

2009-11 Financial Plan

July 1, 2009

Approved 2009-10 Budget

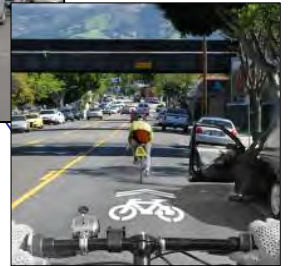


**Major City Goal:
Infrastructure Maintenance**



**Major City Goal:
Economic Development**

**Major City Goal:
Traffic Congestion Relief**



**Major City Goal:
Preservation of Critical Services**



city of san luis obispo

2009-11 Financial Plan

July 1, 2009

**DAVID F. ROMERO, MAYOR
ALLEN K. SETTLE, VICE MAYOR
JOHN ASHBAUGH, COUNCIL MEMBER
ANDREW CARTER, COUNCIL MEMBER
JAN HOWELL MARX, COUNCIL MEMBER**

Ken Hampian, City Manager

Prepared by the Department of Finance & Information Technology

Bill Statler, Director/City Treasurer
Debbie Malicoat, Finance Manager

Approved 2009-10 Budget

city of san luis obispo

REPORT PRODUCTION AND ANALYSIS

Budget Review Team

Monica Irons, Director of Human Resources
Debbie Malicoat, Finance Manager
Shelly Stanwyck, Assistant City Manager
Bill Statler, Director of Finance & Information Technology

Budget Analysts

Kathe Bishop, Senior Administrative Analyst (Utilities)
City Attorney, Finance & Information Technology

Brigitte Elke, Principal Administrative Analyst (Administration)
Police, Fire, Human Resources

Sallie McAndrew, Accounting Supervisor
Public Works, Parks & Recreation

Jennifer Thompson, Revenue Supervisor
Administration, Utilities, Community Development

CIP Review Committee

Betsy Kiser, Director of Parks & Recreation
Deb Linden, Police Chief
John Mandeville, Director of Community Development
Carrie Mattingly, Utilities Director
Shelly Stanwyck, Assistant City Manager
Bill Statler, Director of Finance & Information Technology
Jay Walter, Director of Public Works

Staff Support to the Committee

Barbara Lynch, City Engineer
Debbie Malicoat, Finance Manager

Department of Finance & Information Technology Staff

Debbie Malicoat, Finance Manager
Sallie McAndrew, Accounting Supervisor
Steve Schmidt, Information Technology Manager
Bill Statler, Director/City Treasurer
Jennifer Thompson, Revenue Supervisor

Department Fiscal Officers

Shannon Bates, Parks & Recreation	Melissa Ellsworth, Police
Ryan Betz, Community Development	Sallie McAndrew, Finance & Information Technology
Kathe Bishop, Utilities	Melissa Mudgett, Public Works
Viv Dilts, Fire	Claudia Prows, City Attorney
Brigitte Elke, Administration	Greg Zoicher, Human Resources

TABLE OF CONTENTS

PREFACE

Budget Process Overview	i
How to Use the Financial Plan Document	ii
About the City	iv
Goal-Setting and the Budget Process	v

Section A

INTRODUCTION

Budget Message	A-1
Financial Budget Highlights	A-15
Measure Y Funding Summary	A-23
Mission Statement	A-24
Organizational Values	A-25
Directory of Officials and Advisory Bodies	A-26
Organization of the City	A-27
Awards for Distinguished Budget Presentation	A-28

Section B

POLICIES AND OBJECTIVES

Overview	B-1
General Budget Policies	
Financial Plan Purpose and Organization	B-6
Financial Reporting and Budget Administration	B-7
General Revenue Management	B-7
User Fee Cost Recovery Goals	B-8
Enterprise Fund Fees and Rates	B-12
Revenue Distribution	B-13
Investments	B-13
Appropriations Limitation	B-15
Fund Balance and Reserves	B-15
Capital Improvement Management	B-16
Capital Financing and Debt Management	B-18
Human Resource Management	B-23
Productivity	B-25
Contracting for Services	B-25
Council Goals	
Council Goal Summary	B-27
Work Program Cost and Funding Summary	B-28
Major City Goals	
Infrastructure Maintenance	B-29
Traffic Congestion Relief	B-35
Economic Development	B-43
Preservation of Essential Services and Fiscal Health	B-50
Other Important Council Objectives	
Land Use and Circulation Revisions	B-62
Open Space Preservation	B-66

Green House Gas Reduction and Energy Conservation	B-73
Downtown Maintenance and Beautification	B-78
Historic Preservation	B-83

Status of 2007-09 Major City Goals	B-87
---	------

Section C

BUDGET GRAPHICS AND SUMMARIES

Overview	C-1
Combined Expenditures and Revenues	
Total Expenditure: All Funds	C-2
Total Funding Sources: All Funds	C-3
Operating Program Expenditures By Function	C-4
Operating Program Expenditures By Type	C-5
Capital Improvement Plan Expenditures	
By Function	C-6
By Funding Source	C-7
Debt Service Expenditures by Function	C-8
Expenditures and Revenues by Fund Type	
Total Expenditures by Fund	C-9
General Fund Expenditures and Uses	C-10
General Fund Operating Program Expenditures	
By Function	C-11
By Type	C-12
General Fund Revenues	C-13
Changes in Financial Position	
Fiscal Year 2009-10	C-14
Fiscal Year 2010-11	C-15
Authorized Regular Positions	C-16

Section D

OPERATING PROGRAMS

Overview	
Purpose and Organization	D-1
Summary of Major Functions and Operations	D-2
Operating Program Narratives: Content and Organization	D-3
Operating Expenditure Summaries	
Overview	D-5
Operating Expenditures by Function	D-6
Operating Expenditures by Program	
Public Safety	D-8
Public Utilities	D-9
Transportation	D-10
Leisure, Cultural and Social Services	D-11
Community Development	D-12
General Government	D-13

TABLE OF CONTENTS

Operating Expenditures by Department	D-14
Operating Expenditures by Type: All Funds	D-16
Operating Expenditures by Type: General Fund	D-17
Summary of Significant Operating Program Changes	D-18
Summary of Expenditure Reductions Required to Balance the Budget	D-20

Public Safety

Police Protection

Administration	D-21
Neighborhood & Crime Prevention Services	D-23
Support Services	D-25
Investigative Services	D-27
Traffic Safety	D-29
Patrol Services	D-31

Fire and Environmental Safety

Administration	D-33
Emergency Response	D-35
Hazard Prevention	D-37
Training	D-40
Technical Services	D-42
Disaster Preparedness	D-44

Public Utilities

Water Service

Water Source of Supply	D-47
Water Treatment	D-49
Water Distribution	D-51
Water Customer Service	D-53
Utilities Conservation Office	D-55
Water Administration & Engineering	D-57

Wastewater Service

Wastewater Collection	D-59
Wastewater Pretreatment	D-61
Water Reclamation Facilities	D-63
Water Quality Laboratory	D-66
Wastewater Administration & Engineering	D-68

Whale Rock Reservoir

Reservoir Operations	D-70
----------------------	------

Transportation

Transportation Management

Transportation Planning & Engineering	D-73
---------------------------------------	------

Streets

Street & Sidewalk Maintenance	D-75
Traffic Signals & Street Lights	D-78

Creek & Flood Protection

D-80

Parking

D-82

Municipal Transit System

D-85

Leisure, Cultural and Social Services

Parks & Recreation

Recreation Programs

Recreation Administration	D-87
Aquatics	D-90
Children Services	D-92
Recreational Sports	D-95
Facilities	D-97
Special Events	D-99
Teen and Senior Services & Classes	D-102
Ranger Services	D-105
Golf Course	D-107

Maintenance Services

Parks & Landscape	D-109
Swim Center	D-111
Tree Maintenance	D-113

Cultural Services

Cultural Activities	D-115
---------------------	-------

Social Services

Human Relations	D-117
-----------------	-------

Community Development

Planning

Commissions & Committees	D-119
Community Development Administration	D-122
Planning Development Review	D-125
Long-Range Planning	D-128
Housing	D-131

Construction Development

Building & Safety	D-134
CIP Project Engineering	D-137
Engineering Development Review	D-139

Natural Resources Protection

Natural Resources Management	D-142
------------------------------	-------

Economic Health

Economic Development	D-144
Community Promotion	D-147
Downtown Business Improvement District	D-150

General Government

Legislative and Policy

City Council	D-153
--------------	-------

General Administration

City Administration	D-155
Public Works Administration	D-157

Legal Services

City Attorney	D-160
---------------	-------

TABLE OF CONTENTS

City Clerk Services	
City Clerk Services	D-162

Organizational Support Services	
Human Resources Administration	D-165
Risk & Benefits Management	D-168
Finance & Information Technology Administration	D-171
Accounting	D-173
Revenue Management	D-175
Support Services	D-177
Information Technology	D-178
Geographic Information Services	D-181

Buildings & Equipment	
Building Maintenance	D-183
Fleet Maintenance	D-185

Section E CAPITAL IMPROVEMENT PLAN (CIP)

Overview	E-1
-----------------	-----

Summary of CIP Expenditures	
By Function	E-2
By Source	E-3

Project Detail and Phasing	
Public Safety	E-4
Public Utilities	E-5
Transportation	E-7
Leisure, Cultural & Social Services	E-10
Community Development	E-13
General Government	E-14

Project Expenditures by Source	
Capital Outlay Fund	E-15
Community Development Block Grant Fund	E-18
Parkland Development Fund	E-19
Transportation Impact Fee Fund	E-20
Open Space Protection Fund	E-21
Fleet Replacement Fund	E-22
Enterprise and Agency Funds	E-23

Project Descriptions	E-26
-----------------------------	------

Section F DEBT SERVICE REQUIREMENTS

Introduction	F-1
Description of Debt Obligations	F-2
Summary of Annual Payments by Function	F-4
Summary of Annual Payments by Source	F-5
Computation of Legal Debt Margin	F-6

Section G CHANGES IN FINANCIAL POSITION

Overview

Introduction	G-1
Organization of the City's Funds	G-2

Combining Fund Balance Statements

All Funds Combined	G-3
All Governmental Funds Combined	G-4
All Enterprise and Agency Funds Combined	G-5
	D-183

Individual Fund Balance Statements

General Fund	G-6
---------------------	-----

Special Revenue Funds

Downtown Business Improvement District Fund	G-7
Gas Tax Fund	G-8
Transportation Development Act Fund	G-9
Community Development Block Grant Fund	G-10
Law Enforcement Block Grant Fund	G-11
Public Art Fund	G-12
Proposition 42 Fund	G-13
Proposition 1B Fund	G-14
Tourism Business Improvement District Fund	G-15

Capital Project Funds

Capital Outlay Fund	G-16
Parkland Development Fund	G-17
Transportation Impact Fees Fund	G-18
Open Space Protection Fund	G-19
Airport Area Impact Fee Fund	G-20
Affordable Housing Fund	G-21
Fleet Replacement Fund	G-22
Los Osos Valley Road Sub-Area Fee Fund	G-23

Debt Service Fund	G-24
--------------------------	------

Enterprise Funds

Water Fund	G-25
Sewer Fund	G-26
Parking Fund	G-27
Transit Fund	G-28
Golf Fund	G-29

Agency Fund

Whale Rock Commission	G-30
-----------------------	------

TABLE OF CONTENTS

Section H

FINANCIAL AND STATISTICAL TABLES

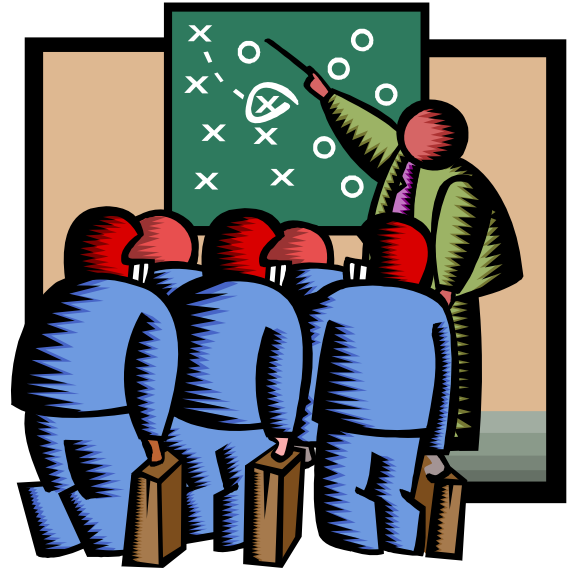
Overview	H-1
Revenue Summaries	
Summary of Key Revenue Assumptions	H-2
Revenues by Major Category and Source	H-6
Expenditure Summaries	
Total Expenditures by Type and Function	H-12
Interfund Transactions	
Reimbursement Transfers	H-13
Operating Transfers	H-14
Staffing Summaries	
Regular Positions by Department	H-16
Regular Positions by Function	H-25
Temporary Full-Time Equivalents by Function	H-26
Financial Trends	
Pension Obligation Cost Trends	H-27
Retiree Health Care Obligations	H-31
New or Increased Taxes and Fees	H-34
Revenue and Expenditure Trends: Last Five Completed Fiscal Years	H-37
Expenditures by Type: Last Five Years	
All Funds Combined	H-38
General Fund	H-39
Other Statistical and Financial Summaries	
Appropriations Limit History	H-40
Demographic and Statistical Summary	H-41

Section I

BUDGET REFERENCE MATERIALS

Overview	I-1
Summary of Major Policy Documents	I-2
Budget Glossary	I-5
Major Preparation Guidelines	I-9
Budget Calendar	I-13
Resolution Adopting the Financial Plan	I-15

PREFACE



BUDGET PROCESS OVERVIEW

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

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

Purpose of the Two-Year Financial Plan

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

Major City Goals

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

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

Financial Plan Policies

Formally articulated budget and fiscal policies provide the foundation for preparing and implementing the Financial Plan while assuring the City's long-term fiscal health. Included in the Financial Plan itself, these policies cover a broad range of areas such as user fee cost

recovery goals, enterprise fund rates, investments, capital improvement management, debt management, capital financing, fund balance and reserves, human resource management and productivity.

Preparation and Review Process

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

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

Second Year. Before the beginning of the second year of the two-year cycle, the Council reviews progress during the first year, makes adjustments as necessary and approves appropriations for the second fiscal year.

Mid-Year Reviews. The Council formally reviews the City's financial condition and amends appropriations, if necessary, six months after the beginning of each fiscal year.

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

Administration

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

PREFACE

HOW TO USE THE FINANCIAL PLAN DOCUMENT

OVERVIEW

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

- Reinforcing the importance of long-range planning in managing the City's fiscal affairs.
- Concentrating on developing and budgeting for the accomplishment of significant objectives.
- Establishing realistic timeframes for achieving objectives.
- Creating a pro-active budget that provides for stable operations and assures the City's long-term fiscal health.
- Promoting more orderly spending patterns.
- Reducing the amount of time and resources allocated to preparing annual budgets.

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

PURPOSE OF THE FINANCIAL PLAN

Although the City's Financial Plan document itself may introduce new plans or policy goals, its primary purpose is to serve as the Council's primary tool for programming the implementation of existing plans and policies by allocating the resources necessary to do so.

Through a variety of policy documents and plans—such as the General Plan, Urban Water Management Plan, Access and Parking Management Plan, Pavement Management Plan, Short-Range Transit Plan, Facilities Master Plan and Conceptual Physical Plan for the City's Center—the City has set forth a number of long-term goals for the City to accomplish. However, with limited resources, some process must be developed for evaluating priorities and determining which of the goals included in these plans will be accomplished over a given period of time.

This is the fundamental purpose of the City's Financial Plan: to link what we want to accomplish in the near term with the resources required to do so.

The City's Financial Plan process does this by:

- Identifying the most important things for us to accomplish for our community.
- Establishing a reasonable timeframe and organizational responsibility for achieving them.
- Allocating the resources necessary to do so.

FINANCIAL PLAN ORGANIZATION

In achieving its purpose of identifying the most important things for the City to accomplish over the next two years and allocating the resources necessary to do so, the Financial Plan serves four roles:

- **Policy Document.** Sets forth goals and objectives to be accomplished and the fundamental fiscal principles upon which the budget is prepared.
- **Fiscal Plan.** Identifies and appropriates the resources necessary to accomplish objectives and deliver services; and ensures that the City's fiscal health is maintained.
- **Operations Guide.** Describes the basic organizational units and activities of the City.
- **Communications Tool.** Provides the public with a blueprint of how public resources are being used and how these allocations were made.

In meeting these roles, the Financial Plan is organized into the following nine sections. Each of these sections is introduced by an overview that comprehensively describes its purpose, format and content.

Section A Introduction

Includes the Budget Message from the City Manager, budget highlights, City mission statement, organizational values, directory of officials and advisory bodies, organization chart and awards for distinguished budget presentation.

PREFACE

HOW TO USE THE FINANCIAL PLAN DOCUMENT

Section B **Policies and Objectives**

Summarizes the fiscal policies that guide preparation and management of the budget; presents major City goals and related work programs; and summarizes the status of prior major City goals.

Section C **Budget Graphics and Summaries**

Provides simple pie charts and tables that highlight key financial relationships and summarize the overall budget.

Section D **Operating Programs**

Presents the City's operating programs that form the City's basic organizational units, allow for providing essential services to citizens and enable the City to accomplish the following tasks:

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

The City's operating programs are organized into six major functional areas which in many instances cross departmental boundaries and funding sources: public safety; public utilities; transportation; leisure, cultural & social services; community development; and general government.

Section E **Capital Improvement Plan**

Presents the City's capital improvement plan (CIP) that includes all of the City's construction projects and equipment purchases that cost \$15,000 or more.

Section F **Debt Service Requirements**

Summarizes the City's debt obligations at the beginning of the Financial Plan period.

Section G **Changes in Financial Position**

Provides combined and individual statements of revenues, expenditures and changes in fund balance/working capital for each of the City's operating funds.

Section H **Financial and Statistical Tables**

Includes supplemental financial and statistical information such as revenue estimates and assumptions, interfund transactions, authorized staffing levels, appropriations limit history and general demographic information about the City.

Section I **Budget Reference Materials**

Describes the major policy documents and preparation guidelines used in developing and executing the Financial Plan; and provides a Budget Glossary of terms that may be unique to local government finance or the City's Financial Plan.

PREFACE

ABOUT THE CITY

Who We Are and How We Got Started

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

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

Where We’re Located

With a population of 44,000, the City is located eight miles from the Pacific Ocean and is midway between San Francisco and Los Angeles at the junction of Highway 101 and scenic Highway 1.



San Luis Obispo is the County Seat, and a number of federal and state regional offices and facilities are located here, including Cal Poly State

University, Cuesta Community College, Regional Water Quality Board and Caltrans District offices.

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

Great Place to Live, Work and Visit

While San Luis Obispo grew relatively slowly during most of the 19th century, the coming of Southern Pacific Railroad in 1894 opened up the area to the rest of California. The City’s distance

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

Downtown

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

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

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

Government

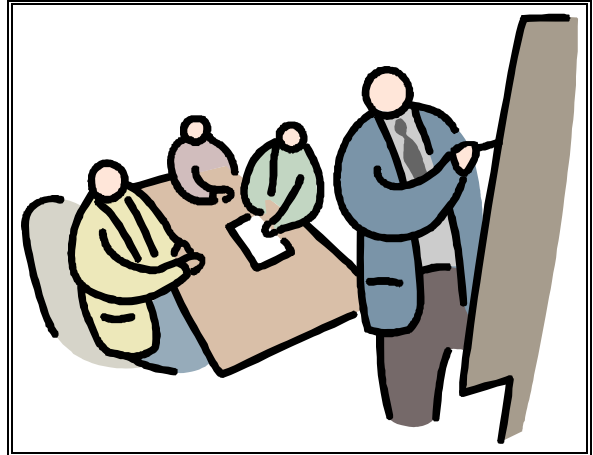
The City operates under the Council-Mayor-City Manager form of government. Council members are elected at-large and serve overlapping, four-year terms. The Mayor is also elected at-large but for a two-year term, and serves as an equal member of the Council. The Council appoints the City Manager and City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

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



Section A

INTRODUCTION



BUDGET MESSAGE

TO: City Council
FROM: Ken Hampian, City Manager

Following an extensive series of community workshops, forums and hearings that began almost a year earlier in late June 2008, the Council adopted the 2009-11 Financial Plan on June 16, 2009. The following is the Budget Message that was presented by the City Manager in the Preliminary Financial Plan, which was distributed to the community and Council on May 28, 2009.

***“To get through the hardest journey,
we need take only one step at a time –
but we must keep on stepping.”***

This ancient Chinese proverb is apropos to our 2009-11 budget journey.

Our journey started almost twelve months ago in June 2008, when it became clear that we would have a very difficult task ahead us in adopting the General Fund budget. In response, we took our first step: implementing the *Fiscal Health Contingency Plan*. We then began preparing “budget rebalancing” actions for 2008-09, which the Council approved in September 2008.

This is also the month when we formally launched the 2009-11 Financial Plan process, with Council approval of key budget dates and related actions. Although the signs of a severe national economic decline were becoming increasingly clearer, little did we know at the time that we would be “stepping” our way through the worst recession since the Great Depression.

The many subsequent steps that we have taken in the months leading to the release of the Preliminary 2009-11 Financial Plan are well chronicled later in this *Budget Message*. These steps have not been taken easily or at times, without great uncertainty. There have also been differences of opinion about which direction was best as we navigated our path.

However, the Council has made the decisions that needed to be made at each juncture along the way and we have kept on stepping toward the deadline established back in September for the Plan’s release:

May 28, 2009. Today, with the release of this document, we have met our deadline.

But our steps have accomplished much more than meeting a deadline. When this process started, our strategic objectives included preparing a Preliminary Financial Plan that:

1. Is fiscally responsible and structurally balanced for the long-term.
2. Preserves essential services and provides a reasonable level of infrastructure maintenance.
3. Uses a variety of “ingredients” in crafting a budget that is balanced from both a fiscal and community impact perspective (“Budget Gumbo II”).
4. Meaningfully involves the community and organization in surfacing and considering budget-balancing options.
5. Minimizes lay-offs.
6. Reflects employee group contributions in helping close the gap and mitigating lay-offs through salary concessions via the “zero year” concept.
7. Relies upon solid and clear fiscal policies as its foundation for decision-making.
8. Retains General Fund reserves at policy levels given the many uncertainties facing us and serving as the first line of defense in the event of further State takeaways.
9. Is led by Council action at key decision points in the process in defining the problem, setting goals, adopting work programs to achieve them and approving clear concepts in balancing the budget.

We believe that the Preliminary Financial Plan achieves all of these objectives.

We knew that we would have to tighten our belts considerably and make many difficult operational and capital program cuts. This recommended plan is

BUDGET MESSAGE

balanced largely based on expenditure cuts: about 80% of the solution.

We also believed that some modest revenue increases would be needed as part of the solution and the Council has made some difficult, but judicious, decisions to include revenue as a 15% contribution toward closing our budget gap.

We also hoped for leadership and assistance from our employees, including a “zero year” in salary adjustments for 2009-10. We got that.

And we agreed that we must keep our reserve strong, as a first line of defense, should the economy get worse – or should the State “come calling,” as they are wont to do. This plan proposes that we maintain minimum reserve policy of 20% of operating expenditures – an essential buffer against panic and uncertainty, if we are to face a sudden added challenge in the coming weeks or months.

We don’t know what the future holds, but as your City Manager, I strongly believe that the many steps we have taken over the last several months has resulted in a Preliminary 2009-11 Financial Plan that achieves our original strategic objectives at a very high level. There are a few more steps to go, but we are headed in the right direction.

We just need to keep on stepping to June 16, 2009, when the Council will adopt the 2009-11 Financial Plan.

BUDGET OVERVIEW

Another very tough budget that would be much worse without Measure Y

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. It also reflected an improved local economy and the absence of the threat of more State budget takeaways.

Unfortunately, this is not the case today. 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.

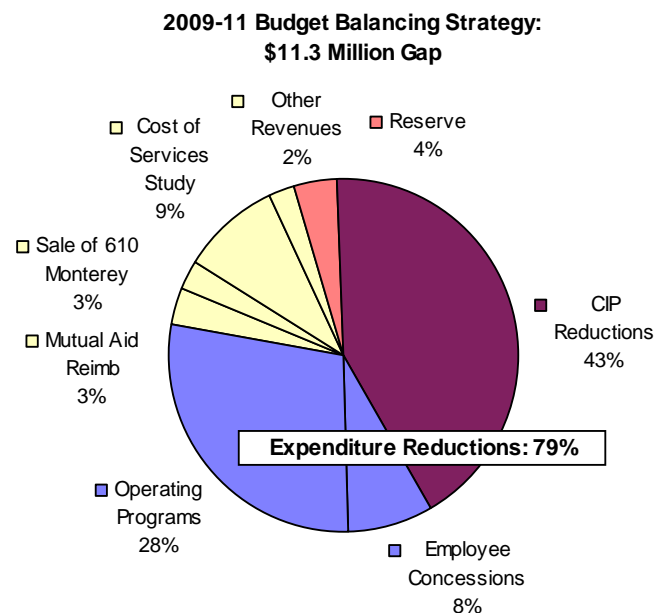
There are several key actors in our fiscal story. However, the most significant is the largest economic downturn since the Great Depression. This results in declines or tepid growth in our most important revenues, while costs – “but for” the corrective actions reflected in the Preliminary Financial Plan, would continue to grow.

The Gap Facing Us

The five-year fiscal forecast (Forecast) presented to the Council in December 2008 projected a “budget gap” of \$10.4 million annually in 2009-11. Based largely on continued and steep downturns in transient occupancy tax (TOT) revenues since then, this has grown to \$11.3 million. This would be much worse without Measure Y revenues: it would rise to almost \$17 million annually.

Budget-Balancing Strategy

In April 2009, the Council conceptually approved the budget-balancing strategy in closing this gap. As shown below, expenditure reductions play the largest role in this strategy, accounting for about 80% of the total, including CIP reductions that account for over 40%.



BUDGET MESSAGE

Background: What We've Already Done

While the challenges facing us are significant, we did not start this process flat-footed. Based on the “six-point” *Fiscal Health Contingency Plan* we prepared in October 2001, we have had an “early warning” system and general strategy for responding to the alarms. This resulted in the following preventative measures.

1. Hiring and travel/training “chill” starting in June 2008.
2. Total hiring freeze in filling regular positions in December 2008 based on the results of the Forecast, pending adoption of Financial Plan.

Fiscal Health Contingency Plan
1. Maintain reserves at minimum policy level.
2. Follow other key budget and fiscal policies.
3. Monitor fiscal health on an ongoing basis.
4. Assess the challenge: short or long-term problem?
5. Identify options.
6. Prepare and implement action plan.

3. 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, we project beginning 2009-11 with a balanced budget and reserves at policy levels.

Based on the *Fiscal Health Contingency Plan* action steps, we have now arrived at “Step 6: Preparing and Implementing the Action Plan”—which in this case is the 2009-11 Financial Plan.

Preparing the Budget-Balancing Strategy

In putting together the “metrics” of our proposed budget-balancing strategy, we considered a number of sources, including:

Community Feedback. As part of the budget process, there has been extensive community involvement through advisory bodies, surveys, letters, budget workshops and the Community Forum. In crafting our proposed budget-balancing strategy, we tried to be very sensitive to what we’ve heard.

On balance, while there is a wide range of varying interests, there is one common thread to the feedback we’ve received, which is contrary to the conventional wisdom about wanting government to do less.

As reflected in the almost 500 responses we received to the “Community Budget Bulletin” survey we sent with our utility bills December 2008, the fact is that almost everyone wants the City to keep doing the same things—or more—in virtually all areas of the City’s operations: more street maintenance, more open space preservation, more traffic congestion relief (including more bikeways), more public safety services, more creek and flood protection, more senior services and facilities, more code enforcement, more downtown improvements more park and recreation services ...

While not scientific, the survey results from the community forum are also reflective of this: while interest varies between categories, in no service area did a majority of respondents want “less;” in fact, in every category, the overwhelming interest was for the “same or more.”

Community Forum Results			
	Level of Attention (Compared to Current)		
	Less	Same	More
Public Safety (Police, Fire & Paramedic Services)	8	13	3
Street Maintenance/Paving	2	15	5
Traffic Congestion Relief (includes improved bicycle paths)	5	2	18
Creek & Flood Protection	4	9	6
Senior Services & Facilities	3	13	4
Neighborhood Code Enforcement	7	8	3
Open Space Preservation	1	7	17
Downtown Protection/Improvements	1	16	7

BUDGET MESSAGE

And there is scientific data supporting this indication for “same or more” City services. In the professional public opinion survey conducted three years ago in June 2006, 74% of the community rated the City’s services as good or excellent; and this may help explain the more informal results of “same or more.”

Council. The Financial Plan is responsive to the results of the Council’s goal-setting process in January 2009; and the work programs and strategic budget direction approved by the Council on April 14, 2009: that our budget-balancing strategy should include some combination of reserves, CIP and operating expenditure reductions and added revenues as allowed under Proposition 218. Council goals for 2009-11 are discussed in detail later in the *Budget Message*.

“Front-Line” Employees. We have extensively involved and engaged our employees throughout the organization, both in communicating the problem and in generating thoughtful solutions. This process resulted in over 700 budget-balancing ideas. Many of these are reflected in the budget-balancing strategy and many others are “in-the-pantry” that may be brought to bear on challenges facing us in the longer-term.

Employee Groups. We have worked very closely with the leadership of all five of our employee associations as well as our unrepresented management and confidential employees. Employee concessions provide almost \$1 million in annual General Fund cost savings compared with initial budget estimates (and \$1.2 million all funds combined).

This was achieved by all employee groups agreeing to no cost of living salary adjustments (“zero year”) in 2009-10. In addition to these very tangible contributions to the closing the budget gap, the employee groups have been very helpful and supportive in this process.

Department Heads. After receiving the “bright ideas” from their employees, Department Heads made specific recommendations to the City Manager on those they thought should be strongly considered as budget-balancers for 2009-11. (The criteria we used in making this assessment are discussed below.) In follow-up to this, the Department Heads

and City Manager met for many hours over several days in discussing these ideas and reaching consensus on the recommended strategy.

CIP Review Team. Along with other coordinating duties, one of the primary responsibilities of this group is to review all CIP budget requests and make recommendations to the City Manager. Its members include the Directors of Public Works, Utilities, Community Development, Parks & Recreation, Finance & Information Technology, Police Chief and Assistant City Manager. The CIP component of the proposed budget-balancing strategy reflects the results of their review.

Keeping the Organization Informed. Throughout the process of preparing the Preliminary Financial Plan, we have worked hard to keep our employees informed. These efforts included an extensive series of City Manager emails and newsletter columns, many face-to-face employee briefings, a “rumor control” intranet site and department head communications.

Evaluation Criteria

Based largely on the framework set forth in the *Fiscal Health Contingency Plan*, we used the following criteria in preparing the proposed budget-balancing strategy:

1. Can it be implemented and realistically be relied upon as a budget balancer in 2009-11?
2. Is it within our control to do?
3. Is it reasonable and balanced? Does it reflect shared sacrifice?
4. Is it focused on service impacts and priorities—not an “across-the-board” approach?
5. Is it sensitive to costs and “affordability?”
6. Does it maintain essential facilities, infrastructure and equipment at reasonable levels?
7. How does the “value” compare with the effort?
8. How will we be positioned afterwards for the future?

BUDGET MESSAGE

MAJOR CITY GOALS

For 2009-11, in recognition of the extraordinary fiscal challenges facing us, the Council has adopted just four major City goals:

- Preservation of Essential Services and Fiscal Health
- Infrastructure Maintenance
- Traffic Congestion Relief
- Economic Development

The goal-setting process is discussed in greater detail later in the *Budget Message*; and detailed work programs to achieve them are provided in Section B of the Preliminary Financial Plan (Policies and Objectives). However, these focused goals reflect four things:

1. Responding pro-actively and responsibly to the greatest economic downturn since the Great Depression.
2. Priorities expressed by the community during the goal-setting process.
3. Focus on preserving core services and maintaining what we already have.
4. Close alignment with the priorities that surfaced both before and during the Measure Y campaign.

KEY BUDGET STRATEGIES

General Fund Budget Balancing Actions

The General Fund “budget gap” that faced us in preparing the Financial Plan was similar to the Forecast presented to the Council in December 2008. However, as noted above, it grew to \$11.3 million (an added \$900,000), largely due to steep downturns in TOT revenues since then.

The budget-balancing actions in the Financial Plan closely follow the conceptual strategy approved by the Council in April 2009:

Closing the Gap		
	Annualized	% of Total
Reserve *	445,400	4%
New Revenues		
Cost of Services Study	1,030,700	9%
Use of Property		
Sale of 610 Monterey	325,000	3%
Other Uses of Property	60,700	1%
Mutual Aid Reimbursements	375,000	3%
Improved Cost Recovery	205,000	1%
Expenditure Reductions		
CIP Reductions	4,756,900	43%
Employee Concessions	899,700	8%
Operating Programs	3,182,800	28%
Total	\$11,281,200	100%

* Retains at 20% policy but on lower operating expenditures

As reflected above, while reserves and added revenues play an important role, about 80% of the proposed budget-balancing strategy relies upon expenditure reductions. The following summarizes each of the four key budget-balancing components:

① Reserves

Given the many uncertainties ahead of us, we recommend retaining reserves at our minimum policy level of 20% of operating expenditures. However, the proposed budget-balancing strategy reflects a reduction in operating expenditures of about \$4.1 million. Because the reserve is set on a percentage basis and not fixed amount, this results in a lower reserve of 20% at the end of 2009-11 of \$890,000.

Averaged over the two-year Financial Plan, this results in an annualized contribution in closing the gap of \$445,400.

② Added Revenues

As noted by the City Manager when the results of the Cost of Services Study were presented to the Council in February 2009, we recognized that this is a difficult time to raise fees. On the other hand, without the proposed added revenues, we will need to cut even deeper into our CIP and operating programs. In short, if we do not assess fees where it is reasonable to do so, then general purpose revenues are subsidizing the difference. And this in turn means even deeper cuts in services like police, fire and street maintenance that rely heavily on general purpose revenues and have very limited cost recovery options.

BUDGET MESSAGE

The revenue recommendations are all consistent with the City's user fee cost recovery policy; and although they play an important role in the overall budget balancing strategy, they are only about 15% of the solution, (with expenditure reductions playing the leading role at about 80% of the solution).

As reflected in the chart above, the new revenues are organized into four main categories:

1. Cost of services study implementation
2. Use of City property
3. Mutual aid reimbursements
4. Improved cost recovery for services not addressed in the cost of services study

As discussed in depth with the Council in April 2009, these fees are consistent with the City's adopted user fee cost recovery policies. The following more specifically summarizes our revenue recommendations, which should be adopted concurrently with budget approval scheduled for June 16, 2009.

Cost of Services Study

The results of this comprehensive analysis of service costs, current cost recovery and added revenue potential under current cost recovery policies were presented to the Council on February 24, 2009. Given the existing construction environment, we estimated that the implementing the study findings would generate about \$1.4 million annually.

As discussed with the Council on April 21, 2009, we recommend implementing \$1.0 million of the study findings. The following summarized key study recommendations:

1. **Police.** The cost of services study recommends a reduction in the fees for impound vehicle releases and vehicle tow release fees. This will result in \$25,500 less revenue. This is offset by \$30,000 higher revenues for Driving under the Influence (DUI) collision cost recovery, noise and nuisance abatement and various other miscellaneous items.
2. **Fire.** Increasing permit fees for fire sprinkler systems and other annual operating and special permits will increase revenues by \$135,600.
3. **Parks & Recreation.** Increasing outdoor facility rental fees will result in \$12,800 of additional

revenue; and improving cost recovery for contract classes for teens and boomers will result in additional revenues of \$800.

4. **Development Review Services.** Implementing the study's recommended fee increases for building, planning, engineering and fire development review fees will result in additional revenues of \$839,200.
5. **General Government.** Improving cost recovery for business licenses will result in added revenue of \$37,800.

Use of Property

Detailed information on more effective use of City property was presented to the Council on April 14, 2009, summarized as follows:

1. **Sale of 610 Monterey to the Parking Fund.** Selling the house at 610 Monterey purchased by the General Fund to the Parking Fund is estimated to generate \$650,000 in 2009-10.

In 1998, the house at 610 Monterey (Monterey at Nipomo) came on the market. Because this site had been previously identified as a candidate for several possible City uses, the Council approved taking advantage of this opportunity to acquire a strategic Downtown property from a willing seller. Since no specific use was identified for the site at that time, General Fund resources were used. Since that time, the Council has identified this general area as the next parking structure.

2. **Telecommunications Lease at Santa Rosa Park.** Leasing space at Santa Rosa Park for an additional telecommunications provider will generate \$57,000 in 2009-10 and \$58,300 in 2010-11.
3. **Outsourcing Sale of Surplus Property.** Using an internet auction site to sell Police Department surplus property will generate approximately \$3,000 annually.

Expanded Mutual Aid Reimbursements

As detailed in the April 14, 2009 report to the Council, expanding mutual aid assignments above

BUDGET MESSAGE

Forecast projections will generate an added \$350,000 in 2009-10 and \$400,000 in 2010-11.

Other Cost Recovery Opportunities

Detailed information on other opportunities for improved cost recovery for services not addressed in the cost of services study was presented to the Council on April 14, 2009, summarized as follows:

1. **Improved Accounting for Parking Citation Revenue.** Improving accounting for parking citation revenue by allocating parking citations issued by Police Department staff from the Parking Fund to the General Fund/Police Department will generate \$50,000 annually.
2. **Administrative Citations for Open Alcohol Container Violations.** Issuing administrative citations for first offense violations of Municipal Code 9.04.010 (Possession of open containers or consumption of alcoholic beverages in public places) rather than criminal citations will generate \$29,300 annually.
3. **Improved CUPA Cost Recovery.** Aligning the City's "CUPA" (Certified Unified Program Agencies – coordinated programs for hazardous materials regulations such as underground storage tanks) fees with those charged by the County Environmental Health Department will generate \$23,800 annually.
4. **Improved Child Care Cost Recovery (Sun 'n Fun and S.T.A.R.).** Improving child care cost recovery by increasing hourly rates in alignment with the market from \$3.30 per hour to \$4.00 per hour and providing a discounted monthly pass based on the current rate of \$3.30 per hour will generate an additional \$38,500 in revenue annually.
5. **Improved Swim Center Cost Recovery.** Improving swim center cost recovery by increasing fees associated with lap swimming and recreational swimming for adults, youth and seniors in bridging a portion of the gap between program costs and revenues will generate an additional \$5,400 in 2009-10 and \$8,200 in 2010-11.
6. **Improved Golf Course Cost Recovery.** Improving golf course cost recovery will reduce

the General Fund subsidy by \$79,300 in 2009-10 and by \$114,300 in 2010-11.

7. **Appeal Fee.** Currently, there is a fee for planning-related appeals to the Council of \$100, which is far less than the cost of providing this service. Increasing the appeal fee to \$100 for tree appeals and \$250 for all other appeals to the Council will generate approximately \$900 in 2009-10 and \$1,200 annually thereafter.
8. **Pre-Application and Conceptual Review Cost Recovery.** Increasing the analysis done for pre-application and conceptual reviews will respond to the need expressed by the development review community. Implementing a modest fee to recover staff costs for these reviews will generate \$9,800 annually.
9. **Planning and Zoning Project Inspection (Blue-Card Inspection).** Implementing a "blue card" inspection fee will generate \$49,600 in 2009-10 and \$37,200 in 2010-11.
10. **Engineering Permitting Services.** Improving cost recovery for engineering permitting services will generate \$2,300 annually.

③ CIP Reductions

Detailed information for each proposed CIP project request is included in Appendix B, which will be the sole focus of discussion at the special budget workshop scheduled for June 9, 2009. The proposed General Fund CIP reflects the staff's recommendation for the lowest possible in reasonably maintaining our existing infrastructure and facilities.

The December 2008 Forecast assumed an annual General Fund CIP of about \$8.4 million. The proposed budget balancing strategy reduces to this to about \$3.6 million, for a savings of \$4.8 million compared with the forecast.

This is certainly less than we had planned in light of passage of Measure Y. On the other hand, it represents a significant increase over the General Fund CIP for several years prior to that. For example, the General Fund CIP budget (excluding fleet replacements) was \$1.6 million in 2006-07.

BUDGET MESSAGE

Moreover, as reflected in the work program for the “Infrastructure Maintenance” major City goal, even with limited resources, we

Important Caveat
Even with the constrained General Fund CIP, there will still be some “new” projects underway in 2009-11 funded by the enterprise funds, grants and impact fees; and carryover projects from 2007-09.

are planning a very aggressive “maintenance-oriented” CIP in 2009-11. And as reflected in the open space preservation CIP project, we recommend continuing to allocate significant General Fund resources to this goal in leveraging outside funding, albeit at a lower level than in 2007-09.

Public Art Policy. The City’s public art policy calls for the City to invest 1% of the General Fund construction component of the CIP. Given the fiscal

challenges facing us, we do not recommend funding public art at this level. On the other hand, in good times and bad, we require the private sector to contribute ½% of construction costs towards public art. Accordingly, we recommend continuing to fund public art in 2009-11, but at ½% of construction costs, consistent with private sector obligations.

Project Phasing. Each project initially submitted by departments presented a compelling case for meeting capital needs. However, any additional CIP projects will have to be balanced by deeper cuts in the operating budget. Accordingly, in several cases, while a project may have been meritorious, its costs relative to the resources available was so large that it has been deferred beyond the four-year CIP.

The deferred projects are summarized in the *Financial Highlights* section. Of these, the following three key projects are especially noteworthy, in light of their desirability versus resource constraints.

1. **Mid-Higuera Widening.** Moving forward with this project in any meaningful way, given our past and current resource commitments to other projects, like the recent Santa Barbara and Orcutt Street widenings and the Los Osos Valley Road/Highway 101 interchange, is simply beyond the resources we can envision being

available within the next four years. In fact, given the deferred timeframe for this project, we recommend that \$543,500 in current TIF funding from the Mid-Higuera widening project be redirected to accomplish the bicycle/pedestrian bridge over Highway 101 in order to facilitate completion of that segment of the Railroad Safety Trail.

However, as directed by the Council, we will return with analysis of the costs and benefits of the median proposed for South Higuera that assesses whether removal of the median would significantly reduce project costs; and if so, whether this warrants removal of the median from the *Mid-Higuera Street Enhancement Plan*.

2. **South Street Median Landscaping.** The medians will be completed by CalTrans soon and will be filled with wood chips until the City installs irrigation and landscaping. This is unlikely to happen within the next four years.
3. **Laguna Lake Dredging.** Dredging Laguna Lake is a very expensive proposition and would require \$580,000 for the acquisition of the equipment necessary to dredge. This does not include the costs of additional staffing that would be required.

Possible “Stimulus” Funding in Augmenting the CIP. As discussed at the April 14, 2009 Council meeting, the City is leaving no stone unturned in pursuing opportunities to use “stimulus” funding in meeting City CIP needs (as well as operating where available and appropriate). It is possible that we may be able to offset some of the reduced CIP with “stimulus” funding.

④ Operating Budget Reductions

There are two key components to operating budget reductions:

Employee Staffing Cost Reductions. As noted above, employee concessions provide almost \$1 million in annual General Fund cost savings compared with initial budget estimates (and \$1.2 million all funds combined).

Operating Service Reductions. As detailed in a supplemental supporting document to the Financial

BUDGET MESSAGE

Plan: *Appendix A: Significant Operating Program Change*, we are recommending \$3.2 million in operating program deductions. This includes 24.4 full-time equivalent (FTE) positions in the General Fund. Of these, 17.2 are regular positions, all of which are vacant. Due to the hiring freeze, retirement incentives and employee concessions, we have been able to achieve our goal of fully mitigating lay-offs in the General Fund.

Organized by department, the supporting detail in Appendix A provides the following information for each operating program reduction:

1. Affected program within the department.
2. Description of the option.
3. Its impact on services.
4. Reduction in “full-time equivalent” (FTE) staffing for regular and temporary employees.
5. Annual savings in each year.

For several of the General Fund reductions, such as enterprise fund reimbursement of services provided to them by the Natural Resources Protection program, there is no direct service impact: it simply reflects better cost accounting

However, for many of the options, there are significant service impacts. On the other hand, there are also creative responses to the times we are facing, including organizational restructurings.

Operating Program Reduction Summary. As presented to the Council in April 2009, departments prepared over 130 operating reduction options totaling \$5 million on annual basis. As summarized below, the Preliminary Financial Plan recommends implementing \$3.2 million of these:

General Fund Operating Reductions

Department	Annual Savings*	
	Amount	%
Council, Administration, City Attorney, City Clerk	393,300	11%
Human Resources	104,600	9%
Finance & Information Technology	308,800	8%
Community Development	172,250	6%
Parks & Recreation	273,150	7%
Public Works	739,250	6%
Police	876,050	6%
Fire	315,400	3%
Total General Fund	\$3,182,800	6%

* Annual Average for 2009-11

As reflected above, the deepest reductions are in the support departments, ranging from 11% to 8%; with smallest reductions in “front-line” departments like Public Works, Police and Fire, ranging from 6% to 3%. As discussed above, these reductions include 17.2 regular positions. ***However, none of the proposed reductions will result in regular staff lay-offs, based on current vacancies and anticipated retirements.***

Rigorous Focus on “Base Budgets.” In preparing the operating budgets, all departments took a deep look at their operations with a critical eye toward reductions. Wherever possible, departments reduced their “base” budget, with a focus on areas where goods or services were no longer required or there were savings from renegotiating contracts.

Two examples include: \$97,000 in savings from the recently re-bid janitorial contract in Public Works and \$16,500 in funding no longer required for Mardi Gras response based on the Police Department’s successful efforts to control this event.

We also took a more detailed approach in projecting regular staffing costs than in prior years. This rigorous approach in preparing the “base budget” was a major factor in offsetting many of the “downs” that surfaced after preparation of the Forecast.

Participation of Enterprise Funds in this Process

The enterprise funds—water, sewer, parking, transit and golf—account for about 40% of the City’s financial operations. While the fiscal problems facing the City are largely in the General Fund, the enterprise funds have also participated in the budget-balancing/expenditure reduction process. In several cases, they are an integral part of the General Fund’s balancing strategy for expenditure reductions. With these added costs, there will be added pressure on rates. However, it is our goal through belt-tightening and cost reductions to absorb these costs and to avoid rate increases above what would otherwise have been required.

Long Story Short: The enterprise funds are not exempt from budget reductions. And the budget reductions provided in Appendix A reflect the operating expenditure reduction options

BUDGET MESSAGE

recommended for the enterprise funds in mitigating rate increases.

COUNCIL GOALS

The fundamental purpose of the City's Financial Plan is to link what we want to accomplish over the next two years with the resources required to do so. The Financial Plan process approved by the Council does this by:

1. Identifying the most important, highest priority things for us to accomplish for the community.
2. Establishing a reasonable timeframe and organizational responsibility for achieving them.
3. Allocating the resources necessary to do so.

This approach only has meaning if there is a way of identifying key goals at the beginning of the process that drive budget preparation, not follow it.

The City begins its two-year budget process with Council goal-setting. This follows an extensive effort to involve advisory bodies and the community in this process. It also follows consideration of a number of analytical reports such as the General Fund Five-Year Fiscal Forecast and comprehensive updates on the status of long-term plans and policies, current major City goals and capital projects.

While the specifics of the process vary from plan to plan, the City has used this basic approach for the past eighteen years. The following summarizes the process for 2009-11.

Goal-Setting Process for 2009-11

For 2009-11, the Council held five workshops for this purpose on November 20, 2008 (“Setting the Table”); December 16, 2008 (“Building the Foundation”), January 15, 2009 (Community

Forum), January 31, 2009 (Council Goal-Setting) and April 14 (Goal Work Programs).

Using the services of a professional facilitator, the Council reached agreement on 13 goals organized into the following three priority groupings at its January 31 goal-setting workshop:

Top Council Goals for 2009-11

Major City Goals and Other Important Council Objectives, and the work programs to accomplish them, are set forth in detail in the Policies and Objectives section.

Major City Goals

- Preservation of Essential Services and Fiscal Health
- Infrastructure Maintenance
- Traffic Congestion Relief
- Economic Development

Other Important Council Objectives

- Land Use and Circulation Revisions
- Open Space Preservation
- Green House Gas Reduction and Energy Conservation
- Downtown Maintenance & Beautification
- Historic Preservation

1 Major City Goals. These represent the most important, highest priority goals for the City to accomplish over the next two years, and as such, resources to accomplish them should be included in the 2009-11 Financial Plan.

The Financial Plan fully funds all four of the major City goals set by the Council, in accordance with the detailed work programs approved by the Council in April 2009. These work programs are provided *Section B: Policies and Objectives* of the Preliminary Financial Plan.

2 Other Important Council Objectives. Goals in this category are also important

for the City to accomplish over the next two years. In general, goals in this category reflect the continuation of current goals or new initiatives that are not likely to have significant General Fund resource requirements.

In addition to the four *Major City Goals* set by the Council, all of “Other Council Objectives” are also reflected in the Preliminary Financial Plan based on the detailed work programs approved by the Council in April 2009. These are also provided in *Section B: Policies and Objectives* of the Preliminary Financial Plan

3 Address As Resources Permit. While it is desirable to achieve these goals over the next two years, doing so is subject to current resource availability.

BUDGET MESSAGE

The four goals adopted by the Council in this priority grouping are:

Creek and Flood Protection. Advance Mid-Higuera flood protection improvements by seeking Zone 9 funding to complete design, obtain approvals and make progress toward construction as resources will allow.

Skate Park. Develop plans and specifications and seek funding to construct a skate park.

Urban Forest. Update master plan and develop recommendations to renew the urban forest and plant more trees.

Homeless Services. Identify and pursue opportunities to implement the “Ten-Year Plan to End Chronic Homelessness.”

All four of these goals are reflected in the Preliminary Financial Plan in some fashion.

Other Program Objectives

Along with goals set by the Council, the Financial Plan also includes objectives proposed by the staff for improving the delivery of City services. These are different from Council-initiated goals in two important ways:

1. Council goals are generally focused on objectives that can only be successfully achieved through Council leadership, support and commitment; program objectives proposed by staff are typically more internally focused on improving day-to-day operations, and can usually be achieved through staff leadership, support and commitment.
2. Achieving Council goals has a higher resource priority.

Each of the 73 operating programs presented in the Financial Plan clearly identifies major City goals, other Council goals and other program objectives.

KEY ROLE OF MEASURE Y REVENUES

Measure Y is a ½-cent general purpose sales tax adopted in November 2006 with 65% voter

approval. It is projected to generate about \$5.6 million annually in added General Fund revenues in 2009-11.

As noted above, Measure Y revenues play an important role in mitigating even deeper cuts in City services. Given the deep recession and its impact on key General Fund revenues, we will not be able to sustain the level of service and facility improvements we launched in 2007-09 in far different economic times.

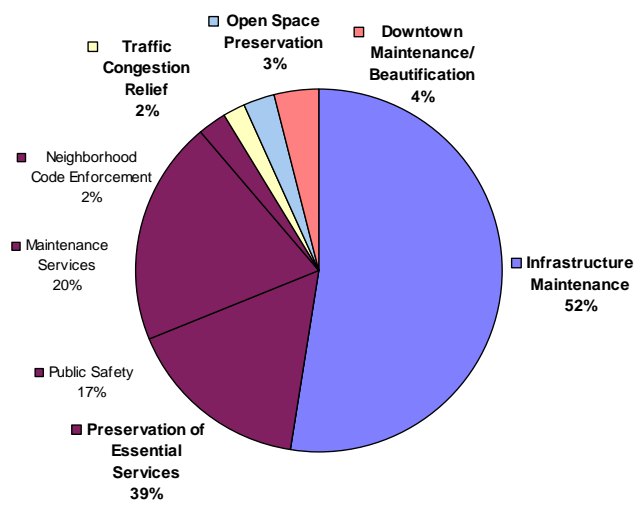
However, Measure Y revenues will allow us to continue funding many of the community priorities that surfaced before and during the Measure Y campaign; and equally important, they will prevent the much deeper cuts in these priority areas that would otherwise be required.

Linkage to Council Goal-Setting

The proposed uses of Measure Y revenues in 2009-11 are closely aligned with the top goals and objectives adopted by the Council, summarized as follows:

BUDGET MESSAGE

2009-11 Measure Y Uses



As reflected above, Measure Y uses fall into five categories in alignment with top Council goals:

- Preservation of Essential Services: Public Safety; Maintenance Services (Streets, Sidewalks, Parks and Flood Protection); and Neighborhood Code Enforcement
- Infrastructure Maintenance
- Traffic Congestion Relief
- Open Space Preservation
- Downtown Maintenance & Beautification

These are described in greater detail following *Financial Highlights*.

Accountability for Use of Measure Y Revenues

The ordinance approved by the voters in adopting Measure Y is very clear that these revenues are for general purposes in funding essential services like police, fire, streets, flood protection, code enforcement and open space preservation.

Voters recognized that challenges and priorities change over time; and that the Council would need flexibility in using Measure Y revenues in responding to these. For this reason, one of the key accountability features in Measure Y is using the City’s budget and goal-setting process as the primary way of determining the use of these General

Fund revenues. As provided in Section 4(B) of Measure Y:

Integration of the Use of Funds into the City’s Budget and Goal-Setting Process. The estimated revenue and proposed use of funds generated by this measure shall be an integral part of the City’s budget and goal setting process, and significant opportunities will be provided for meaningful participation by citizens in determining priority uses of these funds.

In short, the proposed use of Measure Y revenues in 2009-11 are based on the results of Council goal-setting, which – as intended in Measure Y – reflect the community priorities that surfaced before and during the Measure Y campaign as well as those that emerged during the 2009-11 goal-setting process.

PROSPECTS FOR THE FUTURE

The New Era of Perpetual Uncertainty

The Preliminary Financial Plan reflects the best information we have at this point regarding key revenue sources and State funding. Over the next several months, we will undoubtedly become better informed about key revenue trends and the impact of State budget decisions on us, and will have to make changes accordingly. The simple fact is that uncertainty regarding our fiscal situation is going to be with us well beyond budget adoption. Among these many uncertainties are the following:

More State Takeaways. One of the “biggest shoes yet to drop” is how the State’s budget process will ultimately affect us. And the last time the State faced a similar (but smaller) problem, it did not adopt its budget until September (constitutional requirements to do so by June 30, 2009 notwithstanding).

The Financial Plan does not assume any significant State budget cuts, which could be at risk in this process. For example, our revenue projections assume continued receipt of the:

1. Vehicle license fees: \$135,000.
2. Police officer training (POST) reimbursements: \$70,000.

BUDGET MESSAGE

3. “COPS” grant (law enforcement funding): \$100,000.
4. Booking fee reimbursement: \$200,000
5. Proposition 172 funds: \$260,000

Cumulatively, these are worth \$765,000 annually: \$1.5 million over the term of the 2009-11 Financial Plan. Any one of these—along with the possibility of the State “borrowing” 8% of our property tax-related revenues (about \$1.3 million) as allowed under Proposition 1A—could fall victim to the State’s budget axe. Given the significant reductions in operating and CIP reductions already reflected in the Financial Plan, finding another \$2.8 million in ongoing or one-time reductions would be painful.

Performance of Key Revenues. Recent trends in two of our top three General Fund revenues—sales tax and TOT—are mixed at best. The recent Gottshalks’ bankruptcy and upcoming store closure is just one example of the uncertain times ahead. While this closing was not a specific factor in our projected decrease of “base level” sale tax revenue decreases of 15% between 2008 and 2011, the underlying trends that led to this closing were factored into our revenue assumptions. On the other hand, this closure could certainly be the harbinger of even tougher times yet to come.

Dealing with Uncertainty

This uncertainty underscores three key factors in our proposed budget balancing strategy:

1. We need to keep our reserves at minimum policy levels. They are our first line of the defense in the event of even greater economic downturns or State budget takeaways.
2. This is also why we purposely surfaced more options in balancing the budget than the “math” required. These will remain in our pantry and will be available if needed.
3. Lastly, while we plan to lift the “freeze” once the budget is adopted, we plan to leave the “chill” in place indefinitely. This means that Department Heads will be able to fill vacant positions, but only on a case-by-case basis with City Manager approval.

CLOSING THOUGHTS

After thirteen Council workshops and hearings beginning in September 2008 through Council adoption in June 2009—it is appropriate to step back from the many details in our budget and ask ourselves: what have we accomplished over the past ten months? As outlined throughout the *Budget Message*, the answer is: a great deal.

In the final analysis, a balanced budget is not just a financial concept: it also means actions that strike a balance between delivering day-to-day services, maintaining existing public facilities, funding new initiatives and protecting against an uncertain future.

In presenting the Preliminary Financial Plan to the Council, we made our best efforts in balancing these competing but equally important goals. However, these balancing recommendations ultimately became the hard choices to be made by the Council in adopting the budget on June 16, 2009—the last step of our long fiscal journey for 2009-11.

The staff wishes to thank the Council for your leadership and support throughout this long and difficult process.



Ken Hampian, City Manager

ACKNOWLEDGMENTS

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

It would be difficult to over-estimate the staff resources necessary to put together this budget document. The extra effort to prepare the Financial

BUDGET MESSAGE

Plan necessarily coincides with the ongoing demands of day-to-day operations. Without the dedication of these City staff members, this budget would not have been possible.

Ultimately, the benefits associated with this preparation effort would not exist without the Council's support of long-term planning and modern, innovative budgeting practices as well as their willingness to devote long hours to the budget review and decision-making process.



FINANCIAL HIGHLIGHTS

OVERVIEW

Total proposed appropriations for 2009-10 are \$96.6 million summarized as follows:

	Governmental Funds	Enterprise Funds	Total
Operating Programs	48,614,500	22,401,200	71,015,700
CIP	10,238,200	5,607,600	15,845,800
Debt Service	2,901,800	6,921,100	9,822,900
Total	\$61,754,500	\$34,929,900	\$96,684,400

As discussed previously, the budget for 2009-11 is balanced for all funds.

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

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

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

FINANCIAL CONDITION SUMMARY

General Fiscal Environment

As discussed in the *Budget Message*, we are facing another tough budget season, which would be much worst without Measure Y. While there are several reasons for this, the most significant one is the largest economic downturn since the Great Depression.

Budget Compared with the Forecast

Generally on Target with Recent Forecast. The updated revenue and expenditure projections 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. However, as

discussed in the *Budget Message*, the gap facing us has grown to \$11.3 million. While there are other "ups and downs," the primary driver behind the larger gap are steep downturns in TOT revenues since then.

Most Significant Changes from Forecast

Transient Occupancy Tax (TOT). As discussed below, the most recent information available indicates a continued decline in the current year's TOT revenues and we anticipate that decline to continue in the coming months. The Forecast assumed an increase in TOT revenues of 2% per year. Based on recent trends, we have revised our projections to reflect a decline of 8% in 2008-09 and 10% decline in 2009-10, followed by modest 2% growth in 2010-11. This represents a decrease in revenue of approximately \$1 million annually during 2009-11, relative to the Forecast.

Development Review Fees. The Forecast assumed that revenue from planning, building, engineering and fire development review fees would be 25% less than prior years. Year-to-date results and a review of potential development activity have resulted in further reducing this target to 45% less than prior years. This results in approximately \$600,000 per year in reduced revenues.

Other "Ups and Downs." These downward revisions are partially offset by higher projections for interest earnings on the revenue side and lower "base" operating costs than estimated in the Forecast. This was due to two factors: departments took their stewardship responsibilities very seriously in preparing their operating budget requests (which in turn were closely reviewed by their assigned Budget Analysts); and Finance used a more detailed methodology in preparing regular staffing projections than in prior years.

REVENUE HIGHLIGHTS

General Fund

Sources used in preparing General Fund revenue projections include:

1. Analysis of key revenue trends for the past fifteen years compared with changes in the

FINANCIAL HIGHLIGHTS

consumer price index, population and other demographic factors as well as legislative and other structural changes.

2. Economic trends as reported in the national media.
3. Forecast data for the State prepared by the UCLA forecasting project, and for San Luis Obispo County by the UCSB Forecasting Project (of which the City is a sponsor).
4. Economic and fiscal trends provided by the State Legislative Analyst and the State Department of Finance.
5. Revenue estimating materials prepared by the State Controller's Office and the League of California Cities.

Ultimately, however, the 2009-11 revenue projections reflect the staff's best judgment about how the local economy will perform over the next two years, and how it will affect our key revenues.

Key General Fund Revenues

Detailed descriptions and revenue assumptions for the City's top ten revenues, which account for approximately 95% of total General Fund revenues, are provided in *Section H: Financial and Statistical Tables* of the Financial Plan.

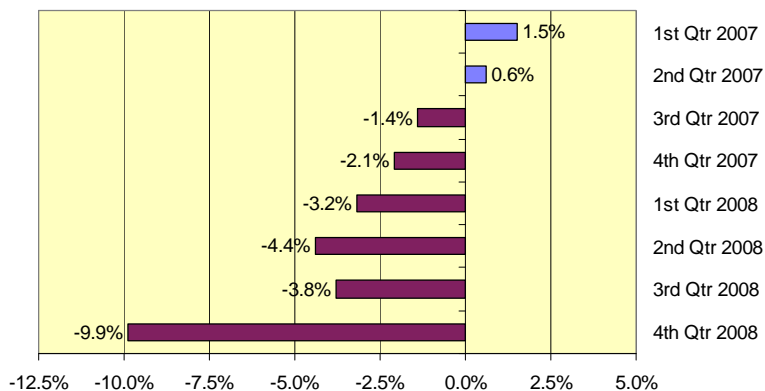
The following is an overview of assumptions for the top three General Fund revenues, which account for about 60% of total General Fund sources:

1. **Sales Tax.** This is the City's number one General Fund revenue, accounting for 35% of General Fund sources.

Following a 3% decline in 2007-08, we expect a 7.5% decline in "base" sales tax revenues for 2008-09 followed by a 2.5% decline in 2009-10. We anticipate some recovery in the economy in the second year of the Financial Plan and expect a modest 2% growth in 2010-11

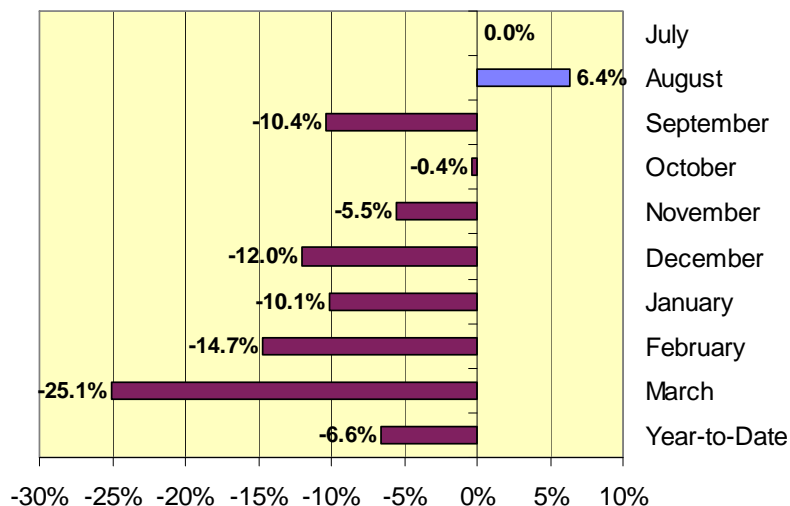
Similarly, the *Measure Y* ½-cent sales tax is projected to follow the same declines. Even so, we project that *Measure Y* revenues will generate \$5.6 million in 2009-10, and \$5.8

"Situs" Sales Tax % Change: Last Eight Quarters



million in 2010-11. Without these, our budget situation would be much worse.

2. **Property Tax.** Under Proposition 13, assessed value increases are generally limited to 2% annually. They can be increased to market value for improvements or upon change of ownership. Based on both long-term and recent trends and projected growth in new housing units, property tax revenues are projected to increase by 2% in 2009-10 and 3% in 2010-11.
3. **Transient Occupancy Tax (TOT).** Compared to the prior year, year-to-date revenues through March are down by 6.6%. As shown in the chart



below, there have been significant declines during the past seven months.

FINANCIAL HIGHLIGHTS

Based largely on overall year-to-date trends for the first nine months of the year, we are projecting a continued decline in TOT revenues. Because our most important tourism months are in the early part of the fiscal year, we anticipate that the recent trends will continue, resulting in a 10% decline in 2009-10. However, we project that we will see TOT revenues stabilize late in the first year of the Financial Plan and grow by 2% in 2010-11.

Other General Fund Revenues

Other General Fund revenues are consistent with the December 2008 Forecast. The following highlights some key exceptions:

1. **Investment Earnings.** An improved interest rate environment and a larger investable fund balance results in a revised estimate for 2008-09 that is \$200,000 higher than projected. Annual estimates for 2009-11 will be approximately \$200,000 higher than the Forecast.
2. **Development Review Fees.** As previously mentioned, our basic assumptions for planning, building, engineering and fire development review fees, resulted in revenues 25% lower than the prior year. However, we have made a further downward revision 2009-11 based on the current development market. This revision results in revenue estimates that are approximately \$600,000 lower annually than the Forecast.

Enterprise Fund Revenues

Comprehensive rate reviews and revenue requirement projections for the next four years were presented to the Council on June 11, 2009 for each of the City's five enterprise funds: water, sewer, parking, transit and golf. The following is a brief overview of enterprise fund rate actions approved by the Council for 2009-11.

Water Fund. Consistent with the multi-year rate setting strategy previously approved by the Council to improve the City's water distribution and treatment systems as well as fund participation in the Nacimiento water project, the Council approved rate increases of 12% in July 2009 and 11% in July

2010. These increases are on target with prior projections for 2009-11.

Sewer Fund. The Sewer Fund also uses a multi-year rate-setting strategy. In order to continue supporting an adequate capital improvement plan and meet high wastewater treatment standards, the Council approved rate increases of 9.3% in July 2009 and 9% in July 2010. These increases are on target with prior projections for 2009-11.

Parking Fund. In 2006, the Council approved a series of stepped rate increases for meters and structures in assuring adequate revenues to cover parking operating costs and CIP goals. Effective July 1, 2009, parking meter and structure hourly rates were approved to increase by 25 cents per hour and overtime parking violations by \$1.00 per ticket. The Council deferred the rate increase in the non-core meter areas and structures to July 2010; and set overtime parking violations at \$30.

Transit Fund. Increases in general fares from \$1.00 per ride to \$1.25 were approved by the Council in April 2009, with similar increases in bus passes and special fares, to help fund day-to-day operations as meet State fare box recovery requirements (20% of operating costs). No additional fare box rate increases are required for 2009-11.

Golf Fund. In accordance with City policy, the golf course is not expected to fully recover its costs due to the largely senior and youth market that it serves. General Fund subsidies of the course are likely for the foreseeable future due to several factors, including the nine-hole nature of the course and lack of driving range facilities.

However, we have successfully taken a number of actions in mitigating General Fund support, such as golf carts rentals, long-term cellular site lease and offering programs aimed at increasing the diversity of players at the course.

Given the current market golf market, the Council approved a \$2.00 per round rate increase for 2009-10 and an additional \$1.00 per round increase for 2010-11. Similar increases in passes and other special rates were also approved.

FINANCIAL HIGHLIGHTS

OPERATING PROGRAM HIGHLIGHTS

Appropriations for operating programs—day-to-day delivery of services—total \$71 million for 2009-10 summarized as follows:

Operating Programs: 2009-10

	Governmental Funds	Enterprise Funds	Total
Public Safety	24,275,500		24,275,500
Public Utilities		13,200,700	13,200,700
Transportation	3,162,800	4,269,400	7,432,200
Leisure, Cultural & Social Services	6,689,200	524,400	7,213,600
Community Development	7,056,800		7,056,800
General Government	7,429,900	4,406,800	11,836,700
Total	\$48,614,200	\$22,401,300	\$71,015,500

A summary of significant operating program changes – both reductions needed to balance the budget and increases needed to maintain basic services – is provided in the *Expenditure Summaries* part of Section D.

Additionally, each of the operating program narratives (also provided in Section D) discuss any significant changes. Lastly, comprehensive supporting documentation for each change—both increases and reductions—is provided in *Appendix A: Significant Operating Program Changes* to the Financial Plan.

The following summarizes the most significant of the increases (“Top Ten”) on a program basis from a policy and service level perspective.

Public Safety

Police Services

Booking Fee Increase. An increase in booking fees will cost \$18,900 annually in 2009-11.

Animal Control Services Agreement. Continuing the agreement with the County for animal control services will cost an additional \$24,100 in 2009-10 and \$51,300 in 2010-11.

Public Utilities

Water Services

Salinas Reservoir Operations. Ensuring efficient and reliable operations of the Salinas Reservoir by providing adequate funding to the San Luis Obispo County Flood Control and Water Conservation District, the agency responsible for the Salinas Reservoir water supply operations, will cost the City an additional \$25,000 in 2009-10 and \$1,235,900 in 2010-11.

Off-setting cost savings in Whale Rock Operations in the amounts of \$106,000 in 2009-10 and \$98,000 in 2010-11 will result in a net operating cost saving of \$81,000 in 2009-10 and a net operating cost increase of \$1,137,900 in 2010-11.

Wastewater Services

Water Reclamation Facility Utility Services and Chemicals. Increasing utility service costs for electricity, natural gas, and chemical costs for process compliance will cost an additional \$300,200 in 2009-10 and \$324,300 in 2010-11.

Wastewater Collection Infiltration/Inflow Reduction Study. Conducting flow monitoring and hydraulic modeling of the wastewater collection system to identify and quantify areas of excessive infiltration/inflow, determine cost effective methods for infiltration/inflow reduction, and comply with State mandate for capacity assurance will cost \$75,000 in 2009-10 and \$75,000 in 2010-11 to complete the study.

Transportation

Bicycle Coordinator. Maintaining a part-time temporary Bicycle Programs Assistant in the Transportation Planning and Engineering Program to assist with implementation of the Major City Goal for Traffic Congestion Relief will cost \$32,700 in 2009-10 and \$36,000 in 2010-11.

Leisure, Cultural and Social Services

Railroad Corridor Maintenance. Providing maintenance in the railroad right-of-way within the City limits will cost \$30,000 annually for vegetation control.

FINANCIAL HIGHLIGHTS

Community Development

Long Range Planning

Land Use Element Update. Completing focused revisions to the Land Use Element will cost \$20,000 in 2009-10 and \$20,000 in 2010-11 to pay for contract staff assistance and outreach efforts. This work will be performed in conjunction with an upgrade to the traffic model, which will be separately funded from transportation impact fees.

Climate Action Plan. Creating a Climate Action Plan to develop policies and programs to address reductions in greenhouse gas emissions will cost \$10,000 in 2009-2010 and \$15,000 in 2010-11 to pay for student interns or contract staff assistance to augment regular staff.

Economic Development

Strategic Incentive Program. Creating a strategic economic development incentive program to achieve the objectives of the Major City Goal for Economic Development will cost \$37,500 in 2009-11.

Regular Staffing Changes

General Fund. There are 17.2 full-time equivalent (FTE) regular employee position reductions along with 6.4 temporary FTE reductions recommended in the General Fund. There are no regular employee layoffs in the General Fund as result of these reductions.

Enterprise and Agency Funds. There are 3.0 FTE regular position reductions and 0.2 temporary FTE reductions in the enterprise and agency funds, resulting in one employee layoff.

As reflected in the summary below, these reductions are across all departments and levels of the organization:

Net Changes in Regular Staffing Positions

Department	Staffing FTE *	
	Temporary	Regular
GENERAL FUND		
Council, Administration, City Attorney, City Clerk		1.0
Human Resources	0.2	
Finance & IT	0.3	2.2
Community Development	0.3	1.0
Parks & Recreation	6.5	
Public Works	(2.4)	6.5
Police	0.8	5.5
Fire	0.7	1.0
Total General Fund	6.4	17.2
ENTERPRISE AND AGENCY FUNDS		
Utilities: Water	0.2	1.1
Utilities: Sewer		1.8
Whale Rock		0.1
Total Other Funds	0.2	3.0
TOTAL	6.6	20.2

* Full-Time Equivalents

Additional information on specific staffing reductions is available in Appendix A.

CIP HIGHLIGHTS

As summarized below, the two-year CIP for 2009-11 totals \$27.1 million:

CIP Summary: 2009-11

CIP Expenditures by Function	2009-10	2010-11
Public Safety	1,343,400	138,700
Public Utilities	4,697,000	6,065,400
Transportation	7,250,900	3,496,700
Leisure, Cultural & Social Services	1,100,800	1,467,900
Community Development	1,131,000	
General Government	322,700	125,000
Total	\$15,845,800	\$11,293,700

CIP Expenditures by Source	2009-10	2010-11
General Fund	4,081,700	3,275,400
Parkland Development Fees	374,000	919,700
Transportation Impact Fees	822,500	253,600
CDBG Fund	403,000	100,000
Other Grants and Contributions	3,065,000	463,300
Fleet Replacement Fund	1,492,000	160,800
Enterprise and Agency Funds	5,607,600	6,120,900
Total	\$15,845,800	\$11,293,700

The following summarizes major CIP projects for 2009-11:

FINANCIAL HIGHLIGHTS

Plans, Studies and Design

We will complete a number of important studies and design efforts during 2009-11 that will set the course for the construction portion of our CIP in the following years. These include:

1. Comprehensive Directional Sign Program: \$25,000 for design
2. Railroad Safety Trail Lighting: \$15,000 for study and design
3. Calle Joaquin Lift Station Replacement: \$235,000 for environmental review, land acquisition and design
4. Santa Rosa Skate Park design: \$178,600

Major Construction and Acquisition Projects

While planning for the future will be an important part of our work program during the next two years, we will also undertake a number of major construction and acquisition projects to maintain and improve our facilities and infrastructure, including the following “top dozen” projects:

Public Safety

1. Fire ladder truck/engine replacement: \$1,040,000 (debt financed)

Public Utilities

2. Water distribution system improvements: \$2.6 million
3. Wastewater collection system improvements: \$3.1 million
4. Telemetry system upgrade: \$2.3 million

Transportation

5. Street reconstruction and resurfacing projects: \$4.0 million
6. Sidewalk accessibility improvements: \$335,000
7. Bikeway improvements: Railroad Safety Trail Phase 3 (\$2.1 million) and Railroad Safety Trail bridge: Highway 101 crossing (\$543,500).

8. Creek and flood protection improvements, including storm drain replacements and repair, culvert repairs and creek silt removal: \$935,000

Leisure, Cultural & Social Services

9. Santa Rosa Skate Park construction: \$1.3 million
10. Playground Equipment Replacement: \$224,000
11. Santa Rosa Park Restroom Replacement: \$268,000

Community Development

12. Open space preservation: \$1.1 million.

Carryover Projects from 2007-09

Along with the projects presented in the 2009-11 Financial Plan, the following major projects previously funded in prior Financial Plans will be underway during the next two years:

1. Public safety dispatch center
2. Radio system upgrade.
3. Water reuse system improvements at the Water Reclamation Facility
4. Tank Farm sewer lift station
5. Railroad safety trail: phase 4
6. Los Osos Valley Road interchange design
7. Monterey parking structure design
8. Roller hockey rink expansion

Project Evaluation

To assist the City Manager in developing the recommended CIP for 2009-11, the Budget Review Team and CIP Review Committee evaluated all departmental requests. In preparing their CIP recommendations, this joint review team considered the following evaluation factors:

1. Does it complete an existing project?
2. Does it implement a Measure Y community priority?
3. Is it mandated by the state or federal government?

FINANCIAL HIGHLIGHTS

4. Is there significant outside funding for the project?
5. Is it necessary to address an immediate public health or safety concern that cannot be deferred beyond 2009-11?
6. Is it necessary to adequately maintain existing facilities, infrastructure or equipment?
7. Was it previously scheduled in the 2007-09 Financial Plan?
8. Does it implement a Major City Goal for 2009-11?
9. Will it result in significant operating savings in the future that makes a compelling case for making this investment solely on a financial basis? If yes, how can we ensure that these savings will in fact occur?

However, any additional CIP projects will have to be balanced by deeper cuts in the operating budget. Accordingly, in several cases, while a project may have been meritorious, its costs relative to the resources available was so large that it has been deferred beyond the four-year CIP.

Stated simply, given the very remote possibility of funding such a project within the next four years, the CIP Review Committee concluded that including the project at all – even if in year 3 or 4 – would convey a misleading picture of the likelihood of the project moving forward.

The chart below reflects the projects that are not recommended in the 2009-13 CIP, funded from either transportation impact fees (TIF) or the General Fund.

Deferred Projects Beyond 2009-13

As discussed in the *Budget Message*, each project initially submitted by departments presented a compelling case for meeting capital needs.

Projects Deferred Beyond 2009-13 (Four Year Cost)			
Project	General Fund	TIF Fund	Total
Police Station Remodel: Lower Level	\$576,000		\$576,000
Future Public Safety Facility Site Analysis	37,000		37,000
Fire Station Engine Bay Door Safety System	66,000		66,000
Emergency Back-up Generator at Fire Station 4	133,300		133,300
Highway 1 (Santa Rosa) Gateway Improvements	650,000		650,000
City Hall Entry Steps Replacement	100,000		100,000
Concrete Street Rehabilitation	1,230,000		1,230,000
South Higuera Widening: Margarita to Elks	135,000	135,000	270,000
Mid Higuera Widening: Marsh to High		3,800,000	3,800,000
South Street Median Landscaping	510,000		510,000
New Sidewalk Construction	100,000		100,000
Laguna Lake Dredging	580,000		580,000
Madonna Road at Laguna Lake Improvements	350,000		350,000
Traffic Signal LED Fixture Replacements	40,000		40,000
Traffic Signal Hardware Maintenance	95,000		95,000
Street Light Monitors	410,000		410,000
Fueling System Upgrades (General Fund Share)	43,200		43,200
Vertical Survey Network	110,000		110,000
Jennifer Bridge Ramp/Bike Boulevard Connection		260,000	260,000
Park Restroom Replacement: Johnson Park	288,000		288,000
French Park Playground Shade Structure	40,000		40,000
Jack House Elevator Removal	80,000		80,000
Community Gardens Expansion	64,900		64,900
Parks and Recreation Element Update	75,000		75,000
Golf Course Master Plan	60,000		60,000
Golf Course Wash Water Recycling System	66,500		66,500
Total	5,839,900	4,195,000	10,034,900

DEBT FINANCINGS

The only debt financing planned for 2009-11 is a lease-purchase agreement for a replacement fire truck/engine in 2010-11. Debt service costs for this financing are included in the Preliminary 2009-11 Financial Plan.

PRELIMINARY FINANCIAL PLAN CHANGES

During the course of the budget review meetings, the Council approved several changes to the Preliminary Financial Plan, which are reflected in the final document. Those of the greatest policy significance are:

Police Staffing Reductions: Patrol Versus Traffic Safety. Rather than eliminating four Police Officer positions from the Patrol division, the Council approved eliminating three Officers from Patrol and one Officer from the Traffic division.

While there was no net cost change resulting from this

FINANCIAL HIGHLIGHTS

revision, it reflects a change in service priorities.

Transportation Impact Fee Credit. The Village Marketplace transportation impact fee reimbursement of \$114,800 was originally proposed to be spread over the four-year capital improvement plan (CIP). Based on Council direction, the payments have been accelerated to reflect payment of \$28,700 in 2009-10 and \$86,100 in 2010-11.

Monterey Street Paving. This project was originally proposed for 2011-12. Based on Council direction, this has been accelerated to 2010-11. This reflects staff's estimate of the time needed to design the project and coordinate with the affected businesses and other stakeholders. The funding reduces the general street reconstruction and resurfacing project, so there will be no net change in overall funding; however, the CIP will better reflect Council priorities. Along with CIP budget changes, this resulted in changes to the Major City Goal work program for Infrastructure Maintenance.

Laguna Lake Dredging. The "Initial Study" for this project is complete and Community Development will begin advertising for public comment in June, which will last through July. Staff will review comments and prepare responses or revisions in August, and then begin developing implementation options in September. The results of the Initial Study and Mitigated Negative Declaration should then be ready for Council consideration by November 2009 of the environmental document and implementation options. This has been added to the CIP Project Engineering program as an objective for 2009-10.

South Street Median Landscaping. Staff will report back to the Council in Fall 2009 with low-cost, interim landscaping options. This has been added to the CIP Project Engineering program as an objective for 2009-10.

Parking Fund. The Council took several actions related to the Parking Fund:

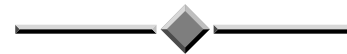
1. Concurred with moving forward with the previously increase in core meter rates of \$1.00 per hour to \$1.25 per hour.
2. Deferred the increase in hourly parking structure rates and "low rate zone" meter rates from 75 cents to \$1.00 per hour to July 1, 2010.

3. Accelerated planned over-time meter violations to \$30.
4. Directed staff to explore greater hourly differentials in core meter rates and charging for parking on Sundays.

This resulted in modest downward revisions in revenue estimates for 2009-11, which do not have significant impacts on the Parking Fund's ending financial position at the end of 2009-11. Additionally, completing a review of additional core meter rates and charging for parking on Sundays for consideration by the Council by Spring 2010 was added as a program objective.

FINANCIAL PLAN POLICIES

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



MEASURE Y FUNDING SUMMARY

The uses of Measure Y revenues for 2009-11 in funding operating programs and capital improvement plan (CIP) projects are aligned with top Council goals and objectives, and closely match projected revenues.

	Operating Programs		CIP		Two-Year
	2009-10	2010-11	2009-10	2010-11	Budget Total
Infrastructure Maintenance					
Meadow Park Roof Replacement			5,000	40,000	45,000
Andrews Creek Bypass				330,000	330,000
Storm Drain Replacements			260,000	260,000	520,000
Minor Storm Drain Facilities			25,000	25,000	50,000
Higuera Culvert Repair			150,000		150,000
Sidewalk Repair			20,000	20,000	40,000
Sidewalk ADA Access Improvements			135,000	100,000	235,000
Warden Bridge Resurfacing			45,000		45,000
Street Reconstruction & Resurfacing			2,050,000	1,900,000	3,950,000
Street Light Painting			50,000	50,000	100,000
Urban Forest Management Plan			25,000	25,000	50,000
Street Fleet Replacements: Paver and Roller			365,800		365,800
Other Infrastructure Maintenance Projects			97,500		97,500
Total Infrastructure Maintenance			3,228,300	2,750,000	5,978,300
Traffic Congestion Relief					
Bicycle Safety	15,000	15,000			30,000
Traffic Safety Report Implementation			25,000	25,000	50,000
Neighborhood Traffic Management			20,000	20,000	40,000
Sidewalk Repair			20,000	20,000	40,000
Street Light Replacements - Broad Street			60,000		60,000
Total Traffic Congestion Relief	15,000	15,000	125,000	65,000	220,000
Preservation of Essential Services					
Public Safety					
Police Protection: Traffic Safety & Patrol	476,500	483,300			959,800
Fire Prevention & Training	400,900	424,800			825,700
Fire Engine/Truck Replacement: Debt Service				97,000	97,000
Maintenance Services					
Streets, Sidewalks and Traffic Signal Operations	179,100	184,600	40,000	66,500	470,200
Creek & Flood Protection	434,600	461,200			895,800
Parks	164,700	169,300	29,400	48,700	412,100
Project Management & Inspection	242,100	249,500			491,600
Neighborhood Code Enforcement					
Enhanced Building & Zoning Code Enforcement	122,100	125,700			247,800
"SNAP" Enhancement	18,100	18,100			36,200
Total Preservation of Essential Services	2,038,100	2,116,500	69,400	212,200	4,436,200
Open Space Preservation			322,500		322,500
Downtown Maintenance & Beautification					
Sidewalk Repairs	5,000	5,000	20,000	20,000	50,000
Mission Style Sidewalks			100,000	100,000	200,000
Sidewalk Scrubbing	20,000	20,000			40,000
Pedestrian Lighting				70,000	70,000
Comprehensive Signing Program			25,000	50,000	75,000
Total Downtown Maintenance & Beautification	25,000	25,000	145,000	240,000	435,000
TOTAL	\$2,078,100	\$2,156,500	\$3,890,200	\$3,267,200	\$11,392,000

Projected Measure Y Revenues

2009-10	5,572,800
2010-11	5,778,100
Total	\$11,350,900

SAN LUIS OBISPO STYLE

Quality With Vision

WHO ARE WE?

People Serving People

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

WHAT DO WE STAND FOR?

Quality in all Endeavors – Pride in Results

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

WHERE ARE WE GOING?

Into the Future with a Design

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

ORGANIZATIONAL VALUES

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

Shared Vision, Mission and Goals

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

Service

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

Leadership and Support

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

Communication

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

Team Players

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

Honesty, Respect and Trust

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

Initiative and Accountability

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

Innovation and Flexibility

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

Employee Development and Recognition

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

Stewardship and Ethics

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

DIRECTORY OF OFFICIALS AND ADVISORY BODIES

CITY COUNCIL

David F. Romero, Mayor
Allen K. Settle, Vice-Mayor
John Ashbaugh, Council Member
Andrew Carter, Council Member
Jan Howell Marx, Council Member

ADVISORY BODIES

Architectural Review Commission
Bicycle Committee
Campaign Regulation Committee
Construction Board of Appeals
Cultural Heritage Committee
Housing Authority
Human Relations Commission
Jack House Committee
Joint Recreational Use Committee

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

APPOINTED OFFICIALS AND DEPARTMENT HEADS

Appointed Officials

Ken Hampian
Jonathan P. Lowell

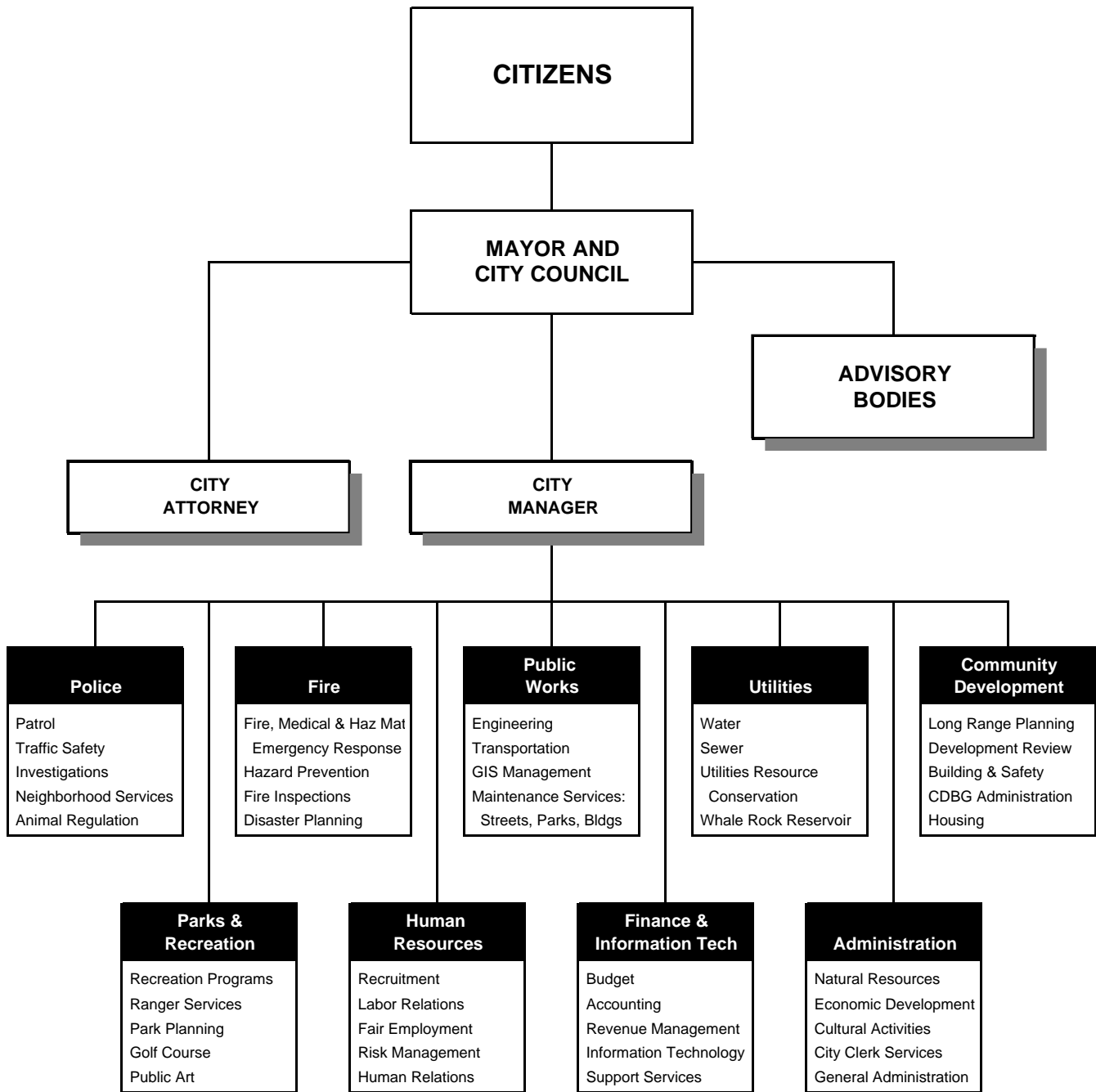
City Manager
City Attorney

Department Heads

John Callahan
Monica Irons
Betsy Kiser
Deb Linden
John Mandeville
Carrie Mattingly
Shelly Stanwyck
Bill Statler
Jay Walter

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

ORGANIZATION OF THE CITY OF SAN LUIS OBISPO



Appointed by the City Council



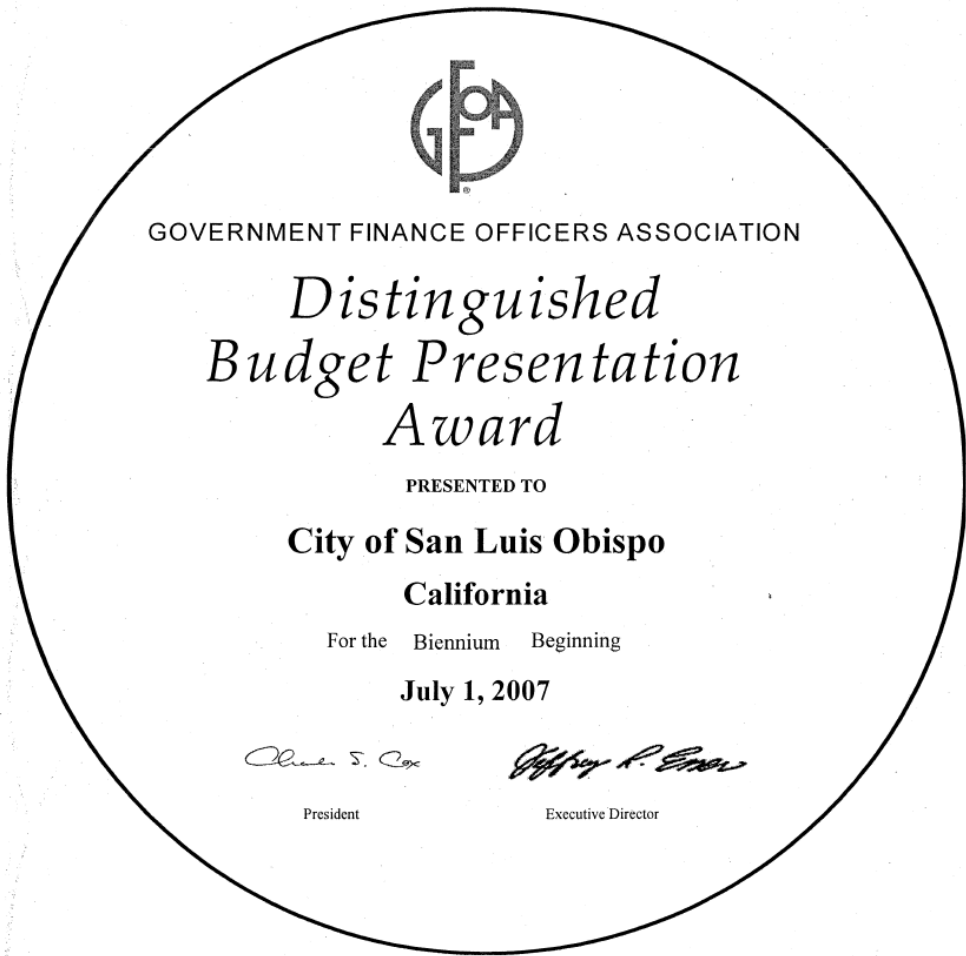
Dept Appointed by the City Manager

AWARDS

GFOA. The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of San Luis Obispo, California for our two-year budget for the fiscal year beginning July 1, 2007.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device.

The award is valid for a period of two years only. We believe our current budget continues to conform to program requirements.

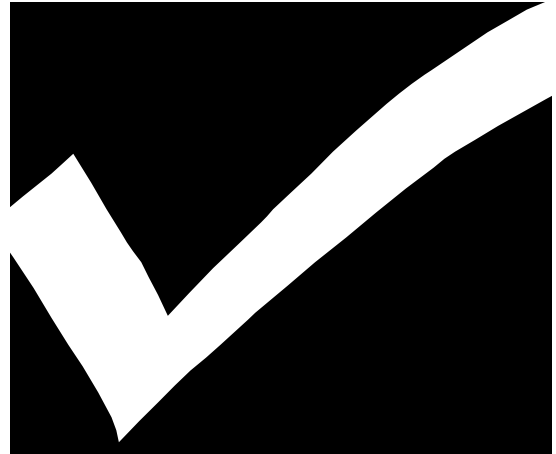


AWARDS

CSMFO. For our 2007-09 Financial Plan, the California Society of Municipal Finance Officers (CSMFO) presented the City with Awards for Excellence in all four of its budget categories: Operating Budgeting (two-year award), Capital Budgeting, Public Communications and Budget Innovation. We believe our current budget continues to conform to program requirements.



Section B
POLICIES & OBJECTIVES



POLICIES AND OBJECTIVES

OVERVIEW

The overall goal of the City's Financial Plan is to link what we want to accomplish over the next two years with the resources required to do so. Formal statements of fiscal policies and major objectives provide the foundation for achieving this goal.

This section of the Financial Plan outlines the policies used in guiding the preparation and management of the City's overall budget, the major objectives to be accomplished, and status of prior plan major City goals. This section is composed of three major parts:

1. Budget and Fiscal Policies
2. Major City Goals and Other Important Council Objectives for 2009-11
3. Status of 2007-09 Major City Goals

BUDGET AND FISCAL POLICIES

The following budget and fiscal policies guide the preparation and execution of the 2009-11 Financial Plan:

- Financial Plan Purpose and Organization
- Financial Reporting and Budget Administration
- General Revenue Management
- User Fee Cost Recovery Goals
- Enterprise Funds Fees and Rates
- Revenue Distribution
- Investments
- Appropriations Limitation
- Fund Balance and Reserves
- Capital Improvement Management
- Capital Financing and Debt Management
- Human Resource Management
- Productivity
- Contracting for Services

Changes for 2009-11

The following summarizes changes in the City's Budget and Fiscal Policies for 2009-11.

Recreation Program Cost Recovery Goals. These reflect the changes approved by the Council in April 2009:

Activity	Cost Recovery Goal	
	Previous	Revised
Triathlon	Mid-Range	High
Banner permit applications	*	High
Other special events except Triathlon and Holiday in the Plaza	Mid-Range	Low
Youth basketball	Mid-Range	Low
Classes	High	Mid-Range
Outdoor facility rentals	Mid-Range	High
Batting cages	*	Low
Aquatics	**	Low

* Not previously identified

** Specific activities like lap swim and lessons were distributed among several goal categories.

Property Tax Allocations. This section under *Revenue Distribution* has been shortened, focusing on the State's role in allocating these revenues since the passage of Proposition 13 in 1978.

Parking Fines. As approved by the Council in April 2009, this section under *Revenue Distribution* continues the current policy that all parking fines will be allocated to the Parking Fund *except* for those collected by Police staff (who are funded by the General Fund) in implementing neighborhood wellness programs.

Public Art. The City's public art policy generally requires that 1% of eligible project construction costs be set aside for public art. However, given the City's fiscal situation for 2009-11, public art will be funded at the same level required by the private sector: 0.5% rather than 1%.

General Plan Consistency Review. While it has been the City's longstanding practice, in accordance with State requirements, to ensure that the Planning Commission reviews the Preliminary Capital Improvement Plan for General Plan consistency and provide its findings to the Council before adoption, this has been added to the *Capital Improvement Management* policies to reinforce the importance of this review.

POLICIES AND OBJECTIVES

OVERVIEW

Overtime Management. As approved by the Council in April 2009, this section has been added to the *Human Resources Management* policies.

COUNCIL GOALS

The fundamental purpose of the City's Financial Plan is to link what we want to accomplish over the next two years with the resources required to do so. The Financial Plan process approved by the Council does this by:

1. Identifying the most important, highest priority things for us to accomplish for the community.
2. Establishing a reasonable timeframe and organizational responsibility for achieving them.
3. Allocating the resources necessary to do so.

Obviously, this approach only has meaning if there is a way of identifying key goals at the beginning of the process that drive budget preparation, not follow it.

For this reason, the City begins its two-year budget process with Council goal-setting. This follows an extensive effort to involve advisory bodies and the community in this process. It also follows consideration of a number of analytical reports such as the General Fund Five-Year Fiscal Forecast and comprehensive updates on the status of long-term plans and policies, current major City goals and capital projects.

While the specifics of the process vary from plan to plan, the City has used this basic approach for the past eighteen years.

Goal-Setting Process for 2009-11

For 2009-11, the Council held five workshops for this purpose on November 20, 2008 (“Setting the Table”); December 16, 2008 (“Building the Foundation”), January 15, 2009 (Community Forum), January 31, 2009 (Council Goal-Setting) and April 14 (Goal Work Programs).

Using the services of a professional facilitator, the Council reached agreement on thirteen goals organized into the following three priority groupings at its January 31 goal-setting workshop:

Top Council Goals for 2009-11

Major City Goals

- Preservation of Essential Services and Fiscal Health
- Infrastructure Maintenance
- Traffic Congestion Relief
- Economic Development

Other Important Council Objectives

- Land Use and Circulation Revisions
- Open Space Preservation
- Green House Gas Reduction and Energy Conservation
- Downtown Maintenance & Beautification
- Historic Preservation

1 Major City Goals. These represent the most important, highest priority goals for the City to accomplish over the next two years, and as such, resources to accomplish them should be included in the 2009-11 Financial Plan.

If the work program approved by the Council for a Major City Goal is not included in the City Manager’s Preliminary Financial Plan, compelling reasons and justification must be provided as to why resources could not be made available to achieve this goal.

2 Other Important Council Objectives. Goals in this category are also important for the City to accomplish, and resources should be made available in the 2009-11 Financial Plan if at all possible.

3 Address As Resources Permit. While it is desirable to achieve these goals over the next two years, doing so is subject to current resource availability.

As approved by the Council, detailed work programs have been prepared for the *Major City Goals* and *Other Important Council Objectives*. The other Council goals are presented with the applicable

POLICIES AND OBJECTIVES

OVERVIEW

operating program narrative in Section D (Operating Programs) of the Financial Plan.

Goal Work Programs

Overview. The work programs for *Major City Goals* and *Other Important Council Objectives* for 2009-11 present detailed action plans for the next two years that link goals with resources and timeframes.

Goal-Setting Drives the Budget Process. The goals set by the Council drive the budget preparation process. However, before the staff can build the Preliminary Financial Plan around Council goals, it is essential that we have a clear understanding of what the Council hopes to achieve with each goal over the next two years. For this reason, following this goal-setting workshop, staff prepared detailed work programs for achieving *Major City Goals* in order to:

1. Clearly define and scope the adopted goal, including its relationship to Measure Y funding.
2. Ensure that there is a clear understanding of the means selected to pursue the goal.
3. Convert the general goal into specific action steps so we can measure progress in achieving it.

This is especially important in the case of objectives where fully achieving the goal is likely to extend well beyond the two-year Financial Plan period. However, we can measure progress—and our success in accomplishing the goal—by clearly defining the specific actions we plan to undertake over the next two years in making meaningful progress in achieving the longer-term goal.

These work programs were presented to the Council on April 14, 2009, with follow-up discussion on April 21, 2009. After in-depth review and discussion, the Council approved the work programs with minor revisions.

Work Program Content. The work programs are organized by functional area: public safety, transportation, leisure, cultural & social services and

community development. Each work program provides the following information:

1. Objective.
2. Discussion of its relationship to Measure Y, “stimulus” funding opportunities, workscope summary, existing situation and related work accomplished in the past.
3. Constraints and limitations.
4. Stakeholders.
5. Action plan detailing specific tasks and schedule for the next two years. When applicable, likely “carryover and spin-off” tasks beyond the next two years are also discussed.
6. Key assumptions in preparing the work program.
7. Responsible department.
8. Financial and staff resources required to achieve the goal.
9. General Fund revenue potential, if any.
10. Outcome—final work product at the end of the next two years.

Integration into the Financial Plan

The Major City Goals and related work programs that emerged from this process are detailed later in this section of the Financial Plan. In recognition of the extraordinary fiscal challenges facing us, the Council has adopted just four major City goals for 2009-11:

Infrastructure Maintenance. Sustain an effective level of existing core infrastructure maintenance such as streets, sidewalks, creek & flood protection, park, and protection of other physical assets.

Traffic Congestion Relief. Continue efforts on projects which relieve traffic congestion, such as street modifications, intersection improvements, pedestrian improvements, bicycle facilities, traffic signal operations and public transit

Economic Development. In collaboration with Cal Poly, Cuesta and the business community, develop strategies to increase economic development

POLICIES AND OBJECTIVES

OVERVIEW

including emphasis on head-of-household jobs and environmentally sustainable businesses.

Preservation of Essential Services and Fiscal Health. Adopt a balanced budget that retains the City’s fiscal health, preserves essential services and implements long term productivity improvements and cost-reduction strategies.

These focused goals reflect four things:

1. Responding pro-actively and responsibly to the greatest economic downturn since the Great Depression.
2. Priorities expressed by the community during the goal-setting process.
3. Focus on preserving core services and maintaining what we already have.
4. Close alignment with the priorities that surfaced both before and during the Measure Y campaign.

Other Council Objectives

In addition to the four *Major City Goals* set by the Council, detailed work programs have been prepared for the following *Other Important Council Objectives*:

Land Use and Circulation Revisions. Initiate a focused revision of the Land Use and Circulation Elements.

Open Space Preservation. Continue efforts to acquire preserve and protect open space and develop a master plan for City-owned agricultural land.

Green House Gas Reduction and Energy Conservation. Adopt and begin implementing a plan to reduce greenhouse gases and conserve energy for municipal operations and the community.

Downtown Maintenance & Beautification. Expand Downtown beautification efforts, including enhanced maintenance and cleanliness; review and

upgrade of standards; and making phased physical improvements.

Historic Preservation. Complete a draft Historic Preservation Ordinance, and if resources permit in 2010-11, update the inventory of historic and cultural resources within the City.

Address as Resources Permit

In addition to the *Major City Goals* and *Other Important Council Objectives*, the following “Address as Resources Permit” are also reflected in the Financial Plan in some fashion.

Creek and Flood Protection. Advance Mid-Higuera flood protection improvements by seeking Zone 9 funding to complete design, obtain approvals and make progress toward construction as resources will allow.

Skate Park. Develop plans and specifications and seek funding to construct a skate park.

Urban Forest. Update master plan and develop recommendations to renew the urban forest and plant more trees.

Homeless Services. Identify and pursue opportunities to implement the “Ten-Year Plan to End Chronic Homelessness.”

Other Program Objectives

Along with goals set by the Council, the Financial Plan also includes objectives proposed by the staff for improving the delivery of City services. These are different from Council-initiated goals in two important ways:

1. Council goals are generally focused on objectives that can only be successfully achieved through Council leadership, support and commitment; program objectives proposed by staff are typically more internally focused on improving day-to-day operations, and can usually be achieved through staff leadership, support and commitment.

POLICIES AND OBJECTIVES

OVERVIEW

2. Achieving Council goals has a higher resource priority.

Each of the 73 operating programs presented in the Financial Plan clearly identifies major City goals, other Council goals and other program objectives.

STATUS OF 2007-09 MAJOR CITY GOALS

Measuring progress in achieving major City goals is an essential component of the Financial Plan process. For this reason, a status summary of 2007-09 major City goals is provided in this part of Section B.



POLICIES AND OBJECTIVES

BUDGET AND FISCAL POLICIES

FINANCIAL PLAN PURPOSE AND ORGANIZATION

A. **Financial Plan Objectives.** Through its Financial Plan, the City will link resources with results by:

1. Identifying community needs for essential services.
2. Organizing the programs required to provide these essential services.
3. Establishing program policies and goals, which define the nature and level of program services required.
4. Identifying activities performed in delivering program services.
5. Proposing objectives for improving the delivery of program services.
6. Identifying and appropriating the resources required to perform program activities and accomplish program objectives.
7. Setting standards to measure and evaluate the:
 - a. Output of program activities.
 - b. Accomplishment of program objectives.
 - c. Expenditure of program appropriations.

B. **Two-Year Budget.** Following the City's favorable experience over the past twenty-four years, the City will continue using a two-year financial plan, emphasizing long-range planning and effective program management. The benefits identified when the City's first two-year plan was prepared for 1983-85 continue to be realized:

1. Reinforcing the importance of long-range planning in managing the City's fiscal affairs.
2. Concentrating on developing and budgeting for the accomplishment of significant objectives.

3. Establishing realistic timeframes for achieving objectives.
4. Creating a pro-active budget that provides for stable operations and assures the City's long-term fiscal health.
5. Promoting more orderly spending patterns.
6. Reducing the amount of time and resources allocated to preparing annual budgets.

C. **Measurable Objectives.** The two-year financial plan will establish measurable program objectives and allow reasonable time to accomplish those objectives.

D. **Second Year Budget.** Before the beginning of the second year of the two-year cycle, the Council will review progress during the first year and approve appropriations for the second fiscal year.

E. **Operating Carryover.** Operating program appropriations not spent during the first fiscal year may be carried over for specific purposes into the second fiscal year with the approval of the City Manager.

F. **Goal Status Reports.** The status of major program objectives will be formally reported to the Council on an ongoing, periodic basis.

G. **Mid-Year Budget Reviews.** The Council will formally review the City's fiscal condition, and amend appropriations if necessary, six months after the beginning of each fiscal year.

H. **Balanced Budget.** The City will maintain a balanced budget over the two-year period of the Financial Plan. This means that:

1. Operating revenues must fully cover operating expenditures, including debt service.
2. Ending fund balance (or working capital in the enterprise funds) must meet minimum policy levels. For the general and enterprise funds, this level has been established at 20% of operating expenditures.

POLICIES AND OBJECTIVES

BUDGET AND FISCAL POLICIES

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

FINANCIAL REPORTING AND BUDGET ADMINISTRATION

A. **Annual Reporting.** The City will prepare annual financial statements as follows:

1. In accordance with Charter requirements, the City will contract for an annual audit by a qualified independent certified public accountant. The City will strive for an unqualified auditors’ opinion.
2. The City will use generally accepted accounting principles in preparing its annual financial statements, and will strive to meet the requirements of the GFOA’s Award for Excellence in Financial Reporting program.
3. The City will issue audited financial statements within 180 days after year-end.

B. **Interim Reporting.** The City will prepare and issue timely interim reports on the City’s fiscal status to the Council and staff. This includes: on-line access to the City’s financial management system by City staff; monthly reports to program managers; more formal quarterly reports to the Council and Department Heads; mid-year budget reviews; and interim annual reports.

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

GENERAL REVENUE MANAGEMENT

A. **Diversified and Stable Base.** The City will seek to maintain a diversified and stable revenue base to protect it from short-term fluctuations in any one revenue source.

B. **Long-Range Focus.** To emphasize and facilitate long-range financial planning, the City will maintain current projections of revenues for the succeeding five years.

C. **Current Revenues for Current Uses.** The City will make all current expenditures with current revenues, avoiding procedures that balance current budgets by postponing needed expenditures, accruing future revenues, or rolling over short-term debt.

D. **Interfund Transfers and Loans.** In order to achieve important public policy goals, the City has established various special revenue, capital project, debt service and enterprise funds to account for revenues whose use should be restricted to certain activities. Accordingly, each fund exists as a separate financing entity from other funds, with its own revenue sources, expenditures and fund equity.

Any transfers between funds for operating purposes are clearly set forth in the Financial Plan, and can only be made by the Director of Finance & Information Technology in accordance with the adopted budget. These operating transfers, under which financial resources are transferred from one fund to another, are distinctly different from interfund borrowings, which are usually made for temporary cash flow reasons, and are not intended to result in a transfer of financial resources by the end of the fiscal year.

In summary, interfund transfers result in a change in fund equity; interfund borrowings do not, as the intent is to repay in the loan in the near term.

POLICIES AND OBJECTIVES

BUDGET AND FISCAL POLICIES

From time-to-time, interfund borrowings may be appropriate; however, these are subject to the following criteria in ensuring that the fiduciary purpose of the fund is met:

1. The Director of Finance & Information Technology is authorized to approve temporary interfund borrowings for cash flow purposes whenever the cash shortfall is expected to be resolved within 45 days. The most common use of interfund borrowing under this circumstance is for grant programs like the Community Development Block Grant, where costs are incurred before drawdowns are initiated and received. However, receipt of funds is typically received shortly after the request for funds has been made.
2. Any other interfund borrowings for cash flow or other purposes require case-by-case approval by the Council.
3. Any transfers between funds where reimbursement is not expected within one fiscal year shall not be recorded as interfund borrowings; they shall be recorded as interfund operating transfers that affect equity by moving financial resources from one fund to another.

USER FEE COST RECOVERY GOALS

A. Ongoing Review

Fees will be reviewed and updated on an ongoing basis to ensure that they keep pace with changes in the cost-of-living as well as changes in methods or levels of service delivery.

In implementing this goal, a comprehensive analysis of City costs and fees should be made at least every five years. In the interim, fees will be adjusted by annual changes in the Consumer Price Index. Fees may be adjusted during this interim period based on supplemental analysis whenever there have been significant changes in the method, level or cost of service delivery.

B. User Fee Cost Recovery Levels

In setting user fees and cost recovery levels, the following factors will be considered:

1. ***Community-Wide Versus Special Benefit.*** The level of user fee cost recovery should consider the *community-wide* versus *special service* nature of the program or activity. The use of general-purpose revenues is appropriate for community-wide services, while user fees are appropriate for services that are of special benefit to easily identified individuals or groups.
2. ***Service Recipient Versus Service Driver.*** After considering community-wide versus special benefit of the service, the concept of *service recipient* versus *service driver* should also be considered. For example, it could be argued that the applicant is not the beneficiary of the City's development review efforts: the community is the primary beneficiary. However, the applicant is the *driver* of development review costs, and as such, cost recovery from the applicant is appropriate.
3. ***Effect of Pricing on the Demand for Services.*** The level of cost recovery and related pricing of services can significantly affect the demand and subsequent level of services provided. At full cost recovery, this has the specific advantage of ensuring that the City is providing services for which there is genuinely a market that is not overly-stimulated by artificially low prices.

Conversely, high levels of cost recovery will negatively impact the delivery of services to lower income groups. This negative feature is especially pronounced, and works against public policy, if the services are specifically targeted to low income groups.
4. ***Feasibility of Collection and Recovery.*** Although it may be determined that a high level of cost recovery may be appropriate

POLICIES AND OBJECTIVES

BUDGET AND FISCAL POLICIES

for specific services, it may be impractical or too costly to establish a system to identify and charge the user. Accordingly, the feasibility of assessing and collecting charges should also be considered in developing user fees, especially if significant program costs are intended to be financed from that source.

C. Factors Favoring Low Cost Recovery Levels

Very low cost recovery levels are appropriate under the following circumstances:

1. There is *no* intended relationship between the amount paid and the benefit received. Almost all "social service" programs fall into this category as it is *expected* that one group will subsidize another.
2. Collecting fees is not cost-effective or will significantly impact the efficient delivery of the service.
3. There is *no* intent to limit the use of (or entitlement to) the service. Again, most "social service" programs fit into this category as well as many public safety (police and fire) emergency response services. Historically, access to neighborhood and community parks would also fit into this category.
4. The service is non-recurring, generally delivered on a "peak demand" or emergency basis, cannot reasonably be planned for on an individual basis, and is not readily available from a private sector source. Many public safety services also fall into this category.
5. Collecting fees would discourage compliance with regulatory requirements and adherence is primarily self-identified, and as such, failure to comply would not be readily detected by the City. Many small-scale licenses and permits might fall into this category.

D. Factors Favoring High Cost Recovery Levels

The use of service charges as a major source of funding service levels is especially appropriate under the following circumstances:

1. The service is similar to services provided through the private sector.
2. Other private or public sector alternatives could or do exist for the delivery of the service.
3. For equity or demand management purposes, it is intended that there be a direct relationship between the amount paid and the level and cost of the service received.
4. The use of the service is specifically discouraged. Police responses to disturbances or false alarms might fall into this category.
5. The service is regulatory in nature and voluntary compliance is not expected to be the primary method of detecting failure to meet regulatory requirements. Building permit, plan checks, and subdivision review fees for large projects would fall into this category.

E. General Concepts Regarding the Use of Service Charges

The following general concepts will be used in developing and implementing service charges:

1. Revenues should not exceed the reasonable cost of providing the service.
2. Cost recovery goals should be based on the total cost of delivering the service, including direct costs, departmental administration costs and organization-wide support costs such as accounting, personnel, information technology, legal services, fleet maintenance and insurance.

POLICIES AND OBJECTIVES

BUDGET AND FISCAL POLICIES

3. The method of assessing and collecting fees should be as simple as possible in order to reduce the administrative cost of collection.
4. Rate structures should be sensitive to the "market" for similar services as well as to smaller, infrequent users of the service.
5. A unified approach should be used in determining cost recovery levels for various programs based on the factors discussed above.

F. Low Cost-Recovery Services

Based on the criteria discussed above, the following types of services should have very low cost recovery goals. In selected circumstances, there may be specific activities within the broad scope of services provided that should have user charges associated with them. However, the primary source of funding for the operation as a whole should be general-purpose revenues, not user fees.

1. Delivering public safety emergency response services such as police patrol services and fire suppression.
2. Maintaining and developing public facilities that are provided on a uniform, community-wide basis such as streets, parks and general-purpose buildings.
3. Providing social service programs and economic development activities.

G. Recreation Programs

The following cost recovery policies apply to the City's recreation programs:

1. Cost recovery for activities directed to adults should be relatively high.
2. Cost recovery for activities directed to youth and seniors should be relatively low. In those circumstances where services are similar to those provided in the private sector, cost recovery levels should be higher.

Although ability to pay may not be a concern for all youth and senior participants, these are desired program activities, and the cost of determining need may be greater than the cost of providing a uniform service fee structure to all participants. Further, there is a community-wide benefit in encouraging high-levels of participation in youth and senior recreation activities regardless of financial status.

3. Cost recovery goals for recreation activities are set as follows:

High-Range Cost Recovery Activities (60% to 100%)

- a. Adult athletics
- b. Banner permit applications
- c. Child care services (except Youth STAR)
- d. Facility rentals (indoor and outdoor; excludes use of facilities for internal City uses)
- e. Triathlon

Mid-Range Cost Recovery Activities (30% to 60%)

- f. Classes
- g. Holiday in the Plaza
- h. Major commercial film permit applications

POLICIES AND OBJECTIVES

BUDGET AND FISCAL POLICIES

Low-Range Cost Recovery Activities (0 to 30%)

- i. Aquatics
 - j. Batting cages
 - k. Community gardens
 - l. Junior Ranger camp
 - m. Minor commercial film permit applications
 - n. Skate park
 - o. Special events (except for Triathlon and Holiday in the Plaza)
 - p. Youth sports
 - q. Youth STAR
 - r. Teen services
 - s. Senior/boomer services
4. For cost recovery activities of less than 100%, there should be a differential in rates between residents and non-residents. However, the Director of Parks and Recreation is authorized to reduce or eliminate non-resident fee differentials when it can be demonstrated that:
- a. The fee is reducing attendance.
 - b. And there are no appreciable expenditure savings from the reduced attendance.
5. Charges will be assessed for use of rooms, pools, gymnasiums, ball fields, special-use areas, and recreation equipment for activities not sponsored or co-sponsored by the City. Such charges will generally conform to the fee guidelines described above. However, the Director of Parks and Recreation is authorized to charge fees that are closer to full cost recovery for facilities that are heavily used at peak times and include a majority of non-resident users.
6. A vendor charge of at least 10 percent of gross income will be assessed from individuals or organizations using City facilities for moneymaking activities.
7. Director of Parks and Recreation is authorized to offer reduced fees such as

introductory rates, family discounts and coupon discounts on a pilot basis (not to exceed 18 months) to promote new recreation programs or resurrect existing ones.

8. The Parks and Recreation Department will consider waiving fees only when the City Manager determines in writing that an undue hardship exists.

H. Development Review Programs

The following cost recovery policies apply to the development review programs:

1. Services provided under this category include:
- a. Planning (planned development permits, tentative tract and parcel maps, rezonings, general plan amendments, variances, use permits).
 - b. Building and safety (building permits, structural plan checks, inspections).
 - c. Engineering (public improvement plan checks, inspections, subdivision requirements, encroachments).
 - d. Fire plan check.
2. Cost recovery for these services should generally be very high. In most instances, the City's cost recovery goal should be 100%.
3. However, in charging high cost recovery levels, the City needs to clearly establish and articulate standards for its performance in reviewing developer applications to ensure that there is "value for cost."

POLICIES AND OBJECTIVES

BUDGET AND FISCAL POLICIES

I. Comparability With Other Communities

In setting user fees, the City will consider fees charged by other agencies in accordance with the following criteria:

1. Surveying the comparability of the City's fees to other communities provides useful background information in setting fees for several reasons:
 - a. They reflect the "market" for these fees and can assist in assessing the reasonableness of San Luis Obispo's fees.
 - b. If prudently analyzed, they can serve as a benchmark for how cost-effectively San Luis Obispo provides its services.
2. However, fee surveys should never be the sole or primary criteria in setting City fees as there are many factors that affect how and why other communities have set their fees at their levels. For example:
 - a. What level of cost recovery is their fee intended to achieve compared with our cost recovery objectives?
 - b. What costs have been considered in computing the fees?
 - c. When was the last time that their fees were comprehensively evaluated?
 - d. What level of service do they provide compared with our service or performance standards?
 - e. Is their rate structure significantly different than ours and what is it intended to achieve?
3. These can be very difficult questions to address in fairly evaluating fees among different communities. As such, the comparability of our fees to other communities should be one factor among many that is considered in setting City fees.

ENTERPRISE FUND FEES AND RATES

- A. **Water, Sewer and Parking.** The City will set fees and rates at levels which fully cover the total direct and indirect costs—including operations, capital outlay, and debt service—of the following enterprise programs: water, sewer and parking.
- B. **Golf.** Golf program fees and rates should fully cover direct operating costs. Because of the nine-hole nature of the golf course with its focus on youth and seniors, subsidies from the General Fund to cover indirect costs and capital improvements may be considered by the Council as part of the Financial Plan process, along with the need to possibly subsidize direct operating costs as well.
- C. **Transit.** Based on targets set under the Transportation Development Act, the City will strive to cover at least twenty percent of transit operating costs with fare revenues.
- D. **Ongoing Rate Review.** The City will review and adjust enterprise fees and rate structures as required to ensure that they remain appropriate and equitable.
- E. **Franchise Fees.** In accordance with long-standing practices, the City will treat the water and sewer funds in the same manner as if they were privately owned and operated. This means assessing reasonable franchise fees in fully recovering service costs.

At 3.5%, water and sewer franchise fees are based on the mid-point of the statewide standard for public utilities like electricity and gas (2% of gross revenues from operations) and cable television (5% of gross revenues).

As with other utilities, the purpose of the franchise fee is reasonable cost recovery for the use of the City's street right-of-way. The appropriateness of charging the water and sewer funds a reasonable franchise fee for the use of City streets is further supported by the results of

POLICIES AND OBJECTIVES

BUDGET AND FISCAL POLICIES

recent studies in Arizona, California, Ohio and Vermont which concluded that the leading cause for street resurfacing and reconstruction is street cuts and trenching for utilities.

REVENUE DISTRIBUTION

The Council recognizes that generally accepted accounting principles for state and local governments discourage the “earmarking” of General Fund revenues, and accordingly, the practice of designating General Fund revenues for specific programs should be minimized in the City's management of its fiscal affairs. Approval of the following revenue distribution policies does not prevent the Council from directing General Fund resources to other functions and programs as necessary.

A. **Property Taxes.** With the passage of Proposition 13 on June 6, 1978, California cities no longer can set their own property tax rates. In addition to limiting annual increases in market value, placing a ceiling on voter-approved indebtedness, and redefining assessed valuations, Proposition 13 established a maximum county-wide levy for general revenue purposes of 1% of market value. Under subsequent state legislation, which adopted formulas for the distribution of this countywide levy, the City now receives a percentage of total property tax revenues collected countywide as determined by the State and administered by the County Auditor-Controller.

Accordingly, while property revenues are often thought of local revenue sources, in essence they are State revenue sources, since the State controls their use and allocation.

With the adoption of a Charter revision in November 1996, which removed provisions that were in conflict with Proposition 13 relating to the setting of property tax revenues between various funds, all property tax revenues are now accounted for in the General Fund.

B. **Gasoline Tax Subventions.** All gasoline tax revenues (which are restricted by the State for street-related purposes) will be used for maintenance activities. Since the City's total expenditures for gas tax eligible programs and projects are much greater than this revenue source, operating transfers will be made from the gas tax fund to the General Fund for this purpose. This approach significantly reduces the accounting efforts required in meeting State reporting requirements.

C. **Transportation Development Act (TDA) Revenues.** All TDA revenues will be allocated to alternative transportation programs, including regional and municipal transit systems, bikeway improvements, and other programs or projects designed to reduce automobile usage. Because TDA revenues will not be allocated for street purposes, it is expected that alternative transportation programs (in conjunction with other state or federal grants for this purpose) will be self-supporting from TDA revenues.

D. **Parking Fines.** All parking fine revenues will be allocated to the parking fund, except for those collected by Police staff (who are funded by the General Fund) in implementing neighborhood wellness programs.

INVESTMENTS

A. **Responsibility.** Investments and cash management are the responsibility of the City Treasurer or designee. It is the City's policy to appoint the Director of Finance and Information Technology as the City's Treasurer.

B. **Investment Objective.** The City's primary investment objective is to achieve a reasonable rate of return while minimizing the potential for capital losses arising from market changes or issuer default. Accordingly, the following factors will be considered in priority order in determining individual investment placements:

POLICIES AND OBJECTIVES

BUDGET AND FISCAL POLICIES

1. Safety
2. Liquidity
3. Yield

C. **Tax and Revenue Anticipation Notes: Not for Investment Purposes.** There is an appropriate role for tax and revenue anticipation notes (TRANS) in meeting legitimate short-term cash needs within the fiscal year. However, many agencies issue TRANS as a routine business practice, not solely for cash flow purposes, but to capitalize on the favorable difference between the interest cost of issuing TRANS as a tax-preferred security and the interest yields on them if re-invested at full market rates.

As part of its cash flow management and investment strategy, the City will only issue TRANS or other forms of short-term debt if necessary to meet demonstrated cash flow needs; TRANS or any other form of short-term debt financing will not be issued for investment purposes.

As long as the City maintains its current policy of maintaining fund/working capital balances that are 20% of operating expenditures, it is unlikely that the City would need to issue TRANS for cash flow purposes except in very unusual circumstances.

- D. **Selecting Maturity Dates.** The City will strive to keep all idle cash balances fully invested through daily projections of cash flow requirements. To avoid forced liquidations and losses of investment earnings, cash flow and future requirements will be the primary consideration when selecting maturities.
- E. **Diversification.** As the market and the City's investment portfolio change, care will be taken to maintain a healthy balance of investment types and maturities.
- F. **Authorized Investments.** The City will invest only in those instruments authorized by the California Government Code Section 53601.

The City will not invest in stock, will not speculate and will not deal in futures or options. The investment market is highly volatile and continually offers new and creative opportunities for enhancing interest earnings. Accordingly, the City will thoroughly investigate any new investment vehicles before committing City funds to them.

- G. **Authorized Institutions.** Current financial statements will be maintained for each institution in which cash is invested. Investments will be limited to 20 percent of the total net worth of any institution and may be reduced further or refused altogether if an institution's financial situation becomes unhealthy.
- H. **Consolidated Portfolio.** In order to maximize yields from its overall portfolio, the City will consolidate cash balances from all funds for investment purposes, and will allocate investment earnings to each fund in accordance with generally accepted accounting principles.
- I. **Safekeeping.** Ownership of the City's investment securities will be protected through third-party custodial safekeeping.
- J. **Investment Management Plan.** The City Treasurer will develop and maintain an Investment Management Plan that addresses the City's administration of its portfolio, including investment strategies, practices and procedures.
- K. **Investment Oversight Committee.** As set forth in the Investment Management Plan, this committee is responsible for reviewing the City's portfolio on an ongoing basis to determine compliance with the City's investment policies and for making recommendations regarding investment management practices.

Members include the City Manager, Assistant City Manager, Director of Finance & Information Technology/City Treasurer, Finance Manager and the City's independent auditor.

POLICIES AND OBJECTIVES

BUDGET AND FISCAL POLICIES

- L. **Reporting.** The City Treasurer will develop and maintain a comprehensive, well-documented investment reporting system, which will comply with Government Code Section 53607. This reporting system will provide the Council and the Investment Oversight Committee with appropriate investment performance information.

APPROPRIATIONS LIMITATION

- A. The Council will annually adopt a resolution establishing the City's appropriations limit calculated in accordance with Article XIII-B of the Constitution of the State of California, Section 7900 of the State of California Government Code, and any other voter approved amendments or state legislation that affect the City's appropriations limit.
- B. The supporting documentation used in calculating the City's appropriations limit and projected appropriations subject to the limit will be available for public and Council review at least 10 days before Council consideration of a resolution to adopt an appropriations limit. The Council will generally consider this resolution in connection with final approval of the budget.
- C. The City will strive to develop revenue sources, both new and existing, which are considered non-tax proceeds in calculating its appropriations subject to limitation.
- D. The City will annually review user fees and charges and report to the Council the amount of program subsidy, if any, that is being provided by the General or Enterprise Funds.
- E. The City will actively support legislation or initiatives sponsored or approved by League of California Cities which would modify Article XIII-B of the Constitution in a manner which would allow the City to retain projected tax revenues resulting from growth in the local economy for use as determined by the Council.

- F. The City will seek voter approval to amend its appropriation limit at such time that tax proceeds are in excess of allowable limits.

FUND BALANCE AND RESERVES

- A. **Minimum Fund and Working Capital Balances.** The City will maintain a minimum fund balance of at least 20% of operating expenditures in the General Fund and a minimum working capital balance of 20% of operating expenditures in the water, sewer and parking enterprise funds. This is considered the minimum level necessary to maintain the City's credit worthiness and to adequately provide for:
 - 1. Economic uncertainties, local disasters, and other financial hardships or downturns in the local or national economy.
 - 2. Contingencies for unseen operating or capital needs.
 - 3. Cash flow requirements.
- B. **Fleet Replacement.** For the General Fund fleet, the City will establish and maintain a Fleet Replacement Fund to provide for the timely replacement of vehicles and related equipment with an individual replacement cost of \$15,000 or more. The City will maintain a minimum fund balance in the Fleet Replacement Fund of at least 20% of the original purchase cost of the items accounted for in this fund.

The annual contribution to this fund will generally be based on the annual use allowance, which is determined based on the estimated life of the vehicle or equipment and its original purchase cost. Interest earnings and sales of surplus equipment as well as any related damage and insurance recoveries will be credited to the Fleet Replacement Fund.
- C. **Future Capital Project Designations.** The Council may designate specific fund balance levels for future development of capital projects that it has determined to be in the best long-term interests of the City.

POLICIES AND OBJECTIVES

BUDGET AND FISCAL POLICIES

D. **Other Designations and Reserves.** In addition to the designations noted above, fund balance levels will be sufficient to meet funding requirements for projects approved in prior years which are carried forward into the new year; debt service reserve requirements; reserves for encumbrances; and other reserves or designations required by contractual obligations, state law, or generally accepted accounting principles.

CAPITAL IMPROVEMENT MANAGEMENT

A. **CIP Projects: \$15,000 or More.** Construction projects and equipment purchases which cost \$15,000 or more will be included in the Capital Improvement Plan (CIP); minor capital outlays of less than \$15,000 will be included with the operating program budgets.

B. **CIP Purpose.** The purpose of the CIP is to systematically plan, schedule, and finance capital projects to ensure cost-effectiveness as well as conformance with established policies. The CIP is a four-year plan organized into the same functional groupings used for the operating programs. The CIP will reflect a balance between capital replacement projects that repair, replace or enhance existing facilities, equipment or infrastructure; and capital facility projects that significantly expand or add to the City's existing fixed assets.

C. **Project Manager.** Every CIP project will have a project manager who will prepare the project proposal, ensure that required phases are completed on schedule, authorize all project expenditures, ensure that all regulations and laws are observed, and periodically report project status.

D. **CIP Review Committee.** Headed by the City Manager or designee, this Committee will review project proposals, determine project phasing, recommend project managers, review and evaluate the draft CIP budget document, and report CIP project progress on an ongoing basis.

E. **CIP Phases.** The CIP will emphasize project planning, with projects progressing through at least two and up to ten of the following phases:

1. **Designate.** Appropriates funds based on projects designated for funding by the Council through adoption of the Financial Plan.
2. **Study.** Concept design, site selection, feasibility analysis, schematic design, environmental determination, property appraisals, scheduling, grant application, grant approval, specification preparation for equipment purchases.
3. **Environmental Review.** EIR preparation, other environmental studies.
4. **Real Property Acquisitions.** Property acquisition for projects, if necessary.
5. **Site Preparation.** Demolition, hazardous materials abatements, other pre-construction work.
6. **Design.** Final design, plan and specification preparation and construction cost estimation.
7. **Construction.** Construction contracts.
8. **Construction Management.** Contract project management and inspection, soils and material tests, other support services during construction.
9. **Equipment Acquisitions.** Vehicles, heavy machinery, computers, office furnishings, other equipment items acquired and installed independently from construction contracts.
10. **Debt Service.** Installment payments of principal and interest for completed projects funded through debt financings. Expenditures for this project phase are included in the Debt Service section of the Financial Plan.

POLICIES AND OBJECTIVES

BUDGET AND FISCAL POLICIES

Generally, it will become more difficult for a project to move from one phase to the next. As such, more projects will be studied than will be designed, and more projects will be designed than will be constructed or purchased during the term of the CIP.

- F. **CIP Appropriation.** The City's annual CIP appropriation for study, design, acquisition and/or construction is based on the projects designated by the Council through adoption of the Financial Plan. Adoption of the Financial Plan CIP appropriation does not automatically authorize funding for specific project phases. This authorization generally occurs only after the preceding project phase has been completed and approved by the Council and costs for the succeeding phases have been fully developed.

Accordingly, project appropriations are generally made when contracts are awarded. If project costs at the time of bid award are less than the budgeted amount, the balance will be unappropriated and returned to fund balance or allocated to another project. If project costs at the time of bid award are greater than budget amounts, five basic options are available:

1. Eliminate the project.
2. Defer the project for consideration to the next Financial Plan period.
3. Rescope or change the phasing of the project to meet the existing budget.
4. Transfer funding from another specified, lower priority project.
5. Appropriate additional resources as necessary from fund balance.

- G. **CIP Budget Carryover.** Appropriations for CIP projects lapse three years after budget adoption. Projects which lapse from lack of project account appropriations may be resubmitted for inclusion in a subsequent CIP. Project accounts, which have been appropriated, will not lapse until completion of the project phase.

- H. **Program Objectives.** Project phases will be listed as objectives in the program narratives of the programs, which manage the projects.

- I. **Public Art.** CIP projects will be evaluated during the budget process and prior to each phase for conformance with the City's public art policy, which generally requires that 1% of eligible project construction costs be set aside for public art. Excluded from this requirement are underground projects, utility infrastructure projects, funding from outside agencies, and costs other than construction such as study, environmental review, design, site preparation, land acquisition and equipment purchases.

It is generally preferred that public art be incorporated directly into the project, but this is not practical or desirable for all projects; in this case, an in-lieu contribution to public art will be made. To ensure that funds are adequately budgeted for this purpose regardless of whether public art will be directly incorporated into the project, funds for public art will be identified separately in the CIP.

Given the City's fiscal situation for 2009-11, public art will be funded at the same level required by the private sector: 0.5% rather than 1%.

- J. **General Plan Consistency Review.** The Planning Commission will review the Preliminary CIP for consistency with the General Plan and provide its findings to the Council prior to adoption.

POLICIES AND OBJECTIVES

BUDGET AND FISCAL POLICIES

CAPITAL FINANCING AND DEBT MANAGEMENT

A. Capital Financing

1. The City will consider the use of debt financing only for one-time capital improvement projects and only under the following circumstances:
 - a. When the project's useful life will exceed the term of the financing.
 - b. When project revenues or specific resources will be sufficient to service the long-term debt.
2. Debt financing will not be considered appropriate for any recurring purpose such as current operating and maintenance expenditures. The issuance of short-term instruments such as revenue, tax or bond anticipation notes is excluded from this limitation. (See Investment Policy)
3. Capital improvements will be financed primarily through user fees, service charges, assessments, special taxes or developer agreements when benefits can be specifically attributed to users of the facility. Accordingly, development impact fees should be created and implemented at levels sufficient to ensure that new development pays its fair share of the cost of constructing necessary community facilities.
4. Transportation impact fees are a major funding source in financing transportation system improvements. However, revenues from these fees are subject to significant fluctuation based on the rate of new development. Accordingly, the following guidelines will be followed in designing and building projects funded with transportation impact fees:
 - a. The availability of transportation impact fees in funding a specific project will be

analyzed on a case-by-case basis as plans and specification or contract awards are submitted for City Manager or Council approval.

- b. If adequate funds are not available at that time, the Council will make one of two determinations:
 - Defer the project until funds are available.
 - Based on the high-priority of the project, advance funds from the General Fund, which will be reimbursed as soon as funds become available. Repayment of General Fund advances will be the first use of transportation impact fee funds when they become available.
5. The City will use the following criteria to evaluate pay-as-you-go versus long-term financing in funding capital improvements:

Factors Favoring Pay-As-You-Go Financing

- a. Current revenues and adequate fund balances are available or project phasing can be accomplished.
- b. Existing debt levels adversely affect the City's credit rating.
- c. Market conditions are unstable or present difficulties in marketing.

Factors Favoring Long Term Financing

- d. Revenues available for debt service are deemed sufficient and reliable so that long-term financings can be marketed with investment grade credit ratings.
- e. The project securing the financing is of the type, which will support an investment grade credit rating.
- f. Market conditions present favorable interest rates and demand for City financings.

POLICIES AND OBJECTIVES

BUDGET AND FISCAL POLICIES

- g. A project is mandated by state or federal requirements, and resources are insufficient or unavailable.
- h. The project is immediately required to meet or relieve capacity needs and current resources are insufficient or unavailable.
- i. The life of the project or asset to be financed is 10 years or longer.

B. Debt Management

1. The City will not obligate the General Fund to secure long-term financings except when marketability can be significantly enhanced.
2. An internal feasibility analysis will be prepared for each long-term financing which analyzes the impact on current and future budgets for debt service and operations. This analysis will also address the reliability of revenues to support debt service.
3. The City will generally conduct financings on a competitive basis. However, negotiated financings may be used due to market volatility or the use of an unusual or complex financing or security structure.
4. The City will seek an investment grade rating (Baa/BBB or greater) on any direct debt and will seek credit enhancements such as letters of credit or insurance when necessary for marketing purposes, availability and cost-effectiveness.
5. The City will monitor all forms of debt annually coincident with the City's Financial Plan preparation and review process and report concerns and remedies, if needed, to the Council.
6. The City will diligently monitor its compliance with bond covenants and ensure its adherence to federal arbitrage regulations.

7. The City will maintain good, ongoing communications with bond rating agencies about its financial condition. The City will follow a policy of full disclosure on every financial report and bond prospectus (Official Statement).

C. Debt Capacity

1. **General Purpose Debt Capacity.** The City will carefully monitor its levels of general-purpose debt. Because our general purpose debt capacity is limited, it is important that we only use general purpose debt financing for high-priority projects where we cannot reasonably use other financing methods for two key reasons:
 - a. Funds borrowed for a project today are not available to fund other projects tomorrow.
 - b. Funds committed for debt repayment today are not available to fund operations in the future.

In evaluating debt capacity, general-purpose annual debt service payments should generally not exceed 10% of General Fund revenues; and in no case should they exceed 15%. Further, direct debt will not exceed 2% of assessed valuation; and no more than 60% of capital improvement outlays will be funded from long-term financings.

2. **Enterprise Fund Debt Capacity.** The City will set enterprise fund rates at levels needed to fully cover debt service requirements as well as operations, maintenance, administration and capital improvement costs. The ability to afford new debt for enterprise operations will be evaluated as an integral part of the City's rate review and setting process.

POLICIES AND OBJECTIVES

BUDGET AND FISCAL POLICIES

D. Independent Disclosure Counsel

The following criteria will be used on a case-by-case basis in determining whether the City should retain the services of an independent disclosure counsel in conjunction with specific project financings:

1. The City will generally not retain the services of an independent disclosure counsel when all of the following circumstances are present:
 - a. The revenue source for repayment is under the management or control of the City, such as general obligation bonds, revenue bonds, lease-revenue bonds or certificates of participation.
 - b. The bonds will be rated or insured.
2. The City will consider retaining the services of an independent disclosure counsel when one or more of following circumstances are present:
 - a. The financing will be negotiated, and the underwriter has not separately engaged an underwriter's counsel for disclosure purposes.
 - b. The revenue source for repayment is not under the management or control of the City, such as land-based assessment districts, tax allocation bonds or conduit financings.
 - c. The bonds will not be rated or insured.
 - d. The City's financial advisor, bond counsel or underwriter recommends that the City retain an independent disclosure counsel based on the circumstances of the financing.

E. Land-Based Financings

1. **Public Purpose.** There will be a clearly articulated public purpose in forming an assessment or special tax district in financing public infrastructure

improvements. This should include a finding by the Council as to why this form of financing is preferred over other funding options such as impact fees, reimbursement agreements or direct developer responsibility for the improvements.

2. **Eligible Improvements.** Except as otherwise determined by the Council when proceedings for district formation are commenced, preference in financing public improvements through a special tax district shall be given for those public improvements that help achieve clearly identified community facility and infrastructure goals in accordance with adopted facility and infrastructure plans as set forth in key policy documents such as the General Plan, Specific Plan, Facility or Infrastructure Master Plans, or Capital Improvement Plan.

Such improvements include study, design, construction and/or acquisition of:

- a. Public safety facilities.
- b. Water supply, distribution and treatment systems.
- c. Waste collection and treatment systems.
- d. Major transportation system improvements, such as freeway interchanges; bridges; intersection improvements; construction of new or widened arterial or collector streets (including related landscaping and lighting); sidewalks and other pedestrian paths; transit facilities; and bike paths.
- e. Storm drainage, creek protection and flood protection improvements.
- f. Parks, trails, community centers and other recreational facilities.
- g. Open space.
- h. Cultural and social service facilities.
- i. Other governmental facilities and improvements such as offices,

POLICIES AND OBJECTIVES

BUDGET AND FISCAL POLICIES

information technology systems and telecommunication systems.

School facilities will not be financed except under appropriate joint community facilities agreements or joint exercise of powers agreements between the City and school districts.

3. **Active Role.** Even though land-based financings may be a limited obligation of the City, we will play an active role in managing the district. This means that the City will select and retain the financing team, including the financial advisor, bond counsel, trustee, appraiser, disclosure counsel, assessment engineer and underwriter. Any costs incurred by the City in retaining these services will generally be the responsibility of the property owners or developer, and will be advanced via a deposit when an application is filed; or will be paid on a contingency fee basis from the proceeds from the bonds.
4. **Credit Quality.** When a developer requests a district, the City will carefully evaluate the applicant's financial plan and ability to carry the project, including the payment of assessments and special taxes during build-out. This may include detailed background, credit and lender checks, and the preparation of independent appraisal reports and market absorption studies. For districts where one property owner accounts for more than 25% of the annual debt service obligation, a letter of credit further securing the financing may be required.
5. **Reserve Fund.** A reserve fund should be established in the lesser amount of: the maximum annual debt service; 125% of the annual average debt service; or 10% of the bond proceeds.
6. **Value-to-Debt Ratios.** The minimum value-to-date ratio should generally be 4:1. This means the value of the property in the district, with the public improvements, should be at least four times the amount of the assessment or special tax debt. In special circumstances, after conferring and receiving the concurrence of the City's financial advisor and bond counsel that a lower value-to-debt ratio is financially prudent under the circumstances, the City may consider allowing a value-to-debt ratio of 3:1. The Council should make special findings in this case.
7. **Appraisal Methodology.** Determination of value of property in the district shall be based upon the full cash value as shown on the ad valorem assessment roll or upon an appraisal by an independent Member Appraisal Institute (MAI). The definitions, standards and assumptions to be used for appraisals shall be determined by the City on a case-by-case basis, with input from City consultants and district applicants, and by reference to relevant materials and information promulgated by the State of California, including the Appraisal Standards for Land-Secured Financings prepared by the California Debt and Investment Advisory Commission.
8. **Capitalized Interest During Construction.** Decisions to capitalize interest will be made on case-by-case basis, with the intent that if allowed, it should improve the credit quality of the bonds and reduce borrowing costs, benefiting both current and future property owners.
9. **Maximum Burden.** Annual assessments (or special taxes in the case of Mello-Roos or similar districts) should generally not exceed 1% of the sales price of the property; and total property taxes, special assessments and special taxes payments collected on the tax roll should generally not exceed 2%.
10. **Benefit Apportionment.** Assessments and special taxes will be apportioned according to a formula that is clear, understandable, equitable and reasonably related to the benefit received by—or burden attributed to—each parcel with respect to its financed

POLICIES AND OBJECTIVES

BUDGET AND FISCAL POLICIES

improvement. Any annual escalation factor should generally not exceed 2%.

11. **Special Tax District Administration.** In the case of Mello-Roos or similar special tax districts, the total maximum annual tax should not exceed 110% of annual debt service. The rate and method of apportionment should include a back-up tax in the event of significant changes from the initial development plan, and should include procedures for prepayments.
12. **Foreclosure Covenants.** In managing administrative costs, the City will establish minimum delinquency amounts per owner, and for the district as a whole, on a case-by-case basis before initiating foreclosure proceedings.
13. **Disclosure to Bondholders.** In general, each property owner who accounts for more than 10% of the annual debt service or bonded indebtedness must provide ongoing disclosure information annually as described under SEC Rule 15(c)-12.
14. **Disclosure to Prospective Purchasers.** Full disclosure about outstanding balances and annual payments should be made by the seller to prospective buyers at the time that the buyer bids on the property. It should not be deferred to after the buyer has made the decision to purchase. When appropriate, applicants or property owners may be required to provide the City with a disclosure plan.

F. Conduit Financings

1. The City will consider requests for conduit financing on a case-by-case basis using the following criteria:
 - a. The City's bond counsel will review the terms of the financing, and render an opinion that there will be no liability to the City in issuing the bonds on behalf of the applicant.

- b. There is a clearly articulated public purpose in providing the conduit financing.
 - c. The applicant is capable of achieving this public purpose.
2. This means that the review of requests for conduit financing will generally be a two-step process:
 - a. First asking the Council if they are interested in considering the request, and establishing the ground rules for evaluating it
 - b. And then returning with the results of this evaluation, and recommending approval of appropriate financing documents if warranted.

This two-step approach ensures that the issues are clear for both the City and applicant, and that key policy questions are answered.

- -
 3. The workscope necessary to address these issues will vary from request to request, and will have to be determined on a case-by-case basis. Additionally, the City should generally be fully reimbursed for our costs in evaluating the request; however, this should also be determined on a case-by-case basis.

G. Refinancings

1. **General Guidelines.** Periodic reviews of all outstanding debt will be undertaken to determine refinancing opportunities. Refinancings will be considered (within federal tax law constraints) under the following conditions:

POLICIES AND OBJECTIVES

BUDGET AND FISCAL POLICIES

- a. There is a net economic benefit.
 - b. It is needed to modernize covenants that are adversely affecting the City's financial position or operations.
 - c. The City wants to reduce the principal outstanding in order to achieve future debt service savings, and it has available working capital to do so from other sources.
2. ***Standards for Economic Savings.*** In general, refinancings for economic savings will be undertaken whenever net present value savings of at least five percent (5%) of the refunded debt can be achieved.
- a. Refinancings that produce net present value savings of less than five percent will be considered on a case-by-case basis, provided that the present value savings are at least three percent (3%) of the refunded debt.
 - b. Refinancings with savings of less than three percent (3%), or with negative savings, will not be considered unless there is a compelling public policy objective.

HUMAN RESOURCE MANAGEMENT

A. Regular Staffing

1. The budget will fully appropriate the resources needed for authorized regular staffing and will limit programs to the regular staffing authorized.
2. Regular employees will be the core work force and the preferred means of staffing ongoing, year-round program activities that should be performed by full-time City employees rather than independent contractors. The City will strive to provide competitive compensation and benefit schedules for its authorized regular work force. Each regular employee will:
 - a. Fill an authorized regular position.
 - b. Be assigned to an appropriate bargaining unit.
 - c. Receive salary and benefits consistent with labor agreements or other compensation plans.
3. To manage the growth of the regular work force and overall staffing costs, the City will follow these procedures:
 - a. The Council will authorize all regular positions.
 - b. The Human Resources Department will coordinate and approve the hiring of all regular and temporary employees.
 - c. All requests for additional regular positions will include evaluations of:
 - The necessity, term and expected results of the proposed activity.
 - Staffing and materials costs including salary, benefits, equipment, uniforms, clerical support and facilities.
 - The ability of private industry to provide the proposed service.
 - Additional revenues or cost savings, which may be realized.
4. Periodically, and before any request for additional regular positions, programs will be evaluated to determine if they can be accomplished with fewer regular employees. (See Productivity Review Policy)
5. Staffing and contract service cost ceilings will limit total expenditures for regular employees, temporary employees, and independent contractors hired to provide operating and maintenance services.

POLICIES AND OBJECTIVES

BUDGET AND FISCAL POLICIES

B. Temporary Staffing

1. The hiring of temporary employees will not be used as an incremental method for expanding the City's regular work force.
2. Temporary employees include all employees other than regular employees, elected officials and volunteers. Temporary employees will generally augment regular City staffing as extra-help employees, seasonal employees, contract employees, interns and work-study assistants.
3. The City Manager (City Manager) and Department Heads will encourage the use of temporary rather than regular employees to meet peak workload requirements, fill interim vacancies, and accomplish tasks where less than full-time, year-round staffing is required.

Under this guideline, temporary employee hours will generally not exceed 50% of a regular, full-time position (1,000 hours annually). There may be limited circumstances where the use of temporary employees on an ongoing basis in excess of this target may be appropriate due to unique programming or staffing requirements. However, any such exceptions must be approved by the City Manager based on the review and recommendation of the Human Resources Director.

4. Contract employees are defined as temporary employees with written contracts approved by the City Manager who may receive approved benefits depending on hourly requirements and the length of their contract. Contract employees will generally be used for medium-term (generally between six months and two years) projects, programs or activities requiring specialized or augmented levels of staffing for a specific period.

The services of contract employees will be discontinued upon completion of the assigned

project, program or activity. Accordingly, contract employees will not be used for services that are anticipated to be delivered on an ongoing basis.

C. Overtime Management

1. Overtime should be used only when necessary and when other alternatives are not feasible or cost effective.
2. All overtime must be pre-authorized by a department head or delegate unless it is assumed pre-approved by its nature. For example, overtime that results when an employee is assigned to standby and/or must respond to an emergency or complete an emergency response.
3. Departmental operating budgets should reflect anticipated annual overtime costs and departments will regularly monitor overtime use and expenditures.
4. When considering the addition of regular or temporary staffing, the use of overtime as an alternative will be considered. The department will take into account:
 - a. The duration that additional staff resources may be needed.
 - b. The cost of overtime versus the cost of additional staff.
 - c. The skills and abilities of current staff.
 - d. Training costs associated with hiring additional staff.
 - e. The impact of overtime on existing staff.

D. Independent Contractors

Independent contractors are not City employees. They may be used in two situations:

1. Short-term, peak workload assignments to be accomplished using personnel contracted through an outside temporary employment agency (OEA). In this situation, it is anticipated that City staff will closely

POLICIES AND OBJECTIVES

BUDGET AND FISCAL POLICIES

monitor the work of OEA employees and minimal training will be required. However, they will always be considered the employees of the OEA and not the City. All placements through an OEA will be coordinated through the Human Resources Department and subject to the approval of the Human Resources Director.

2. Construction of public works projects and delivery of operating, maintenance or specialized professional services not routinely performed by City employees. Such services will be provided without close supervision by City staff, and the required methods, skills and equipment will generally be determined and provided by the contractor. Contract awards will be guided by the City's purchasing policies and procedures. (See Contracting for Services Policy)

PRODUCTIVITY

Ensuring the “delivery of service with value for cost” is one of the key concepts embodied in the City's Mission Statement (San Luis Obispo Style—Quality With Vision). To this end, the City will constantly monitor and review our methods of operation to ensure that services continue to be delivered in the most cost-effective manner possible.

This review process encompasses a wide range of productivity issues, including:

- A. Analyzing systems and procedures to identify and remove unnecessary review requirements.
- B. Evaluating the ability of new technologies and related capital investments to improve productivity.
- C. Developing the skills and abilities of all City employees.
- D. Developing and implementing appropriate methods of recognizing and rewarding exceptional employee performance.

- E. Evaluating the ability of the private sector to perform the same level of service at a lower cost.
- F. Periodic formal reviews of operations on a systematic, ongoing basis.
- G. Maintaining a decentralized approach in managing the City's support service functions. Although some level of centralization is necessary for review and control purposes, decentralization supports productivity by:
 1. Encouraging accountability by delegating responsibility to the lowest possible level.
 2. Stimulating creativity, innovation and individual initiative.
 3. Reducing the administrative costs of operation by eliminating unnecessary review procedures.
 4. Improving the organization's ability to respond to changing needs, and identify and implement cost-saving programs.
 5. Assigning responsibility for effective operations and citizen responsiveness to the department.

CONTRACTING FOR SERVICES

A. General Policy Guidelines

1. Contracting with the private sector for the delivery of services provides the City with a significant opportunity for cost containment and productivity enhancements. As such, the City is committed to using private sector resources in delivering municipal services as a key element in our continuing efforts to provide cost-effective programs.
2. Private sector contracting approaches under this policy include construction projects, professional services, outside employment agencies and ongoing operating and maintenance services.

POLICIES AND OBJECTIVES

BUDGET AND FISCAL POLICIES

3. In evaluating the costs of private sector contracts compared with in-house performance of the service, indirect, direct, and contract administration costs of the City will be identified and considered.
4. Whenever private sector providers are available and can meet established service levels, they will be seriously considered as viable service delivery alternatives using the evaluation criteria outlined below.
5. For programs and activities currently provided by City employees, conversions to contract services will generally be made through attrition, reassignment or absorption by the contractor.
7. Will the contract limit our ability to deliver emergency or other high priority services?
8. Overall, can the City successfully delegate the performance of the service but still retain accountability and responsibility for its delivery?



B. Evaluation Criteria

Within the general policy guidelines stated above, the cost-effectiveness of contract services in meeting established service levels will be determined on a case-by-case basis using the following criteria:

1. Is a sufficient private sector market available to competitively deliver this service and assure a reasonable range of alternative service providers?
2. Can the contract be effectively and efficiently administered?
3. What are the consequences if the contractor fails to perform, and can the contract reasonably be written to compensate the City for any such damages?
4. Can a private sector contractor better respond to expansions, contractions or special requirements of the service?
5. Can the work scope be sufficiently defined to ensure that competing proposals can be fairly and fully evaluated, as well as the contractor's performance after bid award?
6. Does the use of contract services provide us with an opportunity to redefine service levels?

POLICIES AND OBJECTIVES

COUNCIL GOALS SUMMARY

MAJOR CITY GOALS

These represent the most important, highest priority goals for the City to accomplish over the next two years, and as such, resources to accomplish them should be included in the 2009-11 Financial Plan.

Infrastructure Maintenance. Sustain an effective level of existing core infrastructure maintenance such as streets, sidewalks, creek & flood protection, park, and protection of other physical assets.

Traffic Congestion Relief. Continue efforts on projects which relieve traffic congestion, such as street modifications, intersection improvements, pedestrian improvements, bicycle facilities, traffic signal operations and public transit

Economic Development. In collaboration with Cal Poly, Cuesta and the business community, develop strategies to increase economic development including emphasis on head-of-household jobs and environmentally sustainable businesses.

General Government

Preservation of Essential Services and Fiscal Health. Adopt a balanced budget that retains the City’s fiscal health, preserves essential services and implements long term productivity improvements and cost-reduction strategies.

OTHER IMPORTANT COUNCIL OBJECTIVES

Goals in this category are important for the City to accomplish and resources should be made available in the 2009-11 Financial Plan if at all possible.

Land Use and Circulation Revisions. Initiate a focused revision of the Land Use and Circulation Elements.

Open Space Preservation. Continue efforts to acquire preserve and protect open space and develop a master plan for City-owned agricultural land.

Green House Gas Reduction and Energy Conservation. Adopt and begin implementing a plan to reduce greenhouse gases and conserve energy for municipal operations and the community.

Downtown Maintenance & Beautification. Expand Downtown beautification efforts, including enhanced maintenance and cleanliness; review and upgrade of standards; and making phased physical improvements.

Historic Preservation. Complete a draft Historic Preservation Ordinance, and if resources permit in 2010-11, update the inventory of historic and cultural resources within the City.

ADDRESS AS RESOURCES PERMIT

While it is desirable to achieve these goals over the next two years, doing so is subject to current resource availability. As noted earlier fiscal allocations have not been attached to these objectives due to the economic challenges currently facing the City.

Creek and Flood Protection. Advance Mid-Higuera flood protection improvements by seeking Zone 9 funding to complete design, obtain approvals and make progress toward construction as resources will allow.

Skate Park. Develop plans and specifications and seek funding to construct a skate park.

Urban Forest. Update master plan and develop recommendations to renew the urban forest and plant more trees.

Homeless Services. Identify and pursue opportunities to implement the “Ten-Year Plan to End Chronic Homelessness.”

POLICIES AND OBJECTIVES

COUNCIL GOAL WORK PROGRAMS – COST AND FUNDING SUMMARY

The following summarizes operating program and capital improvement plan (CIP) costs to achieve the work programs for Major City Goals and Other Important Council Objective and proposed funding sources.

Cost Summary By Goal and Objective

	Operating Programs		Capital Improvement Plan	
	2009-10	2010-11	2009-10	2010-11
Major City Goals				
Infrastructure Maintenance			8,186,000	6,679,200
Traffic Congestion Relief	32,700	36,000	3,143,800	432,500
Economic Development	37,500	37,500		
Preservation of Essential Services & Fiscal Health				
Other Important Council Objectives				
Land Use and Circulation Revisions	20,000	20,000	72,500	72,500
Open Space Preservation			1,072,500	
Green House Gas Reduction & Energy Conservation	10,000	15,000		
Downtown Maintenance and Beautification*			276,000	220,000
Historic Preservation**	5,000	**		
Total	\$ 105,200	\$ 108,500	\$ 12,750,800	\$ 7,404,200

*The following projects are shown in both the Infrastructure Maintenance goal and the Downtown Maintenance and Beautification objective. In order to avoid double counting these costs, they appear in the Infrastructure Maintenance goal above: Downtown urban forest plan (\$25,000 annually), Warden bridge deck rehabilitation (\$45,000), street light painting (\$50,000 annually), parking lot resurfacing (\$122,000), and downtown and gateway street paving (\$700,000).

Cost Summary By Funding Source

	Operating Programs		Capital Improvement Plan	
	2009-10	2010-11	2009-10	2010-11
General Fund**	84,800	88,100	3,691,700	3,355,200
Community Development Block Grant Fund			268,000	100,000
Parking Fund			122,000	
Sewer Fund			2,509,000	1,818,000
Water Fund			1,895,000	1,896,000
Transit Fund	20,400	20,400		
Parkland Development Fund			195,400	
Transportation Impact Fee Fund			781,600	235,000
Los Osos Valley Road Sub-Area Fee Fund			79,700	
Zone 9				
American Recovery and Reinvestment Act ("stimulus")			1,200,000	
State Bicycle Grant			890,000	
Army Compatible Use Buffer (ACUB) Grant			350,000	
Wildlife Conservation Board Grant			400,000	
Fleet Replacement Fund			368,400	
Total	\$ 105,200	\$ 108,500	\$ 12,750,800	\$ 7,404,200

** \$80,000 for Phase II of the Historic Preservation goal (the inventory) will be reconsidered in 2010-11, and would add to these totals if approved at that time.

POLICIES AND OBJECTIVES

MAJOR CITY GOALS – INFRASTRUCTURE MAINTENANCE

OBJECTIVE

Sustain an effective level of core existing infrastructure maintenance such as streets, sidewalks, creeks and flood protection, as well as the protection and maintenance of other physical assets.

DISCUSSION

Measure Y Relationship; *This major City goal for infrastructure maintenance directly supports two top priorities, neighborhood street paving and flood protection, for the use of **Measure Y** revenues.*

American Recovery and Reinvestment Act (ARRA) Relationship: *At this time, the effect of the American Recovery and Reinvestment Act (ARRA) Federal stimulus package is unknown. Staff has been working with the State and local Council of Governments to apply for available funding. Staff has submitted project lists as potential candidates and will continue to monitor the funding opportunities that may be presented.*

Workscope Summary

The City’s infrastructure is key to our residents’ quality of life and this Major City Goal touches all aspects of City services, whether it is the buildings and facilities in which recreation activities are provided or the streets people use every day to move about the City. While funding for the Capital Improvement Program (CIP) and Operating Programs is not as plentiful as it was two years ago, the 2009-11 CIP program recommended for approval will provide an effective level of maintenance for the City’s physical assets.

This goal will focus on traditional infrastructure maintenance including, buildings, parks, streets, drainage, water, and wastewater facilities. It will also overlap with some of the work recommended to occur under the Downtown Maintenance and Beautification objective.

Background

The City typically devotes a high percentage of the Annual CIP budget to infrastructure maintenance. Proactive projects to replace aging sewer and water lines, repair City facilities, repair sidewalks, repair streets, add handicap ramps, repair bridges and remove silt from creek channels have helped the City avoid unexpected repairs. With a Council philosophy that we should take care of what we already have, this goal strives to make the most of limited General Fund resources in order to survive the next two years of reduced funding.

Existing Situation

City staff uses a combination of CIP projects and work performed by City crews to make essential repairs to City infrastructure, but has had difficulty during the last several budget cycles reducing a backlog of needed maintenance in the street paving, storm drainage and other areas necessary to keep our infrastructure in a good state of repair. Without significant amounts of new funding, staff will be faced with prioritizing needs for maintenance and continuing to “hold it together” in certain areas with the hope that an emergency failure does not occur. Staff believes that the proposed CIP for 2009-11 sets those priorities in order for an effective level of infrastructure maintenance to be achieved.

Work Completed

With the passage of Measure Y in 2007, the City was able to provide additional resources for infrastructure maintenance as part of the 2007-09 Financial Plan. During the two year Financial Plan cycle, staff completed

POLICIES AND OBJECTIVES

MAJOR CITY GOALS – INFRASTRUCTURE MAINTENANCE

design of 51 maintenance projects and construction of 59 projects. An additional 14 projects are preparing for summer 2009 construction and include a street reconstruction and a street resurfacing project, sidewalk replacement in the downtown, and storm drain pipe replacements. In addition to large construction projects, new storm drain maintenance staff completed cleaning of 90% of the drainage inlets in the City, removing many tons of debris to improve inlet performance in wet weather. City street maintenance crews have also completed maintenance paving of 20 blocks of city street, in addition to smaller patching projects. They also experimented with a new sealing product to see if it holds promise for treating street surfaces, postponing more significant repairs. Finally, Parks maintenance staff implemented new equipment and materials at the Damon Garcia Sports Fields to improve the durability of the turf.

WORK PROGRAM CONSTRAINTS AND LIMITATIONS

The majority of the City's maintenance projects require minimal review by regulatory agencies with the exception of work in the creeks. Maintenance work generally qualifies for exemptions from environmental review due to the replacement nature of the work.

The primary constraints are coordination with business operations and neighborhood access. These issues are addressed on a project by project basis as the sites are investigated during design. Construction contracts are written to address special needs in any given area. Coordination will be required at park facilities that are rented to the community to ensure the facilities are not committed at the same time work will take place. Public Works and Parks & Recreation Department staff will work together to identify the construction windows and reserve the facility during that time.

Projects will also be coordinated to honor the intent of the Pavement Management Plan, which calls for underground work to be completed in each Pavement Area prior to starting the street reconstruction or resurfacing project. Public Works and Utilities department staff will work together to schedule projects to minimize trenching of freshly sealed or paved streets.

STAKEHOLDERS

The entire community is a stakeholder in infrastructure maintenance. Where work will impact the community, staff uses a variety of contact methods including press releases for large impact projects such as arterial street paving, and door hangers for projects that will impact residential neighborhoods.

ACTION PLAN

Buildings. Work is recommended for some of the City's buildings to protect them against deterioration. Shower stalls are to be replaced in one of the Fire Stations where leakage is causing damage to the support structure of the building. Restroom replacement at two City parks is also recommended to occur in this budget. This will have the added benefit of making these facilities more accessible. A roof replacement for a park building and the sealing of the masonry at the historical Carnegie Library are also recommended.

Park Playground Equipment. The City routinely replaces play equipment both to remove equipment that is broken and to upgrade the equipment to newer more accessible and safer equipment. A shift to wooden structures some years ago has accelerated the need to complete some replacements. The wooden structures did not hold up well and are being removed due to rot. There are two projects proposed in the CIP to go to construction and three more to be designed and ready for construction with the 2011-13 Financial Plan.

Streets. As in past years, significant funding is recommended for street reconstruction and resurfacing, in both the neighborhoods, Downtown and gateways. This type of work consistently ranks as a high community priority.

POLICIES AND OBJECTIVES

MAJOR CITY GOALS – INFRASTRUCTURE MAINTENANCE

Work is also proposed to repair sidewalk sections, modify corners to comply with State and Federal accessibility requirements, paint street light poles, and bring signage up to current reflectivity standards. The fleet replacement program is recommending the replacement of the paving machine used by the street maintenance crew. The current machine is not operating properly and is very labor intensive, slowing paving operations. The new equipment will improve the efficiency of paving operations and allow the crew to complete larger projects, which are complementary to the street reconstruction and resurfacing work done by contract.

Flood Protection. Recommended work will focus on the replacement of aging corrugated metal pipe culverts, repair of a failed culvert under South Higuera Street and improving the performance of the Andrews Creek rock guard.

Utilities. Water distribution and wastewater collection work proposed will focus on replacing aging and undersized piped systems and maintaining treatment plant equipment. Replacement of the failing polybutylene water services will also continue.

Downtown Design Standards. As part of the Council’s Downtown Maintenance and Beautification objective, design standards that are used for replacement of infrastructure in the downtown will be reviewed. The Downtown objective contains a more detailed description of the action plan.

Task	Date
Building Maintenance Projects	
1. Fire Station 3 Shower Stall Construction, Police Annex Sewer Lateral Replacement, Carnegie Library Exterior Sealing, Laguna Lake Restroom Replacement	6/10
2. Meadow Park Roof Replacement, Santa Rosa Restroom Replacement	6/11
Playground Equipment Projects	
1. Meadow and Throop Park playground Equipment Replacement	6/10
2. Johnson, Santa Rosa and Emerson Park playground Equipment Replacement design	6/11
Street and Flood Protection Projects	
1. Andrews Drainage System Design, Drainage Facility Design, Higuera Culvert Repair, Street Reconstruction and Resurfacing Design, Sign Reflectivity Software and Equipment Purchase, Sidewalk Repairs, Sidewalk Ramp Construction, Warden Bridge Resurfacing and Street Light Pole Painting	6/10
2. Andrews Drainage System Permitting, Drainage Facility Construction, Sidewalk Repairs, Pavement Area and Downtown Street Reconstruction and Resurfacing Design and Construction, Sign Replacements, Sidewalk Ramp Construction, Parking lot resurfacing, Street Light Pole Painting, Downtown Tree Management Plan Tree and Sidewalk work	6/11
3. Pavement and sidewalk maintenance by City staff	Ongoing

Utility Projects	
1. Polybutylene Water Service Replacement, Waterline Replacement, Sewerline Replacement, Raw	6/10

POLICIES AND OBJECTIVES

MAJOR CITY GOALS – INFRASTRUCTURE MAINTENANCE

Task	Date
Waterline Coating 2. Polybutylene Water Service Replacement, Waterline Replacement, Sewerline Replacement, Water Treatment Plant Roof Replacement and Filter Media Replacement, Water Reclamation Facility Digester Repair, Clarifier Recoating, DAFT Repair and Facility Painting	6/11
Downtown Design Standards	
Complete review and modifications of Downtown design standards used in infrastructure maintenance as part of the Council’s Downtown Maintenance and Beautification objective	3/10

KEY ASSUMPTIONS

Project costs are based on recent bids and account for funding currently anticipated to be approved to complete the work. Anticipation of seasonal work has framed the year in which certain work will be accomplished, rather than the year of actual funding. The current financial situation in the country will have an unknown impact on the bidding climate and the City’s ability to fund the Capital Improvement Plan as currently recommended. Delivery assumes that staff reductions are not so severe as to hamper delivery of the various projects and maintenance tasks.

RESPONSIBLE DEPARTMENT

The work of the Capital Improvement Plan will be primarily carried out by the Engineering and Maintenance Division of the Public Works Department. For project work, engineering staff will work as a team with the project proponents to complete delivery of the project outlined in the program. Community Development will largely take the lead in the Design Standards review.

POLICIES AND OBJECTIVES

MAJOR CITY GOALS – INFRASTRUCTURE MAINTENANCE

FINANCIAL AND STAFF RESOURCES REQUIRED TO ACHIEVE THE GOAL

Cost Summary

	Operating Programs		Capital Improvement Plan	
	2009-10	2010-11	2009-10	2010-11
Fire Station 3 Shower Repair			57,500	
1016 Walnut Sewer Lateral			25,000	
Santa Rosa Park Restroom Replacement			315,300	
Meadow, Throop Play Equipment			224,800	
Johnson, Santa Rosa, Emerson Play Equipment				48,700
Meadow Park Roof Replacement			5,000	40,000
City/County Library Masonary Seal			15,000	
Andrews Creek Bypass				330,000
Stormdrain Replacements			260,000	260,000
Minor Stormdrain Facilities			25,000	25,000
Higuera Culvert Repair			150,000	
Sidewalk Repair			20,000	20,000
Ramp Construction			135,000	200,000
Warden Bridge Resurfacing			45,000	
Downtown and Gateway Paving			200,000	500,000
Street Reconstruction & Resurfacing			1,850,000	1,400,000
Street Sign Maintenance			40,000	66,500
Parking Lot Resurfacing			122,000	
Street Light Painting			50,000	50,000
Downtown Urban Forest Management			25,000	25,000
Wastewater Collection System			1,728,000	1,393,000
Water Reclamation Facility			695,000	425,000
Polybutylene Services			450,000	250,000
Water Distribution System			1,180,000	1,396,000
Water Treatment Plant			200,000	250,000
Streets Fleet Replacements (Paver, Roller)			368,400	
Total	\$0	\$0	\$8,186,000	\$6,679,200

Funding Sources

	Operating Programs		Capital Improvement Plan	
	2009-10	2010-11	2009-10	2010-11
General Fund			2,979,200	2,865,200
CDBG Fund			268,000	100,000
Parking Fund			122,000	
Parkland Development Fund			195,400	
Sewer Fund			2,423,000	1,818,000
Water Fund			1,830,000	1,896,000
Fleet Replacement Fund			368,400	
Total	0	0	8,186,000	6,679,200

With the exception of the Johnson, Santa Rosa and Emerson Play Equipment, the projects are budgeted through the construction phase. The play equipment at these three sites will require future funding for construction.

POLICIES AND OBJECTIVES

MAJOR CITY GOALS – INFRASTRUCTURE MAINTENANCE

GENERAL FUND REVENUE POTENTIAL

It is not anticipated that there will be any General Fund revenue enhancements as a result of achieving this goal; however, by properly maintaining infrastructure, the City will extend the life of physical assets and avoid larger costs in the future.

OUTCOME—FINAL WORK PRODUCT

Routine infrastructure maintenance primarily accomplishes three things. It completes work on the City's facilities which protects and extends their life, preventing more costly major repairs or replacement. It can also prevent a catastrophic failure which could result in an injury or damage to property. And ultimately, it maintains and enhances the quality of life in the community by providing reliable core services.

POLICIES AND OBJECTIVES

MAJOR CITY GOALS – TRAFFIC CONGESTION RELIEF

OBJECTIVE

Continue efforts on projects and programs which relieve traffic congestion, such as street modifications, intersection improvements, pedestrian improvements, bicycle facilities, trip reduction programs, traffic signal operations, and public transit.

DISCUSSION

Measure Y Relationship: *This major City goal for relieving traffic congestion directly supports a top priority for the use of Measure Y funds and will launch for the first time an annual report on congestion management, similar to the annual report on traffic safety.*

American Reinvestment and Recovery Act: *At the time of writing this major goal, issues associated with potential funding stemming from the American Reinvestment and Recovery Act (ARRA) are still unresolved. Approximately \$1,000,000 is anticipated in one-time only funding for transit capital for use by SLO Transit (this will be discussed under the separate Transit Enterprise Fund review), and \$1,200,000 is anticipated to be received for use on general transportation projects. Staff is proposing to program any and all ARRA general transportation funds for the Railroad Safety Trail Phase III project which continues to be significantly underfunded but will be ready for construction in FY 2009-10. This recommendation is being made because the project is eligible for Federal funding assistance and should be able to meet delivery requirements of the Act (it is “shovel ready”).*

Workscope Summary

The work program consists of the following key elements:

1. Completing construction plans and specifications for the Los Osos Valley Road (LOVR) interchange.
2. Completing project design and beginning construction of Tank Farm and Broad Street intersection widening.
3. Completing construction of a traffic signal at US 101 and Grand Avenue.
4. Working with developers in the Margarita area to begin a phased in approach to improving Prado Road in the “west end” of the Specific Plan area.
5. Improving the intersection at Johnson and Buchon in response to neighborhood traffic concerns.
6. Constructing curb ramps and repairing city sidewalks to improve accessibility for pedestrians.
7. Completing the first annual Congestion Management Report, similar to the annual Traffic Safety Report, to analyze key traffic congestion problems, identify priorities, and make specific recommendations for improvement.
8. Completing bi-annual bicycle and vehicle traffic counts.
9. Implementing Neighborhood Traffic Management projects to address traffic concerns.
10. Continuing to apply for grants for alternative transportation projects such as bikeways and pedestrian paths including:
 - a. Continuing with bicycle improvements such as the Railroad Safety Trail and Bob Jones City-to-the Sea Trail
 - b. Continuing to promote alternative transportation through marketing and education outreach.
11. Implementing the Short Range Transit Plan (SRTTP) update as funds permit.
12. Maintaining basic levels of transit service for SLO Transit and SLO Regional Transit Authority (RTA) during a time of transit funding shortfalls.

POLICIES AND OBJECTIVES

MAJOR CITY GOALS – TRAFFIC CONGESTION RELIEF

13. Working with the San Luis Obispo Council of Governments (SLOCOG) and Caltrans regarding future planning for State Route One (Santa Rosa Street corridor).
14. Evaluating costs and benefits of landscaped medians in the as set forth in the *Mid-Higuera Street Enhancement Plan*.
15. Accessing to the greatest extent possible, American Recovery and Reinvestment Act (ARRA) Funding.

Existing Situation

Public Works is responsible for identifying traffic congestion points and safety issues in the City's circulation network and developing solutions to both. This often leads to recommendations to provide additional capacity (as outlined in the Circulation Element) in order to accommodate current and future traffic demands. In addition opportunities for small scale operational improvements to the street system, traffic striping or signage, signal coordination system, bicycle and pedestrian improvements, and mass transit service improvements are frequently identified. To facilitate these efforts, the City is proposing a number of small, medium, and large capital improvement projects.

Public Works conducts bi-annual surveys and counts of traffic and travel patterns for both vehicles and bicycles. This information is used to prioritize projects and recommend congestion relief efforts necessary as the City and adjacent communities develop.

Through the efforts of the Bicycle Programs Coordinator, the City has been very successful in obtaining partial grant funding for work on improving the City's bikeway system. However, despite these efforts, many of the segments are still underfunded and need further grant assistance to complete construction. Projects currently under design include: the Bob Jones bridge connections at Prado Road and LOVR, Railroad Safety Trail phase 4A (Foothill to Cal Poly), the Bridge over US 101, and Phase 3 (Amtrak to Marsh), and the Safe Route to School project to construct a bridge over Prefumo Creek near LOVR. The City maintains a program for installing bicycle facility improvements in conjunction with City street paving projects to coordinate efforts within the public right of way and reduce project costs.

The City maintains a program for constructing curb ramps and repairing City sidewalks to improve pedestrian accessibility, which is implemented through the annual street reconstruction and resurfacing project. Additionally, the City maintains a Neighborhood Traffic Management program to address traffic concerns within the residential neighborhoods. The City also collaborates with SLO Regional Rideshare to promote activities such (as Safe Routes to School, Bike Month, and Rideshare Week) that encourage the use of alternative transportation to vehicles. The City is also working with SLO Regional Rideshare to promote a new 511 traffic hotline.

Work Completed

As a result of the City's 2007-09 Capital Improvement Program, construction was completed on the widening of Santa Barbara Street and Orcutt Road at the railroad crossing, and a traffic signal will soon be in place at Laurel and Orcutt. The Bob Jones Trail segment was completed from Prado past the Water Reclamation Facility, and Phase 4 of the Railroad Safety Trail was completed from Taft to Foothill. The final phase of the Bill Roalman Bicycle Blvd was completed in Spring 2009.

Due to the significant recession in the development community, infrastructure improvements associated with development projects have not occurred. The Prado Road extension between Higuera and Broad Street is the responsibility of development and will likely happen in a reduced or phased approach due to the delay in residential development in that specific plan area.

POLICIES AND OBJECTIVES

MAJOR CITY GOALS – TRAFFIC CONGESTION RELIEF

Work is near completion on the environmental document for the Los Osos Valley Road Interchange reconstruction, and staff has met with Los Verdes Park residents to discuss their concerns about noise and access. Design work for the project is expected to be completed in early 2010 with a plan to take advantage of accelerated state or federal infrastructure funding that is available.

CONSTRAINTS AND LIMITATIONS

1. The Mid-Higuera widening project has become cost-prohibitive to pursue under its current scope. Staff estimates that right of way acquisition and relocation costs will exceed \$5,000,000 and there is no other funding source available. Because of a lack of timely progress on the environmental document, SLOCOG staff have reprogrammed funds from this project to other projects in the County with the caveat that the City could reapply for those grant funds when it has reached a decision on a new scope for the project. Staff will continue to pursue options for a smaller more focused project at the corner of Marsh and Higuera within available funding.
2. Project costs for this work program are based on recent bids and account for funding currently anticipated to be available to complete the work. The current financial situation could impact the bidding climate and the City's ability to fund the Capital Improvement Plan as currently recommended.
3. It is anticipated that several projects will require additional funds for construction to begin. If additional grant funds are not acquired, and General Fund dollars are not available, the projects will not begin construction and will have to wait for future funding.
4. Significant reductions in transit operational funding will make it difficult to maintain current service levels, let alone implement new service recommendations of the Short Range Transit Plan.
5. Because of funding commitments to keep the Los Osos Valley Road Interchange on schedule, other projects must wait for accumulated Transportation Impact Fee (TIF) funds for design and construction. The revised TIF program better reflects the new costs of capital projects and passes on the appropriate share to new development. Unfortunately, the projected state of the development industry makes it unlikely that TIF revenue will be secured in its historical pattern.
6. Infrastructure improvements tied to new growth areas will be delayed due to the economy and may be implemented in a phased approach when development activity returns to historical levels.
7. Approval of the construction documents for the LOVR Interchange is subject to Caltrans and federal review timelines and therefore the date of approval cannot be guaranteed.
8. Many of the Bikeway projects are only partially funded and will need additional resources to complete construction.
9. Given the projections for the 2009-11 City budget, less funding will be available for the construction of sidewalks, curb ramps, traffic calming devices, and bicycle facilities all of which assist in traffic congestion relief.
10. The temporary Bicycle Programs Coordinator position in the Transportation Planning and Engineering Program is set to expire on June 30, 2009 reducing the staffing available to implement this Major City Goal.
11. The City Traffic Engineer position is proposed for elimination with other regular and contract staff taking up the duties.

POLICIES AND OBJECTIVES

MAJOR CITY GOALS – TRAFFIC CONGESTION RELIEF

STAKEHOLDERS

The stakeholders in this program are largely users of the circulation system that include: motorists, bicyclists, transit riders, pedestrians and residents. Other stakeholders include the business and development community, transportation providers such as freight carriers and transit operators, and the disabled community.

ACTION PLAN

Task	Date
Transit Service Levels	
1. Maintain existing transit levels for local and regional services with uncertain levels of State and Federal funding.	Ongoing
2. Implement recommendation in the Short Range Transit Plan if funding is available.	Ongoing
3. Explore alternative fuel and vehicle type to offset operational costs.	Ongoing
Transit Improvements	
1. Use federal and state capital funding to replace and upgrade vehicles.	Ongoing
2. Use federal (ARRA) and state capital funding to upgrade Automatic Vehicle Location) AVL system for improved on time performance.	3/10
3. Use federal (ARRA) and state capital funding to improve the transit facility on Prado Road.	3/10
Congestion Management Report	
Implement low cost recommendations of the Congestion Management Report.	Ongoing
State Route 1/Highway 101	
Work with SLOCOG and Caltrans regarding further planning for State Route One (Santa Rosa Street) including an alternatives assessment for US 101/SR 1 interchange.	6/10
Prado Road Extension	
Work with west side Margarita area property owners to implement phased improvements to Prado Road.	Ongoing
Signalization of US 101/Grand Avenue Intersection	
1. Complete design.	12/09
2. Begin Construction.	5/10
3. Complete construction.	9/10
Los Osos Valley Road Interchange	
1. Complete construction plans and specifications.	5/10
2. Begin right of way acquisition.	6/10
3. Complete right of way acquisition.	6/11
4. Pursue additional funding.	Ongoing
5. Implement phase improvements as new development occurs.	Ongoing
Traffic Model Update	
1. Complete base year traffic model update.	7/09
2. Recruit temporary or contract staff, or consultant assistance for traffic model development.	7/09

POLICIES AND OBJECTIVES

MAJOR CITY GOALS – TRAFFIC CONGESTION RELIEF

Task	Date
3. Complete Traffic Model Update with existing Land Use scenarios.	6/10
4. Identification and development of strategic revisions to the Land Use Element in superseded sections.	6/11
5. Conduct traffic model assessments of various land use modifications for future year forecasts and strategic revisions to the Circulation Element.	6/11
Neighborhood Traffic Management Program Update	
Update the Neighborhood Traffic Management program to reflect current practices and principles.	7/09
Aero Drive Realignment	
Work with the County of San Luis Obispo to relocate Aero Drive and signalize access to San Luis Obispo Regional Airport.	Ongoing
SLO County 511	
Work with Rideshare to promote a new 511 traffic hotline.	Ongoing
Johnson and Buchon Intersection Improvements	
1. Begin project design (combined scope of Pismo/Buchon neighborhood traffic management program).	8/09
2. Begin construction.	1/10
3. Complete construction.	5/10
Tank Farm Road Intersection Improvements	
1. Initiate design of Tank Farm Road widening project.	12/09
2. Complete project design.	6/10
3. Begin construction.	9/10
4. Complete construction.	6/11
Railroad Safety Trail - Phase 3	
1. Complete construction documents.	9/09
2. Pursue additional funding.	Ongoing
3. Award contract and begin construction.	TBD
Railroad Safety Trail - Phase 4a	
1. Complete construction drawings.	7/09
2. Begin Construction	10/09
3. Complete Construction	3/10
Railroad Safety Trail Bridge: Highway 101 Crossing	
1. Complete Union Pacific Railroad and Caltrans Agreements	10/09
2. Complete design	1/10
3. Pursue additional funding	Ongoing
4. Award contract and begin construction.	TBD
Bob Jones City-to-Sea Trail	
1. Pursue outside funding for trail connections.	Ongoing
2. Complete construction drawings.	9/09

POLICIES AND OBJECTIVES

MAJOR CITY GOALS – TRAFFIC CONGESTION RELIEF

Task	Date
3. Complete construction.	3/10
Bill Roalman Phase II	
Complete construction.	9/09
Madonna Road Bike Path	
Work with property owners and Caltrans to implement a new bicycle facility that connects Madonna Road to Marsh Street.	10/09
Mid-Higuera Widening	
Evaluate the costs and benefits of landscaped medians in the as set forth in the <i>Mid-Higuera Street Enhancement Plan</i> and present results to the Council.	5/10
Other Projects That Reduce Traffic Congestion	
1. Complete curb ramps, on-street bicycle facility paving, and striping improvements in conjunction with City Street paving projects.	Ongoing
2. Implement Neighborhood Traffic Management projects.	Ongoing
3. Construct curb ramps and install sidewalks.	Ongoing
4. Conduct bi-annual vehicle and bicycle traffic counts.	Ongoing
5. Complete miscellaneous bicycle facility improvements identified in the Bicycle Transportation Plan, as resources permit.	Ongoing
6. 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
7. Seek funding for the design and construction of bikeways and pedestrian paths within the City.	Ongoing
8. Promote bicycling, walking and transit as alternative forms of transportation.	Ongoing
9. Provide more bicycle parking through the City's "Racks with Plaques" program.	Ongoing

KEY ASSUMPTIONS

1. The first Congestion Management Annual Report will be complete in May 2009 and will begin benchmarking various intersection and road segments that are or will experience congestion. An update to the Short Range Transit Plan (SRTP) will be completed in May 2009 with recommendations for service improvements to reduce congestion and provide better service to our transit community.
2. The State will approve "design exceptions" and permits for all projects that require modifications/deviations from current State and Federal standards. This includes design exceptions for the Bob Jones bridge connection at LOVR and the Railroad Safety Trail bridge at US 101.
3. Continuation of the current contract traffic engineering position is needed to conduct and implement this program, which will cost \$107,000 annually. However staff is proposing to fund half of this position through reorganization and the other half directly to grant projects or to the Traffic Model Update project that is included in the proposed CIP; the City Traffic Engineer position will be under filled with the Senior Traffic Engineer whom will supervise the Traffic Engineering section. This staffing strategy will actually result in a 20% reduction in operating costs.
4. A minor increase in temporary staffing hours is also needed to conduct and implement this program, which will cost \$19,700 annually. However staff is proposing to fund these additional hours thru a reorganization;

POLICIES AND OBJECTIVES

MAJOR CITY GOALS – TRAFFIC CONGESTION RELIEF

functions typically performed by contract services will be internalized to provide a cost savings, a portion of this savings will fund these additional hours. This staffing strategy will actually result in a 4% reduction in operating costs.

5. Overall staffing reductions as a result of budget balancing strategies will not reduce the ability to design and inspect projects in a timely manner.
6. Approximately \$617,800 (\$543,500 from Mid-Higuera and \$74,300 from Granada/Higuera Signal) in Transportation Impact Fees are recommending to be deprogrammed from prior appropriations to CIP's and used to fund projects in the above list.
7. American Recovery and Reinvestment Act funding (ARRA) of \$1,200,000 is being recommended for programming on the Railroad Safety Trail Phase III project. Since the project is significantly underfunded but will be ready for construction in FY 2009-10, it is intended that any additional ARRA funding available will be programmed for this project.
8. Additional funding for construction will be acquired for capital projects that are fully designed, including the Railroad Safety Trail Segment 3 and Bridge connection at US 101, the Safe Route to School project at Prefumo Creek, and the Bob Jones Bridge connections.
9. Transit service funding levels will stabilize for 2010 and 2011 without the need to reduce basic service levels further.
10. The temporary Bicycle Programs Coordinator staffing position is needed to assist with implementation of the Major City Goal and Measure Y Priority which will cost \$32,700 in 2009-10 and \$37,600 in 2010-11. The Transit fund will fund \$20,000 annually of the Bicycle Program Coordinator position and will use the position to assist in transit programs, marketing and bicycle integration.

RESPONSIBLE DEPARTMENT

The Public Works Department will be responsible for achieving much of this goal and completion of the identified steps. The Natural Resources Manager, City Biologist, and Community Development Department will assist with environmental issues that may arise on each of the various projects.

FINANCIAL AND STAFF RESOURCES REQUIRED TO ACHIEVE THE GOAL

Along with significant staff commitment from Public Works Transportation, Engineering, Development Review and other operating department staff, substantial additional funding will be needed to complete or make progress on congestion relief projects and programs. Project delivery assumes that staff reductions are not so severe as to prevent delivery of the various projects and other related tasks.

POLICIES AND OBJECTIVES

MAJOR CITY GOALS – TRAFFIC CONGESTION RELIEF

Cost Summary

	Operating Programs		Capital Improvement Plan	
	2009-10	2010-11	2009-10	2010-11
LOVR Interchange Improvements			79,700	
Bicycle Facility Improvements			25,000	25,000
Congestion Management Report				
Traffic Safety Report Implementation			25,000	25,000
Neighborhood Traffic Management			20,000	20,000
Railroad Safety Trail Lighting			15,000	70,000
Railroad Safety Trail: Phase III			2,148,100	
Railroad Safety Trial: Hwy 101 bike/ped bridge			543,500	
Sidewalk Accessibility Improvements			135,000	200,000
Sidewalk Repair			20,000	20,000
Street Light Replacements - Broad Street			60,000	
Traffic Model Update			72,500	72,500
Bicycle Safety Education	15,000	15,000		
Total	\$ 15,000	\$ 15,000	\$ 3,143,800	\$ 432,500

Funding Sources

	Operating Programs		Capital Improvement Plan	
	2009-10	2010-11	2009-10	2010-11
General Fund	15,000	15,000	265,000	270,000
Transportation Impact/LOVR Sub-Area Fee			79,700	
Transportation Impact Fee			709,100	162,500
State Bicycle Transportation Account Grant			890,000	
American Recovery and Rein. Act (ARRA)			1,200,000	
Total	\$ 15,000	\$ 15,000	\$ 3,143,800	\$ 432,500

GENERAL FUND REVENUE POTENTIAL

There is no direct potential for General Fund revenues from these projects. However, traffic congestion relief will improve access within the City which can increase sales tax and transient occupancy tax revenues.

OUTCOME—FINAL WORK PRODUCT

These programs and projects should result in significant improvements in reducing traffic congestion in key locations in the City.

POLICIES AND OBJECTIVES

MAJOR CITY GOALS – ECONOMIC DEVELOPMENT

OBJECTIVE

In collaboration with Cal Poly, Cuesta, and the business community, develop strategies to increase economic development including emphasis on head-of-household jobs and environmentally sustainable businesses.

DISCUSSION

Workscope Summary

With emphasis on creating head of household jobs and environmentally sustainable businesses:

1. Re-orient the City’s Economic Development Program to a proactive, analytically driven program that supports business retention and expansion and more effectively uses web resources to provide information and market the City as a place to do business;
2. Create a Strategic Economic Development Incentives Program to provide added tools for local business retention and expansion. Return to Council in July 2009 to define the funding allotment for the Strategic Economic Incentives Program;
3. Formalize a Business Retention and Expansion Program based on business surveying, data analysis, and outreach;
4. Build on industry cluster opportunities to identify synergistic strategies for Economic Development in San Luis Obispo;
5. Build a collaborative relationship with the Cal Poly and Cuesta College to enhance economic development strategies.

Background

During the major recession in the early 1990’s, the Council established its first Major City Goal focused on economic development. After establishing this goal, an Economic Strategy Task Force was formed and worked for nearly a year to define a “more proactive” economic stability program. The Task Force also agreed on goals set out in a document entitled “Vision for Economic Stability in San Luis Obispo”. In keeping with the recommendations, the Council directed City resources to specific activities intended to preserve and promote the financial stability of the community.

From 1993 to 1997, Council expanded the City’s fledgling economic stability activities into the Economic Development Program. A dedicated Economic Development Manager was hired (as was a dedicated Natural Resources Manager). Materials touting the phrase “Success, Naturally!” were provided to businesses requesting information about doing business in San Luis Obispo. Following a series of meetings with a task force of business leaders, a Targeted Industry Cluster Report was adopted. It identified industries matching the character, environment, employment, and product needs of residents (1996-97) in an effort to attract these types of businesses to the City. From 1997 through 2002, the Economic Development Program focused on on-going Economic Development activities as well as proactive and strategic marketing initiatives to develop businesses as well as tourism and community promotion.

Responding to another significant downturn in the economy, two of the Council’s 2003-2005 Major City Goals emphasized the generation of revenues. Specifically the Council focused on increasing Transient Occupancy and Sales Tax revenues for the City. This trend continued into the 2005-2007 Financial Plan. As a result, since 2003, the Economic Development Program has focused on various development projects. This is seen in the completion of the Court Street Center, COSTCO, and Irish Hills Plaza along with location of new retailers in

POLICIES AND OBJECTIVES

MAJOR CITY GOALS – ECONOMIC DEVELOPMENT

existing Downtown locations. Following the devastating San Simeon earthquake in 2004 the Economic Development Program was expanded to include Unreinforced Masonry (URM) Ordinance compliance and tourism efforts were reassigned to the Principal Administrative Analyst with staffing changes in 2006.

For several years now, the Economic Development Program has endeavored to provide a high level of customer service to projects that improve the Cityscape and decrease hazards (URM projects) or increase tax revenues (e.g. Chinatown, Garden Street, Auto Dealers). The City's approach to business retention and expansion has been largely reactive to permitting and licensing issues brought forward by businesses.

Recently, there have been notable successes for the economic health of the community. In 2008, Phase 1 of the Airport and Margarita Areas were successfully annexed into the City thereby creating future space for expanding businesses. During the strong economic times from 2004 through 2007, several national retailers located along the Los Osos Valley Road corridor, a new Marriott hotel opened on Calle Joaquin, Cole Motors expanded along Broad Street, and land was annexed and set aside for future auto dealers. While the Program's efforts to expand retail and tourism have created many new jobs in recent years, these jobs trend toward lower pay scales not traditionally thought of as head of household jobs.

Existing Situation

The existing Economic Development Program works effectively to facilitate projects that will bolster sales and/or transient occupancy tax such as Chinatown, Garden Street Terraces, and Prefumo Creek Commons. The program also serves in an "ombudsman" capacity for businesses in the City's permitting processes as issues are brought to the City's attention. The Program Manager relies on the relationships facilitated by community partnerships, notably with the Chamber of Commerce, the Downtown Association, and the Economic Vitality Corporation. Assistance for small business is made available through partnerships with organizations such as the Chamber of Commerce, Economic Vitality Corporation, S.C.O.R.E., and Cuesta College's Business Assistance Center. The web and email help to maximize efforts to answer questions and facilitate connections with the business community. The *ShopSLO* program encourages shoppers to use their dollars locally. Compliance with the Unreinforced Masonry Program deadlines continues to be a priority for the Economic Development Program with outreach and response to affected owners and businesses.

Knowledge about the economic health of the community is gathered through contracts with Hinderliter and de Llamas (HdL) and through forecasting the economic outlook by UCSB Economic Forecast Project and City-focused economic forecasting. These sources of information provide data shared through the Economic Development webpage and information for City decision-makers.

The City's business retention activities focus on assisting businesses with the permitting process, providing access to data, such as demographics, resources and space available via the web, and the Business Visitation Program. The current Business Visits increase the Council and business leaders' knowledge of ten businesses each year. Recently, sustainability has been a focus of businesses considered for visitation. Although these visits better expose the varied business enterprises in the City and offer anecdotal information about our businesses, we do not have the type or breadth of information that an effective business retention and expansion program needs. Such information will be provided by the Business Retention and Expansion (BRE) program envisioned in this work program.

Work Completed

In 2008, City staff and Council members participated in the Chamber of Commerce's fact finding trip to Boulder Colorado which generated ideas for redirecting the economic development efforts of the community. Another outgrowth was a heightened desire for growth of environmentally sustainable businesses in the City. Subsequent

POLICIES AND OBJECTIVES

MAJOR CITY GOALS – ECONOMIC DEVELOPMENT

to the Boulder trip, efforts have also been underway to bring about greater collaboration between the large economic drivers of our community, notably Cal Poly and Cuesta College.

Current research shows that about 65 to 80 percent of new jobs are created by a community's existing businesses rather than by businesses that relocate to a community. As a result and in anticipation of fulfilling the Council Goal, Business Retention and Expansion software has been purchased to facilitate organization and reporting on new and existing business retention activities. This software allows tracking and analysis of information important to helping businesses to thrive and to create new jobs as well as existing efforts to help businesses with concerns about permit processing. The analytics available with this software will give critical insight into the City's efforts to help businesses and feedback about that help. Furthermore, to better understand the business retention model, economic development program staff undertook training in Business Retention and Expansion.

CONSTRAINTS AND LIMITATIONS

Constraints to this work program are, unsurprisingly, the traditional constraints: staff resources and money. In order to fully re-orient the Economic Development Program, added staff resources are needed. Increased collaboration and coordination with business, environmental, and community partners will require significant staff time as will the collection of data through business surveys. While adding staff resources is not a practical option at this time, partnering with the Finance and IT Department to utilize analytical staff resources available by filling the frozen Administrative Analyst position offers an "affordable" opportunity. Prioritization of Economic Development analysis as one-third of the Finance and IT Department Analyst's work will address the current need for additional assistance with statistical and fiscal analysis in the Economic Development Program.

Issues regarding day-to-day development review will also need to shift to other staff. While large scale business issues will remain with the Economic Development Program, the more focused customer service efforts are planned to be handled by Community Development staff following a trend that has already started taking place via coordination between Community Development and Economic Development staff members.

Updates to the Economic Development webpage offer a more efficient and effective way to provide information to businesses. Significant financial resources are needed to produce enduring changes to the City's overall website. Staff will endeavor to better utilize the web and perform the necessary changes (as funds permit) that are required to achieve this part of the work program.

STAKEHOLDERS

The stakeholders in this program are largely external to the City. These stakeholders include the business and environmental communities, some represented by the Chamber of Commerce as well as those that are not so represented. With the emphasis on collaboration, the University and Community College communities are stakeholders.

ACTION PLAN

Re-Orient the Economic Development Program. This Work Program reorients the Economic Development Program from revenue enhancement to a focus on strategies that produce head of household jobs and environmentally sustainable businesses. Staff will use new and existing tools to increase knowledge about and understanding of the City's existing business community. Data collection, analysis, and outreach will be expanded to meet this goal. This work program will emphasize efforts aimed at cultivating the businesses and business clusters already located in the City without overlooking opportunities for attracting new businesses as they arise.

POLICIES AND OBJECTIVES

MAJOR CITY GOALS – ECONOMIC DEVELOPMENT

Business Retention and Expansion - Getting to Know City Businesses Better through Business Surveying.

The purpose of the Business Retention and Expansion Program (BRE) is to maintain an up-to-date picture of the local economy by obtaining data on the City as a business location. Further it will assess the relative strength of the local economy (e.g. number of business expansions, new investments, etc.) as well as identify areas of interest and concern that can improve the local business climate. These issues could include: workforce availability and quality, regulatory issues, access to capital, environmental sustainability, industrial park development, and input for general plan updates.

Data Collection and Analysis. Data collection and analysis is the secret sauce necessary to a business retention and expansion program. Data about specific businesses in the City is available through two primary sources: new information obtained via surveying key businesses and existing data potentially available through the City's business licensing program, the Chamber of Commerce, Downtown Association, or EVC.

Business retention surveys require confidential visits to business by volunteers for the purpose of completing a survey and discovering what makes each business tick. Initially, these visits will be undertaken by the Economic Development Manager and volunteers but will grow into a small group who are trained to give the survey. Prior to any surveying, the targeted businesses must be identified and the survey created by staff. This process will be aided by the BRE software and will be further directed by the identification of existing industry clusters and opportunities. The goal is to obtain as much information as possible, as soon as possible, including a program to complete 72 visits by the end of the budget cycle, approximately 4 per month following completion of the survey. The BRE database is intended to be used to provide metrics about economic development efforts, dynamics of the local economy, and the economic well-being of individual companies or clusters. This information will also offer support for the development of marketing efforts and informational tools.

Identify Industry Clusters and Opportunities. Identification of existing Industry Clusters in the City is one part of the process of determining the building blocks for business expansion. To identify existing industry clusters, representatives from a wide cross-section of businesses, the environmental community, Cal Poly and Cuesta College, and the City will be tapped for insights and expertise. Industry clusters are important because they are an attribute that fosters expansion by existing or start-up businesses thereby creating jobs. Identification is, therefore, an important part of the BRE process. On the one hand, industry cluster identification will help to identify businesses that are the most important survey targets. On the other hand, discussion about what is happening in the clusters and whether there are opportunities to encourage businesses should be part of the continuing analysis. Due to this dual nature, on-going discussions will be undertaken with a cross-section of the business, environmental, educational, and governmental community regarding industry clusters.

Information Outreach. The internet has developed as the preeminent tool for today's communication. It is an efficient, low cost way to provide information and to promote the efforts of the City to meet business needs. Upgrades to the Economic Development webpage will continue to be identified with an eye to making it easier for businesses to find information efficiently and effectively on the City website. It will also include efforts to market our community as a place to do business through publication of analysis facilitated through BRE efforts.

Collaborative Economic Development Efforts with the Chamber of Commerce, Cal Poly, and Cuesta College.

Universities and Community Colleges have been identified as economic development engines. Past efforts to collaborate with our local educational institutions have lacked focus. Recently, progress has been made toward a higher level of cooperation. In conjunction with this foundational work, the Economic Development program will work to develop a collaborative relationship with Cal Poly to identify ways to better utilize existing tools in support of business start-ups, recruitment of graduating students, and academic programs that may promote job growth. The Program will also work with Cuesta College to identify and coordinate with the College's workforce training and small business management training programs.

POLICIES AND OBJECTIVES

MAJOR CITY GOALS – ECONOMIC DEVELOPMENT

Collaborative Economic Development Efforts on Environmental Issues. Promoting environmentally sustainable jobs and identifying ways to make it easier for residents and businesses to adopt sustainable practices will involve collaborative work with the environmental community. In addition, and in partnership with the Community Development Department and the Finance & IT Department, potential economic development activities through AB 811 financing for a variety of conservation upgrades will be explored.

Strategic Economic Development Initiatives Program. There are a variety of initiatives being undertaken by other jurisdictions to help local businesses through these difficult economic times. The City is already doing some of these things: Longer permit timelines are being allowed for projects where building permits have met expiration dates; Fire sprinkler lateral installations have long received the benefit of a grant that defrays the cost of a part of the installation; Community development and public works staff work closely with developers to solve issues and move projects to completion; and the Economic Development program maintains an open door to businesses in need of an ombudsman.

However, staff will return to Council in July 2009 with a plan for strategic economic development initiatives, based on a budget allocation of \$37,500 per year (over the next two fiscal years). These initiatives may include modest incentives, an enhanced economic development web presence that facilitates help for local businesses, cross training for the purposes of creating a better informed and skilled small business community or a completely new initiative discovered as the collaborative efforts get underway with the college, business, and environmental communities.

Task	Date
Business Retention and Expansion (BRE) – Data Collection and Analysis	
1. Finance and IT Hires Analyst.	7/09
2. Develop BRE database using existing data from city and external sources.	9/09
3. Conduct 72 business surveys (4 per month beginning January 2010).	Ongoing
4. Update BRE database with information from surveys and existing sources of information.	Ongoing
5. Use BRE data to produce a quarterly newsletter on business retention and expansion efforts.	12/09
6. Use BRE data to produce metrics about inquiries to the City.	Ongoing
7. Work with Finance Analyst to manage the BRE database, analyze the information, produce metrics, and disseminate information.	Ongoing
8. Continue to conduct 10 business visitations with Council per year.	Ongoing
9. Continue to collaborate with Community Development on the Seismic Retrofit Program.	Ongoing
Identify Industry Clusters and Opportunities	
1. Begin a series of forums to identify industry clusters and opportunities for job growth drawing on expertise from the business, environmental, educational and governmental communities.	12/09
2. Draft a working list of industry clusters and opportunities.	12/09
3. Present working list of industry clusters and opportunities to participants and foster opportunities for continuing collaboration on the list and opportunities.	3/10

POLICIES AND OBJECTIVES

MAJOR CITY GOALS – ECONOMIC DEVELOPMENT

Task	Date
Information Outreach	
1. Identify changes that would make economic development information more accessible to users of the City web pages.	11/09
2. Work on web upgrades as time and staffing constraints permit.	Ongoing
3. Coordinate with available staff to periodically update the web pages with data to market City as place to do business.	Ongoing
4. Explore ideas and opportunities to support the business community during the economic downturn through strategic economic development initiatives program.	12/09
5. Continue to contract with HdL and economic forecasters for data pertinent to businesses.	Ongoing
Collaborative Economic Development Efforts	
1. Develop Strategic Economic Development Initiatives Program and recommend funding allocations to Council.	8/09
2. Participate with the Chamber of Commerce coordinated committee for collaboration between business, government, and universities.	Ongoing
3. Foster collaborative activities with the environmental community (including ECOSLO, Sierra Club, and Land Conservancy) beginning with participation with the Chamber’s Sustainability Committee.	Ongoing
4. Collaborate with Community Development and Finance & IT Departments to explore opportunities for economic development action presented by AB 811.	Ongoing
5. Partner with tourism efforts to market the community as a place to do business.	Ongoing

KEY ASSUMPTIONS

The overriding assumption is that endeavoring to foster environmental sustainability will be part of all of the efforts undertaken in this work program.

In an effort to efficiently use existing information to jump-start the BRE program, it is assumed that information available through the City’s business tax program will be used to help populate the BRE database initially and as new businesses are established. This information is critical to rapid success in identifying all of our economic assets and incorporating them into the business retention and expansion efforts.

It is also assumed that the Cal Poly and Cuesta are willing to collaborate on activities that foster job growth and environmentally sustainable business in our community. Although collaborative work with Cal Poly has ebbed and flowed over the years, recent work with the business community may lead to greater success in this effort. Cuesta College continues to be a leader in workforce training and appears to be open to collaboration through the Business Assistance Center staff.

Finally, it is assumed that the Economic Development Program will mature and grow as a result of this work program and successful reorientation toward business retention and expansion and development of environmentally sustainable businesses. This is likely to drive the need for an additional staff resource dedicated

POLICIES AND OBJECTIVES

MAJOR CITY GOALS – ECONOMIC DEVELOPMENT

to Economic Development in subsequent years rather than only the 0.3 Analyst dedicated by Finance & IT and the proposed funding of \$37,500 annually for economic development initiatives.

RESPONSIBLE DEPARTMENT

The Administration Department will take the lead role for this work program via the Economic Development Program.

FINANCIAL AND STAFF RESOURCES REQUIRED TO ACHIEVE THE GOAL

A modest budget allocation of \$37,500 annually will be required to achieve this goal along with the proposed 0.3 allocation of the Finance & IT Administrative Analyst. As previously mentioned, staff will return to the Council in July 2009 with strategic uses of these funds. In addition, a reprioritization of the Economic Development Manager’s workload and additional staffing resources will be required.

Cost Summary

	Operating Programs		Capital Improvement Plan	
	2009-10	2010-11	2009-10	2010-11
Economic Development Initiatives	37,500	37,500		
Total	\$37,500	\$37,500	\$0	\$0

Funding Source: General Fund

GENERAL FUND REVENUE POTENTIAL

Potential general fund revenue is a by-product of this work program. One result of business success, the creation of new jobs, is that there is more business activity in our City. This produces business tax as well as business to business taxes. In the past, the City’s business retention efforts have been highly focused on development of revenue generating businesses. These activities, while a good short term strategy, do not promote a healthy long term economic health in the community. Businesses that create head of household jobs can be encouraged through BRE efforts to expand in our City and thereby create more wide-spread economic health through the multiplier effects of local high paying jobs. Quantifying these effects will not be as simple as tracking sales tax and transient occupancy tax receipts but should be apparent over time in the overall success of our community’s growth in environmentally sustainable businesses that offer head of household jobs.

OUTCOME—FINAL WORK PRODUCT

This work program will improve the City’s understanding of and ability to enhance the business climate in order to encourage job creation and encourage environmentally sustainable businesses through deeper knowledge and understanding of our business strengths. A major work product will be operation of the Business Retention and Expansion (BRE) Program to gain new depth of understanding of our economy and provide the tools to be proactive in providing a climate for job creation.

POLICIES AND OBJECTIVES

MAJOR CITY GOALS – PRESERVATION OF ESSENTIAL SERVICES AND FISCAL HEALTH

OBJECTIVE

Adopt a balanced budget that retains the City's fiscal health, preserves essential services and implements long-term productivity improvements and cost-reduction strategies.

DISCUSSION

Workscope Summary

As detailed below, the proposed workscope consists of thirteen key action steps:

1. Implement organization-wide savings recommended by community members and City employees.
2. Continue to closely review and monitor the City's fiscal situation.
3. Implement budget balancing strategies adopted in the 2009-11 Financial Plan.
4. Resume "best practice reviews" that focus on one to two significant internal control areas annually that typically cross department activities.
5. Review and update as appropriate key plans that guide key infrastructure maintenance efforts such as the Pavement and Storm Water Management Plans.
6. Continue supporting pension reform.
7. Implement ongoing "benchmark" analysis of key financial and outcome measures with comparable communities every two years.
8. Update the Property Management Manual, which will include a comprehensive review of our property management policies and procedures, including property acquisition, sale and lease.
9. Continue evaluating contracting-out opportunities for cost reductions or service improvements.
10. Maximize grant funding opportunities, including "Stimulus Package."
11. Review Memorandums of Agreements.
12. Continue succession planning efforts.
13. Continue to develop, review, modify and implement Human Resources policies in support of fiscal health.

Existing Situation

Another very tough budget season that would be even worse without Measure Y revenues. Just two years ago, the City's fiscal outlook was characterized 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 the City 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. There are several key actors in the City's fiscal story. However, the most significant is the largest economic downturn since the Great Depression. This results in declines or tepid growth in key revenues while costs – without corrective action – continue to grow.

The five-year fiscal forecast (Forecast) presented to the Council in December 2008 projected a "budget gap" of \$10.4 million annually in 2009-11. Based largely on continued and steep downturns in transient occupancy tax (TOT) revenues since then, this has grown to \$11.3 million. This would be much worse without Measure Y revenues: it would rise to almost \$17 million annually.

POLICIES AND OBJECTIVES

MAJOR CITY GOALS – PRESERVATION OF ESSENTIAL SERVICES AND FISCAL HEALTH

While the City is better positioned than many communities to deal with this, it is not immune to these powerful economic forces. The City has seen – and will continue to see – adverse trends in our top three General Fund revenues of sales, property and transient occupancy taxes. Lastly, while the City was spared large budget reductions in the State budget process this year, there is no guarantee that this will continue to be the case: this will continue to be a major threat to the City for the foreseeable future.

Short-Term Budget Actions So Far. In June 2008, in light of changing fiscal circumstances, the City began implementing the actions set forth in the 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, it is projected that the City will begin 2009-11 with a balanced budget.

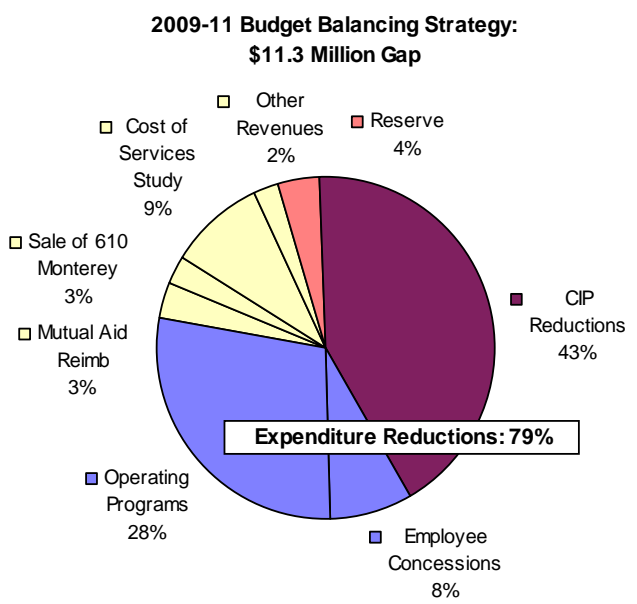
Longer-Term Budget-Balancing Strategies. These will be developed as part of the upcoming 2009-11 Financial Plan, which will be very challenging – and would be much worse without Measure Y revenues. Stated simply, without deep service cuts in other areas, the City will not be able to sustain the service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

Key Budget-Balancing Principles. The following reflects the key principles that City staff will use in preparing budget-balancing recommendations to the Council:

1. Meaningfully involve all employees in this process and communicate what’s happening.
2. Ensure service reductions are balanced and retain highest priority services.
3. Make reductions based on service priorities, not vacant positions. While attrition is a helpful tactic, it will not be the driving strategy in reducing costs. On the other hand, one of the key purposes of the current “hiring freeze” is to create flexibility in making reductions based on priorities while mitigating the need for lay-offs.

Budget-Balancing Strategy. The sidebar chart summarizes the strategy for closing the \$11.3 million gap facing the City:

- Use of reserve (annual average): \$445,400 (4%)
- Expanded mutual aid reimbursements, Sale of 610 Monterey to the Parking Fund and other uses of property (Annual Average): \$760,700 (7%)
- Improved cost recovery: \$1.2 million (10%)
- Employee concessions: \$899,700 (8%)
- Operating program reductions: \$3.2 million (28%)
- Capital improvement plan (CIP) reductions: \$4.8 million (43%)



As reflected in this chart, expenditure reductions account for about 80% of the budget-balancing strategy.

POLICIES AND OBJECTIVES

MAJOR CITY GOALS – PRESERVATION OF ESSENTIAL SERVICES AND FISCAL HEALTH

Project Work Completed

The following summarizes key City programs already in place that are focused on preserving the City's fiscal health, improving productivity and containing costs.

Reserve. It has been the City's longstanding policy to maintain an unreserved, undesignated General Fund balance that is at least 20% of operating expenditures in order to mitigate the risk of:

1. Economic uncertainties, local disasters and other financial hardships or downturns in the local or national economy.
2. Contingencies for unseen operating or capital needs.
3. Cash flow requirements.

Annual and Interim Financial Reporting. The City prepares its annual financial statements in accordance with generally accepted accounting principles (GAAP) and strives to meet the stringent requirements of the GFOA's Award for Excellence in Financial Reporting. In accordance with Charter requirements, the City contracts for an annual audit by a qualified independent certified public accountant and strives for an unqualified auditors' opinion. In addition to annual audits of its financial statements, the City prepares and issues timely interim reports on the City's fiscal status to the Council and staff. This includes: on-line access to the City's financial management system by City staff; monthly reports to program managers; more formal quarterly reports to the Council and Department Heads; mid-year budget reviews; and interim annual reports. It also includes focused reports such as the Monthly Investment Report, Quarterly Sales Tax Report and Monthly Transient Occupancy Tax (TOT) Report.

Multi-Year Budgets and Long-Term Financial Planning. The City has used a two-year budget since 1983. Along with reducing the amount of time and resources allocated to preparing annual budgets, avoiding the "use or lose it" budget mentality and establishing realistic timeframes for achieving objectives, this multi-year approach reinforces the importance of long-range planning in managing the City's fiscal affairs. It short, it's not just about adopting a budget that makes sense for the coming year, but afterwards as well. The City also has a longstanding practice of preparing long-term forecasts (five to ten years) in framing the budget challenges ahead in preparing a balanced two-year budget.

User Fee Cost Recovery Policy. The City maintains clear policies on the role of user fees in funding City services, which has become a national model for other local governments. Since setting fees is one the few areas where elected officials are able to exercise discretion in funding City services, defining the role of user fees is more than a just a cost accounting issue: it is a key policy decision. If services fees are not assessed legitimately, then general purpose revenues are making-up the difference. The direct consequence of this is lower levels of service (and in tough times, deeper cuts) in essential programs that have no significant user fee potential, such as police, fire, streets maintenance, traffic congestion relief, creek & flood protection, natural resource preservation and parks & recreation.

Low Debt Levels. The City has adopted and followed very conservative debt management policies. This has resulted in very low debt levels compared with other cities (which was cited as a key factor by Standards & Poor's in its recent upgrade of the City's credit rating).

Contracting-Out. The City has made extensive use of contracting with the private sector as a key productivity strategy in delivering City services. This includes day-to-day services such as transit operations and maintenance, janitorial service, landscape maintenance, building plan checks, parking meter and citation collections, police and fire false alarm monitoring, copier and printer maintenance, radio maintenance and printing (unlike many cities, we do not have an in-house print shop) as well as project design, management and construction. In fact, as

POLICIES AND OBJECTIVES

MAJOR CITY GOALS – PRESERVATION OF ESSENTIAL SERVICES AND FISCAL HEALTH

detailed in the City’s 2006 “Benchmark Study,” contracting with the private sector, non-profit organizations and other government agencies accounts for about 50% of total City expenditures.

Use of Technology. The City has been a local government leader in using technology to improve customer service, productivity and community access to City information. Key examples include the geographic information system (GIS) for improved management of the City’s infrastructure and better information for planning decisions; cost-effective fiber optic based network, installed in partnership with Cal Poly; user-friendly web site; on-line utility billing and recreation registration; computer aided design; computer aided dispatching and public safety records management system; on-line, up-to-date access to financial information; and the recent installation of a “voice over IP” telephone system that improves service while lowering operating costs.

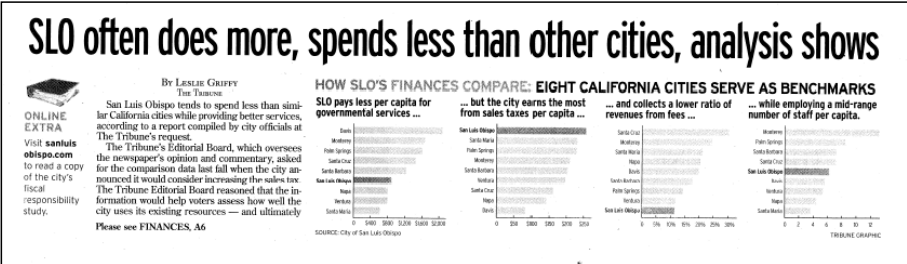
Internal Service “Best Practice Reviews.” In 2001, the City began conducting focused reviews of internal policies and procedures on an ongoing basis, with the goal of developing, communicating and implementing “best practices” throughout the organization as part of a continuous effort in assuring internal accountability and effective stewardship of City resources. Using interdepartmental teams with staff from Administration, Human Resources, Finance and the operating departments as appropriate, the approach is to select two to four topics annually, prepare work programs identifying specific tasks and due dates, and cover five key questions:

1. What is our policy in this area?
2. Does the policy make sense?
3. If so, how well is policy being implemented?
4. Based on internal reviews and surveys of other agencies, what revisions and “best practices” should we implement?
5. How can we best implement them organization-wide?

To date, we have performed reviews of the City’s purchasing polices, time card and accounts payable approval authorizations, cash handling procedures, employee computer purchase program, cell phones, credit card use and travel policies. Due to other priorities, this program has been “on hold” for several years. Candidates for future reviews include compliance with the Fair Labor Standards Act, parking meter collections, construction change orders, fee collections, petty cash and bus fare collections.

Fully Funded Liabilities. The City has established policies and practices that assure that long-term liabilities like pensions and retiree health care are actuarially funded rather than budgeting on a “pay-as-you-go” basis, which understates the cost in the short-term and becomes very expensive in the long-term.

Benchmarking. One of the key productivity tools used by many private and public sector organizations is “benchmarking” key practices with comparable, highly-regarded agencies. In 2006, at the urging of *The Tribune*, the City conducted an extensive benchmarking analysis of key financial and performance indicators with comparable cities. The results showed that in virtually all operations, the City compared favorably with the benchmark cities; in several cases, San Luis Obispo was the “best in class.” This is especially notable, as the bar was set high in selecting benchmark cities that have well-earned reputations for being exceptionally managed.



Grant Management. The City has an adopted grant management policy that:

POLICIES AND OBJECTIVES

MAJOR CITY GOALS – PRESERVATION OF ESSENTIAL SERVICES AND FISCAL HEALTH

1. Sets forth the importance of grant programs in accomplishing City goals and objectives.
2. Establishes general concepts and framework for seeking and managing grant programs.
3. Identifies roles and responsibilities in managing grant programs.
4. Establishes criteria for evaluating the benefits and costs of grant programs.
5. Sets forth the City's policy in complying with federal Single Audit Act requirements.

General concepts in the policy include:

1. The aggressive pursuit of grant funding from federal, state and other sources, *but only when they are in clear alignment with identified City goals and objectives.*
2. The focus on grant projects with one-time costs and avoidance of grants that might aggravate the City's fiscal position with ongoing commitments once the grant funding is no longer available.
3. Seeking grants only where sufficient staff resources are available to effectively administer the program in compliance with grant requirements and successfully perform the grant workscope.

Under these guidelines, the City has been very successful in garnering grant funds to achieve City high-priority goals. Recent examples where grant funds fully or partially funded key priorities include open space preservation, transit system improvements, the widening of Orcutt Road and Santa Barbara Streets, Madonna Road paving and dispatch center/radio system improvements.

Continued Support of Pension Reform. In March 2005, the Council adopted a resolution supporting pension reforms developed in cooperation with the League of California Cities Task Force, CalPERS and public employees unions, while expressing opposition to Assembly Constitutional Amendment 5 (ACA 5) and other similar "quick fix" initiatives. Reform recommendations under consideration by the League at that time included changes to pension benefit levels, improved management of rate volatility, and assurance that reforms are actuarially sound.

CalPERS has since implemented rate stabilization policies that spread market gains and losses over 15 years. This "smoothing" of investment gains and losses helps reduce rate fluctuation. For example, CalPERS achieved double digit gains in each of the four years leading up to the 2007/2008 fiscal year. Through this smoothing of investment returns, previous positive returns will lessen the impact that current investment losses will have on employer contribution rates in 2009-11. The League of California Cities Task Force continues to analyze issues and possible solutions. It has been aided by the work of an actuary engaged by the League, who is helping the Task Force analyze short and long-term costs or surveys as they consider various scenarios.

Risk Management. In 2003, the Council adopted a resolution approving membership in the general liability program of the California Joint Powers Insurance Authority (CJPIA). In 2004, the Council adopted a resolution approving participation in the workers' compensation program of the CJPIA. Prior to 2003 and 2004, the City was a member of the Central Coast Cities Self Insurance Fund (CCCSIF) for general liability and workers' compensation. CCCSIF was comprised of eleven Central Coast cities that did not share risk, but instead, joined together to share administrative costs and to obtain excess workers' compensation and liability coverage over a set amount per claim occurrence that is "self-insured".

Unlike the CCCSIF, where members do not share risk, membership in CJPIA means sharing risk with other member agencies. However, the risk is shared among a large number of agencies, who have common goals of risk avoidance, claims control and transfer of risk in order to eliminate or reduce exposure. By following proven practices of risk management, member agencies assist each other in keeping claim costs down. By sharing risk, the cost to an agency for a year with significant claims experience is somewhat mitigated and spread out over a four-year period. Each

POLICIES AND OBJECTIVES

MAJOR CITY GOALS – PRESERVATION OF ESSENTIAL SERVICES AND FISCAL HEALTH

member’s cost of coverage is determined by its exposures and its actual loss experience. A premium deposit is made at the beginning of the fiscal year and retrospective adjustments are made based on the claims following the close of the coverage period. Retrospective adjustments are made over a four year period.

In addition to pooled risk, the City benefits greatly from the resources and expertise available through membership in the CJPIA. The Authority’s training program’s mission is to provide innovative risk management solutions for public agency partners. The City participates in numerous CJPIA training sessions each year. In addition, the CJPIA also periodically conducts a proactive risk management evaluation. The risk management evaluation provides a personalized inventory of the issues each member faces and is designed to help members identify potential liability, property and workers' compensation issues on an individual basis. Recommendations assist members in taking risk control, risk avoidance or risk transfer actions to limit future losses.

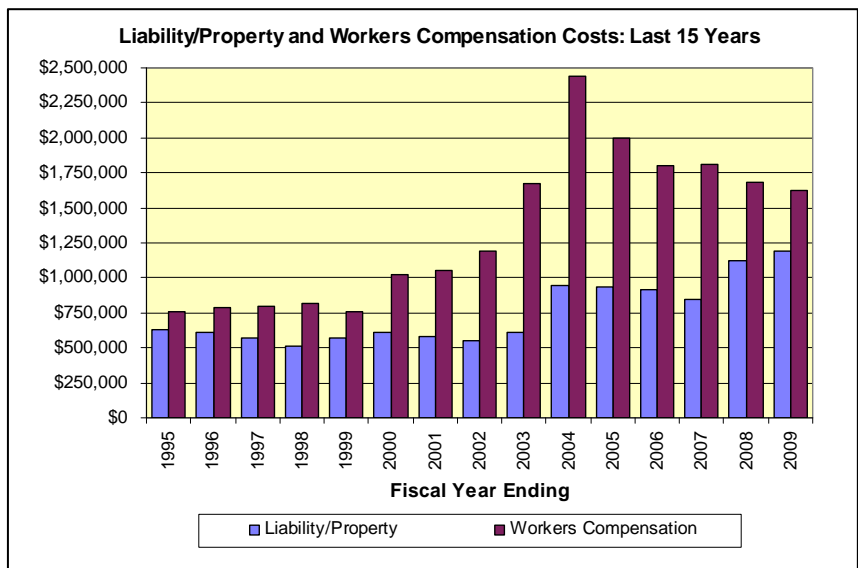
As shown in the sidebar chart, the City has seen its liability costs stabilize and workers’ compensation costs decrease since joining the CJPIA.

Fiscal Policies: Human Resources Management. Efficient and effective management of the City’s human resources has long been a part of the City’s fiscal policies. Human Resources Management policies include guidelines in managing overall staffing costs, including the definition and use of temporary

staffing, independent contractors, and overtime. The policies include close examination of all requests for additional regular positions including the evaluation of the necessity, term, and expected results, the costs, the ability of private industry to provide the proposed service, and additional revenues or cost savings that may be realized. Staff has drafted a policy on the Use of Volunteers within the City and has adopted more extensive guidelines regarding the use of overtime, including a cost benefit analysis and encouraging other low cost alternatives when feasible.

Compensation Philosophy. In 2007, the Council established a compensation philosophy under which the City is committed to providing competitive compensation as part of an overall strategy of attracting and retaining highly qualified employees who exemplify the City’s organizational values. The City's compensation philosophy is based on both internal and external considerations, including internal relationships, the relative labor market, fiscal health, and other relevant factors such as: unforeseen economic changes, natural disasters, states of emergency, changes in City services, changes in regulatory or legal requirements, reliable local private sector compensation data, and community acceptability.

The adopted philosophy established a consistent methodology for determining whether or not the City’s compensation programs are competitive. In addition, the philosophy establishes a broad framework for the Council, citizens, and employees, to guide and understand decisions affecting pay and benefit plans. The philosophy retains maximum flexibility for elected decision-makers, taking such factors as fiscal health and community acceptance into consideration.



POLICIES AND OBJECTIVES

MAJOR CITY GOALS – PRESERVATION OF ESSENTIAL SERVICES AND FISCAL HEALTH

The philosophy also states that at least every five years, the City will evaluate its compensation structure, programs, and policies to assess market competitiveness, effectiveness, and compliance with state laws. Adjustments to the compensation structure may be made as a result of this periodic evaluation and will be done through the collective bargaining process, if applicable, or other appropriate Council-management processes.

Other Human Resources Programs Supporting Fiscal Health and Productivity. Other programs in place supporting this goal include:

1. Organizational values were developed by employees in the late 1990s. These organizational values, which include stewardship, ethics and promoting public trust by using City resources wisely, are reinforced by many human resources programs. For example, management employees receive feedback on how they demonstrate the organizational values as they serve the citizens during their annual performance evaluations. Management salary increases are based on an employee's consistent demonstration of the organizational values as well as achievement of established goals and objectives. A management employee's goals and objectives are linked to the City Manager's goals and in turn, to goals set by Council and ultimately the community through the financial planning process.
2. A fundamental principle of improving efficiency is to encourage life long learning. The City promotes continual learning to all employees by offering low cost training through its employee university. The City has also partnered with CJPIA, a legal consortium, Cuesta Community College, and the Professional Association of City Employees (PACE) to provide low cost, convenient, and applicable training to City employees. In addition, the City offers a tuition reimbursement program further encouraging employees to pursue advanced degrees through accredited institutions or work related courses.
3. Council received a report and presentation on succession planning in October 2007. The presentation was made by then Palo Alto City Manager Frank Benest, who emphasized the importance of succession planning, in mitigating the "brain drain" that many other organizations face as baby boomers retire. San Luis Obispo City demographics were presented indicating approximately one third of the City's workforce would be of retirement age or older in the next five years. Without a more formalized succession planning effort the City would also be at risk of losing valuable institutional knowledge.

Succession planning is the ongoing process of identifying, assessing, and developing talent to ensure employee continuity. Succession Planning efforts in 2008 were primarily focused on raising an awareness regarding succession planning, gathering feedback on existing programs, and improving the quality of professional development. The Succession Planning Steering Committee formed subcommittees in the areas of communication, skills, retention and recruitment, and research and resources. A monthly Succession Planning Newsletter keeps employees informed of the committees' activities and progress. Accomplishments include: conducting an employee survey that provided feedback on current programs and practices; reviewing and updating the Tuition Reimbursement program; providing "development conversation" training; implementing NEOGOV, an on-line recruitment and application system; and partnering with Cuesta Community College to provide customer service and management and supervision academies.

4. The Employee Suggestion Award Program is designed to encourage employees, or teams of employees, to take an active and integral part in improving, through efficiency and effectiveness, City operations. Employees, whose suggestions have been reviewed by the Suggestion Review Committee and approved by the City Manager, are eligible to receive a cash award equal to ten percent of the first year's estimated savings. Eligible suggestions must accomplish one or more of the following: a) saving of time, money, labor, materials, or supplies; b) an improvement in the quality of a specific public service; c) an improvement in methods and procedures which results in increased efficiency; and d) the elimination of unnecessary and costly procedures which results in time, labor, or material savings.

POLICIES AND OBJECTIVES

MAJOR CITY GOALS – PRESERVATION OF ESSENTIAL SERVICES AND FISCAL HEALTH

CONSTRAINTS AND LIMITATIONS

These include:

1. Uncertainty regarding the outcome of key factors that affect the City's fiscal health such as the depth and duration of the economic downturn (when will it bottom-out and how fast will it recover) and the ongoing threat of added State takeaways.
2. Significant improvements in productivity usually result from fundamental changes in the way of doing business. This typically involves implementing more robust enterprise systems; overhauling web portals and using automated work flow systems and other information technology related upgrades. Significant financial and staff resources would be required to do this, which are not available at this time. Accordingly, the extent to which efficiencies will be realized is constrained by the systems available within existing resources.
3. The speed in which changes can be implemented is limited by the capacity of the organization to process and accept them.
4. The City's obligation to meet and confer with labor organizations regarding changes in wages, hours and working conditions limit compensation.

STAKEHOLDERS

The stakeholders in this program are both internal to the organization and external:

1. Community members as a whole have a vested interest in the long-term fiscal health of the City and preservation of critical resources.
2. Internal stakeholders include all City employees and labor organizations.

Administration, Human Resources and Finance & Information Technology will be active in the development and oversight of policies and programs affecting this goal. However, every department will be involved in how the work scope is implemented.

ACTION PLAN

1. ***Implement Organization-Wide Savings Recommended by Community Members and City Employees.*** During the goal-setting process, a number of cost saving recommendations from community members were received. Administration also received 700 cost saving ideas from employees as part of our internal budget-balancing process. Many of these ideas, while not subject to quantification at this time, reflect good stewardship and provide organization-wide cost saving opportunities. These include the following, which will be implemented either by departments or on an organization-wide basis, wherever it makes sense to do so.

POLICIES AND OBJECTIVES

MAJOR CITY GOALS – PRESERVATION OF ESSENTIAL SERVICES AND FISCAL HEALTH

- Improve sharing of resources: vehicles, equipment and supplies.
 - Reduce energy consumption.
 - Increase use of scanning and “e-documents” via email and the web to reduce printing and postage costs.
 - Increase use of two-sided printing.
 - Evaluate all maintenance and operation contracts for cost saving opportunities.
 - Defer vehicle replacements.
 - Review all travel, training, memberships and subscription costs for reduction opportunities that will not adversely affect productivity; and look for more cost-effective ways of providing training, such as webinars and cooperative on-site training with other agencies.
 - Lengthen technology replacement cycles where it will not adversely affect system reliability and performance.
 - Increase use of volunteers and interns.
 - Review office supplies purchases for reduction opportunities, especially in light of technology changes.
 - Increase use of cooperative purchasing for lower prices due to economies of scale and reduced administrative costs.
 - Continue to reduce use of purchased drinking water.
 - Continue encouraging cost saving ideas from employees; consider supplementing recognition programs.
 - Reduce overtime costs and use of temporary staffing.
 - Evaluate opportunities for joint-service partnerships, such as those already in place with Cal Poly for fire, water, sewer and transit service; and the California Joint Powers Insurance Authority for general liability, property and workers’ compensation coverage.
2. ***Continue to Closely Review and Monitor the City’s Fiscal Situation.*** The City will continue to issue audited annual financial statements on a timely basis prepared in accordance with GAAP, strive for unqualified audit; and meet GFOA standards; and continue to issue timely and meaningful interim reports on the its fiscal situation. The City’s annual financial statements currently provide ten-year operating cost trends by function; this will be expanded to include ten-year trends by type, with a focus on staffing cost trends for salaries and benefits.
 3. ***Implement Budget Balancing Strategies Adopted in the 2009-11 Financial Plan.*** It is likely that the Council will adopt a number of budget balancing actions as part of the 2009-11 Financial Plan. These are likely to include operating budget reductions (including staffing decreases that may result in lay-offs and changes in operations), CIP reductions, selected new revenues and compensation adjustments. Staff will take the follow-up actions needed to implement these, including meeting and conferring with labor associations where applicable; and closely monitoring progress to ensure the achievement of intended results.
 4. ***Resume “Best Practice Reviews.”*** Staff will complete one to two significant internal control areas annually using in-house teams. As noted above, candidates for 2009-11 include compliance with the Fair Labor Standards Act, parking meter collections, construction change orders, fee collections, petty cash and bus fare collections.
 5. ***Review and Update Key Infrastructure Plans.*** These guide key infrastructure maintenance efforts by setting service delivery policies, standards and practices; and recommending resource allocation levels. Accordingly, periodic review is essential in ensuring that these are achieving intended results. For example, the current Pavement Management Plan was adopted in 1998. After ten years of operation, a comprehensive review of this plan is warranted. There may be other plans that should also be reviewed in 2009-11.
 6. ***Continue Supporting Pension Reform.*** This continues to be an issue for the League and part of the City’s legislative work program.

POLICIES AND OBJECTIVES

MAJOR CITY GOALS – PRESERVATION OF ESSENTIAL SERVICES AND FISCAL HEALTH

7. **Implement Ongoing “Benchmark” Analysis.** Using the framework set forth in the 2006 analysis, staff recommends “benchmarking” key City financial and outcome measures with comparable communities every two years.
8. **Update the Property Management Manual.** The City’s Property Management Manual was adopted in 1986 and has only received limited review and update since then. With the recent adoption of Charter amendments regarding the disposal of surplus real and personal property, staff recommends a comprehensive review of the property management policies and procedures, including property acquisition, sale and lease.
9. **Continue Evaluating Contracting-Out Opportunities.** As noted above, the City already makes extensive use of contracting-out in delivering services to the community. However, staff will continue to evaluate both during the budget process and throughout the year, added opportunities for cost savings through contracts with the private sector, not-for-profit organizations and other government. This includes considering even greater use of existing contracts, such as janitorial and landscape maintenance, as well as considering new service areas, such as golf course operations and maintenance.
10. **Maximize Grant Funding Opportunities, Including “Stimulus Package.”** Staff will continue to look for grant funding opportunities that are in clear alignment with City priorities. This includes aggressively pursuing “Stimulus Package” funding opportunities.
11. **Review Memorandum of Agreements.** The City has five represented employee groups. Terms and conditions of employment are negotiated with each group and formalized in a memorandum of agreement (MOA). A student in the Public Policy graduate program at Cal Poly will assist human resources staff in conducting an in-depth review of each memorandum of agreement, comparing and contrasting MOA articles to external benchmarks and recommending potential improvements. Although any changes to MOA’s are subject to negotiations with employee groups, the analysis will be strategic in nature and examine longer term possibilities for change.
12. **Continue Succession Planning Efforts.** Succession planning efforts will continue through human resources staff and the Succession Planning Steering Committee. Further work in the areas of core competency identification, performance management, knowledge transfer, professional development and identification of a learning management system is envisioned. Competencies are a combination of the knowledge, skills, abilities, and attitudes necessary in order to be successful in a job. The focus moves from identifying tasks and evaluating whether those tasks are completed, to placing value on how work is performed; thus encouraging efficiency, minimizing redundancy, and maximizing quality and service. However, much of what public servants do is based on decisions made and input received by previous Councils, advisory bodies and citizen group. Therefore, a continued focus on knowledge transfer is essential. A more formal process of identifying institutional knowledge and the best way to “relay” it to future employees is needed. Staff will continue efforts in the area of professional development including leadership skills. A learning management system will reduce the amount of administrative support required to announce training sessions, track attendees, gather feedback and register employees for sessions. In addition, it will reduce the amount of time individual departments spend ensuring employees have met regulatory requirements through training and allow the City to search for employees with specific skills to assist on projects.
13. **Continue to Develop, Review, Modify and Implement Human Resources Policies in Support of Fiscal Health.** The most efficient, highest-performing organizations achieve alignment between their strategic objectives and the culture of their organization. Human Resources programs and systems such as recruitment and retention, classification and compensation, training and development, performance management and recognition shape the culture and impact performance. Given the organizational challenges ahead of us,

POLICIES AND OBJECTIVES

MAJOR CITY GOALS – PRESERVATION OF ESSENTIAL SERVICES AND FISCAL HEALTH

review of these programs to ensure they are intentionally supporting and reinforcing desired behaviors and outcomes is timely.

The following summarize key tasks and due dates.

Task	Date
1. Implement organization-wide savings recommended by community members and City employees.	Ongoing
2. Continue to closely review and monitor the City’s fiscal situation.	Ongoing
3. Implement budget balancing strategies adopted in the 2009-11 Financial Plan.	Ongoing
4. Review and update as appropriate key infrastructure maintenance plans.	
a. Present Pavement Management Plan update to Council.	10/09
b. Review other plans for update as appropriate and present the results to the Council.	6/11
5. Resume “best practice reviews” that focus on one to two significant internal control areas annually that typically cross department activities.	Ongoing
6. Continue supporting pension reform.	Ongoing
7. Implement ongoing “benchmark” analysis of key financial and outcome measures with comparable communities every two years.	11/10
8. Update the Property Management Manual: comprehensive review of our property management policies and procedures, including property acquisition, sale and lease.	12/09
9. Continue evaluating contracting-out opportunities for cost reductions or service improvements.	Ongoing
10. Maximize grant funding opportunities, including “Stimulus Package.”	Ongoing
11. Review Memorandums of Agreements.	Ongoing
12. Continue succession planning efforts.	Ongoing
13. Continue to develop, review, modify and implement Human Resources policies in support of fiscal health.	Ongoing

KEY ASSUMPTIONS

1. Budget and fiscal policies and plans that have served the City well in the past will remain in place and continue to be effectively implemented.
2. This work program cannot address in its entirety the unprecedented economic uncertainty the world is facing today. However, it does consider the need to be even more prudent, efficient and to retain flexibility in responding to changes circumstances.
3. Information technology infrastructure investments will be made to support efficiencies through the effective use of current and future technology opportunities.
4. The City will work constructively and collaboratively with employee associations, adhering to its obligation to meet and confer on matters affecting wages, hours and working conditions.
5. Any significant organizational change is difficult and recommended improvements in productivity as well as other cost reduction strategies will need to be managed using fundamental organizational change principles, including: meaningfully engaging employees in developing solutions to create as much buy-in as possible and

POLICIES AND OBJECTIVES

MAJOR CITY GOALS – PRESERVATION OF ESSENTIAL SERVICES AND FISCAL HEALTH

surface a broad range of ideas; communicating extensively and frequently the need for change; listening and acting upon input from employees; celebrating successes; and broadly sharing “lessons learned.”

6. Implementing recommendations identified in organizational reviews may be subject to meet and confer with represented employee groups.

RESPONSIBLE DEPARTMENT

The Finance & Information Technology will take the lead role for this work program with significant support from Human Resources and Administration.

FINANCIAL AND STAFF RESOURCES REQUIRED TO ACHIEVE THE GOAL

The work program for this goal will be accomplished using existing staff resources, including the filling the frozen Administrative Analyst position in the Finance & Information Technology Department.

GENERAL FUND REVENUE POTENTIAL

There is no direct potential for added General Fund revenues with this work program. However, successful implementation will improve the City’s ability to deliver critical services to the community.

OUTCOME—FINAL WORK PRODUCT

Development and implementation of ongoing programs, plans and policies for preserving critical services, implementing long-term productivity improvements and cost-reduction strategies, will help maintain the City’s long-term fiscal health.

POLICIES AND OBJECTIVES

OTHER IMPORTANT OBJECTIVES – LAND USE AND CIRCULATION REVISIONS

OBJECTIVE

Initiate a focused revision to the Land Use and Circulation Elements.

DISCUSSION

Workscope Summary

As part of the 2007-2009 Financial Plan work program, the Council reviewed options for updating the Land Use and Circulation Elements, ranging from comprehensive updates to more focused updates. These options included: (a) \$1,400,000 for comprehensive updates to both Elements; (b) approximately \$850,000 to perform a more “surgical” update to the Land Use and Circulation Elements; (c) approximately \$200,000 to update the circulation model currently under development; and (d) not consider amendments to the General Plan Elements until the 2011-2013 Financial Plan.

While the Council supported the more surgical option “c” above, even this option appears expensive given the fiscal challenges this City is now facing. As part of its goal-setting, Council identified this project as an “other important goal”, therefore the proposed work program for this goal is directed more toward making progress on updating these policy documents, but in smaller (yet meaningful) phases.

The proposed work scope for Phase I would include the following key elements:

1. Upgrade the traffic model to enable forecasting of circulation impacts.
2. Evaluate the effectiveness of existing policies and programs of the Circulation and Land Use Elements.
3. Scope the extent of revisions required to address outdated sections of the Land Use and Circulation Elements.
4. Evaluate Sphere of Influence areas and develop work programs if necessary for these areas.
5. Identify new policies and programs that may be warranted to address changing community needs or legislation.

Phase 2, anticipated for 2011-2013 would include initiating the actual updates of both the Land Use and Circulation Elements

Existing Situation

The Land Use and Circulation Elements of the City’s General Plan have not been significantly updated since their adoption in 1994, though the Land Use Element has been amended several times annually. Update of the elements has been identified as an “other important goal” in the upcoming 2009-2011 Financial Plan.

Project Work Completed

The Council funded an upgrade to the existing traffic model in the 2007-09 Financial Plan. This conversion of the model to a multimodal based model has begun and the first phase (converting the base year scenario) is expected to be complete in July 2009. Additional work to complete the future land use forecasts is still necessary to complete the full traffic model upgrade.

WORK PROGRAM CONSTRAINTS AND LIMITATIONS

POLICIES AND OBJECTIVES

OTHER IMPORTANT OBJECTIVES – LAND USE AND CIRCULATION REVISIONS

As noted in earlier staff reports, updates to the Land Use and Circulation Elements, focused or otherwise, will be difficult without adequate funding and staffing. This project comprises Phase 1 of the update and involves many labor-intensive update tasks. Phase 2 will follow in the next two-year budget, and entail preparation of revised draft Land Use and Circulation Elements and taking these through the public hearing process. A key prerequisite of Phase 1 will be working on the traffic model, currently under development, to transform it to one capable of forecasting circulation impacts. This will be especially critical as different land use and circulation patterns and assumptions are evaluated. Completion of the upgrade to the traffic model can be completed by a consultant or, if staff is supplemented by contract staff to conduct normal workload activities, the model can be upgraded by existing staff. However, either option will cost from \$125,000 to \$200,000 over the next two years of the Financial Plan.

Significant resident and business community involvement is anticipated. This will require a substantial amount of public outreach to ensure an accessible, equitable process that encourages input from a wide spectrum of stakeholders. In addition, current City efforts to implement new State law regarding environmental sustainability, such as SB 375 and associated “sustainable communities’ strategies”, AB 32, CEQA changes, and direction from the Air Resources Board, may limit our ability to treat the project as focused revisions to existing programs and require a more comprehensive look at land use and circulation policies and programs developed in the context of statewide and regional directives. If, as part of staff evaluation of any proposed revisions, it is clear that an Environmental Impact Report (EIR) will be required, staff will return to Council at that time to present options for preparing an EIR or for postponing action until such time as a more comprehensive approach to updating the Land Use and Circulation Elements is feasible.

STAKEHOLDERS

Stakeholders include City residents, business and property owners, Chamber of Commerce, Downtown Association, Residents for Quality Neighborhoods, Cal Poly, Cuesta College, SLO Property Owners’ Association, SLO Green Build, Air Pollution Control District, Regional Water Quality Board, California State Department of Fish and Game, neighborhood groups such as Laguna Neighbors, Margarita Area residents, Monterey Heights Neighborhood, Neighbors north of Foothill, Old Town Neighborhood Association, Prefumo Canyon Road Neighborhood, San Luis Drive Neighborhood Association, and Stoneridge Drive Neighborhood, Sierra Club, Caltrans, County of San Luis Obispo, LAFCO, ECOSLO, San Luis Obispo County Bicycle Coalition, Airport Land Use Commission, Advisory Bodies, San Luis Obispo Coastal Unified School District, Union Pacific Railroad, public utilities, and the SLO Council of Governments.

ACTION PLAN

The timing associated with these tasks assumes some level of contract or intern assistance to backfill regular staff’s current workload.

Task	Date
1. Recruit temporary or contract staff or consultant assistance for traffic model development.	7/09
2. Develop traffic forecast model.	6/10
3. Evaluate effectiveness of existing Land Use and Circulation Element policies and programs and identify where changes should be considered.	12/10
4. Public outreach and input (throughout process).	Ongoing
5. Identify and develop of strategic revisions to the Land Use Element and Circulation Element where	6/11

POLICIES AND OBJECTIVES

OTHER IMPORTANT OBJECTIVES – LAND USE AND CIRCULATION REVISIONS

Task	Date
sections have been superseded.	
6. Produce work program for Sphere of Influence areas and identify new programs that may be warranted to address changing legislation.	6/11
7. Conduct traffic model assessments of various land use modifications for future year forecasts and strategic revisions to the Land Use and Circulation Elements.	6/11

KEY ASSUMPTIONS

Work to complete the traffic model update and strategic review of the Circulation Element can be accomplished using existing staff if temporary or contract staff can be used to backfill some of their current workload. Of the two alternatives (temporary staffing assistance versus consultant help), the option of using temporary staff to backfill current staff workload is the least expensive option and impact to the General Fund.

It is assumed that adequate staffing and resources will be available to do the work associated with the Land Use Element. Community Development staff will be available to provide support to the program once the Housing Element, Orcutt Area Specific Plan, and Broad Street Corridor Plan efforts are complete and depending on other Council priorities. Major update efforts for policy and program changes to both Land Use and Circulation Elements will occur outside of the 2009-11 Financial Plan timeframe; however, minor revisions will occur during the 2009-11 Financial Plan. However, if the environmental review associated with the minor revisions triggers the need for an Environmental Impact Report, the cost of preparing it would argue against trying to do isolated revisions and would instead, due to economies of scale, be more appropriate when paired with a full update to both Circulation and Land Use Elements.

RESPONSIBLE DEPARTMENT

Community Development and Public Works will be the lead departments. However, support from, and collaboration with, other departments will be essential.

FINANCIAL AND STAFF RESOURCES REQUIRED TO ACHIEVE THE GOAL

Even though the proposed strategy attempts to be very conservative, it will take some staff time and assistance from contract staff or consultants to achieve this goal. Staff resources from Community Development and Public Works Departments will be required for the life of this project. If the project is funded to enable contract staff to perform existing assignments thus liberating existing staff to develop the forecast traffic model, the cost to develop the model will be much less (approximately \$145,000 instead of \$200,000). Aside from the traffic model enhancement, it is anticipated that approximately ½ FTE will be required (split between Public Works and Community Development departments) to make progress on the tasks listed that are not related to the traffic model.

Cost Summary

POLICIES AND OBJECTIVES

OTHER IMPORTANT OBJECTIVES – LAND USE AND CIRCULATION REVISIONS

	Operating Programs		Capital Improvement Plan	
	2009-10	2010-11	2009-10	2010-11
Traffic Model Update			72,500	72,500
Newspaper ads, meeting facilitation, temporary staff	20,000	20,000		
Total	\$20,000	\$20,000	\$72,500	\$72,500

Funding Sources

	Operating Programs		Capital Improvement Plan	
	2009-10	2010-11	2009-10	2010-11
Transportation Impact Fee			72,500	72,500
General Fund	20,000	20,000		
Total	\$20,000	\$20,000	\$72,500	\$72,500

The costs listed in 2009-10 and 2010-11 are for contract assistance to backfill regular staff in order to develop the forecast traffic model and to conduct the existing programs evaluation. In addition, outreach efforts will require increased costs related to large newspaper ads, mailers, and meeting facilitation for community preference responses. Upgrading the traffic model is an eligible expense of the Transportation Impact Fee program. It is proposed that the final completion of the traffic model work charged to the TIF fund be done on a 35%/65% basis with the General Fund because that is the ratio (35% for new trips) used in the TIF program to have new development fund the projects associated with their growth.

There will most likely be out-year costs in 2011-13 to continue with policy and program updates to the two General Plan elements. Whether the update can remain focused will rest largely on whether potential significant environmental impacts are identified with proposed changes. In the event an Environmental Impact Report (EIR) is triggered, staff recommends pursuing a full update of the Land Use and Circulation Elements. The costs associated with an EIR are substantial and will not vary much between a project that proposes minimal changes and one that involves substantive ones.

GENERAL FUND REVENUE POTENTIAL

It is unlikely that there will be any General Fund revenue enhancements as a result of achieving this goal. It may be possible that Proposition 46 funds will become available during the latter part of the financial plan period to assist with funding for a general plan update. If those funds do become available, staff will return to Council to amend the scope of work.

OUTCOME—FINAL WORK PRODUCT

The final work products will be:

1. A traffic model that is capable of forecasting multi-modal scenarios and non-vehicular trip project benefits.
2. A report that evaluates the effectiveness of current policies and programs in the Circulation and Land Use Elements and identifies new programs that may be required to address legislative changes.
3. Minor “clean up” amendments to the Land Use and Circulation Elements.

POLICIES AND OBJECTIVES

OTHER IMPORTANT OBJECTIVES – OPEN SPACE PRESERVATION

OBJECTIVE

Continue efforts to acquire, preserve, and protect open space, and develop a master plan for City-owned agricultural land at Calle Joaquin.

DISCUSSION

Measure Y Relationship: *This major City goal for open space acquisition and preservation directly supports a top priority for the use of Measure Y funds.*

American Recovery and Reinvestment Act Relationship: *The Natural Resources Program has identified approximately \$965,000 in ARRA funds that could be applied to three recreational and environmental enhancement projects.*

Workscope Summary

The proposed scope of work includes elements in two distinct areas:

- 1. Continued Open Space Acquisition, Preservation, and Protection.** The scope of work for open space acquisition, preservation, and protection will include:
 - a. Acquisition of additional open space from outright fee title purchase, dedications of easement or fee interest through development approvals, and the donation of easements or land to the City.
 - b. Preservation and protection efforts on City-owned open space lands and along the City's waterways, guided by the City's existing planning documents and regulations, regular duties of the Natural Resources Manager, City Biologist, and Rangers, coordinated volunteer efforts, and requirements of various mitigation projects.
 - c. Review of the "Conservation Guidelines for Open Space Lands of the City of San Luis Obispo" (adopted by the City Council in 2002) for consistency with the Conservation and Open Space Element of the General Plan since the latter was revised in 2006.
- 2. Develop a Master Plan for City Owned Agricultural Land.** The scope of work for the Master Plan entails coordination with owners of lands in the Calle Joaquin area not presently owned by the City (but anticipated to be by the City's General Plan) but planned to remain in permanent agriculture or open space.

Background

The City's open space acquisition program has consistently enjoyed strong support in the community and from Council. While the program has had both "healthy" and "lean" years, open space preservation has always ranked among the community's highest priorities. This was evidenced during the Measure Y campaign and the community's consistent acknowledgement that the preservation of local open space is a top priority.

As the program has grown, it has taken on a larger scope. In addition to leveraging open space acquisition funds and development conditions into proper improvements within or upon open space lands, the Program is also responsible for natural resource management for City-owned open space lands. This was evidenced in 2000 with the addition of the City Biologist to the Program. Also in that year the City's mitigation programs, which up to that time were handled by individual departments, were consolidated into the Natural Resources Protection Program.

POLICIES AND OBJECTIVES

OTHER IMPORTANT OBJECTIVES – OPEN SPACE PRESERVATION

In 2002, the Council adopted a set of uniform planning rules for City-owned open space lands, contained within the document *Conservation Guidelines for Open Space Lands of the City of San Luis Obispo*. Since that time, the Council has formally adopted five Conservation Plans, which spell out a series of actions for the proper recreational development, use, and habitat protection of those open space lands.

Since its inception in 1996 the Natural Resources Protection Program has expended a total of \$3,196,400 in General Fund monies on acquisition of open space lands. These funds have been matched by a total of \$6,557,100 in other City funds and outside funding support. An additional \$2,358,000 in value has been obtained through donation of land or discounted sales of land. Finally, the City Water Reuse Program and other grants have contributed \$1,675,000 for mitigation and other environmental restoration projects, including several important fish passage projects on San Luis Obispo Creek and Coon Creek near Montana de Oro State Park. The Natural Resources has thus obtained a total value of \$13,786,500 in land and environmental enhancements since 1996.

Existing Situation

1. Continued Open Space Acquisition, Preservation, and Protection. Currently, the City holds fee title to approximately 3,000 acres of land classified as “open space” and an additional 3,150 acres of land held under easement classified as “agricultural” or “open space.” These lands (with one exception) all lie within three miles of the City limits, and form portions of a permanent greenbelt boundary around the community. The fundamental purpose of the City’s open space program is to secure as much as possible of this perimeter with a long-term goal of creating a permanent edge to the City’s urban area.

As the City’s inventory of open space lands has increased, so too have its maintenance obligations for trails, fences, and habitat areas. At the present time, the City’s Natural Resources staff (Natural Resources Manager and City Biologist) and Ranger staff (Senior Ranger and several part-time Rangers) have primary responsibility for this maintenance. Currently City residents and visitors enjoy the use of 10 open space lands ranging in size from about 30 acres to over 700 acres. These lands are open to the public for passive recreation (hiking and bicycling being the primary uses), and they contain a total of approximately 20 miles of recreational trails.

Two to four new acquisitions by the program are anticipated for 2009-11, focusing primarily on completion of the Froom Ranch acquisition and on collaboration with the Land Conservancy of San Luis Obispo County on at least one conservation transaction benefiting both the City and Camp San Luis Obispo through use of Army Compatible Use Buffer (ACUB) program funds. The continued development of passive recreational uses consistent with natural resource protection on City-owned open space lands will also occur. The Johnson Ranch Open Space, South Hills Natural Reserve, Stenner Springs Natural Reserve, and the Bob Jones Bike Trail corridor will be the focus of such efforts over the next two years.

To accomplish the primary objective of this goal, the Natural Resources Program will need:

- a. Funding for preservation of additional open space lands and easements.** At present it is anticipated that the Froom Ranch option agreement will be successfully exercised by June 30, 2010. This open space acquisition project is anticipated to require \$205,000 of new City funds (plus \$55,000 carried over from 2007-2009, and \$40,000 represented by the option payment), matched by \$400,000 of State and other outside funding. The second acquisition planned is an easement in the area between the City of San Luis Obispo and Camp San Luis Obispo, where City monies can be used to match Federal monies appropriated to Camp San Luis Obispo to preserve undeveloped lands adjacent to the Camp. This program, known as the Army Compatible Use Buffer or ACUB Program, will provide \$350,000 in 2009, with a match of

POLICIES AND OBJECTIVES

OTHER IMPORTANT OBJECTIVES – OPEN SPACE PRESERVATION

\$116,666 of City funds needed. Currently the City of San Luis Obispo and the Land Conservancy of San Luis Obispo County are actively pursuing three potential transactions that could utilize these funds.

b. To continue to work with developers to include dedication of lands or easement interests to the City in upon the granting of development entitlements. At the present time there are at least five development projects with significant conservation opportunities in various stages of consideration by the City of San Luis Obispo. These are with total land area as follows:

- (1) Chevron Tank Farm; 332 acres;
- (2) Orcutt Area; 230 acres;
- (3) County property near General Hospital and the Filipponi/Twisselman property to the east; 120 acres;
- (4) Filipponi/Denbow property at the end of Calle Joaquin; 200 acres; and
- (5) Gap property on Los Osos Valley Road; 31 acres.

Between them, these five projects have the potential to add approximately 645 acres to the City's greenbelt. Acquisition of this open space, however, is contingent upon these projects being entitled and developed.

c. To continue to encourage the outright donation of land or easement interest. The Natural Resources Manager maintains strong relations with potential donors of open space and has one such project in the South Hills area of 37 acres identified as a possible donation in 2009-11.

d. To continue with maintenance, enhancement, and recreational trails development efforts, and to continue in a leadership role for the Waterway Management Program and Stormwater Management Program. Out of pocket expenses for passive recreational development—chiefly trails—is small, but is driven by the need to have environmentally appropriate and safe crossings of small streams and swales. Thus the primary cost is for building materials. The Natural Resources Program and City Rangers have become very adept at recycling materials for trail use or for use in enhancement projects such as planting programs, retaining walls, erosion control, etc. A small CIP from the 2007-2009 Financial Plan will be carried over to provide funds necessary for such materials. Funding from Zone 9 is available to support management activities affecting the City's waterways, which includes general supervision of vegetation management efforts by contractors such as the California Conservation Corps and others. Several major mitigation projects involve commitments of Natural Resources staff time and provide funding support; these include the Tank Farm Force Main project, the Los Osos Valley Road interchange project, and continued monitoring of completed projects such as the Damon-Garcia Sports Fields and Calle Joaquin road realignment. Natural Resources staff will also play a facilitator role in getting the new Stormwater Management Program running smoothly.

2. Develop a Master Plan for City Owned Agricultural Land. The City owns 13 acres of open space lands zoned for agricultural purposes adjacent to Calle Joaquin. Two other properties totaling 80 acres adjacent to the City property have also been designated for agricultural purposes in the City's General Plan. The primary objective of developing a Master Plan for this specific area's agricultural lands is to create a program that can encompass all three of the properties (93 acres) while accommodating different timelines and possible different land tenure for the three parcels. The Master plan will follow the City's Conservation Plan format and procedures, which include public workshops and a series of hearings before the Planning Commission, Park

POLICIES AND OBJECTIVES

OTHER IMPORTANT OBJECTIVES – OPEN SPACE PRESERVATION

and Recreation Commission, and City Council prior to formal adoption of a plan. Following research on this topic a series of public input meetings will be held, then a Plan will be drafted, followed by the review and consideration of the proposed Plan by various advisory bodies prior to presentation to Council. Staff believes that a series of meetings promoted to a wide variety of stakeholders will provide sufficient opportunities for public input and that a task force is not necessary. A likely outcome of this effort will be a plan for one or more agricultural facilities such as a community garden, research area and demonstration farm, as well as expansion of the Prefumo Creek riparian corridor. Extension of a bicycle/pedestrian trail between Calle Joaquin and Madonna Road will also be included as called for in City documents.

To accomplish this goal, the Natural Resources Program will work with local interest groups, the adjacent landowners, and other interested parties to develop the Plan. Staff anticipates that the development of the draft plan will get underway this fall after initial research is conducted. The Plan is expected to require approximately one year to complete to allow for sufficient public input and research. Funding for the planning effort will be included in the Natural Resources operating budget. However, depending upon what plan elements are ultimately selected, implementation could entail significant new costs.

Summary of Funding Sources

Staff will aggressively seek grant funding for continued open space acquisition. Opportunities for federal funding through various economic stimulus programs will be constantly monitored and if appropriate to accomplish this goal they will be applied for. The present funding sources are as follows:

Froom Ranch	\$300,000	State of California and Private Donations	\$700,000
		\$400,000	
ACUB Eligible Acquisition	\$116,666	Federal ACUB	\$416,666
		\$350,000	
Total	\$416,666	\$750,000	\$1,116,666

CONSTRAINTS AND LIMITATIONS

Constraints for open space acquisition and preservation include obtaining the necessary matching grant funding during the time period in which option agreements are valid or during the prescribed timeframes for the ACUB program. The Master Plan effort could be constrained by property owners not wanting to participate, and by the need to balance diverse and potentially divergent public input.

STAKEHOLDERS

Stakeholders include the citizens of San Luis Obispo, property owners, the tourism industry, interested agricultural parties and environmental organizations (e.g. ECOSLO, Sierra Club, etc), and Cal Poly.

POLICIES AND OBJECTIVES

OTHER IMPORTANT OBJECTIVES – OPEN SPACE PRESERVATION

ACTION PLAN

Task	Date
Continued Open Space Acquisition, Preservation, and Protection	
1. Secure grant funding for the acquisition of Froom Ranch and take ownership.	6/10
2. Participate in planning efforts that at a minimum include: (a) the Chevron Tank Farm; (b) the Orcutt Area; (c) County property near General Hospital and the Filipponi/Twisselman property to the east; (d) the Filipponi/Denbow property at the end of Calle Joaquin; and (e) the Gap property on Los Osos Valley Road.	Ongoing
3. Continue implementation of elements of City adopted Conservation Plans for: Johnson Ranch; South Hills; Stenner Springs; and the Bob Jones Trail.	Ongoing
4. Continue efforts to improve informational signage, trail signage, trail conditions, and environmental restoration programs.	Ongoing
5. Continue to participate and oversee City-sponsored or –directed mitigation projects, including the Los Osos Valley Road interchange, Bob Jones Trail environmental enhancements, and various private mitigation and enhancement projects throughout the city.	Ongoing
6. Review open space “Conservation Guidelines” for consistency with Conservation and Open Space Element of the General Plan and recommend changes if appropriate.	12/09
7. Continue leadership role in management of the City’s natural waterways through Zone 9 projects, and provide administrative oversight to the Stormwater Management Program.	Ongoing
Develop a Master Plan for City-Owned Agricultural Land	
1. Present a Project Plan for Council Review and consideration including recommended task force structure.	8/09
2. Conduct and complete research on various public and quasi-public farming models (e.g., Fairview Gardens).	10/09
3. Identify interested parties and groups. Hold a series of public input workshops to identify various ideas for the use of City-owned agricultural lands. Develop an email group of participants and provide electronic information updates to this group.	11/09
4. Develop a project plan from initial public input that will outline the remainder of the process. Hold a study session with Council to discuss project plan and public participation.	3/10
5. Complete public workshops on master plan for City-owned agricultural lands. Use public input as the basis for drafting the master plan for the use of City-owned agricultural lands.	6/10
6. Draft a master plan for the use of City-owned agricultural lands.	9/10
7. Present draft master plan to: Stakeholders, Parks and Recreation Commission, and Planning Commission.	11/10
8. Adoption of Master Plan by Council.	12/10

POLICIES AND OBJECTIVES

OTHER IMPORTANT OBJECTIVES – OPEN SPACE PRESERVATION

KEY ASSUMPTIONS

Key assumptions for the Open Space and Agricultural Land Work Program are continued:

1. Staffing at the current level.
2. Availability of outside crews such as the California Conservation Corps to undertake much of the waterway vegetation management effort these efforts need to be described above.
3. Interest and availability of volunteer groups to assist in trail construction and other open space enhancement activities.

RESPONSIBLE DEPARTMENT

Administration will be responsible for the implementation of these programs. Natural Resources Manager, Neil Havlik, will be lead staff person involved in the project supported by the City Biologist.

FINANCIAL AND STAFF RESOURCES REQUIRED TO ACHIEVE THE GOAL

By approving the recommended City budget allocation to the Greenbelt Acquisition CIP, the financial resources deemed necessary and available from the City will be in place to successfully complete the two anticipated transactions. Staff time will be devoted to raising needed additional funding at the State level, and to a private fundraising effort. In addition, the current level of expenditure for contractors and consultants for the Natural Resources Program will be sufficient to cover costs of preparation of the Calle Joaquin site Master Plan.

Cost Summary

	Operating Programs		Capital Improvement Plan	
	2009-10	2010-11	2009-10	2010-11
Greenbelt Acquisition			1,072,500	
Total	\$0	\$0	\$1,072,500	\$0

Funding Sources

	Operating Programs		Capital Improvement Plan	
	2009-10	2010-11	2009-10	2010-11
General Fund			322,500	
Army Compatible Use Buffer (ACUB) Program			350,000	
Wildlife Conservation Board			400,000	
Total	\$0	\$0	\$1,072,500	\$0

GENERAL FUND REVENUE POTENTIAL

It is unlikely that there will be any significant General Fund revenue enhancements as a result of achieving this goal.

POLICIES AND OBJECTIVES

OTHER IMPORTANT OBJECTIVES – OPEN SPACE PRESERVATION

OUTCOME—FINAL WORK PRODUCT

1. The expected work final work products from the implementation of this goal include: Fee ownership of the Froom Ranch Open Space resulting in the addition of 310 acres of open space lands at Irish Hills Natural Reserve.
2. A new conservation easement (held either by the City or by the Land Conservancy) on agricultural land near Camp San Luis Obispo.
3. Measurable increases in trail lengths usable to the public, and measurable improvements in conditions on the City's waterways, such as length of near-stream areas thinned and pruned, volume of debris removed, and amounts of exotic vegetation removed
4. A functional master plan for the farmland acreage at the Calle Joaquin site, which will be important in guiding long-term open space management at that site.

POLICIES AND OBJECTIVES

OTHER IMPORTANT OBJECTIVES – GREEN HOUSE GAS REDUCTION & ENERGY CONSERVATION

OBJECTIVE

Adopt and begin implementing a plan to reduce greenhouse gas emissions and conserve energy for municipal operations and the community.

DISCUSSION

American Recovery and Reinvestment Act (ARRA) Relationship; *At this time, the City has been informed that it is eligible to receive \$199,400 in funds from the Energy Efficiency and Conservation Block Grant Program (EECBG) portion of the American Recovery and Reinvestment Act (ARRA) Federal stimulus package. Staff will submit an application for available funding for development of the Climate Action Plan since that activity is listed as an eligible activity for use of EECBG funds. If EECBG funds are awarded, no General Funds will be required.*

Workscope Summary

The proposed work scope includes the following key elements:

1. Researching climate action plans from other jurisdictions.
2. Analyzing the City's greenhouse gas emissions inventory to identify greenhouse gas (GHG) sources and opportunities for reductions.
3. Researching information available from International Council for Leadership and Environmental Initiatives (ICLEI) – Local Governments for Sustainability - to determine best available practices.
4. Identifying policies and programs already underway to address energy reductions.
5. Convening an internal stakeholders group to develop a strategy to address the areas of impact identified in the inventory.
6. Soliciting input from and participation by community groups.
7. Selecting a reduction goal for emissions.
8. Drafting a Climate Action Plan.
9. Exploring formation of an energy facilities financing district as authorized by AB 811.
10. Guiding the draft plan through the public review process.

Existing Situation

The City signed the U.S. Mayors Climate Protection Agreement to advance the goals of the Kyoto Protocol through leadership and action. The California State Legislature subsequently adopted the California Global Warming Solutions Act of 2006 known as AB 32. This legislation establishes a cap on statewide greenhouse gas emissions to reduce emissions to 1990 levels by 2020. AB 32 establishes that the California Air Resources Board (CARB), the state agency charged with regulating statewide air quality, will implement the Act. Under AB 32, greenhouse gases are defined as: carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride. The regulatory steps laid out in AB 32 require CARB to: adopt early action measures to reduce greenhouse gases; to adopt mandatory reporting rules for significant source of greenhouse gases; and to adopt a scoping plan indicating how emission reductions will be achieved via regulations, market mechanisms and other actions; and to adopt the regulations needed to achieve the maximum technologically feasible and cost-effective reductions in greenhouse gases.

Energy consumed by vehicles and buildings is a significant source of GHG emissions. The City General Plan's Conservation and Open Space Element contains policies and programs to achieve greater energy efficiency in both municipal operations and private development. Many of these policies and programs encourage positive steps toward "greener" development, but stop short of setting specific energy-saving requirements. The City also has on-going efforts related to solid waste reduction and recycling programs, trip reduction programs, water,

POLICIES AND OBJECTIVES

OTHER IMPORTANT OBJECTIVES – GREEN HOUSE GAS REDUCTION & ENERGY CONSERVATION

materials and energy conservation. The Climate Action Plan would develop more specific energy-saving actions to augment our conservation efforts.

In 2008, the Council joined ICLEI, Communities for Climate Protection, and committed the City to a five-step program:

1. Conduct a baseline emissions inventory and forecast.
2. Adopt an emissions reduction target for the forecast year.
3. Develop a local Climate Action Plan.
4. Implement Plan policies and measures.
5. Monitor and verify results.

As part of joining ICLEI, the Council authorized staff to complete a greenhouse gas emissions inventory to determine the level of emissions being produced for the base year 2005 for the City government operations and for the community. On January 31, 2009, the Council identified development and implementation of an action plan to reduce greenhouse gas emissions and conserve energy as an “other important goal” to achieve in the 2009-2011 Financial Plan.

Project Work Completed.

The baseline Greenhouse Gas Emissions Inventory for the community and for municipal operations has been drafted and is undergoing internal staff and consultant peer review. Staff anticipates presenting the report to the Planning Commission in May 2009. This is the first step in the five-step program.

The local Air Pollution Control District (APCD) has awarded a grant to help the other cities and the County of San Luis Obispo to conduct emissions inventories. City staff has been meeting with this group of APCD, cities and County staff on a quarterly basis to share information and strategies.

WORK PROGRAM CONSTRAINTS AND LIMITATIONS

Developing a Climate Action Plan will involve research, data gathering and entry into a computer model as well as policy and program development. With limited staffing, the effort will require some financial support for additional temporary or contract staff to augment permanent staff efforts. The project can be accomplished without additional funds; however, progress will be very slow due to higher work priorities (Housing Element update, South Broad Street Corridor Plan, and Orcutt Area Specific Plan). One option is to collaborate with Cal Poly – their teaching staff worked with a graduate class recently and completed a Climate Action Plan for the City of Benicia. Their staff learned many lessons in this process and could bring a greater level of experience to the project at a minimal cost.

The other thrust of this effort is exploring the formation of an energy facilities financing district as authorized under AB 811. The County has received a significant amount of Federal Stimulus funds under the Energy Block Grant and is proposing to use approximately \$175,000 of those funds to explore formation of a County-wide district and inviting the incorporated cities to participate. Participating in a district with a larger pool of eligible households would most likely result in more favorable bond terms which would make the financing more cost-effective for the customers. Details for how the participation would be structured would need to be resolved. If the City does not or is not able to participate with the County, a larger work effort will be required to explore establishment of a City-only district. There may be links to economic development efforts with energy district financing of home energy improvements.

POLICIES AND OBJECTIVES

OTHER IMPORTANT OBJECTIVES – GREEN HOUSE GAS REDUCTION & ENERGY CONSERVATION

Significant public and business community involvement is anticipated and will require a great deal of outreach and input from various stakeholder groups. If changes to transit operations are proposed, surveys may be needed to capture rider input.

STAKEHOLDERS

There are many internal stakeholders to this effort. Public Works, Administration, Community Development and the Utilities Departments will be active participants in this work program. PG&E is an external stakeholder but one that may be involved in helping the City develop an energy financing district (authorized by AB 811) to support financing of energy improvements. Other City departments will be involved in more minor roles. Programs that impact municipal and transit operations must be vetted with the departments who are most familiar with current efforts and who may be able to offer recommendations or feedback regarding proposed actions to make municipal operations and structures more efficient.

For changes to development regulations, the stakeholders include the Community at large, Chamber of Commerce Sustainability and Economic Subcommittees, the Downtown Association, Cal Poly, the Home Builders’ Association, the local chapter of the American Institute of Architects, SLO Green Build, ECOSLO; other building groups; Air Pollution Control District, Sierra Club and the SLO Council of Governments (SLOCOG). For transit changes, stakeholders include the transit providers and riders as well as SLOCOG.

ACTION PLAN

The timing associated with these tasks assumes some level of contract assistance for permanent staff. Dates shown are the anticipated completion date of the specific activity.

Task	Date
1. Research CAPs from other jurisdictions and explore formation of an energy facilities financing district.	12/09
2. Analyze GHG emissions inventory to identify GHG sources and opportunities for reductions.	12/09
3. Review ICLEI best practices information.	12/09
4. Identifying policies and programs already underway that address energy reductions.	1/10
5. Develop “talking paper” for internal staff review and brainstorming including review of Utilities Conservation Office role in the delivery and oversight of energy conservation programs.	2/10
6. Council review of progress and adoption of reduction target.	3/10
7. Develop website and information mailer.	4/10
8. Public outreach and input (i.e. Earth Day event, mailers, interactive web site).	6/10
9. Data entry and modeling for alternatives.	3/10
10. Draft Action plan.	3/10
11. Public outreach and input.	6/10
12. Council adopts Climate Action Plan.	9/10

POLICIES AND OBJECTIVES

OTHER IMPORTANT OBJECTIVES – GREEN HOUSE GAS REDUCTION & ENERGY CONSERVATION

KEY WORK PROGRAM ASSUMPTIONS

It is assumed that adequate staffing and resources will be available to do the work. Implementation of work programs identified in the CAP will follow adoption of the plan, but this will occur outside of the 2009-2011 Financial Plan timeframe.

RESPONSIBLE DEPARTMENT

Community Development will take the lead but support from and collaboration with Public Works (fleet and facilities management) and the Utilities Department which will be key on other energy conservation components. All Departments may be involved in evaluating programs proposed as part of the Climate Action Plan itself

FINANCIAL AND STAFF RESOURCES REQUIRED TO ACHIEVE THE GOAL

It will take staff time and assistance from temporary and/or contract staff to achieve this goal. Typically, the Community Development Department budget includes some funds for contract services however this line item has been reduced in the draft 2009-2011 Financial Plan in order to meet budget goals. Staff resources from Community Development, Public Works and Utilities Department will be required for the life of this project. If the project must be conducted with existing staff only, approximately ½ FTE will be required (split between various departments) and progress up to task 5 of the Action Plan will be delayed until early 2011. Under this scenario, data entry and modeling might be possible in Spring 2011. With additional temporary or contract assistance, the dates shown in the task list above are feasible.

Cost Summary

	Operating Programs		Capital Improvement Plan	
	2009-10	2010-11	2009-10	2010-11
Climate Action Plan	10,000	15,000		
Total	\$10,000	\$15,000	\$0	\$0

Funding Source: General Fund

The costs in 2009-10 are for research and assistance with developing the “talking paper” for internal staff, data entry, and modeling of various proposals and production of the draft plan and final plan.

GENERAL FUND REVENUE POTENTIAL

It is unlikely that there will be any General Fund revenue enhancements as a result of achieving this goal. Staff will pursue Energy Efficiency and Conservation Block Grant funds available through the recent Stimulus package to fund development of the Climate Action Plan. It also may be possible that implementation of the programs outlined in the Climate Action Plan (CAP) may be eligible for APCD, PG&E or other energy-related grants, but development of the CAP will not generate revenue.

POLICIES AND OBJECTIVES

OTHER IMPORTANT OBJECTIVES – GREEN HOUSE GAS REDUCTION & ENERGY CONSERVATION

OUTCOME—FINAL WORK PRODUCT

The final work product will be a Climate Action Plan with implementation programs. This is important in order to implement the climate change goals adopted by the State, to save City energy and resource costs, and to map out a path for actions the City and development community can do to preserve and improve the City's environmental quality.

POLICIES AND OBJECTIVES

OTHER IMPORTANT OBJECTIVES – DOWNTOWN MAINTENANCE AND BEAUTIFICATION

OBJECTIVE

Expand Downtown beautification efforts to include enhanced maintenance and cleanliness, a review and upgrade of standards and phased physical improvements.

DISCUSSION

Workscope Summary

This work program is intended to enhance the maintenance and beautification of the Downtown through a reprioritization of projects, new partnerships, clearer standards and design guidelines, and improved internal and external communication. More specific program components include improvements in signage, solid waste collection, tree maintenance, news rack management, street furniture, and other enhancements of existing City infrastructure in the Downtown. In addition, it is recommended to assure more consistency in actual implementation of improvements and better communication internally and externally with stakeholders that one staff member be assigned as the Downtown “champion”.

Background

The Downtown is generally considered the “heart and soul” of the City. It is an attraction for tourists and an important part of community life. It also plays a significant role from an economic perspective, by supporting sales tax revenues in its role as a regional shopping draw, and enhancing our transient occupancy tax revenues as a result of prolonged tourist stays. In addition, the Downtown’s many restaurants, movie theatres, and historical offerings provide a hub for social and cultural activity and gatherings.

Existing Situation and Work Completed

The City Council approved Major City Goals for the Downtown in the 1999-01 and 2007-09 Financial Plans. Work in past years has included street resurfacing, installation of pedestrian lights, new Mission Style sidewalks, and other minor improvements.

During the last two years, work has continued on the goal of improving the downtown. Utility line replacements and street reconstruction work occurred. Stairs in the Mission Plaza were replaced and tile repairs were made to sections of Mission Style sidewalk. New trees were planted with a new style of tree grate to replace trees that were removed. A block of pedestrian level lighting was installed on Higuera Street to showcase the newly adopted light standard. Staff resources were devoted to keeping the Downtown cleaned up through more frequent sidewalk scrubbing as well as a one-half time temporary employee cleaning up each morning.

Staff has also worked with the Downtown Association to complete their Strategic Plan and evaluation of alternative organizational forms. The Downtown Association has also become independent from the City to allow it greater freedom to achieve its goals. Tourism and special event promotion is also ongoing to attract tourists to the City.

The Police Department continues to support the efforts of the Downtown Association with safety and criminal issues. In the parking program, maintenance of surface lots and structures occurred. Work continues towards provide bicycle parking options downtown as well as more marketing of parking options.

One of the largest work efforts for both staff and the Council was the review and adoption of the building height regulations. Staff continues to work with development to implement the Downtown Physical Concept Plan and encourage housing in the Downtown.

POLICIES AND OBJECTIVES

OTHER IMPORTANT OBJECTIVES – DOWNTOWN MAINTENANCE AND BEAUTIFICATION

CONSTRAINTS AND LIMITATIONS

The maintenance projects are not anticipated to require specialized review and should proceed readily. Paving and utility line work is often disruptive and will require the cooperation of the Downtown Association to proceed smoothly and get the message out. Staff will complete project specific outreach for these projects.

Design standards, solid waste issues and informational signage are expected to generate considerable interest from the business community and warrant outreach efforts to include the Downtown Association and the Chamber of Commerce, along with specifically interested businesses and members of the Architectural Review Committee. Staff anticipates workshops and regular meetings to encourage community involvement in any changes to the current standards and guidelines.

STAKEHOLDERS

Stakeholders for this goal are the residents of the City, downtown businesses, the Downtown Association, City Advisory Bodies, and visitors to downtown including: tourists, shoppers, and parking customers, both automobile and bicycle.

Staff has already met with representatives of both the Downtown Association and the Chamber of Commerce to determine what role they can play in promoting this objective. Staff will involve both these groups to discuss implementation options, covering both costs and sequencing, to be presented to the City Council. Both groups have expressed particular interests as follows:

1. Downtown Association

The Downtown Association recognizes that these are tough times and that the basics, such as sidewalk scrubbing, daily trash and graffiti cleanup, and tree maintenance are key maintenance activities for the City to continue. The Association is very interested in working with the City on a donor program for pedestrian lighting as this the Chamber of Commerce. In addition to collaborating with the City on design guidelines, the Downtown Association will assist the City in identifying the areas that need the most maintenance to better focus our resources. To supplement the City's efforts, the Association will serve the City Arborist as the "Downtown Foresters" and their help with small tree care will continue. Finally, independent of the City, the Association will continue with other independent support services, such as private security and events to promote the health and vitality of the downtown.

2. Chamber Commerce

The Chamber of Commerce has identified key ways it will support the implementation of this objective. One example is the Chamber's strong desire to developing uniformity in street furniture. The Chamber has suggested that upgrading an entire block with the newly approved standards, could be a good way to "kick start" such a beautification effort. The Chamber intends to educate business owners on such things as cleaning, solid waste management, and maintenance of decorative pots. Improvement on these items not only benefits the Downtown but also translates into improvements in water quality in line with the City's Stormwater Management program. The Chamber has also volunteered to take the lead in an outreach effort to news rack owners to encourage their support of a consolidated news rack approach.

ACTION PLAN

1. *Review of Existing Design Guidelines.* The work program proposes to start with a review of the documents that guide the appearance of the downtown. That effort will involve not only City staff but members of the

POLICIES AND OBJECTIVES

OTHER IMPORTANT OBJECTIVES – DOWNTOWN MAINTENANCE AND BEAUTIFICATION

community and City advisory bodies. From this initial review will follow a proposal of how to get to where the City wants to be for the appearance of the Downtown and what that effort is likely to cost. One notable area that will be reviewed is news rack clutter. A consistent news rack design and possible locations for consolidation will be developed for the Council to review, and if appropriate, a trial installation funded. There have also been some indications that proper management of trash and recyclables is also a maintenance issue downtown. The specific concerns about those solid waste issues will be identified so that staff has a clear understanding of the concerns and can then develop a way to address them. Staff is also proposing a review of the planters in the downtown area to determine their condition and maintenance needs for possible future funding.

2. **Maintenance Work.** Maintenance work, such as sidewalk repairs, Mission Sidewalk installation, tree well upgrade and planting, repainting of light poles and replacement of others with updated standards, is also recommended for funding in the 2009-11 budget. The tree well and lighting standards are recent adoptions, so changes to these standards are not anticipated. Ongoing sidewalk scrubbing and general trash and graffiti removal will also continue. Staff will evaluate possible locations for maintenance and improvements that will maximize the return for the investment made. Staff will also investigate the possibility of combining the proposed improvement projects into a larger project that will allow better staging and coordination of the improvement work. Any projects undertaken will need to be planned to minimize disruption for Downtown businesses, and yet have a noticeable impact on the aesthetic appearance of the Downtown.

3. **Communications Enhancements and Downtown Champion.** Staff has discussed possible options to ensure the Downtown Association and local businesses continue to have a positive flow of information to, and from, the City. There are a variety of ways that communication occurs now. For construction projects, engineering staff complete outreach to the Downtown Association and businesses. To schedule construction projects and get the word out, engineering staff has spoken at Downtown breakfasts and attended Board meetings as well as providing simple email updates to be included in the Downtown Association newsletter. Maintenance issues are called directly in to the Public Works Corporation Yard so that response time is reduced to the minimum. The maintenance staff person downtown on a regular basis is a familiar face and can be contacted directly. Questions or requests for City resources outside the current agreement are handled by the Economic Development Manager and reviewed with affected departments. This gives the Downtown Association a single point of contact when they wish to adjust previously agreed upon services. The Economic Development Manager also regularly attends Board meetings and can serve to bring back any concerns to the departments.

Generally, these strategies appear to be providing the needed links for information and communications with the Downtown Association. However, staff proposes designating the Public Works Department Parking Services Manager as the principal staff contact for the City for Downtown oriented communications and activities. With the focus of this program and their physical location in the Marsh Street Garage, this person will be available as a conduit to the City when concerns arise or information is needed, and to help ensure consistent standards are followed when repairs or upgrades are undertaken.

Task	Date
Design Standards & Upgrades	
1. Assemble all current downtown design guidelines and standards.	8/09

POLICIES AND OBJECTIVES

OTHER IMPORTANT OBJECTIVES – DOWNTOWN MAINTENANCE AND BEAUTIFICATION

Task	Date
2. Working with the Architectural Review Commission, review the current guidelines and standards and revise or confirm the public improvement design strategy for the downtown including street furniture, trash and recycling containers, and regulatory signage, for Council consideration.	3/10
3. Develop costs, spending options, and sequencing options to bring the downtown up to new standards.	4/10
4. Develop a design and identify possible locations for a centralized news rack enclosure to accommodate a range of different papers in a consolidated and uniform manner, for Council consideration, and possible funding approval.	3/10
5. Assess existing planters in the downtown for condition, including planter box, plant material, and irrigation, and develop funding request for the 2010-11 budget to improve appearances.	12/09
6. Install pedestrian level lighting, repair Mission Style Sidewalk, and install other upgraded improvements within selected areas of the Downtown.	6/11
Signage	
Develop a coordinated program for the City informational and directional signage and recommend implementation plan.	12/10
Solid Waste	
Identify solid waste issues with the Downtown Association and Chamber of Commerce and develop a work plan to address them.	6/11
Facility Maintenance	
1. Provide sidewalk scrubbing service and daily cleanup maintenance work.	Ongoing
2. Implement the Downtown Tree Management Plan.	Ongoing
3. Complete Warden Bridge resurfacing project.	6/10
4. Complete painting of existing street light poles.	6/10 & 6/11
5. Complete downtown street and parking lot resurfacing projects.	4/11
6. Complete water and sewerline replacements.	4/11

KEY ASSUMPTIONS

Facility maintenance costs are based on recent bids and account for funding currently anticipated to be available to complete the work. Anticipation of seasonal work has framed the year in which certain work will be accomplished, rather than the year of actual funding. Delivery of the work program assumes that staff reductions are not so severe as to hamper delivery of the various tasks.

POLICIES AND OBJECTIVES

OTHER IMPORTANT OBJECTIVES – DOWNTOWN MAINTENANCE AND BEAUTIFICATION

RESPONSIBLE DEPARTMENTS

In coordination with the Parking Services Manager, Community Development will take the lead in reviewing and updating design standards and guidelines. Public Works will also assist where the standards relate to construction details. Public Works will take the lead on the facility maintenance work needed to complete the goal. Utilities will be a partner in this area where it relates to their pipe systems. The Utilities Department will take the lead for solid waste issues working with the Downtown Association and the Chamber. Administration will take the lead on the implementation of an informational sign program in coordination with the Promotional Committee and assistance from Public Works for installation efforts.

FINANCIAL AND STAFF RESOURCES REQUIRED TO ACHIEVE THE GOAL

Cost Summary

	Operating Programs		Capital Improvement Plan	
	2009-10	2010-11	2009-10	2010-11
Comprehensive Directional Sign Program			25,000	50,000
Pedestrian Light Installation				70,000
Mission Sidewalk Installation			100,000	100,000
Downtown Urban Forest Management			25,000	25,000
Warden Bridge Deck Rehabilitation			45,000	
Street Light Painting			50,000	50,000
Parking Lot Resurfacing			122,000	
Street Resurfacing			200,000	500,000
Utility Line Replacement			151,000	
Total	\$0	\$0	\$718,000	\$795,000

Funding Sources

	Operating Programs		Capital Improvement Plan	
	2009-10	2010-11	2009-10	2010-11
General Fund			445,000	795,000
Parking Fund			122,000	
Water Fund			65,000	
Sewer Fund			86,000	
Total	\$0	\$0	\$718,000	\$795,000

GENERAL FUND REVENUE POTENTIAL

A healthy, vital, and attractive Downtown may result in stronger sales tax and transient occupancy tax revenues.

OUTCOME—FINAL WORK PRODUCT

A robust, attractive, and healthy Downtown is vital to its continued success as the retail, social, and visitor hub for San Luis Obispo. The on-going maintenance activities by the City are a key component to keeping the Downtown clean and therefore healthy. Not only does it enhance the Downtown to visitors but it continues to position it as the place to be for our residents.

POLICIES AND OBJECTIVES

OTHER IMPORTANT OBJECTIVES – HISTORIC PRESERVATION

OBJECTIVE

Adopt a Historic Preservation Ordinance, and if funding permits in 2110-11, update the City's Inventory of Historic Resources.

DISCUSSION

Workscope Summary

Phase 1 of the proposed work scope includes the following key elements:

1. Prepare a draft Historic Preservation Ordinance.
2. Circulate the draft for comments and input from the community.
3. Review of the ordinance through the public hearing process.
4. Adopt a Historic Preservation Ordinance.

If funding permits in 2010-11, Phase 2 would include the following:

1. Hiring contract staff to organize and lead a historic survey, and to train volunteers.
2. Consideration of eligible properties for addition to the historic resources inventory by the Cultural Heritage Committee and Council through noticed public hearings.

Existing Situation

In 1981, a citizen's committee lead by a coordinator under contract to the City surveyed the older buildings in town (built prior to 1941) and the Council approved listing the nominated properties on a historical resources inventory. In 1987, the Council created three historical preservation districts: Old Town, Downtown, and Mill Street. The number of districts has since been increased to five with the addition of the Railroad and Chinatown Historic Districts. Margaret Lovell, a consultant to the Cultural Heritage Committee (CHC), conducted the last citywide historic inventory in 1991. Since then, annexations of previously un-surveyed areas and planning and construction permit applications have underscored the need for updating the Inventory of Historic Resources.

As the rate of infill development increases, the number of potentially historic but undocumented buildings affected by new projects has also increased. In the past, buildings were proposed for demolition which – after the demolition applications were received – were determined to be historically significant. These properties had been overlooked in previous historical surveys but under current City and State criteria, would probably qualify as historically significant if evaluated today.

Before 1996, any building proposed for demolition would first go to the CHC for a determination of historic significance, resulting in a case-by-case approach to historic evaluation. In 1996, the City changed its demolition procedures to require historic documentation for any building over 50 years old. With the 1996 changes, the CHC is assigned the responsibility to review demolition requests for properties already designated historic and properties for which historic documentation developed as a result of a demolition request indicates some importance. This change makes the development review process more predictable, but places greater importance on doing thorough, accurate historical surveys in advance of new development proposals. With the increased rate of development since that time and limited resources, the CHC has not been able to maintain the inventory to keep pace with the rate of infill development, resulting in situations where the City must use outdated, incomplete or sometimes inaccurate information when evaluating the effects of new development on historic resources. This

POLICIES AND OBJECTIVES

OTHER IMPORTANT OBJECTIVES – HISTORIC PRESERVATION

has made it increasingly difficult for the City to fairly and objectively implement General Plan policies on historic preservation.

Project Work Completed

1. *The Historic Preservation Ordinance*

Under Community Development Department staff supervision, a graduate planning intern has created a rough draft of a historic preservation ordinance. The draft addresses topics such as, identifying when a remodel is effectively a demolition of a historic structure, demolition by neglect, identifying the types of projects that require CHC review, inclusion or reference to the Secretary of the Interior's standards, standards for relocation and demolition, procedures for listing of resources or districts, standards for contents of historic reports, post-disaster preservation efforts, and enforcement provisions. The draft will require staff review and editing as well as inclusion of graphics to illustrate certain requirements before it is ready for internal circulation and subsequent public and CHC review.

2. *Inventory of Historic Resources*

Since the Margaret Lovell-lead inventory in 1991, additions to the historic resources inventory have been made on either a neighborhood or single property basis. In 2007, 25 properties in the East Railroad area off of Johnson Street were added to the Contributing Properties list. In May, 2008, the Council added eight properties in the Monterey Heights area to the list of Historic resources - one to the Master List and seven to the Contributing Properties list.

WORK PROGRAM CONSTRAINTS AND LIMITATIONS

Preparation of a Historic Preservation Ordinance will require additional staff work and would benefit from architectural graphics to illustrate key standards in the document. Initiating a revision to the Historic Resources Inventory will be difficult with limited funding and staffing. Due to the nature of the undertaking, updating the inventory can only be conducted if funding is available for professional assistance from a historian.

If a citywide historic survey is funded, the Cultural Heritage Committee suggested following a process similar to that used in the successful 1981-1983 historic survey. That survey used a paid temporary staff person, CDD staff support, Cal Poly faculty and community volunteers to survey buildings over most of the City. Staff anticipates that in updating the original survey, a key prerequisite is retaining a professional historian and architect to ensure survey volunteers are adequately trained, and that objective standards and guidance are followed in researching and identifying historic resources. Project management would be provided by staff for coordination with the advisory body and Council and the lead historian will be tasked with training and coordinating the volunteers. Temporary administrative help would be needed to assist with management of the inventory documentation. Updating the inventory would involve a substantial amount of staff time.

STAKEHOLDERS AND POSSIBLE PARTICIPANTS

The stakeholders include residents and property owners, the Chamber of Commerce, Downtown Association, Residents for Quality Neighborhoods, SLO Property Owners' Association, SOD, Home Builders Association, other building groups, San Luis Obispo County Historical Museum, State Office of Historic Preservation (SHPO), Monday Club, Sierra Club, San Luis Obispo County Land Conservancy, Cal Poly University's College of Architecture and Environmental Design, Cuesta College, local chapters of the American Institute of Architects and American Planning Association, Northern Chumash Tribe, Heritage Shared, UCSB Central Coast Information Center, San Luis Obispo County Archaeological Society (SLOCAS), and the Cultural Heritage Committee.

POLICIES AND OBJECTIVES

OTHER IMPORTANT OBJECTIVES – HISTORIC PRESERVATION

ACTION PLAN

Task	Date
1. Internal staff review and evaluation of draft historic preservation ordinance.	3/10
2. Presentation and discussion of draft ordinance with stakeholder groups.	6/10
3. Early study session with Council to solidify approach.	6/10
4. Public Hearings – draft ordinance.	12/10
5. Contract for Historian and Architect to lead Inventory (If funding is available).	10/10
6. Training Volunteers (If funding is available).	12/10
7. Conduct Historic Survey (If funding is available).	2/11
8. Public Hearing process for consideration of nominated properties (If funding is available).	6/11

KEY WORK PROGRAM ASSUMPTIONS

It is assumed that adequate staffing and resources will be available to bring the Historic Preservation Ordinance through the public hearing process. Community Development staff will be available to initiate this phase of the goal once the Housing Element, Orcutt Area Specific Plan, Broad Street Corridor Plan, and Climate Action Plan efforts are complete. Some financial resources will be needed to develop architectural graphics for the ordinance.

The Historic Resources inventory is too costly to undertake at this time and is be dependent on funding and priority of other important objectives such as the preliminary update efforts for the Land Use and Circulation Elements and the development of a Climate Action Plan. Without significant funding for a professional historian to lead the project, the scope of the goal will focus solely on Phase 1, the development of the Historic Preservation Ordinance, namely steps one through four listed above.

Cal Poly has indicated an interest in including the inventory as a two-quarter program in the environmental design course series. This could provide a designated group of architecture and/or planning faculty and students who would form part of the core volunteer team to assist with training, field survey, background research, and documentation efforts (but would not lessen the cost associated with a professional to lead the effort).

RESPONSIBLE DEPARTMENT

Community Development will take the lead but participation by other departments' staff, the City Attorney will also be essential.

POLICIES AND OBJECTIVES

OTHER IMPORTANT OBJECTIVES – HISTORIC PRESERVATION

FINANCIAL AND STAFF RESOURCES REQUIRED TO ACHIEVE THE GOAL

It will take staff time and assistance from contract staff or consultants to achieve this goal. Typically, the Community Development Department budget includes some funds for contract services; however funding for consultant services in the 2009-2011 Financial Plan has been trimmed to meet budget goals. Staff resources from Community Development Department will be required throughout this project. Finalizing the draft Historic Resources Ordinance and bringing it through the public review process is anticipated to require approximately 1/4 FTE. This commitment will increase with the inventory process to approximately 1/2 FTE. In addition, lessons learned from the previous historic survey indicate that a 1/4 or 1/2 time administrative assistant is essential to ensure documentation, photos, property owner coordination, correspondence and staff notes are organized, thorough and accurate.

Cost Summary

	Operating Programs		Capital Improvement Plan	
	2009-10	2010-11	2009-10	2010-11
Graphic Services	5,000			
Total	\$5,000	*	\$0	\$0

Funding Source: General Fund

The costs in 2009-10 include graphics development for the proposed ordinance and contract staff/consultant assistance to manage the inventory process and provide technical expertise for identification of historic resources; and associated costs for supplies for volunteers assisting in the effort.

*The cost for 2010-11 could be \$80,000, if the City is able to fund this second phase at that time.

GENERAL FUND REVENUE POTENTIAL

It is unlikely that there will be any General Fund revenue enhancements as a result of achieving this goal.

OUTCOME—FINAL WORK PRODUCT

The final work products will be a Historic Preservation Ordinance and an updated Historic Resources Inventory (if funded). If funds are not available for the Inventory, the Historic Preservation Ordinance can still proceed as a work item for staff to complete, although illustrations and graphics will be an important element of this item.

Work on the Historic Resources inventory (if funded) will extend beyond the 2009-2011 Financial Plan. The work product anticipated to be completed by June 30, 2011 will be a set of recommendations by the consultants and volunteers for updates to the existing List of Historic Resources. Those recommendations will need to be considered by the Cultural Heritage Committee and the City Council through the public hearing process and will still be occurring beyond the 2009-2011 Financial Plan timeframe.

POLICIES & OBJECTIVES

STATUS OF 2007-09 MAJOR CITY GOALS

OVERVIEW

The following summarizes major City goals for 2007-09, including the objective, action plan and projected status at the end of 2007-09 as of June 30, 2009.

As indicated in the summaries, we project accomplishing *all of the work program tasks by June 30, 2009* based on the adopted two-year “action plans.”

Important Note

Many of these are multi-year goals that have activities associated with them that go beyond the two-year 2007-09 timeframe.

As such, the status summary is based on the two-year work programs and “action plan” tasks approved by the Council, including revisions.

However, as noted in the sidebar, even those that are “complete” based on the “action plan” are likely to have “carryover” activities” associated with them beyond 2007-09.

Status Summary

The following “report card” summarizes the major City goals for 2007-09 and provides its projected status at June 30, 2009.

Status Summary of 2007-09 Major City Goals

Major City Goal	Projected Status at June 30, 2009	
	Complete	In Progress
Public Safety Service Levels	<input checked="" type="checkbox"/>	
Neighborhood Paving/Deferred Street Maintenance	<input checked="" type="checkbox"/>	
Traffic Congestion Relief	<input checked="" type="checkbox"/>	
Bikeway Improvements	<input checked="" type="checkbox"/>	
Flood Protection	<input checked="" type="checkbox"/>	
Senior Citizen Facilities	<input checked="" type="checkbox"/>	
Roller Hockey Rink & Skate Park Improvements	<input checked="" type="checkbox"/>	
Homeless Services	<input checked="" type="checkbox"/>	
Affordable Housing	<input checked="" type="checkbox"/>	
Neighborhood Wellness	<input checked="" type="checkbox"/>	
Downtown Improvements	<input checked="" type="checkbox"/>	
Open Space Preservation	<input checked="" type="checkbox"/>	

POLICIES & OBJECTIVES

STATUS OF 2007-09 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
Police Services
<ol style="list-style-type: none"> 1. Recruit and hire additional police officer and dispatch positions; purchase necessary vehicles and equipment. 2. Examine internal policies regarding SNAP and police response to noise and party disturbances in order to assess whether or not changes are needed. 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. 4. Develop strategies for closer collaboration with Public Works Traffic Engineering staff to more comprehensively address traffic concerns. 5. Purchase and install grant-funded radar speed display devices in coordination with Public Works. 6. Develop detailed programs for neighborhood patrol services, including evaluating current patrol deployment methodology and examining alternative deployment strategies. 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. 8. Complete training of new police officers (including specialized motorcycle training for a new traffic officer) and dispatcher. 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 City Manager and Council. 10. Implement E-Citation and E-Collision reporting technology.

Task
<ol style="list-style-type: none"> 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 City Manager and Council for funding in 2009-11.
Fire Services
<ol style="list-style-type: none"> 1. Develop appropriate job description for Fire Marshal. 2. Advertise Administrative Assistant position 3. Interview applicants 4. Conduct testing and interview successful Fire Marshal candidates. 5. Hire new Fire Marshal and new Administrative Assistant 6. Finalize and activate “Train the Trainer” program. 7. Develop Organizational Development Program and create supporting database 8. Develop job description for Training Battalion Chief. 9. Meet and confer with appropriate labor units and establish hiring process for Training Battalion Chief. 10. Conduct testing and interview successful Training Battalion Chief Candidates. 11. Hire Fire Training Battalion Chief.
Dispatch Center and Radio System Replacement
<ol style="list-style-type: none"> 1. Invite bids for dispatch center construction. 2. Receive construction bids. 3. Evaluate bids and award construction contract. 4. Execute contract; contractor mobilizes and begins work. 5. Issue request for proposals (RFP) for radio system replacement. 6. Receive and evaluate radio system proposals.

Status Summary at June 30, 2009: Complete

POLICIES & OBJECTIVES

STATUS OF 2007-09 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
1. Perform pavement street repairs using City crews
2. Pursue outside funding for pavement projects
3. Complete arterial street repair project
4. Complete Los Osos Valley Road pavement repair project: City limits to Highway 101
5. Complete Higuera Street paving in Downtown
6. Work with Downtown Association in finalizing paving locations for 2008-09
7. Complete paving in Area 1
8. Complete 2008-09 Downtown paving project
9. Complete design of paving project for Area 2

Status Summary at June 30, 2009: Complete

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
Short Range Transit Plan
1. Complete Short Range Transit Plan Update.
Transit Service Improvements
1. Extend Evening Service Hours on Route 4, Routes 6a/6b
2. Begin Review of Evening Service Hours modifications on Routes 2 and 3
3. Implement evening service modifications to Routes 2 and 3
Congestion Management Report
1. Prepare and distribute request for proposals for consultant services for first year report (subsequent annual reports will be prepared by City staff).
2. Hire consultant and begin preparing report.
3. Complete report and present results to the Council.
Mid-Higuera Street Widening
1. Complete National Environmental Policy Act (NEPA) document to secure funding for design and construction.
2. Complete final project design
3. Pursue additional funding as needed to complete Mid-Higuera widening project Marsh to High Street
Orcutt Road Widening
1. Complete UPRR permitting of project
2. Pursue additional funding as needed to complete Orcutt Road widening project Duncan to Laurel Lane
3. Begin construction
4. Complete major construction
5. Begin signal installation
6. Complete project
Santa Barbara Street Widening
1. Bid project
2. Begin construction
3. Complete construction
Prado Road Extension
1. Work with west side Margarita area property owners to resolve funding issues and outline project development schedule
2. Begin environmental review and technical studies by MASP property owners
3. Begin project plans, specification and estimates (PS&E) by MASP property owners
4. Complete environmental review.
5. Complete construction plans and specifications.

POLICIES & OBJECTIVES

STATUS OF 2007-09 MAJOR CITY GOALS

Task
6. Process reimbursement and financial plan for project
7. Begin construction (subject to available right-of-way and private development schedule)
Signalization: Johnson Avenue/Ella Street Intersection
1. Begin construction
2. Complete construction
Los Osos Valley Road Interchange
1. Complete environmental review of the project.
2. Complete Caltrans Project Report
3. Compete for STIP funding
4. Begin preparing construction plans and specifications
5. Pursue additional funding
6. Implement phase improvements as new development is approved and can be identified
Bicycle Improvements
See Bicycle Improvements Work Program
Johnson and Buchon Intersection Improvements
1. Begin project design (Combined Scope of Pismo/Buchon NTM Program)
South Higuera Widening: Margarita Ave to Elks Lane
1. Prepare and distribute request for proposals for consultant services for design services
2. Hire consultant and begin design.
Tank Farm Road Intersection Improvements
1. Initiate design of Tank Farm Road widening project
2. Complete project design
Traffic Model Upgrade
1. Distribute a request for proposals
2. Interview and rank proposers
3. Award a contract
4. Complete Model Update

Status Summary at June 30, 2009: Complete

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
Railroad Safety Trail - Phase 3
1. Complete negotiations and execute license agreement with UPRR for use of their property for the Railroad Safety Trail bikeway.
2. Acquire additional funding
3. Complete construction documents.
Railroad Safety Trail - Phase 4
1. Complete construction drawings.
2. Complete construction using grant funding.
Railroad Safety Trail Bridge: Highway 101 Crossing
1. Award design contract.
Bob Jones City-to-Sea Trail
1. Pursue outside funding for bridge connections.
2. Begin construction of Phase 1a bike path.
3. Complete construction of Phase 1a bike path.
4. Complete construction drawings for bridge abutments.
Bill Roalman Bicycle Boulevard, Phase 2 Bulb-Outs
1. Complete design and award contract for bulb-outs.
2. Complete construction of bulb-outs.
Other Projects That Improve Bicycling
1. Complete on-street bicycle facility paving and striping improvements in conjunction with City street paving projects.
2. Complete miscellaneous bicycle facility improvements identified in the Bicycle Transportation Plan, as resources permit.
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.
4. Seek funding for the design and construction of bikeways within the City.

POLICIES & OBJECTIVES

STATUS OF 2007-09 MAJOR CITY GOALS

Task
5. Promote bicycling as an alternative form of transportation.
6. Provide more bicycle parking through the City's "Racks with Plaques" program

Status Summary at June 30, 2009: Complete

FLOOD PROTECTION

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

Status Summary at June 30, 2009: Complete

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

Status Summary at June 30, 2009: Complete

POLICIES & OBJECTIVES

STATUS OF 2007-09 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
<p>Skate Park Study and Improvements</p> <ol style="list-style-type: none"> 1. Develop and issue the RFP for skate park needs study; receive and evaluate proposals. 2. Hire consultant, complete study, present results to the Parks and Recreation Commission and City Council. 3. Develop Skate Park Master Plan and purchase new modular equipment. 4. Seek outside funding opportunities. <p>Roller Hockey Rink Expansion</p> <ol style="list-style-type: none"> 1. Meet with stakeholders to solicit input on design. 2. Complete design and construction documents. 3. Seek outside funding opportunities.

Status Summary at June 30, 2009: Complete

HOMELESS SERVICES

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

Action Plan

Task
<p style="background-color: #cccccc;">Homeless Services Research & Meetings</p> <ol style="list-style-type: none"> 1. Evaluation of the two local homeless shelters. 2. Meetings with individual organizations working in homeless services. 3. Site visits to other centers in Santa Barbara.
<p style="background-color: #cccccc;">Homeless Services Coordinating Council (HSCC)</p> <ol style="list-style-type: none"> 1. Join the HSCC steering committee for ongoing dialogue and City participation. 2. Evaluate potential homeless services sites within City through city and county. 3. Define campus model and need assessment. 4. Agency collaboration to establish Continuum of Care.
<p style="background-color: #cccccc;">10-Year Plan to End Chronic Homelessness</p> <ol style="list-style-type: none"> 1. Secure funding for the drafting of a 10-year plan. 2. Request for Proposal through County for a 10-year plan. 3. Award contract to 10-year plan consultant 4. Completion of 10-year plan. 5. Implementation of 10-year plan & formation of governing board
<p style="background-color: #cccccc;">Creek Homeless Efforts</p> <ol style="list-style-type: none"> 1. Meet and confer with various agencies (Fish & Game, Regional Water Board) 2. Establish enforcement actions and begin regular "clean-up" of camps 3. Create Safety Net in collaboration with service providers

Status Summary at June 30, 2009: Complete

POLICIES & OBJECTIVES

STATUS OF 2007-09 MAJOR CITY GOALS

AFFORDABLE HOUSING

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

Action Plan

Task
1. Inventory and establish a monitoring & early warning system to track affordable housing units at risk of being converted to market rate housing.
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.)
3. Work with the Housing Authority to develop affordable housing in the Margarita Specific Plan Area.
4. Continue to implement the Inclusionary Housing Program.
5. Evaluate the City's Inclusionary Housing Program and propose to the Council ways of strengthening it.
6. Work with submitted development applications to obtain more affordable dwellings as part of the proposed developments.
7. Continue to define the residential development potential of infill areas identified in the Housing Element.
8. Address residential parking in the downtown area to accommodate increased residential development.
9. Continue funding affordable housing programs through the CDBG program and retain this as the highest priority use of these funds.
10. Continue implementing other Housing Element programs and affordable housing production goals.
11. Proactively look for new opportunities to use Affordable Housing Fund and grant monies to leverage other funds for affordable housing projects.

Status Summary at June 30, 2009: Complete

NEIGHBORHOOD WELLNESS

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

Action Plan

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

Status Summary at June 30, 2009: Complete

POLICIES & OBJECTIVES

STATUS OF 2007-09 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
Maintenance
<ol style="list-style-type: none">1. Complete replacement of the sewer line located in Osos Street, Marsh to Pacific Streets2. Jump start the downtown street maintenance program through already dedicated funds & paving of Higuera Street in 2007-08.3. Pave other Downtown streets in 2008-09.4. Flood protection to downtown area through dedicated storm drain cleaning.5. As part of the Downtown Urban Forest Management Plan, plant street trees and upgrade tree wells.6. Repair Mission Plaza stairs.7. Implement Mission Style sidewalk tile repairs.8. Support Farmer's Market and other events downtown including: street closures, sidewalk scrubbing and maintenance and delivery of portable public restrooms.
Economic Development
<ol style="list-style-type: none">1. Assist the Downtown Association with an update to its Downtown Strategic Plan and evaluation of alternative organizational forms.2. Support efforts of compliance with deadlines for seismic work necessary to strengthen unreinforced masonry (URM) buildings Downtown.3. Provide staff support for the completion of important Downtown revitalization projects such as Chinatown and Garden Street Terraces.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

Task
Public Safety
<ol style="list-style-type: none">1. Continue to provide a very high level of police resources dedicated to the Downtown.2. Continue efforts to control criminal behavior in the Downtown, including aggressive panhandling, alcohol violations, and graffiti.3. Collaborate with Downtown Association members regarding public safety issues and concerns.4. Invest in added efforts in neighborhood wellness and community appearance in Downtown as appropriate.
Parking
<ol style="list-style-type: none">1. Complete study of a parking structure at Palm Nipomo.2. Resurface Parking Lot 9.3. Repaint the Marsh Street Structure.4. Expand bicycle parking Downtown.5. Continue marketing parking options in the Downtown.6. Study and implement a Downtown Residential Parking District.
Tourism Promotion and Special Events
<ol style="list-style-type: none">1. Continue Tourism Marketing Plan efforts promoting Downtown as a place to visit.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.3. Continue the support of special events like the Tour of California to drive tourists and visitors to Downtown San Luis Obispo.
Pedestrian Lighting
<ol style="list-style-type: none">1. Complete design of pedestrian lights for one block of Higuera Street.2. Complete construction of pedestrian lights for one block of Higuera Street.
Mission Style Sidewalks
<ol style="list-style-type: none">1. Review standard specifications for Mission Style sidewalks.2. Consistent with City standards, continue repair and installation of Mission style sidewalks.

POLICIES & OBJECTIVES

STATUS OF 2007-09 MAJOR CITY GOALS

Task
Signage <ol style="list-style-type: none">1. Complete feasibility and location study.2. Complete program design including all approval.
Other Tasks <ol style="list-style-type: none">1. Amend the Zoning Regulations and Community Design Guidelines to implement General Plan building height policies.2. Review new developments for possible implementation of the Downtown Physical Concept Plan.3. Consistent with General Plan programs, encourage housing in Downtown.

Status Summary at June 30, 2009: Complete

OPEN SPACE PRESERVATION

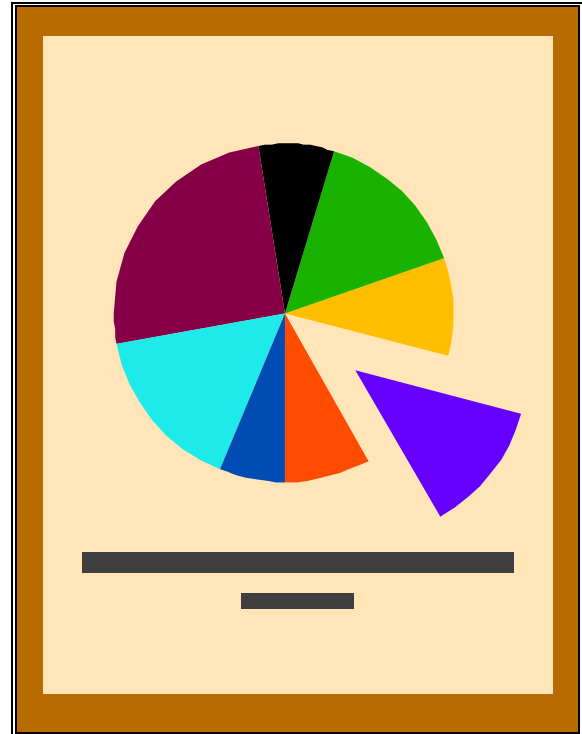
Objective. Restore open space acquisition program funding to at least \$200,000 per year and bring forward opportunities should they arise that further leverage City funds through grant programs.

Action Plan
Task
<ol style="list-style-type: none">1. Work with interested landowners to complete one to three conservation transactions.2. 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.3. 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.4. Complete the Johnson Ranch public access improvements.5. Complete three different creek mitigation projects: Damon-Garcia sports complex; Calle Joaquin road realignment; and the City Water Reclamation Facility.6. Continue to leverage City funds through the pursuit of grant and donation opportunities.

Status Summary at June 30, 2009: Complete

Section C

BUDGET GRAPHICS



BUDGET GRAPHICS AND SUMMARIES

OVERVIEW

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

Combined Expenditures and Revenues

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

Expenditures and Revenues by Fund

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

Changes in Financial Position

- Summary of Revenues, Expenditures and Changes in Financial Position by Fund for 2009-10 and 2010-11

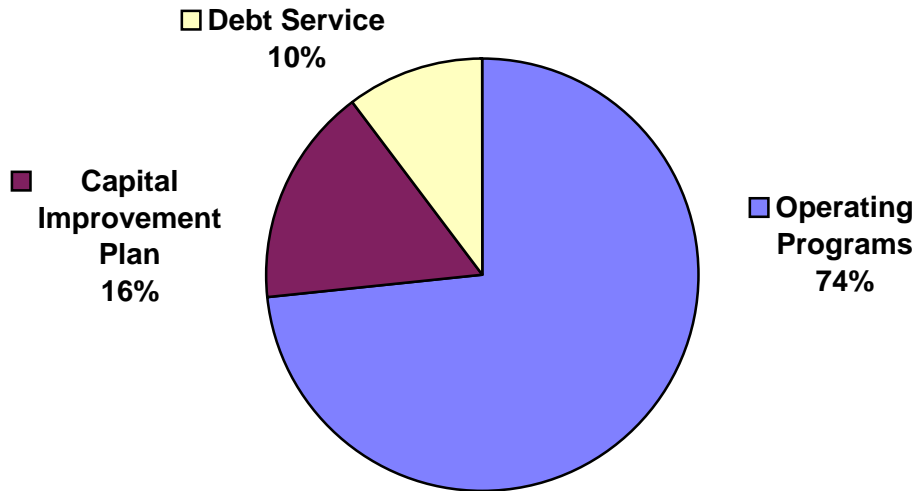
Authorized Regular Positions

- Authorized Regular Positions by Function

BUDGET GRAPHICS AND SUMMARIES

TOTAL EXPENDITURES BY TYPE - ALL FUNDS COMBINED

2009-10 Expenditures By Type: \$96.7 Million

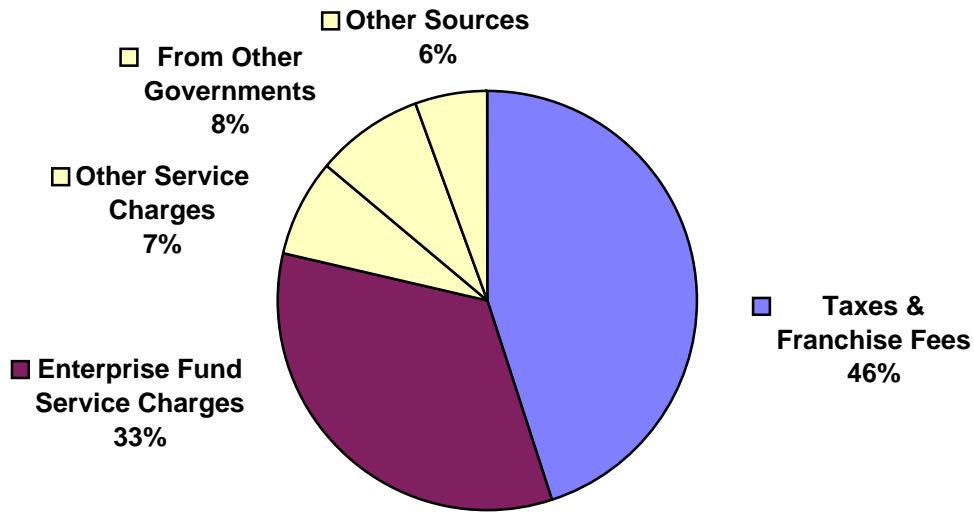


	Actual 2007-08	Budget 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Operating Programs	66,887,300	77,231,200	71,015,800	78,285,300
Capital Improvement Plan	20,479,000	68,003,900	15,845,800	11,293,700
Debt Service	8,682,500	8,587,500	9,822,900	9,934,000
TOTAL	\$96,048,800	\$153,822,600	\$96,684,500	\$99,513,000

BUDGET GRAPHICS AND SUMMARIES

TOTAL FUNDING SOURCES - ALL FUNDS COMBINED

2009-10 Funding Sources: \$96.7 Million

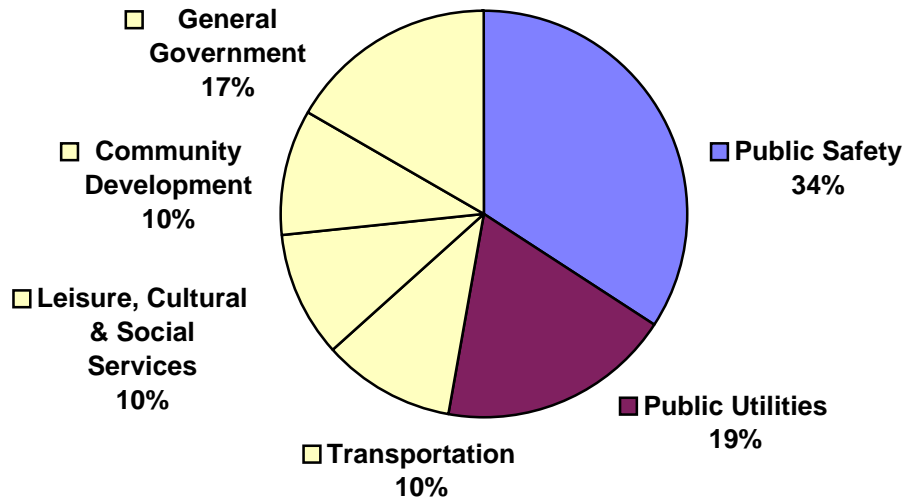


	Actual 2007-08	Budget 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Taxes & Franchise Fees	45,194,500	44,305,000	43,637,200	45,106,400
Service Charges				
Governmental Funds	8,510,700	5,877,400	7,156,700	7,223,700
Enterprise & Agency Funds	27,246,200	29,131,700	32,388,300	38,155,400
From Other Governments	8,540,400	21,886,500	8,113,800	4,987,700
Use of Money & Property	3,150,000	3,470,000	1,710,800	1,736,000
Other Revenues	1,861,400	3,310,000	2,162,500	1,738,100
Total Current Sources	94,503,200	107,980,600	95,169,300	98,947,300
Proceeds from Debt Financings	2,050,000	19,496,100	1,040,000	
Fund Balance/Other Sources (Uses)	(504,400)	26,345,900	475,200	565,900
TOTAL	\$96,048,800	\$153,822,600	\$96,684,500	\$99,513,200

BUDGET GRAPHICS AND SUMMARIES

OPERATING PROGRAM EXPENDITURES BY FUNCTION

2009-10 Operating Budget: \$71.0 Million

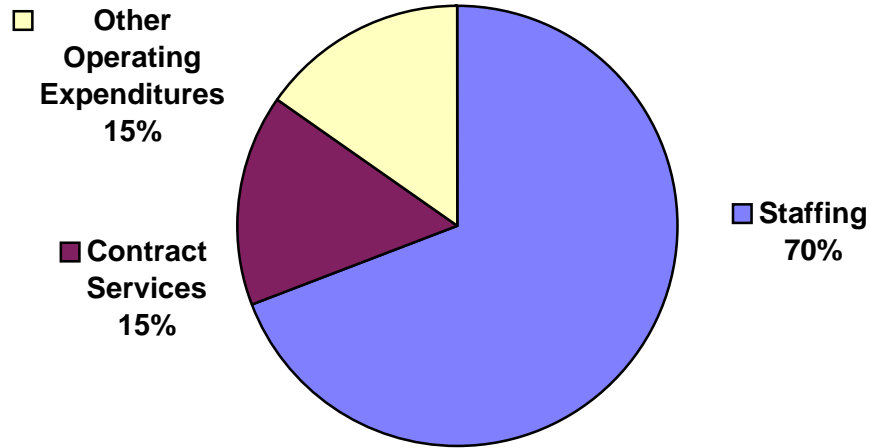


	Actual 2007-08	Budget 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Public Safety	25,055,900	27,754,800	24,275,500	24,820,400
Public Utilities	11,540,600	13,827,500	13,200,700	19,150,300
Transportation	6,550,200	8,168,800	7,432,200	7,558,300
Leisure, Cultural & Social Services	6,861,900	7,626,600	7,213,600	7,416,600
Community Development	6,341,600	7,383,800	7,056,800	7,191,500
General Government	10,381,000	12,469,700	11,836,700	12,148,200
TOTAL	\$66,731,200	\$77,231,200	\$71,015,500	\$78,285,300

BUDGET GRAPHICS AND SUMMARIES

OPERATING PROGRAM EXPENDITURES BY TYPE

2009-10 Operating Budget: \$71.0 Million

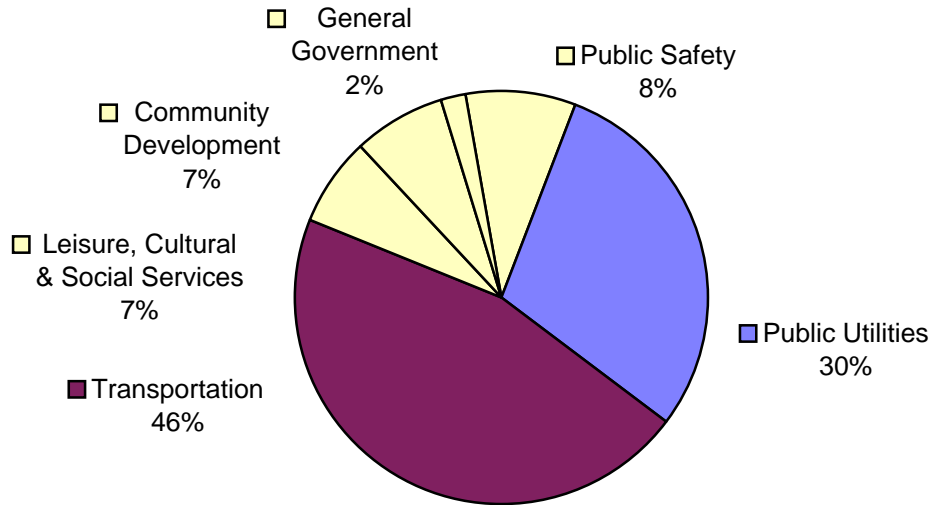


	Actual 2007-08	Budget 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	45,616,100	52,510,900	49,122,700	50,183,400
Contract Services	11,192,500	12,286,000	10,979,400	16,833,900
Other Operating Expenditures	9,520,000	12,190,800	10,810,000	11,143,600
Minor Capital	402,600	243,500	103,400	124,400
TOTAL	\$66,731,200	\$77,231,200	\$71,015,500	\$78,285,300

BUDGET GRAPHICS AND SUMMARIES

CAPITAL IMPROVEMENT PLAN EXPENDITURES BY FUNCTION

2009-10 Capital Improvement Plan: \$15.8 Million

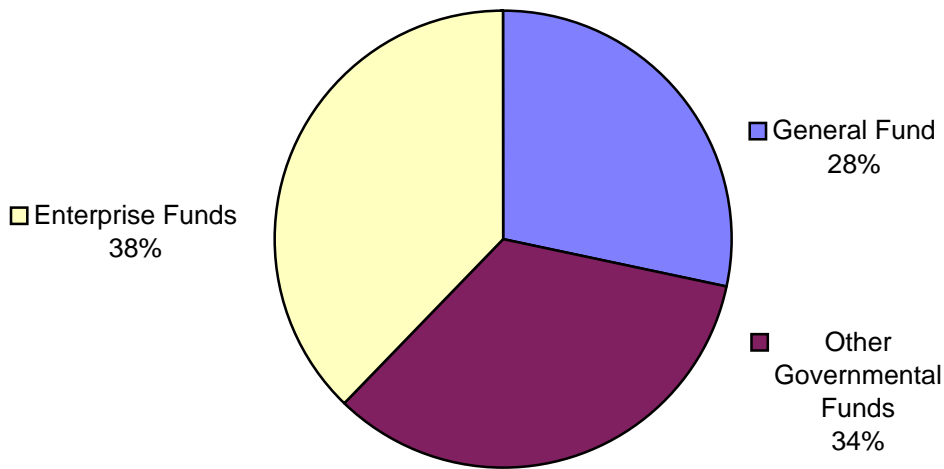


	Actual 2007-08	Budget 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Public Safety	1,454,200	5,669,600	1,343,400	138,700
Public Utilities	8,255,300	23,427,600	4,697,000	6,065,400
Transportation	8,113,700	28,482,300	7,250,900	3,496,700
Leisure, Cultural & Social Services	1,001,800	2,168,800	1,100,800	1,467,900
Community Development	725,400	2,199,500	1,131,000	
General Government	928,600	6,056,100	322,700	125,000
TOTAL	\$20,479,000	\$68,003,900	\$15,845,800	\$11,293,700

BUDGET GRAPHICS AND SUMMARIES

CAPITAL IMPROVEMENT PLAN EXPENDITURES BY FUNDING SOURCE

2009-10 Capital Improvement Plan: \$15.8 Million

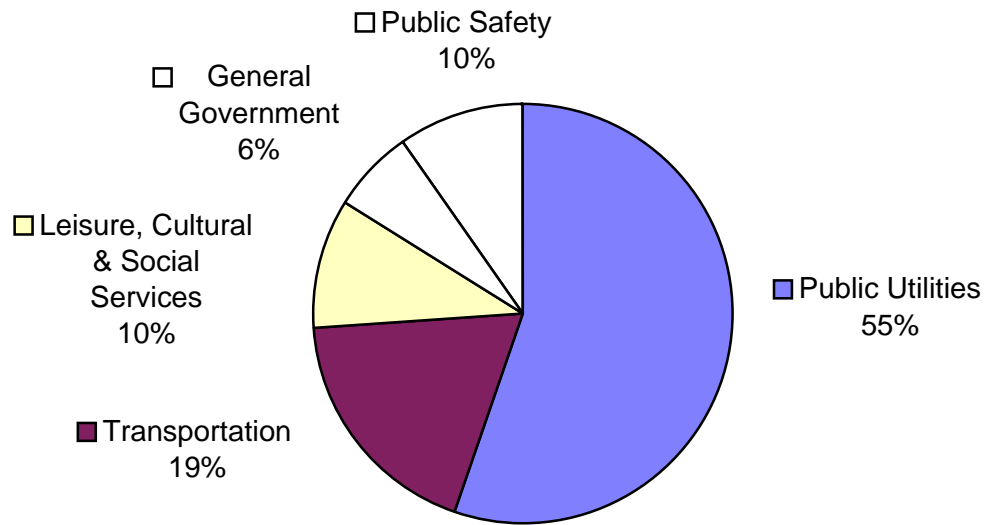


	Actual 2007-08	Budget 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Governmental Funds				
Current Sources				
General Fund	10,797,600	4,508,200	4,195,100	3,275,400
Other Governmental Funds	141,700	24,797,700	5,003,100	1,897,400
Debt Financing		9,636,100	1,040,000	
Total Governmental funds	10,939,300	38,942,000	10,238,200	5,172,800
Enterprise & Agency Funds				
Current Sources	7,489,700	19,201,900	5,607,600	6,120,900
Debt Financing	2,050,000	9,860,000		
Total Enterprise & Agency Funds	9,539,700	29,061,900	5,607,600	6,120,900
TOTAL	\$20,479,000	\$68,003,900	\$15,845,800	\$11,293,700

BUDGET GRAPHICS AND SUMMARIES

DEBT SERVICE EXPENDITURES BY FUNCTION

2009-10 Debt Service: \$9.8 Million

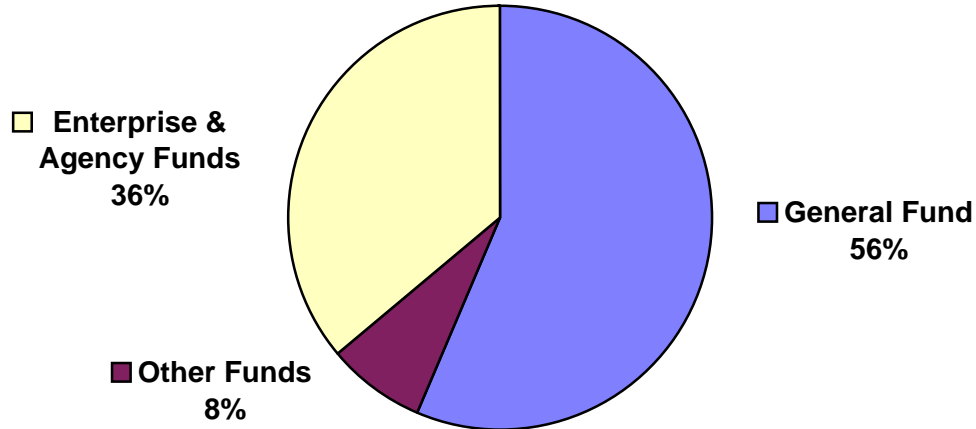


	Actual 2007-08	Budget 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Public Safety	252,700	251,900	941,500	1,052,900
Public Utilities	5,092,100	5,045,500	5,447,200	5,442,200
Transportation	1,805,200	1,761,100	1,837,200	1,838,200
Leisure, Cultural & Social Services	968,000	965,500	962,500	911,400
General Government	564,500	563,500	634,500	689,300
TOTAL	\$8,682,500	\$8,587,500	\$9,822,900	\$9,934,000

BUDGET GRAPHICS AND SUMMARIES

TOTAL EXPENDITURES BY FUND

2009-10 Expenditures By Fund: \$96.7 Million

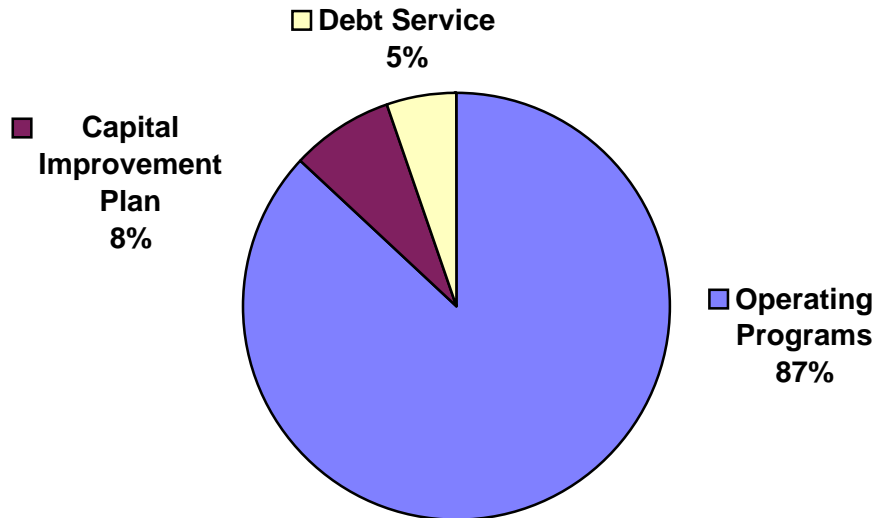


	Actual 2007-08	Budget 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Governmental Funds				
General Fund	59,168,300	58,069,700	54,407,900	54,009,600
Other Funds	518,800	37,107,200	7,346,600	3,898,900
Total Governmental Funds	59,687,100	95,176,900	61,754,500	57,908,500
Enterprise & Agency Funds				
Water Fund	17,045,100	17,131,700	13,073,900	19,859,000
Sewer Fund	10,198,700	27,264,700	12,705,800	13,016,900
Parking Fund	3,634,500	5,664,100	4,522,300	3,725,000
Transit Fund	3,667,400	6,594,000	2,907,100	2,989,200
Golf Fund	867,700	813,100	719,700	712,900
Whale Rock Reservoir Fund	948,300	1,178,100	1,001,200	1,301,700
Total Enterprise Funds	36,361,700	58,645,700	34,930,000	41,604,700
TOTAL	\$96,048,800	\$153,822,600	\$96,684,500	\$99,513,200

BUDGET GRAPHICS AND SUMMARIES

GENERAL FUND EXPENDITURES AND USES

2009-10 General Fund Expenditures and Uses: \$54.4 Million

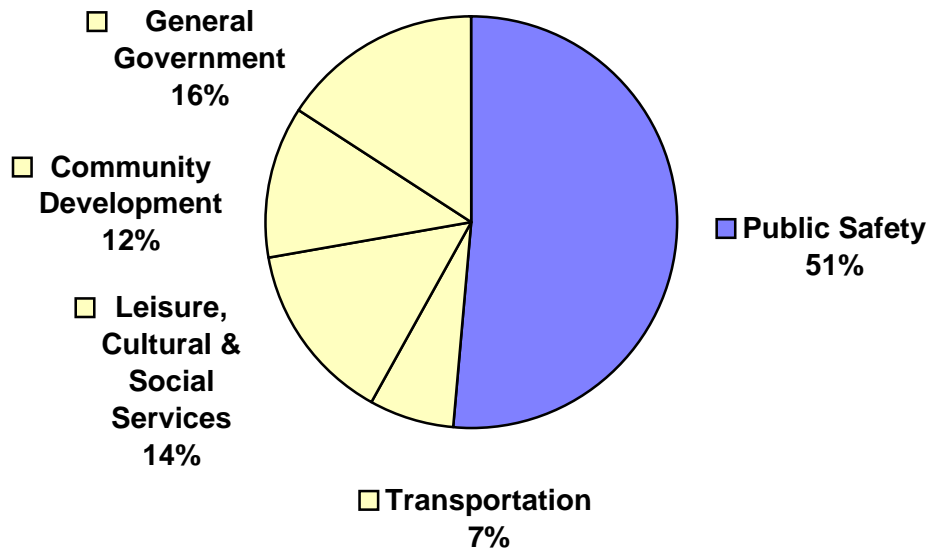


	Actual 2007-08	Budget 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Operating Programs	45,810,900	53,162,800	47,288,800	48,373,500
Capital Improvement Plan	10,797,600	4,508,200	4,195,100	3,275,400
Debt Service	2,078,000	2,075,900	2,901,800	2,670,900
Other Uses (Sources)				
Operating Subsidies to Other Funds:				
Golf Fund	440,700	293,900	242,600	207,200
Community Development Block Grant Fund	41,100	45,000	55,100	55,100
MOA & Other Compensation Adjustments		133,900	758,400	484,900
Expenditure Savings		(2,150,000)	(1,033,900)	(1,057,400)
TOTAL	\$59,168,300	\$58,069,700	\$54,407,900	\$54,009,600

BUDGET GRAPHICS AND SUMMARIES

GENERAL FUND OPERATING PROGRAM EXPENDITURES BY FUNCTION

2009-10 General Fund Operating: \$47.3 Million

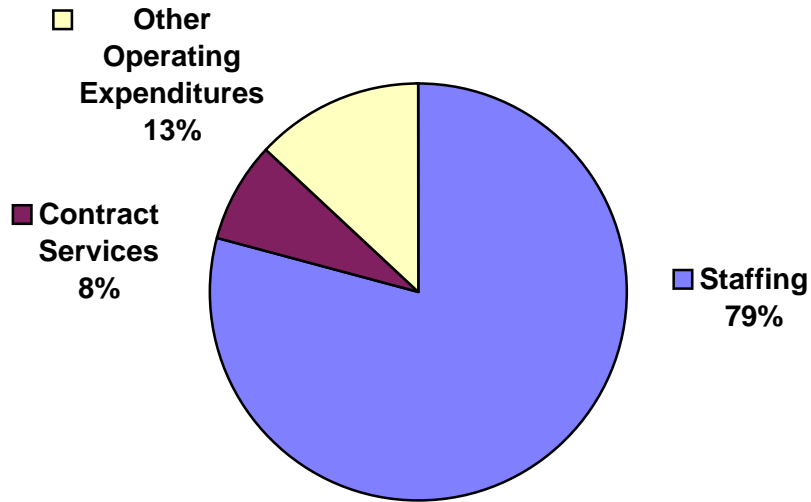


	Actual 2007-08	Budget 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Public Safety	25,055,900	27,754,800	24,275,700	24,820,600
Transportation	2,539,800	3,651,900	3,162,800	3,177,900
Leisure, Cultural & Social Services	6,398,600	7,107,700	6,689,300	6,876,800
Community Development	5,510,900	6,389,500	5,731,100	5,846,200
General Government	6,305,700	8,258,900	7,429,900	7,652,000
TOTAL	\$45,810,900	\$53,162,800	\$47,288,800	\$48,373,500

BUDGET GRAPHICS AND SUMMARIES

GENERAL FUND OPERATING PROGRAM EXPENDITURES BY TYPE

2009-10 General Fund Operating: \$47.3 Million

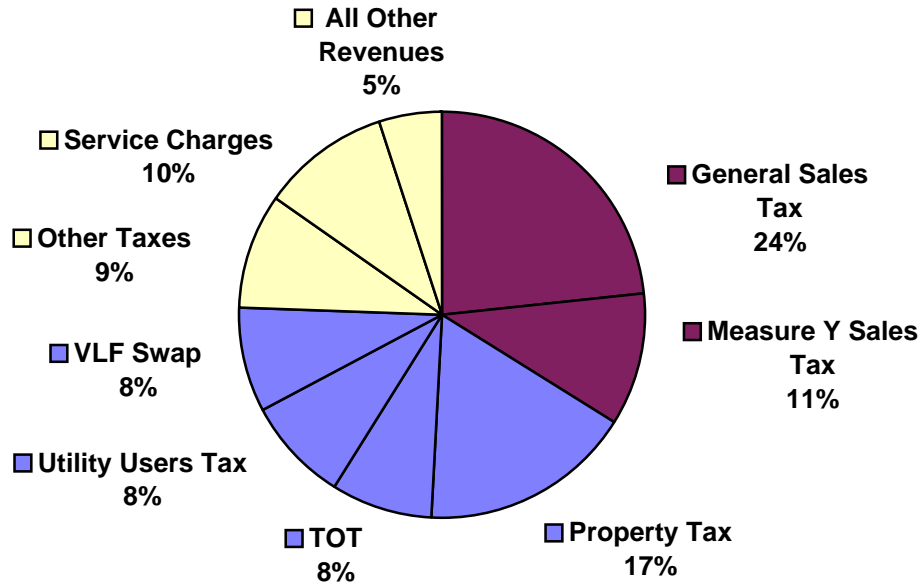


	Actual 2007-08	Budget 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	38,226,300	43,728,700	40,861,300	41,489,300
Contract Services	4,546,400	5,099,800	4,035,300	4,270,800
Other Operating Expenditures	6,951,000	8,352,200	6,759,300	7,069,900
Minor Capital	162,500	192,900	39,700	39,700
Reimbursed Expenditures From Other Funds	(4,075,300)	(4,210,800)	(4,406,800)	(4,496,200)
TOTAL	\$45,810,900	\$53,162,800	\$47,288,800	\$48,373,500

BUDGET GRAPHICS AND SUMMARIES

GENERAL FUND REVENUES

2009-10 General Fund Revenues: \$51.8 Million



	Actual 2007-08	Budget 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Taxes				
Sales & Use Taxes				
General Sales Tax	13,581,700	12,597,000	12,342,100	12,836,400
Measure Y Sales Tax	5,996,600	5,750,000	5,572,800	5,778,100
Public Safety (Proposition 172) Sales Tax	288,400	267,500	260,800	271,200
Property Tax	8,374,200	8,792,900	8,968,800	9,237,900
Transient Occupancy Tax (TOT)	5,054,700	4,650,300	4,185,300	4,269,000
Utility Users Tax	4,177,700	4,375,000	4,456,200	4,612,200
Property Tax In-Lieu of VLF	3,280,100	3,408,800	3,354,100	3,454,700
Other Taxes	4,441,100	4,463,500	4,497,100	4,646,900
Total Taxes	45,194,500	44,305,000	43,637,200	45,106,400
Fines & Forfeitures	228,200	248,600	235,000	242,100
Use of Money & Property	1,116,700	940,700	648,000	650,600
From Other Governments				
Vehicle License In-Lieu Fees (VLF)	190,300	135,000	135,000	150,000
Other Intergovernmental Revenues	1,811,000	2,622,600	1,016,200	1,022,500
Service Charges	5,460,200	4,242,900	5,422,700	5,448,500
Other Revenues	151,100	718,000	778,000	128,000
TOTAL	\$54,152,000	\$53,212,800	\$51,872,100	\$52,748,100

BUDGET GRAPHICS AND SUMMARIES

SUMMARY OF CHANGES IN FINANCIAL POSITION

2009-10 Changes in Financial Position

REVENUES, EXPENDITURES AND CHANGES IN FINANCIAL POSITION: 2009-10

	Revenues	Expenditures	Other Sources (Uses)		Sources Over (Under) Uses	Fund Balance/Working Capital	
			Operating Transfers	Other		Beginning of Year	End of Year
Governmental Funds							
General Fund	51,872,100	47,288,800	(6,162,400)	275,500	(1,303,600)	11,229,400	9,925,800
Special Revenue Funds							
Downtown BID (Note 1)	216,500	216,500			-	-	-
Gas Tax	787,000		(787,000)		-	-	-
TDA (Note 2)	22,400		(22,400)		-	-	-
CDBG (Note 3)	620,000	675,100	55,100		-	-	-
Law Enforcement Grants	6,400				6,400	41,200	47,600
Public Art (Private Sector)	11,100				11,100	220,900	232,000
Proposition 42 Fund	422,800		(422,800)		-	-	-
Proposition 1B Fund					-	-	-
Tourism BID (Note 4)	837,100	837,100			-	-	-
Capital Project Funds							
Capital Outlay	225,000	3,984,200	3,759,200		-	-	-
Parkland Development	81,300	374,000			(292,700)	1,127,300	834,600
Transportation Impact	2,255,000	2,912,500			(657,500)	825,500	168,000
Open Space Protection	755,000	1,072,500	322,500		5,000	89,100	94,100
Airport Area Impact	29,900				29,900	638,000	667,900
Affordable Housing	469,800				469,800	3,802,600	4,272,400
Fleet Replacement	81,300	1,492,000	113,400	1,040,000	(257,300)	2,042,900	1,785,600
Los Osos Valley Rd	200				200	7,200	7,400
Debt Service Fund		2,901,800	2,901,800		-	1,645,500	1,645,500
Enterprise & Agency Funds							
Water	14,451,200	13,073,800	-	(802,500)	574,900	8,332,000	8,906,900
Sewer	12,850,500	12,705,800	-	(236,900)	(92,200)	2,188,400	2,096,200
Parking	4,441,800	4,522,300		(1,200)	(81,700)	5,499,100	5,417,400
Transit	3,254,500	2,907,100		(1,200)	346,200	1,593,400	1,939,600
Golf Fund	477,100	719,700	242,600		-	-	-
Whale Rock Commission	1,001,200	1,001,200	-	(2,700)	(2,700)	609,000	606,300
TOTAL	\$95,169,200	\$96,684,400	\$0	\$271,000	(\$1,244,200)	\$39,891,500	\$38,647,300

1. Downtown Business Improvement District
2. Transportation Development Act
3. Community Development Block Grant
4. Tourism Business Improvement District

These two charts summarize changes in financial position for 2009-10 and 2010-11 for all of the City's funds. Detailed statements for each fund are provided in Section G (Changes in Financial Position), which provide additional information on revenues, expenditures and changes in financial position for the last two completed fiscal years (2007-08 and 2008-09) and for the two years covered by the Financial Plan (2009-10 and 2010-11). Section G also provides an overview of the purpose and organization of the City's funds.

BUDGET GRAPHICS AND SUMMARIES

SUMMARY OF CHANGES IN FINANCIAL POSITION

2010-11 Changes in Financial Position

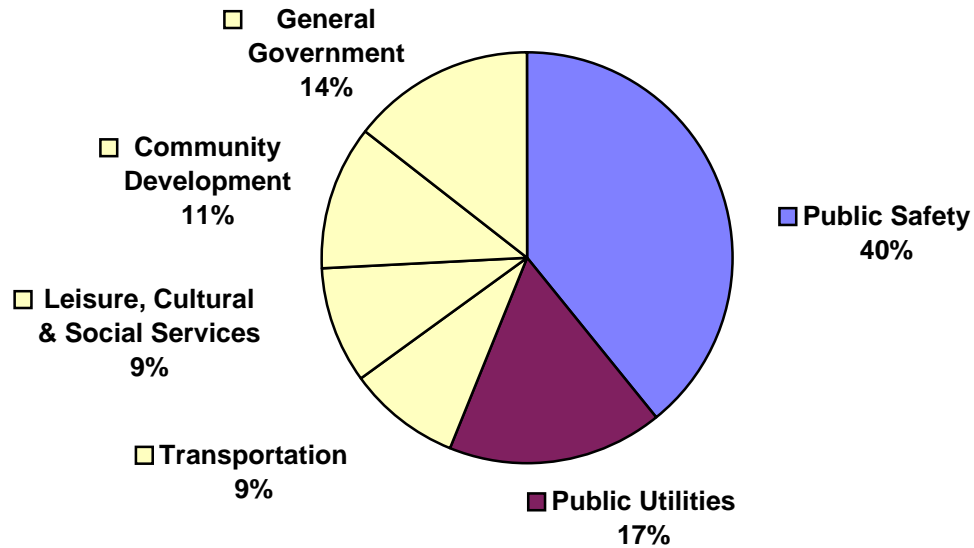
REVENUES, EXPENDITURES AND CHANGES IN FINANCIAL POSITION: 2010-11

	Revenues	Expenditures	Other Sources (Uses)		Sources Over (Under) Uses	Fund Balance/Working Capital	
			Operating Transfers	Other		Beginning of Year	End of Year
Governmental Funds							
General Fund	52,748,100	48,373,500	(4,931,800)	572,500	15,300	9,925,800	9,941,100
Special Revenue Funds						-	-
Downtown BID	220,800	220,800			-	-	-
Gas Tax	791,000		(791,000)		-	-	-
TDA	22,500		(22,500)		-	-	-
CDBG	620,000	370,700	55,100		304,400	-	304,400
Law Enforcement Grants	6,800				6,800	47,600	54,400
Public Art (Private Sector)	11,800				11,800	232,000	243,800
Proposition 42 Fund	463,300		(463,300)		-	-	-
Proposition 1B Fund					-	-	-
Tourism BID	853,800	853,800			-	-	-
Capital Project Funds						-	-
Capital Outlay	90,000	3,365,400	3,275,400		-	-	-
Parkland Development	460,700	1,293,000			(832,300)	834,600	2,300
Transportation Impact	207,500	253,600			(46,100)	168,000	121,900
Open Space Protection	5,000				5,000	94,100	99,100
Airport Area Impact	30,700				30,700	667,900	698,600
Affordable Housing	473,400				473,400	4,272,400	4,745,800
Fleet Replacement	83,700	160,800			(77,100)	1,785,600	1,708,500
Los Osos Valley Road	300				300	7,400	7,700
Debt Service Fund		3,016,900	2,670,900		(346,000)	1,645,500	1,299,500
Enterprise & Agency Funds							
Water	16,189,200	19,859,000		(196,000)	(3,865,800)	8,906,900	5,041,100
Sewer	14,021,500	13,016,800		(8,200)	996,500	2,096,200	3,092,700
Parking	6,940,800	3,725,000		(23,100)	3,192,700	5,417,400	8,610,100
Transit	2,895,200	2,989,200		(7,500)	(101,500)	1,939,600	1,838,100
Golf Fund	509,400	712,900	207,200	(3,700)	-	-	-
Whale Rock Commission	1,301,700	1,301,700		(12,300)	(12,300)	606,300	594,000
TOTAL	\$98,947,200	\$99,513,100	\$0	\$321,700	(\$244,200)	\$38,647,300	\$38,403,100

BUDGET GRAPHICS AND SUMMARIES

AUTHORIZED REGULAR STAFFING BY FUNCTION

2009-11 Authorized Positions: 357.4



	Actual 2007-08	Budget 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Public Safety	146.0	146.0	140.3	139.5
Public Utilities	64.3	64.3	60.8	60.8
Transportation	34.5	34.5	33.0	32.0
Leisure, Cultural & Social Services	33.0	33.0	33.0	33.0
Community Development	43.9	43.9	40.6	40.6
General Government	54.9	55.9	52.5	51.5
TOTAL	376.6	377.6	360.2	357.4

Section D OPERATING PROGRAMS



OPERATING PROGRAMS

OVERVIEW—PURPOSE AND ORGANIZATION

PURPOSE

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

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

ORGANIZATION

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

- Function
- Operation
- Program
- Activity

Function

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

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

Operation

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

Program

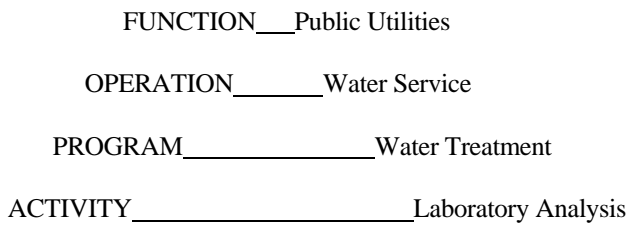
Programs are the basic organizational units of the Financial Plan establishing policies, goals and objectives that define the nature and level of services to be provided.

Activity

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

Sample Relationship: Public Utilities

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



OPERATING PROGRAMS

OVERVIEW—SUMMARY OF FUNCTIONS AND OPERATIONS

	Responsible Department	Funding Source
Public Safety		
Police Protection	Police	General Fund
Fire & Environmental Safety	Fire	General Fund
Public Utilities		
Water Service	Utilities	Water Fund
Wastewater Service	Utilities	Sewer Fund
Whale Rock Reservoir	Utilities	Whale Rock Fund
Transportation		
Transportation Planning & Engineering	Public Works	General Fund
Streets, Sidewalks, Signals & Street Lights	Public Works	General Fund
Creek & Flood Protection	Public Works	General Fund
Parking	Public Works	Parking Fund
Municipal Transit System	Public Works	Transit Fund
Leisure, Cultural & Social Services		
Parks & Recreation		
Recreation Programs	Parks & Recreation	General Fund
Golf Course	Parks & Recreation	Golf Fund
Maintenance Programs	Public Works	General Fund
Cultural Services	Administration	General Fund
Social Services (Human Relations)	Human Resources	General Fund
Community Development		
Development Review & Long Range Planning	Community Development	General Fund
Housing	Community Development	CDBG Fund
Construction Regulation		
Building & Safety	Community Development	General Fund
Engineering	Public Works	General Fund
Natural Resources Protection	Administration	General Fund
Economic Health		
Economic Development	Administration	General Fund
Community Promotion	Administration	General Fund
Tourism Business Improvement District	Administration	T-BID Fund
Downtown Business Improvement District	Administration	D-BID Fund
General Government		
Legislation & Policy	Council & Advisory Bodies	General Fund
General Administration		
City Administration	Administration	General Fund
Public Works Administration	Public Works	General Fund
Legal Services	City Attorney	General Fund
City Clerk Services	Administration	General Fund
Organizational Support Services		
Human Resources Administration	Human Resources	General Fund
Risk Management	Human Resources	General Fund
Accounting & Revenue Management	Finance & Information Technology	General Fund
Information Technology	Finance & Information Technology	General Fund
Geographic Information Services	Public Works	General Fund
Building & Fleet Maintenance	Public Works	General Fund

OPERATING PROGRAMS

OVERVIEW—OPERATING PROGRAM NARRATIVES

The following information is provided for each operating program:

PROGRAM TITLE

Presents the function, program name, operation, department responsible for program administration and the primary funding source at the top of the page.

PROGRAM COSTS

Provides four years of historical and projected expenditure information (2007-08 through 2010-11) organized into four categories:

- **Staffing.** All costs associated with City staffing, including salaries for all regular, temporary and contract employees as well as related costs for benefits and overtime.
- **Contract Services.** All expenditures related to contract services.
- **Other Operating Expenditures.** Purchases of supplies, tools, utilities, insurance and similar operating expenditures.
- **Minor Capital.** Capital acquisitions or projects with a life in excess of one year and costs between \$5,000 and \$15,000. Capital acquisitions or projects with a cost in excess of \$15,000 are included in the Capital Improvement Plan (CIP) section of the Financial Plan.

PROGRAM DESCRIPTION

Describes program purpose, goals and activities.

STAFFING SUMMARY

Provides a four-year summary of authorized regular positions allocated to this program (2007-08 through 2010-11) along with full-time equivalents (FTE's) for temporary staffing.

Unless there are compelling reasons to do otherwise, regular positions are assigned to programs based on where employees spend 50% or more of their time.

SIGNIFICANT PROGRAM CHANGES

Summarizes significant program changes from the prior Financial Plan such as:

- Major service curtailments or expansions.
- Any increases or decreases in regular positions.
- Significant one-time costs.
- Major changes in the method of delivering services.
- Changes in operation that will significantly affect other departments or customer service.
- Changes that affect current policies.
- Reductions needed to balance the budget.

Detailed supporting documentation for each of the significant operating program changes (both increases and decreases) is provided in *Appendix A* of the Financial Plan.

2009-11 PROGRAM OBJECTIVES

Identifies major program objectives for the next two years to improve service delivery.

WORKLOAD MEASURES

Provides four years of historical and projected workload measures (2007-08 through 2010-11) in order to provide the Council and public with an overview of the program's workscope and effectiveness

Operating Programs EXPENDITURE SUMMARIES



OPERATING PROGRAMS

EXPENDITURE SUMMARIES—OVERVIEW

The following expenditure summaries precede the individual operating program narratives in order to highlight the financial relationships between programs as well as to summarize the overall operating program budget:

Expenditures by Function

- Summarizes operating expenditures at the function and operation level.

Expenditures by Program

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

Expenditures by Department

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

Expenditures by Type:

All Funds and the General Fund

- Summarizes all operating expenditures by type: staffing (salaries and benefits), contract services, other operating expenditures (materials, communications, utilities, and insurance) and minor capital (capital purchases with a per item cost greater than \$5,000 and less than \$15,000).

Significant Operating Program Changes

- Summarizes all significant operating program changes—both increases and reductions required to balance the budget—by function and operation.

OPERATING PROGRAMS

EXPENDITURES BY FUNCTION

	Actual	Budget	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
PUBLIC SAFETY				
Police Protection	14,901,300	16,248,900	14,810,300	15,114,100
Fire & Environmental Safety	10,154,600	11,505,900	9,465,200	9,706,300
Total Public Safety	25,055,900	27,754,800	24,275,500	24,820,400
PUBLIC UTILITIES				
Water Service	5,563,900	7,065,300	6,461,300	12,147,100
Wastewater Service	5,143,800	5,910,500	5,935,000	6,177,000
Whale Rock Reservoir	832,900	851,700	804,400	826,200
Total Public Utilities	11,540,600	13,827,500	13,200,700	19,150,300
TRANSPORTATION				
Transportation Management	482,700	896,200	582,900	575,800
Streets	1,528,600	1,735,100	1,757,300	1,735,700
Creek & Flood Protection	528,500	1,020,600	822,600	866,400
Parking	1,543,500	1,851,400	1,663,000	1,699,200
Municipal Transit System	2,466,900	2,665,500	2,606,400	2,681,200
Total Transportation	6,550,200	8,168,800	7,432,200	7,558,300
LEISURE, CULTURAL & SOCIAL SERVICES				
Parks & Recreation				
Recreation Programs	3,127,100	3,507,500	3,129,600	3,167,700
Maintenance Services	2,706,000	2,999,200	2,965,000	3,106,700
Golf Course Operations & Maintenance	463,300	518,900	524,400	539,800
Cultural Services	363,500	370,900	368,900	374,900
Social Services	202,000	230,100	225,700	227,500
Total Leisure, Cultural & Social Services	6,861,900	7,626,600	7,213,600	7,416,600

OPERATING PROGRAMS

EXPENDITURES BY FUNCTION

	Actual	Budget	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
COMMUNITY DEVELOPMENT				
Planning	1,864,700	2,117,400	1,940,000	2,019,600
Construction Regulation				
Building & Safety	860,600	1,077,600	948,000	997,200
Engineering	2,059,500	2,366,300	2,085,700	2,062,000
Natural Resources Protection	334,200	410,700	359,600	353,500
Economic Health				
Economic Development	179,600	248,000	254,100	249,200
Community Promotion	450,800	387,400	415,800	435,400
Tourism Business Improvement District	0	452,100	837,100	853,800
Downtown Business Improvement District	592,200	324,300	216,500	220,800
Total Community Development	6,341,600	7,383,800	7,056,800	7,191,500
GENERAL GOVERNMENT				
Legislation & Policy	113,400	146,800	135,600	138,800
General Administration				
City Administration	729,100	864,200	696,500	694,100
Public Works Administration	1,015,600	1,200,600	1,093,700	1,040,000
Legal Services	476,400	550,600	549,900	552,700
City Clerk Services	432,500	589,300	328,000	438,700
Organizational Support Services				
Human Resources Programs	2,165,500	2,289,300	3,095,000	3,127,500
Finance & Information Technology Programs	3,107,400	4,371,600	3,561,100	3,714,900
Geographic Information Services	367,700	388,000	410,700	420,100
Buildings & Equipment				
Building Operations & Maintenance	963,900	1,096,300	1,038,900	1,074,000
Fleet Maintenance	1,009,500	973,000	927,300	947,400
Total General Government	10,381,000	12,469,700	11,836,700	12,148,200
TOTAL OPERATING EXPENDITURES	\$66,731,200	\$77,231,200	\$71,015,500	\$78,285,300

OPERATING PROGRAMS

EXPENDITURES BY PROGRAM - PUBLIC SAFETY

	Actual	Budget	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
POLICE PROTECTION				
Administration	1,235,100	1,794,200	1,509,100	1,600,500
Neighborhood & Crime Prevention Services	232,600	271,000	258,000	257,800
Support Services	2,190,500	2,606,400	2,311,500	2,390,700
Investigative Services	2,071,600	2,087,000	2,698,900	2,729,400
Traffic Safety	1,123,100	1,066,200	984,500	958,500
Patrol Services	8,048,400	8,424,100	7,048,300	7,177,200
Total Police Protection	14,901,300	16,248,900	14,810,300	15,114,100
FIRE & ENVIRONMENTAL SAFETY				
Administration	583,900	726,900	614,000	606,000
Emergency Response	8,512,700	9,351,800	7,782,400	8,055,800
Hazard Prevention	665,500	838,800	722,400	685,800
Training	291,600	449,000	308,500	331,200
Technical Services	44,200	41,000	30,200	19,000
Disaster Preparedness	56,700	98,400	7,700	8,500
Total Fire & Environmental Safety	10,154,600	11,505,900	9,465,200	9,706,300
TOTAL PUBLIC SAFETY	\$25,055,900	\$27,754,800	\$24,275,500	\$24,820,400

OPERATING PROGRAMS

EXPENDITURES BY PROGRAM - PUBLIC UTILITIES

	Actual	Budget	2009-11 Financial Plan	
	2007-08	2007-08	2009-10	2010-11
WATER SERVICE				
Water Source of Supply	1,314,100	1,571,000	1,344,700	6,795,300
Water Treatment	1,499,500	2,047,900	2,135,400	2,246,600
Water Distribution	887,500	1,105,900	1,136,000	1,156,800
Water Customer Service	424,600	566,600	292,900	342,000
Utilities Conservation Office	391,300	505,300	427,500	432,300
Water Taxes & Fees	404,800	514,200	527,300	570,300
Water Administration & Engineering	642,100	754,400	597,500	603,800
Total Water Service	5,563,900	7,065,300	6,461,300	12,147,100
WASTEWATER SERVICE				
Wastewater Collection	1,065,000	883,200	1,004,100	1,037,100
Wastewater Pretreatment	283,800	254,300	232,900	240,800
Water Reclamation Facility	2,903,800	3,085,700	3,224,300	3,290,600
Water Quality Laboratory	0	528,500	468,600	485,500
Wastewater Taxes & Fees	368,800	471,100	453,700	502,600
Wastewater Administration & Engineering	522,400	687,700	551,400	620,400
Total Wastewater Service	5,143,800	5,910,500	5,935,000	6,177,000
WHALE ROCK RESERVOIR				
Reservoir Operations	832,900	851,700	804,400	826,200
TOTAL PUBLIC UTILITIES	\$11,540,600	\$13,827,500	\$13,200,700	\$19,150,300

OPERATING PROGRAMS

EXPENDITURES BY PROGRAM - TRANSPORTATION

	Actual	Budget	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
TRANSPORTATION MANAGEMENT				
Transportation Planning & Engineering	482,700	896,200	582,900	575,800
STREETS				
Street & Sidewalk Maintenance	1,168,100	1,270,100	1,287,100	1,245,700
Traffic Signals & Street Lights	360,500	465,000	470,200	490,000
Total Streets	1,528,600	1,735,100	1,757,300	1,735,700
CREEK AND FLOOD PROTECTION				
Operations & Maintenance	528,500	1,020,600	822,600	866,400
PARKING				
Operations, Maintenance & Enforcement	1,543,500	1,851,400	1,663,000	1,699,200
MUNICIPAL TRANSIT SYSTEM				
Operations & Maintenance	2,466,900	2,665,500	2,606,400	2,681,200
TOTAL TRANSPORTATION	\$6,550,200	\$8,168,800	\$7,432,200	\$7,558,300

OPERATING PROGRAMS

EXPENDITURES BY PROGRAM - LEISURE, CULTURAL & SOCIAL SERVICES

	Actual	Budget	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
PARKS & RECREATION				
Recreation Programs				
Recreation Administration	645,100	761,100	650,300	665,900
Aquatics/Sinsheimer Park Facilities	348,200	351,900	358,300	358,200
Children's Services	791,100	915,500	851,800	861,100
Facilities	268,600	279,100	240,800	240,800
Special Events	187,200	225,600	174,600	177,800
Recreational Sports	347,700	379,100	343,500	345,800
Teens, Seniors & Classes	307,100	330,300	274,000	278,500
Ranger Services	232,100	264,900	236,300	239,600
<i>Total Recreation Programs</i>	<i>3,127,100</i>	<i>3,507,500</i>	<i>3,129,600</i>	<i>3,167,700</i>
Maintenance Services				
Parks & Landscape Maintenance	1,878,500	2,074,400	2,111,300	2,221,700
Swim Center Maintenance	344,300	400,000	387,000	405,300
Tree Maintenance	483,200	524,800	466,700	479,700
<i>Total Maintenance Services</i>	<i>2,706,000</i>	<i>2,999,200</i>	<i>2,965,000</i>	<i>3,106,700</i>
Golf Course Operations & Maintenance	463,300	518,900	524,400	539,800
Total Parks & Recreation	6,296,400	7,025,600	6,619,000	6,814,200
CULTURAL SERVICES				
Cultural Activities	363,500	370,900	368,900	374,900
SOCIAL SERVICES				
Human Relations	202,000	230,100	225,700	227,500
TOTAL LEISURE, CULTURAL & SOCIAL SERVICES	\$6,861,900	\$7,626,600	\$7,213,600	\$7,416,600

OPERATING PROGRAMS

EXPENDITURES BY PROGRAM - COMMUNITY DEVELOPMENT

	Actual	Budget	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
PLANNING				
Commissions & Committees	22,300	38,600	33,900	33,900
Community Development Administration	442,600	525,500	469,600	487,600
Development Review	611,100	643,500	595,300	618,900
Long Range Planning	550,200	691,900	569,100	608,500
Housing	238,500	217,900	272,100	270,700
Total Planning	1,864,700	2,117,400	1,940,000	2,019,600
CONSTRUCTION REGULATION				
Building & Safety	860,600	1,077,600	948,000	997,200
CIP Project Engineering	1,472,900	1,760,600	1,574,100	1,584,100
Engineering Development Review	586,600	605,700	511,600	477,900
Total Construction Regulation	2,920,100	3,443,900	3,033,700	3,059,200
NATURAL RESOURCES PROTECTION				
Natural Resources Protection	334,200	410,700	359,600	353,500
ECONOMIC HEALTH				
Economic Development	179,600	248,000	254,100	249,200
Community Promotion	450,800	387,400	415,800	435,400
Tourism Business Improvement District		452,100	837,100	853,800
Downtown Business Improvement District	592,200	324,300	216,500	220,800
Total Economic Development	1,222,600	1,411,800	1,723,500	1,759,200
TOTAL COMMUNITY DEVELOPMENT	\$6,341,600	\$7,383,800	\$7,056,800	\$7,191,500

OPERATING PROGRAMS

EXPENDITURES BY PROGRAM - GENERAL GOVERNMENT

	Actual	Budget	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
LEGISLATION AND POLICY				
City Council	113,400	146,800	135,600	138,800
GENERAL ADMINISTRATION				
City Administration	729,100	864,200	696,500	694,100
Public Works Administration	1,015,600	1,200,600	1,093,700	1,040,000
Total General Administration	1,744,700	2,064,800	1,790,200	1,734,100
LEGAL SERVICES				
City Attorney	476,400	550,600	549,900	552,700
CITY CLERK SERVICES				
City Clerk Services	432,500	589,300	328,000	438,700
ORGANIZATIONAL SUPPORT SERVICES				
Human Resources Administration	938,000	891,600	660,100	670,700
Risk Management	1,227,500	1,397,700	2,434,900	2,456,800
Finance & Information Technology Administration	230,900	538,200	326,400	339,800
Accounting	510,700	623,300	601,200	621,900
Revenue Management	652,500	756,900	669,500	703,800
Support Services	118,300	314,800	223,100	225,600
Information Technology	1,595,000	2,138,400	1,740,900	1,823,800
Geographic Information Services	367,700	388,000	410,700	420,100
Total Organizational Support Services	5,640,600	7,048,900	7,066,800	7,262,500
BUILDINGS & EQUIPMENT				
Building Maintenance	963,900	1,096,300	1,038,900	1,074,000
Fleet Maintenance	1,009,500	973,000	927,300	947,400
Total Buildings & Equipment	1,973,400	2,069,300	1,966,200	2,021,400
TOTAL GENERAL GOVERNMENT	\$10,381,000	\$12,469,700	\$11,836,700	\$12,148,200

OPERATING PROGRAMS

OPERATING EXPENDITURES BY DEPARTMENT

	Actual	Budget	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
CITY COUNCIL				
Legislation & Policy	113,400	146,800	135,600	138,800
Total City Council	113,400	146,800	135,600	138,800
ADMINISTRATION				
City Administration	729,100	864,200	696,500	694,100
City Clerk Services	432,500	589,300	328,000	438,700
Cultural Activities	363,500	370,900	368,900	374,900
Natural Resources Protection	334,200	410,700	359,600	353,500
Economic Development	179,600	248,000	254,100	249,200
Community Promotion	450,800	387,400	415,800	435,400
Tourism Business Improvement District	0	452,100	837,100	853,800
Downtown Business Improvement District	592,200	324,300	216,500	220,800
Total Administration	3,081,900	3,646,900	3,476,500	3,620,400
CITY ATTORNEY				
Legal Services	476,400	550,600	549,900	552,700
Total City Attorney	476,400	550,600	549,900	552,700
HUMAN RESOURCES				
Human Resources Administration	938,000	891,600	660,100	670,700
Risk Management	1,227,500	1,397,700	2,434,900	2,456,800
Human Relations	202,000	230,100	225,700	227,500
Total Human Resources	2,367,500	2,519,400	3,320,700	3,355,000
FINANCE & INFORMATION TECHNOLOGY				
Finance & Information Technology Administration	230,900	538,200	326,400	339,800
Accounting	510,700	623,300	601,200	621,900
Revenue Management	652,500	756,900	669,500	703,800
Support Services	118,300	314,800	223,100	225,600
Information Technology	1,595,000	2,138,400	1,740,900	1,823,800
Total Finance & Information Technology	3,107,400	4,371,600	3,561,100	3,714,900
COMMUNITY DEVELOPMENT				
Commissions & Committees	22,300	38,600	33,900	33,900
Administration	442,600	525,500	469,600	487,600
Development Review	611,100	643,500	595,300	618,900
Long Range Planning	550,200	691,900	569,100	608,500
Housing	238,500	217,900	272,100	270,700
Building & Safety	860,600	1,077,600	948,000	997,200
Total Community Development	2,725,300	3,195,000	2,888,000	3,016,800

OPERATING PROGRAMS

OPERATING EXPENDITURES BY DEPARTMENT

	Actual	Budget	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
PARKS & RECREATION				
Recreation Programs	3,127,100	3,507,500	3,129,600	3,167,700
Golf Course Operations & Maintenance	463,300	518,900	524,400	539,800
Total Parks & Recreation	3,590,400	4,026,400	3,654,000	3,707,500
UTILITIES				
Water Services	5,563,900	7,065,300	6,461,300	12,147,100
Wastewater Services	5,143,800	5,910,500	5,935,000	6,177,000
Whale Rock Reservoir	832,900	851,700	804,400	826,200
Total Utilities	11,540,600	13,827,500	13,200,700	19,150,300
PUBLIC WORKS				
Administration	1,015,600	1,200,600	1,093,700	1,040,000
CIP Project Engineering	1,472,900	1,760,600	1,574,100	1,584,100
Geographic Information Services	367,700	388,000	410,700	420,100
Transportation & Development Review				
Engineering Development Review	586,600	605,700	511,600	477,900
Transportation Planning & Engineering	482,700	896,200	582,900	575,800
Parking	1,543,500	1,851,400	1,663,000	1,699,200
Municipal Transit System	2,466,900	2,665,500	2,606,400	2,681,200
Maintenance Services				
Street Maintenance	1,528,600	1,735,100	1,757,300	1,735,700
Creek & Flood Protection	528,500	1,020,600	822,600	866,400
Parks & Landscape Maintenance	1,878,500	2,074,400	2,111,300	2,221,700
Swim Center Maintenance	344,300	400,000	387,000	405,300
Tree Maintenance	483,200	524,800	466,700	479,700
Building Maintenance	963,900	1,096,300	1,038,900	1,074,000
Fleet Maintenance	1,009,500	973,000	927,300	947,400
Total Public Works	14,672,400	17,192,200	15,953,500	16,208,500
POLICE	14,901,300	16,248,900	14,810,300	15,114,100
FIRE	10,154,600	11,505,900	9,465,200	9,706,300
TOTAL OPERATING EXPENDITURES	\$66,731,200	\$77,231,200	\$71,015,500	\$78,285,300

OPERATING PROGRAMS

OPERATING EXPENDITURES BY TYPE - ALL FUNDS COMBINED

	Actual 2007-08	Budget 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
STAFFING				
Salaries and Wages				
Regular Salaries	27,398,100	31,758,000	29,921,200	30,723,100
Temporary Salaries	2,489,000	2,207,300	2,046,000	2,070,300
Overtime	3,075,200	2,917,300	2,041,500	2,057,800
Benefits				
Retirement	8,773,200	10,311,100	9,624,900	9,846,400
Group Health and Other Insurance	3,422,400	4,028,400	4,154,000	4,111,100
Retiree Healthcare		639,400	709,400	731,900
Medicare	407,500	515,300	492,600	506,300
Unemployment Reimbursements	50,700	134,100	133,100	136,500
Total Staffing	45,616,100	52,510,900	49,122,700	50,183,400
CONTRACT SERVICES	11,192,500	12,286,000	10,979,400	16,833,900
OTHER OPERATING EXPENDITURES				
Communications & Utilities	2,940,800	2,996,200	3,388,100	3,604,600
Rents & Leases	185,400	171,700	164,100	164,700
Insurance	2,713,800	2,962,400	2,286,900	2,304,800
Other Operating Expenditures	3,680,000	6,060,500	4,970,900	5,069,500
Total Other Operating Expenditures	9,520,000	12,190,800	10,810,000	11,143,600
MINOR CAPITAL	402,600	243,500	103,400	124,400
TOTAL OPERATING EXPENDITURES	\$66,731,200	\$77,231,200	\$71,015,500	\$78,285,300

OPERATING PROGRAMS

OPERATING EXPENDITURES BY TYPE - GENERAL FUND

	Actual 2007-08	Budget 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
STAFFING				
Salaries and Wages				
Regular Salaries	22,745,800	26,140,700	24,690,900	25,235,000
Temporary Salaries	2,026,800	1,835,700	1,705,100	1,724,800
Overtime	2,876,000	2,747,100	1,829,500	1,845,800
Benefits				
Retirement	7,485,200	8,742,000	8,261,700	8,323,000
Group Health and Other Insurance	2,710,000	3,210,600	3,295,000	3,252,100
Retiree Health Care		515,100	560,500	578,200
Medicare	339,600	428,200	408,800	418,300
Unemployment Reimbursements	42,900	109,300	109,800	112,100
Total Staffing	38,226,300	43,728,700	40,861,300	41,489,300
CONTRACT SERVICES	4,546,400	5,099,800	4,035,300	4,270,800
OTHER OPERATING EXPENDITURES				
Communications & Utilities	1,539,700	1,676,000	1,769,000	1,910,100
Rents & Leases	142,100	167,000	158,800	161,700
Insurance	2,569,300	2,835,900	2,286,900	2,304,800
Other Operating Expenditures	2,699,900	3,673,300	2,544,600	2,693,300
Total Other Operating Expenditures	6,951,000	8,352,200	6,759,300	7,069,900
MINOR CAPITAL	162,500	192,900	39,700	39,700
TOTAL PROGRAM EXPENDITURES	49,886,200	57,373,600	51,695,600	52,869,700
Reimbursed Expenditures	(4,075,300)	(4,210,800)	(4,406,800)	(4,496,200)
TOTAL GENERAL FUND OPERATING EXPENDITURES	\$45,810,900	\$53,162,800	\$47,288,800	\$48,373,500

SIGNIFICANT OPERATING PROGRAM CHANGES

SUMMARY OF SIGNIFICANT OPERATING PROGRAM CHANGES

		Page	Fiscal Year	
			2009-10	2010-11
Public Safety				
<i>Police Protection</i>	■ Booking Fee Increase	5	18,900	18,900
	■ Dispatch Server Warranty Extension	7		32,500
	■ Emergency Communications Center Operating Costs	10	30,500	76,300
	■ Animal Control Services Agreement	12	24,100	51,300
<i>Fire & Environmental Safety</i>	■ Perimeter Fence: Fire Station 2	14	10,500	
	■ Fire Project Coordinator	16	21,600	
Public Utilities				
<i>Water Services</i>	■ Salinas Reservoir Operations	18	(81,000)	1,137,900
	■ Water Reuse: Electric Utility & Lab Supplies	21	45,000	47,500
	■ Water Treatment: Contract Services	24	16,200	18,600
	■ Water Treatment: Ozone System Maintenance	26	84,500	84,500
	■ Water Treatment: Utilities, Chemicals & Operating Materials	29	108,700	159,600
	■ Water Distribution: Operating Materials & Supplies	32	30,000	33,000
	■ Water Distribution & Customer Service: Productivity Improvements	34	22,000	32,000
<i>Wastewater Services</i>	■ Water Customer Service: Operating Materials & Supplies	37	11,000	4,500
	■ Water Reclamation Facility: Utility Services & Chemicals	40	300,200	324,300
	■ Water Reclamation Facility: Biosolids Composting Contract	43	30,000	32,000
	■ Water Reclamation Facility: Maintenance Projects	45	40,000	35,000
	■ Water Quality Laboratory: Contract Services & Lab Supplies	48	4,100	7,700
	■ Wastewater Collection: Infiltration/Inflow Reduction Study	51	75,000	75,000
	Transportation			
<i>Transportation Planning</i>	■ Bicycle Coordinator	54	32,700	36,000
<i>Parking</i>	■ Continuation of Downtown Access Pass Funding	58	10,500	10,500
Leisure, Cultural & Social Services				
<i>Maintenance Programs</i>	■ Railroad Corridor Maintenance	60	30,000	30,000
Community Development				
<i>Long Range Planning</i>	■ Historic Preservation Ordinance	63	5,000	
	■ Land Use Element Update	66	20,000	20,000
	■ Completion of Phase 1B of Airport Area Annexation	70		20,400
	■ Climate Action Plan	74	10,000	15,000
<i>Economic Development</i>	■ Strategic Incentive Program	78	37,500	37,500

SIGNIFICANT OPERATING PROGRAM CHANGES

SUMMARY OF SIGNIFICANT OPERATING PROGRAM CHANGES

		Page	Fiscal Year	
			2009-10	2010-11
General Government				
<i>Support Services</i>	■ Copier Replacements	81	32,000	32,000
<i>Information Technology</i>	■ Data Storage Maintenance Contract	84	18,200	28,200
<i>Geographic Info Systems</i>	■ Enterprise GIS License Agreement	86	20,800	20,800
TOTAL			1,008,000	2,421,000

Summary By Fund		
General Fund	291,400	398,500
Enterprise Funds		
Water Fund	236,400	1,517,600
Sewer Fund	449,300	474,000
Parking Fund	10,500	10,500
Transit Fund	20,400	20,400
TOTAL	1,008,000	2,421,000

SIGNIFICANT OPERATING PROGRAM CHANGES

SUMMARY OF REDUCTIONS REQUIRED TO BALANCE THE BUDGET

Summary By Function

	Page	Staffing FTE's	Annual Savings	
			2009-10	2010-11
PUBLIC SAFETY		8.0	1,122,300	1,260,600
Police Protection	89	6.3	840,100	912,000
Fire & Environmental Safety	91	1.7	282,200	348,600
PUBLIC UTILITIES		3.2	408,400	408,600
Water	102	1.3	208,200	208,200
Sewer	106	1.8	179,200	179,400
Whale Rock	111	0.1	21,000	21,000
TRANSPORTATION		1.7	322,300	393,000
Transportation Planning & Engineering	114	(0.5)	86,500	81,600
Street Maintenance	116	1.0	23,000	97,800
Creek & Flood Protection	117	1.2	142,500	142,800
Parking Services	119		50,000	50,000
Transit Services	120		20,300	20,800
LEISURE, CULTURAL & SOCIAL SERVICES		6.2	379,600	386,000
Recreation Programs	121	6.5	272,000	272,700
Park & Landscape Maintenance	132		47,600	53,300
Trees	133	(0.3)	29,500	29,500
Cultural Activities	133		10,000	10,000
Human Relations	133		1,600	1,600
Golf Course Operations & Maintenance	133		18,900	18,900
COMMUNITY DEVELOPMENT		3.0	475,900	522,500
Planning & Building Programs	135	1.3	166,000	178,500
CIP Project Engineering	140	1.0	53,700	101,300
Engineering Development Review	141	0.8	91,100	95,100
Natural Resources Management	141		48,500	48,500
Economic Development	143		25,200	25,200
Community Promotion	143		91,400	73,900
GENERAL GOVERNMENT		4.7	821,800	811,000
Council & City Administration	145	1.0	196,600	178,600
Public Works Administration	149	1.0	40,500	113,800
Legal Services	150		10,000	10,000
City Clerk Services	151		29,900	28,600
Human Resources & Risk Management	152	0.2	103,000	103,000
Finance & Information Technology	157	2.5	311,200	306,400
Geographical Information Systems	160		60,000	
Building Maintenance	160		45,100	45,100
Fleet Maintenance	162		25,500	25,500
TOTAL		26.8	3,530,300	3,781,700

Summary By Function

General Fund	23.6	3,032,700	3,283,400
Parking Fund	-	50,000	50,000
Transit Fund	-	20,300	20,800
Golf Fund	-	18,900	18,900
Water Fund	1.3	208,200	208,200
Sewer Fund	1.8	179,200	179,400
Whale Rock Reservoir Fund	0.1	21,000	21,000
Total	26.8	3,530,300	3,781,700

FTE: Full-Time Equivalent

Operating Programs PUBLIC SAFETY



PUBLIC SAFETY

PROGRAM: Police Administration
 DEPARTMENT: Police

OPERATION: Police Protection
 FUND: General Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	816,600	1,143,400	900,900	913,900
Contract Services	192,700	258,800	320,900	356,700
Other Operating Expenditures	225,800	392,000	287,300	329,900
Minor Capital				
Total	\$1,235,100	\$1,794,200	\$1,509,100	\$1,600,500

PROGRAM DESCRIPTION

The police administration program plans, directs, and evaluates all police services. This program provides contract service administration, business and fiscal management, equipment purchase and maintenance, personnel hiring and training, risk management, and claims/lawsuit coordination. This program also administers computer application support for public safety information systems, including computer aided dispatch (CAD) and records management applications. This program is also charged with providing leadership by coordinating public contacts, preparing and implementing policies and procedures, and maintaining standards and mandates. This program has nine major activities:

- **Leadership and Professional Standards.** Maintaining positive and effective community relations; coordinating inter-department and agency affairs; implementing mandated activities; managing special projects; developing policies and procedures and reviewing them for compliance; conducting internal affairs investigations; coordinating claims investigations.
- **Contract administration.** Administering animal control, false alarm, facility, information technology, equipment, towing, Bomb Task Force and other contracts.
- **Business/fiscal administration.** Developing and monitoring budgets; coordinating audits; paying invoices; administering departmental collection activities; preparing financial reports, and evaluating and forecasting fiscal trends.
- **Public safety information system management.** Administering, supporting, and maintaining public safety system applications.
- **Grant research and management.** Research, submit applications, and report on law enforcement grants and special funding programs.
- **Personnel & training.** Recruiting, selecting and testing personnel, developing and managing in-service training, mandated training and intermediate and advanced training activities; maintaining personnel training records, facilities and equipment.
- **Cost recovery activities.** Processing permit and license applications including background investigations; processing driving-under-the-influence (DUI) billings; administering alarm contracts; coordinating special events and non-criminal services.
- **Legal liaison.** Processing, investigating and coordinating claims, lawsuits and internal affairs.
- **Janitorial Services.** Coordinate janitorial and maintenance and repair work in support of the Police facilities by contracted janitorial services with Public Works.

PUBLIC SAFETY

PROGRAM: Police Administration (continued)
 DEPARTMENT: Police

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
Police Chief	1.0	1.0	1.0	1.0
Police Captain	1.0	1.0	1.0	1.0
Police Lieutenant	1.0	1.0	0.0	0.0
Police Sergeant	1.0	1.0	1.0	1.0
Senior Administrative Analyst	1.0	1.0	1.0	1.0
Administrative Assistant	1.5	1.5	1.5	1.5
Total	6.5	6.5	5.5	5.5

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-11** Reducing various non-staffing line items in contract services, building maintenance and janitorial supplies will save \$13,100 each year.
- **2009-11** Eliminating the Administrative Lieutenant position will save \$209,100 in 2009-10 and \$226,900 in 2010-11.

Increases Required to Support Basic Service Levels

- **2009-11** Building operating costs for the new Emergency Communications Center will cost \$30,500 in 2009-10, and \$76,300 in 2010-11.
- **2009-11** An increase in booking fee costs will cost \$18,900 annually.

2009-11 PROGRAM OBJECTIVES

- **2009-10** Complete annual report to document Police Department activities and statistics for the past year
- **2009-10** Implement new system of disposing of unclaimed property stored at the police station in order to increase efficiency and revenue and maximize available storage space.
- **2009-10** Develop strategies to provide increased neighborhood services without additional staffing.
- **2009-10** Develop strategies to address the possible loss of positions department wide.
- **2009-10** Continue efforts to curb underage and high-risk drinking and reduce the negative impacts associated with this behavior.
- **2009-11** Monitor the impacts of State budget reductions to local and State law enforcement programs, including potential impacts of the release of State prisoners, and report impacts back to Council as necessary.

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Training hours completed	3,622	2,300	3,292	3,500
False alarms received	1,932	2,028	2,130	2,236

PUBLIC SAFETY

PROGRAM: Neighborhood & Crime Prevention Services
 DEPARTMENT: Police

OPERATION: Police Protection
 FUND: General Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	178,100	206,500	208,600	208,400
Contract Services	46,800	52,000	38,600	38,600
Other Operating Expenditures	7,700	12,500	10,800	10,800
Minor Capital				
Total	\$232,600	\$271,000	\$258,000	\$257,800

PROGRAM DESCRIPTION

The neighborhood services program is responsible for coordinating services and outreach to the residential neighborhoods in the City, through the efforts of the Neighborhood Services Manager and Neighborhood Services Team, which is comprised of representatives from various City departments. This program coordinates response to violations of the City noise and neighborhood enhancement ordinances, along with related follow-up, data collection, and notices to landlords. The duties of the Neighborhood Services Manager include disseminating crime prevention information via the department's multi-media crime prevention program; presenting neighborhood education programs and student orientation workshops; coordinating and providing staff support to various committees and neighborhood groups; receiving and acting on concerns expressed by neighborhood residents about issues affecting the quality of life in the neighborhoods; processing citation appeals for noise and neighborhood parking violations; and preparing the Neighborhood Services Team newsletter. This program has seven major activities:

- **Student Neighborhood Assistance Program (S.N.A.P.).** Providing first response to noise ordinance violations within the City; patrolling and enforcing neighborhood parking districts; enforcing Neighborhood Enhancement ordinance and following up on related activities. SNAP employees are Cal Poly and/or Cuesta College students.
- **Crime Prevention.** Coordinating and preparing the media crime prevention program including print and Internet components; attend meetings, support initiatives and work with local university, college, neighborhood, and business groups involved in neighborhood and City quality of life issues.
- **Neighborhood Enhancement Ordinance (N.E.O.)** As part of the City's neighborhood wellness strategy, SNAP team members enforce NEO requirements by inspecting and issuing 72-hour correction notices and re-inspecting and citing properties not brought into compliance.
- **Working to Improve Neighborhoods (W.I.N.).** Providing public education and awareness programs primarily utilizing print, web and handout materials aimed at improving neighbor relations and "quality of life" issues in the community.
- **Neighborhood Services Team.** Chairing team of City staff from various departments who work collaboratively with residents and community based groups in an effort to promote communication, support of the City's General Plan, and foster neighborhood enhancement and well-being; publishing bi-annual Neighborhood Services Team newsletter.
- **Noise Ordinance Enforcing.** Tracking trends related to noise complaints and violations and helping develop strategies to reduce violations; collaborating with uniformed patrol staff to address repeat offenders; processing violation notices to residential property owners.
- **SLO Solutions.** Overseeing contract and support efforts of SLO Solutions. This innovative program provides free conflict resolution and mediation services to City residents, focusing on disputes involving neighbors, roommates and tenant/landlords. SLO Solutions is jointly funded by Cal Poly, Cuesta College and the City.

PUBLIC SAFETY

PROGRAM: Neighborhood & Crime Prevention Services (continued)
 DEPARTMENT: Police

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
Neighborhood Services Manager	1.0	1.0	1.0	1.0
Total	1.0	1.0	1.0	1.0
Temporary Positions				
Full-Time Equivalents (FTE)	3.7	3.7	3.2	3.2

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-11** Reducing crime prevention outreach and advertising and related training will save \$13,900 annually.
- **2009-11** Eliminating the Graffiti Coordinator position will save \$20,800 annually.

2009-11 PROGRAM OBJECTIVES

- **2009-11** Maintain a directed and consistent program of education and enforcement activities relative to the City's noise, residential parking district and NEO requirements, focusing on quality-of-life issues in neighborhoods.
- **2009-11** Provide public education and awareness programs primarily utilizing print, internet and handout materials aimed at improving neighbor relations and quality-of-life issues in neighborhoods.
- **2009-11** Initiate and conduct educational and outreach programs in support of community building and neighborhood wellness, disaster preparedness, and crime prevention, and participating in university awareness fairs and events.
- **2009-11** Develop Neighborhood Services Strategic Plan.
- **2009-11** Research and recommend strategies to hold property owners more responsible for the conduct of their tenants.
- **2009-11** Research and recommend modifications if necessary to the City use permit process as it applies to Cal Poly Greek organizations
- **2009-10** Conduct a comprehensive review of the City noise ordinance and procedures.
- **2009-10** Develop options and recommendations for strategies to reduce noise and party-related problems in the neighborhoods and present to the Council in Fall 2009; following this study session, consult with stakeholders and return to Council by November 2009 with final recommendations.

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Noise complaints received by dispatch*	3,210	3,240	3,078	2,916
Average response time to noise complaints	25 minutes	25 minutes	25	25
N.E.O Cases	246	250	260	260
SLO Solutions – total cases	315	315	340	350
Noise disturbance advisory cards issued*	1,316	1,322	1,322	1,322
Noise citations issued*	192	222	233	244

* Projections are based on potential modifications to the noise ordinance and procedures.

PUBLIC SAFETY

PROGRAM: Police Support Services
 DEPARTMENT: Police

OPERATION: Police Protection
 FUND: General Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	2,078,800	2,468,000	2,224,800	2,268,800
Contract Services	102,900	127,400	79,700	115,000
Other Operating Expenditures	8,800	11,000	7,000	7,000
Minor Capital				
Total	\$2,190,500	\$2,606,400	\$2,311,500	\$2,390,800

PROGRAM DESCRIPTION

The support services program is responsible for receiving, processing and dispatching emergency and non-emergency calls for service; processing police reports and citations; tracking and reporting crime statistics; and maintaining confidential information. This program has two major activities:

- **Record Keeping.** Processing, maintaining and updating police records, citations and reports; tracking and reporting crime statistics; researching records and providing requested information to the Courts, law enforcement personnel and the public as appropriate; tracking fees charged for services, and balancing register receipts; registering offenders as regulated by law; processing various permit applications; providing statistical information and performing other clerical related work.
- **Communications Services.** Receiving both emergency and non-emergency requests by phone and radio for police, fire and other emergency response services; dispatching public safety emergency vehicles and personnel to calls for service and providing pre-arrival medical instructions; providing tactical dispatcher/scribe services for the Regional Special Weapons and Tactics (SWAT) Team; conducting outreach and education programs include 9-1-1 Education for Kids and Elder Adult Education; perform a variety of clerical activities including vehicle, property and restraining order entries into the State computer system and related work.

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
Communications and Records Manager	1.0	1.0	1.0	1.0
Communications Supervisor	2.0	2.0	2.0	2.0
Communications Technician	11.0	11.0	11.0	11.0
Records Supervisor	1.0	1.0	1.0	1.0
Records Clerk	4.5	4.5	4.0	4.0
Total	19.5	19.5	19.0	19.0

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-11** Reducing various non-staffing line items in contract services and data processing services will save \$3,800 each year.
- **2009-11** Eliminating the half-time Records Clerk position will save \$41,000 in 2009-10 and \$42,700 in 2010-11.

Increases Required to Support Basic Service Levels

- **2010-11** Purchasing warranty extensions for the two computer aided dispatch/records management system (CAD/RMS) servers will cost \$32,500 in 2010-11.

PUBLIC SAFETY

PROGRAM: Police Support Services (continued)
 DEPARTMENT: Police

2009-11 PROGRAM OBJECTIVES

- **2009-10** Complete electronic citations and collision reporting project (E-Citation/E-Collision Project) under which officers will complete a citation or collision form electronically and the data will automatically upload to the Records Management and the Traffic Engineering Systems. The automatic upload of data will reduce data entry errors and redundant data entry of the same information, and reduce data entry time.
- **2009-10** Complete the Laser Fiche Conversion Project. Micro Film and Micro Fiche have been successfully converted. This phase of the project includes converting paper reports and records to Laser Fiche storage. Once all reports are converted to Laser Fiche they will be organized and reviewed per the City's records retention policy.
- **2010-11** Work with Finance & Information Technology (IT) to complete the new Emergency Communications Center project and relocate all dispatch services and personnel to the new building.
- **2010-11** Work with Finance & IT to complete the citywide Radio Upgrade project and implement new radio communications system.

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Calls for service Police/Fire/Business	33,580	33,915	34,254	34,597
Incident numbers issued	29,275	29,567	29,863	30,162
Police reports processed	8,052	8,132	8,213	8,295
Citations processed	5,815	5,873	5,931	5,991
Phone calls received by the Communications Center	125,076	126,326	127,590	128,865

PUBLIC SAFETY

PROGRAM: Investigative Services
 DEPARTMENT: Police

OPERATION: Police Protection
 FUND: General Fund

	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
PROGRAM COSTS				
Staffing	2,038,800	2,051,700	2,659,700	2,690,200
Contract Services	4,800	9,400	6,900	6,900
Other Operating Expenditures	28,000	25,900	32,300	32,300
Minor Capital				
Total	\$2,071,600	\$2,087,000	\$2,698,900	\$2,729,400

PROGRAM DESCRIPTION

The investigative services program provides follow-up investigation into a variety of criminal activity, including homicides, assault, robberies, burglaries, narcotics trafficking and major frauds. Program staff conduct initial investigation of child and elder abuse and monitor convicted sex offenders; coordinate and deliver enforcement, intervention and education services to the high school, junior high and all elementary schools; control, analyze, and dispose of evidence and property. This program has five major activities:

- **Investigations.** Following-up on assigned caseloads to include identifying suspects and submitting cases to the District Attorney for prosecution, investigating suspected child abuse, missing persons, and other miscellaneous investigations. Register and conduct follow-up on convicted sex offenders.
- **Juvenile Services.** Providing enforcement, intervention and educational services to the high school, middle school and elementary schools in the City; investigate criminal and chronic truancy cases involving juveniles, including major graffiti investigations; participate in school-based Threat Assessment conferences with school staff; plan and help train school staff for emergency situations at the schools; coordinate and present the DARE program to sixth grade classes; coordinate the Juvenile Diversion Program for minor offenses.
- **Narcotics Task Force.** Participating in the countywide Narcotics Task Force to investigate major narcotic trafficking cases and to leverage significant resources dedicated to the Task Force by the California Department of Justice.
- **Situation Oriented Response Team (S.O.R.T.).** Conduct specialized enforcement activities directed at known violators or criminal patterns such as street drug sales, vehicle burglary cases, and gang activities; augmenting patrol and investigation forces as needed for major crimes, special events, and peak activity periods; conducting alcohol and tobacco compliance operations.
- **Evidence and Property.** Collecting, analyzing, monitoring, storing, auditing, and disposing of evidence and property.

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
Police Lieutenant	1.0	1.0	1.0	1.0
Police Sergeant*	0.0	0.0	1.0	1.0
Police Officer*	8.0	8.0	11.0	11.0
Field Service Technician	1.0	1.0	1.0	1.0
Evidence Technician	1.0	1.0	1.0	1.0
Records Clerk	1.0	1.0	1.0	1.0
Total	12.0	12.0	16.0	16.0

* One Sergeant and three police officer positions (SORT) shifted from the Patrol Operating Program to Investigations Program – no additional positions added to budget.

PUBLIC SAFETY

PROGRAM: Investigative Services (continued)
 DEPARTMENT: Police

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-11** Eliminating the Juvenile Diversion Program Coordinator position will save \$11,000 each year.
- **2009-11** Reducing various non-staffing line items in laboratory services and supplies will save \$1,600 each year.

2009-11 PROGRAM OBJECTIVES

- **2009-11** Develop an aggressive approach to the prevention of vehicle burglaries and apprehension of burglary suspects.
- **2009-11** Develop the use of visual mapping on the Police Department website to make members of the community aware of crime locations and trends.
- **2009-11** Participate in newly formed Closed Case Sexual Assault Review Team to identify ways to improve sexual assault prevention and investigation efforts.
- **2009-11** Complete a comprehensive Graffiti Management Plan and transfer coordination of the Graffiti Program to a trained volunteer.

WORKLOAD MEASURES	Actual	Projected	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
Convicted sexual offender investigations	297	300	310	320
Property/evidence booked	6,858	8,040	8,290	8,540
Property/evidence purged	6,067	8,156	8,400	8,600
Cases assigned for investigation	518	522	528	538
Elder/dependant adult investigations	22	16	20	20
Child abuse investigations	94	100	104	108

PUBLIC SAFETY

PROGRAM: Traffic Safety
 DEPARTMENT: Police

OPERATION: Police Protection
 FUND: General Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	1,054,600	1,028,800	958,100	932,000
Contract Services	4,500	9,500	10,300	10,300
Other Operating Expenditures	10,200	15,200	11,700	11,800
Minor Capital	53,700	12,700	4,400	4,400
Total	\$1,123,000	\$1,066,200	\$984,500	\$958,500

PROGRAM DESCRIPTION

The traffic safety program provides enforcement of traffic laws, collision investigations, education programs and coordination of special events. This program has five major activities:

- **General Traffic Enforcement.** General enforcement of traffic laws, including driving under the influence (DUI) enforcement through patrols and DUI check-points.
- **Directed Traffic Enforcement.** Motorcycle patrol and enforcement of areas with high traffic concentration and/or a history of collisions; special enforcement details in response to citizen complaints of violations in neighborhood area; enforcement of school zones during peak hours when children are being dropped off and picked up; enforcement of persons who drive without a valid driver's license.
- **Collision Investigation.** Investigation of traffic collisions and reconstructing collisions involving death or serious injury.
- **Special Event Coordination.** Working with staff from Parks and Recreation and other City departments to plan and staff special events in the City.
- **Education.** Provide education regarding traffic and bicycle safety to members of the community.

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
Police Sergeant	1.0	1.0	1.0	1.0
Police Officer	5.0	5.0	4.0	4.0
Total	6.0	6.0	5.0	5.0

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-11** Reducing various non-staffing line items in operating supplies will save \$400 each year.
- **2009-11** Eliminating one vacant Traffic Officer position effective October 2009 will save \$106,100 in 2009-10 and \$143,700 in 2010-11.

2009-11 PROGRAM OBJECTIVES

- **2009-11** Conduct special enforcement operations in the City's most hazardous intersections and roadways to reduce collisions in those locations.
- **2009-11** Operate programs to effectively protect the community from drivers who continue to drive after their licenses have been suspended.
- **2009-11** Carry out special enforcement details to apprehend and arrest drivers who are under the influence of alcohol or drugs.

PUBLIC SAFETY

PROGRAM: Traffic Safety (continued)
 DEPARTMENT: Police

- **2009-11** Maintain programs that will result in increased traffic safety in the neighborhoods.
- **2009-11** Lead the department effort to increase the traffic safety index by four points per year.

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Traffic citations issued	5,113	7,430	6,400	6,400
Traffic collisions	872	720	800	800
DUI arrests	294	320	350	350
DUI involved collisions	94	69	70	70
Pedestrian collisions	27	28	30	30

PUBLIC SAFETY

PROGRAM: Patrol Services
 DEPARTMENT: Police

OPERATION: Police Protection
 FUND: General Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	7,935,400	8,320,200	6,978,000	7,103,800
Contract Services	18,800	19,400	8,400	8,400
Other Operating Expenditures	94,100	77,100	61,900	65,000
Minor Capital				
Total	\$8,048,300	\$8,416,700	\$7,048,300	\$7,177,200

PROGRAM DESCRIPTION

The police patrol services program utilizes uniformed officers to respond to emergency situations and calls for service; conduct preliminary investigations of criminal activity; enforce state and City laws and statutes; apprehend criminals; enforce traffic laws; conduct routine traffic collision investigations; control disturbances; manage unusual incidents; implement crime prevention strategies; and provide other public safety related services as directed. This program has seven major activities:

- **General patrol.** Driving or walking assigned sectors; conducting pro-active patrols to discover criminal activity in progress or prevent its occurrence; responding to calls-for-service, apprehending criminals and traffic law violators.
- **Directed patrol.** Providing targeted vehicle and foot patrol to respond to known criminal patterns or locations of occurrences.
- **Special events.** Plan development and coordination of special events with organizers, other City departments; and community organizations such as Cal Poly, Cuesta College, housing management companies, and neighborhood organizations. Special events include Mardi Gras weekend, Cal Poly Open House, and a variety of parades and other large-scale community activities.
- **Neighborhood Enhancement.** Directed educational and enforcement activities focused specifically on quality-of-life issues in neighborhoods; making presentations and attending meetings in coordination with the Office of Neighborhood Services to groups including neighborhood associations, university sports teams, Greek organizations, and others.
- **Traffic enforcement.** Conducting proactive traffic enforcement by issuing warnings and citations for violations, and conducting collision investigations when Traffic Unit officers are unavailable.
- **Downtown officer program.** Providing a dedicated program of education, enforcement and crime prevention in the downtown core; working with the Downtown Association, Chamber of Commerce, and owners and staff of downtown bars, restaurants and businesses.
- **Special Weapons and Tactics (SWAT).** Provide a team of specially trained and equipped officers to respond to high risk situations that require expertise and resources beyond patrol officers.

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
Police Captain	1.0	1.0	1.0	1.0
Police Lieutenant	2.0	2.0	2.0	2.0
Police Sergeant*	6.0	6.0	5.0	5.0
Police Officer*	36.0	36.0	30.0	30.0
Field Service Technician	2.0	2.0	2.0	2.0
Total	47.0	47.0	40.0	40.0

* One Sergeant and three police officer positions assigned to the Situation Oriented Response Team (SORT) transferred from Patrol to Investigations to better reflect responsibilities. However, there is net reduction of three patrol officers in balancing the budget.

PUBLIC SAFETY

PROGRAM: Patrol Services
 DEPARTMENT: Police

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-11** Reducing various non-staffing line items in equipment maintenance and operating supplies will save \$3,000 each year.
- **2009-11** Eliminating three vacant police officer positions and associated equipment will save \$417,600 in 2009-10 and \$431,100 in 2010-11.

2009-11 PROGRAM OBJECTIVES

- **2009-11** Continue to research, develop and implement proactive policing enhancements for residential neighborhoods specifically during night time and weekends.
- **2009-11** Conduct long-range scheduling and planning for key dates including, but not limited to St. Patrick’s Day, “Back-to-school” periods, Halloween, and others. Develop operational plans for these deployments.
- **2009-11** Lead the department in education and compliance enforcement related to Alcoholic Beverage Control policies and statutes at businesses licensed to sell alcohol, specifically in the downtown area.
- **2009-11** Research and recommend grants related to alcohol enforcement and education, and participate in grants programs already in progress.

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Calls for service	29,467	29,807	29,900	30,000
Reports prepared	8,053	8,133	8,100	8,200
Felony arrests	517	525	550	550
Total arrests	2,898	3,120	3,200	3,200

PUBLIC SAFETY

PROGRAM: Fire Administration
 DEPARTMENT: Fire

OPERATION: Fire & Environmental Safety
 FUND: General Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	475,800	554,600	513,100	498,800
Contract Services	30,800	79,200	17,800	18,500
Other Operating Expenditures	77,300	93,100	85,000	90,600
Minor Capital				
Total	\$583,900	\$726,900	\$615,900	\$607,900

PROGRAM DESCRIPTION

The fire administration program plans, directs and evaluates all fire department programs and their activities. Program goals are to achieve: 1) responsive, effective and efficient fire department programs and 2) well-planned long-term improvements to the fire department facilities, equipment and organization. This program has four major activities:

- **Advanced planning.** Anticipating community needs for fire services and scheduling required changes in facilities, equipment and staffing.
- **Personnel management.** Recognizing and rewarding good performance, interpreting personnel policies, providing advice on personnel matters, documenting personnel actions.
- **Financial management.** Preparing and monitoring the fire department budget, preparing purchase orders and payment vouchers and ensuring adherence to purchasing regulations.
- **Fund enhancement.** Researching alternate forms of funding such as grants, sponsorships and fees.

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
Fire Chief	1.0	1.0	1.0	1.0
Administrative Analyst	1.0	1.0	1.0	1.0
Administrative Assistant	2.0	2.0	2.0	2.0
Total	4.0	4.0	4.0	4.0
Temporary Positions				
Full-Time Equivalents (FTE)	0.6	0.6	0.4	0.4

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-11** Reducing associations by 17% will save \$100 annually.
- **2009-11** Reducing laundry and linen by 78% will save \$7,000 annually.
- **2009-11** Reducing trips and meetings by 66% will save \$2,000 annually
- **2009-11** Reducing postage by 15% will save \$200 annually.
- **2009-11** Reducing employee recognition by 58% will save \$1,200 annually.
- **2009-11** Reducing uniforms and identification by 40% will save \$1,000 annually.
- **2009-11** Reducing miscellaneous overtime by 66% will save \$3,500 annually.
- **2009-11** Reducing temporary salaries by 50% and have remainder paid from Mutual Aid Revenues will save \$5,300 annually.

PUBLIC SAFETY

PROGRAM: Fire Administration
 DEPARTMENT: Fire

Increases Required to Support Basic Service Levels

- **2009-11** Hiring a temporary project coordinator will cost \$21,600 in 2009-10.

2009-11 PROGRAM OBJECTIVES

- **2009-11** Prepare the organization for the impacts resulting from future retirements.
- **2009-11** Institute budget reductions and prioritize program tasks.
- **2009-11** Research and prepare for grants.

WORKLOAD MEASURES	Actual	Projected	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
Hours spent on budget	700	900	900	900
Number of visitors	150	175	150	175
Hours spent on payroll	560	560	560	560
Hours on mutual aid reimbursement	650	700	700	700
Hours on personnel issues	1,200	1,200	1,200	1,200
Hours on grants	240	260	300	300
Hours preparing for and participating at Council meetings	350	350	350	350
Hours preparing staff reports	500	500	500	500
Hours at meetings on special projects and/or new programs	1,200	1,200	1,000	1,000

PUBLIC SAFETY

PROGRAM: Emergency Response
 DEPARTMENT: Fire

OPERATION: Fire & Environmental Safety
 FUND: General Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	8,308,000	9,073,200	7,606,400	7,868,500
Contract Services	50,300	67,500	44,300	44,700
Other Operating Expenditures	154,300	211,100	131,700	142,600
Minor Capital				
Total	\$8,512,600	\$9,351,800	\$7,782,400	\$8,055,800

PROGRAM DESCRIPTION

The emergency response program protects life, the environment and property by responding to a wide variety of emergencies including but not limited to structure fires, medical emergencies, hazardous materials incidents, vehicle accidents and public assists. Program goals include timely response (industry standard of 4 minutes or less); provide Advanced Life Support on medical emergencies; and limit any environmental damage caused by a release of hazardous materials and keep property damage to a minimum when confronted with human caused or natural adverse events. This program has six major activities:

- **Structure fire protection.** Responding to fire emergencies, suppressing fires and protecting exposures.
- **Emergency medical response.** Providing victims of acute trauma and sudden illness with Advanced Life Support (ALS) from certified Firefighter-Paramedics.
- **Hazardous materials incident response.** Controlling and containing unwanted hazardous materials releases.
- **Rescue.** Extrication of victims trapped in wrecked automobiles, collapsed buildings, swift water rescues and cliffside extractions.
- **Equipment and protective clothing purchasing and maintenance.** Ensuring equipment and Personal Protective Equipment (PPE) meet continually updated state and federal mandates.
- **Vehicle maintenance.** Performing OSHA regulated maintenance as well as day-to-day maintenance on all emergency response vehicles.

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
Battalion Chief	3.0	3.0	3.0	3.0
Fire Captain	12.0	12.0	12.0	12.0
Fire Engineer	15.0	15.0	15.0	15.0
FireFighter	12.0	12.0	12.0	12.0
Fire Vehicle Mechanic	1.0	1.0	1.0	1.0
Total	43.0	43.0	43.0	43.0
Temporary Positions				
Full-Time Equivalents (FTE)	0.3	0.3	0.0	0.0

PUBLIC SAFETY

PROGRAM: Emergency Response (continued)
 DEPARTMENT: Fire

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-11** Reducing nozzle replacement will save \$800 annually.
- **2009-11** Reducing budgeted for gasoline and oil will save \$5,000 annually.
- **2009-11** Reducing medical waste disposal by contracting from four stations to one will save \$1,800 annually.
- **2009-11** Reducing paint supplies will save \$200 annually.
- **2009-11** Reducing budgeted amount for operating materials will save \$3,400 annually.
- **2009-11** Reducing budgeted amount for medical supplies will save \$3,400 annually.
- **2009-11** Reducing budgeted amount for safety supplies will save \$1,200 annually.
- **2009-11** Reducing a recruit academy from six to two weeks will save \$45,000 annually.
- **2009-11** Reducing overtime for special projects/special events will save \$6,300 annually.
- **2009-11** Reducing hours for the mechanic assistant from 16 to 12 hours a week will save \$2,200 annually.
- **2009-11** Reducing budgeted amount for personal protective equipment will save \$4,800 annually.

2009-11 PROGRAM OBJECTIVES

- **2009-11** Maintain participation and support of the County Hazardous Materials Team.
- **2009-11** Implement Emergency Patient Care Reporting (EPCR) system.
- **2009-11** Respond to medical emergencies with Advanced Life Support (ALS) capabilities
- **2009-11** Respond to fire emergencies with adequate number of personnel.
- **2009-11** Maintain apparatus and vehicles.

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
<u>All figures are based on a calendar year</u>				
Structure fires	88	92	96	100
Vehicle fires	12	12	12	13
Vegetation fires	18	19	20	21
EMS and rescue	2,752	2,862	2,976	3,096
Hazardous conditions/materials	26	27	28	29
Service calls	733	797	829	862
Good intent/false alarms	176	193	201	209
Other calls & incidents	843	877	912	949
Total responses	4,648	4,879	5,074	5,277

Projected workload measures are based upon a 4% increase each year

PUBLIC SAFETY

PROGRAM: Hazard Prevention
DEPARTMENT: Fire

OPERATION: Fire & Environmental Safety
FUND: General Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	616,200	799,500	697,000	659,100
Contract Services	22,000	18,700	14,000	14,000
Other Operating Expenditures	27,300	20,600	9,700	11,000
Minor Capital				
Total	\$665,500	\$838,800	\$720,700	\$684,100

PROGRAM DESCRIPTION

The hazard prevention program prevents injury and loss to life, property and the environment caused by fire, explosion or exposure to hazardous materials. Program goals include: 1) eliminating fire hazards and investigating fires in buildings, equipment and properties; 2) safely handling and containing all hazardous materials; 3) broadening public awareness about the dangers of fire and hazardous materials. This program has seven major activities.

- **Fire hazard inspection and abatement.** Regularly inspecting residential, commercial, governmental, educational and industrial sites for fire hazards and responding to citizen complaints and implementing the weed abatement program during the fire season.
- **Fire and arson investigation.** Investigating all reported fires to determine causes and possible prevention measures.
- **Hazardous material inspection and abatement.** Enforcing regulations governing the storage, use, handling and disposal of hazardous materials; annually inspecting the safety and environmental quality of all facilities, storing, using or handling hazardous materials.
- **Building plan review.** Reviewing development projects and building plans for compliance with fire safety codes.
- **Hazardous waste removal and disposal.** Serving as a collecting agent for hazardous waste found in city streets, property, or creeks resulting from unknown sources and unidentified parties. Conduct plan checks for underground storage tank installation and removals, with a permit issued by the Department.
- **Education.** Providing fire and safety education programs to businesses, hospitals and homeowners groups
- **Hydrant maintenance.** Inspecting, testing and servicing fire hydrants (funded by Utilities).

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
Fire Marshal	1.0	1.0	1.0	1.0
Administrative Assistant	1.0	1.0	1.0	1.0
Hazardous Materials Coordinator	1.0	1.0	1.0	1.0
Fire Inspector	3.0	3.0	2.8	2.0
Total	6.0	6.0	5.8	5.0
Temporary Positions				
Full-Time Equivalent (FTE)	0.4	0.4	0.2	0.2

PUBLIC SAFETY

PROGRAM: Hazard Prevention (continued)
DEPARTMENT: Fire

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- 2009-11 Reducing temporarily one Fire Inspector III to ¾ time will save \$29,600 in 2009-10 and \$7,300 in 2010-11.
- 2009-11 Reducing one Fire Inspector III position in October 2010 when the incumbent retires will save \$79,300 in 2010-11.
- 2009-11 Reducing investigation overtime by 25% will save \$600 annually.
- 2009-11 Reducing miscellaneous overtime by 50% will save \$1,900 annually.
- 2009-11 Reducing a City Field Worker VII to 8 hours per week will save \$3,500 annually.
- 2009-11 Reducing education and training by 55% will save \$3,000 annually.

2009-11 PROGRAM OBJECTIVES

- 2009-11 Continue to deliver year-round education and business outreach programs that promote fire and life-safety.
- 2009-11 Provide annual fire and life safety inspections and education for all multi-dwelling properties (R-1/R-2 inspections)
- 2009-11 Provide fire prevention training to all suppression personnel
- 2009-11 Provide continuing education to fire prevention personnel.
- 2009-11 Verify and ensure compliance with the Downtown Fire Sprinkler Ordinance.
- 2009-11 Review all fire sprinkler and fire alarm systems, in house, for compliance to national standards in order to improve customer service and reduce costs to the City.
- 2009-11 Provide the necessary resources to respond to the State CUPA audit.
- 2009-11 Administer enforcement orders for CUPA Program.
- 2009-11 Observe underground storage tank installations and removals.
- 2009-11 Conduct inspections of all Underground Fuel Tank facilities to determine compliance with state and local regulations.
- 2009-11 Ensure adequate funding and training in the area of hazardous materials programs, hazardous waste disposal, and leaking underground tank programs.
- 2009-11 Identify and abate all hazardous vegetation and combustible debris from private property.
- 2009-11 Promote and initiate a vegetation management program in the city-owned open space adjacent to developments surrounding the City.
- 2009-11 Investigate the cause and origin of all fires, explosions and unauthorized hazardous materials releases.
- 2009-11 Promote public safety by remaining actively involved in the Development Review Process.
- 2009-11 Conduct thorough plan review and inspections of construction projects for compliance to the fire and life-safety codes.
- 2009-11 Conduct fire hydrant and flow testing and maintenance throughout the City.

PUBLIC SAFETY

PROGRAM: Hazard Prevention (continued)
 DEPARTMENT: Fire

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Fire and life-safety inspections	3,000	1,550	2,300	3,450
Hazard abatement notices	1,500	1,500	1,500	1,500
Water bill inserts (notices to clear weeds)	14,500	14,500	14,500	14,500
Hazardous materials inspections/inventories	255	285	290	300
Hazardous materials business plans	215	250	260	270
Building plan review	146	140	150	160
Development plan reviews, ARC, EIR	69	90	100	100
Adult fire education activities (no. of adults)	1,500	1,500	1,500	1,500
Fire and arson investigations	36	45	50	50
Complaints, fire hazards and referrals	500	600	600	600
Code review and interpretations	300	350	400	400
Parking citations	200	200	250	300
Underground storage tank modifications	12	12	12	12
Juvenile fire setter counseling sessions	15	15	15	15
Special event inspections / bar checks	30	30	30	30

PUBLIC SAFETY

PROGRAM: Training OPERATION: Fire & Environmental Safety
 DEPARTMENT: Fire FUND: General Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	199,500	357,500	266,900	292,100
Contract Services	31,300	35,300	5,000	5,700
Other Operating Expenditures	60,800	56,200	36,600	33,400
Minor Capital				
Total	\$291,600	\$449,000	\$308,500	\$331,200

PROGRAM DESCRIPTION

The fire training program schedules, coordinates, and documents both in-house and outside training and certification for fire department staff. The program also works to maintain and improve the health fitness of fire department employees. The overall program goal is to provide and support highly qualified, well-trained, safe, healthy and fit employees. This program has five major activities:

- **In-service training.** While complying with mandates, conducting training exercises and classroom lessons to maintain the myriad skills of our business, and facilitate the introduction of new methodologies, technology and equipment.
- **Outside training.** Scheduling and coordinating employee attendance at State certified upper level (I and II) training offered outside of the Department; facilitate bringing specialized instruction into our area; provide any other training not generated within the instructional capabilities of fire department staff.
- **Health fitness.** Scheduling and coordinating all physical fitness activities including medical examinations and comprehensive fitness evaluation.
- **Safety.** Providing regular and ensuring safety training to all employees.
- **Recruitment and promotion testing.** Working with the Human Resources Department, assisting with the design and administration of testing processes and conducting a recruit-training academy for new hires, as well as the promotion of fire department employees.

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
Fire Battalion Training Chief	1.0	1.0	1.0	1.0

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-11** Deferring training tower modifications will save \$3,000 annually.
- **2009-11** Eliminating National Wildfire Coordinating Group supported backfill overtime will save \$9,700 annually.
- **2009-11** Reducing maintenance of physical fitness equipment will save \$1,500 annually.
- **2009-11** Reducing purchase of training aids will save \$500 in 2010-11.
- **2009-11** Reducing recruit academy instructors overtime will save \$6,500 annually.
- **2009-11** Reducing rescue systems 2 class to three members a year will save \$2,900 in 2010-11.
- **2009-11** Eliminating succession training will save \$12,100 annually.
- **2009-11** Eliminating succession training will save \$23,100 annually.
- **2009-11** Reducing medical services (physicals) will save \$32,000 annually.
- **2009-11** Eliminating "Train the Trainer" program will annually save \$10,300 for classes and \$23,200 for overtime.

PUBLIC SAFETY

PROGRAM: Training (continued)
 DEPARTMENT: Fire

2009-11 PROGRAM OBJECTIVES

Other Program Objectives

- **2009-11** Provide for Firefighter health and safety by continuing the health and fitness program.
- **2009-11** Develop and maintain baseline and advanced skills at the individual company and organizational level.
- **2009-11** Deliver mandated training by structuring training that is aligned with the intent of federal and state mandates as well as nationally recognized standards.
- **2009-11** Develop an accounting system for training received during incident response and streamline the recordkeeping system.
- **2009-11** Provide an opportunity for professional development by facilitating career track counseling and encouraging specialty training.
- **2009-11** Develop strategic training and facility plan.
- **2009-11** Maintain/improve current training drill tower and surroundings including development of props.

WORKLOAD MEASURES	Actual	Projected	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
In-service/mandated training hours (172/employee/year X 3 shifts)	516	516	516	516
Outside training hours (total)	280	280	280	280
Academy/probationary training hours (360/employee)	1,440		1,440	1,440
Baseline medical tests & review by physician	45	45	45	45
Basic physicals	30	27	29	29
Comprehensive medical exams	15	18	15	15
TB tests	43	43	43	43
EMT re-certification (individuals)	22	2	22	2
Paramedic re-certification (individuals).	9	15	9	15

PUBLIC SAFETY

PROGRAM: Technical Services
DEPARTMENT: Fire

OPERATION: Fire & Environmental Safety
FUND: General Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	1,100	1,100	500	500
Contract Services	2,800	4,400	4,000	3,800
Other Operating Expenditures	40,300	35,500	25,700	14,700
Minor Capital				
Total	\$44,200	\$41,000	\$30,200	\$19,000

PROGRAM DESCRIPTION

The technical services program manages and maintains the City's four fire station facilities, their grounds and miscellaneous related equipment, and furnishings. The program goal is to maintain attractive, safe and energy-efficient fire stations. The technical services program works closely with Public Works to facilitate building repairs and to provide landscape maintenance. This program includes four major activities:

- **Minor Facilities Maintenance.** Identifying, coordinating and providing cleaning supplies, maintaining landscaped areas, repairing or replacing broken or worn station furnishings, and correcting minor electrical and plumbing problems while meeting Cal-OSHA safe work place requirements.
- **Major Building Repair and Construction.** Remodeling /updating stations, painting and managing larger CIP projects.
- **Automatic External Defibrillators (AED).** Public Access Defibrillation Project is a program that provides Automatic External Defibrillators (AED's) in public areas throughout the city to allow lay rescuers to intervene early in cases of cardiac arrest. An AED is an automated computerized medical device programmed to analyze heart rhythm, recognize rhythms that require defibrillation, and deliver life-saving electric shocks.
- **Fire Mapping Program.** Updates fire grid books for emergency personnel and provides miscellaneous emergency response maps at all fire stations.

STAFFING SUMMARY

None—Program activities are supported by staff from other program areas.

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-11** Eliminating replacement of aging linen will save \$1,600 in 2010-11.
- **2009-11** Reducing purchase of radio accessories will save \$500 annually.
- **2009-11** Eliminating purchase and/or repair of major appliances will save \$2,000 annually.
- **2009-11** Eliminating mapbook updates will save \$800 in 2009-10 and \$1,100 in 2010-11.
- **2009-11** Reducing technical services overtime will save \$500 annually.

Increases Required to Support Basic Service Levels

- **2009-11** Installing security fencing at Fire Station 2 will cost \$10,500 in 2009-11

2009-11 PROGRAM OBJECTIVES

- **2009-11** Automated External Defibrillator (AED).-Maintain AEDs placed in city facilities.
- **2009-11** Fire Mapping-Maintain fire grid books for responding personnel and provides miscellaneous response maps for fire stations and Public Safety Dispatch Center.
- **2009-11** Coordinate repair of showers and building damage at Fire Station No. 3.
- **2009-11** Assist in coordinating development and implementation of radio system upgrade.

PUBLIC SAFETY

PROGRAM: Technical Services (continued)
 DEPARTMENT: Fire

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Square feet of fire stations maintained including new storage facility at Fire Station 1	30,346	30,345	33,346	33,346
Square feet of property	138,491	138,491	138,491	138,491
AEDs in City buildings	18	18	18	18

PUBLIC SAFETY

PROGRAM: Disaster Preparedness
 DEPARTMENT: Fire

OPERATION: Fire & Environmental Safety
 FUND: General Fund

	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
PROGRAM COSTS				
Staffing				
Contract Services				
Other Operating Expenditures	56,700	98,400	7,700	8,500
Minor Capital				
Total	\$56,700	\$98,400	\$7,700	\$8,500

PROGRAM DESCRIPTION

The disaster preparedness program has two focuses: 1) ensures that City forces can provide appropriate rescue and relief services following major disasters like earthquakes, floods, nuclear power accidents, hazardous material spills, and wildland fires; and 2) provides education and training, disaster preparedness, fire safety and senior safety to the general public. Program goals are to train disaster response to employees, provide up-to-date disaster response plans, and educate residents and businesses in disasters and emergency preparedness. This program has five major activities:

- **Training.** Teaching city employees from several departments how to use the incident command system and conducting disaster response drills.
- **Planning.** Reviewing and revising the city's disaster response plans to improve deployment of city forces and ensure coordination with federal, state and local agencies; operating the City's emergency operation center (EOC) in the event of a disaster.
- **Community Emergency Response Training (CERT) teams.** Training the general public on how to provide for themselves in major emergencies for 72 hours following an emergency.
- **Community Outreach.** Providing general fire safety and life safety education to citizens in the community, including seniors, college students, and family neighborhoods.
- **Business Continuity.** Encouraging businesses to create and implement emergency preparedness plans to protect their business against any unexpected business interruption following a disaster.

STAFFING SUMMARY

None – Program activities are staffed from other program areas.

2009-11 PROGRAM OBJECTIVES

- **2009-11** Provide disaster preparedness courses to the general public
- **2009-11** Conduct disaster training sessions for City employees.
- **2009-11** Assist local business in developing an emergency business continuity plan.
- **2009-11** Receive City Council approval for an updated Emergency Operation Plan.
- **2009-11** Update disaster plans, as needed.

PUBLIC SAFETY

PROGRAM: Disaster Preparedness (continued)
 DEPARTMENT: Fire

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
No. of citizens educated in fire and life safety skills including seniors, and college students	3,000	3,200	3,300	3,400
Key City employees trained in City-wide disaster drills	40	40	40	40
General public trained for disaster response (CERT)	40	40	40	40
CERT refresher course	50	50	50	50
Educating business community in emergency planning	100	100	100	100

This page intentionally left blank

Operating Programs PUBLIC UTILITIES



PUBLIC UTILITIES

PROGRAM: Water Source of Supply
 DEPARTMENT: Utilities

OPERATION: Water Service
 FUND: Water Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing				
Contract Services	1,256,600	1,503,000	1,232,200	6,680,300
Other Operating Expenditures	57,500	68,000	112,500	115,000
Minor Capital				
Total	\$1,314,100	\$1,571,000	\$1,344,700	\$6,795,300

PROGRAM DESCRIPTION

The water source of supply program procures raw water from the City's two primary sources: Whale Rock Reservoir and Salinas Reservoir (Santa Margarita Lake) to provide a clean, dependable supply of raw water for treatment at the City's water treatment plant. An additional source of supply offers highly treated recycled water from the City's Water Reclamation Facility to be used for irrigation and other approved purposes. The Nacimiento Reservoir source of supply project is currently under construction and is expected to become a supplemental raw water source for the City by the end of 2010. This program has four major activities:

- **Whale Rock Reservoir.** The Whale Rock Commission, of which the City is a member, operates Whale Rock Reservoir through the Whale Rock Fund. Through the source of supply program, the City pays the Whale Rock Fund 55% of the funding required to operate the Whale Rock reservoir programs based on its proportionate ownership of the reservoir, and 100% of the funding required to pump raw water to the City's water treatment plant for City use.
- **Salinas Reservoir.** The San Luis Obispo County Flood Control and Water Conservation District operates Salinas Reservoir under contract with the Army Corps of Engineers. Through the source of supply program, the City pays for the total cost of operating and maintaining Salinas Reservoir and transporting raw water to the City's water treatment plant. Costs associated with recreation activities at the reservoir are paid for by the County of San Luis Obispo.
- **Nacimiento Reservoir.** Monterey County Water Resources Agency owns the Nacimiento Reservoir. The Nacimiento Water Project is currently under construction and, upon completion at the end of 2010, will provide a highly reliable, supplemental raw water source for several agencies including the City. The source of supply program will be managed by the County of San Luis Obispo Flood Control and Water Conservation District. The City will pay its proportionate share to operate the program. The City's water treatment plant will treat the raw water for City use.
- **Recycled Water.** The City's Water Reclamation Facility produces a high quality recycled water product that can be used for a number of approved purposes, such as landscape irrigation. Recycled water use directly offsets the demand for potable water, thus allowing raw water sources to be utilized more effectively. Costs associated with the treatment and delivery is located in the source of supply budget, although a number of program managers have responsibility for individual aspects of the recycled water program.

STAFFING SUMMARY

None

PUBLIC UTILITIES

PROGRAM: Water Source of Supply (continued)
 DEPARTMENT: Utilities

SIGNIFICANT PROGRAM CHANGES

Increases Required to Support Basic Service Levels

- **2009-11** Ensuring efficient and reliable operations of the Salinas Reservoir by providing adequate funding to the San Luis Obispo County Flood Control and Water Conservation District, the agency responsible for the Salinas Reservoir water supply operations, will cost the City an additional \$25,000 in 2009-10 and \$1,235,900 in 2010-11. Off-setting cost savings in Whale Rock Operations in the amounts of \$106,000 in 2009-10 and \$98,000 in 2010-11 will result in a net operating cost saving of \$81,000 in 2009-10 and a net operating cost increase of \$1,137,900 in 2010-11.

- **2009-11** Expanding the use of recycled water for non-potable uses requires additional electric utility service and laboratory supplies which will cost an additional \$45,000 in 2009-11 and \$47,500 in 2010-11.

Major City Goals

- **2009-11** *Infrastructure Maintenance.* Sustain an effective level of existing core infrastructure maintenance such as streets, sidewalks, creek & flood protection, parks and protection of other physical assets.

Other Program Objectives

- **2009-11** Deliver raw water supplies in a reliable, cost-effective manner
- **2009-11** Operate, maintain and repair supply facilities
- **2009-11** Expand deliveries of recycled water through Water Reuse Master Plan Implementation

WORKLOAD MEASURES	Actual	Projected	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
Acre feet of water delivered - Salinas	1,945	4,000	4,500	4,700
Acre feet of water delivered - Whale Rock	4,291	2,400	1,700	1,600
Acre feet of water delivered - Recycled	83	100	175	200

PUBLIC UTILITIES

PROGRAM: Water Treatment
 DEPARTMENT: Utilities

OPERATION: Water Service
 FUND: Water Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	900,500	1,225,200	1,149,800	1,211,900
Contract Services	136,700	149,000	196,800	194,900
Other Operating Expenditures	462,300	673,700	788,800	819,700
Minor Capital				
Total	\$1,499,500	\$2,047,900	\$2,135,400	\$2,226,500

PROGRAM DESCRIPTION

The water treatment program receives raw water from reservoirs and wells, treats it to meet potable water standards and delivers it into the water distribution system. The program goal is an adequate water supply, treated to required standards, for domestic consumption and firefighting. This program has four major activities:

- **Reservoir water treatment.** Receiving and analyzing raw water from reservoirs, chemically treating and filtering the raw water to meet federal and state standards, adding fluoride to treated water, pumping treated water to storage facilities, preparing reports for local, state and federal agencies.
- **Laboratory analysis.** Performing analyses for compliance with federal and state regulations and necessary for the optimization of treatment process operations.
- **Equipment maintenance.** Calibrating treatment mechanisms, performing periodic preventative maintenance, repairing broken equipment, evaluating and replacing worn and obsolete equipment.
- **Janitorial and grounds maintenance.** Cleaning and tending buildings, removing trash, performing minor repairs, controlling weeds, preventing soil erosion, managing low maintenance landscaping materials.

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
Water Treatment Plant Supervisor	1.0	1.0	1.0	1.0
Laboratory Manager	0.1	0.1	0.1	0.1
Laboratory Analyst	1.1	1.1	1.0	1.0
Treatment Plant Maintenance Technician	1.0	1.0	1.0	1.0
Water Treatment Plant Chief Operator	1.0	1.0	1.0	1.0
Water Treatment Plant Operator	7.0	7.0	7.0	7.0
Total	11.2	11.2	11.1	11.1

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-11** Eliminating one Laboratory Analyst position, based on the Water Fund's proportionate share of 10%, will save \$9,400 in 2009-10 and \$9,700 in 2010-11.

PUBLIC UTILITIES

PROGRAM: Water Treatment (continued)
 DEPARTMENT: Utilities

Increases Required to Support Basic Service Levels

- **2009-11** Ensuring regulatory compliance and providing a high level of Water Treatment Plant operations and maintenance will cost an additional \$21,200 in 2009-10 and \$23,600 in 2010-11. There will be off-setting cost savings of \$5,000 annually, resulting in net costs of \$16,200 in 2009-10 and \$18,600 in 2010-11.
- **2009-11** Undertaking maintenance activities that ensure regulatory compliance and provide a high level of Water Treatment Plant operations and maintenance, prolong equipment lifespan and improve operational reliability will cost \$84,500 annually in 2009-11.
- **2009-11** Ensuring regulatory compliance and providing a high level of Water Treatment Plant operations and maintenance requires an increase in electric utility, chemicals and operating materials, which will cost \$108,700 in 2009-10 and \$159,600 in 2010-11.

2009-11 PROGRAM OBJECTIVES

Major City Goals

- **2009-11** *Infrastructure Maintenance.* Sustain an effective level of existing core infrastructure maintenance such as streets, sidewalks, creek & flood protection, parks and protection of other physical assets.

Other Program Objectives

- **2009-11** Continue to meet all treatment standards as required by EPA, CDPH, APCD and other regulatory agencies.
- **2009-11** Complete treatment plant improvements in accordance with the Capital Improvement Plan.
- **2009-11** Continue improvements in water system security as described in the Vulnerability Assessment and Emergency Response Plan.
- **2009-11** Continue with Succession Planning goals of development of Standard Operation Procedures and Internship program.
- **2009-11** Complete work in coordination with and begin treating water from the Nacimiento Water Project.
- **2009-11** Continue development of computerized maintenance database and work order system.

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Acre feet of water treated (Salinas, Whale Rock & groundwater)	6,898	6,900	7,000	7,000

PUBLIC UTILITIES

PROGRAM: Water Distribution
 DEPARTMENT: Utilities

OPERATION: Water Service
 FUND: Water Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	706,700	887,800	876,800	909,900
Contract Services	39,800	67,200	60,100	61,200
Other Operating Expenditures	131,000	150,900	177,100	185,700
Minor Capital	10,000		22,000	
Total	\$887,500	\$1,105,900	\$1,136,000	\$1,156,800

PROGRAM DESCRIPTION

The water distribution program delivers potable water from the water treatment plant and wells to customers and fire hydrants via three storage reservoirs, ten pump stations, eight distribution reservoirs, and approximately 170 miles of water mains. The water distribution program also delivers recycled water from the Water Reclamation Facility to customers and hydrants via approximately 8 miles of transmission pipelines and 6 hydrants. The program goal is uninterrupted water flow at adequate pressures with minimum water leakage. This program has eight major activities:

- **Pump station and tank maintenance.** Inspecting all pump stations weekly, lubricating and repairing pumps and motors, painting pump houses and tanks, controlling weeds, tending landscaping, and repairing fences.
- **Water main maintenance.** Repairing broken or leaking water mains and appurtenances, periodically inspecting and cleaning all pressure reducing valves.
- **Water service installation and service renewal.** Installing and upgrading, service lines, meters, and meter boxes.
- **Fire hydrant installation.** Installing and replacing fire hydrants as needed.
- **Backflow and cross connection control.** Preventing backflow of harmful substances into the water system.
- **USA mark-outs.** Locating and marking of all underground City water utilities prior to any excavations within public right of way.
- **Bacteriological sampling.** Take water samples of all new water mains before they are placed into service to insure public health and safety.
- **Low threat discharge permit compliance.** Sampling, monitoring, and reporting all planned and unplanned discharges as required by the City's Low Threat Discharge Permit issued by the Regional Water Quality Control Board.

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
Water Distribution Supervisor	1.0	1.0	1.0	1.0
Underground Utility Locator	1.0	1.0	1.0	1.0
Water Distribution System Operator	7.0	7.0	7.0	7.0
Total	9.0	9.0	9.0	9.0

PUBLIC UTILITIES

PROGRAM: Water Distribution (continued)
 DEPARTMENT: Utilities

SIGNIFICANT PROGRAM CHANGES

Increases Required to Support Basic Service Levels

- **2009-11** Repairing the Water Distribution System and improving operational reliability by implementing additional, ongoing preventative maintenance programs will cost an additional \$30,000 in 2009-10 and \$33,000 in 2010-11.
- **2009-10** Improving staff productivity and customer service by providing mobile workstations in the Water Distribution service trucks will cost \$22,000 in 2009-10.

2009-11 PROGRAM OBJECTIVES

Major City Goals

- **2009-11** *Infrastructure Maintenance.* Sustain an effective level of existing core infrastructure maintenance such as streets, sidewalks, creek & flood protection, parks and protection of other physical assets.

Other Program Objectives

- **2009-11** Continue to identify existing polybutylene water services throughout the City for inclusion in the polybutylene water service replacement Capital Improvement Plan
- **2009-11** Continue the water distribution system improvements in accordance with the Capital Improvement Plan
- **2009-11** Design, construct and implement the recommendations in the Water System Master Plan
- **2009-11** Utilize pipe pulling machine to replace 1.5 inch and 2 inch polybutylene water services replacements

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Water main breaks repaired	18	35	30	30
Water service line repairs and renewals	187	200	150	150
Fire hydrants installed / repaired	12	25	25	25
Underground Service Alert locates (hrs/month)	104	104	104	104
Miles of water main	175	185	186	187
Pump stations and storage facilities inspections	536	536	536	536
Valve maintenance, repair, replacement	700	800	1000	1000
After hour call-outs	178	200	200	200
Cla-Valves rebuilt/maintained	N/A	10	12	12

PUBLIC UTILITIES

PROGRAM: Water Customer Service
 DEPARTMENT: Utilities

OPERATION: Water Service
 FUND: Water Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	352,000	477,400	189,200	200,900
Contract Services	3,000	9,000	7,000	11,000
Other Operating Expenditures	69,600	80,200	96,700	102,100
Minor Capital				28,000
Total	\$424,600	\$566,600	\$292,900	\$342,000

PROGRAM DESCRIPTION

The water customer service program measures water used by approximately 14,400 customers so that accounts receivable can calculate water bills. The program goals are 1) accurate measurement of water usage and 2) timely and regular water billings. This program has four major activities:

- **Meter reading.** Reading about 14,400 water meters each month, investigating abnormal readings, starting and stopping water service, maintaining access to meters.
- **Meter replacement and maintenance.** Replacing all obsolete meters over a seven-year period to conserve water and maximize billing revenues, replacing old or damaged meters on a 20-year schedule.
- **Backflow and cross connection control.** Preventing backflow of harmful substances into the water system.
- **New meter sets.** Installing meters in new housing units and other developments.

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
Water Customer Service Personnel	5.0	5.0	4.0	4.0
Total	5.0	5.0	4.0	4.0

* Operating program costs are funded 50% Water Customer Service and 50% Wastewater Collections

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-11** Eliminating one Water Customer Service position and increasing overtime to partially mitigate the position reduction will result in a net savings of \$79,400 in 2009-10 and \$79,200 in 2010-11.

Increases Required to Support Basic Service Levels

- **2010-11** Improving staff productivity and customer service by providing mobile workstations in the Customer Service trucks will cost \$32,000 in 2010-11.
- **2009-11** Replacing damaged water meter boxes and aged water meters, and establishing a budget for customer valves will cost an additional \$23,000 in 2009-10 and \$28,500 in 2010-11. This will result in off-setting revenues estimated at \$12,000 in 2009-10 and \$24,000 in 2010-11.

PUBLIC UTILITIES

PROGRAM: Water Customer Service (continued)
 DEPARTMENT: Utilities

2009-11 PROGRAM OBJECTIVES

Major City Goals

- **2009-11** *Infrastructure Maintenance.* Sustain an effective level of existing core infrastructure maintenance such as streets, sidewalks, creek & flood protection, parks and protection of other physical assets.

Other Program Objectives

- **2009-11** Retrofit/install 550 meters in 2009-10 and 600 meters in 2010-11 (5/8" through 2").
- **2009-11** Ensure fair and equitable billing of water used by customers.
- **2009-11** Inspect and rehabilitate deteriorating water meter boxes/vaults and meters.
- **2009-11** Identify undersized meters and retrofit to ensure fair and equitable billing.

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Water meters read	173,040	174,000	174,200	174,300
Water meters installed/retrofitted	412	440	550	600
Applications for service turn-ons	2,935	3,000	3,000	3,000
Notice of discontinuance turn-offs	1,769	1,769	1,800	1,800
Non- payment discontinuance/restoration	838	900	900	900
Investigates- high read, low read, no consumption	4,771	4,800	4,800	4,800
Water meter box/vault replacements/upgrade	Not available	20	30	30

PUBLIC UTILITIES

PROGRAM: Utilities Conservation
 DEPARTMENT: Utilities

OPERATION: Water Services
 FUND: Water Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	297,900	337,700	347,200	352,000
Contract Services	87,400	157,700	72,500	72,500
Other Operating Expenditures	6,000	9,900	7,800	7,800
Minor Capital				
Total	\$391,300	\$505,300	\$427,500	\$432,300

PROGRAM DESCRIPTION

The utilities conservation program coordinates the planning, development and implementation of programs and services related to water conservation, solid waste recycling and energy conservation. The program goals are 1) achieving the City's solid waste diversion goals 2) maintaining per capita water use at or below the level identified in the Urban Water Management Plan 3) promoting and monitoring the efficient use of reclaimed water where appropriate 4) provide information and assistance to reduce the energy use in City facilities. This program has four major activities:

- **Solid waste and recycling program development, implementation and monitoring.** Participating with the Regional Authority in developing and implementing regional solid waste diversion programs; implementing the City's Source Reduction and Recycling Element (SRRE) local program responsibilities; monitoring solid waste and recycling franchise(s) agreements for compliance; evaluating solid waste management programs for effectiveness; complying with reporting requirements to the California Integrated Waste Management Board, administering the demolition and construction debris recycling ordinance, evaluating and recommending action in regards to the integrated solid waste rate applications.
- **Water conservation program development, implementation and evaluation.** Implementing the fourteen best management practices regarding urban water conservation; enforcing all water conservation municipal codes including the retrofit upon sale ordinance; administering the financial incentive programs; preparing required reports to California Urban Water Conservation Council; monitoring per capita water demand; providing community assistance and information and evaluating water conservation programs for effectiveness.
- **Energy conservation assistance and strategy.** Implementing a programmatic expansion of services to include energy conservation assistance; developing an energy management strategy for the City, and managing a variety of energy management/distributed generation projects.
- **Water Recycling.** Assisting in the implementation and monitoring of the ongoing water reuse program, providing customer assistance for efficient irrigation practices, providing training as needed for onsite irrigation managers, providing public information regarding the safe use of recycled water.

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
Utilities Conservation Manager	1.0	1.0	0.8	0.8
Utilities Conservation Technician	2.0	2.0	2.0	2.0
Total	3.0	3.0	2.8	2.8
Temporary Positions				
Full-Time Equivalents (FTE)	1.0	1.0	0.8	0.8

PUBLIC UTILITIES

PROGRAM: Utilities Conservation (continued)
 DEPARTMENT: Utilities

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-11** Reducing operating materials and supplies will save \$1,000 annually.
- **2009-11** Reducing contract services for outreach efforts to landscape professionals and participation in regional water conservation groups will save \$8,000 annually.
- **2009-11** Reducing association dues, publications, printing, and office supplies will save \$3,700 annually.
- **2009-11** Reducing temporary staffing will save \$4,000 annually.
- **2009-11** Reducing contract services in the public outreach and education program will save \$25,000 annually.

2009-11 PROGRAM OBJECTIVES

Other Important Council Objective

- **2009-11** *Green House Gas Reduction and Energy Conservation.* Adopt and begin implementing a plan to reduce greenhouse gases and conserve energy for municipal operations and the community.

Other Program Objectives

- **2009-11** Implement water conservation programs to maintain per capita water use below 145 gallons per person per day.
- **2009-10** Prepare bi-annual energy use report for key City facilities per Conservation and Open Space Element.
- **2009-11** Implement public information and education programs.
- **2009-11** Implement in-house energy conservation/information program.
- **2009-11** Implement the irrigation monitoring portion of the water recycling program.
- **2009-11** Implement local programs identified in the Source Reduction and Recycling Element.

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
High water use letters issued	1,350	1,100	1,000	1,000
Utility billing adjustment requests	245	300	300	300
Public event/presentations/workshops	12	12	12	12
Service order requests	1,330	1,700	1,500	1,500
Large landscape water audits	30	45	50	50
Financial incentives	120	100	100	100
Construction & demolition plans reviewed	152	100	90	90

PUBLIC UTILITIES

PROGRAM: Water Administration & Engineering
 DEPARTMENT: Utilities

OPERATION: Water Services
 FUND: Water Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	533,700	624,300	516,200	520,700
Contract Services	62,300	49,600	39,500	40,200
Other Operating Expenditures	34,400	44,300	40,800	41,900
Minor Capital	11,700	36,200	1,000	1,000
Total	\$642,100	\$754,400	\$597,500	\$603,800

PROGRAM DESCRIPTION

The water administration and engineering program directs and supervises the various water programs and provides strategic planning and engineering for the water system. Program goals are 1) efficient achievement of water program operating objectives and 2) well-planned capital improvements for the water enterprise. This program has two major activities:

- **Administration.** Identifying problems associated with water utility management, establishing objectives to deal with problems, organizing resources to accomplish objectives, evaluating progress on water utility objectives, overseeing day-to-day operations, matching long-term supply to expected demand, and ensuring financial health of the water fund to meet its obligations and goals.
- **Engineering.** Determining capital improvement needs, providing preliminary design on capital improvement projects, developing design standards for capital improvements, providing technical assistance to the water service operating programs, administering special engineering and construction contracts, reviewing private development plans.

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
Utilities Director	0.5	0.5	0.5	0.5
Deputy Director/Water	0.9	0.9	0.9	0.9
Utilities Engineer	0.5	0.5	0.0	0.0
Utilities Projects Manager	1.0	1.0	0.6	0.6
Senior Administrative Analyst	0.5	0.5	0.5	0.5
Supervising Administrative Assistant	0.5	0.5	0.5	0.5
Administrative Assistant	0.4	0.4	0.4	0.4
Total	4.3	4.3	3.4	3.4

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-11** Eliminating the Utilities Engineer position, based on the Water Fund's proportionate share of 50%, will save \$73,700 in 2009-10 and \$73,600 in 2010-11.

2009-11 PROGRAM OBJECTIVES

Major City Goals

- **2009-11** *Infrastructure maintenance.* Sustain an effective level of existing core infrastructure maintenance such as streets, sidewalks, creek & flood protection, parks and protection of other physical assets.

PUBLIC UTILITIES

PROGRAM: Water Administration & Engineering (continued)
 DEPARTMENT: Utilities

Other Program Objectives

- **2009-11** Expand use of recycled water through new customer and infrastructure development.
- **2009-11** Continue support of the Nacimiento Pipeline Project through construction.
- **2009-11** Oversee the completion of the seismic analysis of Salinas Dam to meet State Division of Safety of Dams requirement.
- **2009-11** Upgrade the utility billing system.
- **2009-11** Monitor water enterprise fund financial operations and recommend rates/revenues needed to support completion of program objectives.

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Budget programs directly supervised	6	6	6	6
Agenda reports prepared and presented	10	6	8	10
Water committee meetings attended	26	24	24	28

PUBLIC UTILITIES

PROGRAM: Wastewater Collection
 DEPARTMENT: Utilities

OPERATION: Wastewater Services
 FUND: Sewer Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	691,000	701,200	838,300	871,400
Contract Services	107,800	49,200	33,300	33,300
Other Operating Expenditures	11,800	132,800	132,500	132,400
Minor Capital	154,400			
Total	\$965,000	\$883,200	\$1,004,100	\$1,037,100

PROGRAM DESCRIPTION

The wastewater collection program transports wastewater from its various sources to the Water Reclamation Facility via ten lift stations and 133 miles of wastewater sewer mains. The program goal is uninterrupted sewage flow without health hazard, effluent leakage, or water infiltration and inflow. This program has four major activities:

- **Sewer main maintenance.** Vacuuming and jetting all sewer mains as scheduled by a computer-based preventive maintenance system, providing additional cleaning for problem mains, restoring flow to blocked mains, repairing broken mains, manhole repair, rehabilitation and maintenance, inspecting existing mains and new mains under construction for integrity, maintaining computer-based records of sewer main maintenance, providing sewer main location services.
- **Lift station operation and maintenance.** Operating lift station pump systems, performing routine maintenance and repair as scheduled by computer-based preventive maintenance system, monitoring lift station performance through a telemetry system.
- **Inflow and infiltration reduction.** Measuring sewage flows, performing physical inspections, conducting smoke tests, performing closed circuit television (CCTV) formula based evaluation and inspections, maintaining computer-based records of inspections, testing and flow records, and evaluating data in each of the 14 collection system drainage basins to determine the most cost-effective remedies for water infiltration and inflow reduction.
- **Voluntary lateral rehabilitation program.** Assisting in the identification and rehabilitation of any private system pipe problems by reviewing video inspections of homeowners' service lines and issuing reports on line condition, extent of defects, and repairs eligible for reimbursement under the City's lateral rehabilitation rebate program.

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
Wastewater Collection Supervisor	0.7	0.7	0.7	0.7
Wastewater Systems Collection Operator	6.0	6.0	6.0	6.0
Total	6.7	6.7	6.7	6.7

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-11** Reducing contract services for printing of sewer maps and for telemetry repairs will save \$1,000 annually.
- **2009-11** Reducing communication services for radio maintenance will save \$1,500 annually in 2009-11.
- **2009-11** Reducing contract services for manhole rehabilitation will save \$18,000 annually in 2009-11.
- **2009-11** Reducing operating materials and supplies for chemical root control materials will save \$6,600 in 2009-10 and \$6,800 in 2010-11.

PUBLIC UTILITIES

PROGRAM: Wastewater Collection (continued)
 DEPARTMENT: Utilities

Increases Required to Support Basic Service Levels

- **2009-11** Conducting flow monitoring and hydraulic modeling of the wastewater collection system to identify and quantify areas of excessive infiltration/inflow, determine cost effective methods for infiltration/inflow reduction, and comply with State mandate for capacity assurance will cost \$75,000 in 2009-10 and \$75,000 in 2010-11 to complete the study.

2009-11 PROGRAM OBJECTIVES

Major City Goals

- **2009-11** ***Infrastructure Maintenance.*** Sustain an effective level of existing core infrastructure maintenance such as streets, sidewalks, creek & flood protection, parks and protection of other physical assets.

Other Program Objectives

- **2009-11** Evaluate the preventative maintenance hydro-cleaning program each year.
- **2009-11** Evaluate area maintenance hydro-cleaning program each year.
- **2009-11** Complete the wastewater collection main replacement CIP projects.
- **2009-11** Evaluate the effectiveness of the chemical root control program to control invasive roots in the wastewater collection system mains.
- **2009-11** Continue to CCTV sewer mains utilizing the computerized formula-based evaluation system and prioritize structural condition ratings.
- **2009-11** Continue implementing the voluntary service lateral inspection and rehabilitation program.

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Preventative maintenance work orders completed	1,010	1,010	1,010	1,010
Area maintenance work orders completed	1,197	1,000	1,000	1,000
Unscheduled maintenance work orders completed	31	40	40	40
Lift station work orders completed	440	400	400	400
Sewer main stoppages	5	12	12	12
After hour sewer mainline call outs	12	15	15	15
After hour lift station work order call outs	40	30	50	50
Sewer main CCTV work orders completed	221	200	200	200
Voluntary Service Lateral Investigation and Rehabilitation Program applications per year	135	100	40	40

PUBLIC UTILITIES

PROGRAM: Wastewater Pretreatment
 DEPARTMENT: Utilities

OPERATION: Wastewater Services
 FUND: Sewer Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	185,800	204,800	198,200	206,100
Contract Services	93,700	37,200	23,500	23,500
Other Operating Expenditures	4,300	12,300	11,200	11,200
Minor Capital				
Total	\$283,800	\$254,300	\$232,900	\$240,800

PROGRAM DESCRIPTION

The wastewater pretreatment program prevents industrial wastes from entering the wastewater collection system from commercial and industrial sources that could cause problems with the collection system or the Water Reclamation Facility. Program goals are: 1) full compliance with state, federal and local pretreatment regulations, 2) protection of property, employees, publicly owned treatment works, and the environment from damage or injury caused by illegal discharge of toxic pollutants, 3) ensuring wastewater effluent and sludge can be safely recycled through prevention of harmful discharges to the City's sewer system, and 4) monitoring the disposal of industrial waste and stormwater in the city through inspections of commercial and industrial businesses. This program has five major activities:

- **Establishing local discharge limits.** Reviewing and technically justifying local discharge limits approved by the Regional Water Quality Control Board and established in the municipal code to regulate the amount of industrial pollutants that may be discharged to the City's sewer system by commercial and industrial wastewater customers.
- **Sample collection and management.** Conducting compliance sampling according to federal and state regulations at the Water Reclamation Facility for industrial storm water and priority pollutants and at industrial user sites, ensuring all sample collection and methodology conforms to legal requirements and accepted chain of custody practices required for enforcement purposes.
- **Inspection and enforcement.** Inspecting industrial, commercial and food facilities to ensure compliance with the Federal, State and City codes; documenting non-compliance investigative reports of illegal discharges; issuing notice of violations; and seeking legal remedies.
- **Reporting and recordkeeping.** Preparing and submitting reports to local, state and federal regulatory agencies annually for the industrial storm water and pretreatment program; maintaining comprehensive files and computer database for inspections and wastewater discharge records for commercial and industrial users.
- **Spill Reporting.** Responding, investigating and issuing notice of violations for illegal discharges to the waterways; reporting sewage spills to the Regional Water Quality Control Board according to state regulations; maintaining files and computer database of all spills.

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
Industrial Waste Manager	0.9	0.9	0.8	0.8
Industrial Waste Inspector	1.0	1.0	1.0	1.0
Total	1.9	1.9	1.8	1.8

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-11** Reducing contract services for flow monitor calibration services will save \$2,000 annually in 2009-11.
- **2009-11** Reducing contract services for storm water sampling will save \$1,300 annually in 2009-11.

PUBLIC UTILITIES

PROGRAM: Wastewater Pretreatment (continued)
 DEPARTMENT: Utilities

2009-11 PROGRAM OBJECTIVES

- **2009-11** Complete all Class I inspections.
- **2009-11** Continue in-depth fat, oil, and grease (FOG) program inspections at Class II facilities to reduce amount entering the City’s collection system.
- **2009-11** Continue work towards completing the pathogen total maximum daily loads (TMDL).
- **2009-11** Amend City code to include revised local limits.
- **2009-11** Perform the industrial stormwater inspections and other related stormwater activities.
- **2009-11** Continue to respond, investigate and report sewage spills to the water ways.

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Required Class I inspections	122	118	120	120
Required Class II inspections	181	174	180	180
Completion rate for required inspections (%)	100	100	100	100
Reports filed with regulatory agencies	27	25	25	25
Enforcement actions	26	16	20	20

PUBLIC UTILITIES

PROGRAM: Water Reclamation Facility
 DEPARTMENT: Utilities

OPERATION: Wastewater Service
 FUND: Sewer Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	1,413,900	1,535,000	1,420,500	1,464,100
Contract Services	398,100	406,800	398,800	400,800
Other Operating Expenditures	1,073,300	1,118,900	1,365,000	1,390,700
Minor Capital	18,500	25,000	40,000	35,000
Total	\$2,903,800	\$3,085,700	\$3,224,300	\$3,290,600

PROGRAM DESCRIPTION

The water reclamation facility (WRF) receives, treats, and disposes of approximately 5.2 million gallons of wastewater per day. Program goals are: 1) treated wastewater that continuously meets all state and federal standards; 2) safe disposal or recycling of biosolids; 3) continuous supply of reclaimed water availability for irrigation within the city, and; 4) continuous compliance with local air quality standards. This program has seven major activities:

- **Wastewater treatment.** Receiving, treating and disinfecting wastewater; calibrating equipment; maintaining records; preparing reports for local, state and federal agencies; developing and monitoring telemetry control systems.
- **Water Reuse.** Further treating of tertiary treated wastewater to meet Department of Health Services requirements (Title 22) for water reuse in public areas such as parks, playgrounds and landscaping. Insuring an adequate supply of recycled water is available to meet customer demands.
- **Equipment maintenance.** Performing scheduled predictive and preventive maintenance, repairing broken equipment and instrumentation, replacing worn and obsolete parts, schedule outside contractors, managing computerized maintenance scheduling program, tracking and managing inventory.
- **Janitorial and grounds maintenance.** Cleaning and tending buildings, removing trash, performing minor building repairs, controlling weeds, repairing irrigation systems, planting and replacing low maintenance nursery stock, preventing soil erosion, repairing fences.
- **Biosolids management.** Treating, stabilizing, dewatering, storing and disposal or reclamation of waste solids.
- **Capital improvement plan (CIP) projects.** Completing necessary minor and major CIP projects required to maintain, rehabilitate, or replace worn out WRF process equipment and structures.
- **Cogeneration facility.** Oversee the operation of cogeneration microturbines. Ensure that these units run efficiently and continuously in order to provide significant energy saving for the WRF. Electrical energy consumption is down at the WRF and the operating budget for electric utility service reflects these savings.

PUBLIC UTILITIES

PROGRAM: Water Reclamation Facility (continued)
 DEPARTMENT: Utilities

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
Water Reclamation Plant Supervisor	1.0	1.0	1.0	1.0
WRF Chief Operator	1.0	1.0	1.0	1.0
WRF Operator	7.0	7.0	7.0	7.0
Laboratory Manager*	0.9	0.0	0.0	0.0
Laboratory Analyst *	2.6	0.0	0.0	0.0
Chief Maintenance Technician	1.0	1.0	1.0	1.0
Maintenance Technician	3.0	3.0	3.0	3.0
Total	16.5	13.0	13.0	13.0

* In 2008-09, the Water Quality Laboratory program was separated out from the Water Reclamation Facility program.

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-11** Reducing contract labor for janitorial maintenance at the WRF will save \$6,000 annually in 2009-11.

Increases Required to Support Basic Service Levels

- **2009-11** Increasing utility service costs for electricity, natural gas, and chemical costs for process compliance will cost an additional \$300,200 in 2009-10 and \$324,300 in 2010-11.
- **2009-11** Maintaining the biosolids composting contract at the WRF will cost an additional \$30,000 in 2009-10 and \$32,000 in 2010-11.
- **2009-11** Implementing one-time minor capital projects at the WRF to ensure an acceptable level of facility maintenance to prolong service, facility equipment life, and maintain facility reliability will cost \$40,000 in 2009-10 and \$35,000 in 2010-11.

2009-11 PROGRAM OBJECTIVES

Major City Goals

- **2009-11** *Infrastructure Maintenance.* Sustain an effective level of existing core infrastructure maintenance such as streets, sidewalks, creek & flood protection, parks and protection of other physical assets.

Other Program Objectives

- **2009-11** Meeting demands of increasing water reuse customers.
- **2009-11** Continue negotiations with the Regional Water Quality Control Board (RWQCB) over submitted use attainability analysis for San Luis Obispo Creek designated municipal water supply (MUN) uses.
- **2009-11** Continue negotiations with the RWQCB over National Pollution Discharge Elimination System permit renewal.
- **2009-11** Continuing working with Consulting Engineers on design options for WRF upgrade.
- **2009-11** Continue to meet all treatment standards as required by Environmental Protection Agency, RWQCB, Air Pollution Control District, Department of Health Sciences, and other regulatory agencies.
- **2009-11** Continue work on completing all CIP projects approved in the 2009-11 Financial Plan.

PUBLIC UTILITIES

PROGRAM: Water Reclamation Facility (continued)
 DEPARTMENT: Utilities

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Wastewater treated in billion gallons per year	1.636	1.765	1.850	1.950
Sodium hypochlorite used in thousand gallons	256	250	256	258
Sodium bisulfite used in thousand gallons	144	153	155	155
Sodium hydroxide used in thousand gallons	53	53	53	53
Ferrous chloride used in thousand gallons	11	11	11	11
Tons of biosolids produced	3,029	2,182	2,200	2,200
Cationic polymer used in thousand gallons emulsion	16	16	16	16
Maintenance				
Work orders completed	647	919	1025	1025
Outside contractor use	15	5	5	5

PUBLIC UTILITIES

PROGRAM: Water Quality Laboratory
 DEPARTMENT: Utilities

OPERATION: Wastewater Service
 FUND: Sewer Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing		391,800	320,800	333,200
Contract Services		80,100	92,700	94,200
Other Operating Expenditures		56,600	55,100	58,100
Minor Capital				
Total	\$0	\$528,500	\$468,600	\$485,500

PROGRAM DESCRIPTION

The water quality laboratory (WQL) is an Environmental Laboratory Accreditation Program (ELAP) State Certified Laboratory, which performs sampling and/or analysis for approximately 100,000 samples annually in support of City services including: wastewater, reclaimed water, groundwater and biosolids samples. The WQL operates under regulations as defined in Title 22, Section 64817 of the California Code of Regulations ensuring compliance with federal, state and City regulations, ELAP and National Pollutant Discharge Elimination System (NPDES) permit guidelines with other directive documents. This program has five major activities:

- **Laboratory analysis and sampling.** Providing analysis and sampling in support of Citywide departments, infrastructure facilities and other City Services; analyzing untreated and treated drinking water supplies, wastewater, reuse water, fire hydrant water, new construction and drinking water line repairs, surface waters and biosolids; determining physical, chemical, and bacteriological characteristics of the aforementioned matrixes evaluated for process control and permit compliance sampling.
- **Participation in ELAP.** Participating in ELAP certification, which allows the City to perform its own analysis for certain constituents, allowing for self-reporting to regulatory agencies. Based on current costs, if these services were to be performed by an outside laboratory, it would result in additional expenses nearing \$3 million. To continue the privilege of self-reporting the lab must demonstrate proficiency for the various procedures which the State has certified the lab to perform. Annual ELAP program inspections and successful analysis of unknown samples sent to the City's lab by the State demonstrates proficiency and continues the City's ELAP certification.
- **Community outreach.** Participating in community based facility tours, internship programs and Big Brothers Big Sisters, which enhances relationships and communication between the City, students, community organizations, Cal Poly and Cuesta College and helps generate a ready pool of qualified candidates; continuing development of the Demonstration Garden at the WRF, showing the beneficial uses of using reclaimed water.
- **Reporting and recordkeeping.** Preparing and submitting reports to local, state and federal regulatory agencies monthly and annually for the Water Reclamation Facility and the Water Treatment Plant; maintaining comprehensive files and computer database for monthly and annual reports.
- **Special projects.** Continuing investigative/trouble shooting Total Maximum Daily Loads (TMDL) Pathogen and Chlorine Dioxide projects; responding and investigating situations that may compromise the integrity of City infrastructure and operations; as well as complying with National Pollution Discharge Elimination System (NPDES) and Regional Water Quality Control Board (RWQCB) mandates.

PUBLIC UTILITIES

PROGRAM: Water Quality Laboratory (continued)
 DEPARTMENT: Utilities

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
Laboratory Manager	N/A	0.9	0.9	0.9
Laboratory Analyst	N/A	2.6	1.7	1.7
Total	N/A	3.5	2.6	2.6

* In 2008-09, the Water Quality Laboratory program was separated out from the Water Reclamation Facility program.

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-10** Eliminating one Laboratory Analyst position at the Water Quality Laboratory, based on the Sewer Fund's proportionate share of 90%, will save \$84,100 in 2009-10 and \$80,500 in 2010-11 at the Water Quality Laboratory. The position reduction will require \$26,600 annually in temporary salaries at the Water Reclamation Facility (WRF) to partially mitigate the shared staffing resources, which results in a net savings of \$57,500 in 2009-10 and \$53,900 in 2010-11.
- **2009-11** Reducing protective clothing for steel-toe boots will save \$1,000 annually in 2009-11.
- **2009-11** Reducing operating materials and Supplies for microbial glassware and filter pads that are recycled and reused will save \$5,400 annually in 2009-11.

Increases Required to Support Basic Service Levels

- **2009-11** Providing required laboratory supplies and services, and contract services, will cost \$11,800 in 2009-10 and \$15,400 in 2010-11, with off-setting cost savings of \$7,700 annually, resulting in a net cost of \$4,100 in 2009-10 and \$7,700 in 2010-11.

2009-11 PROGRAM OBJECTIVES

- **2009-11** Continue negotiations with the RWQCB over submitted Use Attainability Analysis for San Luis Obispo Creek designated MUN use.
- **2009-11** Continue negotiations with the RWQCB over NPDES permit renewal.
- **2009-11** Continuing working on design options for WRF upgrade.
- **2009-11** Continue to meet all ELAP standards as required by the Environmental Protection Agency, RWQCB, Air Pollution Control District, Department of Health Sciences and other regulatory agencies
- **2009-11** Continue TMDL, chlorine dioxide and investigative/troubleshooting projects.
- **2009-11** Continue to participate in community outreach programs including the internship program and the Big Brothers Big Sisters program.
- **2009-11** Continue to develop the Demonstration Garden at the WRF showing the beneficial uses of using reclaimed water.

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
WRF, Water, Reuse Permit	N/A	35,500	36,500	37,000
Process control	N/A	23,800	25,000	25,500
Quality Assurance/ Quality Control (QA/QC)	N/A	8,000	9,000	9,200
Special projects	N/A	8,600	9,500	9,500
Sampling	N/A	45,000	45,000	50,000

PUBLIC UTILITIES

PROGRAM: Wastewater Administration & Engineering
 DEPARTMENT: Utilities

OPERATION: Wastewater Service
 FUND: Sewer Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	376,400	435,100	447,000	516,000
Contract Services	142,700	197,100	85,100	85,100
Other Operating Expenditures	3,300	55,500	18,600	18,600
Minor Capital			700	700
Total	\$522,400	\$687,700	\$551,400	\$620,400

PROGRAM DESCRIPTION

The wastewater administration and engineering program directs and supervises the various wastewater programs and provides long-term planning and engineering for the wastewater system. Program goals include: 1) efficient achievement and management of wastewater enterprise objectives, and; 2) effective implementation of capital improvement plans. This program has two major activities:

- **Administration.** Identifying problems in progressing toward the goals of the wastewater system, establishing objectives with supervisors for addressing identified problems, organizing resources to accomplish objectives, evaluating progress in accomplishing objectives, monitoring legislative activities relative to regulation of wastewater treatment and discharge, negotiation and development of reasonable discharge limitations with State and Federal regulatory agencies.
- **Engineering.** Analyzing the capacity of the wastewater system to ensure that capacity exceeds expected demand, determining capital improvement needs, providing preliminary design on capital improvement projects, developing design standards for capital improvements, providing technical assistance to the wastewater operating sections, administering special engineering and construction contracts, reviewing private development plans.

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
Utilities Director	0.4	0.4	0.4	0.4
Deputy Director/Wastewater	1.0	1.0	1.0	1.0
Utilities Engineer	0.4	0.4	0.0	0.0
Utilities Projects Manager	0.0	0.0	0.4	0.4
Senior Administrative Analyst	0.4	0.4	0.4	0.4
Supervising Administrative Assistant	0.4	0.4	0.4	0.4
Administrative Assistant	0.3	0.3	0.3	0.3
Total	2.9	2.9	2.9	2.9

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-11** Eliminating the Utilities Engineer position, based on the Sewer Fund's proportionate share of 40%, will save \$57,700 in 2009-10 and \$57,600 in 2010-11.

PUBLIC UTILITIES

PROGRAM: Wastewater Administration & Engineering (continued)
 DEPARTMENT: Utilities

2009-11 PROGRAM OBJECTIVES

Major City Goals

- **2009-11** *Infrastructure Maintenance.* Sustain an effective level of existing core infrastructure maintenance such as streets, sidewalks, creek & flood protection, parks and protection of other physical assets.

Other Important Council Objectives

- **2009-11** *Green House Gas Reduction and Energy Conservation.* Adopt and begin implementing a plan to reduce greenhouse gases and conserve energy for municipal operations and the community.

Other Program Objectives

- **2009-10** Complete construction of Tank Farm Lift Station.
- **2009-10** Complete adoption of updated wastewater impact fees.
- **2009-10** Complete adoption of Wastewater Master Plan Update.
- **2009-10** Complete Water Reclamation Facility Master Plan.
- **2010-11** Complete de-designation and/or similar outcome for Municipal Water Supply (MUN) beneficial use of San Luis Obispo Creek through completion of the Use Attainability Analysis.
- **2010-11** Upgrade utility billing system.
- **2009-11** Complete CIP projects identified in the 2009-11 capital improvement plan.

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Budget programs directly supervised	4	5	5	5
Council agenda reports prepared and presented	10	14	12	12
Regulatory correspondence	14	14	16	14

PUBLIC UTILITIES

PROGRAM: Reservoir Operations
 DEPARTMENT: Utilities

OPERATION: Whale Rock Commission
 FUND: Whale Rock Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	369,500	418,500	404,400	409,600
Contract Services	47,800	76,100	57,600	59,500
Other Operating Expenditures	415,600	357,100	342,400	357,100
Minor Capital				
Total	\$832,900	\$851,700	\$804,400	\$826,200

PROGRAM DESCRIPTION

The Whale Rock Commission is a joint powers agency with six voting members who represent three state agencies and the City. This commission was formed to build the Whale Rock Reservoir and set policy for its operation. The City of San Luis Obispo, California Men's Colony (CMC), and California Polytechnic State University (Cal Poly) are the actual water users, sharing the costs and benefits of the reservoir in proportion to their original investment, with the City at 55%, Cal Poly at 34%, and CMC at 11%.

The reservoir operations program provides for raw water storage in a 40,600 acre-foot reservoir and raw water delivery through 17 miles of conduit and two pump stations to the member agencies of the Whale Rock Commission. The program goal is a reliable, easily treatable supply of raw water for the participating agencies. This program has six major activities:

- **Water collection, storage and delivery.** Collecting and storing raw water, pumping raw water to member agencies and other customers.
- **Surveillance.** Patrolling and inspecting the dam, reservoir, conduit and pump stations to prevent vandalism and contamination.
- **Equipment maintenance.** Performing periodic preventive maintenance, repairing damaged equipment, and replacing worn and obsolete parts.
- **Recordkeeping.** Preparing records and reports for local, state, and federal agencies.
- **Fishing Program.** Managing and enhancing the steelhead fishery within the reservoir.
- **Water deliveries to Cayucos Area Water Organization.** Providing reservoir water delivery to the new Cayucos Water Treatment Plant via the Whale Rock pipeline and ensuring maximum use of the Cayucos Area Water Organization well.

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
Utilities Director	0.1	0.1	0.1	0.1
Utilities Engineer	0.1	0.1	0.0	0.0
Deputy Director/Water	0.1	0.1	0.1	0.1
Senior Administrative Analyst	0.1	0.1	0.1	0.1
Supervising Administrative Assistant	0.1	0.1	0.1	0.1
Administrative Assistant	0.1	0.1	0.1	0.1
Water Supply Supervisor	1.0	1.0	1.0	1.0
Water Supply Operator	2.0	2.0	2.0	2.0
Total	3.6	3.6	3.5	3.5

PUBLIC UTILITIES

PROGRAM: Reservoir Operations (continued)
 DEPARTMENT: Utilities

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-11** Eliminating the Utilities Engineer position, based on the Whale Rock Fund’s proportionate share of 10%, will save \$14,900 annually in 2009-11.
- **2009-11** Reducing the use of outside legal services will save \$5,000 annually in 2009-11.

2009-11 PROGRAM OBJECTIVES

Major City Goals

- **2009-11** *Infrastructure Maintenance.* Sustain an effective level of existing core infrastructure maintenance such as streets, sidewalks, creek & flood protection, parks and protection of other physical assets.

Other Program Objectives

- **2009-11** Collect, store, and pump raw water to member agencies in a reliable, cost-effective manner.
- **2009-11** Protect the dam from vandalism and contamination through effective surveillance.

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Acre feet of water delivered	4,291	2,400	1,700	1,600
Reports filed with agencies	20	20	20	20
Piezometer readings	1,150	1,150	1,150	1,150
Climate observations and readings	1,450	1,450	1,450	1,450

This page intentionally left blank

Operating Programs TRANSPORTATION



TRANSPORTATION

PROGRAM: Transportation Planning and Engineering
 DEPARTMENT: Public Works

OPERATION: Transportation Management
 FUND: General Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	403,700	555,800	543,400	536,300
Contract Services	59,500	309,100	19,100	19,100
Other Operating Expenditures	19,500	31,300	20,400	20,400
Minor Capital				
Total	\$482,700	\$896,200	\$582,900	\$575,800

PROGRAM DESCRIPTION

The transportation planning and engineering program provides and oversees analysis, planning, operations, design and construction of the City's traffic circulation systems. The program goals are 1) safe and well-maintained streets 2) reduced traffic congestion and air pollution 3) less use of single-occupant vehicles 4) increased circulation safety with fewer traffic-related collisions and 5) more walking, bike riding, bus riding, and carpooling. This program has two major activities:

- **Transportation planning.** Preparing and maintaining the General Plan Circulation Element as required by state law; forecasting future traffic volumes & transit demand, preparing and maintaining Short Range Transit Plans, the Access and Parking Management Plan, the Bicycle Transportation Plan, Neighborhood Traffic Management Guidelines, and the Pedestrian Transportation Plan; planning and recommending capital improvement plan projects and operating program changes needed to implement transportation plans; applying for grants to fund transportation facilities and programs, promoting alternative transportation; promoting technological advancements in fuel-efficiency, emissions control, and communication which reduce the need for travel.
- **Traffic engineering.** Operating the City's various transportation facilities such as traffic signal systems, recommending and designing improvements to traffic signal and pavement marking systems; designing transportation facilities, preparing plans, specification, and cost estimates; conducting traffic counts; reviewing accident reports; responding to citizen complaints; mitigating the causes of high collision rates at various locations; analyzing the performance of all transportation modes within the traffic circulation system; reviewing building and development project plans to ensure accommodation of the additional traffic generated.

STAFFING SUMMARY

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
City Traffic Engineer	1.0	1.0	0.0	0.0
Principal Transportation Planner	1.0	1.0	1.0	1.0
Senior Transportation Engineer	0.0	0.0	1.0	1.0
Engineer	2.0	2.0	1.0	1.0
Total	4.0	4.0	3.0	3.0
Temporary Positions				
Full Time Equivalent (FTE)	1.1	1.1	2.9	2.9

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-11** Staffing reorganization will save \$69,300 in 2009-10 and \$69,200 in 2010-11.
- **2009-11** Eliminating the contract services budget will save \$13,000 annually.
- **2009-11** Reducing the operating materials and supplies budget will save \$4,200 annually.

TRANSPORTATION

PROGRAM: Transportation Planning and Engineering (continued)
 DEPARTMENT: Public Works

Increases Required to Support Basic Service Levels

- **2009-11** Railroad Corridor Maintenance. Providing maintenance in the railroad right-of-way within the City limits will cost \$30,000 annually for vegetation control.
- **2009-11** Continuing a temporary Bicycle Programs Assistant will cost the General Fund \$12,300 in 2009-10 and \$15,600 in 2010-11. This position will be shared with the Transit Fund.

2009-11 PROGRAM OBJECTIVES

Major City Goals

- **2009-11** *Traffic Congestion Relief.* Continue efforts on projects which relieve traffic congestion, such as street modifications, intersection improvements, pedestrian improvements, bicycle facilities, traffic signal operations and public transit.

Other Important Council Objectives

- **2009-11** *Land Use and Circulation Revisions.* Initiate a focused revision of the Land Use and Circulation Element.
- **2009-11** *Downtown Maintenance and Beautification.* Expand Downtown beautification efforts, including enhanced maintenance and cleanliness; review and upgrade of standards; and making phased physical improvements.

Other Program Objectives

- **2009-11** Continue city wide traffic counts to monitor level of service (LOS) on streets.
- **2009-11** Implement Bi-Annual Traffic Operation Report and create a Congestion Management Plan.
- **2009-11** Implement Annual Traffic Safety Report.
- **2009-11** Construct traffic safety improvement projects identified in the Annual Traffic Safety Reports.
- **2009-11** Construct neighborhood traffic management (NTM) projects.
- **2009-11** Construct small-scale, miscellaneous bicycle facility improvements.

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Traffic collisions	865	865	860	860
Traffic collisions per 100,000 population				
Injury collisions	257	257	260	260
Injury collisions per 100,000 population	548	548	550	550
Bicycle collisions	59	59	60	60
Bicycle collisions per 100,000 population	134	134	130	130
Pedestrian collisions	18	18	20	20
Pedestrian collisions per 100,000 population	40	40	40	40

TRANSPORTATION

PROGRAM: Street & Sidewalk Maintenance
 DEPARTMENT: Public Works

OPERATION: Streets
 FUND: General Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	805,600	880,300	918,600	870,400
Contract Services	73,300	86,100	91,900	93,400
Other Operating Expenditures	289,200	303,700	276,600	281,900
Minor Capital		0		
Total	\$1,168,100	\$1,270,100	\$1,287,100	\$1,245,700

PROGRAM DESCRIPTION

The street maintenance program maintains the paved portion of all streets under City jurisdiction. It also maintains curbs, gutters, sidewalks, street furnishings, signs, and pavement markings on City streets. Program goals are 1) smooth and safe street pavement 2) safe and efficient traffic circulation and 3) smooth and safe sidewalks. This program has seven major activities:

- **Pavement maintenance.** Maintaining serviceable street pavements and reconstructing failed sections; evaluating pavement condition in areas scheduled for maintenance and recommending locations for reconstruction, resurfacing, and resealing; paving existing streets to meet newly installed curbs and gutters; installing asphalt berms in lieu of curbs; patching potholes and crack sealing city streets.
- **General street maintenance.** Constructing new concrete curbs, gutters, and sidewalks; repairing concrete curbs, gutters, and sidewalks; pruning street tree roots; repairing and maintaining street furnishings; installing and repairing dead-end barriers, survey monument wells, bus shelters, bus benches, and bike racks; repairing and replacing damaged guard railing and bridge railing; systematically surveying and documenting sidewalk condition in designated annual maintenance areas and scheduling needed repairs; surveying sidewalks and scheduling repairs in the downtown area once annually; removing graffiti from City property.
- **Pavement marking maintenance.** Installing and maintaining pavement markings, curb markings, and signs; repainting stop bars, and parking tees; periodically replacing thermoplastic school crosswalks; maintaining pavement markings in City parking lots; re-stripping City streets.
- **Street sign maintenance.** Fabricating and installing standard traffic control signs; fabricating and installing special signs; installing disabled access signs as required by state codes.
- **Solid waste disposal.** Collecting and disposing of waste collected from all Public Works and Utilities maintenance activities; recycling excavated asphalt and concrete. Removing solid waste generated at WRF.
- **Safety assurance.** Conducting safety meetings for streets programs as required by OSHA;
- **Special event support.** Installing traffic barricades for parades and other Parks and Recreation Special Events, Farmers Market, accident responses, and firefighting activities.

TRANSPORTATION

PROGRAM: Street & Sidewalk Maintenance (continued)
 DEPARTMENT: Public Works

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
Street Maintenance Supervisor	1.0	1.0	1.0	1.0
Street Maintenance Technician	1.0	1.0	1.0	1.0
Heavy Equipment Operator	1.0	1.0	1.0	1.0
Maintenance Worker	7.0	7.0	7.5	6.5
Total	10.0	10.0	10.5	9.5
Temporary Positions				
Full-Time Equivalents (FTE)	0.9	0.9	0.4	0.4

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-11** Reducing the asphalt budget will save \$23,000 annually.
- **2010-11** Eliminating one Maintenance Worker will save \$74,800 in 2010-11.

2009-11 PROGRAM OBJECTIVES

Major City Goals

- **2009-11** *Infrastructure Maintenance.* Sustain an effective level of existing core infrastructure maintenance such as streets, sidewalks, creek & flood protection, parks and protection of other physical assets.
- **2009-11** *Traffic Congestion Relief.* Continue efforts on projects which relieve traffic congestion, such as street modifications, intersection improvements, pedestrian improvements, bicycle facilities, traffic signal operations and public transit.

Other Important Council Objectives

- **2009-11** *Downtown Maintenance and Beautification.* Expand Downtown beautification efforts, including enhanced maintenance and cleanliness; review and upgrade of standards; and making phased physical improvements.

Other Program Objectives

- **2009-11** Remove existing concrete curb returns and sidewalks and constructing ramps.
- **2009-11** Repair sidewalks throughout the City.
- **2009-11** Repair and install mission-style sidewalks in the downtown core.

TRANSPORTATION

PROGRAM: Street & Sidewalk Maintenance (continued)
 DEPARTMENT: Public Works

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Street miles under City jurisdiction	127	127	128	128
Service requests for pavement repairs	130	130	134	138
Service requests for removal of debris	170	170	175	180
Service requests for barricades/special events	24	24	25	25
Regulatory signs	6,400	6,400	6,600*	6,800*
Street name signs	1,800	1,800	1,900*	1,966*
Service requests for painting and marking	60	60	62	64
Sidewalk miles under City jurisdiction	225	225	232	239
Service requests for repair of sidewalk defects	670	670	680	690

* Accurate Street Sign Count Pending Street Inventory Project in the 2009-11 Financial Plan

TRANSPORTATION

PROGRAM: Signal and Light Maintenance
 DEPARTMENT: Public Works

OPERATION: Streets
 FUND: General Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	91,900	192,100	198,600	209,200
Contract Services	62,600	54,500	55,100	55,700
Other Operating Expenditures	206,000	218,400	216,500	225,100
Minor Capital				
Total	\$360,500	\$465,000	\$470,200	\$490,000

PROGRAM DESCRIPTION

The signal and light maintenance program operates and maintains traffic signals and streetlights on City streets. This program also includes appropriations for the City's share of operations and maintenance costs for state-owned traffic signals and street lights within the City. Program goals are 1) safe and efficient traffic flow through intersections and 2) well-lighted streets and neighborhoods. This program has two major activities:

- **Traffic signal operations and maintenance.** Maintaining and repairing City traffic signals; operating the QuicNet traffic management system and installing video detection systems.
- **Street light operations and maintenance.** Maintaining and repairing City streetlights; coordinating the installation of streetlights according to adopted standards and implementing remote monitoring systems.

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
Signal & Street Light Technician	2.0	2.0	2.0	2.0
Total	2.0	2.0	2.0	2.0

2009-11 PROGRAM OBJECTIVES

Major City Goals

- **2009-11** *Infrastructure Maintenance.* Sustain an effective level of existing core infrastructure maintenance such as streets, sidewalks, creek & flood protection, parks and protection of other physical assets
- **2009-11** *Traffic Congestion Relief.* Continue efforts on projects which relieve traffic congestion, such as street modifications, intersection improvements, pedestrian improvements, bicycle facilities, traffic signal operations and public transit.

Other Important Council Objectives

- **2009-11** *Downtown Maintenance and Beautification.* Expand Downtown beautification efforts, including enhanced maintenance and cleanliness; review and upgrade of standards; and making phased physical improvements.

TRANSPORTATION

PROGRAM: Signal and Light Maintenance (continued)
 DEPARTMENT: Public Works

Other Program Objectives

- **2009-11** Paint downtown street light poles to preserve appearance and prevent deterioration.
- **2009-11** Install street light check point and access point hardware.
- **2009-11** Replace or repair broken street lights and signals where appropriate.

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Intersections with traffic signals	57	57	60	60
Traffic signal service requests	50	50	55	60
Streetlights operated and maintained	2,270	2,270	2,300	2,350
Streetlight service requests	170	170	200	225

TRANSPORTATION

PROGRAM: Creek and Flood Protection
 DEPARTMENT: Public Works

OPERATION: Creek & Flood Protection
 FUND: General Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	401,500	747,700	625,500	669,000
Contract Services	92,900	163,700	138,600	138,700
Other Operating Expenditures	30,000	60,500	58,500	58,700
Minor Capital	4,100	48,700		
Total	\$528,500	\$1,020,600	\$822,600	\$866,400

PROGRAM DESCRIPTION

The creek and flood protection program maintains storm drain facilities and creeks within the City, coordinates emergency response during heavy storms, and implements the City's Storm Water Management Plan. Program goals are 1) a well-maintained storm drainage system that minimizes property damage from flooding, 2) a creek system maintained to balance conveyance with environmental concerns 3) regularly swept streets to minimize pollution entering storm drains and creeks and 4) cost-effective implementation of the City's Storm Water Management Plan. This program has four major activities:

- **Storm Water Management Plan implementation.** Completing activities included in the City's Storm Water Management Plan involving the six major implementation areas required by the State: public education, public participation, illicit discharge, construction, post construction, and good housekeeping of municipal operations.
- **Storm drain and creek maintenance.** Clearing and maintaining creeks and storm drainage facilities; working with contract labor crews and Natural Resources Division staff on large scale creek cleaning projects.
- **Street sweeping.** Sweeping and disposing of dirt and debris on City streets.
- **Storm emergency response.** Responding to emergency calls during and after heavy storms as they relate to City facilities; providing sand for property owner sandbags during the rainy season.

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
Stormwater Manager	1.0	1.0	0.0	0.0
Stormwater Code Enforcement Officer	1.0	1.0	1.0	1.0
Heavy Equipment Operator	1.5	1.5	1.0	1.0
Maintenance Worker	1.0	1.0	1.0	1.0
GIS Specialist	0.5	0.5	0.5	0.5
Wastewater Collection Supervisor	0.3	0.3	0.3	0.3
Utilities Conservation Manager	0.0	0.0	0.2	0.2
Wastewater Collection Operator	2.0	2.0	2.0	2.0
Industrial Waste Manager	0.1	0.1	0.2	0.2
Laboratory Analyst	0.3	0.3	0.3	0.3
Total	7.70	7.70	6.50	6.50
Temporary Positions				
Full Time Equivalents (FTE)	0.5	0.5	0.5	0.5

TRANSPORTATION

PROGRAM: Creek and Flood Protection (continued)
 DEPARTMENT: Public Works

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-11** Eliminating the Stormwater Manager position will result in net savings of \$76,400 in 2009-10 and \$79,400 in 2010-11 after accounting for Utilities support of the program.
- **2009-11** Reducing the laboratory supplies budget will save \$2,000 annually.
- **2009-11** Reducing the print and reproduction budget will save \$4,000 annually.
- **2009-11** Reducing the school education presentation contract services budget will save \$7,000 annually.
- **2009-11** Staffing reorganization will save \$41,500 in 2009-10 and \$42,500 in 2010-11.

2009-11 PROGRAM OBJECTIVES

Major City Goals

- **2009-11** *Infrastructure Maintenance.* Sustain an effective level of core existing infrastructure maintenance such as: streets, sidewalks, creek & flood protection, parks, and the protection of other physical assets.

Other Important Council Objectives

- **2009-11** *Creek & Flood Protection.* Advance Mid-Higuera Flood protection improvements by seeking Zone 9 funding to complete design, obtain approvals and make progress toward construction as resources allow.

Other Program Objectives

- **2009-11** Complete enrollment of the City under the Statewide General Permit for Municipal Stormwater.
- **2009-11** Implement the City's approved Stormwater Management Plan.
- **2009-11** Implement the City's approved Storm Drain Master Plan.
- **2009-11** Implement the City's approved Waterway Management Plan.

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Miles of creek beds under City jurisdiction	30	30	30	30
Hours spent in storm preparation	100	100	85	85
Curb miles of streets swept	4,890	4,890	4,890	4,890
Drain inlets cleaned	0	800	800	800
Pipeline cleaned (ft)	0	0	900	900
Storm drain drop inlets reconstructed	7	7	6	6
Corrugated Metal Pipe replaced (ft)	815	870	200	200

TRANSPORTATION

PROGRAM: Parking Services
 DEPARTMENT: Public Works

OPERATION: Parking Services
 FUND: Parking Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	868,300	987,100	960,700	991,500
Contract Services	525,200	674,000	530,000	528,200
Other Operating Expenditures	130,600	190,300	172,300	179,500
Minor Capital	19,400	0		
Total	\$1,543,500	\$1,851,400	\$1,663,000	\$1,699,200

PROGRAM DESCRIPTION

The Parking Services program implements the Access and Parking Management Plan and directs the operation and maintenance of the City's parking facilities. These facilities include 13 parking lots in the downtown and at Railroad Square, three parking structures, eight residential parking permit districts (Alta Vista, Monterey Heights, Park View, College Highlands, Tassajara, Ferrini, Murray, and Palomar-Serrano) and about 1,528 parking meters in parking lots, on streets in the downtown retail core, and on streets in neighborhoods at the periphery of downtown.

Program goals are 1) economic and social vitality in the downtown area 2) implementation of the *Conceptual Physical Plan for the City's Center* 3) enough parking in the commercial core for visitors and employees 4) reduced demand for employee parking 5) implementation of the transportation strategy presented in the General Plan *Circulation Element*; and 6) equitable and high-quality parking services to citizens, visitors, and businesses in San Luis Obispo. This program has five major activities:

- **Compliance/enforcement.** Patrolling streets, parking lots, parking structures and permit districts; providing information; issuing citations; arranging for towing the vehicles of habitual parking offenders; recommending the installation of regulatory signs and curb markings.
- **Revenue management.** Collecting fines, parking meter revenue, parking fees, and parking lease payments; collecting delinquent fines; recommending parking fee and fine adjustments; modifying meters for rate adjustments; selling parking permits and bus passes.
- **Maintenance.** Maintaining and repairing parking meters and meter posts; performing janitorial maintenance in the parking structures and parking offices; sweeping and cleaning parking lots; sweeping and scrubbing parking structure floors.
- **Structure operations.** Collecting parking fees, providing security surveillance, maintaining customer service equipment.
- **Parking management and demand reduction.** Developing and implementing strategies that make maximum use of existing parking spaces and reduce the use of single occupancy vehicles in order to increase the effective inventory of parking spaces.

TRANSPORTATION

PROGRAM: Parking Services (continued)
 DEPARTMENT: Public Works

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
Parking Manager	1.0	1.0	1.0	1.0
Parking Enforcement Officer	3.0	3.0	3.0	3.0
Parking Meter Repair Worker	1.0	1.0	1.0	1.0
Supervising Administrative Assistant	1.0	1.0	1.0	1.0
Administrative Assistant	2.0	2.0	2.0	2.0
Parking Coordinator	1.0	1.0	1.0	1.0
Total	9.0	9.0	9.0	9.0
Temporary Positions				
Full-Time Equivalents (FTE)	9.9	10.2	10.2	10.2

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- 2009-11 Reducing Trustee Services to reflect actual expenditures will save \$2,000 annually.
- 2009-11 Reducing quantities of printed brochures will save \$4,000 annually.
- 2009-11 Reducing advertising of parking programs and eliminating promotional items will save \$4,000 annually.
- 2009-11 Reducing the frequencies of contracted cleaning of the parking lots and structures will save \$40,000 annually.

2009-11 PROGRAM OBJECTIVES

Major City Goals

- **2009-11** *Traffic Congestion Relief.* Continue efforts on projects which relieve traffic congestion, such as street modifications, intersection improvements, pedestrian improvements, bicycle facilities, traffic signal operations and public transit.
- **2009-11** *Infrastructure Maintenance.* Sustain an effective level of existing core infrastructure maintenance such as streets, sidewalks, creek & flood protection, parks and protection of other physical assets

Other Important Council Objectives

- **2009-11** *Downtown Maintenance and Beautification.* Expand Downtown beautification efforts, including enhanced maintenance and cleanliness; review and upgrade of standards; and making phased physical improvements.

Other Program Objectives

- **2009-10** Evaluate options of adding Downtown meter zones and charging for parking on Sundays; and present results to the Council by Spring 2010.
- **2009-11** Promote neighborhood wellness by enforcement and encouragement of compliance with residential parking permit district restrictions.
- **2009-11** Process residential permit district formation requests.
- **2009-11** Conduct monthly parking meter inspections to minimize malfunctions.
- **2009-11** Continue to deliver year-round public education and business outreach programs that promote parking and access to the City.
- **2009-11** Respond to parking and access complaints and investigate remedies.

TRANSPORTATION

PROGRAM: Parking Services (continued)
 DEPARTMENT: Public Works

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Lot parking spaces provided	766	766	766	614
Street parking spaces provided	1,138	1,138	1,138	1,138
Garage parking spaces provided	1,178	1,177	1,177	1,177
Average occupancy percentages:				
Marsh Street parking structure	61	56	57	75
842 Palm Street parking structure	49	49	49	50
919 Palm Street parking structure	82	82	83	84
Citations written	35,050	40,100	40,500	36,500
Parking officer service calls	13,431	10,900	11,000	11,100
Percentage of citations successfully collected	94	89	89	89
Citation appeals processed	1,330	1,455	1,470	1,485
10-hour meter permits sold	5,053	4,086	4,100	4,100
Meter keys sold	431	410	415	420
Lineal feet of curb in residential parking districts	62,300	62,300	62,300	62,300

TRANSPORTATION

PROGRAM: Transit
DEPARTMENT: Public Works

OPERATION: Transit
FUND: Transit Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	175,800	208,700	222,100	226,800
Contract Services	2,277,700	2,008,500	1,919,100	1,975,100
Other Operating Expenditures	13,400	448,300	465,200	479,300
Minor Capital				
Total	\$2,466,900	\$2,665,500	\$2,606,400	\$2,681,200

PROGRAM DESCRIPTION

The transit program (SLO Transit) provides daily fixed-route transit service to the general public within the City limits and to Cal Poly State University. This program also includes a downtown trolley service providing connecting service from the downtown to the lodging district on upper Monterey Street. Program goals are 1) quality transportation for transit dependent people 2) convenient transportation for all residents and 3) an attractive alternative to driving which can reduce traffic congestion and air pollution. This program has three major activities:

- **Vehicle Operations and Maintenance.** Contracting for transit operations, including drivers, fuel, and insurance; contracting for downtown trolley operations, including drivers, fuel, and insurance; contracting for maintenance of City-owned buses and trolleys. Replace old transit vehicles to meet California Air Resources Board (CARB) requirements and reduce vehicle breakdowns.
- **Non-vehicle Maintenance.** Maintaining the bus maintenance yard; maintaining shelters, benches, and signs.
- **Administration.** Planning for future service improvements and extensions; complying with state and federal grant requirements; ensuring compliance with taxi franchise provisions; organizing agendas for Mass Transportation Committee meetings.

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
Transit Manager	1.0	1.0	1.0	1.0
Transportation Assistant	1.0	1.0	1.0	1.0
Total	2.0	2.0	2.0	2.0
Temporary Positions				
Full-Time Equivalents (FTE)	0.02	0.02	0.32	0.32

SIGNIFICANT PROGRAM CHANGES

Increases Required to Support Basic Service Levels

- **2009-11** Continuing a temporary Bicycle Programs Assistant will cost the Transit Fund \$20,400 in 2009-10 and \$20,400 in 2010-11. This position will be shared with the General Fund.

TRANSPORTATION

PROGRAM: Transit (continued)
 DEPARTMENT: Public Works

2009-11 PROGRAM OBJECTIVES

Major City Goals

- **2009-11** *Traffic Congestion Relief.* Continue efforts on projects which relieve traffic congestion, such as street modifications, intersection improvements, pedestrian improvements, bicycle facilities, traffic signal operations and public transit.

Other Program Objectives

- 2009-10 Evaluate and make recommendations regarding impact to existing service due to State transit program funding reductions as well as San Luis Obispo Regional Transit Authority (SLORTA) budget formula.
- 2009-10 Prepare annual performance report and recommended service refinements as identified in the Short Range Transit Plan (SRTP).
- 2009-10 Evaluate/recommend Federal stimulus funding for capital and preventative maintenance projects.
- 2009-10 Continue bus replacement program using available grants such as Federal Transit Administration (FTA), State Transportation Improvement Plan, Proposition 1B and federal stimulus funding.
- 2009-10 Continue to seek funding for BRT preemption device and signal timing project
- 2009-10 Continue to coordinate transit services with other transit providers including SLORTA.
- 2009-10 Maintain bus schedule and other amenities at bus stops and shelters
- 2009-10 Continue outreach to specialty stakeholders including disable groups, the low vision council, seniors and students
- 2009-10 Coordinate FTA grant funding for expanding transportation options for disabled and senior riders
- 2009-10 Implement new marketing plan strategies including Gold Pass rebranding and new website creation and design

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Buses in fleet	16	17	17	17
Trolleys in fleet	3	1	1	2
Fixed route revenue miles operated	366,952	377,000	386,000	386,000
Fixed route revenue hours operated	32,267	33,000	33,000	33,000
Downtown trolley revenue miles operated	14,658	15,000	15,000	15,000
Downtown trolley revenue hours operated	1,498	1,600	1,600	1,600
Total passengers	1,003,805	1,029,000	1,030,000	1,030,000
Passengers per revenue hour	31.1	31.1	31.2	31.2
Percentage of time buses arrived on time	89	87	90	90

Operating Programs
LEISURE, CULTURAL & SOCIAL SERVICES



LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Parks & Recreation Administration
 DEPARTMENT: Parks & Recreation

OPERATION: Parks & Recreation
 FUND: General Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	520,600	624,500	582,600	597,800
Contract Services	97,600	56,600	46,900	47,300
Other Operating Expenditures	26,900	78,900	20,800	20,800
Minor Capital		1,100		
Total	\$645,100	\$761,100	\$650,300	\$665,900

PROGRAM DESCRIPTION

The parks and recreation administration program plans, directs, and evaluates all recreation programs, activities, events, and facilities as part of its mission to promote personal well-being and sense of community in San Luis Obispo. The program monitors and evaluates implementation of the Parks and Recreation Element. Administrative staff oversees management, general unit and temporary employees in conducting program activities. Program staff plans for new parks and facilities and improvements to existing ones, develops and manages the department budget, including the golf enterprise fund, prepares and administers grant programs, applies for grants when available, provides clerical assistance department-wide, and coordinates the public art program. This program provides support to three advisory bodies, including the Parks & Recreation Commission, Joint Recreational Use of School District Property (Joint Use) Committee, and Jack House Advisory Committee. Staff also plans, implements, and assists in training for emergency response activities. Program goals include: 1) developing well-planned and maintained parks, facilities and open space amenities; 2) coordinating effective implementation of the Parks and Recreation Element; 3) preparing employees to provide quality services to the community; 4) providing diverse and vital recreation programs that are responsive to community needs, promote health and wellness, and foster human development; and 5) providing a safe and secure park system. This program has ten major activities:

- **Department management and administration.** Providing overall administration and management of departmental operations;
- **Staff support to advisory bodies.** Preparing agenda and staff reports, recording minutes, conducting public hearings, and preparing annual reports for three advisory bodies.
- **Program planning and evaluation.** Developing, marketing, staffing, producing, facilitating, coordinating and evaluating recreation programs for all age groups.
- **Parks and Recreation Element implementation.** Satisfying unmet needs in parks, facilities, playing fields, open spaces and activities as identified in the Parks and Recreation Element, and evaluating activity and facility compliance with Element policies and programs.
- **Parks and facilities planning and safety evaluation.** Developing current and long-range plans for new parks and recreation facilities considering both indoor and outdoor space needs; conducting ongoing safety analysis of playground equipment to insure compliance with California Playground Safety Regulations.
- **Fiscal management.** Developing and monitoring department-wide expenditures and revenues to assure compliance with financial policies; developing and administering grants; applying for grants to supplement program funding, identifying and implementing opportunities for revenue enhancement; managing the golf enterprise fund.
- **Public relations and information.** Marketing programs and services provided by the department through brochures, Internet, news releases, presentations for the government access channel; serving as liaisons to the community.
- **Human resource management.** Administering human resource policies, staffing requirements, conducting training, approving payroll, and evaluating regular and temporary staff.

LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Parks & Recreation Administration (continued)
 DEPARTMENT: Parks & Recreation

- **Cultural arts.** Coordinating the public art program, including the Visual Arts in Public Places, Private Donations of Public Art and the Public Art in Private Development programs.
- **Administrative assistance.** Preparing documents ranging from Council Agenda Reports to class rosters; collecting, receiving and depositing fees and charges; dispensing program and department information via the Internet, telephone, and over-the-counter service; managing records retention schedule, providing technology support for department-specific programs, and offering excellent customer service.

STAFFING SUMMARY	Actual	Budgeted	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
Regular Positions				
Parks & Recreation Director	1.0	1.0	1.0	1.0
Recreation Manager	2.0	2.0	1.0	1.0
Supervising Administrative Assistant	1.0	1.0	1.0	1.0
Administrative Analyst*	0.0	0.0	0.0	1.0
Administrative Assistant	1.0	1.0	1.0	1.0
Total	5.0	5.0	4.0	5.0

*Tentative pending further organizational analysis

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-11** Not filling the Recreation Manager's position upon retirement in April 2010 will save \$19,300 in 2009-10 and \$20,000 in 2010-11.
- **2009-11** Eliminating the temporary Office Assistant position will save the City \$7,100 annually.
- **2009-11** Suspending the funding for the facility use grants for two years will save \$6,500 annually.
- **2009-11** Suspending the Limited Benefit Position (LBT) contribution to health care will save \$24,000 annually.
- **2009-11** Reducing the hours for the Front Counter and Public Information Officer LBT positions will save \$21,600 annually.
- **2009-11** Reducing the education and training line item across all divisions will save \$8,300 annually.
- **2009-11** Reducing facility enhancement grants and Mayor's Youth Task Force grants will save \$25,200 annually.

2009-11 PROGRAM OBJECTIVES

Other Important Council Objectives

- **2009-11** *Skate Park.* Develop plans and specifications to construct the Santa Rosa Skate Park and seek additional fiscal support through grants, fundraising efforts, and other means.

Other Program Objectives

- **2009-11** Update the Parks & Recreation Element/Master Plan as resources permit.
- **2009-11** Continue to administer the public art program.
- **2009-11** Provide support to the Parks & Recreation Commission, Joint Use Committee, and Jack House Committee to achieve their annual work program goals.
- **2009-11** Continue to provide support for capital improvement plan projects.
- **2009-11** Monitor the San Luis Obispo Baseball Stadium during peak months for effective and cooperative uses.

LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Parks & Recreation Administration (continued)
 DEPARTMENT: Parks & Recreation

- **2009-11** Manage the department budget to enhance revenues and track expenditures for effective stewardship of public funds.
- **2009-11** Develop partnerships and cooperative programs to provide recreational experiences to the community.

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Average daily public contact	98	100	100	100
Advisory body meeting packets prepared & public notices mailed	32	35	35	35
Council agenda reports prepared	9	11	10	10
City Manager reports processed	12	15	12	12
Internal staff meetings	154	160	160	160
Payroll checks distributed (average)	4,750	4,800	4,800	4,800
Response time for phone messages:	Within 24 hours	Within 24 hours	Within 24 hours	Within 24 hours
Public art projects processed	3	7	4	4

LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Aquatics
DEPARTMENT: Parks & Recreation

OPERATION: Parks & Recreation
FUND: General Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	332,700	332,400	342,200	342,100
Contract Services	900	1,500	1,500	1,500
Other Operating Expenditures	9,900	11,200	11,300	11,300
Minor Capital	4,700	6,800	3,300	3,300
Total	\$348,200	\$351,900	\$358,300	\$358,200

PROGRAM DESCRIPTION

The aquatics program at the SLO Swim Center provides a safe venue for participants to maximize their swimming experience and enjoy a variety of water related activities. Through involvement in aquatic activities, community members discover, renew and maintain their physical, social and emotional well-being. Whether the need is for skill development, fitness, therapy, exercise, rehabilitation or socialization, the aquatics program strives to incorporate each of these components into all programs. Participation may include individual regimens, family recreational outings, instruction based attendance, group play or team practices. The SLO Swim Center is accessible to all individuals, regardless of economic status, disability, fitness level, or age. Program goals include: 1) sustaining an environment that is safe, clean, efficient, enjoyable, and economical; 2) remaining cognizant of the community's needs in order to facilitate optimum and successful programs; and 3) enhancing the service to the community through continued programming of the Therapy Pool. This program has seven major activities:

- **Lap swimming.** Incorporating the benefits of physical and mental well-being through exercise and fitness in an aquatic environment; providing a program for all fitness and age levels – competitive, therapeutic, rehabilitative, and leisure recreational.
- **Swimming instruction.** Offering an avenue of learning for the safe enjoyment of the water for infants, youth, teens, adults and seniors; programming for the complete spectrum of instruction possibilities beginning with non-swimmers, and advancing to Lifeguard Training, Guard Start, Springboard Diving, Water Safety Instructor, and Water Safety Instructor Aide; targeting youth to participate in the aide and mentor programs as volunteers.
- **Recreational swimming.** Providing a venue for social interaction, exercise and play in a safe and well-supervised aquatic facility; encouraging participation and fun for infants, tots, youth, adults, senior citizens and families.
- **In-Service training.** Ensuring compliance with all local, state, and federal guidelines and regulations; requiring on-going, facility specific training to maximize staff confidence, and maintain skill levels and abilities to prevent injuries and maintain a safe, successful, and enjoyable aquatic environment; continuing the history of the SLO Swim Center's excellent safety record.
- **Maintenance.** Focusing on regular and thorough equipment and facility checks; maintaining a clean, accessible, and safe facility as an integral aspect of successful programming and paramount to incident/injury prevention.
- **Competitive swimming.** Managing contractual agreements with the local swim club and the San Luis Coastal Unified School District; incorporating use requests from local and regional competitive teams for access to the facility for events and practices.
- **Therapy.** Enhancing therapeutic and instructional aquatic programming opportunities to the community by offering activities in the Therapy Pool that are not possible in the 50 meter pool; offering many of the programs on a year-round basis that prior to the addition of the therapy pool had been seasonal.

LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Aquatics
 DEPARTMENT: Parks & Recreation

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
Recreation Supervisor	1.0	1.0	1.0	1.0
Total	1.0	1.0	1.0	1.0
Temporary Positions				
Full-Time Equivalents (FTE)	9.30	9.30	8.80	8.80

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-11** Reducing the hours for the Limited Benefit Temporary (LBT) position will save \$12,500 annually.

2009-11 PROGRAM OBJECTIVES

- **2009-11** Continue to seek new sources of aquatic revenues not yet realized.
- **2009-11** Maintain training programs to ensure all safety standards are met.
- **2009-11** Implement changes and updates from the American Red Cross as needed.

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Hours of pool use (including non Specialty therapy pool)	4,250	4,400	4,400	4,400
Hours of in-service	600	600	600	600
Pool users served	55,700	64,300	64,300	64,300
Scholarships awarded	40	40	40	40
Maintenance hours	1,800	1,800	1,800	1,800
Specialty therapy pool uses	1,500	2,500	3,000	3,000

LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Children's Services
 DEPARTMENT: Parks & Recreation

OPERATION: Parks & Recreation
 FUND: General Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	672,700	779,200	722,100	731,400
Contract Services	22,900	27,100	28,500	28,500
Other Operating Expenditures	95,500	109,200	101,200	101,200
Minor Capital				
Total	\$791,100	\$915,500	\$851,800	\$861,100

PROGRAM DESCRIPTION

At a time when more children are spending after school hours unsupervised, the need for quality school-age childcare programs remains great. The Children's Services program addresses this need by providing school-age care programs that reflect the main components for quality. *Positive relationships:* staff creates constructive and helpful contact with the children and fosters positive peer relationships. *Effective programming:* constructive well-planned schedules and curriculum are tailored to the needs and interests of the children. *Appropriate environments:* safe and clean space for indoor and outdoor activities is attractive, warm and inviting. *Strong partnerships:* involvement of the school, families and community are necessary to the operation of the programs. *Effective staff:* committed and well trained staff offers a fresh and energetic perspective.

In total, over 900 children and their families are served each year through programming that is offered before and after school, during spring recess, and throughout the summer. Children's Services programs focus on the healthy and positive development of children, including both cognitive and social development. Progressive and anti-bias curriculum offers a variety of activities, social experiences, and opportunities that promote learning, awareness and fun. Experienced and well-trained staff is intentional about building each child's assets through empowerment, fostering healthy self identity, developing a sense of purpose, and celebrating the whole child. In addition to the daily schedule, the programs feature additional components such as Environmental Education, community action projects, family participation events, guest speakers, and field trips.

As noted in the workload measures, the Sun 'N Fun, S.T.A.R. and Spring Camp programs are currently at program capacity based upon State of California Title 22 square footage mandates. Based on current trends and population forecasts, it is predicted these programs will continue to meet capacity annually.

Program goals include: 1) providing an enriching and nurturing environment that promotes positive and healthy social and cognitive development; 2) offering quality programming that is characterized by warmth, personal respect, individuality, and responsiveness to children's needs; 3) supplying experienced, passionate, and well trained staff, who promote learning and communication and are committed to fun, play, and celebration, through their devoted love for children; 4) adhering to the Title 22 Community Care Licensing requirements; 5) giving scholarship support and effectively managing the CALWORKS subsidized scholarship program; 6) offering additional enrichment opportunities that children may not otherwise have; 7) adhering to our inclusive care policy that provides care for all children, including those with developmental disabilities and non-ambulatory children; 8) engaged in obesity awareness for children through our programming. This program has nine major activities:

- **Sun 'N Fun child care program.** Licensed by the state of California Community Care Licensing, Sun 'N Fun provides a fun, nurturing and social experience for school-age children during the before and after school hours. Serving approximately 35-45 children daily at each of the City's five elementary school campuses, the Sun 'N Fun program is open Monday through Friday 7:00 am to 6:00 pm accommodating all Kindergarten release times.
- **Students Taking Active Responsibility Program (S.T.A.R.).** By using the Asset Development framework, the S.T.A.R. program has established a "with and for youth" approach. S.T.A.R. emphasizes youth as problem solvers and asset champions while staff promote lifelong learning, cultural unity, personal growth, and wellness. S.T.A.R. students

LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Children’s Services (continued)
 DEPARTMENT: Parks & Recreation

have the opportunity to develop life skills, become active in community projects, participate in recreational opportunities and enhance their academic skills. Serving approximately 20-30 children daily at each of the City’s five elementary school campuses, the S.T.A.R. program is open Monday through Friday 2:30 pm to 5:30 pm.

- **Summer day camps.** Providing quality and comprehensive summer day camp programs for children 6-12 years old while offering a wide range of opportunities during the summer months, Adventure Day Camp, Summer Fun Day Camp and Fabulous Fridays Day Camp are complete with art and creative expression, science and exploration, music and movement, indoor and outdoor games, sports and play, guest speakers, and weekly excursions. Serving approximately 60-100 children, Adventure Day Camp, Summer Fun Day Camp and Fabulous Fridays Day Camp run for seven weeks and are open daily from 7:00 am to 6:00 pm.
- **Spring break camp and teacher work days.** Providing opportunities for special day programs during Spring Break Camp and Teacher Work Days when school is not in session. Programs vary in length, cost, and location. Each program serves 50+ children per day.
- **Subsidy programs.** Providing partial scholarships to subsidize program fees to qualified families based on a pre-determined eligibility standard. The scholarship program provides about 85 families with financial assistance in the amount of \$8,600 annually. Concurrently, the collaborative relationship with the CALWORKS program provides an additional subsidy to over 200 families.
- **Youth advocate.** Serving on the Local Childcare Planning Council and other local networks that advocate and support healthy youth development.
- **Inclusive care.** Children with developmental disabilities as well as non-ambulatory children are accommodated through Children’s Services inclusive childcare programs. Well trained aides provide individualized care and inclusive recreation opportunities during program hours. The program is a collaborative effort with the Tri-Counties Regional Center.
- **Minimum days care.** Providing childcare on school mandated early release days. Serving approximately 20-40 children, Minimum Days Care is provided at each Sun ‘N Fun and S.T.A.R. location.
- **Health awareness campaign.** Providing obesity awareness for our children and families through community collaborations and special programming, as well as serving healthy snack options that surpass licensing requirements.

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
Recreation Supervisor	1.0	1.0	1.0	1.0
Recreation Coordinator	1.0	1.0	1.0	1.0
Total	2.0	2.0	2.0	2.0
Temporary Positions				
Full-Time Equivalents (FTE)	27.3	27.3	25.4	25.4

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-11** Reducing childcare staff during early morning, late afternoon and kinder program will save \$31,000 annually.
- **2009-11** Reducing the hours for the Limited Benefit Temporary (LBT) position – Children’s Services will save \$9,300 annually.

LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Children's Services (continued)
 DEPARTMENT: Parks & Recreation

2009-11 PROGRAM OBJECTIVES

Program Objectives

- **2009-11** Develop standardized staff training methods encompassing staff training manual, effective evaluations, quarterly all staff trainings, and maintaining the latest trends in childcare.
- **2009-11** Support Statewide Health Awareness Campaign through collaborative and programming efforts to all children and families in our programs.
- **2009-11** Expand inclusion offerings to families and children via outreach and collaborations with community regional programs and services.

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Sun 'N Fun/S.T.A.R. – children registered	900	900	900	900
Sun 'N Fun/S.T.A.R. – annual attendance	84,000	84,000	84,000	84,000
Summer Day Camp- annual attendance	7,500	7,500	7,500	7,500
Spring Camp – annual attendance	300	300	300	300
Scholarship recipients	77	85	85	85
Scholarships awarded	\$7,900	\$8,600	\$8,600	\$8,600

LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Recreational Sports
 DEPARTMENT: Parks & Recreation

OPERATION: Parks & Recreation
 FUND: General Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	243,800	263,000	232,900	232,600
Contract Services	40,500	43,100	42,200	43,400
Other Operating Expenditures	63,400	73,000	68,400	69,800
Minor Capital				
Total	\$347,700	\$379,100	\$343,500	\$345,800

PROGRAM DESCRIPTION

The recreation sports program manages activities for youth, teens, adults and boomers. Program goals are: 1) providing fundamental sports instruction in a non-competitive, positive environment that focuses on participation and sportsmanship for youth and teens ages 5-18 years old; 2) providing lifelong athletic opportunities through organized adult sports leagues that promote a healthy lifestyle and social interaction in a safe and supervised environment; 3) providing sporting activities for active seniors (boomers) that promote safety and health as well as social skills for all ability levels; 4) coordinating the SLO Triathlon, which focuses on personal achievement, volunteerism, and community wellness. This program has six major activities:

- **Youth sports programs.** Designing youth sports opportunities for children in kindergarten through sixth grade that promote a positive, growth-oriented environment through activity, instruction and organized activities. Fostering social, intellectual, physical and emotional development in youth through athletic activities; partnering with the YMCA and other organizations to provide youth athletic experiences to meet community recreational needs; providing well-trained staff to present fundamental sports instruction to coaches, parents, and children with a focus on participation, non-competitiveness, and the importance of allowing each child to reach his/her full potential; offering coaches training through the National Youth Sports Coaches Association; providing training through the Parent Association for Youth Sports program (PAYS); to parents whose children are enrolled in our youth sports enrollment that outlines appropriate behavior for parents to clearly understand their roles and responsibilities in the youth sports environment; fingerprinting volunteers and paid staff for compliance with the Educational Code, Section 10911.5.
- **Laguna Middle School sports program.** Collaborating with staff and school administration to ensure all students have the opportunity to participate in well-organized, enjoyable sports programs, and use after school time in a constructive manner. Focusing on skill development, cooperation, and teamwork during activity participation. Emphasizing positive attitudes and athletic success while minimizing competition.
- **High school recreational basketball league.** Continuing the involvement by teens in healthy recreational sports activities; assisting area high school students in organizing, leading, and playing in a student-driven basketball league; mentoring teens during game situations and emphasizing good sportsmanship and cooperation.
- **Adult softball leagues.** Providing active sports leagues for adults; training and scheduling of officials and scorekeepers for league and tournament play; sanctioning leagues through Southern California Municipal Athletic Federation (SCMAF) and other sports-specific organizations; administering all aspects of league structure including: scheduling games, marketing, obtaining player insurance coverage, and purchasing equipment.
- **Boomer athletics.** Using volunteers and community service groups to offer league and drop-in sports for adults ages 50 and over; providing healthy sporting activities in an enjoyable, positive environment.
- **Triathlon.** Offering the Department's keystone special event that emphasizes completion, rather than competition as well as encouraging and supporting a healthy lifestyle; assisting each participant to attain his or her own personal goal, whether a novice participant or a seasoned tri-athlete.

LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Recreational Sports (continued)
 DEPARTMENT: Parks & Recreation

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
Recreation Supervisor	1.0	1.0	1.0	1.0
Total	1.0	1.0	1.0	1.0
Temporary Positions				
Full-Time Equivalents (FTE)	8.0	8.0	7.6	7.6

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-11** Reducing the cost of facility rental in exchange for continuing the competitive sports program will save \$15,000 annually..
- **2009-11** Eliminating the funding for Triathlon volunteer lunches will save \$3,100 annually
- **2009-11** Eliminating one official per site for the youth basketball program will save \$3,000 annually.
- **2009-11** Reducing the hours for the Limited Benefit Temporary (LBT) position – Recreational Sports will save \$3,100 annually.

2009-11 PROGRAM OBJECTIVES

- **2009-11** Continue training youth sports parents through PAYS.
- **2009-11** Continue to train youth sports coaches through the NYSCA program.
- **2009-11** Continue to offer scholarships to youth sports participants that are unable to afford the cost of the program.
- **2009-11** Continue to offer recreational sports programs for Teens.
- **2009-11** Achieve compliance with AB 2404 – Gender Equity Bill.
- **2009-11** Continue to expand and offer sports programs for Boomers
- **2009-11** Insure that all volunteers are properly fingerprinted to comply with the Educational Code. Section 10911.5
- **2009-11** Continue to offer quality adult softball recreational leagues
- **2009-11** Increase the number of sponsors to help offset the cost of the Triathlon

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Youth basketball participants per week	600	625	650	650
Youth volleyball participants per week	100	100	110	110
Futsal participants per week	200	230	240	250
Teen basketball participants per week	170	175	180	180
Teen volleyball participants per week	50	55	60	60
Teen track participants per week	120	120	125	130
Adult softball participants	220 teams	220 teams	220 teams	220 teams
Boomer sports participants per week	70	70	70	70
Triathlon participants	1,200	1,200	1,200	1,200

LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Facilities
DEPARTMENT: Parks & Recreation

OPERATION: Parks & Recreation
FUND: General Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	232,900	254,000	228,400	228,300
Contract Services	17,300	7,700	6,600	6,700
Other Operating Expenditures	9,400	10,800	5,800	5,800
Minor Capital	9,000	6,600		
Total	\$268,600	\$279,100	\$240,800	\$240,800

PROGRAM DESCRIPTION

The facilities program schedules and manages both internal and external uses of community recreation buildings and park reservation areas. Staff assists with community problem solving on issues related to uses and maintenance by working closely with local organizations and advisory bodies. In addition, the facilities program integrates the scheduling of facility maintenance times between various City departments and user groups. This program has four major activities:

- **Facility reservations.** Scheduling reservation requests and issuing permits for park facilities, ball fields, multi-use courts, and indoor meeting rooms; assuring users are compliant with permits, insurance and appropriate activities; coordinating facility preparation and maintenance before, during and after use, meeting with users for optimum facility use and increased rentals; providing excellent customer service meeting the community's need for quality facilities.
- **Commemorative bench program and donations.** Supervising and coordinating the placement of commemorative benches with donors and coordinating with Public Works maintenance staff for installation and maintenance; overseeing the work of contract labor on installation of benches; facilitating all community facility donations not requiring Council approval.
- **Facility management.** Providing staff support for uses at the Damon-Garcia Sports Fields, Jack House Gardens, San Luis Obispo Baseball Stadium, Maino Family Batting Cages, the Senior, Meadow Park and Ludwick Community Centers; supplying on-call staff for evening and weekend facility uses; communicating with the Joint Use Committee and the Jack House Committee on the best use of facilities; meeting regularly with Public Works maintenance and ranger services staff for safety and maintenance of facilities during use; providing a well-trained staff to deliver excellent customer service in facilitating programs and managing facility uses; preparing agreements for annual San Luis Obispo Baseball Stadium uses.
- **Special user requests for City athletic facilities.** Setting bi-annual meetings with all adult and youth sports groups using City facilities. Scheduling facilities for adult sports tournaments held within the City; coordinating use of City tennis courts for community members, adult leagues, local colleges and the San Luis Coastal Unified School District.

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
Recreation Supervisor	1.0	1.0	1.0	1.0
Total	1.0	1.0	1.0	1.0
Temporary Positions				
Full-Time Equivalents (FTE)	6.2	6.2	5.0	5.0

LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Facilities (continued)
 DEPARTMENT: Parks & Recreation

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-11** Closing the batting cages and eliminating the associated staffing will save \$9,100 annually.
- **2009-11** Eliminating the temporary part-time positions that provide oversight to facilities staff (Indoor and Outdoor Facility Program Coordinators) will save \$13,700 annually.
- **2009-11** Reducing the hours for the Limited Benefit Temporary (LBT) position – Facilities will save \$5,700 annually.

2009-11 PROGRAM OBJECTIVES

- **2009-11** Manage and coordinate use of the San Luis Obispo Baseball Stadium, Damon-Garcia Sports Fields and other City sites. Schedule, coordinate and track uses of youth and adult sports groups and special events at each venue.
- **2009-11** Manage the Facility Desk while consistently providing effective tools, including technology to improve customer service.
- **2009-11** Work closely with Public Works Building Maintenance and Parks Maintenance for optimal maintenance of indoor and outdoor facilities.
- **2009-11** Monitor budget to enhance facility revenues and track expenses for effective use of public funds.
- **2009-11** Continue to manage and coordinate installations of the Commemorative Bench Program. Work closely with Public Works Parks Maintenance and contractors for proper placement, installation and completion of benches.
- **2009-11** Annually negotiate long-term use agreements with semi-pro baseball organizations for use of the Sinsheimer Baseball Stadium. Work closely with City Attorney, Risk Manager and Public Works Parks Maintenance to assure agreements comply with City policy and use requirements.

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Facility use daily attendance	35,506	3,7000	40,000	40,000
Facility permits processed	2,047	2,200	2,500	2,500
Stadium uses (rental)	207	200	220	220
Stadium permits	24	24	24	24
Batting cages uses (drop-in)	500	550	500	500
Batting cage uses (youth sports teams)	127	150	150	150
Damon-Garcia sports fields:				
Number of events/tournaments scheduled	12	10	10	10
Number of permits processed	97	87	90	90
Number of facility users	15,599	15000	15,000	15,000

LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Special Events
 DEPARTMENT: Parks & Recreation

OPERATION: Parks & Recreation
 FUND: General Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	151,000	187,500	145,600	148,800
Contract Services	26,000	22,900	20,500	20,500
Other Operating Expenditures	10,200	15,200	8,500	8,500
Minor Capital				
Total	\$187,200	\$225,600	\$174,600	\$177,800

PROGRAM DESCRIPTION

The special events program facilitates major special events held within the city limits, hosts a variety of community special events, coordinates volunteer services, manages the banner permit program, issues film permits and coordinates commercial filming within the City, coordinates the Community Garden program and supervises the Santa Rosa Skate Park. This program has eight major activities:

- **Major City-Wide special events.** Collaborating with supporting organizations to facilitate the coordination of citywide special events initiated by community groups, ensuring consistency among events, issuing event permits; maintaining files with supporting documentation, and facilitating problem solving with inter-departmental planning in pre-event evaluations and post-event critiques; provides pertinent documents to event sponsors for event layout, resident notifications, parking, alcohol and fire permits, and a detailed statement of applicable special event fees.
- **Community special events.** Organizing many special events that help unify the community and gather citizens in a healthy, positive environment, while promoting the benefits of leisure activities; collaborating with a variety of entities, including the Downtown Association, local businesses and service organizations, and Cal Poly student organizations and clubs; managing other aspects of special event coordination including reviewing liability concerns, managing agreements with vendors and entertainers, purchasing supplies, securing sponsorships and implementing each event's logistical plan.
- **Jack House Committee support.** Providing staff support to the Jack House Committee including assistance with special events and promotion of the Jack House and Gardens as a venue for community activities.
- **Volunteer services.** Providing opportunities for citizens who, through volunteerism, assist staff in expanding and enhancing a variety of City services; training volunteers to supplement present services and encourage civic pride and community involvement; recruiting, coordinating, orientating and tracking the use of volunteers in all parks and recreation programs to provide high level of work quality; recognizing volunteer efforts by holding an annual dinner and honoring program volunteers; assigning volunteers throughout the entire scope of departmental activities, providing over 20,000 hours of service annually.
- **Film permits.** Supporting the promotion of community image by providing one-stop shopping for issuance of permits required for commercial filming within the city limits; coordinating with media sources and City staff; facilitating inter-departmental planning; providing notifications to community residents; maintaining accurate accounting of all related costs required for filming.
- **Banner permit processing.** Receiving and processing permits for the display of banners at Higuera Street and Marsh Street locations; promoting community special events by verifying qualifications and coordinating the installation and removal of each banner with Public Works staff.
- **Community gardens.** Coordinating the rentals of garden plots at the three community garden locations at Emerson Park, Laurel Lane and Broad Street, including maintenance of the billing, lease agreements, the wait list and sending reminders to gardeners when necessary to increase the upkeep of their plot.

LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Special Events (continued)
 DEPARTMENT: Parks & Recreation

- **SLO skate park.** Providing a legal, safe, and entertaining venue for skateboard and inline skate enthusiasts; training staff to supervise and maintain the skate park, while creating a positive recreational environment for participants of all ages; enhancing and refreshing the skating experience by periodically modifying obstacles and equipment; offering special events such as professional demonstrations and contests to increase participation and utilization of the facility, including the highly successful Monster Skate Series which has allowed San Luis Obispo County agencies with skate parks to collaborate in creating a large scale contest for local youth.

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
Recreation Supervisor	1.0	1.0	1.0	1.0
Total	1.0	1.0	1.0	1.0
Temporary Positions				
Full-Time Equivalents (FTE)	3.0	3.0	1.5	1.5

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-11** Eliminating the Triathlon Volunteer Assistant position will save \$2,600 annually.
- **2009-11** Eliminating staffing at the skate park will save \$19,300 annually.
- **2009-11** Reducing the hours for the Limited Benefit Temporary (LBT) position – Special Events will save \$5,200 annually.

2009-11 PROGRAM OBJECTIVES

Other Important Council Objectives

- **2009-11** *Skate Park.* Develop plans and specifications to construct the Santa Rosa Skate Park and seek additional fiscal support through grants, fundraising efforts, and other means.

Other Program Objectives

- **2009-10** Review fees and management plan for community gardens and recommend appropriate fee increase.
- **2009-10** Collaborate with community groups to develop and install additional community gardens.
- **2009-11** Assist community group with skate park fundraising.
- **2009-11** Recruit volunteers to offset staffing costs for department special events and programs.
- **2009-11** Assist the Jack House with Committee with identified Work Program objectives.
- **2009-11** Collaborate with community group to program new event(s) at the Jack House.
- **2009-11** Create sponsorship opportunities for local businesses to help offset costs of special events.

LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Special Events (continued)
 DEPARTMENT: Parks & Recreation

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Skate park participants	1,536	1,500	1,800	1,800
Special event applications processed	56	60	60	60
Special event participants/spectators	20,600	5,700	5,700	5,700
Banner permits processed	76	75	75	75
Film permits processed	9	6	6	6
Volunteer hours	20,000	20,000	21,000	21,000
Community gardeners	60	65	80	100
Jack House events participants	415	226	400	500

LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Teen Services, Senior Services & Classes
 DEPARTMENT: Parks & Recreation

OPERATION: Parks & Recreation
 FUND: General Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	203,200	235,300	194,900	198,000
Contract Services	88,100	78,800	64,400	65,600
Other Operating Expenditures	15,800	16,200	14,700	14,900
Minor Capital				
Total	\$307,100	\$330,300	\$274,000	\$278,500

PROGRAM DESCRIPTION

This program addresses the diverse recreational needs of multiple age populations in the community. Programs for pre-teens, teens, “boomers” (active adults born between 1946 and 1964), and seniors are developed to enhance and enrich physical, social, and emotional aspects of participant’s lives. These goals are accomplished, in part, through collaborating with community agencies and school districts. Contract classes provide enrichment activities that go beyond the scope of Department programs. This program has eight major activities, organized by teen services, senior services and classes.

Teen Services

Providing youth 8-18 years old the opportunity to engage in physical and recreational activity can provide benefits in psychological health, physical health, familial interactions, peer influence, academic performance, community development, and other positive lifestyle behaviors. Program goals are met through diverse activities, well-trained staff, and structured events during otherwise unsupervised times. Input from participants, parents, community partners, and the public direct the evolution of teen activities. Program changes are made to satisfy the unmet needs of the teen population. Teen services has four major activities:

- **Program X.** Providing a space to create and imagine, be safe and secure, and to learn and play, Program X gives middle school students the opportunity to grow with guidance; deterring students from sedentary activities or potentially delinquent behavior, the after school enrichment program introduces teens to healthy lifestyles; providing diverse activities that are planned daily and include exercise, community involvement and service, healthy eating habits, tutoring, gardening, science projects, social integration, art, and innovative games; ensuring teens an environment where they feel safe, welcomed, heard, and appreciated, and where they are expected to engage in positive behavior.
- **Teen special events.** With teens (both boys and girls) nearing obesity rates of 16% within the United States, recreation opportunities not only provide a staple for maintaining physical health, but they also fight against teen depression by providing socially integrative events and activities. Monthly Teen Hang Out, for 7th and 8th graders, provide safe, and fun surroundings for socialization and enrichment through music, games, and dance. Appropriate music and the employment of trained adult staff provide structure and consistency. Other teen events include the Teen Idol summer talent program, which gives teens a chance to perform and showcase vocal talents.
- **Junior Giants baseball program.** Promoting positive self-esteem and character building through a summer baseball league for boys and girls 8-13 years old. Participants are mentored and coached by recreation staff in this collaborative program between the San Francisco Giants Community Fund and San Luis Obispo Parks and Recreation Department. Along with baseball skills, the principles of teamwork, leadership, confidence, and integrity are stressed. This structured activity offers a positive alternative to unsupervised time. Youth are given the opportunity to practice being leaders within their community of peers.
- **Quest.** Developing teambuilding, employment strategies and work ethics, this program instills the philosophy that ‘Teens Engaged Achieve Milestones’. San Luis Obispo teens in grades 9-12 take part in a job training and volunteer program that utilizes youths as community assets. Participants experience a ropes course to facilitate learning how to work in a team environment, and apply those skills to various challenges dealing with customer service, job hunting and communication skills. The program goal is to prepare quality employees for the Department and business community.

LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Teen Services, Senior Services & Classes (continued)
 DEPARTMENT: Parks & Recreation

- **Community agency collaboration.** Ensuring youth obtain multi-dimensional support means involvement and participation with various community groups such as the School Attendance Review Board (SARB), SLOPD Juvenile Diversion, Juvenile Probation and the Mayor’s Youth Task Force (MYTF). Such associations concentrate on the intervention and prevention of dangerous and detrimental behavior, as well as offer opportunities for alternative activities.

Senior Services

Active adult and senior activities are designed to enhance the quality of life for community members by promoting recreation as a model for developing physical, mental and interpersonal opportunities. The goal is to enrich existing and new programs at the Senior Center as well as promote activities and wellness for the younger boomer population. All activities and programs promote social interaction while expanding the interests and skills of participants. Senior Services has two major activities:

- **Senior Center activities.** Providing enriching programs for seniors at a centralized location. Volunteer senior citizens staff the center, which is open to facilitate peer interaction and interpersonal growth through enjoyable recreation programs and unstructured meeting times. The Senior Center is also used for community agencies to bring services and information to center users. Staff serves as the liaison to the Senior Center Board, and provides oversight to maintenance of the facility, needs of the seniors, and new programming ideas.
- **Boomer programs.** Offering generation-specific activities that serve unmet needs of an older population that is too young for Senior Center activities. Creating and implementing new programs as needed. Programs include walking groups at Laguna Lake Park that integrate socializing with peers with wellness and exercise; Health and Wellness seminars by qualified health professionals that disseminate public information vital to the well-being of the community; Hiking Club, where participants meet active members of their peer group at various trailheads throughout the City and hike on trails guided by a City Ranger and volunteer; Global Gourmet Classes that feature local volunteer chefs and provide a setting for active adults to engage in learning new cooking skills and experiencing diverse cultures.

Enrichment Classes

- Contracting with instructors who specialize in particular fields allows the Parks and Recreation Department to offer a wider variety of activities to the community. Contractual relationships provide unique services to youth, teens, adults, boomers, and seniors that otherwise could not be provided by staff due to constraints of time, knowledge, and finances. Classes are designed to offer opportunities that stimulate the mind, body, spirit and community through instruction. Courses are offered in fine arts, music, language, science, dance, fitness, martial arts, soccer, and tennis to the community for all ages, abilities and socio-economic situations.

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
Recreation Supervisor	1.0	1.0	1.0	1.0
Total	1.0	1.0	1.0	1.0
Temporary Positions				
Full-Time Equivalent (FTE)	3.5	3.5	2.8	2.8

LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Teen Services, Senior Services & Classes (continued)
 DEPARTMENT: Parks & Recreation

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-11** Eliminating the funding for the Junior Giants Program will save \$9,800 annually.
- **2009-11** Reducing the hours for the Limited Benefit Temporary (LBT) position – Teens will save \$10,300 annually.

2009-11 PROGRAM OBJECTIVES

- **2009-11** Conduct a “best practices review” of contract classes; update manual and research an orientation program.
- **2009-11** Propose and implement enhanced senior/boomer programming.
- **2009-11** Research like cities for teen programming, and implement changes/additions as appropriate.

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Number of teens participating	9,878	5,985	6,000	6,000
Total teen annual attendance	383	481	500	500
Number of seniors participating	16,140	16,260	16,500	16,500
Total senior annual attendance	11,534	12,000	12,000	12,000
Recreation classes annual attendance	2,003	2,430	2,500	2,500

LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Ranger Services
 DEPARTMENT: Parks & Recreation

OPERATION: Parks & Recreation
 FUND: General Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	187,400	226,200	203,600	206,900
Contract Services	22,800	25,100	20,300	20,300
Other Operating Expenditures	21,900	13,600	12,400	12,400
Minor Capital				
Total	\$232,100	\$264,900	\$236,300	\$239,600

PROGRAM DESCRIPTION

The ranger services program provides valuable support for the City parks and open spaces by ensuring proper use and a safe atmosphere for users, wildlife, and the natural environment. Rangers protect the natural resources in the City's open space by working collaboratively with the City's natural resources management program to carry out daily maintenance, construction, rehabilitation and mitigation projects. Ranger staff conducts year round environmental education programs and hikes for people of all ages, thus enabling the community to help protect and enjoy these open spaces. This program has eight major activities:

- **Park patrol.** Patrolling the City's 28 parks to ensure compliance with the City's park ordinance, reduce park vandalism, and provide park users with a safe and secure environment; patrolling the San Luis Coastal Unified School District (SLCUSD) turf areas to reduce incidences of unauthorized use.
- **Event security.** Providing security to heighten user safety for various Department activities such as Teen Hang Out and other city functions for Fire and Police.
- **Open space patrol.** Ensuring compliance with the City's open space regulations by patrolling on foot, by vehicle or bicycle over 3124 acres of open space area; Through physical patrol and working closely with volunteer trail lookouts, providing a watchful eye over the land and native species of these areas in order to protect them from abuse and misuse.
- **Open space management.** Managing the maintenance aspects of the City's open space preservation program by performing projects needed for rehabilitation and preservation of sensitive and high traffic areas. In consultation with the Natural Resources Manager and City Biologist, open space maintenance projects are scheduled and implemented. Monthly Trail Workdays, led by the rangers, are held to aid in the rehabilitation and construction of the trails. To aide in the maintenance, many volunteer hours are donated to the City's open spaces by various clubs: 3CMB, Access Fund, Sierra Club and other community service organizations. Seasonal mowing is conducted by rangers to reduce fire potential in all City Open Spaces.
- **Risk management.** Monitoring high-risk activity uses in open space areas by identifying, posting, and enforcing specific components related to effective risk management.
- **Creek corridors.** Patrolling and maintaining City creek corridors to prevent unnecessary human intrusion and promote the sustainability of the natural resources.
- **Environmental education.** Providing nature programs and hikes, school presentations, camps and other interpretation projects to further educate the public about the environment and encourage proper use of the open space.
- **City mitigation sites.** Installing plants and maintaining them to insure the success of the project.

LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Ranger Services (continued)
 DEPARTMENT: Parks & Recreation

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
Recreation Supervisor	1.0	1.0	1.0	1.0
Total	1.0	1.0	1.0	1.0
Temporary Positions				
Full-Time Equivalents (FTE)	4.5	4.5	4.1	4.1

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-11** Eliminating the contract labor will save \$2,200 annually.
- **2009-11** Reducing the hours for both Limited Benefit Temporary (LBT) – Ranger Services will save \$10,400 annually.

2009-11 PROGRAM OBJECTIVES

- **2009-11** Continue to meet the components of the ranger service section and insure that 2,000 hours are spent patrolling parks, school district fields, open spaces, creeks and mitigation sites.
- **2009-11** Continue to prepare the Johnson Ranch property for public use by finishing the 3.25 miles of trail, installing a trailhead, building and installing an informational kiosk and installing appropriate signage.
- **2009-11** Continue to work on and build new trails in the City's growing trail systems, ensuring that all trails are safe, sustainable and appropriate for its various user groups.

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Creek mileage maintained and patrolled	7 Miles	7.25 Miles	7.25 Miles	7.25 Miles
Open space acres maintained and patrolled	-	3,124 Acres	3,124 Acres	3,124 Acres
Park acres patrolled	198 acres	198 Acres	198 Acres	198 Acres
Patrol hours for SLCUSD	273 Hours	234 Hours	180 Hours	180 Hours
Parks patrolled	28 Parks	28 Parks	28 Parks	28 Parks
Trail mileage maintained and patrolled	34.50 Miles	38.75 Miles	38.75 Miles	38.75 Miles
Trash cleaned from encampments	11,000 lbs	12,000 lbs	10,000 lbs	10,000 lbs
Junior Ranger camp participants	20	32	32	32

LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Golf Course
 DEPARTMENT: Parks & Recreation

OPERATION: Parks & Recreation
 FUND: Golf Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	294,800	345,200	337,300	343,500
Contract Services	24,300	27,200	27,700	28,200
Other Operating Expenditures	137,700	126,000	152,900	161,600
Minor Capital	6,600	20,500	6,500	6,500
Total	\$463,400	\$518,900	\$524,400	\$539,800

PROGRAM DESCRIPTION

The golf course program operates and maintains Laguna Lake Golf Course (LLGC), the City's nine-hole executive length golf course (an additional hole is scheduled to be open in 2009-10, making LLGC the only ten-hole course in the county). The primary program goal is to operate and maintain a safe, attractive and reasonably priced golf course with an emphasis on senior and youth users. This program has seven major activities:

- **Customer service.** Providing services related to the full patron enjoyment of the golfing experience by having courteous, knowledgeable staff that schedule tee times, collect fees, rent equipment, sell goods and refreshments, coordinate tournaments, assist with Men's and Ladies Club activities, promote senior and junior participation and provide information upon request; contracting golf lessons through a local PGA teaching professional; providing power golf carts that allow users of all ages to easily move about the course.
- **Building the customer base.** Providing recreational experiences, such as the "First Tee" program for hundreds of new youth golfers; collaborating with the Department's recreational sports program in offering leagues and events for golfers of all ages.
- **Enterprise fund management.** Performing daily reconciliation of revenue transactions; paying invoices and credit card statements; preparing time cards; reconciling petty cash; handling inventory management for food and merchandise sales; preparing the annual Golf Fund rate review; making rate comparisons with other municipal golf courses in the county for competitive rates; tracking rounds played for projecting future revenues.
- **Turf and landscape maintenance.** Professionally managing the golf course in accordance with accepted cultivation practices and golf rules; maintaining turf areas by proper methods of mowing, renovation, irrigation and chemical application; providing daily course set up by moving tee blocks, changing cups, providing drinking water and marking special areas as required; providing general landscape maintenance including the planting and care of trees, flowers and shrubs; addressing issues related to use of recycled water and its effect on various turf types.
- **Construction.** Maintaining and repairing existing facilities including buildings, bridges, fences and screens; installing and repairing the irrigation system; managing new project construction as needed.
- **Equipment maintenance.** Servicing, adjusting and repairing all course equipment including mowers, utility vehicles, and attachments, weed trimmers, chain saws and other small tools; cleaning and maintaining of power golf carts.
- **Janitorial maintenance.** Cleaning and tending rest rooms and buildings daily; removing trash from course and buildings; performing minor repairs.

LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Golf Course (continued)
 DEPARTMENT: Parks & Recreation

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
Golf Course Supervisor	1.0	1.0	1.0	1.0
Maintenance Worker	2.0	2.0	2.0	2.0
Total	3.0	3.0	3.0	3.0
Temporary Positions				
Full-Time Equivalents (FTE)	3.5	3.3	3.3	3.3

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-11 Contract Labor.** Reducing the number of golf lessons will result in a savings of \$1,000 annually.
- **2009-11 Contract Services.** Eliminating the reel grinding/sharpening services for the mowers will result in a savings of \$2,300 annually.
- **2009-11 Equipment Maintenance.** The leased power carts require less maintenance, resulting in a savings of \$1,000 annually.
- **2009-11 Operating Materials and Supplies.** Not participating in 4th of July and Registration Fair activities will result in a savings of \$600 annually.
- **2009-11 Machinery & Equipment.** Replacement equipment has already been purchased and additional equipment is not needed resulting in a savings of \$14,000 annually.

2009-11 PROGRAM OBJECTIVES

- **2009-10** Report back to Council by Spring 2010 with an evaluation of the revenue “best practices” identified in the June 2009 rate review, including the possibility of selling beer and wine via a concessionaire and formation of a volunteer fund raising group.
- **2009-10** Propose and distribute request for proposals for food service concessionaire.
- **2009-10** Purchase one new fairway mower.
- **2009-10** Complete the reconfiguration of Hole #6 and add a 10th hole to the course.
- **2009-11** Reduce the General Fund subsidy gap by increasing recovery of direct operating costs in accordance with City Budget Policy.
- **2009-11** Enhance and preserve senior services and facilities in accordance with Measure Y priorities.
- **2009-11** Continue to promote the golf course to bring in new players.

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular rounds played (under 55)	7,778	8,300	7,000	7,100
Senior rounds played (55 and over)	12,241	12,400	11,000	11,200
Youth rounds played (16 and under)	2,635	3,800	3,000	3,200
Twilight rounds played (after 3:00 pm)	9,644	10,000	9,400	10,000
Student rounds played (with student I.D.)	3,865	4,000	4,000	4,000
Comp rounds	3,860	3,300	3,000	3,000
Walkalongs	193	200	200	200
Total rounds played	40,216	42,700	37,600	38,700

LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Park and Landscape Maintenance
 DEPARTMENT: Public Works

OPERATION: Parks & Recreation
 FUND: General Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	878,400	1,084,500	1,066,500	1,117,900
Contract Services	331,200	345,500	380,700	387,200
Other Operating Expenditures	629,500	641,800	664,100	716,600
Minor Capital	39,400	2,600		
Total	\$1,878,500	\$2,074,400	\$2,111,300	\$2,221,700

PROGRAM DESCRIPTION

The park and landscape maintenance program maintains parks and landscaped areas within the City. The program goal is safe, useful, and attractive parks and landscaped areas. This program has three major activities:

- **Park and landscape maintenance.** Maintaining large landscaped areas in developed parks and on grounds used jointly with other agencies for City recreation programs; maintaining landscaped areas around small parks, community gardens, parking lots, street medians, sound walls, and City buildings; providing janitorial maintenance for park restrooms and other park buildings; collecting and disposing of waste from trash containers in parks; grooming and marking playing fields; sweeping and maintaining game courts; managing and maintaining designated open space areas; assisting sponsors of events using City facilities; servicing and repairing landscape maintenance equipment.
- **Park and landscape improvement.** Proposing capital improvement projects for parks and landscaped areas; managing minor capital maintenance projects for parks and landscaped areas; inspecting playgrounds for compliance with safety regulations; monitoring irrigation water use and proposing conservation measures.
- **Training.** Conducting safety training required by OSHA; conducting technical training for new equipment and emerging landscape maintenance technologies; conducting ongoing pesticide safety training required by County and State regulatory mandates.

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
Parks Maintenance Supervisor	1.0	1.0	1.0	1.0
Parks Maintenance Technician	1.0	1.0	1.0	1.0
Maintenance Worker	10.0	10.0	10.0	10.0
Total	12.0	12.0	12.0	12.0
Temporary Positions				
Full-Time Equivalents (FTE)	3.3	3.3	3.3	3.3

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-11** Reducing irrigation water use in parks will save \$47,600 in 2009-10 and \$53,300 in 2010-11.

LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Park and Landscape Maintenance (continued)
 DEPARTMENT: Public Works

2009-11 PROGRAM OBJECTIVES

Major City Goals

- **2009-11** *Infrastructure Maintenance.* Sustain an effective level of existing core infrastructure maintenance such as streets, sidewalks, creek & flood protection, parks and protection of other physical assets.

Other Important Council Objectives

- **2009-11** *Downtown Maintenance and Beautification.* Expand Downtown beautification efforts, including enhanced maintenance and cleanliness; review and upgrade of standards; and making phased physical improvements.

Other Program Objectives

- **2009-11** Develop turf maintenance strategies at Damon-Garcia Sports Fields.
- **2009-11** Work with other agencies and community groups in potentially reducing pesticide use in the City of San Luis Obispo.

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Acres of park landscape maintained	158	158	158	158
Acres of building grounds maintained	5	5	5	5
Acres of parking lot landscape maintained	3	2	2	2
Acres of street landscape maintained	15.5	16	16	16
Acres of turf maintained	82	82	82	82
Sports field preparations completed	1,200	1,500	1,600	1,600
Units of irrigation water used	76,000	75,000	80,000	85,000
Work orders completed	900	700	600	600

LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Swim Center Maintenance
 DEPARTMENT: Public Works

OPERATION: Parks & Recreation
 FUND: General Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	79,600	108,000	98,700	106,300
Contract Services	14,000	19,300	19,400	19,500
Other Operating Expenditures	238,100	260,500	268,900	279,500
Minor Capital	12,600	12,200		
Total	\$344,300	\$400,000	\$387,000	\$405,300

PROGRAM DESCRIPTION

The swim center maintenance program maintains the Olympic swimming and diving pool, the therapy pool, two bathhouses, the deck areas, and all water treatment and mechanical equipment serving the pool complex located at Sinsheimer Park. The program goals are 1) a safe, clean, and attractive Swim Center 2) reliable and energy-efficient Swim Center equipment and 3) maximum facilities life. This program has four major activities:

- **Skilled craft maintenance.** Performing plumbing, electrical work, carpentry, locksmithing, pump and boiler maintenance, filtration system maintenance and drinking water purification system maintenance. This work is performed by a full-time regular Building Maintenance Worker.
- **Specialized technical service.** Servicing and maintaining HVAC systems, power cogeneration systems, security and fire alarm systems, elevators, fire extinguishers, and first aid kits. This work is performed by contractors with ongoing service contracts, and work is overseen by the Facilities Maintenance Supervisor.
- **Swimming pool operations.** Operating and monitoring the pool water heating and treatment systems, and cleaning pool tile and plaster surfaces. This work is performed primarily by a half-time temporary Maintenance Worker with assistance from a full-time regular Building Maintenance Worker.
- **Building improvements.** Constructing minor capital improvements. This work is typically performed by contractors and work is overseen by the Facilities Maintenance Supervisor.

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
Building Maintenance Technician	1.0	1.0	1.0	1.0
Total	1.0	1.0	1.0	1.0
Temporary Positions				
Full-Time Equivalents (FTE)	0.5	0.5	0.5	0.5

LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Swim Center Maintenance (continued)
 DEPARTMENT: Public Works

2009-11 PROGRAM OBJECTIVES

Major City Goals

- **2009-11** *Infrastructure Maintenance.* Sustain an effective level of existing core infrastructure maintenance such as streets, sidewalks, creek & flood protection, parks and protection of physical assets.

Other Program Objectives

- **2009-11** Continue maintenance and repairs on swim center cogeneration plant.
- **2009-11** Reduce energy consumption from heating pool water.
- **2009-11** Continue to provide a safe, clean and attractive Swim Center.
- **2009-11** Continue to provide reliable and energy efficient Swim Center equipment.

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Surface area of swimming pools (square feet)	13,650	13,650	13,650	13,650
Work orders completed	150	150	150	150

LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Tree Maintenance
DEPARTMENT: Public Works

OPERATION: Parks & Recreation
FUND: General Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	371,500	398,300	427,500	440,500
Contract Services	76,700	98,800	22,100	22,100
Other Operating Expenditures	35,000	27,700	17,100	17,100
Minor Capital				
Total	\$483,200	\$524,800	\$466,700	\$479,700

PROGRAM DESCRIPTION

The tree maintenance program plants, maintains, and preserves trees along City streets and on City property. The program goal is an attractive, healthy, and safe urban forest which beautifies the City, purifies the air, and provides shade and wind protection. This program has three major activities:

- **Tree maintenance.** Pruning street trees and other trees on City property; controlling pests and diseases; repairing street tree wells and well covers; servicing and repairing tree maintenance equipment.
- **Urban forest improvement.** Enforcing the tree ordinance and associated standards and policies; reviewing landscape improvement plans and inspecting installations; developing and maintaining the tree inventory and maintenance software; planting new trees in City parks, streets, and open spaces; replacing damaged or diseased trees; conducting and monitoring tree removal operations; conducting monthly Tree Committee meetings; promoting awareness and expansion of the urban forest.
- **Banner and decoration installation.** Installing banners and decorations on downtown streets and in Mission Plaza to announce special events.

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
Public Works Maintenance Supervisor	1.0	1.0	1.0	1.0
Arborist/Urban Forester	1.0	1.0	1.0	1.0
Tree Trimmer	2.0	2.0	2.0	2.0
Total	4.0	4.0	4.0	4.0
Temporary Positions				
Full-Time Equivalents (FTE)	1.1	1.1	1.4	1.4

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-11** Reducing the contract services budget will save \$29,500 annually.

2009-11 PROGRAM OBJECTIVES

Major City Goals

- **2009-11** *Infrastructure Maintenance.* Sustain an effective level of existing core infrastructure maintenance such as streets, sidewalks, creek & flood protection, parks and protection of physical assets.

LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Tree Maintenance (continued)
 DEPARTMENT: Public Works

Other Important Council Objectives

- **2009-11** *Downtown Maintenance and Beautification.* Expand downtown beautification efforts, including enhanced maintenance, cleanliness and physical improvements including the pruning of downtown trees, tree well and root maintenance.

Other Council Goals

- **2009-11** *Urban Forest.* Update master tree plan and develop recommendation to renew the urban forest and plant more trees.

Other Program Objectives

- **2009-11** Provide services to assist efforts to boost tree planting and maintenance.
- **2009-11** Maintain an accurate inventory of urban forest trees.
- **2009-11** Implement selected tree removals and major pruning as identified

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
City street trees	16,000	16,100	16,100*	16,100*
Other City trees	4,900	5,000	5,000*	5,000*
Trees pruned	1,000	1,100	1,100	1,100
Trees planted	50	50	60	60

* Accurate account of City street trees and other City trees is pending implementation of the Urban Forest Inventory Program.

LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Cultural Activities
 DEPARTMENT: Administration

OPERATION: Cultural Services
 FUND: General Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing				
Contract Services	363,500	378,900	368,900	374,900
Other Operating Expenditures				
Minor Capital				
Total	\$363,500	\$378,900	\$368,900	\$374,900

PROGRAM DESCRIPTION

Promotional Coordinating Committee

In June of 1970, the Council established the seven-member Promotional Coordinating Committee (PCC) as a standing advisory committee. The goals of the PCC are to 1) improve the quality of life available to all residents of and visitors to San Luis Obispo and 2) promote, in a manner consistent with long-range community goals, the development of San Luis Obispo as a regional trade, recreational, and tourist center.

The PCC makes recommendations to the Council regarding grants to non-profit organizations that provide and organize economic, cultural and recreational events in San Luis Obispo. The PCC is also responsible for a comprehensive promotional program which includes overseeing the development of a marketing program and promotional campaigns. The PCC utilizes the relationships formed under the GIA program to further enhance the promotional message and drive traffic to the specific events and thus to the City of San Luis Obispo.

Cultural Activities Program

The cultural activities program has four major activities and assumes other responsibilities as needed.

- **Cultural grants.** The Promotional Coordinating Committee recommends funding for local, non-profit organizations that promote cultural, social, and tourism generating recreational activities.
- **Art in public places.** The City has an Art in Public Places program that provides public art through City funding, private developer funding and contributions from the private sector.
- **Performing Arts Center.** The City is a partner with Cal Poly and the Foundation for the Performing Arts (FPAC) in the operation of the Performing Arts Center. Operations are overseen by the Performing Arts Commission, which includes the Mayor and City Manager among its members, as well as representatives from Cal Poly and the Foundation. Under the operating agreement, the partners share in funding any operating subsidies on the same basis as the original construction funding: one-sixth each by the City and FPAC; and two-thirds by Cal Poly.
- **Cultural partnerships and non-profit agency support.** As appropriate, the City assumes responsibilities and makes grants in other cultural areas. Currently, the City/County Library receives a library operations subsidy from the City. The City also supports the Railroad Museum through Community Development Block Grant funding, and provides City-owned property at minimal cost to the San Luis Obispo Little Theatre, the San Luis Obispo Children's Museum, the County Historical Museum and the San Luis Obispo Art Center.

LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Cultural Activities (continued)
 DEPARTMENT: Administration

<i>Activity Cost Summary</i>	2009-10	2010-11
Cultural Activity Grants	90,000	90,000
Performing Arts Center Operating Subsidy	264,000	270,000
Library Operating Subsidy	14,000	14,000
Support Costs: Advertising & Printing	900	900
Total	\$368,900	374,900

STAFFING SUMMARY

Staff support is provided through other program areas. For the PCC and community partnerships, staff assistance comes from the Principal Administrative Analyst. The estimated regular staff hours to administer these programs are 600 hours. The Mayor and City Manager serve on the Performing Arts Center (PAC) Commission, which helps to oversee operations; the City Manager also serves on the Commission's Finance Subcommittee; and the Principal Administrative Analyst and one Council member serve on the Facilities Subcommittee.

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-11** Reducing the grants-in-aid program will save \$10,000 annually.

Increases Required to Support Basic Service Levels

- **2010-11** The PAC contract is increased by 2% per contractual obligation.

2009-11 PROGRAM OBJECTIVES

- **2009-11** Continue to support the City's cultural grant program.
- **2009-11** Increase City presence at supported events to increase visibility of City Tourism efforts
- **2009-11** Continue to provide support to the City's Community partners through grant and project support to the Railroad Museum, the Children's Museum, the Art Center, the Historical Society, and the Little Theater.
- **2009-11** Actively participate on the PAC Board and PAC Facilities committee.
- **2009-11** Continue support to the City-County Library.

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Grants-in-aid applications reviewed	34	26	36	35
Staff hours supporting grants-in-aid cycle	65	60	65	65
PCC grants-in-aid meetings staffed	6	6	6	6
Regular PAC meetings attended	8	8	8	8

LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Human Relations
 DEPARTMENT: Human Resources

OPERATION: Social Services
 FUND: General Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing				
Contract Services	202,300	228,900	225,700	227,500
Other Operating Expenditures	(300)	1,200		
Minor Capital				
Total	\$202,000	\$230,100	\$225,700	\$227,500

PROGRAM DESCRIPTION

The human relations program provides funding for the activities of the Human Relations Commission (HRC), which serves as an advisory body to the Council on issues relating to human and social services. Program goals include: 1) advising the Council on social and human service issues; 2) overseeing the grants-in-aid and Community Development Block Grant (CDBG) processes and providing recommendations to Council on grant distribution; 3) serving as liaison to the community regarding social and human service issues; 4) monitoring and informing Council and the community on statistics identifying the social health of the city. This program has five major activities:

- **CDBG evaluations.** Evaluating grant applications and recommending to Council funding levels for applicants.
- **Grants-in-aid administration.** Evaluating grant applications and recommending to Council funding levels for social services applicants.
- **Homeless shelter performance monitoring.** Monitoring the contract performance with the Community Action Partnership (CAP) to provide temporary shelter for people displaced from their homes.
- **Homeless day center liaison and financial support.** Providing a Commission liaison to support the efforts and report to the HRC regarding operational standards of the CAP's Prado Day Center; and funding the City's share of the Prado Day Center. Located at the City's Corporation Yard on Prado Road, the center offers various services for homeless persons and those vulnerable to becoming homeless. Hot meals are made available through the volunteer efforts of the People's Kitchen. Bus tokens are provided so homeless persons can get to and from the Prado Day Center. In addition, the center itself has showers, laundry facilities; children's play area and creates a single location for a number of service providers to meet with their homeless clients.
- **Low income water and sewer customer subsidy.** Provide a reduced rate of 15% for low income utility customers.

<i>Activity Cost Summary</i>	2009-10	2010-11
Human Relations Grants	126,600	126,600
Prado Day Center	52,600	53,700
Low Income Water/Sewer Subsidy	35,000	35,700
Bus Tokens for Prado Day Center	11,500	11,500
Total	\$225,700	\$227,500

STAFFING SUMMARY

None—staff support is provided through the Human Resources Administration program.

LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Human Relations (continued)
 DEPARTMENT: Human Resources

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-11** Non-staffing operating budget will be reduced by \$1,600 annually

2009-11 PROGRAM OBJECTIVES

Other Council Goals

- **2009-11** *Homeless Services.* Identify and pursue opportunities to implement the “Ten-Year Plan to End Chronic Homelessness.”

Other Program Objectives

- **2009-11** Provide grant funding to private, non-profit agencies serving the human service needs of San Luis Obispo residents.
- **2009-11** Continue to promote accessibility opportunities in San Luis Obispo.
- **2009-11** Continue to support a long-term, comprehensive, proactive, sustainable program that addresses homelessness and focuses on transitioning people out of homelessness.
- **2009-11** Continue to support services to seniors by encouraging collaboration among service providers.

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Grants-in-aid applications received	33	40	34	35
CDBG applications reviewed	9	10	10	10
Agency contacts by assigned HRC liaison	30	30	30	30
Low income water and sewer customer subsidy participants	241	283	290	300

Operating Programs COMMUNITY DEVELOPMENT



COMMUNITY DEVELOPMENT

PROGRAM: Commissions & Committees
 DEPARTMENT: City Council & Advisory Bodies

OPERATION: Planning
 FUND: General Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	15,100	21,200	17,500	17,500
Contract Services	3,200	6,900	6,900	6,900
Other Operating Expenditures	4,000	10,500	9,500	9,500
Minor Capital				
Total	\$22,300	\$38,600	\$33,900	\$33,900

PROGRAM DESCRIPTION

Two commissions and two committees advise the City Council on planning and building issues:

- **Planning Commission.** Makes decisions regarding land use policies and specific development applications, and recommends changes to the General Plan and Zoning Regulations, reviews and recommends long-range plans for the City’s growth and development, hears appeals of Zoning Hearing Officer’s decisions, reviews land use permit applications, reviews annexation requests, reviews subdivision tract maps and evaluates capital improvement plans for General Plan conformity. The Commission’s goal is a well-planned community with compatible land uses.
- **Architectural Review Commission (ARC).** Evaluates the architectural merit of most commercial, residential and public building projects, including exterior remodeling. The Commission also advises the City Council on design standards, architectural design, and site planning. Commission goals are 1) harmonious, aesthetic development within the City and 2) Preservation of the City’s natural beauty and visual resources.
- **Cultural Heritage Committee (CHC).** Oversees a broad range of educational and technical assistance programs aimed at identifying and preserving historical and cultural resources. The Committee maintains the Master List and Contributing List of historical and cultural resources, determines the significance of the impact of development proposals on historic resources, maintains a historical preservation library, advises people restoring historic buildings, and reviews development proposals in historic districts. The program goal is preservation of historic and architecturally significant buildings and locations.
- **Construction Board of Appeals.** Holds hearings on requests for relief from the strict application of the provisions of the City Building Code, or other specifications in any uniform code, and determines suitability of alternate materials or methods of construction. Effective January, 2008 the board will also act as a hearing body for matters related to disabled access compliance and substandard housing issues. Meetings are held as needed.

STAFFING SUMMARY

Each Committee and Commission has a different staff liaison. Staff assistance is provided through all divisions of the Community Development Department.

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-11** Reducing meeting supplies, publications, subscriptions will save \$1,000 annually.

2009-11 PROGRAM OBJECTIVES

Planning Commission Goals

- **2009-11** *Public Improvement Design Strategy.* Adopt a public improvement design strategy and public improvement program with an emphasis on the Downtown area.
- **2009-11** *Housing Element.* Implement Housing Element programs with an emphasis on homeless services and

COMMUNITY DEVELOPMENT

PROGRAM: Commissions & Committees (continued)
DEPARTMENT: City Council & Advisory Bodies

affordable housing production.

- **2009-11** *Land Use and Circulation Element.* Conduct a limited update of the Land Use and Circulation Elements focusing on the public input aspect of the sphere of influence areas and using in-house staff and other methods to minimize the associated costs of the effort.
- **2009-11** *Circulation Model.* Update the circulation model currently in development to be a forecast model.

Architectural Review Commission

- **2009-11** *Urban Design Element.* Consider preparation of a new Urban Design Element to the General Plan for the City's Downtown which focuses on the creation of public open spaces, the appearance of the street environment, and relationship of buildings to each other and public spaces.
- **2009-11** *Downtown Beatification Efforts.* Encourage increased funding for ongoing maintenance activities like shrub and flower planting in landscaped areas and the steam cleaning of sidewalks to improve the appearance of the downtown.
- **2009-11** *Funding for Alternative Transportation.* Encourage using in-lieu parking fees and other transportation revenue sources for the development of bicycle circulation and improvements and encourage the spaces of conventional parking lots and structures to accommodate electric cars, Vespas, and other alternative transportation vehicles.
- **2009-11** *Community Design Guidelines.* Update the Community Design Guidelines, specifically the lighting, solid waste facilities, infill residential development, and identify gateways.
- **2009-11** *Expansion of Old Town Historical District.* Study the boundaries of the Old Town historical district and look at expanding it based on an inventory of historical homes in adjacent blocks and the goal of enhanced historical preservation.

Cultural Heritage Committee

- **2009-11** *Historic Preservation Ordinance.* Prepare a Historic Preservation Ordinance pursuant to Conservation and Open Space Element program 3.30.10 and provide funding for the preparation of a historic character assessment of City historic districts.
- **2009-11** *Historic Survey Coordinator.* Retain a historic survey coordinator using private contributions in whole or part, to lead a community-staffed historic survey to update and maintain the Citywide Historic Resource Inventory of Master List and Contributing properties.
- **2009-11** *Adobes.* Stabilize initially, and as funding allows, rehabilitate the City-owned historic adobes: Rodriguez, Butron, and La Loma Adobes.
- **2009-11** *Southern Pacific Freight Warehouse.* Provide funding to complete the rehabilitation of the historic Southern Pacific Freight Warehouse to allow public use as a transit facility and Railroad Museum.
- **2009-11** *Historic Plaque Program.* Provide funding to continue the Historic Plaque Program at current levels
- **2009-11** *Historic Buildings Tour.* Sponsor or co-sponsor an annual historic buildings fundraising tour with local non-profit organizations and use proceeds for historic education outreach to local schools.
- **2009-11** *Historic Street Lights.* Continue the replacement of "modern" street light standards with historic street lights to improve Downtown safety and aesthetics.

COMMUNITY DEVELOPMENT

PROGRAM: Commissions & Committees (continued)
DEPARTMENT: City Council & Advisory Bodies

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Total agenda items reviewed	187	174	130	130
Total advisory body meetings	60	61	60	60

COMMUNITY DEVELOPMENT

PROGRAM: Community Development Administration
 DEPARTMENT: Community Development

OPERATION: Planning
 FUND: General Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	388,700	464,800	419,400	437,500
Contract Services	25,300	33,500	30,500	30,500
Other Operating Expenditures	28,600	25,300	19,700	19,600
Minor Capital		1,900		
Total	\$442,600	\$525,500	\$469,600	\$487,600

PROGRAM DESCRIPTION

The community development administration program provides management and support for the Development Review, Long-Range Planning, and Building & Safety Divisions of the Community Development Department, as well as the Planning Commission, Architectural Review Commission and Cultural Heritage Committee. Program goals are 1) providing effective and efficient management and support for other operating divisions; 2) establishing customer service standards for the Community Development Department; 3) coordinating priorities and tasks with other City departments; 4) establishing and maintaining complete and accurate records of staff and advisory body actions; and 5) providing prompt, courteous and accurate responses to requests for information. This program has ten major activities:

- **Community Development Department leadership.** Communicating organizational goals and values and establishing department priorities; directing and coordinating the work of four different department divisions and five operating programs; Representing the Community Development Department before the public and community groups, department heads, and other public agencies.
- **Department management.** Planning, organizing, monitoring and evaluating the activities of the Building and Safety, Long-Range Planning, and Development Review divisions, including preparation of City Manager Reports.
- **Database and records management.** Providing systematic control of the creation, processing, use, protection, storage, and final disposition of the department's public records; developing and maintaining specialized computer programs for building and planning applications, as well as citywide notification program; managing, maintaining, researching and entering database information for City's InfoSLO Land Use Inventory program.
- **Organization development.** Developing initiatives to incorporate City organization values into daily routines; encouraging teamwork and open communication; promoting and monitoring customer service, including polite and efficient delivery of department services; monitoring, identifying and delivering staff training opportunities; modifying department organization structure to increase efficiency and productivity.
- **Human resource management.** Ensuring Community Development Department staff are meeting performance expectations and taking corrective actions as necessary.
- **Budgeting and resource allocation.** Preparing the Community Development Department operating budget; managing personnel, material, travel and training expenses, including Budget Amendment Requests.
- **Contract and securities management.** Administering consultant contracts; preparing grants; receiving, processing, managing and releasing all sureties and related agreements; reviewing and processing all covenant easements and agreements and ensuring timely recordation.
- **Citywide addressing.** Assigning addresses to new or existing buildings and new subdivision parcels after the subdivision map has recorded; coordinating proper addressing with federal, state and local agencies, including utility companies, police and fire and ambulance services and post office; creating new and update existing land use records in the database to reflect new addressing; changing and linking new and existing parcels to shape files.

COMMUNITY DEVELOPMENT

PROGRAM: Community Development Administration (continued)
 DEPARTMENT: Community Development

- **Committee and commission support.** Coordinating and distributing Commission and Committee agendas; providing public notice of commission and committee hearings; posting agendas and staff reports on the Department’s web page; maintaining minutes and records of public hearings; and establishing postal, electronic and voice mail service for commissioners.

- **Public information and support services.** Providing clerical support for the department (creating and maintaining files and schedules, process payments and deposits and preparing routine correspondence); assisting the public; answering the phone; maintaining planning and building files; maintaining various sections of the Department’s website; providing counter technical support as needed.

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
Director of Community Development	1.0	1.0	1.0	1.0
Supervising Administrative Assistant	1.0	1.0	1.0	1.0
Permit Technician	1.5	1.5	1.5	1.5
Total	3.5	3.5	3.5	3.5
Temporary Positions				
Full-Time Equivalents (FTE)	2.0	2.0	2.0	2.0

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-11** Reducing microfilming/digitizing will save \$600 annually.
- **2009-11** Reducing the printing and reproduction contracts will save \$1,300 annually.
- **2009-11** Reducing various non-staffing line items will save \$3,150 annually.

2009-11 PROGRAM OBJECTIVES

Major City Goals

- **2009-11** *Economic Development.* In collaboration with Cal Poly, Cuesta and the business community, develop strategies to increase economic development including emphasis on head-of-household jobs and environmentally sustainable businesses.

Other Program Objectives

- **2009-11** Continue to provide leadership to staff, advisory bodies, community groups and the community.
- **2009-11** Continue to effectively manage the Department.
- **2009-11** Maintain an efficient records database based upon the City’s Record Retention policy.
- **2009-11** Look for additional ways to promote organization vitality.
- **2009-11** Continue implementing succession planning programs.
- **2009-11** Train new support staff with a thorough understanding of all processes involved to accomplish required tasks.
- **2009-11** Continue to provide a high standard of customer service at the department’s public counter.
- **2009-11** Continue to upgrade specialized computer programs for building and planning programs.
- **2009-11** Continue to maintain the InfoSLO database with accurate and current information.
- **2009-11** Provide for adequate support of other departments and divisions in achieving major Council goals.
- **2009-11** Expand cross-training of interns to include assistance where needed.

COMMUNITY DEVELOPMENT

PROGRAM: Community Development Administration (continued)
 DEPARTMENT: Community Development

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Public notices mailed	42,300	42,200	40,000	40,000
Public notice signs posted	555	536	405	405
Home occupation permits processed	149	130	100	100
Agenda packets produced & distributed	1,182	1,220	1,200	1,200
Total advisory body meetings (inc. workshops)	62	62	63	63
Administrative/Director's hearings	45	38	30	30
Other Administrative Actions not requiring public hearings	128	124	95	95
Notarizations performed	64	76	75	75
Sureties/guarantees (CD's and letters of credit) processed	\$417,521	\$97,040	\$250,000	\$250,000
Covenants/Agreements processed	95	88	85	85

COMMUNITY DEVELOPMENT

PROGRAM: Planning Development Review
 DEPARTMENT: Community Development

OPERATION: Planning
 FUND: General Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	604,300	636,000	584,900	608,500
Contract Services				
Other Operating Expenditures	6,700	7,500	10,400	10,400
Minor Capital				
Total	\$611,000	\$643,500	\$595,300	\$618,900

PROGRAM DESCRIPTION

The development review program assists the community with land use issues and questions, evaluates all types of development applications (including City-sponsored projects) relating to compliance with the City's General Plan, Zoning Regulations, Subdivision Standards, and other development regulations. Development review also maintains the City's development regulations. Reviewing development proposals prior to allowing construction is a key component of the City's General Plan implementation strategy. New development must conform to goals and standards established for housing, economic development, and environmental protection. Program goals are to 1) assist in achieving desired development in conformance with established policies, guidelines, standards, and acceptable timeframes; 2) provide timely processing of applications consistent with State and local laws and policies; 3) create and maintain an enjoyable place to live, work, or visit; 4) protect the public health, safety and welfare; and 5) stimulate high public awareness of decisions on planning and environmental issues. This program has six major activities:

- **Evaluating development applications.** Processing use permits, variances, architectural review applications, development plans, subdivisions, zoning clearance review; conducting environmental review of development projects and capital projects referred by other departments; processing general plan and zoning amendments; and processing annexation and pre-zoning proposals. Significant projects that are anticipated to be reviewed in 2009-2011 include the Margarita Area subdivisions, Copeland's Chinatown Mixed-Use, Garden Street Terraces, Prefumo Creek Commons, "The Gap") annexation/development, several significant airport-area projects, and additional developments in the downtown.
- **Inter-department support.** Providing support and assistance to the Building Division, Public Works Department, Utilities Department, Parks and Recreation Department, and the City's natural resources, economic development, and seismic retrofit programs. Numerous capital improvement plan (CIP) projects and Council goals will require environmental analysis and review by the Architectural Review (ARC) and Planning Commissions.
- **Maintaining development regulations and standards.** Updating land use regulations (such as the Zoning Regulations, Subdivision Regulations and Sign Regulations), Architectural Review Guidelines, and Environmental Review Guidelines. Significant update projects that are anticipated in 2009-2011 include an expansion of the outdoor dining regulations and a comprehensive amendment of the Zoning Regulations.
- **Public information.** Helping staff the department's public service counter and responding to citizen and student requests for information as well as providing an important liaison between project proponents and neighborhood groups.
- **Council, advisory body and neighborhood group support.** Providing staff support for the Council, Cultural Heritage Committee, Architectural Review Commission, Planning Commission, and Neighborhood Services Team for development review items and work goals.
- **Home occupation permits.** Reviewing and approving home occupation permits.

COMMUNITY DEVELOPMENT

PROGRAM: Planning Development Review (continued)
 DEPARTMENT: Community Development

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
Deputy Director/Development Review	1.0	1.0	1.0	1.0
Senior Planner	1.0	1.0	1.0	1.0
Associate Planner	3.0	3.0	2.0	2.0
Planning Technician/Assistant Planner	1.0	1.0	1.0	1.0
Total	6.0	6.0	5.0	5.0

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-11** Eliminating an Associate Planner position will save \$118,500 in 2009-10 and \$123,500 in 2010-11.

2009-11 PROGRAM OBJECTIVES

Major City Goals

- **2009-11** *Economic Development.* In collaboration with Cal Poly, Cuesta and the business community, develop strategies to increase economic development including emphasis on head-of-household jobs and environmentally sustainable businesses.

Other Important Council Objectives

- **2009-11** *Downtown Maintenance and Beautification.* Expand Downtown beautification efforts, including enhanced maintenance and cleanliness; review and upgrade of standards; and making phased physical improvements.

Other Program Objectives

- **2009-11** *Residential Development.* Support the City's Housing Program objectives and Affordable Housing Major City Goal. Specifically, facilitate the approval of plans for the Laurel Creek project, Margarita Area subdivisions, Broad Street Corridor, sites identified in the Housing Element, and other key infill sites.
- **2009-11** *Commercial Development.* Support the City's Economic Development Program objectives and prioritize downtown commercial projects.
- **2009-11** *Sidewalk Dining.* Implement the Project Plan and recommended changes to the Ordinance and procedures to encourage expansion of outdoor dining opportunities.

COMMUNITY DEVELOPMENT

PROGRAM: Planning Development Review (continued)
 DEPARTMENT: Community Development

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Development permit applications received	256	240	180	180
Complex projects (annexations, General Plan amendments/rezonings, planned developments, and environmental review)	54	36	27	27
Council agenda items (Development Review Only)	27	18	14	14
Advisory body agenda items (Development Review only)	136	136	105	105
Administrative/Director's actions (non- hearing)	128	124	95	95
Administrative hearing actions	70	52	40	40

COMMUNITY DEVELOPMENT

PROGRAM: Long-Range Planning
 DEPARTMENT: Community Development

OPERATION: Planning
 FUND: General Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	368,000	409,000	407,600	415,200
Contract Services	173,400	271,900	150,000	181,800
Other Operating Expenditures	8,800	11,000	11,500	11,500
Minor Capital				
Total	\$550,200	\$691,900	\$569,100	\$608,500

PROGRAM DESCRIPTION

The long-range planning program oversees the preparation, maintenance and implementation of the long-range plans that direct the City's efforts to meet the future needs of its residents. Program goals are:

- Conducting analyses to determine present trends and future needs.
- Organizing and facilitating community forums and outreach vehicles for citizen participation in the planning process.
- Developing planning alternatives and strategies to meet future needs and realize community goals and values.
- Developing programs and procedures that implement adopted plans.
- Providing for the protection and preservation of the environment and implementation of green build efforts.
- Promoting the wise use of City resources.
- Protecting the public health, safety, and welfare.
- Planning for well-managed growth and change.
- Stimulating public involvement in planning decisions that affect community values and the local environment and economy.
- Providing planning projections to other responsible City departments and coordinate plans for consistency and efficiency.
- Conducting environmental review as required by the California Environmental Quality Act for projects that involve the City as the lead agency.

This program has twelve major activities:

- **General plan.** Preparing new general plan elements as necessary, updating existing general plan elements, preparing an annual report on the status of the general plan, and evaluating requests to modify general plan policies or procedures.
- **Specific plans and area plans.** Preparing and assisting with administration of specific plans and area plans.
- **Policy and plan implementation.** Implementing general plan and area plan policies and programs.
- **Community Development Block Grant (CDBG) oversight.** Supervising the preparation of the City's CDBG program, assisting CDBG project managers with administration of approved grant programs (coordinating fund transfers, monitoring and reporting).
- **Council and advisory body support.** Providing staff support for the Council, Planning Commission, Cultural Heritage Committee and Architectural Review Commission.
- **Historic preservation efforts.** Providing the community with information regarding historic preservation. Providing professional review and recommendations for development projects and administering the Mills Act Program.
- **Sustainable community efforts.** Developing programs to respond to recent legislative changes regarding greenhouse gas emissions, sustainable community development and energy efficient development techniques.
- **Population, demographic, and land use information.** Maintaining population census and other statistical information regarding the City. Participating in and helping advertise participation in the upcoming 2010 Census.

COMMUNITY DEVELOPMENT

PROGRAM: Long-Range Planning (continued)
 DEPARTMENT: Community Development

- **City sponsored annexations.** Managing annexations initiated by the City typically involving multiple parcels that are not part of development permit applications.
- **Environmental review for City projects.** Preparing environmental analyses, reviews and documentation for projects that involve the City as lead agency or as a responsible agency pursuant to the California Environmental Quality Act.
- **Public information.** As staffing permits, assisting with coverage of the department's public service counter and responding to requests for information.
- **Other long-range planning activities.** Reviewing the City's capital improvement plan for consistency with the General Plan; coordinating land use and planning issues where jurisdictional planning boundaries with other agencies overlap; representing the City's long-range planning goals at community meetings; participating in the City's open space protection programs; and conducting general research and working on special projects as requested by City departments, commissions, committees, or the Council. Coordinating planning efforts with other agencies and hearing bodies: the County, San Luis Obispo Council of Governments (SLOCOG), Airport Land Use Commission (ALUC), Local Agency Formation Commission (LAFCO), Cal Poly, Cuesta College and others.

STAFFING SUMMARY	Actual	Budgeted	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
Regular Positions				
Deputy Director/Long-Range Planning	1.0	1.0	1.0	1.0
Associate Planner	1.0	1.0	1.0	1.0
Senior Planner	1.0	1.0	1.0	1.0
Total	3.0	3.0	3.0	3.0

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-11** Reducing contract services will save \$19,800 in 2009-10 and \$23,800 in 2010-11.
- **2010-11** Reducing other operating costs will save \$4,000 annually.
- **2009-11** Reducing computer supplies will save \$100 annually.

Increases Required to Support Basic Service Levels

- **2009-11** Creating a Climate Action Plan (CAP) to develop policies and programs to address reductions in greenhouse gas emissions will cost \$10,000 in 2009-2010 and \$15,000 in 2010-11 to pay for student interns or contract staff assistance to augment regular staff.
- **2009-11** Completing Phase 1B of the Airport Area annexation project will cost \$20,400 in 2009-2011. The fees will cover hiring a consultant (\$15,000) to prepare the boundary map metes and bounds description in order to submit the annexation request (\$2,900 application fee) to LAFCO and to pay the State Board of Equalization fees (\$2,500) required in order to finalize the annexation with the state.
- **2009-11** Completing a draft Historic Preservation Ordinance will cost approximately \$5,000 in 2009-11 to pay for graphics work associated with the ordinance.
- **2009-11** Conducting focused revisions to the Land Use Element will cost approximately \$20,000 annually for contract staff assistance and outreach efforts.

COMMUNITY DEVELOPMENT

PROGRAM: Long-Range Planning (continued)
 DEPARTMENT: Community Development

2009-11 PROGRAM OBJECTIVES

Other Important Council Objectives

- **2009-11** *Land Use and Circulation Element Update.* Initiate a focused revision to the Land Use and Circulation Elements.
- **2009-11** *Green House Gas Reduction and Energy Conservation.* Adopt and begin implementing a plan to reduce greenhouse gases and conserve energy for municipal operations and the community.
- **2009-11** *Historic Preservation.* Complete a draft Historic Preservation Ordinance and update the inventory of historic and cultural resources within the City.

Other Council Goals

- **2009-11** *Homeless Services.* Identify and pursue opportunities to implement the “Ten-Year Plan to End Chronic Homelessness.”

Other Program Objectives

- **2009-11** Promote implementing the South Broad Street Corridor Plan.
- **2009-11** Complete approval process for the Broad Street Corridor Plan and initiate follow-up rezoning required.
- **2009-10** Complete approval process for the Housing Element update and obtain State certification of element.
- **2009-10** Assist Public Works staff with updating the Parking Management Plan.
- **2009-11** Annex phase 1B of the Airport Area.
- **2010-11** Amend the Airport Area Specific Plan.
- **2009-11** Administer Mills Act program.
- **2009-10** Finalize Orcutt Area Specific Plan and begin annexation process.
- **2009-11** Strengthen efforts to increase affordable housing, including ways of augmenting funding.
- **2009-11** Review capital improvement plan for General Plan conformity.
- **2009-11** Continue General Plan implementation efforts.
- **2009-11** Provide staff support to the Cultural Heritage Committee, Architectural Review Commission, Planning Commission, and Council.
- **2009-11** Prepare General Plan Annual Report and monitor growth management program.
- **2009-11** Work with US Census Bureau for items associated with the 2010 Census.

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
General Plan updates	1	0	0	1
General Plan amendments	4	1	1	1
Specific plans and area plans	0	1	1	1
Annexations	1	0	0	1
CDBG projects	3	6	3	5
Housing Element implementation programs	1	1	1	1
Other General Plan implementation projects	7	1	1	1
General Plan Annual Reports	1	1	1	1
General Plan conformity reports	3	2	2	2
County Development project referrals	30	32	25	25
Community and committee workshops	26	19	15	15
City Council and advisory body agenda items	68	68	60	60

COMMUNITY DEVELOPMENT

PROGRAM: Housing
DEPARTMENT: Community Development

OPERATION: Planning
FUND: Community Development Block Grant

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	99,600	121,600	131,900	136,500
Contract Services	138,000	93,200	137,100	131,100
Other Operating Expenditures	900	3,100	3,100	3,100
Minor Capital				
Total	\$238,500	\$217,900	\$272,100	\$270,700

PROGRAM DESCRIPTION

The housing program is responsible for managing the City’s Inclusionary Housing Program and Community Development Block Grant (CDBG) program, including implementation of the Housing Element of the General Plan. The program activities include aggressively seeking grants, low-interest loans, public-private housing partnerships and other types of affordable housing assistance; coordinating housing programs with public and private agencies; evaluating additional residential infill areas, and managing the CDBG program, including providing technical assistance to other departments, preparing federal environmental documents, monitoring grantee performance and maintaining grant records. This program also provides funding to the Community Action Partnership (CAP) in helping them meet the housing needs of homeless persons in San Luis Obispo. The program’s goals are: 1) achieving the City’s housing goals as set forth in the General Plan; and 2) helping fund a sheltering program that meets the immediate housing needs of homeless persons. This program has seven major activities.

Housing Program Coordination

- **Affordable housing.** Developing and implementing programs to promote affordable housing which address a broad range of housing needs and income levels, such as rehabilitation loans, development incentives, homebuyer assistance, renter assistance, group and senior housing and related community development and zoning programs to assist housing initiatives; developing proposals for innovative ways to apply the City’s Affordable Housing Funds to assist in the development and maintenance of affordable housing.
- **Expansion of grant and other funding programs.** Expanding the range of housing assistance available by aggressively seeking new grants, loans and other funding sources, and by establishing partnerships with private non-profits, lenders, housing consortia, community housing and development organizations, church groups and others; assisting citizens, non-profits, advisory bodies, staff and others seeking CDBG or other grants for community-wide housing, homeless and community development programs.
- **Student housing.** Working closely with Cal Poly and Cuesta to provide on and off-campus housing for their students that does not disrupt existing City neighborhoods.
- **Grant administration.** Managing the City’s housing-related grant programs such as CDBG and maintaining high quality customer services through expeditious application review, processing and reporting; monitoring grantee performance to ensure effective use of grant funds; and ensuring compliance with grant rules and fair housing requirements.
- **Housing Element implementation.** Maintaining the City’s Housing Element and coordinating implementation of policies and programs.
- **Affordable housing program management.** Monitoring affordable rental and ownership housing by processing deed restrictions, coordinating with escrow officers, and working with the Housing Authority of San Luis Obispo to provide eligibility screening and marketing of available units.

Homeless Shelter Operations

- **Homeless shelter funding.** Providing funding assistance to the CAP for the operation of its homeless shelter program, which provides meals, overnight shelter and counseling assistance to homeless children, women, and men in San Luis Obispo. For 2009-11, the City anticipates providing \$90,000 annually in CDBG funds for operating the shelter program; the County of San Luis Obispo is expected to contribute a similar amount.

COMMUNITY DEVELOPMENT

PROGRAM: Housing (continued)
 DEPARTMENT: Community Development

Note: Through the Human Relations Program, the City also provides funding assistance to the CAP for operation of the homeless day care center located at the City's Corporation Yard on Prado Road. The center offers various services for homeless persons and those vulnerable to becoming homeless. Hot meals are made available through the volunteer efforts of the People's Kitchen. In addition, the center itself has showers, laundry facilities, a children's play area; and creates a single location for a number of service providers to meet with their homeless clients. In the past, operational funding of \$50,000 annually was provided through the CDBG program, with an amount matched by the County. Beginning with the 2003 grant year, CDBG funding from the City is no longer available for the day center due to federal limits on the use of CDBG funds for public services. (The limit is 15% of total CDBG funds: the City's allowable maximum is already allocated to the homeless shelter). As such, effective 2003-04, the General Fund now funds the City's contribution to the Prado Day Center.

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
Housing Programs Manager	1.0	1.0	1.0	1.0
Total	1.0	1.0	1.0	1.0

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-10** Reducing publications will save \$200 annually.

2009-11 PROGRAM OBJECTIVES

Other Council Goals

- **2009-10** *Homeless Services.* Identify and pursue opportunities to implement the "Ten-Year Plan to End Chronic Homelessness."

Other Program Objectives

- **2009-11** Strengthen efforts to increase affordable housing, including ways of augmenting existing funding - continuing program.
- **2009-11** Identify and pursue opportunities to implement the "10 Year Plan to End Chronic Homelessness".
- **2009-11** Implement programs to promote affordable housing across a broad range of housing needs and income levels.
- **2009-11** Aggressively seek grants and by establishing partnerships with private non-profits, lenders, housing consortia, community housing and development organizations, church groups and others.
- **2009-11** Develop equity sharing program for deed-restricted housing.
- **2009-11** Work with HASLO to develop affordable housing in Margarita Specific Plan Area.
- **2009-11** Look for opportunities to rezone infill areas to achieve higher density.
- **2009-11** Coordinate City programs with HASLO, the Housing Trust Fund, and other housing agencies and advocates.

COMMUNITY DEVELOPMENT

PROGRAM: Housing (continued)
 DEPARTMENT: Community Development

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Solicit grants, loans, and other forms of financial assistance for affordable housing	2	2	3	3
Implement Housing Element programs including evaluating additional residential infill areas	1	2	1	1
Planning applications reviewed for inclusionary housing	New measure	New measure	100	100
CDBG Program				
Grant applications reviewed	9	10	10	10
Grants funded	3	6	5	5
1 st Time homeowners assistance loans	0	4	5	5
Daily overnight stays at the shelter	26,642	26,630	26,630	26,630
Breakfast & dinner served daily at the shelter	59,032	60,142	60,142	60,142

COMMUNITY DEVELOPMENT

PROGRAM: Building and Safety
 DEPARTMENT: Community Development

OPERATION: Construction Regulation
 FUND: General Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	796,200	1,003,100	905,900	946,600
Contract Services	41,500	51,900	24,200	24,200
Other Operating Expenditures	22,900	22,600	17,900	26,400
Minor Capital				
Total	\$860,600	\$1,077,600	\$948,000	\$997,200

PROGRAM DESCRIPTION

The building and safety program implements the adopted construction codes and other state and local laws that regulate building construction and use. The program operates as a “one stop” permit processing operation responsible for coordination of construction application review by other city departments including Public Works, Planning, Utilities and Fire as well as external agencies such as County Environmental Health and the Air Pollution Control District. This program is responsible for calculating and collecting of fees at time of construction permit issuance and works closely with the Economic Development Manager in order to prepare fee estimates for persons with an interest to develop within the community. Program oversight also requires coordination with the Fire Prevention Bureau and the Neighborhood Service Team in order to follow up on code enforcement related matters. The program goal is safe, accessible, and energy-efficient buildings that comply with all applicable construction regulations. This program has seven major activities:

- **Public information.** Answering questions, offering interpretations of construction codes, promoting understanding of the City’s regulations, advocating violation prevention and providing code related information to the public via the internet.
- **Construction permit application review.** Reviewing construction permit applications and plans for compliance with applicable codes, issuing permits, and collecting fees.
- **Development review coordination.** Coordinating permit application review with other departments/agencies to ensure compliance with other development regulations.
- **Construction inspection.** Inspecting construction projects to ensure compliance with codes and approved plans.
- **Code enforcement.** Investigating alleged violations of housing, zoning, sign, and construction codes and following through with abatement actions.
- **Coordination of collection of impact fees.** Collecting impact fees associated with development and other cost recovery types of fees at the time of building permit issuance. Efforts to provide this fee collection service are complex and comprehensive. Building Division’s staff are well versed regarding the initiatives behind the required fees and act as the City’s advocate to help the public better understand the basis of our fees. Much coordination also occurs to ensure the fees are credited to the appropriate accounts and reports are prepared for other departments in order to ensure they can maintain an accurate accounting of their respective revenues.
- **Building and safety code updates.** Keeping current with changes in State Law and community needs.

State Laws Taking Affect in 2009-11 that will impact the building and safety program

Green Building Code. Unlike any code changes in the past, the code adoption process this time will include new Green Building Standards. As a result of AB 32 and other global warming initiatives, code development organizations, consultants and government agencies have been working to establish minimum standards to limit the impacts to the environment. California has adopted a Green Building Code and for the first time these standards will be mandatory for all projects, not just on a voluntary basis. Work will begin within the Community Development Department during 2009 to evaluate these regulations and establish new criteria for our planning and construction applications in order to prepare the applicants and property owners for implementation of the upcoming regulations. There will be a public outreach component in order to get

COMMUNITY DEVELOPMENT

PROGRAM: Building and Safety (continued)
 DEPARTMENT: Community Development

the design professionals in the loop to make this as smooth a transition as possible. This will require significant outreach and training efforts in order to have a smooth transition to the new regulations.

SB 1608 – Disabled Access Compliance Specialist Act. Implementation of SB 1608, otherwise known as the Disabled Access Compliance Specialist Act, will require adequate staffing to enforce the mandates of this new state law. By July 2010 local jurisdictions must be ready to enforce the provisions of this law. It will result in hiring a state certified Access Compliance Specialist in order to inspect and certify buildings within our jurisdiction and provide a state issued certificate and maintain records regarding the results of the inspection and follow-up of any corrective action that the building owner has taken to achieve access compliance. At least one Building Inspector will need to obtain the certification by July 1, 2010 and by 2014 two additional staff members will be required to be Certified Access Compliance Specialists. The law allows that we establish a fee in order to recover our costs of providing the service. Implementation of this program will require significant outreach and training efforts.

2010 California Building Code (Adoption of the IRC). Within this budget cycle the Building Division will be adopting new construction codes (this occurs every three years). Typical code updates would include over 400 changes or upgrades to the codes. Last year there were thousands of changes incorporated into the process because we were adopting the provisions of the International Building Code. Similarly, this time we will be converting to the International Residential Code as the core code for residential construction resulting in a higher than usual number of code changes. We will begin our analysis prior to the actual code change so we can incorporate appropriate analysis into the Development Review process.

Storm Water Regulations. The City has submitted the final version of its stormwater management plan to the Regional Water Quality Control Board (RWQCB) and it is expected to be approved with more modifications to the plan’s “Best Management Practices” (BMP’s). Under the current BMP’s, the Building Division will need to follow-up on 51 items and based on eliminating the Stormwater Manager, several of the items may have significant impacts to the division. Development of a post construction runoff program is expected to include:

- Creating standards that would be applied to projects in the planning application process.
- Establishing criteria for training inspectors and code enforcement personnel to conduct site inspections.
- Initiating code enforcement efforts as necessary.
- Maintaining records of compliance with the stormwater plan and,
- Coordinating the reporting of the results of compliance efforts in conjunction with evaluating the program and implementing changes to enhance our efforts.

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
Chief Building Official	1.0	1.0	1.0	1.0
Assistant Building Official	1.0	1.0	1.0	1.0
Permit Coordinator	1.0	1.0	1.0	1.0
Plans Examiner	1.0	1.0	1.0	1.0
Building Inspector	2.0	2.0	2.0	2.0
Code Enforcement Officer	2.0	2.0	2.0	2.0
Permit Technician	0.8	0.8	0.8	0.8
Total	8.8	8.8	8.8	8.8

COMMUNITY DEVELOPMENT

PROGRAM: Building and Safety (continued)
 DEPARTMENT: Community Development

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-11** Reducing various non-staffing line items will save \$7,800 annually

2009-11 PROGRAM OBJECTIVES

- **2009-11** Amend and adopt 2010 California Building Code.
- **2009-11** Transition to the International Residential Code.
- **2009-11** Introduce a Green Building ordinance.
- **2009-11** Develop and implement the Disabled Access Compliance Act.
- **2009-11** Implement fee changes related to the cost of services study.
- **2009-11** Coordinate outreach efforts to ensure a smooth transition to the new codes.
- **2009-11** Coordinate unreinforced masonry (URM) program including processing of extension requests.
- **2009-11** Coordinate review of the downtown mixed use projects including consultations with applicants regarding code updates.
- **2009-11** Continue neighborhood wellness activities
- **2009-11** Continue cross training efforts related to recognition of code enforcement violations.
- **2009-11** Collaborate with Fire Department, Cal Poly and Cuesta regarding the Safe Housing Initiative.
- **2009-11** Continue website enhancements.
- **2009-11** Develop and implement a sign enforcement program.
- **2009-11** Develop an access compliance program for City owned buildings.
- **2009-11** Update the Building Damage Assessment Program in an effort to ensure data collection consistent with federal guidelines.
- **2009-11** Provide community outreach relative to seismic strengthening of structures at risk of damage during an earthquake.
- **2009-11** Evaluate the effects of the wildland–urban interface regulations and implement appropriate standards to reduce the risk of catastrophic damage within the community.

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Number of building permits issued	601	500	500	400
Number of other permits issued	1396	1150	1100	880
\$ value of construction permitted	\$60,913,301	\$50,000,000	\$50,000,000	\$40,000,000
Plan check applications processed	523	475	475	350
Inspections conducted	8477	10,000	9,000	8500
Enforcement cases received	567	650	650	650
Total enforcement cases closed	572	620	620	620
Cases requiring City Attorney review	n/a	40	45	45
Average days to resolve cases	96	90	90	90

COMMUNITY DEVELOPMENT

PROGRAM: CIP Project Engineering
DEPARTMENT: Public Works

OPERATION: Construction Regulation
FUND: General Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	1,439,000	1,699,300	1,531,100	1,541,100
Contract Services	14,900	15,000	7,200	7,200
Other Operating Expenditures	19,000	46,300	35,800	35,800
Minor Capital				
Total	\$1,472,900	\$1,760,600	\$1,574,100	\$1,584,100

PROGRAM DESCRIPTION

The CIP project engineering program oversees design and construction (including inspection) of all construction projects in the City's capital improvement Plan (CIP). These projects include improvements to buildings, parks, and streets as well as water, wastewater, and flood protection systems. The program also provides inspection services for public infrastructure improvements built by the private sector. The program goal is cost-effective CIP projects and public infrastructure improvements that meet established engineering standards and specifications. This program has four major activities:

- **CIP project design.** Acquiring right of way; designing projects; preparing plans, specifications, and cost estimates.
- **CIP project construction management.** Advertising for bids on construction contracts; awarding contracts; inspecting construction work for conformance to specifications; preparing estimates for progress payments; documenting project work to avoid unexpected claims; resolving disputes in an equitable manner.
- **Private development inspection.** Inspecting construction work by the private sector on public facilities that will be dedicated to the City and ensuring that this construction conforms to City standards; inspecting work performed in the public right of way by utility companies and property owners.
- **Recordkeeping.** Preparing and maintaining record maps of City streets and infrastructure; preparing as-built drawings of CIP project construction; compiling daily diaries for construction management and inspection activities; maintaining the City's survey control information.

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
Supervising Civil Engineer	1.0	1.0	1.0	1.0
Senior Civil Engineer	1.0	1.0	1.0	1.0
Engineer	3.0	3.0	3.0	3.0
Construction Engineering Manager	1.0	1.0	1.0	1.0
Field Engineering Assistant	3.0	3.0	3.0	3.0
Public Works Inspector	2.0	2.0	2.0	2.0
Engineering Technician	3.0	3.0	2.0	2.0
Total	14.0	14.0	13.0	13.0
Temporary Positions				
Full-Time Equivalents (FTE)	0.7	0.7	0.7	0.7

COMMUNITY DEVELOPMENT

PROGRAM: CIP Project Engineering (continued)
 DEPARTMENT: Public Works

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-11** Reducing contract services will save \$6,000 annually.
- **2009-11** Eliminating one Engineering Technician will save \$47,700 in 2009-10 and \$95,300 in 2010-11.

2009-11 PROGRAM OBJECTIVES

Major City Goals

- **2009-11** *Infrastructure Maintenance.* Sustain an effective level of existing core infrastructure maintenance such as streets, sidewalks, creek & flood protection, parks and protection of other physical assets.
- **2009-11** *Traffic Congestion Relief.* Continue efforts on projects which relieve traffic congestion, such as street modifications, intersection improvements, pedestrian improvements, bicycle facilities, traffic signal operations and public transit.

Other Important Council Objectives

- **2009-11** *Downtown Maintenance and Beautification.* Expand Downtown beautification efforts, including enhanced maintenance and cleanliness; review and upgrade of standards; and making phased physical improvements.

Other Council Goals

- **2009-11** *Creek and Flood Protection.* Advance Mid-Higuera flood protection improvements by seeking Zone 9 funding to complete design, obtain approvals and make progress toward construction as resources will allow.

Other Program Objectives

- **2009-10** Perform comprehensive review of the Pavement Management Plan; present results to the Council in Fall 2009; and begin implementing any revised provisions.
- **2009-10** Present results of Laguna Lake dredging Initial Study, Mitigated Negative Declaration and implementation options to the Council in Fall 2009.
- **2009-10** Develop and present low-cost, interim landscape improvement options for the South Street medians to the Council in Fall 2009.
- **2009-11** Ensure planned delivery of all construction projects in the City's capital improvement plan (CIP).
- **2009-11** Continue to update Engineering Standards and Specifications.
- **2009-11** Implement approved Storm Drain Master Plan.

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Number of projects designed and constructed	25	34	44	18
Value of projects constructed	\$6,200,000	\$10,100,000	\$9,600,000	\$14,300,000
Permit inspections	250	60	90	90

COMMUNITY DEVELOPMENT

PROGRAM: Engineering Development Review
DEPARTMENT: Public Works

OPERATION: Construction Regulation
FUND: General Fund

PROGRAM COSTS	Actual	Budgeted	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
Staffing	530,300	597,200	499,600	465,900
Contract Services	55,400	2,600	6,200	6,200
Other Operating Expenditures	900	5,900	5,800	5,800
Minor Capital				
Total	\$586,600	\$605,700	\$511,600	\$477,900

PROGRAM DESCRIPTION

The engineering development review program oversees design and construction of various public works projects built by private developers for City ownership. These projects typically include additions to the City’s water, wastewater, recycled water, storm drain, street, flood protection, and park systems. Since 2002, this program has been responsible for the review of the design of commercial, industrial and residential private development projects for compliance with the Grading Ordinance, Parking & Driveway Standards, site development and drainage designs.

This program is responsible for verifying plan compliance with the Waterway Management Plan Drainage Design Manual for all private development projects. To ensure public safety, this program also grants permission for various uses of public rights-of-way and issues permits accordingly. The program represents the city as Floodplain Manager and prepares regular responses and reports to Federal Emergency Management Agency (FEMA) and the public in this regard. The program reviews development projects for compliance with the Tree Regulations and coordinates with the City Arborist on tree removals, tree plantings, and tree preservation requirements. The program goal is ensure compliance with the City’s Engineering Standards, Community Design Guidelines, Floodplain Management Regulations, Waterway Management Plan, and to provide safe, effective, and efficient public works which meet established engineering standards and specifications. This program has four major activities:

- **Development review.** Reviewing parcel maps, subdivision maps, and subdivision construction plans as required by the Subdivision Map Act; reviewing private building and development project plans for compliance with standards; enforcing FEMA standards which are intended to reduce damage caused by flooding; reviewing of planning applications for the establishment of mitigation measures, conditions and code requirements.
- **Encroachment permit review and issuance.** Reviewing and approving all encroachments into the public right of way, including: private construction, public capital improvement project construction, construction staging, pedestrian and traffic control plans, utility installation and repair, news racks, and outdoor dining facilities; coordinating with Public Works inspectors regarding plan requirements, project conditions, compliance with City Engineering Standards and permit conditions; monitoring truck routes and issuing wide-load transportation/trucking permits.
- **Recordkeeping.** Preparing and filing as-built drawings of private and public works construction; preparing legal descriptions for property transactions; preparing abandonment and easement requests; documenting all construction activities, reports and filings related to the Floodplain Management Regulations.
- **Miscellaneous projects.** Coordinating miscellaneous engineering activities such as developing downtown pedestrian street lighting standards, implementing National Pollution Discharge Elimination System (NPDES) initiatives, coordinating permit issuance for private utility construction; reviewing of ordinances or guidelines being prepared by other departments or divisions.

COMMUNITY DEVELOPMENT

PROGRAM: Engineering Development Review (continued)
 DEPARTMENT: Public Works

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
Supervising Civil Engineer	1.0	1.0	1.0	1.0
Senior Civil Engineer	1.0	1.0	1.0	1.0
Engineer	1.0	1.0	0.0	0.0
Permit Technician	1.0	1.0	1.0	1.0
Total	4.0	4.0	3.0	3.0
Temporary Positions				
Full-Time Equivalents (FTE)	0.5	0.5	0.8	0.8

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-11** Eliminating one regular engineer position will save \$91,100 in 2009-10 and \$95,100 in 2010-11.

2009-11 PROGRAM OBJECTIVES

Major City Goals

- **2009-11** *Traffic Congestion Relief.* Continue efforts on projects which relieve traffic congestion, such as street modifications, intersection improvements, pedestrian improvements, bicycle facilities, traffic signal operations and public transit.
- **2009-11** *Infrastructure Maintenance.* Sustain an effective level of existing core infrastructure maintenance such as streets, sidewalks, creek & flood protection, parks and protection of other physical assets.

Other Important Council Objectives

- **2009-10** *Downtown Maintenance and Beautification.* Expand Downtown beautification efforts, including enhanced maintenance and cleanliness; review and upgrade of standards; and making phased physical improvements.

Other Program Objectives

- **2009-11** Continue to review design and construction of various public works projects built by private developers for City ownership

COMMUNITY DEVELOPMENT

PROGRAM: Engineering Development Review (continued)
 DEPARTMENT: Public Works

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Encroachment permits issued ¹	250	60	90	90
Excavation work permitted (lineal feet)	20,000	18,800	18,800	18,800
Sidewalk work permitted (lineal feet)	2,700	2,600	2,600	2,600
Driveway ramp work permitted (lineal feet)	700	700	700	700
Transportation permits issued	200	200	200	200
Improvement plans approved	10	10	10	10
Value of improvements approved	3,000,000	2,000,000	1,500,000	1,500,000
Subdivision maps approved	15	10	7	7
Planning applications reviewed	200	150	150	150
Building permit applications reviewed ²	800	700	700	700

¹ The number of encroachment permits and resulting excavation work varies with the amount of money provided by Utilities for the voluntary sewer lateral rehabilitation program.

² Includes site grading reviews.

COMMUNITY DEVELOPMENT

PROGRAM: Natural Resources Management
DEPARTMENT: Administration

OPERATION: Natural Resources Protection
FUND: General Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	260,200	302,200	293,900	287,400
Contract Services	52,600	83,700	50,700	51,100
Other Operating Expenditures	19,000	24,800	15,000	15,000
Minor Capital	2,400			
Total	\$334,200	\$410,700	\$359,600	\$353,500

PROGRAM DESCRIPTION

For many years, the City has had in place numerous policies and programs designed to protect and enhance the City's natural environment. Carrying out these policies and programs was a responsibility shared by a number of departments and staff persons. In 1995, a more formally structured program was created under the Natural Resources Manager to bring greater overall guidance and a proactive approach to the City's environmental protection and restoration efforts and to the open space and greenbelt programs. Because of growth in the City's open space system and increased responsibility for mitigation activities, in 2000 the natural resources management program was expanded significantly with the addition of the City Biologist. This program has three major activities:

- **Open space/greenbelt acquisition and management.** Identifying of important open space resources of the community and seeking long-term protection of those resources. This involves (1) educating the community as to the value of open space resources and (2) working with landowners, planning officials, and grant-making organizations to effect long-term land and habitat protection and management. Methods used to achieve this protection include direct purchase of land or less-than-fee interest in land; accepting dedications of land in conjunction with the granting of development entitlements; accepting outright donations of land or easements; and working with the County and with nonprofit organizations on policies that protect open space in and around the City. Consistent and effective stewardship of open space lands in City ownership is a fundamental component of this activity and is accomplished through the development of property specific Conservation Plans.
- **Stormwater program (SWP) coordination and agency reporting.** Coordinating the efforts of City staff for purposes of reporting required technical data from the respective departments and control actions affected by this State-mandated program to the Regional Water Quality Control Board. This is a new program and will begin with monthly coordination meetings and background research for other agencies who have already developed appropriate SWP reporting programs to use as a template for the City's needs. Additional computer software may be required to build a database for each responsible party to input their stormwater reduction actions and significant products as outlined in the SWP objective table. Development of educational literature for landowners to reduce stormwater impacts and monitoring (during and post-construction) of sites will be undertaken as needed. A ranking system will be developed to prioritize sites to survey further ensuring City-wide oversight. Natural Resources staff involvement is seen as giving the program broader emphasis than simple stormwater cleanup, with overall improvements in water quality throughout the City's waterway system being the overarching goal.
- **Natural resource protection, project mitigation and educational outreach.** Improving the environmental components of development projects and of routine maintenance, regardless of the party carrying it out. This is done by: (1) participating in the review of development proposals and recommending modifications or mitigations where appropriate; and (2) working with landowners and City staff on maintenance projects affecting sensitive resources or habitats. This may include activities as disparate as advising City staff and homeowners on maintenance practices within creek areas, to overseeing mitigation programs for major City projects. The latter activity is an important focus for the Natural Resources Protection Program, which has resulted in greater effectiveness in mitigation activities and cost savings to the City. Part of this work is paid through the Utilities Department that relies on the Natural Resources team for mitigation work. This activity also (3) seeks to educate citizens about the community's natural resources by developing an inventory of the City's natural resources and making that information available to the community through various educational and volunteer activities.

COMMUNITY DEVELOPMENT

PROGRAM: Natural Resources Management (continued)
 DEPARTMENT: Administration

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
Natural Resources Manager	1.0	1.0	1.0	1.0
City Biologist	1.0	1.0	1.0	1.0
Administrative Assistant	0.3	0.3	0.0	0.0
Total	2.3	2.3	2.0	2.0

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-11** Reducing the use of outside consultants will save \$17,500 annually.
- **2009-11** More careful husbanding of existing open space “infrastructure” (particularly fencing), using recycled materials and careful weighing of ongoing maintenance costs will save \$8,900 per year.
- **2009-11** Eliminating the Administrative Assistant position in December 2009 will save \$11,600 in 2009-10 and \$24,300 in 2010-11.

2009-11 PROGRAM OBJECTIVES

Other Important Council Objectives

- **2009-11** *Open Space Preservation.* Continue efforts to acquire, preserve, and protect open space and develop a master plan for city-owned prime agricultural land and neighboring lands expected to remain in agricultural use.

Other Program Objectives

- **2009-11** Assume an administrative leadership role for the SWP to ensure timely and proper reporting of program activities and direction.
- **2009-11** Continue to assist the Community Development and Public Works Departments with the natural resource components of several large annexations (Eastside, Orcutt, Tank Farm, Filipponi-Denbow and “Gap property”), and important City infrastructure projects (Tank Farm Force Main, Prefumo Creek Bridge).
- **2009-11** Continue to oversee City and private mitigation programs especially along the City’s waterways, wetland areas, and at the Damon-Garcia Sports Fields.
- **2009-11** Continue to provide technical and planning support to the Utilities Department for the water reuse, Nacimiento pipeline, and other major utility projects with resource issues or concerns.
- **2009-11** Continue to participate in development of the City portion of the Bob Jones Bikeway.

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Land transactions	3	5	2	2
Staff referrals responded to	100	100	150	150
Citizen referrals responded to	900	900	1,000	1,100
Stewardship or education events/participants	25/1,000	25/1,000	25/1,000	25/1,000
Grant funds applied for	\$350,000	\$550,000	\$200,000	\$350,000
Grant funds approved	\$350,000	\$550,000	\$200,000	\$350,000
Acres acquired in fee/easement	389	657	500	500
Natural Resource Management Plans completed	1	1	1	1

COMMUNITY DEVELOPMENT

PROGRAM: Economic Development
DEPARTMENT: Administration

OPERATION: Economic Health
FUND: General Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	139,500	176,600	185,600	180,500
Contract Services	34,600	62,700	62,200	62,400
Other Operating Expenditures	5,500	8,700	6,300	6,300
Minor Capital				
Total	\$179,600	\$248,000	\$254,100	\$249,200

PROGRAM DESCRIPTION

With emphasis on creating head of household jobs and environmentally sustainable businesses, the economic development program seeks to enhance the community’s economic well-being consistent with the community’s vision for San Luis Obispo. Proactive efforts to promote maintenance and expansion of quality employment through focused business retention and expansion practices lead the Program’s efforts. Encouraging environmentally sustainable businesses is a primary focus of the program. This program has seven major activities:

- **Business retention and expansion** Through its business retention and expansion program (BR&E), economic development will maintain an up-to-date picture of the local economy by obtaining data on City-wide businesses. The relative strength of the local economy (such as number of business expansions and new investments) will be assessed via data collection, analysis, and outreach. Areas of interest and concern that can improve the local business climate will be identified such as, workforce availability and quality, regulatory issues, access to capital, environmental sustainability, and industrial park development.
- **Data collection and analysis.** Data collection and analysis is the foundation of the BR&E efforts. Data about specific businesses in the City will be collected from two primary sources: new information obtained via surveying key businesses and existing data available through the City’s business licensing program, the Chamber of Commerce, Downtown Association and Economic Vitality Corporation. Prior to conducting the BR&E surveying, initially targeted businesses will be identified and the survey created by staff. Business retention surveys will be undertaken by the Economic Development Manager, Administrative Analyst, and volunteers. This process will be facilitated through specialized BR&E software and will be further directed as existing industry emerge clusters. The goal is to obtain as much information as possible, as soon as possible, including the completion of 72 “visits” by the end of the budget cycle, approximately 4 per month following completion of the survey.

This information will be used to provide metrics about the City’s economic development efforts, dynamics of the local economy, and the economic well-being of individual companies or clusters. This information will also offer direction for the development of marketing efforts and informational tools. The existing Business Visitation Program will continue in conjunction with the Chamber of Commerce in the existing format.
- **Identify industry clusters and opportunities.** To identify existing industry clusters, representatives from a wide cross-section of businesses, the environmental community, CalPoly and Cuesta College, and the City will be tapped for insights and expertise. Industry cluster identification will help to identify businesses that are the most important survey targets. Discussion about what is happening in the clusters and whether there are opportunities to encourage business in clusters is a potential outcome. Ongoing discussions will be undertaken with a cross-section of the business, environmental, educational, and governmental community regarding industry clusters.
- **Information outreach** Upgrades to the economic development webpage will continue to be identified with an eye to making it easier for businesses to find information efficiently and effectively on the City website. Information will continue to be available to interested parties on the City website such as available commercial sites and space, demographic analysis, and community-wide information. An upgraded effort to market our community as a place to do business through publication of analysis facilitated through BR&E efforts will be an added component. This will be undertaken by the Economic Development Manager and Administrative Analyst shared with Finance & Information Technology.

COMMUNITY DEVELOPMENT

PROGRAM: Economic Development (continued)
 DEPARTMENT: Administration

- **Collaborative economic development efforts with Cal Poly and Cuesta College.** The economic development program will continue to work to develop a collaborative relationship with Cal Poly to identify ways to better utilize existing tools in support of business start-ups, recruitment of graduating students, and academic programs that may promote job growth. The program will also work with Cuesta College to identify and coordinate with the College's workforce training and small business management training programs.
- **Ongoing economic development assistance.** Ongoing organizational assistance will continue to be given to significant projects, particularly those projects that have entered a memorandum of understanding with the City. These projects currently include Chinatown, Garden Street Terraces and the Prefumo Creek Commons. Efforts to assist businesses with City processes will be managed through the BR&E software so that the effectiveness of City responses can be quantified. Quick Response Team activities will be subsumed by pre-application meetings conducted by Community Development staff. Coordination with the Downtown Association will continue the City's efforts to support the Downtown.
- **Compliance with unreinforced masonry (URM) Ordinance.** This is encouraged by regular outreach and interaction with owners of buildings on the URM inventory. In addition, work with the Chamber of Commerce's Seismic Task Force aids in communication and consideration of actions affecting the URM retrofit program. Significant coordination with the Chief Building Official is a primary function of this initiative. Significant work on this initiative will continue through mid-2012.

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
Economic Development Manager	1.0	1.0	1.0	1.0
Administrative Assistant	0.3	0.3	0.0	0.0
Administrative Analyst*	0.0	0.0	0.3	0.3
Total	1.3	1.3	1.3	1.3

* This position is shared with Finance & Information Technology Administration, where 0.7 of this position is allocated.

SIGNIFICANT PROGRAM OBJECTIVES

Reductions Required to Balance the Budget

- **2009-11** Reducing non-staffing operating costs will save \$25,200 annually.
- **2009-11** Eliminating the Administrative Assistant position in December 2009 will save \$11,600 in 2009-10 and \$24,300 in 2010-11.
- **2009-11** Administrative support will be provided in part by an Administrative Analyst instead of an Administrative Assistant.

2009-11 PROGRAM OBJECTIVES

Major City Goals

- **2009-11** *Economic Development.* In collaboration with Cal Poly, Cuesta College, and the business community, develop strategies and increase economic development including emphasis on head-of-household jobs and environmentally sustainable businesses.

Other Program Objectives

- **2009-11** Develop BR&E survey and identify initial businesses to survey.
- **2009-11** Develop BR&E database with Analyst using existing data from city and external sources.
- **2009-11** Conduct 72 business surveys (4 per month beginning January 2010).

COMMUNITY DEVELOPMENT

PROGRAM: Economic Development (continued)
 DEPARTMENT: Administration

- 2009-11 Update database with information from surveys and existing sources of information.
- 2009-11 Use BR&E data to produce a quarterly newsletter on business retention and expansion.
- 2009-11 Use BR&E data to produce metrics about inquiries to the City.
- 2009-11 Work with Administration Analyst to manage the BRE database, analyze the information, produce metrics and disseminate information.
- 2009-11 Continue to conduct 10 business visitations with Council per year.
- 2009-11 Continue to collaborate with Community Development on the seismic retrofit program.
- 2009-11 Begin a series of forums to identify industry clusters and opportunities for job growth drawing on expertise from the business, environmental, educational and governmental communities.
- 2009-11 Draft a working list of industry clusters and opportunities.
- 2009-11 Present working list of industry clusters and opportunities to participants and foster opportunities for continuing collaboration on the list and opportunities.
- 2009-11 Identify changes that would make economic development information more accessible to users of the City web pages.
- 2009-11 Complete web upgrades.
- 2009-11 Coordinate with Analyst to periodically update the web pages with data to market City as place to do business.
- 2009-11 Continue to contract with HdL and economic forecasters for data pertinent to businesses.
- 2009-11 Enter into collaboration agreements with the Chamber of Commerce, CalPoly and Cuesta College.
- 2009-11 Take action to foster collaborative activities with Cuesta College and CalPoly.
- 2009-11 Partner with tourism efforts to market the community as a place to do business.
- 2007-09 Continue to coordinate major commercial projects through the development review process, negotiations with the City and eventual construction.
- 2007-09 Continue to coordinate the City's Quick Response Team.
- 2007-09 Work with the Downtown Association on general business issues.
- 2007-09 Continue to serve as the ombudsman to URM property owners and provide related assistance to facilitate compliance with the City's URM ordinance.
- 2007-09 Continue to assist with the education of property owners, business owners, and the community about the Airport Area Annexation for open space and creation of inventory for current and future business locations.

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
City/Chamber bi-monthly business visits (2/visit)	10	10	10	10
BR&E business visits	0	0	24	48
Pre-development application meetings	5	3	0	0
Seismic retrofit contacts	55	40	40	30
Economic development contracts administered	4	4	4	4
Development negotiations participated in	11	7	12	12
Small business inquiries	28	30	30	30
Contacts with prospective businesses	24	25	25	25
Contacts for retention	34	40	48	48
Sustainability contacts	0	4	12	12
Marketing contacts	0	6	12	12
CDBG revolving loan fund contacts	3	4	4	4
External association/organization meetings attended	143	150	150	150

COMMUNITY DEVELOPMENT

PROGRAM: Community Promotion
DEPARTMENT: Administration

OPERATION: Economic Health
FUND: General Fund & Tourism BID Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing			61,000	63,100
Contract Services	450,600	386,400	1,185,900	1,222,100
Other Operating Expenditures	200	1,000	6,000	4,000
Minor Capital				
Total	\$450,800	\$387,400	\$1,252,900	\$1,289,200

PROGRAM DESCRIPTION

Promotion Coordinating Committee

In June of 1970, the City Council established the seven-member Promotional Coordinating Committee (PCC) as a standing committee. The goals of the PCC are to 1) improve the quality of life available to all residents of and visitors to San Luis Obispo, and 2) promote, in a manner consistent with long-range community goals, the development of San Luis Obispo as a regional trade, recreational, and tourist center.

Tourism Business Improvement District Advisory Board (TBID Board)

In June 2008 Council adopted Ordinance 1517 establishing a tourism business improvement district (TBID) as requested by the local lodging industry. The assessment became effective on October 1, 2008 and the use of funds was defined in Section 12.42.030 as follows:

“This ordinance is made and enacted pursuant to the provisions of the Parking and Business Improvement Area Law of 1989 (Sections 36500 et. seq., of the California Streets and Highways Code). The purpose of forming the district as a business improvement area under the Parking and Business Improvement Area Law of 1989 is to provide revenue to defray the costs of services, activities and programs promoting tourism which will benefit the operators of hotels in the district through the promotion of scenic, recreational, cultural and other attractions in the district as a tourist destination.”

As required by State law, the Council established an advisory board and appointed five hoteliers to the newly created TBID Board to advise Council on the use of the assessment funding.

Internal and External Marketing Efforts

In order to better define the roles of the two advisory bodies, the promotional approach will be divided into the two categories traditionally addressed in tourism marketing; external and internal marketing. The TBID Board will concentrate its efforts on external marketing to bring overnight tourists to San Luis Obispo. The PCC will focus on internal marketing and concentrate its efforts on beautification, City events promotion, entertainment, and shopping/dining. This specific division between the two program efforts will provide the mechanism to avoid duplication of efforts. As a result the tools to entice tourists to come to San Luis Obispo and create the experience to make them want to come back as a return visitor will be put in place.

The following summarizes the roles of these two advisory bodies:

TBID Board Program. The TBID board has focused its funding into marketing related contracts. It has contracted with Level Studios of San Luis Obispo for the development of a marketing plan, a website, and the execution of the marketing plan. The cost for these services has been contracted at \$500,000 in 2009-10. Additional contracts may be necessary as the results of the marketing campaigns become available.

COMMUNITY DEVELOPMENT

PROGRAM: Community Promotion
 DEPARTMENT: Administration

<i>Activity Cost Summary - TBID Fund</i>	<u>2009-10</u>	<u>2010-11</u>
Level Studios: marketing services	\$500,000	0
Various contracts	\$231,600	\$748,300
Promotion and public relations	\$100,000	\$100,000
Reports and various subscriptions	\$3,500	\$3,500
Advertising cost for requests for proposals	<u>\$2,000</u>	<u>\$2,000</u>
Total	\$837,100	\$853,800

PCC Program. Concentrating its efforts on internal marketing, the PCC will allocate funding into two capital improvement projects in order to complete the design and construction phase of the City's directional sign program as well as the construction of map kiosks and donation boxes for the City's open space entrances. Additional components of the program will place an emphasis on event promotion, ensuring that City tourism will be represented to capture the interest of event visitors for additional stays and visits. The committee will also grow the current ShopSLO campaign into a countywide program (encouraging all residents of the County to ShopSLO) and add the component of DineSLO to further increase countywide traffic to San Luis Obispo restaurants for this specific activity.

<i>Activity Cost Summary- General Fund</i>	<u>2009-10</u>	<u>2010-11</u>
Direction signage program	25,000	50,000
Open space kiosks & trail maps	22,500	15,000
Visitors center & website	103,500	103,500
Event promotion/public relations	103,300	103,300
Enhanced promotion/regional marketing	50,000	50,000
ShopSLO/DineSLO campaign	50,000	50,000
Support costs	<u>500</u>	<u>500</u>
Total	\$354,800	\$372,300

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
Principal Administrative Analyst	0.0	0.0	0.5	0.5
Total	0.0	0.0	0.5	0.5

*Position allocated 50% City Administration and 50% Community Promotion beginning in 2009-10.

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-10** \$91,900 in savings from the previous advertising contract now administered by the TBID.
- **2010-11** \$74,400 reduction from advertising activities.

2009-11 PROGRAM OBJECTIVES

Major City Goals

- **2009-11** *Preservation of Critical Services & Fiscal Health.* Adopt a balanced budget that retains the City's fiscal health, preserves critical services and implements long term productivity improvements and cost reduction strategies.

COMMUNITY DEVELOPMENT

PROGRAM: Community Promotion
 DEPARTMENT: Administration

Other Important Council Objectives

- **2009-11** *Downtown Maintenance and Beautification.* Expand Downtown beautification efforts, including enhanced maintenance and cleanliness; review and upgrade of standards; and making phased physical improvements.

Other Program Objectives

- **2009-11** Provide staff support to two advisory bodies.
- **2009-11** Provide close oversight of the City’s Community Promotions contracts.
- **2009-11** Coordinate efforts between the two advisory bodies and the various contractors hired by each body to avoid duplication of efforts.
- **2009-11** Coordinate the design and construction for improved directional signage and open space enhancements.
- **2009-11** Provide direct staff support for the promotion of local events, by attending those events, to enhance the social, cultural, and recreational life of City residents.
- **2009-11** Actively participate in the San Luis Obispo Chamber of Commerce Tourism Council, San Luis Obispo Visitors and Conference Bureau (VCB) Board of Directors and regional Marketing and events organizations.

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Number of promotional contracts administered	4	4	10	10
PCC regular and special meetings staffed (including marketing & grants-in-aid subcommittee)	25	20	25	25
Attend local events			25	30
TBID Board regular and special meetings staffed	0	25	30	30
VCB meetings attended	10	10	10	10
Chamber Tourism Council meetings attended	10	10	10	10
Transient occupancy tax collected by City	\$5,054,700	\$4,650,300	\$4,185,300	\$4,269,000
TBID assessments	0	\$452,100	\$837,100	\$853,800

COMMUNITY DEVELOPMENT

PROGRAM: Downtown Business Improvement District OPERATION: Economic Health
 DEPARTMENT: Administration FUND: Downtown BID Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	244,100			
Contract Services	11,500	324,300	216,500	220,800
Other Operating Expenditures	75,400			
Minor Capital				
Total	\$331,000	\$324,300	\$216,500	\$220,800

PROGRAM DESCRIPTION

The Downtown Business Improvement District (DBID) was established in 1975 as a special parking and promotions assessment district for the Downtown area. In 2008, the Downtown Association, formerly a City advisory body, became a non-profit entity. Upon this transition, the City and the Downtown Association agreed by contract that the Downtown Association would provide various services for the economic, social, cultural, and environmental vitality and beautification of Downtown San Luis Obispo. The DBID funds two major activities:

Special Events. Providing special events to the Downtown such as holiday activities, Concerts in the Plaza and Thursday Night Promotions.

Additional services. There are a series of additional services that the Downtown Association also provides to benefit the Downtown. Those areas include parking/transportation; programming in Mission Plaza; Downtown maintenance; economic development; and maintaining the Downtown Association as an organization. Service in these areas ranges from the distribution of parking brochures to employees and customers to exploring added events in the Mission Plaza such as art fairs to continuing the Downtown Forester program to working with City staff to facilitate business recruitment and retention.

STAFFING SUMMARY

The DBID contract is managed by Administration. It requires approximately 200 hours of the Assistant City Manager, Principal Administrative Analyst, Economic Development Manager and Parking Manager’s time each year.

SIGNIFICANT PROGRAM CHANGES

None.

2009-11 PROGRAM OBJECTIVES

Other Important Council Objectives

- **2009-11** *Downtown Maintenance and Beautification.* Expand Downtown beautification efforts, including enhanced maintenance and cleanliness; review and upgrade of standards; and making phased physical improvements.

Other Program Objectives

- **2009-11** Continue to provide close oversight of the City’s Downtown Association contract.
- **2009-11** Coordinate efforts between the City and the Downtown Association to avoid duplication of efforts and to ensure effective communication on various issues impact the businesses Downtown.
- **2009-11** Provide direct support for the maintenance of Downtown.
- **2009-11** Actively participate in the Downtown Association’s Economic Activities Committee. Coordinate on business retention and expansion issues. Coordinate Seismic Retrofit Ordinance compliance in the Downtown.

COMMUNITY DEVELOPMENT

PROGRAM: Downtown Business Improvement District (continued)
 DEPARTMENT: Administration

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Number of contracts administered	0	1	1	1
Regular and special events attended	0	10	15	15
Downtown Association Board meetings attended	12	12	12	12
Economic Activities Committee meetings attended	12	12	12	12
DBID assessment collected by City	\$168,000	\$222,000	\$216,500	\$220,800

This page intentionally left blank

Operating Programs

GENERAL GOVERNMENT



GENERAL GOVERNMENT

PROGRAM: Legislation & Policy
 DEPARTMENT: City Council

OPERATION: City Council
 FUND: General Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	91,900	111,600	111,900	111,900
Contract Services	0	500	200	200
Other Operating Expenditures	21,500	34,700	23,500	26,700
Minor Capital				
Total	\$113,400	\$146,800	\$135,600	\$138,800

PROGRAM DESCRIPTION

The Council governs the City of San Luis Obispo by enacting and enforcing all laws and regulations concerning municipal affairs, subject only to limitations and restrictions of the City Charter and the state constitution. Fifteen standing advisory bodies help the Council with this work. Program goals are (1) open, informed, and democratic public decisions; (2) responsive and appropriate legislation and policy; and (3) effective and efficient execution of adopted laws and regulations. This program has three major activities:

- **Legislation.** Enacting ordinances and resolutions, reviewing compliance with adopted laws and regulations.
- **Policy.** Reviewing and adopting plans which guide the decisions and actions of the City's operating programs.
- **Supervision.** Directing and evaluating the City Manager and City Attorney.

STAFFING SUMMARY

None - Staff assistance is provided through City Administration, City Attorney, and City Clerk programs. Direct clerical and administrative support is provided through the City Administration program.

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- 2009-11 Reducing operating expenditures will save \$7,700 annually.

2009-11 PROGRAM OBJECTIVES

Major City Goals

- **2009-11** *Infrastructure Maintenance.* Sustain an effective level of core existing infrastructure maintenance such as streets, sidewalks, creeks and flood protection, as well as the protection and maintenance of other physical assets.
- **2009-11** *Traffic Congestion Relief.* Continue efforts on projects and programs which relieve traffic congestion, such as street modifications, intersection improvements, pedestrian improvements, bicycle facilities, trip reduction programs, traffic signal operations and public transit.
- **2009-11** *Economic Development.* In collaboration with Cal Poly, Cuesta College, and the business community, develop strategies to increase economic development including emphasis on head-of-household jobs and environmentally sustainable businesses.
- **2009-11** *Preservation of Essential Services and Fiscal Health.* Adopt a balanced budget that retains the City's fiscal health, preserves critical services and implements long term productivity improvements and cost-reduction strategies.

GENERAL GOVERNMENT

PROGRAM: Legislation & Policy (continued)
 DEPARTMENT: City Council

Other Important Council Objectives

- **2009-11** *Land Use and Circulation Revisions.* Initiate a focused revision of the Land Use and Circulation elements.
- **2009-11** *Open Space Preservation.* Continue efforts to acquire, preserve, and protect open space and develop a master plan for City-owned agricultural land.
- **2009-11** *Green House Gas Reduction and Energy Conservation.* Adopt and begin implementing a plan to reduce greenhouse gases and conserve energy for municipal operations and the community.
- **2009-11** *Downtown Maintenance and Beautification.* Expand Downtown beautification efforts, including enhanced maintenance and cleanliness; review and upgrade of standards; and making phased physical improvements.

Other Program Objectives

- **2009-11** *Creek and Flood Protection.* Advance Mid-Higuera flood protection improvements by seeking Zone 9 funding to complete design, obtain approvals and make progress toward construction as resources will allow.
- **2009-11** *Skate Park.* Develop plans and specifications and seek funding to construct a skate park.
- **2009-11** *Urban Forest.* Update master tree plan and develop recommendations to renew the urban forest and plant more trees.
- **2009-11** *Homeless Services.* Identify and pursue opportunities to implement the “10-year Plan to End Homelessness.”

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Council correspondence prepared	450	450	450	450
Advisory body interviews	90	90	90	90
Workshops/special events	16	16	16	16
Council meetings	29	37	29	38
Advisory commissions and committees	15	15	15	15
Regional/County commissions served	17	17	17	17
Proclamations	107	109	110	110

GENERAL GOVERNMENT

PROGRAM: City Administration
 DEPARTMENT: Administration

OPERATION: General Administration
 FUND: General Fund

PROGRAM COSTS	Actual	Budgeted	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
Staffing	666,300	770,900	740,500	740,200
Contract Services	46,700	39,000	5,200	5,200
Other Operating Expenditures	16,100	54,300	11,800	11,800
Minor Capital				
Total	\$729,100	\$864,200	\$757,500	\$757,200

PROGRAM DESCRIPTION

The city administration program provides information and recommendations to the Council, implements Council policies, directs the delivery of municipal services, oversees accomplishment of City objectives and provides administrative support to the Mayor and Council members. Program goals include (1) informed public decision making; (2) responsive, effective and efficient operating programs; (3) effective City management; (4) supervision of the City Clerk Services, Economic Development, Natural Resources, and Community Promotions programs; and (5) effective Council administrative support; and (6) direct supervision of eight budget programs. This program has eight major activities:

- **Policy advice, guidance and implementation.** Serving as the Council's chief policy advisor on all areas of City operations; implementing Council policies, goals, and objectives.
- **Council meeting agenda management.** Reviewing council meeting agenda reports, recommending Council actions.
- **Operating program direction and evaluation.** Ensuring that services are delivered effectively, evaluating accomplishment of approved program objectives.
- **Management teambuilding and leadership.** Presiding at department head meetings, organizing management training and development activities, supervising and evaluating the performance of department heads and other key managers.
- **Economic development and natural resource program management.** Providing direction and day-to-day supervision, ensuring coordination and compatibility between the programs and consistency with Council policy and goals.
- **Community promotions.** Providing staff support to the Tourism Business Improvement District Board and the Promotional Coordinating Committee for implementation and execution of the community promotions program to bring tourism to San Luis Obispo for sales tax and transient occupancy tax revenue.
- **Special activities program management.** Providing direction and day-to-day supervision, ensuring communication and support to Community Partners; overseeing Cable franchise issues and rate reviews; and overseeing the Grants-in-Aid Program.
- **Pilot program: city clerk services.** As described in detail in Appendix A (Significant Operating Program Changes: Reductions Required to Balance the Budget), a two-year pilot restructuring of the City Clerk office into Administration results in significant savings and increased staff efficiencies. This two-year pilot program results in the City Clerk's Office becoming a program within Administration (similar to Community Activities, Community Promotions, Economic Development and Natural Resources). In order to reduce the number of direct reports to the City Manager (historically, there have been 11), the City Clerk will report to the Assistant City Manager during this period. The City Clerk will serve as the program manager for the city clerk services program. During this two-year pilot period, staff will monitor the success of this restructuring and will return to Council during the development of the 2011-13 Financial Plan with information and analysis of the program.

GENERAL GOVERNMENT

PROGRAM: City Administration (continued)
 DEPARTMENT: Administration

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
City Manager	1.0	1.0	1.0	1.0
Assistant City Manager	1.0	1.0	1.0	1.0
Principal Administrative Analyst*	1.0	1.0	0.5	0.5
Administration Executive Assistant	1.0	1.0	1.0	1.0
Administrative Assistant	0.4	0.4	0.0	0.0
Total	4.4	4.4	3.5	3.5

*Position allocated 50% City Administration and 50% Community Promotion beginning in 2009-10.

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-11** Eliminating the Administrative Assistant in December 2009 will save \$15,500 in 2009-10 and \$32,400 in 2010-11.
- **2009-11** Reducing contract services will save \$25,000 annually.
- **2009-11** Reducing other non-staffing operating expenditures will save \$3,000 annually.

2009-11 PROGRAM OBJECTIVES

Major City Goals

- **2009-11** *Preservation of Critical Services and Fiscal Health.* Adopt a balanced budget that retains the City’s fiscal health, preserves critical services and implements long term productivity improvements and cost-reduction strategies.
- **2009-11** *Economic Development.* In collaboration with Cal Poly, Cuesta College, and the business community, develop strategies to increase economic development including emphasis on head-of-household jobs and environmentally sustainable businesses.

Other Important Council Objectives

- **2009-11** *Open Space Preservation.* Continue efforts to acquire, preserve, and protect open space and develop a master plan for City-owned agricultural land.
- **2009-11** *Downtown Maintenance and Beautification.* Expand Downtown beautification efforts, including enhanced maintenance and cleanliness; review and upgrade of standards; and making phased physical improvements.

Other Council Goals

- **2009-11** *Homeless Services.* Identify and pursue opportunities to implement the “10-year Plan to End Homelessness.”

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Council meetings	29	37	29	38
Council agenda reports reviewed/approved	292	306	318	318
City Manager reports reviewed/approved	263	240	265	270
Departments supervised	10	10	10	10
Budget programs directly supervised	7	7	7	7
Department Head/City Manager updates	120	120	120	120

GENERAL GOVERNMENT

PROGRAM: Public Works Administration
 DEPARTMENT: Public Works

OPERATION: General Administration
 FUND: General Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	911,400	1,109,000	1,041,500	986,600
Contract Services	64,400	33,800	28,200	29,300
Other Operating Expenditures	39,800	57,800	24,000	24,100
Minor Capital				
Total	\$1,015,600	\$1,200,600	\$1,093,700	\$1,040,000

PROGRAM DESCRIPTION

The public works administration program helps plan, direct, and evaluate the following Public Works operating programs:

Street Maintenance	Transportation Planning and Engineering	Swim Center Maintenance
Signal and Light Maintenance	Parking	Geographic Information Services
Creek and Flood Protection	Transit	Building Maintenance
Park and Landscape Maintenance	Engineering Development Review	Fleet Maintenance
Tree Maintenance	CIP Project Engineering	

The public works administration program also assists the operating programs with various administrative and property management services. The program goal is delivery of responsive and competitive public works services through teamwork, good communication, and appropriate technology. This program has four major activities:

- **Public Works department leadership.** Representing Public Works Department programs before the public, the Council, department heads, and other public agencies; refining and articulating the Public Works Department vision and values.
- **Organization development.** Encouraging teamwork and open communication; reducing response time for service requests; soliciting feedback from customers; adapting new technology to better deliver services; striving to be competitive in quality and cost with the private sector and other top-performing public agencies; recognizing, using, and developing the talents of all Public Works employees.
- **Administrative assistance.** Preparing the Public Works Department operating and capital budgets; administering human resources and procurement policies; providing clerical services to all Public Works and various Utilities programs; maintaining department applications on local area networks located at 919 Palm Street, the Corporation Yard, and the Marsh Street parking offices.
- **Property management.** Assessing needs for office, meeting, and storage space; managing remodeling projects to accommodate changing needs; negotiating and closing property acquisitions, sales, and leases.

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
Public Works Director	1.0	1.0	1.0	1.0
Deputy Public Works Director	2.0	2.0	2.0	2.0
Administrative Services Manager	1.0	1.0	0.0	0.0
Administrative Analyst	0.0	1.0	1.0	1.0
Supervising Administrative Assistant	1.0	1.0	1.0	1.0
Administrative Assistant	2.5	1.5	1.0	1.0
Total	7.5	7.5	6.0	6.0
Temporary Positions				
Full-Time Equivalents (FTE)	0.5	1.5	3.0	3.0

GENERAL GOVERNMENT

PROGRAM: Public Works Administration (continued)
DEPARTMENT: Public Works

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-11** Eliminating the Administrative Services Manager position as of May 1, 2010 will save \$21,400 in 2009-10 and \$95,600 in 2010-11.
- **2009-11** Eliminating one regular part-time Administrative Assistant will save \$16,600 in 2009-10 and \$15,700 in 2010-11.
- **2009-11** Reducing the laundry and linen services budget will save \$2,500 annually.

2009-11 PROGRAM OBJECTIVES

Major City Goals

- **2009-11** *Infrastructure Maintenance.* Sustain an effective level of existing core infrastructure maintenance such as streets, sidewalks, creek & flood protection, parks and protection of other physical assets.
- **2009-11** *Traffic Congestion Relief.* Continue efforts on projects which relieve traffic congestion, such as street modifications, intersection improvements, pedestrian improvements, bicycle facilities, traffic signal operations and public transit.

Other Important Council Objectives

- **2009-11** *Downtown Maintenance and Beautification.* Expand Downtown beautification efforts, including enhanced maintenance and cleanliness; review and upgrade of standards; making phased physical improvements.

Other Council Goals

- **2009-11** *Urban Forest.* Update master tree plan and develop recommendations to renew the urban forest and plant more trees.
- **2009-11** *Creek and Flood Protection.* Advance Mid-Higuera flood protection improvements by seeking Zone 9 funding to complete design, obtain approvals and make progress towards construction as resources will allow.

GENERAL GOVERNMENT

PROGRAM: Public Works Administration (continued)
 DEPARTMENT: Public Works

Other Program Objectives

- **2009-11** Oversee implementation of the City’s Major City Goals and other important objectives, past and present.
- **2009-11** Oversee and supervise the progress and improvements achieved through Measure Y funds.
- **2009-11** Continue a strong commitment to protecting the City’s long term fiscal health, while developing a comprehensive strategy for preserving essential services and adequately maintaining existing facilities and infrastructure
- **2009-11** Continue updates of the Land use and Circulation Elements, and review ways to address economic development goals and policies
- **2009-11** Continue to effectively manage Public Works service contracts to ensure planned delivery.

WORKLOAD MEASURES	Actual	Projected	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
Community service hours arranged	1,298	1,878	2,000	2,200
City Manager reports prepared	125	149	160	160
Council agenda reports prepared	140	100	100	100
Invoices processed	7,100	2,500	2,500	2,500
Payment vouchers prepared	4,000	1,500	1,500	1,500
Budget amendment requests prepared	105	105	130	130
Public Works claims processed	22	25	26	27
Contracts awarded	N/A	28	28	28
Purchase orders processed	116	120	120	120

GENERAL GOVERNMENT

PROGRAM: Legal Services
 DEPARTMENT: City Attorney

OPERATION: City Attorney
 FUND: General Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	456,900	518,700	532,100	534,700
Contract Services	1,000	9,300	3,100	3,100
Other Operating Expenditures	18,500	22,600	14,700	14,900
Minor Capital				
Total	\$476,400	\$550,600	\$549,900	\$552,700

PROGRAM DESCRIPTION

The legal services program ensures that the City conducts its activities in accordance with law, represents the City in civil litigation, and ensures that violators of the City laws are prosecuted. Program goals include: 1) minimizing liability exposure, 2) providing prompt and thorough legal advice, and 3) ensuring general compliance with City laws and regulations. This program has five major activities:

- **Legal review and advice.** Reviewing ordinances, resolutions, legislation, contracts and other agreements, Council agenda reports, and City Manager reports; providing legal advice to the Council, various commissions and committees and staff; providing City-related legal information to the public.
- **Legal representation.** Serving as City legal advisor at Council and Planning Commission meetings; defending the City against claims and litigation; initiating civil actions on behalf of the City.
- **Document preparation.** Preparing ordinances, resolutions, contracts, legal pleadings, reports, correspondence, opinions and other legal documents.
- **Enforcement.** Enforcing and prosecuting violations of the Municipal Code, including both criminal violations and civil enforcement.
- **Legislative review.** Coordinating the City's review of and response to proposed county, state, and federal legislation.

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
City Attorney	1.0	1.0	1.0	1.0
Assistant City Attorney	1.0	1.0	1.0	1.0
Legal Assistant/Paralegal	1.0	1.0	1.0	1.0
Total	3.0	3.0	3.0	3.0

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-11** Reducing office equipment, professional organizations, trips, training, and publications and subscriptions will save \$7,500 annually.
- **2009-11** Reducing the use of outside legal services will save \$2,500 annually.

2009-11 PROGRAM OBJECTIVES

- **2009-11** Develop and maintain a high level of legal support to City government.
- **2009-11** Provide prompt, thorough legal advice in response to inquiries, with emphasis on legal options.
- **2009-11** Minimize liability exposure of City through the practice of preventative law.

GENERAL GOVERNMENT

PROGRAM: Legal Services (continued)
 DEPARTMENT: City Attorney

- **2009-11** Apprise City Council on pending litigation, legislation, and other significant legal matters.
- **2009-11** Revise and strengthen Municipal Code provisions.
- **2009-11** Maintain adequate law library for City's legal needs.

WORKLOAD MEASURES	Actual	Projected	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
Municipal Code violations prosecuted	23	20	26	26
Civil litigation cases pending	11	12	13	14
Resolutions/Ordinances reviewed	962	108	113	113
Council Agenda reports reviewed	292	306	318	318
City Manager reports reviewed	263	240	265	270
Meetings attended	1,428	1,428	1,428	1,428
Liability claims reviewed	60	66	68	70
Telephone & office consultations/legal opinions	1,666	1,666	1,666	1,666
Neighborhood Enhancement enforcement letters	63	50	55	58
Letters support/opposition legislation	33	25	30	33
Response time for typical inquires: target	1-4 days	1-4 days	1-4 days	1-4 days

GENERAL GOVERNMENT

PROGRAM: City Clerk Services
DEPARTMENT: Administration

OPERATION: City Clerk Services
FUND: General Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	318,700	361,300	226,900	297,900
Contract Services	78,800	154,600	77,800	118,300
Other Operating Expenditures	35,000	73,400	23,300	22,500
Minor Capital				
Total	\$432,500	\$589,300	\$328,000	\$438,700

PROGRAM DESCRIPTION

The city clerk services program (formerly organized as a separate department but presently a pilot program in Administration for this Financial Plan) focuses its efforts on administering elections and the managing records. The city clerk services program administers federal, state and local procedures for City elections for elective offices, initiatives, referenda, and recalls. Election goals include: 1) conducting elections that conform to the State Elections Code and the City's campaign regulations; 2) training staff in new state election and campaign disclosure laws; and 3) encouraging a high level of voter participation and turnout. The program also ensures that organization-wide records are recorded and preserved as provided by City Charter and state and municipal law. It also provides a variety of support and information services to the Council, public and staff. Program goals for records management include: 1) open and informed public decision-making; 2) complete and accurate records of Council actions and policies; and, 3) prompt responses to requests for recorded information. This program has the following major activities:

- **Election administration.** Conduct regular and special elections, including processing and certifying citizen-generated petitions, providing orientation and issuing nomination papers and related documents to Mayoral and Council candidates; preparing and advertising legal notification in compliance with state and municipal law, reviewing and updating the City's election manual in accordance with the City's Campaign Regulations, State Elections Code and new Fair Political Practices Commission (FPPC) rulings.
- **Disclosure reporting.** Receiving, filing, and maintaining records of all candidate and political action committee campaign activity statements, all candidate statements of economic interests, and publishing information regarding campaigns, as required by the City's Campaign Regulations Ordinance.
- **Elections campaign regulations.** Facilitate review and revisions to City's Election Campaign Regulations as required in the Municipal Code.
- **Voter education.** Promoting voter education through the City's website and other resources.
- **Municipal advocate registration.** Registering municipal advocates as required under the Municipal Code.
- **Information dissemination.** Preparing and disseminating legal and promotional publications, notices, ordinances, and resolutions; researching legislative data; providing central information, telephone and lobby support at City Hall; providing City Council agendas, minutes, resolutions, ordinances and other information at City Hall and on the City's web site.
- **Council meeting agenda coordination.** Coordinating and scheduling agenda items; compiling, reviewing, assembling and distributing agenda reports and related documents; preparing departmental agenda reports; and processing legislative documents following Council action.
- **Brown Act compliance.** Ensuring that staff is knowledgeable about and complies with statute related to Council and advisory body notices and postings; keeping Council Members, Advisory Body Members and support staff informed of other obligations under the Act.
- **Records management.** Recording and preserving Council minutes; managing official records of Council actions (ordinances, resolutions, deeds and agreements); codifying and disseminating the City's Municipal Code and related policies; implementing a City-wide records management and retention program outlining policies, procedures and standards for preservation or destruction of official records.

GENERAL GOVERNMENT

PROGRAM: City Clerk Services (continued)
 DEPARTMENT: Administration

- **Ministerial duties.** Administering oaths of office; notarizing, attesting and sealing official documents; receiving claims filed against the City; receiving and scheduling appeals to the City Council.
- **Statements of economic interests.** Processing financial disclosure statements for City staff, consultants and advisory body members; ensuring compliance with state and local regulations; biennially updating the City's Conflict of Interest Code; serving as State filing officer for Council, Planning Commission and designated employees.
- **Agreement processing.** Processing documents approved by the Council and City Manager not included in the Invitation for Bid or Request for Proposal processes; filing and maintaining original City agreements.
- **Council services and support.** Receiving and distributing Council correspondence, coordinating regular and special meetings and managing other Council-related activities; facilitate, review and prepare reports containing recommendations related to Council and advisory compensation in accordance with the City Charter.
- **Oversight of Public, Education and Government (PEG) access funds and operating plans/management of government access channel.** Overseeing operating agreements and release of education and public access funds in accordance with the Cable Franchise Agreement and Council direction. Overseeing the contract with the Cablecast operator, ensuring coverage for live broadcasts, and maintenance of playback programming and schedule. Overseeing equipment and planning for expansion of programming in accordance with the adopted government access channel policy statement and operating guidelines.
- **Advisory body administration.** Recruiting citizens to serve on Advisory Bodies; scheduling interviews for applicants; preparing reports and recommendations for Council consideration; coordinating new member orientations; updating advisory body rosters and the Advisory Body Handbook; hosting the annual Advisory Body Member recognition event; and sponsoring regular training.

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
City Clerk	1.0	1.0	1.0	1.0
Administrative Assistant	2.0	2.0	2.0	2.0
Total	3.0	3.0	3.0	3.0
Temporary Positions				
Full-Time Equivalents (FTE)	0.8	0.5	0.5	0.5

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-11** Reducing the amount of printed elections material will save \$400 in 2009-10 and \$1,600 in 2010-11.
- **2009-11** Reducing the scanner replacement and other publications, subscriptions and supplies will save \$7,600 annually.
- **2009-11** Reducing the printing and advertising pertaining to Council meetings and Advisory Body Recruitment will save \$7,200 annually.
- **2009-11** Reducing the number of special meetings held at offsite locations, the need for offsite broadcasting will save \$5,500 annually.
- **2009-11** Reducing the amount of Council meals and the annual Advisory Body Recognition event will save \$1,000.
- **2009-11** Reducing the number of staff attending trainings will save \$6,200 in 2009-10 and \$5,700 in 2010-2011.
- **2009-11** Appointing an interim City Clerk and not filling the Administrative Assistant III position with a temporary staff member for the first six months of 2009-10 will save \$85,000; reclassifying the City Clerk's position in the second six months of 2009-10 will save \$27,100 in 2009-10 and \$54,100 in 2010-11.

GENERAL GOVERNMENT

PROGRAM: City Clerk Services (continued)
 DEPARTMENT: Administration

2009-11 PROGRAM OBJECTIVES

- **2009-11** Enhance levels of customer service responsiveness.
- **2009-11** Proactively fulfill program responsibilities and cultivate best practices in all areas.

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Ballot measures	0	1	1	2
Legal and display ads	2	7	2	7
Campaign committees	4	4	6	6
Campaign disclosure statements	13	76	10	76
Documents recorded	51	55	60	60
Agenda reports processed	292	306	318	318
Legal and display advertisements	70	105	110	110
Legal notifications mailed	5,844	2,860	3,000	3,300
Council meeting agendas & minutes	68	86	70	80
Resolutions/Ordinances processed	96	108	113	113
Telephone/front desk inquiries	9,123	8,228	8,530	8,640
Research projects/document requests	88	96	100	110
Image Flow Index	1,109	896	900	950
Statements of economic interest processed	194	200	200	210
Advisory body vacancies	20	45	25	30
Workshop/events	3	3	3	3
Proclamations	107	109	110	115

GENERAL GOVERNMENT

PROGRAM: Human Resources Administration
 DEPARTMENT: Human Resources

OPERATION: Organizational Support Services
 FUND: General Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	452,400	515,500	472,100	481,100
Contract Services	421,600	256,400	124,700	125,300
Other Operating Expenditures	64,000	119,700	63,300	64,300
Minor Capital				
Total	\$938,000	\$891,600	\$660,100	\$670,700

PROGRAM DESCRIPTION

The human resources administration program provides support to all City departments in all aspects of attracting and retaining highly-qualified employees. The program manages a variety of functions including coordination of recruitment and employee selection, classification and compensation, performance management, employee training and development, labor relations and negotiations, and statutory and regulatory compliance. Program goals are 1) highly-qualified, well-trained, and motivated City employees; 2) legal and unbiased recruitment and retention practices; 3) competitive pay and benefits; and 4) accurate job classifications. This program has seven major activities:

- **Employee recruitment, selection and orientation.** Managing and coordinating the recruitment, testing and selection processes, including administration of the NEOGOV online recruitment system; providing a comprehensive orientation to new hires.
- **Employee classification and compensation.** Identifying the duties, qualifications, and compensation appropriate for each City position; ensuring employee classifications and compensation align with the City's Compensation Philosophy.
- **Equal employment opportunity administration.** Ensuring employee appointments and promotions conform to the Americans with Disabilities Act and anti-discrimination policies and regulations.
- **Employee performance management.** Coordinating performance evaluations to ensure employees receive accurate, consistent, and constructive feedback in support of a safe and efficient work environment; coaching managers with employee performance issues and employee development plans.
- **Employee development and training.** Developing, planning, scheduling, and implementing city-wide training programs that meet statutory and regulatory standards and promote professional development; communicating and coordinating these courses through the internal employee university.
- **Employee/employer labor relations and negotiations.** Meeting and conferring with employee association representatives to reach agreement on labor relations issues and employee association memorandum of agreements.
- **Employee communication and recognitions.** Coordinating and publishing a monthly newsletter that disseminates information city-wide; coordinating events that encourage and recognize employees to exemplify the City's organizational values by bringing employees together to celebrate accomplishments.

GENERAL GOVERNMENT

PROGRAM: Human Resources Administration (continued)
 DEPARTMENT: Human Resources

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
Director of Human Resources	1.0	1.0	1.0	1.0
Human Resources Analyst	1.0	1.0	1.0	1.0
Human Resources Executive Assistant	1.0	1.0	0.0	0.0
Administrative Assistant	0.0	0.0	1.0	1.0
Human Resources Specialist	1.0	1.0	1.0	1.0
Total	4.0	4.0	4.0	4.0
Temporary Positions				
Full-Time Equivalents (FTE)	0.2	0.2	0.0	0.0

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-11** Reducing the recruitment advertising budget will be save \$21,300 annually.
- **2009-11** Reducing the PACE contribution will save \$6,100 annually.
- **2009-11** Reducing contract services will save \$11,000 annually.
- **2009-11** Reducing non-staffing operating expenditures saves \$18,400 annually.
- **2009-11** Eliminating the HR Executive Assistant and replacing with an Administrative Assistant will result in savings of \$18,500 annually.
- **2009-11** Reduce temporary staffing saves \$5,100 annually.

2009-11 PROGRAM OBJECTIVES

Major City Goals

- **2009-11** *Preservation of Critical Services and Fiscal Health.* Adopt a balanced budget that retains the City’s fiscal health, preserves critical services and implements long term productivity improvements and cost-reduction strategies.

Other Program Objectives

- **2009-11** Negotiate collective bargaining agreements with the San Luis Obispo City Employees Association, the San Luis Obispo Police Officers Association, and the San Luis Obispo Firefighters Association, Local 3523 (expires December 31, 2010).
- **2009-11** Fully implement online recruitment system and streamline recruitment processes to eliminate waste and improve quality for applicants and hiring departments and then analyze data associated with recruitments to ensure the City is using the most cost-effective and successful recruitment methods.
- **2009-10** Coordinate harassment and discrimination prevention training in compliance with AB 1825.
- **2009-11** Continue to develop and implement a comprehensive training and development program including an on-line learning management system that streamlines the course registration, tracking, calendaring, and approval aspects of the employee university.
- **2009-11** Improve marketing the City to draw highly qualified applicants to careers in public service.
- **2009-11** Continue to develop and promote succession planning efforts to ensure the City has knowledge transfer as employees retire and that employees are well prepared to advance when opportunities arise.

GENERAL GOVERNMENT

PROGRAM: Human Resources Administration (continued)
 DEPARTMENT: Human Resources

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Recruitments Regular and Temporary	99	35	70	70
Days to establish eligibility list	60	60	60	60
Labor relations topics	20	25	25	20
Applications screened	1,922	700	1,400	1,400
Training sessions coordinated	35	42	48	42
New employee orientations	88	32	65	65
Classification, compensation and benefit analysis	35	30	35	30
Performance management	400	400	400	400
Newsletters	12	12	12	12

GENERAL GOVERNMENT

PROGRAM: Risk & Benefits Management
 DEPARTMENT: Human Resources

OPERATION: Organizational Support Services
 FUND: General Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	120,300	162,300	125,000	128,600
Contract Services	4,400	7,000	20,500	20,900
Other Operating Expenditures	1,102,800	1,228,400	2,289,400	2,307,300
Minor Capital				
Total	\$1,227,500	\$1,397,700	\$2,434,900	\$2,456,800

PROGRAM DESCRIPTION

The risk & benefits management program reduces the risk of accidents and protects City assets from liability for accident losses. A primary goal of this program is to balance risk potential with cost effective tradeoffs across the entire organization. This means making wise decisions regarding allocation of scarce resources while educating employees to recognize risk and take ownership of safe work practices in performing their daily tasks – thus reducing liability and litigation expenses. This program also helps City employees reduce injury and disease risks and maintain good health and fitness. Program goals are 1) no avoidable accidents 2) minimal City exposure to loss liability 3) adequate and appropriate coverage for losses 4) measurable injury and disease reduction and measurable health and fitness increases for employees who participate in wellness activities 5) monitor health benefits programs to ensure competitive and cost effective plans are being offered that assist the City in attracting and retaining high quality employees 6) ensure statutory and regulatory compliance. This program has ten major activities:

Loss Control Activities

- **Liability claims administration.** Reviewing general liability claims against the City and recommending adjustment or other action.
- **Workers' compensation claims administration.** Reviewing employee injury claims against the City recommending adjustment or other action, and promoting a return to work program to minimize lost time.
- **Safety improvement.** Identifying safety risks, recommending hazard abatement, recommending safer operating procedures.
- **Insurance review.** Ensuring that contractors and special event sponsors carry adequate insurance to protect the City; reviewing the city's self-insurance provisions to ensure adequate resources are available to cover losses.
- **Semi-annual physical fitness testing and counseling.** Encouraging healthy practices and choices through educational testing and counseling in an effort to improve employee health and productivity.
- **Health and fitness education.** Conducting classes on health and fitness strategies; maintaining an educational library of health and fitness materials.

Insurance Premiums

- **Liability.** Providing general liability coverage to \$50 million through the California Joint Powers Insurance Authority (CalJPIA).
- **Property.** Providing coverage for property damage and loss.
- **Worker's Compensation.** Providing coverage for workers' compensation through the CalJPIA.

GENERAL GOVERNMENT

PROGRAM: Risk & Benefits Management (continued)
 DEPARTMENT: Human Resources

Employee Benefits Administration

- **Employee benefit administration.** Managing employee benefits including health insurance, retirement and leave. The costs for employee benefits are directly allocated to each operating program and are included in the staffing component of program costs.

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
Risk & Benefits Manager	1.0	1.0	1.0	1.0
Total	1.0	1.0	1.0	1.0
Temporary Positions				
Full-Time Equivalents (FTE)	0.4	0.4	0.4	0.4

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-11** Eliminating wellness reimbursements will save \$6,000 annually.
- **2009-11** Reducing non-staffing operating budget will save \$14,900 annually.
- **2009-11** Reducing temporary staffing saves \$1,700 annually.

Increases Required to Support Basic Service Levels

- **2009-11** Worker's Compensation will now be budgeted and paid through Risk and Benefits Management.
- **2009-11** Increased general liability premium will cost an additional \$328,000 in each year of the financial plan. This is offset by reductions in workers compensation premiums.

2009-11 PROGRAM OBJECTIVES

Major City Goals

- **2009-11** *Preservation of Critical Services and Fiscal Health.* Adopt a balanced budget that retains the City's fiscal health, preserves critical services and implements long term productivity improvements and cost-reduction strategies.

Other Program Objectives

- **2009-10** Complete risk assessment evaluation with CalJPIA and implement recommendations
- **2009-11** Review and update safety policies and procedures in compliance with Cal-OSHA
- **2009-11** Continue to increase safety awareness and reduce preventable injuries through training and education of employees.
- **2009-11** Review insurance plans and coverage and process renewals annually, seeking the most cost-effective methods of insuring.
- **2009-11** Review standards for insurance requirements in contracts with those who do business with the City to make sure appropriate risk transfer measures are included.

GENERAL GOVERNMENT

PROGRAM: Risk & Benefits Management (continued)
 DEPARTMENT: Human Resources

	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
WORKLOAD MEASURES				
Liability claims filed	56	55	52	50
Workers compensation claims filed	60	57	55	53
Cost recovery claims filed	42	30	35	35
Safety training sessions coordinated	19	22	22	25
Wellness participants	85	85	90	95
COBRA notifications	66	59	55	60
Additions or deletions to benefit programs	158	130	140	140
Leaves of absence	12	13	12	12

GENERAL GOVERNMENT

PROGRAM: Finance & Information Technology Administration OPERATION: Organizational Support Services
 DEPARTMENT: Finance & Information Technology FUND: General Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	203,900	340,300	305,700	307,900
Contract Services	6,100	22,000	6,000	17,000
Other Operating Expenditures	20,900	175,900	14,700	14,900
Minor Capital				
Total	\$230,900	\$538,200	\$326,400	\$339,800

PROGRAM DESCRIPTION

This program plans, organizes, leads and monitors the operations within the Department of Finance & Information Technology: Accounting, Revenue Management, Support Services and Information Technology. It is responsible for managing the City's financial and information technology operations in accordance with established policies and plans. Program goals are: 1) developing and implementing efficient and effective financial policies, plans and reporting systems that help the operating departments achieve their objectives and assure the City's long-term fiscal health; 2) protecting the City's assets from unauthorized use; 3) effectively using the City's information technology resources in improving productivity, customer service and public access to City information; 4) and providing quality service to all of the department's customers—both external and internal to the organization. This program has four major activities:

- **Fiscal policy advice and guidance.** Developing innovative and cost-effective ways of financing City services and facilities; preparing and implementing policies and plans for effectively managing the City's financial resources and preserving its long-term financial health; advising the Council and City Manager on fiscal matters; coordinating the preparation of the City's two-year financial plan and budget; and reviewing Council agenda reports and other policy documents for fiscal impacts.
- **Information technology policy advice and guidance.** Developing policies and plans for the effective use of information technology resources in improving organizational productivity, customer service and public access to City information; advising the Council and City Manager on information technology matters.
- **Department leadership.** Developing an organization that effectively builds and uses the skills and talents of each finance team member in achieving departmental goals and objectives; communicating City values, missions and goals to all finance team members and assuring that they guide actions and behaviors; developing departmental and employee work programs and monitoring performance; coordinating activities that cross program lines; maintaining a positive employee relations environment and achieving a high level of employee morale; and representing department programs before the public, community groups, Council, staff and other public agencies.
- **Department administration.** Coordinating department training activities; preparing and administering department budgets; administering department personnel, payroll, and purchasing activities; maintaining department records.

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
Director of Finance & Information Techno	1.0	1.0	1.0	1.0
Administrative Analyst*	1.0	1.0	0.7	0.7
Total	2.0	2.0	1.7	1.7

*Allocated 70% to Finance & Information Technology Administration and 30% to Economic Development.

GENERAL GOVERNMENT

PROGRAM: Finance & Information Technology Administration (continued)
 DEPARTMENT: Finance & Information Technology

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-11** Eliminating temporary staffing will save \$1,000 annually.

2009-11 PROGRAM OBJECTIVES

Major City Goals

- **2009-11** *Preservation of Critical Services and Fiscal Health.* Adopt a balanced budget that retains the City’s fiscal health, preserves critical services and implements long term productivity improvements and cost-reduction strategies.

Other Program Objectives

- **2009-11** Provide helpful and timely fiscal and information technology advice to the Council, City Manager and Departments.
- **2009-11** Provide financial support and assistance in implementing Major City Goals.
- **2009-11** Work closely with the operating departments in developing and implementing funding plans and programs in achieving their goals and objectives.
- **2009-11** Oversee implementation of Finance & Information Technology goals, objectives and projects.

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Council agenda reports reviewed	292	306	318	318
City Manager reports reviewed	263	240	265	270

GENERAL GOVERNMENT

PROGRAM: Accounting
DEPARTMENT: Finance & Information Technology

OPERATION: Organizational Support Services
FUND: General Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	357,900	458,900	429,600	446,500
Contract Services	146,600	155,000	162,400	166,200
Other Operating Expenditures	6,200	9,400	9,200	9,200
Minor Capital				
Total	\$510,700	\$623,300	\$601,200	\$621,900

PROGRAM DESCRIPTION

The accounting program coordinates preparation of the City's budget, issues financial reports and administers the disbursement of City funds in accordance with adopted fiscal policies and internal control procedures. Program goals are 1) developing and implementing effective and efficient financial planning, reporting, and accounting systems that help the operating departments achieve their objectives; 2) providing quality customer service; 3) protecting the City's resources from unauthorized use. This program has five major activities:

- **Financial planning and reporting.** Coordinating preparation of the two-year financial plan, annual budgets and mid-year budget reviews; preparing the comprehensive annual financial report (CAFR); coordinating annual and special audits; preparing annual State Controller's Reports; issuing interim financial reports on the City's fiscal and budgetary status; preparing the cost allocation plan; calculating the annual appropriation limit; maintaining on-line access of financial information to department fiscal officers and other City system users; maintaining accurate and timely financial information on the City's web site.
- **Payroll.** Processing the City's employee payroll; filing monthly and annual reports with taxing authorities and regulatory agencies; coordinating employee benefit coverage and reporting with the Human Resources Department; processing payments for insurance benefits and withheld taxes; providing payroll statistics to various departments and agencies.
- **Accounts payable.** Processing the City's accounts payable and issuing checks to vendors; filing monthly and annual reports required by regulatory agencies; reviewing internal controls and adhering to established payables procedures; maintaining vendor and encumbrance files; reviewing contract pay estimates.
- **General accounting services and policies.** Maintaining the general ledger system and chart of accounts; preparing daily cash deposits and reports; reconciling monthly bank statements; establishing accounting and purchasing policies systems and practices; coordinating cooperative purchasing opportunities; reviewing contract documents for compliance with City purchasing policies; administering the City's real and personal property management systems; coordinating federal and state disaster cost recovery activities; reviewing claims to recover the cost of providing state-mandated services (SB90); maintaining historical records of the City's financial performance.
- **Support services.** Processing and distributing interdepartmental and U.S. mail; administering formal bids for purchases of supplies, equipment and services (placing bid notices; opening bids; reviewing insurance endorsements; coordinating contract execution; monitoring insurance after bid award); inventorying and ordering copier/printer paper supplies.

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
Finance Manager*	0.5	0.5	0.5	0.5
Accounting Supervisor	1.0	1.0	1.0	1.0
Accounting Assistant	3.0	3.0	3.0	3.0
Total	4.5	4.5	4.5	4.5
Temporary Positions				
Full-Time Equivalents (FTE)	0.3	0.3	0.2	0.2

*Allocated 50% to Accounting and 50% to Revenue Management

GENERAL GOVERNMENT

PROGRAM: Accounting (continued)
 DEPARTMENT: Finance & Information Technology

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-11** Reducing the use of temporary staff will save \$4,600 annually.

2009-11 PROGRAM OBJECTIVES

Major City Goals

- **2009-11** *Preservation of Essential Services and Fiscal Health.* Adopt a balanced budget that retains the City's fiscal health, preserves critical services and implements long term productivity improvements and cost-reduction strategies.

Other Program Objectives

- **2009-10** Ongoing management of Other-Than-Pension Post Employment Benefit (OPEB) trust obligation.
- **2010-11** Coordinate updating of OPEB actuarial valuation.
- **2009-11** Continue to provide efficient and accurate delivery of payroll, accounts payable and other accounting services.
- **2009-11** Continue to issue comprehensive annual financial reports (CAFR) in accordance with generally accepted accounting principles that meet the Government Finance Officer's Association's program requirements for excellence in financial reporting.
- **2009-11** Continue to issue timely and accurate interim financial information to the Council and operating departments.
- **2009-11** Coordinate city-wide copier replacement as needed.
- **2009-11** Comply with Measure Y requirements for citizen oversight by producing an annual report on the use of proceeds from the local option ½-cent sales tax.

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Payroll checks and direct deposits	15,249	15,000	15,000	15,000
Vendor invoices	27,650	27,750	27,750	27,750
W-2's issued	876	875	875	875
1099's issued	107	120	120	120
Contracts processed	370	375	380	380

GENERAL GOVERNMENT

PROGRAM: Revenue Management
 DEPARTMENT: Finance & Information Technology

OPERATION: Organizational Support Services
 FUND: General Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	505,600	596,300	501,000	531,500
Contract Services	31,300	48,700	49,800	50,000
Other Operating Expenditures	115,600	111,900	118,700	122,300
Minor Capital				
Total	\$652,500	\$756,900	\$669,500	\$703,800

PROGRAM DESCRIPTION

The revenue management program administers the City's treasury and revenue operations in accordance with established fiscal policies. Program goals are: 1) developing and implementing effective and efficient revenue planning, monitoring and reporting systems that help assure the City's long-term fiscal health; 2) providing quality customer service; 3) protecting the City's cash assets from unauthorized use. This program has six major activities:

- **Utility billing.** Administering meter reading system; coordinating customer service orders (service stops, starts, and questions); billing and collecting water and sewer service payments; maintaining utility billing website; administering low income assistance programs; supporting the City's water conservation program.
- **Business tax.** Administering the business tax system, including annual renewals of all City businesses, issuing tax certificates to new businesses, enforcing the business tax ordinance, implementing gross receipt verification programs and providing mandated business tax information to the State.
- **Accounts receivable.** Maintaining an organization-wide accounts receivable system, including grant receipts, transient occupancy tax (TOT) collections and all other tax and fee receipts.
- **Cashier and public counter.** Providing public counter and cashiering services at City Hall as well as accounting for all bank deposits from other City facilities.
- **Revenue forecasts and rate reviews.** Preparing revenue forecasts and monitoring trends; reviewing utility rates, user charges and development impact fees, and making recommendations to Council as appropriate.
- **Investments, banking services, and debt service administration.** Managing the City's investment portfolio in accordance with adopted policies and plans, including preparing cash flow projections, coordinating broker/dealer services, identifying appropriate investment vehicles and timeframes and allocating interest earnings among funds in accordance with generally accepted accounting principles; administering the City's banking services contract; coordinating project financings and administering debt service obligations in accordance with bond covenants.

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
Finance Manager*	0.5	0.5	0.5	0.5
Revenue Supervisor	1.0	1.0	1.0	1.0
Accounting Assistant	5.0	5.0	5.0	5.0
Total	6.5	6.5	6.5	6.5
Temporary Positions				
Full-Time Equivalents (FTE)	0.1	0.1	0.1	0.1

* Allocated 50% to Accounting and 50% to Revenue Management.

GENERAL GOVERNMENT

PROGRAM: Revenue Management (continued)
 DEPARTMENT: Finance & Information Technology

SIGNIFICANT PROGRAM CHANGES

None.

2009-11 PROGRAM OBJECTIVES

Major City Goals

- **2009-11** *Preservation of Essential Services and Fiscal Health.* Adopt a balanced budget that retains the City's fiscal health, preserves critical services and implements long term productivity improvements and cost-reduction strategies.

Other Program Objectives

- **2009-11** Issue a request for proposals and enter into an agreement for banking services.
- **2009-11** Achieve yields on investments that exceed 90 day U.S. Treasury Bill while safeguarding the City's portfolio from losses due to creditor default or market changes.
- **2009-11** Update General Fund fees in accordance with adopted City policy and cost of services study results.
- **2009-11** Continue business tax verification program.
- **2009-11** Evaluate the possibility of a utility billing system upgrade.

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular utility bills issued	174,675	175,000	175,000	175,000
Delinquent utility notices issued	10,800	11,000	11,000	11,000
Utility service orders	9,467	9,500	9,500	9,500
Accounts receivable invoices issued	4,676	4,100	4,200	4,300
Business tax certificates issued	7,424	7,400	7,400	7,500
Cashier transactions	33,435	32,500	32,500	32,500
Utility phone calls	21,272	22,000	22,100	22,200

GENERAL GOVERNMENT

PROGRAM: Support Services
 DEPARTMENT: Finance & Information Technology

OPERATION: Organizational Support Services
 FUND: General Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing				
Contract Services	28,900	156,100	114,000	114,500
Other Operating Expenditures	77,600	80,500	77,100	79,100
Minor Capital	11,800	78,200	32,000	32,000
Total	\$118,300	\$314,800	\$223,100	\$225,600

PROGRAM DESCRIPTION

The support services program administers and accounts for indirect costs not easily charged to operating programs or projects. The program goal is cost-effective budgeting and accounting for indirect costs. This program has four major activities:

- **Copier maintenance and supplies.** Funding contract maintenance and supplies for City-owned copiers.
- **Postage.** Funding postage costs incurred through the City's central postage meter (specialized mailing costs are accounted for in the individual operating programs).
- **City-wide associations.** Funding City membership in the League of California Cities and San Luis Obispo Chamber of Commerce and staff attendance at the annual League Conference.
- **Ventures and contingencies.** Providing the City Manager with the flexibility to fund innovative proposals from the operating departments that improve City services, reduce operating costs, increase productivity or respond to one-time expenditures that are essential for the delivery of basic services that could not be anticipated during the City's two-year financial planning and budgetary process.

STAFFING SUMMARY

None. Staffing assistance is provided through the City Administration and Accounting programs.

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-11** Eliminating the typewriter maintenance contract will save \$1,200 in 2009-10 and \$1,300 in 2010-11.
- **2009-11** Reducing the number of staff attending the annual League of Cities conference will save \$3,000 annually.

Increases Required to Support Basic Service Levels

- **2009-11** Replacing copiers on an as-needed basis will cost \$32,000 annually.

2009-11 PROGRAM OBJECTIVES

- **2009-11** Continue working towards achieving program goals.

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Copiers on-site	21	21	21	21

GENERAL GOVERNMENT

PROGRAM: Information Technology
 DEPARTMENT: Finance & Information Technology

OPERATION: Organizational Support Services
 FUND: General Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	607,600	916,200	718,800	749,300
Contract Services	319,500	231,200	299,000	328,500
Other Operating Expenditures	667,900	991,000	723,100	746,000
Minor Capital				
Total	\$1,595,000	\$2,138,400	\$1,740,900	\$1,823,800

PROGRAM DESCRIPTION

The information technology program is responsible for ensuring that the City's information technology resources are effectively managed and used as key organizational tools in improving organizational productivity, customer service and public access to City information. Program goals are: 1) developing and implementing long-range plans, policies and standards for acquiring, maintaining, and achieving full use of information technology resources; 2) providing responsive ongoing support, maintenance, trouble-shooting and training for office automation and telecommunications systems and applications. This program has four major activities:

- **Policies and standards.** Implementing the City's information technology plans, policies and standards; assisting in establishing organization-wide priorities for new system acquisitions; ensuring compliance with software copyrights and licensing agreements; protecting computer systems and files from unauthorized use or access; and providing staff support to the Information Technology Steering Committee and other technical/user groups.
- **New systems and applications installation support.** Taking lead responsibility for planning and managing the installation of new organization-wide systems and applications; assisting operating departments in planning and managing the installation of new systems and applications for more specialized functions.
- **Network and office automation support.** Assuring adequate support and maintenance of the City's technology infrastructure in providing highly reliable systems and applications to users; coordinating training for the full use of City-wide information systems; providing advice and support to departmental application administrators; administering the wide area network; administering all local area networks.
- **Telecommunications management.** Supporting and maintaining organization-wide telecommunication systems, including analog telephones, voice over internet protocol (VOIP) telephone system, cell phones, smart phones, leased circuits, radios, utility telemetry systems and other "wireless" communication systems.

GENERAL GOVERNMENT

PROGRAM: Information Technology (continued)
 DEPARTMENT: Finance & Information Technology

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
Information Technology Manager	1.0	1.0	1.0	1.0
Telecommunications Supervisor	1.0	1.0	0.0	0.0
Information Technology Assistant	0.0	0.0	0.8	0.8
Radio Systems Technician	1.0	1.0	0.0	0.0
Telemetry/Instrumentation Technician	1.0	1.0	0.0	0.0
Network Administrator	4.0	4.0	4.0	4.0
Total	8.0	8.0	5.8	5.8
Temporary Positions				
Full-Time Equivalents (FTE)	0.5	0.5	0.4	0.4

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-11** Deferring workstation replacements will save \$85,000 annually.
- **2009-11** Reducing printer and server replacements will save \$14,000 annually.
- **2009-11** Reducing the use of temporary staff will save \$5,000 annually.
- **2009-11** Eliminating the Telecommunications Supervisor and the Telemetry/Instrumentation Technician and replacing the Radio Systems Technician with a 0.8 FTE Information Technology Assistant will save \$197,400 in 2009-10 and \$192,500 in 2010-11.

Increases Required to Support Basic Service Levels

- **2009-11** Ensuing reliable data storage will cost \$18,200 in 2009-10 and \$28,200 in 2010-11 for contract maintenance services.

2009-11 PROGRAM OBJECTIVES

- **2009-10** Complete installation of new radio system.
- **2009-10** Complete construction of new public safety dispatch center.
- **2009-11** Assist public safety with:
 - Replacing emergency generators at Fire Station 1, 2 and 3.
 - Migrating dispatch systems to new public safety dispatch center.
 - Installing new systems into the dispatch center.
- **2010-11** Replace core network switch at City Hall.
- **2009-11** Replace and upgrade Whale Rock and water distribution telemetry systems.

GENERAL GOVERNMENT

PROGRAM: Information Technology (continued)
 DEPARTMENT: Finance & Information Technology

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
City sites serviced	35	35	36	36
Users supported	450	531	531	531
Desktop workstations				
Standard workstations	321	342	348	348
GIS/CAD workstations	26	23	37	37
Laptops	42	35	35	35
Mobile Data Computers		48	49	49
Local area/special purpose servers	3/28	4/38	4/38	4/38
Data backed-up nightly (GB)	450	1,000	1,200	1,400
Firewalls/Network Switches		3/48	3/53	3/53
Databases/Operating Systems	15/8	29/9	29/9	29/9
Blackberrys/similar "PDA's"	54	64	67	70
Printers/plotters/scanners	80/4/115	82/4/30	82/4/30	82/4/30
Software applications	85	85	85	85
Radios (handheld and vehicular)	395	395	395	395
Telephone lines/cell phones	675/190	846/263	850/273	855/283
VoIP Switches		13	14	14
Pagers	211	75	75	75

GENERAL GOVERNMENT

PROGRAM: Geographic Information Services
 DEPARTMENT: Public Works

OPERATION: Organizational Support Services
 FUND: General Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	299,700	334,900	336,900	346,200
Contract Services	51,000	30,900	51,700	51,700
Other Operating Expenditures	16,900	22,200	22,100	22,200
Minor Capital				
Total	\$367,600	\$388,000	\$410,700	\$420,100

PROGRAM DESCRIPTION

The geographic information services program operates and maintains the City's geographic information system (GIS) which is defined in the industry as an "organized collection of computer hardware, software, geographic data, and personnel designed to efficiently capture, store, update, manipulate, analyze, and display all forms of geographically referenced information." Program goals are: 1) develop and implement an accurate, comprehensive, and up-to-date geographic information system 2) provide quick and easy access to GIS data with reasonable security and 3) promote use of GIS to expedite work processes. This program has four major activities:

- **GIS data management and maintenance.** Establishing and enforcing accuracy standards, update procedures, and database compatibility for GIS data; coordinating data sharing with local, state, and federal government; creating and developing new GIS data.
- **GIS applications development and analysis.** Developing custom applications, interactive maps, and specific project map documents for analysis and inquiry of GIS information; performing complex GIS analyses.
- **GIS training and assistance.** Conducting training classes for city-wide GIS users; tutoring and assisting individual GIS users on specific projects; answering technical questions.
- **Cartography and presentation.** Producing informative maps, reports, and digital graphics; assisting with presentation of geographic information.

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
GIS Supervisor	1.0	1.0	1.0	1.0
GIS Specialist	2.0	2.0	2.0	2.0
Total	3.0	3.0	3.0	3.0
Temporary Positions				
Full-Time Equivalents (FTE)	0.30	0.30	0.30	0.30

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-10** Deferring replacement of the global position system (GPS) equipment will save \$60,000 in 2009-10.

GENERAL GOVERNMENT

PROGRAM: Geographic Information Systems (continued)
 DEPARTMENT: Public Works

2009-11 PROGRAM OBJECTIVES

Major City Goals

- **2009-11** *Infrastructure Maintenance.* Sustain an effective level of existing core infrastructure maintenance such as streets, sidewalks, creek & flood protection, parks and protection of other physical assets.
- **2009-11** *Traffic Congestion Relief.* Continue efforts on projects which relieve traffic congestion, such as street modifications, intersection improvements, pedestrian improvements, bicycle facilities, traffic signal operations and public transit.

Other Important Council Objectives

- **2009-11** *Downtown Maintenance and Beautification.* Expand Downtown beautification efforts, including enhanced maintenance and cleanliness; review and upgrade of standards; and making phased physical improvements.
- **2009-11** *Land Use and Circulation Revisions.* Initiate a focused revision of the Land Use and Circulation Elements.
- **2009-11** *Historic Preservation.* Complete a draft Historic Preservation Ordinance and update the inventory of historic and cultural resources within the City.
- **2009-11** *Open Space Preservation.* Continue efforts to acquire, preserve and protect open space and develop a master plan for City-owned agricultural land.

Other Council Goals

- **2009-11** *Creek and Flood Protection.* Advance Mid-Higuera flood protection improvements by seeking Zone 9 funding to complete design, obtain approvals and make progress toward construction as resources will allow.

Other Program Objectives

- **2009-11** *Parks and Recreation:* GIS support of facilities mapping and management
- **2009-11** *Affordable Housing:* GIS support for housing development analysis
- **2009-11** *Public Safety:* GIS support for Police and Fire MDC map books
- **2009-11** *Utilities:* GIS support for Utility infrastructure database applications
- **2009-11** *Street Paving:* GIS support for street pavement management application
- **2009-11** *Transit System:* GIS support for maintaining the transit data and transit map
- **2009-11** *Bicycle Improvement:* GIS support for maintaining the GIS data related to bicycle transportation, performing analysis, and producing informative maps and presentation graphics

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Potential internal GIS users	350	350	350	350
Current internal passive GIS users	120	130	130	130
Current internal active GIS users	35	40	45	50
City-wide GIS applications available	12	12	12	15
External web applications	13	13	15	17

GENERAL GOVERNMENT

PROGRAM: Building Maintenance
 DEPARTMENT: Public Works

OPERATION: Organizational Support Services
 FUND: General Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	389,600	456,500	464,600	478,500
Contract Services	259,600	308,400	241,300	246,500
Other Operating Expenditures	289,900	316,400	333,000	349,000
Minor Capital	24,800	15,000		
Total	\$963,900	\$1,096,300	\$1,038,900	\$1,074,000

PROGRAM DESCRIPTION

The building maintenance program provides full building maintenance service for City Hall, 955 Morro, 919 Palm office space, utilities admin, parking enforcement offices, police station, police annex, recreation office, senior center, Ludwick center, jack house, city/county museum, city/county library meeting rooms, corporation yard building, Meadow Park meeting room, Sinsheimer concession stand, fire stations 1, 2, 3, 4. The scope of program responsibility is to over-see un-planned, un-budgeted repairs to existing building features, and planned, budgeted building maintenance projects. Limited work and consultation services are offered at the program supervisor's discretion to tenants of city buildings outside of this program's charter such as park restrooms, utility plants, golf course, bus yard, parking structures, old city library, city owned adobes, any unsupported future expansion of buildings outside of the current chartered list. Program goals are attractive buildings, comfortable and productive work environments, safe and energy-efficient buildings, a positive image for the City, and maximum building service life. This program has four major activities:

- **Skilled in-house craft maintenance.** Performing plumbing, electrical, carpentry, flooring, mechanical, hardware, painting, roofing, pump, boiler, furniture, tile, and drinking water purification system repairs. This work is performed by two full-time regular Building Maintenance Technicians and two full-time regular Building Maintenance Workers.
- **Specialized in-house technical service.** Servicing and maintaining heating, ventilation and air conditioning (HVAC) systems, power cogeneration systems, security and fire alarm systems, locksmithing, telemetry, controls, filtration systems, specialized software. This work is performed by two full-time regular Building Maintenance Technicians and two full-time regular Building Maintenance Workers and coordinated by the Facilities Maintenance Supervisor and various contractors.
- **Contract and housekeeping service.** This work is performed by contractors with ongoing service contracts: HVAC filter service, janitorial service, reverse osmosis and de-ionized water systems, fire extinguishers, kitchen hood ansul systems, first aid kits, elevator inspection, alarm monitoring, pest control, floor refurbishment, kitchen range duct cleaning. This work is overseen by the Facilities Maintenance Supervisor.
- **Building improvement.** Constructing minor capital maintenance projects. This work is typically performed by contractors, and work is overseen by the Facilities Maintenance Supervisor.

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
Facilities Maintenance Supervisor	1.0	1.0	1.0	1.0
Building Maintenance Technician	2.0	2.0	2.0	2.0
Maintenance Worker	2.0	2.0	2.0	2.0
Total	5.0	5.0	5.0	5.0

GENERAL GOVERNMENT

PROGRAM: Building Maintenance (continued)
 DEPARTMENT: Public Works

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- 2009-11 Canceling the HVAC control and maintenance contract will save \$14,900 annually.
- 2009-11 Reducing the janitorial services frequency at Fire Station #1 will save \$5,200 annually.
- 2009-11 Reducing construction contracts will save \$15,000 annually.
- 2009-11 Reducing the electrical supplies and the operating materials supplies budgets will save \$10,000 annually.

2009-11 PROGRAM OBJECTIVES

Major City Goals

- 2009-11 *Infrastructure Maintenance.* Sustain an effective level of existing core infrastructure maintenance such as streets, sidewalks, creek & flood protection, parks and protection of other physical assets.

Other Program Objectives

- 2009-11 Provide technical support with capital improvement plan projects.
- 2009-11 Provide assistance with implementing the Storm Water Management Plan.
- 2009-11 Provide ongoing assistance with city facilities and maintenance.
- 2009-11 Manage the application and updating of the Facilities Master Plan.

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Square feet of buildings maintained	204,294	207,794	204,294	204,294
Square feet of parking garages maintained	346,800	432,800	432,800	432,800
Work orders completed	1,325	1,200	1,500	1,500

GENERAL GOVERNMENT

PROGRAM: Fleet Maintenance
 DEPARTMENT: Public Works

OPERATION: Buildings & Equipment
 FUND: General Fund

PROGRAM COSTS	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Staffing	318,000	367,900	365,000	376,600
Contract Services	118,700	90,600	57,000	57,500
Other Operating Expenditures	572,800	514,500	505,300	513,300
Minor Capital				
Total	\$1,009,500	\$973,000	\$927,300	\$947,400

PROGRAM DESCRIPTION

The fleet maintenance program maintains and repairs all City vehicles and construction equipment except those used in the fire and transit programs. The program goal is safe, efficient, and reliable vehicles and equipment. This program has five major activities:

- **Vehicle and construction equipment maintenance.** Servicing and repairing Police patrol cars and motorcycles, autos and light trucks, commercial vehicles, construction equipment, turf mowers, and emergency generators; answering road calls for repair and towing of City vehicles; scheduling and documenting maintenance services.
- **General equipment maintenance.** Servicing and repairing radios, video recording systems, and other small equipment items; maintaining the fueling and washing islands at the Corporation Yard.
- **Equipment installation.** Installing radios, mobile data computers, video recording systems, and safety equipment.
- **Procurement.** Recommending vehicle and equipment replacements and writing specifications for procurements; managing inventories of fuel, oil, tires, and replacement parts; performing shipping and receiving tasks for the Corporation Yard.
- **Safety and environmental protection.** Arranging state-mandated inspections for smog certifications, commercial vehicles, standby generators, and cranes; monitoring and disposing of hazardous materials for the Corporation Yard.

STAFFING SUMMARY	Actual 2007-08	Budgeted 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Regular Positions				
Fleet Maintenance Supervisor	1.0	1.0	1.0	1.0
Heavy Equipment Mechanic	2.0	3.0	3.0	3.0
Total	3.0	4.0	4.0	4.0
Temporary Positions				
Full-Time Equivalents (FTE)	1.0	0.0	0.0	0.0

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2009-11** Reducing overtime will save \$2,900 annually.
- **2009-11** Reducing the operating and materials budget will save \$4,000 annually.
- **2009-11** Reducing the overhaul and major repairs budget will save \$8,800 annually.
- **2009-11** Reducing the special equipment installation budget will save \$2,800 annually.
- **2009-11** Eliminating the generator service contract will save \$7,000 annually.

GENERAL GOVERNMENT

PROGRAM: Fleet Maintenance (continued)
 DEPARTMENT: Public Works

2009-11 PROGRAM OBJECTIVES

Major City Goals

- **2009-11** *Infrastructure Maintenance.* Sustain an effective level of existing core infrastructure maintenance such as streets, sidewalks, creek & flood protection, parks and protection of other physical assets.

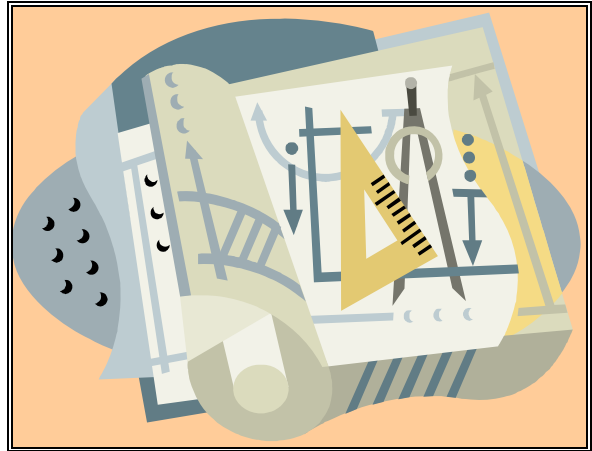
Other Program Objectives

- **2009-11** Complete all approved fleet replacements and acquisitions.
- **2009-11** Manage the application and updating of Fleet Management Policy.

WORKLOAD MEASURES	Actual 2007-08	Projected 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Motorized rolling stock units	189	201	202	203
Motorized rolling stock units per mechanic	76	77	77	77
Other equipment units	63	67	67	68

Section E

CAPITAL IMPROVEMENT PLAN



CAPITAL IMPROVEMENT PLAN

OVERVIEW

INTRODUCTION

All of the City's construction projects and equipment purchases costing \$15,000 or more are included in the Capital Improvement Plan. (Minor capital outlays costing less than \$15,000 are included with the operating program budgets.)

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

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

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

ORGANIZATION

The CIP is composed of six parts:

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

preparation, construction, construction management and equipment acquisitions), project cost and schedule.

5. Listing of all CIP projects by funding source.
6. Project description summaries (unless specifically noted, impact on operating budget is deemed insignificant).

SUPPLEMENTAL INFORMATION APPENDIX B: CIP PROJECTS

2009-13 CIP Project Detail. The CIP information provided in the Financial Plan is based on the project detail provided in *Appendix B: Capital Improvement Plan Projects*.

In addition to summary information, Appendix B includes the following for each CIP project:

1. Function
2. Request title
3. Project summary
4. Project objectives
5. Existing situation
6. Goal and policy links
7. Project work completed
8. Environmental review
9. Project constraints and limitations
10. Stakeholders
11. Project phasing and funding sources
12. Key project assumptions
13. Project manager and team support
14. Alternatives
15. Operating program
16. Project effect on the operating budget
17. Location map/schematic design (if applicable)
18. Description of units for fleet replacements and additions

CAPITAL IMPROVEMENT PLAN

SUMMARY OF CIP EXPENDITURES BY FUNCTION

	2009-11 Financial Plan		Proposed	Proposed
	2009-10	2010-11	2011-12	2012-13
PUBLIC SAFETY				
Police Protection	25,000	138,700	540,400	1,144,200
Fire & Environmental Safety	1,318,400		110,000	106,500
Total Public Safety	1,343,400	138,700	650,400	1,250,700
PUBLIC UTILITIES				
Water Services	2,808,200	3,875,000	2,381,200	2,474,700
Wastewater Services	1,813,800	1,840,400	7,892,800	4,294,000
Whale Rock Reservoir	75,000	350,000	35,000	
Total Public Utilities	4,697,000	6,065,400	10,309,000	6,768,700
TRANSPORTATION				
Streets	2,794,300	2,290,100	4,387,200	19,005,000
Pedestrian & Bicycle Paths	3,011,600	465,000	395,000	395,000
Creek & Flood Protection	560,000	705,000	4,335,000	1,245,000
Parking	885,000	36,600	96,900	
Transit				
Total Transportation	7,250,900	3,496,700	9,214,100	20,645,000
LEISURE, CULTURAL & SOCIAL SERVICES				
Parks & Recreation	832,100	1,451,800	1,419,100	1,168,900
Cultural Services	268,700	16,100	234,200	104,500
Total Leisure, Cultural & Social Services	1,100,800	1,467,900	1,653,300	1,273,400
COMMUNITY DEVELOPMENT				
Natural Resource Protection	1,072,500		260,000	300,000
Housing	35,000			
Construction Regulation	23,500		72,900	24,700
Total Community Development	1,131,000		332,900	324,700
GENERAL GOVERNMENT				
Information Technology		125,000	940,000	520,000
Geographic Information Services			120,000	
Buildings	15,000		135,500	265,000
CIP Reserve	307,700			
Total General Government	322,700	125,000	1,195,500	785,000
TOTAL	\$15,845,800	\$11,293,700	\$23,355,200	\$31,047,500

CAPITAL IMPROVEMENT PLAN

SUMMARY OF CIP EXPENDITURES BY FUNDING SOURCE

	2009-11 Financial Plan		Proposed	Proposed
	2009-10	2010-11	2011-12	2012-13
CAPITAL OUTLAY FUND				
General Fund	3,759,200	3,275,400	6,516,200	6,313,700
Federal & State Grants			3,098,600	486,900
Other Sources	225,000	90,000	135,000	225,000
Total Capital Outlay Fund	3,984,200	3,365,400	9,749,800	7,025,600
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUND				
Federal Grants	403,000	100,000	100,000	100,000
PARKLAND DEVELOPMENT FUND				
Park In-lieu Fees	374,000	919,700		
Federal & State Grants		50,000		
Other Sources		323,300		
Total Parkland Development Fund	374,000	1,293,000		
TRANSPORTATION IMPACT FEE FUND				
Transportation Impact Fees	822,500	253,600	73,000	3,675,000
Federal & State Grants	2,090,000		1,200,000	12,600,000
Total Transportation Impact Fee Fund	2,912,500	253,600	1,273,000	16,275,000
OPEN SPACE PROTECTION FUND				
General Fund	322,500		260,000	200,000
Grants	750,000			100,000
Total	1,072,500		260,000	300,000
FLEET REPLACEMENT FUND				
General Fund	1,492,000	160,800	1,362,800	284,900
ENTERPRISE AND AGENCY FUNDS				
Water Fund	2,808,200	3,882,500	2,443,000	2,507,700
Sewer Fund	1,813,800	1,846,700	7,946,100	4,325,300
Parking Fund	885,000	40,400	118,200	7,700
Transit Fund		1,300	7,300	1,300
Golf Fund	25,600		60,000	220,000
Whale Rock Fund	75,000	350,000	35,000	
Total Enterprise and Agency Funds	5,607,600	6,120,900	10,609,600	7,062,000
TOTAL	\$15,845,800	\$11,293,700	\$23,355,200	\$31,047,500

CAPITAL IMPROVEMENT PLAN

PROJECT DETAIL AND PHASING - PUBLIC SAFETY

	2009-11 Financial Plan		Proposed	Proposed
	2009-10	2010-11	2011-12	2012-13
POLICE PROTECTION				
Sewer Lateral Replacement at Police Annex	25,000			
Replace HVAC Ducting in Records Area				
Design			7,500	
Construction				36,000
Mobile Data Computer Replacements				429,000
In-Car Video System Replacements				244,200
Public Safety Automatic Vehicle Locator System			85,000	
Portable Video Surveillance Equipment			18,000	
Laserfiche Server Replacement			63,000	
Computer Aided Dispatch Server Replacement				250,000
CAD/RMS System Replacement				
Study				153,000
Police Station Parking Lot Maintenance			82,000	
Police Station Exterior Painting				
Design			1,500	
Construction			48,000	
Police Station Interior Painting				32,000
Fleet Replacements				
Patrol Sedans		68,700	139,900	
Non-Patrol Vehicles			60,400	
Pickup		32,200		
SUV's (2)		37,800	35,100	
Total Police Protection	25,000	138,700	540,400	1,144,200
FIRE & ENVIRONMENTAL SAFETY				
Self Contained Breathing Apparatus	220,900			
Cardiac Monitor Replacements			29,100	29,100
Fire Station Facility Improvements and Repairs				
Station 1: Carpet replacement			15,600	24,400
Station 3: Shower Stalls and Flooring Replacement				
Construction	50,000			
Construction Management	7,500			
Station 3: Engine Bay Slab				19,000
Fleet Replacements				
Hybrid SUV's (3)			65,300	34,000
Ladder Truck/Engine	1,040,000			
Total Fire & Environmental Safety	1,318,400		110,000	106,500
TOTAL PUBLIC SAFETY	\$1,343,400	\$138,700	\$650,400	\$1,250,700

CAPITAL IMPROVEMENT PLAN

PROJECT DETAIL AND PHASING - PUBLIC UTILITIES

	2009-11 Financial Plan		Proposed	Proposed
	2009-10	2010-11	2011-12	2012-13
WATER SERVICES				
<i>Water Distribution</i>				
Distribution System Master Plan Implementation	250,000	250,000	250,000	250,000
Distribution System Improvements	1,180,000	1,375,000	1,400,000	1,425,000
Polybutylene Water Service Replacements	450,000	250,000	350,000	350,000
Water Reuse Master Plan Implementation	250,000	250,000	250,000	250,000
Fleet Addition: Pickup and valve machine	87,700			
Fleet Replacements				
Emergency Generator	33,800			
<i>Water Customer Service</i>				
Fleet Replacements				
Pickups				49,500
<i>Water Treatment Plant</i>				
Major Facility Maintenance	200,000	250,000	100,000	100,000
Fleet Replacements				
Crew Cab 4x4 Pickup	31,700			
Pickup				24,700
<i>Administration and Engineering</i>				
Utilities Telemetry System Upgrade	325,000	1,500,000		
Exterior Painting: Utilities Administrative Offices			9,000	
Fleet Replacement:				
Sedan			22,200	
Pickup				25,500
Total Water Services	2,808,200	3,875,000	2,381,200	2,474,700
WHALE ROCK RESERVOIR				
<i>Whale Rock Operations</i>				
Utilities Telemetry System Upgrade	75,000	350,000		
Siltation Study			35,000	
Total Whale Rock Reservoir	75,000	350,000	35,000	

CAPITAL IMPROVEMENT PLAN

PROJECT DETAIL AND PHASING - PUBLIC UTILITIES

	2009-11 Financial Plan		Proposed	Proposed
	2009-10	2010-11	2011-12	2012-13
WASTEWATER SERVICES				
<i>Wastewater Collection</i>				
Collection System Improvements	1,728,000	1,393,000	1,559,000	1,747,000
Voluntary Lateral Rehabilitation Program	52,000	52,000	52,000	52,000
Calle Joaquin Lift Station Replacement				
Environmental Review		10,000		
Land Acquisition		25,000		
Design		200,000		
Construction				1,900,000
Fleet Replacement				
Pickup			22,800	
Emergency Generator	33,800			
<i>Water Reclamation Facility (WRF)</i>				
Master Plan Implementation				
Design			5,000,000	
WRF Major Maintenance		160,400	650,000	595,000
WRF Disinfection Modifications				
Design			600,000	
<i>Administration and Engineering</i>				
Exterior Painting: Utilities Administrative Offices			9,000	
Total Wastewater Services	1,813,800	1,840,400	7,892,800	4,294,000
TOTAL PUBLIC UTILITIES	\$4,697,000	\$6,065,400	\$10,309,000	\$6,768,700

CAPITAL IMPROVEMENT PLAN

PROJECT DETAIL AND PHASING - TRANSPORTATION

	2009-11 Financial Plan		Proposed	Proposed
	2009-10	2010-11	2011-12	2012-13
STREETS				
<i>Pavement Maintenance</i>				
Street Reconstruction, Resurfacing and Sealing				
Design	25,000		25,000	
Construction	1,825,000	1,400,000	1,980,000	2,060,000
Downtown and Gateway Paving	200,000	500,000		
Fleet Replacements				
Asphalt Roller	56,000			
Patch Truck	169,300			
Asphalt Paver	143,100			
Transfer Truck			182,400	
Skid Steer			72,200	
Stencil Truck				97,300
Hooklift Truck				72,400
Front-End Loader			171,100	
Top-Kick Dump Trucks (2)			173,800	
Pickup Truck			26,400	
Street Sweeper			186,800	
<i>Street Improvements</i>				
Traffic Safety Report Implementation	25,000	25,000	25,000	25,000
Neighborhood Traffic Management	20,000	20,000	20,000	20,000
Los Osos Valley Road Interchange				
Design	79,700			
Construction				15,500,000
Construction Management				750,000
Land Acquisition			1,200,000	
Traffic Model Update	72,500	72,500		
Traffic Volume Counts			48,000	
Guardrail Replacements				
Design			25,000	
Construction				60,000
Prado Road Bridge Deck Maintenance				
Construction			150,000	
Construction Management			10,000	
Street Sign Maintenance				
Construction		60,000	60,000	60,000
Equipment Acquisition	40,000	6,500	6,500	6,500
Transportation Impact Fee Reimbursement	28,700	86,100		
<i>Traffic Signals and Street Lights</i>				
Traffic Signal Reconstruction				
Construction				258,800
Street Light Painting	50,000	50,000	25,000	25,000
Downtown Pedestrian Lighting		70,000		70,000
Street Light Replacement: Broad Street	60,000			
Total Streets	2,794,300	2,290,100	4,387,200	19,005,000

CAPITAL IMPROVEMENT PLAN

PROJECT DETAIL AND PHASING - TRANSPORTATION

	2009-11 Financial Plan		Proposed	Proposed
	2009-10	2010-11	2011-12	2012-13
PEDESTRIAN AND BICYCLE PATHS				
<i>Pedestrian Improvements</i>				
Sidewalk Repair	20,000	20,000	20,000	20,000
Sidewalk Accessibility Improvements	135,000	200,000	250,000	250,000
Mission Style Sidewalks	100,000	100,000	100,000	100,000
Comprehensive Directional Sign Program				
Design	25,000			
Construction		50,000		
<i>Bikeway Improvements</i>				
Bicycle Facility Improvements	25,000	25,000	25,000	25,000
Railroad Safety Trail: Lighting				
Study	5,000			
Design	10,000			
Construction		60,000		
Construction Management		10,000		
Railroad Safety Trail: Phase 3				
Construction	2,100,000			
Construction Management	48,100			
Railroad Safety Trail: Bridge Over Hwy 101				
Design	150,000			
Construction	393,500			
Total Pedestrian and Bicycle Paths	3,011,600	465,000	395,000	395,000
CREEK AND FLOOD PROTECTION				
Andrews Creek Bypass Channel		330,000		
Silt Removal				
Los Osos Valley Road (LOVR) Bypass Channel			80,000	
San Luis Obispo Creek at Marsh Street		40,000		
Tributary to Acaia Creek (Hollyhock)				40,000
Prefumo Creek at Madonna Road		50,000		
San Luis Obispo Creek at WRF			55,000	
Sydney Creek at Morrison Street				40,000
Prefumo Creek Arm of Laguna Lake	125,000			145,000
Corrugated Metal Pipe Storm Drain Replacements	260,000	260,000	260,000	260,000
Minor Storm Drain Facilities	25,000	25,000	25,000	25,000
Storm Drain Culvert Repairs				
Construction	150,000		50,000	
Marsh Street Bridge Rehabilitation				
Construction			3,000,000	
Construction Management			500,000	

CAPITAL IMPROVEMENT PLAN

PROJECT DETAIL AND PHASING - TRANSPORTATION

	2009-11 Financial Plan		Proposed	Proposed
	2009-10	2010-11	2011-12	2012-13
Chorro Bridge Rehabilitation				
Environmental Review				250,000
Design				250,000
Land Acquisition				50,000
Johnson Pump Station Pump Replacement				
Design			10,000	
Construction			140,000	
Drainage Design Manual Update			200,000	100,000
Broad Street Creek Bank Reinforcement				
Design			15,000	
Construction				35,000
Toro Street Creek Bank Stabilization				50,000
Total Creek and Flood Protection	560,000	705,000	4,335,000	1,245,000
PARKING				
Upgrade Parking Structure Equipment	113,000			
Parking Lot Resealing and Resurfacing	122,000			
Purchase 610 Monterey	650,000			
Fleet Additions				
Utility Cart		36,600		
Fleet Replacements				
Utility Carts			76,900	
Sedan			20,000	
Total Parking	885,000	36,600	96,900	
TOTAL TRANSPORTATION	\$7,250,900	\$3,496,700	\$9,214,100	\$20,645,000

CAPITAL IMPROVEMENT PLAN

PROJECT DETAIL AND PHASING - LEISURE, CULTURAL & SOCIAL SERVICES

	2009-11 Financial Plan		Proposed	Proposed
	2009-10	2010-11	2011-12	2012-13
PARKS & RECREATION				
<i>Recreation Programs</i>				
Administration Software Replacement			112,000	
Santa Rosa Skate Park				
Design	178,600			
Construction		1,099,100		
Construction management		193,900		
Playground Equipment Replacement				
Meadow Park Playground				
Design				
Construction	123,000			
Construction Management	18,500			
Johnson Park Playground				
Design		7,200		
Construction			55,200	
Construction Management			7,200	
Santa Rosa Park Playground				
Design		28,000		
Construction			163,000	
Construction Management			28,000	
Throop Park Playground				
Design				
Construction	72,400			
Construction management	10,900			
Emerson Park Playground				
Design		13,500		
Construction			90,400	
Construction Management			13,500	
Islay Hill Park Playground				22,500
Design				
Ludwick Center Playground				10,000
Design				
Sinsheimer Playground				15,000
Design				
Sinsheimer Park Master Plan Implementation				
Design			25,600	
Construction				215,000
Construction Management				32,000
Laguna Lake Park Master Plan Implementation				
Design			22,000	
Construction				83,800
Construction Management				12,600
Equipment Acquisition			25,000	

CAPITAL IMPROVEMENT PLAN

PROJECT DETAIL AND PHASING - LEISURE, CULTURAL & SOCIAL SERVICES

	2009-11 Financial Plan		Proposed	Proposed
	2009-10	2010-11	2011-12	2012-13
PARKS & RECREATION, continued				
Ludwick Center HVAC Ducting and Economizer				
Design			7,500	
Construction				52,000
Exterior Painting: Ludwick and Senior Centers				
Design			1,500	
Construction			90,000	
Exterior Painting: Parks and Recreation Building				
Design			1,500	
Construction			20,000	
<i>Parks and Landscape</i>				
Park Restroom Replacement: Santa Rosa Park				
Construction	208,000			
Construction Management	60,000			
Damon-Garcia Fields Maintenance Building				
Construction			64,000	
Meadow Park Roof Replacement				
Design	5,000			
Construction		40,000		
Mission Plaza Walkway Replacement			65,000	
Warden Bridge Deck Rehabilitation	45,000			
Poinsettia Creek Walk				95,000
Parks Pavement Maintenance			300,000	
Sinsheimer Stair Replacement				
Design			12,000	
Construction				80,000
Downtown Urban Forest Management	25,000	25,000	25,000	25,000
Fleet Replacements				
Park Maintenance Mowers	60,100		125,000	
Park Maintenance Pickups			27,800	56,500
Urban Forest Maintenance Pickup			23,700	
Urban Forest Maintenance Water Truck		22,100		
<i>Swim Center</i>				
Pool Replastering				
Design			22,500	
Construction				165,000
Construction Management				22,500
Pool Cover Replacement		23,000		
Replace T-Bar Ceiling Replacement			24,200	
Bath House Roof Replacement				
Design			7,500	
Construction				62,000

CAPITAL IMPROVEMENT PLAN

PROJECT DETAIL AND PHASING - LEISURE, CULTURAL & SOCIAL SERVICES

	2009-11 Financial Plan		Proposed	Proposed
	2009-10	2010-11	2011-12	2012-13
PARKS & RECREATION, continued				
<i>Golf Course</i>				
Administrative Software			25,000	
Restroom replacement: Golf Course				
Design			35,000	
Construction				220,000
Fleet Replacement: Mower	25,600			
Total Parks & Recreation	832,100	1,451,800	1,419,100	1,168,900
CULTURAL SERVICES				
Jack House Fire Sprinklers				
Construction	43,000			
Construction Management	10,000			
Jack House Restroom Building Remodel				
Construction			195,000	
Jack House Gazebo and Concrete Walkways				
Design			15,000	
Construction				80,000
SPRR Freight Warehouse Rehabilitation				
Construction	182,000			
Construction Management	18,000			
Public Art	15,700	16,100	24,200	24,500
Total Cultural Services	268,700	16,100	234,200	104,500
TOTAL LEISURE, CULTURAL & SOCIAL SERVICES	\$1,100,800	\$1,467,900	\$1,653,300	\$1,273,400

CAPITAL IMPROVEMENT PLAN

PROJECT DETAIL AND PHASING - COMMUNITY DEVELOPMENT

	2009-11 Financial Plan		Proposed	Proposed
	2009-10	2010-11	2011-12	2012-13
NATURAL RESOURCES PROTECTION				
Greenbelt Acquisition	1,072,500		200,000	200,000
Froom Ranch Recreational Development			30,000	
Prefumo Creek Fish Ladder Redesign			30,000	100,000
Total Natural Resources Protection	1,072,500		260,000	300,000
HOUSING				
Anderson Hotel Window Replacements	35,000			
Total Housing	35,000			
CONSTRUCTION REGULATION				
<i>Engineering Development Review</i>				
Fleet Replacement: Pickups	23,500		24,300	
<i>CIP Project Engineering</i>				
Fleet Replacement: Pickups			48,600	24,700
Total Construction Regulation	23,500		72,900	24,700
TOTAL COMMUNITY DEVELOPMENT	\$1,131,000		\$332,900	\$324,700

CAPITAL IMPROVEMENT PLAN

PROJECT DETAIL AND PHASING - GENERAL GOVERNMENT

	2009-11 Financial Plan		Proposed	Proposed
	2009-10	2010-11	2011-12	2012-13
INFORMATION TECHNOLOGY				
Technology Infrastructure		125,000	400,000	
IT Disaster Prevention and Recovery Plan Study			40,000	
Firewall and VPN Replacement				85,000
FoxPro Application Conversion			185,000	185,000
Sharepoint Electronic Content Management			65,000	
Office Application Software Replacement			250,000	
Information Technology Strategic Plan Study				250,000
Total Information Technology		125,000	940,000	520,000
GEOGRAPHIC INFORMATION SERVICES				
Enterprise GIS Server			15,000	
Replacement of Global Positioning System Equipment Acquisition			55,000	
Construction Management			5,000	
Aerial Photos			45,000	
Total Geographic Information Services			120,000	
BUILDINGS				
Sealing Exterior Masonry at City County Museum Construction	15,000			
Corporation Yard Fuel Island Rehabilitation Design			8,000	
Construction				35,000
Corporation Yard Transfer Pit Cover Structure Design			30,000	
Construction				230,000
HVAC Refrigeration Compressor: Corp Yard			21,000	
City Hall Emergency Power Upgrade Design			45,000	
City Hall Exterior Painting Design			1,500	
Construction			30,000	
Total Buildings	15,000		135,500	265,000
CIP RESERVE				
Contingency for General Fund CIP Projects	307,700			
Total CIP Reserve	307,700			
TOTAL GENERAL GOVERNMENT	\$322,700	\$125,000	\$1,195,500	\$785,000

CAPITAL IMPROVEMENT PLAN

PROJECT EXPENDITURES BY SOURCE - CAPITAL OUTLAY FUND

	2009-11 Financial Plan		Proposed	Proposed
	2009-10	2010-11	2011-12	2012-13
GENERAL FUND				
Police Protection				
Sewer Lateral Replacement at Police Annex	25,000			
Replace HVAC Ducting in Records Area			7,500	36,000
Mobile Data Computers				429,000
In-Car Video System Replacements				244,200
Public Safety Automatic Vehicle Locator System			85,000	
Portable Video Surveillance Equipment			18,000	
Laserfiche Server Replacement			63,000	
Computer Aided Dispatch Server Replacement				250,000
CAD/RMS System Replacement				153,000
Police Station Parking Lot Maintenance			82,000	
Police Station Exterior Painting			49,500	
Police Station Interior Painting				32,000
Fire & Environmental Safety				
Self Contained Breathing Apparatus	220,900			
Cardiac Monitor Replacement			29,100	29,100
Fire Station Facility Improvements and Repairs				
Station 1: Carpet replacement			15,600	24,400
Station 3: Shower Stalls and Flooring Replacemen	57,500			
Station 3: Engine Bay Slab				19,000
Streets				
Street Reconstruction, Resurfacing and Sealing	1,850,000	1,400,000	2,005,000	2,060,000
Downtown and Gateway Paving	200,000	500,000		
Traffic Safety Report Implementation	25,000	25,000	25,000	25,000
Neighborhood Traffic Management	20,000	20,000	20,000	20,000
Guardrail Replacements			25,000	60,000
Prado Road Bridge Deck Maintenance			160,000	
Street Sign Maintenance	40,000	66,500	66,500	66,500
Traffic Signal Reconstruction				258,800
Street Light Painting	50,000	50,000	25,000	25,000
Downtown Pedestrian Lighting		70,000		70,000
Street Light Replacement: Broad Street	60,000			
Pedestrian and Bicycle Paths				
Sidewalk Repair	20,000	20,000	20,000	20,000
Sidewalk Accessibility Improvements	135,000	100,000	150,000	150,000
Mission Style Sidewalks	100,000	100,000	100,000	100,000
Comprehensive Directional Sign Program	25,000	50,000		

CAPITAL IMPROVEMENT PLAN

PROJECT EXPENDITURES BY SOURCE - CAPITAL OUTLAY FUND

	2009-11 Financial Plan		Proposed	Proposed
	2009-10	2010-11	2011-12	2012-13
GENERAL FUND				
Creek and Flood Protection				
Andrews Creek Bypass Channel		330,000		
Corrugated Metal Pipe Storm Drain Replacements	260,000	260,000	260,000	260,000
Minor Storm Drain Facilities	25,000	25,000	25,000	25,000
Storm Drain Culvert Repairs	150,000		50,000	
* Marsh Street Bridge Rehabilitation			401,400	
* Chorro Bridge Rehabilitation				63,100
Johnson Pump Station Pump Replacement			150,000	
Drainage Design Manual Update			200,000	100,000
Broad Street Creek Bank Reinforcement			15,000	35,000
Toro Street Creek Bank Stabilization				50,000
Parks and Recreation				
Administration Software Replacement			112,000	
* Playground Equipment Replacement	29,400	48,700	357,300	47,500
Sinsheimer Park Master Plan Implementation			25,600	247,000
Laguna Lake Park Master Plan Implementation			47,000	96,400
Damon-Garcia Fields Maintenance Building			64,000	
Ludwick Center HVAC Ducting and Economizer			7,500	52,000
Exterior Painting: Ludwick and Senior Centers			91,500	
Exterior Painting: Parks and Recreation Building			21,500	
Meadow Park Roof Replacement	5,000	40,000		
Mission Plaza Walkway Replacement			65,000	
Warden Bridge Deck Rehabilitation	45,000			
Poinsettia Creek Walk				95,000
Parks Pavement Maintenance			300,000	
Sinsheimer Stair Replacement			12,000	80,000
Downtown Urban Forest Management	25,000	25,000	25,000	25,000
Pool Cover Replacement		23,000		
Olympic Pool Replastering			22,500	187,500
Replace T-Bar Ceiling			24,200	
Replace Bath House Roof			7,500	62,000
Cultural Services				
Jack House Fire Sprinklers	53,000			
Jack House Restroom Building Remodel			195,000	
Jack House Gazebo and Concrete Walkways			15,000	80,000
Public Art	15,700	16,100	24,200	24,500

CAPITAL IMPROVEMENT PLAN

PROJECT EXPENDITURES BY SOURCE - CAPITAL OUTLAY FUND

	2009-11 Financial Plan		Proposed 2011-12	Proposed 2012-13
	2009-10	2010-11		
GENERAL FUND				
Information Technology				
* Technology Infrastructure		106,100	340,000	
* IT Disaster Prevention and Recovery Plan			34,400	
Firewall and VPN Replacement				85,000
* FoxPro Application Conversion			151,000	151,000
* Sharepoint Electronic Content Management			55,900	
* Office Application Software Replacement			215,000	
* IT Strategic Plan				210,700
Geographic Information Services				
Enterprise GIS Server			15,000	
Replacement of Global Positioning System			60,000	
Aerial Photos			45,000	
Buildings				
Sealing Exterior Masonry at City County Museum	15,000			
Corporation Yard Fuel Island Rehabilitation			8,000	35,000
Corporation Yard Transfer Pit Cover Structure			30,000	230,000
HVAC Refrigeration Compressor: Corp Yard			21,000	
City Hall Emergency Power Upgrade			45,000	
City Hall Exterior Painting			31,500	
CIP Reserve				
Contingency for General Fund CIP Projects	307,700			
Total General Fund	3,759,200	3,275,400	6,516,200	6,313,700
FEDERAL AND STATE GRANTS				
* Marsh Street Bridge Rehabilitation			3,098,600	
* Chorro Bridge Rehabilitation				486,900
Total Federal and State Grants			3,098,600	486,900
OTHER SOURCES				
* SPRR Freight Warehouse Rehabilitation	100,000			
Silt Removal	125,000	90,000	135,000	225,000
Total Other Sources	225,000	90,000	135,000	225,000
TOTAL CAPITAL OUTLAY FUND	\$3,984,200	\$3,365,400	\$9,749,800	\$7,025,600

CAPITAL IMPROVEMENT PLAN

PROJECT EXPENDITURES BY SOURCE - CDBG FUND

	2009-11 Financial Plan		Proposed	Proposed
	2009-10	2010-11	2011-12	2012-13
FEDERAL AND STATE GRANTS **				
* Sidewalk Accessibility Improvements		100,000	100,000	100,000
* Park Restroom Replacement: Santa Rosa Park	268,000			
* SPRR Freight Warehouse Rehabilitation	100,000			
Anderson Hotel Window Replacements	35,000			
TOTAL COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUND	\$403,000	\$100,000	\$100,000	\$100,000

* Project funded by more than one source

CAPITAL IMPROVEMENT PLAN

PROJECT EXPENDITURES BY SOURCE - PARKLAND DEVELOPMENT FUND

	2009-11 Financial Plan		Proposed	Proposed
	2009-10	2010-11	2011-12	2012-13
PARK IN-LIEU FEES				
* Santa Rosa Skate Park	178,600	919,700		
* Playground Equipment Replacement	195,400			
Total Park In-Lieu Fees	374,000	919,700		
FEDERAL AND STATE GRANTS				
* Santa Rosa Skate Park		50,000		
Total Federal and State Grants		50,000		
OTHER SOURCES				
* Santa Rosa Skate Park		323,300		
Total Other Sources		323,300		
TOTAL PARKLAND DEVELOPMENT FUND	\$374,000	\$1,293,000		

CAPITAL IMPROVEMENT PLAN

PROJECT EXPENDITURES BY SOURCE - TRANSPORTATION IMPACT FEE FUND

	2009-11 Financial Plan		Proposed	Proposed
	2009-10	2010-11	2011-12	2012-13
TRANSPORTATION IMPACT FEES				
* Los Osos Valley Road Interchange	79,700			3,650,000
* Street Widening: S. Higuera - Margarita to Elks				
Traffic Model Update	72,500	72,500		
Traffic Volume Counts			48,000	
* Mid-Higuera Widening: Marsh to High				
Transportation Impact Fee Reimbursement	28,700	86,100		
Bicycle Facility Improvements	25,000	25,000	25,000	25,000
Railroad Safety Trail: Lighting	15,000	70,000		
* Railroad Safety Trail: Phase 3	58,100			
Railroad Safety Trail Bridge: Hwy 101 Crossing	543,500			
Total Impact Fees	822,500	253,600	73,000	3,675,000
FEDERAL AND STATE GRANTS				
* Los Osos Valley Road Interchange			1,200,000	12,600,000
* Mid-Higuera Wideining: Marsh to High				
* Railroad Safety Trail: Phase 3	2,090,000			
Total Grants	2,090,000		1,200,000	12,600,000
TOTAL TRANSPORTATION IMPACT FEE FUND	\$2,912,500	\$253,600	\$1,273,000	\$16,275,000

Note: Includes Los Osos Valley Road (LOVR) Interchange Sub-Area Impact Fees

CAPITAL IMPROVEMENT PLAN

PROJECT EXPENDITURES BY SOURCE - OPEN SPACE PROTECTION FUND

	2009-11 Financial Plan		Proposed	Proposed
	2009-10	2010-11	2011-12	2012-13
GENERAL FUND				
* Greenbelt Acquisition	322,500		200,000	200,000
Froom Ranch Recreational Development			30,000	
* Prefumo Creek Fish Ladder Redesign			30,000	
Total General Fund	322,500		260,000	200,000
FEDERAL AND STATE GRANTS				
* Greenbelt Acquisition	750,000			
* Prefumo Creek Fish Ladder Redesign				100,000
Total Grants	750,000			100,000
TOTAL OPEN SPACE PROTECTION FUND	\$1,072,500		\$260,000	\$300,000

CAPITAL IMPROVEMENT PLAN

PROJECT EXPENDITURES BY SOURCE - FLEET REPLACEMENT FUND

	2009-11 Financial Plan		Proposed	Proposed
	2009-10	2010-11	2011-12	2012-13
GENERAL FUND				
Police Protection				
Patrol Sedans		68,700	139,900	
Non-Patrol Vehicles			60,400	
Pickup		32,200		
SUV's (2)		37,800	35,100	
Fire & Environmental Safety				
Hybrid SUV's (3)			65,300	34,000
Ladder Truck/Engine	1,040,000			
Streets				
Pickup Truck			26,400	
Asphalt Roller	56,000			
Transfer Truck			182,400	
Skid Steer			72,200	
Stencil Truck				97,300
Hooklift Truck				72,400
Patch Truck	169,300			
Asphalt Paver	143,100			
Front-End Loader			171,100	
Top-Kick Dump Trucks (2)			173,800	
Street Sweeper			186,800	
Parks & Recreation				
Park Maintenance Mowers	60,100		125,000	
Park Maintenance Pickups			27,800	56,500
Urban Forest Maintenance Pickup			23,700	
Urban Forest Maintenance Water Truck		22,100		
Engineering Development Review				
Pickups	23,500		24,300	
CIP Project Engineering				
Pickups			48,600	24,700
TOTAL FLEET REPLACEMENT FUND	\$1,492,000	\$160,800	\$1,362,800	\$284,900

CAPITAL IMPROVEMENT PLAN

PROJECT EXPENDITURES BY SOURCE - ENTERPRISE AND AGENCY FUNDS

	2009-11 Financial Plan		Proposed	Proposed
	2009-10	2010-11	2011-12	2012-13
WATER FUND				
Water Distribution				
Distribution Master Plan Implementation	250,000	250,000	250,000	250,000
Distribution System Improvements	1,180,000	1,375,000	1,400,000	1,425,000
Polybutylene Water Service Replacements	450,000	250,000	350,000	350,000
Water Reuse Master Plan Implementation	250,000	250,000	250,000	250,000
Fleet Addition: Pickup and valve machine	87,700			
Fleet Replacements				
Emergency Generator	33,800			
Water Customer Service				
Fleet Replacements				
Pickups				49,500
Water Treatment Plant				
Major Facility Maintenance	200,000	250,000	100,000	100,000
Fleet Replacements				
Pickups	31,700			24,700
Administration & Engineering				
* Technology Infrastructure		7,500	24,000	
* IT Disaster Prevention and Recovery Plan			2,300	
* FoxPro Application Conversion			17,000	17,000
* Utilities Telemetry System Upgrade	325,000	1,500,000		
* Sharepoint Electronic Content Management			3,800	
* Office Application Software Replacement			14,700	
Exterior Painting: Utilities Administrative Offices			9,000	
* IT Strategic Plan				16,000
Fleet Replacements				
Sedan			22,200	
Pickup				25,500
Total Water Fund	2,808,200	3,882,500	2,443,000	2,507,700

CAPITAL IMPROVEMENT PLAN

PROJECT EXPENDITURES BY SOURCE - ENTERPRISE AND AGENCY FUNDS

	2009-11 Financial Plan		Proposed	Proposed
	2009-10	2010-11	2011-12	2012-13
SEWER FUND				
Wastewater Collection				
Collections System Improvements	1,728,000	1,393,000	1,559,000	1,747,000
Voluntary Lateral Rehabilitation Program	52,000	52,000	52,000	52,000
Calle Joaquin Lift Station Replacement		235,000		1,900,000
Fleet Replacement				
Pickup			22,800	
Emergency Generator	33,800			
Water Reclamation Facility (WRF)				
WRF Master Plan Implementation			5,000,000	
WRF Major Maintenance		160,400	650,000	595,000
WRF Disinfection Modifications			600,000	
Administration & Engineering				
* Technology Infrastructure		6,300	20,000	
* IT Disaster Prevention and Recovery Plan			1,800	
* FoxPro Application Conversion			17,000	17,000
* Sharepoint Electronic Content Management			3,000	
* Office Application Software Replacement			11,500	
Exterior Painting: Utilities Administrative Offices			9,000	
* IT Strategic Plan				14,300
Total Sewer Fund	1,813,800	1,846,700	7,946,100	4,325,300

CAPITAL IMPROVEMENT PLAN

PROJECT EXPENDITURES BY SOURCE - ENTERPRISE AND AGENCY FUNDS

	2009-11 Financial Plan		Proposed	Proposed
	2009-10	2010-11	2011-12	2012-13
PARKING FUND				
* Technology Infrastructure		3,800	12,000	
* IT Disaster Prevention and Recovery Plan			1,100	
* Sharepoint Electronic Content Management			1,700	
* Office Application Software Replacement			6,500	
* IT Strategic Plan				7,700
Upgrade Parking Structure Equipment	113,000			
Parking Lot Resealing and Resurfacing	122,000			
Purchase 610 Monterey	650,000			
Fleet Additions				
Utility Cart		36,600		
Fleet Replacements				
Utility Carts			76,900	
Sedan			20,000	
Total Parking Fund	885,000	40,400	118,200	7,700
TRANSIT FUND				
* IT Disaster Prevention and Recovery Plan			400	
* Technology Infrastructure		1,300	4,000	
* Sharepoint Electronic Content Management			600	
* Office Application Software Replacement			2,300	
* IT Strategic Plan				1,300
Total Transit Fund		1,300	7,300	1,300
GOLF FUND				
Administrative Software			25,000	
Restroom replacement: Golf Course			35,000	220,000
Fleet Replacement: Mower	25,600			
Total Golf Fund	25,600		60,000	220,000
WHALE ROCK FUND				
* Utilities Telemetry System Upgrade	75,000	350,000		
Siltation Study			35,000	
Total Whale Rock Fund	75,000	350,000	35,000	
TOTAL ENTERPRISE & AGENCY FUNDS	\$5,607,600	\$6,120,900	\$10,609,600	\$7,062,000

CAPITAL IMPROVEMENT PLAN

PROJECT DESCRIPTIONS—PUBLIC SAFETY

POLICE PROTECTION

Sewer Lateral Replacement at Police Annex (1016 Walnut)

Replacing the sewer lateral at the Police Annex at 1016 Walnut to eliminate repeated clogging will cost \$25,000 in 2009-10.

Replace HVAC Ducting in Records at Police Station

Replacing the HVAC ducting in the records area will cost \$7,500 for design in 2011-12 and \$36,000 for construction in 2012-13.

Mobile Data Computers

Replacing public safety mobile data computers (MDCs) will cost \$429,000 in 2012-13.

Police In-Car Video System Replacement

Replacing the in-car video camera system will cost \$244,200 in 2012-13.

Public Safety Automatic Vehicle Locator System

Purchasing an Automatic Vehicle Locator (AVL) System for Public Safety will cost \$85,000 in 2011-12.

Portable Video Surveillance Equipment for Park Safety

Purchasing portable video surveillance equipment to enhance safety and decrease vandalism in City parks will cost \$18,000 in 2011-12.

Police Laserfiche Server Replacement

Replacing the Police Department's LaserFiche server will cost \$63,000 in 2011-12.

Police Computer Aided Dispatch Server Replacement

Replacing the two Computer Aided Dispatch/Records Management System (CAD/RMS) servers at the Police Department will cost \$250,000 in 2012-13.

Computer Aided Dispatch/Records Management System Replacement

Upgrading the Public Safety Computer Aided Dispatch/Records Management system (CAD/RMS) will cost \$153,000 in 2012-13 for study and design.

Parking Lot Maintenance: Police Station

Repaving the Police Station parking lot at 1042 Walnut will cost \$82,000 in 2011-12.

Exterior Painting: Police Station

Painting of the exterior of the Police Station main building and vehicle entry gates at 1042 Walnut will cost \$1,500 for design and \$48,000 for construction in 2011-12.

Interior Painting: Police Station Building

Painting the interior of the Police Department located at 1042 Walnut Street will cost \$32,000 in 2012-13.

Fleet Replacement – Patrol Sedans

- Replacing two patrol sedans in 2010-11 will cost \$68,700.
- Replacing four patrol sedans in 2011-12 will cost \$139,900.

Fleet Replacement – Non-Patrol Sedans

Replacing three non-patrol sedans with used sedans in 2011-12 will cost \$60,400.

Fleet Replacement – Police Pickup and SUVs

- Replacing one standard size SUV in 2010-11 will cost \$37,800.
- Replacing one pickup with a patrol sedan in 2010-11 will cost \$32,200.
- Replacing one extended body size SUV with a similar size used SUV in 2011-12 will cost \$35,100.

CAPITAL IMPROVEMENT PLAN

PROJECT DESCRIPTIONS—PUBLIC SAFETY

FIRE AND ENVIRONMENT SAFETY

Self Contained Breathing Apparatus (SCBA)

Replacing 40 Self Contained Breathing Apparatus (SCBA) will cost \$220,900 in 2009-10.

Cardiac Monitors

Purchasing two (2) new Zoll E Series cardiac monitors with associated battery support system will cost \$29,100 including a trade in allowance of \$6,000 from Zoll Medical for our existing Zoll M Series in 2011-12 and \$29,100 including a trade in allowance of \$6,000 from Zoll Medical for our existing Zoll M Series in 2012-13.

Fire Station Facility Improvements and Repairs

Carpet: Fire Station No. 1

Replacing carpet upstairs at Fire Station No. 1, will cost \$15,600 in 2011-12 and \$24,400 for downstairs carpet in 2012-13.

Shower Stalls and Flooring Replacement at Fire Station 3

Replacing inferior fiberglass shower stalls and replacing water damaged flooring will cost \$7,500 for Construction Management and \$50,000 for Construction in 2009-10.

Engine Bay Slab Replacement at Fire Station 3

Replacing the failing engine bay floor slab at Fire Station 3 to insure building stability will cost \$19,000 for design and soils testing in 2012-13. Construction costs will be requested in the 2013-15 Financial Plan.

Fleet Replacement – Fire Prevention Vehicles

Replacing two Ford Explorers with a Ford Escape Hybrid will cost \$65,300 in 2011-12 and one in 2012-13 will cost \$34,000.

Fleet Replacement – “Quint” Fire Engine/Truck

Purchasing a 100-foot “Quint” fire engine/truck will cost \$1,040,000 in 2009-10. Given its long-life (16 years in front-line service) and the fiscal challenges facing the City, it is recommended that this replacement be financed over 16-years with a lease-purchase agreement. This results in annual debt service costs of \$97,000 beginning in 2010-11.

CAPITAL IMPROVEMENT PLAN

PROJECT DESCRIPTIONS—PUBLIC UTILITIES

WATER SERVICES

Water Distribution

Water Distribution Master Plan Implementation

Implementing the projects identified in the Water System Master Plan, in order to provide additional facilities necessary to serve planned growth in the Margarita Specific Plan and Airport Specific Plan areas, is expected to cost around \$250,000 in 2009-10, and annually through 2012-13 for construction of new water mains.

Water Distribution System Improvements

Replacing pipelines and related infrastructure to eliminate capacity issues, leaking, deteriorating or substandard mains and facilities, to strengthen portions of the distribution system, and to improve water flow for fire protection is expected to cost approximately \$1,180,000 in 2009-10 and \$1,396,000 in 2010-11, \$1,425,000 in 2011-12 and \$1,450,000 in 2012-13.

Polybutylene Water Service Replacements

Replacing polybutylene water services, in order to proactively and systematically eliminate this inferior material from the Water Distribution System, will cost \$450,000 in 2009-10, \$250,000 in 2010-11, and \$350,000 in 2011-12 and 2012-13.

Water Reuse Master Plan Implementation

Implementing the Water Reuse Master Plan, in order to expand the use of the recycled water for non-potable uses, will result in a series of construction projects that are expected to cost around \$250,000 annually.

Fleet Addition – Water Distribution: Pickup and Valve Exercise Equipment

Adding a full size pickup and new valve exercise equipment for water distribution operations will cost \$87,700 in 2009-10.

Fleet Replacement – Water Customer Service Pickups

Replacing two compact extended cab pickups in 2012-13 will cost \$49,500.

Water Treatment Plant

Water Treatment Plant – Major Facility Maintenance

Performing routine maintenance of facilities at the City's Water Treatment Plant, in order to ensure proper operation and prolong the useful life of equipment and other facilities, will cost \$200,000 in 2009-10 and \$250,000 in 2010-11, and \$100,000 for 2011-12 and 2012-13 for the projects listed in this request.

Fleet Replacement – Water Treatment SUV and Pickup

- Replacing one 4x4 sport utility vehicle with a ½ ton 4x4 crew cab pickup in 2009-10 will cost \$31,700.
- Replacing one compact extended cab compact pickup in 2012-13 will cost \$24,700.

Water Administration and Engineering

Utilities Telemetry System Upgrade

Designing and implementing upgrades to the City's water telemetry system will cost \$400,000 in 2009-10 for the design and project management and \$1,850,000 in 2010-11 for construction and system configuration.

Exterior Painting: Utilities Administration Building

Painting the exterior of the Utilities Administration building to waterproof and recoat exterior walls, trim, and the external stairway will cost \$1,000 for design and \$17,000 for construction in 2011-12.

Fleet Replacement – Water Administration Sedan and Pickup

- Replacing one sedan in 2011-12 will cost \$22,200.
- Replacing one compact extended cab pickup truck in 2012-13 will cost \$25,500.

CAPITAL IMPROVEMENT PLAN

PROJECT DESCRIPTIONS—PUBLIC UTILITIES

WHALE ROCK RESERVOIR

Whale Rock Reservoir Siltation Study

Performing a survey of Whale Rock Reservoir to determine the rate of siltation and its impact on water storage capacity at the reservoir will cost \$35,000 in 2011-12.

WASTEWATER SERVICES

Wastewater Collection

Wastewater Collection System Improvements

Constructing improvements to the wastewater collection system, in order to replace aging and inadequate sewer infrastructure, ensure uninterrupted wastewater collection, and reduce required maintenance will cost \$1,728,000 in 2009-10, \$1,393,000 in 2010-11, \$1,559,000 in 2011-12 and \$1,747,000 in 2012-13 for sewer main replacements and other related work.

Voluntary Lateral Rehabilitation Program

Providing technical and financial assistance to homeowners for the repair or replacement of their private sewer laterals, to reduce infiltration and inflow into the sewer system and reduce wastewater treatment costs, will cost \$52,000 annually beginning in the 2009-10 fiscal year.

Calle Joaquin Lift Station

Replacing the Calle Joaquin Lift Station, formerly referred to as the Howard Johnson Lift Station, to correct existing deficiencies and provide adequate infrastructure to existing and new growth will cost approximately \$235,000 in 2010-11 and \$1,900,000 in 2012-13.

Fleet Replacement – Wastewater Collection Pickup Truck

Replacing one full size, standard cab ½ ton pickup in 2011-12 will cost \$22,800.

Fleet Replacement – Utilities Emergency Generator

Replacing two 180-kilowatt (kw) emergency generators with one 200-kw generator in 2009-10 will cost \$67,600.

Water Reclamation Facility (WRF)

Water Reclamation Facility Master Plan Implementation

Implementing the Water Reclamation Facility Master Plan, in order to meet proposed water quality regulations for additional treatment and to correct existing deficiencies will cost \$5,000,000 in 2011-12 for engineering design. This request also identifies \$40,444,000 in 2013-14 for construction.

Major Water Reclamation Facility Maintenance

Completing major maintenance projects at the Water Reclamation Facility, in order to ensure proper function, prolong service life, and maintain high quality treatment processes, will cost \$160,400 in 2010-11 and \$650,000 in 2011-12 and \$595,000 in 2012-13 for the specific projects listed in this request.

Water Reclamation Facility Disinfection Modifications

Complying with State and Federal water quality regulations for the Water Reclamation Facility's disinfection processes will cost \$600,000 in 2011-12 for design. This request also identifies \$3,500,000 in 2013-14 for construction.

CAPITAL IMPROVEMENT PLAN

PROJECT DESCRIPTIONS—TRANSPORTATION

STREETS

Pavement Maintenance

Pavement Maintenance – Street Reconstruction & Resurfacing

Performing major repairs to City streets to maintain the Pavement Condition Index (PCI) will cost \$1,850,000 in 2009-10, \$1,400,000 in 2010-11, \$2,005,000 in 2011-12, and \$2,060,000 in 2012-13 for study and construction.

Downtown and Gateway Paving

Providing funding to complete paving work downtown and on Monterey Street will cost \$200,000 in 2009-10 and \$500,000 in 2010-11.

Fleet Replacement – Street Maintenance Construction Equipment

- Replacing one roller in 2009-10 will cost \$56,000
- Replacing one transfer truck in 2011-12 will cost \$182,400
- Replacing one skid steer in 2011-12 will cost \$72,200
- Replacing one stencil truck in 2012-13 will cost \$97,300
- Replacing one hooklift truck in 2012-13 will cost \$72,400

Fleet Replacement – Street Maintenance Heavy Equipment

- Replacing one patch truck in 2009-10 will cost \$169,300
- Replacing one asphalt paver in 2009-10 will cost \$143,100
- Replacing one front-end Loader in 2011-12 will cost \$171,100
- Replacing two top-kick dump trucks in 2011-12 will cost \$173,800

Fleet Replacement – Street Sweeper

Replacing one street sweeper in 2011-12 will cost \$186,800

Street Improvements

Traffic Safety Report Implementation

Constructing traffic safety improvement projects as identified in the Annual Traffic Safety Reports will cost \$25,000 annually.

Neighborhood Traffic Management

Constructing Neighborhood Traffic Management (NTM) projects requested by residents will cost \$20,000 annually.

Los Osos Valley Road Interchange Improvements

Designing the widening of the bridge on Los Osos Valley Road over Highway 101 and reconfiguration of the on and off ramps to improve traffic circulation will cost \$79,700 for design in 2009-10, \$1,200,000 for Right of Way in 2011-12 and \$16,300,000 for construction and construction management in 2012-13.

Traffic Model Update

Completing the upgrade to the traffic model to enable forecasting of circulation impacts and conducting focused revisions to the Land Use and Circulation Elements will cost approximately \$72,500 in 2009-2010 and \$72,500 in 2010-2011 to pay for contract services (or contract staff assistance) and outreach efforts.

Traffic Volume Counts

Continuing citywide traffic counts to monitor Levels of Service (LOS) on streets resulting from development and travel changes will cost \$48,000 in 2011-12.

Guardrail Replacements

Replacing or improving substandard guardrails at various locations will cost \$25,000 for design in 2011-12 and \$60,000 for construction in 2012-13.

Prado Road Bridge Deck Maintenance

Sealing and overlaying the Prado Road bridge deck with polyester concrete resin to protect the reinforcing in the bridge deck and extend the life of the bridge will cost \$160,000 in 2011-12 for construction and construction management.

CAPITAL IMPROVEMENT PLAN

PROJECT DESCRIPTIONS—TRANSPORTATION

Traffic Signals and Street Lights

Street Sign Maintenance

Replacing roadway signs which no longer meet minimum retroreflectivity requirements as recently mandated by the U.S. Department of Transportation, Federal Highway Administration will cost \$40,000 in 2009-10 and \$66,500 annually thereafter until 2018.

Transportation Impact Fee Credit (Village Marketplace)

Reimbursing a developer for project improvements from the Transportation Impact Fee Fund will cost \$28,700 in each year during 2009-13, for a total of \$114,800. The developer of the Village Marketplace project made improvements to the Orcutt Road and Broad Street intersection in accordance with a reimbursement agreement dated January 25, 2006. This reimbursement will constitute a complete and final payment for said improvements.

Traffic Signal Reconstruction

Reconstructing traffic signals at the intersections of Broad & Pismo and Broad & Buchon to reduce maintenance, call outs, and likelihood of overall system failures, will cost \$258,800 for construction in 2012-13.

Street Light Painting

Painting downtown street light poles to preserve appearance and prevent deterioration will cost \$50,000 in 2009-10, \$50,000 2010-11 and \$25,000 annually starting in 2011-12.

Downtown Pedestrian Lighting

Implementing the Downtown Pedestrian Lighting Plan will cost \$70,000 in 2010-11 and \$70,000 in 2012-13 and in following years.

Street Light Replacement – Broad Street

Converting existing street lights to an underground connection in conjunction with the Broad Street Utilities Undergrounding project will cost \$60,000 in 2009-10.

Pedestrian Improvements

Sidewalk Repair

Repairing sidewalks will cost \$20,000 annually.

Sidewalk Accessibility Improvements

Removing existing concrete curb returns and sidewalks and constructing ramps that improve accessibility to City sidewalks will cost \$135,000 in 2009-10, \$200,000 in 2010-11 and \$250,000 annually thereafter.

Mission Style Sidewalks

Installing mission style sidewalks in the downtown core will cost \$100,000 in 2009-10 through 2013.

Comprehensive Directional Sign Program

Pursuant to the City Council goal for Downtown Improvements, developing and implementing a comprehensive directional sign program in Downtown San Luis Obispo will cost \$25,000 for design in 2009-10; and \$50,000 for installation in 2010-11.

Bikeway Improvements

Bicycle Facility Improvements

Constructing small-scale, miscellaneous bicycle facility improvements identified in the City's Bicycle Transportation Plan will cost \$25,000 annually.

Railroad Safety Trail Lighting Project

Adding new and/or additional lighting along the existing railroad safety trail from Orcutt to the Jennifer Street Bridge to improve visibility during early morning and evening hours to facilitate commuters using the trail will cost \$15,000 for study and design in 2009-10 and \$70,000 for construction and construction management in 2010-11.

PEDESTRIAN AND BICYCLE PATHS

CAPITAL IMPROVEMENT PLAN

PROJECT DESCRIPTIONS—TRANSPORTATION

Railroad Safety Trail – Phase 3

Extending the Railroad Safety Trail (formerly the Railroad Recreation Trail) along the west side of the Union Pacific Railroad (UPRR) between Santa Rosa Street (AMTRAK Station) and Marsh Street will cost \$2,148,070 for construction and construction management in 2009-10.

Railroad Safety Trail: Highway 101 Bicycle/Pedestrian Bridge

Installing a bicycle/pedestrian bridge over Highway 101 at California Boulevard to extend the Railroad Safety Trail bike path east of the freeway will cost an additional \$150,000 for design and \$393,500 for construction in 2009-10.

CREEK AND FLOOD PROTECTION

Flood Protection: Andrews Creek Bypass

Retrofitting Andrews Creek Bypass will cost \$330,000 in 2010-11 for construction.

Silt Removal

Removing silt to restore creek capacity will cost \$125,000 in 2009-10, \$90,000 in 2010-11, \$135,000 in 2011-12 and \$225,000 in 2012-13.

Storm Drain Pipe Replacement

Continuing with a long-term program to replace corrugated metal pipe (CMP) storm drains to eliminate this substandard and failing material from the storm drain system will cost \$260,000 annually for construction and construction management.

Minor Storm Drain Facilities

Completing minor storm drain work will cost \$25,000 annually to replace drainage inlets and replace a failed cross gutter.

Storm Drain Culvert Repairs

Repairing drainage culverts will cost \$150,000 in 2009-10 for repair of the Higuera culvert and \$50,000 in 2011-12 for repair of the Broad culvert.

Marsh Street Bridge Rehabilitation

Rehabilitating the Marsh Street Bridge near Santa Rosa Street will cost \$3,500,000 for construction and construction management in 2011-12.

Chorro Street Bridge Rehabilitation

Rehabilitating Chorro Street Bridge at Lincoln will cost \$550,000 for environmental review, design, and easement acquisition in 2012-13. Total project cost is estimated at \$3 million.

Johnson Pump Station – Pump Replacement

Replacing the remaining pump in the Johnson Avenue stormwater pump station will cost \$145,000 in 2011-12 for design and construction in order to provide a backup pump and remote monitoring.

Drainage Design Manual Update

Completing a Hydromodification Management Plan is anticipated to cost \$200,000 in 2011-12 and updating the Drainage Design Manual to incorporate this plan and other changes will cost \$100,000 in 2012-13.

Broad Street Bank Reinforcement

Reinforcing a creek bank on Broad Street at Old Garden Creek will cost \$15,000 in 2011-12 for design and permitting and \$35,000 in 2012-13 for construction.

Toro Street Creek Bank Stabilization

Stabilizing the creek bank along Toro Street will cost \$50,000 in 2012-13 for construction.

PARKING

Parking Structure Equipment Upgrade

Upgrading four ticket dispensers and four fee computers at the Marsh Street and Palm Parking Structures will cost \$113,000 in 2009-10.

Parking Lot Resealing and Resurfacing

Resurfacing the pavement in approach to the Marsh parking Structure, the exterior parking area of the structure at 842 Palm, parking lots 14, 15, the 955 Morro parking lot, and the Amtrak parking lot to

CAPITAL IMPROVEMENT PLAN

PROJECT DESCRIPTIONS—TRANSPORTATION

prevent deterioration and extend service life will cost \$122,000 in 2009-10.

Purchase of 610 Monterey

Purchasing the property located at 610 Monterey will cost \$650,000 in 2009-10.

Fleet Addition – Utility Cart for Parking Enforcement Services

Adding one gas powered enforcement scooter in 2010-11 will cost \$36,600.

Fleet Replacement – Parking Services Utility Carts

Replacing two gas powered enforcement scooters in 2011-12 will cost \$76,900.

Fleet Replacement –Parking Services Sedan

Replacing one sedan in 2011-12 will cost \$20,000.

CAPITAL IMPROVEMENT PLAN

PROJECT DESCRIPTIONS—LEISURE, CULTURAL & SOCIAL SERVICES

PARKS AND RECREATION

Recreation Programs

Parks & Recreation Administration Software Replacement

Replacing the software used for administration functions in the Parks & Recreation Department will cost \$112,000 in 2011-12.

Santa Rosa Skate Park

Constructing a new in-ground concrete skate park facility in Santa Rosa Park will cost \$178,600 for design in 2009-10 and \$1,293,100 for construction and construction management in 2010-11.

Playground Equipment Replacement

- Replacing playground equipment at Meadow and Throop Parks will cost \$195,400 for construction and \$29,400 for construction management in 2009-10.
- Design for Johnson, Emerson, and Santa Rosa playgrounds will cost \$48,700 for 2010-11 and construction and construction management will cost \$357,300 in 2011-12.
- Design services for renovation of Islay Hill, Sinsheimer and Ludwick Center playgrounds will cost \$47,500 in 2012-13

Sinsheimer Park Master Plan Implementation

- Implementing Sinsheimer Park Master Plan Phase 7 – Maintenance Building will cost \$25,600 for design in 2011-12 and \$247,000 for construction in 2012-13.

Laguna Lake Park Master Plan Implementation Complete the following phases of the Laguna Lake Master Plan:

- Constructing a permanent dog park area will cost \$8,000 for design in 2011-12 and \$46,000 for construction and construction management in 2012-13.
- Developing the Nature Interpretive Area will cost \$14,000 for design in 2011-12 and \$50,400 for construction in 2012-13.
- Planting trees around the park and lake perimeter will cost \$25,000 in 2011-12.

HVAC Ducting and Economizer Installation at the Ludwick Center

Installing a new ducting and system economizer for the Ludwick Center will cost \$7,500 for design in 2011-12 and \$52,000 for construction in 2012-13.

Exterior Painting: Ludwick and Senior Centers

Painting the exterior of the Ludwick and Senior Center buildings and trim will cost \$1,500 for design and \$90,000 for construction in 2011-12.

Exterior Painting of Parks and Recreation Building

Painting the exterior of the Parks and Recreation building to waterproof and recoat exterior walls and trim will cost \$1,500 for design and \$20,000 for construction in 2011-12.

Parks and Landscape

Santa Rosa Park Restroom Replacement

Replacing the aging restroom at Santa Rosa Park near the playground in compliance with the American with Disabilities Act (ADA) will cost \$208,000 for construction and \$60,000 for construction management in 2009-10.

Damon Garcia Maintenance Building Extension

Finishing the maintenance building at Damon Garcia Park will cost \$64,000 for construction 2011-12.

Meadow Park Multi-Use Building Roof Replacement

CAPITAL IMPROVEMENT PLAN

PROJECT DESCRIPTIONS—LEISURE, CULTURAL & SOCIAL SERVICES

Replacing worn roofing and repairing wood dry rot on the roof of the Meadow Park Multi-Use building will cost \$5,000 for design in 2009-10 and \$40,000 for construction in 2010-11.

Mission Plaza Walkway Replacement

Replacing the walkway and upgrading the railing to current standards will cost \$65,000 in 2011-12.

Warden Bridge Deck Rehabilitation

Repairing and restoring an even walking surface on the Warden Bridge deck will cost \$45,000 in 2009-10.

Poinsettia Creek Walk Repair

Repairing the Poinsettia Creek Walk will cost \$95,000 in 2012-13 to remove concrete damaged by trees, complete necessary tree work and restore an even walking surface.

Park Pavement Maintenance

Resurfacing pavement in City parks will cost \$300,000 in 2011-12.

Sinsheimer Stair Replacement

Replacing one set of stairs at Sinsheimer Stadium will cost \$12,000 for design in 2011-12 and \$80,000 for construction in 2012-13.

Downtown Urban Forest Management

Removing and replacing damaged, diseased or hazardous trees in the Downtown will cost \$25,000 annually.

Fleet Replacement – Mowers for Parks Maintenance

- Replacing one mower in 2009-10 will cost \$60,100
- Replacing two mowers in 2011-12 will cost \$125,000

Fleet Replacement – Pickups for Parks Maintenance

- Replacing one ¾ ton standard cab pickup in 2011-12 will cost \$27,800
- Replacing two ¾ ton standard cab pickups in 2012-13 will cost \$56,500

Fleet Replacement – Pickup & Water Truck for Urban Forest Maintenance

- Replacing the water tank and repainting the cab of the tree watering truck in 2010-11 will cost \$22,100
- Replacing one standard cab compact pickup with an extended cab compact pickup in 2011-12 will cost \$23,700

Swim Center

Pool Replastering

Replastering the pool shell to repair damage and ensure a safe swimming environment will cost \$22,500 in 2011-12 for design and \$187,500 in 2012-13 for construction and construction management.

Pool Cover Replacement

Replacing pool covers for the pool to ensure maximum energy and water savings will cost \$23,000 in 2010-11.

Bath House T-Bar Ceiling Replacement

Replacing the T-bar ceiling in the Swim Center main bath house will cost \$24,200 for construction in 2011-12.

Bath House Roof Replacement

Replacing the built-up single layer roofing on the Swim Center Bath House to eliminate leaking problems will cost \$7,500 for design in 2011-12 and \$62,000 for construction in 2012-13.

CAPITAL IMPROVEMENT PLAN

PROJECT DESCRIPTIONS—LEISURE, CULTURAL & SOCIAL SERVICES

Golf Course

Golf Course Administration Software

Providing a golf maintenance management software package and an additional workstation will cost \$25,000 in 2011-12.

Restroom Replacement

Replacing the aging restroom at the Laguna Lake Golf Course will cost \$35,000 for design in 2011-12 and \$220,000 for construction in 2012-13.

Fleet Replacement: Mower

Replacing one tee and apron mower in 2009-10 will cost \$25,600.

CULTURAL SERVICES

Jack House Fire Sprinklers

Installing the fire sprinkler system to the Jack House and the adjacent Service Building and Gift Shop to comply with fire code requirements will cost an additional \$43,000 for construction and \$10,000 for construction management in 2009-10.

Jack House Restroom Building Remodel

Remodeling the restroom building at the Jack House will cost \$195,000 for construction in 2011-12.

Jack House Gazebo and Concrete Walkways

Replacing the Jack House Gazebo and concrete walkways will cost \$15,000 in 2011-12 for design and \$80,000 in 2012-13 for construction.

SPRR Freight Warehouse Rehabilitation

Completion of the rehabilitation of the Southern Pacific Railroad Freight Warehouse into a Railroad Museum and transit driver lounge will cost \$200,000 for construction and construction management in 2009-10.

Public Art

Funding public art at 50% of the City's public art policy level (½% instead of 1%) of eligible construction costs will cost \$15,700 in 2009-10 and \$16,100 in 2010-11.

CAPITAL IMPROVEMENT PLAN

PROJECT DESCRIPTIONS—COMMUNITY DEVELOPMENT

NATURAL RESOURCES PROTECTION

Greenbelt Acquisition

Completing the Froom Ranch acquisition and participating in one major easement acquisition near Camp San Luis Obispo will cost the General Fund \$322,500 in 2009-10; total acquisition will cost \$1,072,500.

Froom Ranch Recreational Development and Resource Enhancement

Assuming the Froom Ranch acquisition completes in 2009-10, bringing the Froom Ranch Open Space “on-line” and available for the education and enjoyment of our citizens will cost \$30,000 in 2011-12.

Perfume Creek Fish Ladder Redesign

Designing and securing the necessary permitting for the reconstruction of the Los Osos Valley Road fish ladder on Prefumo Creek will cost \$30,000 in General Fund monies in 2011-12. The actual ladder construction costs of approximately \$100,000 would come from either State or Federal grant monies in 2012-13.

HOUSING

Anderson Hotel Window Replacement

Installing twelve new exterior windows on the upper floors of the Anderson Hotel will cost \$35,000 in 2009-10.

CONSTRUCTION REGULATION

Building & Safety

Anderson Hotel Window Replacement

Purchasing twelve new exterior windows for installation on the upper floors of the Anderson Hotel will cost \$35,000 in 2009-10.

CIP Project Engineering

Fleet Replacement – Pickups for CIP Engineering

- Replacing one compact pickup with a compact extended cab pickup in 2009-10 will cost \$23,500
- Replacing one full size ½ ton pickup with a compact extended cab pickup in 2011-12 will cost \$24,300

CAPITAL IMPROVEMENT PLAN

PROJECT DESCRIPTIONS—GENERAL GOVERNMENT

INFORMATION TECHNOLOGY

Technology Infrastructure

Maintaining the City's technology infrastructure will cost \$125,000 for switch replacement in 2010-11 and \$400,000 for replacement/upgrade of the storage area network in 2011-12.

Information Technology Disaster Prevention and Recovery Plan

Updating the information technology disaster prevention and recovery plan will cost \$40,000 in 2011-12.

Firewall and Virtual Private Network Replacement

Replacing City Hall and Police firewalls and Virtual Private Network (VPN) equipment will cost \$85,000 in 2012-13.

FoxPro Application Conversion

Converting FoxPro application user interfaces to Microsoft .NET will cost \$185,000 in 2011-12 and \$185,000 in 2012-13.

SharePoint Electronic Enterprise Content Management

More efficiently managing electronic content in the City's Microsoft infrastructure by implementing SharePoint will cost \$65,000 in 2011-12.

Office Application Software Replacement

Improving productivity and usability by upgrading the City's Microsoft Office suite to the latest version available will cost \$250,000 in 2011-12.

Information Technology Strategic Plan

Updating the 2001-05 Information Technology Strategic Plan on a comprehensive basis will cost \$250,000 in 2012-13.

Enterprise GIS System

Establishing the GeoDatabase network system will cost \$15,000 in 2011-12 for a dedicated Geographic Information Services (GIS) server.

Global Positioning System Replacement

Replacing the Global Positioning System will cost \$5,000 for construction management and \$55,000 for equipment acquisition in 2011-12.

Aerial Photos

Updating the aerial photos of the City to maintain current imagery will cost \$45,000 in 2011-12.

BUILDINGS

Sealing Exterior Masonry at City/County Historical Museum

Sealing exterior masonry of the City/County Historical Museum at 696 Monterey to waterproof and protect structural masonry will cost \$15,000 in 2009-10.

Corporation Yard Fuel Island Rehabilitation

Replacing or removing the metal siding and framing of the Corporation Yard fuel island at 25 Prado Road in order to correct severe structural rust damage will cost \$8,000 for design in 2011-12 and \$35,000 for construction in 2012-13.

Corporation Yard Trash Transfer Pit Cover Structure

Adding a new open air cover structure over the existing trash transfer pit to prevent storm water intrusion will cost \$30,000 for design in 2011-12 and \$230,000 for construction in 2012-13.

HVAC Refrigeration Compressor Replacements at Corporation Yard

Replacement of three refrigeration compressors at the Corporation Yard Administration Building will cost \$21,000 in 2011-12.

GEOGRAPHIC INFORMATION SERVICES

CAPITAL IMPROVEMENT PLAN

PROJECT DESCRIPTIONS—GENERAL GOVERNMENT

City Hall Emergency Power Upgrade

Evaluating upgrades to the City Hall's emergency power will cost \$45,000 in 2011-12 for study, design and project management. Future costs for the implementation of the emergency power upgrade will be identified during the study phase.

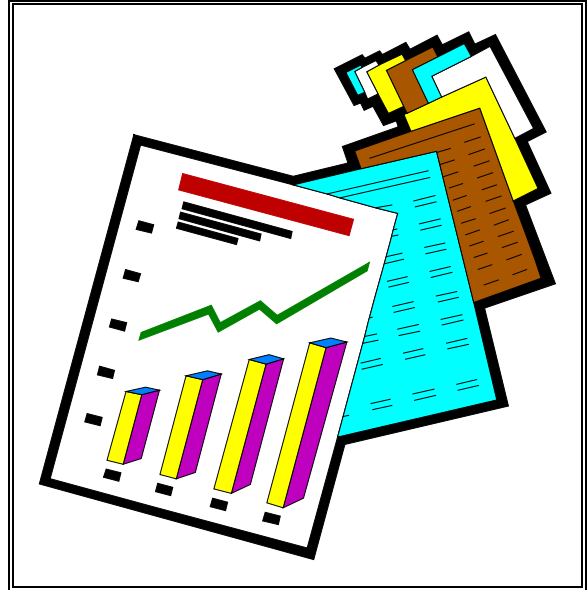
Exterior Painting: City Hall

Painting the exterior of City Hall at 990 Palm Street to waterproof and prevent deterioration will cost \$1,500 for design and \$30,000 for construction in 2011-12.

CIP Reserve

Funding a reasonable General Fund CIP Reserve of \$525,000 (about 7% of General Fund CIP projects over the next two years, including the current balance of \$217,300) will help ensure adequate contingency funding for approved Capital Improvement Plan (CIP) projects in 2009-11. Council approval will be required on a case-by-case basis to allocate funding from this reserve.

Section F
DEBT SERVICE REQUIREMENTS




DEBT SERVICE REQUIREMENTS

INTRODUCTION

This section summarizes the debt service obligations of the City as of July 1, 2009. These obligations represent the City's annual installment payments of principal and interest for previous capital improvement plan projects or acquisitions funded through debt financings.

The City's debt management policies are comprehensively discussed in Section B (Capital Financing and Debt Management) of the 2009-11 Financial Plan.

This section includes:

- Descriptions of each lease or bond obligation existing at July 1, 2009
 - Summary of debt service by function
 - Summary of debt service by source
 - Computation of the City's legal debt margin
- 

DEBT SERVICE REQUIREMENTS

DESCRIPTION OF DEBT OBLIGATIONS

1986 Lease Revenue Bonds *Refunded in 1994 and 2004*

- Purpose: Construct parking structures (net proceeds: \$5,758,400); make road improvements and purchase facilities (net proceeds: \$4,450,000).
- Maturity Date: 2014
- Original Principal Amount: \$13,970,000
- July 1, 2007 Principal Outstanding: \$5,520,000
- Interest Rate: 3.5% to 6.375%
- Funding Source: General and Parking Funds

1990 Certificates of Participation *Refunded in 1999 and 2001: Series B Lease Revenue Bonds*

- Purpose: Acquire land for open space, rehabilitate the City's Recreation Center and acquire land for parks and recreation offices/neighborhood park.
- Maturity Date: 2010
- Original Principal Amount: \$4,500,000
- July 1, 2007 Principal Outstanding: \$1,600,000
- Interest Rate: 3.25% to 3.50%
- Funding Source: General Fund

1992 State Clean Water Revolving Fund Loan

- Purpose: Upgrade the City's water reclamation plant and collection system to meet discharge standards.
- Maturity Date: 2012
- Original Principal Amount: \$31,227,400
- July 1, 2007 Principal Outstanding: \$13,043,700
- Interest Rate: 3.00% to 3.20%
- Funding Source: Sewer Fund

1993 Water Revenue Bonds *Refunded in 2002*

- Purpose: Upgrade the City's water treatment plant to meet water quality standards.
- Maturity Date: 2023
- Original Principal Amount: \$10,890,000
- July 1, 2007 Principal Outstanding: \$8,185,000
- Interest Rate: 5.00% to 5.50%
- Funding Source: Water Fund

1996 Lease Revenue Bonds *Refunded in 2005*

- Purpose: Construct a new headquarters fire station and other City acquisitions.
- Maturity Date: 2026
- Original Principal Amount: \$7,100,000
- July 1, 2007 Principal Outstanding: \$6,355,000
- Interest Rate: 5.30% to 7.25%
- Funding Source: General Fund

1999 Series C Lease Revenue Bonds *Refunded in 2001: Series C Lease Revenue Bonds*

- Purpose: Purchase property and build athletic fields; purchase property for police station expansion; purchase Downtown Plan properties
- Maturity Date: 2029
- Original Principal Amount: \$6,745,000
- July 1, 2007 Principal Outstanding: \$6,660,000
- Interest Rate: 3.25% to 4.6%
- Funding Source: General Fund

2001 State Infrastructure Bank (CIEDB) Loan

- Purpose: Expand Marsh Street parking structure
- Maturity Date: 2031
- Original Principal Amount: \$7,765,900
- July 1, 2007 Principal Outstanding: \$7,240,500
- Interest Rate: 3.37% (including annual loan fees)
- Funding Source: Parking Fund

2003 Lease Purchase Financing

- Purpose: Construct energy conservation improvements at various City locations.
- Maturity Date: 2013
- Original Principal Amount: \$3,023,100
- July 1, 2007 Principal Outstanding: \$2,237,200
- Interest Rate: 3.6%
- Funding Source: General, Water and Sewer Funds

DEBT SERVICE REQUIREMENTS

DESCRIPTION OF DEBT OBLIGATIONS

2005 Water Resources Control Board Loan

- Purpose: Construct water reuse project.
- Maturity Date: 2031
- Authorized Principal Amount: \$8,883,200
- July 1, 2007 Principal Outstanding: \$6,672,700
- Interest Rate: 3.6%
- Funding Source: Water Fund

2006 Lease Revenue Bonds

- Purpose: Parking Structure and City Offices
- Maturity Date: 2036
- Original Amount: \$16,160,000
- July 1, 2007 Principal Outstanding: \$16,160,000
- Interest Rate: 4.0% to 4.7%
- Funding Source: General and Parking Funds

2006 Water Revenue Bonds

- Purpose: Water Treatment Plant Improvements
- Maturity Date: 2036
- Original Amount: \$16,905,000
- July 1, 2006 Principal Outstanding: \$16,905,000
- Interest Rate: 3.75% to 4.625%
- Funding Source: Water Funds


2008 Installment Sale Agreement

- Purpose: Tank Farm Lift Station and Force Main Project
- Maturity Date: 2023
- Original Amount: \$2,050,000
- July 1, 2009 Principal Outstanding: \$2,050,000
- Interest Rate: 4.2%
- Funding Source: Sewer Funds

2008 State Infrastructure Bank (CIEDB) Loan

- Purpose: Tank Farm Lift Station and Force Main Project
- Maturity Date: 2038
- Original Principal Amount: \$10,000,000
- July 1, 2009 Principal Outstanding: \$10,000,000
- Interest Rate: 3.25% (including annual loan fees)
- Funding Source: Sewer Fund

2009 Lease Revenue Bonds

- Purpose: Public Safety Communications and Emergency Operations Center
 - Maturity Date: 2039
 - Original Amount: \$10,705,000
 - July 1, 2009 Principal Outstanding: \$10,705,000
 - Interest Rate: 3.00% to 5.75%
 - Funding Source: General, Water, Sewer, Parking Funds
- 

DEBT SERVICE REQUIREMENTS

ANNUAL PAYMENTS BY FUNCTION

	Actual 2007-08	Budget 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
PUBLIC SAFETY				
Police Protection	21,700	21,600	457,600	464,600
Fire & Environmental Safety	231,000	230,300	483,900	588,300
Total Public Safety	252,700	251,900	941,500	1,052,900
PUBLIC UTILITIES				
Water Service	2,727,600	2,273,000	2,279,900	2,274,500
Wastewater Service	2,364,500	2,772,500	3,167,300	3,167,700
Total Public Utilities	5,092,100	5,045,500	5,447,200	5,442,200
TRANSPORTATION				
Streets	292,800	295,000	363,300	363,200
Parking	1,512,400	1,466,100	1,473,900	1,475,000
Total Transportation	1,805,200	1,761,100	1,837,200	1,838,200
LEISURE, CULTURAL & SOCIAL SERVICES				
Parks & Recreation	968,000	965,500	962,500	911,400
Total Leisure, Cultural & Social Services	968,000	965,500	962,500	911,400
GENERAL GOVERNMENT				
Information Technology			70,100	68,200
Buildings	564,500	563,500	564,400	621,200
Total General Government	564,500	563,500	634,500	689,400
TOTAL DEBT SERVICE REQUIREMENTS	\$8,682,500	\$8,587,500	\$9,822,900	\$9,934,100

DEBT SERVICE REQUIREMENTS

ANNUAL PAYMENTS BY SOURCE

	Actual 2007-08	Budget 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
GENERAL FUND				
2001 Revenue Refunding Bonds Series B & C	800,600	799,600	797,800	799,800
2004/1994 Refunding Lease Revenue Bonds	292,800	295,000	293,200	295,000
2005/1996 Lease Revenue Bonds	468,600	465,900	463,100	469,900
2006 Lease Revenue Bonds-919 Palm Street	459,000	458,300	459,600	458,400
2009 Lease Revenue Bonds - Public Safety EOC*			830,700	839,400
Fire Engine/Truck Lease Financing				97,000
Energy Conservation Lease Financing	57,000	57,100	57,400	57,400
Total Debt Service Fund	2,078,000	2,075,900	2,901,800	3,016,900
WATER FUND				
2001 Revenue Refunded Bonds Series A	411,500			
2002 Revenue Refunding Bonds	714,900	686,300	690,100	687,200
Energy Conservation Lease Financing	28,800	28,900	29,000	29,100
2006 Water Treatment Plant Upgrade	1,046,900	1,032,300	1,035,300	1,032,700
Water Reuse Project Loan	525,500	525,500	525,500	525,500
Total Water Fund	2,727,600	2,273,000	2,279,900	2,274,500
SEWER FUND				
1992 State Revolving Fund Loan Fund	2,085,500	2,135,600	2,135,600	2,135,600
Tank Farm Lift Station	200	41,900	186,100	186,900
CIEDB State Loan		315,300	564,300	563,500
WRF Master Plan Design				
Energy Conservation Lease Financing	278,800	279,700	281,300	281,700
Total Wastewater Fund	2,364,500	2,772,500	3,167,300	3,167,700
PARKING FUND				
2004/1994 Refunded Lease Revenue Bonds	542,200	502,200	499,300	502,300
CIEDB State Loan	423,600	425,800	425,200	424,500
2006 Lease Revenue Bonds-919 Palm Street	546,600	538,100	539,600	538,200
2009 Lease Revenue Bonds - Public Safety EOC			9,800	10,000
Total Parking Fund	1,512,400	1,466,100	1,473,900	1,475,000
TOTAL DEBT SERVICE REQUIREMENTS	8,682,500	8,587,500	9,822,900	9,934,100

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

* Originally debt service costs were allocated to Water and Sewer funds; however, these funds will pay their share of the project in full.

DEBT SERVICE REQUIREMENTS

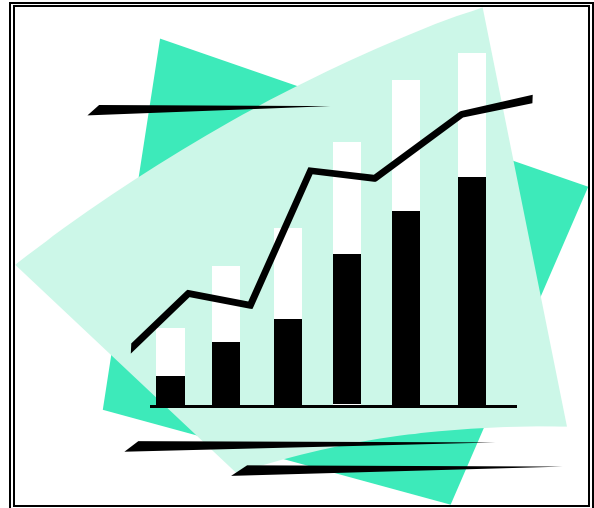
COMPUTATION OF LEGAL DEBT MARGIN

Gross Assessed Valuation (2008-09)	<u><u>\$6,260,114,745</u></u>
Legal Debt Limit - 3.75% of Gross Assessed Valuation (See Note Below)	<u><u>\$234,754,300</u></u>
Long-Term Debt:	
Revenue Bonds Secured by Capital Leases	44,220,000
State Water Resources Revolving Fund Loans	16,738,000
State Infrastructure Bank Loans	16,862,700
Water Revenue Bonds	23,825,000
Installment Sale Agreement	2,050,000
Lease Purchase Financing	<u>1,659,300</u>
	105,355,000
LESS DEDUCTIONS ALLOWED BY LAW:	
Revenue Bonds Secured by Capital Leases	44,220,000
State Loans	33,600,700
Water Revenue Bonds	<u>23,825,000</u>
	101,645,700
TOTAL DEBT APPLICABLE TO COMPUTED LIMIT	<u><u>\$3,709,300</u></u>
LEGAL DEBT MARGIN	<u><u>\$231,045,000</u></u>

NOTE

The California Government Code provides for a legal debt limit of 15% of gross assessed valuation based on 25% of market value. Since this limit was set, the State Constitution has changed, requiring assessed value to be set at 100% of market value. Adjusting for this change results in a comparable legal debt limit of 3.75% of assessed value. The City's debt management policy, however, sets a lower direct debt limit of 2% of assessed valuation which is \$125,202,295

Section G
CHANGES IN FINANCIAL POSITION



CHANGES IN FINANCIAL POSITION

OVERVIEW

INTRODUCTION

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

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

Changes in financial position are provided for the last two completed fiscal years (2007-08 and 2008-09); and the two years covered by the 2009-11 Financial Plan (2009-10 and 2010-11).

BASIS OF ACCOUNTING AND BUDGETING

Basis of Accounting

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

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are

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

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

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

Basis of Budgeting

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

CHANGES IN FINANCIAL POSITION

ORGANIZATION OF THE CITY'S FUNDS

CITY FUND DESCRIPTIONS

The following funds are included in the Financial Plan; additional descriptions of each of the fund types are provided in the Budget Glossary (Section I) of the 2009-11 Financial Plan:

Governmental Funds

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

- General Fund
- Special Revenue Funds
 - Downtown Association
 - Gas Tax
 - Transportation Development Act
 - Community Development Block Grant
 - Law Enforcement Grants Fund
 - Public Art (Private Sector Contributions) Fund
 - Proposition 42 Fund
 - Proposition 1B Fund
 - Tourism Business Improvement District Fund
- Capital Project Funds
 - Capital Outlay Fund
 - Parkland Development Fund
 - Transportation Impact Fees Fund
 - Open Space Protection Fund
 - Airport Area Impact Fees Fund
 - Affordable Housing Fund
 - Fleet Replacement Fund
 - Los Osos Valley Road Sub-Area Fee Fund
- Debt Service Fund

Enterprise Funds

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

The City uses the following five enterprise funds:

- Water
- Sewer
- Parking
- Transit
- Golf

Trust and Agency Funds

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

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

CHANGES IN FINANCIAL POSITION

ALL FUNDS COMBINED

	Actual	Budget	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
Revenues				
Tax Revenues	45,194,500	44,305,000	43,637,200	45,106,400
Fines and Forfeitures	1,002,300	1,017,000	1,162,500	1,080,100
Investment and Property Revenues	3,150,000	3,470,000	1,710,800	1,736,000
Subventions and Grants	8,540,400	21,886,500	8,113,800	4,987,700
Service Charges				
Governmental Funds	8,510,700	5,877,400	7,156,700	7,223,700
Enterprise Funds	26,311,200	28,214,300	31,023,900	36,486,800
Trust and Agency Revenues	935,000	917,400	1,001,200	1,301,700
Other Revenues	859,100	2,043,000	1,078,900	693,400
Total Revenues	94,503,200	107,730,600	94,885,000	98,615,800
Expenditures				
Operating Programs				
Public Safety	25,055,900	27,754,800	24,275,700	24,820,600
Public Utilities	11,696,700	13,827,500	13,200,700	19,150,300
Transportation	6,550,200	8,168,800	7,432,200	7,558,300
Leisure, Cultural & Social Services	6,861,900	7,626,600	7,213,700	7,416,600
Community Development	6,341,600	7,383,800	7,056,800	7,191,500
General Government	10,381,000	12,469,700	11,836,700	12,148,200
Total Operating Programs	66,887,300	77,231,200	71,015,800	78,285,500
Capital Improvement Plan Projects	20,479,000	67,446,500	15,845,800	11,293,700
Debt Service	8,682,500	8,587,500	9,822,900	9,934,000
Total Expenditures	96,048,800	153,265,200	96,684,500	99,513,200
Other Sources (Uses)				
Operating Transfers In	15,812,100	8,810,100	8,626,800	7,485,400
Operating Transfers Out	(15,812,100)	(8,810,100)	(8,626,800)	(7,485,400)
Proceeds from Debt Financings	2,050,000	19,496,100	1,040,000	
Potential MOA Adjustments		(149,600)	(852,500)	(735,700)
Other Souces (Uses)	218,800	(147,100)	(231,200)	(75,000)
Expenditure Savings		2,352,600	314,700	982,400
Total Other Sources (Uses)	2,268,800	21,552,000	271,000	171,700
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	723,200	(23,982,600)	(1,528,500)	(725,700)
Fund Balance/Working Capital,				
Beginning of Year	63,150,900	63,874,100	39,891,500	38,363,000
Fund Balance/Working Capital,				
End of Year				
Reserved for Debt Service	1,645,500	1,645,500	1,645,500	1,299,500
Unreserved	62,228,600	38,246,000	36,717,500	36,337,800
Total Fund Balance/Working Capital	\$ 63,874,100	\$ 39,891,500	\$ 38,363,000	\$ 37,637,300

CHANGES IN FINANCIAL POSITION

ALL GOVERNMENTAL FUNDS COMBINED

	Actual	Budget	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
Revenues				
Tax Revenues	45,194,500	44,305,000	43,637,200	45,106,400
Fines and Forfeitures	228,200	248,600	235,000	242,100
Investment and Property Revenues	1,736,600	1,833,200	1,345,400	1,389,900
From Other Governments	4,738,000	15,775,200	5,420,600	2,656,000
Service Charges	8,510,700	5,877,400	7,156,700	7,223,700
Other Revenues	532,600	1,957,700	898,000	471,300
Total Revenues	60,940,600	69,997,100	58,692,900	57,089,400
Expenditures				
Operating Programs				
Public Safety	25,055,900	27,754,800	24,275,700	24,820,600
Transportation	2,539,800	3,651,900	3,162,800	3,177,900
Leisure, Cultural & Social Services	6,398,600	7,107,700	6,689,300	6,876,800
Community Development	6,341,600	7,383,800	7,056,800	7,191,500
General Government	10,409,200	12,471,600	11,836,700	12,148,200
Total Operating Programs	50,745,100	58,369,800	53,021,300	54,215,000
Reimbursed Expenditures	(4,075,300)	(4,210,800)	(4,406,800)	(4,496,200)
Total Operating Expenditures	46,669,800	54,159,000	48,614,500	49,718,800
Capital Improvement Plan Projects	10,939,300	38,343,500	10,238,200	5,172,800
Debt Service	2,078,000	2,075,900	2,901,800	3,016,900
Total Expenditures	59,687,100	94,578,400	61,754,500	57,908,500
Other Sources (Uses)				
Operating Transfers In	15,350,100	8,475,100	8,384,200	7,278,200
Operating Transfers Out	(15,812,100)	(8,810,100)	(8,626,800)	(7,485,400)
Proceeds from Debt Financings		9,636,100	1,040,000	
Potential MOA Adjustments		(133,900)	(758,400)	(484,900)
Other Sources (Uses)				
Expenditure Savings		2,150,000	1,033,900	1,057,400
Total Other Sources (Uses)	(462,000)	11,317,200	1,072,900	365,300
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	791,500	(13,264,100)	(1,988,700)	(453,800)
Fund Balance, Beginning of Year	34,142,200	34,933,700	21,669,600	19,680,900
Fund Balance, End of Year				
Reserved for Debt Service	1,645,500	1,645,500	1,645,500	1,299,500
Unreserved	33,288,200	20,024,100	18,035,400	17,927,600
Total Fund Balance	\$ 34,933,700	\$ 21,669,600	\$ 19,680,900	\$ 19,227,100

CHANGES IN FINANCIAL POSITION

ALL ENTERPRISE AND AGENCY FUNDS COMBINED

	Actual	Budget	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
Revenues				
Fines and Forfeitures	774,100	768,400	927,500	838,000
Investment and Property Revenues	1,413,400	1,636,800	365,400	346,100
From Other Governments	3,802,400	6,111,300	2,693,200	2,331,700
Service Charges	26,311,200	28,214,300	31,023,900	36,486,800
Other Revenues	326,500	85,300	180,900	222,100
Trust and Agency Revenues	935,000	917,400	1,001,200	1,301,700
Total Revenues	33,562,600	37,733,500	36,192,100	41,526,400
Expenditures				
Operating Programs				
Public Utilities	11,696,700	13,827,500	13,200,700	19,150,300
Transportation	4,010,400	4,516,900	4,269,400	4,380,400
Leisure, Cultural & Social Services	463,300	518,900	524,400	539,800
General Government	4,047,100	4,208,900	4,406,800	4,496,200
Total Operating Programs	20,217,500	23,072,200	22,401,300	28,566,700
Capital Improvement Plan Projects	9,539,700	29,103,000	5,607,600	6,120,900
Debt Service	6,604,500	6,511,600	6,921,100	6,917,100
Total Expenditures	36,361,700	58,686,800	34,930,000	41,604,700
Other Sources (Uses)				
Operating Transfers In	462,000	335,000	242,600	207,200
Proceeds from Debt Financings	2,050,000	9,860,000		
Expenditure Savings		202,600	(719,200)	(75,000)
Other Sources (Uses)	218,800	(147,100)	(231,200)	(75,000)
Potential MOA Adjustments		(15,700)	(94,100)	(250,800)
Total Other Sources (Uses)	2,730,800	10,234,800	(801,900)	(193,600)
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	(68,300)	(10,718,500)	460,200	(271,900)
Working Capital, Beginning of Year	29,008,700	28,940,400	18,221,900	18,682,100
Working Capital, End of Year	\$ 28,940,400	\$ 18,221,900	\$ 18,682,100	\$ 18,410,200

CHANGES IN FINANCIAL POSITION

GENERAL FUND

	Actual	Budget	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
Revenues				
Tax Revenues	45,194,500	44,305,000	43,637,200	45,106,400
Fines and Forfeitures	228,200	248,600	235,000	242,100
Investment and Property Revenues	1,116,700	940,700	648,000	650,600
Subventions and Grants	2,001,300	2,757,600	1,151,200	1,172,500
Service Charges	5,460,200	4,242,900	5,422,700	5,448,500
Other Revenues	151,100	718,000	778,000	128,000
Total Revenues	54,152,000	53,212,800	51,872,100	52,748,100
Expenditures				
Operating Programs				
Public Safety	25,055,900	27,754,800	24,275,700	24,820,600
Transportation	2,539,800	3,651,900	3,162,800	3,177,900
Leisure, Cultural & Social Services	6,398,600	7,107,700	6,689,300	6,876,800
Community Development	5,510,900	6,389,500	5,731,100	5,846,200
General Government	10,381,000	12,469,700	11,836,700	12,148,200
<i>Total Program Expenditures</i>	49,886,200	57,373,600	51,695,600	52,869,700
Reimbursed Expenditures	(4,075,300)	(4,210,800)	(4,406,800)	(4,496,200)
Total Expenditures	45,810,900	53,162,800	47,288,800	48,373,500
Other Sources (Uses)				
Operating Transfers In	1,717,300	1,243,300	1,232,200	1,276,800
Operating Transfers Out	(14,059,300)	(6,909,100)	(7,394,600)	(6,208,600)
MOA & Other Compensation Adjustments		(133,900)	(758,400)	(484,900)
Expenditure Savings		2,150,000	1,033,900	1,057,400
Total Other Sources (Uses)	(12,342,000)	(3,649,700)	(5,886,900)	(4,359,300)
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	(4,000,900)	(3,599,700)	(1,303,600)	15,300
Fund Balance, Beginning of Year	18,830,000	14,829,100	11,229,400	9,925,800
Fund Balance, End of Year	\$ 14,829,100	\$ 11,229,400	\$ 9,925,800	\$ 9,941,100

CHANGES IN FINANCIAL POSITION

DOWNTOWN BUSINESS IMPROVEMENT DISTRICT (DBID) FUND

	Actual	Budget	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
Revenues				
Investment and Property Revenues	11,800			
Service Charges				
Assessments	593,400	226,300	216,500	220,800
Other Service Charges				
<i>Total Service Charges</i>	<i>593,400</i>	<i>226,300</i>	<i>216,500</i>	<i>220,800</i>
Other Revenues				
Total Revenues	605,200	226,300	216,500	220,800
Expenditures				
Operating Programs				
Community Development	592,200	324,300	216,500	220,800
Total Expenditures	592,200	324,300	216,500	220,800
Other Sources (Uses)				
Operating Transfers In				
Total Other Sources (Uses)				
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	13,000	(98,000)		
Fund Balance, Beginning of Year	85,000	98,000		
Fund Balance, End of Year	\$ 98,000	\$ -	\$ -	\$ -

CHANGES IN FINANCIAL POSITION

GAS TAX FUND

	Actual	Budget	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
Revenues				
From Other Governments -				
Gasoline Tax	835,100	785,000	787,000	791,000
Total Revenues	835,100	785,000	787,000	791,000
Other Sources (Uses)				
Operating Transfers Out	(835,100)	(785,000)	(787,000)	(791,000)
Total Other Sources (Uses)	(835,100)	(785,000)	(787,000)	(791,000)
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses				
Fund Balance, Beginning of Year				
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -

CHANGES IN FINANCIAL POSITION

TRANSPORTATION DEVELOPMENT ACT (TDA) FUND

	Actual	Budget	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
Revenues				
Subventions and Grants	34,300	22,300	22,400	22,500
Total Revenues	34,300	22,300	22,400	22,500
Other Sources (Uses)				
Operating Transfers Out	(34,300)	(22,300)	(22,400)	(22,500)
Total Other Sources (Uses)	(34,300)	(22,300)	(22,400)	(22,500)
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses				
Fund Balance, Beginning of Year				
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -

CHANGES IN FINANCIAL POSITION

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUND

	Actual	Budget	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
Revenues				
From Other Governments				
CDBG Allocation	378,400	1,561,700	620,000	620,000
State Grant Close-Out				
Total Revenues	378,400	1,561,700	620,000	620,000
Expenditures				
Operating Programs				
Community Development	238,500	217,900	272,100	270,700
General Government	28,200	1,900		
Total Operating Programs	266,700	219,800	272,100	270,700
Capital Improvement Plan Projects	152,800	1,386,900	403,000	100,000
Debt Service				
Total Expenditures	419,500	1,606,700	675,100	370,700
Other Sources (Uses)				
Operating Transfer In	41,100	45,000	55,100	55,100
Total Other Sources (uses)	41,100	45,000	55,100	55,100
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses				304,400
Fund Balance, Beginning of Year				
<hr/>				
Fund Balance, End of Year *	\$ -	\$ -	\$ -	\$ 304,400

* While final determinations of the use of CDBG funds for 2010-11 will be made by the Council next year as part of a county-wide public hearing process, based on programs and projects proposed for funding for 2010-11, there will be \$304,400 available for additional purposes.

CHANGES IN FINANCIAL POSITION

LAW ENFORCEMENT GRANTS FUND

	Actual	Budget	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
Revenues				
Investment and Property Revenues	1,900	4,100	1,200	1,400
Subventions and Grants	52,400			
Service Charges	4,600	5,000	5,200	5,400
Total Revenues	58,900	9,100	6,400	6,800
Expenditures				
Operating Programs				
Public Safety				
Capital Improvement Plan Projects	87,300	25,400		
Total Expenditures	87,300	25,400		
Other Sources (Uses)				
Operating Transfer In				
Operating Transfer Out				
Total Other Sources (Uses)				
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	(28,400)	(16,300)	6,400	6,800
Fund Balance, Beginning of Year	85,900	57,500	41,200	47,600
Fund Balance, End of Year	\$ 57,500	\$ 41,200	\$ 47,600	\$ 54,400

CHANGES IN FINANCIAL POSITION

PUBLIC ART (PRIVATE SECTOR CONTRIBUTIONS) FUND

	Actual	Budget	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
Revenues				
Investment and Property Revenues	17,200	10,900	6,100	6,800
Service Charges				
In-lieu fees	101,200	18,900	5,000	5,000
Other Revenues				
Total Revenues	118,400	29,800	11,100	11,800
Expenditures				
Operating Programs				
Leisure, Cultural & Social Services				
Capital Improvement Plan Projects	37,400	238,900		
Total Expenditures	37,400	238,900		
Other Sources (Uses)				
Operating Transfer In				
Operating Transfer Out				
Total Other Sources (Uses)				
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	81,000	(209,100)	11,100	11,800
Fund Balance, Beginning of Year	349,000	430,000	220,900	232,000
Fund Balance, End of Year	\$ 430,000	\$ 220,900	\$ 232,000	\$ 243,800

CHANGES IN FINANCIAL POSITION

PROPOSITION 42 FUND

	Actual	Budget	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
Revenues				
Investment and Property Revenues	131,300	436,000	422,800	463,300
Subventions and Grants				
State Grants				
Total Revenues	131,300	436,000	422,800	463,300
Expenditures				
Operating Programs				
Leisure, Cultural & Social Services				
Capital Improvement Plan Projects				
Total Expenditures				
Other Sources (Uses)				
Operating Transfer In				
Operating Transfer Out	(131,300)	(436,000)	(422,800)	(463,300)
Total Other Sources (Uses)	(131,300)	(436,000)	(422,800)	(463,300)
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses				
Fund Balance, Beginning of Year				
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -

Operating transfers out are for street maintenance.

CHANGES IN FINANCIAL POSITION

PROPOSITION 1B FUND

	Actual 2007-08	Budget 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Revenues				
Investment and Property Revenues				
Subventions and Grants				
State Grants	711,600	657,700		
Total Revenues	711,600	657,700		
Expenditures				
Operating Programs				
Leisure, Cultural & Social Services				
Capital Improvement Plan Projects				
Total Expenditures				
Other Sources (Uses)				
Operating Transfer In				
Operating Transfer Out	(711,600)	(657,700)		
Total Other Sources (Uses)	(711,600)	(657,700)		
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses				
Fund Balance, Beginning of Year				
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -

Operating transfers out are for street reconstruction, resurfacing and sealing.

CHANGES IN FINANCIAL POSITION

TOURISM BUSINESS IMPROVEMENT DISTRICT (TBID) FUND

	Actual	Budget	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
Revenues				
Investment and Property Revenues				
Service Charges		452,100	837,100	853,800
Total Revenues		452,100	837,100	853,800
Expenditures				
Operating Programs				
Community Development		452,100	837,100	853,800
Capital Improvement Plan Projects				
Total Expenditures		452,100	837,100	853,800
Other Sources (Uses)				
Operating Transfer In				
Operating Transfer Out				
Total Other Sources (Uses)				
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses				
Fund Balance, Beginning of Year				
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -

CHANGES IN FINANCIAL POSITION

CAPITAL OUTLAY FUND

	Actual	Budget	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
Revenues				
Subventions and Grants	660,600	6,648,800		
Service Charges	82,300		125,000	90,000
Other Revenues	20,000	1,158,200	100,000	
Total Revenues	762,900	7,807,000	225,000	90,000
Expenditures				
Capital Improvement Plan Projects	8,005,000	27,291,900	3,984,200	3,365,400
Total Expenditures	8,005,000	27,291,900	3,984,200	3,365,400
Other Sources (Uses)				
Operating Transfers In	9,379,800	4,326,900	3,759,200	3,275,400
Operating Transfers Out	(21,300)			
Other Sources (Uses)				
Proceeds from Debt Financing		9,636,100		
Total Other Sources (Uses)	9,358,500	13,963,000	3,759,200	3,275,400
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	2,116,400	(5,521,900)		
Fund Balance, Beginning of Year	3,405,500	5,521,900		
Fund Balance, End of Year	\$ 5,521,900	\$ -	\$ -	\$ -

CHANGES IN FINANCIAL POSITION

PARKLAND DEVELOPMENT FUND

	Actual	Budget	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
Revenues				
Investment and Property Revenues	38,200	36,300	36,100	37,200
Subventions and Grants		137,500		50,000
Service Charges				
Park In-Lieu Fees	860,000	115,500	45,000	50,000
Dwelling Unit Fees	1,800	200	200	200
Other Revenues				323,300
Total Revenues	900,000	289,500	81,300	460,700
Expenditures				
Capital Improvement Plan Projects	84,300	178,500	374,000	1,293,000
Total Expenditures	84,300	178,500	374,000	1,293,000
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	815,700	111,000	(292,700)	(832,300)
Fund Balance, Beginning of Year	200,600	1,016,300	1,127,300	834,600
Fund Balance, End of Year	\$ 1,016,300	\$ 1,127,300	\$ 834,600	\$ 2,300

CHANGES IN FINANCIAL POSITION

TRANSPORTATION IMPACT FEE FUND

	Actual	Budget	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
Revenues				
Investment and Property Revenue	104,000	125,000	15,000	7,500
Subventions and Grants	64,300	2,854,600	2,090,000	
Service Charges	724,800	445,000	150,000	200,000
Other Revenues	342,800	57,200		
Total Revenues	1,235,900	3,481,800	2,255,000	207,500
Expenditures				
Capital Improvement Plan Projects	640,300	6,713,700	2,912,500	253,600
Total Expenditures	640,300	6,713,700	2,912,500	253,600
Other Sources (Uses)				
Operating Transfer In	701,900			
Operating Transfer Out	(14,200)			
Total Other Sources (Uses)	687,700			
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	1,283,300	(3,231,900)	(657,500)	(46,100)
Fund Balance, Beginning of Year	2,774,100	4,057,400	825,500	168,000
Fund Balance, End of Year	\$ 4,057,400	\$ 825,500	\$ 168,000	\$ 121,900

CHANGES IN FINANCIAL POSITION

OPEN SPACE PROTECTION FUND

	Actual 2007-08	Budget 2008-09	2009-10	
			2009-10	2010-11
Revenues				
Investment and Property Revenue	12,000	15,000	5,000	5,000
Subventions and Grants		350,000	750,000	
Service Charges				
Other Revenues				
Total Revenues	12,000	365,000	755,000	5,000
Expenditures				
Capital Improvement Plan Projects	22,800	898,700	1,072,500	
Total Expenditures	22,800	898,700	1,072,500	
Other Sources (Uses)				
Operating Transfer In	323,000	234,000	322,500	
Operating Transfer Out	(5,000)			
Total Other Sources (Uses)	318,000	234,000	322,500	
Revenues and Other Sources Over (Under) Expenditures and Other Uses	307,200	(299,700)	5,000	5,000
Fund Balance, Beginning of Year	81,600	388,800	89,100	94,100
Fund Balance, End of Year	\$ 388,800	\$ 89,100	\$ 94,100	\$ 99,100

CHANGES IN FINANCIAL POSITION

AIRPORT AREA IMPACT FEE FUND

	Actual	Budget	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
Revenues				
Investment and Property Revenue	39,000	46,800	29,900	30,700
Service Charges				
Total Revenues	39,000	46,800	29,900	30,700
Expenditures				
Capital Improvement Plan Projects		375,000		
Total Expenditures		375,000		
Other Sources (Uses)				
Operating Transfer Out				
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	39,000	(328,200)	29,900	30,700
Fund Balance, Beginning of Year	927,200	966,200	638,000	667,900
Fund Balance, End of Year	\$ 966,200	\$ 638,000	\$ 667,900	\$ 698,600

CHANGES IN FINANCIAL POSITION

AFFORDABLE HOUSING FUND

	Actual	Budget	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
Revenues				
Investment and Property Revenue	155,600	160,500	119,800	123,400
Service Charges	682,400	371,500	350,000	350,000
Total Revenues	838,000	532,000	469,800	473,400
Expenditures				
Capital Improvement Plan Projects	630,000	740,000		
Total Expenditures	630,000	740,000		
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	208,000	(208,000)	469,800	473,400
Fund Balance, Beginning of Year	3,802,600	4,010,600	3,802,600	4,272,400
Fund Balance, End of Year	\$ 4,010,600	\$ 3,802,600	\$ 4,272,400	\$ 4,745,800

CHANGES IN FINANCIAL POSITION

FLEET REPLACEMENT FUND

	Actual	Budget	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
Revenues				
Investment and Property Revenues	60,600	56,200	61,300	63,700
Service Charges				
Other Revenues				
Sale of Surplus Property	18,700	24,300	20,000	20,000
Total Revenues	79,300	80,500	81,300	83,700
Expenditures				
Capital Improvement Plan Projects	1,041,500	422,500	1,492,000	160,800
Total Expenditures	1,041,500	422,500	1,492,000	160,800
Other Sources (Uses)				
Proceeds from Lease Purchase Agreement			1,040,000	
Operating Transfers In	1,109,000	550,000	113,400	
Total Other Sources (Uses)	1,109,000	550,000	1,153,400	
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	146,800	208,000	(257,300)	(77,100)
Fund Balance, Beginning of Year	1,688,100	1,834,900	2,042,900	1,785,600
Fund Balance, End of Year	\$ 1,834,900	\$ 2,042,900	\$ 1,785,600	\$ 1,708,500

CHANGES IN FINANCIAL POSITION

LOS OSOS VALLEY ROAD SUB-AREA FEE FUND

	Actual 2007-08	Budget 2008-09	2009-10	
			2009-10	2010-11
Revenues				
Investment and Property Revenue	48,300	1,700	200	300
Service Charges				
Total Revenues	48,300	1,700	200	300
Expenditures				
Capital Improvement Plan Projects *	237,900	72,000		
Total Expenditures	237,900	72,000		
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	(189,600)	(70,300)	200	300
Fund Balance, Beginning of Year	267,100	77,500	7,200	7,400
Fund Balance, End of Year	\$ 77,500	\$ 7,200	\$ 7,400	\$ 7,700

* Includes pass-throughs to Costco per the City's reimbursement agreement with them for Calle Joaquin improvements.

CHANGES IN FINANCIAL POSITION

DEBT SERVICE FUND

	Actual	Budget	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
Expenditures				
Debt Service				
2001 Refunded Revenue Bonds	800,600	799,600	797,800	799,800
2004 Refunding Revenue Bonds	292,800	295,000	293,200	295,000
2005 Refunding Revenue Bonds	468,600	465,900	463,100	469,900
2006 Lease Revenue Bonds	459,000	458,300	459,600	458,400
2009 Lease Revenue Bonds			830,700	839,400
Fire Engine/Truck Lease Purchase				97,000
Energy Conservation Lease Purchase	57,000	57,100	57,400	57,400
Total Expenditures	2,078,000	2,075,900	2,901,800	3,016,900
Other Sources (Uses)				
Operating Transfers In	2,078,000	2,075,900	2,901,800	2,670,900
Total Other Sources (Uses)	2,078,000	2,075,900	2,901,800	2,670,900
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses				(346,000)
Fund Balance, Beginning of Year	1,645,500	1,645,500	1,645,500	1,645,500
Fund Balance, End of Year				
Reserved for Debt Service	1,645,500	1,645,500	1,645,500	1,299,500
Unreserved				
Total Fund Balance	\$ 1,645,500	\$ 1,645,500	\$ 1,645,500	\$ 1,299,500

CHANGES IN FINANCIAL POSITION

WATER FUND

	Actual	Budget	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
Revenues				
Service Charges				
Water Sales				
Water Service Charges	10,126,900	11,560,000	12,743,100	14,144,800
Sales to Other Agencies	747,400	810,200	925,700	1,027,500
Development Impact Fees	1,386,300	408,400	380,500	593,800
Connection Charges and Meter Sales	34,900	20,100	10,400	10,700
Account Set-up Fee	121,200	124,800	64,300	66,200
Other Service Charges		132,400	135,000	137,700
Total Service Charges	12,416,700	13,055,900	14,259,000	15,980,700
Other Revenues	275,200	24,900	25,600	26,400
Subventions and Grants				
Investment and Property Revenues	736,000	665,000	166,600	182,100
Total Revenues	13,427,900	13,745,800	14,451,200	16,189,200
Expenditures				
Operating Programs				
Public Utilities	5,720,000	7,065,300	6,461,300	12,147,100
General Government	1,391,600	1,447,300	1,524,500	1,555,000
Total Operating Programs	7,111,600	8,512,600	7,985,800	13,702,100
Capital Improvement Plan Projects	7,205,900	6,346,100	2,808,200	3,882,500
Debt Service	2,727,600	2,273,000	2,279,900	2,274,400
Total Expenditures	17,045,100	17,131,700	13,073,900	19,859,000
Other Sources (Uses)				
Other Sources (Uses)				
Proceeds from Debt Financing				
Potential MOA Adjustments			(83,300)	(121,000)
Expenditure Savings		157,000	(719,200)	(75,000)
Other Sources (Uses)	(6,100)			
Total Other Sources (Uses)	(6,100)	157,000	(802,500)	(196,000)
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	(3,623,300)	(3,228,900)	574,800	(3,865,800)
Working Capital, Beginning of Year	15,184,200	11,560,900	8,332,000	8,906,800
Working Capital, End of Year	\$ 11,560,900	\$ 8,332,000	\$ 8,906,800	\$ 5,041,000

CHANGES IN FINANCIAL POSITION

SEWER FUND

	Actual	Budget	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
Revenues				
Service Charges				
Customer Sales				
Sewer Service Charges	9,395,100	10,825,000	12,015,800	13,097,200
Sales to Cal Poly	392,500	471,000	513,400	528,800
Development Impact Fees	361,500	165,000	133,100	207,800
Other Service Charges	49,200	50,100	125,300	128,000
Total Service Charges	10,198,300	11,511,100	12,787,600	13,961,800
Other Revenues	7,200	18,500	19,100	19,700
Investment and Property Revenues	272,200	300,000	43,800	40,000
Total Revenues	10,477,700	11,829,600	12,850,500	14,021,500
Expenditures				
Operating Programs				
Public Utilities	5,143,800	5,910,500	5,935,000	6,177,000
General Government	1,643,100	1,708,800	1,789,700	1,825,500
Total Operating Programs	6,786,900	7,619,300	7,724,700	8,002,500
Capital Improvement Plan Projects	1,047,300	16,872,900	1,813,800	1,846,700
Debt Service	2,364,500	2,772,500	3,167,300	3,167,700
Total Expenditures	10,198,700	27,264,700	12,705,800	13,016,900
Other Sources (Uses)				
Proceeds from Debt Financing	2,050,000	9,860,000		
Potential MOA Adjustments			(5,700)	(83,200)
Other Sources (Uses)	221,100	(147,100)	(231,200)	(75,000)
Total Other Sources (Uses)	2,271,100	9,712,900	(236,900)	(158,200)
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	2,550,100	(5,722,200)	(92,200)	846,400
Working Capital, Beginning of Year	5,360,500	7,910,600	2,188,400	2,096,200
Working Capital, End of Year	\$ 7,910,600	\$ 2,188,400	\$ 2,096,200	\$ 2,942,600

CHANGES IN FINANCIAL POSITION

PARKING FUND

	Actual	Budget	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
Revenues				
Service Charges				
Parking Meter Collections				
Lots	379,600	366,200	456,000	255,700
Streets	1,039,800	1,038,200	1,206,400	1,218,400
Parking Structure Collections	801,500	735,400	742,800	851,200
Long-Term Parking Revenues	391,800	362,100	369,300	373,000
Lease Revenues	243,100	211,300	227,400	227,700
Parking In-Lieu Fees	17,400	15,900	16,200	2,616,500
Other Service Charges	(19,800)	300	100	100
Total Service Charges	2,853,400	2,729,400	3,018,200	5,542,600
Investment and Property Revenues	384,600	607,600	141,200	110,000
Fines and Forfeitures	774,100	768,400	927,500	838,000
Other Revenues	17,400		70,700	118,800
Total Revenues	4,029,500	4,105,400	4,157,600	6,609,400
Expenditures				
Operating Programs				
Transportation	1,543,500	1,851,400	1,663,000	1,699,200
General Government	460,900	479,300	500,400	510,400
Total Operating Programs	2,004,400	2,330,700	2,163,400	2,209,600
Capital Improvement Plan Projects	117,700	1,867,300	885,000	40,400
Debt Service	1,512,400	1,466,100	1,473,900	1,475,000
Total Expenditures	3,634,500	5,664,100	4,522,300	3,725,000
Other Sources (Uses)				
Proceeds from Debt Financing				
Other Sources (Uses)	(2,000)			
Potential MOA Adjustments			(1,200)	(23,100)
Total Other Sources (Uses)	(2,000)		(1,200)	(23,100)
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	393,000	(1,558,700)	(365,900)	2,861,300
Working Capital, Beginning of Year	6,664,800	7,057,800	5,499,100	5,133,200
Working Capital, End of Year	\$ 7,057,800	\$ 5,499,100	\$ 5,133,200	\$ 7,994,500

CHANGES IN FINANCIAL POSITION

TRANSIT FUND

	Actual	Budget	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
Revenues				
Investment and Property Revenues	6,400	55,700	5,000	5,000
From Other Governments				
TDA Revenues	1,598,100	1,139,600	1,200,000	1,031,700
Other Grants	683,600	1,100,700		
FTA Grants	1,520,700	3,871,000	1,493,200	1,300,000
Service Charges	516,500	567,500	546,300	558,500
Other Revenues	4,000	13,300	10,000	
Total Revenues	4,329,300	6,747,800	3,254,500	2,895,200
Expenditures				
Operating Programs				
Transportation	2,466,900	2,665,500	2,606,400	2,681,200
General Government	280,900	292,100	300,700	306,700
<i>Total Operating Programs</i>	<i>2,747,800</i>	<i>2,957,600</i>	<i>2,907,100</i>	<i>2,987,900</i>
Capital Improvement Plan Projects	919,600	3,636,400		1,300
Total Expenditures	3,667,400	6,594,000	2,907,100	2,989,200
Other Sources (Uses)				
Potential MOA Adjustments		(6,700)	(1,200)	(7,500)
Other Sources	2,200			
Expenditure Savings				
Total Other Sources (Uses)	2,200	(6,700)	(1,200)	(7,500)
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	664,100	147,100	346,200	(101,500)
Working Capital, Beginning of Year	782,200	1,446,300	1,593,400	1,939,600
Working Capital, End of Year	\$ 1,446,300	\$ 1,593,400	\$ 1,939,600	\$ 1,838,100

CHANGES IN FINANCIAL POSITION

GOLF FUND

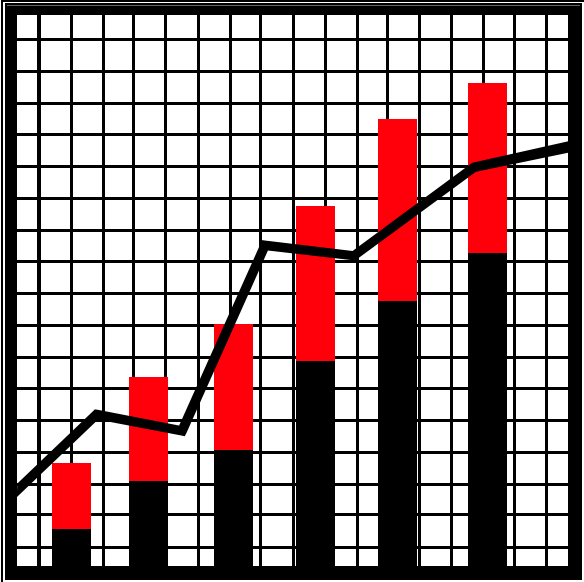
	Actual	Budget	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
Revenues				
Service Charges				
Retail Sales	32,200	34,700	38,100	39,300
Green Fees	244,900	268,000	311,000	348,600
Other Fees	49,200	47,700	63,700	55,300
<i>Total Service Charges</i>	<u>326,300</u>	<u>350,400</u>	<u>412,800</u>	<u>443,200</u>
Other Revenues	22,700	28,600	55,500	57,200
Investment and Property Revenues	14,200	8,500	8,800	9,000
Total Revenues	363,200	387,500	477,100	509,400
Expenditures				
Operating Programs				
Leisure, Cultural & Social Services	463,300	518,900	524,400	539,800
General Government	157,300	163,600	169,700	173,100
<i>Total Operating Programs</i>	<u>620,600</u>	<u>682,500</u>	<u>694,100</u>	<u>712,900</u>
Capital Improvement Plan Projects	247,100	171,700	25,600	
Total Expenditures	867,700	854,200	719,700	712,900
Other Sources (Uses)				
Operating Transfers In	462,000	335,000	242,600	207,200
Other Sources	3,600			
Expenditure Savings				
Potential MOA Adjustments		(9,000)		(3,700)
Total Other Sources (Uses)	<u>465,600</u>	<u>326,000</u>	<u>242,600</u>	<u>203,500</u>
Revenues and Other Sources Over (under)				
Expenditures and Other Uses	(38,900)	(140,700)		
Working Capital, Beginning of Year	<u>179,600</u>	<u>140,700</u>		
Working Capital, End of Year	<u>\$ 140,700</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CHANGES IN FINANCIAL POSITION

WHALE ROCK COMMISSION

	Actual	Budget	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
Revenues				
Investment and Property Revenues	37,400	34,000	20,000	20,000
Service Charges				
Member Agency Contributions	496,300	568,300	660,900	946,700
Water Distribution Charges	399,600	314,400	319,700	334,400
Other Service Charges	800	700	600	600
<i>Total Service Charges</i>	896,700	883,400	981,200	1,281,700
Other Revenues	900			
Total Revenues	935,000	917,400	1,001,200	1,301,700
Expenditures				
Operating Programs				
Public Utilities	832,900	851,700	804,400	826,200
General Government	113,300	117,800	121,800	125,500
<i>Total Operating Programs</i>	946,200	969,500	926,200	951,700
Capital Improvement Plan Projects	2,100	208,600	75,000	350,000
Total Expenditures	948,300	1,178,100	1,001,200	1,301,700
Other Sources (Uses)				
Expenditure savings		45,600		
Potential MOA Adjustments			(2,700)	(12,300)
Total Other Sources (Uses)		45,600	(2,700)	(12,300)
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	(13,300)	(215,100)	(2,700)	(12,300)
Working Capital, Beginning of Year	837,400	824,100	609,000	606,300
Working Capital, End of Year	\$ 824,100	\$ 609,000	\$ 606,300	\$ 594,000

Section H
FINANCIAL & STATISTICAL TABLES



FINANCIAL AND STATISTICAL TABLES

OVERVIEW

This section provides summaries that integrate the other Financial Plan sections as well as provide supplemental financial and statistical information. Generally, each schedule provides information for four fiscal years: last two completed fiscal years (2007-08 and 2008-09); and the two fiscal years covered by the 2009-11 Financial Plan (2009-10 and 2010-11). The following schedules are included in this section:

Revenue and Expenditure Summaries

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

Interfund Transactions

- Reimbursement Transfers
- Operating Transfers


Staffing Summaries

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

Financial Trends

- Pension Obligation Cost Trends
- Retiree Health Care Obligations:
- New or Increased Fees or Taxes: 2009-11
- Revenue and Expenditure Trends: Last Five Completed Fiscal Years
- Expenditures by Type: Last Five Years

Other Statistical and Financial Summaries

- Appropriations Limit History
 - Demographic and Statistical Summary
- 

FINANCIAL AND STATISTICAL TABLES

SUMMARY OF KEY REVENUE ASSUMPTIONS

GENERAL FUND

One of the key analytical tools developed during the 2009-11 Financial Plan process was a comprehensive five year financial forecast for the General Fund. This forecast considered key revenue and expenditure projection factors such as population, increases in the consumer price index (CPI) and other growth factors. The trending of these key factors and their effect on revenues and expenditures for the past fifteen years provided an historical basis for the five year financial forecast, which was presented to the Council in December 2008.

As part of the 2008-09 mid-year budget review process, the revenue assumptions included in the forecast were comprehensively reexamined based on actual results for 2007-08 as well as emerging trends at the mid-point of the year. The only major change made at that time was a further reduction in development review revenues. Accordingly, with a few notable exceptions, the revenue projections reflected in this Financial Plan rely heavily on the projections made as part of the December 2008 Forecast.

Sources used in developing these revised projections include economic trends as reported in the national media, forecast data for California as developed by the UCLA forecasting project, forecast data for San Luis Obispo County as developed by the UCSB forecasting project (of which the City is a sponsor), economic and fiscal information developed by the State Legislative Analyst and the State Department of Finance, and materials prepared by the League of California Cities and State Controller's Office. Ultimately, however, the 2009-11 revenue projections reflect the staff's best judgment about the performance of the local economy over the next two years and potential State budget actions and how these will affect the City's General Fund revenues.

Top Ten General Fund Revenues

The following provides a brief description of the City's top ten General Fund revenues along with an overview of the assumptions used in preparing 2009-11 revenue projections. These "top ten" revenues account for over 95% of total General Fund revenues.

1 Sales Tax (Includes Measure Y)

Declines by 7.25 % in 2008-09

Declines by 2.5% in 2009-10

Base grows by 2.0% in 2010-11

2009-10 revenue	\$17,914,900
2010-11 revenue	\$18,614,500
% of total revenue	35%

In addition to growth in the base in 2010-11, the revenue estimate assumes added revenues from a new Target, scheduled to open in December 2010; and phase-in of new revenue from the Airport Area annexation pursuant to the five -year phase-in agreement with the County.

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

Measure Y Revenues. In November 2006, City voters approved a 1/2 cent local sales tax increase. The same assumptions for sales tax were applied to this transaction tax in preparing revenue estimates for 2009-11.

2 Property Tax

Grows by 5.0% in 2008-09

Grows by 2.0% in 2009-10

Grows by 3.0% in 2010-11

2009-10 revenue	\$8,968,800
2010-11 revenue	\$9,237,900
% of total revenue	17%

Under Proposition 13 adopted in June of 1978, property taxes for general purposes may not exceed 1% of market value. Property tax assessment, collection and apportionment are performed by the County. The City receives approximately 14% of the levy within its limits. Assessment increases to reflect current market value are allowed when property ownership changes or when improvements are made; otherwise, increases in assessed value are limited to 2% annually. Based on both recent and long-term trends, this revenue is projected to increase by 5% in 2008-09; 2% in 2009-10; and by 3% in 2010-11.

FINANCIAL AND STATISTICAL TABLES

SUMMARY OF KEY REVENUE ASSUMPTIONS

3 Transient Occupancy Tax

Base declines by 8% in 2008-09
 Base declines by 10% in 2009-10
 Base grows by 2% in 2010-11

2009-10 revenue	\$4,185,300
2010-11 revenue	\$4,269,000
% of total revenue	8%

Transient occupancy taxes (TOT) are levied on all individuals occupying their dwelling for 30 days or less. This is generally most applicable to room rentals at motels and hotels, although it is also applicable to other types of short term rentals. The TOT rate is 10% of the room rental rate. Although the tax is collected for the City by the operators, it is a tax on the occupant, not the hotel or motel. Given the current economic environment and year-to-date results in 2008-09, we estimate a continued decline through December 2010. With our most important tourism months in the early part of the fiscal year, we believe that our revenue will decline by 10% in 2009-10 and experience a slight rebound of 2% in 2010-11.

4 Utility Users Tax

Grows by 3.3 % in 2008-09
 Grows by 3.3% in 2009-10
 Grows by 3.5% in 2010-11

2009-10 revenue	\$4,456,200
2010-11 revenue	\$4,612,200
% of total revenue	9%

The City levies a 5% tax on all residences and businesses using the following utilities: telephone, electricity, natural gas, water and cable television. Government agencies are exempt. Although the tax is collected for the City by the utility companies, it is a tax on the user, not the utility. This revenue source is projected to grow by approximately 3% annually in 2009-11 based on trends for the past fifteen years as well as current trends.

5 Property Tax in Lieu of VLF

Underlying base grows like property tax

2009-10 revenue	\$3,354,100
2010-11 revenue	\$3,454,700
% of total revenue	6%

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

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

6 Franchise Fees

Grows by 3.3% in 2008-09
 Grows by 3.3% in 2009-10
 Grows by 3.5% in 2010-11

2009-10 revenue	\$2,519,100
2010-11 revenue	\$2,607,300
% of total revenue	5%

Franchise fees are levied by the City on a variety of utilities at various rates. The State sets franchise fees for utilities regulated by them (most notably gas and electricity): 2% of gross revenues. The City sets rates on a gross receipts basis for the following utilities: water and sewer (3.5%), solid waste collection (10%); and cable television (5%). These revenues are projected to increase by approximately 3% annually in 2009-11 based on historical trends during the past fifteen years.

7 Business Tax Certificates

No growth in 2008-09
 Declines by 2.5% in 2009-10
 Grows by 2.0% in 2010-11

2009-10 revenue	\$1,828,000
2010-11 revenue	\$1,864,600
% of total revenue	4%

Anyone conducting business in the City is subject to a municipal business tax. The tax basis and rate are the same for all businesses: \$50 per \$100,000 of gross receipts (or one-twentieth of one percent). The tax is not regulatory, and is only imposed for the purpose of raising general purpose revenues. Based on recent trends, this revenue source is projected to be flat in 2008-09; decline by 2.5% in 2009-10; and show a modest recovery of 2% in 2010-11.

FINANCIAL AND STATISTICAL TABLES

SUMMARY OF KEY REVENUE ASSUMPTIONS

Service Charges

Based on Comprehensive User

Fee Cost Recovery Policy

(See Section B: Policies and Objectives)

The City sets charges for a broad range of services in accordance with a comprehensive user fee cost recovery policy as set forth in Section B (Policies and Objectives) of the Financial Plan. While no one fee category on its own accounts for more than 1% of total General Fund revenues, collectively service charges total \$5.4 million in 2009-10, and account for 10% of General Fund revenues.

8 Development Review Fees

2009-10 revenue	\$2,373,900
2010-11 revenue	\$2,381,800
% of total revenue	5%

Development review fees recover costs for planning, building & safety, engineering and fire plan check services. Cost recovery for these services is generally set at 100% of total costs. Based on the current construction market, we project that underlying permit levels will decline. However, improving cost recovery based on the results of a comprehensive cost of services partially mitigates this impact.

9 Parks & Recreation Fees

2009-10 revenue	\$1,306,600
2010-11 revenue	\$1,334,100
% of total revenue	3%

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

10 Other Fees

2009-10 revenue	\$1,738,200
2010-11 revenue	\$1,728,600
% of total revenue	3%

Fees are also assessed for a wide range of public safety, transportation and general government services. These are generally projected to grow about 3% annually.

SPECIAL REVENUE FUNDS

The City maintains nine special revenue funds: Downtown Business Improvement District Fund, Community Development Block Grant (CDBG) Fund, Gas Tax Fund, Transportation Development Act (TDA) Fund (to account for the 2% required allocation of TDA funds for bicycle planning), Law Enforcement Grants Fund, Tourism Business Improvement District, Public Art Fund, Proposition 42 Fund and Proposition 1B Fund. The following summarizes revenue assumptions for the two largest ongoing funds: Gas Tax and CDBG.

Gasoline Tax Subventions

Grows by 0.25% annually in 2009-11

2009-10 revenue	\$787,000
2010-11 revenue	\$791,000

The State allocates a portion of gas tax revenues to cities under four distinct funding categories on a population basis totaling about \$18.00 per capita. Gas tax revenues are restricted by the State for street purposes only (see Section B, Policies and Objectives - Revenue Distribution, for the City's policy regarding the use of gas tax revenues). They are projected to grow at less than 1.0% annually during 2009-11.

CDBG

Based on Estimated Allocation

2009-10 revenue	\$620,000
2010-11 revenue	\$620,000

CDBG funds are allocated by the federal government to eligible local agencies for housing and community development purposes. Within general program guidelines to assure that federal program goals are being met, entitlement cities determine their own projects and priorities.

FINANCIAL AND STATISTICAL TABLES

SUMMARY OF KEY REVENUE ASSUMPTIONS

ENTERPRISE FUNDS

The City maintains five enterprise funds, which account for about 40% of the City's fiscal operations: water, sewer, parking, transit and golf. Comprehensive rate reviews and revenue requirement projections for the next five years are presented to the Council annually. The following is a brief overview of enterprise fund revenue issues and the rate changes for 2009-11.

■ **Water Fund**

<i>2009-10 revenue</i>	\$14,451,200
<i>2010-11 revenue</i>	\$16,189,200

Consistent with the multi-year rate setting strategy previously approved by the Council to improve the City's water distribution and treatment systems as well as fund participation in the Nacimiento water project, the Council approved rate increases of 12% in July 2009 and 11% in July 2010. These increases are on target with prior projections for 2009-11.

■ **Sewer Fund**

<i>2009-10 revenue</i>	\$12,850,500
<i>2010-11 revenue</i>	\$14,021,500

The Sewer Fund also uses a multi-year rate-setting strategy. In order to continue supporting an adequate capital improvement plan and meet high wastewater treatment standards, the Council approved rate increases of 9.3% in July 2009 and 9% in July 2010. These increases are on target with prior projections for 2009-11.

■ **Parking Fund**

<i>2009-10 revenue</i>	\$4,157,600
<i>2010-11 revenue</i>	\$6,609,400

In 2006, the Council approved a series of stepped rate increases for meters and structures in assuring adequate revenues to cover parking operating costs and CIP goals. Effective July 1, 2009, parking meter and structure hourly rates were approved to increase by 25 cents per hour; and overtime parking violations by \$1.00 per ticket. The Council deferred the rate increase in the non-core meter areas and structures to July 2010; and set overtime parking violations at \$30.

■ **Transit Fund**

<i>2009-10 revenue</i>	\$3,254,500
<i>2010-11 revenue</i>	\$2,895,200

Increases in general fares from \$1.00 per ride to \$1.25 were approved by the Council in April 2009, with similar increases in bus passes and special fares, to help fund day-to-day operations as meet State fare box recovery requirements (20% of operating costs). No additional fare box rate increases are projected for 2009-11.

■ **Golf Water Fund**

<i>2009-10 revenue</i>	\$477,100
<i>2010-11 revenue</i>	\$509,400

In accordance with City policy, the golf course is not expected to fully recover its costs due to the largely senior and youth market that it serves. General Fund subsidies of the course are likely for the foreseeable future due to several factors, including the nine-hole nature of the course and lack of driving range facilities. Given the current market golf market, the Council approved a \$2.00 per round rate increase for 2009-10 and an additional \$1.00 per round increase for 2010-11. Similar increases in passes and other special rates were also approved.

FINANCIAL AND STATISTICAL TABLES

REVENUES BY MAJOR CATEGORY AND SOURCE

	Actual	Estimated	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
GENERAL FUND				
Tax & Franchise Revenues				
Sales & use tax				
General	13,581,700	12,597,000	12,342,100	12,836,400
Measure Y	5,996,600	5,750,000	5,572,800	5,778,100
Public safety (Proposition 172)	288,400	267,500	260,800	271,200
Property tax	8,374,200	8,792,900	8,968,800	9,237,900
Transient occupancy tax	5,054,700	4,650,300	4,185,300	4,269,000
Utility users tax	4,177,700	4,375,000	4,456,200	4,612,200
Property tax in lieu of VLF	3,280,100	3,408,800	3,354,100	3,454,700
Franchise fees	2,361,700	2,438,600	2,519,100	2,607,300
Business tax certificates	1,866,400	1,874,900	1,828,000	1,864,600
Real property transfer tax	213,000	150,000	150,000	175,000
Total Tax & Franchise Revenues	45,194,500	44,305,000	43,637,200	45,106,400
Fines & Forfeitures				
Vehicle code fines	169,900	170,000	175,000	180,000
Other fines & forfeitures	58,300	78,600	60,000	62,100
Total Fines & Forfeitures	228,200	248,600	235,000	242,100
Investment and Property Revenues				
Investment earnings	1,047,200	875,000	475,000	475,000
Rents & concessions	69,500	65,700	173,000	175,600
Total Investment & Property	1,116,700	940,700	648,000	650,600
Subventions & Grants				
Motor vehicle in-lieu	190,300	135,000	135,000	150,000
Homeowners & other in-lieu taxes	75,100	88,400	89,000	90,000
Other in-lieu taxes	15,400	16,900	17,200	17,500
SB 90 reimbursements	55,400			
Police training (POST)	64,700	60,000	70,000	70,000
Mutual aid reimbursements	1,171,600	2,127,000	625,000	650,000
COPS grant AB3229	100,000	100,000	100,000	100,000
OTS Grant		89,400	30,000	
Maintenance of state highways	15,800			
Zone 9 reimbursements	110,800	80,000	85,000	95,000
Other state & federal grants	202,200	60,900		
Total Subventions & Grants	2,001,300	2,757,600	1,151,200	1,172,500
Service Charges				
Police Services				
Accident reports	3,400	4,000	4,000	4,000
Collision investigation	20,900	15,000	15,000	15,000
Alarm permits and false alarm fees	107,000	100,000	110,000	110,000
DUI cost recovery	26,200	18,000	27,400	27,400
Tow release fee	47,200	50,000	30,200	30,200
Booking fee recovery	30,600			
Tobacco permit fees	12,800	13,000	12,000	12,000
Administrative citations	157,900	150,000	179,300	179,300

FINANCIAL AND STATISTICAL TABLES

REVENUES BY MAJOR CATEGORY AND SOURCE

	Actual	Estimated	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
GENERAL FUND				
Parking citations			50,000	50,000
Other police services	81,500	22,200	37,500	37,500
Total Police Services	487,500	372,200	465,400	465,400
Fire Services				
Cal Poly fire services	218,100	227,400	250,000	257,500
Medical emergency recovery	154,800	157,300	157,300	160,400
Fire safety/haz mat permits	72,800	79,000	187,100	188,700
Multi-dwelling unit inspections	187,200	188,300	188,300	188,300
CUPA fees	57,800	58,000	95,200	96,600
CUPA fines		30,000	46,500	17,200
Other fire services	30,300	51,600	13,600	13,900
Total Fire Services	721,000	791,600	938,000	922,600
Development Review				
Planning & zoning fees	809,300	507,500	774,200	772,100
Construction plan check & inspections	1,372,300	710,000	944,700	944,700
Infrastructure plan check & inspections	117,400	85,000	422,800	422,800
Encroachment permits	183,800	185,000	76,800	76,800
Fire plan check & inspections	160,300	60,000	155,400	165,400
Waterways management plan fees	62,500	27,000		
Total Development Review	2,705,600	1,574,500	2,373,900	2,381,800
Parks & Recreation				
Adult athletic fees	119,700	105,600	107,600	109,600
Youth athletic fees	31,300	30,400	31,000	31,600
Skate park fees	1,300	3,300	100	200
Instruction fees	92,200	78,300	80,700	82,300
Special event fees	86,600	80,400	82,000	83,700
Batting cages	2,500	3,500		
Rental & use fees	151,500	181,300	201,300	205,000
Children services	517,700	530,200	590,800	601,600
Teens & seniors	2,300	3,200	3,300	3,400
Aquatics	196,300	179,300	208,800	215,700
Other recreation revenues	6,100	4,900	5,000	5,000
Total Parks & Recreation	1,207,500	1,200,400	1,310,600	1,338,100
General Government				
Business license	238,000	252,000	289,800	295,600
Sales of publications	33,300	33,700	30,000	30,000
Other service charges	67,300	18,500	15,000	15,000
Total General Government	338,600	304,200	334,800	340,600
Total Service Charges	5,460,200	4,242,900	5,422,700	5,448,500
Other Revenues				
Insurance refunds	24,500	593,000		
Other revenues	126,600	125,000	778,000	128,000
Total Other Revenues	151,100	718,000	778,000	128,000
Total General Fund	\$54,152,000	\$53,212,800	\$51,872,100	\$52,748,100

FINANCIAL AND STATISTICAL TABLES

REVENUES BY MAJOR CATEGORY AND SOURCE

	Actual	Estimated	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
SPECIAL REVENUE FUNDS				
Downtown Business Improvement District Fund				
Investment & Property Revenues	11,800	4,300		
Service Charges	593,400	222,000	216,500	220,800
Total Downtown BID Fund	605,200	226,300	216,500	220,800
Community Development Block Grant Fund				
Subventions & Grants	378,400	1,561,700	620,000	620,000
Gas Tax Fund				
Subventions & Grants	835,100	785,000	787,000	791,000
Transportation Development Act Fund				
Subventions & Grants	34,300	22,300	22,400	22,500
Law Enforcement Grant Fund				
Investment & Property Revenues	1,900	4,100	1,200	1,400
Subventions & Grants	52,400			
Service Charges	4,600	5,000	5,200	5,400
Total Law Enforcement Grant Fund	58,900	9,100	6,400	6,800
Public Art Contributions Fund				
Investment & Property Revenues	17,200	10,900	6,100	6,800
Service Charges	101,200	18,900	5,000	5,000
Other Revenues				
Total Public Art Contributions Fund	118,400	29,800	11,100	11,800
Proposition 42 Fund				
Investment & Property Revenues				
Subventions and Grants	131,300	436,000	422,800	463,300
Proposition 42 Fund	131,300	436,000	422,800	463,300
Proposition 1B Fund				
Investment & Property Revenues				
Subventions and Grants	711,600	657,700		
Proposition 1B Fund	711,600	657,700		
Tourism Business Improvement District Fund				
Service Charges		452,100	837,100	853,800
Total Special Revenue Funds	\$2,873,200	\$4,180,000	\$2,923,300	\$2,990,000

FINANCIAL AND STATISTICAL TABLES

REVENUES BY MAJOR CATEGORY AND SOURCE

	Actual 2007-08	Estimated 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
CAPITAL PROJECT FUNDS				
Capital Outlay Fund				
Subventions & Grants				
<i>State of California</i>				
Traffic safety grant	22,600	22,600		
Safe routes to school grant		1,053,800		
SLTPP/STP grant		2,174,100		
STP/SHA - RRTC		2,245,100		
Other state grants	96,700	163,500		
<i>Federal Government</i>				
Highway & bridge rehabilitation & replacement (HBRR)	10,600	488,700		
Transportation enhancement (TEA)	65,700	116,000		
Other federal grants	465,000	360,000		
Service Charges				
Zone 9 reimbursements	82,300	25,000	125,000	90,000
Other Revenues				
Contributions	20,000	1,058,200	100,000	
Other Revenue		100,000		
Total Capital Outlay Fund	762,900	7,807,000	225,000	90,000
Parkland Development Fund				
Investment & Property Revenues	38,200	36,300	36,100	37,200
Subventions & Grants		137,500		50,000
Service Charges				
Park in-lieu fees	860,000	115,500	45,000	50,000
Dwelling unit charge	1,800	200	200	200
Other Revenues				323,300
Total Parkland Development Fund	900,000	289,500	81,300	460,700
Transportation Impact Fee Fund				
Investment & Property Revenues	104,000	125,000	15,000	7,500
Subventions & Grants	64,300	2,854,600	2,090,000	
Service Charges	724,800	445,000	150,000	200,000
Contributions	342,800	57,200		
Total Transportation Impact Fee Fund	1,235,900	3,481,800	2,255,000	207,500
Fleet Replacement Fund				
Investment & Property Revenues	60,600	56,200	61,300	63,700
Other Revenues				
Sale of surplus property	18,700	24,300	20,000	20,000
Total Fleet Replacement Fund	79,300	80,500	81,300	83,700

FINANCIAL AND STATISTICAL TABLES

REVENUES BY MAJOR CATEGORY AND SOURCE

	Actual	Estimated	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
CAPITAL PROJECT FUNDS				
Open Space Protection Fund				
Investment & Property Revenues	12,000	15,000	5,000	5,000
Subventions & Grants		350,000	750,000	
Total Open Space Protection Fund	12,000	365,000	755,000	5,000
Airport Area Impact Fee Fund				
Investment & Property Revenues	39,000	46,800	29,900	30,700
Service Charges				
Total Airport Area Impact Fee Fund	39,000	46,800	29,900	30,700
Affordable Housing Fund				
Investment & Property Revenues	155,600	160,500	119,800	123,400
Service Charges	682,400	371,500	350,000	350,000
Total Affordable Housing Fund	838,000	532,000	469,800	473,400
Los Osos Valley Road Sub-Area Fee Fund				
Investment & Property Revenues	48,300	1,700	200	300
Service Charges				
Total Los Osos Valley Road Sub-Area Fee Fund	48,300	1,700	200	300
Total Capital Project Funds	\$3,915,400	\$12,604,300	\$3,897,500	\$1,351,300
TOTAL-GOVERNMENTAL FUNDS	\$60,940,600	\$69,997,100	\$58,692,900	\$57,089,400

FINANCIAL AND STATISTICAL TABLES

REVENUES BY MAJOR CATEGORY AND SOURCE

	Actual	Estimated	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
ENTERPRISE & AGENCY FUNDS				
Water Fund				
Investment & Property Revenues	736,000	665,000	166,600	182,100
Subventions & Grants				
Service Charges	12,416,700	13,055,900	14,259,000	15,980,700
Other Revenues	275,200	24,900	25,600	26,400
Total Water Fund	13,427,900	13,745,800	14,451,200	16,189,200
Sewer Fund				
Investment & Property Revenues	272,200	300,000	43,800	40,000
Subventions & Grants				
Service Charges	10,198,300	11,511,100	12,787,600	13,961,800
Other Revenues	7,200	18,500	19,100	19,700
Total Sewer Fund	10,477,700	11,829,600	12,850,500	14,021,500
Parking Fund				
Fines & Forfeitures	774,100	768,400	927,500	838,000
Investment & Property Revenues	384,600	607,600	141,200	110,000
Service Charges	2,853,400	2,729,400	3,018,200	5,542,600
Other Revenues	17,400		70,700	118,800
Total Parking Fund	4,029,500	4,105,400	4,157,600	6,609,400
Transit Fund				
Investment & Property Revenues	6,400	55,700	5,000	5,000
Subventions & Grants	3,802,400	6,111,300	2,693,200	2,331,700
Service Charges	516,500	567,500	546,300	558,500
Other Revenues	4,000	13,300	10,000	
Total Transit Fund	4,329,300	6,747,800	3,254,500	2,895,200
Golf Fund				
Investment & Property Revenues	14,200	8,500	8,800	9,000
Service Charges	326,300	350,400	412,800	443,200
Other Revenues	22,700	28,600	55,500	57,200
Total Golf Fund	363,200	387,500	477,100	509,400
Whale Rock Commission				
Investment & Property Revenues	37,400	34,000	20,000	20,000
Subventions & Grants				
Service Charges	896,700	883,400	981,200	1,281,700
Other Revenues	900			
Total Whale Rock Commission Fund	935,000	917,400	1,001,200	1,301,700
Total Enterprise & Agency Funds	\$33,562,600	\$37,733,500	\$36,192,100	\$41,526,400
TOTAL - ALL FUNDS	\$94,503,200	\$107,730,600	\$94,885,000	\$98,615,800

FINANCIAL AND STATISTICAL TABLES

TOTAL EXPENDITURES BY TYPE AND FUNCTION

	Actual	Budget	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
OPERATING PROGRAM EXPENDITURES				
Public Safety	25,055,900	27,754,800	24,275,700	24,820,600
Public Utilities	11,696,700	13,827,500	13,200,700	19,150,300
Transportation	6,550,200	8,168,800	7,432,200	7,558,300
Leisure, Cultural & Social Services	6,861,900	7,626,600	7,213,700	7,416,600
Community Development	6,341,600	7,383,800	7,056,800	7,191,500
General Government	10,381,000	12,469,700	11,836,700	12,148,200
Total Operating Programs	66,887,300	77,231,200	71,015,800	78,285,500
CAPITAL IMPROVEMENT PLAN EXPENDITURES				
Public Safety	1,454,200	5,669,600	1,343,400	138,700
Public Utilities	8,255,300	23,427,600	4,697,000	6,065,400
Transportation	8,113,700	27,924,900	7,250,900	3,496,700
Leisure, Cultural & Social Services	1,001,800	2,168,800	1,148,100	1,467,900
Community Development	725,400	2,199,500	1,131,000	
General Government	928,600	6,056,100	275,400	125,000
Total Capital Improvement Plan	20,479,000	67,446,500	15,845,800	11,293,700
DEBT SERVICE EXPENDITURES				
Public Safety	252,700	251,900	941,500	1,052,900
Public Utilities	5,092,100	5,045,500	5,447,200	5,442,200
Transportation	1,805,200	1,761,100	1,837,200	1,838,200
Leisure, Cultural & Social Services	968,000	965,500	962,500	911,400
Community Development				
General Government	564,500	563,500	634,500	689,400
Total Debt Service	8,682,500	8,587,500	9,822,900	9,934,100
TOTAL EXPENDITURES				
Public Safety	26,762,800	33,676,300	26,560,600	26,012,200
Public Utilities	25,044,100	42,300,600	23,344,900	30,657,900
Transportation	16,469,100	37,854,800	16,520,300	12,893,200
Leisure, Cultural & Social Services	8,831,700	10,760,900	9,324,300	9,795,900
Community Development	7,067,000	9,583,300	8,187,800	7,191,500
General Government	11,874,100	19,089,300	12,746,600	12,962,600
Total Expenditures	\$96,048,800	\$153,265,200	\$96,684,500	\$99,513,300

FINANCIAL AND STATISTICAL TABLES

INTERFUND TRANSACTIONS - REIMBURSEMENT TRANSFERS

	Actual 2007-08	Budget 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
General Fund	(4,075,300)	(4,210,800)	(4,406,800)	(4,496,200)
Community Development Block Grant Fund	28,200	1,900		
Enterprise and Agency Funds				
Water	1,391,600	1,447,300	1,524,500	1,555,000
Sewer	1,643,100	1,708,800	1,789,700	1,825,500
Parking	460,900	479,300	500,400	510,400
Transit	280,900	292,100	300,700	306,700
Golf	157,300	163,600	169,700	173,100
Whale Rock Commission	113,300	117,800	121,800	125,500
Total Enterprise and Agency Funds	4,047,100	4,208,900	4,406,800	4,496,200
NET REIMBURSEMENT TRANSFERS	\$0	\$0	\$0	\$0

Summary of Purpose of 2009-11 Reimbursement Transfers

All of the City's General Government and CIP Project Engineering programs are initially accounted and budgeted for in the General Fund. However, these support service programs also benefit the City's CDBG, enterprise and agency fund operations, and accordingly, transfers are made from these funds to reimburse the General Fund for these services. These transfers are based on a Cost Allocation Plan prepared for this purpose which distributes these shared costs in a uniform, consistent manner in accordance with generally accepted accounting principles. Copies of the most current Cost Allocation Plan are available from the Department of Finance upon request. For fiscal years 2009-11, the following is a summary of total general government, CIP project engineering and facility use costs, and the percentage level supported by the General, CDBG, Enterprise and Agency Funds:

	2009-10	2010-11
General Government Programs		
City Council	135,600	138,800
General Administration		
City Administration	757,500	757,200
Public Works Administration	1,093,700	1,040,000
Transportation Planning & Engineering	582,900	575,800
Parks & Recreation Administration	650,300	665,900
Legal Services	549,900	552,700
City Clerk Services	328,000	438,700
Organizational Support Services		
Finance, Human Resources, Information		
Systems, and Geodata Services	4,408,800	4,580,100
Risk Management and Insurance Expenditures	2,434,900	2,456,800
Other Support Services (telephones, copiers, etc)	223,100	225,600
Buildings and Vehicle Maintenance	1,966,200	2,021,400
Total General Government Programs	13,130,900	13,453,000
CIP Project Engineering Program	1,526,400	1,584,100
Facilities and Equipment Use	4,578,500	4,715,900
Total Reimbursed Programs	19,235,800	19,753,000
Percent Funded By		
General Fund	77%	77%
Enterprise and Agency Funds	23%	23%
Total Reimbursed Programs	100%	100%

FINANCIAL AND STATISTICAL TABLES

INTERFUND TRANSACTIONS - OPERATING TRANSFERS

	Actual 2007-08	Budget 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
General Fund				
Operating Transfers In				
Gas Tax Fund	835,100	785,000	787,000	791,000
TDA Fund	34,300	22,300	22,400	22,500
Airport Area Impact Fee Fund				
Open Space Protection Fund	5,000			
Proposition 1B	711,600			
Proposition 42	131,300	436,000	422,800	463,300
Total operating transfers in	1,717,300	1,243,300	1,232,200	1,276,800
Operating Transfers Out				
Downtown Association Fund				
Community Development Block Grant	(41,100)	(45,000)	(55,100)	(55,100)
Law Enforcement Block Grant Fund				
Capital Outlay Fund	(9,365,600)	(3,669,200)	(3,759,200)	(3,275,400)
Open Space Protection Fund	(323,000)	(234,000)	(322,500)	
Fleet Replacement Fund	(1,109,000)	(550,000)	(113,400)	
Debt Service Fund	(2,078,000)	(2,075,900)	(2,901,800)	(2,670,900)
Transportation Impact Fee	(701,900)			
Golf Fund	(440,700)	(335,000)	(242,600)	(207,200)
Total operating transfers out	(14,059,300)	(6,909,100)	(7,394,600)	(6,208,600)
Total Operating Transfers	(12,342,000)	(5,665,800)	(6,162,400)	(4,931,800)
Community Development Block Grant Fund				
Operating Transfer In				
General Fund	41,100	45,000	55,100	55,100
Gas Tax Fund				
Operating Transfer Out				
General Fund	(835,100)	(785,000)	(787,000)	(791,000)
Capital Outlay Fund				
Total operating transfers out	(835,100)	(785,000)	(787,000)	(791,000)
Transportation Development Act Fund				
Operating Transfer Out				
General Fund	(34,300)	(22,300)	(22,400)	(22,500)
Proposition 42 Fund				
Operating Transfer Out				
General Fund	(131,300)	(436,000)	(422,800)	(463,300)

FINANCIAL AND STATISTICAL TABLES

INTERFUND TRANSACTIONS - OPERATING TRANSFERS

	Actual 2007-08	Budget 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Proposition 1B Fund				
Operating Transfer Out				
General Fund	(711,600)	(657,700)		
Capital Outlay Fund				
Operating Transfer In				
General Fund	9,365,600	3,669,200	3,759,200	3,275,400
Transportation Impact Fee Fund	14,200			
Proposition 1B Fund		657,700		
Operating Transfer Out				
Golf Fund	(21,300)			
Total operating transfers in	9,358,500	4,326,900	3,759,200	3,275,400
Open Space Protection Fund				
Operating Transfers In				
General Fund	323,000	234,000	322,500	
Operating Transfer Out				
General Fund	(5,000)			
Total operating transfers in	318,000	234,000	322,500	0
Fleet Replacement Fund				
Operating Transfers In				
General Fund	1,109,000	550,000	113,400	
Debt Service Fund				
Operating Transfer In				
General Fund	2,078,000	2,075,900	2,901,800	2,670,900
Transportation Impact Fee Fund				
Operating Transfer In				
General Fund	701,900			
Operating Transfer Out				
Capital Outlay Fund	(14,200)			
Total operating transfers	687,700	0	0	0
LOVR Impact Fee Fund				
Operating Transfer Out				
Transportation Impact Fee Fund				
Golf Fund				
Operating Transfer In				
General Fund	440,700	335,000	242,600	207,200
Capital Outlay Fund	21,300			
Total operating transfers in	462,000	335,000	242,600	207,200
NET OPERATING TRANSFERS	\$0	\$0	\$0	\$0

FINANCIAL AND STATISTICAL TABLES

AUTHORIZED REGULAR POSITIONS BY DEPARTMENT

	Actual	Budget	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
ADMINISTRATION	11.0	11.0	10.3	10.3
City Administration				
City Manager	1.0	1.0	1.0	1.0
Assistant City Manager	1.0	1.0	1.0	1.0
Principal Administrative Analyst	1.0	1.0	0.5	0.5
Administration Executive Assistant	1.0	1.0	1.0	1.0
Administrative Assistant*	0.4	0.4	0.0	0.0
Total City Administration	4.4	4.4	3.5	3.5
Natural Resources Management				
Natural Resources Manager	1.0	1.0	1.0	1.0
City Biologist	1.0	1.0	1.0	1.0
Administrative Assistant*	0.3	0.3	0.0	0.0
Total Natural Resources Protection	2.3	2.3	2.0	2.0
Economic Development				
Economic Development Manager	1.0	1.0	1.0	1.0
Administrative Assistant*	0.3	0.3	0.0	0.0
Administrative Analyst **	0.0	0.0	0.3	0.3
Total Economic Development	1.3	1.3	1.3	1.3
Community Promotion				
Principal Administrative Analyst	0.0	0.0	0.5	0.5
Total Community Promotions	0.0	0.0	0.5	0.5
Records and Elections				
City Clerk	1.0	1.0	1.0	1.0
Administrative Assistant	2.0	2.0	2.0	2.0
Total Records and Elections	3.0	3.0	3.0	3.0
<i>*Position is being eliminated in January 2010.</i>				
<i>** Position authorized as 1.0 FTE in Finance & IT in 2007-09 budget; 0.3 is allocated to Economic Development in 2009-11.</i>				
CITY ATTORNEY	3.0	3.0	3.0	3.0
Legal Services				
City Attorney	1.0	1.0	1.0	1.0
Assistant City Attorney	1.0	1.0	1.0	1.0
Legal Assistant/Paralegal	1.0	1.0	1.0	1.0
Total Legal Services	3.0	3.0	3.0	3.0
HUMAN RESOURCES	5.0	5.0	5.0	5.0
Human Resources Administration				
Director of Human Resources	1.0	1.0	1.0	1.0
Human Resources Analyst	1.0	1.0	1.0	1.0
Human Resources Executive Assistant	1.0	1.0	0.0	0.0
Administrative Assistant	0.0	0.0	1.0	1.0
Human Resources Specialist	1.0	1.0	1.0	1.0
Total Human Resources Administration	4.0	4.0	4.0	4.0
Risk Management				
Risk & Benefits Manager	1.0	1.0	1.0	1.0

FINANCIAL AND STATISTICAL TABLES

AUTHORIZED REGULAR POSITIONS BY DEPARTMENT

	Actual	Budget	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
FINANCE & INFORMATION TECHNOLOGY	21.0	21.0	18.5	18.5
Finance & Information Technology Administration				
Director of Finance & Information Technology	1.0	1.0	1.0	1.0
Administrative Analyst*	1.0	1.0	0.7	0.7
Total Finance & Information Technology Administration	2.0	2.0	1.7	1.7
Accounting				
Finance Manager	0.5	0.5	0.5	0.5
Accounting Supervisor	1.0	1.0	1.0	1.0
Accounting Assistant	3.0	3.0	3.0	3.0
Total Accounting	4.5	4.5	4.5	4.5
Revenue Management				
Finance Manager	0.5	0.5	0.5	0.5
Revenue Supervisor	1.0	1.0	1.0	1.0
Accounting Assistant	5.0	5.0	5.0	5.0
Total Revenue Management	6.5	6.5	6.5	6.5
Information Technology				
Information Technology Manager	1.0	1.0	1.0	1.0
Telecommunications Supervisor	1.0	1.0	0.0	0.0
Network Administrator	4.0	4.0	4.0	4.0
Radio Systems Technician	1.0	1.0	0.0	0.0
Information Technology Assistant	0.0	0.0	0.8	0.8
Telemetry/Instrumentation Technician	1.0	1.0	0.0	0.0
Total Information Technology	8.0	8.0	5.8	5.8
<i>*Position authorized as 1.0 FTE in 2007-09 budget; 0.3 is allocated to Economic Development in 2009-11.</i>				
COMMUNITY DEVELOPMENT	22.3	22.3	21.3	21.3
Community Development Administration				
Director of Community Development	1.0	1.0	1.0	1.0
Supervising Administrative Assistant	1.0	1.0	1.0	1.0
Permit Technician	1.5	1.5	1.5	1.5
Total Administration	3.5	3.5	3.5	3.5
Planning Development Review				
Deputy Director	1.0	1.0	1.0	1.0
Planning Technician/Assistant Planner	1.0	1.0	1.0	1.0
Senior Planner	1.0	1.0	1.0	1.0
Associate Planner	3.0	3.0	2.0	2.0
Total Planning Development Review	6.0	6.0	5.0	5.0
Long-Range Planning				
Deputy Director	1.0	1.0	1.0	1.0
Senior Planner	1.0	1.0	1.0	1.0
Associate Planner	1.0	1.0	1.0	1.0
Housing Programs Manager	1.0	1.0	1.0	1.0
Total Long-Range Planning	4.0	4.0	4.0	4.0

FINANCIAL AND STATISTICAL TABLES

AUTHORIZED REGULAR POSITIONS BY DEPARTMENT

	Actual 2007-08	Budget 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
Building & Safety				
Chief Building Official	1.0	1.0	1.0	1.0
Assistant Building Official	1.0	1.0	1.0	1.0
Permit Coordinator	1.0	1.0	1.0	1.0
Building Inspector	2.0	2.0	2.0	2.0
Plans Examiner	1.0	1.0	1.0	1.0
Code Enforcement Officer	2.0	2.0	2.0	2.0
Permit Technician	0.8	0.8	0.8	0.8
Total Building & Safety	8.8	8.8	8.8	8.8
PARKS & RECREATION	16.0	16.0	15.0	16.0
Parks & Recreation Administration				
Parks & Recreation Director	1.0	1.0	1.0	1.0
Recreation Manager	2.0	2.0	1.0	1.0
Supervising Administrative Assistant	1.0	1.0	1.0	1.0
Administrative Analyst*	0.0	0.0	0.0	1.0
Administrative Assistant	1.0	1.0	1.0	1.0
Total Parks & Recreation Administration	5.0	5.0	4.0	5.0
Aquatics				
Recreation Supervisor	1.0	1.0	1.0	1.0
Total Aquatics	1.0	1.0	1.0	1.0
Children's Services				
Recreation Supervisor	1.0	1.0	1.0	1.0
Recreation Coordinator	1.0	1.0	1.0	1.0
Total Children's Services	2.0	2.0	2.0	2.0
Facilities				
Recreation Supervisor	1.0	1.0	1.0	1.0
Total Facilities	1.0	1.0	1.0	1.0
Special Events				
Recreation Supervisor	1.0	1.0	1.0	1.0
Total Special Events	1.0	1.0	1.0	1.0
Recreational Sports				
Recreation Supervisor	1.0	1.0	1.0	1.0
Total Recreational Sports	1.0	1.0	1.0	1.0
Teens, Seniors & Classes				
Recreation Supervisor	1.0	1.0	1.0	1.0
Total Teens, Seniors and Classes	1.0	1.0	1.0	1.0
Ranger Services				
Recreation Supervisor	1.0	1.0	1.0	1.0
Total Ranger Services	1.0	1.0	1.0	1.0
Golf Course				
Golf Course Supervisor	1.0	1.0	1.0	1.0
Maintenance Worker	2.0	2.0	2.0	2.0
Total Golf Course	3.0	3.0	3.0	3.0

* Tentative pending further organizational analysis

FINANCIAL AND STATISTICAL TABLES

AUTHORIZED REGULAR POSITIONS BY DEPARTMENT

	Actual	Budget	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
PUBLIC WORKS	85.5	86.5	81.0	80.0
<i>Public Works: Transportation Programs</i>	<i>32.0</i>	<i>32.0</i>	<i>30.0</i>	<i>29.0</i>
Transportation Planning & Engineering				
Principal Transportation Planner	1.0	1.0	1.0	1.0
City Traffic Engineer	1.0	1.0	0.0	0.0
Senior Transportation Engineer	0.0	0.0	1.0	1.0
Engineer	2.0	2.0	1.0	1.0
Total Transportation Planning & Engineering	4.0	4.0	3.0	3.0
Street & Sidewalk Maintenance				
Street Supervisor	1.0	1.0	1.0	1.0
Street Maintenance Technician	1.0	1.0	1.0	1.0
Heavy Equipment Operator	1.0	1.0	1.0	1.0
Maintenance Worker	7.0	7.0	7.5	6.5
Total Street & Sidewalk Maintenance	10.0	10.0	10.5	9.5
Signal & Light Maintenance				
Signal & Street Light Technician	2.0	2.0	2.0	2.0
Total Signal & Light Maintenance	2.0	2.0	2.0	2.0
Creek & Flood Protection				
Stormwater Manager	1.0	1.0	0.0	0.0
Stormwater Code Enforcement Officer	1.0	1.0	1.0	1.0
Heavy Equipment Operator	1.5	1.5	1.0	1.0
Maintenance Worker	1.0	1.0	1.0	1.0
GIS Specialist	0.5	0.5	0.5	0.5
Total Creek & Flood Protection	5.0	5.0	3.5	3.5
Parking				
Parking Manager	1.0	1.0	1.0	1.0
Parking Coordinator	1.0	1.0	1.0	1.0
Parking Enforcement Officer	3.0	3.0	3.0	3.0
Parking Meter Repair Worker	1.0	1.0	1.0	1.0
Supervising Administrative Assistant	1.0	1.0	1.0	1.0
Administrative Assistant	2.0	2.0	2.0	2.0
Total Parking	9.0	9.0	9.0	9.0
Transit				
Transit Manager	1.0	1.0	1.0	1.0
Transportation Assistant	1.0	1.0	1.0	1.0
Total Transit	2.0	2.0	2.0	2.0
<i>Public Works: Leisure, Cultural & Social Services Programs</i>	<i>17.0</i>	<i>17.0</i>	<i>17.0</i>	<i>17.0</i>
Parks & Landscape Maintenance				
Public Works Maintenance Supervisor - Parks	1.0	1.0	1.0	1.0
Parks Maintenance Technician	1.0	1.0	1.0	1.0
Maintenance Worker	10.0	10.0	10.0	10.0
Total Parks & Landscape Maintenance	12.0	12.0	12.0	12.0

FINANCIAL AND STATISTICAL TABLES

AUTHORIZED REGULAR POSITIONS BY DEPARTMENT

	Actual	Budget	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
Swim Center Maintenance				
Building Maintenance Technician	1.0	1.0	1.0	1.0
Total Swim Center Maintenance	1.0	1.0	1.0	1.0
Tree Maintenance				
PW Maintenance Supervisor	1.0	1.0	1.0	1.0
Arborist/Urban Forester	1.0	1.0	1.0	1.0
Tree Trimmer	2.0	2.0	2.0	2.0
Total Tree Maintenance	4.0	4.0	4.0	4.0
Public Works: Community Development Programs	18.0	18.0	16.0	16.0
Engineering Development Review				
Supervising Civil Engineer	1.0	1.0	1.0	1.0
Senior Civil Engineer	1.0	1.0	1.0	1.0
Engineer	1.0	1.0	0.0	0.0
Permit Technician	1.0	1.0	1.0	1.0
Total Engineering Development Review	4.0	4.0	3.0	3.0
CIP Project Engineering				
Supervising Civil Engineer	1.0	1.0	1.0	1.0
Senior Civil Engineer	1.0	1.0	1.0	1.0
Engineer	3.0	3.0	3.0	3.0
Engineering Technician	3.0	3.0	2.0	2.0
Construction Engineering Manager	1.0	1.0	1.0	1.0
Field Engineering Assistant	3.0	3.0	3.0	3.0
Public Works Inspector	2.0	2.0	2.0	2.0
Total CIP Project Engineering	14.0	14.0	13.0	13.0
Public Works: General Government Programs	18.5	19.5	18.0	18.0
Public Works Administration				
Director of Public Works	1.0	1.0	1.0	1.0
Deputy Director/City Engineer	1.0	1.0	1.0	1.0
Deputy Director/Public Works	1.0	1.0	1.0	1.0
Administrative Services Manager	1.0	1.0	0.0	0.0
Supervising Administrative Assistant	1.0	1.0	1.0	1.0
Administrative Assistant	2.5	1.5	1.0	1.0
Administrative Analyst	0.0	1.0	1.0	1.0
Total Public Works Administration	7.5	7.5	6.0	6.0
Geographic Information Services (GIS)				
GIS Supervisor	1.0	1.0	1.0	1.0
GIS Specialist	2.0	2.0	2.0	2.0
Total Geographic Information Services	3.0	3.0	3.0	3.0
Building Maintenance				
Facilities Maintenance Supervisor	1.0	1.0	1.0	1.0
Building Maintenance Technician	2.0	2.0	2.0	2.0
Maintenance Worker	2.0	2.0	2.0	2.0
Total Building Maintenance	5.0	5.0	5.0	5.0
Fleet Maintenance				
Fleet Maintenance Supervisor	1.0	1.0	1.0	1.0
Heavy Equipment Mechanic	2.0	3.0	3.0	3.0
Total Fleet Maintenance	3.0	4.0	4.0	4.0

FINANCIAL AND STATISTICAL TABLES

AUTHORIZED REGULAR POSITIONS BY DEPARTMENT

	Actual	Budget	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
UTILITIES	66.8	66.8	63.8	63.8
<i>Utilities: Water Service Programs</i>	<i>32.5</i>	<i>32.5</i>	<i>30.3</i>	<i>30.3</i>
Water Administration & Engineering				
Utilities Director	0.5	0.5	0.5	0.5
Deputy Director/Water	0.9	0.9	0.9	0.9
Utilities Engineer	0.5	0.5	0.0	0.0
Utilities Projects Manager	1.0	1.0	0.6	0.6
Senior Administrative Analyst	0.5	0.5	0.5	0.5
Supervising Administrative Assistant	0.5	0.5	0.5	0.5
Administrative Assistant	0.4	0.4	0.4	0.4
Total Water Administration & Engineering	4.3	4.3	3.4	3.4
Water Treatment				
Treatment Plant Supervisor	1.0	1.0	1.0	1.0
Treatment Plant Chief Operator	1.0	1.0	1.0	1.0
Treatment Plant Operator	7.0	7.0	7.0	7.0
Treatment Plant Maintenance Technician	1.0	1.0	1.0	1.0
Laboratory Manager	0.1	0.1	0.1	0.1
Laboratory Analyst	1.1	1.1	1.0	1.0
Total Water Treatment	11.2	11.2	11.1	11.1
Water Distribution				
Distribution Supervisor	1.0	1.0	1.0	1.0
Underground Utility Locator	1.0	1.0	1.0	1.0
Water Distribution System Operator	7.0	7.0	7.0	7.0
Total Water Distribution	9.0	9.0	9.0	9.0
Water Customer Service				
SBP Water Customer Service Personnel	5.0	5.0	4.0	4.0
Total Water Customer Service	5.0	5.0	4.0	4.0
Utilities Conservation Office				
Utilities Conservation Manager	1.0	1.0	0.8	0.8
Utilities Conservation Technician	2.0	2.0	2.0	2.0
Total Utilities Conservation Office	3.0	3.0	2.8	2.8
<i>Utilities: Wastewater Service Programs</i>	<i>28.0</i>	<i>28.0</i>	<i>27.0</i>	<i>27.0</i>
Wastewater Administration & Engineering				
Utilities Director	0.4	0.4	0.4	0.4
Deputy Director/Wastewater	1.0	1.0	1.0	1.0
Utilities Engineer	0.4	0.4	0.0	0.0
Utilities Projects Manager	0.0	0.0	0.4	0.4
Senior Administrative Analyst	0.4	0.4	0.4	0.4
Supervising Administrative Assistant	0.4	0.4	0.4	0.4
Administrative Assistant	0.3	0.3	0.3	0.3
Total Wastewater Administration & Engineering	2.9	2.9	2.9	2.9
Wastewater Collection				
Wastewater Collection Supervisor	0.7	0.7	0.7	0.7
Wastewater Systems Collection Operator	6.0	6.0	6.0	6.0
Total Wastewater Collection	6.7	6.7	6.7	6.7

FINANCIAL AND STATISTICAL TABLES

AUTHORIZED REGULAR POSITIONS BY DEPARTMENT

	Actual	Budget	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
Wastewater Pretreatment				
Industrial Waste Manager	0.9	0.9	0.8	0.8
Industrial Waste Inspector	1.0	1.0	1.0	1.0
Total Wastewater Pretreatment	1.9	1.9	1.8	1.8
Water Reclamation Facility				
Wastewater Reclamation Plant Supervisor	1.0	1.0	1.0	1.0
Laboratory Manager	0.9	0.0	0.0	0.0
Laboratory Analyst	2.6	0.0	0.0	0.0
Water Reclamation Chief Operator	1.0	1.0	1.0	1.0
Water Reclamation Operator	7.0	7.0	7.0	7.0
Chief Maintenance Technician	1.0	1.0	1.0	1.0
Maintenance Technician	3.0	3.0	3.0	3.0
Total Water Reclamation Facility	16.5	13.0	13.0	13.0
Water Quality Laboratory*				
Laboratory Manager	0.0	0.9	0.9	0.9
Laboratory Analyst	0.0	2.6	1.7	1.7
Total Water Quality Laboratory	0.0	3.5	2.6	2.6
*Prior to 2008-09 Laboratory operations were included in Water Reclamation Facility.				
Utilities: Whale Rock Reservoir	3.6	3.6	3.5	3.5
Whale Rock Administration & Engineering				
Utilities Director	0.1	0.1	0.1	0.1
Deputy Director/Water	0.1	0.1	0.1	0.1
Utilities Engineer	0.1	0.1	0.0	0.0
Senior Administrative Analyst	0.1	0.1	0.1	0.1
Supervising Administrative Assistant	0.1	0.1	0.1	0.1
Administrative Assistant	0.1	0.1	0.1	0.1
Total Whale Rock Administration & Engineering	0.6	0.6	0.5	0.5
Reservoir Operations				
Supply Supervisor	1.0	1.0	1.0	1.0
Water Supply Operator	2.0	2.0	2.0	2.0
Total Reservoir Operations	3.0	3.0	3.0	3.0
Utilities: Creek & Flood Protection				
Wastewater Collection Supervisor	0.3	0.3	0.3	0.3
Utilities Conservation Manager	0.0	0.0	0.2	0.2
Collection System Operator	2.0	2.0	2.0	2.0
Industrial Waste Manager	0.1	0.1	0.2	0.2
Laboratory Analyst	0.3	0.3	0.3	0.3
Total Creek & Flood Protection	2.7	2.7	3.0	3.0

FINANCIAL AND STATISTICAL TABLES

AUTHORIZED REGULAR POSITIONS BY DEPARTMENT

	Actual	Budget	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
POLICE	92.0	92.0	86.5	86.5
Police Administration				
Police Chief	1.0	1.0	1.0	1.0
Captain	1.0	1.0	1.0	1.0
Police Lieutenant	1.0	1.0	0.0	0.0
Police Sergeant	1.0	1.0	1.0	1.0
Senior Administrative Analyst	1.0	1.0	1.0	1.0
Administrative Assistant	1.5	1.5	1.5	1.5
Total Police Administration	6.5	6.5	5.5	5.5
Police Support Services				
Communications & Records Manager	1.0	1.0	1.0	1.0
Communications Supervisor	2.0	2.0	2.0	2.0
Communications Technician	11.0	11.0	11.0	11.0
Records Supervisor	1.0	1.0	1.0	1.0
Records Clerk	4.5	4.5	4.0	4.0
Total Police Support Services	19.5	19.5	19.0	19.0
Neighborhood & Crime Prevention Services				
Neighborhood Services Manager	1.0	1.0	1.0	1.0
Total Neighborhood & Crime Prevention Services	1.0	1.0	1.0	1.0
Patrol Services				
Captain	1.0	1.0	1.0	1.0
Police Lieutenant	2.0	2.0	2.0	2.0
Police Sergeant *	6.0	6.0	5.0	5.0
Police Officer *	36.0	36.0	30.0	30.0
Field Service Technician	2.0	2.0	2.0	2.0
Total Patrol Services	47.0	47.0	40.0	40.0
Traffic Safety				
Police Sergeant	1.0	1.0	1.0	1.0
Police Officer	5.0	5.0	4.0	4.0
Total Traffic Safety	6.0	6.0	5.0	5.0
Investigative Services				
Police Lieutenant	1.0	1.0	1.0	1.0
Police Sergeant *	0.0	0.0	1.0	1.0
Police Officer *	8.0	8.0	11.0	11.0
Evidence Technician	1.0	1.0	1.0	1.0
Field Service Technician	1.0	1.0	1.0	1.0
Records Clerk	1.0	1.0	1.0	1.0
Total Investigative Services	12.0	12.0	16.0	16.0
* Reflects allocation of one Sergeant and three officers in the Situation Oriented Response Team (SORT) from Patrol Services to Investigative Services, which better reflects their assignments.				
Sworn Positions	64.0	64.0	59.0	59.0
Non-Sworn Positions	28.0	28.0	27.5	27.5
Total Police Positions	92.0	92.0	86.5	86.5

FINANCIAL AND STATISTICAL TABLES

AUTHORIZED REGULAR POSITIONS BY DEPARTMENT

	Actual	Budget	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
FIRE	54.0	54.0	53.8	53.0
Fire Administration				
Fire Chief	1.0	1.0	1.0	1.0
Administrative Analyst	1.0	1.0	1.0	1.0
Administrative Assistant	2.0	2.0	2.0	2.0
Total Fire Administration	4.0	4.0	4.0	4.0
Emergency Response				
Battalion Chief	3.0	3.0	3.0	3.0
Fire Captain	12.0	12.0	12.0	12.0
Fire Engineer	15.0	15.0	15.0	15.0
Firefighter	12.0	12.0	12.0	12.0
Fire Vehicle Mechanic	1.0	1.0	1.0	1.0
Total Emergency Response	43.0	43.0	43.0	43.0
Hazard Prevention				
Fire Marshal	1.0	1.0	1.0	1.0
Hazardous Materials Coordinator	1.0	1.0	1.0	1.0
Fire Inspector	3.0	3.0	2.8	2.0
Administrative Assistant	1.0	1.0	1.0	1.0
Total Hazard Prevention	6.0	6.0	5.8	5.0
Training				
Battalion Chief	1.0	1.0	1.0	1.0
Total Training	1.0	1.0	1.0	1.0
<i>Sworn Positions</i>	<i>44.0</i>	<i>44.0</i>	<i>44.0</i>	<i>44.0</i>
<i>Non-Sworn Positions</i>	<i>10.0</i>	<i>10.0</i>	<i>9.8</i>	<i>9.0</i>
Total Fire Positions	54.0	54.0	53.8	53.0
TOTAL REGULAR POSITIONS	376.6	377.6	358.2	357.4

FINANCIAL AND STATISTICAL TABLES

AUTHORIZED REGULAR POSITIONS BY FUNCTION

	Actual 2007-08	Budget 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
PUBLIC SAFETY				
Police Protection	92.0	92.0	86.5	86.5
Fire & Environmental Safety	54.0	54.0	53.8	53.0
Total Public Safety	146.0	146.0	140.3	139.5
PUBLIC UTILITIES				
Water Service	32.5	32.5	30.3	30.3
Wastewater Service	28.0	28.0	27.0	27.0
Whale Rock Reservoir	3.6	3.6	3.5	3.5
Total Public Utilities	64.1	64.1	60.8	60.8
TRANSPORTATION				
Transportation Planning & Engineering	4.0	4.0	3.0	3.0
Street & Sidewalk Maintenance	10.0	10.0	10.5	9.5
Signal & Light Maintenance	2.0	2.0	2.0	2.0
Creek & Flood Protection	7.7	7.7	6.5	6.5
Parking	9.0	9.0	9.0	9.0
Transit	2.0	2.0	2.0	2.0
Total Transportation	34.7	34.7	33.0	32.0
LEISURE, CULTURAL & SOCIAL SERVICES				
Recreation Programs	13.0	13.0	12.0	13.0
Maintenance Services (Parks, Swim & Trees)	17.0	17.0	17.0	17.0
Golf Course Operations & Maintenance	3.0	3.0	3.0	3.0
Total Leisure, Cultural & Social Services	33.0	33.0	32.0	33.0
COMMUNITY DEVELOPMENT				
Planning	13.5	13.5	12.5	12.5
Natural Resources Management	2.3	2.3	2.0	2.0
Economic Development	1.3	1.3	1.3	1.3
Community Promotion	0.0	0.0	0.5	0.5
Building & Safety	8.8	8.8	8.8	8.8
Engineering Development Review	4.0	4.0	3.0	3.0
CIP Project Engineering	14.0	14.0	13.0	13.0
Total Community Development	43.9	43.9	41.1	41.1
GENERAL GOVERNMENT				
City Administration	4.4	4.4	3.5	3.5
Public Works Administration	7.5	7.5	6.0	6.0
Legal Services	3.0	3.0	3.0	3.0
City Clerk Services	3.0	3.0	3.0	3.0
Human Resources Programs	5.0	5.0	5.0	5.0
Finance & Information Technology	21.0	21.0	18.5	18.5
Geographic Information Services	3.0	3.0	3.0	3.0
Building Maintenance	5.0	5.0	5.0	5.0
Fleet Maintenance	3.0	4.0	4.0	4.0
Total General Government	54.9	55.9	51.0	51.0
TOTAL REGULAR POSITIONS	376.6	377.6	358.2	357.4

FINANCIAL AND STATISTICAL TABLES

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

	Actual 2007-08	Budget 2008-09	2009-11 Financial Plan	
			2009-10	2010-11
PUBLIC SAFETY				
Police Protection	3.7	3.7	3.2	3.2
Fire & Environmental Safety	1.3	1.3	0.6	0.6
Total Public Safety	5.0	5.0	3.8	3.8
PUBLIC UTILITIES				
Water Service	1.0	1.0	0.8	0.8
Total Public Utilities	1.0	1.0	0.8	0.8
TRANSPORTATION				
Transportation Planning & Engineering	1.1	1.1	2.9	2.9
Street & Sidewalk Maintenance	0.9	0.9	0.4	0.4
Creek & Flood Protection	0.5	0.5	0.5	0.5
Parking Services	9.9	10.2	10.2	10.2
Transit	0.02	0.02	0.32	0.32
Total Transportation	11.3	11.6	11.4	11.4
LEISURE, CULTURAL & SOCIAL SERVICES				
Recreation Programs	61.8	61.8	55.2	55.2
Maintenance Services (Parks, Swim & Trees)	4.9	4.9	5.2	5.2
Golf Course Operations & Maintenance	3.5	3.3	3.3	3.3
Total Leisure, Cultural & Social Services	70.2	70.0	63.7	63.7
COMMUNITY DEVELOPMENT				
Planning	2.0	2.0	2.0	2.0
Engineering Development Review	0.5	0.5	0.8	0.8
CIP Project Engineering	0.7	0.7	0.7	0.7
Downtown Association	3.8	3.8	0.0	0.0
Total Community Development	7.0	7.0	3.5	3.5
GENERAL GOVERNMENT				
Public Works Administration	0.5	1.5	3.0	3.0
City Clerk Services	0.8	0.5	0.5	0.5
Human Resources Administration	0.2	0.2	0.0	0.0
Risk Management	0.4	0.4	0.4	0.4
Finance & Information Technology	0.9	0.9	0.7	0.7
Geographic Information Services	0.3	0.3	0.3	0.3
Fleet Maintenance	1.0	0.0	0.0	0.0
Total General Government	4.1	3.8	4.9	4.9
TOTAL TEMPORARY FTE'S	98.6	98.4	88.1	88.1

FINANCIAL AND STATISTICAL TABLES

PENSION OBLIGATION COST TRENDS

OVERVIEW

The following provides information on employer retirement costs and contributions for the past five years and budget for 2009-11, along with background information on the City's retirement plans.

Background

About CalPERS. Along with 2,500 other cities and local agencies, the City contracts with the California Public Employees Retirement System (CalPERS) for our "defined benefit" retirement plan, which covers all of our regular employees (except in rare circumstances, temporary employees are not covered by the CalPERS plan). We have two plans: one for sworn safety employees (like police officers and firefighters) and another for non-sworn employees (everyone else).

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

Current Costs Consistent with Past Projections.

The impact of increasing retirement costs on the City's fiscal situation is not "new" news. In the aftermath of "9/11" and other impacts on stock market performance such as the "dot.com" blow-up and corporate scandals like WorldCom, Enron and Tyco, we knew that large increases in retirement costs were in our future. For this reason, we contracted with an independent, highly regarded actuarial firm (Aon Consulting) back in 2002 in order to get a handle on them.

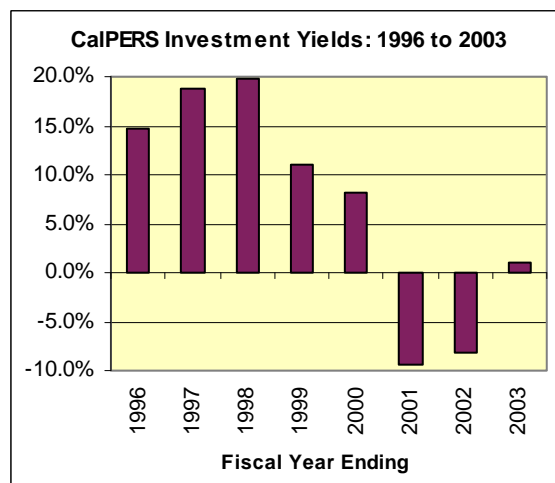
The estimates made then have been astonishingly close to actual results; and these impacts were included in our five-year fiscal forecast prepared back in 2002 (and updated again in December 2004, December 2006 and December 2008).

Quick Facts about the City's Retirement Plan

1. PERS investment losses have had the greatest impact on higher retirement costs, not enhanced benefits. We estimate that about 17% of the cost increase for public safety sworn employees is

due to benefit enhancements, with the remaining 83% due to other factors. None of the cost increases for non-sworn employees can be attributed to benefit enhancements.

The following summarizes CalPERS investment yields for the five years before and the three years after "9/11:"



As reflected above, CalPERS investment yields before 9/11 were far above its actuarial assumption of 8.25% at the time (and this excellent performance resulted in excess assets in our plan). It also shows that CalPERS did well compared with many other investors in this post-9/11 environment.

However, the fact is that these losses converted significant excess assets into actuarial liabilities, and this meant we would now have to begin paying our "normal" costs (which we were not required to do for a number of years before 9/11 due to excess assets) as well as supplemental costs to amortize the actuarial liability.

2. Public employees should have a stable defined benefit plan as a trade-off for the lack of ability to participate in stock options, profit sharing or bonuses as many private sector employees do. Such a benefit helps us compete with the private sector for qualified employees. At the end of the day, it is through our employees that we deliver the City's essential services of catching bad

PENSION OBLIGATION COST TRENDS

guys, putting out fires, responding to medical emergencies and paving streets.

3. When the City entered into contracts with our public safety unions to enhance retirement benefits, three factors were in place:

- Due to high investment returns, there were significant excess assets in our retirement program, and because of this, CalPERS told us that future employer contributions were unlikely as far as the eye could see.

Of course, CalPERS could not reasonably be expected to have anticipated the “trifecta” impact on the stock market of “9-11,” the dot.com meltdown and corporate scandals like Enron and WorldCom. And as noted above, while CalPERS experienced several years of losses, they were far lower than those experienced by comparable investors.

- Many cities also received this same message of no or low costs in the future, and with the change in the law at the State level creating optional enhancements to the CalPERS system, the new retirement levels quickly became the statewide public safety standard for cities.

The rationale for these the public safety retirement plan is the physical nature of this work (combined with the high consequence of error), which makes it difficult for many front-line employees to perform effectively as they enter their later-fifties and early-sixties.

- Binding arbitration for sworn police and fire employees – which was solidly approved by the voters of San Luis Obispo in November 2000 – created a bargaining environment that made it difficult not to meet that statewide standard. This was especially true since all of the documentation from PERS told us that it wouldn’t cost us anything.

And once the enhanced public safety benefits were agreed upon, it was hard to keep non-safety employees – who were

willing to absorb the full added cost – from pursuing enhanced benefits, especially since they were willing to give up already agreed upon salary increases in order to do so.

4. Because our public safety retirement plan is in the mainstream of plans in most other cities throughout the State, the fact is that without this plan, we would not be able to attract and retain qualified police officers and firefighters. There are three consequences of ignoring the labor market:

- We will become a training ground for police officers and firefighters for other agencies, with high turnover. This will be a good deal for other communities, but not our own.
- We will simply not attract the best qualified employees for the most basic and essential of City services, which our community highly values.
- And most likely, some combination of these two.

For these reasons, many of the few remaining agencies that have not already adopted these “mainstream” plans for their sworn police and fire employees are in the process of doing so.

Summary

We believe that the retirement plans in place today are appropriate, given the circumstances under which they came about and our need to attract and retain qualified employees – who are the foundation for the services that our community tells us they highly value.

However, we also recognize that some reforms are needed, and for this reason, we are working closely with the League of California Cities and others for “course corrections” in the CalPERS system.

For More Information. The City has prepared a comprehensive compilation of retirement cost trends and issues (*PERS FAQ's*), which has been widely distributed and is available on our web site at: www.slocity.org/finance/reports.asp.

FINANCIAL AND STATISTICAL TABLES

PENSION OBLIGATION COST TRENDS

CALPERS EMPLOYER CONTRIBUTIONS

CalPERS Employer Cost Trends

The following summarizes CalPERS employer costs since 1998-99:

Employer Retirement Contributions			
Fiscal Year	Safety	Non-Safety	Total
1998-99	\$235,800	\$0	235,800
1999-00	-	-	-
2000-01	-	-	-
2001-02	-	-	-
2002-03	498,000	264,100	762,100
2003-04	1,660,100	1,397,300	3,057,400
2004-05	2,422,500	1,987,700	4,410,200
2005-06	2,796,100	2,550,200	5,346,300
2006-07	3,159,100	2,747,100	5,906,200
2007-08	3,385,800	3,145,200	6,531,000
2008-09*	4,484,300	3,629,800	8,114,100
2009-10*	4,403,400	3,243,100	7,646,500
2010-11*	4,510,400	3,347,300	7,857,700

* Estimated for 2008-09 and budget for 2009-10 and 2010-11.

2008-09 reflects retroactive costs for binding arbitration decision.

As reflected above, no contributions for non-safety employees were required for four years (1998-99 through 2001-02); and no contributions were required for safety employees for three years.

CalPERS Costs in Context. For 2009-10, our estimated CalPERS cost for employer contributions is \$7.6 million. To place this in perspective, this represents 7.9% of our total City budget for 2009-10 of \$95.6 million. So, while it's certainly a significant cost, it is not an undue portion of total City costs.

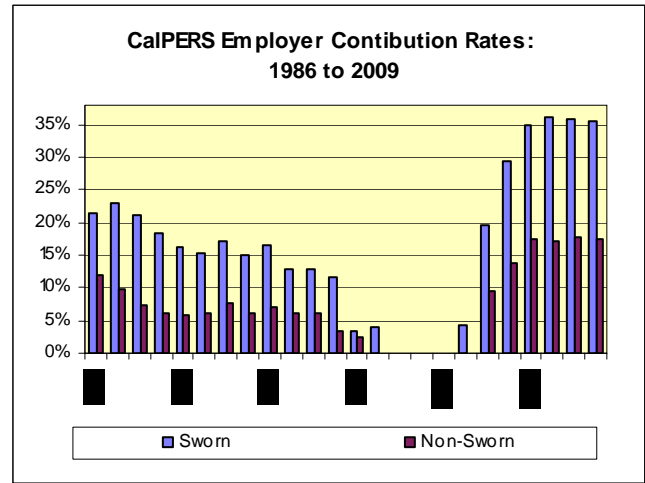
Future Cost Outlook. Based on rates that will be in effect in 2009-10 and CalPERS projections for 2010-11 (which are virtually the same as our rates in 2007-08 and 2008-09), we believe our retirement costs have now stabilized, and continued rate increases like those in the recent past are unlikely.

However, CalPERS is again experiencing investments losses due to the largest economic downturn since the Great Depression. Due to CalPERS smoothing methodology, this will not have an effect on employer rates in 2009-11; and

CalPERS is developing strategies to further stabilize costs. The short story: significant rate changes, up or down, are unlikely in the near term.

CalPERS Employer Contribution Rates

These costs are directly affected by required employer contribution rates as a percent of payroll for covered employees. (Note: These rates only apply to "regular" compensation; they do not apply to overtime or "non-regular" pay.) The following shows changes in employer contribution rates for sworn and non-sworn employees since 1986:



As reflected in this chart, while rates are higher than in the past, the very low rates in the late 1990's and early 2000's were an exception – not the rule – to employer contribution rates. Based on the "roller coaster" swings in the past, it is possible that rates will move back to the "normal" levels of the 1980's if CalPERS investments do well in the future. However, as noted above, we believe that the best assumption at this time for future fiscal planning is that rates have now stabilized, and we shouldn't plan on significant rate decreases any time soon.

Current CalPERS Employer Contribution Rates

For 2009-10, the City's employer contribution rates are as follows:

	Normal	Unfunded Liability	Total
Non-Sworn	10.1%	7.6%	17.7%
Sworn	15.6%	20.3%	35.9%

FINANCIAL AND STATISTICAL TABLES

PENSION OBLIGATION COST TRENDS

As reflected above, our contribution rate is comprised of two components:

1. The **normal** rate is what's required to actuarially ensure that current contributions will meet future benefit requirements, assuming that there are currently no excess assets or unfunded liabilities.
2. The **unfunded liability rate** is what's required to amortize past unfunded liability costs over time. As noted above, due to investment losses, the CalPERS balance sheet went from excess assets to significant unfunded liabilities.

Employee Contribution Rates

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

Employee Contribution Rates

Non-Sworn	8%
Public Safety Sworn	9%

Private Sector Comparisons

Because City employees are not covered by Social Security, the City's retirement plan costs compare favorably with the private sector plans. For example, private sector employer costs for Social Security are 5.7% of payroll (excluding the portion for Medicare of 1.45%, which the City does participate in).

As such, if employers in a defined contribution plan contribute a modest 4% of compensation to their plans, then the two programs would be very similar: 9.7% in the private sector compared with the normal contribution rate of 9.9% for non-sworn employees.

CALPERS FUNDING LEVELS

The following shows CalPERS funding levels for the most recent ten years that this information is available from CalPERS:

CalPERS Funding Levels: Last Ten Years

Actuarial Valuation Date Ending June 30	Actuarial Asset Value	Entry Age Actuarial Accrued Liability	Assets Over (Under) Actuarial Accrued Liability	Funded Ratio
Safety Employee Plan				
1998	51,600	43,389	8,211	118.9%
1999	56,989	47,046	9,942	121.1%
2000	62,387	54,256	8,131	115.0%
2001	65,800	65,700	100	100.1%
2002	60,300	73,400	(13,100)	82.1%
2003	61,200	80,300	(19,200)	76.2%
2004	64,997	88,300	(23,400)	73.6%
2005	69,399	94,527	(25,128)	73.4%
2006*	6,102,616	7,278,050	(1,175,434)	83.9%
2007*	6,826,599	7,986,055	(1,159,456)	85.5%
Non-Safety Employee Plan				
1998	42,850	31,203	11,647	137.3%
1999	50,187	37,269	12,919	134.7%
2000	55,308	43,017	12,291	128.6%
2001	57,800	55,500	2,300	104.1%
2002	53,500	61,700	(8,200)	86.8%
2003	55,100	71,000	(16,000)	77.5%
2004	59,400	77,600	(18,200)	76.5%
2005	64,740	85,207	(20,467)	76.0%
2006	70,848	92,505	(21,657)	76.5%
2007	78,069	100,312	(22,243)	77.8%

In thousands of dollars

** Effective July 1, 2007 the Safety Plan is a member of a CalPERS safety pool, and as such, the City will only receive information on the entire pool, not City specific data.*

As reflected above, our current actuarial liability is not the norm. From 1996 until 9/11, we had significant excess assets in both plans for almost all years. For example, in 1999, we had \$9.9 million in excess assets in our safety plan (121% funded) and \$12.9 million in excess assets in our non-safety plan (135% funded). This underscores the cost trends discussed previously, where for many years the City did not have to make its "normal" employer contribution at all, due to the strength of excess plan assets for both sworn and non-sworn employees.

It also underscores one other point: we know we will be able to return to being fully funded in the future, because we've been there in the past (and as shown above, our rates include amortizing the unfunded liability).

FINANCIAL AND STATISTICAL TABLES

RETIREE HEALTH CARE OBLIGATIONS

VERY LIMITED COST OBLIGATIONS

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

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

Cost Trends

The following chart summarizing the City's retiree health costs for the last five years and the budget for 2009-10 shows two things:

1. On a cash basis (2004-05 through 2007-08), the City's retiree health costs are very small part of the City's costs: for example, in 2007-08, this represents less than one-tenth of one percent of the City's expenditures.
2. And even on a full actuarial basis (2008-09 and 2009-10), the costs is less than 1% of total City expenditures.

Retirement Health Care Costs		
Fiscal Year	Cost	% of Total
2009-10*	709,400	0.74%
2008-09*	639,400	0.41%
2007-08	41,700	0.04%
2006-07	41,700	0.05%
2005-06	34,700	0.02%
2004-05	29,900	0.04%

* Budgeted

New Reporting Standard: GASB 45. As discussed below, changes in generally accepted accounting principles adopted by the Governmental Accounting Standard Board (GASB) under Statement No. 45 (GASB 45) and effective for the City in 2008-09 will shift the reporting of retiree health care benefits to an actuarial basis. While GASB 45 affects financial reporting of retire health care obligations, it does not dictate how state and local governments should fund these obligations. For example, if

agencies budgeted and funded these costs on a cash basis before the effective date of GASB 45, they can continue to do so afterwards.

However, based on a detailed analysis presented to the Council in May 2008, the 2008-09 Budget includes funding for retiree health care benefits on an actuarial basis for three reasons:

1. In the not so distant future, it becomes cheaper to pre-fund this cost on an actuarial basis than continuing to fund it on a pay-as-you-go basis.
2. The cost of this modest benefit is unlikely to become less expensive in the future.
3. And the City's ability to fund this modest cost is unlikely to improve in the future. For context, annual payments under this approach will account for less than 1% of the City's annual budget.

DESCRIPTION OF THE CITY'S PROGRAM

The City's primary cost obligation for retiree health benefits is our election to participate in the CalPERS health benefit program under the "unequal contribution option."

Background. The City's primary "other post employment benefits than pensions" (OPEB) obligation is the minimum contribution that the City is required to make under its participation in the CalPERS health care program. When the City joined the CalPERS plan in 1993, it immediately experienced an increase in the plan choices available along with a significant reduction in rates. And due to CalPERS purchasing power, the City has continued to experience competitive health care rates since then.

However, as a condition of joining the CalPERS health program, the City agreed to contribute a minimum of \$16 per month towards retiree health care coverage. Under the regulations in place at the time, this was scheduled to increase by 5% per year. By 2007, this had risen to only \$20 per month. However, legislation adopted in 2006 (AB 2544) significantly altered this formula, resulting in

FINANCIAL AND STATISTICAL TABLES

RETIREE HEALTH CARE OBLIGATIONS

significant increases in the City's required contribution.

The following chart compares projected contribution rates, pre-AB 2544 and post-AB 2544. As reflected in this chart, contributions take a big jump in 2008. The only good news is that under AB 2544, the increases in contribution rates should level-off by 2013 at about \$145 per month. While higher than we expected, this is still much lower than the costs incurred by many California agencies.

CalPERS Retiree Health Care Contributions

Year	Minimum Monthly Contributions	
	Pre-AB 2544	Post-AB 2545
2007	\$20.30	\$20.30
2008	25.15	72.75
2009	30.47	85.16
2010	36.28	98.71
2011	42.57	113.33
2012	49.36	128.93
2013	56.63	145.38

As noted above, the City has historically paid these modest costs on a pay-as-you-go basis. Based on scheduled increases, OPEB costs on a cash basis are projected to be \$188,000 in 2008-09.

ACCOUNTING FOR FUTURE COSTS

As discussed above, until 2008-09, the City accounted for our limited retiree health care costs on a pay-as-you-go basis, which was consistent at the time with generally accepted accounting principles. However, beginning in 2008-09, GASB 45 will require that these costs be reported in the future on an actuarial basis. Complying with GASB 45 required performing an actuarial evaluation to determine these costs and prepare a plan for funding them. The results of this actuarial valuation of our retiree health care plans were presented to the Council on May 20, 2008.

Impact on the City

The chart below summarizes the City's OPEB liabilities and costs on an actuarial basis assuming discount rate options of 4.25% and 7.75%.

2008-09 OPEB Liabilities and Annual Costs	Discount Rate	
	4.25%	7.75%
Actuarial Liability <i>For context, the City's total net assets at June 30, 2007 were \$278.3 million</i>	\$10,765,000	\$5,918,000
Annual Required Contribution (ARC)		
Normal Cost	595,000	277,000
Amortization of Prior Accrued Cost	467,000	409,000
Total "ARC"	1,062,000	686,000
Pay-As-You-Go Cost	188,000	188,000
Variance: ARC vs Pay-as-You-Go	874,000	498,000

Role of the Discount Rate in Determining Costs

There are a number of assumptions that determine the actuarial cost of OPEB obligations, including:

1. Amount of the benefit
2. Projected cost increases of the benefit
3. Projected retirees and their level of participation in the program
4. Age distribution
5. Mortality and spousal coverage
6. Current unfunded liabilities
7. Discount (investment) rate

While each of these assumptions plays an important role in determining costs and contribution rates, the discount (investment) rate is a critical factor and one of the few that the City has some control over, depending on how it chooses to fund OPEB costs.

Three Basic Funding Options

There are three basic funding options and each carries its own assumed discount (investment) rate by the actuary under GASB 45 guidelines:

	Discount Rate
Pay-As-You-Go	4.25%
Pre-Fund Internally	4.25%
Pre-Fund Via an Irrevocable Trust *	7.75%

* This is how the City accounts for pension costs via participation in CalPERS.

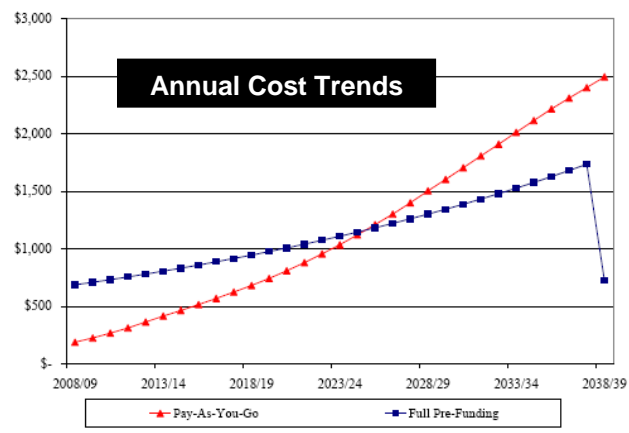
As reflected in the chart above, the difference between 4.25% and 7.75% is significant in determining annual required contributions. Keeping all other assumptions the same, it is much less expensive to fund annual OPEB costs via an irrevocable trust, where the discount rate is 7.75%, than other options, where the discount rate is 4.25%.

FINANCIAL AND STATISTICAL TABLES

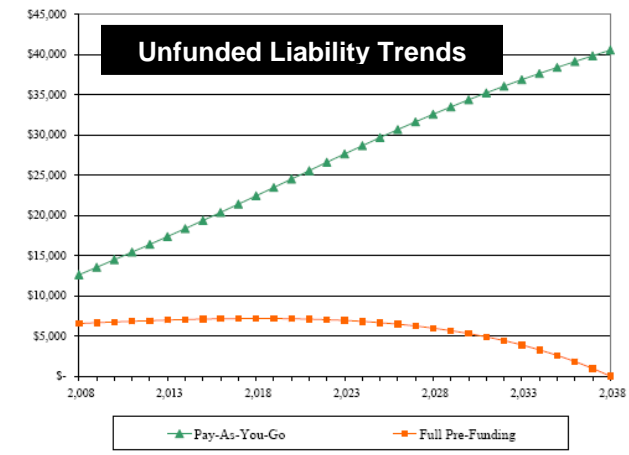
RETIREE HEALTH CARE OBLIGATIONS

Pay-As-You-Go Versus Pre-Funded Cost Trends

Pre-funding OPEB costs is initially more expensive than pay-as-you-go funding: an additional \$498,000 in 2008-09, assuming funding via an irrevocable trust. It is important to stress that GASB 45 does not require that the City budget or fund OPEB costs at this higher level – now or in the future. However, as reflected in the chart below, the cost in the not-so-distant future (about 15 years from now) becomes much more expensive under pay-as-you-go versus pre-funding.



And at the end of the amortization period, costs become much less expensive, as there are no longer any unfunded liabilities. Moreover, under the pay-as-you-go approach, the unfunded liability never goes away. In fact, as shown in the following chart, it continues to grow. On the other hand, funding at the “ARC” level results in no unfunded liabilities at the end of the amortization period – only ongoing “normal” costs.



Based on Council direction in May 2008, the City will begin pre-funding the OPEB obligation via an irrevocable trust in 2008-09.

As reflected above, the estimated cost for this organization-wide in 2009-10 is \$709,400. Of this amount, \$560,500 will be incurred in the General Fund and the balance in other funds, summarized as follows:

GASB 45 Cost allocation by Fund		
	2009-10	2010-11
General Fund	560,500	578,200
Community Development Block Grant	1,900	1,900
Water Fund	58,300	60,300
Sewer Fund	55,600	57,400
Parking Fund	16,900	17,400
Transit Fund	3,800	3,900
Golf Fund	5,600	5,800
Whale Rock	6,800	7,000
Total	\$ 709,400	\$ 731,900

Funding via an Irrevocable Trust

As discussed above, the most cost-effective approach in funding this cost is via an irrevocable trust, since it allows for higher actuarial yields on investments, which in turn reduces contribution rates. In May 2009, the Council approved a contract with CalPERS to provide OPEB trustee services.



FINANCIAL AND STATISTICAL TABLES

NEW OR INCREASED TAXES AND FEES

The following summarizes the role that new or increased taxes or fees will play in the 2009-11 Financial Plan, organized into four categories:

1. New or increased taxes
2. New or increased General Fund fees for operations
3. New or increased Enterprise Fund fees for operations
4. New or increased development impact fees

TAXES

No New or Increased Rates in 2009-11. Tax and franchise fee revenues account for about 80% of total General Fund revenues. There are no new or increased tax or franchise fee rates in the 2009-11 Financial Plan.

GENERAL FUND FEES

Fees for a wide range of services, including use of City facilities, recreation programs, public safety services and development review, account for about 10% of General Fund revenues.

As discussed in the *Budget Message*, improved cost recovery is part of the City's budget-balancing strategy for 2009-11 in closing the \$11.3 million gap facing the General Fund. While expenditure reductions play the leading role in this strategy, accounting for about 80% of the solution, improved cost recovery in the following areas will also play a role, accounting for about 11% of the "gap-closing" solution.

- Open alcohol container violations
- Hazardous occupancy and underground storage tank ("CUPA") permits
- Development review fees for planning, building, engineering and fire review services
- Recreation fees for child care, swim center, facility rentals and golf
- Business license fees

Modest CPI Adjustments to Existing Fees.

Consistent with the City's adopted cost recovery policies as set forth in Section B of the 2007-09 Financial Plan (Policies and Objectives), cost of living adjustments are scheduled for 2009-11 based on changes in the U.S. Consumer Price Index, All Urban Consumers (CPI-U). This will result in modest increases of about 2% annually in 2009-11 for most of the City's service fees and charges.

ENTERPRISE FUND FEES

Comprehensive rate reviews and revenue requirement projections for the next five years will be presented to the Council on June 11, 2009 for each of the City's five enterprise funds. The following is a brief overview of enterprise fund revenue issues and rate requirements reflected in the 2009-11 Financial Plan:

Water Fund

Consistent with the multi-year rate setting strategy previously approved by the Council to improve the City's water distribution and treatment systems as well as fund participation in the Nacimiento water project, the Council approved rate increases of 12% in July 2009 and 11% in July 2010. These increases are on target with prior projections for 2009-11.

Sewer Fund

The Sewer Fund also uses a multi-year rate-setting strategy. In order to continue supporting an adequate capital improvement plan and meet high wastewater treatment standards, the Council approved rate increases of 9.3% in July 2009 and 9% in July 2010. These increases are on target with prior projections for 2009-11.

Parking Fund

In 2006, the Council approved a series of stepped rate increases for meters and structures in assuring adequate revenues to cover parking operating costs and CIP goals. Effective July 1, 2009, parking meter and structure hourly rates were approved to increase by 25 cents per hour; and overtime parking violations will increase by \$1.00 per ticket. The

FINANCIAL AND STATISTICAL TABLES

NEW OR INCREASED TAXES AND FEES

Council deferred the rate increase in the non-core meter areas and structures to July 2010; and set overtime parking violations at \$30.

Transit Fund

Increases in general fares from \$1.00 per ride to \$1.25 were approved by the Council in April 2009, with similar increases in bus passes and special fares, to help fund day-to-day operations as meet State fare box recovery requirements (20% of operating costs). No additional fare box rate increases are projected for 2009-11.

Golf Fund

In accordance with City policy, the golf course is not expected to fully recover its costs due to the largely senior and youth market that it serves. General Fund subsidies of the course are likely for the foreseeable future due to several factors, including the nine-hole nature of the course and lack of driving range facilities.

However, we have successfully taken a number of actions in mitigating General Fund support, such as golf carts rentals, long-term cellular site lease and offering programs aimed at increasing the diversity of players at the course.

Given the current market golf market, the Council approved a \$2.00 per round rate increase for 2009-10 and an additional \$1.00 per round increase for 2010-11. Similar increases in passes and other special rates were also approved.

DEVELOPMENT IMPACT FEES

In accordance with General Plan policies, new development is responsible for paying for its fair share of the facilities needed to serve it. Development impact fees are one of the City's key tools for implementing this policy.

The City currently has three types of community-wide impact fees: water, wastewater and transportation. In addition, the City has adopted "sub-area" fees in some cases covering specific water, wastewater, transportation and park needs in

the Airport, Margarita, Orcutt and Los Osos Valley Road areas.

Like the City's General Fund operating fees, it is the City's policy to prepare a comprehensive analysis of each impact fee at least once every five years, with CPI increases in the interim to keep fees current.

No New Impact Fees in the 2009-11 Budget

There are no new community-wide development impact fees in the 2009-11 Financial Plan. However, several fee studies are currently in progress that may result in new or increased fees in selected sub-areas as follows:

1. **Orcutt Area Specific Plan.** We are finalizing the draft Orcutt Area Specific Plan, which will be presented for Council consideration in 2009-10. Part of this work includes preparing an infrastructure financing plan.
2. **Fire Ladder Truck.** Based on our fleet replacement guidelines, we are planning to replace the 75-foot fire ladder truck based on its age in 2009-11. Due to the likelihood of taller buildings in the future, we plan to replace this with a 100-foot ladder truck. We are in the process of evaluating new development's fair share of the added cost of this unit. In this case, only new development that benefits from the added ladder truck height (generally buildings taller than 50 feet) would be assessed this fee.

Since work has not been completed on these two studies, it is not possible to identify any new fee amounts that might be recommended from this analysis. However, given our past experience with similar sub-area plans, some kind of sub-area impact fees are likely to emerge from this work.

Water and Wastewater Impact Fee Update. We are also in the process of updating water and wastewater impact fees. Based on preliminary work completed, there will be moderate fee changes.


Modest CPI Adjustments to Existing Fees

As noted above, it is the City's policy to make cost of living adjustments annually in development impact fees to keep them current between

FINANCIAL AND STATISTICAL TABLES

NEW OR INCREASED TAXES AND FEES

comprehensive updates. Like the City's General Fund operating fees, this is likely to result in modest increases of about 2% annually in the City's development impact fees in 2009-11.



FINANCIAL AND STATISTICAL TABLES

REVENUE AND EXPENDITURE TRENDS - LAST FIVE COMPLETED YEARS

<i>Includes all governmental fund types</i>	2003-04 ACTUAL	2004-05 ACTUAL	2005-06 ACTUAL	2006-07 ACTUAL	2007-08 ACTUAL
REVENUES					
Taxes					
Sales and use	11,550,800	12,021,600	12,977,100	15,302,500	19,866,700
Property	6,069,600	6,630,600	7,519,600	8,255,000	8,374,200
Property in lieu of VLF			2,221,200	3,061,500	3,280,100
Utility users	3,669,200	3,670,200	3,947,300	4,096,100	4,177,700
Transient occupancy	3,922,200	4,079,800	4,539,200	4,786,000	5,054,700
Franchise fees	1,967,800	2,005,600	2,101,300	2,153,700	2,361,700
Business tax certificates	1,475,100	1,518,800	1,578,000	1,706,700	1,866,400
Real property transfer	293,000	314,400	390,600	283,900	213,000
Total Taxes	28,947,700	30,241,000	35,274,300	39,645,400	45,194,500
Fines and Forfeitures	279,800	243,500	213,900	236,500	228,200
Investment and Property Revenues	134,100	600,000	601,900	1,751,400	1,736,600
Subventions and Grants	6,017,600	8,050,400	5,929,200	4,983,500	4,738,000
Service Charges	5,173,100	6,029,000	9,655,000	8,524,800	8,510,700
Other Revenues	717,600	153,200	514,300	174,700	532,600
Total Revenues	41,269,900	45,317,100	52,188,600	55,316,300	60,940,600
EXPENDITURES					
Operating Programs					
Public Safety	17,254,000	17,824,200	19,247,000	20,659,600	25,055,900
Transportation	1,854,200	2,020,300	1,967,800	2,173,500	2,539,800
Leisure, Cultural & Social Services	4,896,400	5,376,000	5,280,500	5,705,000	6,398,600
Community Development	5,019,300	4,815,400	5,060,900	5,620,100	6,341,600
General Government	4,870,500	4,887,000	4,988,200	6,093,700	6,333,900
Total Operating Programs	33,894,400	34,922,900	36,544,400	40,251,900	46,669,800
Capital Outlay	8,635,400	9,143,000	12,720,400	7,068,000	10,939,300
Debt Service	2,086,300	2,001,500	1,620,300	2,083,500	2,078,000
Total Expenditures	44,616,100	46,067,400	50,885,100	49,403,400	59,687,100
OTHER SOURCES (USES)					
Operating Transfers In (Out)	(171,700)	(176,900)	(255,300)	(350,900)	(462,000)
Proceeds from (uses of) Debt Proceeds	(422,500)	(600)	7,106,200		
Other Sources (Uses)		(600,000)	(217,100)		
Total Other Sources (Uses)	(594,200)	(777,500)	6,633,800	(350,900)	(462,000)
Excess of Revenues & Sources Over (Under) Expenditures & Uses	(3,940,400)	(1,527,800)	7,937,300	5,562,000	791,500
Fund Balance, Beginning of Year	25,499,300	21,558,900	20,642,900	28,580,200	34,142,200
Fund Balance, End of Year					
General Fund	8,807,700	9,743,100	13,559,900	18,830,000	14,829,100
Special Revenue Funds	165,700	278,100	641,900	519,900	585,500
Capital Outlay Funds	11,400,500	9,436,700	12,732,900	13,146,800	17,873,600
Debt Service Fund	1,185,000	1,185,000	1,645,500	1,645,500	1,645,500
Total - All Governmental Funds	\$21,558,900	\$20,642,900	\$28,580,200	\$34,142,200	\$34,933,700

FINANCIAL AND STATISTICAL TABLES

EXPENDITURE TRENDS BY TYPE: ALL FUNDS COMBINED

	Actual 2004-05	Actual 2005-06	Actual 2006-07	Actual 2007-08	Budget 2008-09	2009-11 Financial Plan	
						2009-10	2010-11
OPERATING PROGRAMS							
Staffing							
<i>Salaries and Wages</i>							
Regular Salaries	\$20,938,700	\$21,067,200	\$22,637,200	\$27,398,100	\$31,758,000	\$29,873,400	\$30,723,100
Temporary Salaries	2,190,600	2,500,400	2,634,400	2,489,000	2,207,300	2,046,000	2,070,300
Overtime	1,789,100	2,343,700	2,673,200	3,075,200	2,917,300	2,041,500	2,057,800
<i>Benefits</i>							
Retirement	5,809,100	6,744,600	7,425,500	8,773,200	10,311,100	9,624,900	9,846,400
Group Health & Other Insurance	2,619,100	2,604,000	3,048,200	3,422,400	4,028,400	4,154,000	4,111,100
Retiree Health Care					639,400	709,400	731,900
Medicare & Social Security	280,500	299,700	332,600	407,500	515,300	492,600	506,300
Unemployment Insurance	19,400	18,100	23,900	50,700	134,100	133,100	136,500
Total Staffing	33,646,500	35,577,700	38,775,000	45,616,100	52,510,900	49,074,900	50,183,400
Contract Services	9,899,600	9,219,700	11,450,300	11,192,500	12,286,000	10,979,400	16,833,900
Other Operating Costs							
Communications & Utilities	2,724,400	2,350,700	2,872,700	2,940,800	2,996,200	3,388,100	3,604,600
Rents & Leases	215,200	159,900	182,900	185,400	171,700	164,100	167,000
Insurance	2,833,600	2,721,000	2,653,400	2,713,800	2,962,400	2,286,900	2,304,800
Other Operating Expenditures	1,411,900	3,485,300	4,148,000	3,836,100	6,060,500	4,971,100	5,067,300
Total Other Operating Costs	7,185,100	8,716,900	9,857,000	9,676,100	12,190,800	10,810,200	11,143,700
Minor Capital	649,900	113,200	303,800	402,600	243,500	103,400	124,400
TOTAL OPERATING PROGRAMS	51,381,100	53,627,500	60,386,100	66,887,300	77,231,200	70,967,900	78,285,400
CAPITAL IMPROVEMENT PLAN	17,985,600	27,179,700	24,177,600	20,479,000	68,003,900	14,846,900	12,276,300
DEBT SERVICE	6,552,900	6,515,800	8,804,700	8,682,500	8,587,500	9,822,900	9,934,000
TOTAL EXPENDITURES	75,919,600	87,323,000	93,368,400	96,048,800	153,822,600	95,637,700	100,495,700

FINANCIAL AND STATISTICAL TABLES

EXPENDITURE TRENDS BY TYPE: GENERAL FUND

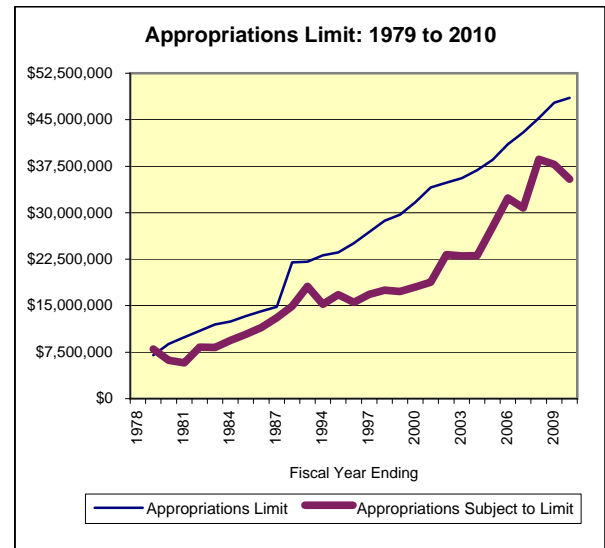
	Actual 2004-05	Actual 2005-06	Actual 2006-07	Actual 2007-08	Budget 2008-09	2009-11 Financial Plan	
						2009-10	2010-11
OPERATING PROGRAMS							
Staffing							
<i>Salaries and Wages</i>							
Regular Salaries	\$17,457,000	\$17,388,200	\$18,491,700	\$22,745,800	\$26,140,700	\$24,643,100	\$25,235,000
Temporary Salaries	1,654,100	1,956,900	2,108,000	2,026,800	1,835,700	1,705,100	1,724,800
Overtime	1,657,700	2,184,000	2,484,600	2,876,000	2,747,100	1,829,500	1,845,800
<i>Benefits</i>							
Retirement	4,936,400	5,686,000	6,278,300	7,485,200	8,742,000	8,261,700	8,323,000
Group Health and Other Insurance	2,140,800	2,114,400	2,399,900	2,710,000	3,210,600	3,295,000	3,252,100
Retiree Health Care					515,100	560,500	578,200
Medicare & Social Security	231,600	246,700	271,700	339,600	428,200	408,800	418,300
Unemployment Insurance	16,100	14,800	19,600	42,900	109,300	109,800	112,100
Total Staffing	28,093,700	29,591,000	32,053,800	38,226,300	43,728,700	40,813,500	41,489,300
Contract Services	4,796,600	3,764,900	4,300,300	4,546,400	5,099,800	4,035,300	4,270,800
Other Operating Costs							
Communications & Utilities	1,334,500	1,221,400	1,489,900	1,539,700	1,676,000	1,769,000	1,910,100
Rents & Leases	192,000	134,200	133,400	142,100	167,000	158,800	161,700
Insurance	2,384,300	2,342,200	2,253,900	2,569,300	2,835,900	2,286,900	2,304,800
Other Operating Expenditures	709,500	2,229,800	2,874,900	2,699,900	3,673,300	2,544,500	2,693,400
Total Other Operating Costs	4,620,300	5,927,600	6,752,100	6,951,000	8,352,200	6,759,200	7,070,000
Minor Capital	102,600	77,800	195,800	162,500	192,900	39,700	39,700
Total Operating Programs	37,613,200	39,361,300	43,302,000	49,886,200	57,373,600	51,647,700	52,869,800
Reimbursed Expenditures	(3,430,400)	(3,590,000)	(3,786,700)	(4,075,300)	(4,210,800)	(4,406,800)	(4,496,200)
TOTAL OPERATING PROGRAM	34,182,800	35,771,300	39,515,300	45,810,900	53,162,800	47,240,900	48,373,600
CAPITAL IMPROVEMENT PLAN	2,265,800	2,837,900	3,457,700	11,499,500	4,508,200	4,195,100	3,275,400
DEBT SERVICE*	1,672,600	1,620,300	2,083,500	2,078,000	2,075,900	2,901,800	2,670,900
TOTAL GENERAL FUND EXPENDITURES	38,121,200	40,229,500	45,056,500	59,388,400	59,746,900	54,337,800	54,319,900

FINANCIAL AND STATISTICAL TABLES

APPROPRIATIONS LIMIT HISTORY

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

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



Fiscal Year	Limit Base	Cost-of-Living Factor	Population Factor	Appropriations Limit	Appropriations Subject to Limit	Variance
1978-79				\$8,018,200	\$8,018,200	
1979-80	\$8,018,200	10.17%	-0.34%	8,803,600	6,189,700	2,613,900
1980-81	8,803,600	12.11%	0.52%	9,921,000	5,795,500	4,125,500
1981-82	9,921,000	9.12%	1.03%	10,937,300	8,296,800	2,640,500
1982-83	10,937,300	6.79%	2.59%	11,982,500	8,247,800	3,734,700
1983-84	11,982,500	2.35%	1.42%	12,438,200	9,414,900	3,023,300
1984-85	12,438,200	4.74%	2.13%	13,305,300	10,356,500	2,948,800
1985-86	13,305,300	3.74%	2.04%	14,084,500	11,451,800	2,632,700
1986-87	14,084,500	2.30%	2.97%	14,836,300	13,081,800	1,754,500
<i>Post-Proposition 111</i>						
1987-88	14,836,300	3.47%	2.93%	15,800,900	14,411,700	1,389,200
1988-89	15,800,900	4.66%	4.10%	17,215,200	15,223,500	1,991,700
1989-90	17,215,200	5.19%	3.92%	18,818,600	16,691,800	2,126,800
1990-91	18,818,600	4.21%	4.59%	20,511,000	15,005,400	5,505,600
1991-92	20,511,000	4.14%	3.04%	22,009,500	14,911,100	7,098,400
1992-93	22,009,500	-0.64%	1.00%	22,087,300	18,094,900	3,992,400
1993-94	22,087,300	2.72%	1.86%	23,110,100	15,215,000	7,895,100
1994-95	23,110,100	0.71%	1.40%	23,600,000	16,778,400	6,821,600
1995-96	23,600,000	4.72%	1.60%	25,109,300	15,530,800	9,578,500
1996-97	25,109,300	4.67%	2.31%	26,889,000	16,825,500	10,063,500
1997-98	26,889,000	4.67%	2.06%	28,724,500	17,513,200	11,211,300
1998-99	28,724,500	4.15%	2.70%	29,671,300	17,291,800	12,379,500
1999-00	29,671,300	4.53%	2.28%	31,717,100	18,030,500	13,686,600
2000-01	31,717,100	4.91%	2.46%	34,093,000	18,802,000	15,291,000
2001-02	34,093,000	0.33%	1.80%	34,821,200	23,227,900	11,593,300
2002-03	34,821,200	0.33%	1.80%	35,565,000	23,018,400	12,546,600
2003-04	35,565,000	2.31%	1.32%	36,866,700	23,072,400	13,794,300
2004-05	36,866,700	3.28%	1.15%	38,513,100	27,670,400	10,842,700
2005-06	38,513,100	5.26%	1.19%	41,021,300	32,371,900	8,649,400
2006-07	41,021,300	3.96%	0.73%	42,957,100	30,757,100	12,200,000
2007-08	42,957,100	4.42%	0.96%	45,286,400	38,610,900	6,675,500
2008-09*	45,286,400	4.29%	1.12%	47,758,200	37,795,200	9,963,000
2009-10*	47,758,200	0.62%	1.01%	48,539,600	35,415,200	13,124,400

* Appropriations subject to limit are estimates for these years.

FINANCIAL AND STATISTICAL TABLES

DEMOGRAPHIC AND STATISTICAL SUMMARY

LOCATION

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

INCORPORATED

February 19, 1856
Chartered May 1, 1876

FORM OF GOVERNMENT

Council - Mayor - City Manager

POPULATION (JANUARY 1, 2008)

44,697

PHYSICAL SIZE

11.8 Square Miles

Public Safety	2008-09	2009-10	2010-11
Fire			
Sworn personnel	44	44	44
Number of fire stations	4	4	4
Police sworn personnel	64	61	61

Public Utilities			
Water services			
Sources of supply (acre feet)			
Whale Rock Reservoir capacity (City share).			22,380
Salinas Reservoir capacity			23,800
Groundwater (acre feet by policy)			500
Estimated miles of main line			186
Customer accounts			14,346
Wastewater services			
Treatment plant capacity (million gallons per day)			5.1
Average daily plant flows (million gallons per day)			4.5
Estimated miles of sewer line			130

Streets and Flood Protection	
Estimated miles of paved streets	128
Intersections with traffic signals	60
Street lights operated & maintained	2,300
Estimated miles of creekbed maintained	30

SERVICES PROVIDED BY OTHER AGENCIES

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

Section I
BUDGET REFERENCE MATERIALS



BUDGET REFERENCE MATERIALS

OVERVIEW

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

Citywide Policy Documents

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

Utilities

- Urban Water Management Plan
- Wastewater Management Plan

Transportation

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

Creek & Flood Protection

- Waterway Management Plan
- Storm Sewer Management Plan

Leisure, Cultural & Social Services

- Parks and Recreation Master Plan

Administrative

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

Financial

- General Fund Five Year Fiscal Forecast: 2009-2014
- Financial Management Manual
- Investment Management Plan
- Revenue Management Manual
- Cost Allocation Plan
- Monthly and Quarterly Financial Reports
- Comprehensive Annual Financial Report (CAFR)

The following materials are also included in this section to facilitate the reader's understanding of the Financial Plan document and preparation process:

- **Budget Glossary.** Defines terms that may be used in a manner unique to public finance or the City's budgetary process in order to provide a common terminology in discussing the City's financial operations.
- **Major Preparation Guidelines and Budget Calendar.** Describes the steps, procedures and calendar used in developing and documenting the 2009-11 Financial Plan.
- **Budget Resolution.** Provides the resolution approving the 2009-11 Financial Plan and 2009-10 Budget.

BUDGET REFERENCE MATERIALS

SUMMARY OF MAJOR POLICY DOCUMENTS

Citywide Policy Documents

City Charter. The City of San Luis Obispo changed from a General Law City to a Charter City on May 1, 1876. Under the state constitution, charter cities have more independence than general law cities in managing their municipal affairs.

Municipal Code. The Municipal code contains all of the regulatory, penal, and administrative ordinances of the City of San Luis Obispo, codified according to the Government Code of the State of California.

City Council Policies and Procedures Manual. This manual establishes guidelines for the conduct of Council meetings. It also sets forth other policies and procedures related to the Council such as appointments to advisory bodies, Council compensation, and Council/staff relationships.

City Code of Ethics. The purpose of this code is to establish and communicate City standards for ethical conduct. Containing examples, it addresses conflicts-of-interest (real and perceived), public confidence, acceptance of favors, use of confidential information, use of City facilities, contracts, outside employment personal investments, and each individual employee's personal responsibility for ethical behavior.

General Plan. A General Plan is the blueprint of a community's future addressing land use, transportation, housing, open space preservation, conservation of resources, public safety and noise. In addition to these mandated topics, called *elements*, San Luis Obispo's General Plan also addresses energy conservation, park and recreational facility development, water, and wastewater treatment facilities.

Conceptual Physical Plan for the City's Center. The City's downtown business and shopping area is over 100 years old and is rich in historical, cultural, and social significance. This plan guides development and change in the central business district by providing design concepts and policies for this key area of the City.

Facilities Master Plan: 1988-2010. This report consolidates the findings of previous consultant and staff reports, census and economic data, field investigations, staff interviews and data from city-wide office workspace studies. The master plan examines potential solutions to existing and projected facility needs.

Utilities

Urban Water Management Plan. This policy document provides a strategic plan for the continued development of the City's water resources and its treatment and delivery systems.

Wastewater Management Plan. Wastewater is a critical resource consideration for the City. Recent upgrades to the water reclamation facility and other large capital requirements required to modernize the entire infrastructure will significantly influence financial planning for many years to come. Like the Urban Water Management Plan, this document is a policy instrument that defines and analyzes the key wastewater issues facing the City and recommends solutions.

Transportation

Short-Range Transit Plan. This plan outlines five-year goals and objectives for transit system operation and objectives.

Access and Parking Management Plan. This plan establishes vehicle parking policies and programs throughout the City. However, its primary focus is the management of parking in the Downtown. It identifies management techniques for putting to better use existing parking spaces, and for reducing employee demand for parking spaces in the Downtown. It also addresses parking impacts and strategies in neighborhoods, as well as general funding concepts.

BUDGET REFERENCE MATERIALS

SUMMARY OF MAJOR POLICY DOCUMENTS

Pavement Management Plan. The City maintains over 100 miles of streets representing a significant community investment in infrastructure and rights-of-way. The Plan's objectives are to establish design and maintenance standards, prioritize maintenance actions, schedule long term maintenance activities to obtain maximum pavement life, and protect the investment made in pavement systems.

Bicycle Transportation Plan. This plan identifies projects and programs that encourage and enhance bicycling in San Luis Obispo. A key element of this plan is the recommended network of bikeways (on-street lanes and routes and off-street paths) that extend throughout the community and connect neighborhoods with activity centers.

Creek & Flood Protection

Waterway Management Plan. There are several natural waterways, feeder streams, and catch basins within the City that are critical drainage channels as well as sensitive resource areas. The objectives of the policy include maintaining creeks in a natural state to the maximum extent feasible and preventing the loss of life and minimizing property damage from flooding. Additionally, the policy establishes design capabilities, development guidelines, flood management standards and priorities, and an action plan.

Storm Sewer Management Plan. This plan sets forth a long-term strategy to address the maintenance, rehabilitation and capacity improvements for the facilities that carry urban runoff. It presents a system for prioritizing facility maintenance, replacement and improvement in addressing system deficiencies. With the use of this management plan, the City will be able to transition from a reactive replacement strategy to a proactive plan of system improvements: replacing, repairing, and maintaining existing flood control facilities before failure; and systematically resolving historic flooding problems while avoiding the creation of new flooding hazards.

Leisure, Cultural & Social Services

Parks and Recreation Master Plan. This plan evaluates current and future parks and recreation needs, identifies City recreation goals, policies and programs, and establishes short and long-range implementation and funding mechanisms to ensure our facilities and programs keep pace with our changing community.

Administrative

Property Management Manual. This document aims to maximize the productive use of the City's real property assets by defining property management activities, assigning responsibility for property management to the appropriate City departments, and establishing a process for developing and maintaining a comprehensive inventory and data base of the City's real property assets.

Public Art Policy. Adopted in May of 1990, this policy encourages the creation and placement of public art throughout the community. Implementation components include "percent for art" and matching fund programs.

Fleet Management Program. This policy document establishes fleet management responsibilities including purchasing and disposition, insurance, vehicle utilization, and operations and maintenance.

Goals & Objectives Reporting System. The Financial Plan identifies major goals to be accomplished over its two-year timeframe. Formal reports are provided to the Council on a periodic basis that report our progress in accomplishing these goals as well as the status of capital improvement plan projects or other key objectives.

Risk Management Manual. The City's goals, policies, and procedures regarding risk management activities are provided in this document.

BUDGET REFERENCE MATERIALS

SUMMARY OF MAJOR POLICY DOCUMENTS

Financial

General Fund Five-Year Fiscal Forecast: 2009-2014. The City begins each of its two-year Financial Plans with a detailed forecast of the General Fund's projected financial position for the next five years. This forecast is provided to the Council in conjunction with the goal-setting process. The forecast looks at trends for the past 15 years in the consumer price index, population, revenues and expenditures. Based on these past trends as well as economic forecasts prepared for the state and region by the UCLA and UCSB, revenue forecasts prepared by the State Controller's Office, and other key assumptions prepared by the staff about likely revenue and expenditure factors that will affect the upcoming Financial Plan, the forecast provides an "order of magnitude" feel for the fiscal challenges likely to face the City in preparing the budget.

Financial Management Manual. This manual is distributed to key individuals throughout the organization who are involved in managing the financial operations of the City. As indicated by its title, the purpose of this document is to provide a single, up-to-date reference source of the major policies and procedures that guide the administration of the City's fiscal affairs. Subject areas include internal control concepts, purchasing policies and procedures, travel guidelines, fixed assets and inventory management, budget policies and procedures, accounting policies and procedures, and general administrative policies that affect the City's fiscal operations.

Investment Management Plan. The purpose of this plan is to establish strategies, practices, and procedures to be used in administering the City's investment portfolio in accordance with the City's adopted Investment Policy.

Revenue Management Manual. This manual is distributed to key individuals throughout the organization who are responsible for managing the revenue operations of the City. As indicated by its title, the purpose of this document is to provide a single, up-to-date reference source of the major policies and procedures that guide the administration

of the City's revenues. Subject areas include revenue chart of accounts, revenue sources, cash management, accounts receivable, City fees, employee labor rates, and revenue management policies.

Cost Allocation Plan. The cost allocation plan identifies the total cost of providing City services by allocating indirect costs such as accounting, personnel, legal, and facility usage to direct program cost areas. This information is used in setting City fees, reimbursing the General Fund for services provided to other funds, evaluating service delivery options, and recovering grant administration costs. The plan is updated every two years in conjunction with the Financial Plan.

Interim Financial Reports. In addition to providing up-to-date, on-line access to City financial information, the Department of Finance & Information Technology publishes interim financial statements on a monthly and quarterly basis. Monthly reports are distributed to the operating departments at a detailed level for ongoing monitoring and tracking of revenues and expenditures. Formal quarterly reports are prepared for distribution to a broader group of end users that summarize revenues, expenditures, and fund balance, and highlight key trends and issues. The purpose of these reports is to provide meaningful information on an ongoing basis regarding the City's financial position as well as emerging trends.

Comprehensive Annual Financial Report (CAFR). The CAFR includes the City's audited general-purpose financial statements as well as a comprehensive review of the City's financial operations and statistical information of general interest about the San Luis Obispo community. The City's commitment to the highest levels of financial reporting is evidenced by its receipt of the Certificate of Achievement for Excellence in Financial Reporting for all of its CAFR's issued since 1983-84.

BUDGET REFERENCE MATERIALS

BUDGET GLOSSARY

Activities. Specific services performed in accomplishing program objectives and goals. (See Program)

Appropriation. An authorization made by the Council that permits the City to incur obligations and to make expenditures of resources.

Assessed Valuation. A value established for real property for use as a basis in levying property taxes. For all agencies in the State of California, assessed value is established by the County for the secured and unsecured property tax rolls; the utility property tax roll is valued by the State Board of Equalization. Under Article XIII of the State Constitution (Proposition 13 adopted by the voters on June 6, 1978), properties are assessed at 100% of full value. Proposition 13 also modified the value of real taxable property for fiscal 1979 by rolling back values to fiscal 1976 levels. From this base of assessment, subsequent annual increases in valuation are limited to a maximum of 2%. However, increases to full value are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations, and is subject to annual reappraisal. Property taxes for general purposes cannot exceed 1% of assessed value.

Audit. Prepared by an independent certified public accountant (CPA), the primary objective of an audit is to determine if the City's financial statements fairly present the City's financial position and results of operations in conformity with generally accepted accounting principles. In conjunction with performing an audit, independent auditors customarily issue a Management Letter stating the adequacy of the City's internal controls as well as recommending improvements to the City's financial management practices.

Bonds. A form of borrowing (debt financing) which reflects a written promise from the City to repay a sum of money on a specific date at a specified interest rate. Bonds are used to finance large capital projects such as buildings, streets, utility infrastructure, and bridges. (See Debt Financing Policy and Revenue Bonds)

Budget. A financial plan for a specified period of time that matches projected revenues and planned expenditures to municipal services, goals and objectives. The City of San Luis Obispo uses a financial plan covering two fiscal years, with actual budget appropriations made annually.

Budget Amendment. Under the City Charter, the Council has the sole responsibility for adopting the City's budget, and may amend or supplement the budget at any time after adoption by majority vote. The City Manager has the authority to approve administrative adjustments to the budget as long as those changes will not have a significant policy impact nor affect budgeted year-end fund balances.

Budget Message. Included in the opening section of the budget, the Budget Message provides the Council and the public with a general summary of the most important aspects of the budget, changes from previous fiscal years, and the views and recommendations of the City Manager.

Budget and Fiscal Policies. General and specific guidelines adopted by the Council that govern financial plan preparation and administration.

Capital Improvement Plan (CIP). A four-year plan for maintaining or replacing existing public facilities and assets, and for building or acquiring new ones that have an initial useful life beyond one year. The CIP only includes projects that cost \$15,000 or more; projects costing less than \$15,000 are included in the operating budget.

Capital Project Funds. This fund type is used to account for financial resources used in acquiring or building major capital facilities other than those financed by Proprietary Funds and Trust Funds. (See Fund)

Certificates of Participation. Form of lease-purchase financing used to construct or acquire capital facilities and equipment.

BUDGET REFERENCE MATERIALS

BUDGET GLOSSARY

Debt Financing. Borrowing funds for capital improvements needed today and pledging future revenues to repay principal and interest expenditures (See Debt Service). The City of San Luis Obispo uses debt financing only for one-time capital improvements whose life will exceed the term of financing and where expected revenues are sufficient to cover the long-term debt. (See Debt Financing Policy)

Debt Instrument. Methods of borrowing funds, including general obligation bonds, revenue bonds, lease/purchase agreements, lease-revenue bonds, tax allocation bonds, certificates of participation, and assessment district bonds. (See Bonds and Revenue Bonds)

Debt Service. Payments of principal and interest on bonds and other debt instruments according to a pre-determined schedule.

Debt Service Funds. This fund type is used to account for the payment and accumulation of resources related to general long-term debt principal and interest; debt service payments related to enterprise operations are directly accounted for in those funds. (See Fund)

Department. A major organizational unit of the City that has been assigned overall management responsibility for an operation or a group of related operations within a functional area.

Enterprise Funds. This fund type is used to account for operations that are: (a) financed and operated in a manner similar to private sector enterprises and it is the City's intent that the costs (including depreciation) of providing goods or services to the general public be financed or recovered primarily through user charges; or (b) the City or an outside grantor agency has determined that a periodic determination of revenues earned, expenses, and net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City has established five enterprise funds: water, sewer, parking, transit and golf. (See Fund)

Expenditure. The outflow of funds paid or to be paid for an asset, goods or services regardless of when the invoice is actually paid. This term applies to all funds. Note: An encumbrance is not an expenditure; an encumbrance reserves funds to be expended.

Expenditure Savings. Under the City's budgeting procedures, staffing cost projections are based on all positions being filled throughout the year. Cost projections for major supply purchases and service contracts are projected on a similar basis. However, costs may be less due to vacancies and purchase cost-savings. Past experience indicates that actual expenditures are likely to be less than budgeted amounts, due in large part to this costing methodology. Accordingly, the expenditure savings category is used to account for this factor in preparing fund balance and working capital projections.

Financial Plan. A parent document for the budget that establishes management policies, goals and objectives for all programs within the City over a two-year period. (See Budget)

Financial Position. In the Financial Plan, the term financial position is used generically to describe either fund balance or working capital. Because governmental and enterprise funds use different bases of accounting, fund balance and working capital are different measures of results under generally accepted accounting principles. However, they represent similar concepts: resources available at the beginning of the year to fund operations, debt service, and capital improvements in the following year.

Fiscal Year. The beginning and ending period for recording financial transactions. The City has specified July 1 to June 30 as its fiscal year.

Fixed Assets. Assets of long-term nature such as land, buildings, machinery, furniture and other equipment. The City has defined such assets as those with an expected life in excess of one year and an acquisition cost in excess of \$5,000.

BUDGET REFERENCE MATERIALS

BUDGET GLOSSARY

Fund. An accounting entity that records all financial transactions for specific activities or government functions. The six generic fund types used by the City are: General Fund, Special Revenue, Debt Service, Capital Project, Enterprise, and Trust & Agency Funds.

Fund Balance. Also known as financial position, fund balance for the governmental fund types is the excess of fund assets over liabilities, and represents the cumulative effect of revenues and other financing sources over expenditures and other financing uses. Fund balance is a similar (although not exact) concept as working capital in the enterprise funds (See Working Capital).

Function. A group of related programs crossing organizational (departmental) boundaries and aimed at accomplishing a broad goal or accomplishing a major service. The six functions in the City's financial plan are: Public Safety; Public Utilities; Transportation; Leisure, Cultural and Social Services; Community Development; and General Government.

General Fund. The primary operating fund of the City, all revenues that are not allocated by law or contractual agreement to a specific fund are accounted for in the General fund. Except for subvention or grant revenues restricted for specific uses, General fund resources can be utilized for any legitimate governmental purpose. (See Fund)

Goal. A statement of broad direction, purpose or intent.

Governmental Funds. Funds generally used to account for tax-supported activities. The City utilizes four different types of governmental funds: the general fund, special revenue funds, a debt service fund and capital projects funds.

Investment Revenue. Interest income from the investment of funds not immediately required to meet cash disbursement obligations.

Line-Item Budget. A budget that lists detailed expenditure categories (temporary salaries, postage,

telephone service, chemicals, travel, etc.) separately, along with the amount budgeted for each specified category. The City uses a program rather than line-item budget; however, detail line-item accounts are maintained and recorded for financial reporting and control purposes.

Major City Goals. Provides policy guidance and direction for the highest priority objectives to be accomplished during the Financial Plan period.

Measurement Focus. Types of balances reported in a given set of financial statements (ie. Economic resources, current financial resources, assets and liabilities resulting from cash transactions).

Objective. A statement of specific direction, purpose, or intent based on the needs of the community and the goals established for a specific program.

Operating Budget. The portion of the budget that pertains to daily operations and delivery of basic governmental services. The program budgets in the financial plan form the operating budget. (See Operating Programs – Overview)

Operations. A grouping of related programs within a functional area. (See Function and Program)

Program. A grouping of activities organized to accomplish basic goals and objectives. The financial plan includes seventy programs grouped into six functions. (See Function, Operation, and Activity)

Reserve. An account used to indicate that a portion of a fund's balance is legally restricted for a specific purpose and is, therefore, not available for general appropriation.

Revenue Bonds. Bonds sold to construct a project that will produce revenues pledged for the payment of related principal and interest. (See Bonds)

Special Revenue Funds. This fund type is used to account for the proceeds from specific revenue sources (other than trusts or major capital projects)

BUDGET REFERENCE MATERIALS

BUDGET GLOSSARY

that are legally restricted to expenditures for specific purposes. (See fund)

Subventions. Revenues collected by the State (or other level of government) that are allocated to the City on a formula basis. The major subventions received by the City from the State of California include motor vehicle in-lieu and gasoline taxes.

Trust and Agency Funds. Also known as Fiduciary Fund Types, these funds are used to account for assets held by the City in a trustee capacity or as an agent for private individuals, organizations, or other governmental agencies. The fiduciary funds used by the City include expendable trust and agency funds. Expendable trust funds are accounted for in the same manner as Governmental Funds (general, special revenues, debt service, and capital project funds). Agency funds are custodial in nature (assets equal liabilities) and do not measure the results of operations. Due to its significance to the City's operations and organizational structure, budget information for the operation of the Whale Rock Reservoir (which is accounted for as an agency fund of the City) is included in the City's financial plan. (See Fund)

Working Capital. Also known as financial position in private sector accounting and in enterprise fund accounting in the public sector, working capital is the excess of current assets over current liabilities. For the enterprise funds, this term is a similar (although not exact) concept as fund balance in the governmental fund types (See Fund Balance).

BUDGET REFERENCE MATERIALS

MAJOR PREPARATION GUIDELINES

In preparing the 2009-11 Financial Plan, several key workshops were held and documents produced that significantly affected its development. The following is a description of each of these along with a calendar of key dates in the preparation process.

COUNCIL GOAL-SETTING

The City's budget process is driven by – and as such, starts with – Council goal-setting. The City uses the following five-step process in identifying the highest priority, most important things to accomplish over the next two years, and in allocating the resources needed to do so.

① Council Budget Workshop: “Setting the Table”

Held on November 20, 2008, the purpose of this workshop was to “set the table” for upcoming goal-setting workshops by providing in-depth background materials on the:

1. Status of General Plan implementation programs
2. Long-term capital improvement plan: Facility and infrastructure improvements through General Plan build-out
3. Status of 2007-09 goals and objectives
4. Status of current capital improvement plan (CIP) projects
5. General fiscal outlook

② Council Budget Workshop: “Building the Foundation”

Held on December 16, 2008, the purpose of this workshop was to lay the framework for preparing the 2009-11 Financial Plan:

1. Recommended goal-setting process for 2009-11.
2. Financial Plan policies and organization.
3. Audited financial results for 2007-08.
4. General Fund five-year fiscal forecast

③ Community Forum

The first of these was a special workshop on January 15, 2009, at which the Council considered candidate goals presented by community groups, interested individuals and Council advisory bodies. Along with about 500 responses to the City's “Budget Bulletin Survey,” over 200 community members participated in this interactive forum.

④ Council Goal-Setting Workshop

The Community Forum was followed by an all-day workshop on January 31, 2009, facilitated by an outside consultant specializing in group goal-setting. At this workshop, Council members discussed the specific goals presented by each Council member, resulting in their setting and prioritizing goals for 2009-11.

At the end of this goal-setting workshop, the Council agreed upon thirteen goals organized into three priority groupings:

1. **Major City Goals.** These represent the most important, highest priority goals for the City to accomplish over the next two years, and as such, resources to accomplish them should be included in the 2009-11 Financial Plan.

If the work program approved by the Council for a Major City Goal is not included in the City Manager's Preliminary Financial Plan, compelling reasons and justification must be provided as to why resources could not be made available to achieve this goal.

2. **Other Important Council Objectives.** Goals in this category are also important for the City to accomplish, and resources should be made available in the 2009-11 Financial Plan if at all possible.

3. **Address As Resources Permit.** While it is desirable to achieve these goals over the next two years, doing so is subject to current resource availability.

BUDGET REFERENCE MATERIALS

MAJOR PREPARATION GUIDELINES

5 Major City Goal Work Programs

Following the goal-setting workshop on January 31, staff prepared detailed work programs for achieving Council goals in order to:

1. Clearly define and scope the adopted goal.
2. Ensure that there is a clear understanding of the means selected to pursue the goal.
3. Convert the general goal into specific action steps to measure progress in achieving it.

Each work program provides the following information:

1. Objective.
2. Discussion of its relationship to Measure Y, “stimulus” funding opportunities, workscope summary, existing situation and related work accomplished in the past.
3. Constraints and limitations.
4. Stakeholders.
5. Action plan detailing specific tasks and schedule for the next two years. When applicable, likely “carryover and spin-off” tasks beyond the next two years are also discussed.
6. Key assumptions in preparing the work program.
7. Responsible department.
8. Financial and staff resources required to achieve the goal.
9. General Fund revenue potential, if any.
10. Outcome—final work product at the end of the next two years.

After an in-depth review, the Council conceptually approved the work programs on April 14, 2009.

BUDGET INSTRUCTIONS

Comprehensive guidelines were issued to the staff on January 20, 2009 describing the City’s fiscal situation, overall budget strategy, procedures for preparing operating program and capital

improvement plan budget submittals, and budget review calendar. These were preceded by focused instructions for preparing Capital Improvement Plan in October 2008.

MID-YEAR BUDGET REVIEW

On February 24, 2009, the Council was provided with a detailed update and review of the City’s financial condition at the mid-point of 2008-09 along with year-end fund balance and working capital projections.

PLANNING COMMISSION CIP REVIEW

The Planning Commission reviewed the proposed CIP on June 10, 2009 for consistency with the General Plan.

PRELIMINARY FINANCIAL PLAN: COUNCIL WORKSHOPS AND HEARINGS

After issuance of the Preliminary Financial Plan on May 28, 2009, the Council will hold five workshops and hearings covering the following topics:

1. **June 4.** Preliminary Financial Plan overview and General Fund operating programs.
2. **June 9.** General Fund CIP (and other non-enterprise fund projects).
3. **June 11.** Enterprise Fund operating programs, CIP projects, revenues and rates.
4. **June 16.** Continued review and adoption of the Preliminary Financial Plan

BUDGET REFERENCE MATERIALS

MAJOR PREPARATION GUIDELINES

FINANCIAL PLAN APPENDICES

Appendix A Significant Operating Program Changes

Supporting documentation for each significant operating program change recommended by the City Manager is included in this appendix. Significant operating program changes include: major service expansions; increases in regular staffing; major changes in the method of delivering services; significant one-time costs; changes in operation that affect other departments or customer service; and changes that affect current policies.

This section of the Appendix includes a narrative for each request providing the following information:

1. Functional area affected
2. Request title
3. Request summary
4. Key objectives
5. Existing Situation: Factors driving the request for change
6. Goal and Policy Links
7. Program Work Completed
8. Environmental Review
9. Program Constraints and Limitations
10. Stakeholders
11. Implementation
12. Key program Assumptions
13. Program Manager and Team Support
14. Alternatives
15. Operating program
16. Cost summary

Appendix B Capital Improvement Plan

Supporting documentation for each recommended capital improvement plan (CIP) project is included in this document providing the following information for each project:

1. Function

2. Request title
3. CIP project summary
4. Project objectives
5. Existing situation
6. Goal and policy links
7. Project work completed
8. Environmental review
9. Project constraints and limitations
10. Stakeholders
11. Project phasing and funding sources
12. Key project assumptions
13. Project manager and team support
14. Alternatives
15. Operating program
16. Project effect on the operating budget
17. Location map/schematic design (if applicable)

BUDGET REVIEW TEAM

To assist the City Manager in developing the recommended operating program changes and CIP projects included in these documents, a Budget Review Team was created with the responsibility for evaluating each request and submitting their recommendations to the City Manager.

The team was composed of the following staff members who were divided into two review groups for operating program changes and CIP project requests:

Operating and Capital Improvement Plan

Brigitte Elke, Principal Administrative Analyst
Monica Irons, Human Resources Director
Debbie Malicoat, Finance Manager
Sallie McAndrew, Accounting Supervisor
Shelly Stanwyck, Assistant City Manager
Bill Statler, Director of Finance & IT
Jennifer Thompson, Revenue Supervisor
Greg Zoicher, Benefits & Risk Manager

BUDGET REFERENCE MATERIALS

MAJOR PREPARATION GUIDELINES

Capital Improvement Plan

Betsy Kiser, Director of Parks & Recreation
Deborah Linden, Police Chief
Barbara Lynch, City Engineer
John Mandeville, Director of Community Development
Carrie Mattingly, Director of Utilities
Jay Walter, Director of Public Works



BUDGET REFERENCE MATERIALS

MAJOR PREPARATION GUIDELINES

Calendar of Key Budget Dates

July 10, 2008	<ul style="list-style-type: none">■ City Manager briefs Council advisory body members on their role in the budget process at quarterly meeting with the Mayor.
September 2, 2008 <i>Regular Council Meeting</i>	<ul style="list-style-type: none">■ Council reviews and conceptually approves the Financial Plan process and calendar for 2009-11.
August 26, 2008	<ul style="list-style-type: none">■ City Manager and Director of Finance & IT send memorandum to advisory body chairs on the goal setting process.
September 30, 2008 <i>Special Budget Workshop</i> <i>Short-Term Budget Actions</i>	<ul style="list-style-type: none">■ Council approves short-term budget balancing actions in light of adverse events following adoption of 2008-09 Financial Plan Supplement in June 2008.
October 2008 through January 2009	<ul style="list-style-type: none">■ Council advisory bodies begin preparing work programs and goals for consideration by the Council for 2009-11.■ Community groups and interested individuals requested to prepare candidate goals for consideration by the Council.■ Finance begins preparing five year General Fund fiscal forecast.■ “Community Budget Bulletin” providing information about the Financial Plan process and survey sent to all City utility customers (about 500 responses received by January 2009).
October 16, 2008	<ul style="list-style-type: none">■ Finance issues Capital Improvement Plan (CIP) budget instructions and holds briefing with departments.
November 20, 2008 <i>Special Budget Workshop:</i> <i>Setting the Table</i>	<ul style="list-style-type: none">■ Council holds budget workshop on the on the status of General Plan implementation programs; long-term CIP status of 2007-09 major City goals; status of current CIP projects; and general fiscal outlook.
December 16, 2008 <i>Special Budget Workshop:</i> <i>Building the Foundation</i>	<ul style="list-style-type: none">■ Council finalizes goal-setting process for 2009-11; reviews and approves Financial Plan policies; reviews Annual Financial Report for 2007-08; and discusses the results of the General Fund five-year fiscal forecast.
January 20, 2009	<ul style="list-style-type: none">■ Finance issues budget instructions and holds briefing with departments.
January 15, 2009 <i>Special Budget Workshop:</i> <i>Community Forum</i>	<ul style="list-style-type: none">■ Council holds Community Forum: considers candidate goals presented by community groups, interested individuals and Council advisory bodies; reviews results of “Community Budget Bulletin” surveys.
January 31, 2009 <i>Special Budget Workshop:</i> <i>Council Goal-Setting</i>	<ul style="list-style-type: none">■ Council holds goal-setting workshop: considers candidate goals and other information presented to them at the January 15 Community Forum; discusses Council member goals; and sets and prioritizes goals for 2009-11.
February 2, 2009	<ul style="list-style-type: none">■ Departments submit CIP budget requests.
February 24, 2009 <i>Special Budget Workshop</i>	<ul style="list-style-type: none">■ Council considers mid-year budget review.

BUDGET REFERENCE MATERIALS

MAJOR PREPARATION GUIDELINES

Calendar of Key Budget Dates

<p>March 9 through April 2009</p>	<ul style="list-style-type: none"> ■ Departments submit Council goal work programs and operating budget requests. ■ Budget Review Team and CIP Review Committee begin evaluating budget proposals and hold briefings with departments to discuss budget requests.
<p>April 14, 2009 <i>Special Budget Workshop: Council Goal Work Programs & Strategic Budget Direction</i></p>	<ul style="list-style-type: none"> ■ Council reviews and approves reports on overtime practices and economic stimulus update. ■ Council reviews and conceptually approves detailed work programs to accomplish Major City Goals. ■ Council reviews and conceptually approves budget balancing strategy.
<p>April 21, 2009 <i>Special Budget Workshop: Work Program and Revenue Follow-Up</i></p>	<ul style="list-style-type: none"> ■ Council holds follow-up review on new revenues as part of budget balancing strategy. ■ Council reviews and conceptually approves detailed work programs to accomplish Other Important Council Objectives.
<p>May 19, 2009 <i>Regular Council Meeting: Revenue Follow-Up</i></p>	<ul style="list-style-type: none"> ■ Council reviews and approves new final revenue follow-up for child care fees, open container violations and encroachment permits.
<p>April through May 22, 2009</p>	<ul style="list-style-type: none"> ■ Budget Review Team completes review of budget proposals and revenue projections; makes recommendations to the City Manager. ■ City Manager finalizes preliminary budget recommendations.
<p>May 28, 2009</p>	<ul style="list-style-type: none"> ■ Finance completes and distributes the Preliminary Financial Plan.
<p>June 4, 9, 11, 2009 <i>Special Budget Workshops: General Fund Operating General Fund CIP Enterprise Fund</i></p>	<ul style="list-style-type: none"> ■ June 4: Council considers overview of Preliminary Financial Plan and reviews General Fund operating programs. ■ June 9: Council reviews General Fund CIP. ■ June 11: Council reviews enterprise fund operating programs, CIP projects, changes in working capital and rate requirements.
<p>June 10, 2009 <i>Planning Commission Meeting</i></p>	<ul style="list-style-type: none"> ■ Planning Commission reviews preliminary CIP for consistency with the General Plan.
<p>June 16, 2009 <i>Regular Council Meeting</i></p>	<ul style="list-style-type: none"> ■ Council continues budget hearings; adopts the 2009-11 Financial Plan and 2009-10 Budget; and approves water and sewer fund rate increases.



Council Review/Action Dates

BUDGET REFERENCE MATERIALS

BUDGET RESOLUTION

RESOLUTION NO. 10099 (2009 SERIES)

**A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN LUIS OBISPO
APPROVING THE 2009-11 FINANCIAL PLAN AND 2009-10 BUDGET**

WHEREAS, the City Manager has submitted the 2009-11 Financial Plan to the Council for its review and consideration in accordance with budget policies and objectives established by the Council; and

WHEREAS, the 2009-11 Financial Plan is based upon extensive public comment and direction of the Council after thirteen budget workshops, meetings and public hearings.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of San Luis Obispo that the 2009-11 Financial Plan is hereby approved and that the operating, debt service and capital improvement plan budget for the fiscal year beginning July 1, 2009 and ending June 30, 2010 is hereby adopted.

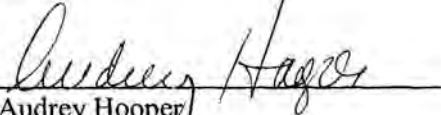
Upon motion of Council Member Carter, seconded by Council Member Marx, and on the following vote:

- AYES: Council Members Ashbaugh, Carter and Marx, and Mayor Romero
- NOES: Vice Mayor Settle
- ABSENT: None

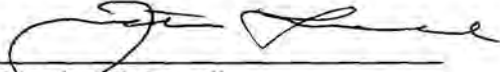
The foregoing resolution was adopted this 16th day of June 2009.


Mayor David F. Romero

ATTEST:


Audrey Hooper
City Clerk

APPROVED:


Jonathan P. Lowell
City Attorney