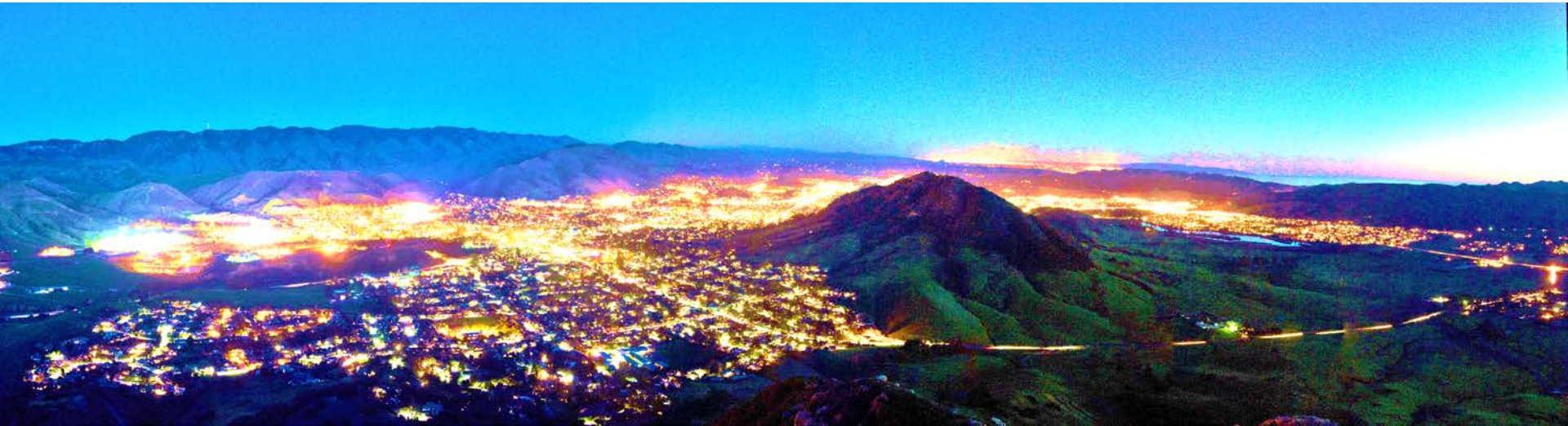




# Budget Foundation: Fiscal Health Response Plan



# Staff Recommendation

1. Review and provide general direction to staff regarding proposed components and allocations for the development of a Fiscal Health Response Plan (FHRP) with final adoption of the FHRP in April 2018.



# Staff Recommendation

2. Provide direction to staff to return in April 2018 with specific recommendations on the use of one-time fund balance above policy reserve including dollar allocation to fund a Section 115 Pension Trust to address long-term variability in pension costs and address unfunded liability.



# Staff Recommendation

3. Review a preliminary 10-Year Capital Improvement Plan (CIP) and provide general direction to staff to return to Council in January 2018 for final review including recommendations to allocate reserves in excess of policy requirements towards community safety project.



# San Luis Obispo is Committed to:<sup>5</sup>

**Good Fiscal  
Management**

**Public  
Engagement**

**Quality  
Services**

**BALANCED APPROACH**



# Presentation Overview



**Input  
and  
review**

**Recomm  
endation**

**Next  
steps**



# 1. Input and Review



# 1. Input and Review



**Operational  
Reductions**



**New Ways of  
Doing Business**



**Employee  
Concessions**



**Revenue  
Options**





# 1. Input and Review: Outreach and Engagement



Community  
and Staff

Information  
sessions

Surveys

Earned Media



# 1. Input and Review:

## Internal Review



# 1. Input and Review

## Extreme Scenarios Analysis

Not recommended



**Operational Reductions**

68 FTE



**Employee Concessions**

Approximate 18% total compensation reduction



**Revenue Options**

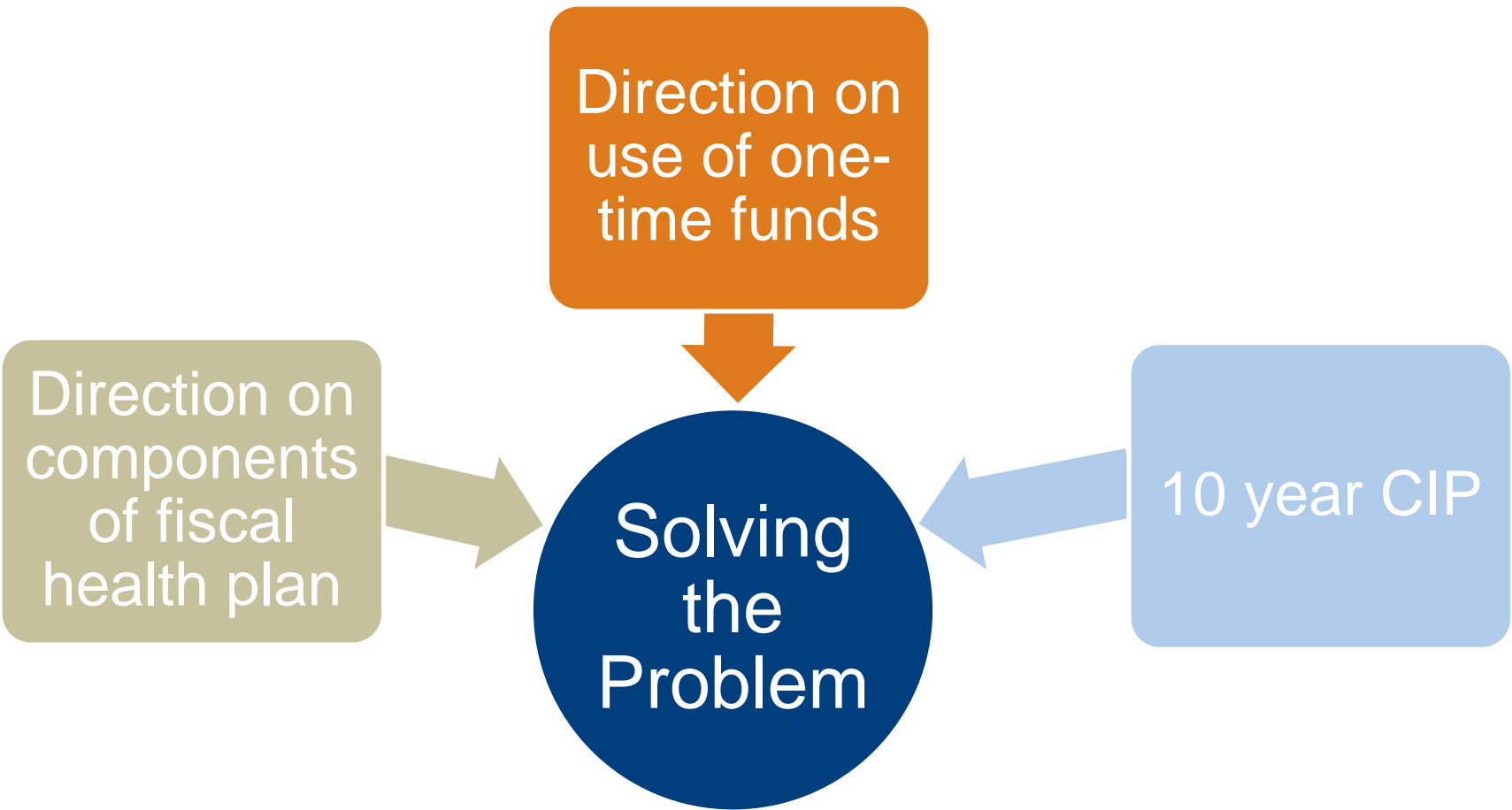
Voter Approval Required



# 2. Recommendation



# December 12<sup>th</sup> Council Meeting



# Recommendation

## Managed by Fund

General Fund \$7.5 M

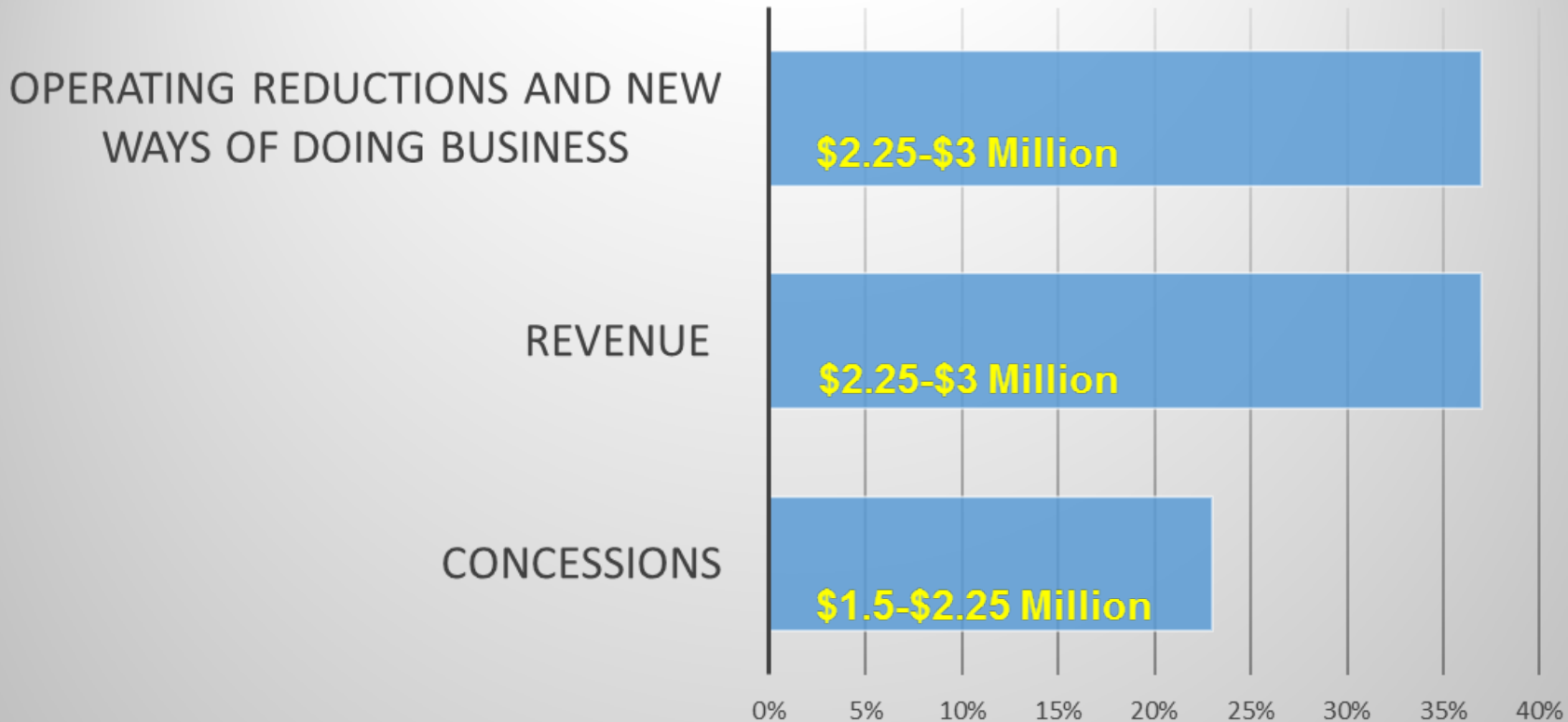
Enterprise Funds \$1.4 M

\* Concessions would apply to all funds



# Recommendation: #1 General Fund

## Component Allocations %



# Recommendation #1 - A



**New Ways of  
Doing Business**

**Operational  
Reductions**



Minimize Service Level Impacts

1. Continued proactive fiscal management
2. Thoughtful re-organizations
3. Enhanced effectiveness and efficiency





# Recommendation #1 - B



## Revenue Options

1. Pursue Cannabis Tax
2. Pursue Storm Water Utility



# Recommendation #1 - C



## Employee Concessions

1. Adopted policies and compensation philosophy
2. Meet and confer



# Recommendation : Council Policy

Use of One-Time Reserves  
Above Policy Reserve

Pay Down Unfunded  
Liabilities

Invest in Infrastructure



# Recommendation #2

Pension Trust Formation

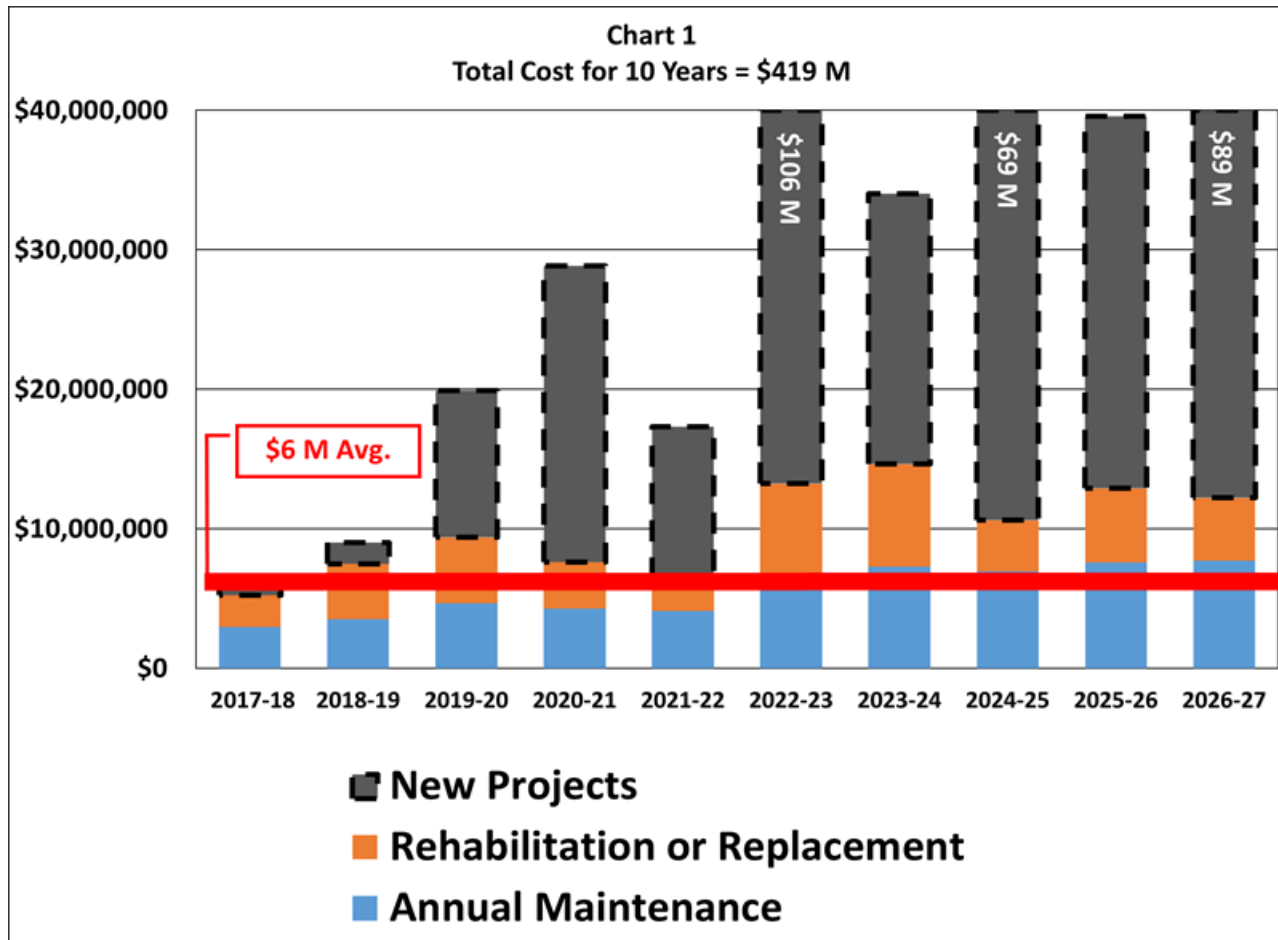
Save Early

Pay Toward  
Unfunded Liabilities



# Recommendation # 3

## 10 Year CIP – General Fund



# 3. Next Steps



# Next Steps: Fiscal Health Response Plan

OCTOBER

Informed  
community & staff



# Next Steps: Fiscal Health Response Plan

## NOVEMBER

City Council Meeting  
to confirmed process  
to develop plan





# Next Steps: Fiscal Health Response Plan

DECEMBER

City Council Meeting  
for direction on how  
plan components are  
to be distributed



# Next Steps: Fiscal Health Response Plan

**JAN-MAR**  
Develop  
components of plan  
based on Council  
direction



# Next Steps: Fiscal Health Response Plan

APRIL

Plan adoption at  
Strategic Budget  
Direction



# Next Steps: Fiscal Health Response Plan

JUNE

Budget adoption  
consistent with  
plan



# How you can stay involved

**Complete surveys**

**Contact Us:** [fiscalhealth@slocity.org](mailto:fiscalhealth@slocity.org)



# Staff Recommendation: 3 pronged approach



1. Review and provide general direction to staff regarding proposed components and allocations for the development of a Fiscal Health Response Plan (FHRP) with final adoption of the FHRP in April 2018; and
2. Provide direction to staff to return in April 2018 with specific recommendations on the use of one-time fund balance above policy reserve including dollar allocation to fund a Section 115 Pension Trust to address long-term variability in pension costs and address unfunded liability; and
3. Review a preliminary 10-Year Capital Improvement Plan (CIP) and provide general direction to staff to return to Council in January 2018 for final review including recommendations to allocate reserves in excess of policy requirements towards community safety project.

