
Community Development Block Grant Fund	240,000					240,000
Water Fund	4,924,100					4,924,100
Sewer Fund	4,692,400			38,000		4,730,400
Parking Fund	1,567,500					1,567,500
Transit Fund	2,071,700					2,071,700
Golf Fund	416,400					416,400
Whale Rock Fund	717,300					717,300
Total - All Funds Combined	\$57,144,800		\$3,000	\$38,000		\$57,185,800

SUMMARY OF BUDGET CHANGES TO-DATE: 2006-07

	Council/CAO Approval Date	Budget Change	Revenue Or Transfer Offsets	Net Change
General Fund				
Election campaign regulations	11/1/2005	3,000		3,000
Total General Fund		3,000		3,000

CAPITAL IMPROVEMENT PLAN

ALL FUNDS COMBINED

	Budget Changes-to-Date			Mid-Year Budget Changes		Revised
	Original Budget	Encumbrances/ Carryovers	Other Budget Changes	Mid-Year Requests	Other Changes	
2005-06						
Capital Outlay	2,656,300	21,954,300	402,000	172,500		25,185,100
Affordable Housing	109,900					109,900
Fleet Replacement	259,500	82,400				341,900
Community Development Block Grant	481,300	620,800				1,102,100
Airport Area Impact Fee	25,000					25,000
Transportation Impact Fee	1,518,900	1,974,600	143,000	63,000		3,699,500
Law Enforcement Grant		25,800				25,800
Public Art (Private Sector Contributions)		49,500	20,000			69,500
Parkland Development		251,300				251,300
Proposition 42				186,000		186,000
Open Space Protection	150,000	6,076,500				6,226,500
Water	2,588,600	14,833,000	(25,000)			17,396,600
Sewer	1,696,400	9,474,700		30,100		11,201,200
Parking	33,400	10,903,300	(12,200)			10,924,500
Transit	647,700	189,300				837,000
Golf	50,700	40,200	(4,700)	18,000		104,200
Whale Rock		230,600	(7,700)			222,900
TOTAL	\$10,217,700	\$66,706,300	\$515,400	\$469,600		\$77,909,000

SUMMARY OF BUDGET CHANGES TO-DATE AND OTHER MID-YEAR CHANGES: 2005-06

	Council/CAO Approval Date	Changes To-Date	Revenue or Other Source Offset	Other Mid-Year Changes	Net Change
Capital Outlay Fund		402,000	407,900		(5,900)
Use of completed projects for swim center furnace	11/17/05	(5,900)			(5,900)
Foothill bridge	12/06/05	68,000	68,000		
919 Palm	08/16/05	160,000	160,000		
LOVR medians	11/15/05	150,000	150,000		
Ramona pedestrian crosswalk	08/16/05	29,900	29,900		
Public Art (Private Sector Contributions)		20,000	10,000		10,000
Beeson public art project	10/04/05	20,000	10,000		10,000
Transportation Impact Fee Fund		143,000			143,000
LOVR Hwy 101 interchange	11/1/05	143,000			143,000

CAPITAL IMPROVEMENT PLAN

ALL FUNDS COMBINED

SUMMARY OF BUDGET CHANGES TO-DATE AND OTHER MID-YEAR CHANGES: 2005-06

	Council/CAO Approval Date	Changes To-Date	Revenue or Other Source Offset	Other Mid-Year Changes	Net Change
Water Fund		(25,000)			(25,000)
Transfer to operating for HDR agreement	12/5/05	(25,000)			(25,000)
Whale Rock Fund		(7,700)			(7,700)
Transfer to operating for floating fish trap nets	8/9/2005	(7,700)			(7,700)
Parking Fund		(12,200)			(12,200)
Transfer to operating for emergency repair work	10/13/2005	(12,200)			(12,200)
Golf Fund		(4,700)			(4,700)
Transfer to operating for utility cart	10/24/2005	(4,700)			(4,700)
Total 2005-06 Adjustments		\$515,400	\$417,900		(\$45,500)

	Original Budget	Budget Changes-to-Date		Mid-Year Budget Changes		Revised
		Encumbrances/ Carryovers	Other Budget Changes	Mid-Year Requests	Other Changes	
2006-07						
Capital Outlay	1,462,800					1,462,800
Parkland Development						
Fleet Replacement	272,100					272,100
Community Development Block Grant	169,800					169,800
Airport Area Impact Fee	350,000					350,000
Transportation Impact Fee	1,270,700					1,270,700
Open Space Protection	150,000					150,000
Water	2,698,300					2,698,300
Sewer	2,930,700					2,930,700
Parking	1,200,000					1,200,000
Transit	350,000					350,000
Golf						
Whale Rock						
Total	\$10,854,400					\$10,854,400

INTERFUND TRANSACTIONS

OPERATING TRANSFERS

	2004-05		2005-06		2006-07		
	Actual	Original Budget	Revised	Variance	Original Budget	Revised	Variance
General Fund							
Operating Transfers In							
Gas Tax Fund	875,100	800,000	800,000	-	824,000	824,000	-
TDA Fund	32,900	20,000	20,000	-	20,600	20,600	-
Total operating transfers in	<u>908,000</u>	<u>820,000</u>	<u>820,000</u>	<u>-</u>	<u>844,600</u>	<u>844,600</u>	<u>-</u>
Operating Transfers Out							
Downtown Association Fund		(25,000)	(25,000)	-			
Community Development Block Grant		(30,200)	(30,200)	-			
Law Enforcement Grants Fund				-			
Capital Outlay Fund	(1,707,100)	(2,133,300)	(2,299,900)	(166,600)	(1,462,800)	(1,462,800)	-
Open Space Protection Fund	(100,000)	(25,000)	(25,000)	-	(25,000)	(25,000)	-
Fleet Replacement Fund	(458,700)	(483,800)	(483,800)	-	(498,300)	(498,300)	-
Debt Service Fund	(1,672,600)	(1,769,100)	(1,769,100)	-	(2,257,600)	(2,257,600)	-
Golf Fund	(176,900)	(259,900)	(297,600)	(37,700)	(207,500)	(215,800)	(8,300)
Total operating transfers out	<u>(4,115,300)</u>	<u>(4,726,300)</u>	<u>(4,930,600)</u>	<u>(204,300)</u>	<u>(4,451,200)</u>	<u>(4,459,500)</u>	<u>(8,300)</u>
Total Operating Transfers	(3,207,300)	(3,906,300)	(4,110,600)	(204,300)	(3,606,600)	(3,614,900)	(8,300)
Downtown Association Fund							
Operating Transfer In							
General Fund		25,000	25,000	-			
Total operating transfers in	<u>-</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Community Development Block Grant Fund							
Operating Transfer In							
General Fund		30,200	30,200	-			
Total operating transfers in	<u>-</u>	<u>30,200</u>	<u>30,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Gas Tax Fund							
Operating Transfer Out							
General Fund	(875,100)	(800,000)	(800,000)	-	(824,000)	(824,000)	-
Capital Outlay Fund				-			
Total operating transfers out	<u>(875,100)</u>	<u>(800,000)</u>	<u>(800,000)</u>	<u>-</u>	<u>(824,000)</u>	<u>(824,000)</u>	<u>-</u>

INTERFUND TRANSACTIONS

OPERATING TRANSFERS

	2004-05	2005-06			2006-07		
	Actual	Original Budget	Revised	Variance	Original Budget	Revised	Variance
Transportation Development Act Fund							
Operating Transfer Out							
General Fund	(32,900)	(20,000)	(20,000)	-	(20,600)	(20,600)	-
Public Art (Private Sector Contributions) Fund							
Operating Transfer In							
Capital Outlay	46,300	-	-	-	-	-	-
Capital Outlay Fund							
Operating Transfer In							
General Fund	1,707,100	2,133,300	2,299,900	166,600	1,462,800	1,462,800	-
Operating Transfer Out							
Public Art Fund	(46,300)						
Total operating transfers	<u>1,660,800</u>	<u>2,133,300</u>	<u>2,299,900</u>	<u>166,600</u>	<u>1,462,800</u>	<u>1,462,800</u>	<u>-</u>
Open Space Protection Fund							
Operating Transfer In							
General Fund	100,000	25,000	25,000	-	25,000	25,000	-
Fleet Replacement Fund							
Operating Transfers In							
General Fund	458,700	483,800	483,800	-	498,300	498,300	-
Debt Service Fund							
Operating Transfer In							
General Fund	1,672,600	1,769,100	1,769,100	-	2,257,600	2,257,600	-
Golf Course Fund							
Operating Transfer In							
General fund	176,900	259,900	297,600	37,700	207,500	215,800	8,300
NET OPERATING TRANSFERS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

INTERFUND TRANSACTIONS

REIMBURSEMENT TRANSFERS

	2004-05		2005-06		2006-07		
	Actual	Original Budget	Revised	Variance	Original Budget	Revised	Variance
General Fund	(3,430,400)	(3,484,400)	(3,594,700)	(110,300)	(3,535,800)	(3,687,200)	(151,400)
Community Development Block Grant Fund	54,300	30,200	25,500	(4,700)	28,000	28,800	800.00
Enterprise and Agency Funds							
Water	1,313,100	1,281,300	1,446,700	165,400	1,279,000	1,482,900	203,900
Sewer	1,109,200	1,195,100	1,213,400	18,300	1,241,300	1,243,700	2,400
Parking	426,200	466,900	418,800	(48,100)	478,500	429,300	(49,200)
Transit	294,400	301,800	280,800	(21,000)	309,300	287,800	(21,500)
Golf	106,300	109,000	117,100	8,100	111,700	120,000	8,300
Whale Rock Commission	126,900	100,100	92,400	(7,700)	88,000	94,700	6,700
Total Enterprise and Agency Funds	3,376,100	3,454,200	3,569,200	115,000	3,507,800	3,658,400	150,600
NET REIMBURSEMENT TRANSFERS	\$0	\$0	\$0	\$0	\$0	\$0	\$0

CHANGES IN FINANCIAL POSITION

ALL FUNDS COMBINED

	2004-05		2005-06			2006-07		
	Actual	Original Budget	Revised Projection	Variance	Original Budget	Revised Projection	Variance	
Revenues								
Tax Revenues	30,241,000	31,622,000	31,996,500	374,500	32,953,400	33,384,500	431,100	
Fines and Forfeitures	943,600	947,000	947,000		957,600	957,600		
Investment and Property Revenues	1,227,500	636,700	960,000	323,300	631,500	793,400	161,900	
Subventions and Grants	11,822,300	8,327,200	23,332,100	15,004,900	8,363,400	7,814,500	(548,900)	
Service Charges								
Governmental Funds	6,029,000	6,866,700	6,866,900	200	7,490,800	7,347,100	(143,700)	
Enterprise Funds	21,757,300	23,336,000	23,336,000		25,241,000	25,241,000		
Trust and Agency Revenues	921,000	799,700	799,700		793,300	793,300		
Other Revenues	252,300	159,500	235,500	76,000	160,600	160,600		
Total Revenues	73,194,000	72,694,800	88,473,700	15,778,900	76,591,600	76,492,000	(99,600)	
Expenditures								
Operating Programs								
Public Safety	17,824,200	19,298,300	19,677,100	(378,800)	19,602,900	19,602,900		
Public Utilities	9,763,500	10,210,500	10,950,600	(740,100)	10,333,800	10,371,800	(38,000)	
Transportation	4,947,400	5,658,700	5,753,900	(95,200)	5,854,100	5,854,100		
Leisure, Cultural, & Social Services	5,767,200	6,480,200	6,587,500	(107,300)	6,554,000	6,554,000		
Community Development	4,815,400	5,268,200	5,583,500	(315,300)	5,236,300	5,236,300		
General Government	8,263,200	9,398,300	9,616,200	(217,900)	9,563,700	9,566,700	(3,000)	
Total Operating Programs	51,380,900	56,314,200	58,168,800	(1,854,600)	57,144,800	57,185,800	(41,000)	
Capital Improvement Plan	17,985,600	10,217,700	77,909,000	(67,691,300)	10,854,400	10,854,400		
Debt Service	6,552,900	7,815,700	7,815,700		8,706,100	8,706,100		
Total Expenditures	75,919,400	74,347,600	143,893,500	(69,545,900)	76,705,300	76,746,300	(41,000)	
Other Sources (Uses)								
Operating Transfers In	5,023,300	5,546,300	5,750,600	204,300	5,295,800	5,304,100	8,300	
Operating Transfers Out	(5,023,300)	(5,546,300)	(5,750,600)	(204,300)	(5,295,800)	(5,304,100)	(8,300)	
Proceeds from Debt Financings	3,429,500		36,370,900	36,370,900	1,100,000	1,100,000		
Other Revenue Sources			312,000	312,000				
Potential MOA Adjustments	(64,900)	(814,900)	(559,500)	255,400	(1,522,000)	(1,522,000)		
Expenditure Savings		380,500	379,000	(1,500)	385,500	385,500		
Total Other Sources (Uses)	3,364,600	(434,400)	36,502,400	(36,936,800)	(36,500)	(36,500)		
Revenues and Other Sources Over (Under) Expenditures and Other Uses	639,200	(2,087,200)	(18,917,400)	(16,830,200)	(150,200)	(290,800)	(140,600)	
Fund Balance/Working Capital								
Beginning of Year	41,208,500	21,704,800	41,847,700	20,142,900	19,929,600	22,930,300	3,000,700	
End of Year								
Reserved for Debt Service	1,185,000	1,568,500	1,185,000	(383,500)	1,568,500	1,185,000	(383,500)	
Unreserved	40,662,700	18,049,100	21,745,300	3,696,200	18,210,900	21,454,500	3,243,600	
Total Fund Balance	\$41,847,700	\$19,617,600	\$22,930,300	3,312,700	\$19,779,400	\$22,639,500	\$2,860,100	

CHANGES IN FINANCIAL POSITION

ALL GOVERNMENTAL FUNDS

	2004-05		2005-06		2006-07		
	Actual	Original Budget	Revised Projection	Variance	Original Budget	Revised Projection	Variance
Revenues							
Tax Revenues	30,241,000	31,622,000	31,996,500	374,500	32,953,400	33,384,500	431,100
Fines and Forfeitures	243,500	250,000	250,000		253,600	253,600	
Investment and Property Revenues	600,000	373,000	431,000	58,000	375,700	421,600	45,900
Subventions and Grants	8,050,400	6,008,400	20,042,500	14,034,100	5,973,400	5,424,500	(548,900)
Service Charges	6,029,000	6,866,700	6,866,900	200	7,490,800	7,347,100	(144,600)
Other Revenues	153,200	95,000	171,000	76,000	95,600	95,600	
Total Revenues	45,317,100	45,215,100	59,757,900	14,542,800	47,142,500	46,926,900	(216,500)
Expenditures							
Operating Programs							
Public Safety	17,824,200	19,298,300	19,677,100	(378,800)	19,602,900	19,602,900	
Transportation	2,020,300	2,196,600	2,250,300	(53,700)	2,214,900	2,214,900	
Leisure, Cultural, & Social Services	5,375,800	6,056,000	6,146,600	(90,600)	6,137,600	6,137,600	
Community Development	4,815,400	5,268,200	5,583,500	(315,300)	5,236,300	5,236,300	
General Government	8,263,200	9,398,300	9,616,200	(217,900)	9,563,700	9,566,700	(3,000)
Total Operating Programs	38,298,900	42,217,400	43,273,700	(1,056,300)	42,755,400	42,758,400	(3,000)
Reimbursed Expenditures	(3,376,100)	(3,454,200)	(3,569,200)	115,000	(3,507,800)	(3,659,200)	151,400
Total Operating Expenditures	34,922,800	38,763,200	39,704,500	(941,300)	39,247,600	39,099,200	148,400
Capital Improvement Plan	9,143,000	5,200,900	37,222,600	(32,021,700)	3,675,400	3,675,400	
Debt Service	2,001,500	1,769,100	1,769,100		2,257,600	2,257,600	
Total Expenditures	46,067,300	45,733,200	78,696,200	(32,963,000)	45,180,600	45,032,200	148,400
Other Sources (Uses)							
Operating Transfers In	4,846,400	5,286,400	5,453,000	166,600	5,088,300	5,088,300	
Operating Transfers Out	(5,023,300)	(5,546,300)	(5,750,600)	(204,300)	(5,295,800)	(5,304,100)	(8,300)
Proceeds from Debt Financings	(600)		13,081,400	13,081,400			
Potential MOA Adjustments		(723,400)	(479,200)	244,200	(1,347,600)	(1,347,600)	
Expenditure Savings/Other Sources (Uses)		380,500	379,000	(1,500)	385,500	385,500	
Total Other Sources (Uses)	(177,500)	(602,800)	12,683,600	13,286,400	(1,169,600)	(1,177,900)	(8,300)
Revenues and Other Sources Over (Under) Expenditures and Other Uses	(927,700)	(1,120,900)	(6,254,700)	(5,133,800)	792,300	716,800	(76,400)
Fund Balance, Beginning of Year	21,558,900	12,959,700	20,631,800	7,672,100	11,838,800	14,563,100	2,724,300
Fund Balance, End of Year							
Reserved for Debt Service	1,185,000	1,568,500	1,185,000	(383,500)	1,568,500	1,185,000	(383,500)
Unreserved	19,446,900	10,270,300	13,378,100	3,107,800	11,062,600	13,887,200	2,824,600
Total Fund Balance	\$20,631,200	\$11,838,800	\$14,377,100	\$2,538,300	\$12,631,100	\$15,279,900	\$2,648,800

CHANGES IN FINANCIAL POSITION

ALL ENTERPRISE AND AGENCY FUNDS COMBINED

	2004-05		2005-06		2006-07		
	Actual	Original Budget	Revised Projection	Variance	Original Budget	Revised Projection	Variance
Revenues							
Fines and Forfeitures	700,100	697,000	697,000		704,000	704,000	
Investment and Property Revenues	627,500	263,700	529,000	265,300	255,800	371,800	116,000
Subventions and Grants	3,771,900	2,318,800	3,289,600	970,800	2,390,000	2,390,000	
Service Charges	21,757,300	23,336,000	23,336,000		25,241,000	25,241,000	
Other Revenues	99,100	64,500	64,500		65,000	65,000	
Trust and Agency Revenues	921,000	799,700	799,700		793,300	793,300	
Total Revenues	27,876,900	27,479,700	28,715,800	1,236,100	29,449,100	29,565,100	116,000
Expenditures							
Operating Programs							
Public Utilities	9,763,500	10,210,500	10,950,600	(740,100)	10,333,800	10,371,800	(38,000)
Transportation	2,927,100	3,462,100	3,503,600	(41,500)	3,639,200	3,639,200	
Leisure, Cultural, & Social Services	391,400	424,200	440,900	(16,700)	416,400	416,400	
General Government	3,376,100	3,454,200	3,569,200	(115,000)	3,507,800	3,658,400	(150,600)
Total Operating Programs	16,458,100	17,551,000	18,464,300	(913,300)	17,897,200	18,085,800	(188,600)
Capital Projects	8,842,600	5,016,800	40,686,400	(35,669,600)	7,179,000	7,179,000	
Debt Service	4,551,400	6,046,600	6,046,600		6,448,500	6,448,500	
Total Expenditures	29,852,100	28,614,400	65,197,300	(36,582,900)	31,524,700	31,713,300	(188,600)
Other Sources (Uses)							
Operating Transfers In	176,900	259,900	297,600	37,700	207,500	215,800	8,300
Proceeds from Debt Financings	3,430,100		23,289,500	23,289,500	1,100,000	1,100,000	
Other Sources (Uses)		312,000	312,000				
Expenditure Savings							
Potential MOA Adjustments	(64,900)	(91,500)	(80,300)	11,200	(174,400)	(174,400)	
Total Other Sources (Uses)	3,542,100	480,400	23,818,800	23,338,400	1,133,100	1,141,400	8,300
Revenues and Other Sources Over (Under) Expenditures and Other Uses	1,566,900	(654,300)	(12,662,700)	(12,008,400)	(942,500)	(1,006,800)	(64,300)
Working Capital, Beginning of Year	19,649,600	8,745,100	22,393,200	13,648,100	8,090,800	9,730,500	1,639,700
Fund Balance, End of Year	\$21,216,500	\$8,090,800	\$9,730,500	\$1,639,700	\$7,148,300	\$8,723,700	\$1,575,400

CHANGES IN FINANCIAL POSITION

GENERAL FUND

	2004-05		2005-06		2006-07		
	Actual	Original Budget	Revised Projection	Variance	Original Budget	Revised Projection	Variance
Revenues							
Tax Revenues	30,241,000	31,622,000	31,996,500	374,500	32,953,400	33,384,500	431,100
Fines and Forfeitures	243,500	250,000	250,000		253,600	253,600	
Investment and Property Revenues	458,300	272,000	272,000		272,000	272,000	
Subventions and Grants	2,907,100	2,682,800	3,588,300	905,500	4,240,600	3,484,000	(756,600)
Service Charges	4,333,700	5,576,600	5,277,300	(299,300)	6,175,300	6,030,700	(144,600)
Other Revenues	141,900	75,000	75,000		75,000	75,000	
Total Revenues	38,325,500	40,478,400	41,459,100	980,700	43,969,900	43,499,800	(470,100)
Expenditures							
Public Safety	17,824,200	19,298,300	19,677,100	(378,800)	19,602,900	19,602,900	
Transportation	2,020,300	2,196,600	2,250,300	(53,700)	2,214,900	2,214,900	
Leisure, Cultural, and Social Services	5,145,400	5,818,500	5,874,600	(56,100)	5,897,200	5,897,200	
Community Development	4,360,000	4,824,600	5,115,900	(291,300)	4,804,600	4,804,600	
General Government	8,263,200	9,398,300	9,616,200	(217,900)	9,563,700	9,566,700	(3,000)
Total Program Expenditures	37,613,100	41,536,300	42,534,100	(997,800)	42,083,300	42,086,300	(3,000)
Reimbursed Expenditures	(3,430,400)	(3,484,400)	(3,594,700)	110,300	(3,535,800)	(3,687,200)	151,400
Total Expenditures	34,182,700	38,051,900	38,939,400	(887,500)	38,547,500	38,399,100	148,400
Other Sources (Uses)							
Operating Transfers In	908,000	820,000	820,000		844,600	844,600	
Operating Transfers Out	(4,115,300)	(4,726,300)	(4,930,600)	(204,300)	(4,451,200)	(4,459,500)	(8,300)
Expenditure Savings		380,500	380,500		385,500	385,500	
Potential MOA Adjustments		(723,400)	(479,200)	244,200	(1,347,600)	(1,347,600)	
Total Other Sources (Uses)	(3,207,300)	(4,249,200)	(4,209,300)	39,900	(4,568,700)	(4,577,000)	(8,300)
Revenues and Other Sources Over (Under) Expenditures and Other Uses	935,500	(1,822,700)	(1,689,600)	133,100	853,700	523,700	(330,000)
Fund Balance, Beginning of Year	8,807,700	6,967,300	9,743,100	2,775,800	5,144,600	8,053,500	2,908,900
Fund Balance, End of Year	\$9,743,200	\$5,144,600	\$8,053,500	\$2,908,900	\$5,998,300	\$8,577,200	\$2,578,900

CHANGES IN FINANCIAL POSITION

DOWNTOWN ASSOCIATION FUND

	2004-05	2005-06			2006-07		
	Actual	Original Budget	Revised Projection	Variance	Original Budget	Revised Projection	Variance
Revenues							
Investment and Property Revenues	3,400	4,000	4,000		4,000	4,000	
Service Charges	430,000	414,700	438,700	24,000	427,600	427,600	
Other Revenues	100						
Total Revenues	433,500	418,700	442,700	24,000	431,600	431,600	
Operating Expenditures							
Community Development	455,400	443,600	467,600	(24,000)	431,700	431,700	
Total Expenditures	455,400	443,600	467,600	(24,000)	431,700	431,700	
Other Sources (Uses)							
Operating Transfers In		25,000	25,000				
Revenues and Other Sources Over (Under) Expenditures and Other Uses	(21,900)	100	100		(100)	(100)	
Fund Balance, Beginning of Year	58,700	67,400	36,800	(30,600)	67,500	36,900	(30,600)
Fund Balance, End of Year	\$36,800	\$67,500	\$36,900	(\$30,600)	\$67,400	\$36,800	(\$30,600)

CHANGES IN FINANCIAL POSITION

GAS TAX FUND

	2004-05	2005-06			2006-07		
	Actual	Original Budget	Revised Projection	Variance	Original Budget	Revised Projection	Variance
Revenues							
Subventions and Grants							
Traffic Congestion							
Gasoline Tax	875,100	800,000	800,000		824,000	824,000	
Total Revenues	875,100	800,000	800,000		824,000	824,000	
Other Sources (Uses)							
Operating Transfers Out	(875,100)	(800,000)	(800,000)		(824,000)	(824,000)	
Revenues and Other Sources Over (Under) Expenditures and Other Uses							
Fund Balance, Beginning of Year							
Fund Balance, End of Year	\$ -	\$ -			\$ -		

CHANGES IN FINANCIAL POSITION

TRANSPORTATION DEVELOPMENT ACT FUND

	2004-05		2005-06		2006-07		
	Actual	Original Budget	Revised Projection	Variance	Original Budget	Revised Projection	Variance
Revenues							
Subventions and Grants							
TDA Revenues	32,900	20,000	20,000		20,600	20,600	
Total Revenues	32,900	20,000	20,000		20,600	20,600	
Other Sources (Uses)							
Operating Transfers Out	(32,900)	(20,000)	(20,000)		(20,600)	(20,600)	
Revenues and Other Sources Over (Under) Expenditures and Other Uses							
Fund Balance, Beginning of Year							
Fund Balance, End of Year	\$ -	\$ -			\$ -		

CHANGES IN FINANCIAL POSITION

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUND

	2004-05		2005-06		2006-07		
	Actual	Original Budget	Revised Projection	Variance	Original Budget	Revised Projection*	Variance
Revenues							
Subventions and Grants							
CDBG Allocation	920,300	718,800	1,369,400	650,600	438,200	645,900	207,700
State Grant Close-Out							
Total Revenues	920,300	718,800	1,369,400	650,600	438,200	645,900	207,700
Expenditures							
Operating Programs							
Leisure, Cultural, & Social Services	230,000	237,500	272,000	(34,500)	240,400	240,400	
General Government	54,300	30,200	25,500	4,700	28,000	28,000	
Total Operating Programs	284,300	267,700	297,500	(29,800)	268,400	268,400	
Capital Improvement Plan Projects	307,100	481,300	1,102,100	(620,800)	169,800	169,800	
Debt Service	328,900						
Total Expenditures	920,300	749,000	1,399,600	(650,600)	438,200	438,200	
Other Sources (Uses)							
Operating Transfer In		30,200	30,200				
Total Other Sources (Uses)		30,200	30,200				
Revenues and Other Sources Over (Under) Expenditures and Other Uses						207,700	207,700
Fund Balance, Beginning of Year							
Fund Balance, End of Year						\$207,700	\$207,700

* Preliminary estimate of revenue and expenditure activity for 2006-07. City Council will consider CDBG funding on March 7, 2006.

CHANGES IN FINANCIAL POSITION

LAW ENFORCEMENT GRANTS FUND

	2004-05		2005-06		2006-07		
	Actual	Original Budget	Revised Projection	Variance	Original Budget	Revised Projection	Variance
Revenues							
Investment and Property Revenues	2,500	10,000	3,000	(7,000)	10,000	3,100	(6,900)
Subventions and Grants							
Federal Grants							
State Grants							
Service Charges	10,800	10,600	10,600		10,600	10,600	
Total Revenues	13,300	20,600	13,600	(7,000)	20,600	13,700	(6,900)
Expenditures							
Operating Programs							
Public Safety							
Total Operating Programs							
Capital Improvement Plan Projects	5,500		25,800	(25,800)			
Total Expenditures	5,500		25,800	(25,800)			
Other Sources (Uses)							
Operating Transfer In							
Operating Transfer Out							
Total Other Sources (Uses)							
Revenues and Other Sources Over (Under) Expenditures and Other Uses	7,800	20,600	(12,200)	(32,800)	20,600	13,700	(6,900)
Fund Balance, Beginning of Year	107,000	96,200	114,800	18,600	116,800	102,600	(14,200)
Fund Balance, End of Year	\$ 114,800	\$ 116,800	\$102,600	(\$14,200)	\$137,400	\$116,300	(\$21,100)

CHANGES IN FINANCIAL POSITION

PUBLIC ART (PRIVATE SECTOR CONTRIBUTIONS) FUND

	2004-05	2005-06			2006-07		
	Actual	Original Budget	Revised Projection	Variance	Original Budget	Revised Projection	Variance
Revenues							
Investment and Property Revenues	1,200		3,000	3,000		3,100	3,100
Service Charges							
In-lieu Fees	69,600	50,000	60,000	10,000	51,500	51,500	
Damage to City property	500						
Total Revenues	71,300	50,000	63,000	13,000	51,500	54,600	3,100
Expenditures							
Operating Programs	400						
Capital Improvement Plan Projects	1,800		69,500	(69,500)			
Total Expenditures	2,200		69,500	(69,500)			
Other Sources (Uses)							
Operating Transfers In	46,300						
Total Other Sources (Uses)	46,300						
Revenues and Other Sources Over (Under) Expenditures and Other Uses	115,400	50,000	(6,500)	(56,500)	51,500	54,600	3,100
Fund Balance, Beginning of Year			115,400	115,400	50,000	108,900	58,900
Fund Balance, End of Year	\$115,400	\$50,000	\$108,900	\$58,900	\$101,500	\$163,500	\$62,000

CHANGES IN FINANCIAL POSITION

PROPOSITION 42 FUND

	2004-05	2005-06			2006-07		
	Actual	Original Budget	Revised Projection	Variance	Original Budget	Revised Projection	Variance
Revenues							
Investment and Property Revenues							
Subventions and Grants							
State Grants			186,000	186,000			
Total Revenues			186,000	186,000			
Expenditures							
Operating Programs							
Capital Improvement Plan Projects			186,000	(186,000)			
Total Expenditures			186,000	(186,000)			
Other Sources (Uses)							
Operating Transfers In							
Total Other Sources (Uses)							
Revenues and Other Sources Over (Under) Expenditures and Other Uses							
Fund Balance, Beginning of Year							
Fund Balance, End of Year							

CHANGES IN FINANCIAL POSITION

CAPITAL OUTLAY FUND

	2004-05	2005-06			2006-07		
	Actual	Original Budget	Revised Projection	Variance	Original Budget	Revised Projection	Variance
Revenues							
Subventions and Grants	3,171,800	523,000	6,890,200	6,367,200			
Service Charges							
Other Revenues			76,000	76,000			
Total Revenues	3,171,800	523,000	6,966,200	6,443,200			
Expenditures							
Capital Improvement Plan Projects	7,623,200	2,656,300	25,185,100	(22,528,800)	1,462,800	1,462,800	
Total Expenditures	7,623,200	2,656,300	25,185,100	(22,528,800)	1,462,800	1,462,800	
Other Sources (Uses)							
Operating Transfers In	1,707,100	2,133,300	2,299,900	166,600	1,462,800	1,462,800	
Operating Transfers Out	(46,300)						
Other Sources (Uses)			(1,500)	(1,500)			
Proceeds from Debt Financing	100		13,081,400	13,081,400			
Total Other Sources (Uses)	1,660,900	2,133,300	15,379,800	13,246,500	1,462,800	1,462,800	
Revenues and Other Sources Over (Under) Expenditures and Other Uses	(2,790,500)		(2,839,100)	(2,839,100)			
Fund Balance, Beginning of Year	5,629,600		2,839,100	2,839,100			
Fund Balance, End of Year	\$2,839,100						

CHANGES IN FINANCIAL POSITION

PARKLAND DEVELOPMENT FUND

	2004-05	2005-06			2006-07		
	Actual	Original Budget	Revised Projection	Variance	Original Budget	Revised Projection	Variance
Revenues							
Investment and Property Revenue	9,500	7,000	14,000	7,000	7,200	14,400	7,200
Subventions and Grants	78,200		137,500	137,500			
Service Charges							
Park In-Lieu Fees	325,300	25,000	55,000	30,000	25,800	25,800	
Dwelling Unit Fees	14,800	10,000	10,000		10,300	10,300	
Other Revenue							
Total Revenues	427,800	42,000	216,500	174,500	43,300	50,500	7,200
Expenditures							
Capital Improvement Plan	219,800		251,300	(251,300)			
Total Expenditures	219,800		251,300	(251,300)			
Revenues and Other Sources Over (Under) Expenditures and Other Uses	208,000	42,000	(34,800)	(76,800)	43,300	50,500	7,200
Fund Balance, Beginning of Year	381,700	384,400	589,700	205,300	426,400	554,900	128,500
Fund Balance, End of Year	\$589,700	\$426,400	\$554,900	\$128,500	\$469,700	\$605,400	\$135,700

CHANGES IN FINANCIAL POSITION

TRANSPORTATION IMPACT FEE FUND

	2004-05		2005-06		2006-07		
	Actual	Original Budget	Revised Projection	Variance	Original Budget	Revised Projection	Variance
Revenues							
Investment and Property Revenue	44,900	31,800	50,000	18,200	32,800	40,000	7,200
Subventions and Grants	65,000	1,138,800	1,557,100	418,300	325,000	325,000	
Service Charges	521,000	450,000	450,000		450,000	450,900	900
Other Revenue			100,000	100,000			
Total Revenues	630,900	1,620,600	2,157,100	536,500	807,800	815,900	8,100
Expenditures							
Capital Improvement Plan Projects	873,100	1,518,900	3,699,500	(2,180,600)	1,270,700	1,270,700	
Total Expenditures	873,100	1,518,900	3,699,500	(2,180,600)	1,270,700	1,270,700	
Other Sources (Uses)							
Operating Transfers Out							
Revenues and Other Sources Over (Under) Expenditures and Other Uses	(242,200)	101,700	(1,542,400)	(1,644,100)	(462,900)	(454,800)	8,100
Fund Balance, Beginning of Year	2,239,400	504,900	1,997,200	1,492,300	606,600	454,800	(151,800)
Fund Balance, End of Year	\$1,997,200	\$606,600	\$454,800	(\$151,800)	\$143,700		(\$143,700)

CHANGES IN FINANCIAL POSITION

OPEN SPACE PROTECTION FUND

	2004-05	2005-06			2006-07		
	Actual	Original Budget	Revised Projection	Variance	Original Budget	Revised Projection	Variance
Revenues							
Investment and Property Revenue	12,300	7,500	15,000	7,500	7,700	15,000	7,300
Subventions and Grants		125,000	5,680,000	5,555,000	125,000	125,000	
Service Charges							
Other Revenues							
Total Revenues	12,300	132,500	5,695,000	5,562,500	132,700	140,000	7,300
Expenditures							
Capital Improvement Plan Projects	7,200	150,000	6,226,500	(6,076,500)	150,000	150,000	
Total Expenditures	7,200	150,000	6,226,500	(6,076,500)	150,000	150,000	
Other Sources (Uses)							
Operating Transfer in	100,000	25,000	25,000		25,000	25,000	
Revenues and Other Sources Over (Under) Expenditures and Other Uses	105,100	7,500	(506,500)	(514,000)	7,700	15,000	7,300
Fund Balance, Beginning of Year	507,300	88,600	612,400	523,800	96,100	105,900	9,800
Fund Balance, End of Year	\$612,400	\$96,100	\$105,900	\$9,800	\$103,800	\$120,900	\$17,100

CHANGES IN FINANCIAL POSITION

AIRPORT AREA IMPACT FEE FUND

	2004-05	2005-06			2006-07		
	Actual	Original Budget	Revised Projection	Variance	Original Budget	Revised Projection	Variance
Revenues							
Investment and Property Revenues	13,500	8,700	15,000	6,300	9,000	15,000	6,000
Service Charges		29,800	165,300	135,500	30,700	30,700	
Total Revenues	13,500	38,500	180,300	141,800	39,700	45,700	6,000
Expenditures							
Capital Improvement Plan Projects		25,000	25,000		350,000	350,000	
Revenues and Other Sources Over (Under) Expenditures and Other Uses	13,500	13,500	155,300	141,800	(310,300)	(304,300)	6,000
Fund Balance, Beginning of Year	613,500	652,400	627,000	(25,400)	665,900	782,300	116,400
Fund Balance, End of Year	\$627,000	\$665,900	\$782,300	\$116,400	\$355,600	\$478,000	\$122,400

CHANGES IN FINANCIAL POSITION

AFFORDABLE HOUSING FUND

	2004-05	2005-06			2006-07		
	Actual	Original Budget	Revised Projection	Variance	Original Budget	Revised Projection	Variance
Revenues							
Investment and Property Revenues	32,500	20,000	30,000	10,000	20,600	30,000	9,400
Service Charges	323,300	300,000	300,000		309,000	309,000	
Total Revenues	355,800	320,000	330,000	10,000	329,600	339,000	9,400
Expenditures							
Capital Improvement Plan Projects	30,000	109,900	109,900				
Revenues and Other Sources Over (Under) Expenditures and Other Uses	325,800	210,100	220,100	10,000	329,600	339,000	9,400
Fund Balance, Beginning of Year	1,286,900	1,531,900	1,612,700	80,800	1,742,000	1,832,800	90,800
Fund Balance, End of Year	\$1,612,700	\$1,742,000	\$1,832,800	\$90,800	\$2,071,600	\$2,171,800	\$100,200

CHANGES IN FINANCIAL POSITION

FLEET REPLACEMENT FUND

	2004-05	2005-06			2006-07		
	Actual	Original Budget	Revised Projection	Variance	Original Budget	Revised Projection	Variance
Revenues							
Investment and Property Revenues	21,900	12,000	25,000	13,000	12,400	25,000	12,600
Service Charges							
Damage to City Property							
Other Revenues							
Sale of Surplus Property	11,200	20,000	20,000		20,600	20,600	
Total Revenues	33,100	32,000	45,000	13,000	33,000	45,600	12,600
Expenditures							
Capital Improvement Plan Projects	75,300	259,500	341,900	(82,400)	272,100	272,100	
Total Expenditures	75,300	259,500	341,900	(82,400)	272,100	272,100	
Other Sources (Uses)							
Operating Transfers In							
General Fund	458,700	483,800	483,800		498,300	498,300	
Total Other Sources (Uses)	458,700	483,800	483,800		498,300	498,300	
Revenues and Other Sources Over (Under) Expenditures and Other Uses	416,500	256,300	186,900	(69,400)	259,200	271,800	12,600
Fund Balance, Beginning of Year	742,100	1,098,100	1,158,600	60,500	1,354,400	1,345,500	(8,900)
Fund Balance, End of Year	\$1,158,600	\$1,354,400	\$1,345,500	(\$8,900)	\$1,613,600	\$1,617,300	\$3,700

CHANGES IN FINANCIAL POSITION

DEBT SERVICE FUND

	2004-05		2005-06		2006-07		
	Actual	Original Budget	Revised Projection	Variance	Original Budget	Revised Projection	Variance
Expenditures							
Debt Service							
1994 Refunding Revenue Bonds							
1996 Financing Issue	521,700	467,700	467,700		471,000	471,000	
2001 Refunding Revenue Bonds	800,700	801,000	801,000		801,100	801,100	
2004 Refunding Revenue Bonds	293,700	294,900	294,900		294,200	294,200	
919 Palm Street		149,000	149,000		451,600	451,600	
Dispatch Upgrade					47,900	47,900	
Radio System Upgrade					135,100	135,100	
Energy Conservation Lease	56,500	56,500	56,500		56,700	56,700	
Total Expenditures	1,672,600	1,769,100	1,769,100		2,257,600	2,257,600	
Other Sources (Uses)							
Cost of Debt Issuance	(700)						
Operating Transfers In	1,672,600	1,769,100	1,769,100		2,257,600	2,257,600	
Total Other Sources (Uses)	1,671,900	1,769,100	1,769,100		2,257,600	2,257,600	
Revenues and Other Sources Over (Under) Expenditures and Other Uses							
	(700)						
Fund Balance, Beginning of Year	1,185,700	1,568,500	1,185,000	(383,500)	1,568,500	1,185,000	(383,500)
Fund Balance, End of Year							
Reserved for Debt Service	1,185,000	1,568,500	1,185,000	(383,500)	1,568,500	1,185,000	(383,500)
Unreserved							
Total Fund Balance	\$1,185,000	\$1,568,500	\$1,185,000	(\$383,500)	\$1,568,500	\$1,185,000	(\$383,500)

CHANGES IN FINANCIAL POSITION

WATER FUND

	2004-05		2005-06		2006-07		
	Actual	Original Budget	Revised Projection	Variance	Original Budget	Revised Projection	Variance
Revenues							
Investment and Property Revenues	324,900	77,600	250,000	172,400	67,000	150,000	83,000
Subventions and Grants	1,363,000		803,400	803,400			
Service Charges							
Water Sales							
Water Service Charges	7,650,000	8,358,700	8,358,700		9,027,400	9,027,400	
Sales to Cal Poly	471,200	499,000	499,000		499,000	499,000	
Development Impact Fees	820,200	974,700	974,700		1,013,900	1,013,900	
Connection Charges and Meter Sales	18,100	23,200	23,200		23,900	23,900	
Account Set-up Fee	119,400	133,400	133,400		137,400	137,400	
Other Service Charges	118,200	114,200	114,200		117,600	117,600	
Other Revenues	17,700	15,500	15,500		16,000	16,000	
Total Revenues	10,902,700	10,196,300	11,172,100	975,800	10,902,200	10,985,200	83,000
Expenditures							
Operating Programs							
Public Utilities	4,475,500	4,833,700	5,011,300	(177,600)	4,924,100	4,924,100	
General Government	1,313,100	1,281,300	1,446,700	(165,400)	1,279,000	1,482,900	(203,900)
Total Operating Programs	5,788,600	6,115,000	6,458,000	(343,000)	6,203,100	6,407,000	(203,900)
Capital Improvement Plan Projects	5,990,200	2,588,600	17,396,600	(14,808,000)	2,698,300	2,698,300	
Debt Service	1,259,400	2,132,800	2,132,800		2,151,300	2,151,300	
Total Expenditures	13,038,200	10,836,400	25,987,400	(15,151,000)	11,052,700	11,256,600	(203,900)
Other Sources (Uses)							
Operating Transfer Out							
Potential MOA Adjustments		(32,700)	(28,300)	4,400	(65,400)	(65,400)	
Proceeds from Debt Financing	3,389,600		7,907,500	7,907,500			
Total Other Sources (Uses)	3,389,600	(32,700)	7,879,200	7,911,900	(65,400)	(65,400)	
Revenues and Other Sources Over (Under) Expenditures and Other Uses	1,254,100	(672,800)	(6,936,100)	(6,263,300)	(215,900)	(336,800)	(120,900)
Working Capital, Beginning of Year	9,028,200	2,649,200	10,318,600	7,669,400	1,976,400	3,382,500	1,406,100
Working Capital, End of Year	\$10,282,300	\$1,976,400	\$3,382,500	\$1,406,100	\$1,760,500	\$3,045,700	\$1,285,200

CHANGES IN FINANCIAL POSITION

SEWER FUND

	2004-05	2005-06			2006-07		
	Actual	Original Budget	Revised Projection	Variance	Original Budget	Revised Projection	Variance
Revenues							
Investment and Property Revenues	98,400	59,900	100,000	40,100	52,400	75,000	22,600
Subventions and Grants	3,000						
Service Charges							
Customer Sales							
Sewer Service Charges	8,143,700	9,119,500	9,119,500		10,081,600	10,081,600	
Sales to Cal Poly	363,100	270,400	270,400		280,900	280,900	
Industrial User Charges	47,600	48,000	48,000		48,500	48,500	
CUPA Inspection Fees							
Development Impact Fees	287,000	341,000	341,000		473,000	473,000	
Other Service Charges		10,000	10,000		10,000	10,000	
Other Revenues	31,000	22,000	22,000		22,000	22,000	
Total Revenues	8,973,800	9,870,800	9,910,900	40,100	10,968,400	10,991,000	22,600
Expenditures							
Operating Programs							
Public Utilities	4,602,400	4,667,200	5,203,800	(536,600)	4,692,400	4,730,400	(38,000)
General Government	1,109,200	1,195,100	1,213,400	(18,300)	1,241,300	1,243,700	(2,400)
Total Operating Programs	5,711,600	5,862,300	6,417,200	(554,900)	5,933,700	5,974,100	(40,400)
Capital Improvement Plan	1,457,100	1,696,400	11,201,200	(9,504,800)	2,930,700	2,930,700	
Debt Service	2,363,300	2,804,200	2,804,200		2,822,800	2,822,800	
Total Expenditures	9,532,000	10,362,900	20,422,600	(10,059,700)	11,687,200	11,727,600	(40,400)
Other Sources (Uses)							
Proceeds from Debt Financing	1,152,300		7,474,500	7,474,500	1,100,000	1,100,000	
Potential MOA Adjustments		(32,700)	(28,300)	4,400	(65,400)	(65,400)	
Other Sources (Uses)	(64,900)	312,000	312,000				
Total Other Sources (Uses)	1,087,400	279,300	7,758,200	7,478,900	1,034,600	1,034,600	
Revenues and Other Sources Over (Under) Expenditures and Other Uses	529,200	(212,800)	(2,753,500)	(2,540,700)	315,800	298,000	(17,800)
Working Capital, Beginning of Year	3,729,500	1,710,500	4,271,800	2,561,300	1,497,700	1,518,300	20,600
Working Capital, End of Year	\$4,258,700	\$1,497,700	\$1,518,300	\$20,600	\$1,813,500	\$1,816,300	\$2,800

CHANGES IN FINANCIAL POSITION

PARKING FUND

	2004-05		2005-06		2006-07		
	Actual	Original Budget	Revised Projection	Variance	Original Budget	Revised Projection	Variance
Revenues							
Investment and Property Revenues	177,200	112,100	150,000	37,900	120,300	120,300	
Subventions and Grants							
Fines and Forfeitures	700,100	697,000	697,000		704,000	704,000	
Service Charges							
Meter Collections - Lots	291,800	295,700	295,700		298,700	298,700	
Meter Collections - Streets	890,500	938,500	938,500		947,900	947,900	
Parking Structure Collections	603,700	709,000	709,000		761,000	761,000	
Long-Term Parking Revenues	405,700	410,700	410,700		413,200	413,200	
Lease Revenues	188,500	204,300	204,300		206,300	206,300	
Parking In-Lieu Fees	620,400	83,200	83,200		83,200	83,200	
Other Service Charges		100	100		100	100	
Other Revenues	18,800						
Total Revenues	3,896,700	3,450,600	3,488,500	37,900	3,534,700	3,534,700	
Expenditures							
Operating Programs							
Transportation	1,234,900	1,548,000	1,571,800	(23,800)	1,567,500	1,567,500	
General Government	426,200	466,900	418,800	48,100	478,500	429,300	49,200
Total Operating Programs	1,661,100	2,014,900	1,990,600	24,300	2,046,000	1,996,800	49,200
Capital Improvement Plan Projects	477,000	33,400	10,924,500	(10,891,100)	1,200,000	1,200,000	
Debt Service	928,700	1,109,600	1,109,600		1,474,400	1,474,400	
Total Expenditures	3,066,800	3,157,900	14,024,700	(10,866,800)	4,720,400	4,671,200	49,200
Other Sources (Uses)							
Proceeds from Debt Financing	40,500		7,907,500	7,907,500			
Potential MOA Adjustments		(9,400)	(8,400)	1,000	(16,900)	(16,900)	
Other Sources (Uses)							
Total Other Sources (Uses)	40,500	(9,400)	7,899,100	7,908,500	(16,900)	(16,900)	
Revenues and Other Sources Over (Under) Expenditures and Other Uses	870,400	283,300	(2,637,100)	(2,920,400)	(1,202,600)	(1,153,400)	49,200
Working Capital, Beginning of Year	5,482,800	3,876,600	6,353,200	2,476,600	4,159,900	3,716,100	(443,800)
Working Capital, End of Year	\$6,353,200	\$4,159,900	\$3,716,100	(\$443,800)	\$2,957,300	\$2,562,700	(\$394,600)

CHANGES IN FINANCIAL POSITION

TRANSIT FUND

	2004-05		2005-06		2006-07		
	Actual	Original Budget	Revised Projection	Variance	Original Budget	Revised Projection	Variance
Revenues							
Investment and Property Revenues	6,000	2,600	7,500	4,900	2,600	5,000	2,400
Subventions and Grants							
TDA Revenues	1,584,200	1,447,800	1,447,800		1,487,000	1,487,000	
Other Grants	59,600						
FTA Grants	762,100	871,000	1,038,400	167,400	903,000	903,000	
Service Charges	429,400	499,800	499,800		514,800	514,800	
Other Revenues	5,600	2,000	2,000		2,000	2,000	
Total Revenues	2,846,900	2,823,200	2,995,500	172,300	2,909,400	2,911,800	2,400
Expenditures							
Operating Programs							
Transportation	1,692,200	1,914,100	1,931,800	(17,700)	2,071,700	2,071,700	
General Government	294,400	301,800	280,800	21,000	309,300	287,800	21,500
Total Operating Programs	1,986,600	2,215,900	2,212,600	3,300	2,381,000	2,359,500	21,500
Capital Improvement Plan Projects	812,500	647,700	837,000	(189,300)	350,000	350,000	
Total Expenditures	2,799,100	2,863,600	3,049,600	(186,000)	2,731,000	2,709,500	21,500
Other Sources (Uses)							
Potential MOA Adjustments		(4,200)	(3,800)	400	(6,300)	(6,300)	
Total Other Sources (Uses)		(4,200)	(3,800)	400	(6,300)	(6,300)	
Revenues and Other Sources Over (Under) Expenditures and Other Uses	47,800	(44,600)	(57,900)	(13,300)	172,100	196,000	23,900
Prior Period Adjustment	(25,000)						
Working Capital, Beginning of Year	603,000	242,600	625,800	383,200	198,000	567,900	369,900
Working Capital, End of Year	\$625,800	\$198,000	\$567,900	\$369,900	\$370,100	\$763,900	\$393,800

CHANGES IN FINANCIAL POSITION

GOLF FUND

	2004-05	2005-06			2006-07		
	Actual	Original Budget	Revised Projection	Variance	Original Budget	Revised Projection	Variance
Revenues							
Investment and Property Revenues	2,300	1,500	1,500		1,500	1,500	
Service Charges							
Retail Sales	19,600	19,000	19,000		19,000	19,000	
Green Fees	226,600	236,000	236,000		236,000	236,000	
Other Fees	42,600	47,600	47,600		47,600	47,600	
Other Revenues	26,000	25,000	25,000		25,000	25,000	
Total Revenues	317,100	329,100	329,100		329,100	329,100	
Expenditures							
Operating Programs							
Leisure, Cultural & Social Services	391,400	424,200	440,900	(16,700)	416,400	416,400	
General Government	106,300	109,000	117,100	(8,100)	111,700	120,000	(8,300)
Total Operating Programs	497,700	533,200	558,000	(24,800)	528,100	536,400	(8,300)
Capital Improvement Plan Projects	1,400	50,700	104,200	(53,500)			
Total Expenditures	499,100	583,900	662,200	(78,300)	528,100	536,400	(8,300)
Other Sources (Uses)							
Operating Transfers In	176,900	259,900	297,600	37,700	207,500	215,800	8,300
Potential MOA Adjustments		(5,100)	(4,700)	400	(8,500)	(8,500)	
Total Other Sources (Uses)	176,900	254,800	292,900	38,100	199,000	207,300	8,300
Revenues and Other Sources Over (Under) Expenditures and Other Uses	(5,100)		(40,200)	(40,200)			
Working Capital, Beginning of Year	45,300		40,200	40,200			
Working Capital, End of Year	\$ 40,200	\$ -			\$ -		

CHANGES IN FINANCIAL POSITION

WHALE ROCK COMMISSION

	2004-05		2005-06		2006-07		
	Actual	Original Budget	Revised Projection	Variance	Original Budget	Revised Projection	Variance
Revenues							
Investment and Property Revenues	18,700	10,000	20,000	10,000	12,000	20,000	8,000
Subventions & Grants - FEMA							
Service Charges							
Member Agency Contributions	651,900	502,700	502,700		496,300	496,300	
Water Distribution Charges	266,200	296,000	296,000		296,000	296,000	
Other Revenues	2,900	1,000	1,000		1,000	1,000	
Total Revenues	939,700	809,700	819,700	10,000	805,300	813,300	8,000
Expenditures							
Operating Programs							
Public Utilities	685,600	709,600	735,500	(25,900)	717,300	717,300	
General Government	126,900	100,100	92,400	7,700	88,000	94,700	(6,700)
Total Operating Programs	812,500	809,700	827,900	(18,200)	805,300	812,000	(6,700)
Capital Improvement Plan	104,400		222,900	(222,900)			
Total Expenditures	916,900	809,700	1,050,800	(241,100)	805,300	812,000	(6,700)
Other Sources (Uses)							
Potential MOA Adjustments		(7,400)	(6,800)	600	(11,900)	(11,900)	
Total Other Sources (Uses)		(7,400)	(6,800)	600	(11,900)	(11,900)	
Revenues and Other Sources Over (Under) Expenditures and Other Uses	22,800	(7,400)	(237,900)	(230,500)	(11,900)	(10,600)	1,300
Working Capital, Beginning of Year	760,800	266,200	783,600	517,400	258,800	545,700	286,900
Working Capital, End of Year	\$783,600	\$258,800	\$545,700	\$286,900	\$246,900	\$535,100	\$288,200

Section C

MID-YEAR BUDGET REQUESTS

SUMMARY OF 2005-06 MID-YEAR BUDGET REQUESTS

Page No. **2005-06** **2006-07**

OPERATING PROGRAMS

Water Fund	■ Chemical Supplies for Water Distribution	C-2	6,600	
Sewer Fund	■ Disinfection Pilot Study at the Water Reclamation Facility	C-3	40,000	20,000
	■ Natural Gas Cost Increases at the Water Reclamation Facility	C-5	36,000	18,000
	■ Regulatory Study for the Water Reclamation Facility	C-7	80,000	
	<i>Sewer Fund Total</i>		<i>156,000</i>	<i>38,000</i>
	Total Operating Programs		162,600	38,000

CAPITAL IMPROVEMENT PLAN

General Fund	■ City Hall Carpet Replacement	C-9	97,500	
	■ California Street Storm Drain Replacement	C-12	75,000	
	<i>Total General Fund</i>		<i>172,500</i>	
Other Funds				
Transportation Impact Fees	■ Environment Review for LOVR/Hwy 101 Interchange	C-18	63,000	
Proposition 42 Fund	■ Pavement Maintenance	C-21	186,000	
Sewer Fund	■ Laguna Lift Station Pump Upgrade	C-24	30,100	
Golf Fund	■ Fuel Storage Tank Installation	C-27	18,000	
	Total CIP Projects		469,600	
TOTAL			\$ 632,200	\$ 38,000

OPERATING PROGRAMS

WATER DISTRIBUTION CHEMICAL SUPPLIES

Request Summary

Meeting regulatory requirements for water discharged from water facilities to adjacent waterways required an expenditure of an additional \$6,600 in 2005-06 for chemical supplies from the Water Distribution operating budget.

Key Objectives

1. Ensure compliance with state and federal regulations.
2. Provide adequate funding for operations and maintenance activities.
3. Ensure reliable water service to water customers.

Factors Driving the Request for Change

Additional funds are required due to the unanticipated amount of chemicals necessary to remove chlorine from the water discharged during the Reservoir #1 waterline project. The reservoir was required to be drained into San Luis Obispo Creek and the Regional Water Quality Control Board (RWQCB) requirements mandated removal of all chlorine from the water prior to discharge. Staff estimated the amount of chemicals necessary to treat the water based on the manufacturer's formula. During the first day of discharge, staff determined that significantly more chemicals were needed than the manufacturer's formula indicated. The required additional chemicals and overnight delivery, in the total amount of \$6,600, is a one-time expense. Funding for this unanticipated expense was not included in the 2005-07 Financial Plan and is not currently available within existing water program resources.

Operating Program

Water Distribution

Cost Summary

Line Item Description	Account No.	2005-06	2006-07
Other Operating Expenditures		6,600	0
Operating Materials & Supplies	500-55160-7843	6,600	0
Total Operating Costs		6,600	0

OPERATING PROGRAMS

DISINFECTION PILOT STUDY AT THE WATER RECLAMATION FACILITY

Request Summary

Pilot testing chlorine dioxide, a disinfection alternative to chlorine, at the Water Reclamation Facility to meet the requirements of the Water Reclamation Facility's National Pollutant Discharge Elimination System permit, will cost \$40,000 in 2005-06 and \$20,000 in 2006-07.

Key Objectives

1. Comply with the City's National Pollutant Discharge Elimination System permit.
2. Determine a cost effective and practical alternative to chlorine.
3. Acquire disinfection information and data that could be used on a full scale application.

Factors Driving the Request for Change

1. For the past several years, the Regional Water Quality Control Board has required the City to study the concentration and fate of Trihalomethanes (THMs), a disinfection by-product generated by the use of chlorine at the Water Reclamation Facility (WARF). This study was completed in September 2004.
2. Levels of THMs were found to exceed the State of California's limits and the City has been required to study methods to reduce the pollutant.
3. In 2005 the WRF began using chlorine dioxide in several processes, except final disinfection, to determine its effectiveness in reducing THMs. This study found chlorine dioxide to be an effective and reasonable alternative to chlorine, but revealed that THMs continued to be created in levels that exceeded proposed limits during final disinfection.
4. Pilot testing chlorine dioxide for final disinfection will allow the City to determine if this is a practical final disinfection alternative and provide valuable engineering data for later design.
5. The City has extremely tight deadlines to meet the State's compliance schedule with this requirement by 2010.

Alternatives

Implement it in a different way. Staff has determined that chlorine dioxide appears to be the most promising and cost effective alternative to comply with the State's stringent proposed discharge requirements. Other disinfection alternatives have been presented to staff in the draft Water Reclamation Facility Master Plan and all are more expensive to construct, operate and maintain.

OPERATING PROGRAMS

DISINFECTION PILOT STUDY AT THE WATER RECLAMATION FACILITY

Implementation

Task	Date
Complete Agreements with consultant and prep site	March 2006
Pilot Project placed on-line	May 2006
Pilot Project completed	November 2006

Operating Program

Water Reclamation Facility

Cost Summary

Contract services for materials, fabrication and assembly of the pilot facility will cost \$40,000 in 2005-06 and chemicals to continue the pilot study will cost \$20,000 in 2006-07.

Line Item Description	Account No.	2005-06	2006-07
Contract Services		40,000	0
Contract Services	520.55330.7227	40,000	0
Other Operating Expenditures		0	20,000
Chlorine (Sodium Hypo-Chlorite)	520.55330.7777		20,000
Total Operating Costs		40,000	20,000

OPERATING PROGRAMS

WATER RECLAMATION FACILITY NATURAL GAS INCREASE

Request Summary

Increasing the budget for natural gas energy will allow the Water Reclamation Facility to continue to meet all operational and regulatory requirements for wastewater treatment and reuse or discharge to San Luis Obispo Creek, at an additional cost of \$36,000 in 2005-06 and \$18,000 in 2006-07.

Key Objectives

1. Meet the operational and discharge requirements outlined in the City's National Pollutant Discharge Elimination System Permit.
2. Protect the water quality, habitat and beneficial uses of San Luis Obispo Creek.
3. Ensure high quality effluent for reuse.

Factors Driving the Request for Change

1. At the time of the 2005-07 Financial Plan development, savings were assumed for the natural gas budget due to the changes resulting from the Kinetics energy saving capital project. As the project has been delayed, the savings have not been realized. The requested funding reflects no savings for 2005-06 and a 33% saving for 2006-07. The reduced savings for 2006-07 is based upon projected cost increase for natural gas and some remaining unknowns associated with the operation of the new turbine generators.
2. Significant increases to the price of natural gas. Natural gas prices have experienced a 50% increase since the development of the 2005-07 Financial Plan and prices remain unstable.

Alternatives

Use other budget savings. The sewer fund operating budgets have been trimmed so carefully that any emergency or unanticipated expenditure is difficult to absorb. Funding in the amount requested is not available within existing sewer program resources.

Operating Program

Water Reclamation Facility

OPERATING PROGRAMS

WATER RECLAMATION FACILITY NATURAL GAS INCREASE

Cost Summary

Currently the gas utility service budget for the Water Reclamation Facility is \$10,200 in 2005-06 and \$10,400 in 2006-07. At mid-year 2005-06, the natural gas budget is 187% expended (\$19,100 expended to-date). This request is to fund an additional \$36,000 in 2005-06 to cover the existing budget deficit, the remainder of the fiscal year and likely price increases and \$18,000 in 2006-07 (a 33% savings from the projected total expense in 2006-07).

Line Item Description	Account No.	2005-06	2006-07
Other Operating Expenditures		36,000	18,000
Gas Utility Service	520.55330.7609	36,000	18,000
Total Operating Costs		36,000	18,000

OPERATING PROGRAMS

REGULATORY STUDY FOR WATER RECLAMATION FACILITY

Request Summary

Completing a regulatory study for San Luis Obispo Creek, to determine appropriate beneficial uses and discharge requirement for the Water Reclamation Facility, will cost \$80,000 in 2005-06.

Key Objectives

1. Complete regulatory options study for the Water Reclamation Facility.
2. Determine possible alternatives for achieving proposed discharge requirements for the Water Reclamation Facility.
3. Exhaust all appropriate and possible regulatory options before beginning design and construction of costly upgrades and improvements at the Water Reclamation Facility.
4. Remove inappropriate beneficial uses for San Luis Obispo Creek.

Factors Driving the Request for Change

1. San Luis Obispo Creek has been given a Municipal and Domestic beneficial use designation that drives extremely stringent discharge requirements for the Water Reclamation Facility. These uses are not apparent for the water body.
2. Since the last National Pollutant Discharge Elimination System permit issued to the Water Reclamation Facility, many of the more stringent discharge requirements have been placed in the permit or will be by 2007. Many of the new requirements have compliance deadlines of 2010 or 2012.
3. The more stringent discharge requirements will require significant and costly upgrades to the Water Reclamation Facility and a considerable increase to operating costs.
4. Preliminary investigation for removing the Municipal and Domestic beneficial use designation for San Luis Obispo Creek looks promising.

Alternatives

Pursuing and exhausting all possible regulatory options will allow the City to make the best informed decisions regarding upgrades to the Water Reclamation Facility. There are no reasonable alternatives.

OPERATING PROGRAMS

REGULATORY STUDY FOR WATER RECLAMATION FACILITY

Implementation

Task	Date
Complete agreement with consultant	April 2006
Complete regulatory study	December 2006

Operating Program

Wastewater Administration & Engineering

Cost Summary

The contract for the preliminary portion of this study was \$40,000. This request will complete that investigation and prepare a document for submittal to the Regional Water Quality Control Board, the State Water Resources Control Board and the Federal Environmental Protection Agency requesting changes to San Luis Obispo Creeks' beneficial uses. Completion of the regulatory studies will cost \$80,000 in 2005-06.

Line Item Description	Account No.	2005-06	2006-07
Contract Services		80,000	0
Contract Services	520.55300.7227	80,000	
Total Operating Costs		80,000	0

CAPITAL IMPROVEMENT PLAN

CITY HALL CARPET REPLACEMENT

CIP Project Summary

Replacing carpeting in City Hall will cost \$97,500 in 2005-06 for acquisition and installation.

Project Objectives

Replace all carpet in City Hall except in the Council Chambers and Council Hearing Room.

Existing Situation

The bulk of the existing carpet in City Hall was installed in 1990. The type used was glue-down low pile nylon material with an expected service life of 10 years, given the use conditions. In addition to being well beyond its service life, the carpet has experienced especially heavy use compounded by severe water damage in 1992 from a seismic retrofit project. During the construction work, the roof was replaced, and while uncovered, heavy rains breached the temporary plastic cover. Among other problems that resulted, the water damage decreased the life of the carpet on both the upper and lower floors of the building. The unacceptable condition of the existing carpet is evident by frayed areas, travel paths, loose areas, weak seams, wear patterns, and stains. Periodic cleanings and extractions have occurred, but have proven ineffective and actually contributed to the deterioration of the base fiber.

It is no longer a question of if the carpet should be replaced but when can the carpet be replaced.

With the upcoming move of the Public Works and Community Development Departments into 919 Palm Street, most of City Hall will be reconfigured so departmental staff can relocate into new areas. Therefore, to replace the carpet at this time results in an economy of scale. The areas affected by the remodel include Administration, Clerk, and Finance offices on the upper level, and all areas of the lower level. Together, these areas comprise the bulk of all office space in City Hall. Other areas also in need of carpet replacement but not being remodeled at this time include the City Attorney offices, City Council office, Human Resources offices, the Human Resources Conference Room and the Information Technology Computer Room. This request does not include the replacement of carpeting in the Council Chambers nor the Council Hearing Room. The carpet in the Council related areas was replaced at the end of the seismic retrofit project with a higher quality carpet, and because these areas do not receive the same intensity of use as the office areas, there is no need to replace the carpet in these areas at this time.

City Hall remodeling work is expected to occur during the late summer/early fall of 2006. Coordinating replacement of carpet in the areas being remodeled is beneficial for three key reasons:

1. Reconfiguring the offices will involve removal of the majority of all modular furniture and enclosed offices, thus providing wide-open areas for installation

CAPITAL IMPROVEMENT PLAN

CITY HALL CARPET REPLACEMENT

2. Replacing the carpet at the time of remodel results in the most efficient, least-disruptive experience from both a customer service and staff production perspective
3. Replacing carpet when interior office spaces are empty significantly reduces labor costs associated with installation.

As stated above, although the City Attorney, Human Resources and IT computer room are not slated for the remodel efforts, the carpet within these areas needs to be replaced. Installation costs associated with this part of the project are expected to be approximately \$7,500 more than for an area of similar in size that is scheduled for the remodel, primarily due to the costs associated with emptying the rooms, completing minor construction repair work, and reinstallation of all office furnishings (\$22,500 for this area). Nonetheless, we recommend replacement of this carpet at this time due to its deteriorated condition.

Goal and Policy Links

1. Attractive buildings
2. Comfortable and productive work environments
3. Safe and energy-efficient buildings
4. A positive image for the City
5. Maximum building service life

Project Work Completed

This is a maintenance project requiring no design work.

Environmental Review

No environmental review required.

CAPITAL IMPROVEMENT PLAN

CITY HALL CARPET REPLACEMENT

Project Costs and Funding Sources

	<i>Project Costs</i>					
	To-Date	2005-06	2006-07	2007-08	2008-09	Total
Construction		97,500				97,500
Total		97,500				97,500

Funding Source: General Fund

Department Coordinator and Project Review/Support

Department Coordinators Dave Smith, Public Works Administrative Services Manager; Andrew Collins, Facilities Maintenance Supervisor

Project Review and Support CIP Project Engineering

Alternatives

1. **Deny the Project.** The City Hall carpeting will remain frayed, soiled and worn and the cost of replacing the carpet will increase substantially if it occurs as a stand-alone project, rather than during the remodel of City Hall.
2. **Defer or Re-phase the Request.** Deferring or rephasing the project has the same consequences as denying the project.
3. **Change the Scope of the Project.** It is possible to replace the carpet only in those areas of City Hall undergoing the remodel (Administration and Finance upstairs and the entire lower floor) but not replace the carpet in the City Attorney, Human Resources and IT computer room areas. Since these areas are not a part of the remodel, and furniture and equipment will remain in place, installation costs are higher than in the remodeled areas. By choosing this alternative, the request for funding could be reduced to \$75,000.

Operating Program

Building Maintenance (50230)

Project Effect on the Operating Budget

Buildings Program. 40 hours

Engineering Construction Management Program: 40 hours

CAPITAL IMPROVEMENT PLAN

CALIFORNIA STORM DRAIN PIPELINE REPLACEMENT

CIP Project Summary

Replacing failing storm drain pipe in California Street will cost \$75,000 for design and construction in 2005-06.

Project Objectives

1. Prevent the total collapse of the storm drain pipe in California Street.
2. Prevent the sidewalk from collapsing on California Street.
3. Replace deteriorated and deficient storm sewer infrastructure.
4. Increase flood protection.
5. Public safety.

Existing Situation

Background

A large portion of the City's storm sewer pipeline infrastructure is comprised of corrugated metal pipe (CMP). In the 1970's and 1980's CMP was the industry standard due to its inexpensive material cost and ease of installation. Since then, CMP has proven to have a design life of 20 to 30 years. CMP typically fails by friction, corrosion or both. Once the integrity of the pipe has been compromised, the pipe's surrounding soil becomes susceptible to piping (soil picked up by flowing water and carried away) and the pipe will eventually collapse. Recent past examples of this failure scenario are the Foothill Bridge failure in March 2001, Augusta Culvert in September 2004, and 1642 El Cerrito Court in January 2005.

Current

In 1970 the City of San Luis Obispo installed 175 feet of 18 inch CMP and one drainage inlet under the north side of sidewalk on California Street. In January 2006 Streets Maintenance Staff discovered large portions of missing soil behind the back of this sidewalk. Subsequent pipeline inspection revealed the existing CMP pipe to be in poor condition with a portion of the pipeline beginning to collapse. Further investigation of the complete length of pipe was unable to be performed due to the collapse, but the remaining pipe is anticipated to be in a similar condition. The pipes ability to carry surrounding soil pressure, sidewalk loading and convey storm water has been substantially reduced.

Goal and Policy Links

1. Adopted Creek and Flood Protection Program goal: a well designed and well maintained storm drainage system which prevents loss of life and minimizes property damage from flooding.
2. 2005-07 Major City Goal: Infrastructure Maintenance

CAPITAL IMPROVEMENT PLAN

CALIFORNIA STORM DRAIN PIPELINE REPLACEMENT

Project Work Completed

None.

Environmental Review

It is anticipated that this project will be categorically exempt from environmental review.

Project Phasing and Funding Sources

Project Costs by Type

	<i>Project Funding Sources</i>					Total
	To-Date	2005-06	2006-07	2007-08	2008-09	
Construction		75,000				75,000
Total		75,000				75,000

Project Funding by Source: General Fund

Department Coordinator and Project Review/Support

Department Coordinator Matt Horn

Project Review and Support Project Management – CIP Project Engineering

Alternatives

1. *Delay or deny the project.* Under this option, soil losses will likely continue and eventually cause a failure of the sidewalk on the North side of California Street.

Operating Program

General Street Maintenance (50300)

CAPITAL IMPROVEMENT PLAN

CALIFORNIA STORM DRAIN PIPELINE REPLACEMENT

Project Effect on the Operating Budget

Staff Resources:

CIP Project Engineering: 100 hours

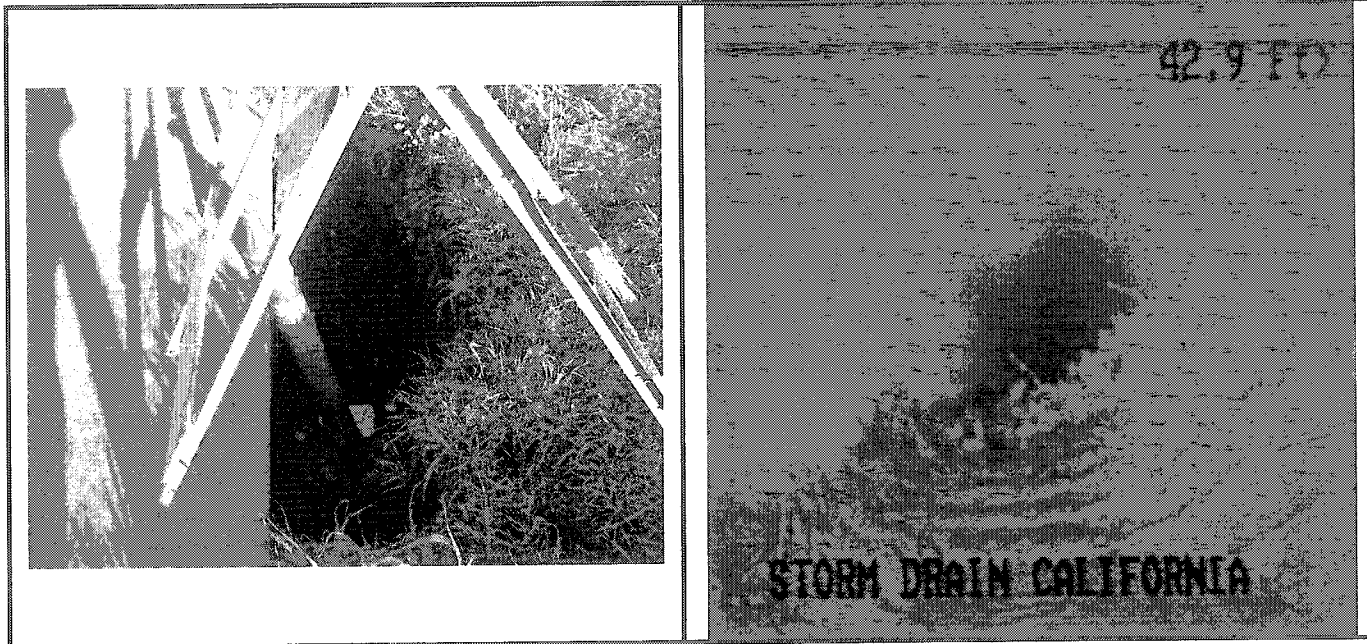
Operating Costs:

No operating costs are anticipated from the work and may prevent the need for emergency response work that would be required in the event of a sidewalk failure.

CAPITAL IMPROVEMENT PLAN

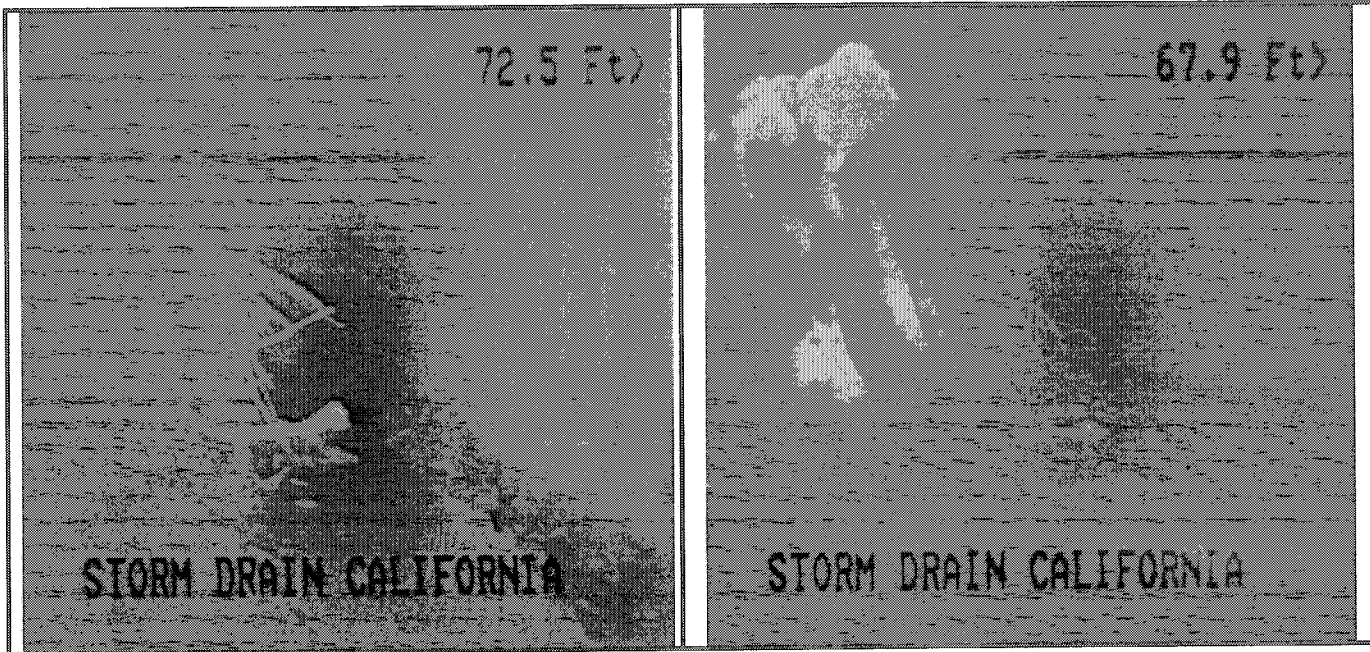
CALIFORNIA STORM DRAIN PIPELINE REPLACEMENT

Condition Photo



CAPITAL IMPROVEMENT PLAN

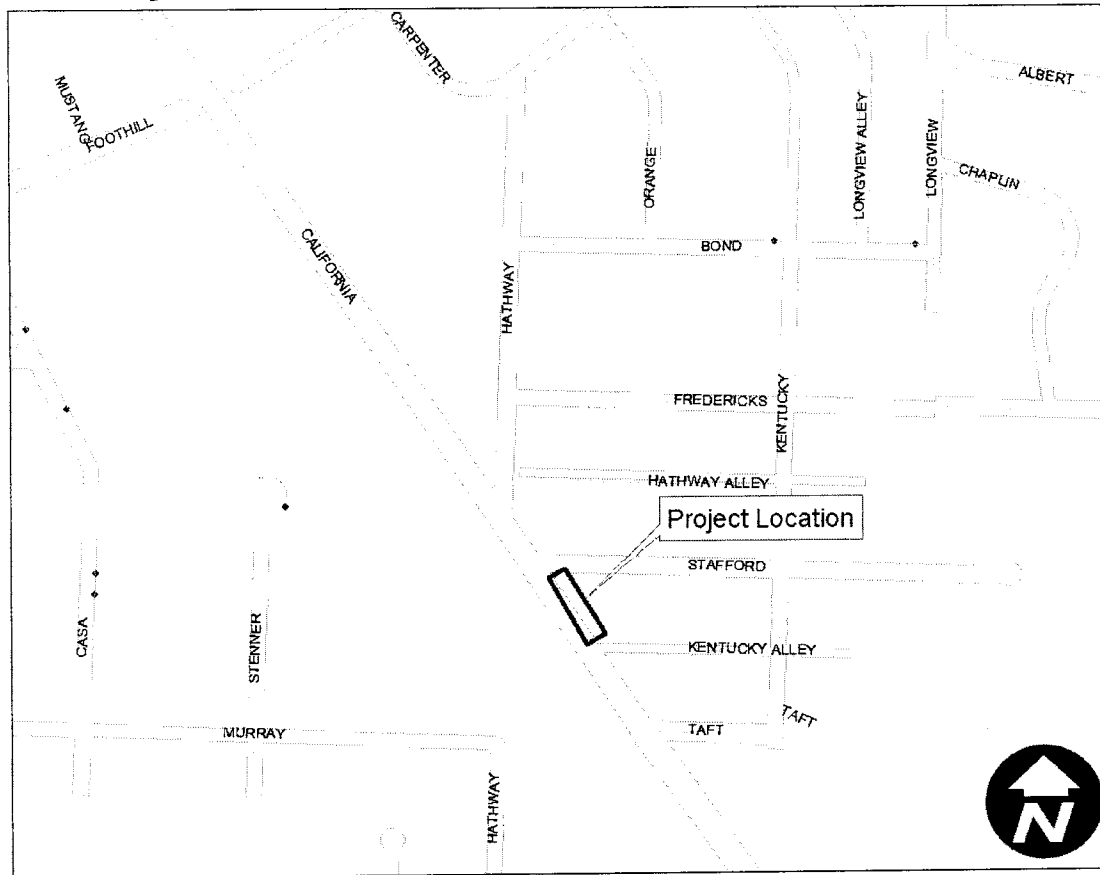
CALIFORNIA STORM DRAIN PIPELINE REPLACEMENT



CAPITAL IMPROVEMENT PLAN

CALIFORNIA STORM DRAIN PIPELINE REPLACEMENT

Location Map



CAPITAL IMPROVEMENT PLAN

ENVIRONMENTAL REVIEW FOR LOS OSOS VALLEY ROAD/HIGHWAY 101 INTERCHANGE

CIP Project Summary

Completing Environmental review of the Los Osos Valley Road/Highway 101 interchange project will cost an additional \$63,000 in 2005-06.

Existing Situation

On November 1, 2005, the Council approved a \$500,000 contract with Dokken Engineering to complete a Caltrans Project Report for the Osos Valley Road/Highway 101 interchange project. As part of that approval, the Council authorized Dokken Engineering and the City to prepare and solicit proposals from qualified firms to conduct the parallel track environmental document required to approve the Project Report. The Council allocated \$180,000 to conduct the environmental review and established a contingency amount of \$34,000 in case the proposals were more expensive. The request for proposal process is now completed (five qualified firms were interviewed) and negotiations regarding scope and costs with the most qualified firm (Dokken) are now complete. Unfortunately, due to the complexity of the project area, including numerous creeks, wetlands and other constraints, the costs to complete environmental review may be more than expected.

The City has allocated \$180,000 for environmental review of the project and has an additional \$34,000 in contingency funding that can be used to close the funding gap. Total costs to complete the environmental review for the project could be as high as \$277,000 based upon the consultant's review of the project. Therefore, even after the \$34,000 contingency is allocated for environmental review, there remains a \$63,000 deficiency to complete the project. Because this is a high profile project and part of the Major Council Goal for traffic congestion relief, it is important to keep the project on track.

Project Objectives

1. Reduce traffic congestion at the Los Osos Valley Road/Highway 101 interchange
2. Provide sufficient capacity to accommodate traffic demands of future development anticipated by both City and County General Plans
3. Improve pedestrian and bicycle access and circulation in the area
4. Complete an EIR/EIS for the project by June 2009
5. Complete a Caltrans Project Report by July 2009
6. Identify and then acquire necessary rights of way as they become available or area properties develop

Goal and Policy Links

1. 1994 General Plan Circulation Element (Figure 4, project C.2)
2. 1995 Transportation Impact Fee (TIF) Program
3. 2003-05 Major City Goal
4. 2005-07 Major City Goal: Traffic Congestion Relief

CAPITAL IMPROVEMENT PLAN

ENVIRONMENTAL REVIEW FOR LOS OSOS VALLEY ROAD/HIGHWAY 101 INTERCHANGE

Project Work Completed

1. Caltrans and the City have approved a Project Study Report for the Project.
2. An Initial Study Environmental review has been completed.
3. Phase I of the Project Report process is complete.
4. Contract for production of the Project Report awarded to Dokken Engineering, Inc. on November 1, 2005.
5. Requests for Proposals process is complete and the environmental review firm has been chosen (Dokken).

Environmental Review

The project will require CEQA and NEPA review. It is anticipated that a Negative Declaration/Finding of No Significant Impacts (FONSI) will be required.

Project Phasing and Funding Sources

Project Costs by Type

	<i>Project Costs</i>					
	To-Date	2005-06	2006-07	2007-08	2008-09	Total
Study		63,000				63,000
Total		63,000				63,000

Project Funding by Source

	<i>Project Costs</i>					
	To-Date	2005-06	2006-07	2007-08	2008-09	Total
Transportation Impact Fees		63,000				63,000
Total		63,000				63,000

CAPITAL IMPROVEMENT PLAN

ENVIRONMENTAL REVIEW FOR LOS OSOS VALLEY ROAD/HIGHWAY 101 INTERCHANGE

Department Coordinator and Project Review/Support

Department Coordinator Tim Bochum, Deputy Director of Public Works

Project Support: Project management – Timothy Bochum, Deputy Director of Public Works
 Construction management – Richard Fisher, Construction Management Supervisor
 Project design – Matt Horn, Principal Engineer
 Environmental review – Ron Whisenand, Deputy Director of Community Development

Alternatives

Defer or Abandon the Project: Either traffic congestion at the interchange will increase as new growth occurs, or the City and County will need to curtail growth that contributes to traffic volumes at this interchange; or the City could increase its Level of Service criteria to decrease the number or degree of improvements needed and thus live with a slightly higher level of congestion at peak times during the day.

Project Effect on the Operating Budget

Staff Resources:

Transportation Planning and Engineering: 400 hours for project coordination
CIP Project Engineering Program: 400 hours for project management
Development Review Program: 200 hours for environmental review

Caltrans will maintain the interchange after construction.

CAPITAL IMPROVEMENT PLAN

PAVEMENT MAINTENANCE – STREET RECONSTRUCTION & RESURFACING

CIP Project Summary

Performing major repairs to City Arterial streets will cost an additional \$186,000 in 2005-06.

Existing Situation

The City's Pavement Management Plan (PMP) was adopted by the City Council in 1998. The key elements of the PMP are the establishment of eight principal areas within the City, and a plan in which each of these eight areas will receive maintenance once every eight years. Beginning in 1998, pavement work in Area 1 was performed, and sequentially, each of the following areas in each of the years thereafter. This is a rotating schedule, meaning that once work has been completed in Area 8, the following year work would start again in Area 1.

The last two years of reduced funding and the outlook for continued reduced funding have contributed to the City's current strategy for pavement maintenance. Arterial street repairs have taken precedence over the area pavement rotation, focusing on pavement repairs rather than pavement overlays and street reconstruction. This method will continue until such time as the General Fund is able to again implement the PMP.

It should be noted that these additional funds will not accomplish significantly more work than was previously envisioned in the 2005-07 Financial Plan. However, it will help offset the added paving reductions we already made during 2005-06 due to rising asphalt costs.

Restoration by the State of Proposition 42 for 2005-06. The City has received Proposition 42 funds from the State as a payback for those funds being used for State budget purposes several years ago. These funds are earmarked for transportation purposes and would be used to supplement the funds allocated by Council for Street Reconstruction and Resurfacing in the 2005-07 CIP. Though additional Proposition 42 funding may be forthcoming from the State in 2006-07, it would not be prudent to include any unconfirmed funding in the second year of this request.

Project Objectives

1. Improve the smoothness and appearance of City street pavement.
2. Prevent street pavement from deteriorating.
3. Increase the average Pavement Condition Index (PCI) of the City's street pavement to 80 percent of its potential value.

Goal and Policy Links

1. 1998 Pavement Management Plan, whose goal is to provide of smooth, safe and clean street pavement, and which contains a ten-year objective of achieving and maintaining an average PCI of 80
2. 2005-07 Financial Plan, Appendix B, page 121

CAPITAL IMPROVEMENT PLAN

PAVEMENT MAINTENANCE – STREET RECONSTRUCTION & RESURFACING

3. 2005-07 Major City Goal: Infrastructure Maintenance

Project Work Completed

1. Continued use of pavement management software
2. Continued annual inspection of street conditions
3. Maintained and updated pavement database
4. Street reconstruction and street slurry seal projects have been completed on an annual basis since 1998

Environmental Review

Paving projects typically receive a Notice of Exemption under maintenance of existing facilities.

Project Phasing and Funding Sources

Project Costs by Type

	<i>Project Costs</i>					
	To-Date	2005-06	2006-07	2007-08	2008-09	Total
Construction		186,000				186,000
Total		186,000				186,000

Project Funding by Source

	<i>Project Costs</i>					
	To-Date	2005-06	2006-07	2007-08	2008-09	Total
Proposition 42 Funds		186,000				186,000
Total		186,000				186,000

CAPITAL IMPROVEMENT PLAN

LAGUNA LIFT STATION PUMP UPGRADE

CIP Project Summary

Upgrading and reprogramming the pump controllers at Laguna Lift Station to ensure more reliable pump control and enhance telemetry communications will cost \$30,100 in 2005-06.

Project Objectives

1. Ensure adequate pump control, programming and telemetry communications for Laguna Lift Station
2. Provide redundant pump control
3. Eliminate pump and communication failures that may lead to spills and subsequent violations
4. Provide uninterrupted sewage flow without health hazard or wastewater spills

Existing Situation

The Laguna Lift Station experienced a 40,000 gallon spill to San Luis Obispo Creek in August of 2005 that resulted in a \$20,000 penalty from the Regional Water Quality Control Board (RWQCB). The spill occurred because of pump control programming errors, lack of redundancy and a connection to the Water Reclamation Facility's (WRF) disinfection process. The connection to the WRF has been eliminated, but programming corrections, pump control redundancy and adequate remote monitoring still need to be completed. The City has reported to the RWQCB that these upgrades and modifications will be implemented to significantly reduce the possibility of future spills.

Goal and Policy Links

1. Wastewater element of the General Plan, Section 12
2. Wastewater Master Plan
3. Uninterrupted sewage flow without health hazard is a primary goal of the wastewater collection section
4. Infrastructure maintenance is a major activity of the wastewater collection section

Project Work Completed

The City's telemetry contractor has evaluated the facility and provided the City with recommendations and a proposal for the required upgrade and modifications.

CAPITAL IMPROVEMENT PLAN

LAGUNA LIFT STATION PUMP UPGRADE

Environmental Review

No environmental review is required.

Other Special Review Consideration

This project was reported to the Regional Water Quality Control Board as a recommended remedy that will be implemented for preventing future control and overflow problems.

Project Phasing and Funding Sources

Project Costs by Type

	<i>Project Costs</i>					
	To-Date	2005-06	2006-07	2007-08	2008-09	Total
Construction		30,100				30,100
Total		30,100				30,100

Project Funding by Source

Sewer Fund

Department Coordinator and Project Review/Support

Department Coordinator. Bud Nance, **Wastewater** Collection Supervisor

Project Review and Support. Information Technology will be involved in the implementation of this project.

Operating Program

Wastewater Collection

CAPITAL IMPROVEMENT PLAN

LAGUNA LIFT STATION PUMP UPGRADE

Project Effect on the Operating Budget

This project will allow better operations and control of the Lift Station resulting in some cost savings to the operating budget and significantly reduces the likelihood of costly spills and fines.

Requesting Department. 40 hours to coordinate with contractor.

Project Support. Information Technology, 4 hours for support and coordination.

CAPITAL IMPROVEMENT PLAN

FUEL STORAGE TANK INSTALLATION AT LAGUNA LAKE GOLF COURSE

CIP Project Summary

Installing a fuel storage tank at Laguna Lake Golf Course will cost \$18,000.

Project Objectives

1. Providing increased safety for Golf Course staff when handling gasoline.
2. Increasing efficiency by providing a safe and effective storage of gasoline on site.

Existing Situation

Currently Laguna Lake Golf Course requires 30 gallons of gasoline per week for use in various mowers and other equipment. The procedure in the past has been to transport six empty five-gallon gas cans in the back of the City truck to the Corporation Yard and fill them with fuel, then transport the cans back to Laguna Lake Golf Course. This is a safety concern, potential liability, and a production time waste for the City.

On March 22, 2004, the CAO approved purchasing a 500 gallon fuel storage tank using existing funding from a tree replacement project. The tank would be similar to those used at City Fire Stations and at Whale Rock Reservoir. A tank was purchased and delivered to the Golf Course site; however, because requirements and costs associated with installation were unknown at the time, no funding was established for installing the tank. Staff has determined that installation needs to be provided by a specialty contractor in order to determine and prepare an appropriate site location and to complete all construction work to insure specific safety codes requirements are satisfied.

Once installed, the tank will be managed by the Fleet Maintenance Program, which uses commercial fuel provider to deliver fuel on site as needed. This will eliminate the need for staff to transport non-street legal maintenance equipment by trailer or haul fuel in small cans in the back of a vehicle between the Golf Course and Corporation Yard. Network monitoring capabilities of the fuel tank will be provided as part of an existing capital project to upgrade the fueling system at the Corporation Yard.

Project Phasing and Funding Sources

Project Costs by Type

	<i>Project Costs</i>					
	To-Date	2005-06	2006-07	2007-08	2008-09	Total
Construction		18,000				18,000
Total		18,000				18,000

CAPITAL IMPROVEMENT PLAN

FUEL STORAGE TANK INSTALLATION AT LAGUNA LAKE GOLF COURSE

Project Funding Source

While the cost of this project will be accounted for in the Golf Fund, it will require a subsidy from the General Fund to fund this work.

Department Coordinator and Project Review/Support

Department Coordinator Golf Course Supervisor

Project Review and Support Fleet Maintenance

Alternatives

1. ***Deny the Project.*** Staff will continue to operate in an unsafe condition carrying 30 gallons of gas in the back of an open pickup. The existing tank will remain unusable.
2. ***Defer or Re-phase the Request.*** The project was originally approved in March of 2004, but ongoing increasing costs and staff turnover has resulted in the project being placed on the back burner. Deferring the project will result in continued unsafe operations.
3. ***Change the Scope of the Project.*** There are no reasonable scope changes.

Operating Program

Golf Course

Project Effect on the Operating Budget

There will be no significant impacts on the operating budget.

Section D

RECENT FINANCIAL AND REVENUE REPORTS

Quarterly Financial Report

Second Quarter of 2005-06

February 10, 2006

OVERVIEW

This report summarizes the City's overall financial position for the fiscal year through December 2005. Except as noted below, revenues and operating expenditures are generally on target based on past trends for the second quarter.

Adjusted Budgets. The revenue projections and budgets include adjustments for encumbrances and carryovers as well as any supplemental appropriations approved by the Council as of December 31, 2005.

Mid-Year Review. The City's overall revenue and expenditure picture will be discussed in greater detail during the Mid-Year Budget Review scheduled for Council consideration on February 21, 2006.

GENERAL FUND

General Fund Financial Condition. With 50% of the year complete, General Fund revenues are at 49% of projections and expenditures are at 47% of estimates.

General Fund Balance	Budget	YTD Actual	Percent
Revenues	40,613,100	19,833,900	49%
Expenditures	39,145,800	18,353,600	47%
Other Sources (Uses)	(3,900,400)	(1,867,600)	48%
Balance, Start of Year	9,743,100	9,743,100	-
Balance, Year-to-Date	7,310,000	9,355,800	-

Top Ten Revenues. Our top ten revenues account for about 95% of total General Fund revenues. By focusing on these, we can get an excellent understanding of our revenue position. Overall, these key revenues are generally performing as projected based on payment schedules and past trends for the second quarter. Any significant variances are noted below.

Top Ten Revenues	Budget	YTD Actual	% Received
Sales tax	12,275,600	4,897,500	40%
Property tax	6,981,500	3,543,600	51%
Transient occupancy tax	4,161,100	2,534,500	61%
Utility users tax	3,968,600	1,803,500	45%
Vehicle in-lieu (VLF)/Swap	2,306,200	126,100	5%
Business tax	1,568,900	1,556,800	99%
Franchise fees	2,128,400	1,096,000	51%
Development review fees	3,015,000	1,342,700	45%
Recreation fees	1,207,000	442,900	37%
Interest on investments	225,000	133,500	59%
Total	37,837,300	17,477,100	46%

- **Sales Tax.** On the surface, year-to-date results look problematic. However, this is solely due to the impact of the "Triple Flip," under which we only receive 75% of our sales tax revenues, pending the State's first backfill payment (of two) in January 2006. Adjusting for this, we are right on target.
- **Transient Occupancy Tax (TOT).** As indicated in the recent TOT newsletter, this revenue source is continuing its positive climb and is 12.5% higher than the same period a year ago.
- **VLF/VLF Swap.** The State's budget for 2005-06 includes the "VLF Swap," under which an equal amount of "VLF Backfill" will be "swapped" for an equal amount of increased property tax revenues. The City will not receive its first "swap" payment until January 2006.
- **Business Tax.** The renewal cycle for business tax occurs during the second quarter of the fiscal year. Collections are approximately 5% higher than a year ago.
- **Development Review Fees.** We continue to closely monitor this revenue source. Collections are 27% higher than realized for the second quarter of 2004-05. Infrastructure and plan check inspection revenues have exceeded their projections.
- **VLF Gap Loan.** Although not on the "top-ten" list, the City has received \$756,500 from the State as repayment of the VLF "gap" loan. Since receipt of this revenue was included in the 2005-07 Financial Plan (although in 2006-07 versus 2005-06), this early repayment has no net effect on ending General Fund balance for 2005-07.

Expenditures. Operating costs are right on target for the second quarter of the year as summarized below:

Expenditures By Type	Budget	YTD Actual	% Expended
Staffing	32,713,700	15,810,300	48%
Contract services	4,590,300	1,790,900	39%
Telecomm & utilities	1,560,500	628,900	40%
Insurance	907,100	788,100	87%
Other operating costs	2,585,900	1,072,800	41%
Minor capital	132,700	15,200	11%
Total by type	42,490,200	20,106,200	47%
Reimbursed expenditures	(3,481,500)	(1,752,600)	50%
Total	39,008,700	18,353,600	47%

The only key variance "by type" is insurance. This reflects the City's annual premium for liability which is due in full in July of each year.

Departmental operating expenditures are also on target as summarized by the following:

Expenditures	Budget	YTD Actual	% Expended
Administration	1,993,300	1,103,300	55%
City Attorney	417,200	206,400	49%
City Clerk	399,400	159,900	40%
Human Resources	1,901,900	1,257,000	66%
Finance & IT	3,295,000	1,223,700	37%
Community Development	2,481,400	1,039,000	42%
Parks & Recreation	2,919,600	1,398,400	48%
Public Works	9,443,700	4,169,200	44%
Police	11,540,000	5,315,300	46%
Fire	8,098,700	4,234,000	52%
Total Departmental	42,490,200	20,106,200	47%
Reimbursed Expenditures	(3,481,500)	(1,752,600)	50%
Total Expenditures	39,008,700	18,353,600	47%

As noted above, the only significant variance is in Human Resources, which reflects the City's annual liability premium payment.

ENTERPRISE FUNDS

The following summarizes year-to-date revenues, expenditures and changes in working capital for the enterprise funds. In general, revenues and expenditures are consistent with past trends.

Water Fund

Working Capital	Budget	YTD Actual	Percent
Revenues	10,999,700	6,027,900	55%
Expenditures			
Operating programs	6,286,100	3,002,900	48%
CIP projects	17,396,600	2,185,600	13%
Debt service	2,132,800	989,300	46%
Other Sources (Uses)	8,120,700	-	0%
Balance, Start of Year	10,282,300	10,282,300	-
Balance, Year-to-Date	3,587,200	10,132,400	-

Sewer Fund

Working Capital	Budget	YTD Actual	Percent
Revenues	9,870,800	4,953,900	50%
Expenditures			
Operating programs	6,242,900	2,898,800	46%
CIP projects	11,171,100	1,024,700	9%
Debt service	2,804,200	2,170,100	77%
Other Sources (Uses)	7,758,200	-	0%
Balance, Start of Year	4,258,700	4,258,700	-
Balance, Year-to-Date	1,669,500	3,119,000	-

Parking Fund

Working Capital	Budget	YTD Actual	Percent
Revenues	3,450,600	1,958,800	57%
Expenditures			
Operating programs	2,038,700	829,000	41%
CIP projects	10,924,500	33,705	0%
Debt service	1,109,600	375,600	34%
Other Sources (Uses)	7,899,100	-	0%
Balance, Start of Year	6,353,200	6,353,200	-
Balance, Year-to-Date	3,630,100	7,073,695	-

Transit Fund

Working Capital	Budget	YTD Actual	Percent
Revenues	2,990,600	504,600	17%
Expenditures			
Operating programs	2,233,600	861,300	39%
CIP projects	837,000	1,000	0%
Other Sources (Uses)	(3,800)	-	-
Balance, Start of Year	625,800	625,800	-
Balance, Year-to-Date	542,000	268,100	-

Golf Fund

Working Capital	Budget	YTD Actual	Percent
Revenues	329,100	157,700	48%
Expenditures			
Operating programs	549,900	287,000	52%
CIP projects	86,200	35,000	41%
Other Sources (Uses)	266,800	129,900	49%
Balance, Start of Year	40,200	40,200	-
Balance, Year-to-Date	-	5,800	-

Whale Rock Commission

Working Capital	Budget	YTD Actual	Percent
Revenues	809,700	412,800	51%
Expenditures			
Operating programs	843,300	390,900	46%
CIP projects	215,300	7,400	3%
Other Sources (Uses)	(6,800)	-	0%
Balance, Start of Year	783,600	783,600	-
Balance, Year-to-Date	527,900	798,100	-

For More Information. This summary is based on detailed information produced by the City's financial management system. If you would like additional information, or have any questions about the report, please call Finance at 781-7127.

Sales Tax Newsletter

Third Quarter of Calendar Year 2005

February 10, 2006

OVERVIEW

For the Quarter. This newsletter covers the City's sales tax revenues received in December 2005 for sales occurring from July through September 2005. After

After adjustments, "point-of-sale" revenues were up by 6.6% compared with the same quarter last year.

adjusting for reporting and apportionment errors along with late payments, "point-of-sale" revenues were up by 6.6% compared with the same quarter last year.

Sales Tax Receipts Summary

Sales Tax Receipts	2nd Qtr 05	2nd Qtr 04	% Change
Reported Point-of-Sale	3,100,039	2,643,871	17.3%
Net Adjustments	(184,179)	92,536	
Adjusted Point-of-Sale	2,915,860	2,736,407	6.6%
Pool Receipts	313,089	316,073	-0.9%
Total	3,228,949	3,052,480	5.8%

The following summarizes "point-of-sale" revenues by major business group, *after adjusting* for late payments, apportionment errors last year and other adjustments identified by our sales tax advisor:

Adjusted Sales Tax Receipts By Type

Point-of-Sale Receipts	2nd Qtr 05	2nd Qtr 04	% Change
Gen Consumer Goods	790,798	742,941	6.4%
Autos & Transportation	833,089	777,605	7.1%
Business & Industry	194,804	172,442	13.0%
Restaurants & Hotels	290,948	284,051	2.4%
Building & Construction	363,278	321,672	12.9%
Food & Drugs	177,182	169,544	4.5%
Fuel & Service Stations	265,761	268,152	-0.9%
Total	2,915,860	2,736,407	6.6%

Continuing Trends. General consumer goods, which account for about 25% of total sales tax revenues, grew 6.4%. This includes revenues from the Court Street project, which opened in Summer 2005.

With a \$48,000 increase compared with the same quarter last year, this puts us on target for projected "net revenues" from this project of \$200,000. However, we will have a better idea of how general consumer goods are performing next quarter, as the fourth ("Christmas") quarter is the most important one for this category. We

will not have results for this until April 2006, which will also include the first quarter since Costco opened. It is also important to note that new car sales, which also account for about 25% of sales tax revenues, continued their sustained growth.

Assuming we see growth as projected from Costco, we are on track for to meet sales tax projections for 2005-06. We will take a detailed look at year-to-date sales tax revenues as part of the 2006-07 Financial Plan Supplement in June 2006, when we will have results for the "Christmas" quarter as well as first quarter results for Costco.

NEWSLETTER CONTENTS

This newsletter includes a summary prepared by the City's sales tax advisor highlighting key trends and sales tax issues. It also includes the following charts and graphs about the City's sales tax base:

- Major business groups: third quarter 2005 and 2004
- Top 25 sales tax producers (listed alphabetically for this quarter)
- Top 15 business categories.
- Sales per capita: City compared with the County and State, last 13 quarters
- Major business groups: last 13 quarters
- Sales per capita: City compared with five other agencies in the region, last 13 quarters
- Sales tax revenues by geographic area: this quarter compared with last year

Several of these charts are based on "raw" unadjusted data. As such, caution should be used in analyzing these results.

A listing of individuals and organizations that routinely receive this newsletter is provided at the end of the report.

MORE INFORMATION AVAILABLE

The information provided in this newsletter is based on a detailed database available to the City through our sales tax advisor. If you require additional information about the City's retail base, or have any questions about this newsletter, please contact Bill Statler, Director of Finance & Information Technology, at (805) 781-7125.

Monthly TOT Report December 2005

February 7, 2006

This report covers the City's transient occupancy tax (TOT) revenues for July through December 2005 compared with the two prior years. As reflected below, revenues for December are up by 8% from last year and 12% year-to-date.

What's This Mean? December maintains the upward trend and keeps TOT revenue growth positive. Although not the same rate of growth over last year as the previous months, the December TOT numbers increased significantly and continue the positive trend in TOT revenue for the City of San Luis Obispo. Given that the winter months are generally slower months for the tourist industry, this result sheds a positive light on the travel and tourist activities in our region, and confirms our outlook for a strong holiday season.

	Year-to-Date TOT Revenues			Increase (Decrease)	
	Prior Year 2003-04	Last Year 2004-05	This Year 2005-06	Last Year Vs This Year	
				Amount	Percent
July	\$451,822	\$442,947	\$506,594	\$63,647	14.4%
August	486,415	461,982	507,639	\$45,658	9.9%
September	306,109	346,999	394,404	\$47,405	13.7%
October	316,821	336,055	372,192	\$36,138	10.8%
November	274,442	295,660	337,476	\$41,816	14.1%
December	237,872	254,052	275,336	\$21,284	8.4%
Y.T.D. Total	2,073,481	2,137,694	2,393,642	255,947	12.0%
January	230,778	206,229			
February	262,223	270,803			
March	277,486	324,687			
April	364,560	346,218			
May	326,708	364,486			
June	387,003	429,718			
Fiscal Year Total	3,922,239	4,079,835			

For the Future. Given year-to-date results, we revise our TOT revenues projections upwards as part of the mid-year budget review, which we will present to the Council on February 21, 2006, as follows:

	2005-06	2006-07
Original Projected Growth Rate	3%	3%
Revised Growth Rate	9%	4%

While year-to-date results are stronger than 9%, the last six months from last year were very strong, and given this, we do not expect a continuation of current trends for

the balance of the year; and given the much stronger base with which we will enter 2006-07, we believe that only a modest upward revision in the growth rate for 2006-07 is warranted at this time.

For More Information. Please call Brigitte Elke, Customer Services Supervisor, at (805) 781-7129.

Section E

STATUS OF GOALS AND OBJECTIVES

GOALS AND OBJECTIVES STATUS REPORT

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INTRODUCTION

OVERVIEW

This report details the status of major City goals set by the Council as part of the 2005-07 Financial Plan. In general, we are on-track in accomplishing these objectives based on the work programs adopted by the Council.

Report Card. The following is a quick “report card” on the status of major City goals based on the “action plans” approved by the Council as part of the 2005-07 Financial Plan. *As a benchmark, at February 1, 2006, we are about 30% through the two-year Financial Plan period. Most of the*

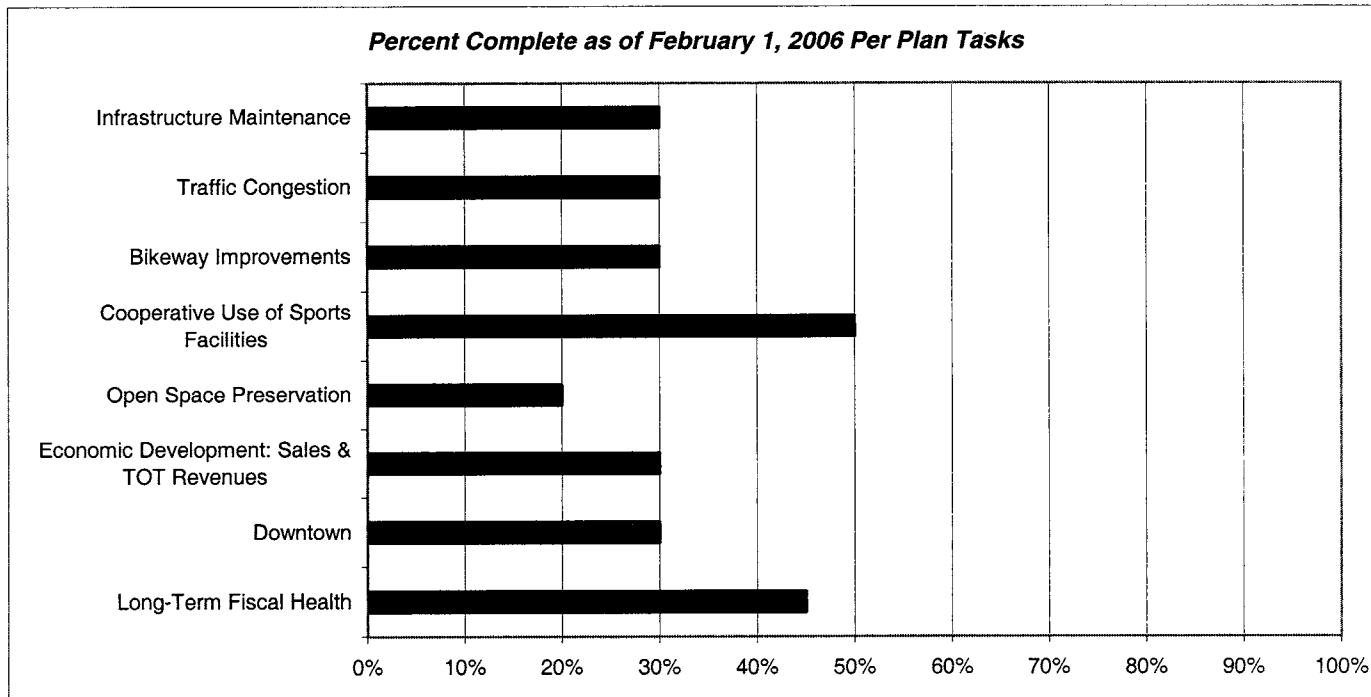
Important Note
Many of these are multi-year goals that have activities associated with them that go beyond the two-year 2005-07 time frame.

goals are near or exceed this level, with most goals showing good progress.

Organization. The “report card” is followed by a short summary of notable changes from the prior action plan update. Following this is a more detailed report on each goal and objective, which shows the objective; action plan tasks as adopted by the Council (as modified by subsequent changes); any revisions (additions are shown in italics; date changes since the last update are also shown in italics and highlighted in a separate column; and deletions are shown in ~~strikeout~~); and a brief status summary as of February 1, 2006.

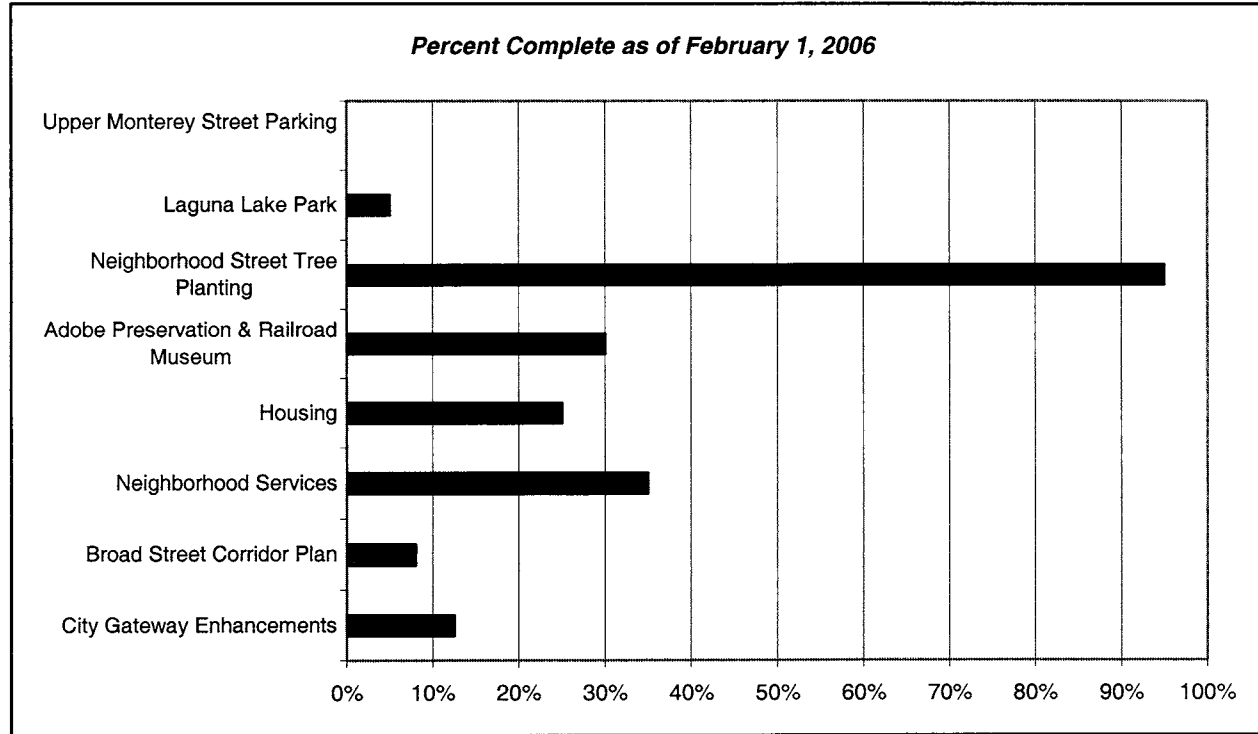
Shorter reports are provided for “other Council objectives” for 2005-07, as well as for “carryover goals and objectives” from 2003-05. This is followed by a summary chart on the status of major Capital Improvement Plan (CIP) projects.

Report Card: 2005-07 Major City Goals



INTRODUCTION

Report Card: 2005-07 Other Council Objectives



ACTION PLAN CHANGES

As noted above, in general we are on-track in accomplishing these objectives based on the work programs adopted by the Council. However, notable changes from the prior status report include the following.

Major City Goals

Traffic Congestion Relief. Bids for the Broad/Pacific signal came in over budget, requiring re-solicitation of a redesigned bid package. The project is anticipated to be rebid in March 2006, with construction beginning in May. Project design is near completion for signalization of Johnson Avenue/Ella Street and Higuera/Granada,

and the projects will be put out to bid in March 2006, pushing construction to May. Construction of the Calle Joaquin realignment will not begin until Spring 2006 because of Costco's decision not to start the work in Fall 2005 as well as seasonal restrictions under the Army Corps of Engineer's permit.

Bikeway Improvements. The conditions of approval for the Railroad Safety Trail, Phase 2 project have been with UPRR since August 2005. Once confirmation is received, staff will be able to begin the land survey and prepare the legal description of the area for license agreement. Due to UPRR's delay in responding to the conditions, the project has been pushed back six months.

Open Space Preservation. The Conservation Plan for South Hills Open Space is underway; however, completion has been delayed

INTRODUCTION

because of a more extensive inventory of the natural resource issues and concerns at the site. Development of the Conservation Plan for Johnson Ranch will begin once the South Hills Plan is complete.

Downtown. Staff has completed a series of Parking Task Force meetings, and is planning to return to Council with recommendations for revenue enhancement in February 2006. Completion of the conceptual drawings for the Palm/Nipomo parking structure is planned for Summer 2006.

Other Council Objectives

Upper Monterey Street Parking. Pursuant to Council direction in July 2005, identifying upper Monterey Street parking solutions has been delayed.

NEXT REPORT

We will present the next “formal report” to the Council in June 2006 as part of the 2006-07 Financial Plan Supplement. In the interim, we will keep the Council up-to-date on the status of major projects through agenda reports, Council Notes and other briefing opportunities.

MAJOR CITY GOALS

INFRASTRUCTURE MAINTENANCE

Objective. Continue to maintain City infrastructure, such as roads, sidewalks, water, sewer, storm drainage and parks, at a moderate level.

Action Plan

Task	Current	Revised
<i>Paving</i>		
1. Perform pavement repairs on City streets using City crews.	Ongoing	
2. Pursue State grant funding for pavement projects.	Ongoing	
3. Complete two CIP projects to perform pavement repair on arterial streets Citywide. Repairs will be limited to grinding out and replacing failed pavement, but will not include overlays or reconstruction of streets.	6/07	
<i>Sidewalks</i>		
4. Monitor the condition of existing sidewalks, with City staff making temporary repairs.	Ongoing	
5. Repair damaged sidewalks, curbs and gutters using City crews.	Ongoing	
6. Establish permit requirements to expedite sidewalk repairs required of private property owners.	12/06	
7. Complete two CIP projects to retrofit existing curbs for disabled access using Community Development Block Grant (CDBG) funds.	6/07	
<i>Storm Drains</i>		
8. Perform creek/storm drain cleaning annually using City crews.	Ongoing	
9. Complete CIP project to rehabilitate culvert under Augusta Street.	Complete	
10. Complete two CIP projects to replace a number of drainage inlets in order to improve flood protection.	6/07	
11. Complete silt removal CIP projects at Marsh Street and Prefumo Creek.	6/07	
<i>Water and Sewer</i>		
12. Complete six CIP projects for wastewater collection system improvements based on the Utilities Department priorities.	6/07	

MAJOR CITY GOALS

INFRASTRUCTURE MAINTENANCE

Task	Current	Revised
13. Complete two CIP projects for water distribution system improvements based on the Utilities Department priorities.	6/07	
14. Complete two CIP projects for polybutylene water service replacements based on the Utilities Department priorities.	6/07	
<i>Parks</i>		
15. Replace pool cover at the swim center.	12/05	<i>Complete</i>
16. Continue to maintain parks and street trees at a moderate level, within existing resources.	Ongoing	
17. Begin maintenance and operation of the Damon-Garcia sports fields by transferring full-time City staff, and backfilling with contract maintenance.	Complete	
18. Complete a Downtown Urban Forest Management Plan.	3/06	
19. Implement Phase 1 recommendations of the Downtown Urban Forest Management Plan.	6/07	
<i>Other</i>		
20. Complete bridge deck maintenance CIP project at Marsh and Toro Street bridges.	6/06	
21. Complete design for Marsh Street bridge repair CIP project.	6/06	
22. Complete design for roof replacement CIP project at Corporation Yard admin building.	6/07	
23. Perform moderate level of building and facility repairs annually using City crews.	Ongoing	
24. Install electrical service fusing on City-owned street light fixtures.	Ongoing	

Status Summary: 30% Complete. City crews, in conjunction with Caltrans, have completed major repairs to Broad Street south of South Street. Design and environmental review are underway for the next sidewalk ramps project using CDBG funding. Design is also underway on the Perfumo Creek Silt Removal project, two water distribution system projects, the polybutylene water service replacement project, and is complete for two wastewater collection improvement projects. Creek cleaning was completed for the 2005-06 winter season.

A consulting arborist has been hired and has begun the assessment of trees in the downtown area, with a March 2006 completion date.

MAJOR CITY GOALS

INFRASTRUCTURE MAINTENANCE

The bridge deck maintenance CIP has been awarded and construction will begin in spring 2006. The Bishop Tank replacement, Phase II of the LOVR medians, Monterey Street paving, and the annual trench repair contacts have all been advertised.

MAJOR CITY GOALS

TRAFFIC CONGESTION RELIEF

Objective. Continue efforts to improve traffic flow, safety and reduce traffic congestion throughout the City.

Action Plan

Task	Current	Revised
<i>Mid-Higuera Street Widening</i>		
1. Complete National Environmental Policy Act (NEPA) document to secure funding for design and construction.	5/06	
2. Complete preliminary design and resolve access issues.	5/06	
3. Begin property acquisition negotiations if funding is available.	6/06	
4. Complete final project design with in-house staff.	6/07	
5. Pursue additional funding as needed to complete Mid-Higuera widening project - Marsh to High Street.	Ongoing	
<i>Orcutt Road Widening</i>		
6. Review and process EIR for the Four Creeks rezoning project which includes widening of Orcutt Road from McMillan to UPRR tracks.	Complete	
7. Initiate California Environmental Quality Act (CEQA)/NEPA environmental review.	5/06	
8. Complete design of widening between Duncan to Laurel Lane) with in-house staff.	8/06	
9. Pursue additional funding as needed to complete Orcutt Road widening project (Duncan to Laurel Lane).	Ongoing	
<i>Prado Road Extension</i>		
10. Work with west side Margarita Area Specific Plan (MASP) property owners to resolve funding issues and outline project development schedule.	Ongoing	
11. Begin environmental review and technical studies by MASP property owners.	4/06	
12. Begin project plans, specification and estimates (PS&E) by MASP property owners.	5/06	
13. Complete CEQA environmental review.	8/06	
14. Complete PS&E by MASP property owners.	3/07	
<i>Signalization of Broad Street and Pacific Street Intersection</i>		
15. Begin construction.	3/06	5/06

MAJOR CITY GOALS

TRAFFIC CONGESTION RELIEF

Task	Current	Revised
16. Complete construction.	8/06	10/06
<i>Signalization at Johnson Avenue/Ella Street and Higuera/Granada</i>		
17. Complete environmental review and project design.	2/06	
18. Begin construction.	5/06	
19. Complete construction.	10/06	
<i>Los Osos Valley Road Interchange</i>		
20. Complete Phase 1 of the Caltrans environmental and Project Report process.	Complete	
21. Hire consultant to prepare the final Caltrans environmental and Project Report.	Complete	
22. Begin CEQA/NEPA EIR/EIS process and hire EIR/EIS consultant.	1/06	Complete
23. Complete Calle Joaquin Realignment project.	9/06	
24. Complete EIR/EIS.	6/07	
25. Implement phase improvements as new development is approved and can be identified.	Ongoing	
<i>Tank Farm Road Intersection Improvements</i>		
26. Initiate design of Tank Farm Road widening project.	6/06	

Status Summary: 30% Complete.

Staff continues to process projects, summarized as follows.

Mid-Higuera. The environmental document is being reviewed by Caltrans, and staff expects to have a categorical exclusion signed by May 2006. The property appraisal process will begin shortly thereafter.

Orcutt Road. The Bullock House removal should be complete by Spring 2006. The Four Creeks project EIR was certified by the Council on November 15, 2005. Staff continues to refine the project plans and seek additional funding.

Prado Road Extension. Staff is working with the "West Side" property owners to complete tentative tract maps for the projects. Conditioning of the design and construction of the Prado Extension will be part of final tract approval. Movement on this objective is driven by the developers; the revised the timeline reflects their progress.

MAJOR CITY GOALS

TRAFFIC CONGESTION RELIEF

Broad/Pacific Signal. The initial bids for this project were well above the project budget; therefore, bids will be resolicited with a redesigned bid package. Construction is planned to begin in May 2006.

Johnson Avenue/Ella Street & Higuera/Granada Signals. The project designs are near completion. The projects will be advertised in March 2006 with construction planned to start in May 2006.

LOVR Interchange. The Calle Joaquin relocation project has received final permit approval from the Army Corps of Engineers and Caltrans. Due to a decision by Costco, work on the project will not begin until Spring 2006. On November 1, 2005, the Council awarded a contract to Dokken Engineering to perform the final work on the Caltrans Project Report and environmental review for improvements to the LOVR interchange. An environmental consultant firm was approved in January 2006 to begin working with Dokken.

MAJOR CITY GOALS

BIKEWAY IMPROVEMENTS

Objective. Continue efforts to improve bicycling in the City including completion of the Railroad Safety Trail, Bob Jones City-to-Sea Trail and the Bill Roalman Bicycle Boulevard.

Action Plan

Task	Current	Revised
<i>Railroad Safety Trail - Phase 3</i>		
1. Complete land survey and prepare legal description of area for license agreement.	12/05	6/06
2. Complete negotiations and execute license agreement with UPRR for use of their property for the RRST bikeway.	6/06	12/06
<i>Railroad Safety Trail - Phase 4</i>		
3. Complete construction drawings for Phase 4 on City property between Hathway Street and Foothill Boulevard and begin construction.	6/07	
<i>Bob Jones City-to-Sea Trail</i>		
4. Complete NEPA document to secure funding for Phase 1a.	6/06	
5. Complete design of Bob Jones City-to-Sea bike trail, Phase 1a.	6/07	
6. Further develop design concepts and funding for other sections of the Bob Jones trail.	6/07	
<i>Bill Roalman Bicycle Boulevard, Phase 2</i>		
7. Complete design of the Bill Roalman Bicycle Boulevard.	6/06	
8. Complete construction of the Bill Roalman Bicycle Boulevard.	6/07	
<i>Other Projects that Improve Bicycling</i>		
9. Complete miscellaneous bicycle facility improvements identified in the Bicycle Transportation Plan, as resources permit.	Ongoing	
10. Seek funding for the construction of bikeways within the City.	Ongoing	
11. Complete the second phase of the Bicycle Transportation Plan update.	6/06	
12. Continue bicycling marketing and educational efforts.	Ongoing	

MAJOR CITY GOALS

BIKEWAY IMPROVEMENTS

Status Summary: 30% Complete

The City's request for confirmation of the conditions of approval for the Railroad Safety Trail, Phase 2 project has been with UPRR since August 2005. Once confirmation is received, staff will be able to begin the land survey and prepare the legal description of the area for license agreement.

Studies for the NEPA document for the Bob Jones Bikeway have been completed. The documents have been submitted to Caltrans for their approval.

The Promotional Coordinating Committee has funded various bikeway marketing brochures through its Grants-in-Aid program, including a historical bike tour for placement in hotels and motels.

The recently developed bike rack donation program has resulted in the installation of 11 bike racks in the City and has received positive press coverage and notice from other cities.

MAJOR CITY GOALS

COOPERATIVE USE OF SPORTS FACILITIES

Objective. Support the Joint Use Committee in further redeveloping school district sports facilities.

Action Plan

Task	Current	Revised
1. Make the necessary budget adjustments to increase funding for the JUC field improvement program.	Complete	
2. Purchase and install field reservation system.	Complete	
3. Report to the City Council on the feasibility of replacing existing grass fields with artificial fields.	Complete	
4. Assist local citizen groups in research and neighborhood outreach on the Holt Field project.	6/07	
5. Continue to include tennis courts in the plans for parks in the Margarita and Orcutt areas. Monitor park planning in the Orcutt-Broad Street areas.	Ongoing	

Status Summary: 50% Complete

Council received information on December 6, 2005 related to replacing existing grass sports fields with artificial turf. Staff was directed to prepare a capital improvement project request for converting Stockton Field at Sinsheimer Park to artificial turf for consideration during the 2007-09 Financial Plan process.

The online facility reservation system has been installed, staff has been trained on its use, and the system made available for public use in January 2006.

Staff continues to monitor opportunities for tennis courts in the Margarita and Orcutt areas and future park possibilities in the Orcutt-Broad Street development.

MAJOR CITY GOALS

OPEN SPACE PRESERVATION

Objective. Continue funding open space acquisition and the natural resources program; maintain and enhance open space, creeks and riparian habitat; and continue “SLO Stewards” program and collaboration with conservation organizations.

Action Plan

Task	Current	Revised
1. Continue to pursue easement and/or fee acquisition opportunities.	Ongoing	
2. Pursue negotiations with Property owners.	Ongoing	
3. Pursue State and Federal grant applications.	Ongoing	
4. Pursue private grant applications.	As appropriate	
5. Place on the market two to three surplus City-owned properties to provide continued funding for open space and agricultural land conservation.	Ongoing	
6. Contract with California Conservation Corp (CCC) and others for development of facilities and improvements ancillary to the Bob Jones Bikeway, trail improvement and associated resource protection at the Bowden Ranch Open Space and possibly other locations.	Ongoing	
7. Continue planning and stewardship support (Land Conservancy; ECOSLO).	Ongoing	
8. Complete individual Conservation Plans programs for two additional City open space lands:		
a. South Hills	12/05	6/06
b. Johnson Ranch	12/06	6/07
9. Continue implementing Conservation Plans adopted for acquired open space lands, as funding permits. (Irish Hills, Bishop Peak, Cerro San Luis)	Ongoing	

Status Summary: 20% Complete.

Grant opportunities continue to be pursued as appropriate.

In February 2006, the City will receive fee title to 27 acres plus a one-half interest in 180 acres at the Bowden Ranch. The City also anticipates dedication of fee title to 12 acres of the Gearhardt Auto Project upon its development in Spring 2006. Several smaller open space dedications associated with creek protection are in the process of being finalized.

MAJOR CITY GOALS

OPEN SPACE PRESERVATION

The California Conservation Corp is doing contract work for us on the Bob Jones Trail and for the Zone 9 storm flow management program.

The Conservation Plan for South Hills Open Space is underway, but completion has been delayed because of a more extensive inventory of the natural resource issues and concerns at the site. Dedication of 71 acres of land associated with the Margarita development proposal, and adjacent to South Hills Open Space, is anticipated within the next few months. Development of the Conservation Plan for Johnson Ranch will begin once the South Hills Open Space Conservation Plan is complete.

A variety of maintenance and enhancement projects in city-owned open space lands is underway.

MAJOR CITY GOALS

ECONOMIC DEVELOPMENT: SALES TAX AND TOT REVENUES

Objective. Encourage and promote projects and programs that will increase sales tax and transient occupancy tax revenues.

Action Plan

Task	Current	Revised
<i>Sales Tax</i>		
1. Continue to identify retail types and specific retailers that will complement and augment existing market conditions. Continue to encourage new retailers to locate in San Luis Obispo on properties zoned for this purpose. Use direct mail and attendance at industry events to support retail recruitment strategy. Have regular meetings with local real estate brokers and property owners.	Ongoing	
2. Continue to contract with HDL for sales tax analysis and services to analyze market conditions.	Ongoing	
3. Continue to conduct demographic research and information gathering about the City, its residents, its visitors and the region to provide to individuals, businesses, real estate professionals and others in analyzing San Luis Obispo for their business purposes. Continue to use the UCSB Economic Forecast Project as a data source.	Ongoing	
4. Continue to conduct “economic gardening” in the retail industry through existing customer service oriented practices like the Quick Response Team, the Economic Development Program’s involvement in major development projects, and the Economic Development Program’s high level of customer service to individuals, businesses and real estate professionals. When possible support other local agencies’ training programs and encourage local retailers to utilize these services.	Ongoing	
5. Continue to support the strategies in the Downtown Strategic Business Plan and assist in its update, as more fully discussed in the Downtown Major City Goal. Focus support on efforts that maintain the retail health of Downtown and increase customer sales in a sustainable way.	4/06	
6. Promote shopping as an activity for visitors to San Luis Obispo.	Ongoing	
7. Continue to work with auto dealers in the City. Provide assistance to the Gearhardt Autopark Expansion and the Madonna “gap” property development. Work closely with remaining Downtown auto dealers to find locations that are more functional. Explore the reuse of Downtown auto dealer locations for other retail purposes. If space becomes available, encourage new brands of automobiles to locate in San Luis Obispo.	Ongoing	

MAJOR CITY GOALS

ECONOMIC DEVELOPMENT: SALES TAX AND TOT REVENUES

Task	Current	Revised
8. Continue to facilitate and coordinate City involvement in significant retail development projects as directed by Council. Work closely on the Chinatown Project, Los Osos Valley Road corridor projects (including the Gearhart Auto Development, Froom Ranch expansion, Madonna “gap” development and the Calle Joaquin hotel projects), Airport Area Specific Plan approval and property annexation and other large-sized projects.	Ongoing	
9. Continue the <i>Shop SLO – Keep it Local</i> marketing and public relations campaign to encourage residents to purchase goods in the City. Focus on branding San Luis Obispo as the shopping destination for the region. Work with the Downtown Association, local businesses and local retail centers to coordinate efforts and messages about shopping in San Luis Obispo.	Ongoing	
10. Through the Seismic Coordinator, continue to provide displaced businesses and property owners with support during the retrofit of their buildings. Work closely with property owners who opt to redevelop their properties in addition to seismically strengthening them.	Ongoing	
11. Encourage retail areas to define and develop niche marketing efforts, as in the “West End” of Downtown.	Ongoing	
12. Upon annexation of the Airport Area, revise the targeted industries list for community compatibility and present to Council for consideration.	6/07	
<i>Transient Occupancy Tax</i>		
13. Continue a community promotions program that implements the strategies of the adopted Tourism Marketing Plan, as well as the brand, <i>San Luis Obispo - Experience the SLO Life</i> . If the need arises, update the Tourism Marketing Plan.	Ongoing	
14. Continue the focused advertising and public relations campaign that establishes and identifies the City as a tourist destination with a wide variety of activities to undertake during a stay. Develop and encourage cooperative advertising opportunities with local properties.	Ongoing	
15. Work with property owners and real estate brokers to increase lodging opportunities, consistent with City land use and zoning policies, including the Courtyard Marriot, Hampton Inn and Motel Inn. Continue to monitor opportunities for the reuse of large or downtown properties for unique boutique hotels.	Ongoing	
16. Continue to monitor transportation opportunities for visitors, and when necessary recommend service improvements.	Ongoing	

MAJOR CITY GOALS

ECONOMIC DEVELOPMENT: SALES TAX AND TOT REVENUES

Task	Current	Revised
17. Continue to identify and implement strategies to improve overnight stays during non-peak seasons and mid-week.	Ongoing	
18. To increase conferences, work with local lodging properties to support existing large-sized conference facilities and services at the Madonna Inn and Embassy Suites Hotel.	On-going	
19. As new facilities are completed and available for use (Damon Garcia Sports Fields, the Children's Museum and the Railroad History Museum), promote the facilities as local amenities to visitors.	Ongoing	
20. Continue to partner with the local arts community and the San Luis Obispo Vintners & Growers Association to promote the City's public art and arts events and the Edna Valley wine region to visitors.	Ongoing	
21. Support efforts to make San Luis Obispo more accessible to visitors by improving signage in Downtown.	Ongoing	
22. Continue to market the outdoor amenities of the City's open space to visitors.	Ongoing	

Status Summary: 30% Complete

Sales Tax. Interest in San Luis Obispo as a retail outlet for new businesses continues to be strong and staff is working with several potential new retailers. Costco's opening has already generated significant new sales tax revenues and the Los Osos Valley Road area continues to be a strong generator of sales tax revenue. The Gearhart Autopark Expansion is well underway with site improvements working their way through the final stages of review. Site grading at Froom Ranch is complete in preparation for construction of 140,000 square feet of new retail space after the winter rains abate. At Broad and Tank Farm Road, Edna Market's opening offers residents new opportunities for freshly prepared foods on the go and a convenient location for fuel. Residents continue to be encouraged to *Shop SLO – Keep it Local* and many businesses from BAnthony to Full Circle display the program logo. Urban Outfitters opened in February in the former Copeland's headquarters presenting another place to *Shop SLO*. The new data from the 2006 UCSB Economic Forecast for San Luis Obispo County is being incorporated into City materials for use by existing and potential businesses. Active work on seismic strengthening projects continues to occur in the downtown with some businesses relocating during the retrofit and some choosing to close for the duration. As the historic JP Andrews Building and Ah Louis Building completed retrofits, Novo and San Luis Luggage have just begun. Work on the Warden Building and others continues at a measured pace.

Transient Occupancy Tax (TOT). TOT revenues through December 2005 continue to be much stronger than estimated in the 2005-07 Financial Plan. Staff continues to work with the Community Promotions contractors on current and new marketing efforts including the promotion of the Tour of California, which is expected to bring significant visitors to the City during the off-season month of February 2006. Construction has begun on the Courtyard by Marriott on Calle Joaquin and could be open for business by Fall 2006.

MAJOR CITY GOALS

DOWNTOWN

Objective. Continue the City's traditionally strong support for the downtown in multiple areas, such as maintenance, economic development, public safety, parking and tourism promotion, including progress on the installation of pedestrian lighting, and other improvements as resources allow.

Action Plan

Task	Current	Revised
1. Finalize the selection of a pedestrian light style, develop a plan for the placement of pedestrian lights and present both to Council for approval.	2/06	
2. Upon completion and approval of a lighting plan, seek out opportunities to install electrical conduit for pedestrian lights as part of other private and public projects in the downtown. In cases where conduit and/or electrical wiring are available, work with the Downtown Association to find donors to purchase and install light standards.	On-going	
3. Continue to provide staff support to the "Trout About Downtown" art project, both as an attraction for tourists and as a fund-raiser for the Prado Day Center.	Complete	
4. Complete downtown street resurfacing projects on Monterey Street between Santa Rosa and Chorro Streets.	6/06	
5. Complete downtown street resurfacing projects on Higuera Street from Morro to Broad Streets.	6/07	
6. Work with Economic Development Manager to assist the Downtown Association with revisions to and implementation of their Downtown Strategic Business Plan, including the consideration of alternative methods of governance and funding.	4/06	
7. Complete conceptual designs for the Palm/Nipomo parking structure.	4/06	7/06
8. Through the City's Seismic Coordinator, continue to support efforts to strengthen downtown buildings, and assure that all owners meet the requirement to have approved building permits for seismic work by January 1, 2006.	On-going	
9. Continue the efforts of the Transient Task Force to minimize the negative impacts of homeless individuals in the downtown.	On-going	
10. Re-institute and support the graffiti hotline to ensure that the downtown remains free from unsightly graffiti.	On-going	

MAJOR CITY GOALS

DOWNTOWN

Task	Current	Revised
11. Provide staff support for the completion of important downtown construction projects: Court Street, the Palm/Morro parking and office building and, possibly, Chinatown.	On-going	
12. Continue to provide support for the Art Center and Children's Museum as they move forward with their new buildings, and to the San Luis Obispo Little Theatre in any actions they take to remodel their current space.	On-going	
13. Continue to provide support to the downtown and the Downtown Association as outlined in the document entitled <i>Services the City of SLO Provides to the Downtown Association and Downtown Area</i> .	On-going	
14. Complete a Downtown Urban Forest Management Plan.	3/06	
15. Implement Phase 1 recommendations of the Downtown Urban Forest Management Plan.	6/07	
16. Improve downtown parking by installing "way finding" signs to parking structures.	6/07	
17. Complete a feasibility study for the installation of pay-on-foot equipment at the City's parking structures.	6/07	

Status Summary: 30% Complete

The downtown pedestrian lighting placement plan was approved by the ARC and presented to the City Council in February 2006.

Revisions to the Downtown Strategic Business Plan continue to evolve as work with the consultant, Jeffrey Eichenfield, brings more information about funding and governance options. A Draft Strategic Plan Revision is expected to be completed in June 2006 when it will be presented to the City Council.

Design of the Downtown Paving project and authorization by the City Council to advertise are complete. Per Council direction, at the request of the Downtown Association, the project construction was delayed until April 2006. Staff also delayed the second paving project to the same construction season the following year. The Council Study Session on building height and intensity in the Downtown will occur on March 14.

Staff's focus on the Parking Task Force, and internal changes in the architectural consultant firm hired to create the conceptual drawings for the Palm/Nipomo parking structure have resulted in a delay of the completed drawings.

MAJOR CITY GOALS

DOWNTOWN

The Transient Task Force meets monthly and has produced a simple tri-fold handout for retailers providing them with tools for impacting transient activity. The proposed ordinance addressing aggressive panhandling was presented to the Human Relations Commission in December for their review and comment and will be recommended to Council for approval in March 2006.

A new facility lease has been executed between the City and SLO Little Theatre for use of 888 Morro Street, and staff has worked closely with both the SLO Arts Center and the Children's Museum to minimize design and construction delays for their new facilities.

Draft plans for the parking structure direction signs are complete. Final review, revisions and approvals are upcoming.

MAJOR CITY GOALS

LONG-TERM FISCAL HEALTH

Objective. Continue developing and implementing a long-term plan that will deliver desired service levels, adequately maintain existing infrastructure and facilities, and preserve the City’s long-term fiscal health.

Action Plan

Task	Current	Revised
1. Organizational Productivity. Continue organizational vitality program in improving productivity and customer service.	Ongoing	
2. Legislative Advocacy. Continue working closely with our employee associations, the League of California Cities, other local governments, professional associations and other groups to prevent further adverse fiscal impacts on the City by State, federal or County agencies.	Ongoing	
3. Review and Monitor the City’s Fiscal Condition. Continue to effectively review and monitor the City’s fiscal condition on an ongoing and timely basis, including on-line access to financial data, quarterly newsletters, focused reporting on key revenues, mid-year budget reviews and preparation of annual financial reports in accordance with generally accepted accounting principles and nationally recognized excellence in financial reporting guidelines.	Ongoing	
4. Update the 2000 Cost of Services Study. Consistent with the City’s user fee policy of preparing a comprehensive cost of services study at least every five years:		
a. Develop workscope and issue request for proposals.	Complete	
b. Select consultant, award contract and begin preparing study.	12/05	<i>Complete</i>
c. Complete draft report.	3/06	
d. Present findings to Council.	4/06	
e. Implement cost recovery policies.	7/06	
5. Consider Preparing for a Revenue Ballot Measure in 2006. Complete analysis of the feasibility of a revenue ballot measure and present the results to the Council for a “go/no-go” decision in taking the next step in preparing for a revenue measure in 2006. If the Council decides to go forward, follow-up action steps will be determined at that time.	Complete	

MAJOR CITY GOALS

LONG-TERM FISCAL HEALTH

Status Summary: 45% Complete

1. **Productivity.** We continue with our ongoing efforts to improve productivity. Most recently, we conducted a project management training program (“Herding Cats: Getting Things Done in a Complex Environment) for 60 key staff from throughout the organization on this critical skill for organizational success.
2. **Legislative Advocacy.** We also continue to keep close tabs on State legislative actions that affect us and our fiscal situation.
3. **Review and Monitor Fiscal Condition.** We continue to issue timely interim reports, and presented the comprehensive annual financial report to the Council on January 3, 2006.
4. **Update the Cost of Services Study.** The Council approved the request for proposals for the cost of services study on October 18, 2005, and the CAO awarded the contract to Maximus in December 2005. We are on target for completing this task.
5. **Consider Preparing for a Revenue Ballot Measure in 2006.** The Council approved going forward with a comprehensive public education and public outreach program in preparation for a possible revenue ballot measure on July 19, 2005. To-date, we have:
 - Briefed all Council advisory bodies on the status of this public education program.
 - Briefed all our employees on this status of this public education program.
 - Made presentations to 13 community groups and received over 200 “feedback” forms.
 - Sent-out two community mailers and received over 900 responses to them.

OTHER COUNCIL OBJECTIVES

The following provides brief status reports on “Other Council Objectives” for 2005-07.

Upper Monterey Street Parking

Objective. Identify parking solutions for the upper Monterey Street area so that the area can be included in the parking district and zoned to Downtown Commercial.

Status Summary: 0% Complete. Pursuant to Council direction on July 2, 2005, identifying upper Monterey Street parking solutions has been delayed. Rather, staff has been working with the Parking Task Force to determine new revenue streams for the continued health of the Parking Fund.

Laguna Lake Park

Objective. Move forward on Laguna Lake Park Master Plan implementation.

Status Summary: 5% Complete. Designs for playground equipment replacement are being developed and the Laguna Lake Dredging environmental review is underway and due back to staff in June 2006.

Neighborhood Street Tree Planting

Objective. Develop and implement neighborhood street tree planting programs with community “planting days.”

Status Summary: 95% Complete. City staff coordinated a successful neighborhood tree planting workday for the 1300 block of Pacific Street in early November 2005, and continues to seek opportunities throughout the community for additional planting workdays.

Community Partnerships:

Adobe Preservation and Railroad Museum

Objective. Work with community partners to seek funding for the protection and improvement of adobes and development of railroad museum.

Status Summary: 30% Complete. Staff held a community meeting in October 2005 to seek ideas on how to move forward with adobe restoration in light of extremely limited federal, state, local and foundation funding. A grant application has been submitted for 2006 Community Development Block Grant funding to support restoration efforts to the Butron and La Loma Adobes. A minor stabilization project for the Butron Adobe was completed in December to provide a temporary roof, and new gutters and plans for landscaping Rodriguez Adobe are being developed.

Staff was unsuccessful in securing a \$1,000,000 State Grant for the Railroad Museum, but will reapply for the grant again in 2006. The Railroad Museum Public Art contract was awarded and should be installed by March 2006.

Housing

Objective. Aggressively follow-up on adopted Housing Element by supporting affordable housing program implementation, pursuing grant sources and processing subdivisions in approved areas efficiently and effectively.

Status Summary: 25% Complete. The First-Time Homebuyers program for 10 affordable housing units in the Four Creeks project was approved by Council in November. An affordable housing agreement has been drafted for the first phase of the Margarita Area Specific Plan residential subdivisions. Staff is working on implementation of the downtown housing programs. This and other grant proposals will be going to the Council in early 2006.

OTHER COUNCIL OBJECTIVES

Neighborhood Services

Objective. Continue neighborhood services programs and move forward with Neighborhood Wellness/Community Participation Plan.

Status Summary: 35% Complete. The Police Department hired Ardith Tregenza as the new Neighborhood Services Manager following the retirement of Rob Bryn. The SLO Solutions community mediation program has been renewed for a second year, with the goal of increasing use by students and permanent resident. The feedback from the first year of the program has been very positive. The Neighborhood Services Team continues to work with the neighborhood associations and groups.

Broad Street Corridor Plan

Objective. Promote South Broad Street corridor planning and improvements.


Status Summary: 8% Complete. Caltrans authorized the funding of the grant on January 24, 2006 and staff work has started. Staff is meeting with Caltrans representatives regarding the conditions for relinquishment of Highway 227 to the City.

City Gateway Enhancements

Objective. Develop concept plans for City gateway enhancements that can be achieved by community groups, neighborhood organizations or other outside funding resources.

Status Summary: 12% Complete. A gateway concept plan has been developed for the Highway 101 Northbound freeway entrance into the City. The program has been phased to allow volunteer support, and staff continues to work with interested citizens to assist with implementation of the plan. Much of the landscaping designated for the area will be accomplished along with the Bob Jones Bicycle Trail improvements.

City Council recently approved \$40,000 for the placement of public art at the Hwy 1 entryway into the City.



CARRYOVER GOALS AND OBJECTIVES

The following summarizes the status of “carryover” Major City Goals and Other Council Objectives from the 2003-05 Financial Plan. In several cases, “carryover tasks” have been incorporated into the Major City Goals (or “other Council objectives”) for 2005-07, and as such, they are not repeated in this section.

MAJOR CITY GOALS

Long-Term Water Supply

Objective. Continue aggressive efforts to develop permanent, reliable water supplies to meet City General Plan needs, including all options consistent with Council policy.

There are four remaining tasks from this goal:

1. Complete design of required user site modifications for the water reuse project.
2. Complete construction of the water reuse project backbone pipeline system, Water Reclamation Facility improvements and user site modifications.
3. Complete design, invite bids for construction and award contract for groundwater development.
4. Present water conservation program evaluation report to the Council.

Status Summary: 95% Complete. The majority of effort toward completion of this goal has shifted toward the City’s participation in the design of the Nacimiento Pipeline Project. That project is currently on schedule with the preliminary design report to be prepared by February 2006 and final design completed by winter 2007. Development of the Water Reuse project continues, with design of user site improvements for the use of recycled water expected to be complete by February 2006. Construction of the Water Reuse system backbone pipeline is complete and work this past quarter has been focused on completing the improvements to the Water Reclamation Facility. Those improvements are projected to

be complete by March 2006. The groundwater development program has been deferred indefinitely. The water conservation program evaluation was presented to Council with the 2005 Water Resources Status report and will be updated with the 2006 Water Resources Status report.

Therapy Pool

Objective. Pursue development of a warm water therapy pool at the Swim Center through a financing program for its construction and on-going operation that does not use general-purpose revenues.

Status Summary: Design 75% Complete. A designer has been retained for the project and the Council has reviewed and approved the scope of the project. Designs are 75% complete for the approved scope. Staff anticipates advertising for bids in Spring 2006, with construction to take place in Summer 2006.

OTHER COUNCIL OBJECTIVES

Waterways Management Plan Implementation Program

Objective. Upon completion of the Waterways Management Plan, adopt an implementation program.

Status Summary: 70% Complete. The Council has adopted the Plan. The design element has been implemented; the storm water quality program has been implemented; the stream maintenance guidelines were partially implemented last fall and will be fully implemented by next fall; implementation of creek and flood protection projects depend on significant funding that is simply not available and therefore it is not anticipated that any of this program will be implemented. The Army Corps of Engineers is currently working on the NEPA clearance for the Plan. The Zone 9 advisory committee is discussing what work is needed to begin studies for flood protection projects.

CARRYOVER GOALS AND OBJECTIVES

Short-Range Transit Plan

Objective. Implement the Short-Range Transit Plan.

Status Summary: 98% Complete. The new bus schedule and stops were implemented in January 2004. Ridership is increasing along modified routes. The FTA grant has been approved and implementation of the bus stop improvement plan is underway. Installation of schedule holders is complete.

Airport Area Annexation


Objective. Annex the Airport Area.

Status Summary: 90% Complete. The Margarita and Airport Area Specific Plans have both been adopted and the EIR for both specific plans and the annexation was certified by the Council in October 2004. The annexation process for both areas is underway together and anticipated to be completed in 2006.

Auto Center Expansion

Objective. Continue to explore the possibility of expanding Auto Center sites via annexation of the “McBride” and “Gap” properties.

Status Summary: 85% Complete. LAFCO approved the annexation of the “McBride” property (now the Gearhardt property) in October. Final improvement plans for public and private infrastructure and landscaping for the Gearhardt Auto expansion are almost complete. Specific proposals for the development of individual lots will still require Architectural Review once specific dealers are identified and plans submitted for construction. Staff continues to work with the Madonna family on development concepts for the “Gap” property and will continue to encourage the family to annex the property into the City.



STATUS OF MAJOR CIP OBJECTIVES

