



San Luis Obispo, California

# 2013-15 Financial Plan Supplement

Approved 2014-15 Budget

# 2013-15 Financial Plan Supplement

July 1, 2014

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## Approved 2014-15 Budget

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# CITY OF SAN LUIS OBISPO

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# PREFACE

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## BUDGET PROCESS OVERVIEW

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The City of San Luis Obispo continues to receive national recognition for its use of a two-year budget process that emphasizes long-range planning and effective program management. Significant features of the City's two-year Financial Plan include the integration of Council goal-setting into the budget process and the extensive use of formal policies and measurable objectives. The Financial Plan includes operating budgets for two years and a capital improvement plan (CIP) covering five years.

While appropriations continue to be made annually under this process, the Financial Plan is the foundation for preparing the budget in the second year. Additionally, unexpended operating appropriations from the first year may be carried over into the second year with the approval of the City Manager.

### **Purpose of the Two-Year Financial Plan**

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The fundamental purpose of the City's Financial Plan is to link what we want to accomplish for the community with the resources necessary to do so. The City's Financial Plan process does this by: clearly setting major City goals and other important objectives; establishing reasonable timeframes and organizational responsibility for achieving them; and allocating resources for programs and projects.

### **Major City Goals**

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Linking important objectives with necessary resources requires a process that identifies key goals at the very beginning of budget preparation. Setting goals and priorities should drive the budget process, not follow it.

For this reason, the City begins each two-year Financial Plan process with in-depth goal setting workshops where the Council invites candidate goals from community groups, Council advisory bodies and interested individuals; reviews the City's fiscal outlook for the next five years and the status of prior goals; presents their individual goals to fellow Council members; and then set and prioritize major goals and work programs for the next two years. City staff then prepare the Preliminary

Financial Plan based on the Council's policy guidance.

### **Financial Plan Policies**

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Formally articulated budget and fiscal policies provide the foundation for preparing and implementing the Financial Plan while assuring the City's long-term fiscal health. Included in the Financial Plan itself, these policies cover a broad range of areas such as user fee cost recovery goals, enterprise fund rates, investments, capital improvement management, debt management, capital financing, fund balance and reserves, human resource management and productivity.

### **Preparation and Review Process**

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Under the City Charter, the City Manager is responsible for preparing the budget and submitting it to the Council for approval. Although specific steps will vary from year to year, the following is an overview of the general approach used under the City's two-year budget process:

**First Year.** As noted above, the Financial Plan process begins with Council goal-setting to determine major objectives for the next two years. The results of Council goal-setting are incorporated into the budget instructions issued to the operating departments, who are responsible for submitting initial budget proposals. After these proposals are comprehensively reviewed and a detailed financial forecast is prepared, the City Manager issues the Preliminary Financial Plan for public comment. A series of workshops and public hearings are then held leading to Council adoption of the Financial Plan by June 30th.

**Second Year.** Before the beginning of the second year of the two-year cycle, the Council reviews progress during the first year, makes adjustments as necessary and approves appropriations for the second fiscal year's budget which is known as the Financial Plan Supplement.

**Mid-Year Reviews.** The Council formally reviews the City's financial condition and amends

# PREFACE

## BUDGET PROCESS OVERVIEW

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appropriations, if necessary, six months after the beginning of each fiscal year.

### **Interim Financial and Project Status Reports.**

On-line access to “up-to-date” financial information is provided to staff throughout the organization. Additionally, comprehensive financial reports are prepared monthly to monitor the City's fiscal condition, and more formal reports are issued to the Council on a semi-annual basis. The status of major program objectives, including CIP projects, is also periodically reported to the Council on a formal basis.

### **Administration**

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As set forth in the City Charter, the Council may amend the budget at any time after its adoption by majority vote of the Council members. The City Manager has the authority to make administrative adjustments to the budget as long as those changes will not have a significant policy impact nor affect budgeted year-end fund balances.



## HOW TO USE THE FINANCIAL PLAN SUPPLEMENT

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This supplement reflects the City's continued use of a two-year financial plan that emphasizes long-range planning and effective program management. The benefits identified when the City's first two-year plan was prepared for 1983-85 continue to be realized:

1. Reinforcing the importance of long-range planning.
2. Concentrating on developing and budgeting for significant objectives.
3. Establishing realistic schedules for completing program objectives
4. Creating a pro-active budget providing for orderly and structured operations.
5. Promoting more orderly spending patterns.
6. Reducing the amount of time and resources allocated to preparing annual budgets.

Appropriations continue to be made annually; however, the Financial Plan is the foundation for preparing the budget for the second year. Additionally, unexpended operating appropriations from the first year may be carried over for specific purposes into the second year with the approval of the City Administrative Officer.

The 2014-15 Budget document uses the same format as the 2013-15 Financial Plan and is organized into the following sections, which primarily focus on changes from its parent document:

### **Section A** **Introduction**

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Includes the Budget Message from the City Manager highlighting key issues considered in preparing the Financial Plan Supplement. Additionally, this section includes financial highlights for the Council's consideration.

### **Section B** **Budget Graphics and Summaries**

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Provides simple tables and graphs which highlight key financial relationships and summarize the overall budget document.

### **Section C** **Operating Programs**

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Presents the operating budget at the function and program levels, and summarizes changes from the 2013-15 Financial Plan.

### **Section D** **Capital Improvement Plan**

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Summarizes changes in capital improvement plan expenditures from the 2013-15 Financial Plan.

### **Section E** **Debt Service Requirements**

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Summarizes the City's debt obligations at the beginning of the fiscal year.

### **Section F** **Changes in Fund Balance**

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Provides an individual summary of revenues, expenditures and changes in financial position for each of the City's operating funds.

### **Section G** **Financial and Statistical Tables**

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Summarizes revenues by major category and sources; expenditures by type and function; and authorized regular employees by department.

### **Section H** **Budget Reference Materials**

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Lists a number of major policy documents that guide the preparation and execution of the City's financial plan.

# PREFACE

## ABOUT THE CITY

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### **Who We Are and How We Got Started**

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The City of San Luis Obispo serves as the commercial, governmental and cultural hub of California's Central Coast. One of California's oldest communities, it began with the founding of Mission San Luis Obispo de Tolosa in 1772 by Father Junípero Serra as the fifth mission in the California chain of 21 missions.

The mission was named after Saint Louis, a 13th century Bishop of Toulouse, France. (San Luis Obispo is Spanish for "St. Louis, the Bishop.") The City was first incorporated in 1856 as a General Law City, and became a Charter City in 1876.

### **Where We're Located**

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With a population of 45,473, the City is located eight miles from the Pacific Ocean and is midway between San Francisco and Los Angeles at the junction of Highway 101 and scenic Highway 1.



San Luis Obispo is the County Seat, and a number of federal and state regional offices and facilities are located here, including Cal Poly State University, Cuesta Community College, Regional Water Quality Board and Caltrans District offices.

The City's ideal weather and natural beauty provide numerous opportunities for outdoor recreation at nearby City and State parks, lakes, beaches and wilderness areas.

### **Great Place to Live, Work and Visit**

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While San Luis Obispo grew relatively slowly during most of the 19th century, the coming of Southern Pacific Railroad in 1894 opened up the

area to the rest of California. The City's distance from major metropolitan areas to the north (San Francisco Bay Area) and south (Los Angeles) have allowed our area to retain its historic and scenic qualities, which contribute to the superb quality of life our residents enjoy, and attract visitors from many other areas.

### **Downtown**

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Another key feature contributing to the City's great quality of life is our delightful downtown. The heart of downtown is Mission Plaza. With its wonderful creek side setting and beautifully restored mission (that continues to serve as a parish church to this day), Mission Plaza is the community's cultural and social center.

This historic plaza is complemented by a bustling downtown offering great shopping, outdoor and indoor dining, night life, and its famous Thursday Night Farmers' Market, where you can buy locally grown fresh produce and enjoy an outdoor BBQ.

This unique blend of history, culture, commerce and entertainment make San Luis Obispo's downtown one of the most attractive, interesting and economically vibrant downtowns in America.

### **Government**

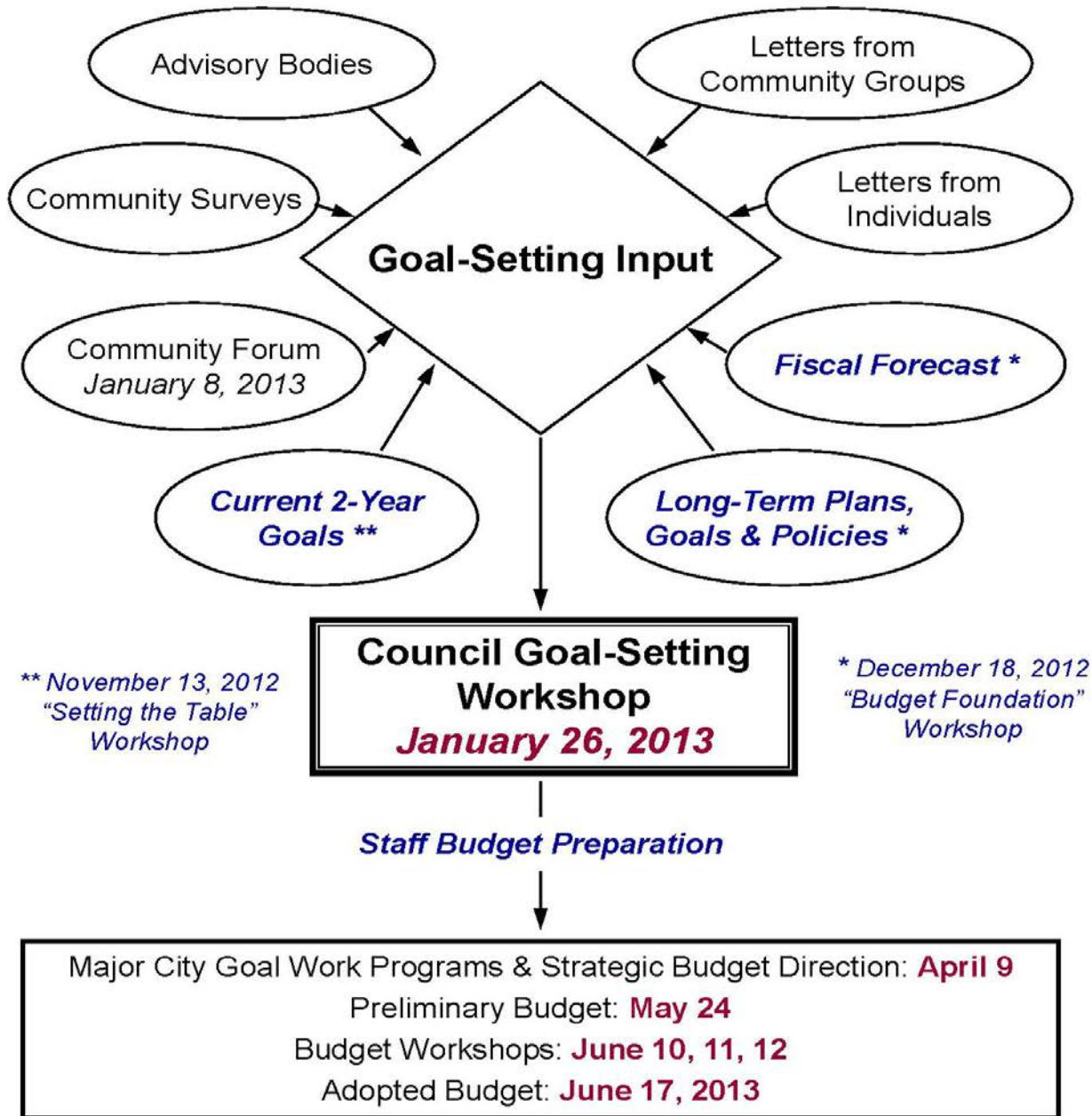
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The City operates under the Council-Mayor-City Administrative Officer form of government. Council members are elected at-large and serve overlapping, four-year terms. The Mayor is also elected at-large but for a two-year term, and serves as an equal member of the Council. The Council appoints the City Manager and City Attorney. All other department heads are appointed by the City Manager.

San Luis Obispo is a full-service city that provides police, fire, water, sewer, streets, transit, parking, planning, building, engineering and parks & recreation services to the community.

# Goal-Setting and the Budget Process

## 2013-15 Financial Plan





Section A  
INTRODUCTION



# BUDGET MESSAGE

TO: City Council  
FROM: Katie Lichtig, City Manager

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## BUDGET MESSAGE

On behalf of the entire City staff I am pleased to present to you the 2013-15 Financial Plan Supplement and 2014-15 Revised Budget. The theme of this Supplement is “Steady Progress.” The City is experiencing a steady economic recovery. Revenues have rebounded and, based on the continued development review activity, it appears there is renewed optimism about - and opportunity to invest in - our community. Moreover, the City has made progress in our work to contain operating costs which in turn helps to improve our overall fiscal health. A few noteworthy examples of actions that support this fiscal health objective include paying off in a lump sum, the \$2.065 million outstanding debt owed to the California Joint Powers Insurance Authority for a retrospective charge; paying close to a million dollars to California Public Employees Retirement System (CalPERS) to pay down the unfunded liability in the public safety side fund; and reduction in retirement program costs that were achieved through the implementation of 2<sup>nd</sup> Tier retirement programs for employees hired after January 1, 2013. The City also continues to be able to invest in our capital improvement programs, including infrastructure, facilities, fleet and information technology, and is proposing investment in organizational employee and leadership development. These indicators point to steady progress towards the City’s major city goal of fiscal health.

Even with these positive signs, there are uncertainties and challenges looming. This is particularly true in relation to the on-going cost of retirement programs as well as workers compensation and liability insurance costs. More specific information about these issues is presented below, in Section C (Significant Operating Program Changes) and Section G (Financial Trends – Pension Obligation Cost Trends). These uncertainties are being monitored and will be addressed as more information is obtained and specific actions can be identified to mitigate negative impacts. More specifically, as part of the Fiscal Health Major City Goal, staff intends to present a comprehensive review of the possibilities for paying down the City’s unfunded retirement liability

amounts to the City Council. This work plan will be undertaken once there is clarity from CalPERS regarding future rates and the substantial changes affecting the retirement funding model that the CalPERS board has been considering. It may be most appropriate to incorporate this review into the development of the 2015-17 Financial Plan.

In sum, steady progress is being made as it relates to the economic recovery in the City, our ability to contain costs, to make investments in our capital assets, and to strategically invest to ensure our future ability to serve the community, all of which leads to improved fiscal health. Staff is committed to remaining diligent in our pursuit of continuous improvement in city operations and in evaluating actions that will further the objective of serving the community in a way that balances the expectation for services with the need for prudent spending. The proposals before the City Council for consideration will appropriate funds for the second year of the 2013-15 Financial Plan and amend the current year’s budget, all of which are aligned with the overall objective of steady progress towards fiscal health.

### Limited and Strategic Budget Changes

In keeping with the City’s two year budget process, the 2014-15 Budget is primarily intended to “stay the course” set in the 2013-15 Financial Plan while responding to changed circumstances since its adoption. As expected, on-going costs are in line with those included in the 2013-15 Financial Plan adopted last June. The proposed changes to the 2014-15 Budget are limited and were vetted using the following three criteria:

1. Does the request address a public safety concern?
2. Is the request needed to achieve a Major City Goal and/or Other Important Objective?
3. Does the request restore or maintain a level of service expected by the community?

There are eight requests for supplemental funding that are being presented for the City Council’s consideration. Overall, these requests allow the City to better serve the community by building internal capacity within the organization to improve efficiency and effectiveness and/or meet legal or contractual requirements.

# BUDGET MESSAGE

Supplemental funding requests include:

1. Additional resources to allow the Community Development Department to meet the workload demands created by the high volume of development applications and calls for inspection services. There are more than adequate new development fees included in the forecast to cover these proposed expenses (a new policy that has previously been shared with the City Council is being brought forward for consideration and adoption as part of this Supplemental Budget presentation)
2. Temporary staffing for one year in the Finance Department's Revenue Division to provide the resources needed to make operational changes that will make the department more efficient in its revenue collection efforts
3. Additional contract services and temporary staffing for a one-year period to allow the Information Technology division of the Finance & IT Department to complete 23 new projects and change the deployment of technology to increase system reliability, reduce overtime and institute a new project delivery model.
4. Funding to cover increases in the cost of liability and workers compensation insurance (two requests submitted)
5. Permission to enter into an agreement with the county transit system to sell their bus passes in exchange for up to \$25,000 in annual revenue for a one year trial period
6. Funding to implement a comprehensive employee development and leadership training program to improve workforce reliability and readiness to serve the community.
7. Funding to provide for the on-going maintenance of the Santa Rosa skate park once it is completed

These funding requests total \$1.9 million in 2014-15, of which \$1.3 million are one-time expenses. These requests are fully detailed in Section C of this document.

In February 2014 the City Council approved \$5.87 million of one-time costs from the fund balance in

excess of the City's 20% General Fund reserve policy. These one-time costs are reflected in the revised budget with \$1.9 million appropriated in Fiscal Year 2013-14 and \$2.3 million appropriated in 2014-15. An additional \$1.7 million remains in the reserve as a contingency amount should Measure Y not be extended.

The table below provides a summary of the total operating, CIP and debt service costs included in the revised 2014-15 budget.

	Governmental Funds	Enterprise Funds	Total
Operating Programs	55,625,869	29,042,508	84,668,377
CIP	31,553,721	7,843,430	39,397,151
Debt Service	5,576,862	4,569,700	10,146,562
<b>Total</b>	<b>\$92,756,452</b>	<b>\$41,455,638</b>	<b>\$134,212,090</b>

## Net Results for the General Fund

### Revenues

As staff indicated during the presentation of the 2013-14 Mid-Year Budget Review in February, the steady growth in revenues that became apparent in 2012-13 are continuing and the 2014-15 proposed budget reflects this trend. Property taxes, Transient Occupancy Taxes and Utility User's Taxes are all reflecting increases over the prior year. Developer Fees, driven by the number of private development project applications, continue to increase significantly over the last two years. The forecast for 2014-15 reflects an increase of \$1.145 million over the original forecast for the year. Sales tax revenues are forecast to be nearly level with the current year due to the expectation that vehicle sales and petroleum fuel sales will be lower in the new year as the new vehicle market contracts from the recent surge in new car purchases. The fuel efficiency of the vehicles that have been put on the road has lowered fuel consumption rates and petroleum sales appreciably. There is more discussion about the major revenue classifications later in this document.

When the revised 2014-15 budget is taken as a whole, the on-going revenues exceed on-going expenses by \$655,000. The General Fund is forecast to end 2014-15 with an ending reserve that exceeds the minimum level of 20% of operating expenses by \$178,900.

The budget for 2014-15 is balanced for all funds.

# BUDGET MESSAGE

*What is a balanced budget?* The City’s fiscal policies define a balanced budget as one where:

1. *Operating* revenues are equal to or greater than *operating* expenditures, including debt service.
2. Ending fund balance (or working capital in the enterprise funds) meets minimum policy levels. For the general and enterprise funds, this level has been established at 20% of operating expenditures.

This means that it is allowable for total expenditures to exceed revenues in a given year, but in this situation beginning fund balance can only be used to fund capital improvement plan projects, or other “one-time,” non-recurring expenditures.

The 2014-15 budget reflects the assumption that a new revenue measure will be approved by voters in November to continue the sales tax revenue generated by Measure Y, which is scheduled to sunset in March 2015.

## **Steady Progress to Achieve and Maintain Fiscal Health and Sustainability**

1. **Use One-Time Savings Only for One-Time Expenses or Projects.** Maintaining a minimum fund balance level provides the City with a first line of defense when adverse circumstances arise. City policy calls for the maintenance of a General Fund reserve balance of at least 20% of operating expenses for the year. Expenditure savings or one-time revenue increases add to the General Fund balance but are short term and cannot support ongoing increases in expenditures.
2. **Addressing Unfunded Liabilities.** The City Council provided direction to address the safety side fund liability and previously authorized a payment of \$935,000. The revised 2014-15 budget proposes a second pre-payment of \$300,000 to be made against the side fund liability.
3. **Reinvesting in Capital Assets.** As the General Fund unrestricted fund balance increases due to recurring savings and the gradually improving economy, it is important to re-invest in the City’s capital assets which have historically been funded on a pay-as-you-go basis. The 2014-15 revised budget reflects Capital Improvement projects

totaling \$39.397 million in city-wide capital outlay costs. General Fund support of capital outlay totals \$4.566 million in 2014-15. The table below provides information on capital expenses by function and funding sources.

- a. The 2014-15 revised budget reflects both the construction costs for completing the Los Osos Valley Road highway 101 overpass, which will be completed with \$16 million in grant funds and \$7.5 million in borrowed proceeds. Staff is recommending to have the Transportation Impact Fee program become obligated to provide at least one half of the cost of the annual debt service to the General Fund.

### **CIP Summary: 2014-15**

<b>CIP Expenditures by Function</b>		<b>2014-15</b>
Public Safety		643,500
Public Utilities		7,234,830
Transportation		28,227,421
Leisure, Cultural & Social Services		932,000
Community Development		729,200
General Government		1,630,200
<b>Total</b>		<b>\$ 39,397,151</b>
<b>CIP Expenditures by Source</b>		<b>2014-15</b>
General Fund		4,536,800
Transportation Impact Fees		7,500,000
CDBG Fund		262,121
Other Grants and Contributions		19,254,800
Enterprise and Agency Funds		7,843,430
<b>Total</b>		<b>\$39,397,151</b>

### **General Fund Focus**

While this message will emphasize the General Fund, all of the City’s funds, including the Water, Sewer, Parking, and Transit enterprise funds, are addressed in the Supplement document. While the enterprise funds are not directly affected by the revenue aspects discussed in this message, they are affected by most of the expenditure impacts addressed. The status and budget for each enterprise fund will be discussed with Council in depth at its June 10, 2014 meeting when each enterprise fund review will be presented to the Council and community for consideration.

### **Uncertainties**

As staff has previously discussed with the City Council on several occasions during the past 12 months, the rising costs associated with the CalPERS retirement program continues to be a concern.

# BUDGET MESSAGE

In April 2013, CalPERS' Retirement and Health Benefit Program Committee approved a new rate structure intended to provide a funding formula that ensures that all plans are fully funded within a fixed 30-year period. This formula makes a number of other changes in assumptions that have long been held by CalPERS, including a change to a 25 year period for recognizing market gains and losses and the use of a 5-year window to implement rate changes (smoothing). CalPERS has provided estimates for the range of costs that will be incurred after the new employer rates take effect starting in 2015-16. Based on current information, the additional costs in 2015-16 will be \$216,400. By 2017-18, the higher employer rates could create additional costs totaling \$1.2 million due to the fact that the employer rates are estimated to increase by approximately 4% each year starting in 2015-16. These additional costs have been built into the Five Year Fiscal Forecast through 2017-18.

As shown in the Five Year Fiscal Forecast, \$1.77 million was transferred into the General Fund from the Insurance Benefit Fund in 2017-18 to prevent the General Fund reserve from falling below the 20% minimum level. This leaves the Insurance Benefit Fund with approximately \$230,000 at the end of the year.

In 2018-19 the additional PERS costs are estimated to be \$1.7 million while the Insurance Benefit Fund will have an available balance of \$833,000 after the annual contribution from the General Fund is received, leaving approximately \$900,000 to be addressed through budgetary adjustments in order for the General Fund to meet its minimum fund balance requirement.

On February 18, 2014, CalPERS' Retirement and Health Benefit Program Committee approved additional changes in plan assumptions that reflect the impacts to retirement program costs resulting from the increased rate of service retirements and a decrease in retiree mortality. The resulting rate increases will take effect in the 2016-17 fiscal year. Board policy calls for a five year ramp up of rate increases stemming from assumption changes, which means the full impact of these changes would not be phased in until FY 2020/21. Preliminary estimates from PERS project the employer cost could increase from 0.9% to 1.9% for the Miscellaneous Plan and 1.9% to 3.3% for the Safety Plan in the first year and

increase to 3.1% to 6.5% for Miscellaneous and 5.3% to 9.3% for Safety in the fifth year.

The range of potential cost increases from the February 2014 CalPERS Board action for the Miscellaneous and Safety plans are shown in the table below. The low end of the employer rate change estimate for both plans is shown in the column labeled "Low" while the upper end of the range estimate for the two plans is shown in the column labeled "High". These cost assumptions have **not** been included in the Five Year Fiscal Forecast but will be when CalPERS publishes more specific information that takes these changes into account later this year.

Estimated Additional CalPERS Employer Costs from 2014 Actuary Recommendations				
	2016-17		2020-21	
	Low	High	Low	High
Miscellaneous	\$133,000	\$281,600	\$511,300	\$1,072,000
Safety	\$213,700	\$371,200	\$665,900	\$1,168,500
	\$346,700	\$652,800	\$1,177,200	\$2,240,500

To address the changing cost picture, the 2013-15 Financial Plan contains the assumption that a 1% increase in the CalPERS employer contribution rate (equal to \$280,000 for the General Fund) will take effect in FY 2014-15. The 5 Year Fiscal Forecast includes the assumption that another 1% increase will take effect in FY 2015-16 and will be on-going throughout the forecast period. These amounts will be set aside in the Insurance Benefit Trust Fund in order to make them available starting in 2015-16 to offset the increase in retirement costs that will be reflected in the employer rates starting in that year.

The City Council has also directed staff to prepare a plan for paying down the unfunded liability that exists for the retirement program, and the Council has already approved a prepayment to be made against the safety side fund liability in the amount of \$935,000 in 2013-14.

Finally, the CalPERS' Retirement and Health Benefit Program Committee met on May 20<sup>th</sup> to considered the following proposed changes that affect pooled retirement plans:

1. The creation of a single safety pool. This would wrap all public safety plans into one large pool



## BUDGET MESSAGE

2. The creation of a new side fund liability amount for each safety agency. This means that the City would have two safety side fund liabilities with a total estimated value of \$57.3 million as measured at June 30, 2012
3. Within the existing safety pool, liabilities are allocated based on the relative size of each member's annual payroll. Under the proposal, liabilities will be allocated based on each member's total liability compared to the pool's total liability, and
4. Other changes that will be considered include the shift to a fixed dollar required annual contribution amount in place of an employer rate that is charged against the City's actual payroll costs starting in 2015-16 for the safety side fund component of the rate. This has the potential to raise the City's annual contribution for the side fund payment component by amounts that range from \$120,000 to as much as \$1.5 million per year for the safety pool. This amount would be in addition to any other changes that would affect the City's annual retirement costs such as changes in asset smoothing and retiree mortality rates

Following a public hearing, the CalPERS Committee determined that there will be a single safety pool and that each member's share of the pooled liability will be based on their proportional share of the pool's liability. Based on the most recent information available, the additional annual cost to the City starting in 2015-16 is approximately \$35,200. This amount has been included in the Five Year Financial Forecast.

Staff previously identified the need to analyze the franchise fees charged to the water and sewer utility funds to ensure that they are being charged appropriately and are commensurate with the impacts placed on public infrastructure. The outcome of that analysis and the impact on current and future revenues from this revenue source are not known at this time. The total fees generated equal \$1.03 million in the current fiscal year.

### **Five Year Financial Forecast**

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An update of the Five Year Fiscal Forecast for 2013-2018 is included in Section A of this document. This update includes proposed revenues and expenditures

for 2013-14 and 2014-15, including proposed costs related to the Significant Operating Program Changes that are provided for the City Council's consideration and \$300,000 that is proposed as an additional prepayment against the safety side fund liability at CalPERS.

As discussed previously, starting in 2015-16, costs reflect the estimated increases in CalPERS employer rates resulting from the actions taken in April 2013 by the CalPERS Retirement and Health Benefit Program Committee. The costs reflected in 2017-18 from the CalPERS rate increase are offset by a transfer-in from the Insurance Benefit Fund as discussed earlier.

The five year forecast does not reflect cost assumptions for the estimated PERS rate changes that are slated to take effect starting in 2016-17 based on later actions taken by CalPERS, since these have not been clearly defined at this time. (It is expected that additional information will be available by Fall 2014).

Other future revenue and cost assumptions are based on established information and trends known at this time.

The purpose of this forecast is to assess the General Fund's ability over the next five years,- "On an order of magnitude" basis, to do five things:

1. Deliver current service levels
2. Maintain the City's existing infrastructure and facilities based on past funding levels.
3. Preserve the City's long-term fiscal health by aligning operating revenues and expenditures.
4. Maintain fund balance at policy levels.
5. Reinvest in the General Fund supported Capital Improvement Program, particularly in areas that are underfunded such as infrastructure maintenance, fleet replacement, information technology replacement, and facilities maintenance.

### **Role of Measure Y Revenues**

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Measure Y, the one-half percent general purpose sales tax adopted in November 2006 with 65% voter approval, now provides about \$6.8 million annually in added General Fund revenues. Measure Y will expire in March 2015 unless reauthorized by the voters at a General Election before then. Representing approximately 12% of General Fund revenue, Measure Y plays an important role in the City's

## BUDGET MESSAGE

financial picture. Whether mitigating deeper cuts in City services or allowing support for community priorities, Measure Y revenues have been critical to accomplishing the Major City Goal of preserving essential services and fiscal health.

The estimated revenue and proposed use of funds generated by Measure Y are integrated into the budget process to reflect community priorities. The proposed uses of Measure Y revenues during the 2013-15 Financial Plan have been revised and are shown in Section A of the Supplement. The major revisions reflect additional costs that have been proposed as the result of Council actions taken during the adoption of the 2013-14 budget and again during the Mid-Year Budget Review. Additional changes reflect the carryover or amounts that remained unspent at the end of 2012-13 for capital improvements.

In the event that Measure Y is not extended, the City will draw against the \$1.7 million that the Council set-aside as a contingency reserve in February to replace that amount of revenue for the remaining three months of 2014-15. By providing for the use of reserve monies, the City will be able to focus its attention on the creation of long-term budget reductions that would become effective with the 2015-17 Financial Plan in the event Measure Y is not renewed. An analysis reflecting the potential impacts of the loss of Measure Y will be presented to the City Council in July.

### Proposed Change to Fiscal and Budget Policy

As part of the Supplemental Budget review process, the City Council will be asked to consider a revision to the Budget Policy in order to address the needs of the Development Services program.

Development fees paid at the time of application represent a prepayment for work to be performed in conjunction with the development review process.

The intent of the policy is to provide a means by which the on-going development fee revenues are compared to the existing budget during each fiscal year. It is felt that anytime the budget amount is exceeded, up to 75% of the projected revenue that exceeds the current budget represents a demand for future services that will need to be addressed through the use of additional contract or other temporary services. The proposed policy, which is shown in the

Fiscal Highlights Section of this document, provides the City Manager with the discretion to review a request from the Community Development Director and allow the appropriation of all or a part of the excess development fees in the current year budget. Any unused portion of the excess revenues would remain in a designated account for future use until such time as it was determined that it is no longer needed based on the status of existing applications and demand for review and inspection services at that time.

### Closing Thoughts

This Financial Plan Supplement reflects staff's best efforts to balance the delivery of day to day services, the maintenance of existing facilities and the funding of new initiatives while preserving the City's reserve levels. I believe adoption of this Supplement will allow the community to be served in the best way possible while ensuring the City's fiscal health in the coming years. Staff looks forward to your consideration of the 2014-15 budget.

### Acknowledgments

Preparing the Financial Plan Supplement is a team effort involving the time and talents of a wide variety of City employees: department heads; staff members from Administration and Finance & Information Technology; special review groups such as the CIP Review Committee and Budget Review Team; department fiscal officers; budget analysts and department operating staff.

I would like to take this opportunity to extend my personal appreciation to all the staff involved in this process.



Katie Lichtig, City Manager

# FINANCIAL HIGHLIGHTS

## REVENUE HIGHLIGHTS

Sources used in preparing General Fund revenue projections include:

1. Analysis of key revenue trends for the past fifteen years compared with changes in the consumer price index, population and other demographic factors as well as legislative and other structural changes.
2. Economic trends as reported in the national media.
3. Forecast data for the State prepared by the UCLA forecasting project, and for San Luis Obispo County by the Central Coast Economic Forecast (of which the City is a sponsor).
4. Economic and fiscal trends provided by the State Legislative Analyst and the State Department of Finance.
5. Revenue estimating materials prepared by the State Controller's Office and the League of California Cities.

Ultimately, however, the 2014-15 revenue projections reflect the staff's best judgment about how the local economy will perform over the next year, and how it will affect our key revenues.

### General Fund Major Revenues

As indicated during the Mid-Year Budget Review in February, most of the major revenues are continuing to grow year over year. Following is a brief description of the identified changes in these revenues.

1. **General Sales Tax.** Based on the latest forecast provided by HdL, which utilizes input from Beacon Economics, general sales tax receipts will be approximately \$218,100 over the original 2014-15 budget forecast. Compared to 2013-14, general sales tax receipts are projected to decline by \$117,000. The 2014-15 forecast is tempered by the assumption that the current demand for new cars will begin to wind down and the large-scale solar energy panel project and nuclear plant refurbishing and refueling projects taking place in the county come to an end (these generate sales taxes to the county-wide pool

from which we obtain a portion of the total receipts). This situation is also coupled with lower tax generation from the sale of vehicle fuel as more energy efficient vehicles and a decline in the number of new drivers push down demand for fuel. HdL, the city's sales tax monitor, has also indicated that in 2014-15 a one-time negative adjustment to correct revenues will be made by the state to close out the "Triple Flip" sales tax for property tax exchange program which ends in 2015-16.

2. **Measure Y Sales Tax.** Using the HdL forecast for Measure Y Sales Tax revenue, the 2014-15 estimate reflects a reduction of \$89,000 compared to the original budget, but an increase of \$101,000 over the prior year. For the sake of consistency, the five year forecast reflects the continuation of Measure Y revenue which would require voter approval to extend beyond March 2015.
3. **Property Tax.** Property taxes grew for the first time in three years during 2012-13 and continued to increase through 2013-14. The estimate for 2014-15 reflects an increase of \$61,400 over the original budget, and an increase of \$172,500 or 2% over the prior year.
4. **Vehicle License Fees In-lieu.** The forecast for 2014-15 shows that VLF In-lieu will grow by \$75,900 over the prior year. This revenue source grows by the overall increase in assessed property values.
5. **Transient Occupancy Tax (TOT).** TOT continues to show year over year growth. The current forecast indicates that TOT will increase by 5% or \$299,500 over the prior year.
6. **Franchise Fees.** The forecast took into account the payment history of each franchise fee payer and indicates that annual fees will be approximately \$14,300 more than the amount received in 2013-14. The forecast does not take into account any adjustments that may result from the analysis of the utility fund's franchise fees that is currently being performed.
7. **Utility Users Tax (UUT).** Based on a review of the UUT payments made by each company to the city, the forecast indicates that receipts will

## FINANCIAL HIGHLIGHTS

be 2.6% or \$144,400 over the prior year amount. During 2013-14 the City realized additional revenue from the change in the UUT ordinance that took effect in April 2013. One year later the increase is beginning to level off and annual changes in the amount of taxes received will be the result of changes in sales volume experienced by the utility providers.

8. **Interest on Investments.** The current forecast continues the assumption that portfolio yields remain low due to the current market conditions. This is the result of the on-going reduction in the number of higher yielding investments currently in the city's portfolio that will mature over time and be replaced with equally credit worthy but lower yielding investments.

As a result of these conditions, the forecast for interest on investments reflects a reduction of \$144,900 compared to the original budget.

The Investment Oversight Committee is reviewing possible changes to the City's investment policy with an eye toward allowing the purchase of higher yielding, safe and secure investments to increase the portfolio's yield.

9. **Other Subventions and Grants.** These revenues include funding from state and federal sources. The 2014-15 revised budget forecast reflects \$327,000 to be received during the year. This amount fluctuates from year to year since Mutual Aid is not budgeted until payments are received and grant revenues are typically not budgeted until the grants are awarded.
10. **Development Review Fees.** Fee collection continues to be strong, reflecting active development taking shape within the community. Current year collections have again exceeded the budgeted amount. The 2014-15 forecast calls for revenues to be \$1.145 million or 51% above the original 2014-15 forecast.

It is important to point out that development related revenues are cyclical in nature and very difficult to predict. It is for these reasons that future years' forecasts are based on staff's expectation of when development projects will begin to generate fees and not on the assumption

that past results represent a continuing and reliable revenue trend.

11. **Other Revenues.** This category includes a variety of revenue sources, most of which are reflecting minor changes in the forecast. The most significant change is a reduction of \$115,000 to remove an estimate that was included in original 2014-15 budget that was used to anticipate growth in revenues that could not be specifically identified when the Financial Plan was assembled.
12. **Cost Allocation Reimbursements.** These revenues are generated from the City's Central Service Cost Allocation Plan (CAP). This document determines the value of services provided to each department within the City for such things as providing payroll processing, accounting services and human resources administration. The largest variable in the cost allocation formula is the value of services provided by staff for capital project design and construction oversight. Each year's CAP is based on the actual costs incurred by the City two years prior to the year in which the cost allocation reimbursements are being generated which means that the 2014-15 cost allocation reimbursements are based on 2012-13 actual costs. While allocated costs are reflected in the CAP for each City department, only the Enterprise Funds provide reimbursement to the General Fund since many other funds lack the financial capacity or legal authority to reimburse the General Fund.

Due to the smaller number of Enterprise Fund capital projects that Public Works staff provided assistance with during 2012-13, the overall amount of reimbursements received in 2014-15 is approximately \$460,000 lower than the amount originally forecast for that year in the 2013-15 Financial Plan.

A cost of service fee study is currently underway and will be completed in July. The results of that study will be brought to the City Council as soon as it is ready.

# FINANCIAL HIGHLIGHTS

## Enterprise Fund Revenues

Comprehensive rate reviews and revenue requirement projections for the next four years were presented to the Council on June 12, 2013 for each of the City's four enterprise funds: Water, Sewer, Parking and Transit. The following is a brief overview of enterprise fund rate actions approved by the Council for 2013-15.

**Water Fund.** Consistent with the multi-year rate setting strategy previously approved by the Council to improve the City's water distribution and treatment systems, the Council approved a rate increase of 5.5% effective July 2014 as part of the adoption of the 2013-15 Financial Plan.

**Sewer Fund.** The Sewer Fund also uses a multi-year rate-setting strategy. In order to continue supporting an adequate capital improvement plan and meet high wastewater treatment standards, the Council approved a rate increase of 3% effective in July 2014 as part of the adoption of the 2013-15 Financial Plan.

**Parking Fund.** The City Council previously approved several revenue increases including charging on Sundays, a new super-core area with credit card capable parking meters, weekend residential parking enforcement, and some minor fine/fee increases. Parking revenues for 2014-15 are projected to total \$4,076,800.

**Transit Fund.** Transit fares are not scheduled to increase during 2014-15. Federal Transit Administration and State Transportation Development Act (TDA) monies are adequate to support current transit service levels in 2014-15.

## Operating Program Highlights

Appropriations for operating programs day-to-day delivery of services total \$84.7 million for 2014-15 and are summarized as follows:

	Governmental Funds	Enterprise Funds	Total
Public Safety	24,430,510		24,430,510
Public Utilities		20,599,500	20,599,500
Transportation	3,321,300	4,984,300	8,305,600
Leisure, Cultural & Social Services	7,486,400		7,486,400
Community Development	9,048,344		9,048,344
General Government	11,346,815	3,451,208	14,798,023
<b>Total</b>	<b>\$55,633,369</b>	<b>\$29,035,008</b>	<b>\$84,668,377</b>

## ***Public Safety Overtime Expenses -***

Both the Police and Fire Departments experience significant changes in the level of overtime expense incurred each year. This is due to the nature of the workload which is extremely unpredictable and instances of work injuries that deplete the ranks of available staff, requiring overtime to supplement the work schedule and maintain proper staffing levels. In the current year, both departments are able to utilize existing salary and benefit savings to offset any increase in overtime costs that exceed the overtime budget. Because these costs are unpredictable and significant, the revised 2014-15 budget includes \$195,500 which has been placed in a non-departmental account for use at the discretion of the City Manager in the event that the overtime costs incurred in 2014-15 will exceed the available salary and benefit appropriations within one or both departments. This \$195,000 appropriation comes from existing departmental allocations and does not represent a request for new funds. A thorough review of overtime trends, causes and anticipated costs will be conducted prior to the completion of the 2014-15 Mid-Year Budget Review. If necessary some or all of the amount appropriated in the non-departmental account may be reallocated to Public Safety for use in addressing the overtime trends that exists at that time.

## ***Engineering Development Review Program Reassignment -***

On April 16, 2013 the City Council approved the Community Development Department Organizational Assessment report, directing staff to implement a Strategic Recommendation to move the Public Works Engineering Development Review Program into the Community Development Department to align service goals. This transition has been in progress since January 1, 2014. The budget transition to Community Development will be effective July 1, 2014 for the 2014-15 fiscal year.

## FINANCIAL HIGHLIGHTS

### **Capital Improvement Program Highlights**

The five-year CIP for 2013-18 is summarized in Section D by function and funding source. A revised project list for 2014-15 is also provided.

Staff is excited about the prospect of completing the expansion of the overpass at Highway 101 and the Los Osos Valley Road interchange. The construction of this project will leverage \$16 million in state grant monies and utilize approximately \$7.5 million in bond proceeds. The debt service will be paid out of the General Fund with reimbursements made from Traffic Development Impact Fees as they become available.

Construction of the Santa Rosa Skate Park is projected to be completed in December 2014. This project was included in the 2013-14 CIP spending program.

### **SUPPLEMENTAL BUDGET REQUESTS**

**Significant Operating Program Changes.** There are eight operating program requests for Council consideration in the General Fund. Detailed supporting documentation for each of the recommended operating program additions is provided in Section C. These requests are summarized below:

**Development Services Temporary Staffing and Contract Services-** This request follows on presentations made by the Community Development Director in September 2013 and February 2014 when he identified significant workload impacts affecting Community Development, Fire and Public Works Departments stemming from the large number of development applications that had been received up to that time. Since then, the number of development applications has continued to grow, increasing the workload on both existing staff and contractors hired to provide supplemental assistance. The documentation submitted with this request includes activities that have taken place and a request to utilize additional revenues that are forecast to be received in excess of the adopted 2014-15 budget. Staff is also requesting approval of a policy for the future identification of development fees in excess of the budgeted amount and the appropriation of those amounts in order to

adequately fund the required service levels needed to serve the development application process.

**Skate Park Maintenance and Operations –** Construction of the SLO Skate Park is scheduled to be completed in December 2014. Additional on-going support and maintenance is requested. Funding for operations will provide for additional programming of the skate park to accommodate festivals, farmers markets, concerts and events that are anticipated for the new facility. Funding of maintenance will provide for necessary maintenance of the expanded skate park to provide a safe, functional, and clean facility for all community users.

#### **Increase in Liability Insurance Costs –**

This request includes multiple components. A one-time cost in the amount of \$57,700 is requested to pay for the environmental liability insurance premium. This cost was inadvertently not budgeted for 2014-15 as the premium is only paid once every three years. On-going costs of \$91,437 are based on recent review of claims loss and reserve analysis under the CJPIA's prospective funding model. In addition, \$39,259 is based on California Joint Powers Insurance (CJPIA) annual review of claims loss and reserve analysis for claim years 2003 thru 2011-12. Of this \$39,259 cost, \$7,913 is apportioned to Enterprise Funds in 2013-14.

#### **Increase in Worker's Compensation Insurance –**

A retrospective cost in the amount of \$433,864 is based on California Joint Powers Insurance (CJPIA) annual review of claims loss and reserve analysis for claim years 2004 thru 2011-12. This amount is to be charged to Enterprise Funds in 2013-14 and to the General Fund in 2014-15, based on accounting requirements and past allocation methodology. On-going costs in the amount of \$72,665 beginning in 2014-15 are based on recent review of claims loss and reserve analysis under the CJPIA's prospective funding model.

#### **Finance Revenue Division Temporary Staffing -**

This use of temporary help will ensure that timely customer service will continue during the next 12 months while existing staff implement efficiency measures identified in the 2014 Revenue Division Business Process Review. In addition, software upgrades that will allow the Utilities Department to track revenue trends more closely with factors that

## FINANCIAL HIGHLIGHTS

affect water use patterns will be planned and set for full implementation.

### **Implementation of a New I.T. Support Model -**

This request will enable the Information Technology Division to move towards a completely new paradigm of managing the City's technology workload. Staff will utilize the additional funding to integrate the use of contractors to complete many of the existing City technology projects which will allow existing staff to be redeployed to work on more critical tasks, oversee contractors and complete the work that cannot be assigned to contractors.

**Employee Leadership Program** \$170,000 is requested to support the creation and implementation of an employee development and leadership program. The City will utilize a proven program developed by the Centre for Organizational Effectiveness to improve workforce readiness by developing the core public sector competencies of City employees. The result will be a workforce that is prepared to accommodate job transitions and turn-over in an efficient and effective manner, which is an acute need of the organization given that 48% of the City's workforce is over the age of 45.

### **Bus Pass Agreement with SLORTA -**

If approved, staff will return with an agreement that would allow the City to sell bus passes for SLORTA and receive reimbursements of up to \$25,000 per year. This will make the revenue division, located in the basement of City Hall a one-stop shop for patrons of the county's transit system who also are customers of the City's utility system and wish to make their payments in person.

## ENTERPRISE FUND HIGHLIGHTS

**Parking Fund.** Overall, the Parking Fund continues to be healthy, meets its expenses, capital projects, and debt service obligations. The final debt service payments for the 842 Palm Street structure and the original Marsh Street structure will be made this month. Paying off the debt service will reduce the Parking fund debt expenses by about \$500,000 annually. Essentially this enables that amount to be utilized for other critical parking needs and services.

**Transit Fund.** The Transit Fund is balanced and the revised 2014-15 budget will be consistent with

operating assumptions adopted in the two year Financial Plan with some minor, but necessary adjustments. The Transit Fund is in a solid position for FY 13-14 and more so as we move into FY 14-15. No rate changes are needed in FY 14-15. Federal Funding is slightly down (particularly for capital) but we are able to shift our State funding to replace these funds – keeping important capital projects moving forward.

**Sewer Fund.** No major changes were made to any of the Water Fund operating program budgets and the 2013-15 Financial Plan budget assumptions remain valid. Revenue projections for FY 2013-14 and FY 2014-15 are also in alignment with the 2013-15 Financial Plan.

The Water Resource Recovery Facility (WRRF) Energy Efficiency Project began in 2013-14 with the first debt payment due in 2014-15 as outlined above. The WRRF upgrade project is in its planning stage, with debt service being programmed in 2017-18.

**Water Fund.** Water Enterprise Fund operating programs are all on track with their respective work programs within allocated resources. No increases from the assumptions made in the 2013-15 Financial Plan are recommended for FY 2014-15.

Two capital improvement plan amendments are requested in the Water Fund. One recommended project addition will replace the pressure reducing valve at the intersection of Foothill and Chorro. This project will add \$109,000 to the capital improvement plan for FY 2014-15. The second project was brought before Council on December 10, 2013 due to continued issues with the water transmission line on Monterey Street between California and Pepper. At that time, staff recommended the replacement of the line and the City Council approved the design contract and authorized staff to advertise for bids. Funding of the construction contract was to be included in the FY 2014-15 Supplement. Construction cost is estimated at \$391,430 with the amount incorporated in the Fund review.

## OTHER FUND HIGHLIGHTS

**Debt Service Fund.** The proposed 2014-15 Debt Service budget reflects an increase of \$2.6 million in expenditures over the adopted budget. This increase

## FINANCIAL HIGHLIGHTS

is requested to provide funding for retrospective insurance obligations and the Public Employees' Retirement System (PERS) side fund liability. Specifically, \$2.065 million is for an insurance retrospective deposit balance that exists at the California Joint Powers Insurance Authority. This expense is funded with excess reserve over the 20% level approved by Council as part of the Mid-Year budget update. An additional \$377,000 for retrospective Worker's Compensation and Liability insurance program payments are requested as shown in the two Supplemental budget SOPC requests which are detailed in Section C of this document. Staff also recommends a pre-payment in the amount of \$300,000 to be made against the PERS side fund liability. These increases are offset by a \$121,000 reduction in the amount budgeted for the 2014 LOVR Lease revenue Bond, based on the revised amount needed for this debt issuance as recommended by the Public Works Department.

**Public Art Fund.** Staff is recommending that the funding for public art should be restored back to the policy level, which provides that eligible capital projects are expected to contribute to the City's Public Art Fund an amount equal to 1% of the project's total construction costs. This would result in a \$29,900 contribution from the General Fund to the Public Art fund, which is reflected in the revised 2014-15 budget. In the past 3 years public art funding has been set at ½% due to the downturn in the economy.

**Insurance Benefit Fund.** This fund was created in the current year to accumulate resources needed to pay for certain insurance and employee benefit program costs. The amount of \$342,700 is being transferred in during 2014-15 to offset anticipated increases in PERS expenses in the General Fund and Enterprise Funds. The amount added represents 1% of staff salaries.

**Boysen Ranch Fund.** The Natural Resources Program will use \$7,500 annually from an endowment fund for the Boysen Ranch. The City holds four separate conservation easements totaling approximately 25 acres of the Boysen Ranch, located near the intersection of Foothill Boulevard and Los Osos Valley Road. Extensive mitigation work has been conducted on the property, pursuant to permit conditions imposed by the United States Army Corps of Engineers, to mitigate for impacts to

wetlands from the Home Depot, Costco, and Prefumo Commons construction projects. The City agreed to undertake ongoing monitoring, maintenance, and reporting responsibilities associated with the conservation easements and mitigation work. The City's efforts are supported by a permanent endowment fund held by the City that was first established in 2006 by the project owners in the amount of \$306,333 pursuant to Army Corps requirements. The Natural Resources Program will use investment income from the endowment to undertake its ongoing responsibilities, while the fund principal will be maintained in accordance with the donor's intent and Army Corps requirements. The balance of investment income from the endowment that is available for program support as of May 13, 2014 is approximately \$86,600.

**Law Enforcement Grant Fund.** The Supplemental budget includes \$260,110 in 2014-15 for the California Office of Traffic Safety (OTS) grant. This grant provides funds to local law enforcement agencies to mitigate traffic safety program deficiencies, expand ongoing activities, or develop new programs. This appropriation supports the current Avoid the DUI Program which brings law enforcement agencies together in countywide clusters to crack down on drinking and driving, and the anticipated OTS Selective Traffic Enforcement Program (STEP) grant which will continue to provide funding for the night time DUI police officer for the Police Department in FY 2014-15.

## FINANCIAL PLAN POLICIES

Formally articulated Financial Plan policies provide the fundamental framework and foundation for preparing and implementing the City's budget. They are comprehensively set forth in *Section H: Budget and Fiscal Policies* of the Financial Plan.

As part of the Supplemental Budget review process, the City Council is being asked to consider an addition to the budget policies contained in the Financial Management Manual in order to address the needs of the Development Services program due to the current, sustained increase in private development applications which has created significant workload demands that are currently unmanageable without the addition of contract and temporary services. Because development activity



## FINANCIAL HIGHLIGHTS

can fluctuate quickly, the City's ability to adapt to both the increases and decreases in workload demand must provide for the ready adjustment of resources without creating long term obligations that continue beyond the period in which the increased development is taking place.

Development fees paid at the time of application represent a prepayment for work to be performed in conjunction with the development review process. Because of project size and the scope of related work to be performed in the development services process, not all of these revenues can be recognized in the period in which they are received since some of the work, including on-site inspections of the project, can only occur when the project is under construction which may be many months after the application is processed and payment is received. In order to match revenues with the cost of providing these services, staff proposed to the City Council on February 18<sup>th</sup> the following policy. At this time the City Council is being asked to consider the policy for adoption. The intent of the policy is to provide a means by which the on-going development fee revenues are compared to the existing budget for each fiscal year. It is felt that anytime the budget amount is exceeded, up to 75% of the projected revenue that exceeds the current budget represents a demand for future services that may need to be addressed through the use of additional contract or other temporary services. The proposed policy provides the City Manager with the discretion to review a request from the Community Development Director and allow the appropriation of all or a part of the excess development fees in the current year budget. Any unused portion of the excess revenues would remain in a designated account for future use until such time as it was determined that it is no longer needed, based on the status of existing applications and demand for review and inspection services. The proposed policy is shown below:

*The City Manager may reallocate Development Services revenues for Development Services expenses that are projected to exceed the current revenue budget estimate to acquire temporary resources for the purpose of accomplishing the timely processing of development permit applications and perform other related permit processing activities while maintaining a balanced budget. In no case,*

*shall the reallocation of revenue exceed 75% of the projected revenue that is projected to exceed the current development fee revenue budget forecast. Any and all reallocated revenues shall be reported to the City Council on a semi-annual basis, including with the Mid-Year and annual budget adoption presentations. The Finance Department shall review the justifications for the reallocations of these revenues and shall confirm the balance remaining in the Development Services Account*

As part of the policy approval process, it is recommended that the City establish a "Development Services Account" in the General Fund to transfer fees paid for permit processing. This account would be used to transfer fees that are paid for services that actually exceed budgeted amounts, consistent with the proposed new policy.

**GENERAL FUND FIVE YEAR FISCAL FORECAST SUMMARY: 2013-18**

	SUPPLEMENTAL FORECAST					
	2012-13 Actual	2013-14 <i>2013-15 Financial Plan</i>	2014-15	2015-16	2016-17	2017-18
<b>REVENUES &amp; OTHER SOURCES *</b>						
Taxes	43,698,500	45,944,237	49,125,900	51,003,200	51,751,900	53,479,450
Subventions, Grants & Transfers In	2,454,400	2,017,699	2,748,900	2,580,900	1,815,659	1,769,659
Service Charges	4,987,100	6,285,300	6,194,500	6,835,350	6,686,700	5,920,019
Other Revenues	900,600	6,233,527	884,000	385,500	372,700	377,766
<b>Total Revenues</b>	<b>52,040,600</b>	<b>60,480,763</b>	<b>58,953,300</b>	<b>60,804,950</b>	<b>60,626,959</b>	<b>61,546,893</b>
<b>EXPENDITURES *</b>						
Staffing Costs, net of reimb. transfers and est. savings	34,719,800	36,272,500	36,407,800	37,269,542	37,230,592	38,153,977
PERS rate increase estimate						242,525
Operating Programs - Non-staffing costs (net of estimated savings)	9,994,100	10,939,655	12,175,100	15,805,448	13,353,780	14,141,056
SOPC Requests One Time					1,292,557	70,000
SOPC Requests Ongoing					221,999	255,829
SOPC Request Ongoing - Transfer to Debt Svc - CIPIA Retro Payment	5,532,900	12,492,108	7,014,000	7,272,945	8,054,914	8,431,248
Transfers & Other Uses						262,225
<b>SUBTOTAL EXPENSES</b>	<b>50,246,800</b>	<b>59,704,263</b>	<b>55,596,900</b>	<b>60,347,935</b>	<b>60,531,607</b>	<b>61,558,893</b>
Fund Balance, Beginning of Year	11,114,100	12,907,900	13,684,400	18,937,700	15,189,309	11,323,167
Revenues Over (Under) Expenditures	1,793,800	776,500	3,356,400	457,015	95,352	(11,999)
One Time Fund Balance Adjustment			1,896,900			171,256
<b>SUBTOTAL FUND BALANCE END OF YEAR, BEFORE ONE TIME EXPENSES</b>	<b>12,907,900</b>	<b>13,684,400</b>	<b>18,937,700</b>	<b>19,394,715</b>	<b>15,284,661</b>	<b>11,311,168</b>
<b>ONE TIME EXPENSES APPROVED AT ADOPTED BUDGET</b>						
Skate Park				1,226,300		
IT Replacement Fund Support				500,000		
One Time SOPCs (Operating)				70,000		
Investment in Major Facility				500,000		
<b>Total Adopt One Time Expenses From Fund Balance</b>				<b>2,296,300</b>		
<b>MID-YEAR ONE TIME EXPENSES FROM RESERVES ABOVE 20%</b>						
Quickest Route				20,600	-	
Special Projects Temporary Staffing (includes rollover to FY14-15)				54,000	196,000	
Set Aside for unfunded liabilities (PERS FY13-14, CIPIA FY14-15)				934,506	2,065,494	
Backfill for Measure Y Sunset If Needed (FY14-15)				-	1,700,000	
Street Paving and Sinsheimer Park Paving				300,000	-	
Homeless Services Center Land Purchase Set Aside				250,000	-	
City Hall ADA and Administration Reconfiguration				250,000	-	
Mission Plaza Master Plan				100,000	-	
<b>Total Mid Year One Time Requests from Fund Balance</b>				<b>1,909,106</b>	<b>3,961,494</b>	
<b>Ending Fund Balance</b>	<b>12,907,900</b>	<b>13,684,400</b>	<b>18,937,700</b>	<b>15,189,309</b>	<b>11,323,167</b>	<b>11,311,168</b>
Reserve @ 20% of Operating Costs	8,942,800	9,160,900	10,070,220	10,643,918	10,812,626	10,572,677
Adjust for Debt Svc Reserves		(602,800)	(331,600)	(331,600)	(331,600)	(331,600)
Adjust for Encumbrances & Carryover Reserve (if applicable)		(2,279,271)	(1,768,200)	(3,961,494)		
<b>Reserve Above/(Below) Policy Level</b>	<b>3,965,100</b>	<b>1,641,429</b>	<b>6,767,680</b>	<b>252,297</b>	<b>178,941</b>	<b>-</b>

\* Revenue and expense forecast details are included on schedules 2-3.

**GENERAL FUND FIVE YEAR FISCAL FORECAST REVENUES: 2013-18**

	2010-11 Actual	2011-12 Actual	2012-13 Actual	SUPPLEMENT FORECAST				
				2013-14	2014-15	2015-16	2016-17	2017-18
<b>REVENUES &amp; OTHER SOURCES</b>								
<b>Taxes</b>				<b>2013-15 Financial Plan</b>				
Sales Tax + In-lieu (Based on "effective" 1% tax rate)	12,098,600	13,289,950	14,242,200	15,394,700	15,276,800	15,933,702	16,516,513	17,133,325
Measure Y 1/2% Note: 2014-15/15-16 Estimates assume renewal	5,616,300	6,237,468	6,493,800	6,674,000	6,775,000	6,957,925	7,166,663	7,388,829
Sales Tax - Proposition 172	271,300	307,429	327,700	338,900	350,400	360,912	371,739	382,892
Property Tax	8,441,100	8,367,088	9,176,600	8,761,100	8,933,600	9,156,940	9,385,864	9,620,510
Property Tax in lieu of VLF	3,551,100	3,492,361	3,533,200	3,645,700	3,721,600	3,814,640	3,910,006	4,007,756
Transient Occupancy Tax	4,844,200	5,222,004	5,572,400	5,990,300	6,289,800	6,589,315	6,888,830	7,188,345
Utility Users Tax	4,592,300	4,584,055	4,916,100	5,356,000	5,500,000	5,665,000	5,834,950	6,009,999
Franchise Fees	2,352,100	2,462,349	2,552,300	2,525,900	2,540,200	2,578,303	2,616,978	2,656,232
Business Tax	1,797,800	1,837,548	2,055,300	2,116,600	2,184,500	2,239,113	2,295,090	2,352,468
Real Property Transfer Tax	133,700	143,985	256,300	200,000	180,000	183,600	187,272	191,017
<b>Subventions, Grants &amp; Transfers In</b>								
Vehicle License Fees	205,600	45,752	19,300	-				
Gas Tax/TDA/TBID Transfers In	1,658,400	1,407,600	1,374,500	1,380,300	1,488,659	1,488,659	1,488,659	1,488,659
Insurance Benefit Fund Transfer In								
Other Subventions & Grants	590,400	564,347	1,355,100	1,200,600	327,000	281,000	281,000	281,000
<b>Service Charges</b>								
Development Review Fees	1,668,000	2,453,773	2,595,300	3,571,600	3,396,300	2,577,565	2,580,912	2,584,342
Recreation Fees	1,300,700	1,741,676	1,747,900	1,577,450	1,547,700	1,578,654	1,610,227	1,642,432
Other Service Charges	2,018,400	2,089,851	1,851,400	1,686,300	1,742,700	1,763,800	1,763,800	1,763,800
<b>Other Revenues</b>								
Fines & Forfeitures	171,400	174,331	159,700	156,000	156,000	158,340	160,715	163,126
Interest Earnings and Rents	549,900	588,451	230,200	179,000	181,700	184,426	187,192	190,000
Bond Proceeds		5,386,300						
Other Revenues	179,300	84,445	494,100	50,500	35,000	35,000	35,000	35,000
<b>Total Revenues</b>	<b>52,040,600</b>	<b>60,480,763</b>	<b>58,953,400</b>	<b>60,804,950</b>	<b>60,626,959</b>	<b>61,546,893</b>	<b>63,281,410</b>	<b>66,852,231</b>

Schedule 2

**GENERAL FUND FIVE YEAR FISCAL FORECAST EXPENDITURES: 2013-18**

	SUPPLEMENTAL FORECAST					2012-13 Actual	2013-14 <i>2013-15 Financial Plan</i>	2014-15	2015-16	2016-17	2017-18
	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14	2014-15						
<b>EXPENDITURES</b>											
Staffing Costs, net of reimb. transfers and est. savings	34,719,800	36,272,500	36,407,800	37,269,542	37,230,592	38,153,977	39,194,106	40,260,239			
PERS rate increase estimate						242,525	709,236	1,199,132			
Operating Programs - Non-staffing costs (net of estimated savings)	9,994,100	10,939,655	12,175,100	15,805,448	13,353,780	14,141,056	14,063,280	14,712,354			
<b>SOPC REQUESTS</b>											
SOPC Request One Time - Development Services					795,216						
SOPC Request Ongoing - Development Services					34,997	35,872	36,769	37,688			
SOPC Request One Time - Finance Temp Staffing					65,641						
SOPC Request One Time - New IT Support Model					204,000	70,000					
SOPC Request Ongoing - Increase in Worker's Compensation Insurance					82,765	84,834	86,955	89,129			
SOPC Request One Time - Increase in Liability Insurance					57,700						
SOPC Request Ongoing - Increase in Liability Insurance					91,437	93,723	96,066	98,468			
SOPC Request Ongoing - Skate Park Operations and Maintenance					12,800	41,400	42,435	43,496			
SOPC Request One Time - Employee Leadership Program					170,000						
<b>TRANSFERS</b>											
Transfers & Other Uses											
Transfers to CDBG, Golf (Golf transfer in 2010-11 only)	5,532,900	12,492,108	7,014,000	5,046,545	8,432,679						
Bond Costs/Defeasance/New SOPCs	372,800	53,564	45,000	55,300	74,611	74,611	74,611	74,611			
Debt Service	3,023,200	2,437,244	2,772,600	2,760,200	3,133,603	3,076,603	3,076,603	3,076,603			
SOPC Request - Transfer to Debt Service - CJIPIA Retro Payments					377,765	264,259	264,259	264,259			
Transfer to Insurance Benefit Fund (PERS set aside)					280,000	560,000	574,000	588,350			
Capital Improvement Plan - Equipment Replacement (Fleet)		500,000	500,000	411,360	532,600	623,951	623,951	823,951			
Capital Improvement Plan - Equipment Replacement (IT)			200,000	565,500	967,100	165,458	165,458	700,000			
Capital Improvement Plan - Major Facility Replacement				852,700	551,400	345,000	480,000	780,000			
Capital Improvement Plan - All other CIP/Open Space	2,136,900	3,722,800	3,496,400	2,627,785	2,515,600	3,585,625	3,622,425	3,897,425			
<b>SUBTOTAL EXPENSES</b>	<b>50,246,800</b>	<b>59,704,263</b>	<b>55,596,900</b>	<b>60,347,835</b>	<b>60,531,607</b>	<b>61,558,893</b>	<b>63,110,154</b>	<b>66,703,404</b>			
<b>ONE TIME EXPENSES APPROVED AT ADOPT BUDGET</b>											
Skate Park				1,226,300							
IT Replacement Fund Support				500,000							
One Time SOPCs (Operating)				70,000							
Investment in Major Facility				500,000							
<b>Total One Time Expenses From Fund Balance</b>				<b>2,296,300</b>							
<b>MID-YEAR ONE TIME EXPENSES FROM RESERVES ABOVE 20%</b>											
Quickest Route				20,600							
Special Projects Temporary Staffing (includes rollover to FY14-15)				54,000	196,000						
Set Aside for unfunded liabilities (PERS FY13-14, CJIPIA FY14-15)				934,506	2,065,494						
Backfill for Measure Y Sunset If Needed					1,700,000						
Street Paving and Sinsheimer Park Paving				300,000							
Homeless Services Center Land Purchase Set Aside				250,000							
City Hall ADA and Administration Reconfiguration (minimum estimate)				250,000							
Mission Plaza Master Plan				100,000							
<b>Total SOPC Requests from Fund Balance</b>				<b>1,909,106</b>	<b>3,961,494</b>						

## MEASURE Y FUNDING SUMMARY - REVISED FOR SUPPLEMENT

The uses of Measure Y revenues for 2013-15 in funding operating programs and capital improvement plan (CIP) projects are aligned with top Council goals and objectives, and closely match projected revenues.

	Operating Programs		CIP		Two-Year Budget Total
	2013-14	2014-15	2013-14	2014-15	
<b>Preservation of Essential Services</b>					
<i>Public Safety</i>					
Police Services	869,583	924,073			1,793,656
Police Vehicles			172,800	175,600	348,400
Public Safety Mobile Data Computers			184,500	188,000	372,500
Fire Prevention & Training	399,656	450,421			850,077
Extrication Equipment - Fire Engines			60,400		60,400
Fire Engine Replacements (2): Debt Service			128,920	247,503	376,423
Fire Station #2 Remodel			2,700	27,800	30,500
Quickest Route Software			20,600		20,600
<i>Maintenance Services</i>					
Streets, Sidewalks and Traffic Signal Operations	180,836	177,055			357,891
Creek & Flood Protection	529,059	455,824	316,400	450,000	1,751,283
Parks	76,581	77,837	620,000	580,000	1,354,418
Project Management & Inspection	108,030	113,253			221,283
<b>Neighborhood Wellness</b>					
Enhanced Building & Zoning Code Enforcement	113,441	118,268			231,709
"SNAP" Enhancement	53,079	53,079			106,158
Neighborhood Code Enforcement Specialists	139,183	147,368			286,551
<b>Traffic Congestion Relief</b>					
Traffic Safety Report Implementation			25,000	25,000	50,000
Traffic Operations Report Implementation			30,000		30,000
Traffic Engineer	92,520	100,351			192,871
Traffic Sign Maintenance				40,000	40,000
Bicycle Facility Improvements			100,000	100,000	200,000
Neighborhood Traffic Improvements			20,000	20,000	40,000
<b>Open Space Preservation</b>					
Open Space Acquisition			200,000	200,000	400,000
Ranger Services Staffing	59,300	57,028			116,328
Open Space Wildfire Fuel Reduction	5,000	5,000			10,000
<b>Infrastructure Maintenance and Improvements</b>					
Santa Rosa Skatepark			1,226,300		1,226,300
Street Reconstruction & Resurfacing			1,400,700	1,174,300	2,575,000
Downtown Renewal			-	608,500	608,500
Facility Maintenance			54,000	94,000	148,000
Jack House Exterior Painting			25,000		25,000
Johnson Avenue Underpass Pump			190,000		190,000
Library Restroom Remodel			39,000		39,000
Marsh Street Bridge Replacement			19,300		19,300
Mission Plaza Railing Upgrade			30,000	30,000	60,000
Olympic Pool Replastering			25,000	310,000	335,000
Pedestrian and Bicycle Pathway Maintenance			60,000	60,000	120,000
Sidewalk Repairs			25,000	25,000	50,000
Parks Central Irrigation Controller Replacment			163,323		163,323
Tree Maintenance Equipment			100,400		100,400
Sinsheimer Parking Lot Paving			80,000		80,000
Mission Plaza Master Plan			100,000		100,000
Facility Maintenance			500,000		500,000
I.T. Replacement Fund			500,000		500,000
<b>SUB-TOTALS</b>	<b>\$2,626,269</b>	<b>\$2,679,557</b>	<b>\$6,419,343</b>	<b>\$4,355,703</b>	<b>\$16,080,872</b>

## MEASURE Y FUNDING SUMMARY - REVISED FOR SUPPLEMENT

	Operating Programs		CIP		Two-Year
	2013-14	2014-15	2013-14	2014-15	Budget Total
<b>Prior Year Encumbered/Assigned Amounts</b>					
<b>Transportation (Mobility and Safety)</b>					
Traffic Safety Report Implementation			12,611		
Traffic Sign Maintenance			44,600		
<b>Open Space Preservation</b>					
Froom Ranch Improvement			10,934		
<b>Infrastructure Maintenance and Improvements</b>					
Street Reconstruction & Resurfacing			114,516		
Broad Street Creek Bank Reinforcement			18,318		
Olympic Pool Heater Replacement			176,721		
Playground Equipment Replacement			373,083		
<b>Maintenance Services</b>					
Streets, Sidewalks and Traffic Signal Repairs			31,612		
Broadstreet Bank Reinforcement			35,000		
Sinsheimer Stadium Bldg. Assessment			34,556		
<b>SUB-TOTAL PRIOR YEAR AMOUNTS</b>			<b>\$851,951</b>		<b>\$851,951</b>
<b>Total Proposed Operations/CIP Spending:</b>	<b>\$2,626,269</b>	<b>\$2,679,557</b>	<b>\$7,271,294</b>	<b>\$4,355,703</b>	<b>\$16,932,823</b>
<b>Contingency Reserve</b>					<b>\$1,700,000</b>
<b>Total Proposed Spending</b>					<b>\$18,632,823</b>
<b>Projected Measure Y Resources</b>					
2013-14 Revenues					6,684,000
2014-15 Revenues					6,775,000
Prior Year Encumbered/Assigned Value					851,951
Prior Year Revenue Available for Appropriations (See 2012-13 CAFR)					4,366,900
<b>Total</b>					<b>\$18,677,851</b>

## MEASURE Y FUNDING DETAIL - REVISED FOR SUPPLEMENT

The uses of Measure Y revenues for 2013-15 in funding operating programs and capital improvement plan (CIP) projects are aligned with top Council goals and objectives, and closely match projected revenues.

	Operating Programs		CIP		Revised 2-Yr
	13-14 Revised	14-15 Revised	13-14 Revised	14-15 Revised	Total
<b>Preservation of Essential Services</b>					
<i>Public Safety</i>					
Police Services					
Traffic Sergeant	181,330	199,743			381,073
Patrol Officer	177,654	175,639			353,293
Police Sergeant	200,199	197,411			397,610
Daytime Downtown Patrol Officers	310,400	351,280			661,680
Police Marked Patrol Sedans			172,800	175,600	348,400
Public Safety Mobile Data Computers			184,500	188,000	372,500
Fire Prevention, Training & Emerg. Preparedness					
Fire Marshal	140,796	144,728			285,524
Training Officer or 1 FTE	176,687	223,629			400,316
Administrative Assistant - Fire training	82,173	82,064			164,237
Extrication Equipment - Fire Engines			60,400		60,400
Fire Engine Replacements (2): Debt Service			128,920	247,503	376,423
Quickest Route Software			20,600		20,600
Fire Station #2 Remodel			2,700	27,800	30,500
	1,269,239	1,374,494	569,920	638,903	3,852,556
<i>Maintenance Services</i>					
Streets, Sidewalks and Traffic Signal Operations					
Streets Maintenance Worker	80,735	76,808			157,543
Signal & Streetlight Tech	100,101	100,247			200,348
Creek & Flood Protection			316,400	450,000	766,400
Storm Water Code Enforcement Officer	96,679	45,254			141,933
Storm Water Collection Operators (2 FTE)	184,580	178,672			363,252
Sweeper Operator	78,400	69,898			148,298
Storm Water Management Plan Implementation	169,400	162,000			331,400
Parks Maintenance Worker	76,581	77,837			154,418
Playground Equipment Replacement			310,000		
City Facility Parking Lot Maintenance				350,000	
Replace Park Pedestrian Lighting				50,000	
Restroom Replacement and Remodeling			290,000	60,000	
Sinsheimer Stadium Stair Replacement			20,000	120,000	
Project Management & Inspection					
Field Engineering Inspector II/III	108,030	113,253			221,283
	894,506	823,969	936,400	1,030,000	3,684,875
<b>Neighborhood Wellness</b>					
Enhanced Building & Zoning Code Enforcement					
Building Code Enforcement Officer	91,940	96,771			188,711
Permit Technician (.25 FTE)	21,501	21,497			42,998
Student Neighborhood Assistance Program	53,079	53,079			106,158
Neighborhood Code Enforcement Specialists (2 FTE)	139,183	147,368			286,551
	305,703	318,715			624,418
<b>Transportation (Mobility and Safety)</b>					
Traffic Safety Report Implementation			25,000	25,000	50,000
Traffic Operations Report Implementation			30,000		30,000
Traffic Sign Maintenance				40,000	40,000
Bicycle Facility Improvements			100,000	100,000	200,000
Neighborhood Traffic Improvements			20,000	20,000	40,000
Traffic Engineer	92,520	100,351			192,871
	92,520	100,351	175,000	185,000	552,871

## MEASURE Y FUNDING DETAIL - REVISED FOR SUPPLEMENT

	Operating Programs		CIP		Revised 2-Yr Total
	13-14 Revised	14-15 Revised	13-14 Revised	14-15 Revised	
<b>Open Space Preservation</b>					
Open Space Acquisition			200,000	200,000	400,000
Ranger Services Staffing	59,300	57,028			116,328
Open Space Wildfire Fuel Reduction	5,000	5,000			10,000
	64,300	62,028	200,000	200,000	526,328
<b>Infrastructure Maintenance and Improvements</b>					
Santa Rosa Skatepark			1,226,300		1,226,300
Street Reconstruction & Resurfacing			1,400,700	1,174,300	2,575,000
Downtown Renewal				608,500	608,500
Central Irrigation Controller Replacement			163,323		163,323
Facility Maintenance			54,000	94,000	148,000
Jack House Exterior Painting			25,000		25,000
Johnson Avenue Underpass Pump			190,000		190,000
Library Restroom Remodel			39,000		39,000
Marsh Street Bridge Replacement			19,300		19,300
Mission Plaza Railing Upgrade			30,000	30,000	60,000
Olympic Pool Replastering			25,000	310,000	335,000
Pedestrian and Bicycle Pathway Maintenance			60,000	60,000	120,000
Sidewalk Repairs			25,000	25,000	50,000
Tree Maintenance Equipment			100,400		100,400
Sinsheimer Parking Lot Paving			80,000		80,000
Mission Plaza Master Plan			100,000		100,000
I.T. Replacement Fund			500,000		500,000
Facility Maintenance Reserve			500,000		500,000
			4,538,023	2,301,800	6,839,823
<b>Contingency Reserve</b>					1,700,000
<b>SUB-TOTALS</b>	<b>\$2,626,269</b>	<b>\$2,679,557</b>	<b>\$6,419,343</b>	<b>\$4,355,703</b>	<b>\$17,780,872</b>
<b>Prior Year Encumbered/Assigned Amounts</b>					
<b>Transportation (Mobility and Safety)</b>					
Traffic Safety Report Implementation			12,611		12,611
Traffic Sign Maintenance			44,600		44,600
<b>Open Space Preservation</b>					
Froom Ranch Improvement			10,934		10,934
<b>Infrastructure Maintenance and Improvements</b>					
Street Reconstruction & Resurfacing			114,516		114,516
Broad Street Creek Bank Reinforcement			18,318		18,318
Olympic Pool Heater Replacement			176,721		176,721
Playground Equipment Replacement			373,083		373,083
<b>Maintenance Services</b>					
Streets, Sidewalks and Traffic Signal Repairs			31,612		31,612
Broadstreet Bank Reinforcement			35,000		35,000
Sinsheimer Stadium Bldg. Assessment			34,556		34,556
<b>GRAND TOTALS</b>	<b>\$2,626,269</b>	<b>\$2,679,557</b>	<b>\$7,271,294</b>	<b>\$4,355,703</b>	<b>\$18,632,823</b>
<b>Projected Measure Y Revenues</b>					
2013-14					6,684,000
2014-15					6,775,000
Prior Year Encumbered/Assigned Value					851,951
Prior Year Revenue Available for Appropriations (See 2012-13 CAFR)					4,366,900
<b>Total</b>					<b>\$18,677,851</b>



# MISSION STATEMENT

## SAN LUIS OBISPO STYLE

### *Quality With Vision*

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#### WHO ARE WE?

##### *People Serving People*

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- A team that puts high value on each citizen it serves.
- Providers of programs that meet the basic service needs of each citizen.
- Enhancers of the quality of life for the community as a whole.

#### WHAT DO WE STAND FOR?

##### *Quality in all Endeavors – Pride in Results*

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- Service to the community – the best – at all times.
- Respect – for each other and for those we serve.
- Value – ensuring delivery of service with value for cost.
- Community involvement – the opportunity to participate in attaining the goals of the City.

#### WHERE ARE WE GOING?

##### *Into the Future with a Design*

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- Planning and managing for levels of service consistent with the needs of the citizens.
- Offering skills development and organizational direction for employees in order to improve the delivery of municipal services.
- Developing sources of funding and establishing a sound financial management program which will result in fiscal independence and flexibility in the delivery of City Services.
- Providing the residents of the City with accurate and timely information on issues which affect them, and encouraging the full utilization of City services.
- Promoting the City as a regional trade, recreational, and tourist center and improving the quality of life for residents and visitors.

## **ORGANIZATIONAL VALUES**

We, as an organization, embrace opportunities to improve our services and the quality and effectiveness of our relationships with the community and our teams. The following values guide and inspire our efforts.

### **Shared Vision, Mission and Goals**

We have a sense of common purpose and direction pursued with passion and translated into concrete actions.

### **Service**

We are dedicated to the best use of resources to fulfill identified community goals and needs.

### **Leadership and Support**

We recognize that the ability to lead can be found at all levels and that to create an environment to succeed requires leading by example.

### **Communication**

We foster open and clear discussion that encourages the willingness to speak up and to listen, within a framework of respect and understanding.

### **Team Players**

We encourage effective working relationships within and between departments and the public to address issues and achieve valuable results.

### **Honesty, Respect and Trust**

We honor commitments, acknowledge legitimate differences of opinion and accept decisions reached with integrity.

### **Initiative and Accountability**

We take personal responsibility to do what needs to be done and report the results in a straightforward manner.

### **Innovation and Flexibility**

We are open to change and willing to try new ways to fulfill the organization's vision, mission, and goals more effectively.

### **Employee Development and Recognition**

We encourage and support each employee to improve relevant job skills and celebrate personal and team accomplishments.

### **Stewardship and Ethics**

We promote public trust by using City resources wisely, and through consistent fulfillment of these values.

# DIRECTORY OF OFFICIALS AND ADVISORY BODIES

## CITY COUNCIL

Jan Howell Marx, Mayor  
Carlyn Christianson, Vice-Mayor  
John Ashbaugh, Council Member  
Dan Carpenter, Council Member  
Kathy Smith, Council Member

## ADVISORY BODIES

Architectural Review Commission  
Bicycle Advisory Committee  
Construction Board of Appeals  
Campaign Regulation Committee  
Cultural Heritage Committee  
Housing Authority  
Human Relations Commission  
Investment Oversight Committee

Jack House Committee  
Mass Transportation Committee  
Parks and Recreation Commission  
Personnel Board  
Planning Commission  
Promotional Coordinating Committee  
Tourism Business Improvement District Board  
Tree Committee

## APPOINTED OFFICIALS AND DEPARTMENT HEADS

### *Appointed Officials*

Katie Lichtig  
Christine Dietrick

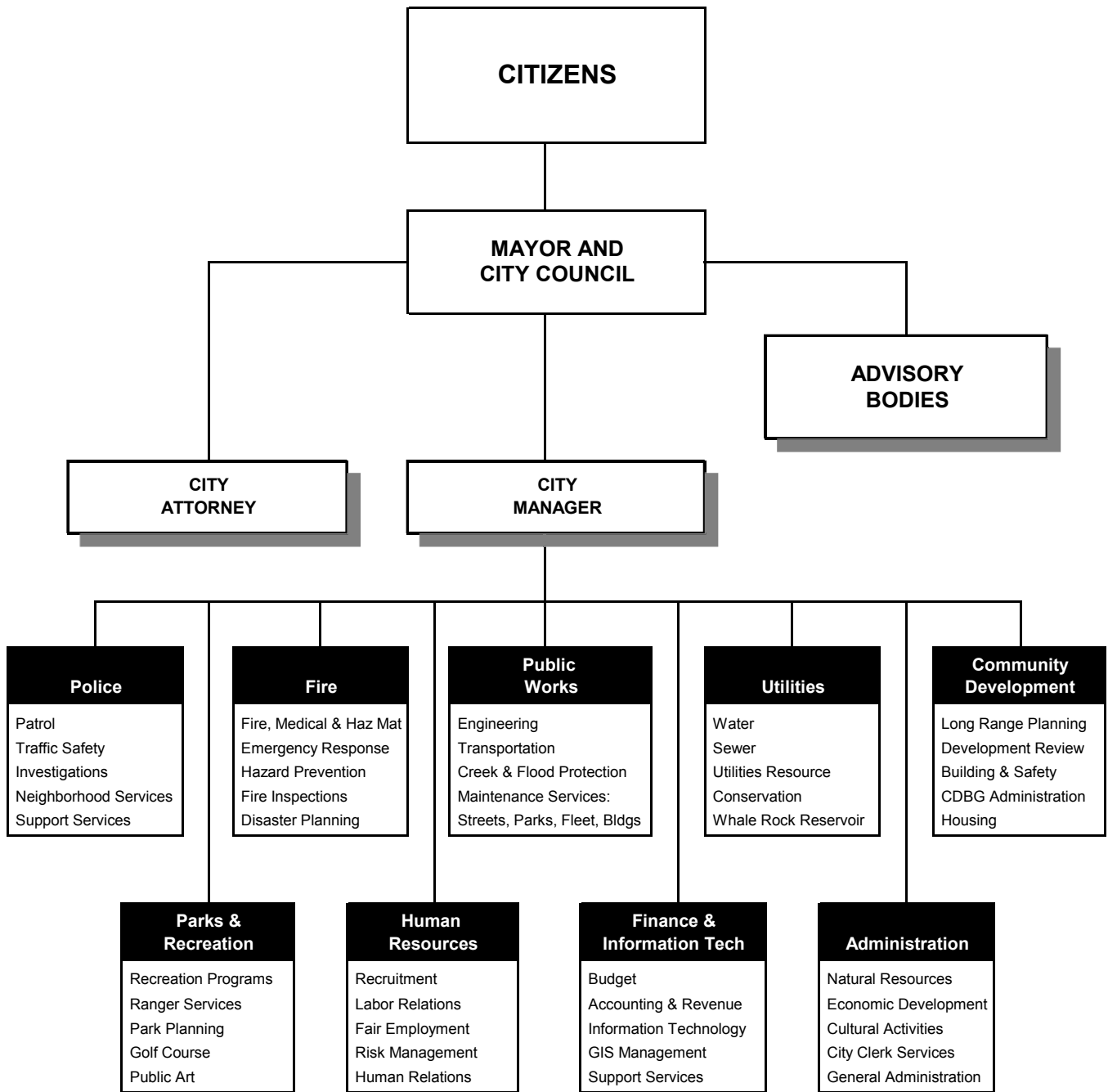
City Manager  
City Attorney

### *Department Heads*

Wayne Padilla  
Michael Codron  
Steve Gesell  
Garret Olson  
Monica Irons  
Derek Johnson  
Carrie Mattingly  
Shelly Stanwyck  
Daryl Grigsby

Director of Finance & Information Technology  
Assistant City Manager  
Police Chief  
Fire Chief  
Director of Human Resources  
Director of Community Development  
Director of Utilities  
Director of Parks and Recreation  
Director of Public Works

# ORGANIZATION OF THE CITY OF SAN LUIS OBISPO



 *Appointed by the City Council*

 *Dept Appointed by the City Manager*

## AWARDS

**GFOA.** The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of San Luis Obispo, California for its two-year budget for the fiscal year beginning July 1, 2013.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device. The award is valid for a period of two years only. We believe our current budget continues to conform to program requirements.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of San Luis Obispo  
California**

For the Biennium Beginning

**July 1, 2013**

A handwritten signature in cursive script, reading "Jeffrey R. Emery".

Executive Director

# AWARDS

**CSMFO.** For our 2013-15 Financial Plan, the California Society of Municipal Finance Officers (CSMFO) presented the City with Awards for Excellence in two of its budget categories: Operating Budgeting and Capital Budgeting. We believe our current budget continues to conform to program requirements.



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Section B  
**BUDGET GRAPHICS**

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# BUDGET GRAPHICS AND SUMMARIES

## OVERVIEW

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This section provides simple charts and tables which highlight key financial relationships and summarize the overall budget document. Graphics summarizing the following areas are included:

### **Combined Expenditures and Revenues**

- Total Operating Program, Capital Improvement Plan and Debt Service Expenditures
- Total Funding Sources
- Operating Program Expenditures by Function
- Operating Program Expenditures by Type
- Capital Improvement Plan Expenditures by Function
- Debt Service Expenditures by Function

### **Expenditures and Revenues by Fund**

- Total Expenditures by Fund
- General Fund Expenditures and Uses
- General Fund Operating Program Expenditures by Function
- General Fund Operating Program Expenditures by Type
- General Fund Revenues and Sources

### **Authorized Regular Positions**

- Authorized Regular Positions by Function

### **Changes in Financial Position**

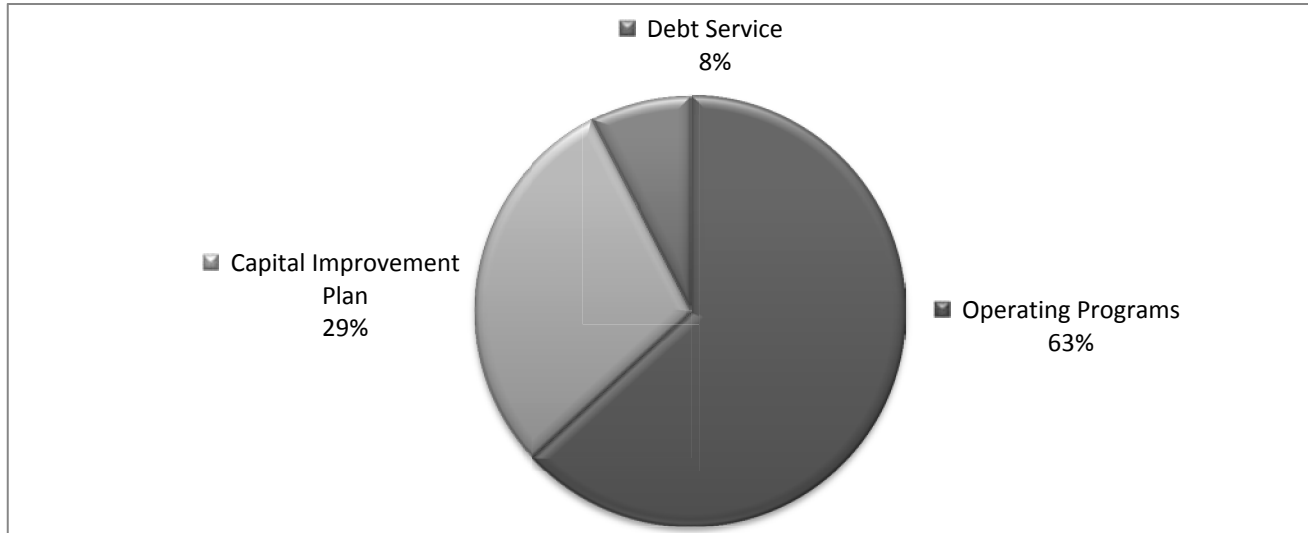
- Summary of Revenues, Expenditures and Changes in Financial Position by Fund for 2013-14 and 2014-15.



# BUDGET GRAPHICS AND SUMMARIES

## TOTAL EXPENDITURES BY TYPE - ALL FUNDS COMBINED

### 2014-15 Expenditures By Type: \$134.2 Million



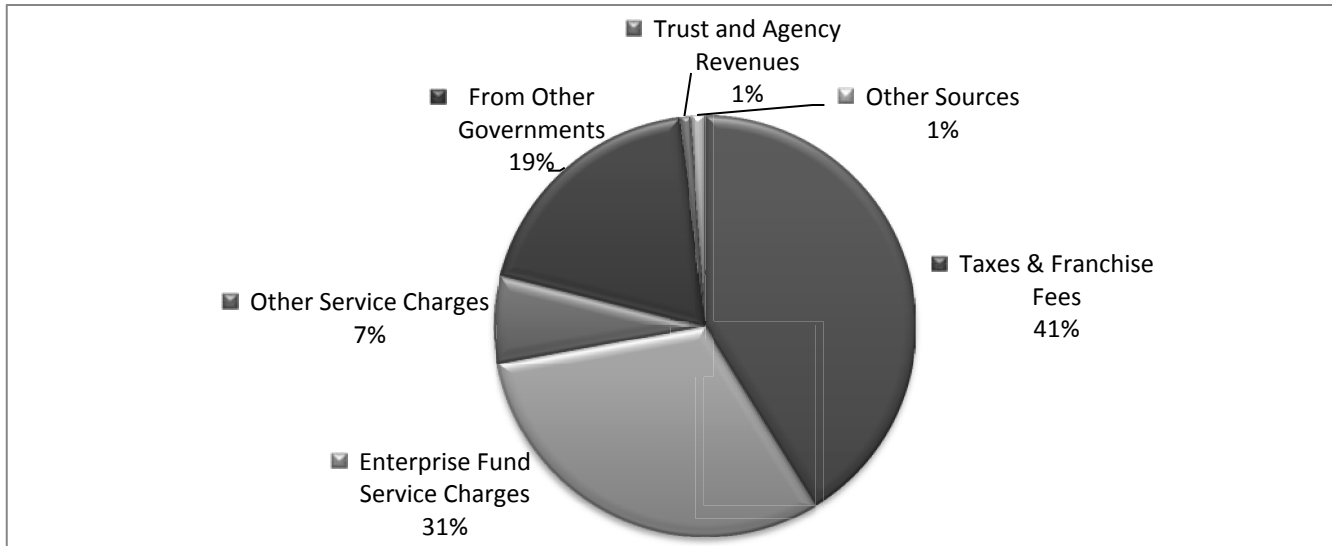
### Revised 2013-15 Financial Plan

	Actual 2012-13	Current Budget 2013-14	Adopted 2014-15	Revised 2014-15	% Change
Operating Programs	77,682,475	86,338,993	83,310,800	84,668,377	2%
Capital Improvement Plan	11,742,669	53,574,007	38,217,700	39,397,151	3%
Debt Service	9,195,791	8,335,206	7,579,600	10,146,562	34%
<b>TOTAL</b>	<b>\$98,620,935</b>	<b>\$148,248,206</b>	<b>\$129,108,000</b>	<b>\$134,212,090</b>	<b>4%</b>

# BUDGET GRAPHICS AND SUMMARIES

## TOTAL FUNDING SOURCES - ALL FUNDS COMBINED

### 2014-15 Funding Sources: \$134.2 Million



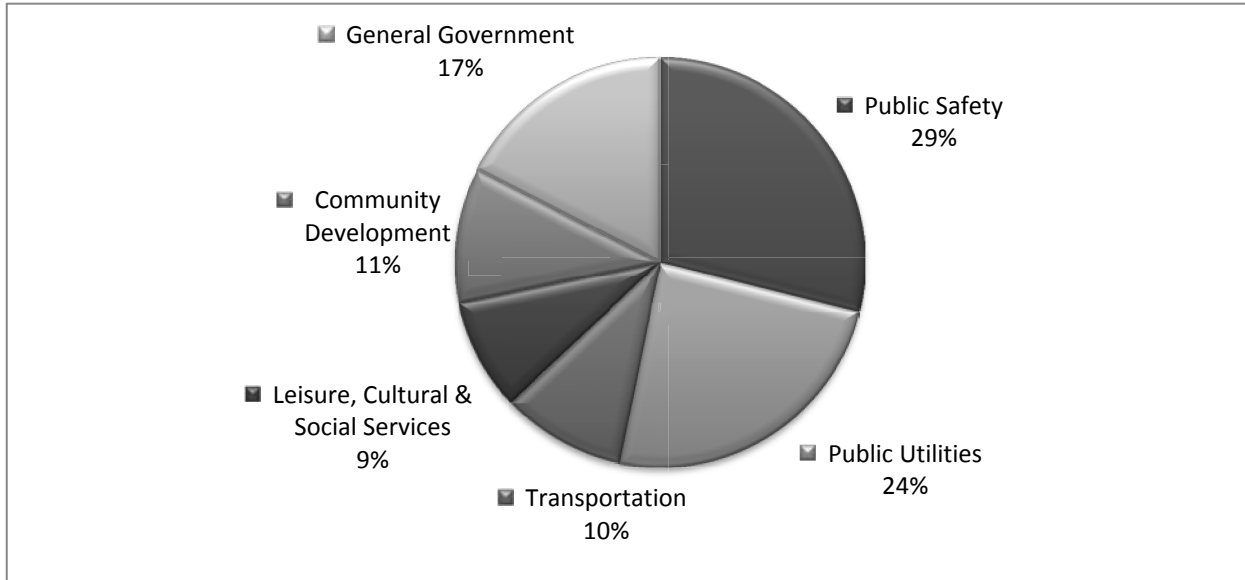
### Revised 2013-15 Financial Plan

	Actual 2012-13	Current Budget 2013-14	Adopted 2014-15	Revised 2014-15	% Change
Taxes & Franchise Fees	49,125,900	51,003,200	50,389,400	51,751,800	3%
Service Charges					
Governmental Funds	8,107,000	10,259,650	7,148,600	8,357,960	17%
Enterprise Funds	38,888,400	37,447,500	39,794,400	38,872,208	-2%
Trust and Agency Revenues	931,300	891,000	961,800	1,029,100	7%
From Other Governments	8,386,100	13,398,351	22,090,900	24,135,577	9%
Use of Money & Property	309,000	425,000	705,200	403,400	-43%
Other Revenues	1,505,300	1,006,430	1,077,000	952,200	-12%
<b>Total Current Sources</b>	<b>107,253,000</b>	<b>114,431,131</b>	<b>122,167,300</b>	<b>125,502,245</b>	<b>3%</b>
Proceeds from Debt Financings		8,490,351	8,005,000	7,500,000	-6%
Fund Balance/Other Sources (Uses)	(8,632,065)	25,326,724	(1,064,300)	1,209,845	-214%
<b>TOTAL</b>	<b>\$98,620,935</b>	<b>\$148,248,206</b>	<b>129,108,000</b>	<b>\$134,212,090</b>	<b>4%</b>

# BUDGET GRAPHICS AND SUMMARIES

## OPERATING PROGRAM EXPENDITURES BY FUNCTION - ALL FUNDS COMBINED

**2014-15 Operating Budget: \$84.7 Million**



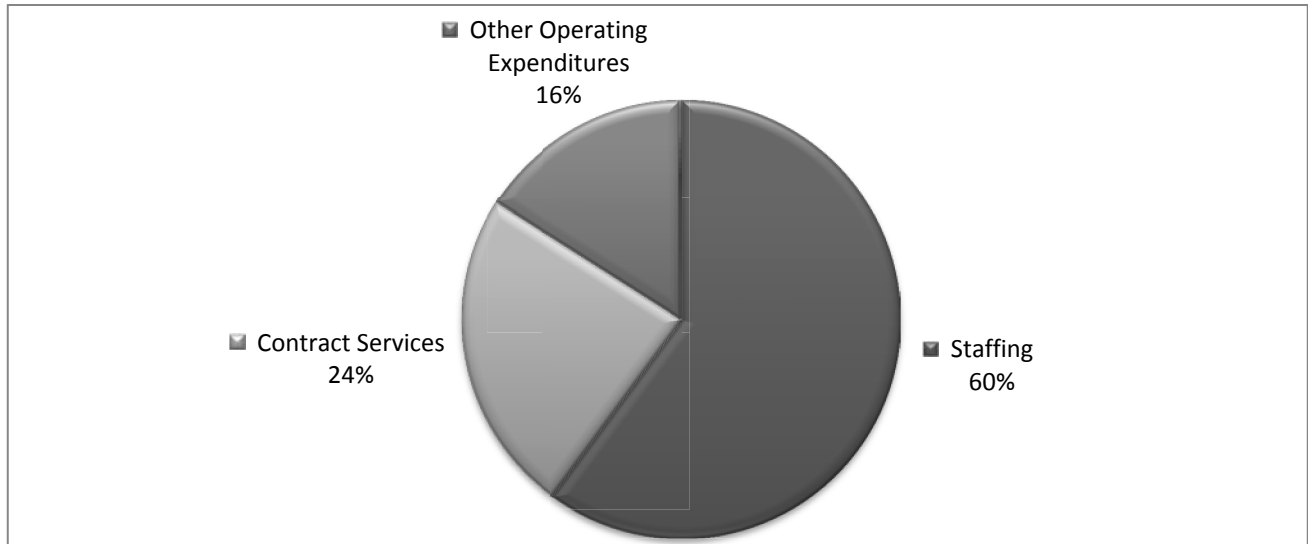
### Revised 2013-15 Financial Plan

	Actual 2012-13	Current Budget 2013-14	Adopted 2014-15	Revised 2014-15	% Change
Public Safety	23,973,395	25,366,251	24,480,400	24,430,510	0%
Public Utilities	19,209,168	21,170,890	20,755,900	20,599,500	-1%
Transportation	7,393,191	8,458,523	8,058,900	8,305,600	3%
Leisure, Cultural & Social Services	6,790,379	7,427,837	7,489,400	7,486,400	0%
Community Development	7,777,333	9,703,216	7,842,400	9,048,344	15%
General Government	12,539,009	14,212,276	14,683,800	14,798,023	1%
<b>TOTAL</b>	<b>\$77,682,475</b>	<b>\$86,338,993</b>	<b>83,310,700</b>	<b>\$84,668,377</b>	<b>2%</b>

# BUDGET GRAPHICS AND SUMMARIES

## OPERATING PROGRAM EXPENDITURES BY TYPE - ALL FUNDS COMBINED

**2014-15 Operating Budget: \$84.7 Million**



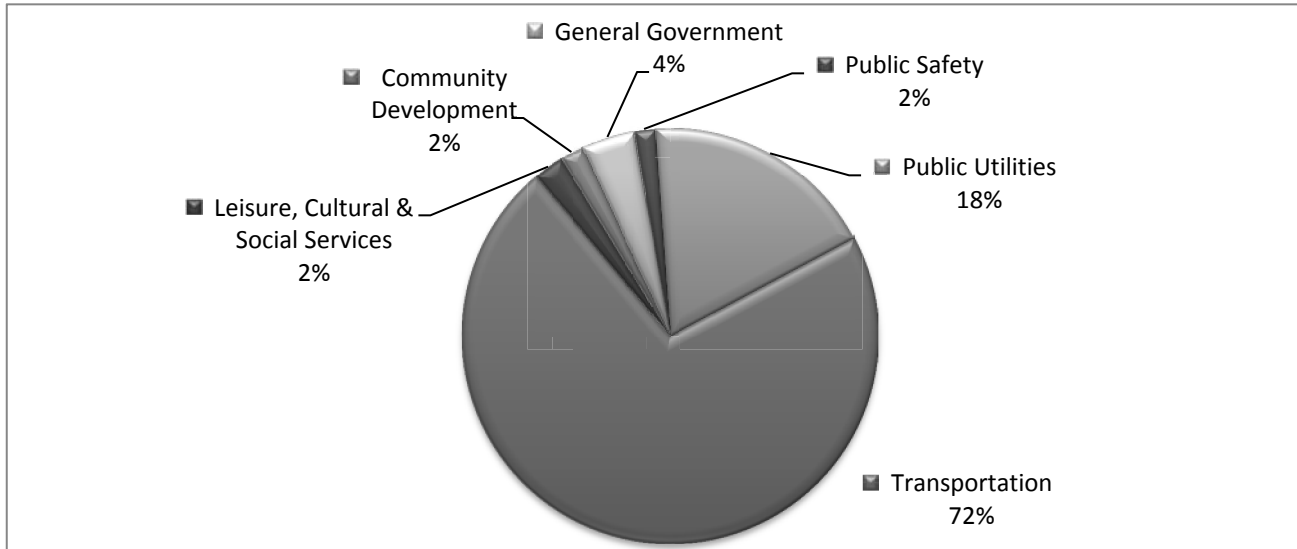
### Revised 2013-15 Financial Plan

	Actual 2012-13	Current Budget 2013-14	Adopted 2014-15	Revised 2014-15	% Change
Staffing	48,138,932	50,804,168	50,589,300	50,860,511	1%
Contract Services	18,943,651	21,990,329	19,220,200	20,258,910	5%
Other Operating Expenditures	10,407,255	13,244,757	13,424,000	13,447,756	0%
Minor Capital	192,562	299,739	77,200	101,200	31%
<b>TOTAL</b>	<b>\$77,682,400</b>	<b>\$86,338,993</b>	<b>83,310,700</b>	<b>\$84,668,377</b>	<b>2%</b>

# BUDGET GRAPHICS AND SUMMARIES

## CAPITAL IMPROVEMENT PLAN EXPENDITURES BY FUNCTION

### 2014-15 Capital Improvement Plan: \$39.4 Million



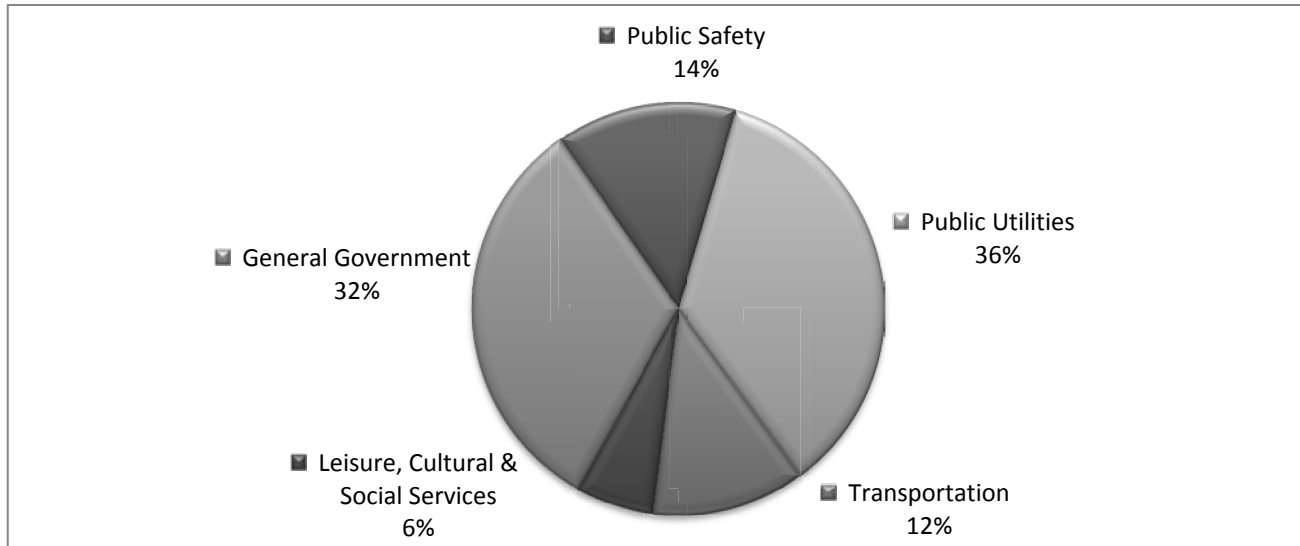
### Revised 2013-15 Financial Plan

	Actual 2012-13	Current Budget 2013-14	Adopted 2014-15	Revised 2014-15	% Change
Public Safety	457,748	2,315,930	655,800	643,500	-2%
Public Utilities	4,200,360	27,145,804	6,661,900	7,234,830	9%
Transportation	6,208,531	15,780,329	27,754,800	28,227,421	2%
Leisure, Cultural & Social Services	322,252	4,256,671	932,000	932,000	0%
Community Development	60,000	2,768,358	581,000	729,200	26%
General Government	493,778	1,306,915	1,632,200	1,630,200	0%
<b>TOTAL</b>	<b>\$11,742,669</b>	<b>\$53,574,007</b>	<b>38,217,700</b>	<b>\$39,397,151</b>	<b>3%</b>

# BUDGET GRAPHICS AND SUMMARIES

## DEBT SERVICE EXPENDITURES BY FUNCTION

### 2014-15 Debt Service: \$10.1 Million



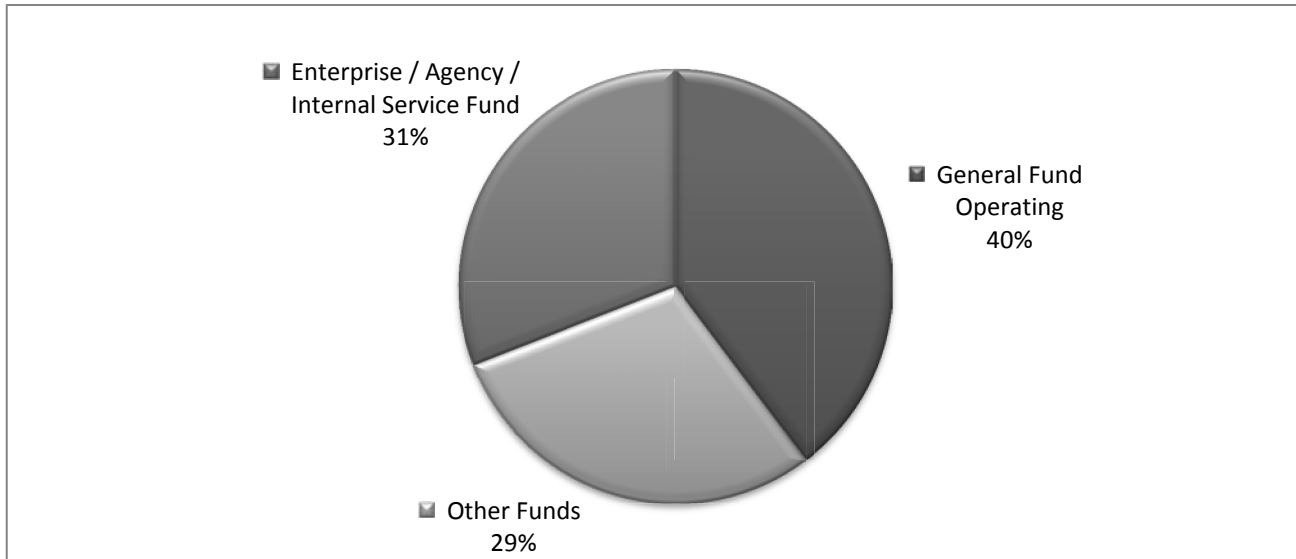
### Revised 2013-15 Financial Plan

	Actual 2012-13	Current Budget 2013-14	Adopted 2014-15	Revised 2014-15	% Change
Public Safety	1,138,213	1,321,300	1,447,100	1,437,819	-1%
Public Utilities	5,059,551	3,165,900	3,645,600	3,600,600	-1%
Transportation	1,792,011	1,769,500	1,341,100	1,219,100	-9%
Leisure, Cultural & Social Services	674,626	612,700	616,300	616,254	0%
General Government	531,390	1,465,806	529,500	3,272,789	518%
<b>TOTAL</b>	<b>\$9,195,791</b>	<b>\$8,335,206</b>	<b>\$7,579,600</b>	<b>\$10,146,562</b>	<b>34%</b>

# BUDGET GRAPHICS AND SUMMARIES

## TOTAL EXPENDITURES BY FUND

### 2014-15 Expenditures By Fund: \$134.2 Million



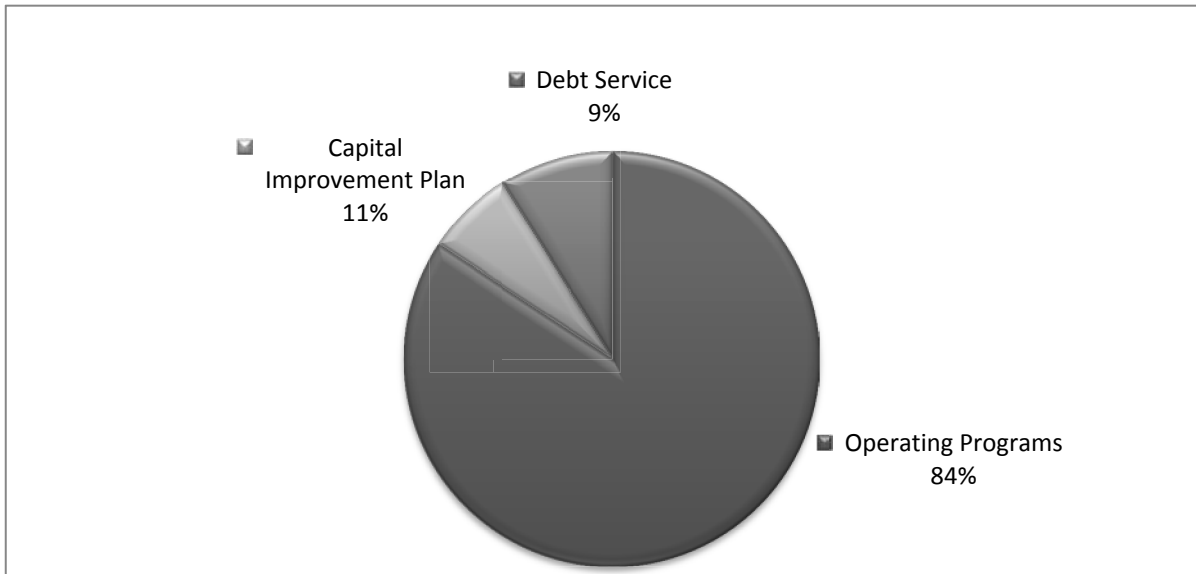
### Revised 2013-15 Financial Plan

	Actual 2012-13	Current Budget 2013-14	Adopted 2014-15	Revised 2014-15	% Change
<b>Governmental Funds</b>					
General Fund Operating	48,582,900	54,134,290	51,909,100	53,345,928	3%
Other Funds	10,699,535	28,913,684	35,679,100	39,410,524	10%
<b>Total Governmental Funds</b>	<b>59,282,435</b>	<b>83,047,974</b>	<b>87,588,200</b>	<b>92,756,452</b>	<b>6%</b>
<b>Enterprise / Agency / Internal Service Fund</b>					
Water Fund	16,304,200	21,200,950	18,678,000	18,912,134	1%
Sewer Fund	13,977,100	31,760,444	14,485,400	14,046,108	-3%
Parking Fund	3,995,600	6,408,120	3,606,100	3,635,225	1%
Transit Fund	4,066,700	4,341,818	3,788,700	3,727,542	-2%
Whale Rock Reservoir Fund	994,900	1,488,900	961,600	1,127,129	17%
<b>Total Enterprise &amp; Agency Funds</b>	<b>39,338,500</b>	<b>65,200,232</b>	<b>41,519,800</b>	<b>41,455,638</b>	<b>0%</b>
<b>TOTAL</b>	<b>\$98,620,935</b>	<b>\$148,248,206</b>	<b>\$ 129,108,000</b>	<b>\$134,212,090</b>	<b>4%</b>

# BUDGET GRAPHICS AND SUMMARIES

## GENERAL FUND EXPENDITURES AND USES

### 2014-15 General Fund Expenditures and Uses: \$60.8 Million



	Revised 2013-15 Financial Plan				
	Actual 2012-13	Current Budget 2013-14	Adopted 2014-15	Revised 2014-15	% Change
Operating Programs	48,582,900	54,134,290	51,909,100	53,345,928	3%
Capital Improvement Plan *	4,173,924	7,365,460	4,336,800	4,336,800	0%
Debt Service	2,637,500	3,694,706	2,963,900	5,576,862	88%
Other Uses (Sources)					
Operating Subsidies to Other Funds:					
Community Development Block Grant Fund	45,000	55,300	81,200	74,611	-8%
Operating Transfers From Other Funds	(1,374,462)	(1,380,300)	(1,432,800)	(1,488,659)	4%
Expenditure Savings	(1,585,000)	(914,700)	(1,235,500)	(1,051,000)	-15%
<b>TOTAL</b>	<b>\$52,479,862</b>	<b>\$62,954,756</b>	<b>56,622,700</b>	<b>\$60,794,542</b>	<b>7%</b>

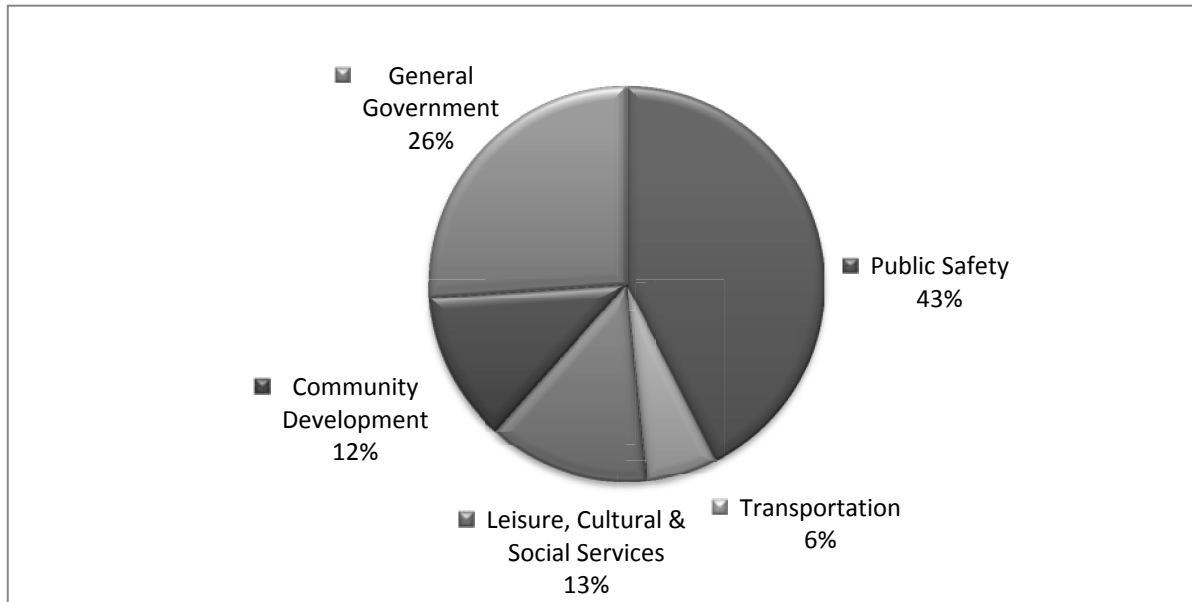
\* Includes transfers to General Purpose CIP, Major Facility Replacement, Fleet Replacement & IT Replacement funds.



# BUDGET GRAPHICS AND SUMMARIES

## GENERAL FUND OPERATING PROGRAM EXPENDITURES BY FUNCTION

**2014-15 General Fund Operating: \$53.3 Million**



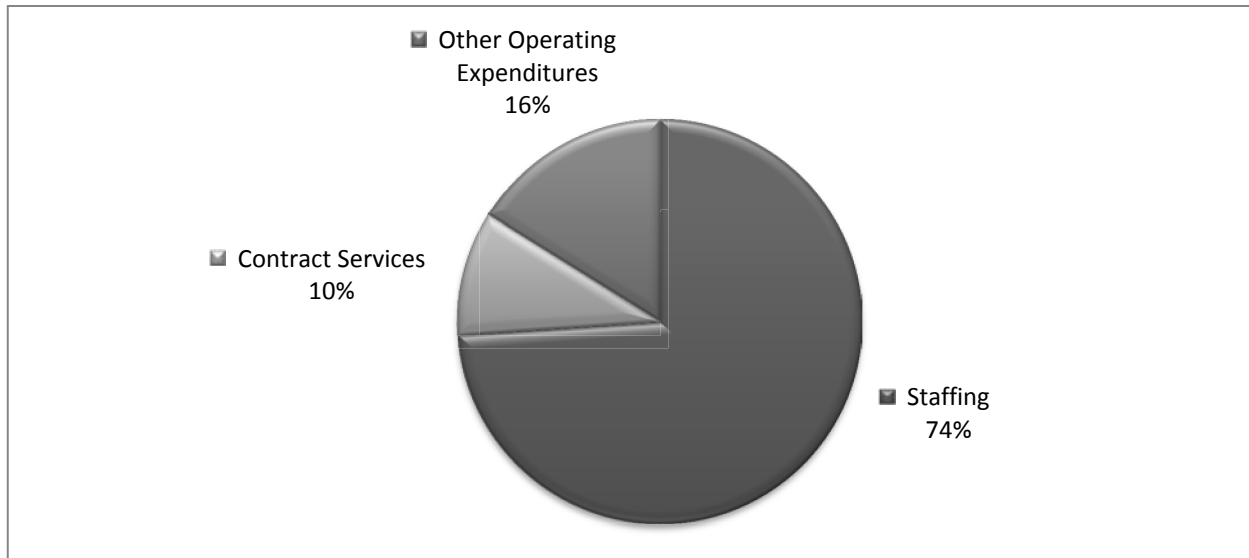
### Revised 2013-15 Financial Plan

	Actual 2012-13	Current Budget 2013-14	Adopted 2014-15	Revised 2014-15	% Change
Public Safety	23,973,400	25,039,583	24,478,700	24,170,400	-1%
Transportation	2,798,200	3,363,698	3,118,500	3,321,300	7%
Leisure, Cultural & Social Services	6,790,300	7,427,837	7,489,300	7,486,400	0%
Community Development	6,297,700	7,988,316	6,042,700	7,028,513	16%
General Government	12,498,200	14,212,256	14,683,900	14,790,523	1%
Reimbursed Expenditures From Other Funds	(3,732,100)	(3,897,400)	(3,904,000)	(3,451,208)	-12%
<b>TOTAL</b>	<b>\$48,625,700</b>	<b>\$54,134,290</b>	<b>\$51,909,100</b>	<b>\$53,345,928</b>	<b>3%</b>

# BUDGET GRAPHICS AND SUMMARIES

## GENERAL FUND OPERATING PROGRAM EXPENDITURES BY TYPE

### 2014-15 General Fund Operating: \$53.3 Million

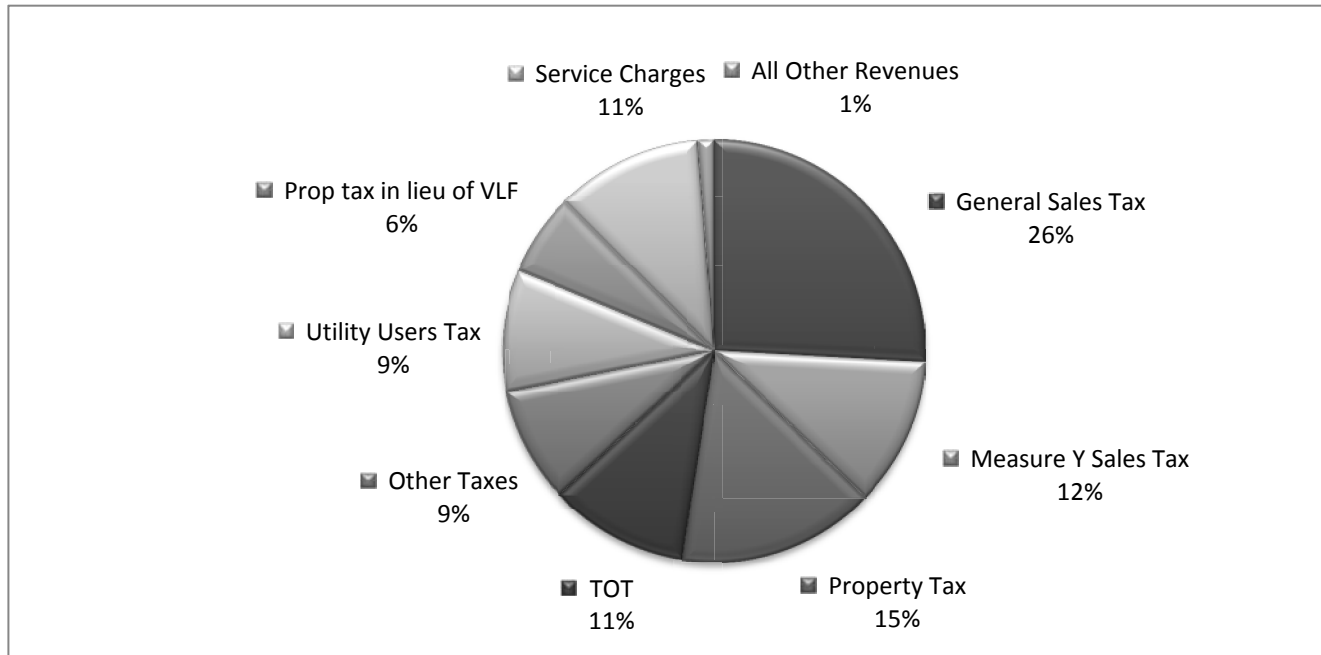


	Revised 2013-15 Financial Plan				
	Actual 2012-13	Current Budget 2013-14	Adopted 2014-15	Revised 2014-15	% Change
Staffing	39,823,061	42,081,642	41,926,500	41,934,654	0%
Contract Services	5,208,882	7,211,306	4,752,100	5,677,200	19%
Other Operating Expenditures	7,183,639	8,558,903	9,084,000	9,110,782	0%
Minor Capital	99,418	179,839	50,500	74,500	48%
Reimbursed Expenditures From Other Funds	(3,732,100)	(3,897,400)	(3,904,000)	(3,451,208)	-12%
<b>TOTAL</b>	<b>\$48,582,900</b>	<b>\$54,134,290</b>	<b>\$51,909,100</b>	<b>\$53,345,928</b>	<b>3%</b>

# BUDGET GRAPHICS AND SUMMARIES

## GENERAL FUND REVENUES

### 2014-15 General Fund Revenues: \$59.1 Million



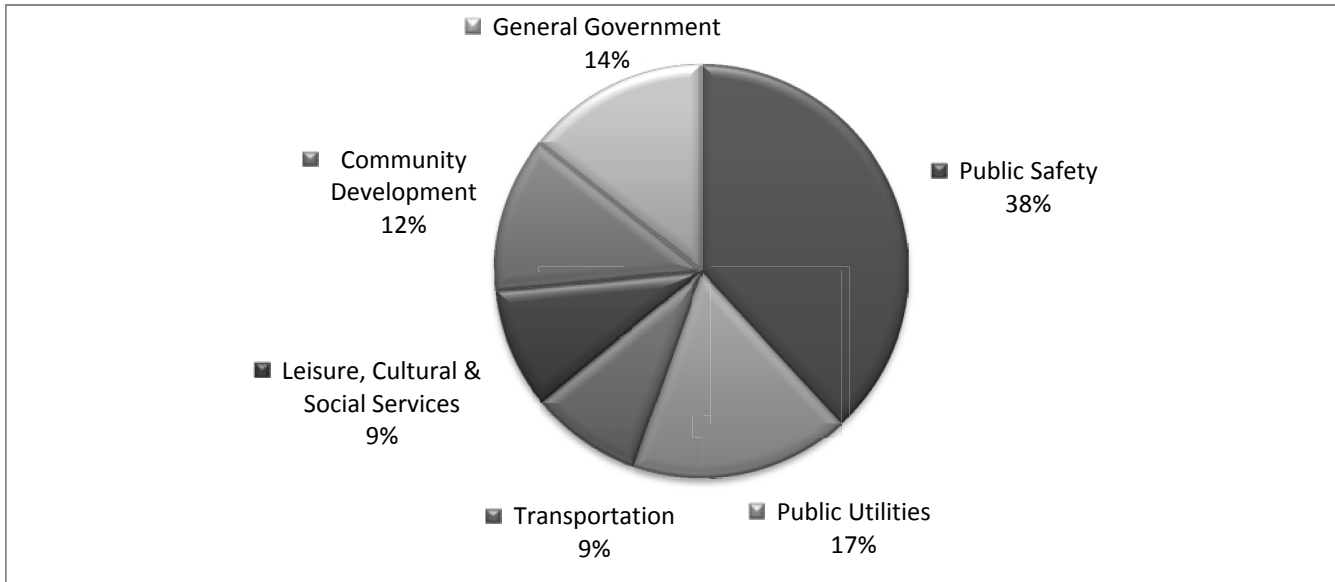
### Revised 2013-15 Financial Plan

	Actual 2012-13	Current Budget 2013-14	Adopted 2014-15	Revised 2014-15	% Change
<b>Taxes</b>					
<b>Sales &amp; Use Taxes</b>					
General Sales Tax	14,242,200	15,394,700	15,058,700	15,276,800	1%
Measure Y Sales Tax	6,493,800	6,674,000	6,864,000	6,775,000	-1%
Public Safety (Proposition 172) Sales Tax	327,700	338,900	284,600	350,400	23%
Property Tax	9,176,600	8,761,100	8,872,200	8,933,600	1%
Property Tax In-Lieu of VLF	3,533,200	3,645,700	3,640,000	3,721,600	2%
Transient Occupancy Tax (TOT)	5,572,400	5,990,300	5,898,200	6,289,800	7%
Utility Users Tax	4,916,100	5,356,000	4,874,900	5,500,000	13%
Other Taxes	4,863,900	4,842,500	4,896,800	4,904,700	0%
<b>Total Taxes</b>	<b>49,125,900</b>	<b>51,003,200</b>	<b>50,389,400</b>	<b>51,751,900</b>	<b>3%</b>
Fines & Forfeitures	159,700	156,000	167,300	156,000	-7%
Use of Money & Property	230,200	179,000	324,200	181,700	-44%
From Other Governments	1,374,400	1,200,600	331,700	327,000	-1%
Service Charges	6,194,500	6,790,350	5,559,800	6,641,700	19%
Other Revenues	494,000	95,500	150,000	80,000	-47%
<b>TOTAL</b>	<b>\$57,578,700</b>	<b>\$59,424,650</b>	<b>56,922,400</b>	<b>\$59,138,300</b>	<b>4%</b>

# BUDGET GRAPHICS AND SUMMARIES

## AUTHORIZED REGULAR STAFFING BY FUNCTION

**2014-15 Authorized Positions: 362.2**



### Revised 2013-15 Financial Plan

	Actual 2012-13	Current Budget 2013-14	Adopted 2014-15	Revised 2014-15	% Change
Public Safety	133.25	138.50	135.25	138.50	2%
Public Utilities	61.90	61.90	61.90	61.90	0%
Transportation	31.80	31.80	31.80	31.80	0%
Leisure, Cultural & Social Services	32.00	34.00	34.00	34.00	0%
Community Development	43.80	43.50	43.00	44.00	2%
General Government	52.20	52.00	53.25	52.00	-2%
<b>TOTAL</b>	<b>354.95</b>	<b>361.70</b>	<b>359.20</b>	<b>362.20</b>	<b>1%</b>

# BUDGET GRAPHICS AND SUMMARIES

## SUMMARY OF CHANGES IN FINANCIAL POSITION

### 2013-14 Current Budget - Changes in Financial Position

#### REVENUES, EXPENDITURES AND CHANGES IN FINANCIAL POSITION: 2013-14

	Revenues	Expenditures	Other Sources (Uses)		Sources Over (Under) Uses	Fund Balance/Working Capital	
			Operating Transfers	Other		Beginning of Year	End of Year
<b>Governmental Funds</b>							
General Fund	59,424,650	54,134,290	(9,953,351)	914,700	(3,748,291)	18,606,000	14,857,709
Special Revenue Funds							
Downtown BID	205,000	205,000				1,100	1,100
Gas Tax	1,282,200		(1,282,200)				
TDA	49,100		(49,100)				
CDBG	1,251,000	1,321,600	73,200		2,600	(2,600)	
Law Enforcement Grants	327,490	328,390			(900)	22,700	21,800
Public Art (Private Sector)	102,600	504,900	80,685		(321,615)	347,400	25,785
Tourism BID	1,199,500	1,250,600	(23,000)		(74,100)	221,900	147,800
Capital Project Funds							
General Purpose CIP	5,524,419	12,654,213	5,464,400		(1,665,394)	2,690,900	1,025,506
Parkland Development	92,900	999,910			(907,010)	1,232,400	325,390
Transportation Impact	910,000	2,785,190			(1,875,190)	3,394,900	1,519,710
Open Space Protection	150,500	413,434	200,000		(62,934)	194,300	131,366
Airport Area Impact	305,000	9			304,991	704,800	1,009,791
Affordable Housing	658,000	680,000	(17,000)		(39,000)	1,921,900	1,882,900
Fleet Replacement	16,000	1,966,906	411,360	548,351	(991,195)	2,590,200	1,599,005
Major Facility Replace.		656,300	852,700		196,400		196,400
IT Replacement		1,442,547	593,447	693,000	(156,100)	199,700	43,600
Los Osos Valley Road	4,800	9,979			(5,179)	146,200	141,021
Debt Service Fund		3,694,706	3,694,706			2,043,200	2,043,200
<b>Enterprise &amp; Agency Funds</b>							
Water	18,028,530	21,200,950		(107,807)	(3,280,227)	14,845,300	11,565,073
Sewer	15,688,200	31,760,444		7,210,347	(8,861,897)	16,937,500	8,075,603
Parking	4,018,000	6,408,120			(2,390,120)	6,587,000	4,196,880
Transit	4,302,242	4,341,818			(39,576)	986,147	946,571
Park Hotel			(17,900)		(17,900)	17,900	
Whale Rock Commission	891,000	1,488,900		(62,206)	(660,106)	1,156,700	496,594
Insurance Benefit							
<b>SUBTOTAL</b>	<b>114,431,131</b>	<b>148,248,206</b>	<b>27,947</b>	<b>9,196,385</b>	<b>(24,592,743)</b>	<b>74,845,547</b>	<b>50,252,804</b>
General Fund Debt Reserve						331,600	331,600
<b>TOTAL</b>	<b>114,431,131</b>	<b>148,248,206</b>	<b>27,947</b>	<b>9,196,385</b>	<b>(24,592,743)</b>	<b>75,177,147</b>	<b>50,584,404</b>

# BUDGET GRAPHICS AND SUMMARIES

## SUMMARY OF CHANGES IN FINANCIAL POSITION

### 2014-15 Changes in Financial Position

#### REVENUES, EXPENDITURES AND CHANGES IN FINANCIAL POSITION: 2014-15

	Revenues	Expenditures	Other Sources (Uses)		Sources Over (Under) Uses	Fund Balance/Working Capital	
			Operating Transfers	Other		Beginning of Year	End of Year
<b>Governmental Funds</b>							
General Fund	59,138,300	53,345,928	(9,009,514)	1,051,000	(2,166,142)	14,857,709	12,691,567
Special Revenue Funds							
Downtown BID (Note1)	214,000	214,000				1,100	1,100
Gas Tax	1,141,700		(1,141,700)				
TDA (Note 2)	54,800		(54,800)				
CDBG (Note 3)	760,567	835,178	74,611				
Law Enforcement Grants	262,210	260,110			2,100	21,800	23,900
Public Art (Private Sector)	22,100		29,900		52,000	25,785	77,785
Tourism BID (Note 4)	1,259,060	1,232,774	(25,159)		1,127	147,800	148,927
Capital Project Funds							
General Purpose CIP	16,289,400	19,500,600	2,285,700		(925,500)	1,025,506	100,006
Parkland Development	3,000				3,000	325,390	328,390
Transportation Impact	1,421,200	8,734,000		7,250,000	(62,800)	1,519,710	1,456,910
Open Space Protection	351,500	550,000	200,000		1,500	131,366	132,866
Airport Area Impact	1,000				1,000	1,009,791	1,010,791
Affordable Housing	17,000		(17,000)		-	1,882,900	1,882,900
Fleet Replacement	16,000	748,200	532,600		(199,600)	1,599,005	1,399,405
Major Facility Replace.	500	747,800	551,400		(195,900)	196,400	500
IT Replacement	1,500	1,011,000	967,100		(42,400)	43,600	1,200
Los Osos Valley Rd	1,700				1,700	141,021	142,721
Debt Service Fund		5,576,862	5,576,862			2,043,200	2,043,200
<b>Enterprise/Agency/Internal Service Funds</b>							
Water	18,884,708	18,912,134	(20,800)	(78,700)	(126,926)	11,564,073	11,437,147
Sewer	16,157,000	14,046,108	(22,200)		2,088,692	8,075,603	10,164,295
Parking	4,076,800	3,635,225	(5,400)	42,775	478,950	4,196,880	4,675,830
Transit	4,397,300	3,727,542	(1,400)	9,300	677,658	946,571	1,624,229
Park Hotel							
Whale Rock Commission	1,029,100	1,127,129	(12,900)		(110,929)	496,594	385,665
Insurance Benefit			342,700		342,700		342,700
Boyson Ranch	1,800	7,500			(5,700)	86,600	80,900
<b>SUBTOTAL</b>	<b>125,502,245</b>	<b>134,212,090</b>	<b>250,000</b>	<b>8,274,375</b>	<b>(179,770)</b>	<b>50,338,404</b>	<b>50,152,934</b>
General Fund Debt Reserve						331,600	331,600
<b>TOTAL</b>	<b>125,502,245</b>	<b>134,212,090</b>	<b>250,000</b>	<b>8,274,375</b>	<b>(179,770)</b>	<b>50,670,004</b>	<b>50,484,534</b>

1. Downtown Business Improvement District

2. Transportation Development Act

3. Community Development Block Grant

4. Tourism Business Improvement District



Section C  
OPERATING PROGRAMS

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# OPERATING PROGRAMS

## OVERVIEW—PURPOSE AND ORGANIZATION

### PURPOSE

The operating programs set forth in this section of the Financial Plan form the City’s basic organizational units, provide for the delivery of essential services and allow the City to accomplish the following:

- Establish policies and goals that define the nature and level of services to be provided.
- Identify activities performed in delivering program services.
- Set objectives for improving the delivery of services.
- Appropriate the resources required to perform activities and accomplish objectives.

### ORGANIZATION

The City's operating expenditures are organized into the following hierarchical categories:

- Function
- Operation
- Program
- Activity

#### Function

The highest level of summarization used in the City's Financial Plan, *functions* represent a grouping of related operations and programs that may cross organizational (departmental) boundaries aimed at accomplishing a broad goal or delivering a major service. The six functions in the Financial Plan are:

- Public Safety
- Public Utilities
- Transportation
- Leisure, Cultural and Social Services
- Community Development
- General Government

#### Operation

An *operation* is a grouping of related programs within a functional area such as *Police Protection* within Public Safety or *Water Service* within Public Utilities.

#### Program

*Programs* are the basic organizational units of the Financial Plan establishing policies, goals and objectives that define the nature and level of services to be provided.

#### Activity

*Activities* are the specific services and tasks performed within a program in the pursuit of its objectives and goals.

### Sample Relationship: Public Utilities

The following is an example of the hierarchical relationship between functions, operations, programs and activities:

- FUNCTION\_\_Public Utilities
- OPERATION\_\_\_\_\_Water Service
- PROGRAM\_\_\_\_\_Water Treatment
- ACTIVITY\_\_\_\_\_Laboratory Analysis



# OPERATING PROGRAMS

## OVERVIEW—SUMMARY OF FUNCTIONS AND OPERATIONS

	<b>Responsible Department</b>	<b>Funding Source</b>
<b><i>Public Safety</i></b>		
Police Protection	Police	General Fund
Fire & Environmental Safety	Fire	General Fund
<b><i>Public Utilities</i></b>		
Water Service	Utilities	Water Fund
Wastewater Service	Utilities	Sewer Fund
Whale Rock Reservoir	Utilities	Whale Rock Fund
<b><i>Transportation</i></b>		
Transportation Planning & Engineering	Public Works	General Fund
Streets	Public Works	General Fund
Creek & Flood Protection	Public Works	General Fund
Parking	Public Works	Parking Fund
Municipal Transit System	Public Works	Transit Fund
<b><i>Leisure, Cultural &amp; Social Services</i></b>		
Parks and Recreation		
Recreation Programs	Parks & Recreation	General Fund
Golf Course	Parks & Recreation	General Fund
Maintenance Programs	Public Works	General Fund
Cultural Activities	Administration	General Fund
Social Services: Human Relations	Human Resources	CDBG Fund
<b><i>Community Development</i></b>		
Development Review & Long Range Planning	Community Development	General Fund
Housing	Community Development	CDBG Fund
Construction Regulation		
Building & Safety	Community Development	General Fund
Engineering	Public Works	General Fund
Natural Resources Protection	Administration	General Fund
Economic Health		
Economic Development	Administration	General Fund
Community Promotion	Administration	General Fund
Downtown Business Improvement District	Administration	DBID Fund
Tourism Business Improvement District	Administration	TBID Fund
<b><i>General Government</i></b>		
Legislation & Policy	Council & Advisory Bodies	General Fund
General Administration		
City Administration	Administration	General Fund
Public Works Administration	Public Works	General Fund
Legal Services	City Attorney	General Fund
City Clerk Services	Administration	General Fund
Organizational Support Services		
Human Resources Administration	Human Resources	General Fund
Risk Management	Human Resources	General Fund
Accounting & Revenue Management	Finance & Information Technology	General Fund
Information Technology	Finance & Information Technology	General Fund
Geographic Information Services	Finance & Information Technology	General Fund
Building & Fleet Maintenance	Public Works	General Fund

# OPERATING PROGRAMS

## EXPENDITURE SUMMARIES—OVERVIEW

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The Supplement includes the following operating program expenditure summaries:

### **Expenditures by Function**

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- Summarizes operating expenditures at the function and operation level.

### **Expenditures by Program**

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- Summarizes all operating expenditures at the program level grouped within related functions and operations.

### **Expenditures by Department**

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- Summarizes all operating program expenditures at the program or operation level grouped by the Department that is responsible for administering them.

### **Significant Operating Program Changes**

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- Summarizes all significant operating program changes by function and operation.

# OPERATING PROGRAMS

## EXPENDITURES BY FUNCTION

	Revised 2013-15 Financial Plan			
	Actual 2012-13	Current Budget 2013-14	Adopted 2014-15	Revised 2014-15
<b>PUBLIC SAFETY</b>				
Police Protection	14,276,195	15,373,310	14,916,700	14,730,410
Fire & Environmental Safety	9,697,200	9,992,941	9,563,700	9,700,100
<b>Total Public Safety</b>	<b>23,973,395</b>	<b>25,366,251</b>	<b>24,480,400</b>	<b>24,430,510</b>
<b>PUBLIC UTILITIES</b>				
Water Service	12,034,800	13,166,727	13,168,200	13,003,700
Wastewater Service	6,332,315	7,152,763	6,717,400	6,641,900
Whale Rock Reservoir	842,053	851,400	870,300	953,900
<b>Total Public Utilities</b>	<b>19,209,168</b>	<b>21,170,890</b>	<b>20,755,900</b>	<b>20,599,500</b>
<b>TRANSPORTATION</b>				
Transportation Management	506,283	701,889	512,600	688,800
Streets	1,603,358	1,839,390	1,845,000	1,857,600
Creek & Flood Protection	688,469	822,419	760,900	774,900
Parking	1,848,500	2,126,400	2,009,500	2,044,700
Municipal Transit System	2,746,581	2,968,425	2,930,900	2,939,600
<b>Total Transportation</b>	<b>7,393,191</b>	<b>8,458,523</b>	<b>8,058,900</b>	<b>8,305,600</b>
<b>LEISURE, CULTURAL &amp; SOCIAL SERVICES</b>				
Parks & Recreation				
Recreation Programs	3,289,267	3,613,872	3,652,900	3,625,100
Maintenance Services	2,969,685	3,236,265	3,252,700	3,277,500
Cultural Services	278,076	290,600	295,400	295,400
Social Services	253,351	287,100	288,400	288,400
<b>Total Leisure, Cultural &amp; Social Services</b>	<b>6,790,379</b>	<b>7,427,837</b>	<b>7,489,400</b>	<b>7,486,400</b>

# OPERATING PROGRAMS

## EXPENDITURES BY FUNCTION

	Actual 2012-13	Revised 2013-15 Financial Plan		
		Current Budget 2013-14	Adopted 2014-15	Revised 2014-15
<b>COMMUNITY DEVELOPMENT</b>				
Planning	2,268,900	3,768,834	2,035,200	2,725,006
Construction Regulation				
Building & Safety	1,139,100	1,210,724	1,138,700	1,434,140
Engineering	2,145,600	2,232,395	2,280,300	2,407,924
Natural Resources Protection	281,400	343,715	343,400	355,000
Economic Health				
Economic Development	243,400	275,258	290,600	291,300
Community Promotion	461,000	416,686	386,700	388,200
Tourism Business Improvement District	1,029,444	1,250,604	1,157,500	1,232,774
Downtown Business Improvement District	208,489	205,000	210,000	214,000
<b>Total Community Development</b>	<b>7,777,333</b>	<b>9,703,216</b>	<b>7,842,400</b>	<b>9,048,344</b>
<b>GENERAL GOVERNMENT</b>				
Legislation & Policy	117,969	138,651	142,600	143,800
General Administration				
City Administration	688,740	741,262	762,800	663,800
City Clerk Services	434,109	376,587	429,400	535,200
Public Works Administration	825,376	922,712	931,400	924,900
Legal Services	915,135	740,561	564,600	556,400
Organizational Support Services				
Human Resources Programs	3,100,195	3,648,959	4,328,400	4,256,982
Finance & Information Technology Programs	3,796,495	4,877,943	4,788,900	5,013,441
Geographic Information Services	446,481	440,075	437,300	445,600
Buildings & Equipment				
Building Operations & Maintenance	1,018,467	1,107,117	1,118,300	1,120,600
Fleet Maintenance	1,196,042	1,218,409	1,180,100	1,137,300
<b>Total General Government</b>	<b>12,539,009</b>	<b>14,212,276</b>	<b>14,683,800</b>	<b>14,798,023</b>
<b>TOTAL OPERATING EXPENDITURES</b>	<b>\$77,682,475</b>	<b>\$86,338,993</b>	<b>\$83,310,800</b>	<b>\$84,668,377</b>

# OPERATING PROGRAMS

## EXPENDITURES BY PROGRAM - PUBLIC SAFETY

	Revised 2013-15 Financial Plan			
	Actual 2012-13	Current Budget 2013-14	Adopted 2014-15	Revised 2014-15
<b>POLICE PROTECTION</b>				
Administration	1,305,170	1,472,867	1,481,000	1,470,800
Neighborhood & Crime Prevention Services	176,788	261,677	262,200	168,800
Support Services	2,352,251	2,352,561	2,319,300	2,311,100
Investigative Services	2,360,220	2,348,117	2,318,100	2,565,700
Traffic Safety	858,812	1,013,237	960,800	773,700
Patrol Services *	7,222,954	7,924,851	7,575,300	7,440,310
<b>Total Police Protection</b>	<b>14,276,195</b>	<b>15,373,310</b>	<b>14,916,700</b>	<b>14,730,410</b>
<i>*Includes Law Enforcement Grant Fund operating costs</i>				
<b>FIRE &amp; ENVIRONMENTAL SAFETY</b>				
Administration	763,960	869,161	794,800	802,300
Emergency Response	8,189,369	8,170,000	7,997,000	8,055,800
Hazard Prevention	583,226	755,806	627,800	698,100
Training	121,416	155,841	108,900	108,700
Technical Services	23,402	25,313	25,500	25,500
Disaster Preparedness	15,827	16,820	9,700	9,700
<b>Total Fire &amp; Environmental Safety</b>	<b>9,697,200</b>	<b>9,992,941</b>	<b>9,563,700</b>	<b>9,700,100</b>
<b>TOTAL PUBLIC SAFETY</b>	<b>\$23,973,395</b>	<b>\$25,366,251</b>	<b>\$24,480,400</b>	<b>\$24,430,510</b>

# OPERATING PROGRAMS

## EXPENDITURES BY PROGRAM - PUBLIC UTILITIES

	Actual 2012-13	Revised 2013-15 Financial Plan		
		Current Budget 2013-14	Adopted 2014-15	Revised 2014-15
<b>WATER SERVICE</b>				
Water Source of Supply	7,117,744	7,440,971	7,716,200	7,716,900
Water Treatment	1,857,517	2,450,689	2,336,000	2,337,700
Water Distribution	1,017,619	1,137,211	1,132,800	1,116,300
Water Customer Service	259,639	297,228	294,900	298,400
Utilities Conservation Office	381,300	347,406	318,900	320,500
Water Taxes & Fees	569,261	634,500	659,600	659,600
Water Administration & Engineering	831,720	858,722	709,800	554,300
<b>Total Water Service</b>	<b>12,034,800</b>	<b>13,166,727</b>	<b>13,168,200</b>	<b>13,003,700</b>
<b>WASTEWATER SERVICE</b>				
Wastewater Collection	1,048,857	922,846	914,300	906,800
Environmental Programs	221,482	231,554	230,200	232,600
Water Reclamation Facility	3,102,343	3,653,651	3,434,000	3,435,900
Water Quality Laboratory	444,523	565,963	491,900	495,500
Sewer Customer Service	69,792	297,100	295,000	298,300
Wastewater Taxes & Fees	516,027	555,800	574,500	574,500
Wastewater Administration & Engineering	929,291	925,849	777,500	698,300
<b>Total Wastewater Service</b>	<b>6,332,315</b>	<b>7,152,763</b>	<b>6,717,400</b>	<b>6,641,900</b>
<b>WHALE ROCK RESERVOIR</b>				
Reservoir Operations	842,053	851,400	870,300	953,900
<b>TOTAL PUBLIC UTILITIES</b>	<b>\$19,209,168</b>	<b>\$21,170,890</b>	<b>\$20,755,900</b>	<b>\$20,599,500</b>

# OPERATING PROGRAMS

## EXPENDITURES BY PROGRAM - TRANSPORTATION

	Actual 2012-13	Revised 2013-15 Financial Plan		
		Current Budget 2013-14	Adopted 2014-15	Revised 2014-15
<b>TRANSPORTATION MANAGEMENT</b>				
Transportation Planning & Engineering	506,283	701,889	512,600	688,800
<b>STREETS</b>				
Street & Sidewalk Maintenance	1,136,103	1,330,171	1,330,400	1,337,200
Traffic Signals & Street Lights	467,255	509,219	514,600	520,400
<b>Total Streets</b>	<b>1,603,358</b>	<b>1,839,390</b>	<b>1,845,000</b>	<b>1,857,600</b>
<b>CREEK AND FLOOD PROTECTION</b>				
Operations & Maintenance	688,469	822,419	760,900	774,900
<b>PARKING</b>				
Operations, Maintenance & Enforcement	1,848,500	2,126,400	2,009,500	2,044,700
<b>MUNICIPAL TRANSIT SYSTEM</b>				
Operations & Maintenance	2,746,581	2,968,425	2,930,900	2,939,600
<b>TOTAL TRANSPORTATION</b>	<b>\$7,393,191</b>	<b>\$8,458,523</b>	<b>\$8,058,900</b>	<b>\$8,305,600</b>

# OPERATING PROGRAMS

## EXPENDITURES BY PROGRAM - LEISURE, CULTURAL & SOCIAL SERVICES

	Actual 2012-13	Revised 2013-15 Financial Plan		
		Current Budget 2013-14	Adopted 2014-15	Revised 2014-15
<b>PARKS &amp; RECREATION</b>				
Recreation Programs				
Recreation Administration	654,931	732,059	705,300	708,400
Aquatics/Sinsheimer Park Facilities	315,916	321,557	326,600	326,900
Youth Services	868,890	879,091	885,000	885,200
Facilities	199,866	233,604	233,300	226,400
Community Services	199,780	259,728	263,200	257,400
Recreational Sports	288,436	317,871	315,500	315,100
Ranger Services	238,211	315,428	334,100	316,800
Golf Course Operations & Maintenance	523,237	554,534	589,900	588,900
<i><b>Total Recreation Programs</b></i>	<i><b>3,289,267</b></i>	<i><b>3,613,872</b></i>	<i><b>3,652,900</b></i>	<i><b>3,625,100</b></i>
Maintenance Services				
Parks & Landscape Maintenance	2,172,610	2,341,970	2,366,400	2,388,200
Swim Center Maintenance	409,241	449,748	456,600	456,500
Tree Maintenance	387,834	444,547	429,700	432,800
<i><b>Total Maintenance Services</b></i>	<i><b>2,969,685</b></i>	<i><b>3,236,265</b></i>	<i><b>3,252,700</b></i>	<i><b>3,277,500</b></i>
<b>Total Parks &amp; Recreation</b>	<b>6,258,952</b>	<b>6,850,137</b>	<b>6,905,600</b>	<b>6,902,600</b>
<b>CULTURAL SERVICES</b>				
Cultural Activities	<b>278,076</b>	<b>290,600</b>	<b>295,400</b>	<b>295,400</b>
<b>SOCIAL SERVICES</b>				
Human Relations	<b>253,351</b>	<b>287,100</b>	<b>288,400</b>	<b>288,400</b>
<b>TOTAL LEISURE, CULTURAL &amp; SOCIAL SERVICES</b>	<b>\$6,790,379</b>	<b>\$7,427,837</b>	<b>\$7,489,400</b>	<b>\$7,486,400</b>



# OPERATING PROGRAMS

## EXPENDITURES BY PROGRAM - COMMUNITY DEVELOPMENT

	Actual 2012-13	Revised 2013-15 Financial Plan		
		Current Budget 2013-14	Adopted 2014-15	Revised 2014-15
<b>PLANNING</b>				
Commissions & Committees	22,800	31,526	34,600	34,500
Community Development Administration	534,100	759,146	502,700	581,878
Development Review	522,600	1,471,666	531,400	998,471
Long Range Planning	947,600	1,247,176	534,400	537,100
Housing	241,800	259,320	432,100	573,057
<b>Total Planning</b>	<b>2,268,900</b>	<b>3,768,834</b>	<b>2,035,200</b>	<b>2,725,006</b>
<b>CONSTRUCTION REGULATION</b>				
Building & Safety	1,139,100	1,210,724	1,138,700	1,434,140
CIP Project Engineering	1,731,200	1,772,377	1,828,200	1,786,300
Engineering Development Review	414,400	460,018	452,100	621,624
<b>Total Construction Regulation</b>	<b>3,284,700</b>	<b>3,443,119</b>	<b>3,419,000</b>	<b>3,842,064</b>
<b>NATURAL RESOURCES PROTECTION</b>				
Natural Resources Protection	<b>281,400</b>	<b>343,715</b>	<b>343,400</b>	<b>355,000</b>
<b>ECONOMIC HEALTH</b>				
Economic Development	243,400	275,258	290,600	291,300
Community Promotion	461,000	416,686	386,700	388,200
Tourism Business Improvement District	1,029,444	1,250,604	1,157,500	1,232,774
Downtown Business Improvement District	208,489	205,000	210,000	214,000
<b>Total Economic Development</b>	<b>1,942,333</b>	<b>2,147,548</b>	<b>2,044,800</b>	<b>2,126,274</b>
<b>TOTAL COMMUNITY DEVELOPMENT</b>	<b>\$7,777,333</b>	<b>\$9,703,216</b>	<b>\$7,842,400</b>	<b>\$9,048,344</b>

# OPERATING PROGRAMS

## EXPENDITURES BY PROGRAM - GENERAL GOVERNMENT

	Actual 2012-13	Revised 2013-15 Financial Plan		
		Current Budget 2013-14	Adopted 2014-15	Revised 2014-15
<b>LEGISLATION AND POLICY</b>				
City Council	117,969	138,651	142,600	143,800
<b>GENERAL ADMINISTRATION</b>				
City Administration	688,740	741,262	762,800	663,800
City Clerk Services	434,109	376,587	429,400	535,200
Public Works Administration	825,376	922,712	931,400	924,900
<b>Total General Administration</b>	<b>1,948,225</b>	<b>2,040,561</b>	<b>2,123,600</b>	<b>2,123,900</b>
<b>LEGAL SERVICES</b>				
City Attorney	915,135	740,561	564,600	556,400
<b>ORGANIZATIONAL SUPPORT SERVICES</b>				
Human Resources Administration	582,100	583,681	572,800	775,200
Risk Management	2,518,095	3,065,278	3,755,600	3,481,782
Finance & Information Technology Administration	349,048	354,505	363,300	461,400
Accounting	465,467	651,400	616,100	607,900
Revenue Management	761,540	871,234	808,200	775,341
Support Services	118,426	267,847	216,800	240,800
Finance Nondepartmental	0	137,000	491,100	479,200
Network Services	2,102,014	2,595,957	2,293,400	2,448,800
Geographic Information Services	446,481	440,075	437,300	445,600
<b>Total Organizational Support Services</b>	<b>7,343,171</b>	<b>8,966,977</b>	<b>9,554,600</b>	<b>9,716,023</b>
<b>BUILDINGS &amp; EQUIPMENT</b>				
Building Maintenance	1,018,467	1,107,117	1,118,300	1,120,600
Fleet Maintenance	1,196,042	1,218,409	1,180,100	1,137,300
<b>Total Buildings &amp; Equipment</b>	<b>2,214,509</b>	<b>2,325,526</b>	<b>2,298,400</b>	<b>2,257,900</b>
<b>TOTAL GENERAL GOVERNMENT</b>	<b>\$12,539,009</b>	<b>\$14,212,276</b>	<b>\$14,683,800</b>	<b>\$14,798,023</b>

# OPERATING PROGRAMS

## OPERATING EXPENDITURES BY DEPARTMENT

	Actual 2012-13	Revised 2013-15 Financial Plan		
		Current Budget 2013-14	Adopted 2014-15	Revised 2014-15
<b>CITY COUNCIL</b>				
Legislation & Policy	117,969	138,651	142,600	143,800
<b>Total City Council</b>	<b>117,969</b>	<b>138,651</b>	<b>142,600</b>	<b>143,800</b>
<b>ADMINISTRATION</b>				
City Administration	688,740	741,262	762,800	663,800
City Clerk Services	434,109	376,587	429,400	535,200
Cultural Activities	278,076	290,600	295,400	295,400
Natural Resources Protection	281,400	343,715	343,400	355,000
Economic Development	243,400	275,258	290,600	291,300
Community Promotion	461,000	416,686	386,700	388,200
<b>Total Administration</b>	<b>2,386,725</b>	<b>2,444,108</b>	<b>2,508,300</b>	<b>2,528,900</b>
<b>CITY ATTORNEY</b>				
Legal Services	915,135	740,561	564,600	556,400
<b>Total City Attorney</b>	<b>915,135</b>	<b>740,561</b>	<b>564,600</b>	<b>556,400</b>
<b>HUMAN RESOURCES</b>				
Human Resources Administration	582,100	583,681	572,800	775,200
Risk Management	2,518,095	3,065,278	3,755,600	3,481,782
Human Relations	253,351	287,100	288,400	288,400
<b>Total Human Resources</b>	<b>3,353,546</b>	<b>3,936,059</b>	<b>4,616,800</b>	<b>4,545,382</b>
<b>FINANCE &amp; INFORMATION TECHNOLOGY</b>				
Finance & Information Technology Administration	349,048	354,505	363,300	461,400
Accounting	465,467	651,400	616,100	607,900
Revenue Management	761,540	871,234	808,200	775,341
Support Services	118,426	267,847	216,800	240,800
Finance Nondepartmental	0	137,000	491,100	479,200
Network Services	2,102,014	2,595,957	2,293,400	2,448,800
Geographic Information Services	446,481	440,075	437,300	445,600
<b>Total Finance</b>	<b>4,242,976</b>	<b>5,318,018</b>	<b>5,226,200</b>	<b>5,459,041</b>
<b>COMMUNITY DEVELOPMENT</b>				
Commissions & Committees	22,800	31,526	34,600	34,500
Administration	534,100	759,146	502,700	581,878
Development Review	522,600	1,471,666	531,400	998,471
Long Range Planning	947,600	1,247,176	534,400	537,100
Housing	241,800	259,320	432,100	573,057
Building & Safety	1,139,100	1,210,724	1,138,700	1,434,140
Engineering Development Review*				621,624
<b>Total Community Development</b>	<b>3,408,000</b>	<b>4,979,558</b>	<b>3,173,900</b>	<b>4,780,770</b>

\*Eng Dev Review budget transfers from Public Works to Community Development beginning 2014-15

# OPERATING PROGRAMS

## OPERATING EXPENDITURES BY DEPARTMENT

	Actual 2012-13	Revised 2013-15 Financial Plan		
		Current Budget 2013-14	Adopted 2014-15	Revised 2014-15
<b>PARKS &amp; RECREATION</b>				
Recreation Programs	3,289,267	3,613,872	3,652,900	3,625,100
<b>UTILITIES</b>				
Water Services	12,034,800	13,166,727	13,168,200	13,003,700
Wastewater Services	6,332,315	7,152,763	6,717,400	6,641,900
Whale Rock Reservoir	842,053	851,400	870,300	953,900
<b>Total Utilities</b>	<b>19,209,168</b>	<b>21,170,890</b>	<b>20,755,900</b>	<b>20,599,500</b>
<b>PUBLIC WORKS</b>				
Administration	825,376	922,712	931,400	924,900
CIP Project Engineering	1,731,200	1,772,377	1,828,200	1,786,300
Transportation & Development Review				
Engineering Development Review*	414,400	460,018	452,100	
Transportation Planning & Engineering	506,283	701,889	512,600	688,800
Parking	1,848,500	2,126,400	2,009,500	2,044,700
Municipal Transit System	2,746,581	2,968,425	2,930,900	2,939,600
Maintenance Services				
Street Maintenance	1,603,358	1,839,390	1,845,000	1,857,600
Creek & Flood Protection	688,469	822,419	760,900	774,900
Parks & Landscape Maintenance	2,172,610	2,341,970	2,366,400	2,388,200
Swim Center Maintenance	409,241	449,748	456,600	456,500
Tree Maintenance	387,834	444,547	429,700	432,800
Building Maintenance	1,018,467	1,107,117	1,118,300	1,120,600
Fleet Maintenance	1,196,042	1,218,409	1,180,100	1,137,300
<b>Total Public Works</b>	<b>15,548,361</b>	<b>17,175,421</b>	<b>16,821,700</b>	<b>16,552,200</b>
<i>*Eng Dev Review budget reflected in Community Development Department beginning 2014-15</i>				
<b>POLICE</b>	<b>14,276,195</b>	<b>15,373,310</b>	<b>14,916,700</b>	<b>14,730,410</b>
<b>FIRE</b>	<b>9,697,200</b>	<b>9,992,941</b>	<b>9,563,700</b>	<b>9,700,100</b>
<b>NON-DEPARTMENTAL</b>				
Tourism Business Improvement District	1,029,444	1,250,604	1,157,500	1,232,774
Downtown Business Improvement District	208,489	205,000	210,000	214,000
<b>Total Non-Departmental</b>	<b>1,237,933</b>	<b>1,455,604</b>	<b>1,367,500</b>	<b>1,446,774</b>
<b>TOTAL OPERATING EXPENDITURES</b>	<b>\$77,682,475</b>	<b>\$86,338,993</b>	<b>\$83,310,800</b>	<b>\$84,668,377</b>

# OPERATING PROGRAMS

## EXPENDITURE TRENDS BY TYPE: ALL FUNDS COMBINED

	2013-15 Financial Plan				
	Actual 2012-13	Current Year 2013-14	Adopt 2014-15	Proposed 2014-15	% change
<b>OPERATING PROGRAMS</b>					
<b>Staffing</b>					
<i>Salaries and Wages</i>					
Regular Salaries	\$28,316,320	\$30,523,395	\$30,607,000	\$30,719,912	0%
Temporary Salaries	2,369,078	2,584,498	2,096,000	\$2,348,914	12%
Overtime	3,511,866	2,626,280	2,223,000	\$2,285,111	3%
<i>Benefits</i>					
Retirement	9,120,306	9,773,175	10,296,500	\$9,943,770	-3%
Group Health & Other Insurance	3,809,398	4,223,125	4,423,100	\$4,446,124	1%
Retiree Health Care	510,160	534,330	306,300	\$586,800	92%
Medicare	466,791	502,732	502,900	\$499,280	-1%
Unemployment Insurance	35,013	36,633	134,500	\$30,600	-77%
<b>Total Staffing</b>	<b>48,138,932</b>	<b>50,804,168</b>	<b>50,589,300</b>	<b>50,860,511</b>	<b>1%</b>
<b>Contract Services</b>	<b>18,943,651</b>	<b>21,990,329</b>	<b>19,220,200</b>	<b>20,258,910</b>	<b>5%</b>
<b>Other Operating Costs</b>					
Communications & Utilities	3,246,694	3,715,100	3,882,800	3,882,200	0%
Rents & Leases	146,107	211,600	180,800	180,900	0%
Insurance	2,290,920	2,897,700	3,580,200	3,322,682	-7%
Other Operating Expenditures	4,723,534	6,420,357	5,780,200	6,061,974	5%
<b>Total Other Operating Costs</b>	<b>10,407,255</b>	<b>13,244,757</b>	<b>13,424,000</b>	<b>13,447,756</b>	<b>0%</b>
<b>Minor Capital</b>	<b>192,562</b>	<b>299,739</b>	<b>77,200</b>	<b>101,200</b>	<b>31%</b>
<b>TOTAL OPERATING PROGRAMS</b>	<b>77,682,400</b>	<b>86,338,993</b>	<b>83,310,700</b>	<b>84,668,377</b>	<b>2%</b>
<b>CAPITAL IMPROVEMENT PLAN</b>	<b>11,742,600</b>	<b>53,574,007</b>	<b>38,217,700</b>	<b>39,397,151</b>	<b>3%</b>
<b>DEBT SERVICE</b>	<b>9,305,400</b>	<b>8,335,206</b>	<b>7,579,600</b>	<b>10,146,562</b>	<b>34%</b>
<b>TOTAL EXPENDITURES</b>	<b>98,730,400</b>	<b>148,248,206</b>	<b>129,108,000</b>	<b>134,212,090</b>	<b>4%</b>

# OPERATING PROGRAMS

## EXPENDITURE TRENDS BY TYPE: GENERAL FUND

	2013-15 Financial Plan				
	Actual 2012-13	Current Year 2013-14	Adopt 2014-15	Proposed 2014-15	% change
<b>OPERATING PROGRAMS</b>					
<b>Staffing</b>					
<i>Salaries and Wages</i>					
Regular Salaries	\$23,024,377	\$25,042,643	\$25,187,000	\$25,195,513	0%
Temporary Salaries	2,003,213	2,119,998	1,719,900	1,950,214	13%
Overtime	3,309,087	2,378,380	1,999,100	2,011,300	1%
<i>Benefits</i>					
Retirement	7,661,909	8,324,875	8,807,700	8,396,980	-5%
Group Health and Other Insurance	3,012,140	3,349,675	3,445,100	3,472,700	1%
Retiree Health Care	399,110	421,520	240,500	465,300	93%
Medicare	384,396	414,002	416,600	412,047	-1%
Unemployment Insurance	28,829	30,549	110,600	30,600	-72%
<b>Total Staffing</b>	<b>39,823,061</b>	<b>42,081,642</b>	<b>41,926,500</b>	<b>41,934,654</b>	<b>0%</b>
<b>Contract Services</b>	<b>5,208,882</b>	<b>7,211,306</b>	<b>4,752,100</b>	<b>5,677,200</b>	<b>19%</b>
<b>Other Operating Costs</b>					
Communications & Utilities	1,842,379	2,056,900	2,143,900	2,143,300	0%
Rents & Leases	139,567	208,100	177,300	177,400	0%
Insurance	2,290,920	2,897,700	3,104,800	3,322,682	7%
Other Operating Expenditures	2,910,773	3,396,203	3,658,000	3,467,400	-5%
<b>Total Other Operating Costs</b>	<b>7,183,639</b>	<b>8,558,903</b>	<b>9,084,000</b>	<b>9,110,782</b>	<b>0%</b>
<b>Minor Capital</b>	<b>99,418</b>	<b>179,839</b>	<b>50,500</b>	<b>74,500</b>	<b>48%</b>
<b>Total Operating Programs</b>	<b>52,315,000</b>	<b>58,031,690</b>	<b>55,813,100</b>	<b>56,797,136</b>	<b>2%</b>
<b>Reimbursed Expenditures</b>	<b>(3,732,100)</b>	<b>(3,897,400)</b>	<b>(3,904,000)</b>	<b>(3,451,208)</b>	<b>-12%</b>
<b>TOTAL OPERATING PROGRAMS</b>	<b>48,582,900</b>	<b>54,134,290</b>	<b>51,909,100</b>	<b>53,345,928</b>	<b>3%</b>
<b>CAPITAL IMPROVEMENT PLAN*</b>	4,173,924	7,365,460	4,336,800	4,336,800	
<b>DEBT SERVICE*</b>	2,637,500	3,694,706	2,963,900	5,576,862	88%
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<b>55,394,324</b>	<b>65,194,456</b>	<b>59,209,800</b>	<b>63,259,590</b>	<b>7%</b>

\* Based on operating transfers from the General Fund for this purpose.

# SUMMARY OF 2014-15 SUPPLEMENTAL BUDGET REQUESTS

OPERATING PROGRAMS	Department Requests			
	2013-14	2014-15	2015-16	Total
<b>Page No.</b>				
General Fund				
■ Development Services - 1x costs	C-17		795,216	795,216
Development Services - ongoing			34,997	69,994
■ Finance Temporary Staffing - 1x costs	C-23		65,641	65,641
■ New I.T. Support Model - 1 x costs	C-27		204,000	274,000
■ Increase in Liability Insurance - 1x costs	C-35		57,700	57,700
Increase in Liability Insurance - ongoing		7,913	122,783	261,392
■ Increase in Worker's Compensation - ongoing	C-38	87,445	429,184	824,394
■ Skate Park Maintenance & Operations- ongoing	C-41		12,800	54,200
■ Bus Pass Sales Agreement (revenue) -ongoing	C-45		(25,000)	(50,000)
■ Employee Leadership Program 1x costs	C-48		170,000	170,000
<b>Total Operating Programs</b>		<b>\$ 95,358</b>	<b>\$ 1,867,321</b>	<b>\$ 559,858</b>
			<b>\$ 2,522,537</b>	

# DEVELOPMENT SERVICES

## DEVELOPMENT SERVICES TEMPORARY STAFFING AND CONTRACT SERVICES REQUEST

### SUMMARY OF CHANGE:

The Community Development Department and Fire Department are requesting a one-time cost of \$795,216 for temporary staffing and contract services and an ongoing cost of \$34,997 annually for a half time regular Administrative Assistant. An influx of permit activity has created a need for the continuance of temporary/contract staffing and the use of consultants to meet required statutory permit processing deadlines, department objectives and Major City Goals.

### FISCAL IMPACT:

One time cost of \$795,216 and first year of ongoing cost in 2014-15 to be off-set by 2014-15 forecasted revenues in excess of 2014-15 Budgeted revenue. There will be an ongoing cost of \$34,997 per year after 2014-15.

14/15 Forecast	14-15 Financial Plan Budgeted Revenue	Forecasted Revenue in Excess of Financial Plan	Requested One Time Expense in SOPC	Forecasted Revenue in Excess of Budget after SOPC
\$3,396,450.00	\$2,250,600.00	\$1,145,850.00	\$830,213.00*	\$315,637.00

\*Includes first year of ongoing cost (\$795,216 + \$34,997)

### SERVICE LEVEL IMPACT:

Requested staffing and consultant resources are required to keep up with permit activity that has remained consistently high through 2013-14 and are expected to continue through 2014-15. Should these resources not be available, permit volumes will overwhelm the development review process, impairing the City's ability to keep pace with permit volumes and implement Major City Goals and other objectives.

### KEY OBJECTIVES

1. Match resources available to services being requested
2. Maintain established levels of service
3. Satisfaction of both external and internal customers



# DEVELOPMENT SERVICES

## DEVELOPMENT SERVICES TEMPORARY STAFFING AND CONTRACT SERVICES REQUEST

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### EXISTING SITUATION: FACTORS DRIVING THE NEED FOR CHANGE

1. High levels of permit activity – resources needed to meet processing times
2. Large and complex project submissions –require professional staff and consultants to process permits

### GOAL AND POLICY LINKS

1. Major City Goals or Other Council Objectives
  - A. Assess and renew the Downtown consistent with the adopted Land Use and Circulation Element update, revitalize Mission Plaza (including consideration of eliminating dogleg), support the continued development of cultural attractions, enhance lighting/safety components, reduce incidents of illegal activity and adverse behaviors through enhanced public safety presence and enforcement, provide pedestrian-friendly walkways, and address limits on alcohol establishments.
  - B. Commercial Development: Support the City’s Economic Development Program objectives by facilitating approval of downtown mixed-use projects and business which bring head-of household jobs to the community.
2. General Plan
  - A. General Plan implementation (ordinances, special studies, amendments)
  - B. Prepare General Plan Annual Report and monitor growth management program
3. Other major policies and plans
  - A. Amend the Airport Area Specific Plan to address Chevron remediation and development
  - B. Administer Mills Act Program
  - C. Public Art - Liaison for the Public Works Department on Public Art projects. Provide input for all public art projects located on city owned parcels or within the public right-of-way.
4. Operating Program Goals
  - A. Residential Development: Support the City’s Housing Program objectives, specifically, facilitate the approval of plans for the Laurel Creek project, Margarita Area subdivisions, Broad Street Corridor, sites identified in the Housing Element, and other key infill sites.
  - B. Implement fee changes related to the cost of services study
  - C. Implement process improvements and other recommendations included in the organizational assessment

## **DEVELOPMENT SERVICES**

### **DEVELOPMENT SERVICES TEMPORARY STAFFING AND CONTRACT SERVICES REQUEST**

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- D. Implement a comprehensive plan for Construction Board of Appeals hearings
- E. Coordinate review of the downtown mixed use projects including consultations with applicants regarding code updates
- F. Energov - Conversion of Development Review Foxpro programs and data to EnerGov and GIS based programs.
- G. Flood Protection - Flood protection activities related to new development and redevelopment projects. Also includes the review and assistance for flood barrier upgrades to existing buildings. Act as the lead division for evaluating and advancing our Flood Warning Program as identified through our NFIP/CRS review process.

### **PROGRAM WORK COMPLETED**

The Community Development Department and Fire Department are currently operating at the requested staffing levels using appropriated development services revenue as approved by Council on both September 3, 2013 and February 18, 2014.

### **ENVIRONMENTAL REVIEW**

No environmental review required.

### **PROGRAM CONSTRAINTS AND LIMITATIONS**

This program is already being implemented and has a successful track record. Continuation of this program, with current staff, will result in six temporary employees reaching 1,000 hours requiring them to be enrolled in PERS. The annual cost of PERS per employee has been included in the SOPC request and will be off-set by FY 14/15 forecasted revenue.

### **STAKEHOLDERS**

Development Services affect the entire community. Development projects have the potential to go through three departments, five divisions, three advisory bodies and City Council. Minor delays at any of these levels may cause major impacts. This program will provide the resources to limit delays and the effect on stakeholders.

### **IMPLEMENTATION**

Funding is being requested to cover temporary staffing and Contract Services from 7/1/14 to 6/30/15. Staffing is currently at the proposed level, approved by Council 2/18/14 as part of the 2013-14 Mid-year budget (e.g. the funding is projected to be exhausted by 06/30/15) review.

### **KEY PROGRAM ASSUMPTIONS**

- Revenue forecast is based on FY 13/14 projected revenue as of 3/24/14 assuming a 15% decrease in FY 14/15. FY 13/14 revenue is projected to exceed the 2013-2014 mid-year revised estimate and a portion should be considered for rollover into FY 14/15.

# DEVELOPMENT SERVICES

## DEVELOPMENT SERVICES TEMPORARY STAFFING AND CONTRACT SERVICES REQUEST

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- Cost assumptions are based on current wages for requested staff for 26 pay periods and for estimated consultant cost for large projects anticipated to be submitted in FY 14/15.
- All staff anticipated to reach 1,000 hours during FY 14/15 has PERS cost calculated for the entire year at a rate of 26.255% of salary per pay period.
- Unemployment insurance costs have been calculated at a rate of 0.04% of employee's salary per pay period.
- Medicare costs have been calculated at a rate of 1.45% of employee's salary per pay period.
- Policy is adopted to allow for the incremental shift of revenues to cover additional costs to fund expenses to keep pace with workload should requested resources covered in this SOPC prove to be insufficient.

### PROGRAM MANAGER AND TEAM SUPPORT

#### *Program Manager:*

The Director of Community Development, Derek Johnson, will be responsible for the management of this program.

#### *Project Team:*

The project team will consist of the Community Development Department's Fiscal Officer, Deputy Directors, Chief Building Official, Supervising Civil Engineer and the Fire Chief.

### ALTERNATIVES

1. ***Continue the Status Quo***- If these resources are not available, permit volumes will overwhelm the development review process, impairing the City's ability to keep pace with permit volumes and implement Major City Goals and other objectives.
2. ***Implementation in a Different Way*** – The program request is for a fairly balanced use of temporary staff and contract services. Due to the fluctuating nature of permit activity, the flexibility of temporary staffing or the use of consultants is the best solution until a trend is determined that would suggest a need for full time regular staffing.

### OPERATING PROGRAM

1. Community Development Department – Development Review
2. Community Development Department – Engineering Development Review
3. Fire Department – Hazard Prevention

# DEVELOPMENT SERVICES

## DEVELOPMENT SERVICES TEMPORARY STAFFING AND CONTRACT SERVICES REQUEST

### COST SUMMARY

Line Item Description	Account No.	2014-15	2015-16
<b>Staffing</b>		<b>420,213</b>	<b>34,997</b>
Administration - Public Information	40100-Various	76,778	34,997
Planning - Planning Techs./Asst. Planner	40200-Various	156,371	0
Building - Interns & Plan Checker	40700-Various	40,940	0
Engineering - Engineer Consultant & Plan Checkers	40500-Various	96,124	0
Fire - Temp Contract Staffing	85300-Various	50,000	0
<b>Contract Services</b>		<b>410,000</b>	<b>0</b>
Planning Consultant Services	40200-7227	100,000	0
Engineering Plan Check Consultant Services	40500-7227	75,000	0
Building Plan Check Consultant Services	40700-7227	150,000	0
Building Inspection Consultant Services (CCC)	40700-7227	80,000	0
Fire Plan Check Consultant Services	85300-7227	5,000	0
<b>Other Operating Expenditures</b>		<b>0</b>	<b>0</b>
<b>Minor Capital</b>		<b>0</b>	<b>0</b>
<b>Total Operating Costs</b>		<b>830,213</b>	<b>34,997</b>
<i>Offsetting Costs Savings or Revenues</i> (Enter as a negative number. If there are none, delete this row in the table.)		(1,145,850)	Undetermined at this time
<b>Net Operating Costs</b>		<b>(315,637)</b>	<b>34,997</b>

# DEVELOPMENT SERVICES

## DEVELOPMENT SERVICES TEMPORARY STAFFING AND CONTRACT SERVICES REQUEST

### 2014-15 Development Services Cost Allocations

<i>Contract Services (7227)</i>	<b>Estimated: 2014-15 Total</b>
Planning Consultant Services	\$100,000
Planning Consultant (Carried Over from 13-14)	TBD
Engineering Plan Check Consultant Services	\$75,000
Building Plan Check Consultant Services	\$150,000
Building Inspection Consultant Services (CCC)	\$80,000
Fire Plan Check Consultant Services	\$5,000
<b>Subtotal:</b>	<b>\$410,000</b>

### *Staffing Costs*

#### **ADMIN:**

Admin Assistant (Admin .50 FTE)	\$34,997
Admin Assistant (Admin 1.0)	\$41,781

#### **PLANNING:**

Planning Tech(DR 1.0)	\$55,610
Assistant Planner (DR 1.0)	\$72,956
Planning Tech (LRP .5)	\$27,805

#### **BUILDING:**

Building Intern	\$11,991
Building Intern	\$9,533
Building Inspector (Temp Plan Check .25)	\$19,416

#### **ENGINEERING:**

Engineering Consultant	\$34,973
Engineering Tech ( Eng Dev Rev .50)	\$30,576
Engineering Tech ( Eng Dev Rev .50)	\$30,576

#### **FIRE:**

Temp Contract Staffing	\$50,000
<b>Subtotal:</b>	<b>\$420,213</b>

<b>TOTAL:</b>	<b>\$830,213</b>
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Adjusted to assume PERS for entire year instead of when employee reaches 1000 hrs.  
 Pushed Building interns to \$ 9.00/hr to account for minimum wage adjustment

# FINANCE

## FINANCE REVENUE DIVISION TEMPORARY STAFFING REQUEST

**Summary of Change:** This request has two parts. The first is for a temporary cashier/receptionist to assist in the Revenue Division to provide coverage while permanent staff is involved in training, research and development of policy and procedure revisions, and other improvements identified in the 2014 Revenue Division Business Process Review. The second part of the request is for temporary help to serve as the facilitator to provide assistance in developing materials needed for job training and to plan the upgrades that are needed to existing billing software.

**Fiscal Impact:** One-time temporary staffing cost for the cashier/receptionist of \$39,467 and \$26,174 for the position that would serve as the change facilitator in 2014-15 (these amounts are net of an existing part-time staffing appropriation of \$2,100)

**Service Level Impact:** This use of temporary help will ensure that timely customer service will continue during the next 12 months while existing staff implement efficiency measures identified in the 2014 Revenue Division Business Process Review. In addition, software upgrades that will allow the Utilities Department to track revenue trends more closely with factors that affect water use patterns will be planned and set for full implementation.

### KEY OBJECTIVES

1. Continue to provide complete public counter coverage while existing staff are involved in implementation of efficiency measures that were identified in the 2014 Revenue Division Business Process Review (Attachment 1).
2. Free up permanent Revenue Division staff time for training on new utility billing/business license and other tax collection software.
3. Free up Revenue Division staff time to research and develop revisions to operating procedures and policies to ensure that they reflect current conditions.
4. Provide for the outsourcing of routine tasks such as printing of utility bills to a third party to achieve time and cost savings. It is estimated that the cost of mailing utility bills can be reduced by as much as 35% if an RFP is issued and a new proposal is obtained to handle this process. It is also estimated that staff will save as many as 12 hours per month if the utility bill generation process is moved completely to an outside vendor.
5. Implementing changes to existing software will provide access to new features designed to allow for better matching of revenue trends with water consumption by the Utilities Department.
6. The use of a temporary position serving as a facilitator will allow the Finance Department supervisors to provide oversight of this process while being able to continue work on other major tasks without interruption. The facilitator will be responsible for the day to day management of this process and the development of written guidelines and policies that will be formed as a result.

### EXISTING SITUATION: FACTORS DRIVING THE NEED FOR CHANGE

Staff in the revenue division has not received regular training on the procedures and software that they work with each day. Review and training on procedures is important to ensure that staff is reminded of the steps that must be carried out when billing customers for various charges including utilities and business license taxes. Further, the existing procedures should be reviewed to ensure that they are still appropriate in light of existing conditions and changes made to them when inconsistencies are found. Recurring training on the features of the software ensures that they are utilizing these programs to the fullest capability. The primary reason for the lapse in training and procedure evaluation is the workload of the division and the difficulty of scheduling training without interrupting customer service delivery. Through the use of the additional positions requested here, staff will be able to attend training and review these policies and consider needed changes without creating customer service and billing delays.

# FINANCE

## FINANCE REVENUE DIVISION TEMPORARY STAFFING REQUEST

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### UPDATED TO GOAL AND POLICY LINKS

1. This request is consistent with elements of the Major City Goal to sustain essential services and fiscal health, especially:
  - a. Continue emphasis on effectiveness and efficiency of the City organization by prioritizing the implementation of recommendations focused on improving effectiveness and efficiency from organizational reviews as the recommendation is based on the findings of an operational review that was completed in February 2014 for the Revenue Division.

### PROGRAM WORK COMPLETED

An analysis of workload, workflow and potential efficiencies in the Revenue Division has been completed. This document made a number of findings regarding the need for extensive training of staff in the revenue division. This report also recommended that changes should be made to a number of existing operating practices in order to maximize the use of readily available automation to create cost and time savings. In addition, the report identified a number of changes that are needed to procedures and policies in order to bring them into conformance with current conditions. If this funding request is approved, the individual who prepared this analysis will return to facilitate the training and assist with the development of new procedures and the required updates of the policies. The duration of the assignment is for a period not to exceed 600 hours.

### ENVIRONMENTAL REVIEW

No environmental review required.

### PROGRAM CONSTRAINTS AND LIMITATIONS

1. Competition for available resources to fund this position is the most significant constraint.
2. This request is for a temporary position which can be terminated at any time pending the outcome of the training and policy changes once the level of additional efficiencies gained has been determined.

### STAKEHOLDERS

Initially only the Revenue Division staff will be the affected parties along with Finance Department management. As staff gains more knowledge about their jobs and software capabilities expand, the Utilities Department and most other departments of the City will benefit from improved revenue management and collection procedures.

### IMPLEMENTATION

When will the change be implemented? What implementation steps are necessary? (This may be best shown as a chart – see below.)

Task	Date
1. Recruitment of staff	July 2014
2. Hiring	July 2014
3. Training (2 week period)	August 2014
4. Training of staff, policy review, identify needed procedure revisions and develop new written manuals, implementation of print outsourcing and other automation techniques, training on all of the above; develop process for software upgrade implementation and prepare staff for next steps.	Aug– Nov 2014

## FINANCE REVENUE DIVISION TEMPORARY STAFFING REQUEST

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### KEY PROGRAM ASSUMPTIONS

It is assumed that the need for these additional positions will be for one year or less. The cost estimate is based on the projected salary and benefit costs for an entry level position during that period of time. Cost projections are based on the salary schedule pay rates for the position with applicable benefit costs. After the completion of the objectives listed, the revenue division will have implemented new procedures that save time on current tasks and will also lead to cost savings from greater use of automation and outside resources, such as an independent mailing center.

### PROGRAM MANAGER AND TEAM SUPPORT

#### *Program Manager:*

The recruitment, hiring and training of the temporary cashier/receptionist will be handled by the Supervising Accounting Assistant. The Supervising Accounting Assistant and the Financial Operations Manager will provide oversight of the training and policy development process while the temporary position that is assigned to serve as the facilitator will handle the day to day activities involved with training and policy revision.

The Finance Director will be in charge of hiring the temporary position that will serve as the facilitator to complete the objectives that have been outlined.

#### *Project Team:*

The entire staff of the Finance Department will be participating in the training and will assist with procedure/policy update process.

#### *Alternatives:*

1. ***Continue the Status Quo.*** The current gap in training and outmoded procedures and policies will continue to hinder the department's ability to work effectively. Technology that is in place will not be utilized to its fullest potential. Changes that are required in procedures to ensure that they address current conditions when dealing with the public on billing matters be delayed in their development and implementation.
2. ***Defer or Re-Phase the Request.*** This cannot be deferred or re-phased to be effective due to the need to implement changes as soon as possible to create cost savings and efficiencies within the division.
3. ***Change the Scope of Request.*** The proposed cost is deemed to be the least expensive option for accomplishing these objectives in the shortest time possible. Lowering costs by eliminating one or more of the requested positions would create delays in completing these objectives.

Adding staff for a shorter period of time may prevent the full scope of changes from being made.

4. ***Implementation in a Different Way.*** The cashier/receptionist function cannot be contracted out. Utilizing temporary staff gives us the most flexibility in terms of avoiding a long term cost commitment and providing the lowest cost option for this position.
5. ***Existing Program Evaluation.*** This request is to use temporary staffing in order to provide the option of terminating the assignment if it is found that the training and re-working of policies and procedures is effective in creating efficiencies that allow the existing permanent staff to absorb the workload of the temporary cashier and receptionist.



# FINANCE

## FINANCE REVENUE DIVISION TEMPORARY STAFFING REQUEST

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### OPERATING PROGRAM

Revenue management

### COST SUMMARY

Line Item Description	Account No.	2013-14	2014-15
<b>Staffing</b>		<b>67,741</b>	<b>0</b>
Temp Salary - Cashier/Receptionist	7011	32,614	0
Temp Salary - Facilitator	7011	25,800	
Retirement - Cashier/Receptionist	7040	8,480	
Medicare Taxes - Cashier/Receptionist	7044	473	0
Medicare Taxes - Facilitator	7044	374	0
<b>Contract Services</b>		<b>0</b>	<b>0</b>
<b>Other Operating Expenditures</b>		<b>0</b>	<b>0</b>
<b>Minor Capital</b>		<b>0</b>	<b>0</b>
<b>Total Operating Costs</b>		<b>67,741</b>	<b>0</b>
<i>Offsetting Costs Savings or Revenues</i> (Enter as a negative number. If there are none, delete this row in the table.)		(2,100)	0
<b>Net Operating Costs</b>		<b>65,641</b>	<b>0</b>

# INFORMATION TECHNOLOGY

## IMPLEMENTATION OF NEW I.T. SUPPORT MODEL

**Summary of Change:** This SOPC will enable the Information Technology Division to move towards a completely new paradigm of managing the City's technology workload. Staff will utilize the additional funding to integrate the use of contractors to complete many of the existing City technology projects which will allow existing staff to be redeployed to work on more critical tasks, oversee contractors and complete the work that cannot be assigned to contractors.

Information technology management has been asked to implement and move the City towards this new technology model for the following key reasons:

- With the increased use of technology in the City, it is no longer feasible to continue to add additional staff in an attempt to keep up with the ever increasing workload.
- The technology industry is moving towards a more cloud based model to reduce the need for continually adding more network and data storage equipment on-site and the associated staff to maintain that equipment.
- Implementing new technology can help to eliminate the need for increasing workforce. An example of this technology is the implementation of virtual desktop and server infrastructure that can be remotely managed.
- Future software implementations will be handled by outside consultants in order to ensure that they are completed in a timely manner and without the need to hire more permanent staff to accomplish these tasks.

Using the SOPC funding to complete the current workload will not in itself resolve the problem. Another paradigm shift for the City will be the change in how projects are approved and funded in the future. All new projects will include in their funding requests, the costs associated with contracting and implementing the complete project, technician and user training, immediate and future equipment expenses such as servers, data storage and ongoing support and maintenance.

In addition, the SOPC is requesting additional funding for temporary staff for a two year pilot program during which these positions will be handling all help desk trouble tickets along with the current Help Desk technician. This will free up the higher paid Network Administrators for more technical tasks.

**Fiscal Impact:** One-time costs of \$204,000 in 2014-15 and \$70,000 in 2015-16. Prior to the 2015-17 budget cycle staff will re-evaluate the I.T. workload and the accomplishments of the pilot program to determine if the additional funding for the help desk staff needs to continue.

### **First Year Service Level Impact:**

Response times for projects will decrease as projects are prioritized by the I.T. Steering Committee and all necessary project funding is in place.

1. Temporary staff will be the first responders for all problems except after-hours emergency problems.
2. Increased number of new computers rolled out.
3. The pending mission critical projects will be completed as scheduled.
4. Helpdesk trouble ticket workloads should decrease and stabilize as technology upgrades are implemented.

### **Ongoing Service Level Impact:**

1. User operating and software application environments will be centrally controlled and standardized as much as possible. This applies to both the physical and virtual desktop operating environments used by City users. This will reduce overtime hours compared to the current service model.
2. Network Services will remain involved with the planning and management of all technology projects in the City.
3. Network Services will move to a new I.T. support model that prioritizes system up time and minimizes trouble ticket hours and relies more heavily on contractor services than additional regular and overtime staff hours.
4. Future project funding requests will include contract installation and integration as well as required data storage and server equipment expenses and Network Administrator training on the new technology.
5. Overall service levels will stabilize due to the Citywide paradigm change in I.T.

# INFORMATION TECHNOLOGY

## IMPLEMENTATION OF NEW I.T. SUPPORT MODEL

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### KEY OBJECTIVES

By the end of the year, as a result of this SOPC request and with the help of the I.T. Steering Committee, I.T. will have moved the City to the new I.T. support model. This funding will allow staff to complete all of the identified mission critical projects as well as many of the remaining current pending projects by using contractors. Any new technology projects will include the funding for contractor installation and implementation costs, project management, network equipment and data storage requirements, technical and user training as well as ongoing maintenance and support costs in the project. While staff will still be involved with projects, this major change will allow staff hours to be dedicated to computer network infrastructure and will reduce I.T. staff hours now dedicated to projects.

Under the new model, staff will have increased control of citywide software applications and access to the City's network. These important changes will result in overall increased network security. By the end of the year, staff will have rolled out 120 new VDIs replacing the most problematic machines that are currently still in use. This will result in an immediate reduction in trouble tickets, which will eliminate the need for additional ongoing temporary staffing beyond this year.

Another major change over the next year will be the migration of data storage and server equipment to an outsourced data center and contracting with them to perform the routine maintenance. This in conjunction with leasing storage from cloud providers rather than buying expensive data storage equipment will also help to reduce ongoing costs for maintaining the equipment. At the same time, staff will be implementing data storage retention policy changes to help slow the growth of City data.

**Bottom Line:** The proposed major paradigm shift in the I.T. Division made possible with this SOPC will position the division for the future without the need for increased staffing. The "New I.T." will be in a much better position to provide quick response for unforeseen critical issues due to a more managed workload. Staff will be working in a controlled proactive mode rather than the very stressful reactive mode as they are today. Some of the proposed changes may not necessarily be welcomed at first by users, but over time will result in a better technology experience for all City employees.

1. What will this change accomplish?
  - a. Enhanced stability of I.T. assets and infrastructure.
  - b. Increase network security.
  - c. Increased uptime of I.T. assets and infrastructure.
  - d. Allow completion of many current high priority City technology projects.
  - e. Return I.T. to a more proactive rather than reactive mode.
  - f. Help to reduce high overtime workload levels and employee burnout.
  - g. Return to a proactive computer replacement policy which will reduce helpdesk trouble tickets.
  - h. Future technology projects will have contractor installation and ongoing support costs budgeted from the beginning.
  - i. Enable Network Administrators to perform proactive system maintenance.
  - j. Enable the completion of many stalled projects such as replacing Microsoft Windows XP computers.
2. What are its main benefits?
  - a. Allows the roll out of new virtual desktop computers to replace outdated and problematic technology.
  - b. Allows staff to complete replacement of the City's Windows XP computers to ensure consistent network security.
  - c. Completes all of the mission critical projects now in the project queue.
  - d. Increases security and integrity of the City's network and infrastructure.

# INFORMATION TECHNOLOGY

## IMPLEMENTATION OF NEW I.T. SUPPORT MODEL

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- e. Moves the City to a more sustainable I.T. support model that prioritizes system up time and minimizes trouble ticket hours.
- f. Enables I.T. to move to a sustainable economic model for the future.

## EXISTING SITUATION: FACTORS DRIVING THE NEED FOR CHANGE

1. What are the current conditions that make this change needed or desirable? Describe each factor.
  - a. One of the major factors driving the increase in trouble ticket support hours is the City's decision to stop proactively replacing desktop computers. In 2009 the desktop replacement program switched to a completely reactive model to reduce costs. At that time, the average age of the City's desktops was 3 years old and most of the desktops were running trouble free. Currently, the average age of the City's desktops is 5 years old and the majority needs to be replaced. 93 desktops are 6 years old, 72 are 7 years old and 15 are 9 years old. Part of the new I.T. support model is moving the City to virtual desktops wherever possible. Moving to virtual desktops provides a longer lifecycle of 8 years while also allowing routine maintenance and support to occur from a central location. This last capability will increase system up time and also minimize the need for I.T. staff overtime to accomplish these tasks.
  - b. Staff is unable to complete the many approved and funded projects scheduled using the current I.T. support model at the request of the I.T. Steering Committee, staff prioritizes all current City I.T. projects and determine which are the highest priorities. Staff has identified 23 mission critical projects that must be completed. These mission critical projects include the Mobile Data Computer replacement and all associated infrastructure security upgrade projects, public safety radio enhancements, service level agreements with key departments/divisions, EnerGov and the replacement of Windows XP computers. This SOPC will allow staff to complete these projects, train new City users and move to a different I.T. support model. The new I.T. support model will include changing how projects are budgeted to assure that future projects will include the costs for contract services, equipment and ongoing maintenance and support.
  - c. Delaying many of the 23 mission critical projects could have significant consequences for the City should mandated compliance timeframes not be met. For the past few years the City has attempted to prioritize technology projects to help manage the workload. While this helps identify the most critical projects that need to be worked first, it does not change the overall workload. This SOPC would not only provide the funding to complete these projects but also assist in moving the City to a new model that would ensure that all future projects contain the required funding.
  - d. The City has experienced steady employee turnover in recent years. New employees on average need an increasing amount of help with the standard Microsoft applications. Additionally, could be making better use departments of the City's training opportunities. The turnover has resulted in many departments no longer having Microsoft Office experts in their departments. Under the new I.T. support model, staff will make recommendations to supervisors for which employees need to be sent to training. Staff will also proactively ensure all new technology projects include training costs and make recommendations to departments about which current applications users need to be trained.
  - e. Network Administrator overtime levels are currently exceeding budget levels due to many factors. One such factor is the continued request for after-hours callouts by the Police and Fire Departments. It is essential that all redundant system features have been utilized before calling out a Network Administrator. Under the new model, dispatchers will be asked to test redundant systems regularly and utilize the built in redundancy prior to requesting an overtime callout.

# INFORMATION TECHNOLOGY

## IMPLEMENTATION OF NEW I.T. SUPPORT MODEL

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- f. I.T. is about to lose the second Network Administrator in 7 months and over the last 3 years, Network Services has lost 3 Network Administrators, totaling 40 years of institutional knowledge. The remaining Network Administrators on staff will only have 4 years of institutional knowledge. Bringing in additional temporary staff for a year will allow management to invest the required time to bring the new staff up to speed.

### GOAL AND POLICY LINKS

How does this operating program change tie to previously adopted goals or policies? This could include:

1. Major City Goal – Essential Services, Infrastructure & Fiscal Health

It is critical to complete public safety and I.T. infrastructure projects to maintain City essential services. The City must maintain a network security system that is in compliance with State regulations. Completion of these critical projects will accomplish this goal.

2. Information Technology Strategic Plan

Citywide strategic plan addresses the need for adding additional I.T. resources as technology requirements in the City expand: *“As new technology purchases are considered, the City should carefully evaluate the required support from the I.T. Division staff to ensure successful implementation and reliable ongoing support. If additional burdens on the I.T. Division staff are a by-product of the implementation of new technology, the City will need to augment I.T. staffing levels”.*

### PROGRAM WORK COMPLETED – N/A

### ENVIRONMENTAL REVIEW – NO ENVIRONMENTAL REVIEW REQUIREMENTS

### PROGRAM CONSTRAINTS AND LIMITATIONS

Implementing the new I.T. support model will require the support and cooperation of the City’s management team. If approval of the various policy changes necessary is delayed then I.T. will not be able to complete the 23 mission critical projects and will not be able to move to the new support model.

### STAKEHOLDERS

All City users will be affected by this major move to a new I.T. support model and many will receive a new operating environment. I.T. will work to ensure all City users are kept informed as to the changes in procedures as they are implemented.

# INFORMATION TECHNOLOGY

## IMPLEMENTATION OF NEW I.T. SUPPORT MODEL

### IMPLEMENTATION

Task	Date
1. Release the request for proposals necessary to allow the implementation the new IT support model.	7/02/2014
2. Amend existing project and support contracts to reflect the level of contractor involvement necessary to complete the projects on time based on this SOPC.	7/21/2014
3. Hire temporary and contract staff.	7/21/2014
4. Move to temporary support model that heavily relies on temporary staff and contractors.	8/4/2014
5. Award contracts necessary to allow the implementation of the new I.T. support model.	8/20/2014
6. Approve changes to citywide I.T. policies and procedures to conform to the new I.T. support model.	9/1/2014
7. Begin implementation of new I.T. support model as virtual desktops are rolled out.	9/1/2014
8. Approve new or modify existing service level agreements with specific departments/divisions to comply with the new I.T. support model.	10/15/2014
9. Complete roll out of virtual desktops.	6/1/2015
10. Complete implementation of new I.T. support model	6/30/2015

### KEY PROGRAM ASSUMPTIONS

- With the approval of this SOPC, Network Services will be able to migrate most of the City to a common operating environment in one year.
- I.T. will work with those departments/divisions that maintain service level agreements to have those agreements modified to reflect the changes necessary to reflect the new I.T. support model.
- I.T. is able to find competent temporary staff and contractors that will allow all the necessary changes to happen in one year.
- Implementation of the new I.T. support model will decrease the number of hours spent by Network Services staff on trouble tickets.

### PROGRAM MANAGER AND TEAM SUPPORT

#### *Program Manager:*

Issuing any RFP's required as part of this project will be the responsibility of the I.T. Manager. The I.T. Manager will work with departments/divisions to negotiate any needed service level agreements. The Network Services Supervisor will be responsible for negotiating any changes to existing support contracts and managing the transition to the temporary support model and then to the new support model.

#### *Project Team:*

- a. Network Services Staff
- b. I.T. Steering Committee

#### *Alternatives:*

1. *Continue the Status Quo.* What are the consequences of doing nothing?
  - a. I.T. will not be able to complete the 23 identified mission critical City projects.
  - b. I.T. will continue to use a reactive desktop replacement program. This will result in an increasing number of trouble tickets, help desk work hours, overtime hours and decreased user satisfaction. Network security

# INFORMATION TECHNOLOGY

## IMPLEMENTATION OF NEW I.T. SUPPORT MODEL

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and integrity will continue to be compromised by the existence of Windows XP computers for at least the next 3 years.

- c. High risk of losing staff to other agencies due to burnout.
- d. Service levels will continue to deteriorate.
- e. Updates and proactive maintenance to software applications critical to the City will be delayed and could result in increased downtime and unexpected service outages.
- f. Mission critical public safety projects will not be completed as scheduled.

### 2. *Defer or Re-Phase the Request.* What happens in this case?

- a. I.T. is about to lose the second Network Administrator in 7 months and over the last 3 years, Network Services has lost 3 Network Administrators, totaling 40 years of institutional knowledge. The Network Administrators now on staff will only have 4 years of institutional knowledge. *Without taking this important step to change the I.T. model, staff will not have the ability or resources to be successful. The City can't afford to defer or re-phase this critical initiative.*

### 3. *Change the Scope of Request.* What happens if we do more?

- a. If additional money is provided for contracting, I.T. would seriously consider the contracting of a Network Administrator for one year. This would assist the Network Administrator completing some the additional 51 projects on the list.

What happens if we do less?

- a. Information technology services, which is the backbone of the City, will continue to deteriorate, adversely affecting productivity and efficiency of all City staff.
- b. Older, problematic computers will continue to generate a high demand for staff time to make repairs, demand for new pc's will continue to increase and staff will be unable to sustain a stable computer operating environment.

### 4. *Implementation in a Different Way.*

- a. Adding a permanent FTE or outsource to an outside contractors for additional resources will enable the Network Administrator staff to perform critical, more technical work that currently is not being performed due to handling the daily trouble workload.

## OPERATING PROGRAM - NETWORK SERVICES

### COST SUMMARY

As reflected in the graph below, staff is requesting \$30,000 for additional temporary staff to help position the division to accomplish all of the existing critical projects by working all helpdesk tickets. \$110,000 to fund the use of contractors to enable staff to move quickly through the current heavy project workload, \$40,000 to amend existing project and support contracts to reflect the level of contractor involvement necessary to complete the projects on time based on this SOPC and finally \$24,000 for required additional VDI equipment to meet the SOPC commitments which will in turn reduce staff hours and workload. Ongoing Temporary Staffing and Data Processing supports changes will help to institutionalize this new support model and help ensure its success for years 2015-16. Prior to the 2015-17 budget cycle staff will re-evaluate the I.T. workload status to determine if additional funding needs to continue. It is not anticipated that additional funding will be required beyond 2015-16.

# INFORMATION TECHNOLOGY

## IMPLEMENTATION OF NEW I.T. SUPPORT MODEL

Line Item Description	Account No.	2014-15	2015-16
<b>Staffing</b>	<b>100-25300-7014</b>	<b>30,000</b>	<b>30,000</b>
Temporary Staff*		30,000	30,000
<b>Contract Services</b>	<b>100-25300-7227</b>	<b>110,000</b>	<b>0</b>
Project Implementation and Support**		110,000	
<b>Data Processing Services</b>	<b>100-25300-7229</b>	<b>40,000</b>	<b>40,000</b>
Changes To Existing Support Contracts***		40,000	40,000
<b>Other Operating Expenditures</b>	<b>100-26100-7593</b>	<b>0</b>	<b>0</b>
<b>Minor Capital</b>	<b>100-26100-7593</b>	<b>24,000</b>	<b>0</b>
Virtual Desktop Infrastructure		24,000	
<b>Total Operating Costs</b>		<b>204,000</b>	<b>70,000</b>
<i>Offsetting Costs Savings or Revenues</i>			
<b>Net Operating Costs</b>		<b>204,000</b>	<b>70,000</b>

**\*Temporary Staff:**

- Additional and ongoing funding for temporary staff to assist with helpdesk tickets.

**\*\*Identified mission critical projects include (prioritized):**

1. EnerGov Landuse & Permitting System
2. MDC/InCar Video Replacement
3. Citywide Firewall Upgrade
4. Network Security and Two-Factor Identification
5. Virtual Private Network Replacement Upgrade

**NOTE: Critical projects 1–5 can be completed without additional funding**

6. City Website Upgrade
7. Digital West Connection
8. Zero-Client VDI Rollout

**NOTE: Projects 1-8 can be completed with \$30k Temporary Staffing and \$24k Virtual Desktop Infrastructure**

**\*All remaining projects (9-23) can be completed with the requested \$110k Project Implementation and Support funding**

9. Citywide Windows 7 Rollout
10. Tablet Deployment at PD
11. Hach Wims Upgrade
12. Police Red Channel Backup
13. Tassajara Backup Radio Channels



# INFORMATION TECHNOLOGY

## IMPLEMENTATION OF NEW I.T. SUPPORT MODEL

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14. Avtec Radio Console Upgrade
15. WRRF Network Build out
16. Police Virtual Server Upgrade
17. ECC PC Blade Replacements
18. Spillman Quickest Route Upgrade
19. Spillman Sentryx Upgrade
20. Utilities Telemetry (Water & Whale Rock)
21. Whale Rock Microwave Link
22. Laserfiche Forms Module
23. Departmental Service Level Agreements

\*\*\*Changes to existing support contracts that can be amended per the City's purchasing guidelines:

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**NOTE: The following support contracts can be amended to include implementation with the requested \$40k funding**

- Tyler Technologies - EnerGov
- Woolpert – Cityworks/EnerGov
- Digital West
- ECS – Laserfiche
- HP/Dell/ShoreTel/Compellent/Tait/Avtec/Panasonic
- CITIG Technologies
- VMWare
- CIO Solutions

## RISK MANAGEMENT

### INCREASE IN LIABILITY INSURANCE

#### **Summary of Change: Increase in general liability and environmental liability premiums**

**Fiscal Impact:** One time cost of \$57,700 in 2014-15. On-going cost of \$7,913 in 2013-14, \$122,783 in 2014-15, and \$130,696 in 2015-16.

**Service Level Impact:** This request includes multiple impacts pertaining to general liability and environmental liability premiums:

- One time cost in the amount of \$57,700 to pay for environmental liability insurance premium. This cost was inadvertently not budgeted for 2014-15 as the premium is only paid once every three years.
- On-going costs of \$91,437 are based on recent review of claims loss and reserve analysis under the CJPIA's prospective funding model.
- In addition, \$39,259 is based on California Joint Powers Insurance (CJPIA) annual review of claims loss and reserve analysis for claim years 2003 thru 2011-12. Of this \$39,259 cost, \$7,913 is apportioned to Enterprise Funds in 2013-14 based on past allocation methodology.

Not paying premiums would result in having no liability insurance coverage.

#### **KEY OBJECTIVES**

1. Comply with contractual obligation with CJPIA to fund Liability Insurance annual contributions.

#### **EXISTING SITUATION: FACTORS DRIVING THE NEED FOR CHANGE**

The City of San Luis Obispo became a member of the CJPIA in 2003 for participation in the liability program. Membership in the CJPIA means sharing risk with other member agencies. However, the risk is shared among a large number of agencies, who share common goals of risk avoidance, claims control and transfer of risk in order to eliminate or reduce exposure. By following proven practices of risk management, member agencies assist each other in keeping the cost of claims down. By sharing risk, the cost to an agency for a year with significant claims experience is somewhat mitigated and spread out over a number of years.

The CJPIA Executive Committee approved a prospective funding model (beginning with claim year 2013-14) that aimed at funding coverage periods sufficiently, providing budgetary predictability for members by requiring one annual contribution and eliminating the retrospective adjustments, and rewarding effective loss control and risk management efforts with lower rates. The prospective funding model aims at prospectively funding coverage periods sufficiently, providing budgetary predictability for members by requiring one annual contribution and eliminating the retrospective adjustments, and rewarding effective loss control and risk management efforts with lower rates. Coverage years under the prospective formula will not be adjusted retrospectively on an annual basis. However, if net asset levels become insufficient, an assessment may be needed in the future. The new funding model is intended to provide overall financial strength and security for the pool, and rate stability and fairness for the members. Coverage years under the old funding model (prior to 2013-14) will continue to have retrospective adjustments until all claims are closed for those years.

There is a retrospective adjustment in the amount of \$39,259 due to claims experience of the 2003 thru 2011-12 claims years. These claim years are reviewed annually and require retrospective adjustments (increases or decreases) until all claims are closed in the respective years. Since there will be future retrospective adjustments staff recommends budgeting this amount as an on-going cost. However, accurately estimating this amount is almost impossible and therefore, further adjustments may be necessary.

# RISK MANAGEMENT

## INCREASE IN LIABILITY INSURANCE

In addition, for the 2014-15 fiscal year, the Risk Management liability insurance annual contribution budget was \$1,366,260. Based on CJPIA’s most recent review of claims loss and reserves analysis under the prospective funding mode, the 2014-15 annual contribution has been set at \$1,457,697. This reflects an on-going increase in the Risk Management budget in the amount of \$91,437.

The environmental liability premium is due every three years; therefore, the premium in the amount of \$57,700 is a one-time cost. This premium was inadvertently not accounted for in the 2014-15 budget, which is when the premium is due.

### GOAL AND POLICY LINKS

Major City Goal – 2013-15 Sustain essential services, infrastructure, and fiscal health.

### PROGRAM WORK COMPLETED

Human Resources has been in contact with CJPIA regarding Liability Insurance annual contribution and is currently working with CJPIA and City staff on cost reduction options, and implementation of best risk management practices.

### ENVIRONMENTAL REVIEW

No environmental review required.

### PROGRAM CONSTRAINTS AND LIMITATIONS

The City is currently part of an insurance pool. Premiums are based in part of the pool loss experience most of which is outside our control.

### STAKEHOLDERS

All City Departments

### IMPLEMENTATION

Task	Date
1. Receive annual contribution information from CJPIA	March 2014
2. Liability Insurance annual contribution due to CJPIA	July 2014

### KEY PROGRAM ASSUMPTIONS

Key assumptions are based upon CJPIA’s cost allocation of the Liability Insurance pools claim experience.

### PROGRAM MANAGER AND TEAM SUPPORT

***Program Manager:***

Greg Zocher, Human Resources Manager

# RISK MANAGEMENT

## INCREASE IN LIABILITY INSURANCE

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### *Project Team:*

Monica Irons, Human Resources Director  
Wayne Padilla, Finance and Information Technology Director

### *Alternatives:*

1. *Continue the Status Quo.* Failure to pay insurance premiums would be a breach of contract with CJPIA.
2. *Defer or Re-Phase the Request.* Paying the additional insurance premium at a later time would result in assessment of late penalties.

### **COST SUMMARY:**

<b>Line Item Description</b>	<b>Account No.</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
General Fund - HR/ Risk Management	100-30200-7725		149,137	91,437
General Fund - Debt Service *	multiple		31,346	39,259
Water Fund	500-55100-7729	3,121	0	0
Sewer Fund	520-50600-7729	3,207	0	0
Parking Fund	510-50600-7729	977		
Transit Fund	530-50700-7729	217		
Whale Rock Fund	640-55500-7729	391		
<b>Total Costs</b>		<b>7,913</b>	<b>180,483</b>	<b>130,696</b>

*\*Debt Service cost represents retrospective adjustment amount apportioned to the General Fund.*

## RISK MANAGEMENT

### INCREASE IN WORKER'S COMPENSATION INSURANCE

#### **Summary of Change: Increase in workers' compensation premiums**

**Fiscal Impact:** On-going cost of \$87,445 in 2013-14, \$429,184 in 2014-15 and \$307,765 in 2015-16.

**Service Level Impact:** A retrospective cost in the amount of \$433,864 is based on California Joint Powers Insurance (CJPIA) annual review of claims loss and reserve analysis for claim years 2004 thru 2011-12. This amount is to be charged to Enterprise Funds in 2013-14 and to the General Fund in 2014-15, based on accounting requirements and past allocation methodology. On-going costs in the amount of \$82,765 beginning in 2014-15 are based on recent review of claims loss and reserve analysis under the CJPIA's prospective funding model. Not paying the premiums would result in having no workers' compensation insurance coverage.

#### **KEY OBJECTIVES**

1. Comply with contractual obligation with CJPIA to fund Workers' Compensation annual contributions.

#### **EXISTING SITUATION: FACTORS DRIVING THE NEED FOR CHANGE**

The City of San Luis Obispo became a member of the CJPIA in 2004 for participation in the workers' compensation program. Membership in the CJPIA means sharing risk with other member agencies. However, the risk is shared among a large number of agencies, who share common goals of risk avoidance, claims control and transfer of risk in order to eliminate or reduce exposure. By following proven practices of risk management, member agencies assist each other in keeping the cost of claims down. By sharing risk, the cost to an agency for a year with significant claims experience is somewhat mitigated and spread out over a number of years.

The CJPIA Executive Committee approved a prospective funding model (beginning with the claim year 2013-14) that aimed at funding coverage periods sufficiently, providing budgetary predictability for members by requiring one annual contribution and eliminating the retrospective adjustments, and rewarding effective loss control and risk management efforts with lower rates. The prospective funding model aims at prospectively funding coverage periods sufficiently, providing budgetary predictability for members by requiring one annual contribution and eliminating the retrospective adjustments, and rewarding effective loss control and risk management efforts with lower rates. Coverage years under the prospective formula will not be adjusted retrospectively on an annual basis. However, if net asset levels become insufficient, an assessment may be needed in the future. The new funding model is intended to provide overall financial strength and security for the pool, and rate stability and fairness for the members. Coverage years under the old funding model (prior to 2013-14) will continue to have retrospective adjustments until all claims are closed for those years.

There is a retrospective adjustment in the amount of \$442,718 due to claims experience of 2004 thru 2011-12 claims years. The CJPIA is offering a 2% early payment incentive which would reduce our cost to \$433,864. Of this amount, \$87,445 is apportioned to Enterprise Funds in 2013-14 and \$346,419 is apportioned to the General Fund in 2014-15, based on past allocation methodology. Claim years are reviewed annually and require retrospective adjustments (increases or decreases) until all claims are closed in the respective years. There will be future adjustments based on the claims experience during the retrospective periods. However, accurately estimating this amount is almost impossible and therefore, further adjustments may still be necessary. This is the first year the workers' compensation program has been assessed a charge, historically the City has received refunds. However, staff recommends budgeting \$225,000 as an on-going cost for the workers' compensation program since the 2010-11 and 2011-12 claim years were underfunded by \$217,671 and \$227,985 respectively. Under the payment policy established by the CJPIA, member agencies are allowed to postpone payment for the workers' compensation retrospective adjustment until July 2015. Staff recommends paying the amount now, as it is based on our claims experience and the amount is not expected to change.

In addition, for the 2014-15 fiscal year, the Risk Management workers' compensation insurance annual contribution budget was \$1,548,820. Based on CJPIA's most recent review of claims loss and reserves analysis under the prospective

# RISK MANAGEMENT

## INCREASE IN WORKER'S COMPENSATION INSURANCE

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funding model, the 2014-15 annual contribution has been set at \$1,631,585. This reflects an on-going increase in the Risk Management budget in the amount of \$82,765. This amount was not budgeted for 2014-15 which is when the premium is due.

### GOAL AND POLICY LINKS

Major City Goal – 2013-15 Sustain essential services, infrastructure, and fiscal health

### PROGRAM WORK COMPLETED

Human Resources staff has been in contact with CJPIA regarding Workers Compensation annual contributions and is currently working with CJPIA and City staff on cost reduction options, training and education.

### ENVIRONMENTAL REVIEW

No environmental review required.

### PROGRAM CONSTRAINTS AND LIMITATIONS

The City is currently part of an insurance pool. Premiums are based in part on the pools loss experience most of which is outside our control.

### STAKEHOLDERS

All City Departments.

### IMPLEMENTATION

Task	Date
1. Receive annual contribution information from CJPIA	March 2014
2. Workers' Compensation Insurance annual contribution due to CJPIA	July 2014

### KEY PROGRAM ASSUMPTIONS

Key assumptions are based upon CJPIA's cost allocation of the Workers' Compensation pools claim experience.

### PROGRAM MANAGER AND TEAM SUPPORT

***Program Manager:***

Greg Zocher, Human Resources Manager

***Project Team:***

# RISK MANAGEMENT

## INCREASE IN WORKER'S COMPENSATION INSURANCE

Monica Irons, Human Resources Director  
Wayne Padilla, Finance and Information Technology Director

### Alternatives:

1. *Continue the Status Quo.* Failure to pay insurance annual contributions would be a breach of contract with CJPIA.
2. *Defer or Re-Phase the Request.* Paying the additional insurance premium at a later time would result in assessment of late penalties.

### COST SUMMARY:

Line Item Description	Account No.	2013-14	2014-15	2015-16
<b>Worker's Compensation Costs:</b>				
General Fund - HR/ Risk Management	100-30200-7726		82,765	82,765
General Fund - Debt Service *	300-89354-7728		346,419	225,000
Water Fund	500-55100-7728	34,486	-	-
Sewer Fund	520-50600-7728	35,446	-	-
Parking Fund	510-50600-7728	10,796		
Transit Fund	530-50700-7728	2,399		
Whale Rock Fund	640-55500-7728	4,318		
<b>Total Costs</b>		<b>87,445</b>	<b>429,184</b>	<b>307,765</b>

\*Debt Service cost represents retrospective adjustment amount apportioned to the General Fund.

## LEISURE, CULTURAL & SOCIAL SERVICES

### SANTA ROSA SKATE PARK MAINTENANCE AND OPERATIONS

**Summary of Change:** Construction of the Santa Rosa Skate Park in 2014-15 will require additional operational support and contract service maintenance. Funding for operations will provide for additional programming of the skate park to accommodate community festivals, farmers markets, music concerts and events that are anticipated for the new facility. Funding of maintenance will provide for necessary maintenance of the expanded skate park to provide a safe, functional, and clean facility for all community users.

**Fiscal Impact:** Ongoing cost of \$12,800 in 2014-15 and \$41,400 in 2015-16.

**Service Level Impact:** Provide maintenance and operational support for the Major City Goal to construct the Skate Park, to provide a safe, clean, and properly maintained facility to protect the health and safety of users.

#### KEY OBJECTIVES

1. Provide maintenance for the Major City Goal to construct the Skate Park as approved.
2. Provide a safe, clean, and properly maintained facility to protect the health and safety of users

#### EXISTING SITUATION: FACTORS DRIVING THE NEED FOR CHANGE

1. The construction of bowl type amenities at the park will require pumping equipment to remove accumulated water in the bowls. The equipment will need regular maintenance to ensure proper operation.
2. The construction of other amenities and stormwater facilities will create both new hardscape and landscape requiring regular detailed maintenance. Additional landscaping is planned for the community plaza, the amphitheater, and the storm flow facilities. These landscape features require more time intensive maintenance than the displaced turf areas.
3. Due to the expansion of the skate park, additional lighting of the park and public art will be needed. The anticipated increase in park programming and night use at the park will result in increased electrical use. Electrical rates are set annually by PG&E.
4. Santa Rosa Park currently houses a smaller skate area with temporary/portable equipment and ramps. This area is fenced and receives minimal attention for maintenance. Adjacent areas are turf, and receive only periodic mowing and watering. The construction of a new, state of the art skate facility and public art, as approved by Council, is anticipated to serve as a new community hub and draw additional users to the park and plaza. With a higher volume of recreational users, an increase in trash generation, maintenance, and repairs and vandalism (such as broken equipment and graffiti) is anticipated.
5. The urban portion of the new skate park (currently turf) will consist of concrete flatwork and will necessitate ongoing and routine cleaning to remove accumulated debris, trash, graffiti removal, and repair of any damage to provide for a safe and clean skating environment.
6. It is anticipated with the construction of a new state of the art skate facility and public art that additional users will be utilizing the skate park facilities, amphitheater and plaza. With a higher volume of recreational users, additional programming support will be needed to facilitate marketing and managing these events, such as community festivals, farmers markets, concerts, contract classes, summer camps and skate competitions. In accordance with Council approved cost recovery policies, a portion of these anticipated expenditures will be off-set by Department revenues collected by users through facility use permits and contract classes. The contract classes programming valuation, as shown below, is a net increase after estimated revenue increases. Staff will continue to seek and leverage local business and retail outlet sponsorships in support of a need for substantial increased programming. The proposed modest operating budget increase of \$5,000 annually is projected to support the significant increases anticipated in facility programming.



# LEISURE, CULTURAL & SOCIAL SERVICES

## SANTA ROSA SKATE PARK MAINTENANCE AND OPERATIONS

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### GOAL AND POLICY LINKS

1. Council Goals: Complete construction of a skate park.
2. The program goal is safe, useful, and attractive parks and landscaped areas.

### PROGRAM WORK COMPLETED

Staff has completed an assessment of the ongoing maintenance needs using published maintenance management standards and guidelines, including *Operational Guidelines for Grounds Management ISBN:1-890956-20-1*, and *Park Maintenance Standards ISBN: 0-92581-11-8*, in conjunction with information from agencies with similar sized facilities, and local experience. These were used to estimate additional service time needed for the new facilities, anticipated to be completed via contract services. Similarly utility adjustments were estimated using electrical costs for the existing hockey rink, and reduced water needs representing the reduction in turf. Reductions in regular maintenance due to reduced mowing are anticipated to be minimal and will be applied to contract service oversight.

### ENVIRONMENTAL REVIEW

No environmental review required

### PROGRAM CONSTRAINTS AND LIMITATIONS

No significant project constraints, limitations, or environmental review requirements.

### STAKEHOLDERS

Skate Park users are the key stakeholder in the community. Maintenance funding will provide for a safe and functional facility for their use.

### IMPLEMENTATION

Task	Date
1. Skate Park Construction Completion	Dec – 2014
2. Begin Increased Lighting	Dec – 2014
3. Begin Landscape Maintenance & Trash / Debris / Graffiti Removal	Jan – 2015
4. Begin Additional Marketing and programming of skate park facilities	Jan – 2015
5. Begin Pump Preventive Maintenance	June – 2015
6. Annual Programming and Maintenance	Ongoing

### KEY PROGRAM ASSUMPTIONS

The assumptions are that the existing skate park is an indicator as to the level of care that may be expected from the users of the new facility. Assumptions take into account the additional hardscape, anticipated increased trash and vandalism, typical pump maintenance requirements, and use standards for projecting the estimated maintenance effort required and expanded utility costs. Approximately 1,000 hours of additional labor are projected to be needed for a variety of maintenance services. Levels of service were assumed to vary through the year, with the summer months experiencing higher service levels for most items, and pump maintenance higher during the wet season. Lighting use is assumed to double from the existing hockey rink use. This is a different type of use and user, and lighting needs may be higher.

# LEISURE, CULTURAL & SOCIAL SERVICES

## SANTA ROSA SKATE PARK MAINTENANCE AND OPERATIONS

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A minor decrease in water use for turf is accounted for in the assumptions; however, staff time for mowing translates to only one hour a month, which will be needed to support and oversee contract service operations.

It is assumed that the new skate park facility will draw a higher volume of recreational users. Additional programming support will be needed to facilitate this increase to skate park marketing and events program management (events to include community festivals, farmers markets, concerts, contract classes, summer camps and skate competitions).

The estimated revenue increases are based on the City's current fee structure for contract class instruction and facility use permits. Currently, there are no fees set for the skate park facility and users. This revenue estimation assumes that proposed fees for the new skate park facility will be considered as part of the City's Master Fee Schedule update.

### **PROGRAM MANAGER AND TEAM SUPPORT**

#### ***Program Manager:***

Park Maintenance Supervisor (Public Works)  
Community Services and Events Supervisor (Parks & Recreation)

#### ***Project Team:***

The Public Works and Parks & Recreation Departments will work together to fully support and assist in implementing the maintenance and special event efforts.

#### ***Alternatives:***

1. ***Change the Scope of Request.*** The maintenance proposed is standard mid-level maintenance for these types of facilities and includes maintenance required for new landscaping and regular debris removal in consideration of user safety.
2. ***Implementation in a Different Way.*** Use of part-time staff to perform this function is not recommended due to the variety of duties, including general cleanup contract services for trash and debris, graffiti removal, landscape maintenance, and pumping system servicing and testing.

### **OPERATING PROGRAMS**

50200 – Park and Landscape Maintenance (Public Works)  
60280 – Community Services and Events (Parks & Recreation)

# LEISURE, CULTURAL & SOCIAL SERVICES

## SANTA ROSA SKATE PARK MAINTENANCE AND OPERATIONS

### COST SUMMARY

Line Item Description	Account No.	2014-15	2015-16
<b>Staffing</b>		<b>0</b>	<b>0</b>
<b>Contract Services</b>		<b>11,500</b>	<b>37,600</b>
Skate Park Trash / Debris / Graffiti Removal	100.50200.7227	6,000	12,400
Skate Park Sump Pump Maintenance	100.50200.7227	500	13,600
Skate Park Landscape Maintenance	100.50200.7257	4,000	9,600
Contractor Labor (Contract Classes/Programming)	100.60280.7225	1,000	2,000
<b>Other Operating Expenditures</b>		<b>2,300</b>	<b>4,800</b>
Operating Materials & Supplies	100.50200.7843	400	1,000
Electric Utility	100.50200.7605	400	800
Special Events Supplies	100.60280.7891	1,500	3,000
<b>Minor Capital</b>		<b>0</b>	<b>0</b>
<b>Total Operating Costs</b>		<b>13,800</b>	<b>42,400</b>
<b>Offsetting Cost Savings</b>			
Water Utility	100.50200.7603	(1,000)	(1,000)
<b>Net Operating Costs</b>		<b>12,800</b>	<b>41,400</b>
<b>Anticipated General Fund Revenues</b>			
Instruction Fees*	100.45620	500	1,000
Outdoor Rental & Use Fees*	100.45644	500	1,000
<b>Anticipated Total Revenues</b>		<b>1,000</b>	<b>2,000</b>

\*Currently, there are no fees set for the skate park facility and users. Proposed fees will be considered as part of the City's Master Fee Schedule update anticipated in July 2014.

# TRANSIT

## BUS PASS SALES AGREEMENT WITH SLORTA

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**Summary of Change:** Through the sales of bus passes for the county transit system, local riders will be able to use the revenue division's front counter as a one-stop shop to obtain their passes while they do business with the city.

**Fiscal Impact:** This agreement would provide reimbursements to the City of approximately \$25,000 per year. All costs associated with credit card transactions will also be paid by the County through this agreement.

**Service Level Impact:** If approved, staff will return with an agreement that would allow the City to begin sales of bus passes for SLORTA and receive reimbursements of up to \$25,000 per year. This will make the revenue division, located in the basement of City Hall a one-stop shop for patrons of the county's transit system who also are customers of the City's utility system and wish to make their payments in person.

### KEY OBJECTIVES

1. If approved, this request will make the City's revenue division counter a one-stop shop for citizens looking to pay bills and obtain bus passes, by making passes from the County's bus system available. The City will obtain a fee from the sale of the passes in order to compensate for the staff time spent on each sale.
2. Patrons of the county's transit system will be able to obtain passes at the City's front counter while paying for other fees owed to the City.

### EXISTING SITUATION: FACTORS DRIVING THE NEED FOR CHANGE

The County has approached the City with a request to become the vendor of SLORTA bus passes in the downtown area. The County plans to discontinue sales at the County building. Making the passes available at the front counter will create convenience for city business owners and utility customers who would like to obtain their bus passes while attending to other city business at the front counter. The initial agreement is for a 12 month pilot period and is cancelable with 60 days advance notice.

### GOAL AND POLICY LINKS

This opportunity meets the objective of the major city goal to sustain essential services and fiscal health by providing an opportunity to increase revenues. This will be accomplished through the City receiving a fee from the sale of each bus pass and also for the preparation of monthly reports to the county on the bus pass sales activity.

### PROGRAM WORK COMPLETED

Staff has questioned county staff and observed the business transactions currently handled at the county's offices. They find that the workload is manageable and the clientele is similar to the current customer traffic that is served by the revenue division.

### ENVIRONMENTAL REVIEW

There are no environmental issues that require study or mitigation related to this request.

### PROGRAM CONSTRAINTS AND LIMITATIONS

There are no known constraints that would limit the implementation of this service unless the SOPC request for additional temporary staffing is denied. In that case, the current workload and requirement for additional staff time to be spent focused on training activities would not allow for this service request to be manageable at this time.

# TRANSIT

## BUS PASS SALES AGREEMENT WITH SLORTA

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### STAKEHOLDERS

With the county providing the required advertising to alert the public about the sales location change, the affected stakeholders (county transit patrons) will not be inconvenienced since the current sales location is only a block away from City Hall.

### IMPLEMENTATION

When will the change be implemented? What implementation steps are necessary? (This may be best shown as a chart – see below.)

Task	Date
1. Contract approval	June 2014
2. Setup, training and advance advertising	July 2014
3. Sales start	August 2014

### KEY PROGRAM ASSUMPTIONS

The county's proposed agreement provides for a fixed fee for each bus pass sold and this has been found to be adequate to cover the cost of managing the sales program. With the support of the temporary position that has been requested during the next fiscal year, there will be adequate staff support to administer the sale of the bus passes with no negative impact on the revenue division's ability to serve its customers in a timely manner.

### PROGRAM MANAGER AND TEAM SUPPORT

The Supervising Accounting Assistant will oversee this function with the help and support of the revenue division staff.

The Transit Department analyst will handle the monthly recap reporting of sales transactions. The Deputy Public Works Director has reviewed this request and concurs with its implementation.

#### *Alternatives:*

1. ***Continue the Status Quo.*** If this request is not approved, the county will find another outlet for the bus pass sales or will continue sales at their present location.
2. ***Defer or Re-Phase the Request.*** This request can be deferred for an indefinite period.
3. ***Change the Scope of Request.*** The nature of the request is such that there is only one implementation mode – sell passes or do not sell passes.
4. ***Implementation in a Different Way.*** This request is tied to another SOPC request to add temporary staffing but is not a direct request for staffing in itself. Should the temporary staff position be eliminated and no other arrangements for staffing are made in the future, the agreement can be terminated with proper notice to the county.
5. ***Existing Program Evaluation.*** This request does not seek to add additional staffing.

# TRANSIT

## BUS PASS SALES AGREEMENT WITH SLORTA

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### OPERATING PROGRAM

Revenue Management

### COST SUMMARY

This request carries no cost implications that would increase the current budget for 2014-15 or later years. The proposed agreement provides reimbursement to the City from the sales of bus passes and an amount intended to fund the cost of providing monthly reports on the sales of the passes.

Line Item Description	Account No.	2013-14	2014-15
<b>Staffing</b>		<b>0</b>	<b>0</b>
<b>Contract Services</b>		<b>0</b>	<b>0</b>
<b>Other Operating Expenditures</b>		<b>0</b>	<b>0</b>
<b>Minor Capital</b>		<b>0</b>	<b>0</b>
<b>Total Operating Costs</b>		<b>0</b>	<b>0</b>
<i>Offsetting Costs Savings or Revenues</i> (Enter as a negative number. If there are none, delete this row in the table.)			(25,000)
<b>Net Operating Costs</b>		<b>0</b>	<b>(25,000)</b>

# HUMAN RESOURCES ADMINISTRATION

## CREATION OF AN EMPLOYEE DEVELOPMENT AND LEADERSHIP PROGRAM

**Summary of Change:** The requested funding will support the creation and implementation of an employee development and leadership program. The City will utilize a proven program developed by the Centre for Organizational Effectiveness to improve workforce readiness by developing the core public sector competencies of City employees. The result will be a workforce that is prepared to accommodate job transitions and turn-over in an efficient and effective manner, which is an acute need of the organization given that 48% of the City's workforce is over the age of 45.

**Fiscal Impact:** One-time costs of \$170,000 committed in 2014-15. It is expected that these costs will be incurred over the next two years.

**Service Level Impact:** Creating an employee development and leadership program by partnering with the Centre for Organization Effectiveness will help the City address workforce reliability issues in that it will provide a City-wide foundation of established public sector competencies and supportive training to ensure staff has the skills and abilities necessary to efficiently and effectively serve the community. The City experiences an average employee turnover of approximately 8% per year.

In the absence of a formal coordinated City-wide development program, individuals and departments are left to identify development and knowledge transfer opportunities as time and resources allow, resulting in less than seamless transitions and a lack of universal general and specific competencies to prepare employees for job transitions. The identified employee development and leadership program provides a "one-stop shop" or managed approach and a completely integrated program, thus reducing administrative time associated with duplicative or competing employee development programs. Training to develop proven public sector competencies will be offered for all employees, with additional focus on preparation for employees considering supervisory roles, and training and development of supervisors, managers, and department heads.

### KEY OBJECTIVES

1. Provide a "one-stop shop", comprehensive, integrated employee development and leadership program to ensure the City is preparing the next generation of employees to seamlessly continue quality service to the community.
2. Establish public sector management and leadership competencies (the measurable and observable knowledge, skills, abilities, and behaviors critical to successful job performance) that can be applied and integrated into other human resources systems such as recruitment, classification, and performance management.
3. Identify measures of success including training session assessments, pre-and post-program assessments, anecdotal evidence regarding productivity, problem solving, service, and collaboration, and specified program outcomes linked to organizational performance.
4. Increase knowledge transfer within the organization resulting in more seamless staff transitions and improved performance.
5. Acknowledge employees that want to transition into positions with increased roles and responsibilities, and prepare them to make changes when opportunities arise.
6. Training employees well enough so that they can advance their careers at the City of San Luis Obispo.

### EXISTING SITUATION: FACTORS DRIVING THE NEED FOR CHANGE

In 2007, the City held a Study Session for Council titled Succession Planning: Preparing the Next Generation. Dr. Frank Benest, now the former City Manager of Palo Alto, spoke about the demographic crisis threatening local government's ability to perform. In 2006, 52% of the City's full and part-time regular (not temporary workers) workforce was over the age of 45, signifying a critical need to prepare the next "generation" of employees to take on

# HUMAN RESOURCES ADMINISTRATION

## CREATION OF AN EMPLOYEE DEVELOPMENT AND LEADERSHIP PROGRAM

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new roles and to ensure that new employees are quickly integrated into the organization. As a result of the Study Session, in 2007 the City launched a succession planning committee focused on efforts to support critical issues such as knowledge transfer, cross-training, constructive performance input and goal setting, and effective recruitment and selection. The committee continues today and has made progress in many areas: a) hosting lunch and learns to promote knowledge of employee career progression and history, b) promoting employee spotlights that hi-lite the talents and behaviors of fellow employees that are valued by the City organization and community, c) updating a Performance Appraisal Guide and conducting training for all supervisors and managers on effective performance appraisals, d) providing examples of knowledge transfer methods to encourage individuals to document critical knowledge of jobs, key contacts, work methods, systems requirements, etc. prior to retirement, and, e) encouraging free or low-cost employee development through the International City Managers Association (ICMA) coaching webinars and participation in the Municipal Managers Association of Southern California (MMASC) Central Coast affiliation.

While the efforts of the Succession Planning Committee is admirable considering it is all done in addition to the demands of their regular positions, the City still lacks an integrated, ongoing, employee development program. Consequently, departments support a wide variety of proven and unproven training and development efforts without common goals and objectives and varying degrees of success. Further, the City's demographics have not changed significantly in the past 7 year since Dr. Benest spoke to Council. Today 48% of the City's regular employees are over the age of 45; thus the concern about losing employees with long length of service and considerable knowledge remains and must be addressed as the expectations and complexity of public service continues to increase.

### **GOAL AND POLICY LINKS**

City of San Luis Obispo Organizational Values including service, communication, team players, initiative and accountability, innovation and flexibility, employee development and recognition, and stewardship and ethics. These values are very similar to the public sector competencies identified by the Centre as the foundation for their training academies.

### **PROGRAM WORK COMPLETED**

In October 2013, the County of San Luis Obispo issued a Request for Proposal (RFP) for vendors to provide employee development and consultant services as part of their succession planning and employee university efforts. The County requested that the City Human Resources Director participate in interviewing and evaluating the two final proposals received along with a County Employee University Advisory Committee. Through this process the Committee recommended the County move forward with a more detailed proposal from the Centre for Organizational Effectiveness. The County and City Human Resources Directors discussed potential collaborative opportunities and economies of scale that would occur if the County and City used the same vendor to provide employee and leadership development. The County had a budget for an employee development program while the City did not. Therefore, in February 2014 as part of the mid-year budget report, staff requested authorization of \$100,000 from one-time money above the policy reserve level for an employee and leadership development program. While Council did not approve this allocation of resources, they did indicate interest in understanding a more "fleshed-out" proposal for an employee development and leadership program and more detailed costs.

The County moved forward and received authorization from the Board of Supervisors to enter into a three-year contract with the Centre for Organization Effectiveness on May 6, 2014. City staff (primarily the Director of Human Resources and a subcommittee of department heads) has worked with the Centre to provide a more detailed proposal on which this SOPC is based. The Centre for Organization Effectiveness can tailor the program as much or as little as the City would like. The Centre's fundamental three step approach is: Assess, Develop, and Inspire. The following are examples of key components under each step of the program:



# HUMAN RESOURCES ADMINISTRATION

## CREATION OF AN EMPLOYEE DEVELOPMENT AND LEADERSHIP PROGRAM

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1. **Assess:** Welcome participants into the program, and identify specific areas for development as well as key performance factors through use of an employee engagement survey and/or needs assessment and reports, review and refinement of core public sector competencies, and a 360° feedback and development tool.
2. **Develop:** Initiate key components of the program including classroom and experiential training, guest speakers, group projects, individual development plans, and additional assessments.
3. **Inspire:** Applying the skills and knowledge back in the workplace through ongoing individual development planning and continued collaboration both within the City organization and with counterparts in the County organization. The Centre uses a continuous improvement model that is designed to continually refine and adjust program elements to best meet the needs of the participants. Each session is evaluated as is the overall program to ensure objectives are met.

Upon approval of this funding, staff would work with the Centre for Organization Effectiveness to further refine the proposal and negotiate a contract. Staff anticipates returning to Council for authorization of that contract in August 2014.

### ENVIRONMENTAL REVIEW

No environmental review is required.

### PROGRAM CONSTRAINTS AND LIMITATIONS

Employee participation will be key to the success of this program. The implementation schedule was developed to avoid conflicts with large interdepartmental projects such as development of the 2015-17 financial plan. Continued coordination with department heads will be critical to ensure work is appropriately prioritized and participants are allowed to attend scheduled training. Current interdepartmental projects lend themselves to be part of the experiential learning approach to the supervision and management academies and are expected to result in immediate efficiencies.

Human Resources will take the lead on coordinating this program. It is difficult to anticipate the staff time required to do this effectively. Initially, staff recommends authorizing the transfer of the current 2014-15 Human Resources budget for training of \$10,000 to temporary staff salaries so that temporary help may be hired if needed to augment current Human Resources staffing. Existing tasks would be assigned to a temporary employee if needed to free up Human Resources staff time to assist in program coordination.

### STAKEHOLDERS

All employees and the community members they serve.

### IMPLEMENTATION

The following is a tentative timeline that may be adjusted slightly based on the needs of the organization and schedules of the consultants. Staff anticipates entering into a minimum of a two-year agreement with the Centre for Organization Effectiveness and phasing-in the key program elements. Thus, the payment schedule is not completely clear at this time, but any unexpended funds would be encumbered for future payments as needed.

# HUMAN RESOURCES ADMINISTRATION

## CREATION OF AN EMPLOYEE DEVELOPMENT AND LEADERSHIP PROGRAM

Task	Date
1. Negotiate contract with Centre for Organization Effectiveness and bring to Council for approval.	August 2014
2. Program development and refinement.	August–December 2014
3. Engagement Survey/Needs Assessment to determine specific trainings.	October 2014
4. Competency Development/Refinement.	August–September 2014
5. Executive Program (one day) and 360° Competency Instrument for Department Heads.	October–November 2014
6. All Employee Program Kick-Off.	January 2015
7. Supervisors Transition and Readiness Training (two days).	February 2015
8. Targeted Competency Development Training for all employees (two, ½ days).	February–April 2015
9. Supervisory Academy (2, two-day sessions and a one-day session).	August – October 2015
10. Manager Academy (3, two-day sessions) and 360° Competency Instrument.	September–November 2015
11. Vertical Integration Session to ensure skills are used in the organization.	December 2015

### KEY PROGRAM ASSUMPTIONS

The Centre for Organization Effectiveness is willing to tailor the employee development and leadership program as much as desired by the City. The costs estimated in this proposal anticipate limited customization. Additional, tailoring would likely require additional resources.

There is an assumption that because the County of San Luis Obispo has entered into a contract with the Centre for Organization Effectiveness that travel will be coordinated between the consultants and the two agencies, thus the current proposal reflects reduced travel costs. If for some reason, sessions cannot be coordinated, costs may increase slightly.

Further, there is an assumption that at some point, likely in the second year of the City’s program, the opportunity to collaborate more fully with the County will arise in that employees from the City and County may participate together in Supervisor and/or Manager cohorts.

### PROGRAM MANAGER AND TEAM SUPPORT

#### *Program Manager:*

Monica Irons, Human Resources Director

#### *Project Team:*

A steering committee of the Community Development Director, Fire Chief, Parks and Recreation Director, and Utilities Director reviewed an initial proposal from the Centre for Organization Effectiveness and supported this request for funding of their proposed employee development and leadership program. The steering committee will continue to work in partnership with Human Resources staff, the City’s Succession Planning Committee, and staff at the Centre to develop, implement, and monitor the program.

#### *Alternatives:*

1. **Continue the Status Quo.** Currently the Human Resources Administration budget has approximately \$10,000 for City-wide training and development programs. Not only is this insufficient to provide the caliber of training proposed by the Centre for Organization Effectiveness, the Human Resources Department does not have the staff or expertise to develop similar programs.

# HUMAN RESOURCES ADMINISTRATION

## CREATION OF AN EMPLOYEE DEVELOPMENT AND LEADERSHIP PROGRAM

2. *Defer or Re-Phase the Request.* Initially, staff anticipated conducting supervisory and management academies during fiscal year 2014-15, requiring more funding in that year. However, with the development of the two year financial plan occurring at roughly the same time as the anticipated supervisory and management academies, staff felt the organization would not have the capacity to do both concurrently. Alternatively, Council could request that the program is rolled out more slowly, thus deferring costs over a longer period of time. This is not recommended because the program is designed to fully integrate the new skills into the organization by requiring participants to work on “real-life” projects throughout the academies and using other tools to ensure the skills are vertically integrated into the organization. With long gaps between the trainings, the risk is that the skills won’t be applied and encouraged in the organization and therefore, will not be as effective.

### OPERATING PROGRAM

Human Resources Administration

#### COST SUMMARY

Line Item Description	Account No.	2014-15	2015-16
<b>Staffing</b>		<b>10,000</b>	<b>0</b>
Temporary Staffing	100-30100-7014	10,000	
<b>Contract Services</b>		<b>170,000</b>	<b>0</b>
Employee Development and Leadership Training	100-30100-7227	170,000	
<b>Other Operating Expenditures</b>		<b>0</b>	<b>0</b>
<b>Minor Capital</b>		<b>0</b>	<b>0</b>
<b>Total Operating Costs</b>		<b>180,000</b>	<b>0</b>
<i>Reduction of training budget</i>	100-30100-7459	(10,000)	
<b>Net Operating Costs</b>		<b>170,000</b>	<b>0</b>



Section D  
CAPITAL IMPROVEMENT PLAN



# CAPITAL IMPROVEMENT PLAN

## OVERVIEW

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### INTRODUCTION

All of the City's construction projects and equipment purchases costing \$25,000 or more are included in the Capital Improvement Plan. (Minor capital outlays costing less than \$25,000 are included with the operating program budgets.)

Through the Capital Improvement Plan (CIP), the City systematically plans, schedules and finances capital projects to ensure cost-effectiveness and conformance with established policies. Comprehensive policies governing the development and management of the CIP are set forth in the Policies and Objectives section of the Financial Plan (capital improvement management; capital financing and debt management).

The CIP is a five year plan organized into the same six functional groupings used for the operating programs:

1. Public Safety
2. Public Utilities
3. Transportation
4. Leisure, Cultural & Social Services
5. Community Development
6. General Government

### ORGANIZATION

The CIP section of the "parent" 2013-15 Financial Plan is composed of six parts:

1. Overview introducing the CIP and describing project types, phases and financing.
2. Summary of CIP expenditures by function and operation.
3. Summary of CIP expenditures by funding source.
4. Listing of all CIP projects by function providing the project title, phase (study, environmental review, design, real property acquisitions, site preparation, construction, construction management and equipment acquisitions), project cost and schedule.
5. Listing of all CIP projects by funding source.

6. Project description summaries.

### APPENDIX B: CIP PROJECTS

**2013-18 CIP Project Detail.** The CIP information provided in the "parent" 2013-15 Financial Plan is based on the project detail provided in the *Capital Improvement Plan*.

In addition to summary information, the Capital Improvement Plan includes the following for each CIP project:

- Function
- Request title
- CIP project description
- Link to Council Goals and/or Measure Y
- Need and urgency
- Readiness to build
- Environmental review and permits required
- Operating program related to the request
- Project phasing and funding sources
- Details of ongoing costs
- Alternatives
- Project manager and team support
- Site list (if applicable)
- Location map/schematic design (if applicable)

Also included in the Capital Improvement Plan is summary documentation for CIP projects proposed for 2013-18.

### FINANCIAL PLAN SUPPLEMENT

The following schedules have been included in this document as a supplement to the 2013-15 Financial Plan CIP:

1. Summary of CIP expenditures by function
2. Summary of CIP expenditures by funding source
3. Listing of CIP Projects by Function
4. Listing of CIP Projects by Fund

# CAPITAL IMPROVEMENT PLAN

## SUMMARY OF CIP EXPENDITURES BY FUNCTION

	2013-15 Financial Plan		Revised 2015-16	Revised 2016-17	Revised 2017-18
	Current 2013-14	Revised 2014-15			
<b>PUBLIC SAFETY</b>					
Police Protection	1,516,769	561,800	203,200	211,000	101,500
Fire & Environmental Safety	799,161	81,700		99,400	65,600
<b>Total Public Safety</b>	<b>2,315,930</b>	<b>643,500</b>	<b>203,200</b>	<b>310,400</b>	<b>167,100</b>
<b>PUBLIC UTILITIES</b>					
Water Services	4,574,023	2,507,630	2,836,600	2,621,000	1,880,000
Wastewater Services	22,023,581	4,652,200	3,256,700	62,476,400	1,565,000
Whale Rock Reservoir	548,200	75,000	65,800	34,300	
<b>Total Public Utilities</b>	<b>27,145,804</b>	<b>7,234,830</b>	<b>6,159,100</b>	<b>65,131,700</b>	<b>3,445,000</b>
<b>TRANSPORTATION</b>					
Streets	5,408,688	2,036,100	1,514,300	2,320,000	2,516,700
Pedestrian & Bicycle Paths	2,820,798	1,556,421	575,000	273,500	230,000
Creek & Flood Protection	4,300,110	540,000	7,793,000	645,600	3,301,500
Parking	2,197,800			27,100	23,600,000
Transit	1,052,933	484,900	874,000	31,300	31,300
Transportation Management	-	23,610,000	833,000	635,000	123,000
<b>Total Transportation</b>	<b>15,780,329</b>	<b>28,227,421</b>	<b>11,589,300</b>	<b>3,932,500</b>	<b>29,802,500</b>
<b>LEISURE, CULTURAL &amp; SOCIAL SERVICES</b>					
Parks & Recreation	4,256,671	932,000	495,400	835,800	561,800
<b>Total Leisure, Cultural &amp; Social Services</b>	<b>4,256,671</b>	<b>932,000</b>	<b>495,400</b>	<b>835,800</b>	<b>561,800</b>
<b>COMMUNITY DEVELOPMENT</b>					
Natural Resource Protection	457,629	550,000	200,000	550,000	200,000
Community Facilities	2,310,729	148,200			
Construction Regulation		31,000	58,400	54,000	27,200
<b>Total Community Development</b>	<b>2,768,358</b>	<b>729,200</b>	<b>258,400</b>	<b>604,000</b>	<b>227,200</b>
<b>GENERAL GOVERNMENT</b>					
Information Technology	682,842	1,014,200	71,100	73,000	970,700
Buildings	514,527	484,000	76,600	38,200	479,900
Fleet Management	109,546	132,000	67,800	68,800	
<b>Total General Government</b>	<b>1,306,915</b>	<b>1,630,200</b>	<b>215,500</b>	<b>180,000</b>	<b>1,450,600</b>
<b>TOTAL</b>	<b>\$53,574,007</b>	<b>\$39,397,151</b>	<b>\$18,920,900</b>	<b>\$70,994,400</b>	<b>\$35,654,200</b>

# CAPITAL IMPROVEMENT PLAN

## SUMMARY OF CIP EXPENDITURES BY FUND & FUNDING SOURCE

	2013-15 Financial Plan				
	Current* 2013-14	Revised 2014-15	Revised 2015-16	Revised 2016-17	Revised 2017-18
<b>GENERAL PURPOSE CIP</b>					
Reserve Balance	1,593,894	925,500	35,400		
General Fund Contribution	5,535,900	2,285,700	3,198,500	3,061,600	3,226,600
State and Federal Grants	5,524,419	16,289,400	6,586,000		2,500,000
<b>Total General Purpose CIP</b>	<b>12,654,213</b>	<b>19,500,600</b>	<b>9,819,900</b>	<b>3,061,600</b>	<b>5,726,600</b>
<b>INFORMATION TECHNOLOGY REPLACEMENT FUND</b>					
Reserve Balance	156,100	43,900			35,400
Other Fees	27,947				
General Fund Contribution	565,500	967,100	41,200	41,200	768,200
Debt Financing	693,000				
<b>Total IT Replacement Fund</b>	<b>1,442,547</b>	<b>1,011,000</b>	<b>41,200</b>	<b>41,200</b>	<b>803,600</b>
<b>MAJOR FACILITY REPLACEMENT FUND</b>					
General Fund Contribution	<b>656,300</b>	551,400	<b>345,000</b>	<b>480,000</b>	<b>780,000</b>
Reserve Balance		196,400			
<b>Total</b>		<b>747,800</b>			
<b>FLEET REPLACEMENT FUND</b>					
Reserve Balance	991,195	199,600		513,900	61,000
General Fund Contribution	411,360	532,600	448,700	532,600	732,600
Interest Income	16,000	16,000			
Debt Financing	548,351				
<b>Total Fleet Replacement Fund</b>	<b>1,966,906</b>	<b>748,200</b>	<b>448,700</b>	<b>1,046,500</b>	<b>793,600</b>
<b>LAW ENFORCEMENT BLOCK GRANT</b>					
<b>Federal Grants</b>	<b>1,722</b>				
<b>PARKLAND DEVELOPMENT FUND</b>					
Reserve Balance	907,010				
Parkland Dev. In-Lieu Fees	92,900				
<b>Total IT Replacement Fund</b>	<b>999,910</b>				
<b>COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUND</b>					
<b>Federal Grants</b>	<b>1,062,300</b>	<b>262,121</b>	<b>85,000</b>	<b>85,000</b>	<b>85,000</b>
<b>TRANSPORTATION IMPACT FEE (TIF) FUND</b>					
Reserve Balance	1,875,190		708,000	540,000	48,000
Transportation Impact Fees	910,000				
Debt Proceeds		7,500,000			
State and Federal Grants		1,234,000			
<b>Total TIF Fund</b>	<b>2,785,190</b>	<b>8,734,000</b>	<b>708,000</b>	<b>540,000</b>	<b>48,000</b>
<b>PUBLIC ART FUND</b>					
Reserve Balance	321,600				
Public Art Fees	102,600				
General Fund	80,700				
<b>Total Public Art Fund</b>	<b>504,900</b>				

# CAPITAL IMPROVEMENT PLAN

## SUMMARY OF CIP EXPENDITURES BY FUND & FUNDING SOURCE

	2013-15 Financial Plan		Revised 2015-16	Revised 2016-17	Revised 2017-18
	Current* 2013-14	Revised 2014-15			
<b>AFFORDABLE HOUSING FUND</b>					
Reserve Balance	22,000				
In-lieu fees	658,000				
General Fund					
<b>Total Open Space Protection Fund</b>	<b>680,000</b>				
<b>OPEN SPACE PROTECTION FUND</b>					
Reserve Balance	62,934				
Service Charges	25,500				
General Fund	200,000	200,000	200,000	200,000	200,000
Grants	125,000	350,000		350,000	
<b>Total Open Space Protection Fund</b>	<b>413,434</b>	<b>550,000</b>	<b>200,000</b>	<b>550,000</b>	<b>200,000</b>
<b>WATER ENTERPRISE FUND</b>					
User fees	4,574,023	2,546,130	2,836,600	2,621,000	1,935,700
<b>SEWER ENTERPRISE FUND</b>					
Reserve Balance				9,000,000	
User fees	22,023,581	4,707,900	3,496,700	2,926,400	1,620,300
Debt Financing				50,550,000	
<b>Total Sewer Enterprise Fund</b>	<b>22,023,581</b>	<b>4,707,900</b>	<b>3,496,700</b>	<b>62,476,400</b>	<b>1,620,300</b>
<b>PARKING ENTERPRISE FUND</b>					
Service Charges	2,197,800	17,200		27,100	6,015,700
Debt Financing					17,600,000
<b>Total Parking Enterprise Fund</b>	<b>2,197,800</b>	<b>17,200</b>		<b>27,100</b>	<b>23,615,700</b>
<b>TRANSIT ENTERPRISE FUND</b>					
Transportation Development Act	321,993	340,580	175,540		14,400
Grants	731,000	156,620	698,460	31,300	31,300
<b>Total Transit Enterprise Fund</b>	<b>1,052,993</b>	<b>497,200</b>	<b>874,000</b>	<b>31,300</b>	<b>45,700</b>
<b>LOS OSOS VALLEY ROAD SUB-AREA FEE FUND</b>					
Reserve Balance	5,179				
Service Charges/Fees	4,800				
	<b>9,979</b>				
<b>WHALE ROCK COMMISSION</b>					
Service Charges/Fees	548,200	75,000	65,800	34,300	
<b>TOTAL</b>	<b>\$53,574,007</b>	<b>\$39,397,151</b>	<b>\$18,920,900</b>	<b>\$70,994,400</b>	<b>\$35,654,200</b>

\*Current year values reflect amounts rolled over from prior year appropriations for capital projects



# CAPITAL IMPROVEMENT PLAN

## PROJECT DETAIL BY FUNCTION - PUBLIC SAFETY

	2014-15 CIP		
	Adopted	Revised	Change
<b>POLICE PROTECTION</b>			
Audio Recording System Replacement	40,700	40,700	
Police Department Admin HVAC Repl.	172,300	160,000	(12,300)
Security Video System Replacement	55,500	55,500	
<i>Fleet Replacement</i>			
Police Marked Patrol Sedans	175,600	175,600	
Police Traffic Safety Motorcycles	62,400	62,400	
Police Unmarked Detective Vehicles	67,600	67,600	
<b>Total Police Protection</b>	<b>574,100</b>	<b>561,800</b>	<b>(12,300)</b>
<b>FIRE &amp; ENVIRONMENTAL SAFETY</b>			
Fire Station 2 Remodel of Dorms & Bathroom	27,800	27,800	
Hose Replacement	53,900	53,900	
<b>Total Fire &amp; Environmental Safety</b>	<b>81,700</b>	<b>81,700</b>	
<b>TOTAL PUBLIC SAFETY</b>	<b>\$655,800</b>	<b>\$643,500</b>	<b>(12,300)</b>

# CAPITAL IMPROVEMENT PLAN

## PROJECT DETAIL BY FUNCTION - PUBLIC UTILITIES

	2014-15 CIP		
	Adopted	Revised	Change
<b>WATER SERVICES</b>			
Air Compressor Replacements	130,000	130,000	
Distribution Pump Station Upgrades	50,000	50,000	
Reservoir Floating Cover Replacements	80,000	80,000	
Stenner Canyon Raw Waterline Repl.	100,000	100,000	
Water Distribution System Improvements	1,110,000	1,110,000	
Water Storage Reservoir Maintenance & Tank Replacement	360,000	360,000	
PRV Replacement		109,000	109,000
Monterey Street Waterline Replacement		391,430	391,430
<i>Fleet Replacement</i>			
Utilities Conservation Compact Pickup Trucks	24,300	24,300	
Water and Wastewater Portable Generators	152,900	152,900	
<b>Total Water Services</b>	<b>2,007,200</b>	<b>2,507,630</b>	<b>500,430</b>
<b>WASTEWATER SERVICES</b>			
Lift Station Replacements	900,000		(900,000)
Wastewater Collection System Improvements	1,205,000	1,582,000	377,000
Water Reclamation Facility Major Maintenance	360,000	360,000	
Water Reclamation Facility Upgrade	2,000,000	2,000,000	
<i>Fleet Replacement</i>			
Madonna Lift Station		520,500	520,500
Water and Wastewater Portable Generators	152,900	152,900	
WRF Service Body Truck	36,800	36,800	
<b>Total Wastewater Services</b>	<b>4,654,700</b>	<b>4,652,200</b>	<b>(2,500)</b>
<b>WHALE ROCK RESERVOIR</b>			
<i>Fleet Replacement</i>			
Valve Replacements		61,000	61,000
Utility Vehicle		14,000	
<b>Total Whale Rock Reservoir</b>		<b>75,000</b>	<b>75,000</b>
<b>TOTAL PUBLIC UTILITIES</b>	<b>\$6,661,900</b>	<b>\$7,234,830</b>	<b>572,930</b>

# CAPITAL IMPROVEMENT PLAN

## PROJECT DETAIL BY FUNCTION - TRANSPORTATION

	2014-15 CIP		Change
	Adopted	Revised	
<b>STREETS</b>			
Street Reconstruction & Resurfacing	1,174,300	1,174,300	
Traffic Sign Maintenance	40,000	40,000	
Downtown Renewal	525,000	525,000	
Prado Bridge Deck Overlay	180,000	180,000	
<i>Fleet Replacement</i>			
Street Maintenance Trucks	116,800	116,800	
<b>Total Streets</b>	<b>2,036,100</b>	<b>2,036,100</b>	
<b>PEDESTRIAN AND BICYCLE PATHS</b>			
Sidewalk Ramp Construction	105,000	113,921	8,921
Sidewalk Repairs	25,000	25,000	
Replacement of Lighted Crosswalks on Marsh & Higuera Streets	43,500	43,500	
Railroad Safety Trail - Taft to Pepper	1,234,000	1,234,000	
Bicycle Facility Improvements	100,000	100,000	
Bob Jones Trail Octagon Barn Connection	40,000	40,000	
<b>Total Pedestrian and Bicycle Paths</b>	<b>1,547,500</b>	<b>1,556,421</b>	<b>8,921</b>
<b>CREEK AND FLOOD PROTECTION</b>			
Silt Removal	90,000	90,000	
Storm Drain System Replacement	450,000	450,000	
<b>Total Creek and Flood Protection</b>	<b>540,000</b>	<b>540,000</b>	
<b>TRANSIT</b>			
Bus Stop Equipment Incl. Signage & Cameras	31,300		(31,300)
<i>Fleet Replacement</i>			
SLO Transit Buses	484,900	484,900	
<b>Total Transit</b>	<b>516,200</b>	<b>484,900</b>	<b>(31,300)</b>
<b>TRANSPORTATION MANAGEMENT</b>			
City Wayfinding Signs	65,000	65,000	
Los Osos Valley Road Interchange Improvements	23,005,000	23,500,000	495,000
Neighborhood Traffic Improvements	20,000	20,000	
Traffic Safety Improvement Projects	25,000	25,000	
<b>Total Transportation Management</b>	<b>23,115,000</b>	<b>23,610,000</b>	<b>495,000</b>
<b>TOTAL TRANSPORTATION</b>	<b>\$27,754,800</b>	<b>\$28,227,421</b>	<b>472,621</b>

# CAPITAL IMPROVEMENT PLAN

## PROJECT DETAIL BY FUNCTION - LEISURE, CULTURAL & SOCIAL SERVICES

	2014-15 CIP		Change
	Adopted	Revised	
<b>PARKS &amp; RECREATION</b>			
Downtown Tree and Sidewalk Replacements	40,000	40,000	
Mission Plaza Railing Upgrade	30,000	30,000	
Olympic Pool Replastering	310,000	310,000	
Pedestrian and Bicycle Pathway Maintenance	60,000	60,000	
Replace Park Pedestrian Lighting	60,000	60,000	
Restroom Replacement and Remodeling	50,000	50,000	
Sinsheimer Stadium Stair Replacement	120,000	120,000	
<i>Fleet Replacement</i>			
Parks Maintenance Equipment	32,700	32,700	
Parks Maintenance Pickup Trucks	130,500	130,500	
Ranger Program Pickup Truck	48,800	48,800	
Golf Course Mowers	50,000	50,000	
<b>Total Parks and Recreation</b>	<b>932,000</b>	<b>932,000</b>	
<b>TOTAL LEISURE, CULTURAL &amp; SOCIAL SERVICES</b>	<b>932,000</b>	<b>932,000</b>	

# CAPITAL IMPROVEMENT PLAN

## PROJECT DETAIL BY FUNCTION - COMMUNITY DEVELOPMENT

	2014-15 CIP		
	Adopted	Revised	Change
<b>NATURAL RESOURCES PROTECTION</b>			
Open Space Acquisition	550,000	550,000	
<b>Total Natural Resources Protection</b>	<b>550,000</b>	<b>550,000</b>	
<b>CONSTRUCTION REGULATION</b>			
<i>Fleet Replacement</i>			
Capital Engineering Pickup Trucks	31,000	31,000	
<b>Total Construction Regulation</b>	<b>31,000</b>	<b>31,000</b>	
<b>COMMUNITY DEVELOPMENT BLOCK GRANT</b>			
Homeless Shelter Design		25,000	25,000
Mission CSC		20,000	20,000
CAPSLO Shelter Design		100,000	100,000
313 South Street		3,200	3,200
		<b>148,200</b>	<b>148,200</b>
<b>TOTAL COMMUNITY DEVELOPMENT</b>	<b>\$581,000</b>	<b>\$729,200</b>	<b>148,200</b>

# CAPITAL IMPROVEMENT PLAN

## PROJECT DETAIL BY FUNCTION - GENERAL GOVERNMENT

	2014-15 CIP		
	Adopted	Revised	Change
<b>INFORMATION TECHNOLOGY</b>			
Capital Improvement Plan Project Management Software	175,000	175,000	
Document Management	14,200	14,200	
Microsoft Office Replacement	225,000	225,000	
Emergency Communication Center Computer Equipment	50,000	50,000	
Network Switching Infrastructure Repl.	550,000	550,000	
<b>Total Information Technology</b>	<b>1,014,200</b>	<b>1,014,200</b>	
<b>BUILDINGS</b>			
City Facility Parking Lot Maintenance	350,000	350,000	
City Hall Perimeter Drain Repair	40,000	40,000	
Facility Maintenance & Jack House Gazebo	94,000	94,000	
<b>Total Buildings</b>	<b>484,000</b>	<b>484,000</b>	
<b>FLEET MANAGEMENT</b>			
Mobile Equipment Lifts & Safety Stands	101,200	99,200	-2,000
<i>Fleet Replacement</i>			
City Pool Cars	32,800	32,800	
<b>Total Fleet Management</b>	<b>134,000</b>	<b>132,000</b>	<b>-2,000</b>
<b>TOTAL GENERAL GOVERNMENT</b>	<b>\$1,632,200</b>	<b>\$1,630,200</b>	<b>-2,000</b>
<b>TOTAL ALL FUNCTIONS</b>	<b>38,217,700</b>	<b>39,397,151</b>	<b>1,179,451</b>

# CAPITAL IMPROVEMENT PLAN

## PROJECT EXPENDITURES BY FUND

	2014-15 CIP		
	Adopted	Revised	Change
<b>GENERAL PURPOSE CIP</b>			
<b>Fire &amp; Environmental Safety</b>			
Hose Replacement	53,900	53,900	
<b>Transportation Management</b>			
City Wayfinding Signs	65,000	65,000	
Neighborhood Traffic Improvements	20,000	20,000	
Traffic Safety Improvement Projects	25,000	25,000	
* Los Osos Valley Road Interchange Improvements*		16,000,000	16,000,000
<i>*LOVR Interchange grant funded moved to CIP Grant Fund</i>			
<b>Streets</b>			
Street Reconstruction & Resurfacing	1,174,300	1,174,300	
Traffic Sign Maintenance	40,000	40,000	
Downtown Renewal	525,000	525,000	
G Prado Bridge Deck Overlay	159,400	159,400	
* Prado Bridge Deck Overlay	20,600	20,600	
<b>Pedestrian and Bicycle Paths</b>			
* Sidewalk Ramp Construction			
Sidewalk Repairs	25,000	25,000	
Repl. of Lighted Crosswalks on Marsh & Higuera	43,500	43,500	
Bicycle Facility Improvements	100,000	100,000	
G Bob Jones Trail Octacon Barn Connection	40,000	40,000	
<b>Creek and Flood Protection</b>			
Storm Drain System Replacement	450,000	450,000	
G Silt Removal	90,000	90,000	
<b>Parks and Recreation</b>			
Downtown Tree and Sidewalk Replacements	40,000	40,000	
Mission Plaza Railing Upgrade	30,000	30,000	
Olympic Pool Replastering	310,000	310,000	
Pedestrian and Bicycle Pathway Maintenance	60,000	60,000	
Replace Park Pedestrian Lighting	60,000	60,000	
<b>Buildings</b>			
Facility Maintenance incl. Jack House Gazebo	94,000	94,000	
<b>Fleet Management</b>			
* Mobile Equipment Lifts & Safety Stands	74,900	74,900	
<b>Total General Purpose CIP</b>	<b>3,500,600</b>	<b>19,500,600</b>	<b>16,000,000</b>

G: Amount shown is grant funded

\* Project funded by more than one source

D: Item is being financed

# CAPITAL IMPROVEMENT PLAN

## PROJECT EXPENDITURES BY FUND - CAPITAL OUTLAY

	2014-15 CIP		
	Adopted	Revised	Change
<b>FLEET REPLACEMENT FUND</b>			
<b>Police Protection</b>			
Police Marked Patrol Sedans	175,600	175,600	
Police Traffic Safety Motorcycles	62,400	62,400	
Police Unmarked Detective Vehicles	67,600	67,600	
<b>Streets</b>			
Street Maintenance Trucks	116,800	116,800	
<b>Construction Regulation</b>			
Capital Engineering Pickup Trucks	31,000	31,000	
<b>Parks Maintenance</b>			
Parks Maintenance Equipment	32,700	32,700	
Parks Maintenance Pickup Trucks	130,500	130,500	
Ranger Program Pickup Truck	48,800	48,800	
Golf Course Mowers	50,000	50,000	
<b>Fleet Management</b>			
City Pool Cars	32,800	32,800	
<b>Total Fleet Replacement Fund</b>	<b>748,200</b>	<b>748,200</b>	
<b>INFORMATION TECHNOLOGY REPLACEMENT FUND</b>			
<b>Police Protection</b>			
Audio Recording System Replacement	40,700	40,700	
Security Video System Replacement	55,500	55,500	
<b>Information Technology</b>			
Capital Improvement Plan Project Mgmt Software	175,000	175,000	
* Document Management	14,200	14,200	
* Microsoft Office Replacement	195,100	195,100	
Emergency Comm Center Computer Equipment Replcmnt	50,000	50,000	
* Network Switching Infrastructure Replacement	480,500	480,500	
<b>Total Information Technology Replacement Fund</b>	<b>1,011,000</b>	<b>1,011,000</b>	

G: Amount shown is grant funded

\* Project funded by more than one source

D: Item is being financed



# CAPITAL IMPROVEMENT PLAN

## PROJECT EXPENDITURES BY FUND - CAPITAL OUTLAY

	2014-15 CIP		
	Adopted	Revised	Change
<b>MAJOR FACILITY REPLACEMENT FUND</b>			
<b>Police Protection</b>			
Police Department Admin HVAC Replacement	172,300	160,000	(12,300)
<b>Fire &amp; Environmental Safety</b>			
Fire Station 2 Remodel of Dorms & Bathroom	27,800	27,800	
<b>Parks and Recreation</b>			
Restroom Replacement and Remodeling	50,000	50,000	
Sinsheimer Stadium Stair Replacement	120,000	120,000	
<b>Buildings</b>			
City Facility Parking Lot Maintenance	350,000	350,000	
City Hall Perimeter Drain Repair	40,000	40,000	
<b>Total Major Facility Replacement Fund</b>	<b>760,100</b>	<b>747,800</b>	<b>(12,300)</b>
<b>TOTAL CAPITAL OUTLAY FUND</b>	<b>\$6,019,900</b>	<b>\$22,007,600</b>	<b>15,987,700</b>
<b>TOTAL DEBT FINANCING</b>			
<b>TOTAL FEDERAL AND STATE GRANTS</b>	<b>\$289,400</b>	<b>\$289,400</b>	

G: Amount shown is grant funded

\* Project funded by more than one source

D: Item is being financed

# CAPITAL IMPROVEMENT PLAN

## PROJECT EXPENDITURES BY FUND - CDBG FUND

	2014-15 CIP		
	Adopted	Revised	Change
<b>COMMUNITY DEVELOPMENT BLOCK GRANT FUND</b>			
<b>Federal and State Grants</b>			
* Sidewalk Ramp Construction	105,000	113,921	8,921
Homeless Shelter Design		25,000	25,000
Mission CSC		20,000	20,000
CAPSLO Shelter Design		100,000	100,000
313 South Street		3,200	3,200
<b>TOTAL COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUND</b>	<b>\$105,000</b>	<b>\$262,121</b>	<b>157,121</b>

G: Amount shown is grant funded

\* Project funded by more than one source

D: Item is being financed

# CAPITAL IMPROVEMENT PLAN

## PROJECT EXPENDITURES BY FUND - TRANSPORTATION IMPACT FEE FUND

	2014-15 CIP		
	Adopted	Revised	Change
<b>TRANSPORTATION IMPACT FEE FUND</b>			
<b>Federal and State Grants</b>			
* Railroad Safety Trail - Taft to Pepper	1,234,000	1,234,000	
* Los Osos Valley Road Interchange Improvements*	15,000,000		(15,000,000)
<i>*LOVR Interchange grant funded to General Purpose CIP</i>			
<b>Total Grants</b>	<b>16,234,000</b>	<b>1,234,000</b>	<b>(15,000,000)</b>
<b>Debt Financing</b>			
* Los Osos Valley Road Interchange Improvements	8,005,000	7,500,000	(505,000)
<b>Total Debt Financing</b>	<b>8,005,000</b>	<b>7,500,000</b>	<b>(505,000)</b>
<b>TOTAL TRANSPORTATION IMPACT FEE FUND</b>	<b>\$24,239,000</b>	<b>\$8,734,000</b>	<b>-\$15,505,000</b>

G: Amount shown is grant funded

\* Project funded by more than one source

D: Item is being financed

# CAPITAL IMPROVEMENT PLAN

## PROJECT EXPENDITURES BY FUND - OPEN SPACE PROTECTION FUND

	2014-15 CIP		
	Adopted	Revised	Change
<b>OPEN SPACE PROTECTION FUND</b>			
* Open Space Acquisition	200,000	200,000	
<b>Total Open Space Protection Fund</b>	<b>200,000</b>	<b>200,000</b>	
<b>Federal and State Grants</b>			
* Open Space Acquisition	350,000	350,000	
<b>Total Grants</b>	<b>350,000</b>	<b>350,000</b>	
<b>TOTAL OPEN SPACE PROTECTION FUND</b>	<b>\$550,000</b>	<b>\$550,000</b>	

*G: Amount shown is grant funded*

*\* Project funded by more than one source*

*D: Item is being financed*

# CAPITAL IMPROVEMENT PLAN

## PROJECT EXPENDITURES BY FUND - ENTERPRISE AND AGENCY FUNDS

	2014-15 CIP		
	Adopt	Revised	Change
<b>WATER FUND</b>			
Air Compressor Replacements at the Water Treatment Plan	130,000	130,000	
Distribution Pump Station Upgrades	50,000	50,000	
Reservoir Floating Cover Replacements	80,000	80,000	
Stenner Canyon Raw Waterline Replacement	100,000	100,000	
Water Distribution System Improvements	1,110,000	1,110,000	
Water Storage Reservoir Maintenance & Tank Replacement	360,000	360,000	
* Microsoft Office Replacement	12,400	12,400	
* Network Switching Infrastructure Replacement	17,000	17,000	
PRV Replacement (Supplement)		109,000	109,000
Monterey Street Waterline Replacement		391,430	391,430
<i>Fleet Replacement</i>			
* Mobile Equipment Lifts & Safety Stands	9,100	9,100	
* Water & Wastewater Portable Generators	152,900	152,900	
Utilities Conservation Compact Pickup Trucks	24,300	24,300	
<b>TOTAL WATER FUND</b>	<b>2,045,700</b>	<b>2,546,130</b>	<b>500,430</b>
<b>SEWER FUND</b>			
<b>Wastewater Collection</b>			
Lift Station Replacements	900,000		(900,000)
Wastewater Collection System Improvements	1,205,000	1,582,000	377,000
Madonna Lift Station		520,500	520,500
Water Reclamation Facility Major Maintenance	360,000	360,000	
* Water Reclamation Facility Upgrade	2,000,000	2,000,000	
* Microsoft Office Replacement	9,000	9,000	
* Network Switching Infrastructure Replacement	33,500	33,500	
* Mobile Equipment Lifts & Safety Stands	13,200	13,200	
<i>Fleet Replacement</i>			
* Portable Generators	152,900	152,900	
Water Reclamation Facility Service Body Truck	36,800	36,800	
<b>TOTAL SEWER FUND</b>	<b>4,710,400</b>	<b>4,707,900</b>	<b>(2,500)</b>

G: Amount shown is grant funded

\* Project funded by more than one source

D: Item is being financed

# CAPITAL IMPROVEMENT PLAN

## PROJECT EXPENDITURES BY FUND - ENTERPRISE AND AGENCY FUNDS

	2014-15 CIP		
	Adopted	Revised	Change
<b>PARKING FUND</b>			
* Microsoft Office Replacement	5,700	5,700	
* Network Switching Infrastructure Replacement	9,500	9,500	
* Mobile Equipment Lifts & Safety Stands	2,000	2,000	
	<b>17,200</b>	<b>17,200</b>	
<b>TOTAL PARKING FUND</b>	<b>17,200</b>	<b>17,200</b>	
<b>TRANSIT FUND</b>			
* Microsoft Office Replacement	2,800	2,800	
* Network Switching Infrastructure Replacement	9,500	9,500	
<i>Fleet Replacement</i>			
* SLO Transit Buses Replacement	96,980	234,900	137,920
	<b>109,280</b>	<b>247,200</b>	<b>137,920</b>
<b>Federal and State Grants</b>			
Bus Stop Equipment Projects	31,300		(31,300)
<i>Fleet Replacement</i>			
* SLO Transit Sedan with Wheelchair Lift			
* SLO Transit Buses Replacement	387,920	250,000	(137,920)
<b>Total Grants</b>	<b>419,220</b>	<b>250,000</b>	<b>(169,220)</b>
<b>TOTAL TRANSIT FUND</b>	<b>528,500</b>	<b>497,200</b>	<b>(31,300)</b>
<b>WHALE ROCK FUND</b>			
* Mobile Equipment Lifts & Safety Stands	2,000		(2,000)
Valve Replacements		61,000	61,000
Utility Vehicle		14,000	14,000
<b>TOTAL WHALE ROCK FUND</b>	<b>2,000</b>	<b>75,000</b>	<b>73,000</b>
<b>TOTAL ENTERPRISE &amp; AGENCY FUNDS</b>	<b>\$7,303,800</b>	<b>\$7,843,430</b>	<b>\$539,630</b>
<b>TOTAL ALL FUNDS</b>	<b>38,217,700</b>	<b>39,397,151</b>	<b>1,179,451</b>

G: Amount shown is grant funded

\* Project funded by more than one source

D: Item is being financed

## PUBLIC UTILITIES

### FOOTHILL ROAD/CHORRO STREET PRESSURE REDUCING VALVE (PRV) VAULT REPLACEMENT

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#### CIP Project Summary

PRVs are instrumental for safe and expedient water delivery through the distribution system. The PRV, located near the intersection of Foothill Road and Chorro Street, needs replacing as it is at the end of its operational life. The existing vault in which it is housed is too small to allow for maintenance of the new PRV and it must also be replaced. The new vault will accommodate room for a bypass valve to allow for more effective operation of the water distribution system. The project is estimated to cost \$19,000 to develop the plan and specification package and \$90,000 to install the large vault.

Maintenance/Replacement     New project     Fleet Replacement     New Fleet Request

Council Goal / Measure Y Priority - List:

#### Need and Urgency

This work is required immediately. The replacement valve has been purchased and the old valve requires replacement. Originally, the new vault was to be installed by City staff – however, once it was determined that a bypass valve was required in order to better operate the water distribution system, the increased vault size necessitated the use of a contractor.

#### Readiness to Build

- Study complete or  n/a
- Equipment purchased or  n/a
- Property owned or property agreement in place
- Environmental approval and permits complete or  n/a
- Specifications or construction documents complete

#### Environmental Review and Permits Required

- Environmental Review
- Building Permit
- Waterway Permits (Fish & Game, Water Quality, Army Corps)
- Railroad
- Other:

**Operating Program Number and Title:** 55160 Water Distribution

# PUBLIC UTILITIES

## FOOTHILL ROAD/CHORRO STREET PRESSURE REDUCING VALVE (PRV) VAULT REPLACEMENT

### Project Phasing and Funding Sources

#### Project Costs by Phase

	Project Costs						
	Budget-to-Date	2013-14	2014-15	2015-16	2016-17	2017-18	Total
Study							
Environmental Review							
Land Acquisition							
Site Preparation							
Design			19,000				19,000
Construction			90,000				90,000
Construction Management							
Equipment Acquisition							
<b>Total</b>	-	-	<b>109,000</b>	-	-	-	<b>109,000</b>

#### Project Funding by Source

	Project Funding Sources						
	Budget-to-Date	2013-14	2014-15	2015-16	2016-17	2017-18	Total
Water Fund			109,000				109,000
<b>Total</b>	-	-	<b>109,000</b>	-	-	-	<b>109,000</b>

### Reduced / Enhanced Project Alternatives

- Reduced project is feasible – Cost of reduced project:
- Project can be phased – Number of years for phasing:

### Project Effect on the Operating Budget

1. What staff resources or other operating cost areas will be affected in managing the project during implementation?

Public Works – Admin: 10 hrs  
 Public Works – Construction Management: 40 hrs  
 Public Works – Engineering: 10 hrs  
 Water Distribution: 20 hrs

2. What costs will be incurred in operating or maintaining the project after it is completed?  
 Routine O&M – 6 hours/year which will be the responsibility of the Water Distribution crew.

3. Will there be any cost savings?  
 No.





Section E  
DEBT SERVICE REQUIREMENTS



# DEBT SERVICE REQUIREMENTS

## INTRODUCTION

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This section summarizes the debt service obligations of the City as of July 1, 2014. These obligations represent the City's annual installment payments of principal and interest for previous capital improvement plan projects or acquisitions funded through debt financings as well as proposed financing costs for future projects.

The City's debt management policies are comprehensively discussed in the Capital Financing and Debt Management section of the City's *Budget and Fiscal Policies*.

The following section includes:

- Descriptions of each lease or bond obligation existing at July 1, 2014
  - Summary of debt service by function
  - Summary of debt service by source
  - Computation of the City's legal debt margin
-

# DEBT SERVICE DESCRIPTION

## DESCRIPTION OF DEBT OBLIGATIONS

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### **1993 Water Revenue Bonds**

*Refunded in 2002 and 2012*

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- Purpose: Upgrade the City's water treatment plant to meet water quality standards.
- Maturity Date: 2023
- Original Principal Amount: \$10,890,000
- July 1, 2014 Principal Outstanding: \$5,300,000
- Interest Rate: 2.0% to 4.0%
- Funding Source: Water Fund

### **1996 Lease Revenue Bonds**

*Refunded in 2005*

---

- Purpose: Construct a new headquarters fire station and other City acquisitions.
- Maturity Date: 2026
- Original Principal Amount: \$7,100,000
- July 1, 2014 Principal Outstanding: \$4,395,000
- Interest Rate: 3.4% to 4.5%
- Funding Source: General Fund

### **1999 Series C Lease Revenue Bonds**

*Refunded in 2001 and 2012: Series C Lease Revenue Bonds*

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- Purpose: Purchase property and build athletic fields; purchase property for police station expansion; purchase Downtown Plan properties
- Maturity Date: 2029
- Original Principal Amount: \$6,745,000
- July 1, 2014 Principal Outstanding: \$4,630,000
- Interest Rate: 2.0% to 4.0%
- Funding Source: General Fund

### **2001 State Infrastructure Bank (CIEDB) Loan**

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- Purpose: Expand Marsh Street parking structure
- Maturity Date: 2031
- Original Principal Amount: \$7,765,900
- July 1, 2014 Principal Outstanding: \$5,582,274
- Interest Rate: 3.37% (including annual loan fees)
- Funding Source: Parking Fund

### **2013 Water Reclamation Facility Energy Improvement Installment Sale Agreement**

Purpose: Construct energy conservation improvements at this facility.

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- Maturity Date: 2028
- Original Principal Amount: \$7,479,000
- July 1, 2014 Principal Outstanding: \$7,479,000
- Interest Rate: 2.9%
- Funding Source: Sewer Fund

# DEBT SERVICE DESCRIPTION

## DESCRIPTION OF DEBT OBLIGATIONS

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### 2005 Water Resources Control Board Loan

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- Purpose: Construct water reuse project.
- Maturity Date: 2024
- Authorized Principal Amount: \$8,883,200
- July 1, 2014 Principal Outstanding: \$4,999,300
- Interest Rate: 2.5%
- Funding Source: Water Fund

### 2006 Lease Revenue Bonds

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- Purpose: Parking Structure and City Offices
- Maturity Date: 2036
- Original Amount: \$16,160,000
- July 1, 2014 Principal Outstanding: \$13,650,000
- Interest Rate: 4.0% to 4.7%
- Funding Source: General and Parking Funds

### 2006 Water Revenue Bonds

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- Purpose: Water Treatment Plant Improvements
- Maturity Date: 2036
- Original Amount: \$16,905,000
- July 1, 2014 Principal Outstanding: \$14,235,000
- Interest Rate: 3.75% to 4.625%
- Funding Source: Water Funds

### 2008 Installment Sale Agreement

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- Purpose: Tank Farm Lift Station and Force Main Project
- Maturity Date: 2023
- Original Amount: \$2,050,000
- July 1, 2014 Principal Outstanding: \$1,500,000
- Interest Rate: 4.2%
- Funding Source: Sewer Funds

### 2008 State Infrastructure Bank (CIEDB) Loan

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- Purpose: Tank Farm Lift Station and Force Main Project
- Maturity Date: 2038
- Original Principal Amount: \$10,000,000
- July 1, 2014 Principal Outstanding: \$8,865,300
- Interest Rate: 3.25% (including annual loan fees)
- Funding Source: Sewer Fund

### 2009 Lease Revenue Bonds

---

- Purpose: Public Safety Communications and Emergency Operations Center
- Maturity Date: 2039
- Original Amount: \$10,705,000
- July 1, 2014 Principal Outstanding: \$8,085,600
- Interest Rate: 3.00% to 5.75%

## DEBT SERVICE DESCRIPTION

### DESCRIPTION OF DEBT OBLIGATIONS

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- Funding Source: General, Water, Sewer, Parking Funds

#### **2010 Fire Engine/Truck Lease Financing**

---

- Purpose: Purchase of fire apparatus with 100-foot ladder
- Maturity Date: 2020
- Original Amount: \$1,080,000
- July 1, 2014 Principal Outstanding: \$695,000
- Interest Rate: 2.99%
- Funding Source: General Fund

#### **2013 Fire Engine Lease Financing**

---

- Purpose: Purchase of replacement fire apparatus
- Maturity Date: 2018
- Original Amount: \$548,351
- July 1, 2014 Principal Outstanding: \$548,351
- Interest Rate: 2.108%
- Funding Source: General Fund

#### **Retrospective Insurance Program Charges**

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- Purpose: To maintain adequate funding of the workers compensation and liability programs
- Maturity Date: July 2018
- Original Amount: \$3,121,571
- July 1, 2014 Principal Outstanding: \$2,498,316 (All Funds)
- Interest Rate: 1.99%
- Funding Source: General Fund and Enterprise Funds

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As part of the Financial Forecast, staff has identified the need to use debt financing to either construct or acquire capital assets, which include the following:

- Mobile Data Computers
- Los Osos Valley Road Interchange Improvements

Staff will work with the City's financial advisor Public Financial Management (PFM) to determine the most cost-effective way to finance these items within the requirements of the City's debt management policies.

# DEBT SERVICE REQUIREMENTS

## ANNUAL PAYMENTS BY FUNCTION

	Current 2013-14	Adopted 2014-15	Revised 2014-15	Variance	Change %
<b>PUBLIC SAFETY</b>					
Police Protection	689,800	688,100	688,100		
Fire & Environmental Safety	631,500	759,000	749,719	(9,281)	-1%
<b>Total Public Safety</b>	<b>1,321,300</b>	<b>1,447,100</b>	<b>1,437,819</b>	<b>(9,281)</b>	<b>10%</b>
<b>PUBLIC UTILITIES</b>					
Water Service	2,191,400	2,195,300	2,195,300		
Wastewater Service	974,500	1,450,300	1,405,300	(45,000)	-3%
<b>Total Public Utilities</b>	<b>3,165,900</b>	<b>3,645,600</b>	<b>3,600,600</b>	<b>(45,000)</b>	<b>15%</b>
<b>TRANSPORTATION</b>					
Streets	294,900	371,000	250,000	(121,000)	-33%
Parking	1,474,600	970,100	969,100	(1,000)	
<b>Total Transportation</b>	<b>1,769,500</b>	<b>1,341,100</b>	<b>1,219,100</b>	<b>(122,000)</b>	<b>-9%</b>
<b>LEISURE, CULTURAL &amp; SOCIAL SERVICES</b>					
Parks & Recreation	612,700	616,300	616,254		
<b>Total Leisure, Cultural &amp; Social Services</b>	<b>612,700</b>	<b>616,300</b>	<b>616,254</b>		
<b>GENERAL GOVERNMENT</b>					
Insurance Retrospective Charges			2,443,259	2,443,259	
Public Employees Retirement System Liability	934,506		300,000	300,000	
Information Technology	58,443	58,256	58,256		
Buildings	472,857	471,244	471,274		
<b>Total General Government</b>	<b>1,465,806</b>	<b>529,500</b>	<b>3,272,789</b>	<b>2,743,259</b>	<b>-64%</b>
<b>TOTAL DEBT SERVICE REQUIREMENTS</b>	<b>\$8,335,206</b>	<b>\$7,579,600</b>	<b>\$10,146,562</b>	<b>\$2,566,978</b>	<b>34%</b>

# DEBT SERVICE REQUIREMENTS

## ANNUAL PAYMENTS BY SOURCE

	Current 2013-14	Adopted 2014-15	Revised 2014-15	Variance	Change %
<b>GENERAL FUND</b>					
2012/2001 Revenue Refunding Bonds Series B & C					
Principal	210,000	220,000	220,000		
Interest	175,800	170,400	170,400		
2004/1994 Refunding Lease Revenue Bonds					
Principal	266,400				
Interest	28,500				
2005/1996 Lease Revenue Bonds					
Principal	275,000	285,000	285,000		
Interest	192,800	183,100	183,100		
2006 Lease Revenue Bonds-919 Palm Street					
Principal	170,200	174,800	174,800		
Interest	290,200	283,400	283,400		
2009 Lease Revenue Bonds - Public Safety EOC					
Principal	482,200	494,900	494,900		
Interest	355,700	340,000	340,000		
Fire Engine/Truck Lease Financing					
Principal	105,000	110,000	110,000		
Interest	23,900	20,800	20,800		
Fire Engine Lease Financing 2013					
Principal		100,000	108,050	8,050	8%
Interest		26,000	8,653	(17,347)	-67%
Capital Lease (I.T. Equipment - proposed)					
Principal	156,000	156,000	156,000		
Interest	28,500	28,500	28,500		
Lease Revenue Bonds 2014 (LOVR proposed)					
Principal					
Interest		371,000	250,000	(121,000)	-33%
Insurance Retrospective Charges					
Principal			2,443,259	2,443,259	
Public Employees Retirement System					
Safety Side Fund Liability	934,506		300,000	300,000	
<b>Total Debt Service Fund</b>	<b>3,694,706</b>	<b>2,963,900</b>	<b>5,576,862</b>	<b>2,612,962</b>	<b>88%</b>

# DEBT SERVICE REQUIREMENTS

## ANNUAL PAYMENTS BY SOURCE

	Current 2013-14	Adopted 2014-15	Revised 2014-15	Variance	Change %
<b>WATER FUND</b>					
Insurance Retrospective Charges					
Principal					
Interest					
2012 Revenue Refunding Bonds					
Principal	380,000	400,000	400,000		
Interest	184,800	169,600	169,600		
2006 Water Treatment Plant Upgrade					
Principal	390,000	405,000	405,000		
Interest	644,600	629,000	629,000		
2009 Lease Revenue Bonds - Public Safety EOC					
Principal	38,200	39,200	39,200		
Interest	28,300	27,000	27,000		
Water Reuse Project Loan					
Principal	390,700	400,500	400,500		
Interest	134,800	125,000	125,000		
<b>Total Water Fund</b>	<b>2,191,400</b>	<b>2,195,300</b>	<b>2,195,300</b>		



# DEBT SERVICE REQUIREMENTS

## ANNUAL PAYMENTS BY SOURCE

	Current 2013-14	Adopted 2014-15	Revised 2014-15	Variance	Change %
<b>SEWER FUND</b>					
Insurance Retrospective Charges					
Principal					
Water Reclamation Facility Upgrade					
Principal					
Interest					
Installment Sale Agreement - Tank Farm Lift Station					
Principal	120,000	125,000	125,000		
Interest	65,600	60,400	60,400		
CIEDB State Loan - Tank Farm Lift Station					
Principal	241,700	249,500	249,500		
Interest	319,400	310,800	310,800		
Energy Conservation Lease					
Principal					
Interest					
2009 Lease Revenue Bonds - Public Safety EOC					
Principal	43,300	44,500	44,500		
Interest	32,100	30,600	30,600		
Water Reclamation Facility Energy Upgrade (proposed)					
Principal		386,200	373,000	(13,200)	-3%
Interest	152,400	243,300	211,500	(31,800)	-13%
<b>Total Sewer Fund</b>	<b>974,500</b>	<b>1,450,300</b>	<b>1,405,300</b>	<b>(45,000)</b>	<b>-3%</b>

# DEBT SERVICE REQUIREMENTS

## ANNUAL PAYMENTS BY SOURCE

	Current 2013-14	Adopted 2014-15	Revised 2014-15	Variance	Change %
<b>PARKING FUND</b>					
2004/1994 Refunded Lease Revenue Bonds					
Principal	485,100				
Interest	17,000				
Insurance Retrospective Charges					
Principal					
CIEDB State Loan					
Principal	229,900	236,900	236,900		
Interest	192,300	185,500	184,500	(1,000)	
2006 Lease Revenue Bonds-919 Palm Street					
Principal	199,800	205,200	205,200		
Interest	340,600	332,600	332,600		
2009 Lease Revenue Bonds - Public Safety EOC					
Principal	5,700	5,800	5,800		
Interest	4,200	4,100	4,100		
<b>Total Parking Fund</b>	<b>1,474,600</b>	<b>970,100</b>	<b>969,100</b>	<b>(1,000)</b>	
<b>TOTAL DEBT SERVICE REQUIREMENTS</b>	<b>8,335,206</b>	<b>7,579,600</b>	<b>10,146,562</b>	<b>2,566,962</b>	<b>34%</b>

*Note: All General Fund debt service payments are accounted for in the Debt Service Fund.*

# DEBT SERVICE REQUIREMENTS

## COMPUTATION OF LEGAL DEBT MARGIN

Gross Assessed Valuation (2013-14)	<u><u>\$6,448,319,651</u></u>
Legal Debt Limit - 3.75% of Gross Assessed Valuation (See Note Below)	<u><u>\$241,812,000</u></u>
Long-Term Debt:	
Revenue Bonds Secured by Capital Leases	30,760,600
State Water Resources Revolving Fund Loans	4,999,300
State Infrastructure Bank Loans	14,447,574
Water Revenue Bonds	19,535,000
Installment Sale Agreement	8,979,000
Lease Purchase Financing	<u>1,243,351</u>
	79,964,825
LESS DEDUCTIONS ALLOWED BY LAW:	
Revenue Bonds Secured by Capital Leases	30,760,600
State Loans	19,446,874
Water Revenue Bonds	<u>19,535,000</u>
	69,742,474
TOTAL DEBT APPLICABLE TO COMPUTED LIMIT	<u><u>\$10,222,351</u></u>
LEGAL DEBT MARGIN	<u><u>\$231,589,649</u></u>

### NOTE

The California Government Code provides for a legal debt limit of 15% of gross assessed valuation based on 25% of market value. Since this limit was set, the State Constitution has changed, requiring assessed value to be set at 100% of market value. Adjusting for this change results in a comparable legal debt limit of 3.75% of assessed value. The City's debt management policy, however, sets a lower direct debt limit of 2% of assessed valuation which is \$128,966,393. As noted above, the City has used \$10,222,351 of the debt limit.



Section F  
CHANGES IN FINANCIAL POSITION



# CHANGES IN FINANCIAL POSITION

## OVERVIEW

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### INTRODUCTION

This section summarizes revenues, expenditures, and changes in financial position for each of the City's operating funds. For the Governmental Funds, financial position is defined as fund balance; for the enterprise funds it is defined as working capital; and for the Whale Rock Reservoir (an Agency Fund of the City) it is defined as fund balance as reported by the Whale Rock Commission in its separately issued financial statements.

Because governmental and enterprise funds use different bases of accounting, fund balance and working capital are different measures of financial position under generally accepted accounting principles. However, they represent similar concepts: resources available at the beginning of the year to fund operations, debt service, and capital improvements in the following year. Accordingly, to establish a similar framework for evaluating and projecting the City's overall financial position, these two measures of financial position are used interchangeably in this section.

Changes in financial position are provided for the two years covered by the 2013-15 Financial Plan (2013-14 and 2014-15).

### BASIS OF ACCOUNTING AND BUDGETING

#### Basis of Accounting

In accordance with generally accepted accounting principles, the City's financial reporting system is organized on a fund basis consisting of three major fund types—governmental, proprietary and fiduciary. The City's various funds have been established in order to segregate and identify those financial transactions and resources associated with providing specific activities or programs in conformance with special regulations, restrictions, or limitations.

**Governmental funds** are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and

available. Expenditures generally are recorded when a liability is incurred; however, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

**Proprietary funds** are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The only type of proprietary funds that the City uses are *enterprise funds* for water, sewer, parking, and transit.

The only **fiduciary funds** the City reports are agency funds. Unlike other types of funds, agency funds only report assets and liabilities, thus they do not have a measurement focus since they do not report operating activity. However, agency funds do use the accrual basis of accounting to recognize receivables and payables.

#### Basis of Budgeting

Budgetary basis refers to the basis of accounting used to estimate financing sources and uses in the budget. The City prepares its budget for each fund in accordance with its respective basis of accounting.

### CITY FUND DESCRIPTIONS

The following funds are included in the Financial Plan; additional descriptions of each of the fund types are provided in the Budget Glossary (Section H) of the 2013-15 Financial Plan:

#### Governmental Funds

Most of the City's programs and functions are provided and financed through the following governmental funds, which are distinguished by their measurement focus on determining financial position and changes in financial position (modified accrual method), rather than upon determining net income:

- General Fund

# CHANGES IN FINANCIAL POSITION

## ■ Special Revenue Funds

- Downtown Business Improvement District (DBID)
- Tourism Business Improvement District (TBID)
- Gas Tax
- Transportation Development Act
- Community Development Block Grant
- Law Enforcement Block Grant
- Public Art (Private Sector Contributions)

## ■ Capital Project Funds

- Capital Outlay Fund
- Parkland Development Fund
- Transportation Impact Fees Fund
- Open Space Protection Fund
- Airport Area Impact Fees Fund
- Affordable Housing Fund
- Fleet Replacement Fund
- Los Osos Valley Road Sub-Area Fee Fund

## ■ Debt Service Fund

### **Enterprise Funds**

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Enterprise funds are distinguished from governmental funds by their similarity to private sector enterprises, as it is intended that the cost of providing services will be financed or recovered primarily through user charges (accrual basis).

The City uses the following four enterprise funds:

- Water
- Sewer
- Parking
- Transit

### **Trust and Agency Funds**

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Also known as fiduciary funds, agency funds are used to account for assets held by the City in a trustee capacity for private individuals, organizations, or other governmental agencies.

Agency funds are custodial in nature (assets equal liabilities) and do not measure the results of operations (revenues, expenditures, and changes in fund balance). Because of their custodial nature, agency funds are not typically included in budgetary documents. In this case, however, the City is directly responsible for the day-to-day management and operations of the Whale Rock Reservoir. As such, because of its significance to the City's operations and organizational structure, budget information for the Whale Rock Commission (which is accounted for as an agency fund of the City using the accrual basis) is provided in the City's Financial Plan.

# CHANGES IN FINANCIAL POSITION

## ALL FUNDS COMBINED

	Current 2013-14	2014-15		Variance	% change
		Adopted 2014-15	Revised 2014-15		
<b>Revenues</b>					
Tax Revenues	51,003,200	50,389,400	51,751,800	1,362,400	3%
Fines and Forfeitures	857,300	875,600	864,300	(11,300)	-1%
Investment and Property Revenues	425,000	705,200	403,400	(301,800)	-43%
Subventions and Grants	13,398,351	22,090,900	24,135,577	2,044,677	9%
Service Charges					
Governmental Funds	10,259,650	7,148,600	8,357,960	1,209,360	17%
Enterprise Funds	37,447,500	39,794,400	38,872,208	(922,192)	-2%
Trust and Agency Revenues	891,000	961,800	1,029,100	67,300	7%
Other Revenues	149,130	201,400	87,900	(113,500)	-56%
<b>Total Revenues</b>	<b>114,431,131</b>	<b>122,167,300</b>	<b>125,502,245</b>	<b>3,334,945</b>	<b>3%</b>
<b>Expenditures</b>					
Operating Programs					
Public Safety	25,366,251	24,480,400	24,430,510	(49,890)	-0.2%
Public Utilities	21,170,890	20,755,900	20,599,500	(156,400)	-1%
Transportation	8,458,523	8,058,900	8,305,600	246,700	3%
Leisure, Cultural & Social Services	7,427,837	7,489,300	7,486,400	(2,900)	-0.04%
Community Development	9,703,216	7,842,300	9,048,344	1,206,044	15%
General Government	14,212,276	14,683,900	14,798,023	114,123	1%
<b>Total Operating Programs</b>	<b>86,338,993</b>	<b>83,310,700</b>	<b>84,668,377</b>	<b>1,357,677</b>	<b>2%</b>
Capital Improvement Plan Projects	53,574,007	38,217,700	39,397,151	1,179,451	3.1%
Debt Service	8,335,206	7,579,600	10,146,562	2,566,962	34%
<b>Total Expenditures</b>	<b>148,248,206</b>	<b>129,108,000</b>	<b>134,212,090</b>	<b>5,104,090</b>	<b>4%</b>
<b>Other Sources (Uses)</b>					
Adjustment to Working Capital	(57,497)				
Operating Transfers In	12,822,298	9,014,700	12,049,532	3,034,832	34%
Operating Transfers Out	(12,794,351)	(9,014,700)	(12,049,532)	(3,034,832)	34%
Proceeds from Debt Financings	8,490,351	8,005,000	7,500,000	(505,000)	-6%
Potential MOA Adjustments					
Other Sources (Uses)	(151,169)				
Expenditure Savings	914,700	1,235,500	1,051,000	(184,500)	-15%
<b>Total Other Sources (Uses)</b>	<b>9,224,332</b>	<b>9,240,500</b>	<b>8,551,000</b>	<b>(689,500)</b>	<b>-7%</b>
<b>Revenues and Other Sources Over (Under)</b>					
<b>Expenditures and Other Uses</b>	(24,592,743)	2,299,800	(158,845)	(2,458,645)	-107%
<b>Fund Balance/Working Capital, Beginning of Year</b>	74,845,547	41,196,800	50,339,404	9,142,604	22%
<b>Fund Balance/Working Capital, End of Year</b>					
<b>Prior Year Restatement</b>					
Reserved for Debt Service	2,043,200	1,908,400	2,043,200	134,800	7%
Unreserved	48,209,604	41,588,200	48,137,359	6,549,159	16%
<b>Total Fund Balance/Working Capital</b>	<b>\$ 50,252,804</b>	<b>\$ 43,496,600</b>	<b>\$ 50,180,559</b>	<b>6,683,959</b>	<b>15%</b>

# CHANGES IN FINANCIAL POSITION

## ALL GOVERNMENTAL FUNDS COMBINED

			2014-15		Variance	% change
	Current 2013-14	Adopted 2014-15	Revised 2014-15			
<b>Revenues</b>						
Tax Revenues	51,003,200	50,389,400	51,751,800	1,362,400		3%
Fines and Forfeitures	156,000	167,300	156,000	(11,300)		-7%
Investment and Property Revenues	220,600	365,800	227,200	(138,600)		-38%
From Other Governments	9,757,709	19,053,200	20,417,577	1,364,377		7%
Service Charges	10,259,650	7,148,600	8,357,960	1,209,360		17%
Other Revenues	106,000	160,000	45,000	(115,000)		-72%
<b>Total Revenues</b>	<b>71,503,159</b>	<b>77,284,300</b>	<b>80,955,537</b>	<b>3,671,237</b>		<b>5%</b>
<b>Expenditures</b>						
Operating Programs						
Public Safety	25,366,251	24,480,400	24,430,510	(49,890)		0%
Transportation	3,363,698	3,118,500	3,321,300	202,800		7%
Leisure, Cultural & Social Services	7,427,837	7,489,300	7,486,400	(2,900)		0%
Community Development	9,703,216	7,842,300	9,048,344	1,206,044		15%
General Government	14,212,256	14,683,900	14,790,523	106,623		1%
<b>Total Operating Programs</b>	<b>60,073,258</b>	<b>57,614,400</b>	<b>59,077,077</b>	<b>1,462,677</b>		<b>3%</b>
Reimbursed Expenditures	(3,897,400)	(3,904,000)	(3,451,208)	452,792		-12%
<b>Total Operating Expenditures</b>	<b>56,175,858</b>	<b>53,710,400</b>	<b>55,625,869</b>	<b>1,915,469</b>		<b>4%</b>
Capital Improvement Plan Projects	23,177,410	30,913,900	31,553,721	639,821		2%
Debt Service	3,694,706	2,963,900	5,576,862	2,612,962		88%
<b>Total Expenditures</b>	<b>83,047,974</b>	<b>87,588,200</b>	<b>92,756,452</b>	<b>5,168,252</b>		<b>6%</b>
<b>Other Sources (Uses)</b>						
Operating Transfers In	12,822,298	9,014,700	12,049,532	3,034,832		34%
Operating Transfers Out	(12,794,351)	(9,014,700)	(11,986,832)	(2,972,132)		33%
Proceeds from Debt Financings	1,241,351	8,005,000	7,500,000	(505,000)		-6%
Potential MOA Adjustments						
Other Sources (Uses)						
Expenditure Savings	914,700	1,235,500	1,051,000	(184,500)		-15%
<b>Total Other Sources (Uses)</b>	<b>2,183,998</b>	<b>9,240,500</b>	<b>8,613,700</b>	<b>(626,800)</b>		<b>-7%</b>
<b>Revenues and Other Sources Over (Under)</b>						
<b>Expenditures and Other Uses</b>	(9,360,817)	(1,063,400)	(3,187,215)	(2,123,815)		200%
<b>Fund Balance, Beginning of Year</b>						
<b>Prior Year Restatement</b>	34,332,900	19,005,400	24,972,083	5,966,683		31%
	<b>34,332,900</b>	<b>19,005,400</b>	<b>24,972,083</b>	<b>5,966,683</b>		<b>31%</b>
<b>Fund Balance, End of Year</b>						
Reserved for Debt Service	2,043,200	1,908,400	2,043,200	134,800		7%
Unreserved	22,928,883	16,033,600	19,741,668	3,708,068		23%
<b>Total Fund Balance</b>	<b>\$ 24,972,083</b>	<b>\$ 17,942,000</b>	<b>\$ 21,784,868</b>	<b>3,842,868</b>		<b>21%</b>



# CHANGES IN FINANCIAL POSITION

## ALL ENTERPRISE AND AGENCY FUNDS COMBINED

			2014-15		Variance	% change
	Current 2013-14	Adopted 2014-15	Revised 2014-15			
<b>Revenues</b>						
Fines and Forfeitures	701,300	708,300	708,300			
Investment and Property Revenues	204,400	339,400	176,200	(163,200)		-48%
From Other Governments	3,640,642	3,037,700	3,718,000	680,300		22%
Service Charges	37,447,500	39,794,400	38,872,208	(922,192)		-2%
Other Revenues	43,130	41,400	42,900	1,500		4%
Trust and Agency Revenues	891,000	961,800	1,029,100	67,300		7%
<b>Total Revenues</b>	<b>42,927,972</b>	<b>44,883,000</b>	<b>44,546,708</b>	<b>(336,292)</b>		<b>-1%</b>
<b>Expenditures</b>						
Operating Programs						
Public Utilities	21,170,890	20,755,900	20,599,500	(156,400)		-1%
Transportation	5,094,825	4,940,400	4,984,300	43,900		1%
Leisure, Cultural & Social Services						
General Government	3,897,420	3,904,000	3,458,708	(445,292)		-11%
<b>Total Operating Programs</b>	<b>30,163,135</b>	<b>29,600,300</b>	<b>29,042,508</b>	<b>(557,792)</b>		<b>-2%</b>
Capital Improvement Plan Projects	30,396,597	7,303,800	7,843,430	539,630		7%
Debt Service	4,640,500	4,615,700	4,569,700	(46,000)		-1%
<b>Total Expenditures</b>	<b>65,200,232</b>	<b>41,519,800</b>	<b>41,455,638</b>	<b>(64,162)</b>		<b>-0.2%</b>
<b>Other Sources (Uses)</b>						
Adjustment to Working Capial	(57,497)					
Operating Transfers In						
Proceeds from Debt Financings	7,249,000					
Operating Transfers Out			(62,700)	(62,700)		
Other Sources (Uses)	(151,169)		(26,625)	(26,625)		
Potential MOA Adjustments						
<b>Total Other Sources (Uses)</b>	<b>7,040,334</b>		<b>(89,325)</b>	<b>(89,325)</b>		
<b>Revenues and Other Sources Over (Under)</b>						
<b>Expenditures and Other Uses</b>	(15,231,926)	3,363,200	3,001,745	(361,455)		-11%
<b>Working Capital, Beginning of Year</b>	40,512,647	21,744,700	25,366,321	3,621,621		17%
<b>Working Capital, End of Year</b>	<b>\$ 25,280,721</b>	<b>\$ 25,107,900</b>	<b>\$ 28,368,066</b>	<b>3,260,166</b>		<b>13%</b>

# CHANGES IN FINANCIAL POSITION

## GENERAL FUND

	Current 2013-14	2014-15		Variance	% change
		Adopted 2014-15	Revised 2014-15		
Encumbrances:	1,768,200				
<b>Fund Balance Available for 2013-14 costs</b>	<u>1,768,200</u>				
<b>Revenues</b>					
Tax Revenues	51,003,200	50,389,400	51,751,800	1,362,400	3%
Fines and Forfeitures	156,000	167,300	156,000	(11,300)	-7%
Investment and Property Revenues	179,000	324,200	181,700	(142,500)	-44%
Subventions and Grants	1,200,600	331,700	327,000	(4,700)	-1%
Service Charges	6,790,350	5,559,800	6,686,800	1,127,000	20%
Other Revenues	95,500	150,000	35,000	(115,000)	-77%
<b>Total Revenues</b>	<u>59,424,650</u>	<u>56,922,400</u>	<u>59,138,300</u>	<u>2,215,900</u>	<u>4%</u>
<b>Total Resources Available in 2013-14</b>	<b>61,192,850</b>				
<b>Expenditures</b>					
Operating Programs					
Public Safety	25,039,583	24,478,700	24,170,400	(308,300)	-1%
Transportation	3,363,698	3,118,500	3,321,300	202,800	7%
Leisure, Cultural & Social Services	7,427,837	7,489,300	7,486,400	(2,900)	-0.04%
Community Development	7,988,316	6,042,700	7,028,513	985,813	16%
General Government	14,212,256	14,683,900	14,790,523	106,623	1%
<b>Total Program Expenditures</b>	<u>58,031,690</u>	<u>55,813,100</u>	<u>56,797,136</u>	<u>984,036</u>	<u>2%</u>
Reimbursed Expenditures	(3,897,400)	(3,904,000)	(3,451,208)	452,792	-12%
<b>Total Expenditures</b>	<u>54,134,290</u>	<u>51,909,100</u>	<u>53,345,928</u>	<u>1,436,828</u>	<u>3%</u>
<b>Other Sources (Uses)</b>					
Operating Transfers In	1,380,300	1,432,800	1,488,659	55,859	4%
Proceeds from Debt Issuance					
Operating Transfers Out	(11,333,651)	(7,581,900)	(10,498,173)	(2,916,273)	38%
Other Financing Uses					
Cost of Issuance					
MOA & Other Compensation Adjustments					
Expenditure Savings	914,700	1,235,500	1,051,000	(184,500)	-15%
<b>Total Other Sources (Uses)</b>	<u>(9,038,651)</u>	<u>(4,913,600)</u>	<u>(7,958,514)</u>	<u>(3,044,914)</u>	<u>62%</u>
<b>Revenues and Other Sources Over (Under) Expenditures and Other Uses *</b>	(1,980,091)	99,700	(2,166,142)	(2,265,842)	-2273%
<b>Fund Balance, Beginning of Year</b>	<u>16,837,800</u>	<u>10,787,600</u>	<u>14,857,709</u>	<u>4,070,109</u>	<u>38%</u>
Prior Year Restatement					
<b>Fund Balance, End of Year sub-total</b>	<u>\$ 14,857,709</u>	<u>\$ 10,887,300</u>	<u>\$ 12,691,567</u>	<u>1,804,267</u>	<u>17%</u>
Fund Balance Components:					
Mid Year Reserve Balance	(3,961,494)		(1,700,000)		
Policy Reserve Level @ 20%:	<u>(10,643,918)</u>		<u>(10,812,626)</u>		
<b>Amount Over (Under) Policy Reserve:</b>	<u>252,297</u>		<u>178,941</u>		

\* Expenditures exceed revenues due to one-time expenses funded from reserve balance.

# CHANGES IN FINANCIAL POSITION

## DOWNTOWN BUSINESS IMPROVEMENT DISTRICT (DBID) FUND

	Current 2013-14	2014-15		Variance	% change
		Adopted 2014-15	Revised 2014-15		
<b>Revenues</b>					
Investment and Property Revenues					
Service Charges					
Assessments	205,000	210,000	214,000	4,000	2%
Other Service Charges					
<i>Total Service Charges</i>	<b>205,000</b>	<b>210,000</b>	<b>214,000</b>	<b>4,000</b>	<b>2%</b>
Other Revenues					
<b>Total Revenues</b>	<b>205,000</b>	<b>210,000</b>	<b>214,000</b>	<b>4,000</b>	<b>2%</b>
<b>Expenditures</b>					
Operating Programs					
Community Development	205,000	210,000	214,000	4,000	2%
<b>Total Expenditures</b>	<b>205,000</b>	<b>210,000</b>	<b>214,000</b>	<b>4,000</b>	<b>2%</b>
<b>Other Sources (Uses)</b>					
Operating Transfers In					
<b>Total Other Sources (Uses)</b>					
Revenues and Other Sources Over (Under)					
Expenditures and Other Uses					
<b>Fund Balance, Beginning of Year</b>	1,100	1,300	1,100	(200)	-15%
<b>Fund Balance, End of Year</b>	<b>\$ 1,100</b>	<b>\$ 1,300</b>	<b>\$ 1,100</b>	<b>(200)</b>	<b>-15%</b>

## CHANGES IN FINANCIAL POSITION

### TOURISM BUSINESS IMPROVEMENT DISTRICT (TBID) FUND

			2014-15		Variance	% change
	Current 2013-14	Adopted 2014-15	Revised 2014-15			
<b>Revenues</b>						
Investment and Property Revenues	1,500	1,500	1,100	(400)	-27%	
Service Charges	1,198,000	1,179,600	1,257,960	78,360	7%	
<b>Total Revenues</b>	<b>1,199,500</b>	<b>1,181,100</b>	<b>1,259,060</b>	<b>77,960</b>	<b>7%</b>	
<b>Expenditures</b>						
Operating Programs						
Community Development	1,250,600	1,157,500	1,232,774	75,274	7%	
Capital Improvement Plan Projects						
<b>Total Expenditures</b>	<b>1,250,600</b>	<b>1,157,500</b>	<b>1,232,774</b>	<b>75,274</b>	<b>7%</b>	
<b>Other Sources (Uses)</b>						
Operating Transfer In						
Operating Transfer Out	(23,000)	(23,600)	(25,159)	(1,559)	7%	
<b>Total Other Sources (Uses)</b>	<b>(23,000)</b>	<b>(23,600)</b>	<b>(25,159)</b>	<b>(1,559)</b>	<b>7%</b>	
Revenues and Other Sources Over (Under)						
Expenditures and Other Uses	(74,100)		1,127	1,127		
<b>Fund Balance, Beginning of Year</b>	221,900	100,000	147,800	47,800	48%	
<b>Prior Year Restatement</b>						
<b>Fund Balance, End of Year</b>	<b>\$ 147,800</b>	<b>\$ 100,000</b>	<b>\$ 148,927</b>	<b>48,927</b>	<b>49%</b>	

# CHANGES IN FINANCIAL POSITION

## GAS TAX FUND

	Current 2013-14	Adopted 2014-15	Revised 2014-15	Variance	% change
<b>Revenues</b>					
From Other Governments -					
Gasoline Tax	1,282,200	1,357,200	1,141,700	(215,500)	-16%
<b>Total Revenues</b>	<b>1,282,200</b>	<b>1,357,200</b>	<b>1,141,700</b>	<b>(215,500)</b>	<b>-16%</b>
<b>Other Sources (Uses)</b>					
Operating Transfers Out	(1,282,200)	(1,357,200)	(1,141,700)	215,500	-16%
<b>Total Other Sources (Uses)</b>	<b>(1,282,200)</b>	<b>(1,357,200)</b>	<b>(1,141,700)</b>	<b>215,500</b>	<b>-16%</b>
<b>Revenues and Other Sources Over (Under)</b>					
<b>Expenditures and Other Uses</b>					
<b>Fund Balance, Beginning of Year</b>					
<b>Fund Balance, End of Year</b>					

*In March 2010, the Legislature passed ABx8 6 and ABx8 9, which contained the provisions for a swap of Proposition 42 state sales tax on gasoline with allocations from the motor vehicle excise tax (gas tax).*

# CHANGES IN FINANCIAL POSITION

## TRANSPORTATION DEVELOPMENT ACT (TDA) FUND

	Current 2013-14	2014-15		Variance	% change
		Adopted 2014-15	Revised 2014-15		
<b>Revenues</b>					
Subventions and Grants	49,100	35,000	54,800	19,800	57%
<b>Total Revenues</b>	<b>49,100</b>	<b>35,000</b>	<b>54,800</b>	<b>19,800</b>	<b>57%</b>
<b>Other Sources (Uses)</b>					
Operating Transfers Out	(49,100)	(35,000)	(54,800)	(19,800)	57%
<b>Total Other Sources (Uses)</b>	<b>(49,100)</b>	<b>(35,000)</b>	<b>(54,800)</b>	<b>(19,800)</b>	<b>57%</b>
<b>Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>					
<b>Fund Balance, Beginning of Year</b>					
<b>Fund Balance, End of Year</b>					

# CHANGES IN FINANCIAL POSITION

## COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUND

		2014-15			
	Current 2013-14	Adopted 2014-15	Revised 2014-15	Variance	% change
<b>Revenues</b>					
From Other Governments					
CDBG Allocation	1,251,000	455,900	760,567	304,667	67%
Other Revenues					
<b>Total Revenues</b>	<b>1,251,000</b>	<b>455,900</b>	<b>760,567</b>	<b>304,667</b>	<b>67%</b>
<b>Expenditures</b>					
Operating Programs					
Community Development	259,300	432,100	573,057	140,957	33%
General Government					
<b>Total Operating Programs</b>	<b>259,300</b>	<b>432,100</b>	<b>573,057</b>	<b>140,957</b>	<b>33%</b>
Capital Improvement Plan Projects	1,062,300	105,000	262,121	157,121	150%
Debt Service					
<b>Total Expenditures</b>	<b>1,321,600</b>	<b>537,100</b>	<b>835,178</b>	<b>298,078</b>	<b>55%</b>
<b>Other Sources (Uses)</b>					
Operating Transfer In	73,200	81,200	74,611	(6,589)	-8%
<b>Total Other Sources (uses)</b>	<b>73,200</b>	<b>81,200</b>	<b>74,611</b>	<b>(6,589)</b>	<b>-8%</b>
<b>Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	2,600				
<b>Fund Balance, Beginning of Year</b>	(2,600)				
<b>Fund Balance, End of Year</b>	\$ -	\$ -	\$ -	\$ -	\$ -

## CHANGES IN FINANCIAL POSITION

### LAW ENFORCEMENT GRANTS FUND

	Current 2013-14	2014-15		Variance	% change
		Adopted 2014-15	Revised 2014-15		
<b>Revenues</b>					
Investment and Property Revenues	100	100	100		
Subventions and Grants	325,390		260,110	260,110	
Service Charges	2,000	2,000	2,000		
<b>Total Revenues</b>	<b>327,490</b>	<b>2,100</b>	<b>262,210</b>	<b>260,110</b>	
<b>Expenditures</b>					
Operating Programs					
Public Safety	326,668	1,700	260,110	258,410	
Capital Improvement Plan Projects	1,722				
<b>Total Expenditures</b>	<b>328,390</b>	<b>1,700</b>	<b>260,110</b>	<b>258,410</b>	
Revenues and Other Sources Over (Under)					
Expenditures and Other Uses	(900)	400	2,100	1,700	
<b>Fund Balance, Beginning of Year</b>	22,700	21,300	21,800	500	2%
<b>Fund Balance, End of Year</b>	<b>\$ 21,800</b>	<b>\$ 21,700</b>	<b>\$ 23,900</b>	<b>\$ 2,200</b>	<b>10%</b>



## CHANGES IN FINANCIAL POSITION

### PUBLIC ART (PRIVATE SECTOR CONTRIBUTIONS) FUND

	Current 2013-14	2014-15		Variance	% change
		Adopted 2014-15	Revised 2014-15		
<b>Revenues</b>					
Investment and Property Revenues	2,100	2,100	2,100		
Service Charges					
In-lieu fees	100,000	20,000	20,000		
Other Revenues	500				
<b>Total Revenues</b>	<b>102,600</b>	<b>22,100</b>	<b>22,100</b>		
<b>Expenditures</b>					
Operating Programs					
Leisure, Cultural & Social Services					
Capital Improvement Plan Projects	504,900				
<b>Total Expenditures</b>	<b>504,900</b>				
<b>Other Sources (Uses)</b>					
Operating Transfer In	80,685		29,900	29,900	
Operating Transfer Out					
<b>Total Other Sources (Uses)</b>	<b>80,685</b>		<b>29,900</b>	<b>29,900</b>	
Revenues and Other Sources Over (Under)					
Expenditures and Other Uses	(321,615)	22,100	52,000	29,900	135%
<b>Fund Balance, Beginning of Year</b>	<b>347,400</b>	<b>235,200</b>	<b>25,785</b>	<b>(209,415)</b>	<b>-89%</b>
<b>Fund Balance, End of Year</b>	<b>\$ 25,785</b>	<b>\$ 257,300</b>	<b>\$ 77,785</b>	<b>\$ (179,515)</b>	<b>-70%</b>

# CHANGES IN FINANCIAL POSITION

## PARK HOTEL FUND

	Current 2013-14	2014-15		Variance	% change
		Adopted 2014-15	Revised 2014-15		
<b>Revenues</b>					
Investment and Property Revenues					
Subventions and Grants					
State Grants					
<b>Total Revenues</b>					
<b>Other Sources (Uses)</b>					
Operating Transfer Out	(17,900)				
<b>Total Other Sources (Uses)</b>	<b>(17,900)</b>				
Revenues and Other Sources Over (Under)					
Expenditures and Other Uses	(17,900)				
Fund Balance, Beginning of Year	17,900				
<b>Fund Balance, End of Year</b>	<b>\$ -</b>				

## CHANGES IN FINANCIAL POSITION

### GENERAL PURPOSE CIP

	Current 2013-14	2014-15		Variance	% change
		Adopted 2014-15	Revised 2014-15		
<b>Revenues</b>					
Subventions and Grants	5,524,419	289,400	16,289,400	16,000,000	
Service Charges					
Other Revenues					
<b>Total Revenues</b>	<b>5,524,419</b>	<b>289,400</b>	<b>16,289,400</b>	<b>16,000,000</b>	
<b>Expenditures</b>					
Capital Improvement Plan Projects	12,654,213	3,500,600	19,500,600	16,000,000	457%
<b>Total Expenditures</b>	<b>12,654,213</b>	<b>3,500,600</b>	<b>19,500,600</b>	<b>16,000,000</b>	<b>457%</b>
<b>Other Sources (Uses)</b>					
Operating Transfers In	5,535,900	2,285,700	2,285,700		
Operating Transfers Out	(71,500)				
Other Sources (Uses)					
Sale of Surplus Property					
<b>Total Other Sources (Uses)</b>	<b>5,464,400</b>	<b>2,285,700</b>	<b>2,285,700</b>		
<b>Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	(1,665,394)	(925,500)	(925,500)		
<b>Fund Balance, Beginning of Year</b>	2,690,900	987,300	1,025,506	38,206	4%
<b>Prior Year Restatement</b>					
<b>Fund Balance, End of Year</b>	<b>\$ 1,025,506</b>	<b>\$ 61,800</b>	<b>\$ 100,006</b>	<b>\$ 38,206</b>	<b>62%</b>

# CHANGES IN FINANCIAL POSITION

## PARKLAND DEVELOPMENT FUND

	Current 2013-14	2014-15		Variance	% change
		Adopted 2014-15	Revised 2014-15		
<b>Revenues</b>					
Investment and Property Revenues	6,700	6,700	3,000	(3,700)	-55%
Subventions and Grants					
Service Charges					
Park In-Lieu Fees	85,000				
Dwelling Unit Fees	1,200				
Other Revenues					
<b>Total Revenues</b>	<b>92,900</b>	<b>6,700</b>	<b>3,000</b>	<b>(3,700)</b>	<b>-55%</b>
<b>Expenditures</b>					
Capital Improvement Plan Projects	999,910				
<b>Total Expenditures</b>	<b>999,910</b>				
<b>Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	(907,010)	6,700	3,000	(3,700)	-55%
<b>Fund Balance, Beginning of Year</b>	1,232,400	244,200	325,390	81,190	33%
<b>Fund Balance, End of Year</b>	<b>\$ 325,390</b>	<b>\$ 250,900</b>	<b>\$ 328,390</b>	<b>\$ 77,490</b>	<b>31%</b>

## CHANGES IN FINANCIAL POSITION

### TRANSPORTATION IMPACT FEE FUND

	Current 2013-14	2014-15		Variance	% change
		Adopted 2014-15	Revised 2014-15		
<b>Revenues</b>					
Investment and Property Revenue	10,000	10,000	10,000		
Subventions and Grants		16,234,000	1,234,000	(15,000,000)	
Impact Fees	900,000	177,200	177,200		
Other Revenues					
<b>Total Revenues</b>	<b>910,000</b>	<b>16,421,200</b>	<b>1,421,200</b>	<b>(15,000,000)</b>	
<b>Expenditures</b>					
Capital Improvement Plan Projects	2,785,190	24,239,000	8,734,000	(15,505,000)	-64%
<b>Total Expenditures</b>	<b>2,785,190</b>	<b>24,239,000</b>	<b>8,734,000</b>	<b>(15,505,000)</b>	<b>-64%</b>
<b>Other Sources (Uses)</b>					
Bond Proceeds		8,005,000	7,500,000	(505,000)	-6%
Operating Transfer In					
Operating Transfer Out			(250,000)	(250,000)	
<b>Total Other Sources (Uses)</b>		<b>8,005,000</b>	<b>7,250,000</b>	<b>(755,000)</b>	<b>-9%</b>
<b>Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	(1,875,190)	187,200	(62,800)	(250,000)	
<b>Fund Balance, Beginning of Year</b>	3,394,900	583,400	1,519,710	936,310	160%
<b>Prior Year Restatement</b>					
<b>Fund Balance, End of Year</b>	<b>\$ 1,519,710</b>	<b>\$ 770,600</b>	<b>\$ 1,456,910</b>	<b>\$ 686,310</b>	<b>89%</b>

## CHANGES IN FINANCIAL POSITION

### OPEN SPACE PROTECTION FUND

			2014-15		Variance	% change
	Current 2013-14	Adopted 2014-15	Revised 2014-15			
<b>Revenues</b>						
Investment and Property Revenue	500	500	1,500		1,000	200%
Subventions and Grants	125,000	350,000	350,000			
Service Charges	25,000					
Other Revenues						
<b>Total Revenues</b>	<b>150,500</b>	<b>350,500</b>	<b>351,500</b>		<b>1,000</b>	<b>0%</b>
<b>Expenditures</b>						
Capital Improvement Plan Projects	413,434	550,000	550,000			
<b>Total Expenditures</b>	<b>413,434</b>	<b>550,000</b>	<b>550,000</b>			
<b>Other Sources (Uses)</b>						
Operating Transfer In	200,000	200,000	200,000			
Operating Transfer Out						
<b>Total Other Sources (Uses)</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>			
<b>Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	(62,934)	500	1,500		1,000	200%
<b>Fund Balance, Beginning of Year</b>	194,300	121,800	131,366		9,566	8%
<b>Fund Balance, End of Year</b>	<b>\$ 131,366</b>	<b>\$ 122,300</b>	<b>\$ 132,866</b>	<b>\$</b>	<b>10,566</b>	<b>9%</b>

# CHANGES IN FINANCIAL POSITION

## AIRPORT AREA IMPACT FEE FUND

	Current 2013-14	2014-15		Variance	% change
		Adopted 2014-15	Revised 2014-15		
<b>Revenues</b>					
Investment and Property Revenue	5,000	5,000	1,000	(4,000)	-80%
Service Charges	300,000				
<b>Total Revenues</b>	<b>305,000</b>	<b>5,000</b>	<b>1,000</b>	<b>(4,000)</b>	<b>-80%</b>
<b>Expenditures</b>					
Capital Improvement Plan Projects	9				
<b>Total Expenditures</b>	<b>9</b>				
<b>Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	304,991	5,000	1,000	(4,000)	-80%
<b>Fund Balance, Beginning of Year</b>	704,800	711,100	1,009,791	298,691	42%
<b>Fund Balance, End of Year</b>	<b>\$ 1,009,791</b>	<b>\$ 716,100</b>	<b>\$ 1,010,791</b>	<b>\$ 294,691</b>	<b>41%</b>

# CHANGES IN FINANCIAL POSITION

## AFFORDABLE HOUSING FUND

	Current 2013-14	2014-15		Variance	% change
		Adopted 2014-15	Revised 2014-15		
<b>Revenues</b>					
Investment and Property Revenue	8,000	8,000	17,000	9,000	113%
Subventions and Grants					
Service Charges	650,000				
<b>Total Revenues</b>	<b>658,000</b>	<b>8,000</b>	<b>17,000</b>	<b>9,000</b>	<b>113%</b>
<b>Expenditures</b>					
Capital Improvement Plan Projects	680,000				
<b>Total Expenditures</b>	<b>680,000</b>				
Transfer Out	(17,000)	(17,000)	(17,000)		
Revenues and Other Sources Over (Under)					
Expenditures and Other Uses	(39,000)	(9,000)		9,000	-100%
Fund Balance, Beginning of Year	1,921,900	1,129,500	1,882,900	753,400	67%
<b>Fund Balance, End of Year</b>	<b>\$ 1,882,900</b>	<b>\$ 1,120,500</b>	<b>\$ 1,882,900</b>	<b>762,400</b>	<b>68%</b>



# CHANGES IN FINANCIAL POSITION

## FLEET REPLACEMENT FUND

	Current 2013-14	2014-15		Variance	% change
		Adopted 2014-15	Revised 2014-15		
<b>Revenues</b>					
Investment and Property Revenues	6,000	6,000	6,000		
Service Charges					
Other Revenues					
Sale of Surplus Property	10,000	10,000	10,000		
<b>Total Revenues</b>	<b>16,000</b>	<b>16,000</b>	<b>16,000</b>		
<b>Expenditures</b>					
Capital Improvement Plan Projects	1,966,906	748,200	748,200		
<b>Total Expenditures</b>	<b>1,966,906</b>	<b>748,200</b>	<b>748,200</b>		
<b>Other Sources (Uses)</b>					
Proceeds from Debt Financing	548,351				
Operating Transfers In	411,360	532,600	532,600		
<b>Total Other Sources (Uses)</b>	<b>959,711</b>	<b>532,600</b>	<b>532,600</b>		
<b>Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	(991,195)	(199,600)	(199,600)		
<b>Fund Balance, Beginning of Year</b>	2,590,200	1,625,700	1,599,005	(26,695)	-2%
<b>Fund Balance, End of Year</b>	<b>\$ 1,599,005</b>	<b>\$ 1,426,100</b>	<b>\$ 1,399,405</b>	<b>\$ (26,695)</b>	<b>-2%</b>

# CHANGES IN FINANCIAL POSITION

## LOS OSOS VALLEY ROAD SUB-AREA FEE FUND

	2014-15			Variance	% change
	Current 2013-14	Adopted 2014-15	Revised 2014-15		
<b>Revenues</b>					
Investment and Property Revenue	1,700	1,700	1,700		
Service Charges	3,100				
<b>Total Revenues</b>	<b>4,800</b>	<b>1,700</b>	<b>1,700</b>		
<b>Expenditures</b>					
Capital Improvement Plan Projects	9,979				
<b>Total Expenditures</b>	<b>9,979</b>				
Revenues and Other Sources Over (Under) Expenditures and Other Uses	(5,179)	1,700	1,700		
<b>Fund Balance, Beginning of Year</b>	146,200	139,900	141,021	1,121	1%
<b>Fund Balance, End of Year</b>	<b>\$ 141,021</b>	<b>\$ 141,600</b>	<b>\$ 142,721</b>	<b>\$ 1,121</b>	<b>1%</b>

# CHANGES IN FINANCIAL POSITION

## DEBT SERVICE FUND

	Current 2013-14	2014-15		Variance	% change
		Adopted 2014-15	Revised 2014-15		
<b>Expenditures</b>					
Debt Service					
Cost of debt issuance					
2012/2001 Refunded Revenue Bonds	385,800	390,400	390,400		
2004/1994 Refunding Revenue Bonds	294,900				
2005/1996 Refunding Revenue Bonds	467,800	468,100	468,100		
2006 Lease Revenue Bonds	460,400	458,200	458,200		
2009 Lease Revenue Bonds	837,900	834,900	834,900		
Fire Engine/Truck Lease Purchase	128,900	130,800	130,800		
Energy Conservation Lease Purchase					
Capital Lease (Fire Truck Proposed)		126,000	116,703	(9,297)	-7%
Capital Lease (I.T. Equip. Proposed)	184,500	184,500	184,500		
Lease Revenue Bond 2014 (LOVR Proposed)		371,000	250,000	(121,000)	-33%
Insurance Retrospective Charges			2,443,259	2,443,259	
PERS Side Fund Payment	934,506		300,000	300,000	
<b>Total Expenditures</b>	<b>3,694,706</b>	<b>2,963,900</b>	<b>5,576,862</b>	<b>2,612,962</b>	<b>88%</b>
<b>Other Sources (Uses)</b>					
Operating Transfers In	3,694,706	2,963,900	5,576,862	2,612,962	88%
<b>Total Other Sources (Uses)</b>	<b>3,694,706</b>	<b>2,963,900</b>	<b>5,576,862</b>	<b>2,612,962</b>	<b>88%</b>
<b>Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>					
<b>Fund Balance, Beginning of Year</b>	2,043,200	1,908,400	2,043,200	134,800	7%
<b>Fund Balance, End of Year</b>					
Reserved for Debt Service	2,043,200	1,908,400	2,043,200	134,800	7%
Unreserved					
<b>Total Fund Balance</b>	<b>\$ 2,043,200</b>	<b>\$ 1,908,400</b>	<b>\$ 2,043,200</b>	<b>\$ 134,800</b>	<b>7%</b>

## CHANGES IN FINANCIAL POSITION

### MAJOR FACILITY REPLACEMENT

	Current 2013-14	Adopted 2014-15	2014-15		Variance	% change
			Revised 2014-15			
<b>Revenues</b>						
Investment and Property Revenue			500		500	
Service Charges						
<b>Total Revenues</b>			<b>500</b>		<b>500</b>	
<b>Expenditures</b>						
Capital Improvement Plan Projects	656,300	760,100	747,800		(12,300)	-2%
<b>Total Expenditures</b>	<b>656,300</b>	<b>760,100</b>	<b>747,800</b>		<b>(12,300)</b>	<b>-2%</b>
Other Sources (Uses)						
Operating Transfer In	852,700	551,400	551,400			
Operating Transfer Out						
Revenues and Other Sources Over (Under)						
Expenditures and Other Uses	196,400	(208,700)	(195,900)		12,800	-6%
Fund Balance, Beginning of Year		208,700	196,400		(12,300)	-6%
<b>Fund Balance, End of Year</b>	<b>\$ 196,400</b>	<b>\$ -</b>	<b>\$ 500</b>	<b>\$</b>	<b>500</b>	

# CHANGES IN FINANCIAL POSITION

## INSURANCE BENEFIT

	Current 2013-14	2014-15		Variance	% change
		Adopted 2014-15	Revised 2014-15		
<b>Revenues</b>					
Investment and Property Revenue					
Service Charges					
<b>Total Revenues</b>					
<b>Expenditures</b>					
Operating Programs					
General Government					
Capital Improvement Plan Projects					
<b>Total Expenditures</b>					
Other Sources (Uses)					
Operating Transfer In			342,700	342,700	
Operating Transfer Out					
<b>Total Other Sources (Uses)</b>			<b>342,700</b>	<b>342,700</b>	
Revenues and Other Sources Over (Under)					
Expenditures and Other Uses			342,700	342,700	
Fund Balance, Beginning of Year					
<b>Fund Balance, End of Year</b>			<b>\$ 342,700</b>	<b>\$342,700</b>	

# CHANGES IN FINANCIAL POSITION

## INFORMATION TECHNOLOGY REPLACEMENT

	Current 2013-14	Adopted 2014-15	2014-15		Variance	% change
			Revised 2014-15			
<b>Revenues</b>						
Investment and Property Revenue			1,500		1,500	
Service Charges						
<b>Total Revenues</b>			<b>1,500</b>		<b>1,500</b>	
<b>Expenditures</b>						
Capital Improvement Plan Projects	1,442,547	1,011,000	1,011,000			
<b>Total Expenditures</b>	<b>1,442,547</b>	<b>1,011,000</b>	<b>1,011,000</b>			
Other Sources (Uses)						
Operating Transfer In	593,447	967,100	967,100			
Debt Proceeds	693,000					
<b>Total Sources (Uses)</b>	<b>1,286,447</b>	<b>967,100</b>	<b>967,100</b>			
Revenues and Other Sources Over (Under)						
Expenditures and Other Uses	(156,100)	(43,900)	(42,400)		1,500	-3%
Fund Balance, Beginning of Year	\$199,700	\$200,000	\$ 43,600	\$	(156,400)	-78%
<b>Fund Balance, End of Year</b>	<b>\$ 43,600</b>	<b>\$ 156,100</b>	<b>\$ 1,200</b>	<b>\$</b>	<b>(154,900)</b>	<b>-99%</b>

# CHANGES IN FINANCIAL POSITION

## WATER FUND

	Current 2013-14	2014-15		Variance	% change
		Adopted 2014-15	Revised 2014-15		
<b>Revenues</b>					
Service Charges					
Water Sales					
Water Service Charges	16,131,900	17,019,200	17,019,200		
Sales to Other Agencies	896,400	945,700	842,908	(102,792)	-11%
Development Impact Fees	662,000	678,600	678,600		
Connection Charges and Meter Sales	27,000	27,500	27,500		
Account Set-up Fee	101,400	103,400	103,400		
AB 939 Reimbursement	128,400	131,000	131,000		
<b>Total Service Charges</b>	<b>17,947,100</b>	<b>18,905,400</b>	<b>18,802,608</b>	<b>(102,792)</b>	<b>-1%</b>
Other Revenues	31,430	30,600	32,100	1,500	5%
Subventions and Grants					
Investment and Property Revenues	50,000	140,800	50,000	(90,800)	-64%
<b>Total Revenues</b>	<b>18,028,530</b>	<b>19,076,800</b>	<b>18,884,708</b>	<b>(192,092)</b>	<b>-1%</b>
<b>Expenditures</b>					
Operating Programs					
Public Utilities	13,166,727	13,168,200	13,003,700	(164,500)	-1%
General Government	1,268,800	1,268,800	1,167,004	(101,796)	-8%
<b>Total Operating Programs</b>	<b>14,435,527</b>	<b>14,437,000</b>	<b>14,170,704</b>	<b>(266,296)</b>	<b>-2%</b>
Capital Improvement Plan Projects	4,574,023	2,045,700	2,546,130	500,430	24%
Debt Service	2,191,400	2,195,300	2,195,300		
<b>Total Expenditures</b>	<b>21,200,950</b>	<b>18,678,000</b>	<b>18,912,134</b>	<b>234,134</b>	<b>1%</b>
<b>Other Sources (Uses)</b>					
Other Sources (Uses)					
Proceeds from Debt Financing					
Projected MOA Adjustments					
Operating Transfers Out			(20,800)	(20,800)	
Expenditure Savings					
Other Sources (Uses)	(107,807)		(78,700)	(78,700)	
<b>Total Other Sources (Uses)</b>	<b>(107,807)</b>		<b>(99,500)</b>	<b>(99,500)</b>	
<b>Revenues and Other Sources Over (Under)</b>					
<b>Expenditures and Other Uses</b>	(3,280,227)	398,800	(126,926)	(525,726)	-132%
<i>fund balance adj to CAFR</i>	(1,000)				
<b>Working Capital, Beginning of Year</b>	<b>14,845,300</b>	<b>9,387,500</b>	<b>11,564,073</b>	<b>2,176,573</b>	<b>23%</b>
<b>Working Capital, End of Year</b>	<b>\$ 11,564,073</b>	<b>\$ 9,786,300</b>	<b>\$ 11,437,147</b>	<b>\$ 1,650,847</b>	<b>17%</b>

# CHANGES IN FINANCIAL POSITION

## SEWER FUND

	Current 2013-14	2014-15		Variance	% change
		Adopted 2014-15	Revised 2014-15		
<b>Revenues</b>					
Service Charges					
Customer Sales					
Sewer Service Charges	14,337,200	14,834,300	14,767,300	(67,000)	-0.5%
Sales to Cal Poly	882,400	908,900	929,300	20,400	2.2%
Development Impact Fees	154,400	158,300	158,300		
Account Set-Up Fees	105,000	107,100	107,100		
Industrial User Charges	66,600	67,900	67,900		
Connection Charges and Meter Sales	22,300	22,700	22,700		
<i><b>Total Service Charges</b></i>	<b>15,567,900</b>	<b>16,099,200</b>	<b>16,052,600</b>	<b>(46,600)</b>	<b>-0.3%</b>
Other Revenues	6,700	6,800	6,800		
Investment and Property Revenues	113,600	97,600	97,600		
<b>Total Revenues</b>	<b>15,688,200</b>	<b>16,203,600</b>	<b>16,157,000</b>	<b>(46,600)</b>	<b>-0.3%</b>
<b>Expenditures</b>					
Operating Programs					
Public Utilities	7,152,763	6,717,400	6,641,900	(75,500)	-1%
General Government	1,609,600	1,607,300	1,291,008	(316,292)	-20%
<i><b>Total Operating Programs</b></i>	<b>8,762,363</b>	<b>8,324,700</b>	<b>7,932,908</b>	<b>(391,792)</b>	<b>-5%</b>
Capital Improvement Plan Projects	22,023,581	4,710,400	4,707,900	(2,500)	0%
Debt Service	974,500	1,450,300	1,405,300	(45,000)	-3%
<b>Total Expenditures</b>	<b>31,760,444</b>	<b>14,485,400</b>	<b>14,046,108</b>	<b>(439,292)</b>	<b>-3%</b>
<b>Other Sources (Uses)</b>					
Cashflow adjustment for working capital					
Proceeds from Debt Financing	7,249,000				
Projected MOA Adjustments					
Operating Transfers Out			(22,200)	(22,200)	
Other Sources (Uses)	(38,653)				
<b>Total Other Sources (Uses)</b>	<b>7,210,347</b>		<b>(22,200)</b>	<b>(22,200)</b>	
<b>Revenues and Other Sources Over (Under)</b>					
<b>Expenditures and Other Uses</b>	(8,861,897)	1,718,200	2,088,692	370,492	22%
<b>Working Capital, Beginning of Year</b>	16,937,500	6,487,000	8,075,603	1,588,603	24%
<b>Working Capital, End of Year</b>	<b>\$ 8,075,603</b>	<b>\$ 8,205,200</b>	<b>\$ 10,164,295</b>	<b>\$ 1,959,095</b>	<b>24%</b>



# CHANGES IN FINANCIAL POSITION

## PARKING FUND

			2014-15		Variance	% change
	Current 2013-14	Adopted 2014-15	Revised 2014-15			
<b>Revenues</b>						
Service Charges						
Parking Meter Collections						
Lots	525,100	466,600	530,300	63,700	14%	
Streets	1,311,900	1,325,000	1,325,000			
Parking Structure Collections	822,600	863,800	863,800			
Long-Term Parking Revenues	387,600	391,500	391,500			
Lease Revenues	216,100	218,300	218,300			
Parking In-Lieu Fees	18,300	855,000	18,500	(836,500)	-98%	
Other Service Charges	100	100	100			
<b>Total Service Charges</b>	<b>3,281,700</b>	<b>4,120,300</b>	<b>3,347,500</b>	<b>(772,800)</b>	<b>-19%</b>	
Investment and Property Revenues	35,000	95,200	21,000	(74,200)	-78%	
Fines and Forfeitures	701,300	708,300	708,300			
Other Revenues						
<b>Total Revenues</b>	<b>4,018,000</b>	<b>4,923,800</b>	<b>4,076,800</b>	<b>(847,000)</b>	<b>-17%</b>	
<b>Expenditures</b>						
Operating Programs						
Transportation	2,126,400	2,009,500	2,044,700	35,200	2%	
General Government	609,320	609,300	604,225	(5,075)	-1%	
<b>Total Operating Programs</b>	<b>2,735,720</b>	<b>2,618,800</b>	<b>2,648,925</b>	<b>30,125</b>	<b>1%</b>	
Capital Improvement Plan Projects	2,197,800	17,200	17,200			
Debt Service	1,474,600	970,100	969,100	(1,000)	0%	
<b>Total Expenditures</b>	<b>6,408,120</b>	<b>3,606,100</b>	<b>3,635,225</b>	<b>29,125</b>	<b>1%</b>	
<b>Other Sources (Uses)</b>						
Cashflow adjustment for working capital						
Expenditure Savings			42,775	42,775		
Operating Transfer Out			(5,400)	(5,400)		
Proceeds from Debt Financing						
Other Sources (Uses)						
Potential MOA Adjustments						
<b>Total Other Sources (Uses)</b>			<b>37,375</b>	<b>37,375</b>		
<b>Revenues and Other Sources Over (Under)</b>						
<b>Expenditures and Other Uses</b>	(2,390,120)	1,317,700	478,950	(838,750)	-64%	
<b>Working Capital, Beginning of Year</b>	6,587,000	4,197,800	4,196,880	(920)	0%	
<b>Working Capital, End of Year</b>	<b>\$ 4,196,880</b>	<b>\$ 5,515,500</b>	<b>\$ 4,675,830</b>	<b>\$ (839,670)</b>	<b>-15%</b>	

# CHANGES IN FINANCIAL POSITION

## TRANSIT FUND

	Current 2013-14	2014-15		Variance	% change
		Adopted 2014-15	Revised 2014-15		
<b>Revenues</b>					
Investment and Property Revenues	5,800	5,800	5,800		
From Other Governments					
TDA Revenues (LTF)	1,715,494	1,065,694	1,941,563	875,869	82%
TDA Revenues (STA)	177,706	177,706	176,137	(1,569)	-1%
Other Grants	22,100	30,300	30,300		
FTA Grants	1,725,342	1,764,000	1,570,000	(194,000)	-11%
Service Charges	650,800	669,500	669,500		
Other Revenues	5,000	4,000	4,000		
<b>Total Revenues</b>	<b>4,302,242</b>	<b>3,717,000</b>	<b>4,397,300</b>	<b>680,300</b>	<b>18%</b>
<b>Expenditures</b>					
Operating Programs					
Transportation	2,968,425	2,930,900	2,939,600	8,700	0%
General Government	320,400	329,300	290,742	(38,558)	-12%
<i>Total Operating Programs</i>	<b>3,288,825</b>	<b>3,260,200</b>	<b>3,230,342</b>	<b>(29,858)</b>	<b>-1%</b>
Capital Improvement Plan Projects	1,052,993	528,500	497,200	(31,300)	-6%
<b>Total Expenditures</b>	<b>4,341,818</b>	<b>3,788,700</b>	<b>3,727,542</b>	<b>(61,158)</b>	<b>-2%</b>
<b>Other Sources (Uses)</b>					
Cashflow adjustment for working capital					
Potential MOA Adjustments					
Operating Transfer Out			(1,400)	(1,400)	
Other Sources					
Expenditure Savings			9,300	9,300	
<b>Total Other Sources (Uses)</b>			<b>7,900</b>	<b>7,900</b>	
<b>Revenues and Other Sources Over (Under)</b>					
<b>Expenditures and Other Uses</b>	(39,576)	(71,700)	677,658	749,358	-1045%
<b>Working Capital, Beginning of Year</b>	986,147	1,238,400	946,571	(291,829)	-24%
<b>Working Capital, End of Year</b>	<b>\$ 946,571</b>	<b>\$ 1,166,700</b>	<b>\$ 1,624,229</b>	<b>\$ 457,529</b>	<b>39%</b>

# CHANGES IN FINANCIAL POSITION

## WHALE ROCK COMMISSION

			2014-15		Variance	% change
	Current 2013-14	Adopted 2014-15	Revised 2014-15			
<b>Revenues</b>						
Investment and Property Revenues	1,000	8,700	1,000	(7,700)	-89%	
Service Charges						
Member Agency Contributions	587,400	600,300	600,300			
Water Distribution Charges	301,200	351,400	426,400	75,000	21%	
Other Service Charges						
<i>Total Service Charges &amp; Interest</i>	<b>889,600</b>	<b>960,400</b>	<b>1,027,700</b>	<b>75,000</b>	<b>7%</b>	
Other Revenues	1,400	1,400	1,400			
<b>Total Revenues</b>	<b>891,000</b>	<b>970,500</b>	<b>1,029,100</b>	<b>67,300</b>	<b>6%</b>	
<b>Expenditures</b>						
Operating Programs						
Public Utilities	851,400	870,300	953,900	83,600	10%	
General Government	89,300	89,300	98,229	8,929	10%	
<i>Total Operating Programs</i>	<b>940,700</b>	<b>959,600</b>	<b>1,052,129</b>	<b>92,529</b>	<b>10%</b>	
Capital Improvement Plan Projects	548,200	2,000	75,000	73,000		
<b>Total Expenditures</b>	<b>1,488,900</b>	<b>961,600</b>	<b>1,127,129</b>	<b>165,529</b>	<b>17%</b>	
<b>Other Sources (Uses)</b>						
Transfer out			(12,900)	(12,900)		
Other Sources (Uses)	(4,709)					
Adjust for working capital	(57,497)					
<b>Total Other Sources (Uses)</b>	<b>(62,206)</b>		<b>(12,900)</b>	<b>(12,900)</b>		
<b>Revenues and Other Sources Over (Under)</b>						
<b>Expenditures and Other Uses</b>	(660,106)	8,900	(110,929)	(111,129)		
<b>Working Capital, Beginning of Year</b>	1,156,700	434,000	496,594	62,594	14%	
<b>Working Capital, End of Year</b>	<b>\$ 496,594</b>	<b>\$ 442,900</b>	<b>\$ 385,665</b>	<b>\$ (48,535)</b>	<b>-11%</b>	

# CHANGES IN FINANCIAL POSITION

## BOYSEN RANCH CONSERVATION FUND

	Current 2013-14	Adopted 2014-15	2014-15		
			Revised 2014-15	Variance % change	
<b>Revenues</b>					
Investment and Property Revenue			1,800	1,800	
Service Charges					
<b>Total Revenues</b>			<b>1,800</b>	<b>1,800</b>	
<b>Expenditures</b>					
Operating Programs			7,500	7,500	
<b>Total Expenditures</b>			<b>7,500</b>	<b>7,500</b>	
Other Sources (Uses)					
Operating Transfer In					
Debt Proceeds					
<b>Total Sources (Uses)</b>					
Revenues and Other Sources Over (Under)					
Expenditures and Other Uses			(5,700)	(5,700)	
Fund Balance, Beginning of Year			\$ 86,600	\$ 86,600	
<b>Fund Balance, End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 80,900</b>	<b>\$ 80,900</b>	



Section G

FINANCIAL & STATISTICAL TABLES

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# FINANCIAL AND STATISTICAL TABLES

## OVERVIEW

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This section provides summaries that integrate the other Financial Plan sections as well as provide supplemental financial and statistical information. Generally, each schedule provides information for the two fiscal years covered by the 2013-15 Financial Plan (2013-14 and 2014-15). The following schedules are included in this section:

### **Revenue and Expenditure Summaries**

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- Summary of Key Revenue Assumptions
- Revenues by Major Category and Source
- Total Expenditures by Type and Function

### **Interfund Transactions**

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- Reimbursement Transfers
- Operating Transfers

### **Staffing Summaries**

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- Regular Positions by Department
- Regular Positions by Function
- Temporary Full-Time Equivalents (FTE's) by Function

### **Financial Trends**

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- Pension Obligation Cost Trends
- Retiree Health Care Obligations
- New or Increased Fees or Taxes
- Revenue and Expenditure Trends: Last Five Completed Fiscal Years
- Expenditures by Type: Last Five Years

### **Other Statistical and Financial Summaries**

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- Appropriations Limit History
- Demographic and Statistical Summary

# FINANCIAL AND STATISTICAL TABLES

## SUMMARY OF KEY REVENUE ASSUMPTIONS

### GENERAL FUND

One of the key analytical tools developed during the 2013-15 Financial Plan process was a comprehensive five year financial forecast for the General Fund. This forecast considered key revenue and expenditure projection factors such as population, increases in the consumer price index (CPI) and other growth factors that have been tracked for the past fifteen years providing a historical basis for the five year financial forecast, which was initially presented to the Council in December 2013 and updated in February 2014.

As part of the 2013-14 mid-year budget review process, the revenue assumptions included in the forecast were comprehensively reexamined and adjusted based on actual results for 2012-13 as well as emerging trends at the mid-point of the year.

Overall, major revenues contained in the Preliminary Financial Plan are expected to increase by amounts that equal those reflected in the revised five-year financial forecast.

Sources used in developing the revised projections include economic trends as reported in the national media, forecast data for California and the Central Coast as developed by the UCLA forecasting project, The Central Coast Economic Forecast prepared by Beacon Economics, assessed value trends developed by the San Luis Obispo County Tax Assessor, the State Legislative Analyst and the State Department of Finance; and certain materials prepared by the League of California Cities and the State Controller's Office.

Ultimately, however, the 2014-15 revenue projections reflect staff's best judgment about the performance of the local economy over the next year and potential federal, state and other local agency budget actions and how these will affect the City's General Fund revenues.

### Top Ten General Fund Revenues

The following provides a brief description of the City's top ten General Fund revenues along with an overview of the assumptions used in preparing 2014-15 revenue projections. These "top ten" revenues account for over 97% of total General Fund revenues.

#### ① Sales Tax (Includes Measure Y)

*Grows by 4.0% in 2012-13*

*Grows by 4.5% in 2013-14*

*No Change in 2014-15*

2013-14 revenue **\$22,068,700**

2014-15 revenue **\$22,051,800**

% of total revenue **37%**

The City receives an "effective" rate of 1% from all taxable retail sales occurring in its limits: 0.75% is the local tax rate, which was reduced by the State from 1% in 2006-07, with the 0.25% used for their own purposes in paying-off deficit reduction bonds. However, this 0.25% takeaway is "backfilled" by the State under a complicated scheme known as the "triple flip" which ends in 2014-15. This is collected for the City by the State of California along with their component of the sales tax as well as funds dedicated to public safety and transportation.

**Measure Y Revenues.** In November 2006, City voters approved a 1/2 percent local sales tax increase. The same assumptions for sales tax were applied to this transaction tax in preparing revenue estimates for 2014-15.

# FINANCIAL AND STATISTICAL TABLES

## SUMMARY OF KEY REVENUE ASSUMPTIONS

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### 2 Property Tax

<i>Grows by 2% in 2012-13</i>	
<i>Grows by 2.2% in 2013-14</i>	
<i>Grows by 2.0% in 2014-15</i>	
2013-14 revenue	<b>\$8,761,100</b>
2014-15 revenue	<b>\$8,933,600</b>
% of total revenue	<b>15%</b>

Under Proposition 13 adopted in June of 1978, property taxes for general purposes may not exceed 1% of market value. Property tax assessment, collection and apportionment are performed by the County. The City receives approximately 14% of the levy within its limits. Assessment increases to reflect current market value are allowed when property ownership changes or when improvements are made; otherwise, increases in assessed value are limited to 2% annually. Based on both recent and long-term trends, this revenue is projected to grow modestly over the long term. In 2014-15 the growth factor is limited to 0.5% as set by the Board of Equalization.

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### 3 Transient Occupancy Tax

<i>Grows by 3% in 2012-13</i>	
<i>Grows by 7.5% in 2013-14</i>	
<i>Grows by 5.0% in 2014-15</i>	
2013-14 revenue	<b>\$5,990,300</b>
2014-15 revenue	<b>\$6,289,800</b>
% of total revenue	<b>10%</b>

Transient occupancy taxes (TOT) are levied on all individuals occupying their dwelling for 30 days or less. This is generally most applicable to room rentals at motels and hotels, although it is also applicable to other types of short term rentals. The TOT rate is 10% of the room rental rate. Although the tax is collected for the City by the operators, it is a tax on the occupant, not the hotel or motel.

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### 4 Utility Users Tax

<i>Grows by 2% 2012-13</i>	
<i>Grows by 8.9% in 2013-14</i>	
<i>Grows by 2.7% in 2014-15</i>	
2013-14 revenue	<b>\$5,356,000</b>
2014-15 revenue	<b>\$5,500,000</b>
% of total revenue	<b>9%</b>

The City levies a 5% tax on all residences and businesses using the following utilities: telephone, electricity, natural gas, water and cable television. Government agencies are exempt. Although the tax is collected for the City by the utility companies, it is a tax on the user, not the utility. This revenue source is projected to grow by approximately 8.9% in 2013-14 and 2.7% in 2014-15.

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### 5 Property Tax in Lieu of VLF

<i>Underlying base grows like property tax</i>	
2013-14	<b>\$3,645,700</b>
2014-15	<b>\$3,721,600</b>
% of total revenue	<b>6%</b>

Until 1998-99, the State levied vehicle license fees (VLF) in the amount of 2% of the market value of the motor vehicle in lieu of local property taxes. The State then allocated 81.25% of these revenues equally between cities and counties, apportioned based on population. The State subsequently reduced this rate by 65%, but made up the difference for several years to local agencies through the State General Fund.

However, in responding to its budget crisis, the State cutback on this backfill. As part of a subsequent long-term solution, the State adopted a complicated swap of the "VLF Backfill," for a comparable increase in property revenues. Growth is tied to the growth in assessed property tax values.

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### 6 Development Review Fees

2013-14 revenue	<b>\$3,571,600</b>
2014-15 revenue	<b>\$3,396,400</b>
% of total revenue	<b>6%</b>

Development review fees recover costs for planning, building & safety, engineering and fire plan check services. Cost recovery for these services is generally set at 100% of total costs. Development activities and revenues have increased significantly throughout the 2013-15 Financial Plan period. These Supplemental Budget projections reflect a 46% increase over what was originally budgeted for Development Review Fees in 2013-14 (\$2.44 million), and a 51% increase over the original 2014-15 budget (\$2.25 million).



# FINANCIAL AND STATISTICAL TABLES

## SUMMARY OF KEY REVENUE ASSUMPTIONS

### 7 Franchise Fees

Grows by 1% in 2012-13  
 Declines by 1% in 2013-14  
 Grows by 1% in 2014-15  
 2013-14 revenue \$2,525,900  
 2014-15 revenue \$2,540,200  
 % of total revenue 4%

Franchise fees are levied by the City on a variety of utilities at various rates. The State sets franchise fees for utilities regulated by them (most notably gas and electricity) at 2% of gross revenues. The City sets franchise fee rates on a gross receipts basis for the following utilities: water and sewer (3.5%), solid waste collection (10%); and cable television (5%).

### 8 Business Tax Certificates

Grows by 12% in 2012-13  
 Grows by 3.0% in 2013-14  
 Grows by 3.2% in 2014-15  
 2013-14 revenue \$2,101,200  
 2014-15 revenue \$2,169,500  
 % of total revenue 4%

Anyone conducting business in the City is subject to a municipal business tax. The tax basis and rate are the same for all businesses: \$50 per \$100,000 of gross receipts (or one-twentieth of one percent). The tax is not regulatory, and is only imposed for the purpose of raising general purpose revenues.

*The City sets charges for a broad range of services in accordance with a comprehensive user fee cost recovery policy as set forth in Section H (Budget and Fiscal Policies) of the Financial Plan. Collectively, service charges total \$6.7 million in 2014-15, and account for 11% of General Fund revenues.*

### 9 Parks & Recreation Fees

2013-14 revenue \$1,577,500  
 2014-15 revenue \$1,547,700  
 % of total revenue 3%

Fees are charged for a wide variety of recreation activities including adult and youth athletics, classes, special events, facility rentals, aquatics, teen and senior services, and before and after school programs. Specific cost recovery goals are set for each activity based on a general policy framework that cost recovery should be relatively high for adult-oriented programs, and relatively low for youth and senior programs. Overall, recreation fees recover about 40% of total costs.

### 10 Other Fees

2013-14 revenue \$1,800,300  
 2014-15 revenue \$1,884,100  
 % of total revenue 3%

Fees are also assessed for a wide range of public safety, transportation and general government services. We anticipate that we will experience modest growth in these fees over time.

# FINANCIAL AND STATISTICAL TABLES

## SUMMARY OF KEY REVENUE ASSUMPTIONS

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### SPECIAL REVENUE FUNDS

The City maintains nine special revenue funds: Downtown Business Improvement District Fund, Community Development Block Grant (CDBG) Fund, Gas Tax Fund, Transportation Development Act (TDA) Fund (to account for the 2% required allocation of TDA funds for bicycle planning), Law Enforcement Grants Fund, Tourism Business Improvement District, Public Art Fund. The following summarizes revenue assumptions for the two largest ongoing funds: Gas Tax and CDBG.

#### ■ Gasoline Tax Subventions

<i>2013-14 revenue</i>	<b>\$1,282,400</b>
<i>2014-15 revenue</i>	<b>\$1,141,700</b>

The State allocates a portion of gas tax revenues to cities under four distinct funding categories on a population basis totaling about \$28.00 per capita. Gas tax revenues are restricted by the State for street purposes only (see Section B, Policies and Objectives - Revenue Distribution, for the City's policy regarding the use of gas tax revenues). In March 2010 the State began swapping Proposition 42 revenues with allocations from the gas tax. An adjustment in 2014-15 to offset a prior overpayment by the State is reflected in the current estimate. The overpayment was made to all agencies receiving gas tax.

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#### ■ CDBG

<i>Based on Estimated Allocation</i>	
<i>2013-14 revenue</i>	<b>\$1,251,000</b>
<i>2014-15 revenue</i>	<b>\$760,600</b>

CDBG funds are allocated by the federal government to eligible local agencies for housing and community development purposes. Within general program guidelines to assure that federal program goals are being met, San Luis Obispo County allocates funds to the city each year. These revenues are subject to adjustment both in the total amount and in the amount allocable for administrative costs by the federal government in the future. In 2013-14, previously allocated funds were received as reimbursement for project costs incurred in support of a housing project on South Street.

# FINANCIAL AND STATISTICAL TABLES

## SUMMARY OF KEY REVENUE ASSUMPTIONS

### ENTERPRISE FUNDS

The City maintains four enterprise funds, which account for about 40% of the City's fiscal operations: water, sewer, parking and transit. Comprehensive rate reviews and revenue requirement projections for the next five years are presented to the Council annually. The following is a brief overview of enterprise fund revenue issues and the rate changes for 2013-15.

<p>■ <b>Water Fund</b>            2013-14 revenue           <b>\$18,028,500</b>            2014-15 revenue           <b>\$18,884,700</b></p>	<p>Consistent with the multi-year rate setting strategy previously approved by the Council to improve the City's water distribution and treatment systems, the Council approved a rate increase of 5.5% effective in July 2014 as part of the adoption of the 2013-15 Financial Plan.</p>
<p>■ <b>Sewer Fund</b>            2013-14 revenue           <b>\$15,688,200</b>            2014-15 revenue           <b>\$16,157,000</b></p>	<p>The Sewer Fund also uses a multi-year rate-setting strategy. In order to continue supporting an adequate capital improvement plan and meet high wastewater treatment standards, the Council approved a rate increase of 3% effective in July 2014 as part of the adoption of the 2013-15 Financial Plan.</p>
<p>■ <b>Parking Fund</b>            2013-14 revenue           <b>\$4,018,000</b>            2014-15 revenue           <b>\$4,076,800</b></p>	<p>The Parking Fund revenue forecast anticipates fee increases of 10% every three years, beginning in 2015-16. Otherwise, revenues grow at the rate of 1% per year with the exception of parking in-lieu fees which are programmed in the timeframes shown based on anticipated development taking place, which will remove available spaces from the downtown parking area.</p>
<p>■ <b>Transit Fund</b>            2013-14 revenue           <b>\$4,302,200</b>            2014-15 revenue           <b>\$4,397,300</b></p>	<p>No new fare increases are planned for the 2013-15 period. Ridership is expected to continue to increase, roughly 3% each year. Funding from the Federal Transit Authority is always subject to adjustment but within manageable margins. Revenues from TDA and STA sources, based on information provided by the Council of Governments, are forecast to grow at 3% per year thereafter.</p>

# FINANCIAL AND STATISTICAL TABLES

## REVENUES BY MAJOR CATEGORY AND SOURCE - SUMMARY BY FUND

	2014-15				
	Current 2013-14	Adopted 2014-15	Revised 2014-15	Variance	% Change
<b>GOVERNMENTAL FUNDS</b>					
General Fund	59,424,650	56,922,400	59,138,300	2,215,900	4%
Special Revenue Funds	4,416,890	3,263,400	3,714,437	451,037	14%
Capital Project Funds	7,661,600	17,098,500	18,102,800	1,004,300	6%
<b>Total Governmental Funds</b>	<b>71,503,140</b>	<b>77,284,300</b>	<b>80,955,537</b>	<b>3,671,237</b>	<b>5%</b>
<b>ENTERPRISE AND AGENCY FUNDS</b>					
Water Fund	18,028,530	19,076,800	18,884,708	(192,092)	-1%
Sewer Fund	15,688,200	16,203,600	16,157,000	(46,600)	0%
Parking Fund	4,018,000	4,923,800	4,076,800	(847,000)	-17%
Transit Fund	4,302,242	3,717,000	4,397,300	680,300	18%
Whale Rock Reservoir Fund	891,000	961,800	1,029,100	67,300	7%
Boysen Ranch Fund			1,800	1,800	
<b>Total Enterprise and Agency Funds</b>	<b>42,927,972</b>	<b>44,883,000</b>	<b>44,546,708</b>	<b>(336,292)</b>	<b>-1%</b>
<b>TOTAL</b>	<b>\$114,431,112</b>	<b>\$122,167,300</b>	<b>\$125,502,245</b>	<b>3,334,945</b>	<b>3%</b>

# FINANCIAL AND STATISTICAL TABLES

## REVENUES BY MAJOR CATEGORY AND SOURCE

	2014-15				
	Current 2013-14	Adopted 2014-15	Revised 2014-15	Variance	% Change
<b>GENERAL FUND</b>					
<b>Tax &amp; Franchise Revenues</b>					
Sales & use tax					
General	15,394,700	15,058,700	15,276,800	218,100	1%
Measure Y	6,674,000	6,864,000	6,775,000	(89,000)	-1%
Public safety (Proposition 172)	338,900	284,600	350,400	65,800	23%
Property tax	8,761,100	8,872,200	8,933,600	61,400	1%
Property tax in lieu of VLF	3,645,700	3,640,000	3,721,600	81,600	2%
Transient occupancy tax	5,990,300	5,898,200	6,289,800	391,600	7%
Utility users tax	5,356,000	4,874,900	5,500,000	625,100	13%
Franchise fees	2,525,900	2,548,200	2,540,200	(8,000)	0%
Business tax certificates	2,116,600	2,168,600	2,184,500	15,900	1%
Real property transfer tax	200,000	180,000	180,000		
<b>Total Tax &amp; Franchise Revenues</b>	<b>51,003,200</b>	<b>50,389,400</b>	<b>51,751,900</b>	<b>1,362,500</b>	<b>3%</b>
<b>Fines &amp; Forfeitures</b>					
Vehicle code fines	120,000	127,600	120,000	(7,600)	-6%
Other fines & forfeitures	36,000	39,700	36,000	(3,700)	-9%
<b>Total Fines &amp; Forfeitures</b>	<b>156,000</b>	<b>167,300</b>	<b>156,000</b>	<b>(11,300)</b>	<b>-7%</b>
<b>Investment and Property Revenues</b>					
Investment earnings	20,000	165,200	20,300	(144,900)	-88%
Rents & concessions	159,000	159,000	161,400	2,400	2%
<b>Total Investment &amp; Property</b>	<b>179,000</b>	<b>324,200</b>	<b>181,700</b>	<b>(142,500)</b>	<b>-44%</b>
<b>Subventions &amp; Grants</b>					
Motor vehicle in-lieu					
Homeowner Property Tax Relief	72,800	75,000	74,000	(1,000)	-1%
City Housing Authority	22,200	21,700	22,000	300	1%
SB 90 reimbursements	11,200				
Police training (POST)	40,000	50,000	40,000	(10,000)	-20%
Mutual aid reimbursements	228,191				
COPS grant AB3229	100,000	100,000	100,000		
OTS Grant	43,009				
Zone 9 reimbursements	85,000	85,000	85,000		
Other state & federal grants	598,200		6,000	6,000	
<b>Total Subventions &amp; Grants</b>	<b>1,200,600</b>	<b>331,700</b>	<b>327,000</b>	<b>(4,700)</b>	<b>-1%</b>
<b>Service Charges</b>					
Police Services					
Accident reports	3,000	3,000	3,000		
Collision investigation	12,000	12,000	12,000		
Alarm permits and false alarm fees	70,000	70,000	80,000	10,000	14%
DUI cost recovery	15,000	20,000	15,000	(5,000)	-25%
Tow release fee	12,000	14,000	12,000	(2,000)	-14%
Booking fee recovery					
Tobacco permit fees	20,000	20,000	20,000		
Administrative citations	100,000	140,000	100,000	(40,000)	-29%

# FINANCIAL AND STATISTICAL TABLES

## REVENUES BY MAJOR CATEGORY AND SOURCE

	2014-15				
	Current 2013-14	Adopted 2014-15	Revised 2014-15	Variance	% Change
<b>GENERAL FUND</b>					
Parking citations	80,000	80,000	80,000		
Other police services	98,000	72,900	103,000	30,100	41%
<b>Total Police Services</b>	<b>410,000</b>	<b>431,900</b>	<b>425,000</b>	<b>(6,900)</b>	<b>-2%</b>
<b>Fire Services</b>					
Cal Poly fire services	270,700	265,000	270,700	5,700	2%
Medical emergency recovery	168,800	169,000	170,000	1,000	1%
Fire safety/haz mat permits	130,800	134,700	130,000	(4,700)	-3%
Multi-dwelling unit inspections	193,000	194,000	194,000		
CUPA fees	46,000	92,000	100,000	8,000	9%
Other fire services	26,900	23,000	25,000	2,000	9%
<b>Total Fire Services</b>	<b>836,200</b>	<b>877,700</b>	<b>889,700</b>	<b>12,000</b>	<b>1%</b>
<b>Development Review</b>					
Planning & zoning fees	867,300	448,300	317,200	(131,100)	-29%
Building Permits	1,085,000	587,500	975,000	387,500	66%
Construction plan check & inspection	635,000	407,600	676,500	268,900	66%
Infrastructure plan check & inspection	510,000	374,900	374,900		
Encroachment permits	150,000	160,700	160,700		
Fire plan check & inspections	280,000	160,000	305,000	145,000	91%
Waterways management plan fees					
Other Development Fees	44,300	111,600	587,000	475,400	426%
<b>Total Development Review</b>	<b>3,571,600</b>	<b>2,250,600</b>	<b>3,396,300</b>	<b>1,145,700</b>	<b>51%</b>
<b>Parks &amp; Recreation</b>					
Adult athletic fees	122,400	122,400	122,400		
Youth athletic fees	33,700	33,700	33,700		
Skate park fees					
Instruction fees	83,900	83,900	83,900		
Special event fees	92,700	72,700	92,700	20,000	28%
Rental & use fees	161,500	161,500	161,500		
Children services	550,000	511,600	511,600		
Teens & seniors	500	500	500		
Aquatics	248,200	256,700	256,700		
Golf	291,700	291,700	291,700		
Other recreation revenues	(7,150)	(7,000)	(7,000)		
<b>Total Parks &amp; Recreation</b>	<b>1,577,450</b>	<b>1,527,700</b>	<b>1,547,700</b>	<b>20,000</b>	<b>1%</b>
<b>General Government</b>					
Business license	381,000	443,400	371,000	(72,400)	-16%
Sales of publications	2,000	2,500	2,500		
Other service charges	12,100	26,000	9,500	(16,500)	-63%
<b>Total General Government</b>	<b>395,100</b>	<b>471,900</b>	<b>383,000</b>	<b>(88,900)</b>	<b>-19%</b>
<b>Total Service Charges</b>	<b>6,790,350</b>	<b>5,559,800</b>	<b>6,641,700</b>	<b>1,081,900</b>	<b>19%</b>
<b>Other Revenues</b>					
Insurance refunds	45,000		20,000	20,000	
Other revenues	50,500	150,000	60,000	(90,000)	-60%
<b>Total Other Revenues</b>	<b>95,500</b>	<b>150,000</b>	<b>80,000</b>	<b>(70,000)</b>	<b>-47%</b>
<b>Total General Fund</b>	<b>\$59,424,650</b>	<b>\$56,922,400</b>	<b>\$59,138,300</b>	<b>\$2,215,900</b>	<b>4%</b>

# FINANCIAL AND STATISTICAL TABLES

## REVENUES BY MAJOR CATEGORY AND SOURCE

	2014-15				
	Current 2013-14	Adopted 2014-15	Revised 2014-15	Variance	% Change
<b>SPECIAL REVENUE FUNDS</b>					
<b>Downtown Business Improvement District Fund</b>					
Service Charges	205,000	210,000	214,000	4,000	2%
<b>Total Downtown BID Fund</b>	<b>205,000</b>	<b>210,000</b>	<b>214,000</b>	<b>4,000</b>	<b>2%</b>
<b>Tourism Business Improvement District Fund</b>					
Investment & Property Revenues	1,500	1,500	1,100	(400)	
Other Revenues					
Service Charges	1,198,000	1,179,600	1,257,960	78,360	7%
<b>Total Tourism BID Fund</b>	<b>1,199,500</b>	<b>1,181,100</b>	<b>1,259,060</b>	<b>77,960</b>	<b>7%</b>
<b>Community Development Block Grant Fund</b>					
Subventions & Grants	1,251,000	455,900	760,567	304,667	67%
<b>Gas Tax Fund</b>					
Subventions & Grants	1,282,200	1,357,200	1,141,700	(215,500)	-16%
<b>Transportation Development Act Fund</b>					
Subventions & Grants	49,100	35,000	54,800	19,800	57%
<b>Law Enforcement Grant Fund</b>					
Investment & Property Revenues	100	100	100		
Subventions & Grants	325,390		260,110	260,110	
Service Charges	2,000	2,000	2,000		
<b>Total Law Enforcement Grant Fund</b>	<b>327,490</b>	<b>2,100</b>	<b>262,210</b>	<b>260,110</b>	
<b>Public Art Contributions Fund</b>					
Investment & Property Revenues	2,100	2,100	2,100		
Service Charges	100,000	20,000	20,000		
Other Revenues	500				
<b>Total Public Art Contributions Fund</b>	<b>102,600</b>	<b>22,100</b>	<b>22,100</b>		
<b>Total Special Revenue Funds</b>	<b>\$4,416,890</b>	<b>\$3,263,400</b>	<b>\$3,714,437</b>	<b>451,037</b>	<b>14%</b>

# FINANCIAL AND STATISTICAL TABLES

## REVENUES BY MAJOR CATEGORY AND SOURCE

	2014-15				% Change
	Current 2013-14	Adopted 2014-15	Revised 2014-15	Variance	
<b>CAPITAL PROJECT FUNDS</b>					
<b>General Purpose CIP</b>					
Subventions & Grants					
<i>State of California</i>					
SHA/USHA	834,500				
Safe routes to school grant					
SLTPP/STP grant		289,400	16,289,400	16,289,400	
STP/SHA - RRTC					
Other state grants	2,623,600				
<i>Federal Government</i>					
Highway & bridge rehabilitation & replacement (HBRR)	714,500				
Transportation enhancement (TEA)					
Other federal grants	1,048,800				
Service Charges					
Zone 9 reimbursements	303,000				
Other Revenues					
Contributions					
Other Revenue					
<b>Total General Purpose CIP</b>	<b>5,524,400</b>	<b>289,400</b>	<b>16,289,400</b>	<b>16,000,000</b>	
<b>Parkland Development Fund</b>					
Investment & Property Revenues	6,700	6,700	3,000	(3,700)	-55%
Subventions & Grants					
Service Charges					
Park in-lieu fees	85,000				
Dwelling unit charge	1,200				
Other Revenues					
<b>Total Parkland Development</b>	<b>92,900</b>	<b>6,700</b>	<b>3,000</b>	<b>(3,700)</b>	
<b>Transportation Impact Fee Fund</b>					
Investment & Property Revenues	10,000	10,000	1,244,000	1,234,000	
Subventions & Grants		16,234,000		(16,234,000)	
Service Charges					
Impact Fees	900,000	177,200	177,200		
Other Revenues					
<b>Total Transportation Impact Fee</b>	<b>910,000</b>	<b>16,421,200</b>	<b>1,421,200</b>	<b>(15,000,000)</b>	<b>-91%</b>
<b>Fleet Replacement Fund</b>					
Investment & Property Revenues	6,000	6,000	6,000		
Other Revenues	10,000				
Sale of surplus property		10,000	10,000		
<b>Total Fleet Replacement Fund</b>	<b>16,000</b>	<b>16,000</b>	<b>16,000</b>		



# FINANCIAL AND STATISTICAL TABLES

## REVENUES BY MAJOR CATEGORY AND SOURCE

	2014-15				
	Current 2013-14	Adopted 2014-15	Revised 2014-15	Variance	% Change
<b>CAPITAL PROJECT FUNDS</b>					
<b>Open Space Protection Fund</b>					
Investment & Property Revenues	500	500	1,500	1,000	200%
Subventions & Grants	125,000	350,000	350,000		
Service Charges	25,000				
<b>Total Open Space Protection Fund</b>	<b>150,500</b>	<b>350,500</b>	<b>351,500</b>	<b>1,000</b>	
<b>Airport Area Impact Fee Fund</b>					
Investment & Property Revenues	5,000	5,000	1,000	(4,000)	-80%
Service Charges	300,000				
<b>Total Airport Area Impact Fee Fund</b>	<b>305,000</b>	<b>5,000</b>	<b>1,000</b>	<b>(4,000)</b>	
<b>Affordable Housing Fund</b>					
Investment & Property Revenues	8,000	8,000	17,000	9,000	
Subventions & Grants	650,000				
Service Charges					
<b>Total Affordable Housing Fund</b>	<b>658,000</b>	<b>8,000</b>	<b>17,000</b>	<b>9,000</b>	
<b>Los Osos Valley Road Sub-Area Fee Fund</b>					
Investment & Property Revenues	1,700	1,700	1,700		
Service Charges	3,100				
<b>Total LOVR Sub-Area Fee Fund</b>	<b>4,800</b>	<b>1,700</b>	<b>1,700</b>		
<b>Information Technology Replacement Fund</b>					
Investment & Property Revenues			1,500	1,500	
Service Charges					
<b>Total IT Replacement Fund</b>			<b>1,500</b>	<b>1,500</b>	
<b>Major Facility Replacement Fund</b>					
Investment & Property Revenues			500	500	
Service Charges					
<b>Total Major Facility Replacement Fund</b>			<b>500</b>	<b>500</b>	
<b>Total Capital Project Funds</b>	<b>\$7,661,600</b>	<b>\$17,098,500</b>	<b>\$18,102,800</b>	<b>1,004,300</b>	<b>6%</b>
<b>TOTAL-GOVERNMENTAL FUNDS</b>	<b>\$71,503,140</b>	<b>\$77,284,300</b>	<b>\$80,955,537</b>	<b>3,671,237</b>	<b>5%</b>

# FINANCIAL AND STATISTICAL TABLES

## REVENUES BY MAJOR CATEGORY AND SOURCE

	2014-15				
	Current 2013-14	Adopted 2014-15	Revised 2014-15	Variance	% Change
<b>ENTERPRISE &amp; AGENCY FUNDS</b>					
<b>Water Fund</b>					
Investment & Property Revenues	50,000	140,800	50,000	(90,800)	-64%
Service Charges	17,947,100	18,905,400	18,802,608	(102,792)	-1%
Other Revenues	31,430	30,600	32,100	1,500	5%
<b>Total Water Fund</b>	<b>18,028,530</b>	<b>19,076,800</b>	<b>18,884,708</b>	<b>(192,092)</b>	<b>-1%</b>
<b>Sewer Fund</b>					
Investment & Property Revenues	113,600	97,600	97,600		
Service Charges	15,567,900	16,099,200	16,052,600	(46,600)	0%
Other Revenues	6,700	6,800	6,800		
<b>Total Sewer Fund</b>	<b>15,688,200</b>	<b>16,203,600</b>	<b>16,157,000</b>	<b>(46,600)</b>	<b>0%</b>
<b>Parking Fund</b>					
Fines & Forfeitures	701,300	708,300	708,300		
Investment & Property Revenues	35,000	95,200	21,000	(74,200)	-78%
Service Charges	3,281,700	4,120,300	3,347,500	(772,800)	-19%
Other Revenues					
<b>Total Parking Fund</b>	<b>4,018,000</b>	<b>4,923,800</b>	<b>4,076,800</b>	<b>(847,000)</b>	<b>-17%</b>
<b>Transit Fund</b>					
Investment & Property Revenues	5,800	5,800	5,800		
Subventions & Grants	3,640,642	3,037,700	3,718,000	680,300	22%
Service Charges	650,800	669,500	669,500		
Other Revenues	5,000	4,000	4,000		
<b>Total Transit Fund</b>	<b>4,302,242</b>	<b>3,717,000</b>	<b>4,397,300</b>	<b>680,300</b>	<b>18%</b>
<b>Whale Rock Commission</b>					
Investment & Property Revenues	1,000	8,700	1,000	(7,700)	-89%
Service Charges	888,600	953,100	1,026,700	73,600	8%
Other Revenues	1,400		1,400	1,400	
<b>Total Whale Rock Commission Fund</b>	<b>891,000</b>	<b>961,800</b>	<b>1,029,100</b>	<b>67,300</b>	
<b>Boyson Ranch Conservation Fund</b>					
Investment & Property Revenues			1,800	1,800	
Subventions & Grants					
Service Charges					
<b>Total Boyson Ranch Conservation Fund</b>			<b>1,800</b>	<b>1,800</b>	
<b>Total Enterprise &amp; Agency Funds</b>	<b>\$42,927,972</b>	<b>\$44,883,000</b>	<b>\$44,546,708</b>	<b>(\$336,292)</b>	<b>-1%</b>
<b>TOTAL - ALL FUNDS</b>	<b>\$114,431,112</b>	<b>\$122,167,300</b>	<b>\$125,502,245</b>	<b>\$3,334,945</b>	<b>3%</b>

# FINANCIAL AND STATISTICAL TABLES

## INTERFUND TRANSACTIONS - REIMBURSEMENT TRANSFERS

	2014-15			Variance
	Adopted 2013-14	Adopted 2014-15	Revised 2014-15	
General Fund	(\$3,897,500)	(3,904,100)	(\$3,451,208)	
Enterprise and Agency Funds				
Water	1,268,900	1,268,900	1,167,004	
Sewer	1,609,600	1,607,300	1,291,008	
Parking	609,300	609,300	604,225	
Transit	320,400	329,300	290,742	
Golf	0			
Whale Rock Commission	89,300	89,300	98,229	
<b>Total Enterprise and Agency Funds</b>	<b>\$3,897,500</b>	<b>3,904,100</b>	<b>\$3,451,208</b>	<b>\$0</b>

### Summary of Purpose of 2013-15 Reimbursement Transfers

All of the City's Central Service Departments are accounted for and budgeted within the General Fund. However, these departments provide benefits to programs that operate in other funds such as the Utility, Parking and Transit Enterprise Funds. Other programs also benefit, but because of limitations on their ability to reimburse the General Fund, the allocated costs do not result in reimbursements paid to the General Fund to offset these expenses. To determine costs allocable to the Transit Enterprise Fund, the City utilizes a cost allocation plan that is developed in accordance with OMB A-87, which is a federal regulation established for that purpose. A current copy of the cost allocation plan is available from the Finance Department. The following table identifies the budgeted costs for the central service cost programs for the years shown and the percentage of reimbursement received from the Enterprise Funds

	2013-14	2014-15
General Government Programs		
City Council	138,900	143,800
General Administration		
City Administration	741,500	656,300
City Clerk Services	373,000	535,200
Public Works Administration	918,900	924,900
Transportation Planning & Engineering	502,900	688,800
Legal Services	548,600	556,400
Organizational Support Services		
Finance, Human Resources, Information		
Systems, and Geodata Services	6,024,200	5,993,441
Risk Management and Insurance Expenditures	3,112,000	3,471,682
Other Support Services (telephones, copiers, etc)	265,300	240,800
Buildings and Vehicle Maintenance	2,271,800	2,257,900
<b>Total General Government Programs</b>	<b>14,897,100</b>	<b>15,469,223</b>
Natural Resource Protection	342,800	355,000
CIP Project Engineering Program	1,771,500	1,786,300
Hazard Prevention	622,900	698,100
<b>Total Reimbursed Programs</b>	<b>17,634,300</b>	<b>18,308,623</b>
Percent Funded By		
General Fund	78%	81%
Enterprise and Agency Funds	22%	19%
<b>Total Reimbursed Programs</b>	<b>100%</b>	<b>100%</b>

# FINANCIAL AND STATISTICAL TABLES

## INTERFUND TRANSACTIONS - OPERATING TRANSFERS

	2014-15				
	Current 2013-14	Adopted 2014-15	Revised 2014-15	Variance	Change %
<b>General Fund</b>					
Operating Transfers In					
Gas Tax Fund	1,282,200	1,357,200	1,141,700	(215,500)	-16%
TDA Fund	49,100	35,000	54,800	19,800	57%
Tourism BID Fund	23,000	23,600	25,159	1,559	7%
Affordable Housing Fund	17,000	17,000	17,000		
Transportation Impact Fee Fund			250,000		
Sewer Enterprise Fund					
Parking Enterprise Fund					
General Purpose CIP	9,000				
Debt Service Fund					
Total operating transfers in	<b>1,380,300</b>	<b>1,432,800</b>	<b>1,488,659</b>	<b>(194,141)</b>	<b>4%</b>
Operating Transfers Out					
Insurance Benefit Fund			(280,000)	280,000	
Community Development Block Grant	(55,300)	(81,200)	(74,611)	6,589	-8%
General Purpose CIP	(5,535,900)	(2,285,700)	(2,285,700)		
Open Space Protection Fund	(200,000)	(200,000)	(200,000)		
Fleet Replacement Fund	(411,360)	(532,600)	(532,600)		
Debt Service Fund	(3,694,706)	(2,963,900)	(5,576,862)	2,612,962	88%
Information Technology Fund	(565,500)	(967,100)	(967,100)		
Major Facility Replacement Fund	(852,700)	(551,400)	(551,400)		
Public Art Fund	(18,185)		(29,900)	29,900	
Total operating transfers out	<b>(11,333,651)</b>	<b>(7,581,900)</b>	<b>(10,498,173)</b>	<b>2,929,451</b>	<b>38%</b>
<b>Total Operating Transfers</b>	<b>(9,953,351)</b>	<b>(6,149,100)</b>	<b>(9,009,514)</b>	<b>2,735,310</b>	<b>47%</b>
<b>Community Development Block Grant Fund</b>					
Operating Transfer In					
Park Hotel Fund	17,900				
General Fund	55,300	81,200	74,611	6,589	-8%
	<b>73,200</b>	<b>81,200</b>	<b>74,611</b>	<b>6,589</b>	<b>-8%</b>
<b>Gas Tax Fund</b>					
Operating Transfer Out					
General Fund	<b>(1,282,200)</b>	<b>(1,357,200)</b>	<b>(1,141,700)</b>	<b>(215,500)</b>	<b>-16%</b>
<b>Transportation Development Act Fund</b>					
Operating Transfer Out					
General Fund	<b>(49,100)</b>	<b>(35,000)</b>	<b>(54,800)</b>	<b>19,800</b>	<b>57%</b>
<b>Tourism Business Improvement District Fund</b>					
Operating Transfer Out					
General Fund	<b>(23,000)</b>	<b>(23,600)</b>	<b>(25,159)</b>	<b>1,559</b>	<b>7%</b>

# FINANCIAL AND STATISTICAL TABLES

## INTERFUND TRANSACTIONS - OPERATING TRANSFERS

	2014-15				Change %
	Current 2013-14	Adopted 2014-15	Revised 2014-15	Variance	
<b>Information Technology Replacement Fund</b>					
Operating Transfer In					
General Fund	565,500	967,100	967,100		
Public Access Channel Fund	27,947				
	<b>593,447</b>	<b>967,100</b>	<b>967,100</b>		
<b>Sewer Enterprise Fund</b>					
Operating Transfer Out					
Insurance Benefit Fund			(22,200)		
General Fund					
			<b>(22,200)</b>		
<b>Parking Enterprise Fund</b>					
Operating Transfer Out					
Insurance Benefit Fund			(5,400)		
General Fund					
			<b>(5,400)</b>		
<b>Water Enterprise Fund</b>					
Operating Transfer Out					
Insurance Benefit Fund			(20,800)		
			<b>(20,800)</b>		
<b>Transit Enterprise Fund</b>					
Operating Transfer Out					
Insurance Benefit Fund			(1,400)		
			<b>(1,400)</b>		
<b>Insurance Benefit Fund</b>					
Operating Transfer In					
General Fund			280,000	280,000	
Water Enterprise Fund			20,800	20,800	
Sewer Enterprise Fund			22,200	22,200	
Parking Enterprise Fund			5,400	5,400	
Transit Enterprise Fund			1,400	1,400	
Whale Rock Commission			12,900	12,900	
			<b>342,700</b>	<b>342,700</b>	
Operating Transfer Out					
General Fund					
<b>Whale Rock Commission</b>					
Operating Transfer Out					
Insurance Benefit Fund			(12,900)		

# FINANCIAL AND STATISTICAL TABLES

## INTERFUND TRANSACTIONS - OPERATING TRANSFERS

	2014-15				Change %
	Current 2013-14	Adopted 2014-15	Revised 2014-15	Variance	
<b>General Purpose CIP</b>					
Operating Transfer In					
General Fund	5,535,900	2,285,700	2,285,700		
Operating Transfer Out					
General Fund	(9,000)				
Public Art Fund	(62,500)				
Total operating transfers	5,464,400	2,285,700	2,285,700		
<b>Transportation Impact Fee Fund</b>					
<b>Operating Transfer Out</b>					
General Fund			(250,000)		
<b>Open Space Protection Fund</b>					
Operating Transfers In					
General Fund	200,000	200,000	200,000		
<b>Fleet Replacement Fund</b>					
Operating Transfers In					
General Fund	411,360	532,600	532,600		
<b>Debt Service Fund</b>					
Operating Transfer In					
General Fund	3,694,706	2,963,900	5,576,862	2,612,962	88%
Operating Transfer Out					
General Fund					
Total operating transfers	3,694,706	2,963,900	5,576,862	2,612,962	
<b>Major Facility Replacement Fund</b>					
Operating Transfer In					
General Fund	852,700	551,400	551,400		
<b>Park Hotel Fund</b>					
Operating Transfer Out					
CDBG Fund	(17,900)				
<b>Affordable Housing Fund</b>					
Operating Transfer Out					
General Fund	(17,000)	(17,000)	(17,000)		

# FINANCIAL AND STATISTICAL TABLES

## INTERFUND TRANSACTIONS - OPERATING TRANSFERS

	2014-15				Change %
	Current 2013-14	Adopted 2014-15	Revised 2014-15	Variance	
<b>Public Art Fund</b>					
Operating Transfer In					
General Fund	80,685		29,900	29,900	
Capital Outlay Fund					
Total operating transfers in	<b>80,685</b>		<b>29,900</b>	<b>29,900</b>	
<b>Public Access Channel Fund (PEG)</b>					
Operating Transfer Out					
Information Technology Fund	<b>(27,947)</b>				
<b>NET OPERATING TRANSFERS</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		

# FINANCIAL AND STATISTICAL TABLES

## AUTHORIZED REGULAR POSITIONS BY DEPARTMENT

	Actual 2011-12	Actual 2012-13	2013-15 Supplement	
			2013-14	2014-15
<b>ADMINISTRATION</b>	<b>9.30</b>	<b>11.05</b>	<b>11.00</b>	<b>11.00</b>
City Administration				
City Manager	1.00	1.00	1.00	1.00
Assistant City Manager	1.00	1.00	1.00	1.00
Principal Administrative Analyst	0.50	0.50	1.00	1.00
Administration Executive Assistant	1.00	1.00	0.00	0.00
<b>Total City Administration</b>	<b>3.50</b>	<b>3.50</b>	<b>3.00</b>	<b>3.00</b>
Natural Resources Protection				
Natural Resources Manager	1.00	1.00	1.00	1.00
City Biologist	1.00	1.00	1.00	1.00
<b>Total Natural Resources Protection</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>
Economic Development				
Economic Development Manager	1.00	1.00	1.00	1.00
Administrative Analyst *	0.30	0.30	0.00	0.00
<b>Total Economic Development</b>	<b>1.30</b>	<b>1.30</b>	<b>1.00</b>	<b>1.00</b>
Community Promotions				
Tourism Manager	0.00	1.00	1.00	1.00
Principal Administrative Analyst	0.50	0.50	0.00	0.00
<b>Total Community Promotions</b>	<b>0.50</b>	<b>1.50</b>	<b>1.00</b>	<b>1.00</b>
City Clerk				
City Clerk	1.00	1.00	1.00	1.00
Deputy City Clerk	0.00	1.00	1.00	1.00
Administrative Assistant	1.00	0.75	2.00	2.00
<b>Total City Clerk</b>	<b>2.00</b>	<b>2.75</b>	<b>4.00</b>	<b>4.00</b>
* Position allocated to Finance & Information Technology effective July 1, 2013.				
<b>CITY ATTORNEY</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>
Legal Services				
City Attorney	1.00	1.00	1.00	1.00
Assistant City Attorney	1.00	1.00	1.00	1.00
Legal Assistant/Paralegal	1.00	1.00	1.00	1.00
<b>Total Legal Services</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>
<b>HUMAN RESOURCES</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>
Human Resources Administration				
Director of Human Resources	1.00	1.00	1.00	1.00
Human Resources Analyst	1.00	1.00	1.00	1.00
HR Administrative Assistant I*	0.30	0.30	0.70	0.70
Human Resources Specialist	1.00	1.00	1.00	1.00
<b>Total Human Resources Administration</b>	<b>3.30</b>	<b>3.30</b>	<b>3.70</b>	<b>3.70</b>
Risk Management				
Human Resources Manager	1.00	1.00	1.00	1.00
HR Administrative Assistant I*	0.70	0.70	0.30	0.30
<b>Total Risk Management</b>	<b>1.70</b>	<b>1.70</b>	<b>1.30</b>	<b>1.30</b>

\*Position is allocated 70% to Administration and 30% to Risk Management.



# FINANCIAL AND STATISTICAL TABLES

## AUTHORIZED REGULAR POSITIONS BY DEPARTMENT

	Actual 2011-12	Actual 2012-13	2013-15 Supplement	
			2013-14	2014-15
<b>FINANCE &amp; INFORMATION TECHNOLOGY</b>	<b>21.95</b>	<b>21.95</b>	<b>21.50</b>	<b>21.50</b>
Finance & Information Technology Administration				
Director of Finance & Information Technology	1.00	1.00	1.00	1.00
Budget Manager	0.00	0.00	1.00	1.00
Administrative Assistant	0.00	0.00	1.00	1.00
Administrative Analyst	0.70	0.70	0.00	0.00
<b>Total Finance &amp; Information Technology Administration</b>	<b>1.70</b>	<b>1.70</b>	<b>3.00</b>	<b>3.00</b>
Accounting				
Finance Operations Manager*	0.50	0.50	0.50	0.50
Senior Accountant*	0.00	0.00	0.50	0.50
Supervising Accounting Assistant	0.00	0.00	1.00	1.00
Accounting Supervisor	1.00	1.00	0.00	0.00
Accounting Assistant	3.00	3.00	3.00	3.00
<b>Total Accounting</b>	<b>4.50</b>	<b>4.50</b>	<b>5.00</b>	<b>5.00</b>
Revenue Management				
Finance Operations Manager*	0.50	0.50	0.50	0.50
Senior Accountant*	0.00	0.00	0.50	0.50
Accountant	0.00	0.00	1.00	1.00
Revenue Supervisor	1.00	1.00	0.00	0.00
Accounting Assistant	5.00	5.00	2.00	2.00
<b>Total Revenue Management</b>	<b>6.50</b>	<b>6.50</b>	<b>4.00</b>	<b>4.00</b>
Network Services				
Information Technology Manager**	0.50	0.50	0.50	0.50
Network Administrator	3.00	3.00	3.00	3.00
Network Services Supervisor	1.00	1.00	1.00	1.00
Database Administrator	1.00	1.00	1.00	1.00
Information Technology Assistant	0.75	0.75	1.00	1.00
<b>Total Network Services</b>	<b>6.25</b>	<b>6.25</b>	<b>6.50</b>	<b>6.50</b>
Geographic Information Services (GIS)				
Information Technology Manager**	0.50	0.50	0.50	0.50
GIS Supervisor	1.00	1.00	1.00	1.00
GIS Specialist	1.50	1.50	1.50	1.50
<b>Total Geographic Information Services</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>

\*Position is allocated 50% to Revenue Management and 50% to Accounting.

\*\*Position is allocated 50% to Information Technology and 50% to Geographic Information Services.

<b>COMMUNITY DEVELOPMENT</b>	<b>22.25</b>	<b>22.25</b>	<b>22.50</b>	<b>26.00</b>
Community Development Administration				
Director of Community Development	1.00	1.00	1.00	1.00
Supervising Administrative Assistant	1.00	1.00	1.00	1.00
Administrative Assistant*	1.50	1.50	1.50	2.00
<b>Total Community Development Administration</b>	<b>3.50</b>	<b>3.50</b>	<b>3.50</b>	<b>4.00</b>

\* Includes 0.5 position requested at 2014-15 Supplement for Development Services SOPC

# FINANCIAL AND STATISTICAL TABLES

## AUTHORIZED REGULAR POSITIONS BY DEPARTMENT

	Actual 2011-12	Actual 2012-13	2013-15 Supplement	
			2013-14	2014-15
<b>Planning Development Review</b>				
Deputy Director	1.00	1.00	1.00	1.00
Assistant Planner	1.00	1.00	1.00	1.00
Senior Planner	1.00	1.00	1.00	1.00
Associate Planner	1.00	1.00	1.00	1.00
<b>Total Planning Development Review</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>
<b>Long-Range Planning</b>				
Deputy Director	1.00	1.00	1.00	1.00
Senior Planner	1.00	1.00	1.00	1.00
Associate Planner	1.00	1.00	1.00	1.00
Housing Programs Manager	1.00	1.00	1.00	1.00
<b>Total Long-Range Planning</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>
<b>Building &amp; Safety</b>				
Chief Building Official	1.00	1.00	1.00	1.00
Assistant Building Official	1.00	1.00		
Building & Safety Supervisor			1.00	1.00
Permit Coordinator	1.00	1.00	1.00	1.00
Building Inspector	2.00	2.00	2.00	2.00
Plans Examiner	1.00	1.00	1.00	1.00
Code Enforcement Officer	2.00	2.00	2.00	2.00
Neighborhood Services Specialist	2.00	2.00	2.00	2.00
Permit Technician	0.75	0.75	1.00	1.00
<b>Total Building &amp; Safety</b>	<b>10.75</b>	<b>10.75</b>	<b>11.00</b>	<b>11.00</b>
<b>Engineering Development Review*</b>				
Supervising Civil Engineer	0.00	0.00	0.00	1.00
Senior Civil Engineer	0.00	0.00	0.00	1.00
Permit Technician	0.00	0.00	0.00	1.00
<b>Total Engineering Development Review</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>3.00</b>
<i>* Engineering Development Review Program moving from Public Works to Community Development</i>				
<b>PARKS &amp; RECREATION</b>	<b>16.00</b>	<b>16.00</b>	<b>17.00</b>	<b>17.00</b>
<b>Parks &amp; Recreation Administration</b>				
Parks & Recreation Director	1.00	1.00	1.00	1.00
Recreation Manager	2.00	2.00	2.00	2.00
Administrative Analyst	1.00	1.00	1.00	1.00
Supervising Administrative Assistant	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	1.00
<b>Total Parks &amp; Recreation Administration</b>	<b>6.00</b>	<b>6.00</b>	<b>6.00</b>	<b>6.00</b>
<b>Aquatics</b>				
Recreation Supervisor	1.00	0.00	0.00	0.00
Recreation Coordinator	0.00	1.00	1.00	1.00
<b>Total Aquatics</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>

# FINANCIAL AND STATISTICAL TABLES

## AUTHORIZED REGULAR POSITIONS BY DEPARTMENT

	Actual 2011-12	Actual 2012-13	2013-15 Supplement	
			2013-14	2014-15
<b>Youth Services</b>				
Recreation Supervisor	1.00	1.00	1.00	1.00
Recreation Coordinator	1.00	1.00	1.00	1.00
<b>Total Youth Services</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>
<b>Facilities</b>				
Recreation Supervisor	1.00	1.00	1.00	1.00
<b>Total Facilities</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>
<b>Community Services</b>				
Recreation Supervisor	1.00	1.00	1.00	1.00
<b>Total Community Services</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>
<b>Recreational Sports</b>				
Recreation Supervisor	1.00	1.00	1.00	1.00
<b>Total Recreational Sports</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>
<b>Ranger Services</b>				
Recreation Supervisor	1.00	1.00	1.00	1.00
Maintenance Worker	0.00	0.00	1.00	1.00
<b>Total Ranger Services</b>	<b>1.00</b>	<b>1.00</b>	<b>2.00</b>	<b>2.00</b>
<b>Golf Course</b>				
Golf Course Supervisor	1.00	1.00	1.00	1.00
Maintenance Worker	2.00	2.00	2.00	2.00
<b>Total Golf Course</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>
<b>PUBLIC WORKS</b>	<b>76.65</b>	<b>77.65</b>	<b>78.40</b>	<b>75.40</b>
<b><i>Public Works: Transportation Programs</i></b>	<b><i>28.90</i></b>	<b><i>28.90</i></b>	<b><i>28.90</i></b>	<b><i>28.90</i></b>
<b>Transportation Planning &amp; Engineering</b>				
Principal Transportation Planner*	0.50	0.50	1.00	1.00
Transportation Operations Manager	1.00	1.00	1.00	1.00
Transportation Engineer	1.00	1.00	1.00	1.00
<b>Total Transportation Planning &amp; Engineering</b>	<b>2.50</b>	<b>2.50</b>	<b>3.00</b>	<b>3.00</b>
<b>Street &amp; Sidewalk Maintenance</b>				
Street Maintenance Supervisor	1.00	1.00	1.00	1.00
Street Maintenance Technician	1.00	1.00	1.00	1.00
Heavy Equipment Operator	2.00	2.00	3.00	3.00
Maintenance Worker	5.65	5.65	4.65	4.65
<b>Total Street &amp; Sidewalk Maintenance</b>	<b>9.65</b>	<b>9.65</b>	<b>9.65</b>	<b>9.65</b>
<b>Signal &amp; Light Maintenance</b>				
Signal & Street Light Technician	2.00	2.00	2.00	2.00
<b>Total Signal &amp; Light Maintenance</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>
<b>Creek &amp; Flood Protection</b>				
Stormwater Code Enforcement Officer	1.00	1.00	1.00	1.00
Heavy Equipment Operator	1.00	1.00	2.00	2.00
Maintenance Worker	1.00	1.00	0.00	0.00
GIS Specialist	0.25	0.25	0.25	0.25
<b>Total Creek &amp; Flood Protection</b>	<b>3.25</b>	<b>3.25</b>	<b>3.25</b>	<b>3.25</b>

# FINANCIAL AND STATISTICAL TABLES

## AUTHORIZED REGULAR POSITIONS BY DEPARTMENT

	2013-15 Supplement			
	Actual 2011-12	Actual 2012-13	2013-14	2014-15
<b>Parking</b>				
Parking Manager	1.00	1.00	1.00	1.00
Parking Coordinator	1.00	1.00	1.00	1.00
Principal Transportation Planner*	0.50	0.50	0.00	0.00
Parking Enforcement Officer	3.00	3.00	3.00	3.00
Parking Meter Repair Worker	1.00	1.00	1.00	1.00
Supervising Administrative Assistant	1.00	1.00	1.00	1.00
Administrative Assistant	2.00	2.00	2.00	2.00
<b>Total Parking</b>	<b>9.50</b>	<b>9.50</b>	<b>9.00</b>	<b>9.00</b>
<i>*Position is allocated 100% to Transportation Planning as of 2013-14 Mid Year budget.</i>				
<b>Transit</b>	1.00	1.00	1.00	1.00
Transit Manager	1.00	1.00	1.00	1.00
Transportation Assistant	2.00	2.00	2.00	2.00
<b>Total Transit</b>				
<b>Public Works: Leisure, Cultural &amp; Social Services Programs</b>	<b>16.00</b>	<b>16.00</b>	<b>17.00</b>	<b>17.00</b>
<b>Parks &amp; Landscape Maintenance</b>				
Parks Maintenance Supervisor	1.00	1.00	1.00	1.00
Parks Maintenance Technician	1.00	1.00	1.00	1.00
Maintenance Worker	10.00	10.00	10.00	10.00
<b>Total Parks &amp; Landscape Maintenance</b>	<b>12.00</b>	<b>12.00</b>	<b>12.00</b>	<b>12.00</b>
<b>Swim Center Maintenance</b>				
Building Maintenance Technician	1.00	1.00	1.00	1.00
<b>Total Swim Center Maintenance</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>
<b>Tree Maintenance</b>				
Urban Forester Supervisor/Arborist	1.00	1.00	1.00	1.00
Tree Trimmer	2.00	2.00	3.00	3.00
<b>Total Tree Maintenance</b>	<b>3.00</b>	<b>3.00</b>	<b>4.00</b>	<b>4.00</b>
<b>Public Works: Community Development Programs</b>	<b>16.75</b>	<b>16.75</b>	<b>17.00</b>	<b>14.00</b>
<b>Engineering Development Review**</b>				
Supervising Civil Engineer	1.00	1.00	1.00	0.00
Senior Civil Engineer	1.00	1.00	1.00	0.00
Permit Technician	0.75	0.75	1.00	0.00
<b>Total Engineering Development Review</b>	<b>2.75</b>	<b>2.75</b>	<b>3.00</b>	<b>0.00</b>
<i>** Program moved to Community Development Department, recognized in 2014-15 budget</i>				
<b>CIP Project Engineering</b>				
Construction Engineering Manager	1.00	1.00	1.00	1.00
Supervising Civil Engineer	1.00	1.00	1.00	1.00
Senior Civil Engineer	2.00	2.00	2.00	2.00
Engineer	2.00	2.00	2.00	2.00
Engineering Technician	2.00	2.00	2.00	2.00
Engineering Inspector	5.00	5.00	5.00	5.00
Administrative Assistant	1.00	1.00	1.00	1.00
<b>Total CIP Project Engineering</b>	<b>14.00</b>	<b>14.00</b>	<b>14.00</b>	<b>14.00</b>
<b>Public Works: General Government Programs</b>	<b>15.00</b>	<b>16.00</b>	<b>15.50</b>	<b>15.50</b>

# FINANCIAL AND STATISTICAL TABLES

## AUTHORIZED REGULAR POSITIONS BY DEPARTMENT

	2013-15 Supplement			
	Actual 2011-12	Actual 2012-13	2013-14	2014-15
<b>Public Works Administration</b>				
Director of Public Works	1.00	1.00	1.00	1.00
Deputy Director/City Engineer	1.00	1.00	1.00	1.00
Deputy Director/Public Works	1.00	1.00	1.00	1.00
Supervising Administrative Assistant	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	1.00
Administrative Analyst	1.00	1.00	1.00	1.00
<b>Total Public Works Administration</b>	<b>6.00</b>	<b>6.00</b>	<b>6.00</b>	<b>6.00</b>
<b>Building Maintenance</b>				
Facilities Maintenance Supervisor	1.00	1.00	1.00	1.00
Building Maintenance Technician	2.00	2.00	2.00	2.00
Maintenance Worker	2.00	2.00	2.00	2.00
<b>Total Building Maintenance</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>
<b>Fleet Maintenance</b>				
Fleet Maintenance Supervisor	1.00	1.00	1.00	1.00
Heavy Equipment Mechanic	3.00	3.00	3.00	3.00
Fire Vehicle Mechanic*	0.00	1.00	0.00	0.00
Administrative Assistant	0.00	0.00	0.50	0.50
<b>Total Fleet Maintenance</b>	<b>4.00</b>	<b>5.00</b>	<b>4.50</b>	<b>4.50</b>
* Position moved from Fire to Public Works in 2012-13, back to Fire in 2013-14.				
<b>UTILITIES</b>	<b>63.80</b>	<b>64.80</b>	<b>64.80</b>	<b>64.80</b>
<i>Utilities: Water Service Programs</i>	<i>28.95</i>	<i>28.75</i>	<i>28.75</i>	<i>28.75</i>
<b>Water Administration &amp; Engineering</b>				
Utilities Director	0.50	0.40	0.40	0.40
Deputy Director/Water	0.90	0.90	0.90	0.90
Utilities Business Manager	0.00	0.40	0.40	0.40
Utilities Projects Manager	0.60	0.40	0.40	0.40
Senior Administrative Analyst	0.50	0.00	0.00	0.00
Administrative Analyst	0.00	0.40	0.40	0.40
Supervising Administrative Assistant	0.50	0.40	0.40	0.40
Administrative Assistant	0.40	0.30	0.30	0.30
<b>Total Water Administration &amp; Engineering</b>	<b>3.40</b>	<b>3.20</b>	<b>3.20</b>	<b>3.20</b>
<b>Water Source of Supply</b>				
Water Reclamation Facility Supervisor	0.10	0.10	0.10	0.10
Water Reclamation Facility Operator	0.50	0.50	0.50	0.50
Maintenance Technician	0.10	0.10	0.10	0.10
<b>Total Water Source of Supply</b>	<b>0.70</b>	<b>0.70</b>	<b>0.70</b>	<b>0.70</b>

# FINANCIAL AND STATISTICAL TABLES

## AUTHORIZED REGULAR POSITIONS BY DEPARTMENT

	2013-15 Supplement			
	Actual 2011-12	Actual 2012-13	2013-14	2014-15
<b>Water Treatment</b>				
Treatment Plant Supervisor	1.00	1.00	1.00	1.00
Treatment Plant Chief Operator	1.00	1.00	1.00	1.00
Treatment Plant Operator	7.00	7.00	7.00	7.00
Treatment Plant Maintenance Technician	1.00	1.00	1.00	1.00
Laboratory Manager	0.10	0.10	0.10	0.10
Laboratory Analyst	0.95	0.95	0.95	0.95
<b>Total Water Treatment</b>	<b>11.05</b>	<b>11.05</b>	<b>11.05</b>	<b>11.05</b>
<b>Water Distribution</b>				
Distribution Supervisor	1.00	1.00	1.00	1.00
Underground Utility Locator	1.00	1.00	1.00	1.00
Water Distribution System Operator	7.00	7.00	7.00	7.00
<b>Total Water Distribution</b>	<b>9.00</b>	<b>9.00</b>	<b>9.00</b>	<b>9.00</b>
<b>Water Customer Service</b>				
Water Customer Service Personnel	2.00	2.00	2.00	2.00
<b>Total Water Customer Service</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>
<b>Utilities Conservation</b>				
Utilities Conservation Manager	0.80	0.80	0.80	0.80
Utilities Conservation Technician	2.00	2.00	2.00	2.00
<b>Total Utilities Conservation</b>	<b>2.80</b>	<b>2.80</b>	<b>2.80</b>	<b>2.80</b>
<b>Utilities: Wastewater Service Programs</b>	<b>28.45</b>	<b>29.55</b>	<b>29.55</b>	<b>29.55</b>
<b>Wastewater Administration &amp; Engineering</b>				
Utilities Director	0.40	0.50	0.50	0.50
Deputy Director/Wastewater	1.00	1.00	1.00	1.00
Utilities Engineer	0.00	0.00	0.00	0.00
Utilities Business Manager	0.00	0.50	0.50	0.50
Utilities Projects Manager	0.40	0.60	0.60	0.60
Senior Administrative Analyst	0.40	0.00	0.00	0.00
Administrative Analyst	0.00	0.50	0.50	0.50
Supervising Administrative Assistant	0.40	0.50	0.50	0.50
Administrative Assistant	0.30	0.40	0.40	0.40
<b>Total Wastewater Administration &amp; Engineering</b>	<b>2.90</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>
<b>Wastewater Collection</b>				
Wastewater Collection Supervisor	0.75	0.75	0.75	0.75
Water Customer Service Personnel	2.00	2.00	0.00	0.00
Wastewater Collection Operator	6.00	6.00	6.00	6.00
<b>Total Wastewater Collection</b>	<b>8.75</b>	<b>8.75</b>	<b>6.75</b>	<b>6.75</b>
<b>Sewer Customer Service</b>				
Water Customer Service Personnel	0.00	0.00	2.00	2.00
<b>Total Sewer Customer Service</b>	<b>0.00</b>	<b>0.00</b>	<b>2.00</b>	<b>2.00</b>
<b>Environmental Compliance</b>				
Environmental Programs Manager	0.80	0.80	0.80	0.80
Environmental Compliance Inspector	1.00	1.00	1.00	1.00
<b>Total Wastewater Pretreatment</b>	<b>1.80</b>	<b>1.80</b>	<b>1.80</b>	<b>1.80</b>

# FINANCIAL AND STATISTICAL TABLES

## AUTHORIZED REGULAR POSITIONS BY DEPARTMENT

	2013-15 Supplement			
	Actual 2011-12	Actual 2012-13	2013-14	2014-15
<b>Water Reclamation Facility</b>				
Wastewater Reclamation Plant Supervisor	0.90	0.90	0.90	0.90
Water Reclamation Chief Operator	1.00	1.00	1.00	1.00
Water Reclamation Operator	6.50	6.50	6.50	6.50
Chief Maintenance Technician	1.00	1.00	1.00	1.00
Maintenance Technician	2.90	2.90	2.90	2.90
<b>Total Water Reclamation Facility</b>	<b>12.30</b>	<b>12.30</b>	<b>12.30</b>	<b>12.30</b>
<b>Water Quality Laboratory</b>				
Laboratory Manager	0.90	0.90	0.90	0.90
Laboratory Analyst	1.80	1.80	1.80	1.80
<b>Total Water Quality Laboratory</b>	<b>2.70</b>	<b>2.70</b>	<b>2.70</b>	<b>2.70</b>
<b>Utilities: Whale Rock Reservoir</b>	<b>3.50</b>	<b>3.60</b>	<b>3.60</b>	<b>3.60</b>
<b>Whale Rock Administration &amp; Engineering</b>				
Utilities Director	0.10	0.10	0.10	0.10
Deputy Director/Water	0.10	0.10	0.10	0.10
Utilities Business Manager	0.00	0.10	0.10	0.10
Senior Administrative Analyst	0.10	0.00		
Administrative Analyst	0.00	0.10	0.10	0.10
Supervising Administrative Assistant	0.10	0.10	0.10	0.10
Administrative Assistant	0.10	0.10	0.10	0.10
<b>Total Whale Rock Administration &amp; Engineering</b>	<b>0.50</b>	<b>0.60</b>	<b>0.60</b>	<b>0.60</b>
<b>Reservoir Operations</b>				
Water Supply Supervisor	1.00	1.00	1.00	1.00
Water Supply Operator	2.00	2.00	2.00	2.00
<b>Total Reservoir Operations</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>
<b>Utilities: Creek &amp; Flood Protection</b>	<b>2.90</b>	<b>2.90</b>	<b>2.90</b>	<b>2.90</b>
Wastewater Collection Supervisor	0.25	0.25	0.25	0.25
Utilities Conservation Manager	0.20	0.20	0.20	0.20
Collection System Operator	2.00	2.00	2.00	2.00
Environmental Programs Manager	0.20	0.20	0.20	0.20
Laboratory Analyst	0.25	0.25	0.25	0.25
<b>Total Creek &amp; Flood Protection</b>	<b>2.90</b>	<b>2.90</b>	<b>2.90</b>	<b>2.90</b>
<b>POLICE</b>	<b>83.50</b>	<b>82.50</b>	<b>85.50</b>	<b>85.50</b>
<b>Police Administration</b>				
Police Chief	1.00	1.00	1.00	1.00
Police Captain	1.00	1.00	1.00	1.00
Police Sergeant	1.00	1.00	1.00	1.00
Senior Administrative Analyst	1.00	1.00	1.00	1.00
Administrative Assistant	1.50	1.50	1.50	1.50
<b>Total Police Administration</b>	<b>5.50</b>	<b>5.50</b>	<b>5.50</b>	<b>5.50</b>

# FINANCIAL AND STATISTICAL TABLES

## AUTHORIZED REGULAR POSITIONS BY DEPARTMENT

	2013-15 Supplement			
	Actual 2011-12	Actual 2012-13	2013-14	2014-15
<b>Police Support Services</b>				
Communications & Records Manager	1.00	1.00	1.00	1.00
Communications Supervisor	2.00	2.00	2.00	2.00
Communications Technician	10.00	10.00	10.00	10.00
Records Supervisor	1.00	1.00	1.00	1.00
Records Clerk	4.00	4.00	5.00	5.00
<b>Total Police Support Services</b>	<b>18.00</b>	<b>18.00</b>	<b>19.00</b>	<b>19.00</b>
<b>Neighborhood &amp; Crime Prevention Services</b>				
Neighborhood Services Manager	1.00	1.00	1.00	1.00
<b>Total Neighborhood &amp; Crime Prevention Services</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>
<b>Patrol Services</b>				
Captain	1.00	1.00	1.00	1.00
Police Lieutenant	2.00	2.00	2.00	2.00
Police Sergeant	5.00	5.00	5.00	5.00
Police Officer	30.00	30.00	32.00	32.00
Field Service Technician	2.00	1.00	1.00	1.00
<b>Total Patrol Services</b>	<b>40.00</b>	<b>39.00</b>	<b>41.00</b>	<b>41.00</b>
<b>Traffic Safety</b>				
Police Sergeant	1.00	1.00	1.00	1.00
Police Officer	4.00	4.00	4.00	4.00
<b>Total Traffic Safety</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>
<i>* Includes one grant funded position</i>				
<b>Investigative Services</b>				
Police Lieutenant	1.00	1.00	1.00	1.00
Police Sergeant	1.00	1.00	1.00	1.00
Police Officer	9.00	9.00	10.00	10.00
Evidence Technician	1.00	1.00	1.00	1.00
Field Service Technician	1.00	1.00	0.00	0.00
Records Clerk	1.00	1.00	1.00	1.00
<b>Total Investigative Services</b>	<b>14.00</b>	<b>14.00</b>	<b>14.00</b>	<b>14.00</b>
<b>FIRE</b>	<b>51.75</b>	<b>50.75</b>	<b>53.00</b>	<b>53.00</b>
<b>Fire Administration</b>				
Fire Chief	1.00	1.00	1.00	1.00
Deputy Fire Chief*	0.00	1.00	1.00	1.00
Administrative Analyst	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	1.00
<b>Total Fire Administration</b>	<b>3.00</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>
<i>* Position added in 2012-13 as part of Fire Department reorganization.</i>				



# FINANCIAL AND STATISTICAL TABLES

## AUTHORIZED REGULAR POSITIONS BY DEPARTMENT

	Actual 2011-12	Actual 2012-13	2013-15 Supplement	
			2013-14	2014-15
<b>Emergency Response</b>				
Battalion Chief	3.00	3.00	3.00	3.00
Fire Captain	12.00	12.00	12.00	12.00
Fire Engineer	15.00	15.00	15.00	15.00
Firefighter	12.00	12.00	12.00	12.00
Fire Vehicle Mechanic**	1.00	0.00	1.00	1.00
Mechanic Apprentice	0.00	0.00	1.00	1.00
<b>Total Emergency Response</b>	<b>43.00</b>	<b>42.00</b>	<b>44.00</b>	<b>44.00</b>
<i>** Position moved to Public Works in 2012-13.</i>				
<b>Hazard Prevention</b>				
Fire Marshal	1.00	1.00	1.00	1.00
Hazardous Materials Coordinator	1.00	1.00	1.00	1.00
Fire Inspector	1.75	1.75	2.00	2.00
Administrative Assistant	1.00	1.00	1.00	1.00
<b>Total Hazard Prevention</b>	<b>4.75</b>	<b>4.75</b>	<b>5.00</b>	<b>5.00</b>
<b>Training</b>				
Battalion Training Chief***	1.00	0.00	0.00	0.00
<b>Total Training</b>	<b>1.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<i>*** Position removed in 2012-13 as part of Fire Department reorganization.</i>				
<b>TOTAL REGULAR POSITIONS</b>	<b>353.20</b>	<b>354.95</b>	<b>361.70</b>	<b>362.20</b>

# FINANCIAL AND STATISTICAL TABLES

## AUTHORIZED REGULAR POSITIONS BY FUNCTION

	2013-15 Supplement			
	Actual 2011-12	Actual 2012-13	2013-14	2014-15
<b>PUBLIC SAFETY</b>				
Police Protection	83.50	82.50	85.50	85.50
Fire & Environmental Safety	51.75	50.75	53.00	53.00
<b>Total Public Safety</b>	<b>135.25</b>	<b>133.25</b>	<b>138.50</b>	<b>138.50</b>
<b>PUBLIC UTILITIES</b>				
Water Service	28.95	28.75	28.75	28.75
Wastewater Service	28.45	29.55	29.55	29.55
Whale Rock Reservoir	3.50	3.60	3.60	3.60
<b>Total Public Utilities</b>	<b>60.90</b>	<b>61.90</b>	<b>61.90</b>	<b>61.90</b>
<b>TRANSPORTATION</b>				
Transportation Planning & Engineering	2.50	2.50	3.00	3.00
Street & Sidewalk Maintenance	9.65	9.65	9.65	9.65
Signal & Light Maintenance	2.00	2.00	2.00	2.00
Creek & Flood Protection	6.15	6.15	6.15	6.15
Parking	9.50	9.50	9.00	9.00
Transit	2.00	2.00	2.00	2.00
<b>Total Transportation</b>	<b>31.80</b>	<b>31.80</b>	<b>31.80</b>	<b>31.80</b>
<b>LEISURE, CULTURAL &amp; SOCIAL SERVICES</b>				
Recreation Programs	13.00	13.00	14.00	14.00
Maintenance Services (Parks, Swim & Trees)	16.00	16.00	17.00	17.00
Golf Course Operations & Maintenance	3.00	3.00	3.00	3.00
<b>Total Leisure, Cultural &amp; Social Services</b>	<b>32.00</b>	<b>32.00</b>	<b>34.00</b>	<b>34.00</b>
<b>COMMUNITY DEVELOPMENT</b>				
Planning *	11.50	11.50	11.50	12.00
Natural Resources Management	2.00	2.00	2.00	2.00
Economic Development	1.30	1.30	1.00	1.00
Community Promotions	0.50	1.50	1.00	1.00
Building & Safety	10.75	10.75	11.00	11.00
Engineering Development Review	2.75	2.75	3.00	3.00
CIP Project Engineering	14.00	14.00	14.00	14.00
<b>Total Community Development</b>	<b>42.80</b>	<b>43.80</b>	<b>43.50</b>	<b>44.00</b>
* Includes 0.5 position requested at 2014-15 Supplement for Development Services SOPC				
<b>GENERAL GOVERNMENT</b>				
City Administration	3.50	3.50	3.00	3.00
Public Works Administration	6.00	6.00	6.00	6.00
Legal Services	3.00	3.00	3.00	3.00
City Clerk Services	2.00	2.75	4.00	4.00
Human Resources Programs	5.00	5.00	5.00	5.00
Finance & Information Technology	21.95	21.95	21.50	21.50
Building Maintenance	5.00	5.00	5.00	5.00
Vehicle & Equipment Maintenance	4.00	5.00	4.50	4.50
<b>Total General Government</b>	<b>50.45</b>	<b>52.20</b>	<b>52.00</b>	<b>52.00</b>
<b>TOTAL REGULAR POSITIONS</b>	<b>353.20</b>	<b>354.95</b>	<b>361.70</b>	<b>362.20</b>

# FINANCIAL AND STATISTICAL TABLES

## TEMPORARY FULL-TIME EQUIVALENTS (FTE'S) BY FUNCTION

	Actual 2011-12	Actual 2012-13	2013-15 Supplement	
			2013-14	2014-15
<b>PUBLIC SAFETY</b>				
Police Protection	3.20	3.20	3.20	3.20
Fire & Environmental Safety	0.60	0.60	0.75	0.75
<b>Total Public Safety</b>	<b>3.80</b>	<b>3.80</b>	<b>3.95</b>	<b>3.95</b>
<b>PUBLIC UTILITIES</b>				
Water Service	0.80	0.80	0.00	0.00
Wastewater Service	0.00	0.00	0.80	0.80
<b>Total Public Utilities</b>	<b>0.80</b>	<b>0.80</b>	<b>0.80</b>	<b>0.80</b>
<b>TRANSPORTATION</b>				
Transportation Planning & Engineering	2.70	2.70	3.70	3.70
Street & Sidewalk Maintenance	0.40	0.40	1.10	1.10
Creek & Flood Protection	0.30	0.30	0.30	0.30
Parking	11.00	11.00	12.00	12.00
Transit	0.32	0.32	0.50	0.50
<b>Total Transportation</b>	<b>14.72</b>	<b>14.72</b>	<b>17.60</b>	<b>17.60</b>
<b>LEISURE, CULTURAL &amp; SOCIAL SERVICES</b>				
Recreation Programs	46.65	46.75	39.80	39.80
Maintenance Services (Parks, Swim & Trees)	5.20	5.20	4.20	4.20
Golf Course Operations & Maintenance	3.20	3.20	3.20	3.20
<b>Total Leisure, Cultural &amp; Social Services</b>	<b>55.05</b>	<b>55.15</b>	<b>47.20</b>	<b>47.20</b>
<b>COMMUNITY DEVELOPMENT</b>				
Planning	2.00	2.00	3.25	3.25
Building & Safety	0.00	0.00	1.25	1.25
Engineering Development Review	0.60	0.60	1.25	1.25
CIP Project Engineering	0.70	0.70	0.70	0.70
<b>Total Community Development</b>	<b>3.30</b>	<b>3.30</b>	<b>6.45</b>	<b>6.45</b>
<b>GENERAL GOVERNMENT</b>				
Public Works Administration	2.60	2.60	1.00	1.00
City Clerk Services	0.70	0.70	0.70	0.70
Accounting	0.00	0.00	0.10	0.10
Revenue Management *	0.10	0.10	0.10	1.40
Network Services**	0.40	0.40	0.31	1.51
<b>Total General Government</b>	<b>3.80</b>	<b>3.80</b>	<b>2.21</b>	<b>4.71</b>
<i>*2014-15 increase of 1.3 relates to Finance Temp Staff SOPC</i>				
<i>**2014-15 increase of 1.2 relates to IT support model SOPC</i>				
<b>TOTAL TEMPORARY FTE'S</b>	<b>81.47</b>	<b>81.57</b>	<b>78.21</b>	<b>80.71</b>

# FINANCIAL AND STATISTICAL TABLES

## PENSION OBLIGATION TRENDS

### OVERVIEW

The following provides information on employer retirement costs and contributions for the past ten years and the budgeted amount for 2014-15, along with background information on the City's retirement plans.

### Background

**About CalPERS.** Along with 2,500 other cities and local agencies, the City contracts with the California Public Employees Retirement System (CalPERS) for our "defined benefit" retirement plan, which covers all of our regular employees (except in rare circumstances, temporary employees are not covered by the CalPERS plan). Due to recent changes made by the City and through recently enacted legislation, there are several CalPERS retirement benefit programs. The City enacted a 2<sup>nd</sup> Tier benefit plan program which provides a lower level of benefits than the original plan. This plan is available to eligible new employees who are hired after August 30, 2012 (sworn fire personnel plan) and after December 6, 2012 for miscellaneous and sworn police safety plan members. A 3<sup>rd</sup> Tier program was created following the enactment of the Public Employee Pension Reform Act (AB 340) in January 2013. Under this program, employees who are considered new to the CalPERS retirement program are enrolled as required by the new law. The 3<sup>rd</sup> Tier program provides the lowest level of benefit of the three plans that are now in effect. The following chart summarizes these benefits:

	1st Tier	2nd Tier	3rd Tier
Miscellaneous	2.7% @ 55	2% @ 60	2% @ 62
Fire Sworn	3% @ 50	3% @ 55	2.7% @ 57
Police Sworn	3% @ 50	2% @ 50	2.7% @ 57

The following chart summarizes membership numbers in each of the tiers as of May, 2014:

	1st Tier	2nd Tier	3rd Tier
Miscellaneous	235	16	31
Fire Sworn	37	6	0
Police Sworn	49	6	4

This chart indicates that 16.4% of the workforce has transitioned into the 2<sup>nd</sup> or 3<sup>rd</sup> tier since January 2013.

CalPERS is a separate and distinct legal entity from the City, and serves as an independent fiduciary in managing the City's retirement plan assets.

### CalPERS Employer Contribution Rates

Recently, CalPERS identified new employer contribution rates for the Miscellaneous and Safety Plans which have been used in preparing the 2014-15 revised budget. These rates only apply to "regular" compensation and do not apply to overtime or "non-regular" pay. The employer rates for each benefit plan are shown below.

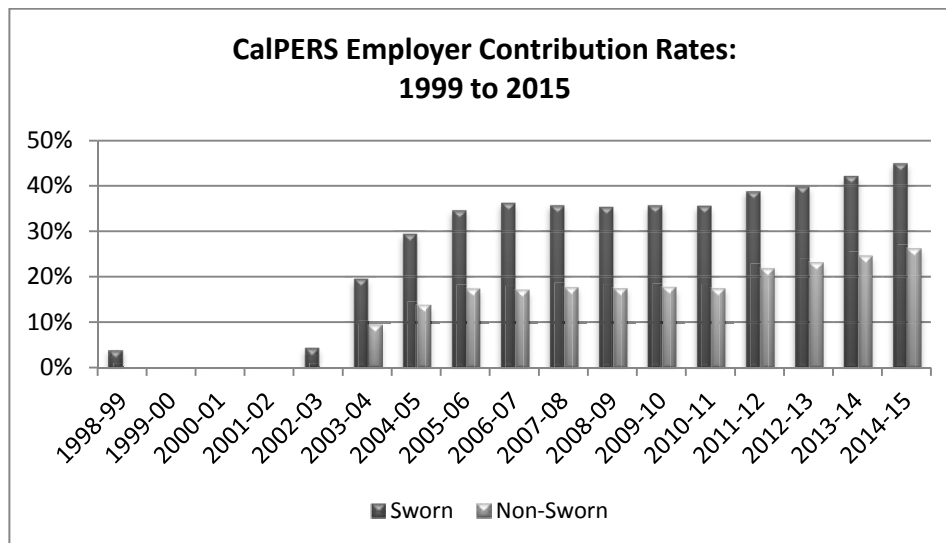
Miscellaneous*	26.255%
Safety Tier 1	45.201%
Police Tier 2	21.463%
Fire Tier 2	23.065%

\*It is important to note that CalPERS has provided one composite rate that reflects the cost associated with the first and second tier benefit plans, in spite of the fact that many public agencies requested a segregated rate for each plan. The third tier benefit program does not have its own rates established.

# FINANCIAL AND STATISTICAL TABLES

## PENSION OBLIGATION TRENDS

The following shows changes in employer contribution rates for sworn and non-sworn employees since 1998:



As reflected in the chart above, while rates are higher than in the past, the very low rates in the late 1990's and early 2000's were an exception – not the rule – to employer contribution rates. In addition, no contributions for non-safety employees were required for four years (1998-99 through 2001-02); and no contributions were required for safety employees for three years (1999-00 through 2001-02), when these plans were “super funded” and actuarial assets exceeded actuarial liabilities.

### CalPERS Employer Cost Trends

The following summarizes CalPERS employer costs since 2002-03:

Employer Retirement Contributions			
Fiscal Year	Safety	Non-Safety	Total
2002-03	498,000	264,100	762,100
2003-04	1,660,100	1,397,300	3,057,400
2004-05	2,422,500	1,987,700	4,410,200
2005-06	2,796,100	2,550,200	5,346,300
2006-07	3,159,100	2,747,100	5,906,200
2007-08	3,385,800	3,145,200	6,531,000
2008-09*	4,484,500	3,630,900	8,115,400
2009-10	3,993,600	3,514,100	7,507,700
2010-11	3,940,000	3,521,100	7,461,100
2011-12	4,202,200	4,226,700	8,428,900
2012-13	4,086,600	4,679,200	8,765,800
2013-14**	4,152,500	4,532,800	8,685,300
	39,016,800	36,196,400	75,213,200

\*2008-09 reflects retroactive costs for binding arbitration decision.

\*\* Estimated values

**Future Cost Outlook.** In April 2013, CalPERS' Retirement and Health Benefit Program Committee approved a new rate structure intended to provide a funding formula that ensures that all plans are fully funded within a fixed 30-year period. This formula makes a number of other changes in assumptions that have long been held by CalPERS, including a change to a 25 year period for recognizing market gains and losses and the use of a 5-year window to implement rate changes (smoothing). CalPERS has provided estimates for the range of costs that will be incurred

# FINANCIAL AND STATISTICAL TABLES

## PENSION OBLIGATION TRENDS

after the new employer rates take effect starting in 2015-16. Based on these estimates, the additional costs in 2015-16 could be \$201,000 for the Miscellaneous plan and \$273,600 for the Safety Plan. By the end of that year, the City will have set-aside \$740,000 from a self-assessed charge that begins in 2014-15 at 1% of staff wages and grows to 2% starting in 2015-16. By 2017-18, the higher employer rates could create additional costs totaling up to \$1.5 million, which would exceed the set-aside amount by \$930,000. This additional cost potential has **not** been built into the Five Year Fiscal Forecast because CalPERS has yet to provide accurate projections.

On February 18, 2014, CalPERS' Retirement and Health Benefit Program Committee approved additional changes in plan assumptions that reflect the impacts to retirement program costs resulting from the increased rate of service retirements and a decrease in retiree mortality. The resulting rate increases will take effect in the 2016/17 fiscal year. Board policy calls for a five year ramp up of rate increases stemming from assumption changes, which means the full impact of these changes wouldn't be phased in until FY 2020/21. Preliminary estimates from PERS project the employer cost could increase from 0.9% to 1.9% for Miscellaneous and 1.9% to 3.3% for Safety in the first year and increase to 3.1% to 6.5% for Miscellaneous and 5.3% to 9.3% for Safety in the fifth year.

The range of potential cost increases from the February 2014 CalPERS Board action for the Miscellaneous and Safety plans are shown in the table below. These are estimates generated from general estimates provided by CalPERS but calculated by staff. The low end of the employer rate change estimate for both plans is shown in the column labeled "Low" while the upper end of the range estimate for the two plans is shown in the column labeled "High". These cost assumptions have **not** been included in the Five Year Fiscal Forecast.

Estimated Additional CalPERS Employer Costs from 2014 Actuary Recommendations				
	2016-17		2020-21	
	Low	High	Low	High
Miscellaneous	\$133,000	\$281,600	\$511,300	\$1,072,000
Safety	\$213,700	\$371,200	\$665,900	\$1,168,500
	\$346,700	\$652,800	\$1,177,200	\$2,240,500

To address the changing cost picture, the 2013-15 Financial Plan contains the assumption that a 1% increase in the CalPERS employer contribution rate (equal to \$280,000 for the General Fund) will take effect in FY 2014-15. The 5 Year Fiscal Forecast includes the assumption that another 1% increase will take effect in FY 2015-16 and will be on-going throughout the forecast period. These amounts will be set aside in the Insurance/Benefit Trust Fund in order to make them available starting in 2015-16 to offset the increase in retirement costs that will be reflected in the employer rates starting in that year. This annual amount will be available to cover on-going costs but this amount will probably not be sufficient to cover the cost increases. As additional reliable cost estimates are available, staff will return to the City Council seeking direction.

Finally, in May 2014 the CalPERS' Retirement and Health Benefit Program Committee is considering the following changes that affect pooled retirement plans:

1. The creation of a single safety pool. This would wrap all public safety plans into one large pool;
2. The creation of a new side fund liability amount for each safety agency. This means that the City would have two safety side fund liabilities with the total estimated to be \$57.3 million;

# FINANCIAL AND STATISTICAL TABLES

## PENSION OBLIGATION TRENDS

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3. Within the existing safety pool, liabilities are allocated based on the relative size of each member's annual payroll. Under the proposal, liabilities will be allocated based on each member's total liability compared to the pool's total liability; and
4. Other changes that will be considered include the shift to a fixed dollar required annual contribution amount in place of an employer rate that is charged against the City's actual payroll costs starting in 2015-16. This has the potential to raise the City's annual contribution for the side fund payment component alone by amounts that range from \$120,000 to as much as \$1.5 million per year for the safety pool. This amount would be in addition to any other changes that would affect the City's annual retirement costs such as changes in asset smoothing and retiree mortality rates.

Staff is waiting to hear what actions are finally taken by the CalPERS Committee.

### **Employee Contribution Rates**

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While the method of doing so varies between employee groups, employees are responsible for making contributions to CalPERS along with employer contribution rates as follows:

<b>Employee Plan</b>	<b>Employee Contribution Rate*</b>
Miscellaneous	7% or 8%
Public Safety Sworn**	8% or 9%

\*The level of contribution made by an employee is dependent upon the plan that the employee is enrolled in.

\*\* Members of the Police Officers Association are currently contributing an additional 2% of pay to offset the employer's share of the CalPERS retirement contribution and will contribute an additional 2% of pay starting on July 1, 2014.

# FINANCIAL AND STATISTICAL TABLES

## PENSION OBLIGATION TRENDS

### CalPERS Plan Funding Level

The following shows CalPERS funding levels for the City's Miscellaneous Plan and Safety Pool for 2000 through 2012. This is the most recent actual information that is available from CalPERS.

#### *CalPERS Plan Funding Levels: Last 13 Years*

Actuarial Valuation Date Ending June 30	Actuarial Asset Value	Entry Age Actuarial Accrued Liability	Assets Over (Under) Actuarial Accrued Liability	Funded Ratio
<b>Safety Employee Plan **</b>				
2000	62,387	54,256	8,131	115.0%
2001	65,800	65,700	100	100.1%
2002	60,300	73,400	(13,100)	82.1%
2003	61,200	80,300	(19,200)	76.2%
2004	64,997	88,300	(23,400)	73.6%
2005	69,399	94,527	(25,128)	73.4%
2006*	6,102,616	7,278,050	(1,175,434)	83.9%
2007	6,826,599	7,986,055	(1,159,456)	85.5%
2008	7,464,927	8,700,468	(1,235,541)	85.8%
2009	8,027,159	9,721,676	(1,694,517)	82.6%
2010	8,470,235	10,165,475	(1,695,240)	83.3%
2011	9,135,654	10,951,745	(1,816,091)	83.4%
2012	9,854,788	11,724,021	(1,869,233)	84.1%
<b>Non-Safety Employee Plan</b>				
2000	55,308	43,017	12,291	128.6%
2001	57,800	55,500	2,300	104.1%
2002	53,500	61,700	(8,200)	86.8%
2003	55,100	71,000	(16,000)	77.5%
2004	59,400	77,600	(18,200)	76.5%
2005	64,740	85,207	(20,467)	76.0%
2006	70,848	92,505	(21,657)	76.5%
2007	78,069	100,312	(22,243)	77.8%
2008	85,341	110,763	(25,422)	77.0%
2009	91,851	130,764	(38,913)	70.2%
2010	97,281	138,627	(41,346)	70.2%
2011	103,392	150,651	(47,259)	68.6%
2012	108,926	157,223	(48,297)	69.3%

*In thousands of dollars*

*\* Beginning with 2006, Safety Plan is a member of a CalPERS safety pool, and as such, the City is reporting on the entire pool, not the City specific data.*

*\*\*Reflects Safety Tier 1 pool*

The most recent actuarial valuations received from CalPERS indicate that our Miscellaneous Plan is now 69.3% funded and the Safety pool is 84.1% funded based on the Actuarial Value of Assets.



# FINANCIAL AND STATISTICAL TABLES

## PENSION OBLIGATION TRENDS

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### **Unfunded Liability Amounts**

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The unfunded liability is the difference between the value of accrued plan benefits and the value of plan assets. The unfunded liability amount constantly changes and in theory is never retired until the last retiree is paid in full. The City's existing unfunded liabilities using the market value of assets from the most recent CalPERS actuarial valuation report based on the year ending June 30, 2012 results are listed below. Under the new Governmental Accounting Standards Board Pronouncements (#'s 67 and 68) that will be put into effect over the next two years, the market value of plan assets becomes the only measurement of that value that will be accepted. This is based on the determination of the investments' value on the open market as of June 30<sup>th</sup> each year using a recognized and independent valuation method. Prior to this change, an agency could use the Actuarial Value of Assets which is determined using probability tables and risk adjustment, to compensate for the future income of pension contributors and other factors such as mortality.

Miscellaneous Plan – all tiers	\$65,555,000
Safety Side Fund	\$24,500,000
Safety Pool Liability	\$32,851,000
Safety Plan Tier 2 and 3 benefits	\$0

The amounts shown in the table on the previous page are based on the actuarial value of plan assets which is the reason for the difference in amounts shown.

The City is taking a proactive approach to addressing these unfunded liabilities and has previously approved a payment against the Safety Side Fund liability in the amount of \$935,000. The revised 2014-15 budget includes the cost assumption that an additional prepayment in the amount of \$300,000 will be made in 2014-15. Further, the City Council has directed that a plan to provide for the eventual retirement of these unfunded liabilities shall be developed during 2014-15.

# BUDGET REFERENCE MATERIALS

## RETIREE HEALTH CARE OBLIGATIONS

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### VERY LIMITED COST OBLIGATIONS

Compared with many other cities throughout the State and the nation, the City has taken a very conservative approach to providing retiree health care benefits. In fact, our contribution is the lowest allowed under our participation in the California Public Employees' Retirement System (CalPERS) health benefit program.

And, as discussed below, the City has committed to fully funding our obligations on an actuarial basis.

### DESCRIPTION OF THE CITY'S PROGRAM

The City's primary Other Post Employment Benefit program (OPEB) obligation is the minimum contribution that the City is required to make under its participation in the CalPERS health care program under the "unequal contribution option." When the City joined the CalPERS plan in 1993, it immediately experienced an increase in the health insurance plan choices available along with a significant reduction in rates. And due to CalPERS purchasing power, the City has continued to experience competitive health care rates since then.

Until 2008-09, the City accounted for its limited retiree health care costs on a pay-as-you-go basis, which was consistent at the time with generally accepted accounting principles. However, beginning in 2008-09, GASB 45 required that these costs be reported on an actuarial basis. Complying with GASB 45 required performing an actuarial evaluation to determine these costs and prepare a plan for funding them.

Based on Council direction, the City began pre-funding the OPEB obligation via an irrevocable trust, and in May 2009, the Council approved a contract with CalPERS to provide OPEB trustee services.

The most recent actuarial valuation was prepared on April 15, 2014. Taking information from this study, the estimated cost for this benefit organization-wide is summarized as follows:

<b>GASB 45 Cost Allocation by Fund</b>			
		2013-2014	2014-15
General Fund		424,220	469,400
Water Fund	▲	43,130	46,800
Sewer Fund	▲	44,330	48,100
Parking Fund		14,250	14,600
Transit Fund		3,000	3,300
Whale Rock		5,400	5,800
Total		\$ 534,330	\$ 588,000

# FINANCIAL AND STATISTICAL TABLES

## REVENUE AND EXPENDITURE TRENDS - LAST FIVE COMPLETED YEARS

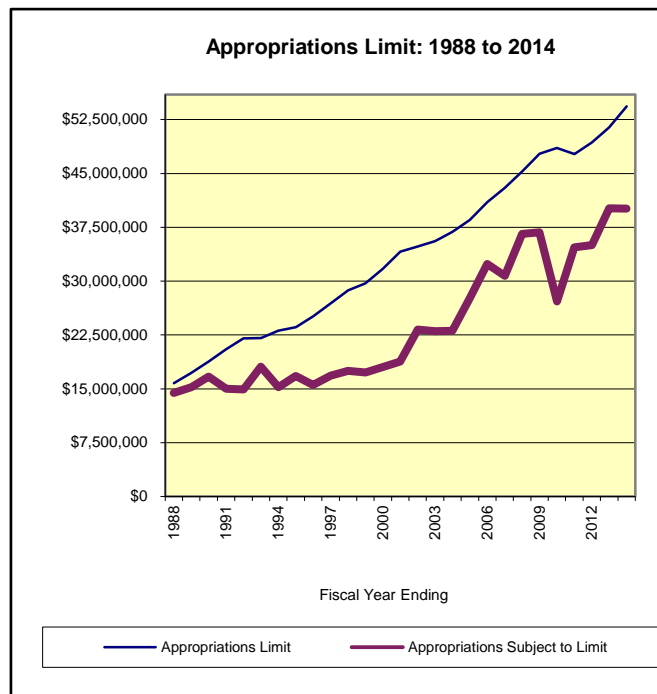
<i>Includes all governmental fund types</i>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>
	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>ACTUAL</b>
<b>REVENUES</b>					
Taxes					
Sales and use	18,020,500	16,234,300	17,986,200	19,834,800	21,063,700
Property	8,788,400	8,579,300	8,441,100	8,367,100	9,176,600
Property in lieu of VLF	3,504,700	3,565,100	3,551,100	3,492,400	3,533,200
Utility users	4,358,500	4,862,400	4,592,300	4,584,100	4,916,100
Transient occupancy	4,679,500	4,496,100	4,844,200	5,222,000	5,572,400
Franchise fees	2,439,400	2,396,700	2,352,100	2,462,300	2,552,300
Business tax certificates	1,878,500	1,830,100	1,797,800	1,837,500	2,055,300
Real property transfer	159,100	129,000	133,700	144,000	256,300
<b>Total Taxes</b>	<b>43,828,600</b>	<b>42,093,000</b>	<b>43,698,500</b>	<b>45,944,200</b>	<b>49,125,900</b>
Fines and Forfeitures	261,000	201,700	171,400	174,300	159,700
Investment and Property Revenues	1,775,300	1,239,500	742,500	770,200	237,100
Subventions and Grants	8,940,700	4,972,000	4,982,100	3,977,800	4,603,100
Service Charges	6,677,700	5,865,700	9,209,300	8,693,100	8,106,600
Other Revenues	1,810,300	398,000	270,500	299,300	545,800
<b>Total Revenues</b>	<b>63,293,600</b>	<b>54,769,900</b>	<b>59,074,300</b>	<b>59,858,900</b>	<b>62,778,200</b>
<b>EXPENDITURES</b>					
Operating Programs					
Public Safety	26,002,400	24,203,800	23,506,100	23,953,300	23,973,400
Transportation	3,224,200	3,019,700	2,901,900	2,865,100	2,798,200
Leisure, Cultural & Social Services	6,598,900	6,279,900	6,268,700	6,704,200	6,790,300
Community Development	6,280,800	6,690,200	7,053,500	6,986,200	7,777,400
General Government	6,793,100	7,253,500	6,824,800	8,175,100	8,723,300
<b>Total Operating Programs</b>	<b>48,899,400</b>	<b>47,447,100</b>	<b>46,555,000</b>	<b>48,683,900</b>	<b>50,062,600</b>
Capital Outlay	11,296,400	17,100,600	10,607,300	11,410,800	6,582,100
Debt Service	2,075,800	2,908,700	3,023,200	2,705,000	2,735,700
<b>Total Expenditures</b>	<b>62,271,600</b>	<b>67,456,400</b>	<b>60,185,500</b>	<b>62,799,700</b>	<b>59,380,400</b>
<b>OTHER SOURCES (USES)</b>					
Operating Transfers In (Out)	(335,000)	(301,500)	(227,200)		115,100
Proceeds from (uses of) Debt Proceeds	8,785,200		1,044,000	(372,100)	
Other Sources (Uses)			393,900	30,200	(11,500)
<b>Total Other Sources (Uses)</b>	<b>8,450,200</b>	<b>(301,500)</b>	<b>1,210,700</b>	<b>(341,900)</b>	<b>103,600</b>
<b>Excess of Revenues &amp; Sources</b>					
<b>Over (Under) Expenditures &amp; Uses</b>	<b>9,472,200</b>	<b>(12,988,000)</b>	<b>99,500</b>	<b>(3,282,700)</b>	<b>3,501,400</b>
<b>Fund Balance, Beginning of Year</b>	<b>34,933,700</b>	<b>44,405,900</b>	<b>31,417,900</b>	<b>31,517,400</b>	<b>28,228,800</b>
Prior Year Restatements					2,559,900
<b>Fund Balance, End of Year</b>					
General Fund	13,991,900	11,114,100	12,911,800	13,686,300	18,937,700
Special Revenue Funds	987,900	1,044,100	604,000	594,100	590,800
Capital Outlay Funds	27,140,400	16,974,000	15,715,900	11,936,400	12,718,400
Debt Service Fund	2,285,700	2,285,700	2,285,700	2,017,900	2,043,200
<b>Total - All Governmental Funds</b>	<b>\$44,405,900</b>	<b>\$31,417,900</b>	<b>\$31,517,400</b>	<b>\$28,234,700</b>	<b>\$34,290,100</b>

# FINANCIAL AND STATISTICAL TABLES

## APPROPRIATIONS LIMIT HISTORY

The *Gann Spending Limit Initiative*, a State constitutional amendment adopted by the voters on June 6, 1979, restricts appropriations from tax revenues by State and local governments. Under its provisions, no local agency can appropriate proceeds of taxes in excess of its "appropriations limit." Excess funds may be carried over into the next year. However, any excess funds remaining after the second year must be returned to taxpayers by reducing tax rates or fees; a majority of the voters may approve an override to increase the limit.

The following summarizes changes in the City's appropriations limit and appropriations subject to the limit since the effective date of the initiative. While there are exceptions, in general, the City's appropriations limit increases annually by compound changes in cost-of-living and population. This summary also reflects changes made by Proposition 111 (adopted in June 1990) in determining the appropriations limit as well as the appropriations subject to it.



Fiscal Year	Limit Base	Cost-of-Living Factor	Population Factor	Appropriations Limit	Appropriations Subject to Limit	Variance
<i>Post-Proposition 111</i>						
1987-88	14,836,300	3.47%	2.93%	15,800,900	14,411,700	1,389,200
1988-89	15,800,900	4.66%	4.10%	17,215,200	15,223,500	1,991,700
1989-90	17,215,200	5.19%	3.92%	18,818,600	16,691,800	2,126,800
1990-91	18,818,600	4.21%	4.59%	20,511,000	15,005,400	5,505,600
1991-92	20,511,000	4.14%	3.04%	22,009,500	14,911,100	7,098,400
1992-93	22,009,500	-0.64%	1.00%	22,087,300	18,094,900	3,992,400
1993-94	22,087,300	2.72%	1.86%	23,110,100	15,215,000	7,895,100
1994-95	23,110,100	0.71%	1.40%	23,600,000	16,778,400	6,821,600
1995-96	23,600,000	4.72%	1.60%	25,109,300	15,530,800	9,578,500
1996-97	25,109,300	4.67%	2.31%	26,889,000	16,825,500	10,063,500
1997-98	26,889,000	4.67%	2.06%	28,724,500	17,513,200	11,211,300
1998-99	28,724,500	4.15%	2.70%	29,671,300	17,291,800	12,379,500
1999-00	29,671,300	4.53%	2.28%	31,717,100	18,030,500	13,686,600
2000-01	31,717,100	4.91%	2.46%	34,093,000	18,802,000	15,291,000
2001-02	34,093,000	0.33%	1.80%	34,821,200	23,227,900	11,593,300
2002-03	34,821,200	0.33%	1.80%	35,565,000	23,018,400	12,546,600
2003-04	35,565,000	2.31%	1.32%	36,866,700	23,072,400	13,794,300
2004-05	36,866,700	3.28%	1.15%	38,513,100	27,670,400	10,842,700
2005-06	38,513,100	5.26%	1.19%	41,021,300	32,371,900	8,649,400
2006-07	41,021,300	3.96%	0.73%	42,957,100	30,757,100	12,200,000
2007-08	42,957,100	4.42%	0.96%	45,286,400	36,582,900	8,703,500
2008-09	45,286,400	4.29%	1.12%	47,758,200	36,795,300	10,962,900
2009-10	47,758,200	0.62%	1.01%	48,540,600	27,159,400	21,381,200
2010-11*	48,540,600	-2.54%	0.87%	47,719,200	34,706,700	13,012,500
2011-12*	47,719,200	2.51%	0.83%	49,323,000	35,000,000	14,323,000
2012-13*	49,323,000	3.77%	0.47%	51,423,500	40,154,900	11,268,600
2013-14*	51,423,500	5.12%	0.52%	54,337,500	40,104,100	14,233,400

\* Appropriations subject to limit are estimates for these years.

# FINANCIAL AND STATISTICAL TABLES

## DEMOGRAPHIC AND STATISTICAL SUMMARY

### LOCATION

Central Coast of California, 235 miles south of San Francisco and 200 miles north of Los Angeles

### INCORPORATED

February 19, 1856  
Chartered May 1, 1876

### FORM OF GOVERNMENT

Council - Mayor - City Manager

### POPULATION (JANUARY 1, 2014)

45,473

### PHYSICAL SIZE

13.2 Square Miles

Public Safety	2012-13	2013-14	2014-15
Fire			
Sworn personnel	44	44	44
Number of fire stations	4	4	4
Police sworn personnel	57	60	60

### Public Utilities

Water services			
Sources of supply (acre feet)			
Whale Rock Reservoir capacity (City share accounting for siltation through 2013)			21,451
Salinas Reservoir capacity (accounting for siltation through 2013)			22,923
Groundwater (approximately 2% City supply/year)			77
Recycled water			177
Nacimiento Reservoir			3,380
Estimated miles of main line			185
Customer accounts			14,838
Wastewater services			
Treatment plant capacity (million gallons per day)			5.1
Average daily plant flows (million gallons per day)			4.5
Estimated miles of sewer line			137

### Streets and Flood Protection

Street miles maintained	133
Traffic signals operated & maintained	70
Street lights operated & maintained	2,300
Estimated creekbed miles under City jurisdiction	32

### SERVICES PROVIDED BY OTHER AGENCIES

Public elementary and secondary schools..... San Luis Coastal Unified School District  
 Cuesta Community College..... San Luis Obispo Community College District  
 Animal regulation..... San Luis Obispo County  
 Property tax collection & administration..... San Luis Obispo County  
 Solid waste collection and disposal ..... Private companies under franchise



Section H  
BUDGET REFERENCE MATERIALS



# BUDGET REFERENCE MATERIALS

## OVERVIEW

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Complementing the City's *Budget and Fiscal Policies* are a number of major policy documents that also guide the preparation and execution of the City's Financial Plan. A brief narrative summary for each of the following documents is provided in Section H of the 2013-15 Financial Plan.

### Citywide Policy Documents

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- City Charter
- Municipal Code
- City Council Policies and Procedures Manual
- City Code of Ethics
- General Plan
- Conceptual Physical Plan for the City's Center
- Facilities Master Plan: 1988-2010

### Utilities

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- Urban Water Management Plan
- Wastewater Management Plan

### Transportation

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- Short-Range Transit Plan
- Access and Parking Management Plan
- Pavement Management Plan
- Bicycle Transportation Plan

### Creek & Flood Protection

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- Waterway Management Plan
- Storm Sewer Management Plan

### Leisure, Cultural & Social Services

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- Parks and Recreation Master Plan

### Administrative

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- Information Technology Strategic Plan
- Property Management Manual
- Public Art Policy
- Fleet Management Program
- Goals and Objectives Reporting System
- Risk Management Manual

### Financial

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- General Fund Five Year Fiscal Forecast: 2014-2018
- Financial Management Manual
- Investment Management Plan
- Revenue Management Manual
- Cost Allocation Plan
- Monthly and Quarterly Financial Reports
- Comprehensive Annual Financial Report (CAFR)

The following materials are also located in Section H of the 2013-15 Financial Plan to facilitate the reader's understanding of the CIP document and preparation process:

- **Budget Glossary.** Defines terms that may be used in a manner unique to public finance or the City's budgetary process in order to provide a common terminology in discussing the City's financial operations.
- **Major Preparation Guidelines and Budget Calendar.** Describes the steps, procedures and calendar used in developing and documenting the 2013-15 Financial Plan.
- **Budget Resolution.** Provides the resolution adopted by Council approving the 2013-15 Financial Plan and 2013-14 Budget.

*The 2013-15 Financial Plan Supplement includes the resolution adopted by the Council approving the Supplement and the 2014-15 Budget.*

**RESOLUTION NO. 10538 (2014 Series)**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN LUIS OBISPO  
APPROVING THE 2013-15 FINANCIAL PLAN SUPPLEMENT AND ADOPTING THE  
2014-15 BUDGET AND THE CARRYOVER OF CERTAIN UNSPENT  
APPROPRIATIONS ALONG WITH RECOMMENDED CHANGES TO THE 2013-14  
BUDGETS OF VARIOUS FUNDS**

**WHEREAS**, the City Council adopted the 2013-15 Financial Plan on June 17, 2013, which established comprehensive financial and policy guidelines for fiscal years 2013-14 and 2014-15; and

**WHEREAS**, the 2013-15 Financial Plan included appropriations for fiscal year 2013-14; and

**WHEREAS**, the City Council has reviewed proposed changes to the 2013-15 Financial Plan to be effective for fiscal year 2014-15 after holding noticed public hearings; and

**WHEREAS**, the City Manager submitted the 2013-15 Financial Plan Supplement and Revised 2014-15 Budget to the City Council for their review and consideration; and

**WHEREAS**, the City's Budget Policy provides for the carryover of unspent Capital Project appropriations, amounts encumbered at the end of each fiscal year and the carryover of non-staffing operating costs in the first year of each two year financial plan period; and

**WHEREAS**, through the analysis used to develop current estimates reflected in the Revised 2014-15 Budget, staff identified a number of changes that are required for the 2013-14 budget in order to reflect current revenue and expenditure trends as shown in Exhibit A to this resolution, which is incorporated by reference herein; and

**WHEREAS**, the cost of financing the Los Osos Valley Road/101 Interchange overpass is an eligible cost of the Traffic Impact Fee program while the total cost of the debt service will be borne initially by the General Fund.

**NOW, THEREFORE, BE IT RESOLVED** that the Council of the City of San Luis Obispo hereby finds and directs:

1. That the above recitals are true and correct.
2. That the 2013-15 Financial Plan Supplement and the 2014-15 Budget is hereby adopted.
3. Public Art Funding shall be provided at the rate of 1% of eligible city-sponsored capital projects.



4. That the budget adjustments shown in Exhibit A, provided as an attachment to this resolution, are hereby approved for those funds.
5. That all unspent capital project appropriations, amounts encumbered as of June 30, 2014 and unspent non-staffing costs that are eligible to be carried forward into 2014-15 in accordance with the City's Budget Policy shall be reflected in the 2014-15 budget at the earliest opportunity and such amounts shall be reported to the City Council during the Mid-Year budget update.
6. The Traffic Impact Fee Fund shall reimburse the General Fund for 100% of the cost of the debt service for the Los Osos Valley Road/101 Interchange overpass borrowing and up to 50% of the cost of the debt service in the following two years with future reimbursements subject to further review by the City Council.
7. That the Director of Finance shall take all necessary steps to implement these actions as soon as practical.

Upon motion of Council Member Ashbaugh, seconded by Vice Mayor Christianson, and on the following roll call vote:

AYES: Council Members Ashbaugh, Carpenter and Smith,  
Vice Mayor Christianson and Mayor Marx  
NOES: None  
ABSENT: None

the foregoing resolution was adopted this 17<sup>th</sup> day of June 2014.

  
\_\_\_\_\_  
Mayor Jan Marx

ATTEST:

  
\_\_\_\_\_  
Anthony J. Mejia, CMC  
City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
J. Christine Dietrick  
City Attorney

**EXHIBIT A****Water Enterprise Fund**                      **Increase/(Decrease)****Revenues:**

Other Revenues    \$    1,430

**Expenses:**

Leave Payouts    \$    70,200

CJPIA Retrospective Charge\*                      \$    37,607

**Sewer Enterprise Fund****Revenues:**

Proceeds from Debt                                      \$7,249,000

*This adjustment recognizes the amount borrowed in October for the construction of energy efficiency improvements at the Water Reclamation and Recovery Facility.*

**Expenses:**

CJPIA Retrospective Charge\*                      \$    38,653

**Parking Enterprise Fund****Expenses:**

CJPIA Retrospective Charge\*                      \$    11,798

**Transit Enterprise Fund****Revenues:**

Capital Grant Sources                                      \$ (488,958)

*This adjustment lowers the amount of capital grant revenues based on new information received since the Mid-Year budget adjustments were prepared.*

**Expenses:**

CJPIA Retrospective Charge\*                      \$    2,616

**Whale Rock****Expenses:**

CJPIA Retrospective Charge\*                      \$    4,709

**CDBG Fund****Other Sources (transfer-in)**                      \$    2,200

*This adjustment recognizes an increase to the General Fund's transfer in amount which is needed to eliminate a fund deficit that arose in the prior year.*

**Public Art Fund****Revenues:**

In-Lieu Fees    \$ (20,000)

*This adjustment lowers the fee estimate to the expected value for the current year.*

\*The CJPIA retrospective charge represents the allocated portion of the retrospective charge that was calculated by the California Joint Powers Insurance Authority as the result of their most recent review of the workers compensation and liability claims status through 2011-12.

**General Fund**

Other Uses (transfer out)	\$ 2,200
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*This adjustment recognizes an increase to the General Fund's transfer out to the CDBG fund to match the transfer in shown above.*



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