

city of san luis obispo

MID-YEAR BUDGET REVIEW



**for the 2005-07 Financial Plan
FISCAL YEAR 2006-07**

ABOUT THE COVER

The photo was taken on the Bowden Ranch trail, which is now part of the Reservoir Canyon open space. The Bowden Ranch section is 207 acres with an existing trail. The trail head is located off Lizzie Street. The bridge in the photo was built and installed by local Eagle Scout, Jay Hubbard. The fence was installed by CMC convict crews and funded with money from the Bowden Ranch development. The hike to the top is a strenuous one, but it has some of the best views of town and the east Cuesta Grade.

Photo by: Marti Reynolds, Parks & Recreation Department

2005-07 Financial Plan

MID-YEAR BUDGET REVIEW: 2006-07

DAVID ROMERO, MAYOR
CHRISTINE MULHOLLAND, VICE-MAYOR
PAUL BROWN, COUNCIL MEMBER
ANDREW CARTER, COUNCIL MEMBER
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city of san luis obispo

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Section A

TRANSMITTAL MEMORANDUM

TRANSMITTAL MEMORANDUM

February 20, 2007

TO: City Council

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

SUBJECT: MID-YEAR BUDGET REVIEW FOR 2006-07

OVERVIEW

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

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

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

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

Summary of Findings and Conclusions

Generally on Target with Recent Forecast. The updated revenue and expenditure projections reflected in the mid-year review are generally consistent with the results of the recent five-year

General Fund forecast (Forecast) presented to the Council on December 12, 2006 as part of the 2007-09 Financial Plan process.

Most Significant Change from Forecast: Accrual in 2006-07 of One Quarter of Measure Y Funds. The most significant change for 2006-07 from the Forecast is the recognition of one-quarter of revenues from Measure Y funds, which will become effective on April 1, 2007.

As discussed in greater detail below, we will accrue an estimate for Measure Y revenues collected from April 1, 2007 through June 30, 2007 in fiscal year 2006-07, even though we will not receive payments from the State for most of these collections until September 2007. (On a cash basis, we will receive a small advance from the State in June 2007). Based on an annual estimate of \$4.5 million, and past trends for second quarter sales tax receipts, we are estimating a \$1 million accrual for this in 2006-07.

Summary of “Ups and Downs.” At the end of this Transmittal Memorandum is a one-page overview of our projected ending financial condition for the General Fund at June 30, 2007 that summarizes “where we’re up” and “where we’re down” from our initial estimates in the 2006-07 Budget. It also includes a brief recap of our projected ending position compared with the Forecast.

General Fund Focus

This mid-year budget review primarily focuses on programs and projects financed through the General Fund. Consistent with the City’s policy of annually reviewing our enterprise fund rates, a comprehensive analysis will be presented on May 31, 2007 addressing rate and revenue issues in the water, sewer, parking, transit and golf funds.

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Limited Mid-Year Budget Requests

We have only proposed mid-year budget requests that are essential to meet costs that were not anticipated when preparing the 2006-07 Budget. These requests, which are discussed in greater detail below, need to be approved now in order to meet timing requirements, adequately fund current programs through the end of the fiscal year or take advantage of available outside revenues.

FINANCIAL CONDITION SUMMARY

Beginning General Fund Balance

The beginning General Fund balance (net of encumbrances and carryovers) is \$2.9 million greater than projected in the 2006-07 Financial Plan Supplement.

As discussed in the Comprehensive Annual Financial Report for 2005-06 presented to the Council in December 2006, this was due to a combination of revenues, which were 3% higher than projections, and operating expenditure savings, which were 3% better than estimated and reflected the successful efforts of the operating departments to further tighten their belts in light of the tough fiscal circumstances facing us at that time.

General Fund Revenues

Included in Section B of this report is a summary of revenues by fund and major source that provides actual results for 2005-06 along with a comparison of the revised 2006-07 revenue projections with original budget estimates. The following summarizes the most significant General Fund revenue revisions:

General Sales Tax. Consistent with the Forecast, we have increased this projection by \$233,300 based on actual revenues for 2005-06.

Measure Y Revenues. As noted above, recognizing one-quarter of revenues from Measure Y funds is the most significant change from the Forecast. This ½-cent City sales tax will become effective on April 1, 2007. Based on follow-up discussions with the State Board of Equalization and our independent auditors, we will accrue an estimate for Measure Y revenues

collected from April 1, 2007 through June 30, 2007 in fiscal year 2006-07, even though we will not receive payments from the State for most of these collections until September 2007. (On a cash basis, we will receive a small advance from the State in June 2007).

Based on an annual estimate of \$4.5 million, we are projecting 2006-07 revenues at \$1 million. This reflects past trends where the second quarter of the year is significantly lower than other quarters. For example, sales tax revenues are typically stronger in the third (Summer) quarter due to tourism and back-to-school sales; and stronger in the fourth quarter due to Christmas sales.

Property Tax. Consistent with the Forecast, we have increased this projection by \$651,000, based on actual revenues in 2005-06 and property tax revenue estimates provided by the County for 2006-07. As discussed in the Forecast, this increase is largely due to revenues from the supplemental roll.

Transient Occupancy Tax. We are retaining our projection for 4% growth, consistent with both the Forecast and the original budget estimate.

Utility Users Tax. Consistent with the Forecast, this revenue source has been reduced by \$61,600 (1.5%) to reflect a lower level of collections from the cable and major phone companies.

Franchise Fees. Based on prior year actual revenues, we have reduced this estimate by \$28,100 (1.3%). This revision is consistent with the Forecast.

Business License Fees. Based on current year collections and a renewal cycle that is virtually complete, we have reduced the revenue projection by \$55,000.

Interest Earnings. Higher investment yields and larger investable cash balances result in a revised projection of \$700,000 for 2006-07, \$340,700 higher than the Forecast.

Vehicle License Fees/VLF Swap. Consistent with the Forecast, this revenue source was increased based on actual revenues in 2005-06, which were higher than projected due to the stronger revenue base for the City under the "VLF" swap.

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Public Safety Grant Revenues/Reimbursements.

We received unanticipated reimbursements from Fire mutual aid reimbursements of \$821,200. Of this amount, \$555,200 reflects reimbursements for direct costs, and as such, does not result in a net fiscal change for the City. As discussed below, we recommend that the remaining \$266,000 from indirect cost reimbursements be allocated for the purchase of a wildland, "type III" fire engine.

We also received \$80,000 from unanticipated administrative fines for hazardous materials violations. These are required to be used for related costs, and as such we will defer recognition of these receipts until expenditure proposals are approved. As discussed below, we recommend that \$26,000 of these revenues be used to purchase a vehicle for the Hazardous Materials Coordinator. Accordingly, we have reflected offsetting revenues in this amount.

Police Booking Fee Reimbursements. As signaled in the Forecast, the City received unanticipated reimbursements for booking fees in the amount \$176,500.

SB 90 Reimbursements. In a surprise move, the State of California released some funding for prior years SB 90 claims of \$112,000.

Zone 9 Revenues. The additional \$100,000 in Zone 9 revenues in 2006-07 reflects carryover revenues from 2005-06.

Development Review Fees. The Forecast anticipated no change to the 2006-07 projection for development review fees. Since that time, a close look at year-to-date actuals and projected collections for the remainder of the year results in a modest projected increase of \$142,400.

Parks & Recreation Program Revenues. Based on prior year results and current year-to-date trends, we have reduced projected revenues from parks & recreation programs by \$109,100, summarized as follows:

Summary of 2006-07 Parks & Recreation Revenues

	Original	Revised	Variance
Adult athletic fees	122,500	96,000	(26,500)
Childrens services	527,900	490,000	(37,900)
Aquatics	154,800	133,600	(21,200)
Other revenues	315,000	291,500	(23,500)
Total	1,120,200	1,011,100	(109,100)

Margarita Area Fee Reimbursements. Consistent with the Forecast, no revenues are anticipated this fiscal year from Margarita area reimbursements, which is a reduction of \$650,000 from original budget estimates.

Operating Programs

Section B includes an overview of changes to the operating program budgets. Organized by function and fund, these schedules include the original budget, re-appropriations for encumbrances and carryovers, and budget changes to-date since approval of the 2006-07 Financial Plan Supplement in June 2006. As discussed later in this report, these summaries also reflect mid-year budget requests.

Capital Improvement Plan (CIP)

This part of Section B reflects the original CIP budgets for 2006-07 by fund, re-appropriations for encumbrances and carryovers, and budget changes to-date since approval of the 2006-07 Financial Plan Supplement in June 2006. As discussed later in this report, these summaries also reflect mid-year budget requests.

Interfund Transactions

This portion of Section B reflects actual interfund transfers for 2005-06 along with the original budget and revisions for 2006-07. The revised operating transfers are generally driven by Council approved changes since the adoption of the 2006-07 budget. The reimbursement transfers are based on the 2005-07 Cost Allocation Plan adopted by the Council last year on February 7, 2006.

Projected Fund Balances/Working Capital

Based on the revised revenue projections and expenditures summaries, this part of Section B includes a summary of projected changes in financial position for each of the City's operating funds. As with the revenue and expenditure

TRANSMITTAL MEMORANDUM

summaries, the changes in financial position schedules include the actual fund balances/working capital for 2005-06 and the original budget and revised projections for 2006-07.

MID-YEAR BUDGET REQUESTS

As noted previously, we have only proposed mid-year budget requests that need to be approved now in order to meet timing requirements, adequately fund current programs through the end of the fiscal year or take advantage of available outside revenues. The following summarizes the mid-year budget requests.

Mid-Year Budget Request Summary

	Operating	CIP	Total
General Fund	181,000	10,000	191,000
Revenue Offsets		292,000	292,000
Sewer Fund		90,000	90,000
Golf Fund*	12,000	95,000	107,000
Total	193,000	487,000	680,000

* Requires General Fund Subsidy

Supporting documentation that fully justifies the need for these adjustments is provided in Section C, summarized as follows:

Operating Programs

Legal Defense for FLSA Lawsuit. Contracting for legal services to represent the City in a lawsuit alleging violations of the Fair Labor Standards Act (FLSA) will require a budget increase of \$50,000 in 2006-07. As noted in the request, we believe we are in full compliance with FLSA requirements, and we plan to defend this lawsuit vigorously.

Broad Street Corridor Plan. Continuing to fund consultant services for the Broad Street Corridor Plan to replace an expired grant will cost \$75,000 in 2006-07.

Engineering Development Review Temporary Staffing. Adding a half-time position to the temporary staffing of the Engineering Development Review program in order address increased workload and continue service improvements will cost \$30,000 in 2006-07 and \$60,000 per year thereafter.

Low-Income Water and Sewer Customer Subsidy. Continuing to offer rate assistance to low-income water and sewer customers in light of a recent State Supreme Court decision on Proposition 218 will cost the General Fund \$26,000 annually.

Conversion of Contract Parking Enforcement Officer to Regular Status. Converting the contract Parking Enforcement Officer position from temporary to regular status will ensure continuation of current parking service levels with no net fiscal impact.

Golf Fund Operations. Augmenting the operating budget of the Golf Fund to meet current day-to-day service needs will cost \$12,000 in 2006-07. This will require an off-setting increase in the General Fund subsidy by the same amount.

Capital Improvement Plan

Fire Fleet Addition: Wildland Fire Engine. Purchasing a wildland, "type III" fire engine with mutual aid revenues in order to better meet our open space fire protection needs will cost \$266,000 in 2006-07.

Fire Fleet Addition: Hazardous Materials Coordinator. Purchasing a vehicle for the Hazardous Materials Coordinator with funding from administrative fines from hazardous materials violations will cost \$26,000.

Laguna Lake Dredging: Environmental Review. Completing additional archeological studies in finalizing the Initial Environmental Study for dredging Laguna Lake will cost \$10,000 in 2006-07.

Telemetry Equipment Replacement. Replacing and upgrading obsolete and unmaintainable telemetry equipment at the Water Reclamation Facility will cost \$90,000 in the Sewer Fund in 2006-07.

Golf Course Bridge Replacement. Replacing the bridge at Hole No. 6 at the Laguna Lake Golf Course will cost \$95,000 in 2006-07. Funding this replacement will require an off-setting increase in the General Fund subsidy by the same amount.

TRANSMITTAL MEMORANDUM

STATUS OF GOALS AND OBJECTIVES

Section E of this report provides a formal look at the status of Major City Goals, Other Council Objectives and Major CIP Projects as of February 2007. As reflected in the report, with about 80% of the Financial Plan period completed, we are generally on track in achieving the major City goal “action plans.” However, some of the goals and objectives require modifications to task schedules.

PROSPECTS FOR THE FUTURE

We are facing our best fiscal outlook in many years due to three key factors:

1. **Passage of Measure Y.** As noted above, this ½-cent sales tax measure was adopted with 65% voter approval on November 7, 2006 and will become effective on April 1, 2007. We estimate that it will generate \$4.5 million annually in added General Fund revenues.
2. **Structural Budget Balance.** With the actions we have taken beginning in 2002, we have achieved “structural budget balance” for the long-term. This means that the added revenues from Measure Y will not be required simply to forestall even greater cuts, but can be used for service restorations and new initiatives, based on the goals that emerge during the City’s budget process.
3. **Strong Financial Condition.** Because of our prudent planning and budget balancing actions, we will go into the 2007-09 Financial Plan process with strong reserves that are above our minimum policy level. While this is a “one-time” source, it can appropriately be used for one-time purposes like facility and infrastructure improvements to our streets, storm drains and parks.

But Tough Policy Decisions Remain

The combination of a structurally balanced budget, strong reserves and the passage of Measure Y go a long way in improving our ability to fund community priorities.

However, tough *policy* decisions remain ahead of us in preparing the 2007-09 Financial Plan.

On one hand, we certainly have more resources to address community needs; on the other hand, they are not unlimited. Placed in context, Measure Y represents an increase of about 10% in General Fund resources. Obviously, this improves our funding capacity, but we still have to identify our highest priorities and make wise resource choices accordingly.

And in many ways, this will make the policy environment in making resource decisions more difficult than when times were fiscally tougher: instead of “just saying no,” we will be able to say “yes” to some things – but not *everything*.

In short, even with our improved fiscal situation, significant challenges remain ahead of us in answering the fundamental policy questions posed by the budget process: *of all the things we want to do in making our community an even better place to live, work and play, which are the most important? And what are the resource trade-offs we have to make to do them?*

CONCLUSION

By taking a close look at our financial condition at the mid-point of the fiscal year, this review sets the stage for the upcoming 2007-09 budget process. As reflected in this report, we will begin this process with a strong budget foundation:


1. We are in good fiscal shape.
2. We have good information.
3. We have strong financial systems and procedures in place.
4. We have an excellent organization and capable staff.
5. We have excellent Council leadership.
6. We have a great tradition of responsible stewardship.

This “civic infrastructure” is simply not in place in many other cities. And it will serve us well in successfully meeting the policy challenges ahead of

TRANSMITTAL MEMORANDUM

us as we develop and consider the 2007-09 Financial Plan.

Next Steps. The Department Heads and Budget Review Team and will be prepared to respond to any questions the Council may have regarding this report at their February 20, 2007 meeting. If you have any questions in the interim, or require additional information, please do not hesitate to contact us.



GENERAL FUND FINANCIAL CONDITION SUMMARY

*"Ups and downs" comparison of mid-year budget projections
with those initially presented in the 2006-07 Financial Plan Supplement*

WHERE WE'RE UP

Revenues and Other Sources	General Sales Tax	233,300
	Public Safety Sales Tax	37,700
	Property Tax	651,000
	Real Property Transfer Tax	75,000
	Motor Vehicle In-Lieu/VLF Swap	357,900
	Booking Fee Reimbursement	176,000
Non-Recurring	Beginning Fund Balance (Net of Carryovers)	2,962,000
	Measure Y Accrual	1,000,000
	Investment Earnings	350,000
	Unallocated Mutual Aid Revenues	266,000
	Development Review Fees	142,400
	SB90 Reimbursements	112,000
	Zone 9 Revenue Carryover from 2005-06	100,000
	CUPA Fines	26,000
	Insurance Refunds	40,000
	Net Increase in Other Sources	63,300

WHERE WE'RE DOWN

Revenues and Other Sources	Margarita Area Reimbursements	(650,000)
	Parks & Recreation Program Revenues	(109,100)
	Utility Users Tax	(61,600)
	Business License Revenues	(55,100)
	Franchise Fees	(28,100)
Expenditures and Other Uses	Mid-Year Budget Requests	(590,000)
	Council Approved Budget Changes-To-Date	(632,800)
NET CHANGE		\$4,465,900
Ending Fund Balance		\$12,596,500

Percent of Operating Expenditures at June 30, 2007

29.3%

Comparison with the December 2006 Forecast

The results summarized above are generally consistent with the December 2006 Forecast with one exception: the accrual of one quarter of Measure Y revenues. For comparison purposes, the Forecast projected an ending balance in 2006-07 above minimum policy levels that would carryover into 2007-09 of about \$3.5 million. As reflected above, the revised estimate in the mid-year review is \$4.5 million, with a net difference equal to the Measure Y accrual.

Section B

FINANCIAL CONDITION SUMMARIES

REVENUES BY MAJOR CATEGORY AND SOURCE

SUMMARY BY FUND

	2005-06	2006-07		
	Actual	Original Budget	Revised Projection	Variance
GOVERNMENTAL FUNDS				
General Fund	43,164,400	43,590,000	46,874,100	3,284,100
Special Revenue Funds	2,474,000	1,990,500	3,116,700	1,126,200
Capital Project Funds	6,550,200	1,461,700	9,802,700	8,341,000
Total Governmental Funds	52,188,600	47,042,200	59,793,500	12,751,300
ENTERPRISE FUNDS				
Water Fund	10,888,900	11,315,700	12,748,000	1,432,300
Sewer Fund	10,398,000	10,945,000	11,010,000	65,000
Parking Fund	3,921,800	4,081,100	4,368,300	287,200
Transit Fund	2,343,200	3,216,600	3,597,600	381,000
Golf Fund	345,000	344,100	346,000	1,900
Whale Rock Reservoir Fund	830,300	813,300	823,300	10,000
Total Enterprise Funds	28,727,200	30,715,800	32,893,200	2,177,400
TOTAL	\$80,915,800	\$77,758,000	\$92,686,700	\$14,928,700

REVENUES BY MAJOR CATEGORY AND SOURCE

GENERAL FUND

	2005-06	2006-07		Variance
	Actual	Original Budget	Revised Projection	
Tax Revenues				
Sales & use tax				
General	12,675,900	12,696,100	12,929,400	233,300
Measure Y			1,000,000	1,000,000
Public safety (Proposition 172)	301,200	269,500	307,200	37,700
Property tax	7,519,600	7,470,200	8,121,200	651,000
Transient occupancy tax	4,539,200	4,717,000	4,720,800	3,800
Utility users tax	3,947,300	4,127,300	4,065,700	(61,600)
Franchise fees	2,101,300	2,213,500	2,185,400	(28,100)
Business tax certificates	1,578,000	1,615,900	1,633,200	17,300
Real property transfer tax	390,600	275,000	350,000	75,000
Total Tax Revenues	33,053,100	33,384,500	35,312,900	1,928,400
Fines & Forfeitures				
Vehicle code fines	141,600	160,000	142,300	(17,700)
Other fines & forfeitures	72,300	93,600	72,700	(20,900)
Total Fines & Forfeitures	213,900	253,600	215,000	(38,600)
Investment and Property Revenues				
Investment earnings	263,500	350,000	700,000	350,000
Rents & concessions	65,700	47,000	63,600	16,600
Total Investment & Property	329,200	397,000	763,600	366,600
Subventions & Grants				
Motor vehicle in-lieu/VLF swap	2,486,400	3,143,900	3,501,800	357,900
Homeowners & other in-lieu taxes	77,100	84,200	84,200	
Other in-lieu taxes	48,100	50,900	50,900	
SB 90 reimbursements	99,000		112,000	112,000
Police training (POST)	88,700	84,000	70,000	(14,000)
Mutual aid reimbursements	384,500		821,200	821,200
COPS grant AB3229	100,000	100,000	100,000	
Booking fee reimbursement			176,000	176,000
Repayment of 2003-04 VLF gap loan	756,600			
Other state & federal grants	36,000	21,000	21,000	
Total Subventions & Grants	4,076,400	3,484,000	4,937,100	1,453,100
Service Charges				
Police Services				
Accident reports	5,500	5,000	5,000	
Colision investigation	14,700	13,000	13,000	
Alarm permits	108,000	119,800	119,800	
DUI cost recovery	21,900	5,600	5,600	
Third false alarm fees	40,500	36,600	36,600	
Tow release fee	53,400	45,000	45,000	
Booking fee recovery	64,700	42,300	42,300	
Tobacco permit fees	14,100	13,600	13,600	
Other police services	31,600	32,600	42,500	9,900
Total Police Services	354,400	313,500	323,400	9,900

REVENUES BY MAJOR CATEGORY AND SOURCE

GENERAL FUND

	2005-06	2006-07		Variance
	Actual	Original Budget	Revised Projection	
Fire Services				
Cal Poly fire services	205,200	204,000	212,200	8,200
Medical emergency recovery	142,200	137,700	137,700	
Fire safety/haz mat permits	78,200	76,700	76,700	
Multi-dwelling unit inspections	288,300	295,800	302,000	6,200
CUPA fees	59,900	69,400	95,400	26,000
Other fire services	23,700	10,200	13,300	3,100
Total Fire Services	797,500	793,800	837,300	43,500
Transportation				
Maintenance of state highways	34,900	31,500	31,500	
Zone 9 reimbursements		100,000	200,000	100,000
Total Transportation	34,900	131,500	231,500	100,000
Development Review				
Planning & zoning fees	816,600	704,800	779,700	74,900
Construction plan check & inspections	1,298,700	1,485,000	1,552,500	67,500
Infrastructure plan check & inspections	348,100	185,000	200,000	15,000
Encroachment permits	168,200	165,000	150,000	(15,000)
Fire plan check & inspections	145,800	120,000	120,000	
Total Development Review	2,777,400	2,659,800	2,802,200	142,400
Parks & Recreation				
Adult athletic fees	96,500	122,500	96,000	(26,500)
Youth athletic fees	29,100	33,100	32,100	(1,000)
Instruction fees	65,900	66,300	66,300	
Special event fees	78,900	77,000	72,100	(4,900)
Rental & use fees	158,400	107,600	114,000	6,400
Children services	485,800	527,900	490,000	(37,900)
Teens & seniors	18,300	11,700	7,000	(4,700)
Aquatics	147,900	154,800	133,600	(21,200)
Other recreation revenues	26,900	19,300		(19,300)
Total Parks & Recreation	1,107,700	1,120,200	1,011,100	(109,100)
General Government				
Business license	31,400	265,100	210,000	(55,100)
Sales of publications	17,000	37,900	20,000	(17,900)
Other service charges	36,700	24,100	40,000	15,900
Total General Government	85,100	327,100	270,000	(57,100)
Total Service Charges	5,157,000	5,345,900	5,475,500	129,600
Other Revenues				
Insurance refunds	94,300		40,000	40,000
Margarita Area reimbursements		650,000		(650,000)
Other revenues	240,500	75,000	130,000	55,000
Total Other Revenues	334,800	725,000	170,000	(555,000)
Total General Fund	\$43,164,400	\$43,590,000	\$46,874,100	\$3,284,100

REVENUES BY MAJOR CATEGORY AND SOURCE

SPECIAL REVENUE FUNDS

	2005-06	2006-07		Variance
	Actual	Original Budget	Revised Projection	
Downtown Association Fund				
Investment & Property Revenues	4,200	4,000	4,000	
Service Charges	462,500	427,700	427,700	
Total Downtown Association Fund	466,700	431,700	431,700	
Community Development Block Grant Fund				
Subventions & Grants	717,400	645,900	1,262,300	616,400
Gas Tax Fund				
Subventions & Grants	855,200	824,000	824,000	
Transportation Development Act Fund				
Subventions & Grants	33,500	20,600	20,600	
Law Enforcement Grant Fund				
Investment & Property Revenues	4,000	3,100	4,000	900
Subventions & Grants	19,700		113,500	
Service Charges	5,900	10,600	5,000	(5,600)
Total Law Enforcement Grant Fund	29,600	13,700	122,500	108,800
Public Art Contributions Fund				
Investment & Property Revenues	6,700	3,100	8,000	4,900
Service Charges		51,500	51,500	
Other Revenues	165,200			
Total Public Art Contributions Fund	171,900	54,600	59,500	4,900
Proposition 42 Fund				
Investment & Property Revenues	800		10,000	10,000
Subventions and Grants	198,900		386,100	386,100
Proposition 42 Fund	199,700		396,100	396,100
Total Special Revenue Funds	2,474,000	1,990,500	3,116,700	1,126,200

REVENUES BY MAJOR CATEGORY AND SOURCE

CAPITAL PROJECT FUNDS

	2005-06	2006-07		Variance
	Actual	Original Budget	Revised Projection	
Capital Outlay Fund				
Subventions & Grants				
<i>State of California</i>				
Traffic safety grant			40,000	40,000
SLTPP/STP grant	287,000		692,500	692,500
STP/SHA - RRTC	220,600		983,300	983,300
Other state grants	81,500		490,000	490,000
<i>Federal Government</i>				
Highway & bridge rehabilitation & replacement (HBRR)	1,509,700		1,606,600	1,606,600
Transportation enhancement (TEA)			222,500	222,500
Other federal grants	115,600		730,900	730,900
Service Charges				
Zone 9 reimbursements		25,000	25,000	
Other Revenues				
Contributions	29,900		36,200	36,200
Other Revenue	200,000			
Total Capital Outlay Fund	2,444,300	25,000	4,827,000	4,802,000
Parkland Development Fund				
Investment & Property Revenues	20,000	14,400	24,400	10,000
Subventions & Grants			137,500	137,500
Service Charges				
Park in-lieu fees	54,900	25,800	32,200	6,400
Dwelling unit charge	4,400	10,300	5,000	(5,300)
Total Parkland Development Fund	79,300	50,500	199,100	148,600
Transportation Impact Fee Fund				
Investment & Property Revenues	81,300	40,000	129,000	89,000
Subventions & Grants		325,000	1,882,100	1,557,100
Service Charges	982,700	450,900	630,000	179,100
Contributions			100,000	100,000
Total Transportation Impact Fee Fund	1,064,000	815,900	2,741,100	1,925,200
Fleet Replacement Fund				
Investment & Property Revenues	41,100	25,000	55,000	30,000
Other Revenues				
Sale of surplus property	14,300	20,600	20,600	
Total Fleet Replacement Fund	55,400	45,600	75,600	30,000

REVENUES BY MAJOR CATEGORY AND SOURCE

CAPITAL PROJECT FUNDS

	2005-06	2006-07		
	Actual	Original Budget	Revised Projection	Variance
Open Space Protection Fund				
Investment & Property Revenues	20,400	15,000	20,000	5,000
Subventions & Grants		125,000		(125,000)
Service Charges			6,700	6,700
Total Open Space Protection Fund	20,400	140,000	26,700	(113,300)
Airport Area Impact Fee Fund				
Investment & Property Revenues	25,700	30,700	38,800	8,100
Service Charges	165,300	15,000	400,000	385,000
Total Airport Area Impact Fee Fund	191,000	45,700	438,800	393,100
Affordable Housing Fund				
Investment & Property Revenues	68,500	30,000	116,600	86,600
Service Charges	1,863,700	309,000	540,100	231,100
Total Affordable Housing Fund	1,932,200	339,000	656,700	317,700
Los Osos Valley Road Sub-Area Fee Fund				
Investment & Property Revenues			37,700	37,700
Service Charges	763,600		800,000	800,000
Total Los Osos Valley Road Sub-Area Fee Fund	763,600		837,700	837,700
Total Capital Project Funds	6,550,200	1,461,700	9,802,700	8,341,000

REVENUES BY MAJOR CATEGORY AND SOURCE

ENTERPRISE FUNDS

	2005-06	2006-07		Variance
	Actual	Original Budget	Revised Projection	
Water Fund				
Investment & Property Revenues	238,400	159,500	800,000	640,500
Subventions & Grants	138,000	25,000	816,800	791,800
Service Charges	10,264,300	11,115,200	11,115,200	
Other Revenues	248,200	16,000	16,000	
Total Water Fund	10,888,900	11,315,700	12,748,000	1,432,300
Sewer Fund				
Investment & Property Revenues	162,000	75,000	140,000	65,000
Subventions & Grants				
Service Charges	10,225,800	10,852,500	10,852,500	
Other Revenues	10,200	17,500	17,500	
Total Sewer Fund	10,398,000	10,945,000	11,010,000	65,000
Parking Fund				
Fines & Forfeitures	712,900	834,100	834,100	
Investment & Property Revenues	253,600	112,800	400,000	287,200
Service Charges	2,613,700	3,134,200	3,134,200	
Other Revenues	341,600			
Total Parking Fund	3,921,800	4,081,100	4,368,300	287,200
Transit Fund				
Investment & Property Revenues	11,400	4,700	12,000	7,300
Subventions & Grants	1,879,700	2,642,100	3,015,800	373,700
Service Charges	451,600	567,800	567,800	
Other Revenues	500	2,000	2,000	
Total Transit Fund	2,343,200	3,216,600	3,597,600	381,000
Golf Fund				
Investment & Property Revenues	2,000	1,500	3,400	1,900
Service Charges	316,000	317,600	317,600	
Other Revenues	27,000	25,000	25,000	
Total Golf Fund	345,000	344,100	346,000	1,900
Whale Rock Commission				
Investment & Property Revenues	28,400	20,000	30,000	10,000
Subventions & Grants				
Service Charges	800,600	793,300	793,300	
Other Revenues	1,300			
Total Whale Rock Commission Fund	830,300	813,300	823,300	10,000
Total Enterprise & Agency Funds	\$28,727,200	\$30,715,800	\$32,893,200	\$2,177,400

OPERATING PROGRAMS

SUMMARY BY FUND

	2006-07		Changes		Revised Budget
	Original Budget	Carryovers/ Encumbrances	Other Changes	Mid-Year Requests	
General Fund					
Public Safety	20,410,500	184,000	1,145,500		21,740,000
Transportation	2,234,300	72,300	85,700		2,392,300
Leisure, Cultural & Social Services	5,948,700	168,000	128,800	26,000	6,271,500
Community Development	4,903,100	314,100	161,800	105,000	5,484,000
General Government	9,964,900	747,200	98,200	50,000	10,860,300
Total General Fund	43,461,500	1,485,600	1,620,000	181,000	46,748,100
Downtown Association Fund	431,700	2,000			433,700
Community Development Block Grant Fund	244,300	34,500			278,800
Water Fund	5,442,100	234,000	58,100		5,734,200
Sewer Fund	4,798,800	342,600	59,400		5,200,800
Parking Fund	1,591,400	223,800	19,100		1,834,300
Transit Fund	2,060,000	49,100	4,200		2,113,300
Golf Fund	470,200		17,100	12,000	499,300
Whale Rock Fund	723,200	70,400	9,400		803,000
Total All Funds Combined.	59,223,200	2,442,000	1,787,300	193,000	63,645,500

SUMMARY OF NET BUDGET CHANGES TO-DATE:

	Council/CAO Approval Date	General Fund	Revenue or Transfer Offsets	Total
General Fund				
Kiwanis Club donation for teen programs	7/13/2006	300	(300)	
Revisions to Orcutt Area Specific Plan EIR	7/18/2006	29,700	(29,700)	
Senior Summer BBQ donations	7/27/2006	200	(200)	
PG & E donation for The Key Detail brochure	8/9/2006	5,000	(5,000)	
EOC class expenses	8/24/2006	600	(600)	
Family Movie Night expenses	8/24/2006	400	(400)	
Teen Idol program expenses	8/29/2006	200	(200)	
ABC grant for Enforcing Underage Drinking Laws	9/13-12/11/06	48,300	(48,300)	
OTS grant for Click It of Ticket program	9/27/2006	5,700	(5,700)	
Police services at PG & E meeting expenses	9/29/2006	500	(500)	
Club 864 expenses	10/3&11/15/2006	1,200	(1,200)	
CERT program expenses	10/6-10/17/2006	1,800	(1,800)	
Police grant revenues-various technology projects	10/10/2006	200	(200)	
Trench rescue Class and Enhanced Exercise Design	10/24/2006	700	(700)	
ABC grant for police services	10/31-11/20/06	5,000	(5,000)	
Cuesta share of SLO Solutions Program	11/2/2006	1,700	(1,700)	
SORT buy fund	11/2/2006	5,000	(5,000)	
Family Movie Night sponsorship	11/2/2006	300	(300)	
State Farm Insurance donation for child safety seats	11/4/2006	800	(800)	
MOA Adjustments-various units	11/22/2006	957,500	(957,500)	
E-Citation devices	12/4/2006	(2,300)		(2,300)
Damage to city property	12/22/2006	2,000	(2,000)	
Mutual aid response overtime	12/29/2006	555,200	(555,200)	
Total		\$1,620,000	(\$1,622,300)	(\$2,300)

OPERATING PROGRAMS

SUMMARY BY FUND

	2006-07		Changes		Revised Budget
	Original Budget	Carryovers/ Encumbrances	Other Changes	Mid-Year Requests	
Water Fund					
Use of Water Fund carryover for ozone upgrade		9/5/2006	7,000	(7,000)	
Use of Water Fund staffing savings for MOA Adj		11/22/2006	30,500	(30,500)	
MOA Adjustments-various units		11/22/2006	20,600	(20,600)	
Total			58,100	(58,100)	
Sewer Fund					
Use of Sewer Fund carryover for MOA Adj		11/22/2006	43,400	(43,400)	
MOA Adjustments-various units		11/22/2006	16,000	(16,000)	
Total			59,400	(59,400)	
Parking Fund					
Use of Parking Fund carryover for MOA Adj		11/22/2006	8,100	(8,100)	
MOA Adjustments-various units		11/22/2006	11,000	(11,000)	
Total			19,100	(19,100)	
Transit Fund					
MOA Adjustments-various units		11/22/2006	4,200	(4,200)	
Golf Fund					
Repair well pump at golf course		12/7/2006	5,200	(5,200)	
Fertilizer spreader at golf course		10/26/2006	4,300	(4,300)	
MOA Adjustments-various units		11/22/2006	7,600	(7,600)	
Total			17,100	(17,100)	
Whale Rock Fund					
MOA Adjustments-various units		11/22/2006	9,400	(9,400)	
TOTAL			\$1,787,300	(\$1,789,600)	(\$2,300)

SUMMARY BY FUNCTION

Public Safety	20,410,500	184,000	1,145,500		21,740,000
Public Utilities	10,964,100	647,000	126,900		11,738,000
Transportation	5,885,700	345,200	109,000		6,339,900
Leisure, Cultural & Social Services	6,418,900	168,000	145,900	38,000	6,770,800
Community Development	5,579,100	350,600	161,800	105,000	6,196,500
General Government	9,964,900	747,200	98,200	50,000	10,860,300
Total	59,223,200	2,442,000	1,787,300	193,000	63,645,500

CAPITAL IMPROVEMENT PLAN: ALL FUNDS COMBINED

SUMMARY OF CHANGES BY FUND

	Original Budget	Encumbrances/ Carryovers	Other Budget Changes	Mid-Year Adjustments	Revised
Capital Outlay	1,624,400	14,107,500	645,200	302,000	16,679,100
Parkland Development		251,300	443,200		694,500
Fleet Replacement	272,100	53,900			326,000
CDBG	428,400	616,400			1,044,800
Law Enforcement Block Grant		47,400	115,600		163,000
Transportation Impact Fee	1,270,700	2,878,600	53,000		4,202,300
Open Space Protection	150,000	420,800	75,000		645,800
Public Art Private Sector	11,400	121,800			133,200
Proposition 42 Fund		186,000	12,900		198,900
Airport Area Impact Fee	350,000	25,000			375,000
LOVR Impact Fee		522,900	693,000		1,215,900
Affordable Housing		109,900	560,000		669,900
Water	2,826,300	21,283,000	7,000		24,116,300
Sewer	2,519,000	9,362,000		90,000	11,971,000
Parking	1,200,000	2,758,400			3,958,400
Transit	1,260,200	620,500			1,880,700
Golf	60,000	30,300	(9,500)	95,000	175,800
Whale Rock		181,000			181,000
Total	\$11,972,500	\$53,576,700	\$2,595,400	\$487,000	\$68,631,600

CAPITAL IMPROVEMENT PLAN: ALL FUNDS COMBINED

SUMMARY OF NET CIP BUDGET ADJUSTMENTS

	Council/CAO Approval Date	Total	Revenue Offset	Net Impact
Capital Outlay Fund (General Fund)				
Fire vehicle exhaust extraction system	7/18/2006	179,500	161,500	18,000
Therapy pool	10/3/2006	(5,000)	(5,000)	
Emergency storm drain Ramona at Palomar	10/17/2006	120,700		120,700
Marsh & Santa Rosa signal upgrade	11/14/2006	60,000		60,000
Buena Vista & Garfield at Monterey street improvme	11/17/2006	290,000		290,000
Subtotal Capital Outlay Fund		645,200	156,500	488,700
Parkland Development Fund				
Therapy pool	10/3/06&1/9/07	443,200		443,200
Law Enforcement Block Grant				
E-Citation system	12/4/2006	112,300	112,300	
Federal Forfeiture Funds expense	11/1/2006	3,100	3,100	
Audio/video technology projects	10/10/2006	200		200
Subtotal Law Enforcement Block Grant Fund		115,600	115,400	200
Transportation Impact Fee				
Traffic signal Higuera/Granada	9/19/2006	53,000		53,000
Open Space Protection				
Brughelli conservation easement	12/12/2006	75,000		75,000
Proposition 42 Fund				
Arterial street repair	9/27/2006	12,900	12,900	
LOVR Impact Fee Fund				
Costco Reimbursement	11/30/2006	693,000	693,000	
Affordable Housing Fund				
Housing Trust Fund grant	6/6/2006	60,000		60,000
Villas at Higuera	10/3/2006	500,000		500,000
Subtotal LOVR Impact Fee Fund		560,000		560,000
Water Fund				
Use of carryover for ozone upgrade analysis	9/5/2006	7,000		7,000
Golf Course				
Repair well pump	12/7/2006	(5,200)		(5,200)
Fertilizer spreader	10/26/2006	(4,300)		(4,300)
		(9,500)		(9,500)
Total Adjustments		\$2,595,400	\$977,800	\$1,617,600

INTERFUND TRANSACTIONS

OPERATING TRANSFERS

	2005-06	2006-07		
	Actual	Original Budget	Revised	Variance
General Fund				
Operating Transfers In				
Gas Tax Fund	855,200	824,000	824,000	
TDA Fund	33,500	20,600	20,600	
Airport Area Impact Fee Fund	323,800			
Total operating transfers in	1,212,500	844,600	844,600	
Operating Transfers Out				
Downtown Association Fund	(25,000)			
Community Development Block Grant	(50,500)	(41,100)	(75,600)	(34,500)
Law Enforcement Block Grant Fund			(2,300)	(2,300)
Capital Outlay Fund	(2,329,100)	(1,610,800)	(2,401,500)	(790,700)
Open Space Protection Fund	(25,000)	(25,000)	(25,000)	
Fleet Replacement Fund	(483,800)	(498,300)	(498,300)	
Debt Service Fund	(1,620,300)	(2,266,500)	(2,266,500)	
Golf Fund	(255,300)	(314,600)	(423,800)	(109,200)
Total operating transfers out	(4,789,000)	(4,756,300)	(5,693,000)	(936,700)
Total Operating Transfers	(3,576,500)	(3,911,700)	(4,848,400)	(936,700)
Gas Tax Fund				
Operating Transfer Out				
General Fund	(855,200)	(824,000)	(824,000)	
Transportation Development Act Fund				
Operating Transfer Out				
General Fund	(33,500)	(20,600)	(20,600)	
Downtown Association Fund				
Operating Transfer In				
General Fund	25,000			
Community Development Block Grant				
Operating Transfer In				
General Fund	50,500	41,100	75,600	34,500
Law Enforcement Block Grant				
Operating Transfer In				
General Fund			2,300	2,300
Capital Outlay Fund				
Operating Transfer In				
General Fund	2,329,100	1,610,800	2,401,500	
Transportation Impact Fee Fund	52,000			
Total Operating Transfers In	2,381,100	1,610,800	2,401,500	790,700

INTERFUND TRANSACTIONS

OPERATING TRANSFERS

	2005-06	2006-07		
	Actual	Original Budget	Revised	Variance
Open Space Protection Fund				
Operating Transfer In				
General Fund	25,000	25,000	25,000	
Fleet Replacement Fund				
Operating Transfers In				
General Fund	483,800	498,300	498,300	
Debt Service Fund				
Operating Transfer In				
General Fund	1,620,300	2,266,500	2,266,500	
Airport Area Impact Fee Fund				
Operating Transfer Out				
General Fund	(323,800)			
Transportation Impact Fee Fund				
Operating Transfer Out				
Capital Outlay Fund	(52,000)			
Golf Course Fund				
Operating Transfer In				
General fund	255,300	314,600	423,800	109,200
NET OPERATING TRANSFERS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

INTERFUND TRANSACTIONS

REIMBURSEMENT TRANSFERS

	2005-06	2006-07		
	Actual	Original Budget	Revised	Variance
General Fund	(3,590,000)	(3,786,700)	(3,786,700)	
Community Development Block Grant Fund	20,800	14,300	14,300	
Enterprise and Agency Funds				
Water	1,446,700	1,458,900	1,458,900	
Sewer	1,213,400	1,381,700	1,381,700	
Parking	418,800	429,300	429,300	
Transit	280,800	287,800	287,800	
Golf	117,100	120,000	120,000	
Whale Rock Commission	92,400	94,700	94,700	
Total Enterprise and Agency Funds	3,569,200	3,772,400	3,772,400	
NET REIMBURSEMENT TRANSFERS	\$ -	\$ -	\$ -	\$ -

CHANGES IN FINANCIAL POSITION

ALL FUNDS COMBINED

	2005-06	2006-07		Variance
	Actual	Original Budget	Revised Projection	
Revenues				
Tax Revenues	33,053,100	33,384,500	35,312,900	1,928,400
Fines and Forfeitures	926,800	1,087,700	1,049,100	(38,600)
Investment and Property Revenues	1,297,700	920,100	2,596,500	1,676,400
Subventions and Grants	9,376,600	8,091,600	18,161,600	10,070,000
Service Charges				
Governmental Funds	9,689,900	7,337,400	8,398,700	1,061,300
Enterprise Funds	24,456,800	26,004,800	26,004,800	
Trust and Agency Revenues	801,900	793,300	793,300	
Other Revenues	1,313,000	138,600	369,800	231,200
Total Revenues	80,915,800	77,758,000	92,686,700	14,928,700
Expenditures				
Operating Programs				
Public Safety	19,279,700	20,410,500	21,740,000	(1,329,500)
Public Utilities	9,773,000	10,964,100	11,738,000	(773,900)
Transportation	5,295,800	5,885,700	6,339,900	(454,200)
Leisure, Cultural, & Social Services	5,693,200	6,418,900	6,770,800	(351,900)
Community Development	5,060,900	5,579,100	6,196,500	(617,400)
General Government	8,557,400	9,964,900	10,860,300	(895,400)
Total Operating Programs	53,660,000	59,223,200	63,645,500	(4,422,300)
Capital Projects	27,147,000	11,972,500	68,631,600	(56,659,100)
Debt Service	6,515,800	8,974,400	8,974,400	
Total Expenditures	87,322,800	80,170,100	141,251,500	(61,081,400)
Other Sources (Uses)				
Operating Transfers In	6,053,500	5,600,900	6,537,600	936,700
Operating Transfers Out	(6,053,500)	(5,600,900)	(6,537,600)	(936,700)
Proceeds from Debt Financings	15,244,800	75,000	29,821,200	29,746,200
Potential MOA Adjustments		(1,515,600)	(909,400)	606,200
Other Sources (Uses)	(217,100)	(800,000)	(800,000)	
Expenditure Savings		809,500	868,100	58,600
Total Other Sources (Uses)	15,027,700	(1,431,100)	28,979,900	(30,411,000)
Revenues and Other Sources Over (under) Expenditures and Other Uses	8,620,700	(3,843,200)	(19,584,900)	(15,741,700)
Fund Balance/Working Capital				
Beginning of Year	43,436,100	26,097,300	52,056,800	25,959,500
Fund Balance/Working Capital				
End of Year				
Reserved for Debt Service	1,645,500	1,645,500	1,645,500	
Unreserved	50,411,300	20,608,600	30,826,400	10,217,800
Total Fund Balance	\$52,056,800	\$22,254,100	\$32,471,900	\$10,217,800

CHANGES IN FINANCIAL POSITION

ALL GOVERNMENTAL FUNDS COMBINED

	2005-06	2006-07		Variance
	Actual	Original Budget	Revised Projection	
Revenues				
Tax Revenues	33,053,100	33,384,500	35,312,900	1,928,400
Fines and Forfeitures	213,900	253,600	215,000	(38,600)
Investment and Property Revenues	601,900	546,600	1,211,100	664,500
Subventions and Grants	7,358,900	5,424,500	14,329,000	8,904,500
Service Charges	9,689,900	7,337,400	8,398,700	1,061,300
Other Revenues	1,270,900	95,600	326,800	231,200
Total Revenues	52,188,600	47,042,200	59,793,500	12,751,300
Expenditures				
Operating Programs				
Public Safety	19,279,700	20,410,500	21,740,000	(1,329,500)
Transportation	1,967,800	2,234,300	2,392,300	(158,000)
Leisure, Cultural, & Social Services	5,280,500	5,948,700	6,271,500	(322,800)
Community Development	5,060,900	5,579,100	6,196,500	(617,400)
General Government	8,578,200	9,979,200	10,874,600	(895,400)
Total Operating Programs	40,167,100	44,151,800	47,474,900	(3,323,100)
Reimbursed Expenditures	(3,590,000)	(3,786,700)	(3,786,700)	
Total Operating Expenditures	36,577,100	40,365,100	43,688,200	(3,323,100)
Capital Improvement Plan Projects	12,470,600	4,107,000	26,348,400	(20,693,400)
Debt Service	1,620,300	2,266,500	2,266,500	
Total Expenditures	50,668,000	46,738,600	72,303,100	(25,564,500)
Other Sources (Uses)				
Operating Transfers In	5,798,200	5,286,300	6,113,800	827,500
Operating Transfers Out	(6,053,500)	(5,600,900)	(6,537,600)	(936,700)
Proceeds from Debt Financings	6,973,100		6,364,900	6,364,900
Potential MOA Adjustments		(1,329,500)	(821,200)	508,300
Other Sources (Uses)	(217,100)			
Expenditure Savings		793,500	793,500	
Total Other Sources (Uses)	6,500,700	(850,600)	5,913,400	6,764,000
Revenues and Other Sources Over (under) Expenditures and Other Uses	8,021,300	(547,000)	(6,596,200)	(6,049,200)
Fund Balance, Beginning of Year	21,092,300	15,283,000	29,113,600	13,830,600
Fund Balance, End of Year				
Reserved for Debt Service	1,645,500	1,645,500	1,645,500	
Unreserved	27,268,400	13,090,500	20,475,000	7,384,500
Total Fund Balance	\$29,113,600	\$14,736,000	\$22,517,400	\$7,781,400

CHANGES IN FINANCIAL POSITION

ALL ENTERPRISE AND AGENCY FUNDS COMBINED

	2005-06	2006-07		Variance
	Actual	Original Budget	Revised Projection	
Revenues				
Fines and Forfeitures	712,900	834,100	834,100	
Investment and Property Revenues	695,800	373,500	1,385,400	1,011,900
Subventions and Grants	2,017,700	2,667,100	3,832,600	1,165,500
Service Charges	24,456,800	26,004,800	26,004,800	
Other Revenues	42,100	43,000	43,000	
Trust and Agency Revenues	801,900	793,300	793,300	
Total Revenues	28,727,200	30,715,800	32,893,200	2,177,400
Expenditures				
Operating Programs				
Public Utilities	9,773,000	10,964,100	11,738,000	(773,900)
Transportation	3,328,000	3,651,400	3,947,600	(296,200)
Leisure, Cultural, & Social Services	412,700	470,200	499,300	(29,100)
General Government	3,569,200	3,772,400	3,772,400	
Total Operating Programs	17,082,900	18,858,100	19,957,300	(1,099,200)
Capital Projects	14,676,400	7,865,500	42,283,200	(34,417,700)
Debt Service	4,895,500	6,707,900	6,707,900	
Total Expenditures	36,654,800	33,431,500	68,948,400	(35,516,900)
Other Sources (Uses)				
Operating Transfers In	255,300	314,600	423,800	109,200
Proceeds from Debt Financings	8,271,700	75,000	23,456,300	(23,381,300)
Expenditure Savings		16,000	74,600	58,600
Other Sources (Uses)		(800,000)	(800,000)	
Potential MOA Adjustments		(186,100)	(88,200)	25,300
Total Other Sources (Uses)	8,527,000	(580,500)	23,066,500	(23,188,200)
Revenues and Other Sources Over (under)				
Expenditures and Other Uses	599,400	(3,296,200)	(12,988,700)	(9,692,500)
Working Capital, Beginning of Year	22,343,800	10,814,300	22,943,200	12,128,900
Fund Balance, End of Year	\$22,943,200	\$7,518,100	\$9,954,500	\$2,436,400

CHANGES IN FINANCIAL POSITION

GENERAL FUND

	2005-06	2006-07		Variance
	Actual	Original Budget	Revised Projection	
Revenues				
Tax Revenues	33,053,100	33,384,500	35,312,900	1,928,400
Fines and Forfeitures	213,900	253,600	215,000	(38,600)
Investment and Property Revenues	329,200	397,000	763,600	366,600
Subventions and Grants	3,319,800	3,484,000	4,937,100	1,453,100
Service Charges	5,157,000	5,995,900	5,475,500	(520,400)
Other Revenues	1,091,400	75,000	170,000	95,000
Total Revenues	43,164,400	43,590,000	46,874,100	3,284,100
Expenditures				
Public Safety	19,247,000	20,410,500	21,740,000	(1,329,500)
Transportation	1,967,800	2,234,300	2,392,300	(158,000)
Leisure, Cultural, and Social Services	5,280,500	5,948,700	6,271,500	(322,800)
Community Development	4,308,400	4,903,100	5,484,000	(580,900)
General Government	8,557,400	9,964,900	10,860,300	(895,400)
Total Program Expenditures	39,361,100	43,461,500	46,748,100	(3,286,600)
Reimbursed Expenditures	(3,590,000)	(3,786,700)	(3,786,700)	
Total Expenditures	35,771,100	39,674,800	42,961,400	(3,286,600)
Other Sources (Uses)				
Transfers In	1,212,500	844,600	844,600	
Transfers Out	(4,789,000)	(4,756,300)	(5,693,000)	(936,700)
Proceeds from Debt Financings				
Expenditure Savings		793,500	793,500	
Potential MOA Adjustments		(1,329,500)	(821,200)	508,300
Total Other Sources (Uses)	(3,576,500)	(4,447,700)	(4,876,100)	(428,400)
Revenues and Other Sources Over (Under) Expenditures and Other Uses	3,816,800	(532,500)	(963,400)	(430,900)
Fund Balance, Beginning of Year	9,743,100	8,663,100	13,559,900	4,896,800
Fund Balance, End of Year	\$13,559,900	\$8,130,600	\$12,596,500	\$4,465,900

CHANGES IN FINANCIAL POSITION

DOWNTOWN ASSOCIATION FUND

	2005-06	2006-07		
	Actual	Original Budget	Revised Projection	
Revenues				
Investment and Property Revenues	4,200	4,000	4,000	
Service Charges	462,500	427,700	427,700	
Total Revenues	466,700	431,700	431,700	
 Operating Expenditures				
Community Development	491,100	431,700	433,700	(2,000)
Total Expenditures	491,100	431,700	433,700	2,000
 Other Sources (Uses)				
Operating Transfers In	25,000			
 Revenues and Other Sources Over (Under) Expenditures and Other Uses	 600		 (2,000)	 (2,000)
 Fund Balance, Beginning of Year	 36,800	 36,900	 37,400	 500
 Fund Balance, End of Year	 37,400	 36,900	 35,400	 (\$1,500)

CHANGES IN FINANCIAL POSITION

GAS TAX

	2005-06	2006-07		Variance
	Actual	Original Budget	Revised Projection	
Revenues				
Subventions and Grants				
Gasoline Tax	855,200	824,000	824,000	
Total Revenues	855,200	824,000	824,000	
Other Sources (Uses)				
Operating Transfers Out	(855,200)	(824,000)	(824,000)	
Revenues and Other Sources Over (Under) Expenditures and Other Uses				
Fund Balance, Beginning of Year				
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -

CHANGES IN FINANCIAL POSITION

TRANSPORTATION DEVELOPMENT ACT FUND

	2005-06	2006-07		Variance
	Actual	Original Budget	Revised Projection	
Revenues				
Subventions and Grants				
TDA Revenues	33,500	20,600	20,600	
Total Revenues	33,500	20,600	20,600	
Other Sources (Uses)				
Operating Transfers Out	(33,500)	(20,600)	(20,600)	
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses				
Fund Balance, Beginning of Year				
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -

CHANGES IN FINANCIAL POSITION

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUND

	2005-06	2006-07		Variance
	Actual	Original Budget	Revised Projection	
Revenues				
Subventions and Grants				
CDBG Allocation	714,500	645,900	1,262,300	616,400
State Grant Close-out	2,900			
Total Revenues	717,400	645,900	1,262,300	616,400
Expenditures				
Operating Programs				
Community Development	261,400	244,300	278,800	(34,500)
General Government	20,800	14,300	14,300	
Total Operating Programs	282,200	258,600	293,100	(34,500)
Capital Improvement Plan Projects	485,700	428,400	1,044,800	(616,400)
Debt Service				
Total Expenditures	767,900	687,000	1,337,900	(650,900)
Other Sources (Uses)				
Operating Transfers In	50,500	41,100	75,600	34,500
Total Other Sources (Uses)	50,500	41,100	75,600	34,500
Revenues and Other Sources Over (Under) Expenditures and Other Uses				
Fund Balance, Beginning of Year				
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -

CHANGES IN FINANCIAL POSITION

LAW ENFORCEMENT GRANT FUND

	2005-06	2006-07		
	Actual	Original Budget	Revised Projection	Variance
Revenues				
Investment and Property Revenue	4,000	3,100	4,000	900
Subventions and Grants				
Federal Grants	19,700			
State Grants			113,500	113,500
Service Charges	5,900	10,600	5,000	(5,600)
Total Revenues	29,600	13,700	122,500	108,800
Expenditures				
Operating Programs				
Public Safety	32,700			
Total Operating Programs	32,700			
Capital Improvement Plan Projects			163,000	(163,000)
Total Expenditures	32,700		163,000	(163,000)
Other Sources (Uses)				
Operating Transfers In			2,300	2,300
Operating Transfers Out				
Total Other Sources (Uses)			2,300	2,300
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	(3,100)	13,700	(38,200)	(51,900)
Fund Balance, Beginning of Year	114,800	85,400	111,700	26,300
Fund Balance, End of Year	\$111,700	\$99,100	\$73,500	(\$25,600)

CHANGES IN FINANCIAL POSITION

PUBLIC ART (PRIVATE SECTOR CONTRIBUTIONS) FUND

	2005-06	2006-07		Variance
	Actual	Original Budget	Revised Projection	
Revenues				
Investment and Property Revenues	6,700	3,100	8,000	4,900
Service Charges				
In-lieu fees		51,500	\$51,500	
Other Revenues	165,200			
Total Revenues	171,900	54,600	59,500	4,900
Expenditures				
Operating Programs				
Leisure, Cultural & Social Services				
Capital Improvement Plan Projects	5,300		133,200	133,200
Total Expenditures	5,300		133,200	133,200
Other Sources (Uses)				
Operating Transfer In				
Operating Transfer Out				
Total Other Sources (Uses)				
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	166,600	54,600	(73,700)	(128,300)
Fund Balance, Beginning of Year	115,400	51,300	282,000	230,700
Fund Balance, End of Year	\$282,000	\$105,900	\$208,300	\$102,400

CHANGES IN FINANCIAL POSITION

PROPOSITION 42 FUND

	2005-06	2006-07		Variance
	Actual	Original Budget	Revised Projection	
Revenues				
Investment and Property Revenues	800		10,000	10,000
Subventions and Grants				
State Grants	198,900		386,100	386,100
Total Revenues	199,700		396,100	396,100
Expenditures				
Operating Programs				
Leisure, Cultural & Social Services				
Capital Improvement Plan Projects			198,900	198,900
Total Expenditures			198,900	198,900
Other Sources (Uses)				
Operating Transfer In				
Operating Transfer Out				
Total Other Sources (Uses)				
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	199,700		197,200	197,200
Fund Balance, Beginning of Year			199,700	199,700
Fund Balance, End of Year	\$199,700		\$396,900	\$396,900

CHANGES IN FINANCIAL POSITION

CAPITAL OUTLAY FUND

	2005-06	2006-07		Variance
	Actual	Original Budget	Revised Projection	
Revenues				
Subventions and Grants	2,214,400		4,765,800	4,765,800
Service Charges	229,900	25,000	25,000	
Other Revenues			36,200	36,200
Total Revenues	2,444,300	25,000	4,827,000	4,802,000
Expenditures				
Capital Improvement Plan Projects	11,334,800	1,635,800	16,679,100	(15,043,300)
Total Expenditures	11,334,800	1,635,800	16,679,100	(15,043,300)
Other Sources (Uses)				
Operating Transfers In	2,381,100	1,610,800	2,401,500	790,700
Other Sources (Uses)	(217,100)			
Proceeds from Debt Financing	6,973,100		6,364,900	6,364,900
Total Other Sources (Uses)	9,137,100	1,610,800	8,766,400	7,155,600
Revenues and Other Sources Over (Under) Expenditures and Other Uses	246,600		(3,085,700)	(3,085,700)
Fund Balance, Beginning of Year	2,839,100		3,085,700	3,085,700
Fund Balance, End of Year	\$3,085,700	\$ -	\$ -	\$ -

CHANGES IN FINANCIAL POSITION

PARKLAND DEVELOPMENT FUND

	2005-06	2006-07		Variance
	Actual	Original Budget	Revised Projection	
Revenues				
Investment and Property Revenue	20,000	14,400	24,400	10,000
Subventions and Grants			137,500	137,500
Service Charges				
Park In-Lieu Fees	54,900	25,800	32,200	6,400
Dwelling Unit Fees	4,400	10,300	5,000	(5,300)
Other Revenue				
Total Revenues	79,300	50,500	199,100	148,600
Expenditures				
Capital Improvement Plan Projects	110,100		694,500	(694,500)
Total Expenditures	110,100		694,500	(694,500)
Revenues and Other Sources Over (Under) Expenditures and Other Uses	(30,800)	50,500	(495,400)	(545,900)
Fund Balance, Beginning of Year	589,700	444,700	558,900	114,200
Fund Balance, End of Year	\$558,900	\$495,200	\$63,500	(\$431,700)

CHANGES IN FINANCIAL POSITION

TRANSPORTATION IMPACT FEE FUND

	2005-06	2006-07		Variance
	Actual	Original Budget	Revised Projection	
Revenues				
Investment and Property Revenue	81,300	40,000	129,000	89,000
Subventions and Grants		325,000	1,882,100	1,557,100
Service Charges	982,700	450,900	630,000	179,100
Other Revenue			100,000	100,000
Total Revenues	1,064,000	815,900	2,741,100	1,925,200
Expenditures				
Capital Improvement Plan Projects	159,300	1,270,700	4,202,300	(2,931,600)
Total Expenditures	159,300	1,270,700	4,202,300	(2,931,600)
Other Sources (Uses)				
Operating Transfer Out	(52,000)			
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	852,700	(454,800)	(1,461,200)	(1,006,400)
Fund Balance, Beginning of Year	1,997,200	454,800	2,849,900	2,395,100
Fund Balance, End of Year	\$2,849,900	\$ -	\$ 1,388,700	\$ 1,388,700

CHANGES IN FINANCIAL POSITION

OPEN SPACE PROTECTION FUND

	2005-06	2006-07		Variance
	Actual	Original Budget	Revised Projection	
Revenues				
Investment and Property Revenue	20,400	15,000	20,000	5,000
Subventions and Grants		125,000		(125,000)
Service Charges			6,700	6,700
Other Revenue				
Total Revenues	20,400	140,000	26,700	(113,300)
Expenditures				
Capital Improvement Plan Projects	700	150,000	645,800	(495,800)
Total Expenditures	700	150,000	645,800	(495,800)
Other Sources (Uses)				
Operating Transfer in	25,000	25,000	25,000	
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	44,700	15,000	(594,100)	(609,100)
Fund Balance, Beginning of Year	612,400	105,900	657,100	551,200
Fund Balance, End of Year	\$657,100	\$120,900	\$63,000	(\$57,900)

CHANGES IN FINANCIAL POSITION

AIRPORT AREA IMPACT FEE FUND

	2005-06	2006-07		Variance
	Actual	Original Budget	Revised Projection	
Revenues				
Investment and Property Revenues	25,700	15,000	38,800	23,800
Service Charges	165,300	30,700	400,000	369,300
Total Revenues	191,000	45,700	438,800	393,100
Expenditures				
Capital Improvement Plan Projects		350,000	375,000	(25,000)
Other Sources (Uses)				
Operating Transfer Out	(323,800)			
Revenues and Other Sources Over (Under) Expenditures and Other Uses	(132,800)	(304,300)	63,800	368,100
Fund Balance, Beginning of Year	627,000	617,100	494,200	(122,900)
Fund Balance, End of Year	\$494,200	\$312,800	\$558,000	\$245,200

CHANGES IN FINANCIAL POSITION

AFFORDABLE HOUSING FUND

	2005-06	2006-07		Variance
	Actual	Original Budget	Revised Projection	
Revenues				
Investment and Property Revenues	68,500	30,000	116,600	86,600
Service Charges	1,863,700	309,000	540,100	231,100
Total Revenues	1,932,200	339,000	656,700	317,700
Expenditures				
Capital Improvement Plan Projects			669,900	(669,900)
Other Sources (Uses)				
Operating Transfer in				
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	1,932,200	339,000	(13,200)	(352,200)
Fund Balance, Beginning of Year	1,612,700	1,832,800	3,544,900	1,712,100
Fund Balance, End of Year	\$3,544,900	\$2,171,800	\$3,531,700	\$1,359,900

CHANGES IN FINANCIAL POSITION

FLEET REPLACEMENT FUND

	2005-06	2006-07		Variance
	Actual	Original Budget	Revised Projection	
Revenues				
Investment and Property Revenues	41,100	25,000	55,000	30,000
Other Revenues				
Sale of Surplus Property	14,300	20,600	20,600	
Total Revenues	55,400	45,600	75,600	30,000
Expenditures				
Capital Improvement Plan Projects	288,000	272,100	326,000	(53,900)
Total Expenditures	288,000	272,100	326,000	(53,900)
Other Sources (Uses)				
Operating Transfers In				
General Fund	483,800	498,300	498,300	
Total Other Sources (Uses)	483,800	498,300	498,300	
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	251,200	271,800	247,900	(23,900)
Fund Balance, Beginning of Year	1,158,600	1,345,500	1,409,800	64,300
Fund Balance, End of Year	\$1,409,800	\$1,617,300	\$1,657,700	\$40,400

CHANGES IN FINANCIAL POSITION

LOS OSOS VALLEY ROAD SUB-AREA FEE FUND

	2005-06	2006-07		Variance
	Actual	Original Budget	Revised Projection	
Revenues				
Investment and Property Revenues			37,700	37,700
Service Charges	763,600		800,000	800,000
Total Revenues	763,600		837,700	837,700
Expenditures				
Capital Improvement Plan Projects	86,700		1,215,900	(1,215,900)
Other Sources (Uses)				
Operating Transfer in				
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	676,900		(378,200)	(378,200)
Fund Balance, Beginning of Year			676,900	676,900
Fund Balance, End of Year	\$676,900		\$298,700	\$298,700

CHANGES IN FINANCIAL POSITION

DEBT SERVICE FUND

	2005-06	2006-07		Variance
	Actual	Original Budget	Revised Projection	
Expenditures				
Debt Service				
2001 Refunded Revenue Bonds	801,200	801,100	801,100	
2004 Refunding Revenue Bonds	294,900	294,200	294,200	
2005 Refunding Revenue Bonds	467,700	471,000	471,000	
2006 Lease Revenue Bonds		460,500	460,500	
Dispatch Center Upgrade		47,900	47,900	
Radio System Upgrade		135,100	135,100	
Energy Conservation Lease Purchase	56,500	56,700	56,700	
Total Expenditures	1,620,300	2,266,500	2,266,500	
Other Sources (Uses)				
Proceeds from debt financing				
Operating Transfers In	1,620,300	2,266,500	2,266,500	
Total Other Sources (Uses)	1,620,300	2,266,500	2,266,500	
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses				
Fund Balance, Beginning of Year				
Reserved for Debt Service	1,645,500	1,645,500	1,645,500	
Unreserved				
Fund Balance, End of Year	\$1,645,500	\$1,645,500	\$1,645,500	

CHANGES IN FINANCIAL POSITION

WATER FUND

	2005-06	2006-07		Variance
	Actual	Original Budget	Revised Projection	
Revenues				
Investment and Property Revenues	238,400	159,500	800,000	640,500
Subventions and Grants	138,000	25,000	816,800	791,800
Service Charges				
Water Sales				
Water Service Charges	7,916,600	9,196,100	9,196,100	
Sales to Cal Poly	494,400	626,300	626,300	
Development Impact Fees	1,822,200	1,013,900	1,013,900	
Other Service Charges	262,700	278,900	278,900	
Other Revenues	16,600	16,000	16,000	
Total Revenues	10,888,900	11,315,700	12,748,000	1,432,300
Expenditures				
Operating Programs				
Public Utilities	4,598,000	5,442,100	5,734,200	(292,100)
General Government	1,446,700	1,458,900	1,458,900	
Total Operating Programs	6,044,700	6,901,000	7,193,100	(292,100)
Capital Improvement Plan Projects	3,705,200	2,826,300	24,116,300	(21,290,000)
Debt Service	1,641,800	2,805,900	2,805,900	
Total Expenditures	11,391,700	12,533,200	34,115,300	(21,582,100)
Other Sources (Uses)				
Other Sources (Uses)		(800,000)	(800,000)	
Proceeds from Debt Financing	340,800	75,000	15,981,800	(15,906,800)
Potential MOA Adjustments		(77,100)	(35,700)	41,400
Total Other Sources (Uses)	340,800	(802,100)	15,146,100	15,948,200
Revenues and Other Sources Over (under)				
Expenditures and Other Uses	(162,000)	(2,019,600)	(6,221,200)	(4,201,600)
Working Capital, Beginning of Year	10,282,300	3,987,300	10,120,300	6,133,000
Working Capital, End of Year	\$10,120,300	\$1,967,700	\$3,899,100	\$1,931,400

CHANGES IN FINANCIAL POSITION

SEWER FUND

	2005-06	2006-07		Variance
	Actual	Original Budget	Revised Projection	
Revenues				
Investment and Property Revenues	162,000	75,000	140,000	65,000
Subventions and Grants				
Service Charges				
Customer Sales				
Sewer Service Charges	9,079,800	10,081,600	10,081,600	
Sales to Cal Poly	542,900	426,800	426,800	
Development Impact Fees	555,300	295,600	295,600	
Other Service Charges	47,800	48,500	48,500	
Other Revenues	10,200	17,500	17,500	
Total Revenues	10,398,000	10,945,000	11,010,000	65,000
Expenditures				
Operating Programs				
Public Utilities	4,501,900	4,798,800	5,200,800	(402,000)
General Government	1,213,400	1,381,700	1,381,700	
Total Operating Programs	5,715,300	6,180,500	6,582,500	(402,000)
Capital Improvement Plan Projects	1,955,800	2,519,000	11,971,000	(9,452,000)
Debt Service	2,371,700	2,431,200	2,431,200	
Total Expenditures	10,042,800	11,130,700	20,984,700	(9,854,000)
Other Sources (Uses)				
Proceeds from Debt Financing			7,474,500	(7,474,500)
Potential MOA Adjustments		(65,400)	(29,100)	(36,300)
Other Sources (Uses)				
Total Other Sources (Uses)		(65,400)	7,445,400	7,510,800
Revenues and Other Sources Over (Under) Expenditures and Other Uses	355,200	(251,100)	(2,529,300)	(2,278,200)
Working Capital, Beginning of Year	4,258,700	1,993,400	4,613,900	2,620,500
Working Capital, End of Year	\$4,613,900	\$1,742,300	\$2,084,600	\$342,300

CHANGES IN FINANCIAL POSITION

PARKING FUND

	2005-06	2006-07		Variance
	Actual	Original Budget	Revised Projection	
Revenues				
Investment and Property Revenues	253,600	112,800	400,000	287,200
Fines and Forfeitures	712,900	834,100	834,100	
Service Charges				
Parking Meter Collections				
Lots	298,000	432,300	432,300	
Streets	868,200	1,117,500	1,117,500	
Parking Structure Collections	672,800	807,000	807,000	
Long-Term Parking Revenues	408,000	436,200	436,200	
Lease Revenues	219,400	196,100	196,100	
Parking In-Lieu Fees	332,700	145,000	145,000	
Other Service Charges	147,300	100	100	
Other Revenues	8,900			
Total Revenues	3,921,800	4,081,100	4,368,300	287,200
Expenditures				
Operating Programs				
Transportation	1,452,900	1,591,400	1,834,300	(242,900)
General Government	418,800	429,300	429,300	
Total Operating Programs	1,871,700	2,020,700	2,263,600	(242,900)
Capital Improvement Plan Projects	8,701,800	1,200,000	3,958,400	(2,758,400)
Debt Service	882,000	1,470,800	1,470,800	
Total Expenditures	11,455,500	4,691,500	7,692,800	(3,001,300)
Other Sources (Uses)				
Proceeds from Debt Financing	7,930,900			
Other Sources (Uses)				
Potential MOA Adjustments		(16,900)	(5,300)	11,600
Total Other Sources (Uses)	7,930,900	(16,900)	(5,300)	11,600
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	397,200	(627,300)	(3,329,800)	(2,702,500)
Working Capital, Beginning of Year	6,353,200	3,898,500	6,750,400	2,851,900
Working Capital, End of Year:	\$6,750,400	\$3,271,200	\$3,420,600	\$149,400

CHANGES IN FINANCIAL POSITION

TRANSIT FUND

	2005-06	2006-07		Variance
	Actual	Original Budget	Revised Projection	
Revenues				
Investment and Property Revenues	11,400	4,700	12,000	7,300
Subventions and Grants				
TDA Revenues	1,363,700	1,340,400	1,340,400	
Other Grants	1,100			
FTA Grants	514,900	1,301,700	1,675,400	373,700
Service Charges	451,600	567,800	567,800	
Other Revenues	500	2,000	2,000	
Total Revenues	2,343,200	3,216,600	3,597,600	381,000
Expenditures				
Operating Programs				
Transportation	1,875,100	2,060,000	2,113,300	(53,300)
General Government	280,800	287,800	287,800	
Total Operating Programs	2,155,900	2,347,800	2,401,100	(53,300)
Capital Improvement Plan Projects	198,500	1,260,200	1,880,700	(620,500)
Total Expenditures	2,354,400	3,608,000	4,281,800	(673,800)
Other Sources (Uses)				
Expenditure Savings		16,000	74,600	58,600
Potential MOA Adjustments		(6,300)	(5,000)	1,300
Total Other Sources (Uses)		9,700	69,600	59,900
Revenues and Other Sources Over (Under) Expenditures and Other Uses	(11,200)	(381,700)	(614,600)	232,900
Working Capital, Beginning of Year	625,800	382,100	614,600	232,500
Working Capital, End of Year	\$614,600	\$400	\$614,600	(\$400)

CHANGES IN FINANCIAL POSITION

GOLF FUND

	2005-06	2006-07		Variance
	Actual	Original Budget	Revised Projection	
Revenues				
Investment and Property Revenues	2,000	1,500	3,400	1,900
Service Charges				
Retail Sales	25,000	19,000	19,000	
Green Fees	246,700	251,000	251,000	
Other Fees	46,300	47,600	47,600	
Other Revenues	25,000	25,000	25,000	
Total Revenues	345,000	344,100	346,000	1,900
Expenditures				
Operating Programs				
Leisure, Cultural & Social Services	412,700	470,200	499,300	(29,100)
General Government	117,100	120,000	120,000	
Total Operating Programs	529,800	590,200	619,300	(29,100)
Capital Improvement Plan Projects	80,400	60,000	175,800	(115,800)
Total Expenditures	610,200	650,200	795,100	(144,900)
Other Sources (Uses)				
Operating Transfers In	255,300	314,600	423,800	109,200
Expenditure Savings				
Potential MOA Adjustments		(8,500)	(5,000)	3,500
Total Other Sources (Uses)	255,300	306,100	418,800	112,700
Revenues and Other Sources Over (under) Expenditures and Other Uses	(9,900)		(30,300)	(30,300)
Working Capital, Beginning of Year	40,200		30,300	30,300
Working Capital, End of Year	\$30,300	\$ -	\$ -	\$ -

CHANGES IN FINANCIAL POSITION

WHALE ROCK COMMISSION

	2005-06	2006-07		Variance
	Actual	Original Budget	Revised Projection	
Revenues				
Investment and Property Revenues	28,400	20,000	30,000	10,000
Subventions & Grants				
Service Charges				
Member Agency Contributions	499,800	496,300	496,300	
Water Distribution Charges	300,800	296,000	296,000	
Other Revenues				
Other Revenues	1,300	1,000	1,000	
Total Revenues	830,300	813,300	823,300	10,000
Expenditures				
Operating Programs				
Public Utilities	673,100	723,200	803,000	(79,800)
General Government	92,400	94,700	94,700	
Total Operating Programs	765,500	817,900	897,700	(79,800)
Capital Improvement Plan Projects	34,700		181,000	(181,000)
Total Expenditures	800,200	817,900	1,078,700	(260,800)
Other Sources (Uses)				
Potential MOA Adjustments		(11,900)	(8,100)	3,800
Total Other Sources (Uses)		(11,900)	(8,100)	3,800
Revenues and Other Sources Over (under) Expenditures and Other Uses	30,100	(16,500)	(263,500)	(247,000)
Working Capital, Beginning of Year	783,600	553,000	813,700	260,700
Working Capital, End of Year	\$813,700	\$536,500	\$550,200	\$13,700

Section C

MID-YEAR BUDGET REQUESTS

SUMMARY OF 2006-07 MID-YEAR BUDGET REQUESTS

Page No. **2006-07**

OPERATING PROGRAMS

General Fund	<ul style="list-style-type: none"> ■ Legal Defense for FLSA Lawsuit ■ Broad Street Corridor Plan ■ Engineering Development Review Temporary Staffing ■ Low Income Water and Sewer Customer Subsidy 	C-2 C-4 C-9 C-12	50,000 75,000 30,000 26,000 181,000
General Fund Total			
Parking Fund	<ul style="list-style-type: none"> ■ Conversion of Contract Parking Enforcement Officer to Regular Status 	C-15	0
Golf Fund (General Fund Subsidy)	<ul style="list-style-type: none"> ■ Golf Course Operations 	C-19	12,000
Total Operating Programs			193,000

CAPITAL IMPROVEMENT PLAN (CIP)

Capital Outlay Fund	<ul style="list-style-type: none"> ■ Fire Fleet Addition: Wildland Fire Engine ■ Fire Fleet Addition: Hazardous Materials Coordinator ■ Laguna Lake Dredging: Environmental Review 	C-21 C-24 C-27	266,000 26,000 10,000 302,000
Capital Outlay Fund Total			
Sewer Fund	<ul style="list-style-type: none"> ■ Telemetry Equipment Replacement at Water Reclamation Facility 	C-30	90,000
Golf Fund (General Fund Subsidy)	<ul style="list-style-type: none"> ■ Golf Course Bridge Replacement 	C-33	95,000
Total CIP Projects			487,000

TOTAL	\$ 680,000
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FUNDING SOURCES

General Fund/Golf Fund Subsidy	298,000
General Fund Offsetting Revenues: Mutual Aid and CUPA Fines	292,000
Sewer Fund	90,000
	\$ 680,000

OPERATING PROGRAMS

LEGAL DEFENSE FOR FLSA LAWSUIT

Request Summary

Retaining legal services to represent the City in a lawsuit alleging violations of the Fair Labor Standards Act (FLSA) will cost \$50,000 in 2006-07. We believe we are in full compliance with FLSA requirements and we plan to defend this lawsuit vigorously.

Key Objectives

Provide legal expertise and representation for a lawsuit alleging violations of the FLSA.

Existing Situation: Factors Driving the Need for Change

1. The San Luis Obispo Police Officers' Association filed a lawsuit in federal court in October 2006 alleging violations of the Fair Labor Standards Act. Similar allegations were initially raised through the grievance process and an arbitrator ruled that he had no jurisdiction in the matter.
2. As noted above, we believe we are in full compliance with FLSA requirements and we plan to defend this lawsuit vigorously. Accordingly, the City has retained legal representation with a firm, Liebert Cassidy Whitmore, which is familiar with FLSA standards and is representing other cities in similar cases. The firm estimates defense costs will total between \$150,000 and \$200,000; it is estimated \$70,000 will be incurred prior to June 30, 2007.
3. The Human Resources Department has budgeted \$20,000 for legal defense expenses and is requesting an additional \$50,000 for expenses in 2006-07.
4. Alleged violations of federal law and alleged violations of contract provisions are not covered under the City's general liability coverage through the California Joint Powers Insurance Authority.

Goal and Policy Links

Council Goal of preserving long-term fiscal health.

Program Work Completed

The defense firm has been retained and supporting documents have been forwarded to the attorney for review.

Environmental Review

No environmental review required.

Program Constraints and Limitations

No program constraints or limitations.

Stakeholders

City Attorney and Police Department staff will participate in preparing the defense of this lawsuit.

OPERATING PROGRAMS

LEGAL DEFENSE FOR FLSA LAWSUIT

Implementation

Task	Date
1. Consultation with attorney and review of City documentation.	Ongoing
2. Pre-trial work, discovery and motions.	August 2007
3. Trial	January 2008
4. Post-trial briefs and motions	March 2008

Key Program Assumptions

Cost projections are based on an estimate provided by the attorney representing the City. The final costs will depend on the extent of discovery and pre-trial motions needed, complexity of preparation for trial, and the length of the trial.

Program Manager and Team Support

Program Manager. Human Resources Director

Project Team. Risk Manager, Assistant City Attorney.

Alternatives

- Use in-house attorney staff.** This alternative is not recommended, due to workload in the City Attorney’s office and due to the need for legal representation that is familiar with the complex nature of FLSA issues.
- Do not defend the lawsuit.** As noted above, we believe we are in full compliance with FLSA requirements, and the importance of the issues, we recommend vigorous defense of this lawsuit.

Operating Program

Human Resources Administration

Cost Summary

The Human Resources Department has budgeted \$20,000 in the contract services account for legal representation. This request is to add \$50,000 for a total of \$70,000.

Line Item Description	Account No.	2006-07
Contract Services		50,000
Contract Services	100.30100.7227	50,000

OPERATING PROGRAMS

BROAD STREET CORRIDOR PLAN

Request Summary

Continuing to fund consultant services for the Broad Street Corridor Plan to replace an expired grant will cost \$75,000 in 2006-07. This grant expired at the end of February 2007 and staff has explored all avenues of exception to this deadline and there are none.

Key Objectives

1. Complete a thoroughly-developed Broad Street Corridor Plan (Plan) with sufficient participation by the focus group, neighborhood stakeholders and entire community.
2. Leverage existing grant funds.
3. Fulfill our contract obligations with the consultant through the completion of a draft plan.

Existing Situation: Factors Driving the Need for Change

The need for supplemental funding to complete the Plan is driven by the lapse of grant funding from CalTrans previously secured for this work. The following further describes the circumstances regarding the grant award and its lapsation.

1. ***Grant awarded in January 2006: City was unable to start work until halfway through the grant cycle.*** The City was notified of the grant award in January 2006. At that time, the City was in the midst of hearings for the Conservation and Open Space Element (COSE). Because of COSE workload demands and related public hearings, City staff was not able to begin work on the grant-authorized Broad Street project until summer 2006. It was then that we developed a request for proposals; received proposals; selected a consultant; and finalized the work scope and awarded a contract on October 17, 2006. At the time, City and Cal Trans staff were under the impression that the period during which the grant funds should be used could be extended.
2. ***CalTrans will not extend the grant nor the City-match fund timeframe.*** The original grant agreement with Cal Trans indicated that work under the grant would “terminate on February 28, 2007, *unless extended by amendment.*” Staff requested an amendment to extend the grant deadline by three months. The request was denied by Cal Trans. Furthermore, Cal Trans staff indicated that their previous agreement to allow the City to use its required matching funds after the grant funds had been expended was erroneous, and that City funds had to be used at the same time, proportionally, to the grant monies being spent prior to the February 28, 2007 deadline. This means that all \$132,000 of the project costs would have to be expended by February 28, 2007 in order to capture the \$110,000 in grant funds. While the consultant, staff team and focus group are expediting work on the project to the maximum extent possible, the project will not be completed by February 28, 2007. It was never envisioned that the project plan would to be completed by that date, though it was intended that the project would start sooner and that all grant funds would be used prior to February 28, 2007.
3. ***Staff has pursued all means to extend the term to use the grant funds.*** City staff requested clarification from the CalTrans District 5 Director on the request to extend the term of the grant funds. He stated he could not accommodate the request because he was statutorily prohibited from doing so. City staff then met with Assembly Member Blakeslee’s staff in a final effort to get a time extension. Unfortunately, Assembly Member Blakeslee was also unable to achieve an extension due to the intractability of the State Department of Finance.
4. ***This was a Major City Goal for 2003-05.*** Preparing a plan for the Broad Street corridor became a Major City Goal in the 2003-05 Financial Plan. Grant resources and City funds to address this Major City Goal were encumbered in the Summer 2006. The project now has momentum and a dedicated focus group is working

OPERATING PROGRAMS

BROAD STREET CORRIDOR PLAN

with staff and the consultant to develop a plan for this important corridor. It is vital that this effort be continued to completion of a draft plan that the community can respond to and embrace.

5. *We have contractual obligations.* The City has a contract with Rick Engineering that is not voided by lack of grant funds: the City is contractually obligated to fulfill the term and conditions of the agreement, and a change in funding source does not obviate that obligation.

Goal and Policy Links

1. The Broad Street Corridor Plan was adopted as a Major City Goal in the 2003-05 Financial Plan.
2. Land Use Element Policy 8.3 indicates the Broad Street Area is one where renovation of streetscapes, landscaping and building facades is encouraged; and the City should work with property owners to prepare an area plan that contains design guidelines and implementation programs.
3. Housing Element Program 6.3.7 identifies the Broad Street corridor as one where the City should consider amendments to the General Plan to rezone commercial and manufacturing zoned areas for residential use, and to promote higher-density, infill or mixed-use housing.

Program Work Completed

The original grant was \$110,000 with City matching funds of \$20,000 and in-kind service of \$2,000, for a total project budget of \$132,000. The City may bill against the grant only for work completed prior to February 28, 2007.

Summary Costs as of January 1, 2007

Consultant:	15,243
Kick-off meeting and City staff costs	<u>18,301</u>
Total	\$33,543

Projected Costs as of February 28, 2007

Approximately 30% of the Cal Trans grant funded work has been completed. Our consultant estimates that they will incur approximately \$30,000 in expenses between January 1 and February 28, 2007. Staff estimates another \$5,000 in staff costs for the same period. This will leave almost \$60,000 of the grant unused.

Staff estimates that there will be about \$65,000 in consultant fees after February 28 plus an estimated \$10,000 in public outreach, mailings, copies and printing costs.

Environmental Review

Environmental review of the plan will be required. The project plan included this review and identified staff as the resource to complete the environmental review portion of the project. No changes to this approach are proposed.

OPERATING PROGRAMS

BROAD STREET CORRIDOR PLAN

Program Constraints and Limitations

The project is proceeding according to the approved work scope and timeframe. The constraint is one of funding timing and ability to use both grant funds and City funds to the fullest extent as envisioned by the original grant. CalTrans has denied a grant time extension for the three months that would be required to use the grant funds. CalTrans has also indicated that their original agreement that would enable the City to use its matching funds after the February 28 deadline was erroneous. The end result is that instead of having \$110,000 in grant funds, the City really has \$55,000 and will have to make up the \$75,000 difference to complete the project.

Stakeholders

The project has a focus group comprised of residents and business-owners in the affected neighborhood, and residents of the area to the West of Broad who may be affected by road design of the Broad Street corridor. This group is dedicated to making sure the alternatives proposed by the consultant work within the context of their neighborhoods and needs. In addition, there is a staff working group that is participating in the process with an eye to overseeing some of the solutions that arise given that Broad Street will transition to City jurisdiction once the state re-locates Highway 227. Finally, there is the community at large, some of whom participated in the kick-off meeting in November 2006 who are interested in the appearance of Broad Street as a gateway to the City.

Staff is working very effectively with the focus group, the interdepartmental working group and the consultant to deliver the product envisioned by the original grant request. While a very preliminary draft plan will be submitted to CalTrans to meet the grant-required deliverables by February 28, 2007, there will still be a significant amount of work to do.

Implementation

The project plan and scope of work will not be changed. The difference will be where the funding comes from to pay the consultant. Outstanding tasks are summarized below:

Task	Date
1. Completion of proposed improvements, development standards & implementation plan	3/30/07
2. Environmental Review	5/18/07
3. Focus group meetings	3/07 through 7/2/07
4. Land use form based codes and streetscape improvements plan	5/18/07
5. Implementation plan	6/1/07
6. Public hearings and Plan adoption	7/2007

Key Program Assumptions

The basis for cost projections and timeliness of task completion comes from the scope of work and budget approved by the Council. Both the consultant and staff assigned to the project have provided estimates of outstanding costs and work products.

OPERATING PROGRAMS

BROAD STREET CORRIDOR PLAN

Program Manager and Team Support

Program Manager. If this request is approved, Senior Planner Jeff Hook will be responsible for ensuring successful completion of the project.

Project Team. The staff working team includes members from Administration, Public Works, Community Development, Utilities, Police and Fire Departments. Public Works staff was involved in review of the project work-scope and reviewed the response to the City's request for proposal for this grant, as well as being an active participant in the focus group meetings.

Alternatives

1. **Continue the Status Quo.** If the reduced grant funding is not augmented with City funds, the City will not be honoring its contract with Rick Engineering, the consultant hired to work on this project. The project work scope will not be completed and staff will have to salvage whatever possible from the work that is completed by the time the grant money runs out. Any unfinished work will most likely need to be postponed until an alternate source of funds can be identified due to the nature of the work that needs to be completed.
2. **Defer or Re-Phase the Request.** Deferring the project would still require additional funds to complete the work. A source of funds could be identified in the form of a budget request for the 2007-09 Financial Plan, or could be from a grant request. However, timing and availability for grant funds would be uncertain and the ability to hire a consultant to finish the project would be dependent on a response to a new bid, unless the existing consultant was willing to modify the current contract.
3. **Change the Scope of Request.** If we reduce the project work scope to only that work that can be completed prior to February 28, 2007, the plan for the Broad Street corridor will be incomplete. The project will have identified various graphic alternatives without identifying implementing programs or having been developed to an extent that the plan can proceed to public hearings for review and ultimate adoption. The major City goal identified in the 2003-05 Financial Plan will not have been accomplished. The Housing Element program and Land Use Element policies will not have been fulfilled.
4. **Implementation in a Different Way.** City staff is working on the project; however, completion of the plan requires subject knowledge that City staff does not have. The project plan calls for fiscal analysis and business evaluation of the existing and potential uses envisioned for the area as well as development of form-based codes. While our staff is current on most planning-related issues, this work requires areas of specialty expertise and must be contracted out in order to complete.

Operating Program

Long Range Planning

Cost Summary

The chart below shows the change in cost for current year the by major category of cost. The amounts shown below are costs that will occur after the grant deadline of February 28, 2007, or in addition to what was originally indicated as grant-covered expenses (due to timing of expenditure of the City's matching funds). The total project cost was estimated at \$132,000. The grant-covered expenses will be approximately \$55,000-\$60,000, leaving a gap of \$75,000.

OPERATING PROGRAMS

BROAD STREET CORRIDOR PLAN

Line Item Description	Account No.	2006-07
Contract Services		75,000
Consultant fees for project work	100-40400.7014	65,000
Public outreach, mailings, printing costs	100-40400.7014	10,000

OPERATING PROGRAMS

ENGINEERING DEVELOPMENT REVIEW TEMPORARY STAFFING

Request Summary

Adding a half-time position to the temporary staffing of the Engineering Development Review program in order to address increased workload and continue service improvements will cost \$30,000 in 2006-07 and \$60,000 per year thereafter.

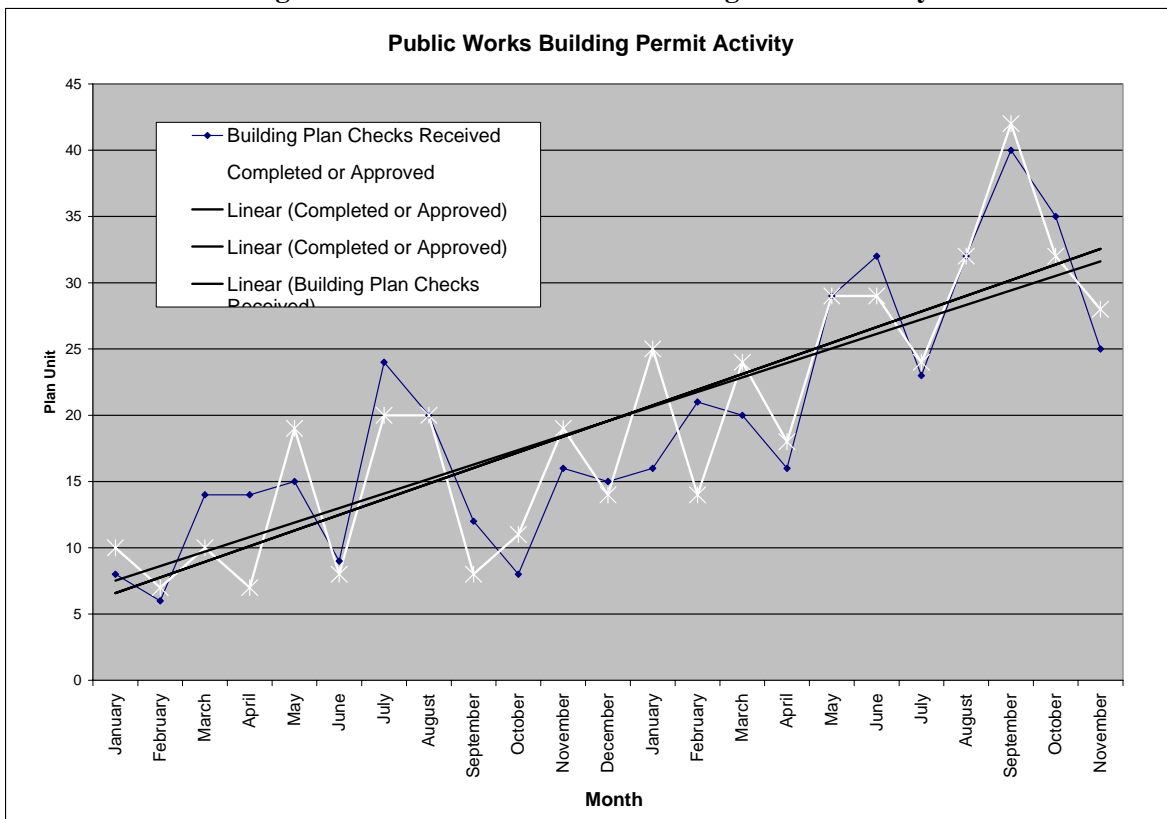
Key Objectives

Meet plan check completion goals and objectives and continue improvements to the Public Works public services counter without impacting existing service levels.

Existing Situation: Factors Driving the Need for Change

The Public Works Department has experienced a significant increase in the number of Building Permit and planning application review requests in recent years. Figure 1 shows Building Permit review requests conducted by the Public Works Department since January 2005. A result of this increase in permit activity was a decrease in on-time performance in returning plan checks for the planning and building review process. Many complaints were received from the development community and public regarding the delay in processing of their applications and time needed to receive building and planning approval.

Figure 1. Recent Public Works Building Permit Activity



A 2006 study performed by consultant Mike Multari included recommendations to assist the Public Works Department and City in meeting their plan check review goals and improve customer service. Many of the recommendations were implemented including: transferring the Permit Technician from Public Works Administration

OPERATING PROGRAMS

ENGINEERING DEVELOPMENT REVIEW TEMPORARY STAFFING

to Engineering Development Review for dedicated public counter staffing at 919 Palm, minimizing counter disruptions to the plan check engineers to increase their plan check time; centralizing customer complaints; improving the tracking of on-time performance; and improving internal coordination of project applications. In addition, Public Works has used third party consultant contractor assistance, overtime hours and temporary staffing to help partially mitigate the significant increase in project review requests.

Although the department has been able to increase their productivity levels, permit activities continue to be high. Planning applications continue to be at or above historical levels and Building Permit activity is anticipated to be at or above 2006 levels.

All counter duties, including support, has transferred to the Development Review Section of Public Works. This modification will be beneficial in that it will allow a reduction in demand for Public Works Administrative Services at the front counter and provide continuity for public contact at the counter. The downside of this change is that without additional line employee assistance, the very high demand time of the Development Review engineers would need to be allocated to counter backup duties when the Permit Technician is not on duty.

In order to address this issue and the increased permit activity, it is recommended that a half (.5) time temporary position be added to the Public Works Development Review Section.

Augmentation of this staffing resource accomplishes two significant objectives.

1. It allows the engineers in the Development Review Section to continue allocating the majority of their time to project review and approval achieving the best “bang for the buck” in their hours.
2. By adding an additional technical half time position, backup support for the permit technician will gain essential institutional knowledge for counter duties and hopefully reduce the need for engineer assistance at the front counter. It is anticipated that the half time resource will be filled with an employee with an engineering or similar technical background that can augment the Development Review Section professional resources. While not the main thrust of the position’s responsibilities, it will provide counter coverage during daily lunch periods, vacation and other absences.

Because this position will perform additional back up support for the review engineers during times not at the counter, it is recommended that the .5 position will be filled at the City Worker 10 classification. The position will then be able to assist the plan check engineers with additional engineering duties (such as field review and plan processing) when not needed at the front counter. This should further assist in keeping Public Works plan checks on schedule and meet City goals and objectives.

Goal and Policy Links

1. Organizational values of service, initiative and accountability, and innovation and flexibility.
2. Engineering Development Review goal of safe, effective and efficient public works which meet established engineering standards and specifications.

Program Work Completed

1. Public Works 919 Counter Services Modifications: August 2006
2. Transfer of Permit Technician from Public Administration to Engineering Development Review: January 2007

OPERATING PROGRAMS

ENGINEERING DEVELOPMENT REVIEW TEMPORARY STAFFING

Environmental Review

No environmental review is needed.

Program Constraints and Limitations

No constraints or limitations are anticipated.

Stakeholders

General public services, development projects, internal staff response levels.

Implementation

There are no significant implementation tasks. We have already identified a qualified temporary employee who can provide the needed services.

Key Program Assumptions

Staff is basing expected needs of counter support services on recent historical increases in permit activities and project complexities.

Alternatives

Continue the Status Quo. An alternative to the proposed method of counter support is to continue use of Administrative Services to offer counter support for Public Works. This alternative would staff the counter but is considered counterproductive to meeting the current high demand for plan check services, counter assistance and planning project processing.

Operating Program

Engineering Development Review

Cost Summary

Line Item Description	Account No.	2006-07	2007-08	2008-09
Staffing		30,000	60,000	60,000
Temporary Salary Increase	100-50400-7014	30,000	60,000	60,000
Total Operating Costs		30,000	60,000	60,000

OPERATING PROGRAMS

LOW INCOME WATER AND SEWER CUSTOMER SUBSIDY

Request Summary

Continuing to offer rate assistance to low-income water and sewer customers in light of a recent State Supreme Court decision on Proposition 218 will cost the General Fund \$26,000 annually.

Key Objectives

4. Continue to provide a 15% reduced fee program for low income utility customers.
5. Continue to provide emergency payment funding for water and sewer utility bills through a cooperative program administered by the Equal Opportunity Commission and Salvation Army.
6. Comply with Proposition 218.

Existing Situation: Factors Driving the Need for Change

5. The current low-income customer and emergency payment program has been in place since 1992, supported through the water and sewer rate structure. (A program summary is attached.) However, a recent State Supreme Court decision in the “Bighorn” case no longer allows this type of rate assistance via water and sewer rates.
6. The City has approximately 250 customers who currently benefiting from the low income assistance program who need continued support.

Goal and Policy Links

Council resolution adopted in 1992 adopting a low income assistance and emergency payment program for water and sewer customers.

Program Work Completed

We have analyzed the impact of the Supreme Court decision and determined that approximately 250 low income utility customers will be impacted if we do not continue the program.

Environmental Review

No environmental review required.

Program Constraints and Limitations

Proposition 218 and the Bighorn decision limit the City’s ability to continue funding our low-income assistance program via water and sewer rates. If we want to continue this program, funding must shift to the General Fund. While General Fund resources are limited and there are other unmet, high priority needs, even with the passage of Measure Y, we believe that this is an existing, core City program that should be continued.

Stakeholders

1. 250 qualifying low income citizens of our community and others needing emergency payment assistance
2. Human Relations Commission (reviewed budget request on February 7, 2007 and recommend approval)
3. Economic Opportunity Commission

OPERATING PROGRAMS

LOW INCOME WATER AND SEWER CUSTOMER SUBSIDY

4. Salvation Army

Implementation

There are no special implementation tasks. If the Council approves this request, we will simply continue the current program.

Key Program Assumptions

We currently have 241 customers receiving a reduced rate of 15%, which reduces annual revenues by about \$9,200 in the Water Fund and \$13,700 in the Sewer Fund. Additionally, last year we provided emergency funding to pay bills via the Equal Opportunity Commission in the amount of \$2,365. For both of these programs combined, this represents about .0011 of water and sewer charge revenues.

The estimate for the annual cost of the program is based on this historic data. Continuing the program could cost more or less than the proposed funding depending on the future level of participation by low income water customers.

Program Manager and Team Support

Program Manager. Sallie McAndrew, Revenue Supervisor

Project Team. Support will be provided by the Principal Administrative Analyst in City Administration and the staff in the revenue section of Finance & Information Technology.

Alternatives

- 5. **Eliminate the Program.** Without an alternative funding source, the City would have to eliminate the program. While that is an option for the future (although not one we would recommend, we would need to backfill subsidies already incurred since the “Bighorn” decision. Moreover, in order provide current low-income customers with adequate notice if we decide to discontinue this program, we would recommend funding this program at least through the end of the fiscal year.
- 6. **Find an Alternative Funding Source.** Citizens are solicited for contributions to the low income program, but in the past donations have amounted to less than \$1,000 annually. It may be difficult to obtain an on-going grant or other source to fund the program.

Operating Program

Human Relations

Cost Summary

Line Item Description	Account No.	2006-07
Contract Services		26,000
Water and Sewer Low Income Customer Rate Subsidy Program	100.60600.7237	26,000

LOW INCOME WATER AND SEWER CUSTOMER SUBSIDY

Program Summary

LOW INCOME UTILITY ASSISTANCE PROGRAM FACT SHEET

What is the Low Income Utility Assistance Program?

The City's Low-Income Utility Assistance program consists of three plans:

- ❖ Rate assistance: Enables eligible customers to obtain a 15% reduction on their monthly utility bills for sewer and water charges.
- ❖ Payment assistance: Allows eligible customers who are experiencing financial difficulties to receive payment assistance once during a 24-month period.
- ❖ Retrofit assistance: Provides customers who are receiving either rate assistance or payment assistance with help in planning their daily water needs through a variety of conservation methods.

How do you know whether you are eligible to receive assistance?

A customer is eligible to receive **rate assistance**

If the bill is in their name

If the bill is for a single family residence (not multiple units)

If the applicant resides at the service address

And they receive one or more of the following at their current address:

- ❖ Aid to families with Dependent Children (AFDC)
- ❖ Veterans and Survivors Pension Benefits
- ❖ Supplemental Social Security and/or State Supplemental Payment (SSI/SSP)
- ❖ Food Stamps
- ❖ Participation in either The Gas Company's, PG&E's or SBC's rate assistance programs

The **Economic Opportunity Commission (EOC) administers the Payment Assistance program**. This plan is designed specifically for income eligible customers experiencing difficulty in paying their City utility bill. This program is dependent on citizen participation in the form of contributions. The City will match citizen contributions up to \$1,000 per year.

Once a customer is receiving either rate or payment assistance, their utility account will be forwarded to Water Conservation for review and scheduling of a home water consumption survey. Based upon the survey results, Water Conservation may recommend that ultra low-flow toilets, showerheads, and faucet restrictors be installed. Additionally, information regarding water conservation will be provided to the customer to help them plan their daily water needs.

How do you apply for these programs?

In order to apply for rate assistance, an application form has to be completed and returned together with proof of eligibility to: City of San Luis Obispo, Water Department, 990 Palm Street, SLO, CA 93401. After verification of eligibility, a 15% rate reduction will be applied to your utility account for all future billings. You can request the form at the Finance counter at City Hall, on line at www.slocity.org/finance/billing/lowincome or call 805 781-7133.

To apply for the Payment Assistance program, please contact the Economic Opportunity Commission at 541-4122. They will schedule an appointment to determine income eligibility and account status.

If you are receiving assistance from either of the two programs, you will be contacted by Water Conservation to schedule a home water consumption survey.

OPERATING PROGRAMS

CONVERSION OF CONTRACT PARKING ENFORCEMENT OFFICER TO REGULAR STATUS

Request Summary

Converting the contract Parking Enforcement Officer position from temporary to regular status will ensure continuation of current parking service levels with no fiscal impact.

Key Objectives

1. Continue to provide parking services downtown, at Railroad Square and in residential areas at current levels.
2. Ensure that current and foreseeable levels of parking compliance are being met.
3. Maintain management of the downtown parking inventory by encouraging turnover and organized parking.

Existing Situation: Factors Driving the Need for Change

This contract position was originally approved in 2003 based on increased service requests for Railroad Square and residential permit parking districts. If an enforcement officer was sent outside of downtown to address these additional parking areas, it affected our downtown parking enforcement efforts. By providing more resources for downtown enforcement, it was projected that this added level of enforcement would more than pay for itself through added parking fine. For this reason, this position was established as contract rather than regular position on a pilot basis to assess if the projected added revenues would in fact be achieved.

As discussed below, we have not experienced the added revenues for a number of reasons. However, the original service commitments, and thus the need to continue our existing enforcement resources, still exist and actually have increased since the contract parking officer was added.

1. ***Residential Parking District Enforcement.*** In 2003, there were only two primary residential districts patrolled by Parking Services: Alta Vista and Monterey Heights. As of the date of this report, there are six parking districts patrolled by Parking Services. Ferrini and Murray Street residential permit districts were added in the last few years. Additionally, there have been more calls to patrol College Highlands in the early morning hours to 10:00 a.m. We have also had increased calls to patrol the 24-hour part of the Tassajara district. The downtown parking district is in the initial planning stages and if approved, will substantially increase the workload of Parking Services. This district may require additional staffing beyond our current staffing level. There have also been more calls for patrol outside of the downtown to enforce red curbs, timed zones, 72-hour notices and other no parking areas outside of the downtown.
2. ***Other Parking Services.*** Parking enforcement officers are called on to do much more than just write parking citations. Many times, they are the first contact the public has with a City employee. They assist the public with information, directions, finding lost vehicles, clearing parking meter jams, enforcing timed parking areas, towing vehicles for outstanding parking citations, attending meetings and assisting the Police Department.

Why Convert This Position from Contract to Regular Position?

As noted above, our workload supports the need to continue the current level of service. Accordingly, we recommend converting this contract position to regular status in accordance with our Human Resources Management Policy, which states that we should only use contract positions for “medium term (generally six months to two years) projects, program and activities requiring specialized or augmented levels of staffing for a specified period.”

OPERATING PROGRAMS

CONVERSION OF CONTRACT PARKING ENFORCEMENT OFFICER TO REGULAR STATUS

In short, creating this as a contract position made sense at the time. However, given our need for ongoing enforcement services, focus on customer service and need to retain qualified employees, this position should now be converted from contract to a regular position.

Why Now?

The Short Answer: Due to the temporary nature of this contract position we have had, and will continue to have, difficulties in retaining qualified employees.

Since the inception of this contract position, there have been three different people in the position, and all but the present individual obtained another regular position with the City. The current officer has already sought a regular position with the City as well. Fortunately for Parking Services, this officer has not moved on at this time. Additionally, Parking Services lost a very effective officer and almost lost another one this year. During the 54 months of the position as contract employee, there were gaps of 6 to 7 months when the position was vacant or in training.

This position requires extensive training and understanding of the City Municipal Code and the California Vehicle Code. It takes at minimum two months before the officer is sufficiently trained without the need for constant supervision and/or oversight. These gaps in employment and months of training substantially effect Parking Services ability to meet our service needs and have a detrimental effect on parking compliance and fine revenues. We risk another potential employment resignation with 3-4 months loss of adequate staffing levels to address our service commitments in addition to lost fine revenue.

Parking Fine Revenues and Continued Loss of Metered Parking Spaces

As noted above, the original budget request for this position projected additional citation revenues of at least \$141,000 annually (and perhaps more). This has not occurred for several reasons, including the loss of on-street and surface parking lot spaces, and an increased focus on customer service rather than narrow enforcement.

Additionally, it is possible that we may reduce even further the number of “metered” parking spaces in the future based on two projects currently in the development review process. If they are approved, the Chinatown project in Lots 3 & 11 will eliminate all of the metered spaces in this area; and the Garden Street Terraces project in Lot 2 will reduce the current number of metered spaces. However, our experience shows us that there will continue to be need for current resource levels, both inside and outside the Downtown, in meeting enforcement workloads and customer service goals.

Goal and Policy Links

1. Human Resources Management Policy regarding contract employees.
2. Council direction to service parking needs in residential and outer parking areas.
3. Parking Services mission: “Work in partnership with the community, we are committed to providing equitable and high-quality parking services to the citizens, visitors, and businesses in the City of San Luis Obispo.”

OPERATING PROGRAMS

CONVERSION OF CONTRACT PARKING ENFORCEMENT OFFICER TO REGULAR STATUS

Program Work Completed

We have completed an in-depth review of workload and staffing needs.

Environmental Review

No environmental review required.

Program Constraints and Limitations

There are no significant constraints and limitations.

Stakeholders

Stakeholders are residents in areas with parking regulations and Downtown businesses seeking effective parking enforcement programs.

Implementation

This change in status to a regular position can begin immediately based on the time frame below.

Task	Date
1. Submit a requisition for a regular full-time parking enforcement officer	March 2007
2. Advertise for applicants via the employment opportunity program	March 2007
3. Receive applications	April 2007
4. Interview applicants and select appropriate candidate	April 2007
5. Begin Training	April 2007

Key Program Assumptions

1. Current work load and service levels will continue.
2. There are no net added costs since the contract and regular positions have the same costs for staffing, supplies and equipment.

Program Manager

Parking Services Manager

Alternatives

1. **Continue the Status Quo.** The current contract ends on June 30, 2007. The contract can be extended but this would not be consistent with our Human Resources Management Policy, and it will not help solve the retention problem Parking Services has had with this position.
2. **Eliminate the Position.** This would significantly hinder Parking Services from meeting its parking responsibilities outside of the downtown and in the downtown. There will not be sufficient staffing to patrol current or future residential permit parking districts or other parking areas outside of the downtown.

OPERATING PROGRAMS

CONVERSION OF CONTRACT PARKING ENFORCEMENT OFFICER TO REGULAR STATUS

Operating Program

Parking

Cost Summary

There are no additional costs because the budgeted contract position costs the same as a regular position (\$61,500).

OPERATING PROGRAMS

GOLF COURSE OPERATIONS

Request Summary

Augmenting the operating budget of the Golf Fund to meet current day-to-day service needs will cost \$12,000 in 2006-07. This will require an off-setting increase in the General Fund subsidy by the same amount.

Key Objectives

1. Replenish operating line items expended due to unexpected restroom repairs.
2. Cover costs associated with an additional water bill to be paid for June 2007 uses and failure of Well No. 1 pump.

Existing Situation: Factors Driving the Need for Change

Restroom Repairs

In July 2006, Golf Course staff noticed standing water outside the men's restroom. Investigation revealed a leak that was difficult to repair due to its location under the slab. Building Maintenance and Golf Course staff agreed on a solution to abandon the water line and re-pipe the restroom. Bids were sought and a contractor was selected to retrofit the plumbing.

Funds to re-pipe the restrooms were taken from Contract Services and Equipment Maintenance line items. These funds need to be replenished as there are other needs at the Golf Course, such as ongoing mower maintenance, that will deplete the funds below budgeted levels due to the unexpected nature of the restroom leak problem.

City Water Service

The Laguna Lake Golf Course primarily uses well water for irrigation purposes, supplemented with City water in times of higher need. After receiving the October City water bill, which was unusually high, staff discovered that the Well No. 1 pump failed at some point during the month. The Well No. 1 pump also controls the Well No. 2 pump, so both wells ended up being unavailable, therefore requiring the use of City water. Additionally, because of a warm October and an unusually warm November, irrigation of the golf course during those months required more water than normal. Staff had planned on budgeting for the well pump replacement in 2007-08 but the failure occurred much sooner than planned, and as such, repair costs were covered from Completed Projects and Tree Replacement capital improvement plan (CIP) accounts.

Goal and Policy Links

Operating Program Goals: Continue to maintain Laguna Lake Golf Course

Program Work Completed

1. ***Restroom Repairs:*** A contractor has been selected and work should be completed by February 2007.
2. ***City Water Service:*** The Well No. 1 pump has been replaced and both pumps are now operational.

OPERATING PROGRAMS

GOLF COURSE OPERATIONS

Environmental Review

No environmental review is needed.

Program Constraints and Limitations

No constraints or limitations are anticipated.

Stakeholders

Golf course patrons

Implementation

Task	Date
Restroom re-piping	2/07

Key Program Assumptions

Staff is basing water use projections on past uses for the month of June and accounting for increased water usage during the months of October and November.

Alternatives

Continue the Status Quo. The golf course budget will over-expended for 2007. With the golf course being an enterprise fund, it will be difficult to find money to balance the year-end budget without some additional allocations from the General Fund.

Operating Program

Golf Course

Cost Summary

Line Item Description	Account No.	2006-07
Contract Services		5,000
Contract Services	540-60700-7227	2,000
Equipment Maintenance	540-60700-7233	3,000
Other Operating Expendiures		7,000
City Water Service	540-60700-7603	7,000
Total Operating Costs		12,000

CAPITAL IMPROVEMENT PLAN

FLEET ADDITION: WILDLAND FIRE ENGINE

CIP Project Summary

Purchasing a wildland, “type-III” fire engine with available mutual aid revenues in order to better meet our open space fire protection needs will cost \$266,000 in 2006-07.

Project Objectives

1. Rapidly mitigate urban wildland fires within the boundaries of the City.
2. Adequately protect and manage the City’s increasing open space program.
3. Minimize property damage, injury and loss of life.
4. Ensure adequate planning, organization and resources for emergency preparedness and response.
5. Provide mutual aid in accordance with the Multi-Hazard Emergency Response Plan.

Existing Situation

Background. The City has always been faced with a unique wildland/urban interface fire problem. We have a significant history of major fires threatening the City, such as the Las Pilitas and Highway 41 fires. Current and projected conditions indicate wild and fires are likely to increase substantially in the future.

Over the past decade, we have aggressively added open space and green belt properties on or near our boundaries. We are encouraging more public use of these properties, which in-turn increases our risk of fire danger. In addition, working with the Natural Resources Manger, we expect to see fire used as a management tool in both reducing the accumulation of fuels, which have built up over the years, and in returning these lands to their natural state.

The Department has a unique opportunity to purchase a virtually new Type III engine at a significant discount. The unit proposed is a 2006 model with 3,800 miles on it. The City could purchase another unit in 2007, but it would cost approximately \$30,000 more. Additionally, as a 2007 unit would not be built until after it is ordered, its arrival would be delayed.

Current Equipment. In 2003, the City’s 1977 Type-III fire engine conversion was deemed no longer suitable for wildland fire operations and the vehicle was decommissioned. This was due mostly to new regulations regarding Type-II/III wildland units, and the age of the unit. Since then, the City has been dependent upon mutual aid in providing the protection that this type of unit offers. At the same time, we have acquired significantly more open space in and around our borders, and there are plans to add more. In short, the City currently does not have an adequate apparatus capable of mitigating a wildland fire in an expedient manner.

Goal and Policy Links

Safety Element: Provide adequate, safe equipment to perform emergency response goals

Project Work Completed

1. From 1999 to present, several Type-III units from various manufacturers have been invited to Fire Station 1 for product evaluation. Currently, the Fire Department has on-loan a demonstrator model West-Mark Type-II/III. This unit is a 2006 model with 3,800 miles on it. This preferred model is being offered to the Department at a significant discount and for a basically new vehicle. The manufacturer, West-Mark, offers

CAPITAL IMPROVEMENT PLAN

FLEET ADDITION: WILDLAND FIRE ENGINE

vehicle pricing under cooperative purchasing via the federal General Services Administration (GSA). If the Council approves this budget request, we also recommend authorizing the City Administrative Officer to enter the purchase agreement with West-Mark.

2. Firefighters have evaluated California Department of Forestry and U.S. Forest Service Type-III fire engines during out-of-county assignments over the past seven years.
3. Assessments have been obtained from agency mechanics and operators from within and outside our department regarding functionality of different models.
4. Specifications from various manufacturers have been obtained and reviewed.

Environmental Review

No environmental review is required

Project Constraints and Limitations.

There are no significant project constraints or limitations.

Stakeholders

Safety of the general population and responding emergency personnel to incidents is affected.

Project Phasing and Funding Sources

Project Costs by Phase

	<i>Project Costs</i>		
	Budget-to-Date	2006-07	Total
Equipment Acquisition		266,000	266,000
Total	-	266,000	266,000

Project Funding Source: Mutual Aid Revenues

In addition to fully covering the direct cost of responding to out-of-county mutual aid requests (which includes backfill overtime), the State Office of Emergency Services also provides funding for indirect costs at 17% of direct costs. In 2006-07, indirect cost reimbursements for of-county strike team responses have generated revenues that are available to fully fund this purchase.

Key Project Assumptions

1. Need to maintain an in-service unit in expediently responding to wildland fires rather than relying solely on mutual aid for this.
2. Purchase of the demonstration model under cooperative purchasing
3. Availability of mutual aid funds.

Project Manager and Team Support

CAPITAL IMPROVEMENT PLAN

FLEET ADDITION: WILDLAND FIRE ENGINE

Fire Department

Alternatives

1. **Defer or Re-phase the Request.** The unit being sought is a West-Mark Type-II/III demonstration model. This unit is a 2006 model with 3,800 miles on it. As noted above, this model is being offered to the City at a significant discount over 2007 pricing and is virtually brand new. Deferring this request will result in higher costs and delayed training, and means we will not have an in-service unit for protection during the 2007 wildfire season.
2. **Deny the Project.** Denying the acquisition of this unit would seriously hamper the City's ability to rapidly intervene urban wildland fires within the boundaries of the City. It would also hinder mutual aid provided by Fire Department to mutual aid requests per the Multi Hazard Emergency Response Plan. In addition, a type-III unit would not be available as a management tool for the City's expanding open space program.

Operating Program

Fire Emergency Response

Project Effect on the Operating Budget

1. Fire Fleet Maintenance Coordinator: 40 Hours; Administrative Analyst: 8 Hours
2. Typical costs for the maintenance and repair of fire apparatus throughout the projected life span of the unit.
3. Annual increase in contributions to the Fleet Replacement Fund of \$16,600.

Description of Fleet Expansion Unit

Fiscal Year	2006-07
Vehicle Type Type-3 Fire Engine	
Cost	
Base Unit GSA Pricing	166,600
Options	
All-Wheel Drive Chassis	24,800
Standard "Patriot Model" Options	44,700
Foam Pro 2001 System	9,400
330 Horse Power International Engine	3,400
Other Options	2,300
Discount	(3,200)
Total Unit Cost	248,000
Delivery	0
Sales Tax	18,000
Total Cost	\$266,000

CAPITAL IMPROVEMENT PLAN

FLEET ADDITION: HAZARDOUS MATERIALS COORDINATOR

CIP Project Summary

Purchasing a vehicle for the Hazardous Materials Coordinator with funding from fines under the Certified Unified Program Administration (CUPA) fines will cost \$26,000.

Project Objectives

1. Provide a safe, reliable, enforcement vehicle for the Hazardous Materials Coordinator.
2. Insure that hazardous materials (hazmat) incidents are addressed rapidly.
3. Reduce risks to the public and safety personnel.
4. Provide adequate vehicles in the event of a major incident.
5. Improve employee productivity.

Existing Situation

The current pool vehicle arrangement is not able to fully meet the needs of the Hazardous Materials Coordinator. The many and varied uses of the vehicles translates into numerous cases where an inspection is scheduled yet a vehicle is not available. Funding for this vehicle is available from the Administrative Enforcement Order monies received from Shell Corporation in a recent settlement.

The proposed purchase of a ½-ton pickup truck will accommodate the specialized needs of the Hazardous Materials Coordinator, including responding with large booms and bags of absorbents to chemical spills onto City streets or into the creeks. Additionally, the vehicle will be used during construction or demolition of gas stations where terrain is more challenging and access with a truck would be easier. The truck will also be able to accommodate hazmat safety gear, technical reference resources and other job related items as needed.

Goal and Policy Links

Fleet Management Policy (Section 405 of the Financial Management Manual)

Project Work Completed

The Fire Prevention Bureau has consulted with the Fire Chief and Fire Department Mechanic to identify the most appropriate vehicle for this use.

Environmental Review

No environmental review is required.

Project Constraints and Limitations

There are no significant project constraints or limitations.

CAPITAL IMPROVEMENT PLAN

FLEET ADDITION: HAZARDOUS MATERIALS COORDINATOR

Project Phasing and Funding Sources

Project Costs by Phase

	<i>Project Costs</i>		
	Budget-to-Date	2006-07	Total
Equipment Acquisition		26,000	26,000
Total	-	26,000	26,000

Project Funding: CUPA Administrative Enforcement Fines

The City recently received \$80,000 in fine revenues as a settlement from the Shell Corporation under an Administrative Enforcement Order under the City’s CUPA program. These funds can only be used for CUPA-related purposes.

Key Project Assumptions

1. Productivity will be improved by assigning a dedicated vehicle to the Hazardous Materials Coordinator.
2. Outside funding for this is available from CUPA fines.

Project Manager and Team Support

Fire Department

Alternatives

1. **Deny the Project.** Denying the project will require the Hazardous Materials Coordinator to continue sharing vehicles that may not be available when needed; and reduce productivity by requiring the transfer of specialized equipment on a trip-by-trip basis.
2. **Defer or Re-phase the Request.** Given the current availability of outside funding that must be dedicated to CUPA-related purposes, there are no advantages in deferring the request.

Operating Program

Fire Prevention

Operating Program

Fire Department – Fire Prevention

Project Effect on the Operating Budget

1. About 8 hours of staff time will be utilized for acquisition of the vehicle.
2. About 16 hours of the Fire Mechanic’s time will be utilized in installation of electronics.
3. Routine maintenance and repair costs for will be incurred throughout the life of the vehicle.
4. Annual increase in contributions to the Fleet Replacement Fund of \$2,400.

CAPITAL IMPROVEMENT PLAN

FLEET ADDITION: HAZARDOUS MATERIALS COORDINATOR

Description of Fleet Expansion Units

	2006-07
Vehicle Type	Pick-Up
Cost	
Base Unit	21,900
Accessories & Other Costs	1,500
Delivery	900
Sales Tax	1,700
Total Cost	26,000

CAPITAL IMPROVEMENT PLAN

LAGUNA LAKE DREDGING: ENVIRONMENTAL REVIEW

CIP Project Summary

Completing additional archeological studies in finalizing the Initial Environmental Study for dredging Laguna Lake will cost \$10,000 in 2006-07.

Project Objectives

Evaluate options for dredging Laguna Lake in order to:

1. Prevent the Lake from turning into a meadow
2. Preserve and enhance recreation activities
3. Reduce weed growth
4. Improve water quality

Existing Situation

Background. During the 1960's developers, rerouted Prefumo Creek to enlarge Laguna Lake, a low area that had previously collected only storm water drainage from the surrounding fields and hillsides. When continued siltation from the creek began to gradually fill in the lake, the City built a small dam to raise the water level and began periodically dredging the delta where Prefumo Creek enters the lake. Despite these actions, the lake has gone dry twice during the last 20 years. Without some corrective dredging of the entire lake area, the lake will become a marsh and eventually a meadow. Dredging the lake will provide greater water depths that will in turn control weed growth and temperature. It will also improve conditions for boating and other water sports and it will reduce the frequency with which the lake goes dry. Reduced weed growth will control odors in the residential areas. Cooler temperatures will make the lake more hospitable to fish.

In 1991, the Council conceptually approved a project to install a dredge with associated piping and electrical equipment, hire a seasonal heavy equipment operator, gradually pump dredged material onto Laguna Lake Park over a three year period, and then periodically perform maintenance dredging as needed. Because of financial cutbacks in 1992, the Council did not allocate funding for this project when it adopted the 1992-93 budget.

The 1995-97 Financial Plan rescheduled proposed project capital costs. However, studies completed in 1996 identified sensitive wildlife and plant habitats that would have to be protected during project work, particularly as dredged spoils are deposited on the park area. These studies concluded that there would not be enough park area for depositing dredge spoils and that this situation rendered the original project concept infeasible.

The Council has held multiple study sessions on the project since then, currently focusing on a small scale, long term project. The completion of an initial environmental study for that project is underway.

Recent Update to the Council. As set forth in the January 12, 2007 memorandum to the Council on the status of this project, some additional archeological work is needed to complete the study and finalize the environmental document. It will not be possible to develop meaningful operating and capital budgets until this environmental work is completed. At this time, staff does not anticipate requesting funding for work in the 2007-09 Financial Plan, but rather waiting until the Council has approved the environmental document. At that time, staff will recommend "next steps" to the Council, and, if appropriate, staff will follow up with a request for funding. The environmental document is expected to be completed by the Fall 2007 for presentation to the Council.

CAPITAL IMPROVEMENT PLAN

LAGUNA LAKE DREDGING: ENVIRONMENTAL REVIEW

Goal and Policy Links

1. 1981 Lake Management Program for Laguna Lake
2. 1993 Laguna Lake Park Master Plan
3. Park and Landscape Maintenance Program goal: Useful and attractive parks and landscaped areas
4. 2007-09 Council Goal: Laguna Lake Options, Plan Approval and Implementation

Project Work Completed

1. A consultant has been hired to complete the environmental work.
2. Soils studies of the material in the lake bottom have been completed.
3. Biological studies have been completed.
4. Analysis of dredging and disposal options has been completed.
5. A first draft of the Initial Study has been completed.

Environmental Review

This project will require at least an initial environmental study that will likely result in a mitigated negative declaration. The most significant environmental issues are likely to be potential impacts to the habitat of the lake and surrounding area and the impact of dredging activity on adjacent residents and park users. Because mitigation is always required under permit conditions, projects requiring permits generally have enough mitigation measures designed into them to qualify for this type of environmental determination.

Project Constraints and Limitations

Regulatory permits will be required for the project. Regulatory agencies have been contacted during the study phase. The public has continued to remain active with the project, participating in all of the Council’s study sessions.

Stakeholders

The residents along the lake are the biggest stakeholders and most vocal constituents. Staff has been sending notices of Council study sessions to interested parties and lake residents.

Project Phasing and Funding Sources

Project Costs by Phase

	<i>Project Costs</i>		
	Budget-to-Date	2006-07	Total
Environmental Review	238,000	10,000	248,000
Total	238,000	10,000	248,000

Project Funding by Source: General Fund

CAPITAL IMPROVEMENT PLAN

LAGUNA LAKE DREDGING: ENVIRONMENTAL REVIEW

Future Project Costs

As reflected above, the current project budget only reflects environmental review costs. Once we complete the environmental review, we will be in better position to evaluate likely implementation costs and funding sources. However, as noted in the January 12, 2007 update to the Council, dredging Laguna Lake will be very expensive. For example, based on the project description for the environmental review document, our initial cost estimate over a ten-year period is \$5.7 million, for an average annual cost (in 2007 dollars) of \$570,000.

Key Project Assumptions

Costs for the added study work are based on a quote from a local archeological firm.

Project Manager and Team Support

Project Manager

Barbara Lynch

Project Team

Public Works, Community Development

Alternatives

Deny or defer the request. The environmental study would either remain incomplete or the project would have to be revised to exclude any areas of possible archeological resources. Because the project is still in its infancy, the preferred approach is to keep our options as open as possible. In short, no substantive progress can be made on this project until the environmental work is completed.

Operating Program

Parks and Landscape

Project Effect on the Operating Budget

Environmental Phase Only

CIP Engineering	200 hours
Parks and Recreation	20 hours
Community Development	60 hours

CAPITAL IMPROVEMENT PLAN

TELEMETRY EQUIPMENT REPLACEMENT

CIP Project Summary

Replacing and upgrading obsolete and unmaintainable telemetry equipment at the Water Reclamation Facility will cost \$90,000 in 2006-07.

Background. The telemetry system provides automatic process control for the Water Reclamation Facility (WRF). Each process has telemetry equipment that is specifically programmed for that process and its operating conditions to provide automatic operation and enhanced process efficiency. The system has a mix of old and obsolete equipment that has been experiencing increasing problems. This system is crucial to efficient and compliant operation of the WRF. Currently the Utilities Department and Information Technologies (IT) are working on a Telemetry Master Plan to address these issues for the department's entire telemetry system.

Project Objectives

1. Replace and upgrade obsolete and unmaintainable equipment.
2. Provide reliable telemetry and control equipment.
3. Continuously meet all standards set by state and federal agencies.
4. Maintain efficient process operations and high levels of wastewater treatment.

Existing Situation

The WRF's telemetry system has not received a significant or comprehensive assessment or improvement since the WRF's last upgrade in 1994. Recently several of the WRF's oldest and most critical telemetry processors have been experiencing problems which include; loss of their back-up capabilities, inability to accommodate the number inputs/outputs that the processes now require, obsolescence and unavailability of parts. This request is for the replacement of two critical data processors that control, among other processes, disinfection and influent pumping. Replacement of this equipment is urgent because of its unreliable and unmaintainable status and critical nature of processes they operate.

Currently WRF and Information Technology (IT) staff are working with the City's telemetry supplier to inventory the WRF's telemetry system and propose maintenance and upgrade strategies. Based on the results of this analysis, it is likely that additional funding for telemetry upgrades at the WRF will be requested in the 2007-09 Financial Plan. However, we believe that replacing the specific components included in this request should not wait until then.

Goal and Policy Links

1. Wastewater Element of the General Plan, Section 12
2. Wastewater Master Plan, Chapter 4
3. Information Technology Strategic Plan
4. Facility maintenance is a major activity of the Water Reclamation program

Project Work Completed

WRF and IT staff along with the City's telemetry equipment provider have inspected the WRF's equipment, identified key equipment that needs immediate replacement and provided an estimate for this work.

Environmental Review

CAPITAL IMPROVEMENT PLAN

TELEMETRY EQUIPMENT REPLACEMENT

No environmental review is required.

Project Constraints and Limitations

Replacement and installation of this equipment must occur in such a way as to prevent interference with the City's ability to provide proper treatment of wastewater within a strict regulatory setting.

Stakeholders

WRF staff and IT staff have been involved in the development and scoping of this project. Both sections will work closely with the contractor to ensure proper installation of the equipment and completion of the scope of work.

Project Phasing and Funding Sources

Project Costs by Phase

	<i>Project Costs</i>		
	Budget-to-Date	2006-07	Total
Equipment Acquisition		90,000	90,000
Total	-	90,000	90,000

Project Funding by Source: Sewer Fund

Key Project Assumptions

The City's telemetry contractor has made an extensive survey of the scope of work and taken significant time to familiarize themselves with the WRF telemetry system which will minimize changes.

Project Manager and Team Support

Project Manager. Jim Autry, Water Reclamation Facility Supervisor

Project Team.

Teri Maa and Steve Schmidt, Information Technology

Alternatives

Defer or Re-phase the Request. This is not recommended as it may result in process control failure and/or upsets which may lead to significant staff overtime and possible discharge violations.

Operating Program

Water Reclamation Facility

CAPITAL IMPROVEMENT PLAN

TELEMETRY EQUIPMENT REPLACEMENT

Project Effect on the Operating Budget

Implementation of this project will result in some extra staff time during equipment installation, but a significant long term drop in staff time afterward due to decreased time spent on repair and maintenance.

Requesting Department. 80 hours with the contractor to coordinate, monitor and adjust processes during installation

Project Support. Information Technology: 40 hours for project support.

CAPITAL IMPROVEMENT PLAN

GOLF COURSE BRIDGE REPLACEMENT

CIP Project Summary

Replacing the bridge near Hole No. 6 at the Laguna Lake Golf Course will cost \$95,000 in 2006-07. Funding this replacement will require an off-setting increase in the General Fund subsidy by the same amount.

Project Objectives

1. Provide access across Prefumo Creek from the tee to the green at Hole No. 6.
2. Restore the signature hole at Laguna Lake Golf Course.
3. Alleviate traffic on the only existing bridge.

Existing Situation

In March 2001, staff at the Laguna Lake Golf Course (LLGC) sought to rebuild the deck on the bridge leading across Prefumo Creek from the tee to the green at hole #6. Engineering services were obtained and the initial report indicated possible deterioration of the deck and bridge supports. Another inspection in October 2001 indicated further deterioration, which led to the condemnation of the bridge. Golf course staff had to spend time reconfiguring both holes #5 and #6 to allow the facility to be effectively utilized.

Hole #6 was LLGC's signature hole. Golfers would hit their tee shot on the par 3 hole over the creek to the green. With the bridge no longer available, the 6th hole was reconfigured to a shorter hole with a less challenging shot over the creek to the green.

Since October 2001, foot and golf cart traffic has doubled over the existing wood bridge, built in 1991, and is the only means for golfers to cross over the creek. At one time, there were three bridges for golfers to traverse the course, now there remains one acceptable access for players. A concrete swale located adjacent to the #1 fairway allows maintenance equipment to cross through the creek but is impassable when the creek is full of water.

Repairs were budgeted at \$21,000 initially. Some preliminary work was accomplished on design, engineering and obtaining core samples. The majority of the remaining funds were used to demolish the bridge and for equipment replacement (\$736 remains in the project budget).

Along the same time, Public Works used Bailey bridges to handle traffic on Foothill Boulevard over the bridge that was deteriorating. The Bailey bridges were purchased by the City to serve as a temporary means to cross over Stenner Creek while work was being done to reconstruct the Foothill Bridge. Once the Foothill Bridge project was complete, the intent was for one of the two Bailey bridges to serve as a replacement for the bridge lost at LLGC.

Design work on utilizing a Bailey bridge began in 2006. Staff estimated that the footings needed to accommodate a 70 foot section of the Bailey bridge along with related construction work and ADA accessibility needs would cost \$99,000.

Research into other types of bridges ensued. A structure by Steadfast Bridges that could handle the same load and be more appropriate for the site would cost \$114,000. Staff then found a bridge by the same manufacturer that could handle one way foot and cart traffic at a cost of \$95,000, including installation. Obtaining a bridge more suited to the golf course operations that costs less than the other alternatives, and freeing up the Bailey bridge for future emergencies seems to be the most appropriate solution.

CAPITAL IMPROVEMENT PLAN

GOLF COURSE BRIDGE REPLACEMENT

The current bridge is aging and will be in need of replacement in the next five years, sooner if the increased level of traffic is not alleviated. Providing another bridge for golfers will help alleviate traffic to extend the life of the existing bridge. It will also provide a means for golfers to cross the creek once replacement work of the existing bridge begins.

Golf course staff will also need to return hole #6 to its existing condition once the bridge has been installed. The area around the green is in playable condition; some work would need to begin on rebuilding the tee area and reseeding the fairway. This work can be accomplished within existing resources and while the bridge is being installed.

Goal and Policy Links

1. Parks & Recreation Element:
 - a. 2.51.2 – Parks shall be maintained in such a manner that priority will be given to the preservation of the natural beauty and safe use of the land within the system.
 - b. 2.51.3 – Parks shall be designed to meet a variety of needs depending on park size, location, natural features, and user demands.
2. Previous allocations to repair the hole #6 bridge.

Project Work Completed

A pre-fabricated bridge style has been selected and bridge design will start once the project has been approved. The Golf Course staff will refurbish the old hole #6 tee and fairway area so it will be playable within a few weeks after the bridge work has been completed.

Environmental Review

A negative declaration has been obtained as this is replacement of an existing bridge. It is not anticipated to require any review or permitting by the Army Corps of Engineers or the Department of Fish and Game because construction is on the creek banks, but not in the waterway.

Project Constraints and Limitations

The proposed pre-fabricated bridge will need to be dropped into place by a crane. Access may be limited due to adjacent homes, vehicle impacts to existing fairways and greens, and water levels in the creek.

Stakeholders

1. Golf Course Staff: Responsible for reconfiguring and refurbishing hole #6 once bridge work is completed.
2. Golfers: New challenge at hole #6.

CAPITAL IMPROVEMENT PLAN

GOLF COURSE BRIDGE REPLACEMENT

Project Phasing and Funding Sources

Project Costs by Phase

	<i>Project Costs</i>		
	Budget-to-Date	2006-07	Total
Design	7,500	5,000	12,500
Construction	13,500	90,000	103,500
Construction Management			
Equipment Acquisition			
Total	21,000	95,000	116,000

Project Funding by Source

Project will be funded through a General Fund subsidy to the Golf Course Enterprise Fund.

Key Project Assumptions

Costs are based upon estimates received by the Engineering Department with a small contingency included.

Project Manager and Team Support

Project Manager. Mike McGuire of the Engineering Department has been assigned as the Project Manager.

Project Team. Todd Bunte, Golf Course Supervisor will be consulted during the installation of the bridge and re-establishing hole #6 to its original configuration; and Golf Course maintenance staff will assist where needed.

Alternatives

Deny or Defer the Project. The bridge has been out of commission since 2001. Impacts to the existing bridge will continue with additional foot and vehicle traffic, and should something happen to the existing bridge, it would be nearly impossible to play the course in its current layout.

Operating Program

Golf Course

Project Effect on the Operating Budget

1. Engineering staff will need 160 hours to manage and oversee the project.
2. A small amount of staff time annually will be needed to keep the bridge maintained for pedestrian and vehicle use.

Section D

RECENT FINANCIAL AND REVENUE REPORTS

Quarterly Financial Report

Second Quarter of 2006-07

January 16, 2007

OVERVIEW

This report summarizes the City's overall financial position for the fiscal year through December 2006. Except as noted below, revenues and operating expenditures are generally on target based on past trends for the second quarter.

Adjusted Budgets. The revenue projections and budgets include adjustments for encumbrances and carryovers as well as any supplemental appropriations approved by the Council as of December 31, 2006.

Mid-Year Review. The City's overall revenue and expenditure picture will be discussed in greater detail during the Mid-Year Budget Review scheduled for Council consideration on February 20, 2007.

GENERAL FUND

General Fund Financial Condition. With 50% of the year complete, General Fund revenues are at 52% of projections and expenditures are at 47% of estimates.

General Fund Balance	Budget	YTD Actual	Percent
Revenues	44,375,500	23,235,100	52%
Expenditures	42,780,200	20,100,100	47%
Other Sources (Uses)	(4,489,100)	(2,373,000)	53%
Balance, Start of Year	13,559,900	13,559,900	-
Balance, Year-to-Date	10,666,100	14,321,900	-

Top Ten Revenues. Our top ten revenues account for over 90% of total General Fund revenues. By focusing on these, we can get an excellent understanding of our revenue position. Overall, these key revenues are generally performing as projected based on payment schedules and past trends for the second quarter. Any significant variances are noted below.

Top Ten Revenues	Budget	YTD Actual	% Received
Sales tax	12,696,100	5,363,400	42%
Property tax	7,470,200	4,373,700	59%
Transient occupancy tax	4,717,000	2,675,800	57%
Utility users tax	4,127,300	2,026,200	49%
Vehicle in-lieu (VLF)/Swap	3,143,900	172,700	5%
Business tax	1,615,900	1,662,800	103%
Franchise fees	2,213,500	1,277,900	58%
Development review fees	3,339,500	1,681,300	50%
Recreation fees	1,121,500	450,100	40%
Interest on investments	350,000	437,500	125%
Total	40,794,900	20,121,400	49%

- **Sales Tax.** On the surface, year-to-date results look problematic. However, this is solely due to the impact of the "Triple Flip," under which we only receive 75% of our sales tax revenues, pending the State's first backfill payment (of two) in January 2007. Adjusting for this, we are ahead of our estimate for the year.

- **Property Tax.** As discussed in the recent five year fiscal forecast, we expect property tax revenues for the year to be higher than 2006-07 budget estimates.

- **Transient Occupancy Tax (TOT).** As indicated in the recent TOT newsletter, year-to-date revenues are 4.8% higher than this time last year, putting us slightly ahead of our 4% growth estimate.

- **VLF/VLF Swap.** We will not receive our first "swap" payment from the County until January 2007.

- **Business Tax.** The renewal cycle for business tax occurs during the second quarter of the fiscal year. Collections are approximately 7% higher than a year ago.

- **Interest on Investments.** Interest revenue appears to be performing well, largely due to higher yields and larger than anticipated investable balances.

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

Expenditures By Type	Budget	YTD Actual	% Expended
Staffing	35,410,400	17,286,400	49%
Contract services	4,822,800	2,021,800	42%
Telecomm & utilities	1,642,100	754,300	46%
Insurance	928,200	651,600	70%
Other operating costs	3,572,600	1,174,500	33%
Minor capital	190,800	97,700	51%
Total by type	46,566,900	21,986,300	47%
Reimbursed expenditures	(3,786,700)	(1,886,200)	50%
Total	42,780,200	20,100,100	47%

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

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

Expenditures	Budget	YTD Actual	% Expended
Administration	1,917,900	1,034,700	54%
City Attorney	436,600	218,400	50%
City Clerk	615,700	222,200	36%
Human Resources	1,966,700	1,186,200	60%
Finance & IT	3,864,100	1,440,000	37%
Community Development	2,708,200	1,122,700	41%
Parks & Recreation	3,140,600	1,481,700	47%
Public Works	10,177,100	4,740,400	47%
Police	12,207,500	5,559,300	46%
Fire	9,532,500	4,980,700	52%
Total Departmental	46,566,900	21,986,300	47%
Reimbursed Expenditures	(3,786,700)	(1,886,200)	50%
Total Expenditures	42,780,200	20,100,100	47%

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

ENTERPRISE FUNDS

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

Water Fund

Working Capital	Budget	YTD Actual	Percent
Revenues	12,107,500	7,256,800	60%
Expenditures			
Operating programs	7,193,100	3,369,900	47%
CIP projects	24,116,300	5,306,200	22%
Debt service	2,805,900	695,200	25%
Other Sources (Uses)	15,946,100	16,905,000	106%
Balance, Start of Year	10,120,300	10,120,300	-
Balance, Year-to-Date	4,058,600	24,910,800	-

Sewer Fund

Working Capital	Budget	YTD Actual	Percent
Revenues	10,945,000	5,608,700	51%
Expenditures			
Operating programs	6,582,500	3,181,600	48%
CIP projects	11,881,000	1,206,600	10%
Debt service	2,431,200	2,631,600	108%
Other Sources (Uses)	7,474,500		0%
Balance, Start of Year	4,613,900	4,613,900	-
Balance, Year-to-Date	2,138,700	3,202,800	-

Parking Fund

Working Capital	Budget	YTD Actual	Percent
Revenues	4,081,100	1,979,100	48%
Expenditures			
Operating programs	2,263,500	974,300	43%
CIP projects	3,958,400	1,331,500	34%
Debt service	1,470,800	605,000	41%
Other Sources (Uses)	(5,300)		0%
Balance, Start of Year	7,291,000	7,291,000	-
Balance, Year-to-Date	3,674,100	6,359,300	-

Transit Fund

Working Capital	Budget	YTD Actual	Percent
Revenues	3,590,300	500,500	14%
Expenditures			
Operating programs	2,401,100	936,900	39%
CIP projects	1,880,700		0%
Other Sources (Uses)	76,900		
Balance, Start of Year	614,600	614,600	-
Balance, Year-to-Date	-	178,200	-

Golf Fund

Working Capital	Budget	YTD Actual	Percent
Revenues	344,100	166,400	48%
Expenditures			
Operating programs	607,300	302,100	50%
CIP projects	80,800	3,500	4%
Other Sources (Uses)	313,700	157,300	50%
Balance, Start of Year	30,300	30,300	-
Balance, Year-to-Date	-	48,400	-

Whale Rock Commission

Working Capital	Budget	YTD Actual	Percent
Revenues	813,300	425,500	52%
Expenditures			
Operating programs	897,700	414,700	46%
CIP projects	181,000	600	0%
Other Sources (Uses)	(8,100)		0%
Balance, Start of Year	813,700	813,700	-
Balance, Year-to-Date	540,200	823,900	-

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

Sales Tax Newsletter

Second Quarter of Calendar Year 2006

January 31, 2007

OVERVIEW

For the Quarter. This newsletter covers the City's sales tax revenues received in September 2006 for sales occurring from April through June 2006. After adjusting for apportionment errors and late payments, "point-of-sale" revenues were up by 6.1% compared with the same quarter last year.

After adjustments, "point-of-sale" revenues were up by 6.1% compared with the same quarter last year.

Sales Tax Receipts Summary

Sales Tax Receipts	2nd Qtr 06	2nd Qtr 05	% Change
Reported Point-of-Sale	3,067,102	2,747,037	11.7%
Net Adjustments	(111,206)	37,604	
Adjusted Point-of Sale	2,955,896	2,784,641	6.1%
Pool Receipts	337,577	361,734	-6.7%
Total	3,293,473	3,146,375	4.7%

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

Adjusted Sales Tax Receipts By Type

Point-of-Sale Receipts	2nd Qtr 06	2nd Qtr 05	% Change
Gen Consumer Goods	929,054	743,821	24.9%
Autos & Transportation	711,494	769,521	-7.5%
Business & Industry	200,339	215,393	-7.0%
Restaurants & Hotels	302,957	305,085	-0.7%
Building & Construction	346,715	332,689	4.2%
Food & Drugs	183,445	182,103	0.7%
Fuel & Service Stations	281,892	236,029	19.4%
Total	2,955,896	2,784,641	6.1%

Continuing Trends. Trends for the second quarter of 2006 mirror first quarter results. As noted in the recent five-year fiscal forecast, auto sales continue their decline from peak levels. Fortunately, this is offset by projected increases in general consumer goods resulting from Costco and the Court Street Center. We also saw a significant increase in revenues from fuel and service stations based on steep increases in pump prices in the

second quarter. This is likely to level off by the third quarter.

At this point, we are on target with the revised sales tax projections reflected in the five-year fiscal forecast. However, the fourth quarter is the most important one for us (especially given our increased reliance on general consumer goods), and we won't know the results for this until May 2007.

NEWSLETTER CONTENTS

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

- Major business groups: second quarter 2006 and 2005
- Top 25 sales tax producers (listed alphabetically for this quarter)
- Top 15 business categories: this quarter compared with last year
- Sales per capita: City compared with the County and State, last 13 quarters
- Major business groups: last 13 quarters
- Sales per capita: City compared with five other agencies in the region, last 13 quarters
- Sales tax revenues by geographic area: this quarter compared with last year

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

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

MORE INFORMATION AVAILABLE

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

Monthly TOT Report

December 2006

February 12, 2007

This report covers the City's transient occupancy tax (TOT) revenues for December 2006 compared with the two prior years. As reflected below, revenues for December are up by 2.5 % from last year and up 4.8 % year-to-date.

What's This Mean? The December numbers show a nice recovery from the decrease in November. The annual Mission Prep Basketball tournament brought several hundred players into town. This, coupled with the holidays, boosted activity for our hotel and motel industry.

For the Future. At the mid-point of the year, we are doing slightly better than our revenue forecast of 4% growth for 2006-07, which was in anticipation of a slow-down in the growth rate after our very strong year in 2005-06, where revenues were up by 11% from 2004-05.

Based on year-to-date results, the mid-year budget review takes a "cautiously optimistic" approach and retains our projection of 4% growth for 2006-07.

Year-to-Date TOT Revenues					
	Prior Year 2004-05	Last Year 2005-06	This Year 2006-07	Increase (Decrease) Last Year Vs This Year	
				Amount	Percent
July	\$442,947	\$506,594	\$ 521,789	\$ 15,195	3.0%
August	461,982	507,639	531,727	24,088	4.7%
September	346,999	394,404	432,587	38,183	9.7%
October	336,055	372,192	406,204	34,012	9.1%
November	295,660	337,476	334,227	(3,249)	-1.0%
December	254,052	275,336	282,198	6,862	2.5%
Year-to-Date Total	2,137,694	2,393,642	2,508,732	115,091	4.8%
January	206,229	253,445			
February	270,803	280,865			
March	324,687	335,672			
April	346,218	418,345			
May	364,537	395,019			
June	429,718	468,147			
TOTAL	4,079,887	4,545,134	2,508,732		

For More Information. Please call Sallie McAndrew, Revenue Supervisor, at (805) 781-7129.

Section E

STATUS OF GOALS AND OBJECTIVES

STATUS OF GOALS AND OBJECTIVES

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INTRODUCTION

OVERVIEW

This report details the status of major City goals and other objectives set by the Council as part of the 2005-07 Financial Plan. It shows that we continue to accomplish many important tasks in the implementation of a very ambitious program. There have been a few delays, primarily in the area of design projects, due to the need to complete a list of unanticipated, but equally important projects, which have been added since the last update.

1. Relocation of Tee No. 3 at the City golf course
2. Santa Barbara Street widening
3. Bob Jones Trail extension
4. Mid-Higuera widening project

Several of the unanticipated projects noted in the previous report have been completed, including:

1. Emergency storm drain on California, El Cerrito & Palomar
2. Damon-Garcia sports fields overflow parking
3. Mill Street curb and gutter repair

Important Note

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

The tasks being delayed through the unanticipated projects are ones where the consequences of delay are not as significant as the ones that required immediate attention for various reasons.

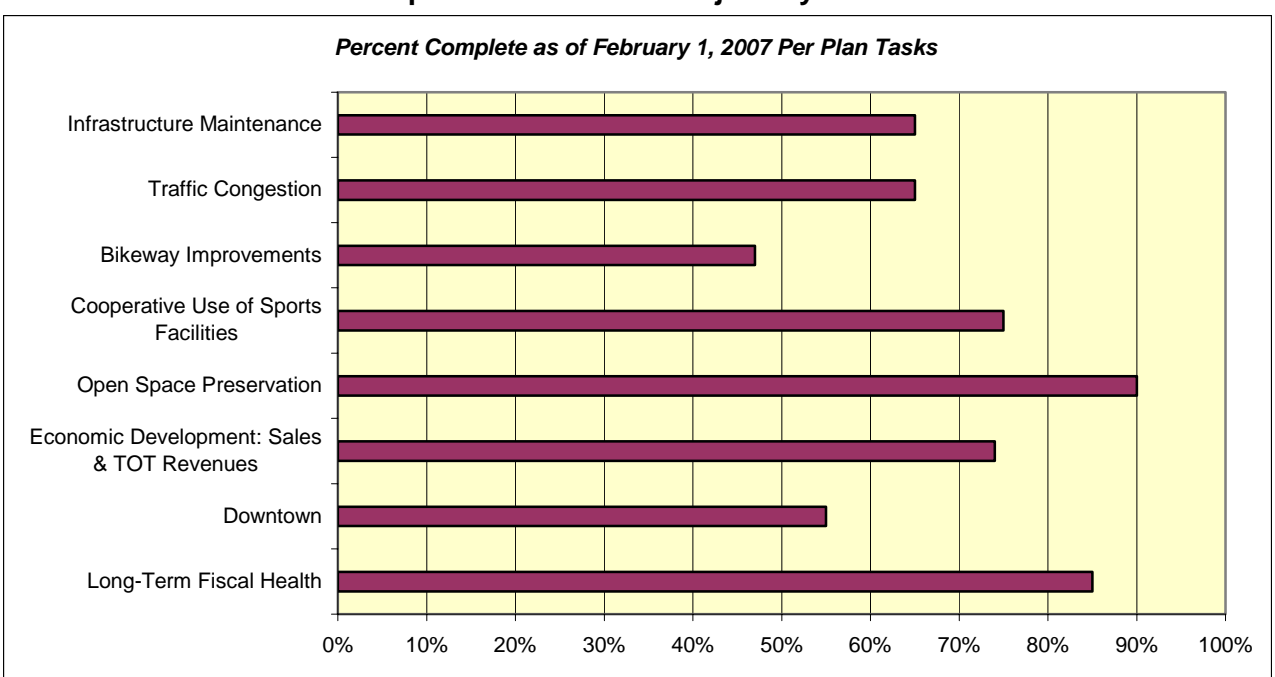
Report Card. The following is a quick “report card” on the status of major City goals based on the “action plans” approved by the Council as part of the 2005-07 Financial Plan (and any amendments since then).

As a benchmark, at February 1, 2007, we are 80% through the two-year Financial Plan period.

Organization. The “report card” is followed by a short summary of notable changes from the prior action plan update. Following this is a more detailed report on each major City goal, which shows the objective; action plan tasks as adopted by the Council (as modified by subsequent changes); any revisions (additions are shown in italics; date changes since the last update are also shown in italics and highlighted in a separate column; and deletions are shown in ~~strikeout~~); and a brief status summary as of February 1, 2007.

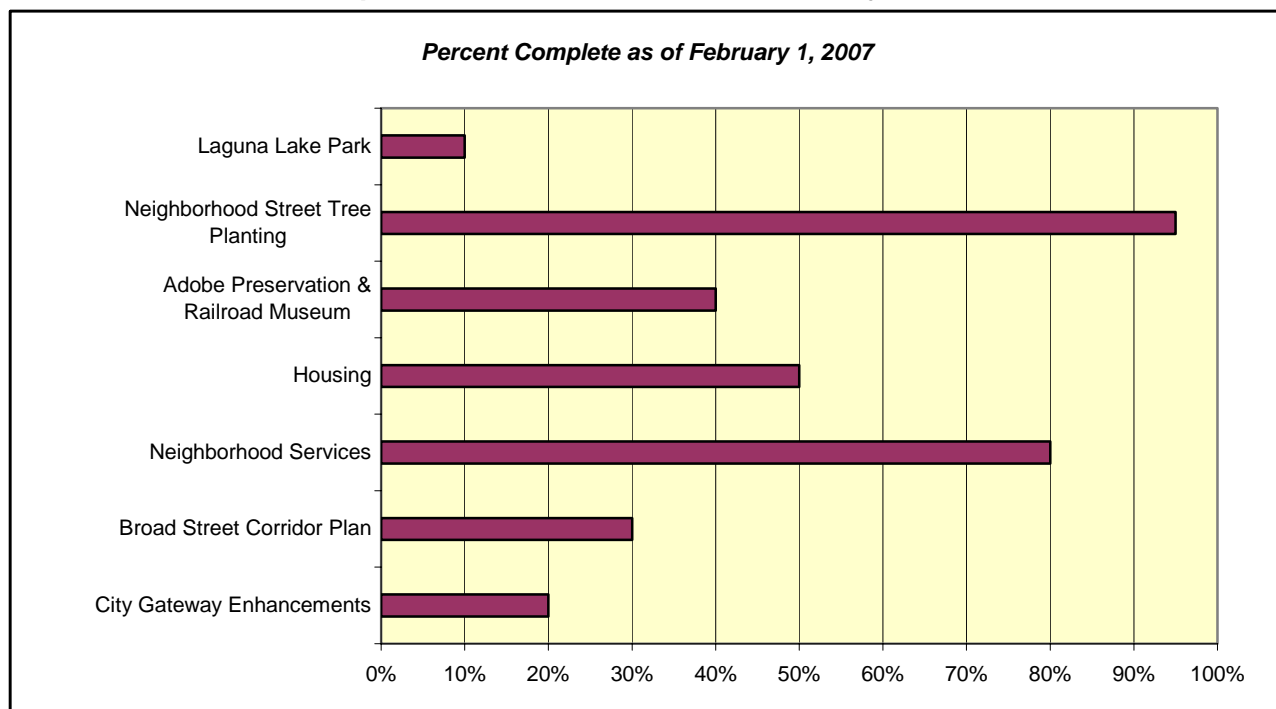
Other Objectives. Shorter reports are provided for “other Council objectives” for 2005-07, as well as for “carryover goals and objectives” from 2003-05.

Report Card: 2005-07 Major City Goals



INTRODUCTION

Report Card: 2005-07 Other Council Objectives



ACTION PLAN CHANGES

As noted above, we have accomplished many important tasks in the implementation of a very ambitious 2005-07 major City goals and objectives program. However, there are some notable changes from the prior status report, including the following.

Major City Goals

Traffic Congestion Relief. Some traffic operation projects have experienced minor delays due to staff's unanticipated participation in the South Street/King Street Task Force to improve the South Street Corridor. The Task Force has completed its recommendations for improvement and held a community information meeting on May 11, 2006 with a follow up meeting to Council on June 6, 2006. Caltrans is currently working on the final design and cost estimates of the proposed improvements.

Specific project status highlights include:

1. New left turn signals were installed on Santa Rosa/Palm and Santa Rosa/Monterey to improve peak time flow.

2. The bids for the Broad/Pacific signal came in over budget, requiring re-solicitation and a redesigned bid package. The project was re-bid in July and construction will start in February 2007.
3. The Higuera/Granada signal project opened bids and came in under budget, and construction is expected to begin in February 2007.
4. Project design is near completion for signalization of Johnson Avenue/Ella Street, and the project will go out to bid in spring 2007.
5. The left turn lane from Los Osos Valley Road onto Froom Ranch Road was lengthened in December to accommodate the new stores and high traffic volumes for the holiday season.
6. Construction of the Calle Joaquin realignment is ongoing and is expected to be complete by the end of February. The portion of the project subject to seasonal restrictions under the Army Corps of Engineer's permit has been completed.

Bikeway Improvements. The conditions of approval for the Railroad Safety Trail, Phase 3 project have been with Union Pacific Rail Road (UPRR) since August 2005. Staff has met with the UPRR representatives in January and will continue to meet

INTRODUCTION

with them in February in order to complete the license agreements needed for the projects and to get a construction estimate for work at the Orcutt Grade crossing. Construction of the Orcutt grade crossing and widening is scheduled to start in late summer 2007.

Installation of improvements for the first part (moving stop signs, bicycle signal) of Phase II of the Bill Roalman Bicycle Boulevard will be completed in February 2007. The design for the final part of Phase II (intersection bulbouts) will be completed in April 2007. Construction on the bulb outs is scheduled to begin in fall of 2007.

Open Space Preservation. The Conservation Plan for South Hills Natural Reserve has been reviewed and adopted by the City Council. After a successful public fundraising program, the City has completed the purchase of an agricultural conservation easement on the 390 acre Brughelli Ranch on Buckley Road that will preserve that property in agriculture in perpetuity.

Additionally, the Land Conservancy of San Luis Obispo County has completed the purchase of the 315 acre Union Pacific Railroad properties on West Cuesta Ridge as permanent open space, and transfer of those properties to the City is anticipated by June 2007.

Downtown. Upon receipt of the Parking Task Force's recommendations on revenue enhancing measures to the Parking Enterprise Fund, the Council adopted a series of revisions to fees and approved the addition of a new metered area near Slack Street. Implementation of these revisions is underway as is a study regarding the need for a parking loading zone on Marsh Street in response to merchants' requests.

Work is beginning on the feasibility of a Downtown Parking District, as directed by Council, after being on hold pending the completion of major Downtown projects, including a new parking garage. Conceptual drawings for the Palm/Nipomo parking structure have been completed, and will be presented to Council in early 2007. The resurfacing project of Monterey Street was completed, and Higuera Street

between Morro and Nipomo streets will be resurfaced in late summer 2007.

The Downtown Strategic Plan is scheduled for completion and presentation to Council in spring 2007.

Economic Development: Sales Tax. Sales Tax numbers continue to paint a positive picture as the Autopark Expansion starts to take shape and shoppers, encouraged through the campaign "Shop SLO – Keep it Local", busied the downtown streets and the now fully tenanted Court Street development during the 2006 holiday season as well as the Los Osos Valley Road/Madonna Road corridor.

Economic Development: Transient Occupancy Tax (TOT). TOT revenues through October 2006 continued to show growth with year-to-date results stronger than estimated in the 2005-07 Financial Plan. However, in November, TOT revenues showed some slowing being down by 1% over the prior year during this period. Nonetheless, the City is still performing better than the projected 4% increase over 2005-06.

NEXT REPORT

We will present the next "formal report" to the Council in May 2007 as part of the 2007-09 Financial Plan. In the interim, we will keep the Council up-to-date on the status of major projects through agenda reports, Council Notes and other briefing opportunities.

MAJOR CITY GOALS

INFRASTRUCTURE MAINTENANCE

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

Action Plan

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

MAJOR CITY GOALS

<i>Parks</i>		
15. Replace pool cover at the swim center.	Complete	
16. Continue to maintain parks and street trees at a moderate level, within existing resources.	Ongoing	
17. Begin maintenance and operation of the Damon-Garcia sports fields by transferring full-time City staff, and backfilling with contract maintenance.	Complete	
18. Complete a Downtown Urban Forest Management Plan.	1/07	3/07
19. Implement Phase 1 recommendations of the Downtown Urban Forest Management Plan.	Underway	
<i>Other</i>		
20. Complete bridge deck maintenance CIP project at Marsh and Toro Street bridges.	Complete	
21. Complete design for Marsh Street bridge repair CIP project.	5/07	
22. Complete design for roof replacement CIP project at Corporation Yard admin building.	6/07	
23. Perform moderate level of building and facility repairs annually using City crews.	Ongoing	
24. Install electrical service fusing on City-owned street light fixtures.	Ongoing	

Status Summary: 70% Complete

Paving. City crews, in conjunction with Caltrans, completed major repairs to Broad Street, south of South Street. The first of the arterial street repair projects is complete. Staff is completing major repairs and crack sealing work in advance of next year's project. Phase II of the LOVR medians is complete, Monterey Street paving is complete, and the second annual trench repair project is nearing completion.

Sidewalks. The general information brochure for property owners has been finalized and is available at the counters in Public Works and the corporation yard. Crew members have it in hand in order to help property owners. However, the City Attorney has requested this project include revisions to the Municipal Code assigning liability to the property owners. This change makes this a more complicated work item than initially anticipated. Staff will work with the many potential stakeholders on this issue to more thoroughly develop recommendations to present to Council in spring of 2007. The first sidewalk ramp project is complete using CDBG funding and staff is preparing CDBG applications for this work for the next year.

Storm Drains. Creek cleaning is complete for the 2006-07 winter season in collaboration with the California Conservation Corp. The first drainage inlet project is complete with the second project planned to start design in January 2007. Prefumo Creek silt removal is complete. Marsh Bridge silt removal is scheduled for September 2007.

Staff has completed design and construction of the El Cerrito, California, Palomar, and Ramona emergency drainage projects.

MAJOR CITY GOALS

Water and Sewer. The Ella Street Sewer Project was completed on March 6, 2006 and the Palm/Grand sewer project is complete. The Bishop Tank replacement is underway. The first polybutylene project is complete. The San Luis Drive Waterline project is underway and a second waterline project started construction this month. Other major projects are scheduled for 06-07.

Parks. Step 1 in the “Urban Forest Management Plan”, a Tree Assessment Report, has been completed and is currently being implemented using contract services. Staff has developed a draft Downtown Urban Forest Management Plan that has been reviewed by the Tree Committee and the Downtown Association in November, with the plan anticipated coming to Council in March or April 2007. The Anholm Park renovation has been completed.

Staff has also been working the construction of a temporary overflow parking lot for the Damon Garcia Sports fields. Council approved zoning changes and an agreement with the adjacent property owner for the use, and the project was funded by completed projects funds. The construction effort, a combination of City crews and contractors, is complete and the overflow parking lot will be available for use by the community for the spring season.

Other. Bridge deck maintenance was completed in spring 2006. The 2006 Street Light Fuse Installation project is complete.

Overall CIP Status. Some design projects are behind delivery dates anticipated at the time of the original budget adoption due to staffing vacancies and the need to complete several unanticipated, but equally important projects, which include:

1. Relocation of Tee No. 3 at the City golf course
2. Santa Barbara Street widening
3. Bob Jones Trail extension
4. Mid-Higuera Widening project

The delayed tasks are ones where the consequences of delay are not as significant as the ones that required immediate implementation for various reasons. Despite these challenges and growing list of unanticipated projects, as summarized in the companion report on the status of CIP projects, we have made significant progress in achieving our CIP goals.

MAJOR CITY GOALS

TRAFFIC CONGESTION RELIEF

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

Action Plan

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

MAJOR CITY GOALS

<i>Signalization at Higuera/Granada</i>		
17a. Complete environmental review and project design.	Complete	
18a. Begin construction.	1/07	2/07
19a. Complete construction.	5/07	
<i>Signalization at Johnson Avenue/Ella Street</i>		
17b. Complete environmental review and project design.	12/06	
18b. Begin construction.	3/07	
19b. Complete construction.	8/07	
<i>Los Osos Valley Road Interchange</i>		
20. Complete Phase 1 of the Caltrans environmental and Project Report process.	Complete	
21. Hire consultant to prepare the final Caltrans environmental and Project Report.	Complete	
22. Begin CEQA/NEPA EIR/EIS process and hire EIR/EIS consultant.	Complete	
23. Complete Calle Joaquin Realignment project.	1/07	2/07
24. Complete EIR/EIS.	6/07	
25. Implement phase improvements as new development is approved and can be identified.	Ongoing	
<i>Tank Farm Road Intersection Improvements</i>		
26. Initiate design of Tank Farm Road widening project.	12/06	

Status Summary: 70% Complete.

Staff continues to make progress on various traffic congestion relief projects:

Mid-Higuera. Staff continues to work with Caltrans to complete the NEPA environmental document. The approval has been held up by Caltrans pending resolution of an issue over the level of archeological investigative work that must be completed prior to acceptance. The property appraisal process will begin once the NEPA document is complete. We anticipate Caltrans approval of the NEPA document in the spring of 2007.

Orcutt Road. The Bullock House removal has been completed. The Four Creeks project EIR was certified by the Council on November 15, 2005. Staff continues to refine the project plans and seek additional funding for the City project. Improvement plans for Orcutt Road widening for the Tumbling Waters project have been submitted for review and approval. Partial design contracts were issued in October 2006 to coordinate alignments between City and private projects. Grading and tree removals for road widening and shoulder work started in September 2006.

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

Broad/Pacific Signal. Traffic signal installation projects have been delayed due to staff’s unanticipated participation in the South Street/King Street Task Force improving the South Street Corridor. The initial bids for this project were well above the project budget. The project was re-bid, funding was added and construction starts in February 2007.

MAJOR CITY GOALS

Johnson Avenue/Ella Street & Higuera/Granada Signals. The project design for the Higuera/Granada signal is complete and the project award is anticipated in November. The Johnson/Ella project is still in the review and project design stages with an anticipated bid date of March 2007.

LOVR Interchange. The Calle Joaquin relocation project has received final permit approval from the Army Corps of Engineers and Caltrans and is currently under construction. On November 1, 2005, the Council awarded a contract to Dokken Engineering to perform the final work on the Caltrans Project Report and environmental review for improvements to the LOVR interchange. The hire of an environmental consultant firm was approved in January 2006 to begin work with Dokken and this project is progressing as expected. Technical studies drafts have been completed and submitted to the City for review with an expected submittal date to Caltrans by February 2007.

Other Improvements

Miscellaneous Operational Improvements. New left turn signals were installed on Santa Rosa/Palm and Santa Rosa/Monterey to improve peak time flow. New signal coordination timing plans were implemented in April 2006. Revisions were completed to the operation of the Los Osos Valley / Madonna Road signal to improve operations. The left turn lane from Los Osos Valley Road onto Froom Ranch Road was lengthened in December to accommodate the new stores and high traffic volumes for the holiday season.

Countdown pedestrian “signal heads” were installed along various crossing locations on LOVR to improve pedestrian operations and safety.

Santa Barbara Street Widening. This project was originally proposed as a major City goal; however no funding was available and the project was removed from the list. Unexpected funding came through this year but dependant on a very short time line and staff had to shift resources to this project to prevent the loss of grant funds, which impacted the delivery of other projects. Staff is working on the environmental review and the project design and has contracted for Right-Of-Way (ROW) acquisition work. The Maymont project has been approved by Council and is in conceptual design stage for the widening of Broad Street at Santa Barbara Street.

MAJOR CITY GOALS

BIKEWAY IMPROVEMENTS

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

Action Plan

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

Status Summary: 47% Complete

- The City's request for confirmation of the conditions of approval for the Railroad Safety Trail, Phase 3 project has been with UPRR since August 2005. We are subject to their pace of review and approval. Once confirmation of approval is received, staff will be able to begin the land survey and prepare the legal description of the area for the necessary license agreement. A letter of clarification has been sent by the City to UPRR in October 2006 addressing some of the conditions in the draft UPRR response to the City request. The City will continue meeting with UPRR in February 2007 to resolve permit issues.
- Studies for the NEPA document for the Bob Jones Bikeway Phase 1 have been completed. The documents have been submitted to Caltrans for their approval.

MAJOR CITY GOALS

3. Installation of improvements for the first part (moving stop signs, bicycle signal) of Phase II of the Bill Roalman Bicycle Boulevard will be completed in February 2007. The design for the final part of Phase II (intersection bulb outs) will be completed in April 2007. Construction on the bulb outs is scheduled to begin in fall of 2007.
4. The Promotional Coordinating Committee continues to support various bikeway marketing brochures through its Grants-in-Aid program; included is a historical bike tour for placement in hotels and motels. Additionally, the City's Community Promotions efforts included marketing the 2006 Tour of California and the Jeep King of the Mountain to visitors in an effort to attract cycling enthusiasts. Both events were highly successful and received media coverage throughout the region, state and country. Finally, during this year's Bike to Work Week the City had an unprecedented number of staff and Council participants.
5. The now award-winning bike rack donation program has resulted in the installation of 24 bike racks providing 105 short term bicycle parking spaces at no cost to the City. This project continues to receive positive press coverage and notice from other cities.

MAJOR CITY GOALS

COOPERATIVE USE OF SPORTS FIELDS

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

Action Plan

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

Status Summary: 80% Complete

1. Council received information on December 6, 2005 related to replacing existing grass sports fields with artificial turf. As directed by City Council, staff has prepared a capital improvement project request for converting Stockton Field at Sinsheimer Park to artificial turf for consideration during the 2007-09 Financial Plan process.
2. Staff is currently working with the local youth baseball program to convert Stockton Field from a softball to a baseball facility. San Luis Babe Ruth/Cal Ripken has donated its services to enlarge the infield and improve the irrigation system as part of the planned conversion.
3. The online facility reservation system has been installed, staff has been trained on its use and the system was made available for public use in January 2006.
4. No activity is anticipated with regard to the Holt Field project. The local citizen group serving as lead for the project has not pursued the issue.
5. Staff has reviewed and submitted comments on the park elements for the draft Orcutt Area Specific Plan. Tennis courts were a part of the discussion. Staff continues to closely monitor other opportunities for tennis courts, including the Margarita area and has proposed the addition of unlighted tennis courts at French and Islay Parks.

MAJOR CITY GOALS

OPEN SPACE PRESERVATION

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

Action Plan

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

Status Summary: 90% Complete.

In conjunction with a development on Calle Joaquin alongside Highway 101, the City has title to 12 acres of prime farmland. Staff is presently evaluating potential “tenants” for this property. After a successful public fundraising program, the City has completed the purchase (at reduced price) of an agricultural conservation easement on the 390 acre Brughelli Ranch on Buckley Road. This will preserve that property in agriculture in perpetuity. Also, the City is working with the Land Conservancy of San Luis Obispo County to transfer ownership of the 315 acre Union Pacific Railroad properties on West Cuesta Ridge to the City as permanent open space. Finally, City Natural Resources staff is working with several other landowners on the periphery of the City considering residential developments that could involve annexation into the city and conservation of substantial portions of the annexed properties.

The City continues to move forward with the Bob Jones Trail and beautification of the southern entrance to San Luis Obispo using California Conservation Corps and other contractors. Consistent with the approved landscape plan for the area, planting of several large berms, which began last spring, have continued and were expanded this past fall. The City is also planning several major maintenance projects for community flood protection along the lower reaches of San Luis Obispo Creek within the City, using California Conservation Corps and California Men’s Colony crews.

MAJOR CITY GOALS

The Conservation Plan for the South Hills Natural Reserve was approved by Council in July 2006. City staff is working with developer John King to finalize a conservation easement and ultimately fee ownership of 71 acres of the South Hills that will function as an integral part of the Natural Reserve. The Conservation Plan for Johnson Ranch has begun.

A variety of maintenance and enhancement projects in city-owned open space lands is underway. Among the most notable of these are the “M” Trail at Cerro San Luis, and ongoing mitigation work on San Luis Obispo Creek and on Acacia and Orcutt Creeks at the Damon-Garcia Sports Fields.

MAJOR CITY GOALS

ECONOMIC DEVELOPMENT: SALES TAX AND TOT REVENUES

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

Action Plan

Task	Current	Revised
<i>Sales Tax</i>		
1. Continue to identify retail types and specific retailers that will complement and augment existing market conditions. Continue to encourage new retailers to locate in San Luis Obispo on properties zoned for this purpose. Use direct mail and attendance at industry events to support retail recruitment strategy. Have regular meetings with local real estate brokers and property owners.	Ongoing	
2. Continue to contract with HDL for sales tax analysis and services to analyze market conditions.	Ongoing	
3. Continue to conduct demographic research and information gathering about the City, its residents, visitors and the region to provide to individuals, businesses, real estate professionals and others in analyzing San Luis Obispo for their business purposes. Continue to use the UCSB Economic Forecast Project as a data source.	Ongoing	
4. Continue to conduct “economic gardening” in the retail industry through existing customer service oriented practices like the Quick Response Team, the Economic Development Program’s involvement in major development projects, and the Economic Development Program’s high level of customer service to individuals, businesses and real estate professionals. When possible support other local agencies’ training programs and encourage local retailers to utilize these services.	Ongoing	
5. Continue to support the strategies in the Downtown Strategic Business Plan and assist in its update, as more fully discussed in the Downtown Major City Goal. Focus support on efforts that maintain the retail health of Downtown and increase customer sales in a sustainable way.	1/07	5/07
6. Promote shopping as an activity for visitors to San Luis Obispo.	Ongoing	
7. Provide assistance to the Gearhart Autopark Expansion and the Madonna “gap” property development and continue to work with auto dealers in the City. Work closely with remaining Downtown auto dealers to find locations that are more functional. Explore the reuse of Downtown auto dealer locations for other retail purposes. If space becomes available, encourage new brands of automobiles to locate in San Luis Obispo.	Ongoing	
8. Continue to facilitate and coordinate City involvement in significant retail development projects as directed by Council. Work closely on the Chinatown Project, Los Osos Valley Road corridor projects (including the Gearhart Auto Development, Froom Ranch expansion, Madonna “gap” development and the Calle Joaquin hotel projects), Airport Area Specific Plan approval and property annexation and other large-sized projects.	Ongoing	

MAJOR CITY GOALS

Task	Current	Revised
9. Continue the <i>Shop SLO – Keep it Local</i> marketing and public relations campaign to encourage residents to purchase goods in the City. Focus on branding San Luis Obispo as the shopping destination for the region. Work with the Downtown Association, local businesses and local retail centers to coordinate efforts and messages about shopping in San Luis Obispo.	Ongoing	
10. Through the Seismic Coordinator, continue to provide displaced businesses and property owners with support during the retrofit of their buildings. Work closely with property owners who opt to redevelop their properties in addition to seismically strengthening them.	Ongoing	
11. Encourage retail areas to define and develop niche marketing efforts, as in the “West End” of Downtown.	Ongoing	
12. Upon annexation of the Airport Area, revise the targeted industries list for community compatibility and present to Council for consideration.	6/07	
<i>Transient Occupancy Tax</i>		
13. Continue a community promotions program that implements the strategies of the adopted Tourism Marketing Plan, as well as the brand, <i>San Luis Obispo - Experience the SLO Life</i> . If the need arises, update the Tourism Marketing Plan.	Ongoing	
14. Continue the focused advertising and public relations campaign that establishes and identifies the City as a tourist destination with a wide variety of activities to undertake during a stay. Develop and encourage cooperative advertising opportunities with local properties.	Ongoing	
15. Work with property owners and real estate brokers to increase lodging opportunities, consistent with City land use and zoning policies, including the Courtyard Marriot, Hampton Inn and Motel Inn. Continue to monitor opportunities for the reuse of large or downtown properties for unique boutique hotels.	Ongoing	
16. Continue to monitor transportation opportunities for visitors, and when necessary recommend service improvements.	Ongoing	
17. Continue to identify and implement strategies to improve overnight stays during non-peak seasons and mid-week.	Ongoing	
18. To increase conferences, work with local lodging properties to support existing large-sized conference facilities and services at the Madonna Inn and Embassy Suites Hotel.	Ongoing	
19. As new facilities are completed and available for use (Damon Garcia Sports Fields, the Children’s Museum and the Railroad History Museum), promote the facilities as local amenities to visitors.	Ongoing	
20. Continue to partner with the local arts community and the San Luis Obispo Vintners & Growers Association to promote the City’s public art and arts events and the Edna Valley wine region to visitors.	Ongoing	

MAJOR CITY GOALS

Task	Current	Revised
21. Support efforts to make San Luis Obispo more accessible to visitors by improving signage in Downtown.	Ongoing	
22. Continue to market the outdoor amenities of the City's open space to visitors.	Ongoing	

Status Summary: 74% Complete

Sales Tax. Interest in San Luis Obispo as a retail outlet for new businesses continues to be strong and staff is working with potential new retailers. The Los Osos Valley Road area continues to be a strong generator of sales tax revenue. The Gearhart Autopark Expansion public improvements are complete and the property has been sold to an out of town auto dealer. Many discussions have occurred with dealers vying for the Lexus Dealership slated for our City. Froom Ranch construction of 140,000 square feet of new retail space is in full swing and the first tenant, Circuit City opened its doors in November 2006. PetSmart and Office Max are slated for openings in the spring of 2007. An application for annexation and development of the "Gap" property on LOVR has been received by the City

Residents continue to be encouraged to *Shop SLO – Keep it Local*, particularly during the holiday seasons. The program logo was used in several print advertisements over the 2006 holiday season and can be found in many windows downtown. The Court Street development is fully tenanted with all stores showing good sales. Adjacent to Court Street, a new store has opened in the newly constructed building at 969 Monterey. Called the "French Connection", this store compliments the Court Street ambiance targeting a youthful female clientele. The Downtown Center continues to be a hub for lunching and leisure. The space vacated by Structure, at the corner of Higuera and Morro, will be renovated and reopened as an "Apple" Store.

New data from the 2007 UCSB Economic Forecast for San Luis Obispo County is incorporated into City materials for use by existing and potential businesses. Supportive work on the Downtown Association's Strategic Plan has progressed and they anticipate completion and presentation to Council in early 2007. Active work on seismic strengthening projects continues to occur in the downtown with some businesses relocating during the retrofit and others choosing to close for the duration. Seismic upgrades to the Catholic Mission Youth Center and the location of Marti's has been completed, and work on 1124 Nipomo nears completion. Recently, work has started on 717 Higuera, Fandango's Restaurant which will complete the string of four buildings clustered near the corner of Higuera and Broad. Work on the Warden Building continues at a measured pace

Transient Occupancy Tax (TOT). TOT revenues through October 2006 continued to show growth with year-to-date results stronger than estimated in the 2005-07 Financial Plan. However, in November, TOT revenues showed some slowing being down by 1% over the prior year during this period. Nonetheless, the City is still performing better than the projected 4% increase over 2005-06. Staff continues to work with the Community Promotions contractors on current and new marketing efforts including the promotion of the Tour of California which will again bring a significant number of visitors to the City during the off-season month of February 2007. Construction has progressed nicely on the Courtyard by Marriott on Calle Joaquin and the hotel could be open for business by spring 2007.

As directed by Council, the Promotional Coordinating Committee (PCC) has reviewed the concept of the formation of tourism oriented property improvement district by the San Luis Obispo County, administered by the County Visitors and Conference Bureau, and has come forth with a positive recommendation. The PCC's recommendation was considered by Council in January 2007 and continued for further fact finding by staff.

MAJOR CITY GOALS

DOWNTOWN

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

Action Plan

Task	Current	Revised
1. Finalize the selection of a pedestrian light style, develop a plan for the placement of pedestrian lights and present both to Council for approval.	Complete	
2. Upon completion and approval of a lighting plan, seek out opportunities to install electrical conduit for pedestrian lights as part of other private and public projects in the downtown. In cases where conduit and/or electrical wiring are available, work with the Downtown Association to find donors to purchase and install light standards.	Ongoing	
3. Continue to provide staff support to the “Trout About Downtown” art project, both as an attraction for tourists and as a fundraiser for the Prado Day Center.	Complete	
4. Complete downtown street resurfacing projects on Monterey Street between Santa Rosa and Chorro Streets.	Complete	
5. Complete downtown street resurfacing projects on Higuera Street from Morro to Broad Streets.	6/07	
6. Work with Economic Development Manager to assist the Downtown Association with revisions to and implementation of their Downtown Strategic Business Plan, including the consideration of alternative methods of governance and funding.	1/07	5/07
7. Complete conceptual designs for the Palm/Nipomo parking structure.	Complete	
8. Through the City’s Seismic Coordinator, continue to support efforts to strengthen downtown buildings.	Ongoing	
9. Continue the efforts of the Transient Task Force to minimize the negative impacts of homeless individuals in the downtown.	Ongoing	
10. Re-institute and support the graffiti hotline to ensure that the downtown remains free from unsightly graffiti.	Ongoing	
11. Provide staff support for the completion of important downtown construction projects: Chinatown, Garden Street Terraces	Ongoing	
12. Continue to provide support for the Art Center and Children’s Museum as they move forward with their new buildings, and to the San Luis Obispo Little Theatre in any actions they take to remodel their current space.	Ongoing	

MAJOR CITY GOALS

Task	Current	Revised
13. Continue to provide support to the downtown and the Downtown Association as outlined in the document entitled <i>Services the City of SLO Provides to the Downtown Association and Downtown Area</i> .	Ongoing	
14. Complete a Downtown Urban Forest Management Plan.	1/07	3/07
15. Implement Phase 1 recommendations of the Downtown Urban Forest Management Plan.	10/06	
16. Improve downtown parking by installing “way finding” signs to parking structures.	9/07	
17. Complete a feasibility study for the installation of pay-on-foot equipment at the City’s parking structures.	6/07	

Status Summary: 70% Complete

1. The update of the Downtown Strategic Business Plan continues. A draft Strategic Plan is expected to be completed in 2007. After review and revision by the Downtown Association, it will be presented to the City Council, mid-2007.
2. Monterey Street repaving was completed in early May. Staff has delayed the second Downtown Paving Project to the same construction season in 2007.
3. Staff has requested and received funding approval from the Council to include conduit for pedestrian street lighting in the Higuera Street Reconstruction project planned for spring 2007.
4. As a result of the direction from the Council Study Session on building height and intensity in the Downtown, staff continues to work toward suggestions for changes to the height limitations and floor area ratio in the Downtown.
5. Staff’s focus on the Parking Task Force along with internal changes in the architectural consultant firm hired to create the conceptual drawings for the Palm/Nipomo parking structure have resulted in delayed completed drawings. Staff expects to bring conceptual drawings to Council in March 2007.
6. The new City ordinance to discourage aggressive panhandling is being enforced with great success and public support. The Downtown Association implemented a private security guard service pilot program as additional support to SLOPD’s efforts. The service has been so well received and effective that the Downtown Association is seeking funding to offer the service year-round. The Transient Task Force continues to meet monthly and has developed an informational poster for downtown merchants that encourage people to donate to SLO shelters instead of giving directly to the homeless.
7. The Children’s Museum shell construction is complete and the fundraising for \$3.5 million to complete the interior is in full swing. Opening for use is expected in 2007.
8. The Council reviewed and provided feedback to the Art Center on its proposed design for a substantial remodel/reconstruction of its facility at the May 16, 2006 study session on this topic.
9. Staff has begun work with the Little Theatre to assess the available space in the “Old Library” upon the completion of the remodel of City Hall. There will likely be an opportunity for a longer term lease, which could result in the Little Theatre’s assumption of a significant portion of the maintenance of the building (and thereby allowing them the opportunity to fundraise for a more permanent facility).

MAJOR CITY GOALS

10. The Parking Structure pay on foot machine feasibility study is postponed for at least a year. The pay on foot machine at 919 Palm has been fully operational for two months and will serve as our test case. However, in order to have an adequate amount of data to assess whether to update the access control systems in the Marsh and Palm structures, we need at least a year's worth of data. Once we have this data, a comprehensive study can be undertaken to determine applicability to our other two parking structures.

MAJOR CITY GOALS

LONG-TERM FISCAL HEALTH

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

Action Plan

Task	Current	Revised
1. Organizational Productivity. Continue organizational vitality program in improving productivity and customer service.	Ongoing	
2. Legislative Advocacy. Continue working closely with our employee associations, the League of California Cities, other local governments, professional associations and other groups to prevent further adverse fiscal impacts on the City by State, Federal or County agencies.	Ongoing	
3. Review and Monitor the City’s Fiscal Condition. Continue to effectively review and monitor the City’s fiscal condition on an ongoing and timely basis, including on-line access to financial data, quarterly newsletters, focused reporting on key revenues, mid-year budget reviews and preparation of annual financial reports in accordance with generally accepted accounting principles and nationally recognized excellence in financial reporting guidelines.	Ongoing	
4. Update the 2000 Cost of Services Study. Consistent with the City’s user fee policy of preparing a comprehensive cost of services study at least every five years:		
a. Develop work scope and issue request for proposals.	Complete	
b. Select consultant and award contract	Complete	
c. Execute contract and begin field work.	Complete	
d. Complete field work and prepare draft report.	9/06	1/07
e. Finalize report and prepare recommendations	11/06	3/07
f. Present findings to Council.	2/07	4/07
g. Implement cost recovery policies.	4/07	6/07
5. Consider Preparing for a Revenue Ballot Measure in 2006. Complete analysis of the feasibility of a revenue ballot measure and present the results to the Council for a “go/no-go” decision in taking the next step in preparing for a revenue measure in 2006. If the Council decides to go forward, follow-up action steps will be determined at that time.	Complete	

Status Summary: 85% Complete

1. **Productivity.** We continue with our ongoing efforts to improve productivity. Most recently, we conducted a project management training program (“Herding Cats: Getting Things Done in a Complex Environment”) for 60 key staff from throughout the organization on this critical skill for organizational success.

MAJOR CITY GOALS

2. **Legislative Advocacy.** We also continue to keep close tabs on State legislative actions that affect us and our fiscal situation.
3. **Review and Monitor Fiscal Condition.** We continue to issue timely interim and annual reports.
4. **Update the Cost of Services Study.** The Council approved the request for proposals for the cost of services study on October 18, 2005, the CAO awarded the contract to Maximus in December 2005 and field work began in March 2006. We plan to present the findings and recommendations to the Council in April 2007.
5. **Consider Preparing for a Revenue Ballot Measure in 2006.** The Council approved going forward with a comprehensive public education and public outreach program in preparation for a possible revenue ballot measure on July 19, 2005. To-date, we have:
 - Briefed all Council advisory bodies on the status of this public education program.
 - Briefed all our employees on the status of this public education program.
 - Briefed union representatives.
 - Made presentations to 45 community groups and received over 300 “feedback” forms.
 - Sent out four community mailers and received over one thousand responses to them.
 - Completed “benchmark analysis.”
 - Completed multiple media briefings.
 - Held a series of meetings with an ad hoc group of community leaders to gather input.
 - Completed government channel information program.
 - Responded to San Luis Obispo Property Owners Association study.
 - Conducted follow-up public opinion research.

On July 18, 2006, the Council unanimously approved placing a general purpose, ½-cent sales tax measure on the November 2006 ballot, which would require majority voter approval to pass.

On November 7, 2006, Measure Y passed with 65% voter approval. The ½-cent sales tax will become effective on April 1, 2007.

OTHER COUNCIL OBJECTIVES

The following provides brief status reports on "Other Council Objectives" for 2005-07 as of February 1, 2007.

Laguna Lake Park

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

Status Summary: 10% Complete. Designs for playground equipment replacement are being developed and the Laguna Lake Dredging environmental review is underway. The first draft has been received and is under review by Community Development. This item will return to Council in early 2007.

Neighborhood Street Tree Planting

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

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

Community Partnerships:

Adobe Preservation and Railroad Museum

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

Status Summary: 40% Complete. Staff held a community meeting in October 2005 to seek ideas on how to move forward with adobe restoration in light of extremely limited federal, state, local and foundation funding. Funding through the 2006 Community Development Block Grant program has been approved to support restoration efforts to the Butron and La Loma Adobes. A minor stabilization project for the Butron Adobe was completed in December 2005 to provide a temporary roof, and new gutters and the landscaping for the Rodriguez Adobe were completed.

Staff was unsuccessful in securing a \$1,000,000 State Grant for the Railroad Museum, but will continue to seek out appropriate grant opportunities.

The Railroad Museum Public Art contract was awarded; the art piece was installed in October 2006 and is currently awaiting dedication.

Design work for the Railroad Museum is complete, if also delayed due to a complicated environmental review process. Bid for construction is scheduled to go out by November 11, 2006.

Housing

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

Status Summary: 50% Complete. The First-Time Homebuyers program for 12 affordable housing units in the Tumbling Waters project was approved by Council in November 2005 and is slated for implementation in 2007. This affordable housing program used a combination of State, local and private financing. Rough grading permits have been issued and site work is proceeding. The project's Public Improvement Plans are in plan check and staff expects that within the next month, building permits will be submitted.

An affordable housing agreement has been approved for the first phase of the Margarita Area Specific Plan residential subdivisions. The program was in the form of land dedication (and construction of off-site improvements) to the Housing Authority and will accommodate approximately 50 affordable homes. As of January 2007, a revision to the King Ventures component is being reviewed for a higher density project.

Staff continues working on implementation of the downtown housing programs. The Bermant development project at the corner of Marsh and Higuera Streets was approved in September 2006. The project contains 31 "affordable by design" units and two very-low income units through the density bonus provisions of Senate Bill 1818.

The Centex mixed use development located at 3592 Broad Street includes three affordable units restricted to moderate income families. The units will be sold through a lottery process coordinated through the Housing Authority. One unit is available for immediate occupancy and the other two will be finished by the end of the 2007 calendar year.

OTHER COUNCIL OBJECTIVES

The City has awarded the following projects Affordable Housing Funds in the last year:

1. \$600,000 to the Housing Authority for purchase of Humbert Street property for a Cooperative Housing project.
2. \$400,000 for the Tumbling Waters Affordable Housing Program (in addition to State Proposition 46 BEGIN Program funds)
3. \$500,000 to the Peoples' Self Help Housing project on South Higuera containing 28 units for low and very-low income families.

In 2006, the City obtained \$44,000 in State Proposition 46 funds (Workforce Housing Reward Program) as a reward for approving the Housing Authority's Del Rio Terrace project.

In 2006, the City Council approved the conversion of the Parkwood Village apartments into condominiums, including the dedication of 34 units to the Housing Authority.

Neighborhood Services

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

Status Summary: 80% Complete. Under the Neighborhood Service Manager, the Neighborhood Services Team has been re-activated to work collaboratively with neighborhood groups. The Neighborhood Services Team has studied city graffiti issues and the Neighborhood Services Manager has recently submitted a report to the CAO. The Neighborhood Services Team is currently reviewing the waste ordinance language to possibly make recommendations for an update as requested by Resident for Quality Neighborhoods and other neighborhood groups.

The Neighborhood Services Manager has been appointed through the Student Community Liaison Committee to coordinate a city wide "Good Neighbor" event in early Fall 2007. Discussions are currently under way between city staff and Cal Poly administration regarding the initiative.

A pilot city-wide Disaster Preparedness program has been initiated by the Neighborhood Services Manager and Fire Department personnel, with two

presentations currently scheduled for February and March 2007. The purpose of the program is to educate City residents about what to expect from City public safety personnel in the event of a significant disaster, how to be prepared for the first 72 hours following a disaster

The SLO Solutions community mediation program has been renewed for a third year, with the goal of increasing use by students and permanent residents. The feedback from the first year of the program has been very positive. The SLO Solutions community mediation program will be featured at the Innovations Group 2007 "Transforming Local Government" Conference in Bellingham WA June, 2007.

Broad Street Corridor Plan

Objective. Promote South Broad Street corridor planning and improvements.

Status Summary: 30% Complete. On October 17, 2006, the Council approved a contract with Rick Engineering for consultant services to help prepare an n enhancement plan for the South Broad Street Corridor. The planning process began with a kick-off community meeting in November 2006 to solicit public ideas and comments.

A preliminary plan showing circulation strategies has been prepared and a final draft plan is to be completed by June 2007. Previously, the City was awarded a "Community-Based Transportation Planning Grant" for the South Broad Street Corridor. This financial grant, totaling \$110,000 (plus \$22,000 in matching city funds) will be used as much as possible to prepare a plan to improve the area's traffic safety and appearance, encourage mixed land uses, increase affordable housing and enhance the area's appearance as a major city gateway. The grant has a deadline of February 28, 2007, by which to spend funds associated with the project so the City will likely have to fund additional work to finish the draft plan.

The City has formed a working group of staff from each city department to help guide the planning process, and a community "focus group" composed of residents, property and business owners and other stakeholders to provide on-going input during the planning process.

OTHER COUNCIL OBJECTIVES

City Gateway Enhancements

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

Status Summary: 20% Complete. A gateway concept plan has been developed for the Highway 101 Northbound freeway entrance into the City. The program has been phased to allow volunteer support, and staff continues to work with interested citizens to assist with implementation of the plan. Much of

the landscaping designated for the area will be accomplished along with the Bob Jones Bicycle Trail improvements. In May 2006, over 400 plants were planted on the “berms,” and additional plantings are anticipated this winter and spring.

The public art project for the Highway 1 entryway into the City has been delayed until research has been completed on the availability of additional federal funding for entryways, which could be used in conjunction with the public art funds to fully complete the entryway.

CARRYOVER GOALS AND OBJECTIVES

The following summarizes the status of “carryover” Major City Goals and Other Council Objectives from the 2003-05 Financial Plan as of February 1, 2007. In several cases, “carryover tasks” have been incorporated into the Major City Goals (or “other Council objectives”) for 2005-07, and as such, they are not repeated in this section.

MAJOR CITY GOALS

Long-Term Water Supply

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

There were four remaining tasks from this goal:

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

Status Summary: 100% Complete. The majority of effort toward completion of this goal has shifted toward the City’s participation in the design of the Nacimiento Pipeline Project. That project is currently on schedule. Plans and Specifications are at the 90% design status and the project is expected to advertise for bids in spring of 2007.

Development of the Water Reuse project is complete and design of the first phase of user site improvements for the use of recycled water have been completed. Construction of the Water Reuse system backbone pipeline is complete. The improvements to the Water Reclamation Facility are complete. Recycled water delivery to the first use site (Los Osos Valley Road medians) was initiated in September and October of 2006. Damon Garcia Sports Fields began using recycled water for irrigation in January 2007. The groundwater development program has been deferred indefinitely.

The water conservation program evaluation was presented to Council with the 2005 Water Resources Status report and was updated with the 2006 Water Resources Status report.

Therapy Pool

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

Status Summary: 50% Complete. The design for the project is complete. Council has approved a contract for construction to begin in February 2007.

OTHER COUNCIL OBJECTIVES

Waterways Management Plan Implementation Program

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

Status Summary: 85% Complete. The Council has adopted the Plan. The design element has been implemented; the storm water quality program has been implemented; the stream maintenance guidelines were adopted as part of the Waterway Management Plan. Use of the plan for implementing routine maintenance projects is still on hold pending the approval of the Federal Environmental Document. Implementation of major creek and flood protection projects depend on significant funding that is simply not available and therefore it is not anticipated that any of this program will be implemented.

The Army Corps of Engineers is currently working on the NEPA clearance for the Plan. The Zone 9 advisory committee requested City staff to complete some detailed analysis of costs for the Mid-Higuera Bypass channel and provided some modest funding.

CARRYOVER GOALS AND OBJECTIVES

Short-Range Transit Plan

Objective. Implement the Short-Range Transit Plan.

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

Airport Area Annexation

Objective. Annex the Airport Area.

Status Summary: 75% Complete. The Margarita and Airport Area Specific Plans have both been adopted and the EIR for both specific plans and the annexation was certified by the Council in October 2004. The annexation process for both areas is underway and owners have been contacted several times to assess level of interest and to provide information regarding the annexation process. An analysis of owner support and property valuation has been completed in order to evaluate the proposed boundaries of the annexation. A study session before the Council is scheduled for February 20, with follow-up hearings before the Planning Commission on March 14 and the Council on April 3. A

submittal to LAFCO is anticipated directly after the City Council hearing in April 2007.

Outstanding tasks include City Council approval of the proposed annexation boundary; application to LAFCO; Hearings at city and LAFCO; and follow-up mapping for area that is ultimately annexed.

Auto Center Expansion

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

Status Summary: 100% Complete. Infrastructure construction is complete on the Gearhart Auto Expansion. The specific proposals for the development of individual lots will still require Architectural Review once specific dealers are identified and plans submitted for construction.

The Madonna family has filed development and annexation plans for the “Gap” property.



STATUS OF MAJOR CIP PROJECTS

As of February 1, 2007

