

# 2008-09 Mid-Year Budget Review

For the 2007-09 Financial Plan

*Remaining Focused on Measure Y Priorities*



Public Safety



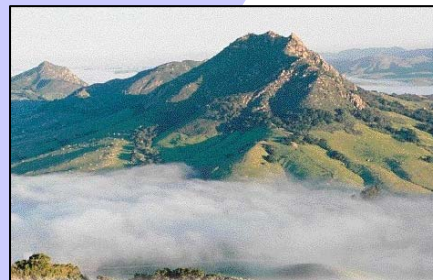
Senior Services



Code Enforcement



Neighborhood Street Paving



Open Space Preservation

Traffic Congestion Relief



Flood Protection

city of san luis obispo

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# **2007-09 Financial Plan**

## **MID-YEAR BUDGET REVIEW: 2008-09**

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# **city of san luis obispo**

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# Section A

## TRANSMITTAL MEMORANDUM


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# TRANSMITTAL MEMORANDUM

February 24, 2009

TO: City Council

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

SUBJECT: MID-YEAR BUDGET REVIEW FOR 2008-09

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## 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

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 16, 2008 as part of the 2009-11 Financial Plan process. As discussed below, the only notable exception are revenue estimates for development review fees: the Forecast projected these to be about \$550,000 less than 2008-09 budget estimates. We have now revised the reduction to \$812,100. However, this reduction is offset by increases in other areas. The projected ending General Fund balance for 2008-09 is on target with the Forecast, with reserves maintained at 20% of operating expenditures.

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, 2005 that summarizes “where we’re up” and “where we’re down” from our initial estimates in the 2008-09 Budget.

***Continued Tough Times Ahead.*** Just two years ago, we characterized the City’s fiscal outlook as the best in many years. This was largely due to the passage of Measure Y in November 2006, which established a general-purpose, ½-cent City sales tax, combined with an improved local economy, the absence of the threat of more State budget takeaways and stable labor costs.

Unfortunately, this is not the case today. Stated simply, the City is facing another very tough budget season. While Measure Y revenues continue to be a bright spot – in fact, without them we would be facing a dire fiscal situation instead of “just” a very tough one – all of the other bright spots have darkened from two years ago. Key challenges include:

- **Adverse Economy.** The national and State economies are experiencing their greatest downturns since the Great Depression. While we are better positioned than many communities to

## TRANSMITTAL MEMORANDUM

deal with this, we are not immune to these powerful economic forces. We have seen – and will continue to see – adverse trends in our top three General Fund revenues of sales, property and transient occupancy taxes.

- **Adverse State Fiscal Outlook.** Our City was spared large budget reductions in the State budget process earlier this year. However, the State is now facing an added \$42 billion deficit on top of the cuts it has already made for the current fiscal year. While it is possible that we may again escape any deep State budget cuts, this major threat will continue to hang over us for the foreseeable future.

**Short-Term Budget Actions So Far.** In June 2008, in light of changing fiscal circumstances, we began implementing the actions set forth in the City’s Fiscal Health Contingency Plan. Along with other short-term actions, this included a hiring “chill.” Since that time, the City Manager has turned the “chill” into a hard “freeze”.

**September Budget “Rebalancing” Actions.** On September 30, 2008, the Council completed the short-term action steps set forth in the Fiscal Health Contingency Plan when it took formal action to “re-balance” the budget by closing a gap of \$4.8 million in the current year. The most significant of these actions was to “freeze” implementation of a new neighborhood patrol program and delete \$2.4 million in capital improvement plan (CIP) projects, including \$925,000 for street paving. Largely because of these short-term actions, project beginning 2009-11 with a balanced budget.

**Longer-Term Budget-Balancing Strategies.** These will be developed as part of the upcoming 2009-11 Financial Plan, which we know will be very challenging – and would be much worse without Measure Y revenues. Stated simply, without deep service cuts in other areas, we will not be able to sustain the service and infrastructure improvements that were initiated in the 2007-09 Financial Plan, let alone consider further service improvements. It also means that we need to retain strong reserves in responding to the many uncertainties ahead of us.

### 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 June 11, 2009 addressing rate and revenue issues in the water, sewer, parking, transit and golf funds.

### Limited Mid-Year Budget Requests

Given our current fiscal outlook for 2008-09 and beyond, we have only proposed mid-year budget requests that are essential to meet costs that were not anticipated when preparing the 2008-09 Budget. These requests, which are discussed in greater detail below, need to be approved now in order to meet timing requirements or adequately fund current programs through the end of the fiscal year.

### FINANCIAL CONDITION SUMMARY

#### Beginning General Fund Balance

The beginning General Fund balance (net of encumbrances and carryovers) is \$1.4 million less than projected in the 2008-09 Financial Plan Supplement. This is primarily due to carryovers and encumbrances totaling \$1,705,700.

#### 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 2007-08 along with a comparison of the revised 2008-09 revenue projections with original budget estimates. The following summarizes the most significant General Fund revenue revisions:

**Sales Tax.** Consistent with the Forecast, sales tax revenues are projected to be down from 2007-08. This is \$928,000 (6.8%) less than the original 2008-09 budget for general sales tax and \$150,000 (2.5%) less for Measure Y sales tax.

**Property Tax.** Consistent with the Forecast, we have decreased this projection from the Supplement by 5% (\$481,600), based on property tax revenue estimates provided by the County, combined with likely decreases from supplemental assessments.

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**Transient Occupancy Tax.** The original budget estimated that TOT would grow by 2%. This was revised to 1% growth with the Forecast. Based on year-to-date results, we are revising this to a decline of 1%. This results in revised estimate of \$4,975,000, which is \$130,200 less than the Forecast.

**Utility Users Tax.** Based on stronger than anticipated year-to-date results, we have increased this by \$61,700 from the original estimate, an increase of \$61,200 from the Forecast.

**Franchise Fees.** Based on prior year collections, we have increased this estimate by \$36,100. This revision is consistent with the Forecast.

**Property tax in-lieu of Vehicle License Fees.** Based on collections to-date, this has been revised downward from the Supplement by \$62,100. This is higher than the Forecast by \$120,500.

**Public Safety Service Charges.** Police administrative citation revenues are \$90,000 greater than projected based on current collections; however, alarm permit fees are \$50,000 less. Fire service charges are also up by about \$50,000. This results in a net increase for public safety service charges that are \$95,900 higher than both the original budget and the Forecast.

**Development Review Fees.** The Forecast anticipated reducing the 2008-09 projection for development review fees by about \$550,000. Since that time, we have taken a close look at year-to-date actuals and projected collections for the remainder of the year, and we have further modified the reduction from the Supplement to grow to \$812,100, for a change of \$281,700 less than the Forecast.

**Fines and Forfeitures.** This has been increased by \$16,100 from the Supplement and Forecast based on actual results in 2007-08 and year-to-date results.

**Interest Earnings.** The Forecast assumed that interest earnings would decline by \$125,000. Based on results to-date, the decline has been increased by \$100,000 from the forecast. However, it still reflects a reduction of \$25,000 from the original budget.

**Mutual Aid Revenues.** Revenues from mutual aid responses are \$2 million year to date, with

corresponding increases in direct costs of \$966,800. This results in a “net” increase of \$1,039,800, slightly higher than the net increase in the Forecast of \$998,200.

### Operating Programs

Section B includes an overview of changes to the operating program budgets. Organized by function, these schedules include the original budget, re-appropriations for encumbrances and carryovers, and budget changes to-date since approval of the 2008-09 Financial Plan Supplement in June 2008. There is only one operating program request for Council consideration: \$120,000 for increasing electric utility costs in the Water fund.

### Capital Improvement Plan

This part of Section B reflects the original CIP budgets for 2008-09 by fund, re-appropriations for encumbrances and carryovers, and budget changes to-date since approval of the 2008-09 Financial Plan Supplement in June 2008. As discussed in more detail later, only one CIP project is recommended for Council consideration that will require a new appropriation of funds at this time: \$50,000 for slurry seal at the water treatment plant; supplemental funding for the flood protection of the Andrews creek bypass will be funded through the CIP Reserve.

### Interfund Transactions

This portion of Section B reflects actual interfund transfers for 2008-09 along with the original budget and revisions for 2008-09. The revised operating transfers are generally driven by Council approved changes since the adoption of the 2008-09 budget. The reimbursement transfers are based on the 2007-09 Cost Allocation Plan adopted by Council on February 12, 2008.

# TRANSMITTAL MEMORANDUM

## Projected Fund Balances/Working Capital

Based on the revised revenue projections and expenditures summaries, this part of Section B includes a summary of projected changes in financial position for each of the City's operating funds. As with the revenue projections, the changes in financial position schedules include the actual fund balances/working capital for 2008-09 and the original budget and revised projections for 2008-09.

## MID-YEAR BUDGET REQUESTS

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

### Operating Programs

***Electric Utility Increase for Water Source of Supply.*** Increasing electrical utilities for the Whale Rock pump stations, allowing for increased use of Whale Rock Reservoir water supplies to ensure adequate raw water availability, will cost an additional \$120,000 in 2008-09. This funding request will be offset by similar savings in electrical use for reduced operations of the booster pump station at Salinas Reservoir, which will be reflected in reduced costs in County billings in 2009-11.

### Capital Improvement Plan

***Flood Protection: Andrews Creek Bypass.*** Design and permitting services for modifying the Andrews Creek Bypass will cost \$75,000 in 2008-09. It is recommended that this funding come from the CIP Reserve. With this approach, no net additional appropriation is required.

***Slurry Seal Water Treatment and Water Reclamation Facilities.*** Slurry sealing the asphalt roads and surfaces at the Water Treatment Plant and the Water Reclamation Facility, to help protect against damage and prolong their service life, will require \$50,000 in additional funding from the Water Fund.

## PROSPECTS FOR THE FUTURE

Council has already begun the arduous task of balancing the budget for 2009-11 and beyond. Unless the economy performs significantly better than projected, the Forecast shows that we are facing a budget gap of \$10.4 million annually in 2009-11.

While the budget-balancing difficulties facing us are significant, we go into the 2009-11 budget process with a much better foundation than most cities in California:

- We have a balanced budget (but it wasn't easy).
- We have good information.
- We have strong financial systems and procedures in place.
- We have an excellent organization and capable staff.
- We have excellent Council leadership.
- 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 challenges ahead of us.

## 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 2009. 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." On the other hand, some of the goals and objectives require modifications to task schedules.

There are no significant changes in the action plan status from the last time Council reviewed the goals.

## CONCLUSION

The mid-year budget review document for 2008-09 has been prepared in order to present the Council with a formal review of the City's financial condition six months into the fiscal year, and to provide an

## TRANSMITTAL MEMORANDUM

update on the status of major City goals, CIP projects and other objectives.

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 24, 2009 meeting. If you have any questions in the interim, or require additional information, please do not hesitate to contact us.

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## GENERAL FUND FINANCIAL CONDITION SUMMARY

*"Ups and downs" comparison of mid-year budget projections  
with those initially presented in the 2007-09 Financial Plan Supplement*

### WHERE WE'RE UP

<b>Revenues and Other Sources</b>	Police services charges	41,300
	Fire service charges	54,600
	Parks and recreation charges	127,500
	Franchise fees	36,100
	Utility users' tax	61,700
	Other State and Federal grants	7,800
	<b>Non-Recurring</b>	Mutual Aid Revenues, net of direct costs of \$966,800
	Insurance refunds	593,000
	Other revenues	87,700
	Expenditure savings estimate	232,900
<b>Expenditures and Other Uses</b>	Operating reductions to rebalance budget	974,400
	Capital reductions to rebalance budget	2,951,700

### WHERE WE'RE DOWN

<b>Revenues and Other Sources</b>	Sales & use tax	(1,098,000)
	Property tax	(481,600)
	Transient occupancy tax (TOT)	(248,400)
	Property tax in-lieu of VLF	(62,100)
	Business tax	(70,600)
	Real property transfer tax	(92,200)
	Investment earnings	(25,000)
	Development review fees	(812,100)
	Motor vehicle in-lieu	(31,500)
	Zone 9 reimbursements	(105,700)
	Gas tax/Proposition 42	(73,500)
	Beginning Fund Balance (Net of Carryovers)	(1,389,300)
<b>Expenditures and Other Uses</b>	Binding arbitration, net of available funds	(1,752,900)
	Other Council Approved Budget Changes-To-Date	(235,400)
	<b>NET CHANGE</b>	<b>(\$269,800)</b>

**Ending Fund Balance**

**\$10,300,900**

*Percent of Operating Expenditures at June 30, 2009*

**20%**

### Comparison with the December 2008 Forecast

The results summarized above are generally consistent with the December 2008 Forecast, with a few exceptions: Measure Y sales tax is \$188,200 better than the Forecast; TOT is \$130,200 less than the Forecast. Investment earnings are \$100,000 higher. Development review fees have been revised downward by \$812,100. Property tax in-lieu of VLF increased by \$120,500; Public safety service charges also increased by \$95,900. Net mutual aid revenues are \$41,600 higher.

## **Section B**

# FINANCIAL CONDITION SUMMARIES

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# REVENUES BY MAJOR CATEGORY AND SOURCE

## SUMMARY BY FUND

	2007-08	2008-09		
	Actual	Original Budget	Revised Projection	Variance
<b>GOVERNMENTAL FUNDS</b>				
General Fund	54,152,000	53,633,600	53,622,700	(10,900)
Special Revenue Funds	2,873,200	2,209,400	2,793,600	584,200
Capital Project Funds	3,915,400	3,629,700	15,571,200	11,941,500
<b>Total Governmental Funds</b>	<b>60,940,600</b>	<b>59,472,700</b>	<b>71,987,500</b>	<b>12,514,800</b>
<b>ENTERPRISE FUNDS</b>				
Water Fund	13,427,900	13,651,300	13,662,200	10,900
Sewer Fund	10,477,700	12,272,300	12,272,300	
Parking Fund	4,027,500	3,855,100	3,855,100	
Transit Fund	4,329,300	3,671,900	5,538,500	1,866,600
Golf Fund	363,200	433,800	433,800	
Whale Rock Reservoir Fund	935,000	903,400	903,400	
<b>Total Enterprise Funds</b>	<b>33,560,600</b>	<b>34,787,800</b>	<b>36,665,300</b>	<b>1,877,500</b>
<b>TOTAL</b>	<b>\$94,501,200</b>	<b>\$94,260,500</b>	<b>\$108,652,800</b>	<b>\$14,392,300</b>

# REVENUES BY MAJOR CATEGORY AND SOURCE

## GENERAL FUND

	2007-08	2008-09		Variance
	Actual	Original Budget	Revised Projection	
<b>Tax Revenues</b>				
Sales & use tax				
General	13,581,700	13,525,000	12,597,000	(928,000)
Measure Y	5,996,600	5,900,000	5,750,000	(150,000)
Public safety (Proposition 172)	288,400	341,700	321,700	(20,000)
Property tax	8,374,200	9,274,500	8,792,900	(481,600)
Transient occupancy tax	5,054,700	5,223,400	4,975,000	(248,400)
Utility users tax	4,177,700	4,313,300	4,375,000	61,700
Property tax in-lieu of VLF	3,280,100	3,470,900	3,408,800	(62,100)
Franchise fees	2,361,700	2,402,500	2,438,600	36,100
Business tax	1,866,400	1,939,600	1,869,000	(70,600)
Real property transfer tax	213,000	275,000	182,800	(92,200)
<b>Total Tax Revenues</b>	<b>45,194,500</b>	<b>46,665,900</b>	<b>44,710,800</b>	<b>(1,955,100)</b>
<b>Fines &amp; Forfeitures</b>				
Vehicle code fines	169,900	153,900	170,000	16,100
Other fines & forfeitures	58,300	78,600	78,600	
<b>Total Fines &amp; Forfeitures</b>	<b>228,200</b>	<b>232,500</b>	<b>248,600</b>	<b>16,100</b>
<b>Investment and Property Revenues</b>				
Investment earnings	1,047,200	800,000	775,000	(25,000)
Rents & concessions	69,500	65,700	65,700	
<b>Total Investment &amp; Property</b>	<b>1,116,700</b>	<b>865,700</b>	<b>840,700</b>	<b>(25,000)</b>
<b>Subventions &amp; Grants</b>				
Motor vehicle in-lieu	190,300	208,000	176,500	(31,500)
Homeowners & other in-lieu taxes	75,100	88,400	88,400	
Other in-lieu taxes	15,400	16,900	16,900	
SB 90 reimbursements	55,400	5,200		(5,200)
Police training (POST)	64,700	70,000	60,000	(10,000)
Mutual aid reimbursements	1,171,600		2,006,600	2,006,600
COPS grant AB3229	100,000	100,000	100,000	
State Office of Traffic Safety (OTS)		89,400	89,400	
Maintenance of state highways	15,800	15,800		(15,800)
Zone 9 reimbursements	110,800	185,700	80,000	(105,700)
Other state & federal grants	202,200	22,100	60,900	38,800
<b>Total Subventions &amp; Grants</b>	<b>2,001,300</b>	<b>801,500</b>	<b>2,678,700</b>	<b>1,877,200</b>
<b>Service Charges</b>				
Police Services				
Accident reports	3,400	4,000	4,000	
Colision investigation	20,900	15,000	15,000	
Alarm permits	107,000	150,000	100,000	(50,000)
DUI cost recovery	26,200	19,500	18,000	(1,500)
Third false alarm fees				
Tow release fee	47,200	50,000	50,000	
Booking fee recovery	30,600			
Tobacco permit fees	12,800	13,000	13,000	
Administrative citations	157,900	60,000	150,000	90,000
Other police services	81,500	19,400	22,200	2,800
<b>Total Police Services</b>	<b>487,500</b>	<b>330,900</b>	<b>372,200</b>	<b>41,300</b>

# REVENUES BY MAJOR CATEGORY AND SOURCE

## GENERAL FUND

	2007-08	2008-09		Variance
	Actual	Original Budget	Revised Projection	
<b>Fire Services</b>				
Cal Poly fire services	218,100	227,400	227,400	
Medical emergency recovery	154,800	157,300	157,300	
Fire safety/haz mat permits	72,800	79,000	79,000	
Multi-dwelling unit inspections	187,200	188,300	188,300	
CUPA fees	57,800	71,400	88,000	16,600
Other fire services	30,300	13,600	51,600	38,000
<b>Total Fire Services</b>	<b>721,000</b>	<b>737,000</b>	<b>791,600</b>	<b>54,600</b>
<b>Development Review</b>				
Planning & zoning fees	809,300	800,000	642,500	(157,500)
Construction plan check & inspections	1,372,300	1,324,000	760,000	(564,000)
Infrastructure plan check & inspections	117,400	150,000	150,000	
Encroachment permits	183,800	135,000	135,000	
Fire plan check & inspections	160,300	123,600	60,000	(63,600)
Waterways management plan fees	62,500	54,000	27,000	(27,000)
<b>Total Development Review</b>	<b>2,705,600</b>	<b>2,586,600</b>	<b>1,774,500</b>	<b>(812,100)</b>
<b>Parks &amp; Recreation</b>				
Adult athletic fees	119,700	100,900	105,600	4,700
Youth athletic fees	31,300	30,400	30,400	
Skate park fees	1,300	3,300	3,300	
Instruction fees	92,200	69,700	78,300	8,600
Special event fees	86,600	75,700	80,400	4,700
Batting cages	2,500	3,500	3,500	
Rental & use fees	151,500	124,800	181,300	56,500
Children services	517,700	512,500	530,200	17,700
Teens & seniors	2,300	3,200	3,200	
Aquatics	196,300	148,900	179,300	30,400
Other recreation revenues	6,100		4,900	4,900
<b>Total Parks &amp; Recreation</b>	<b>1,207,500</b>	<b>1,072,900</b>	<b>1,200,400</b>	<b>127,500</b>
<b>General Government</b>				
Business license	238,000	235,000	235,000	
Sales of publications	33,300	18,700	33,700	15,000
Other service charges	67,300	11,900	18,500	6,600
<b>Total General Government</b>	<b>338,600</b>	<b>265,600</b>	<b>287,200</b>	<b>21,600</b>
<b>Total Service Charges</b>	<b>5,460,200</b>	<b>4,993,000</b>	<b>4,425,900</b>	<b>(567,100)</b>
<b>Other Revenues</b>				
Insurance refunds	24,500		593,000	593,000
Other revenues	126,600	75,000	125,000	50,000
<b>Total Other Revenues</b>	<b>151,100</b>	<b>75,000</b>	<b>718,000</b>	<b>643,000</b>
<b>Total General Fund</b>	<b>\$54,152,000</b>	<b>\$53,633,600</b>	<b>\$53,622,700</b>	<b>(\$10,900)</b>

# REVENUES BY MAJOR CATEGORY AND SOURCE

## SPECIAL REVENUE FUNDS

	2007-08	2008-09		Variance
	Actual	Original Budget	Revised Projection	
<b>Downtown Association Fund</b>				
Investment & Property Revenues	11,800			
Service Charges	593,400	229,000	229,000	
<b>Total Downtown Association Fund</b>	<b>605,200</b>	<b>229,000</b>	<b>229,000</b>	
<b>Community Development Block Grant Fund</b>				
Subventions & Grants	378,400	643,600	643,600	
<b>Gas Tax Fund</b>				
Subventions & Grants	835,100	838,100	785,000	(53,100)
<b>Transportation Development Act Fund</b>				
Subventions & Grants	34,300	22,300	22,300	
<b>Law Enforcement Grant Fund</b>				
Investment & Property Revenues	1,900	4,100	4,100	
Subventions & Grants	52,400			
Service Charges	4,600	5,000	5,000	
<b>Total Law Enforcement Grant Fund</b>	<b>58,900</b>	<b>9,100</b>	<b>9,100</b>	
<b>Public Art Contributions Fund</b>				
Investment & Property Revenues	17,200	10,900	10,900	
Service Charges	101,200			
Other Revenues				
<b>Total Public Art Contributions Fund</b>	<b>118,400</b>	<b>10,900</b>	<b>10,900</b>	
<b>Proposition 42 Fund</b>				
Investment & Property Revenues				
Subventions and Grants	131,300	456,400	436,000	(20,400)
<b>Proposition 42 Fund</b>	<b>131,300</b>	<b>456,400</b>	<b>436,000</b>	<b>(20,400)</b>
<b>Proposition 1B Fund</b>				
Investment & Property Revenues				
Subventions and Grants	711,600		657,700	657,700
<b>Proposition 1B Fund</b>	<b>711,600</b>		<b>657,700</b>	<b>657,700</b>
<b>Tourism Business Improvement District Fund</b>				
Investment & Property Revenues				
Service Charges				
<b>Tourism BID Fund</b>				
<b>Total Special Revenue Funds</b>	<b>2,873,200</b>	<b>2,209,400</b>	<b>2,793,600</b>	<b>584,200</b>

# REVENUES BY MAJOR CATEGORY AND SOURCE

## CAPITAL PROJECT FUNDS

	2007-08	2008-09		Variance
	Actual	Original Budget	Revised Projection	
<b>Capital Outlay Fund</b>				
Subventions & Grants				
<i>State of California</i>				
Traffic safety grant	22,600		68,000	68,000
SLTPP/STP grant			2,297,500	2,297,500
STP/SHA - RRTC			2,666,400	2,666,400
Safe routes to school		765,600	1,053,800	288,200
Other state grants	96,700		163,900	163,900
<i>Federal Government</i>				
Highway & bridge rehabilitation & replacement (HBRR)	10,600	486,900	1,925,000	1,438,100
Transportation enhancement (TEA)	65,700		123,600	123,600
Other federal grants	465,000		394,900	394,900
Service Charges				
Zone 9 reimbursements	82,300		25,000	25,000
Other Revenues				
Contributions	20,000		1,328,200	1,328,200
Other Revenue		292,000	100,000	(192,000)
<b>Total Capital Outlay Fund</b>	<b>762,900</b>	<b>1,544,500</b>	<b>10,146,300</b>	<b>8,601,800</b>
<b>Parkland Development Fund</b>				
Investment & Property Revenues	38,200	36,300	36,300	
Subventions & Grants			137,500	137,500
Service Charges				
Park in-lieu fees	860,000	185,000	185,000	
Dwelling unit charge	1,800	5,400	5,400	
<b>Total Parkland Development Fund</b>	<b>900,000</b>	<b>226,700</b>	<b>364,200</b>	<b>137,500</b>
<b>Transportation Impact Fee Fund</b>				
Investment & Property Revenues	104,000	4,700	4,700	
Subventions & Grants	64,300	445,600	2,854,600	2,409,000
Service Charges	724,800	212,500	212,500	
Contributions	342,800		57,200	57,200
<b>Total Transportation Impact Fee Fund</b>	<b>1,235,900</b>	<b>662,800</b>	<b>3,129,000</b>	<b>2,466,200</b>
<b>Fleet Replacement Fund</b>				
Investment & Property Revenues	60,600	56,200	56,200	
Other Revenues				
Sale of surplus property	18,700	10,000	24,300	14,300
<b>Total Fleet Replacement Fund</b>	<b>79,300</b>	<b>66,200</b>	<b>80,500</b>	<b>14,300</b>

## REVENUES BY MAJOR CATEGORY AND SOURCE

### CAPITAL PROJECT FUNDS

	2007-08	Original	2008-09	
	Actual	Budget	Revised	Variance
			Projection	
<b>Open Space Protection Fund</b>				
Investment & Property Revenues	12,000	3,300	3,300	
Subventions & Grants			720,000	720,000
Service Charges				
<b>Total Open Space Protection Fund</b>	<b>12,000</b>	<b>3,300</b>	<b>723,300</b>	<b>720,000</b>
<b>Airport Area Impact Fee Fund</b>				
Investment & Property Revenues	39,000	46,800	46,800	
Service Charges		357,000	357,000	
<b>Total Airport Area Impact Fee Fund</b>	<b>39,000</b>	<b>403,800</b>	<b>403,800</b>	
<b>Affordable Housing Fund</b>				
Investment & Property Revenues	155,600	160,500	160,500	
Service Charges	682,400	561,900	561,900	
<b>Total Affordable Housing Fund</b>	<b>838,000</b>	<b>722,400</b>	<b>722,400</b>	
<b>Los Osos Valley Road Sub-Area Fee Fund</b>				
Investment & Property Revenues	48,300		1,700	1,700
Service Charges				
<b>Total Los Osos Valley Road Sub-Area Fee Fund</b>	<b>48,300</b>		<b>1,700</b>	<b>1,700</b>
<b>Total Capital Project Funds</b>	<b>3,915,400</b>	<b>3,629,700</b>	<b>15,571,200</b>	<b>11,941,500</b>

# REVENUES BY MAJOR CATEGORY AND SOURCE

## ENTERPRISE FUNDS

	2007-08	2008-09		Variance
	Actual	Original Budget	Revised Projection	
<b>Water Fund</b>				
Investment & Property Revenues	736,000	196,600	196,600	
Subventions & Grants				
Service Charges	12,416,700	13,434,100	13,434,100	
Other Revenues	275,200	20,600	31,500	10,900
<b>Total Water Fund</b>	<b>13,427,900</b>	<b>13,651,300</b>	<b>13,662,200</b>	<b>10,900</b>
<b>Sewer Fund</b>				
Investment & Property Revenues	272,200	50,200	50,200	
Subventions & Grants				
Service Charges	10,198,300	12,203,600	12,203,600	
Other Revenues	7,200	18,500	18,500	
<b>Total Sewer Fund</b>	<b>10,477,700</b>	<b>12,272,300</b>	<b>12,272,300</b>	
<b>Parking Fund</b>				
Fines & Forfeitures	774,100	834,100	834,100	
Investment & Property Revenues	384,600	146,000	146,000	
Service Charges	2,853,400	2,875,000	2,875,000	
Other Revenues	15,400			
<b>Total Parking Fund</b>	<b>4,027,500</b>	<b>3,855,100</b>	<b>3,855,100</b>	
<b>Transit Fund</b>				
Investment & Property Revenues	6,400	4,900	4,900	
Subventions & Grants	3,802,400	3,136,600	5,003,200	1,866,600
Service Charges	516,500	528,400	528,400	
Other Revenues	4,000	2,000	2,000	
<b>Total Transit Fund</b>	<b>4,329,300</b>	<b>3,671,900</b>	<b>5,538,500</b>	<b>1,866,600</b>
<b>Golf Fund</b>				
Investment & Property Revenues	14,200	8,500	8,500	
Service Charges	326,300	339,100	339,100	
Other Revenues	22,700	86,200	86,200	
<b>Total Golf Fund</b>	<b>363,200</b>	<b>433,800</b>	<b>433,800</b>	
<b>Whale Rock Commission</b>				
Investment & Property Revenues	37,400	20,000	20,000	
Subventions & Grants				
Service Charges	896,700	882,700	882,700	
Other Revenues	900	700	700	
<b>Total Whale Rock Commission Fund</b>	<b>935,000</b>	<b>903,400</b>	<b>903,400</b>	
<b>Total Enterprise &amp; Agency Funds</b>	<b>\$33,560,600</b>	<b>\$34,787,800</b>	<b>\$36,665,300</b>	<b>\$1,877,500</b>

# OPERATING PROGRAMS

## SUMMARY BY FUND

	2008-09		Changes		Revised Budget
	Original Budget	Carryovers/ Encumbrances	Other Changes	Mid-Year Requests	
<b>General Fund</b>					
Public Safety	23,735,900	294,200	3,397,000		27,427,100
Transportation	3,361,600	297,600	(15,000)		3,644,200
Leisure, Cultural & Social Services	7,063,600	81,700	(50,500)		7,094,800
Community Development	6,339,300	172,000	(117,500)		6,393,800
General Government	12,029,700	860,200	(410,000)	-	12,479,900
<b>Total General Fund</b>	<b>52,530,100</b>	<b>1,705,700</b>	<b>2,804,000</b>		<b>57,039,800</b>
Downtown Association Fund	229,000				229,000
Community Development Block Grant Fund	262,700				262,700
Water Fund	6,787,300	192,500	(34,500)	120,000	7,065,300
Sewer Fund	5,586,400	311,300	12,800		5,910,500
Parking Fund	1,757,700	93,700			1,851,400
Transit Fund	2,152,800	40,700			2,193,500
Golf Fund	539,400	8,400	(1,100)		546,700
Whale Rock Fund	822,600	29,100			851,700
<b>Total All Funds Combined.</b>	<b>70,668,000</b>	<b>2,381,400</b>	<b>2,781,200</b>	<b>120,000</b>	<b>75,950,600</b>

## SUMMARY OF NET BUDGET CHANGES TO-DATE:

	Council/CAO Approval Date	General Fund	Revenue or Transfer Offsets	Total
<b>General Fund</b>				
SWAT vest reimbursements	various	3,000	(3,000)	
Binding arbitration POA	9/30/2008	2,749,000	(996,100)	1,752,900
Damage to City property	various	6,600	(6,600)	
Tree inventory program	10/20/2008	60,800	(30,400)	30,400
Green Awards	9/24/2008	3,500	(3,500)	
OTS grant - Police assistance to other agencies	various	5,400	(5,400)	
Criterion reimbursement for services	8/19/2008	5,200	(5,200)	
Return advanced funding for promotions to fund balance	5/23/2008	(22,400)		(22,400)
Triathlon sponsorship	7/24/2008	500	(500)	
Operating reductions approved by Council -rebalancers	9/30/2008	(974,400)	(150,000)	(1,124,400)
Mutual aid expenses	11/18/2008	966,800	(966,800)	
<b>Total</b>		<b>\$2,804,000</b>	<b>(\$2,167,500)</b>	<b>\$636,500</b>
<b>Water Fund</b>				
Water meter reimbursements	9/10/2008	10,900	(10,900)	
Use of carryover funds for water pipe split system	10/28/2008	(45,400)		(45,400)
<b>Total</b>		<b>(34,500)</b>	<b>(10,900)</b>	
<b>Sewer Fund</b>				
Transfer from capital for operating contract services	9/4/2008	12,800		12,800
<b>Total</b>		<b>12,800</b>		
<b>Golf Fund</b>				
Operating reductions approved by Council -rebalancers		(1,100)		(1,100)
<b>Total</b>		<b>(1,100)</b>		
<b>TOTAL</b>		<b>\$2,781,200</b>	<b>(\$2,178,400)</b>	<b>\$636,500</b>

# CAPITAL IMPROVEMENT PLAN: ALL FUNDS COMBINED

## SUMMARY OF CHANGES BY FUND

	Original Budget	Encumbrances/ Carryovers	Other Budget Changes	Mid-Year Adjustments	Revised
Capital Outlay	8,269,600	22,705,000	34,400		31,009,000
Parkland Development	950,000	188,500	(960,000)		178,500
Fleet Replacement	286,600	135,900			422,500
CDBG	418,600	946,500			1,365,100
Law Enforcement Block Grant		5,300	20,100		25,400
Transportation Impact Fee	662,800	6,567,900	(223,500)		7,007,200
Open Space Protection	284,000	314,700	300,000		898,700
Public Art Private Sector		70,100	168,800		238,900
Airport Area Impact Fee		375,000			375,000
LOVR Impact Fee		72,000			72,000
Affordable Housing		740,000			740,000
Water	2,473,600	4,869,700	43,300	50,000	7,436,600
Sewer	2,150,000	15,711,400	(14,800)		17,846,600
Parking		2,206,900	(339,600)		1,867,300
Transit	1,170,000	2,992,500			4,162,500
Golf	35,000	136,700			171,700
Whale Rock	25,000	183,600			208,600
<b>Total</b>	<b>\$16,725,200</b>	<b>\$58,221,700</b>	<b>(\$971,300)</b>	<b>\$50,000</b>	<b>\$74,025,600</b>

# CAPITAL IMPROVEMENT PLAN: ALL FUNDS COMBINED

## SUMMARY OF NET CIP BUDGET ADJUSTMENTS

	Council/CAO Approval Date	Total	Revenue Offset	Net Impact
<b>Capital Outlay Fund (General Fund)</b>				
Accelerated funding - various projects	various	(76,800)		(76,800)
Park restroom replacements	7/1/2008	58,100	58,100	
Grand/Hwy 101 NB signalization	7/15/2008	370,000	370,000	
Broadcast room upgrade	7/15/2008	100,000	100,000	
Pedestrian improvements safe routes to schools	7/15/2008	255,100	255,100	
State SHA grant projects	7/15/2008	1,762,000	1,762,000	
Orcutt Rd Widening	8/19/2008	360,000	360,000	
Mid-Higuera bypass channel	9/30/2008	(500,000)	(500,000)	
CIP reductions for rebalancing	9/30/2008	(2,951,700)		(2,951,700)
Paving - Prop 1B funds	12/18/2008	657,700	657,700	
Subtotal Capital Outlay Fund		34,400	3,062,900	(3,028,500)
<b>Parkland Development Fund</b>				
Eliminate synthetic turf project	10/7/2008	(960,000)		(960,000)
<b>Law Enforcement Block Grant</b>				
AFR software licenses	10/21/2008	25,000		25,000
E-citation/e-collision project completion	11/5/2008	(4,900)	(4,900)	
Subtotal Law Enforcement Block Grant Fund		20,100	(4,900)	25,000
<b>Transportation Impact Fee</b>				
Eliminate S. Higuera widening project	9/30/2008	(135,000)		(135,000)
Reduce buget for advanced funding from 2007-08 RI	4/15/2008	(88,500)		(88,500)
Subtotal Transportation Impact Fee Fund		(223,500)		(223,500)
<b>Open Space Protection Fund</b>				
Open space enhancements	9/30/2008	(40,000)		(10,000)
Johnson Ranch	9/30/2008	(10,000)		350,000
Bob Jones Trail	10/29/2008	350,000	350,000	
Subtotal Open Space Protection Fund		300,000	350,000	340,000
<b>Public Art in Lieu Fund</b>				
Allocation for 2008-09 art projects	1/8/2008	168,800		168,800
<b>Water Fund</b>				
IT disaster recovery plan	9/30/2008	(2,200)		(2,200)
Use of carryover for water pipe split system	10/28/2008	45,500		45,500
Subtotal Water Fund		43,300		43,300
<b>Sewer Fund</b>				
Transfer to operating for contract services	9/4/2008	(12,800)		(12,800)
IT disaster recovery plan	9/30/2008	(2,000)		(2,000)
Subtotal Sewer Fund		(14,800)		(14,800)
<b>Parking Fund</b>				
IT disaster recovery plan	9/30/2008	(1,100)		(1,100)
Electronic parking signs	10/7/2008	(338,500)		(338,500)
		(339,600)		(339,600)
<b>Total Adjustments</b>		<b>(\$971,300)</b>	<b>\$3,408,000</b>	<b>(\$3,989,300)</b>

# INTERFUND TRANSACTIONS

## OPERATING TRANSFERS

	2007-08	2008-09		
	Actual	Original Budget	Revised	Variance
<b>General Fund</b>				
Operating Transfers In				
Gas Tax Fund		838,100	785,000	(53,100)
TDA Fund		22,300	22,300	
Proposition 42 Fund		456,400	436,000	(20,400)
Total operating transfers in		1,316,800	1,243,300	(73,500)
Operating Transfers Out				
Downtown Association Fund				
Community Development Block Grant		(43,800)	(47,400)	(3,600)
Law Enforcement Block Grant Fund				
Capital Outlay Fund		(6,725,100)	(3,840,200)	2,884,900
Open Space Protection Fund		(284,000)	(234,000)	50,000
Fleet Replacement Fund		(550,000)	(550,000)	
Debt Service Fund		(2,696,300)	(2,696,300)	
Golf Fund		(313,200)	(316,500)	(3,300)
Total operating transfers out		(10,612,400)	(7,684,400)	2,928,000
<b>Total Operating Transfers</b>		<b>(9,295,600)</b>	<b>(6,441,100)</b>	<b>2,854,500</b>
<b>Gas Tax Fund</b>				
Operating Transfer Out				
General Fund		(838,100)	(785,000)	53,100
<b>Transportation Development Act Fund</b>				
Operating Transfer Out				
General Fund		(22,300)	(22,300)	
<b>Community Development Block Grant</b>				
Operating Transfer In				
General Fund		43,800	47,400	3,600
<b>Law Enforcement Block Grant</b>				
Operating Transfer In				
General Fund				
<b>Proposition 42 Fund</b>				
Operating Transfer Out				
General Fund		(456,400)	(436,000)	20,400
<b>Proposition 1B Fund</b>				
Operating Transfer Out				
Capital Outlay Fund			(657,700)	(657,700)
<b>Capital Outlay Fund</b>				
Operating Transfer In				
General Fund		6,725,100	3,840,200	(2,884,900)
Proposition 1B Fund			657,700	657,700
Total Operating Transfers In		6,725,100	4,497,900	(2,227,200)

# INTERFUND TRANSACTIONS

## OPERATING TRANSFERS

	2007-08	2008-09		Variance
	Actual	Original Budget	Revised	
<b>Open Space Protection Fund</b>				
Operating Transfer In				
General Fund		284,000	234,000	(50,000)
<b>Fleet Replacement Fund</b>				
Operating Transfers In				
General Fund		550,000	550,000	
<b>Debt Service Fund</b>				
Operating Transfer In				
General Fund		2,696,300	2,696,300	
<b>Airport Area Impact Fee Fund</b>				
Operating Transfer Out				
General Fund				
<b>Transportation Impact Fee Fund</b>				
Operating Transfer Out				
Capital Outlay Fund				
<b>Golf Course Fund</b>				
Operating Transfer In				
General fund		313,200	316,500	3,300
<b>NET OPERATING TRANSFERS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

# INTERFUND TRANSACTIONS

## REIMBURSEMENT TRANSFERS

	2007-08	2008-09		Variance
	Actual	Original Budget	Revised	
General Fund		(4,215,000)	(4,215,000)	
Community Development Block Grant Fund		6,100	6,100	
Enterprise and Agency Funds				
Water		1,447,300	1,447,300	
Sewer		1,708,800	1,708,800	
Parking		479,300	479,300	
Transit		292,100	292,100	
Golf		163,600	163,600	
Whale Rock Commission		117,800	117,800	
Total Enterprise and Agency Funds		4,208,900	4,208,900	
<b>NET REIMBURSEMENT TRANSFERS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

# CHANGES IN FINANCIAL POSITION

## ALL FUNDS COMBINED

	2007-08		2008-09	
	Actual	Original Budget	Revised Projection	Variance
<b>Revenues</b>				
Tax Revenues	45,194,500	46,665,900	44,710,800	(1,955,100)
Fines and Forfeitures	1,002,300	1,066,600	1,082,700	16,100
Investment and Property Revenues	3,056,100	1,614,700	1,591,400	(23,300)
Subventions and Grants	8,671,700	7,596,600	23,657,600	16,061,000
Service Charges				
Governmental Funds	8,510,700	6,548,800	5,981,700	(567,100)
Enterprise Funds	26,311,200	29,398,700	29,398,700	
Trust and Agency Revenues	897,600	883,400	883,400	
Other Revenues	859,100	485,800	2,347,400	1,861,600
<b>Total Revenues</b>	<b>94,503,200</b>	<b>94,260,500</b>	<b>109,653,700</b>	<b>15,393,200</b>
<b>Expenditures</b>				
Operating Programs				
Public Safety	25,055,900	23,735,900	27,427,100	(3,691,200)
Public Utilities	11,540,600	13,196,300	13,827,500	(631,200)
Transportation	6,550,200	7,272,100	7,689,100	(417,000)
Leisure, Cultural, & Social Services	6,861,900	7,603,000	7,641,500	(38,500)
Community Development	6,341,600	6,831,000	6,983,500	(152,500)
General Government	10,381,000	12,029,700	12,479,900	(450,200)
Total Operating Programs	66,731,200	70,668,000	76,048,600	(5,380,600)
Capital Projects	20,479,000	16,725,200	74,025,600	(57,300,400)
Debt Service	8,838,600	9,209,500	9,209,500	
<b>Total Expenditures</b>	<b>96,048,800</b>	<b>96,602,700</b>	<b>159,283,700</b>	<b>(62,681,000)</b>
<b>Other Sources (Uses)</b>				
Operating Transfers In	15,812,100	11,929,200	9,585,400	(2,343,800)
Operating Transfers Out	(15,812,100)	(11,929,200)	(9,585,400)	2,343,800
Proceeds from Debt Financings	2,050,000		20,274,900	20,274,900
Potential MOA Adjustments		(1,612,000)	(757,500)	854,500
Other Sources (Uses)	218,800	(775,000)	(775,000)	
Expenditure Savings		1,517,200	1,750,100	232,900
<b>Total Other Sources (Uses)</b>	<b>2,268,800</b>	<b>(869,800)</b>	<b>20,492,500</b>	<b>(21,362,300)</b>
<b>Revenues and Other Sources Over (under) Expenditures and Other Uses</b>	<b>723,200</b>	<b>(3,212,000)</b>	<b>(29,137,500)</b>	<b>(25,925,500)</b>
<b>Fund Balance/Working Capital Beginning of Year</b>	<b>63,150,900</b>	<b>34,613,900</b>	<b>63,874,100</b>	<b>29,260,200</b>
<b>Fund Balance/Working Capital End of Year</b>				
Reserved for Debt Service	1,645,500	1,645,500	1,645,500	
Unreserved	62,228,600	29,756,400	33,091,100	3,334,700
<b>Total Fund Balance</b>	<b>\$63,874,100</b>	<b>\$31,401,900</b>	<b>\$34,736,600</b>	<b>\$3,334,700</b>

# CHANGES IN FINANCIAL POSITION

## ALL GOVERNMENTAL FUNDS COMBINED

	2007-08	2008-09		Variance
	Actual	Original Budget	Revised Projection	
<b>Revenues</b>				
Tax Revenues	45,194,500	46,665,900	44,710,800	(1,955,100)
Fines and Forfeitures	228,200	232,500	248,600	16,100
Investment and Property Revenues	1,605,300	1,188,500	1,165,200	(23,300)
Subventions and Grants	4,869,300	4,460,000	18,654,400	14,194,400
Service Charges	8,510,700	6,548,800	5,981,700	(567,100)
Other Revenues	532,600	377,000	2,227,700	1,850,700
<b>Total Revenues</b>	<b>60,940,600</b>	<b>59,472,700</b>	<b>72,988,400</b>	<b>13,515,700</b>
<b>Expenditures</b>				
Operating Programs				
Public Safety	25,055,900	23,735,900	27,427,100	(3,691,200)
Transportation	2,539,800	3,361,600	3,644,200	(282,600)
Leisure, Cultural, & Social Services	6,398,600	7,063,600	7,094,800	(31,200)
Community Development	6,341,600	6,831,000	6,983,500	(152,500)
General Government	10,409,200	12,035,800	12,486,000	(450,200)
<b>Total Operating Programs</b>	<b>50,745,100</b>	<b>53,027,900</b>	<b>57,635,600</b>	<b>(4,607,700)</b>
Reimbursed Expenditures	(4,075,300)	(4,215,000)	(4,215,000)	
<b>Total Operating Expenditures</b>	<b>46,669,800</b>	<b>48,812,900</b>	<b>53,420,600</b>	<b>(4,607,700)</b>
Capital Improvement Plan Projects	10,939,300	10,871,600	42,332,300	(31,149,800)
Debt Service	2,078,000	2,696,300	2,696,300	
<b>Total Expenditures</b>	<b>59,687,100</b>	<b>62,380,800</b>	<b>98,449,200</b>	<b>(36,068,400)</b>
<b>Other Sources (Uses)</b>				
Operating Transfers In	15,350,100	11,616,000	9,268,900	(2,347,100)
Operating Transfers Out	(15,812,100)	(11,929,200)	(9,585,400)	2,981,100
Proceeds from Debt Financings			10,414,900	10,414,900
Potential MOA Adjustments		(1,482,000)	(635,100)	846,900
Other Sources (Uses)				
Expenditure Savings		1,517,200	1,750,100	232,900
<b>Total Other Sources (Uses)</b>	<b>(462,000)</b>	<b>(278,000)</b>	<b>11,213,400</b>	<b>12,128,700</b>
<b>Revenues and Other Sources Over (under) Expenditures and Other Uses</b>	<b>791,500</b>	<b>(3,186,100)</b>	<b>(14,247,400)</b>	<b>(10,424,000)</b>
<b>Fund Balance, Beginning of Year</b>	<b>34,142,200</b>	<b>22,486,000</b>	<b>34,933,700</b>	<b>12,447,700</b>
<b>Fund Balance, End of Year</b>				
Reserved for Debt Service	1,645,500	1,645,500	1,645,500	
Unreserved	33,288,200	17,654,400	19,040,800	2,023,700
<b>Total Fund Balance</b>	<b>\$34,933,700</b>	<b>\$19,299,900</b>	<b>\$20,686,300</b>	<b>\$2,023,700</b>

## CHANGES IN FINANCIAL POSITION

### ALL ENTERPRISE AND AGENCY FUNDS COMBINED

	2007-08	2008-09		Variance
	Actual	Original Budget	Revised Projection	
<b>Revenues</b>				
Fines and Forfeitures	774,100	834,100	834,100	
Investment and Property Revenues	1,450,800	426,200	426,200	
Subventions and Grants	3,802,400	3,136,600	5,003,200	1,866,600
Service Charges	26,311,200	29,398,700	29,398,700	
Other Revenues	326,500	108,800	119,700	10,900
Trust and Agency Revenues	897,600	883,400	883,400	
<b>Total Revenues</b>	<b>33,562,600</b>	<b>34,787,800</b>	<b>36,665,300</b>	<b>1,877,500</b>
<b>Expenditures</b>				
Operating Programs				
Public Utilities	11,540,600	13,196,300	13,827,500	(631,200)
Transportation	4,010,400	3,910,500	4,044,900	(134,400)
Leisure, Cultural, & Social Services	463,300	539,400	546,700	(7,300)
General Government	4,047,100	4,208,900	4,208,900	
<b>Total Operating Programs</b>	20,061,400	21,855,100	22,628,000	(772,900)
Capital Projects	9,539,700	5,853,600	31,693,300	(25,839,700)
Debt Service	6,760,600	6,513,200	6,513,200	
<b>Total Expenditures</b>	<b>36,361,700</b>	<b>34,221,900</b>	<b>60,834,500</b>	<b>(26,612,600)</b>
<b>Other Sources (Uses)</b>				
Operating Transfers In	462,000	313,200	316,500	3,300
Proceeds from Debt Financings	2,050,000		9,860,000	(9,860,000)
Expenditure Savings				
Other Sources (Uses)	218,800	(775,000)	(775,000)	
Potential MOA Adjustments		(130,000)	(122,400)	7,600
<b>Total Other Sources (Uses)</b>	<b>2,730,800</b>	<b>(591,800)</b>	<b>9,279,100</b>	<b>(9,849,100)</b>
<b>Revenues and Other Sources Over (under)</b>				
<b>Expenditures and Other Uses</b>	(68,300)	(25,900)	(14,890,100)	(14,864,200)
<b>Working Capital, Beginning of Year</b>	29,008,700	12,127,900	28,940,400	16,812,500
<b>Fund Balance, End of Year</b>	<b>\$28,940,400</b>	<b>\$12,102,000</b>	<b>\$14,050,300</b>	<b>\$1,948,300</b>

# CHANGES IN FINANCIAL POSITION

## GENERAL FUND

	2007-08	2008-09		Variance
	Actual	Original Budget	Revised Projection	
<b>Revenues</b>				
Tax Revenues	45,194,500	46,665,900	44,710,800	(1,955,100)
Fines and Forfeitures	228,200	232,500	248,600	16,100
Investment and Property Revenues	1,116,700	865,700	840,700	(25,000)
Subventions and Grants	2,001,300	801,500	2,678,700	1,877,200
Service Charges	5,460,200	4,993,000	4,425,900	(567,100)
Other Revenues	151,100	75,000	718,000	643,000
<b>Total Revenues</b>	<b>54,152,000</b>	<b>53,633,600</b>	<b>53,622,700</b>	<b>(10,900)</b>
<b>Expenditures</b>				
Public Safety	25,055,900	23,735,900	27,427,100	(3,691,200)
Transportation	2,539,800	3,361,600	3,644,200	(282,600)
Leisure, Cultural, and Social Services	6,398,600	7,063,600	7,094,800	(31,200)
Community Development	5,510,900	6,339,300	6,393,800	(54,500)
General Government	10,381,000	12,029,700	12,479,900	(450,200)
<b>Total Program Expenditures</b>	<b>49,886,200</b>	<b>52,530,100</b>	<b>57,039,800</b>	<b>(4,509,700)</b>
Reimbursed Expenditures	(4,075,300)	(4,215,000)	(4,215,000)	
<b>Total Expenditures</b>	<b>45,810,900</b>	<b>48,315,100</b>	<b>52,824,800</b>	<b>(4,509,700)</b>
<b>Other Sources (Uses)</b>				
Transfers In	1,717,300	1,316,800	1,243,300	(73,500)
Transfers Out	(14,059,300)	(10,612,400)	(7,684,400)	2,928,000
Proceeds from Debt Financings				
Expenditure Savings		1,517,200	1,750,100	232,900
Potential MOA Adjustments		(1,482,000)	(635,100)	846,900
<b>Total Other Sources (Uses)</b>	<b>(12,342,000)</b>	<b>(9,260,400)</b>	<b>(5,326,100)</b>	<b>3,934,300</b>
<b>Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<b>(4,000,900)</b>	<b>(3,941,900)</b>	<b>(4,528,200)</b>	<b>(586,300)</b>
<b>Fund Balance, Beginning of Year</b>	<b>18,830,000</b>	<b>14,512,700</b>	<b>14,829,100</b>	<b>316,400</b>
<b>Fund Balance, End of Year</b>	<b>\$14,829,100</b>	<b>\$10,570,800</b>	<b>\$10,300,900</b>	<b>(\$269,900)</b>

## CHANGES IN FINANCIAL POSITION

### DOWNTOWN ASSOCIATION FUND

	2007-08	2008-09		
	Actual	Original Budget	Revised Projection	
<b>Revenues</b>				
Investment and Property Revenues	11,800			
Service Charges	593,400	229,000	229,000	
<b>Total Revenues</b>	<b>605,200</b>	<b>229,000</b>	<b>229,000</b>	
<b>Operating Expenditures</b>				
Community Development	592,200	229,000	327,000	(98,000)
<b>Total Expenditures</b>	<b>592,200</b>	<b>229,000</b>	<b>327,000</b>	<b>98,000</b>
<b>Other Sources (Uses)</b>				
Operating Transfers In				
<b>Revenues and Other Sources Over (Under)</b>				
<b>Expenditures and Other Uses</b>	13,000		(98,000)	(98,000)
<b>Fund Balance, Beginning of Year</b>	85,000	31,300	98,000	66,700
<b>Fund Balance, End of Year</b>	<b>\$98,000</b>	<b>\$31,300</b>		<b>(\$31,300)</b>

# CHANGES IN FINANCIAL POSITION

## GAS TAX

	2007-08	2008-09		Variance
	Actual	Original Budget	Revised Projection	
<b>Revenues</b>				
Subventions and Grants				
Gasoline Tax	835,100	838,100	785,000	(53,100)
<b>Total Revenues</b>	<b>835,100</b>	<b>838,100</b>	<b>785,000</b>	<b>(53,100)</b>
<b>Other Sources (Uses)</b>				
Operating Transfers Out	(835,100)	(838,100)	(785,000)	53,100
<b>Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>				
<b>Fund Balance, Beginning of Year</b>				
<b>Fund Balance, End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

# CHANGES IN FINANCIAL POSITION

## TRANSPORTATION DEVELOPMENT ACT FUND

	2007-08	2008-09		Variance
	Actual	Original Budget	Revised Projection	
<b>Revenues</b>				
Subventions and Grants				
TDA Revenues	34,300	22,300	22,300	
<b>Total Revenues</b>	<b>34,300</b>	<b>22,300</b>	<b>22,300</b>	
<b>Other Sources (Uses)</b>				
Operating Transfers Out	(34,300)	(22,300)	(22,300)	
<b>Revenues and Other Sources Over (Under)</b>				
<b>Expenditures and Other Uses</b>				
<b>Fund Balance, Beginning of Year</b>				
<b>Fund Balance, End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

# CHANGES IN FINANCIAL POSITION

## COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUND

	2007-08	2008-09		Variance
	Actual	Original Budget	Revised Projection	
<b>Revenues</b>				
Subventions and Grants				
CDBG Allocation	378,400	643,600	1,586,500	942,900
State Grant Close-out				
<b>Total Revenues</b>	<b>378,400</b>	<b>643,600</b>	<b>1,586,500</b>	<b>942,900</b>
<b>Expenditures</b>				
Operating Programs				
Community Development	238,500	262,700	262,700	
General Government	28,200	6,100	6,100	
<b>Total Operating Programs</b>	<b>266,700</b>	<b>268,800</b>	<b>268,800</b>	
Capital Improvement Plan Projects	152,800	418,600	1,365,100	(946,500)
Debt Service				
<b>Total Expenditures</b>	<b>419,500</b>	<b>687,400</b>	<b>1,633,900</b>	<b>(946,500)</b>
<b>Other Sources (Uses)</b>				
Operating Transfers In	41,100	43,800	47,400	3,600
<b>Total Other Sources (Uses)</b>	<b>41,100</b>	<b>43,800</b>	<b>47,400</b>	<b>3,600</b>
<b>Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>				
<b>Fund Balance, Beginning of Year</b>				
<b>Fund Balance, End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

# CHANGES IN FINANCIAL POSITION

## LAW ENFORCEMENT GRANT FUND

	2007-08	2008-09		Variance
	Actual	Original Budget	Revised Projection	
<b>Revenues</b>				
Investment and Property Revenue	1,900	4,100	4,100	
Subventions and Grants				
Federal Grants				
State Grants	52,400			
Service Charges	4,600	5,000	5,000	
<b>Total Revenues</b>	<b>58,900</b>	<b>9,100</b>	<b>9,100</b>	
<b>Expenditures</b>				
Operating Programs				
Public Safety				
Total Operating Programs				
Capital Improvement Plan Projects	87,300		25,400	(25,400)
<b>Total Expenditures</b>	<b>87,300</b>		<b>25,400</b>	<b>(25,400)</b>
<b>Other Sources (Uses)</b>				
Operating Transfers In				
Operating Transfers Out				
<b>Total Other Sources (Uses)</b>				
<b>Revenues and Other Sources Over (Under)</b>				
<b>Expenditures and Other Uses</b>	(28,400)	9,100	(16,300)	(25,400)
<b>Fund Balance, Beginning of Year</b>	85,900	57,000	57,500	500
<b>Fund Balance, End of Year</b>	<b>\$57,500</b>	<b>\$66,100</b>	<b>\$41,200</b>	<b>(\$24,900)</b>

## CHANGES IN FINANCIAL POSITION

### PUBLIC ART (PRIVATE SECTOR CONTRIBUTIONS) FUND

	2007-08	2008-09		Variance
	Actual	Original Budget	Revised Projection	
<b>Revenues</b>				
Investment and Property Revenues	17,200	10,900	10,900	
Service Charges				
In-lieu fees	101,200			
Other Revenues				
<b>Total Revenues</b>	<b>118,400</b>	<b>10,900</b>	<b>10,900</b>	
<b>Expenditures</b>				
Operating Programs				
Leisure, Cultural & Social Services				
Capital Improvement Plan Projects	37,400		238,900	238,900
<b>Total Expenditures</b>	<b>37,400</b>		<b>238,900</b>	<b>238,900</b>
<b>Other Sources (Uses)</b>				
Operating Transfer In				
Operating Transfer Out				
<b>Total Other Sources (Uses)</b>				
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	81,000	10,900	(228,000)	(238,900)
Fund Balance, Beginning of Year	349,000	251,900	430,000	178,100
<b>Fund Balance, End of Year</b>	<b>\$430,000</b>	<b>\$262,800</b>	<b>\$202,000</b>	<b>(\$60,800)</b>

# CHANGES IN FINANCIAL POSITION

## PROPOSITION 42 FUND

	2007-08	2008-09		Variance
	Actual	Original Budget	Revised Projection	
<b>Revenues</b>				
Investment and Property Revenues				
Subventions and Grants				
State Grants	131,300	456,400	436,000	(20,400)
<b>Total Revenues</b>	<b>131,300</b>	<b>456,400</b>	<b>436,000</b>	<b>(20,400)</b>
<b>Expenditures</b>				
Operating Programs				
Transportation				
Capital Improvement Plan Projects				
<b>Total Expenditures</b>				
<b>Other Sources (Uses)</b>				
Operating Transfer In				
Operating Transfer Out	(\$131,300)	(\$456,400)	(\$436,000)	
<b>Total Other Sources (Uses)</b>	<b>(\$131,300)</b>	<b>(\$456,400)</b>	<b>(\$436,000)</b>	
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses				
Fund Balance, Beginning of Year				
<b>Fund Balance, End of Year</b>				

# CHANGES IN FINANCIAL POSITION

## PROPOSITION 1B FUND

	218,800	(775,000)		
	Actual	Original Budget	Revised Projection	Variance
<b>Revenues</b>				
Investment and Property Revenues				
Subventions and Grants				
State Grants	711,600		657,700	657,700
<b>Total Revenues</b>	<b>711,600</b>		<b>657,700</b>	<b>657,700</b>
<b>Expenditures</b>				
Operating Programs				
Transportation				
Capital Improvement Plan Projects				
<b>Total Expenditures</b>				
<b>Other Sources (Uses)</b>				
Operating Transfers In				
Operating Transfers Out	(\$711,600)		(\$657,700)	
<b>Total Other Sources (Uses)</b>	<b>(\$711,600)</b>		<b>(\$657,700)</b>	
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses				
Fund Balance, Beginning of Year				
<b>Fund Balance, End of Year</b>				

## CHANGES IN FINANCIAL POSITION

### CAPITAL OUTLAY FUND

	2007-08	2008-09		
	Actual	Original Budget	Revised Projection	Variance
<b>Revenues</b>				
Subventions and Grants	660,600	1,252,500	9,146,100	7,893,600
Service Charges	82,300			
Other Revenues	20,000	292,000	1,428,200	1,136,200
<b>Total Revenues</b>	<b>762,900</b>	<b>1,544,500</b>	<b>10,574,300</b>	<b>9,029,800</b>
<b>Expenditures</b>				
Capital Improvement Plan Projects	8,005,000	8,269,600	31,009,000	(22,739,400)
<b>Total Expenditures</b>	<b>8,005,000</b>	<b>8,269,600</b>	<b>31,009,000</b>	<b>(22,739,400)</b>
<b>Other Sources (Uses)</b>				
Operating Transfers In	9,379,800	6,725,100	4,497,900	(2,227,200)
Operating Transfers Out	(21,300)			
Proceeds from Debt Financing			10,414,900	10,414,900
<b>Total Other Sources (Uses)</b>	<b>9,358,500</b>	<b>6,725,100</b>	<b>14,912,800</b>	<b>8,187,700</b>
<b>Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	2,116,400		(5,521,900)	(5,521,900)
<b>Fund Balance, Beginning of Year</b>	3,405,500		5,521,900	5,521,900
<b>Fund Balance, End of Year</b>	<b>\$5,521,900</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## CHANGES IN FINANCIAL POSITION

### PARKLAND DEVELOPMENT FUND

	2007-08	2008-09		Variance
	Actual	Original Budget	Revised Projection	
<b>Revenues</b>				
Investment and Property Revenue	38,200	36,300	36,300	
Subventions and Grants			137,500	137,500
Service Charges				
Park In-Lieu Fees	860,000	185,000	185,000	
Dwelling Unit Fees	1,800	5,400	5,400	
Other Revenue				
<b>Total Revenues</b>	<b>900,000</b>	<b>226,700</b>	<b>364,200</b>	<b>137,500</b>
<b>Expenditures</b>				
Capital Improvement Plan Projects	84,300	950,000	178,500	771,500
<b>Total Expenditures</b>	<b>84,300</b>	<b>950,000</b>	<b>178,500</b>	<b>771,500</b>
<b>Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	815,700	(723,300)	185,700	909,000
<b>Fund Balance, Beginning of Year</b>	<b>200,600</b>	<b>753,700</b>	<b>1,016,300</b>	<b>262,600</b>
<b>Fund Balance, End of Year</b>	<b>\$1,016,300</b>	<b>\$30,400</b>	<b>\$1,202,000</b>	<b>\$1,171,600</b>

# CHANGES IN FINANCIAL POSITION

## TRANSPORTATION IMPACT FEE FUND

	2007-08	2008-09		Variance
	Actual	Original Budget	Revised Projection	
<b>Revenues</b>				
Investment and Property Revenue	104,000	4,700	4,700	
Subventions and Grants	64,300	445,600	2,854,600	2,409,000
Service Charges	724,800	212,500	212,500	
Other Revenue	342,800		57,200	57,200
<b>Total Revenues</b>	<b>1,235,900</b>	<b>662,800</b>	<b>3,129,000</b>	<b>2,466,200</b>
<b>Expenditures</b>				
Capital Improvement Plan Projects	640,300	662,800	7,007,200	(6,344,400)
<b>Total Expenditures</b>	<b>640,300</b>	<b>662,800</b>	<b>7,007,200</b>	<b>(6,344,400)</b>
<b>Other Sources (Uses)</b>				
Operating Transfers In	701,900			
Operating Transfers Out	(14,200)			
<b>Total Other Sources (Uses)</b>	<b>\$687,700</b>			
<b>Revenues and Other Sources Over (Under)</b>				
<b>Expenditures and Other Uses</b>	1,283,300		(3,878,200)	(3,878,200)
<b>Fund Balance, Beginning of Year</b>	2,774,100		4,057,400	4,057,400
<b>Fund Balance, End of Year</b>	<b>\$4,057,400</b>	<b>\$ -</b>	<b>\$ 179,200</b>	<b>\$ 179,200</b>

## CHANGES IN FINANCIAL POSITION

### OPEN SPACE PROTECTION FUND

	2007-08	2008-09		Variance
	Actual	Original Budget	Revised Projection	
<b>Revenues</b>				
Investment and Property Revenue	12,000	3,300	3,300	
Subventions and Grants			350,000	350,000
Service Charges				
Other Revenue				
<b>Total Revenues</b>	<b>12,000</b>	<b>3,300</b>	<b>353,300</b>	<b>350,000</b>
<b>Expenditures</b>				
Capital Improvement Plan Projects	22,800	284,000	898,700	(614,700)
<b>Total Expenditures</b>	<b>22,800</b>	<b>284,000</b>	<b>898,700</b>	<b>(614,700)</b>
<b>Other Sources (Uses)</b>				
Operating Transfers In	323,000	284,000	234,000	(50,000)
Operating Transfers Out	(5,000)			
<b>Total Other Sources (Uses)</b>	<b>\$318,000</b>	<b>\$284,000</b>	<b>\$234,000</b>	<b>(\$50,000)</b>
<b>Revenues and Other Sources Over (Under)</b>				
<b>Expenditures and Other Uses</b>	307,200	3,300	(311,400)	(314,700)
<b>Fund Balance, Beginning of Year</b>	81,600	65,300	388,800	323,500
<b>Fund Balance, End of Year</b>	<b>\$388,800</b>	<b>\$68,600</b>	<b>\$77,400</b>	<b>\$8,800</b>

## CHANGES IN FINANCIAL POSITION

### AIRPORT AREA IMPACT FEE FUND

	2007-08	2008-09		Variance
	Actual	Original Budget	Revised Projection	
<b>Revenues</b>				
Investment and Property Revenues	39,000	46,800	46,800	
Service Charges		357,000	357,000	
<b>Total Revenues</b>	<b>39,000</b>	<b>403,800</b>	<b>403,800</b>	
<b>Expenditures</b>				
Capital Improvement Plan Projects			375,000	(375,000)
<b>Other Sources (Uses)</b>				
Operating Transfers Out				
<b>Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	39,000	403,800	28,800	(375,000)
<b>Fund Balance, Beginning of Year</b>	927,200	930,100	966,200	36,100
<b>Fund Balance, End of Year</b>	<b>\$966,200</b>	<b>\$1,333,900</b>	<b>\$995,000</b>	<b>(\$338,900)</b>

## CHANGES IN FINANCIAL POSITION

### AFFORDABLE HOUSING FUND

	2007-08	2008-09		Variance
	Actual	Original Budget	Revised Projection	
<b>Revenues</b>				
Investment and Property Revenues	155,600	160,500	160,500	
Service Charges	682,400	561,900	561,900	
<b>Total Revenues</b>	<b>838,000</b>	<b>722,400</b>	<b>722,400</b>	
<b>Expenditures</b>				
Capital Improvement Plan Projects	630,000		740,000	(740,000)
<b>Other Sources (Uses)</b>				
Operating Transfers in				
<b>Revenues and Other Sources Over (Under)</b>				
<b>Expenditures and Other Uses</b>	208,000	722,400	(17,600)	(740,000)
<b>Fund Balance, Beginning of Year</b>	3,802,600	3,110,100	4,010,600	900,500
<b>Fund Balance, End of Year</b>	<b>\$4,010,600</b>	<b>\$3,832,500</b>	<b>\$3,993,000</b>	<b>\$160,500</b>

## CHANGES IN FINANCIAL POSITION

### FLEET REPLACEMENT FUND

	2007-08	2008-09		Variance
	Actual	Original Budget	Revised Projection	
<b>Revenues</b>				
Investment and Property Revenues	60,600	56,200	56,200	
Other Revenues				
Sale of Surplus Property	18,700	10,000	24,300	14,300
<b>Total Revenues</b>	<b>79,300</b>	<b>66,200</b>	<b>80,500</b>	<b>14,300</b>
<b>Expenditures</b>				
Capital Improvement Plan Projects	1,041,500	286,600	422,500	(135,900)
<b>Total Expenditures</b>	<b>1,041,500</b>	<b>286,600</b>	<b>422,500</b>	<b>(135,900)</b>
<b>Other Sources (Uses)</b>				
Operating Transfers In				
General Fund	1,109,000	550,000	550,000	
<b>Total Other Sources (Uses)</b>	<b>1,109,000</b>	<b>550,000</b>	<b>550,000</b>	
<b>Revenues and Other Sources Over (Under)</b>				
<b>Expenditures and Other Uses</b>	146,800	329,600	208,000	(121,600)
<b>Fund Balance, Beginning of Year</b>	1,688,100	1,128,400	1,834,900	706,500
<b>Fund Balance, End of Year</b>	<b>\$1,834,900</b>	<b>\$1,458,000</b>	<b>\$2,042,900</b>	<b>\$584,900</b>

## CHANGES IN FINANCIAL POSITION

### LOS OSOS VALLEY ROAD SUB-AREA FEE FUND

	2007-08	2008-09		Variance
	Actual	Original Budget	Revised Projection	
<b>Revenues</b>				
Investment and Property Revenues	48,300		1,700	1,700
Service Charges				
<b>Total Revenues</b>	<b>48,300</b>		<b>1,700</b>	<b>1,700</b>
<b>Expenditures</b>				
Capital Improvement Plan Projects	237,900		72,000	(72,000)
<b>Other Sources (Uses)</b>				
Operating Transfers In				
<b>Revenues and Other Sources Over (Under)</b>				
<b>Expenditures and Other Uses</b>	(189,600)		(70,300)	(70,300)
<b>Fund Balance, Beginning of Year</b>	267,100		77,500	77,500
<b>Fund Balance, End of Year</b>	<b>\$77,500</b>		<b>\$7,200</b>	<b>\$7,200</b>

# CHANGES IN FINANCIAL POSITION

## DEBT SERVICE FUND

	2007-08	2008-09		Variance
	Actual	Original Budget	Revised Projection	
<b>Expenditures</b>				
Debt Service				
2001 Refunded Revenue Bonds	800,600	799,600	799,600	
2004 Refunding Revenue Bonds	292,800	295,000	295,000	
2005 Refunding Revenue Bonds	468,600	465,900	465,900	
2006 Lease Revenue Bonds	459,000	458,300	458,300	
Dispatch Center Upgrade		294,200	294,200	
Radio System Upgrade		326,200	326,200	
Energy Conservation Lease Purchase	57,000	57,100	57,100	
<b>Total Expenditures</b>	<b>2,078,000</b>	<b>2,696,300</b>	<b>2,696,300</b>	
<b>Other Sources (Uses)</b>				
Proceeds from debt financing				
Operating Transfers In	2,078,000	2,696,300	2,696,300	
<b>Total Other Sources (Uses)</b>	<b>2,078,000</b>	<b>2,696,300</b>	<b>2,696,300</b>	
<b>Revenues and Other Sources Over (Under)</b>				
<b>Expenditures and Other Uses</b>				
<b>Fund Balance, Beginning of Year</b>				
Reserved for Debt Service	1,645,500	1,645,500	1,645,500	
Unreserved				
<b>Fund Balance, End of Year</b>	<b>\$1,645,500</b>	<b>\$1,645,500</b>	<b>\$1,645,500</b>	

## CHANGES IN FINANCIAL POSITION

### WATER FUND

	2007-08	2008-09		Variance
	Actual	Original Budget	Revised Projection	
<b>Revenues</b>				
Investment and Property Revenues	736,000	196,600	196,600	
Subventions and Grants				
Service Charges				
Water Sales				
Water Service Charges	10,126,900	11,219,700	11,219,700	
Sales to Cal Poly	747,400	646,400	646,400	
Development Impact Fees	1,386,300	1,280,200	1,280,200	
Other Service Charges	156,100	287,800	287,800	
Other Revenues	275,200	20,600	31,500	10,900
<b>Total Revenues</b>	<b>13,427,900</b>	<b>13,651,300</b>	<b>13,662,200</b>	<b>10,900</b>
<b>Expenditures</b>				
Operating Programs				
Public Utilities	5,563,900	6,787,300	7,065,300	(278,000)
General Government	1,391,600	1,447,300	1,447,300	
Total Operating Programs	6,955,500	8,234,600	8,512,600	(278,000)
Capital Improvement Plan Projects	7,205,900	2,473,600	7,436,600	(4,963,000)
Debt Service	2,883,700	2,273,000	2,273,000	
<b>Total Expenditures</b>	<b>17,045,100</b>	<b>12,981,200</b>	<b>18,222,200</b>	<b>(5,241,000)</b>
<b>Other Sources (Uses)</b>				
Other Sources (Uses)	(6,100)	(750,000)	(750,000)	
Proceeds from Debt Financing				
Potential MOA Adjustments		(51,000)	(51,000)	
<b>Total Other Sources (Uses)</b>	<b>(6,100)</b>	<b>(801,000)</b>	<b>(801,000)</b>	
<b>Revenues and Other Sources Over (under)</b>				
<b>Expenditures and Other Uses</b>	<b>(3,623,300)</b>	<b>(130,900)</b>	<b>(5,361,000)</b>	<b>(5,230,100)</b>
<b>Working Capital, Beginning of Year</b>	<b>15,184,200</b>	<b>5,673,600</b>	<b>11,560,900</b>	<b>5,887,300</b>
<b>Working Capital, End of Year</b>	<b>\$11,560,900</b>	<b>\$5,542,700</b>	<b>\$6,199,900</b>	<b>\$657,200</b>

## CHANGES IN FINANCIAL POSITION

### SEWER FUND

	2007-08	2008-09		Variance
	Actual	Original Budget	Revised Projection	
<b>Revenues</b>				
Investment and Property Revenues	272,200	50,200	50,200	
Subventions and Grants				
Service Charges				
Customer Sales				
Sewer Service Charges	9,395,100	11,394,600	11,394,600	
Sales to Cal Poly	392,500	375,000	375,000	
Development Impact Fees	361,500	383,900	383,900	
Other Service Charges	49,200	50,100	50,100	
Other Revenues	7,200	18,500	18,500	
<b>Total Revenues</b>	<b>10,477,700</b>	<b>12,272,300</b>	<b>12,272,300</b>	
<b>Expenditures</b>				
Operating Programs				
Public Utilities	5,143,800	5,586,400	5,910,500	(324,100)
General Government	1,643,100	1,708,800	1,708,800	
Total Operating Programs	6,786,900	7,295,200	7,619,300	(324,100)
Capital Improvement Plan Projects	1,047,300	2,150,000	17,846,600	(15,696,600)
Debt Service	2,364,500	2,766,700	2,766,700	
<b>Total Expenditures</b>	<b>10,198,700</b>	<b>12,211,900</b>	<b>28,232,600</b>	<b>(16,020,700)</b>
<b>Other Sources (Uses)</b>				
Proceeds from Debt Financing	2,050,000		9,860,000	(9,860,000)
Potential MOA Adjustments		(44,200)	(44,200)	
Other Sources (Uses)	221,100	(25,000)	(25,000)	
<b>Total Other Sources (Uses)</b>	<b>2,271,100</b>	<b>(69,200)</b>	<b>9,790,800</b>	<b>9,860,000</b>
<b>Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>				
	2,550,100	(8,800)	(6,169,500)	(6,160,700)
<b>Working Capital, Beginning of Year</b>				
	5,360,500	1,433,300	7,910,600	6,477,300
<b>Working Capital, End of Year</b>				
	<b>\$7,910,600</b>	<b>\$1,424,500</b>	<b>\$1,741,100</b>	<b>\$316,600</b>

## CHANGES IN FINANCIAL POSITION

### PARKING FUND

	2007-08	2008-09		Variance
	Actual	Original Budget	Revised Projection	
<b>Revenues</b>				
Investment and Property Revenues	384,600	146,000	146,000	
Fines and Forfeitures	774,100	834,100	834,100	
Service Charges				
Parking Meter Collections				
Lots	379,600	380,300	380,300	
Streets	1,039,800	1,027,900	1,027,900	
Parking Structure Collections	801,500	815,000	815,000	
Long-Term Parking Revenues	391,800	388,700	388,700	
Lease Revenues	243,100	240,200	240,200	
Parking In-Lieu Fees	17,400	22,800	22,800	
Other Service Charges	(19,800)	100	100	
Other Revenues	17,400			
<b>Total Revenues</b>	<b>4,029,500</b>	<b>3,855,100</b>	<b>3,855,100</b>	
<b>Expenditures</b>				
Operating Programs				
Transportation	1,543,500	1,757,700	1,851,400	(93,700)
General Government	460,900	479,300	479,300	
<b>Total Operating Programs</b>	<b>2,004,400</b>	<b>2,237,000</b>	<b>2,330,700</b>	<b>(93,700)</b>
Capital Improvement Plan Projects	117,700		1,867,300	(1,867,300)
Debt Service	1,512,400	1,473,500	1,473,500	
<b>Total Expenditures</b>	<b>3,634,500</b>	<b>3,710,500</b>	<b>5,671,500</b>	<b>(1,961,000)</b>
<b>Other Sources (Uses)</b>				
Proceeds from Debt Financing				
Other Sources (Uses)	(2,000)			
Potential MOA Adjustments		(11,500)	(11,500)	
<b>Total Other Sources (Uses)</b>	<b>(2,000)</b>	<b>(11,500)</b>	<b>(11,500)</b>	
<b>Revenues and Other Sources Over (Under)</b>				
<b>Expenditures and Other Uses</b>	<b>393,000</b>	<b>133,100</b>	<b>(1,827,900)</b>	<b>(1,961,000)</b>
<b>Working Capital, Beginning of Year</b>	<b>6,664,800</b>	<b>4,172,000</b>	<b>7,057,800</b>	<b>2,885,800</b>
<b>Working Capital, End of Year:</b>	<b>\$7,057,800</b>	<b>\$4,305,100</b>	<b>\$5,229,900</b>	<b>\$924,800</b>

## CHANGES IN FINANCIAL POSITION

### TRANSIT FUND

	2007-08	2008-09		Variance
	Actual	Original Budget	Revised Projection	
<b>Revenues</b>				
Investment and Property Revenues	6,400	4,900	4,900	
Subventions and Grants				
TDA Revenues	1,598,100	1,450,800	1,450,800	
Other Grants	683,600	374,900	374,900	
FTA Grants	1,520,700	1,310,900	3,177,500	1,866,600
Service Charges	516,500	528,400	528,400	
Other Revenues	4,000	2,000	2,000	
<b>Total Revenues</b>	<b>4,329,300</b>	<b>3,671,900</b>	<b>5,538,500</b>	<b>1,866,600</b>
<b>Expenditures</b>				
Operating Programs				
Transportation	2,466,900	2,152,800	2,193,500	(40,700)
General Government	280,900	292,100	292,100	
Total Operating Programs	2,747,800	2,444,900	2,485,600	(40,700)
Capital Improvement Plan Projects	919,600	1,170,000	4,162,500	(2,992,500)
<b>Total Expenditures</b>	<b>3,667,400</b>	<b>3,614,900</b>	<b>6,648,100</b>	<b>(3,033,200)</b>
<b>Other Sources (Uses)</b>				
Expenditure Savings				
Other Sources	2,200			
Potential MOA Adjustments		(6,700)	(6,700)	
<b>Total Other Sources (Uses)</b>	2,200	(6,700)	(6,700)	
<b>Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	664,100	50,300	(1,116,300)	1,166,600
<b>Working Capital, Beginning of Year</b>	782,200	247,800	1,446,300	1,198,500
<b>Working Capital, End of Year</b>	<b>\$1,446,300</b>	<b>\$298,100</b>	<b>\$330,000</b>	<b>\$31,900</b>

## CHANGES IN FINANCIAL POSITION

### GOLF FUND

	2007-08	2008-09		Variance
	Actual	Original Budget	Revised Projection	
<b>Revenues</b>				
Investment and Property Revenues	14,200	8,500	8,500	
Service Charges				
Retail Sales	32,200	29,500	29,500	
Green Fees	244,900	255,000	255,000	
Other Fees	49,200	54,600	54,600	
Other Revenues	22,700	86,200	86,200	
<b>Total Revenues</b>	<b>363,200</b>	<b>433,800</b>	<b>433,800</b>	
<b>Expenditures</b>				
Operating Programs				
Leisure, Cultural & Social Services	463,300	539,400	546,700	(7,300)
General Government	157,300	163,600	163,600	
<b>Total Operating Programs</b>	<b>620,600</b>	<b>703,000</b>	<b>710,300</b>	<b>(7,300)</b>
Capital Improvement Plan Projects	247,100	35,000	171,700	(136,700)
<b>Total Expenditures</b>	<b>867,700</b>	<b>738,000</b>	<b>882,000</b>	<b>(144,000)</b>
<b>Other Sources (Uses)</b>				
Operating Transfers In	462,000	313,200	316,500	3,300
Other Sources	3,600			
Expenditure Savings				
Potential MOA Adjustments		(9,000)	(9,000)	
<b>Total Other Sources (Uses)</b>	<b>465,600</b>	<b>304,200</b>	<b>307,500</b>	<b>3,300</b>
<b>Revenues and Other Sources Over (under) Expenditures and Other Uses</b>	(38,900)		(140,700)	(140,700)
<b>Working Capital, Beginning of Year</b>	179,600		140,700	140,700
<b>Working Capital, End of Year</b>	<b>\$140,700</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## CHANGES IN FINANCIAL POSITION

### WHALE ROCK COMMISSION

	2007-08	2008-09		Variance
	Actual	Original Budget	Revised Projection	
<b>Revenues</b>				
Investment and Property Revenues	37,400	20,000	20,000	
Subventions & Grants				
Service Charges				
Member Agency Contributions	496,300	568,300	568,300	
Water Distribution Charges	399,600	314,400	314,400	
Other Revenues	800	700	700	
Other Revenues	900			
<b>Total Revenues</b>	<b>935,000</b>	<b>903,400</b>	<b>903,400</b>	
<b>Expenditures</b>				
Operating Programs				
Public Utilities	832,900	822,600	851,700	(29,100)
General Government	113,300	117,800	117,800	
Total Operating Programs	946,200	940,400	969,500	(29,100)
Capital Improvement Plan Projects	2,100	25,000	208,600	(183,600)
<b>Total Expenditures</b>	<b>948,300</b>	<b>965,400</b>	<b>1,178,100</b>	<b>(212,700)</b>
<b>Other Sources (Uses)</b>				
Potential MOA Adjustments		(7,600)		7,600
<b>Total Other Sources (Uses)</b>		<b>(7,600)</b>		<b>7,600</b>
<b>Revenues and Other Sources Over (under) Expenditures and Other Uses</b>	(13,300)	(69,600)	(274,700)	(205,100)
<b>Working Capital, Beginning of Year</b>	837,400	601,200	824,100	222,900
<b>Working Capital, End of Year</b>	<b>\$824,100</b>	<b>\$531,600</b>	<b>\$549,400</b>	<b>\$17,800</b>

## **Section C**

### MID-YEAR BUDGET REQUESTS

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# SUMMARY OF 2008-09 MID-YEAR BUDGET REQUESTS

Page No. **2008-09**

## OPERATING PROGRAMS

Water Fund	■ Electric Utility Increase	C-2	120,000
	<b>Total Operating Programs</b>		<b>120,000</b>

## CAPITAL IMPROVEMENT PLAN (CIP)

Capital Outlay Fund	■ Flood Protection: Andrews Creek Bypass	C-4	75,000
Water Fund	■ Slurry Seal: Water Treatment Plant	C-7	50,000
	<b>Total CIP Projects</b>		<b>125,000</b>

<b>TOTAL</b>	<b>\$ 245,000</b>
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## FUNDING SOURCES

Capital Outlay Fund: CIP Reserve	75,000
Water Fund	170,000
	<b>\$ 245,000</b>

# OPERATING PROGRAMS

## ELECTRIC UTILITY INCREASE – WATER SOURCE OF SUPPLY

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### **Request Summary**

Increasing electrical utilities for the Whale Rock pump stations, allowing for increased use of Whale Rock Reservoir water supplies, to ensure adequate raw water availability will cost an additional \$120,000 in 2008-09. This funding request will be offset by similar savings in electrical use for reduced operations of the booster pump station at Salinas Reservoir, which will be reflected in reduced costs in County billings in 2009-11.

### **Key Objectives**

Provide water supply from Whale Rock Reservoir to the Water Treatment Plant to ensure daily water deliveries to City customers.

### **Factors Driving the Request for Change**

1. Salinas Reservoir water supply line is currently restricted to a lower flow due to a section of deteriorated pipeline, operating at less than 75% capacity (two of three booster pumps).
2. Increasing raw water supply pumped from Whale Rock Reservoir to meet operational demands until the Salinas raw water supply line is repaired and fully functional.
3. Ensuring sufficient supply of water to meet the City's domestic and fire flow demands.
4. Increased electrical costs to Whale Rock will be off-set by reduced electrical use at Salinas Reservoir pump station. The City funds the Salinas Reservoir Operations in a separate budget administered by the County.

### **Goal and Policy Links**

Uninterrupted water supply for customer use and public safety is a primary goal of the Source of Supply Program.

### **Program Work Completed**

The City has awarded the construction contract on the Raw Water Bypass Project for the Salinas pipeline repair and the pre-job meeting has been held. Scheduling coordination between the City and contractors for the Raw Water Bypass project and the Nacimiento pipeline construction project is underway, as both supply lines lead to the City's Water Treatment Plant along the narrow Stenner Creek Road.

### **Stakeholders**

City water customers, Whale Rock Reservoir staff, Water Treatment Plant staff and Salinas Reservoir staff.

### **Program Manager and Team Support**

**Program Manager.** Bob Hamilton, Water Supply Supervisor

**Project Team.** Bob Hamilton, Water Supply Supervisor and Dean Furukawa, Water Treatment Plant Supervisor

# OPERATING PROGRAMS

## ELECTRIC UTILITY INCREASE – WATER SOURCE OF SUPPLY

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### Operating Program

Source of Supply

### Cost Summary

Electrical pumping needs will require an additional \$120,000 in 2008-09, increasing Whale Rock pumping costs for the City from \$160,000 to \$280,000. Increased electrical costs to Whale Rock will be off-set with reduced electrical use at Salinas Reservoir. The City funds the Salinas Reservoir operations, which are provided by the County. The County administers a separate budget for Salinas Reservoir operations and maintenance and the City pays a year in advance for projected costs. Any savings in the Salinas Reservoir operations budget will increase the carry over funds in the next year and reduce future payments to the County. The reduced pumping charges at Salinas pump station should be similar to the increases in the Whale Rock budget identified below.

<b>Line Item Description</b>	<b>Account No.</b>	<b>2008-09</b>
<b>Communications &amp; Utilities</b>		<b>120,000</b>
Whale Rock Operations	500-55110-7311	120,000
<b>Total Operating Costs</b>		<b>120,000</b>
<b>Net Operating Costs</b>		<b>120,000</b>

## FLOOD PROTECTION: ANDREWS CREEK BYPASS

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### **CIP Project Summary**

Design and permitting services for modifying the Andrews Creek Bypass will cost \$75,000 in 2008-09.

### **Project Objectives**

Reduce flooding for surrounding properties.

### **Existing Situation**

In 1999 the Andrews/Conejo Storm Drainage Improvement Project was constructed. The goal of this project was to reduce flooding to the residences of Conejo Avenue. This project installed a high flow bypass system that would allow larger flows in Andrews Creek to be diverted into two pipes, down Andrews Street, and into San Luis Obispo Creek. The rain event of December 2004 flooded two residences on Conejo Avenue indicating that some additional work would be of benefit.

This new project will modify the existing bypass entrance and install debris check dams in upper watershed.

While the City believes that the root cause of the residences being flooded in 2004 was due to unpermitted earthwork activities in the upper watershed, the City is currently involved in a legal action with the one of the flooded property owners and mediation with others in this area. Proceeding forward with this request at this time will display continued positive movement towards increased flood protection on Conejo Avenue to the courts and residents of this area. Allowing this request to move forward at this time is the only way to have a chance at constructing these improvements prior to the winter rains of 2009-10.

A request for construction will be submitted as part of the 2009-11 Financial Plan and is expected to be \$250,000.

### ***Goal and Policy Links***

1. Adopted Flood Control Program goal: a well-designed and well-maintained storm drainage system which prevents loss of life and minimizes property damage from flooding
2. 2007-09 Major City Goal to reduce flood risks
3. 2007-09 Financial Plan, Appendix B, Page 284

### **Project Work Complete**

A hydrologic, hydraulic, and alternatives analysis has been completed for this area. The alternatives analysis suggests several improvements that could be done to improve the storm water capacity of the system. Staff has completed items that do not require permitting or permission from private property owners. Staff continues to work with private property owners to implement other items on private property that could be of benefit. The designer has submitted a proposal for the alternatives (the bypass modification work and installation of check dams in the upper watershed) that will require engineering design work and regulatory permitting.

### **Environmental Review**

It is anticipated that this project will require an initial biological assessment and receive a Mitigated Negative Declaration from Community Development. Since this project impacts a waterway, additional coordination and permitting with regulating agencies will also be required.

### **Project Constraints and Limitations**

# TRANSPORTATION

## FLOOD PROTECTION: ANDREWS CREEK BYPASS

Several permits will be required from agencies responsible for regulation of activities in and around waterways.

### Stakeholders

The primary stakeholders are the residents along Conejo that are subject to flooding if the drainage system above them fails to take all the storm water.

### Project Phasing and Funding Sources

#### *Project Costs by Phase*

	<i>Project Costs</i>					
	To-Date	2008-09	2009-10	2010-11	2011-12	Total
Study	4,000					4,000
Environmental Review	7,000					7,000
Design	78,000	75,000				153,000
Construction	41,000					41,000
<b>Total</b>	<b>130,000</b>	<b>75,000</b>				<b>205,000</b>

#### *Project Funding by Source: General Fund & CIP Reserves*

	<i>Project Funding Sources</i>					
	To-Date	2008-09	2009-10	2010-11	2011-12	Total
General Fund	130,000					130,000
CIP Reserves		75,000				75,000
<b>Total</b>	<b>130,000</b>	<b>75,000</b>				<b>205,000</b>

### Key Project Assumptions

The project scope assumes that regulatory agencies will permit these improvements.

### Project Manager and Team Support

#### *Project Manager*

CIP Engineering Design Staff

#### *Project Team*

CIP Project Engineering  
Community Development  
Natural Resources

### Alternatives

1. **Deny the Project.** Denial of this project will leave flood water situation unchanged.
2. **Defer the project.** By deferring the funding of this project until at least the 2009-11 Financial Plan adoption no meaningful progress can be made on the design between now and July. The designer has submitted a proposal for design and making progress towards construction is important for purposes of defending the City against further action from the property owners.

# TRANSPORTATION

## FLOOD PROTECTION: ANDREWS CREEK BYPASS

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### Operating Program

Flood Control (50320)

### Project Effect on the Operating Budget

#### *Project Implementation*

Engineering Project Management:	150 hours
Engineering Construction Inspection:	150 hours
Public Works Administration	100 hours
Community Development:	40 hours
Administration / Natural Resources:	60 hours

#### *Facility Operation*

Emergency response costs for this area will be lessened to the degree the storm water remains in the system.

### Location Map



# CAPITAL IMPROVEMENT PLAN

## SLURRY SEAL WATER TREATMENT AND WATER RECLAMATION FACILITIES

---

### **CIP Project Summary**

Slurry sealing the asphalt roads and surfaces at the Water Treatment Plant and the Water Reclamation Facility, to help protect against damage and prolong their service life, will require \$50,000 in additional funding from the Water Fund for a total project cost of \$300,000 in 2009-10.

**Background.** Both the Water Treatment Plant (WTP) and the Water Reclamation Facility (WRF) have a significant amount of asphalt for roads and access to various treatment processes and equipment. Over time, asphalt can begin to crack and spall, resulting in degradation of the surface and increased rate of deterioration. Applying a slurry seal to the asphalt surfaces seals cracks and prolongs the expected service life of the asphalt and sub-grade materials.

### **Project Objectives**

1. Make minor asphalt repairs at the Water Treatment Plant
2. Slurry coat all asphalt surfaces at both treatment plants
3. Prolong the life of roadways and other asphalt surfaces

### **Existing Situation**

The Water Treatment Plant just underwent a major upgrade project. As part of this project, some asphalt surfaces were repaired or modified, while others experienced heavy construction traffic. The slurry seal project is expected to overcoat joints in the asphalt, seal cracks, and provide a uniform surface throughout the plant, which will extend the service life of the asphalt.

The Water Reclamation Facility has had damaged areas of asphalt fully repaired in a recent asphalt repair project. The project, approved in the 2007-09 Financial Plan for 2008-09, was intended to include slurry sealing after the asphalt repairs were made. As part of the 2008 Sewer Fund Review, Council approved an amended Capital Improvement Plan which deferred a number of wastewater projects, including the slurry seal portion of the WRF asphalt project. Subsequently, it was determined that funding would be available for the WRF slurry seal project and it is considered the top priority project for utilization of the funds. This request will reprogram the WRF slurry seal project and combine it with the WTP slurry seal coating.

### **Goal and Policy Links**

1. Approved 2007-09 Financial Plan, Appendix B – Capital Improvement Plan, page 3-154
2. Maintaining facilities and equipment in order to ensure proper function and maximum service life is a primary goal for both the Water Treatment Plant and the Water Reclamation Facility

### **Project Work Completed**

1. Damaged and failing sections of pavement were recently patched at the Water Reclamation Facility.
2. A reputable slurry seal contractor was contacted in the development of budgetary cost estimates.

### **Environmental Review**

Applying slurry seal over existing asphalt at a public facility is generally categorically exempt from CEQA. If required, the Community Development Department will make an environmental determination and file the necessary environmental paperwork.

# CAPITAL IMPROVEMENT PLAN

## SLURRY SEAL WATER TREATMENT AND WATER RECLAMATION FACILITIES

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### Project Constraints and Limitations

Slurry seal is best applied during dry weather. The slurry seal must be applied in such a way that it does not interfere with operation of the treatment plants.

### Stakeholders

Water Treatment Plant staff, Water Reclamation Facility staff, and Public Works Engineering

### Project Phasing and Funding Sources

#### *Project Costs by Phase*

	<i>Project Costs</i>		
	Budget-to-Date	2008-09	Total
Construction	250,000	50,000	300,000
<b>Total</b>	<b>250,000</b>	<b>50,000</b>	<b>300,000</b>

#### *Project Funding by Source*

	<i>Project Funding Sources</i>		
	Budget-to-Date	2008-09	Total
Water Fund	30,000	50,000	80,000
Sewer Fund	220,000		220,000
<b>Total</b>	<b>250,000</b>	<b>50,000</b>	<b>300,000</b>

As stated above, the slurry coating project at the Water Reclamation Facility (WRF) was originally part of a larger asphalt repair project. Due to budget concerns, in May 2008 the slurry seal portion of the project was deferred along with other wastewater projects. The WRF Major Facility Maintenance account currently has \$220,000 of funding available for slurry coating at the WRF. Slurry coating of asphalt at the WTP has not been previously included in the Capital Improvement Plan. However, in order to take advantage of “economies of scale” and to prolong the life of WTP roads, it is desirable to slurry coat the asphalt at the WTP under the same contract. The WTP portion of this slurry seal project is \$80,000. Approximately \$30,000 is available in the WTP Major Facility Maintenance account. As indicated above, this request is for an additional \$50,000 in funding, for the water portion only, to fully fund this project.

### Project Manager and Team Support

**Project Manager.** A project manager will be assigned from Public Works Engineering.

**Project Team.** The Public Works engineer will work with the Water Treatment Plan Supervisor and the Water Reclamation Facility Supervisor to coordinate and schedule the work.

### Alternatives

**Defer or Deny the Request.** These alternatives are not recommended, as deferred maintenance will result in a faster rate of degradation of the asphalt, resulting in higher costs overall.

### Operating Program

# CAPITAL IMPROVEMENT PLAN

## SLURRY SEAL WATER TREATMENT AND WATER RECLAMATION FACILITIES

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Water Treatment Plant, Water Reclamation Facility

### **Project Effect on the Operating Budget**

The proposed project will have no effect on the operating budget for either plant.

## **Section D**

### RECENT FINANCIAL AND REVENUE REPORTS

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## Quarterly Financial Report

### Second Quarter of 2008-09

February 13, 2009

#### OVERVIEW

This report summarizes the City's overall financial position for the fiscal year through December 2008. Except as noted below, revenues and operating expenditures are generally on target based on past trends for the second quarter. We will provide the Council with a detailed analysis of the City's financial condition as part of the mid-year budget review.

**Adjusted Budgets and Revenue Estimates.** The revenue projections and budgets include adjustments for encumbrances, carryovers and any supplemental appropriations made by the Council as of December 31, 2008. This includes the budget rebalancing actions approved by Council on September 30, 2008 as well as the revised revenue projections presented at that time.

**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 24, 2009.

#### GENERAL FUND

**General Fund Financial Condition.** With 50% of the year complete, General Fund revenues are at 49% of projections and expenditures are at 51%:

General Fund Balance	Budget	YTD Actual	Percent
Revenues	54,232,700	26,460,400	49%
Expenditures	52,824,800	26,787,400	51%
Other Sources (Uses)	(5,411,800)	(1,561,300)	29%
Balance, Start of Year	14,829,100	14,829,100	-
<b>Balance, Year-to-Date</b>	<b>10,825,200</b>	<b>12,940,800</b>	-

**Top Ten Revenues.** Our top ten revenues account for about 95% of total General Fund revenues. By focusing on these, we can get an excellent understanding of our revenue position.

Overall, these key revenues are performing as projected based on revised estimates, payment schedules and past trends for the second quarter. Any significant variances are noted below.

Top Ten Revenues	Budget	YTD Actual	% Received
Sales tax - general	13,378,000	4,881,000	36%
Sales tax - measure Y	6,036,100	3,095,700	51%
Property tax	8,793,000	5,183,800	59%
Transient occupancy tax	5,155,800	2,845,000	55%
Utility users tax	4,313,300	2,188,700	51%
Property tax in lieu of VLF	3,456,800	-	0%
Business tax	1,939,600	1,853,000	96%
Franchise fees	2,476,100	600,400	24%
Development review fees	2,532,600	774,000	31%
Recreation fees	1,172,200	553,200	47%
Interest on investments	650,000	743,300	114%
<b>Total</b>	<b>49,903,500</b>	<b>22,718,100</b>	<b>46%</b>

- **Sales Tax.** On one hand, year-to-date results are closer to budget estimates than it may appear: due to the "triple flip," we only receive 75% of our base revenues from State allocations. The remaining 25% is remitted to us from the County in January and June via a complicated estimating formula. That said, the results still reflect the slow down in the local, state and national economy. Sales in nearly every major category are down. After adjusting for the triple flip we are still down about 2% from our already-revised-downward estimate.

- **Property Tax.** The first major apportionment of 2008-09 taxes occurred in December 2008. Based on the amount collected, revenues are anticipated to meet the projection.

- **Transient Occupancy Tax.** As noted in the TOT report for November 2008, year-to-date revenues are 1.4% lower than the same period last year. In the December forecast, we lowered our growth estimate of 2% to 1%. Based on year-to-date results, we are likely to again revise the estimate downward as part of the mid-year budget review.

- **Property Tax in lieu of VLF.** We received our first payment of these taxes from the County in January 2009. Based on the amount, we anticipate that we will meet the projected revenues.

- **Business Tax.** The renewal cycle for business tax occurs during the first quarter of the fiscal year.

- **Franchise Fees.** We will not receive the largest components of our franchise fee revenues—payments from PG&E and Southern California Gas Company—until April 2009.

- **Development Review Fees.** We will continue to monitor these revenues as they are below projections for the current year and lower than collections for the same time last year.

• **Interest on Investments.** Interest revenue appears to be performing well, largely due to higher yields and larger than anticipated investable balances. However, as the financial markets continue to fluctuate, we will continue to monitor this closely.

**Expenditures.** Operating costs are generally on target for the first quarter of the year as summarized below:

Expenditures By Type	Budget	YTD Actual	% Expended
Staffing	44,901,500	23,191,200	52%
Contract services	5,117,200	2,275,900	44%
Telecomm & utilities	1,676,600	830,300	50%
Insurance	1,195,700	1,013,900	85%
Other operating costs	3,973,600	1,543,100	39%
Minor capital	175,200	37,500	21%
Total by type	57,039,800	28,891,900	51%
Reimbursed expenditures	(4,215,000)	(2,104,500)	50%
<b>Total</b>	<b>52,824,800</b>	<b>26,787,400</b>	<b>51%</b>

Because there were three payrolls in December, we are right on target for staffing costs. The only other key variance by type is insurance: this reflects the City’s annual premium for liability and property insurance, which is due in full in July. Departmental operating expenditures are also generally on target:

Expenditures	Budget	YTD Actual	% Expended
Administration	2,435,500	1,305,800	54%
City Attorney	550,600	281,700	51%
City Clerk	589,300	223,600	38%
Human Resources	2,519,400	1,597,800	63%
Finance & IT	4,379,000	1,892,700	43%
Community Development	2,976,400	1,343,600	45%
Parks & Recreation	3,505,000	1,787,500	51%
Public Works	12,657,300	5,950,100	47%
Police	15,937,100	8,153,000	51%
Fire	11,490,200	6,356,100	55%
Total Departmental	57,039,800	28,891,900	51%
Reimbursed Expenditures	(4,215,000)	(2,104,500)	50%
<b>Total Expenditures</b>	<b>52,824,800</b>	<b>26,787,400</b>	<b>51%</b>

The only significant variance is in Human Resources, which reflects the City’s annual liability and property premium payments as discussed above.

**ENTERPRISE FUNDS**

In general, enterprise fund revenues and expenditures are consistent with past trends.

**Water Fund**

Working Capital	Budget	YTD Actual	Percent
Revenues	13,662,200	8,555,500	63%
Expenditures			
Operating programs	8,392,700	3,697,400	44%
CIP projects	7,386,500	808,400	11%
Debt service	2,273,000	1,425,800	63%
Other Sources (Uses)	(801,000)		0%
Balance, Start of Year	11,560,900	11,560,900	-
<b>Balance, Year-to-Date</b>	<b>6,369,900</b>	<b>14,184,800</b>	<b>-</b>

**Sewer Fund**

Working Capital	Budget	YTD Actual	Percent
Revenues	12,253,800	6,226,100	51%
Expenditures			
Operating programs	7,619,400	3,254,300	43%
CIP projects	17,846,700	6,125,300	34%
Debt service	2,766,700	2,273,200	82%
Other Sources (Uses)	9,815,800	10,000,000	102%
Balance, Start of Year	7,910,600	7,910,600	-
<b>Balance, Year-to-Date</b>	<b>1,747,400</b>	<b>12,483,900</b>	<b>-</b>

**Parking Fund**

Working Capital	Budget	YTD Actual	Percent
Revenues	3,855,100	2,126,300	55%
Expenditures			
Operating programs	2,330,700	1,110,900	48%
CIP projects	1,867,300	136,500	7%
Debt service	1,473,500	554,800	38%
Other Sources (Uses)	(11,500)		0%
Balance, Start of Year	7,057,800	7,057,800	-
<b>Balance, Year-to-Date</b>	<b>5,229,900</b>	<b>7,381,900</b>	<b>-</b>

**Transit Fund**

Working Capital	Budget	YTD Actual	Percent
Revenues	5,538,500	773,800	14%
Expenditures			
Operating programs	2,485,600	682,200	27%
CIP projects	4,162,300	198,400	5%
Other Sources (Uses)	(6,700)		
Balance, Start of Year	1,446,300	1,446,300	-
<b>Balance, Year-to-Date</b>	<b>330,200</b>	<b>1,339,500</b>	<b>-</b>

**Golf Fund**

Working Capital	Budget	YTD Actual	Percent
Revenues	433,800	172,500	40%
Expenditures			
Operating programs	710,300	358,300	50%
CIP projects	171,700	96,800	56%
Other Sources (Uses)	448,200	156,600	35%
Balance, Start of Year	-	-	-
<b>Balance, Year-to-Date</b>	<b>-</b>	<b>(126,000)</b>	<b>-</b>

*We will need to closely monitor golf course operations.*

**Whale Rock Commission**

Working Capital	Budget	YTD Actual	Percent
Revenues	903,400	556,600	62%
Expenditures			
Operating programs	969,500	478,300	49%
CIP projects	208,600	28,500	14%
Other Sources (Uses)	(7,600)		0%
Balance, Start of Year	824,100	824,100	-
<b>Balance, Year-to-Date</b>	<b>541,800</b>	<b>873,900</b>	<b>-</b>

**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 781-7128.

## Sales Tax Newsletter

### Third Quarter of Calendar Year 2008

February 13, 2009

#### OVERVIEW

**For the Quarter.** This newsletter covers the City's sales tax revenues received in December 2008 for sales occurring from July through September 2008. After adjusting for apportionment errors, late payments and pass-through obligations to the County for revenues from the Airport Area, "point-of-sale" revenues were down by 3.8% compared with the same quarter last year. This follows a 4.4% decline last quarter.

**After adjustments, "point-of-sale" revenues were down by 3.8% compared with the same quarter last year.**

#### Sales Tax Receipts Summary

Sales Tax Receipts	3rd Qtr 2008	3rd Qtr 2007	% Change
Reported Point-of-Sale	3,029,510	3,154,056	-3.9%
Net Adjustments	(113,327)	(123,190)	
<b>Adjusted Point-of Sale</b>	<b>2,916,183</b>	<b>3,030,866</b>	<b>-3.8%</b>
Pool Receipts	319,773	370,380	-13.7%
<b>Total</b>	<b>3,235,956</b>	<b>3,401,246</b>	<b>-4.9%</b>

The following summarizes "point-of-sale" revenues by major business group, *after adjusting* for late payments, apportionment errors last year, pass-through obligations to the County from the Airport Area per our transition agreement with it and other adjustments identified by our sales tax advisor:

#### Adjusted Sales Tax Receipts By Type

Point-of-Sale Receipts	3rd Qtr 2008	3rd Qtr 2007	% Change
Gen Consumer Goods	1,052,574	1,047,916	0.4%
Autos & Transportation	536,705	678,257	-20.9%
Restaurants & Hotels	336,949	331,830	1.5%
Fuel & Service Stations	346,069	277,941	24.5%
Building & Construction	275,385	304,993	-9.7%
Business & Industry	188,471	209,472	-10.0%
Food & Drugs	180,030	180,457	-0.2%
<b>Total</b>	<b>2,916,183</b>	<b>3,030,866</b>	<b>-3.8%</b>

**Continuing Trends.** Downward trends for the prior four quarters continue, with auto sales continuing their decline from peak levels. Revenues from building & construction and business & industry sales were also down. General consumer goods were flat. Fortunately, this is partially offset by increases significant growth in

fuel sales. However, with recent declines in gasoline prices, this trend will not continue.

As discussed in the five-year General Fund forecast presented to the Council in December 2008, these downward trends are likely to continue for the balance of 2008-09 and into 2009-11.

**Measure Y Revenues.** On the other hand, Measure Y revenues are on-track with our 2008-09 budget estimate of \$5.9 million.

#### 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 2008 and 2007
- 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 2008*

February 13, 2009

This report covers the City's transient occupancy tax (TOT) revenues for the month of December 2008 compared with the two prior years. As reflected below, revenues for December are *down by 12.0 %* from last year and *down 2.6% year-to-date*.

**What's This Mean?** December brings our largest decrease in TOT revenues year to date; unfortunately, holiday travel activity did nothing to bolster TOT activity. With the nation and State facing their largest economic crisis since the Great Depression, we continue to see adverse impacts on City travel activity and all associated General Fund revenues.

In the 2007-09 Financial Plan, TOT revenues were projected to grow by 2% in 2008-09. In the December 2008 forecast, we lowered this to 1%. Based on year-to-date results, we will revisit this estimate as part of the mid-year budget, which will be presented to the Council on February 24, 2009.

Year-to-Date TOT Revenues					
	Prior Year 2006-07	Last Year 2007-08	This Year 2008-09	Increase (Decrease) Last Year Vs This Year	
				Amount	Percent
July	\$ 521,789	\$ 565,386	\$ 565,637	\$ 251	0.0%
August	531,727	573,057	609,451	36,394	6.4%
September	432,587	465,179	416,859	(48,320)	-10.4%
October	406,204	418,474	416,905	(1,569)	-0.4%
November	334,227	375,287	354,737	(20,550)	-5.5%
December	282,198	312,510	274,871	(37,639)	-12.0%
<b>Year-to-Date Total</b>	<b>2,508,732</b>	<b>2,709,893</b>	<b>2,638,460</b>	<b>(71,433)</b>	<b>-2.6%</b>
January	246,347	287,474			
February	310,345	342,220			
March	365,634	386,458			
April	441,234	388,911			
May	426,120	435,516			
June	490,498	513,631			
<b>TOTAL</b>	<b>5,071,108</b>	<b>5,376,612</b>	<b>2,913,331</b>		

**For More Information.** Please call Jennifer Thompson, Revenue Supervisor, at (805) 781-7129.

## **Section E**

### STATUS OF GOALS AND OBJECTIVES

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# GOALS AND OBJECTIVES STATUS REPORT

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# INTRODUCTION

## OVERVIEW

This report details the status of major City goals set by the Council as part of the 2007-09 Financial Plan. In general, we are on-track in accomplishing these objectives based on the work programs adopted by the Council.

**Report Card.** The following is a quick “report card” on the status of major City goals based on the “action plans” approved by the Council as part of the 2007-09 Financial Plan. As a benchmark, at **February 1, 2009**, we are about 80% through the two-year Financial Plan period. Most of the goals are near or exceed this level, with many goals showing good progress.

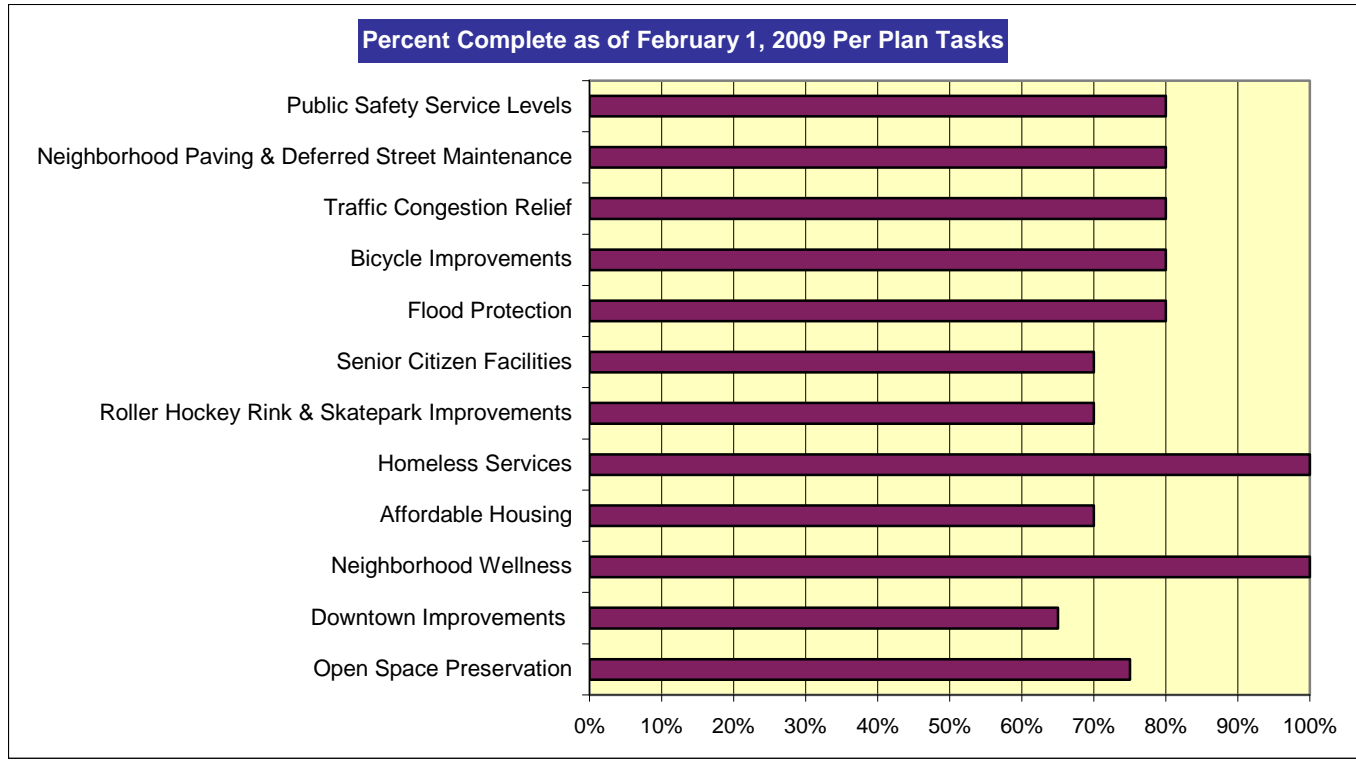
**Important Note**

Many of these are multi-year goals that have activities associated with them that go beyond the two-year 2007-09 time frame. This status report is focused on approved “Action Plan” tasks through June 30, 2009.

**Organization.** The “report card” is followed by a short summary of notable changes from the original action plan. After this is a more detailed report on each major city goal, which shows the objective, action plan as adopted by the Council, any revisions (additions are shown in italics; date changes 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, 2009**.

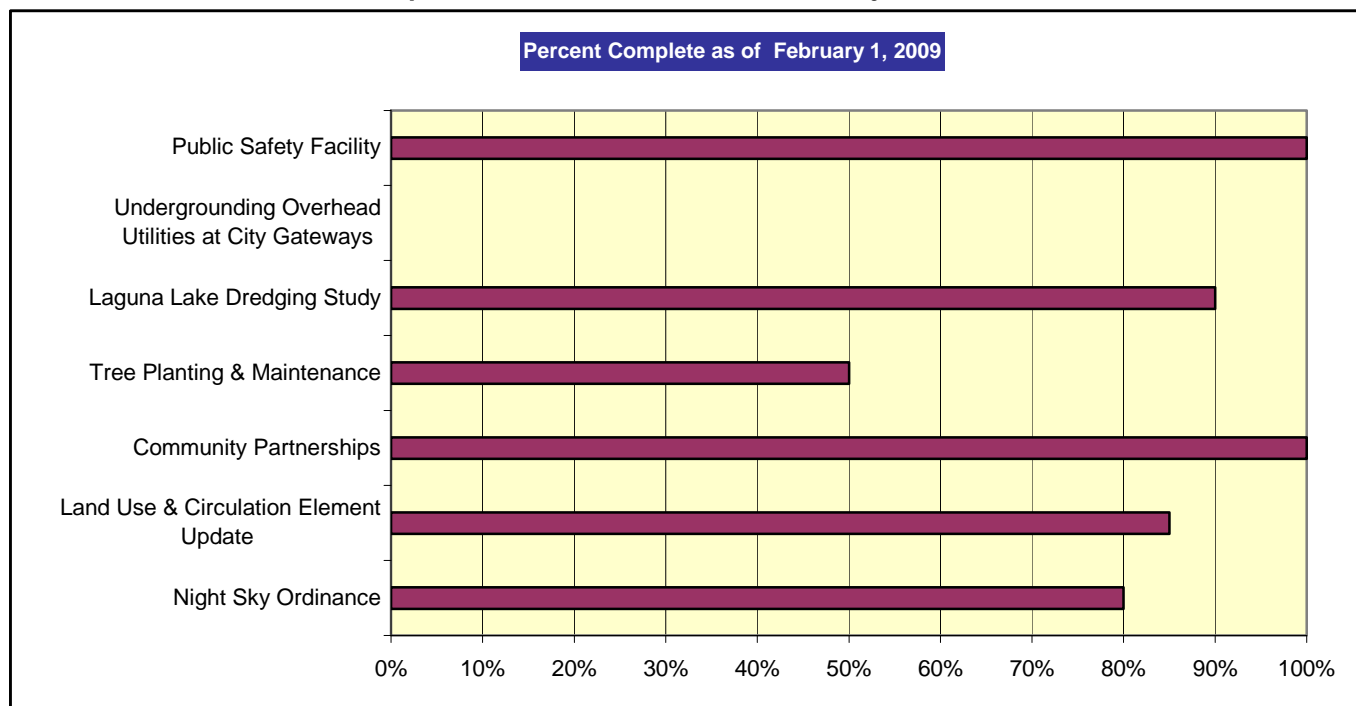
Shorter reports are provided for “other Council objectives” for 2007-09 as well as for “carryover goals” from 2005-07.

**Report Card: 2007-09 Major City Goals**



# INTRODUCTION

## Report Card: 2007-09 Other Council Objectives



### ACTION PLAN CHANGES

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

#### *Major City Goals*

**Public Safety.** The Public Safety Dispatch Center officially broke ground on December 1, 2008. Construction is presently on track and well underway.

**Open Space.** A five-step transaction with the Glick family involving three separate properties was finalized and closed escrow on New Year's Eve. This series of transactions has resulted in a net increase in City open space holdings of **672 acres** to a new total of **6,174 acres!** Due to the press of other matters, the Stenner Springs Natural Reserve Conservation Plan has been postponed and is now anticipated for completion in June 2009.

**Senior Citizen Facilities.** The windows in the historical section of the building have been repaired and reinstalled. The Senior Center Kitchen construction began in early July and was expected to

be completed in late September 2008. However, this project has experienced several unanticipated delays in construction. A new contractor has been hired and staff has revised the construction completion date for March 2009. Council approved the construction contract for the Mitchell Park parking lot adjacent to the Senior Center in January 2009 with construction expected to start in early February 2009.

#### *Other Council Objectives*

Almost all of the objectives set by Council have seen progress and the Laguna Lake Dredging is already halfway through its work program.

**Undergrounding Overhead Utilities at City Gateways.** No progress has been made on this project. PG&E has been focusing the efforts of its engineers on the Broad Street under grounding project, so it can be completed before Caltrans repaves Broad Street as part of its current project.

### NEXT REPORT

We will present the next "formal report" to the Council in May 2009 as part of the 2009-11 Financial Plan process. In the interim, we will keep the Council up-to-date on the status of major

# INTRODUCTION

projects through agenda reports, Council Notes, and other briefing opportunities.

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# MAJOR CITY GOALS

## PUBLIC SAFETY SERVICE LEVELS

**Objective.** Improve public safety service levels, with an emphasis in police services on neighborhood patrols (particularly at night) and traffic safety; and on prevention and training in fire services.

### Action Plan

Task	Current	Revised
<b>Police Services</b>		
1. Recruit and hire additional police officer and dispatch positions; purchase necessary vehicles and equipment.	Complete	
2. Examine internal policies regarding SNAP and police response to noise and party disturbances in order to assess whether or not changes are needed.	Complete	
3. Develop and implement strategies for Traffic Unit and patrol officers to enhance traffic enforcement and safety, especially at high-collisions areas as identified in the Traffic Safety Report.	Complete	
4. Develop strategies for closer collaboration with Public Works Traffic Engineering staff to more comprehensively address traffic concerns.	Complete	
5. Purchase and install grant-funded radar speed display devices in coordination with Public Works.	Complete	
6. Develop detailed programs for neighborhood patrol services, including evaluating current patrol deployment methodology and examining alternative deployment strategies.	Complete	
7. Defer implementation of neighborhood team program pending further consideration by Council during 2009-11 financial planning process, per Council direction on 9-30-08. Two officer positions being held vacant for 2008-09.	Complete	
8. Complete training of new police officers (including specialized motorcycle training for a new traffic officer) and dispatcher.	12/08	<i>Complete</i>
9. Research other ordinances and tools in use in other jurisdictions to address noise, party, and underage/excessive drinking problems. If additional legal tools are identified as potentially valuable in our City, make appropriate recommendations to CAO and Council.	5/09	
10. Implement E-Citation and E-Collision reporting technology.	12/08	6/09
11. Research traffic safety technologies such as red light cameras and indicators to determine whether or not they would potentially be effective in increasing traffic safety in our City. If staff believes they would be valuable, make appropriate recommendations to CAO and Council for funding in 2009-11.	12/08	4/09
<b>Fire Services</b>		
1. Develop appropriate job description for Fire Marshal.	Complete	
2. Advertise Administrative Assistant position	Complete	
3. Interview applicants	Complete	
4. Conduct testing and interview successful Fire Marshal candidates.	Complete	
5. Hire new Fire Marshal and new Administrative Assistant	Complete	
6. Finalize and activate "Train the Trainer" program.	Complete	
7. Develop Organizational Development Program and create supporting database	6/09	
8. Develop job description for Training Battalion Chief.	Complete	

## MAJOR CITY GOALS

Task	Current	Revised
9. Meet and confer with appropriate labor units and establish hiring process for Training Battalion Chief.	Complete	
10. Conduct testing and interview successful Training Battalion Chief Candidates.	Complete	
11. Hire Fire Training Battalion Chief.	Complete	
12. Conduct Recruit Firefighter Academy.	9/09	<i>Frozen</i>
13. Place new Firefighters in service.	11/09	<i>Frozen</i>
<b>Public Safety Dispatch Center and Radio System Replacement</b>		
1. Invite bids for dispatch center construction.	Complete	
2. Receive construction bids.	Complete	
3. Evaluate bids and award construction contract.	11/08	<i>Complete</i>
4. Execute contract; contractor mobilizes and begins work.	12/08	<i>Complete</i>
5. Issue request for proposals (RFP) for radio system replacement.	11/08	<i>Complete</i>
6. Receive and evaluate radio system proposals; award contract and begin installation.	1/09	<i>3/09</i>
7. Complete dispatch center construction.	11/09	
8. Install furnishings and technology equipment in dispatch center.	12/09	
9. Train, cutover and occupy dispatch center; complete radio system improvements.	3/10	

### Status Summary: Police Services – 80% Complete

**Staffing.** As a result of the December 2008 hiring freeze four sworn positions are presently frozen (three police officer positions and one sergeant position), along with several non-sworn positions. Further implementation of the new Neighborhood Team is not feasible during this fiscal year and will be considered within the context of the 2009-11 financial plan process.

**Strategy Development for Improving Services to Neighborhoods.** The two officer positions added pursuant to this goal had been deployed on weekend nights to increase staffing and improve response to noise and party complaints. However, due to the hiring freeze and additional officer vacancies, the added positions are now vacant and weekend patrol staffing has been reduced to pre-2007 levels. Even with this staffing reduction, officers have been more aggressively enforcing the City's noise ordinance. Cal Poly University Police has been working cooperatively with City officers to respond to noise and party complaints, pro-actively contact repeat offenders, and outreach to the Greek community. Door hangers explaining the noise ordinance and alcohol laws were distributed to residents living in the neighborhoods near Cal Poly and public safety messages were placed in the Mustang Daily newspaper.

Staff presently anticipates the completion date of draft modifications to the City Social Host ordinance in May 2009. This allows sufficient time to develop recommendations and to ensure various stakeholders have an opportunity to provide feedback and participate in the process.

**Increasing Traffic Safety.** New grant-funded radar devices have been installed in patrol vehicles and police motorcycles, and educational speed displays have been mounted on Johnson and Santa Rosa to alert drivers to their actual speeds. The new electronic collision reporting and citation system is being field tested and computer software interfaces are being created to allow the system to work as designed. The implementation date for the system has been extended to June 2009 to complete the appropriate testing and training of users. Staff is completing research of red light camera systems, including a review of recent legal issues that have arisen in other cities, and expects to have a final recommendation to Council by spring 2009.

## MAJOR CITY GOALS

### **Status Summary: Fire Services – 75% Complete**

**Staffing.** Due to lower than expected attrition, the hiring and training of recruits was delayed from 2008 until the spring of 2009. As a result of the City's hiring freeze recruit hiring and training is presently halted. All other Fire Dept positions are presently filled.

**Department Master Plan.** Upon approval by Council in March 2008 the Request for Proposals for a Master Plan for the Fire Department was distributed to interested consultants. The contract was issued to CityGate Corporation. Information has been gathered, interviews of stakeholders have occurred, and as a result the analysis have been completed and a report has been generated. Council will discuss this report at Study Session on February 3, 2009.

### **Status Summary: Dispatch Center and Radio System Replacement – 25% Complete**

Following the receipt of very favorable bids for the dispatch center (\$1.5 million under the Engineer's Estimate of \$4.9 million) a construction contract was awarded on November 5, 2008. Construction on the site has started with the official ground breaking occurring on December 1, 2008. The RFP for the radio system upgrade portion of this project was issued in December 2008. The contract award and start of the radio system installation is planned for March 2009. The coordinated project is expected to be before Council in March for approval of the necessary financing documents.

# MAJOR CITY GOALS

## NEIGHBORHOOD PAVING AND DEFERRED STREET MAINTENANCE

**Objective.** Restore the neighborhood and downtown paving program, and catch up with deferred street maintenance.

### Action Plan

Task	Current	Revised
1. Perform pavement street repairs using City crews	Ongoing	
2. Pursue outside funding for pavement projects	Ongoing	
3. Complete arterial street repair project	Complete	
4. Complete Los Osos Valley Road pavement repair project: City limits to Highway 101	Complete	
5. Complete Higuera Street paving in Downtown	Complete	
6. Work with Downtown Association in finalizing paving locations for 2008-09	Complete	
7. Complete paving in Area 1	Complete	
8. Complete 2008-09 Downtown paving project	2/09	<i>Complete</i>
9. Complete design of paving project for Area 2	6/09	

### Status Summary: 80% Complete.

Street Maintenance crews have been busy at work preparing Area 2 for a summer 2009 rehabilitation project and completing some minor street rehabilitation. The Los Osos Valley Road rehabilitation project is complete. The resurfacing of Osos Street between Monterey and Palm is complete along with some minor curb and gutter repairs. Staff was successful in securing a Prop 1B grant of \$675,000 to make up for some of the reduction in the paving budget for the summer reconstruction project.

# MAJOR CITY GOALS

## TRAFFIC CONGESTION RELIEF

**Objective.** Expand efforts to reduce and manage traffic congestion throughout the City, including the Los Osos Valley Road corridor and interchange.

### Action Plan

Task	Current	Revised
<b>Short Range Transit Plan</b>		
1. Complete Short Range Transit Plan Update.	03/09	
<b>Transit Service Improvements</b>		
1. Extend Evening Service Hours on Route 4, Routes 6a/6b	Complete	
2. Begin Review of Evening Service Hours modifications on Routes 2 and 3	Complete	
3. Implement evening service modifications to Routes 2 and 3	Complete	
<b>Congestion Management Report</b>		
1. Prepare and distribute request for proposals for consultant services for first year report (subsequent annual reports will be prepared by City staff).	Complete	
2. Hire consultant and begin preparing report.	Complete	
3. Complete report and present results to the Council.	06/09	
<b>Mid-Higuera Street Widening</b>		
1. Complete National Environmental Policy Act (NEPA) document to secure funding for design and construction.	Complete	
2. Complete final project design	12/09	
3. Pursue additional funding as needed to complete Mid-Higuera widening project Marsh to High Street	Ongoing	
<b>Orcutt Road Widening</b>		
1. Complete UPRR permitting of project	Complete	
2. Pursue additional funding as needed to complete Orcutt Road widening project Duncan to Laurel Lane	Complete	
3. Begin construction	Complete	
4. Complete major construction	Complete	
5. Begin signal installation	<del>12/08</del>	2/09
6. Complete project	03/09	
<b>Santa Barbara Street Widening</b>		
1. Bid project	Complete	
2. Begin construction	Complete	
3. Complete construction	Complete	
<b>Prado Road Extension</b>		
1. Work with west side Margarita area property owners to resolve funding issues and outline project development schedule	Ongoing	
2. Begin environmental review and technical studies by MASP property owners	On hold	
3. Begin project plans, specification and estimates (PS&E) by MASP property owners	On hold	
4. Complete environmental review.	On hold	
5. Complete construction plans and specifications.	On hold	
6. Process reimbursement and financial plan for project	On hold	
7. Begin construction (subject to available right-of-way and private development schedule)	On hold	
<b>Signalization of Johnson Avenue/Ella Street Intersection</b>		
1. Begin construction	Complete	
2. Complete construction	Complete	
<b>Los Osos Valley Road Interchange</b>		
1. Complete environmental review of the project.	Complete	3/09
2. Complete Caltrans Project Report	Complete	3/09
3. Compete for STIP funding	Complete	
4. Begin preparing construction plans and specifications	Completed	
5. Pursue additional funding	Ongoing	
6. Implement phase improvements as new development is approved and can be identified	Ongoing	

## MAJOR CITY GOALS

<b>Bicycle Improvements</b>		
See Bicycle Improvements Work Program		
<b>Johnson and Buchon Intersection Improvements</b>		
1. Begin project design (Combined Scope of Pismo/Buchon NTM Program)	04/09	
2. Begin construction	08/09	
3. Complete construction	10/09	
<b>South Higuera Widening: Margarita Avenue to Elks Lane</b>		
1. Prepare and distribute request for proposals for consultant services for design services	Complete	
2. Hire consultant and begin design.	Complete	
<b>Tank Farm Road Intersection Improvements</b>		
1. Initiate design of Tank Farm Road widening project	Underway	
2. Complete project design	12/09	
3. Begin construction (contingent upon completion of Tank Farm Lift Station project & PG&E under grounding of overhead utility lines.	4/10	
<b>Traffic Model Upgrade</b>		
1. Distribute a request for proposals	Complete	
2. Interview and rank proposers	Complete	
3. Award a contract	Complete	
4. Complete Model Update	6/09	

### Status Summary: 80% Complete

**Transit Service Improvements.** Six heavy duty transit vehicles (buses) were recently delivered to SLO Transit and were immediately put into service in January 2009. The final draft report of the Short Range Transit Plan (SRTP) was presented to the Mass Transportation Committee in January 2009 and met with its approval. The report will be reviewed next by the Planning Commission and is expected to be before Council in spring 2009.

**Orcutt Road and Santa Barbara Street Widening.** Both widening projects have been completed and the traffic signal installation at Laurel and Orcutt will begin construction in February with anticipated completion in March 2009.

**Mid-Higuera Widening.** The estimated acquisition costs for this project are expected to be completed in March 2009. Following receipt of this cost information, staff will return to Council for review and further direction. Staff has received a complete appraisal for the McNamara property at the corner of Marsh and Higuera and plans to move forward with a limited acquisition project to allow improvements at the Higuera/Marsh intersection in advance of the rest of the widening. Final plans will be completed based on direction from Council.

**Higuera Widening – Margarita to Elks.** This project was deferred through the Council's budget reduction in September 2008. It will be included for consideration in the 2009-11 Financial Plan.

**Prado Road Extension.** Progress on this project continues to be on-hold as a result of market conditions.

**LOVR Interchange.** Staff presented the draft environmental document to the Council in October 2008. Staff focused on comments made regarding the Bob Jones Bike Trail connection with the project, and the access issues raised by the Los Verdes Park residents. Staff continues to work with interested stakeholders on the Bike Path and access issues. The final environmental document has been submitted to Caltrans for approval, which is expected in March 2009. The City's consultant has begun work on the design and construction documents.

**Traffic Model Upgrade & Congestion Management Report.** The consultant is approximately 50% done with the Base Year Traffic Model. Staff anticipates it will take another three months to complete the base model work. Another consultant has been awarded the congestion management report contract and work is underway with completion of this work anticipated by June 2009.

## MAJOR CITY GOALS

*Tank Farm Road Intersection Improvements.* The intersection improvements will follow both the Tank Farm Gravity Sewer and Lift Station Project and the PG&E under grounding and is expected to be completed in 2010.

# MAJOR CITY GOALS

## BIKEWAY IMPROVEMENTS

**Objective.** Continue to work towards completion of the Railroad Safety Trail; improve maintenance of existing bicycle trails, lanes and byways; and consider additional bike trails.

### Action Plan

Task	Current	Revised
<b>Railroad Safety Trail - Phase 3</b>		
1. Complete negotiations and execute license agreement with UPRR for use of their property for the Railroad Safety Trail bikeway.	12-09	
2. Acquire additional funding	Complete	
3. Complete construction documents.	6-09	
<b>Railroad Safety Trail - Phase 4</b>		
1. Complete construction drawings.	Complete	
2. Complete construction using grant funding.	3-09	
<b>Railroad Safety Trail Bridge: Highway 101 Crossing</b>		
1. Award design contract.	Complete	
2. Complete design and invite construction bids.	10/09	
3. Award contract and begin construction.	01/10	
<b>Bob Jones City-to-Sea Trail</b>		
1. Pursue outside funding for bridge connections.	Complete	
2. Begin construction of Phase 1a bike path.	Complete	
3. Complete construction of Phase 1a bike path.	Complete	
4. Complete construction drawings for bridge abutments.	04/09	
5. Complete construction and install bridges.	12/09	
<b>Bill Roalman Bicycle Boulevard, Phase 2 Bulb-Outs</b>		
1. Complete design and award contract for bulb-outs.	11/08	Complete
2. Complete construction of bulb-outs.	04/09	6/09
<b>Other Projects That Improve Bicycling</b>		
1. Complete on-street bicycle facility paving and striping improvements in conjunction with City street paving projects.	Complete	
2. Complete miscellaneous bicycle facility improvements identified in the Bicycle Transportation Plan, as resources permit.	Ongoing	
3. Develop a list, in conjunction with the Bicycle Committee, of streets that would benefit from increased street sweeping and coordinate with Street Maintenance to use miscellaneous sweeping hours, when available, to increase frequency.	Ongoing	
4. Seek funding for the design and construction of bikeways within the City.	Ongoing	
5. Promote bicycling as an alternative form of transportation.	Ongoing	
6. Provide more bicycle parking through the City's "Racks with Plaques" program	Ongoing	

**Status Summary: 80% Complete**

**Railroad Safety Trail Phase 3.** A contract has been awarded for the design of the trail and design is underway. UPRR approval of the design concept is needed before being able to complete the design and put the project out

## MAJOR CITY GOALS

to bid. A State Bicycle grant in the amount of \$890,000 was recently awarded to the City to fund this phase of project construction.

***Railroad Safety Trail Phase 4.*** This project is currently under construction and is expected to be completed by March 2009. Phase 4A portion of the trail, which will connect to Cal Poly is currently in design and will be under construction by summer 2009.

***Bill Roalman Bicycle Boulevard.*** Design work has been completed with contract award expected in late February 2009.

# MAJOR CITY GOALS

## FLOOD PROTECTION

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**Objective.** Reduce flood risk by opening the Los Osos Valley Road/Highway 101 area of San Luis Obispo Creek, pursuing improvements to San Luis Obispo Creek in the Mid-Higuera area, and implementing the Storm Drain Master Plan.

### Action Plan

Task	Current	Revised
1. Vegetation and Silt Removal – LOVR Bypass	Complete	
2. Vegetation and Silt Removal – Tank Farm Road	10/09	
3. Vegetation and Silt Removal Design – Confluence SLO/Perfumo Creeks, Water Reclamation Facility, Morrison and Los Osos Valley Rd bridge	6/09	
4. Mid-Higuera – Project scope and budget refinement with currently allocated funds	Complete	
5. Mid-Higuera – Preliminary study of widening	2/09	
6. Staff and equip storm sewer pipeline cleaning program	Complete	
7. Storm sewer pipeline cleaning	Ongoing	
8. Storm sewer pipeline replacements for Area 1	12/08	<i>Complete</i>
9. Storm sewer pipeline replacements for Area 2	09/09	
10. Culvert repair design completed	6/09	
11. Perfumo Creek – Laguna Lake Outlet Clearing	Complete	

### Status Summary: 80% Complete

**Marsh Street Bridge and LOVR Bypass Channel.** Both silt removal projects have been completed.

**Mid-Higuera Bypass.** Staff has obtained a proposal through Zone 9, to complete an additional hydraulic study. The work refines the “footprint” of the project and will allow staff to develop an updated cost estimate. The Board of Supervisors authorized \$25,000 in preliminary study work which is currently underway. This work will provide better information for future budgeting purposes. The original workscope outlined in the budget was not funded and the time line has been revised above.

**Perfumo Creek – Laguna Lake Outlet Clearing.** The City Council requested that staff add this action item to the Flood Protection Goal. By using crews from the CCC, City staff was able to remove vegetation and silt from the outlet area in October 2008. A CIP request has been included in the 2009-11 Financial Plan to perform more extensive silt removal in this section of the creek.

# MAJOR CITY GOALS

## SENIOR CITIZEN FACILITIES

**Objective.** Enhance senior center facilities through improvements to the current senior center and pursuit of plans for a future senior center.

### Action Plan

Task	Current	Revised	
<b>Senior Center Remodel</b>			
1. Replace existing chairs at the Senior Center	Complete	<i>Complete</i>	
2. Replace or repair the windows in the Senior Center.	3/09		
3. Hire an architect to evaluate the existing kitchen and storage needs.	Complete	<i>Complete</i>	
4. Meet with stakeholders to finalize kitchen remodel workscope.	Complete		
5. Complete design for kitchen remodel.	Complete		
6. Begin construction.	7/08		
7. Complete construction.	11/08	3/09	
<b>Provision of On-Site Parking Spaces</b>			
1. Amend the Mitchell Park Master Plan.	Complete		
2. Complete design for parking lot.	Complete		
3. Begin construction.	12/08		2/09
4. Complete construction.	2/09		5/09

### Status Summary: 70% Complete

**Senior Center Remodel.** The windows in the historical section of the building have been repaired and reinstalled. The Senior Center Kitchen construction began in early July and was expected to be completed in late September 2008. However, this project has experienced several unanticipated delays in construction. A new contractor has been hired and staff has revised the construction completion date for March 2009.

**Provision of On-site Parking Spaces.** Final award for construction of the lot was obtained in January 2009 with construction expected to start in early February 2009.

**Senior Center Needs Study.** On September 30, 2008, Council deferred this project for consideration in the next financial plan.

## MAJOR CITY GOALS

### ROLLER HOCKEY RINK AND SKATE PARK IMPROVEMENTS

**Objective.** Complete major upgrades to the existing roller hockey rink and skateboard park facilities at Santa Rosa Park.

#### Action Plan

Task	Current	Revised
<b>Skate Park Study and Improvements</b>		
1. Develop and issue the RFP for skate park needs study; receive and evaluate proposals.	Complete	
2. Hire consultant, complete study, present results to the Parks and Recreation Commission and City Council.	Complete	
<del>3. Depending on the outcome, begin replacing existing equipment or begin preparing design and construction documents.</del>	12/08	
3. <i>Develop Skate Park Master Plan and purchase new modular equipment</i>	1/09	Complete
4. Seek outside funding opportunities	Ongoing	
<b>Roller Hockey Rink Expansion</b>		
1. Meet with stakeholders to solicit input on design	Complete	
2. Complete design and construction documents	2-09	5/09
3. Award bid, begin construction	3/09	7/09
4. Seek outside funding opportunities	5-09	

#### Status Summary: 70% Complete

**Skate Park Study and Improvements.** Staff contracted with RRM Design to develop the Skate Park Master Plan. Design charrettes were held on October 4 and November 8, 2008 to seek input on the elements desired by the stakeholders. The Skate Park Master Plan was adopted by Council on January 20, 2009.

As directed by Council, Staff released an RFP in late October for replacement modular skate equipment (to be used as an interim measure) and received three proposals. American Ramp Company was selected for being most responsive to the conditions set forth in the proposal. The new equipment is scheduled for installation the first week of February 2009.

**Roller Hockey Rink Expansion.** In November, staff presented Council with two alternative design solutions for the roller hockey rink: an “extend and repair” design and a “remove and replace” design. Council provided direction to pursue the “remove and replace” alternative and allocated additional funding to Wallace Group to develop construction documents for the project. Wallace Group is currently preparing the design documents. Staff hopes to advertise for bids and begin construction by late spring or early summer 2009. The project should be complete within three months of breaking ground.

# MAJOR CITY GOALS

## HOMELESS SERVICES

**Objective.** Work with social services partners to develop improved homeless sheltering and services.

### Action Plan

Task	Current	Revised
<b>Homeless Services Research &amp; Meetings</b>		
1. Evaluation of the two local homeless shelters.	Complete	
2. Meetings with individual organizations working in homeless services.	Complete	
3. Site visits to other centers in Santa Barbara.	Complete	
<b>Homeless Services Coordinating Council (HSCC)</b>		
1. Join the HSCC steering committee for ongoing dialogue and City participation.	Ongoing	
2. Evaluate potential homeless services sites within City through city and county.	Complete	
3. Define campus model and need assessment.	Ongoing	
4. Agency collaboration to establish Continuum of Care.	Ongoing	
<b>10-year Plan to End Chronic Homelessness</b>		
1. Secure funding for the drafting of a 10-year plan.	Complete	
2. Request for Proposal through County for a 10-year plan.	Complete	
3. Award contract to 10-year plan consultant	Complete	
4. Completion of 10-year plan.	Complete	
5. Implementation of 10-year plan & formation of governing board	Ongoing	
<b>Creek Homeless Efforts</b>		
1. Meet and confer with various agencies (Fish & Game, Regional Water Board)	Ongoing	
2. Establish enforcement actions and begin regular “clean-up” of camps	Complete	
3. Create Safety Net in collaboration with service providers	Ongoing	

### Status Summary: 100% Complete

**Evaluation of Local Homeless Shelters.** With two possible designs for a homeless campus in hand, the Homeless Services Coordinating Council (HSCC) Steering Committee continues to look for a feasible location for the center within City limits. The former location of Greyhound on South Street was considered, but the building is not for sale. The HSCC decided to look for a permanent location rather than spending substantial money on a rent situation that could end at any given point in time. The search for a suitable location therefore continues.

**Meetings with Local Homeless Services.** Staff continues to be involved in all the meetings and discussions and is part of the HSCC Steering Committee, the 10-year plan Leadership Council and its Transitions Team, and the Friends of Prado Board.

**10-year Plan to End Chronic Homelessness.** Over the past 18 months, staff has been involved in various groups and engaged in the continued effort to develop the “10-year plan to end homelessness in San Luis Obispo”. After over a year of work by subcommittees, workgroups and the leadership Council, the plan was presented to Council on January 20, 2009 for review and endorsement of the guiding principals. Council approved of the recommended action and assigned Council Member John Ashbaugh to the governing board. The plan is being presented to all

## MAJOR CITY GOALS

jurisdictions throughout January and February 2009. Morro Bay and Arroyo Grande approved the plan on January 26 and 27, 2009 respectively.

***Creek Homeless.*** In order to augment work done by City Rangers, an interdepartmental, interagency taskforce was formed with members of the Department of Fish & Game, Regional Water Quality Control Board, Police, Rangers, Service Providers, City Attorney, and Administrative staff to establish a “clean-up” schedule to move homeless camps out of the creek system. Several “sweeps” have been completed and when time and resources permit, City police officers conduct night-time inspections. The task force has not been able to move forward directly with removing the creek homeless due to ongoing concerns about personal property. This is a delicate issue so the task force is contacting other cities that have been successful in their efforts to identify best practices. City staff participated in the Homeless Enumeration Project to quantify the number of homeless people in City limits and what additional services need to be advocated. City staff has also met with the SLO District Attorney’s Environmental Enforcement Group in partnership with Wardens from the Department of Fish and Game to coordinate proposed achievements and to strengthen the approach regarding the chronic offenders (trespassing, debris or human waste). As the City faces higher standards for water quality through the new Storm Water Program, staff will be passing out educational fliers to both creek homeless and private property owners to ensure collaboration with this program. City staff will keep working with the task force and as more program information becomes available to aid our efforts, a bigger impact approach will be noticed.

# MAJOR CITY GOALS

## AFFORDABLE HOUSING

**Objective.** Strengthen efforts to increase affordable housing, including ways of augmenting existing funding.

### Action Plan

Task	Current	Revised
1. Inventory and establish a monitoring & early warning system to track affordable housing units at risk of being converted to market rate housing.	6/09	
2. Develop a first-rime homebuyer program administered by the City for consideration by the Council. (The City currently participates in others' programs but does not have its own. We will explore the pros and cons of doing so, and present the results to the Council.)	Complete	
3. Apply for at least three Federal, State or private foundation loans/grants.	6/09	12/09
4. Work with the Housing Authority to develop affordable housing in the Margarita Specific Plan Area.	6/09	Ongoing
5. Continue to implement the Inclusionary Housing Program.	Ongoing	
6. Evaluate the City's Inclusionary Housing Program and propose to the Council ways of strengthening it.	6/09	
7. Work with submitted development applications to obtain more affordable dwellings as part of the proposed developments.	Ongoing	
8. Continue to define the residential development potential of infill areas identified in the Housing Element.	6/09	Ongoing
9. Address residential parking in the downtown area to accommodate increased residential development.	6/10	
10. Continue funding affordable housing programs through the CDBG program and retain this as the highest priority use of these funds.	Ongoing	
11. Implement Housing Element program 6.3.7 by considering General Plan amendments and rezoning of at least two of the six areas identified for possible rezoning for residential use.	6/09	12/09
12. Continue implementing other Housing Element programs and affordable housing production goals.	Ongoing	
13. Proactively look for new opportunities to use Affordable Housing Fund and grant monies to leverage other funds for affordable housing projects.	Ongoing	

### Status Summary: 70% Complete

**Housing Authority.** Staff continues to meet quarterly with the Housing Authority of San Luis Obispo (HASLO) to discuss on-going affordable housing issues and coordination of processes. City and HASLO staff have worked together to revise the plans for the proposed Moylan Terrace project at Humbert and Victoria Streets. City staff was active in solving design problems, including site drainage and consistency with the draft Broad Street Corridor Plan. HASLO development of affordable housing in the Margarita Area Specific Plan is contingent

## MAJOR CITY GOALS

upon dedication of the site and improvement provision by the developers, which has yet to occur, however, staff continues to keep HASLO up-to-date regarding progress on this development.

***First-Time Homebuyer Program.*** Staff continues to collaborate with the County and HASLO to administer the program.

***CDBG Grants.*** The City has received authorization of CDBG funds for 2008 and staff has finished the necessary environmental review and recipient agreements in order to allow the approved projects to begin drawing down the funds. The City renewed its commitment to participate in the urban county for the upcoming three year period (2009-2012). The application deadline for 2009 CDBG was October 14, 2008 and the Council has endorsed the Human Relations Commission's (HRC) recommended priorities for the 2009 grants. The HRC's recommendations regarding 2009 program funding will be reviewed by Council in March 2009. The County just recently published the one-year action plan for 2009 which contains its draft recommendations.

***Inclusionary Housing.*** Staff is continuing work with one of the infill areas identified in the Housing Element: The Broad Street Corridor. Initial estimates show that about 400 additional dwelling units could be accommodated in the plan area. Staff continues to work with an Airport Land Use Commission subcommittee to address concerns about Airport compatibility and will return with the revised draft of the plan. A draft initial study has been prepared and the Planning Commission will review the traffic information on January 28, 2009.

***Grant Applications.*** Staff continues to look for grants to assist with development of affordable housing. The challenge in meeting grant eligibility requirements is one of timeliness – the housing development being assisted must be ready to start construction in order to be eligible for the grants reviewed to date. Due to market conditions and infrastructure costs, qualifying projects (i.e. Margarita area low income housing) have not come forward for construction yet. Staff continues to review available grant packages and will look for creative opportunities to use grants to assist construction of affordable units. In addition, many grants (for example Prop 1C and BEGIN) have been suspended due to state budget concerns.

***Affordable Housing Fund Use.*** Staff continues to look for creative ways to use the Affordable Housing Fund (AHF) monies. Staff is meeting with housing developers to suggest support for AHF assistance in exchange for production of additional deed-restricted affordable units. Staff is also reviewing the feasibility of use of AHF monies for purchase of property in order to partner with developers like the Olsen Company or The Related Company which specialize in construction of affordable housing developments. Staff has initiated meetings with representatives of the Olsen Company, Unidev and Habitat for Humanity to determine where collaborative efforts might result in successful projects. Currently, Affordable Housing Funds are used to match HOME funds for the First Time Homebuyer program as well as providing a down-payment assistance match for the BEGIN funds associated with the Laurel Creek development.

***Other Housing Efforts.*** Staff has drafted a zoning ordinance amendment to address options to meet residential parking requirements associated with development of residential units in the downtown core. This amendment was reviewed by the Downtown Association and the Chamber of Commerce for input. One of the options considered for the ordinance is use of the parking structures to meet residential parking requirements for downtown developments. This option needs further clarification prior to being reviewed by the advisory bodies and Council. Staff received the Regional Housing Needs Allocation (RHNA) number and distribution of housing units that the City's Housing Element will need to accommodate during the update for the 2009-2014 cycle. The work plan for the Housing Element update was considered by the Planning Commission on October 8, 2008 and data collection for the update is in process. Planning Commission received a progress update of the Housing Element on January 14, 2009 related to demographic and legislative changes that will need to be addressed in the state-mandated update.

# MAJOR CITY GOALS

## NEIGHBORHOOD WELLNESS

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**Objective.** Increase building and zoning code enforcement to promote neighborhood wellness and community appearance.

**Action Plan**

Task	Current	Revised
1. Continue to work with the SLO Solutions program in resolving neighborhood conflicts.	Ongoing	
2. Hire additional Code Enforcement Officer and expand hours of existing 0.5 FTE Permit Technician to 0.75 FTE.	Complete	
3. Hire and train additional SNAP personnel.	Ongoing	
4. Survey other agencies to review successful enforcement programs.	Complete	
5. Deploy additional SNAP personnel for NEO and parking enforcement.	Complete	
6. Meet with neighborhood groups to discuss issues and concerns (may be area specific).	Ongoing	
7. Meet with student groups to discuss issues and concerns.	Ongoing	
8. Meet with Chamber of Commerce, Downtown Association, Property Managers Association, Property Owners Association and businesses owners (may be area specific) to discuss issues and concerns.	Ongoing	
9. Determine appropriate strategies for new programs.	Ongoing	
10. Communicate with stakeholders and solicit feedback.	Complete	
11. Analyze code enforcement fines and explore other costs recovery options; present findings to the Council.	Complete	
12. Complete work program implementation.	Complete	

**Status Summary: 100% Complete - Ongoing**

**SLO Solutions Program.** Staff continues to work closely with the partners involved in the SLO Solutions Program to encourage use and ensure the program remains effective. The program continues to provide conflict resolution and mediation services to City residents at no cost.

**Ongoing Marketing.** The Police Department continues to encourage students to be responsible neighbors through the City’s student-oriented website - *RespectSloBro.com*. This site serves as a clearinghouse for information pertaining to neighborhoods. Newspaper ads continue to run regularly in the Mustang Daily and New Times newspapers. The SLO Solutions program is advertised in all of the new brochures and on the new website.

**Neighborhood Wellness Goal Complete; Ongoing Cross-Training.** Ongoing efforts focus on identifying and following-up on new key issues that may arise. During monthly staff meetings with Public Works and Fire Department code enforcement, staff reviewed the Neighborhood Wellness Work Plan with other field staff. These meetings provided an opportunity to share information regarding how to recognize code violations. As a result there has been a concerted effort from other City staff to refer issues to code enforcement for follow-up. From

## MAJOR CITY GOALS

July 1, 2007 through December 31, 2008, code enforcement has responded to 850 requests in total; 32 % of which have been internal referrals from other departments within the City. Prior to the cross training, less than 2% of referrals came from City field personnel.

***Fire and Safety Education.*** In December 2008, Council received a report on the extensive progress made by the Fire Department on this task as a result of the efforts of the full time Fire Marshall and his staff.

***Enhanced Signage Enforcement.*** Staff has abated over 200 illegal signs during the past year. This includes less serious sign violations that are addressed by issuing a notice of violation along with a warning that subsequent violations may result in a fine. Business owners continue to be referred to the Planning Department to obtain information regarding options for more permanent signage. Code Enforcement, in conjunction with the Economic Development Program, is providing information to newly established businesses in the form of an e-greeting/welcome letter. As a follow-up to these increased enforcement efforts, staff plans to meet with community and business groups to determine whether or not this strategy has been beneficial.

# MAJOR CITY GOALS

## DOWNTOWN IMPROVEMENTS

**Objective.** Strengthen support for the Downtown in multiple areas, such as maintenance, economic development, public safety, parking, tourism promotion, progress on the installation of pedestrian lighting and comprehensive directional sign program and other improvements as resources allow.

### Action Plan

Task	Current	Revised
<b>Maintenance</b>		
1. Complete replacement of the sewer line located in Osos Street, Marsh to Pacific Streets	Complete	
2. Jump start the downtown street maintenance program through already dedicated funds & paving of Higuera Street in 2007-08.	Complete	
3. Pave other Downtown streets in 2008-09.	2/09	<i>Complete</i>
4. Flood protection to downtown area through dedicated storm drain cleaning.	Ongoing	
5. As part of the Downtown Urban Forest Management Plan, plant street trees and upgrade tree wells.	Ongoing	
6. Repair Mission Plaza stairs.	Complete	
7. Implement Mission Style sidewalk tile repairs.	Ongoing	
8. Support Farmer's Market and other events downtown including: street closures, sidewalk scrubbing and maintenance and delivery of portable public restrooms.	Ongoing	
<b>Economic Development</b>		
1. Assist the Downtown Association with an update to its Downtown Strategic Plan and evaluation of alternative organizational forms.	Complete	
2. Support efforts of compliance with deadlines for seismic work necessary to strengthen unreinforced masonry (URM) buildings Downtown.	Ongoing	
3. Provide staff support for the completion of important Downtown revitalization projects such as Chinatown and Garden Street Terraces.	Ongoing	
4. Continue to support the Art Center and Children's Museum's expansion efforts and the future efforts of the San Luis Obispo Little Theatre's remodel of their current space	Ongoing	
<b>Public Safety</b>		
1. Continue to provide a very high level of police resources dedicated to the Downtown.	Ongoing	
2. Continue efforts to control criminal behavior in the Downtown, including aggressive panhandling, alcohol violations, and graffiti.	Ongoing	
3. Collaborate with Downtown Association members regarding public safety issues and concerns.	Ongoing	
4. Invest in added efforts in neighborhood wellness and community appearance in Downtown as appropriate.	Ongoing	
<b>Parking</b>		
1. Complete study of a parking structure at Palm Nipomo.	Delayed	
2. Resurface Parking Lot 9.	Complete	
3. Repaint the Marsh Street Structure.	Complete	
4. Expand bicycle parking Downtown.	Ongoing	
5. Continue marketing parking options in the Downtown.	Ongoing	
6. Study and implement a Downtown Residential Parking District.	Complete	

## MAJOR CITY GOALS

Task	Current	Revised
<b>Tourism Promotion and Special Events</b>		
1. Continue Tourism Marketing Plan efforts promoting Downtown as a place to visit.	Ongoing	
2. Continue to support the review of two revitalization projects which propose the addition of hotel rooms and incorporate those new properties into future Community Promotions efforts.	Ongoing	
3. Continue the support of special events like the Tour of California to drive tourists and visitors to Downtown San Luis Obispo.	Ongoing	
<b>Pedestrian Lighting</b>		
1. Complete design of pedestrian lights for one block of Higuera Street.	Complete	
2. Complete construction of pedestrian lights for one block of Higuera Street.	Complete	
<b>Mission Style Sidewalks</b>		
1. Review standard specifications for Mission Style sidewalks.	3/09	<i>Complete</i>
2. Consistent with City standards, continue repair and installation of Mission style sidewalks.	Ongoing	
<b>Signage</b>		
1. Complete feasibility and location study.	6/09	
2. Complete program design including all approval.	12/09	
<b>Other Tasks</b>		
1. Amend the Zoning Regulations and Community Design Guidelines to implement General Plan building height policies.	Complete	
2. Review new developments for possible implementation of the Downtown Physical Concept Plan.	Ongoing	
3. Consistent with General Plan programs, encourage housing in Downtown.	Ongoing	
4. Evaluate outdoor dining Downtown propose ordinance and procedural changes for possible expansion to other locations Downtown.	7/09	

### Status Summary: 65% Complete

**Maintenance.** The Higuera Street and Osos Street paving projects are now complete, as is a sewer line replacement in the Downtown. The Mission Plaza stairs have been replaced and new railings installed. Ongoing support of events downtown continues by staff. The more frequent sidewalk scrubbing schedule continues to receive positive feedback.

**Economic Development and Tourism.** The Economic Development Manager continues to work with URM property owners to achieve seismic strengthening of the buildings subject to the URM Ordinance. Strengthening deadlines beginning with July 1, 2008 continue for the following two years for buildings with no strengthening. 57% of the buildings in the URM Inventory are currently fully strengthened. Another six percent have been partially strengthened qualifying for Level A deferral of complete strengthening until July 1, 2012. Outreach to building owners continues to be undertaken by the Economic Development Manager in conjunction with the Building Division. Coordination and facilitation of the processing of two major projects proposed Downtown, Chinatown and Garden Street Terraces, is ongoing. Chinatown has a certified Environmental Impact Report and is awaiting redesign by the project proponents. Garden Street Terraces continues to progress toward Final Environmental Review.

## MAJOR CITY GOALS

On July 17, 2008 the Tourism Business Improvement District (TBID) went into effect with an assessment start date of October 1, 2008. This district will bring approximately \$700,000 in 2008-09 specifically for tourism related marketing and promotional efforts. The newly elected TBID Board is meeting monthly on every second Wednesday of the month. All hoteliers receive the agenda and last approved minutes monthly to encourage participation in establishing the TBID's goals and objective. On January 6, the Council approved the TBID Board's RFP for marketing services commissioning a marketing plan, a TBID website and the execution of the marketing plan for \$350,000 in 2008-09 and a continued effort for marketing in 2009-10 for \$500,000. 12 proposals were received and opened on January 28, 2009 and the board will start the review process on February 2, 2009.

***Outdoor Dining.*** The initial public outreach has been conducted with the Downtown Association and Chamber of Commerce. Next steps to be conducted in Spring 2009 are to address potential constraints to carrying out the project identified in the initial analysis, such as: location criteria, impacts on parking, and process/costs for sidewalk dining.

***Palm-Nipomo Parking Structure.*** During the Parking Fund Review in May 2008, staff was asked to hire a consultant to review the fiscal health of the fund, the fund's ability to afford the Palm-Nipomo structure, and to work with an ad hoc parking review committee on additional funding sources. Staff has hired the consultant and completed recruitment for the committee. The first three meetings have been held and the committee has thoroughly reviewed the financial data and the need for a new structure at this location. Staff will return to Council by Spring 2009 with the findings and recommendations.

# MAJOR CITY GOALS

## OPEN SPACE PRESERVATION

**Objective.** Restore open space acquisition program funding to at least \$200,000 per year and bring forward opportunities should they arise that further leverage City funds through grant programs.

### Action Plan

Task	Current	Revised
1. Work with interested landowners to complete one to three conservation transactions.	Ongoing	
2. Complete two Conservation Plans for City open space lands; begin implementation of those plans.	1/09 and 6/09	6/09 and 6/10
3. Implement other new natural resource or recreational enhancement programs or activities. This includes new open space areas such as Bowden Ranch, the UPRR properties, Bob Jones Trail, and mitigation sites with long-term obligations such as Damon-Garcia and the SLO Creek corridor.	Ongoing	
4. Hire properly equipped contractors to perform cleanup and removal of homeless encampments on City open space lands and along the SLO Creek corridor and other important corridors to provide for a cleaner creek environment and safer conditions for City staff and the public.	Ongoing	
5. Complete the Johnson Ranch public access improvements.	5/09	
6. Complete three different creek mitigation projects: Damon-Garcia sports complex; Calle Joaquin road realignment; and the City Water Reclamation Facility.	6/10	
7. Continue to leverage City funds through the pursuit of grant and donation opportunities.	Ongoing	

### Status Summary: 75% Complete

**Properties and Plans.** The Natural Resources Program is continuing active discussion with several property owners in anticipation of future conservation transactions. The largest of these, a five-step transaction with the Glick family involving three separate properties, was finalized and closed escrow on New Year’s Eve 2008. This series of transactions has resulted in a net increase in City open space holdings by 672 acres to a new total of 6,174 acres. Another major effort is underway to raise outside funding for the acquisition of the 310 acre Froom Ranch “backcountry.” Discussions are underway with several other major property owners where the City has both a conservation and development interest. The Johnson Ranch Conservation Plan was approved by the City Council on January 22, 2008, and implementation activities began immediately. Due to the press of other matters, the Stenner Springs Natural Reserve Conservation Plan has been postponed and is now anticipated for completion in June 2009. Staff continues to seek creative opportunities to leverage City open space funds by pursuing grants, meeting with foundation representatives, and seeking private contributions.

**Programs and Mitigations.** Work in “winterizing” various creek areas around the City is complete. Construction of trails and other public use improvements at the Johnson Ranch are underway and are on target for the anticipated opening of the site to the public in late April 2009. Environmental enhancements (mainly native tree and shrub plantings) at the Bob Jones Trail continue through use of a State grant and are being extended for one year, to December 31, 2009. Mitigation monitoring activities at the three mitigation sites continue, and the condition of the sites is such that we have determined that it is appropriate to delay any further mitigation work at this time. Finally, with receipt of a \$350,000 State grant in July 2008, staff is working on the establishment of an enlarged wetland at the Water Reclamation Facility as an adjunct to the Bob Jones Trail.

## OTHER COUNCIL OBJECTIVES

The following provides brief status reports on "Other Council Objectives" for 2007-09.

### Public Safety Facility

**Objective.** Continue progress toward a public safety facility by evaluating sites and developing a financing plan.

**Status Summary: 100% Complete.** The CIP project related to this goal was deferred as part of budget reductions necessary to balance the 2008-09 budget. Staff has completed the tasks that could be reasonably accomplished without any project funding.

### Undergrounding Overhead Utilities at City Gateways

**Objective.** Pursue opportunities and funding to place overhead utilities underground on Los Osos Valley Road and other gateways.

**Status Summary: 0% Complete.** PG&E has determined this to be a low priority for their engineers given that they are trying to address Broad Street ahead of Caltrans' paving project of this street corridor.

### Laguna Lake Dredging Study

**Objective.** Develop options and decide future of Laguna Lake, and begin implementation of approved dredging plan.

**Status Summary: 90% Complete.** The Community Development Department requested that the project be submitted to the Air Pollution Control District for its review, prior to the environmental study being completed. Air Pollution has provided comments which are being incorporated into the Initial Study for final review by Community Development after which it will come to the Council for approval and staff direction.

### Tree Planting and Maintenance

**Objective.** Boost tree planting and maintenance.

**Status Summary: 50% Complete.** The City's tree crew continues to plant vacant wells as they develop and recently assisted in a second neighborhood tree planting event on Higuera Street. Additional trimming funds allocated as part of the 2007-2009 Financial Plan were reduced for 2008-09 on September 30, 2008 as part of the budget balancing activity. The additional funds were used in 2008-09 to accomplish additional tree trimming.

### Community Partnerships

**Objective.** Review opportunities to expand community partnerships to achieve City goals.

**Status Summary: Ongoing.** Staff continues to work with a variety of community partners. As new opportunities arise, staff responds by developing a new relationship which could be formal or informal.

### Land Use and Circulation Element Update

**Objective.** Prepare a detailed project plan for updating the General Plan and Circulation Element in 2009-11, including ways to address economic development goals and policies as part of that process; and update the traffic model in 2007-09.


**Status Summary: 85% Complete.** The Base Year Traffic Model development is anticipated to be completed by April 2009. Community Development staff presented Council with a detailed project plan in August 2008 for updating the Land Use and Circulation Elements of the General Plan. The Planning Commission subsequently discussed the possible update of the Land Use and Circulation Elements and forwarded its recommendations for a smaller scope of updates as part of the Goal Setting process associated with the 2009-2011 Financial Plan. Additional alternatives were presented to the Council at the "Setting the Table" budget workshop on November 20, 2008. A Council decision on whether or not it is feasible to proceed with the update in the next two years, and if so how, will be addressed as a part of the 2009-11 Financial Plan.

## OTHER COUNCIL OBJECTIVES

### *Night Sky Ordinance*

**Objective.** Develop and adopt a night sky ordinance.

**Status Summary: 80% Complete.** The Night Sky Ordinance is scheduled for consideration by the City Council on February 3, 2009. If approved by the Council, the Night Sky Ordinance will go into effect by April 1, 2009.



# CARRYOVER GOALS AND OBJECTIVES

The following summarizes the status of “carryover” Major City Goals and Other Council Objectives from the 2005-07 Financial Plan. In several cases, “carryover tasks” have been incorporated into the Major City Goals (or “Other Council Objectives”) for 2007-09, and as such, they are not repeated in this section.

## 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.

**Status Summary: 67% Complete.** The business visitation program continues to highlight the diversity of businesses in our area. Work in support of Garden Street Terraces and Chinatown application processing continues to promise future sales tax and transient occupancy tax revenues. The “GAP” project’s environmental assessment process is nearing completion following changes to the site plan to accommodate location of Target in this center.

## OTHER COUNCIL OBJECTIVES

### *Waterways Management Plan Implementation Program*

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

**Status Summary: 10% Complete.** The Army Corps of Engineers is nearing completion of the Record of Decision regarding the approval of the Letter of Permission permit process. Staff time is currently devoted to the implementation of the NPDES Phase 2 Stormwater program.

### *Airport Area Annexation*

**Objective.** Annex the Airport Area.

**Status Summary: 100% Complete for Phase 1A.** The Local Agency Formation Commission (LAFCO) completed the annexation process for 626 acres associated with Phase 1A of the annexation area. The map and certificate of annexation was delivered to the State Board of Equalization and the land was officially added to the City boundary on July 25, 2008.

Discussion with property owners in the Phase 1B area is beginning. The RFP to select the EIR Consultant for the Chevron Property has been released with consultant selection expected no later than early spring.

### *Broad Street Corridor Plan*

**Objective.** Adopt and implement a plan for South Broad Street corridor planning and improvements.

**Status Summary: 80% Complete.** The focus group that helped develop the plan is still active in the process and has provided input to current projects within the plan area. The detailed traffic study has been completed and the consultant is responding to comments on the second draft. The Planning Commission discussed this item on January 28<sup>th</sup>. Information in the traffic study has lead staff to consider the need for a third traffic signal location which may require additional evaluation. If a Mitigated Negative Declaration is prepared, staff will finalize changes to the draft plan by the end of April for consideration by Council in May 2009.

# CIP STATUS REPORT

**Third Quarter 2008-09**  
*As of February 1, 2009*

