



City Council
AGENDA

Tuesday, September 21, 2021, 6:00 p.m.

Teleconference - Broadcast via Webinar

Due to the increasing number of COVID-19 cases in San Luis Obispo County, City Administration has made the difficult decision to return to a virtual meeting format. **There will be no physical location for the Public to view the meeting.** Below are instructions on how to view the meeting remotely and how to leave public comment. Additionally, members of the City Council are allowed to attend the meeting via teleconference and to participate in the meeting to the same extent as if they were present.

Using the most rapid means of communication available at this time, members of the public are encouraged to participate in Council meetings in the following ways:

Remote Viewing - Members of the public who wish to watch the meeting can view:

View the Webinar (recommended for the best viewing quality):

URL: <https://slocity->

[org.zoom.us/j/81744879954?pwd=KzVRSC9pSmRicHVFTFNDcEZRUkNCUT09](https://slocity-)

Telephone Attendee: +1 (669) 900-6833

Webinar ID: 817 4487 9954; Passcode: 639501

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Televised live on Charter Cable Channel 20

View a livestream of the meeting on the City's YouTube channel: <http://youtube.slo.city>

Public Comment - The City Council will still be accepting public comment. Public comment can be submitted in the following ways:

Mail or Email Public Comment

Received by 3:00 PM on the day of meeting - Can be submitted via email to emailcouncil@slocity.org or U.S. Mail to City Clerk at 990 Palm St. San Luis Obispo, CA 93401. All emails will be archived/distributed to councilmembers, however, submissions after 3:00 p.m. on the day of the meeting may not be archived/distributed until the following day. Emails **will not** be read aloud during the meeting.

Verbal Public Comment

In Advance of the Meeting – Call (805) 781-7164; state and spell your name, the agenda item number you are calling about and leave your comment. The verbal comments must be limited to 3 minutes. All voicemails will be forwarded to the Council Members and saved as Agenda Correspondence. Voicemails **will not** be played during the meeting.

During the meeting – Join the webinar (instructions above). Once public comment for the item you would like to speak on is called, please raise your virtual hand, your name will be called, and your microphone will be unmuted. If you have questions, contact the office of the City Clerk at cityclerk@slocity.org or (805) 781-7100.

Pages

1. CLOSED SESSION - 5:30 P.M.

Closed Session Webinar Information:

- Join from your computer or mobile app: [Click here to join the meeting](#)
- Or call in (audio only): +1 209-645-4165,,380555919#
- Phone Conference ID: 380 555 919#

PUBLIC COMMENT ON CLOSED SESSION ITEMS ONLY

1.a. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to Government Code §54956.8

Property: APNs 052-351-041 and 052-351-037

Agency Negotiators:

Derek Johnson, City Manager

J. Christine Dietrick, City Attorney

Markie Jorgensen, Assistant City Attorney

Shelly Stanwyck, Assistant City Manager

Greg Hermann, Deputy City Manager

Aaron Floyd, Utilities Director

Jennifer Metz, Utilities Project Manager

Negotiating Parties: Calvary Baptist Church of San Luis Obispo

Under Negotiation: Price and terms of payment

1.b. ADJOURN CLOSED SESSION

Adjourn to the Regular Meeting of the City Council scheduled for Tuesday, September 21, 2021 at 6:00 p.m., via teleconference.

2. CALL TO ORDER

Mayor Harmon will call the virtual Regular Meeting of the San Luis Obispo City Council to order.

3. PLEDGE OF ALLEGIANCE

Vice Mayor Erica A. Stewart will lead the Council in the Pledge of Allegiance.

4. PRESENTATIONS

4.a. CITY MANAGER REPORT

Receive a brief report from City Manager Derek Johnson.

4.b. DRIVE ELECTRIC WEEK PROCLAMATION

Mayor Harmon will present a proclamation declaring September 25 to October 3, 2021 as "Drive Electric Week."

4.c. INTRODUCTION OF MEG BUCKINGHAM, ADMINISTRATIVE ANALYST

Community Development Director Michael Codron will introduce Meg Buckingham, Administrative Analyst for Community Development.

5. PUBLIC COMMENT PERIOD FOR ITEMS NOT ON THE AGENDA

Not to exceed 15 minutes. The Council welcomes your input. State law does not allow the Council to discuss or take action on issues not on the agenda, except that members of the Council or staff may briefly respond to statements made or questions posed by persons exercising their public testimony rights (Gov. Code sec. 54954.2). Staff may be asked to follow up on such items.

6. CONSENT AGENDA

Matters appearing on the Consent Calendar are expected to be non-controversial and will be acted upon at one time. A member of the public may request the Council to pull an item for discussion. Pulled items shall be heard at the close of the Consent Agenda unless a majority of the Council chooses another time. The public may comment on any and all items on the Consent Agenda within the three-minute time limit.

Recommendation:

To approve Consent Calendar Items 6a to 6g.

6.a. WAIVE READING IN FULL OF ALL RESOLUTIONS AND ORDINANCES

Recommendation:

Waive reading of all resolutions and ordinances as appropriate.

6.b. MINUTES REVIEW - SEPTEMBER 7, 2021 COUNCIL MINUTES

9

Recommendation:

Approve the minutes of the City Council meeting held on September 7, 2021.

- 6.c. **APPROVE AN EXCLUSIVE NEGOTIATING AGREEMENT FOR ROSA BUTRON DE CANET ADOBE** 15
- Recommendation:
- Approve an Exclusive Negotiating Agreement between the City of San Luis Obispo, Ecologistics as fiscal sponsor for The Peace Project, and Smart Share Housing Solutions, for adaptive reuse and rehabilitation of the Rosa Butron de Canet Adobe and grounds, in a final form satisfactory to the City Attorney.
- 6.d. **APPROVE AN EXTENSION TO THE ORACLE ERP PROJECT MANAGEMENT SERVICES CONTRACT WITH ARCHER STREET, LLC** 27
- Recommendation:
- Approve a contract extension with Archer Street, LLC for Oracle ERP Project Management Services in the amount of \$80,000.
- 6.e. **FISCAL YEAR 2020-21 4TH QUARTER BUDGET REVIEW (YEAR-END)** 37
- Recommendation:
- Receive and file the FY 2020-21 4th Quarter Budget Review and unaudited year-end results.
- 6.f. **ADVISORY BODY APPOINTMENT FOR UNSCHEDULED VACANCY** 121
- Recommendation:
- Confirm the appointment of Brian Kragh to the Mass Transportation Committee (MTC) as recommended by the Advisory Body Council Liaison Subcommittee.
- 6.g. **REQUEST FOR PROPOSALS FOR INVESTMENT ADVISOR SERVICES** 125
- Recommendation:
1. Approve the Request for Proposal (RFP) documents for investment advisor services and authorize their release.
 2. Authorize the City Manager to enter into contract with the selected consultant.

7. PUBLIC HEARING AND BUSINESS ITEMS

7.a.	<u>2020-21 ANNUAL REPORT OF THE TOURISM BUSINESS IMPROVEMENT DISTRICT</u>	163
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Recommendation:

1. As recommended by the Tourism Business Improvement District (TBID) Board, receive and approve the TBID Board's annual report for FY 2020-21; and
2. Adopt a Resolution of Intention entitled, "A Resolution of the City Council of the City of San Luis Obispo, California, declaring its intention to continue the San Luis Obispo Tourism Business Improvement District, to continue the basis for and to levy the assessment for the district, and to set a date for the Public Hearing on the district and the assessment for 2021-22."

7.b.	<u>2021 ADVISORY BODY HANDBOOK AND BYLAWS UPDATE</u>	199
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Recommendation:

Adopt a Resolution entitled "A Resolution of the City Council of the City of San Luis Obispo, California, amending the bylaws of certain advisory bodies and adopting a revised Advisory Body Handbook."

8. STUDY SESSION

8.a.	<u>STRATEGIES TO SUPPORT LOCAL CONTRACTORS, VENDORS, AND LABOR ON PUBLIC PROJECTS</u>	355
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Recommendation:

1. Receive a presentation on potential strategies to support local contractors, local vendors, and local labor on public projects; and
2. Provide preliminary direction to staff to guide alternatives evaluation, project plan, and policy development.

9. LIAISON REPORTS AND COMMUNICATIONS

Not to exceed 15 minutes. Council Members report on conferences or other City activities. At this time, any Council Member or the City Manager may ask a question for clarification, make an announcement, or report briefly on their activities. In addition, subject to Council Policies and Procedures, they may provide a reference to staff or other resources for factual information, request staff to report back to the Council at a subsequent meeting concerning any matter or take action to direct staff to place a matter of business on a future agenda. (Gov. Code Sec. 54954.2)

10. ADJOURNMENT

The next Regular Meeting of the City Council will be held on October 5, 2021 at 6:00 p.m., via teleconference.

LISTENING ASSISTIVE DEVICES for the hearing impaired - see the Clerk.

The City of San Luis Obispo wishes to make all of its public meetings accessible to the public. Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to the City Clerk's Office at (805) 781-7100 at least 48 hours before the meeting, if possible. Telecommunications Device for the Deaf (805) 781-7410.

City Council regular meetings are televised live on Charter Channel 20. Agenda related writings or documents provided to the City Council are available for public inspection in the City Clerk's Office located at 990 Palm Street, San Luis Obispo, California during normal business hours, and on the City's website www.slocity.org. Persons with questions concerning any agenda item may call the City Clerk's Office at (805) 781-7100.



Council Minutes

September 7, 2021, 6:00 p.m.
Teleconference - Broadcast via Webinar

Council Members Present: Mayor Heidi Harmon, Vice Mayor Erica A. Stewart, Council Member Carlyn Christianson, Council Member Jan Marx, Council Member Andy Pease

City Staff Present: Derek Johnson, City Manager, Christine Dietrick, City Attorney, Teresa Purrington, City Clerk

1. **CALL TO ORDER - CITY COUNCIL / GROUNDWATER SUSTAINABILITY AGENCY**

A Regular Meeting of the San Luis Obispo City Council, also acting as the Groundwater Sustainability Agency, was called to order on September 7, 2021 at 6:04 p.m. by Mayor Harmon, with all Members present via teleconference.

2. **PLEDGE OF ALLEGIANCE**

Council Member Marx led the Council in the Pledge of Allegiance.

3. **STUDY SESSION**

3.a PUBLIC SAFETY CENTER PROGRAM AND DESIGN UPDATE

This item was removed and continued to a date uncertain.

4. **PRESENTATIONS**

4.a CITY MANAGER REPORT

City Manager Derek Johnson provided a report on upcoming projects and a status update on COVID-19.

4.b NATIONAL MUSEUM DAY PROCLAMATION

Mayor Harmon presented a proclamation declaring September 18, 2021 as "National Museum Day" to John Ashbaugh on behalf of the History Museum of San Luis Obispo.

5. **PUBLIC COMMENT PERIOD FOR ITEMS NOT ON THE AGENDA**

Public Comment:
Peter Williamson

--End of Public Comment--

6. CONSENT AGENDA

Motion By Vice Mayor Stewart
Second By Council Member Pease

To approve Consent Calendar Items 6a to 6f.

Ayes (5): Mayor Heidi Harmon, Vice Mayor Stewart, Council Member Christianson, Council Member Marx, and Council Member Pease

CARRIED (5 to 0)

6.a WAIVE READING IN FULL OF ALL RESOLUTIONS AND ORDINANCES

Waive reading of all resolutions and ordinances as appropriate.

6.b MINUTES REVIEW - AUGUST 24, 2021 COUNCIL MINUTES

Approve the minutes of the City Council meeting held on August 24, 2021.

6.c RECEIVE AND FILE THE PUBLIC DRAFT OF SAN LUIS OBISPO VALLEY GROUNDWATER BASIN GROUNDWATER SUSTAINABILITY PLAN

Acting as the City of San Luis Obispo Groundwater Sustainability Agency, receive and file the Public Draft of San Luis Obispo Valley Groundwater Basin Groundwater Sustainability Plan.

6.d A REQUEST TO INCLUDE THREE PROPERTIES IN THE CITY'S INVENTORY OF HISTORIC RESOURCES AS MASTER LIST RESOURCES (198 PASO ROBLES, 201 BUENA VISTA, AND 2424 SUNSET)

Adopt Resolution No. 11274 (2021 Series) entitled, "A Resolution of the City Council of the City of San Luis Obispo, California, adding three properties to the Master List of Historic Resources: 198 Paso Robles Drive (Pimentel-Orth House); 201 Buena Vista Avenue (Kenneth and Martha Schwartz House); and 2424 Sunset Drive (Page-Selkirk House)."

6.e ADVISORY BODY APPOINTMENTS FOR UNSCHEDULED VACANCIES

Confirm the appointment of Stephanie Carlotti to the Human Relations Commission (HRC) and Kris Roudebush to the Parks and Recreation Commission (PRC), as recommended by the respective Advisory Body Council Liaison Subcommittees.

6.f AMENDMENT TO MEMORANDUM OF UNDERSTANDING FOR CITY-COUNTY FLOOD CONTROL COLLABORATION

Approve an amendment to the existing Memorandum of Understanding between the City of San Luis Obispo and the County of San Luis Obispo, as administrator of the Zone 9 Flood Control and Water Conservation District ("Zone 9"), in order to provide funding support in the amount of \$60,000 for additional vegetation management activities in San Luis Obispo Creek Watershed.

7. PUBLIC HEARING AND BUSINESS ITEMS

7.a PROCESS TO FILL A COUNCIL (MAYOR) VACANCY

Mayor Harmon recused from this item, not due to a financial conflict, but because she would no longer be on Council when the item returns to the Council.

Deputy City Manager Greg Hermann and City Clerk Teresa Purrington provided an in-depth staff report and responded to Council questions.

Public Comments:

Jim Dantona

---End of Public Comment---

Motion By Council Member Pease

Second By Council Member Christianson

Approve a consolidated process to fill the vacancy on City Council resulting from the resignation of Mayor Heidi Harmon, effective at the end of business on September 26, 2021 with the direction that the application will require applicants to indicate if they are applying for the Mayor and/or Council Member vacancy in the event the Mayor vacancy is filled by a current Council Member. If applying for Mayor and Council Member a 500-word statement may be submitted for each position, however each Applicant will only have 5 minutes to address the Council at the October 5, 2021 meeting.

Ayes (4): Vice Mayor Stewart, Council Member Christianson, Council Member Marx, and Council Member Pease

Recused (1): Mayor Heidi Harmon

CARRIED (4 to 0)

7.b REVIEW OF A TENTATIVE TRACT MAP (TRACT 3157) TO CREATE 23 RESIDENTIAL LOTS ON A 4.98-ACRE SITE WITHIN THE LOW-DENSITY RESIDENTIAL (R-1) ZONE

All Council Members reported that they had no ex-parte communication.

Community Development Director Michael Codron and Associate Planner Kyle Van Leeuwen provided an in-depth staff report and responded to Council questions.

Public Comments:

Katie Rollins, Applicant's Representative

Kevin Merk, Applicant's Representative

Becky Keehn

Genevieve Czech

Adolph Czech

Robert Schroeter

Mary Stansfield

---End of Public Comment---

Motion By Council Member Christianson

Second By Vice Mayor Stewart

Adopt Resolution No. 11275 (2021 Series) entitled, "A Resolution of the City Council of the City of San Luis Obispo, California, approving Tentative Tract Map No. 3157 to create twenty-three (23) residential lots in the Low-Density (R-1) Zone and adopting the Associated Initial Study/Mitigated Negative Declaration and Mitigation, Monitoring, and Reporting Plan pursuant to the California Environmental Quality Act (CEQA), as represented in the staff report and attachments dated September 7, 2021 (SBDV-0169-2020/EID-0170-2020, 500 Westmont Drive)."

Ayes (5): Mayor Heidi Harmon, Vice Mayor Stewart, Council Member Christianson, Council Member Marx, and Council Member Pease

CARRIED (5 to 0)

8. LIAISON REPORTS AND COMMUNICATIONS

Council Member Marx provided an update on the IWMA.

Council Member Pease provided an update on the RTA bus fueling project.

9. ADJOURNMENT

The meeting of the City Council / Groundwater Sustainability Agency was adjourned at 9:34 p.m. The next Regular City Council Meeting is scheduled for September 21, 2021 at 6:00 p.m., via teleconference.

APPROVED BY COUNCIL: XX/XX/202X



Department: Administration
Cost Center: 1005
For Agenda of: 9/7/2021
Placement: Consent
Estimated Time: N/A

FROM: Greg Hermann, Deputy City Manager

Prepared By: Robert Hill, Sustainability & Natural Resources Manager

SUBJECT: APPROVE AN EXCLUSIVE NEGOTIATING AGREEMENT FOR ROSA BUTRON DE CANET ADOBE

RECOMMENDATION

Approve an Exclusive Negotiating Agreement between the City of San Luis Obispo, Ecologistics as fiscal sponsor for The Peace Project, and Smart Share Housing Solutions, for adaptive reuse and rehabilitation of the Rosa Butron de Canet Adobe and grounds, in a final form satisfactory to the City Attorney.

DISCUSSION

Background – Property History

The City of San Luis Obispo has owned the Rosa Butron de Canet Adobe located at 466 Dana Street since 1989. The City Council adopted a Resolution of Acceptance at that time and agreed to acquire the property as a life estate gift from Ms. Mary Gail Black for site stewardship, restoration, and public uses. It is understood that the donor's intent was for the City to hold and take care of the property over the long-term, including both the residence and the grounds.

The Rosa Butron de Canet Adobe is listed as an historic residence on the City's Master List of Historical Resources. Only the front room of the existing structure is the circa. 1845 historic adobe itself, while a subsequent veranda that was added around 1865 is also considered to be a contributing component of the structure's historicism. Several other additions and outbuildings were added and / or modified much later to the rear of the structure (Gil Sanchez, FAIA. 1998). There are numerous large, mature heritage trees on the site (magnolia, avocado, pecan, coast live oak, valley oak, redwood), as well as a portion of Stenner Creek at the back of the site, comprising grounds of about three-quarters of an acre.

The City rented the house in the early years of its ownership until it became unsafe and uninhabitable and has used it for storage in more recent years. The house is currently vacant, although the City does provide basic maintenance and upkeep to the house and grounds. It is important to note that the Rosa Butron de Canet Adobe needs extensive refurbishment, restoration, or rehabilitation prior to it being suitable for occupancy.

City resources to maintain, restore, and activate its suite of adobe properties are limited and all of the City's adobes are in need of some level of investment and utilization to preserve these important historic resources; partnering with community organizations and private entities is one way to accomplish this.

Background – Request for Information

Following City Council's direction, staff issued a Request for Interest (RFI) document seeking community partners to help the City rehabilitate and re-use the City's Rosa Butron de Canet Adobe. The RFI was issued on March 6, 2020, to known interested parties, broadly to non-profit hubs such as The San Luis Obispo County Community Foundation and SPOKES: Resources for Non-Profits, and to local affordable housing organizations including the Housing Authority and People's Self Help Housing in accordance with California Surplus Land Act, as may be applicable. The RFI was also published on the City's website together with a notification item.

The close of the RFI period occurred on April 17, 2020. Meritorious responses were received from two community-based organizations; one was from The Peace Project (with fiscal sponsorship from Ecologistics) and the other was from Smart Share Housing Solutions. In reviewing their respective proposals, it appeared that there might be opportunities for collaboration between the two groups. After introductory conversations, the two groups sat down together and came to a conceptual agreement through a signed Memorandum of Understanding ("MOU") for a combined approach that will provide revenue and options to get the adobe rehabilitated and activate the site, while also adhering to Mary Gail Black's donative intent and other City goals and objectives.

Collectively, the proposed project is known as the "Waterman Peace Village" and entails three components: 1. Rehabilitation of the adobe itself and site infrastructure for public use, 2. Construction and installation of tiny housing units by Smart Share Housing Solutions, and 3. Construction and installation of new studio for art and sculpture exhibits and community space around the themes of peace, sustainability, and diversity, equity and inclusion.

Key Highlights of the Exclusive Negotiating Agreement

The ENA includes the following key deal points and structure that are consistent with prior direction from the City Council:

1. Two-year term for exclusive negotiations.
2. Maintenance of non-profit status at all times.
3. Fundraising plan submittal and proof of financial ability to complete the project.
4. Lease negotiation and execution can begin upon satisfactory due diligence, including zoning and / or General Plan requirements, submittal of satisfactory design and construction schedule, and evidence of available funds.
5. Anticipated lease terms include a 55-year term and rent of \$1 per year.
6. Standard review and approval process, including public hearings with the Cultural Heritage Committee and other applicable City bodies, as well completion of the environmental review process prior to any construction.

Previous Council Action

In August 2019, the City Council directed staff to issue an informal Request for Information (“RFI”), as described above, to better understand and gauge community interest in the Rosa Butron de Canet Adobe site.

On December 5, 2020, the City Council directed staff to negotiate the Exclusive Negotiating Agreement with the above-named community groups.

Policy Context

The City’s Financial Management Manual (Section 475-C) allows exclusive negotiations for long term leases of City property, as well as provisions for leases to non-profit organizations, where there is a clear link between the proposal and accomplishment of significant City goals, plans or policies and where the proposal has a clear and measurable community benefit. Staff considers the activities described for The Waterman Peace Village to be in the public interest in accordance with the City’s historic preservation goals, the Conservation and Open Space Element of the General Plan that provides policy regarding adaptive re-use of the City’s historic structures, with the Downtown Concept Plan, and with the Housing Element of the General Plan. Accordingly, the proposed project appears to meet the basic policy framework and parameters for entering into an ENA in accordance with the Financial Management Manual.

Public Engagement

The RFI was also published on the City’s website, together with a notification item, and was broadly distributed. In addition, this item is on the agenda for the September 21, 2021, City Council meeting and will follow all required postings and notifications. The public may have an opportunity to comment on this item at or before the meeting. It is important to note that this item authorize the ENA only; any subsequent lease agreement and projects that may arise from these negotiations are subject to additional, future public review processes.

CONCURRENCE

The City’s Community Development Department concurs with the recommendation from both a housing and historic preservation perspective.

The Board of Directors for Ecologistics and Smart Share Housing Solutions approved the draft Exclusive Negotiating Agreement at their meetings that took place on August 2, 2021, and August 12, 2021, respectively.

ENVIRONMENTAL REVIEW

Entering into the ENA is not a Project, in and of itself, in accordance with the California Environmental Quality Act (CEQA). However, any future activities that meet the definition of a “Project” under CEQA Guidelines will be subject to the environmental review process.

FISCAL IMPACTBudgeted: Yes/**No**Budget Year: **2021-22**Funding Identified: Yes/**No****Fiscal Analysis:**

Funding Sources	Total Budget Available	Current Funding Request	Remaining Balance	Annual Ongoing Cost
General Fund				
State				
Federal				
Fees				
Other:				
Total	N/A	N/A	N/A	N/A

The recommended action does not entail any direct expenditures. Modest staff time to complete the ENA and attend to the agreement is supported within the operating budgets of the City Administration and IT Department and Community Development Department.

ALTERNATIVES

1. Request additional information or clarification prior to taking action.
2. Request further changes to the draft Exclusive Negotiating Agreement.
3. Deny the Exclusive Negotiating Agreement. This action is not recommended as staff have worked in good faith with the other parties to the ENA in accordance with prior City Council direction.

ATTACHMENTS

A – Draft Exclusive Negotiating Agreement FOR Rosa Butron Adobe

EXCLUSIVE NEGOTIATING AGREEMENT

This Exclusive Negotiating Agreement (“Agreement”) is entered into this ____ day of _____, 2021 (the “Effective Date”), by and between the City of San Luis Obispo, a California charter municipal corporation (“the City”) and Ecologistics, a California non-profit corporation, through the Peace Project, an unincorporated association which operates under fiscal sponsorship by Ecologistics, and Smart Share Housing Solutions, Inc., a California non-profit organization. These entities shall be jointly referred to as the “Parties”. Ecologistics, operating through the Peace Project, and Smart Share Housing Solutions shall be jointly referred to as the “Project Partners”.

RECITALS

WHEREAS, the City is the legal owner of the property located at 466 Dana Street in San Luis Obispo, California (the “Property”) commonly known as the Rosa Butron de Canet Adobe; and

WHEREAS, the City received the Property as a life estate gift from Mary Gail Black in 1989 and desires to preserve and maintain the historic adobe structure, trees, and grounds that comprise the Property, as well as public recreational uses, all in keeping with the donative intent of the gift; and

WHEREAS, in March 2020, pursuant to City Council direction, the City issued a Request for Information (“RFI”) soliciting community partners that may be interested in working with the City towards restoration, adaptive reuse, and long-term stewardship of the City’s Rosa Butron de Canet Adobe. Further, it was anticipated at this time that the chosen community partner(s) would enter into a negotiation period with the City, and if all parties choose to move forward following the negotiation period, the Parties would enter into a long-term lease agreement for use of the site; and

WHEREAS, the City received meritorious responses to the RFI from both the Peace Project and Smart Share Housing Solutions. Through subsequent conversations, both groups entered into a Memorandum of Understanding (“MOU”) dated August 13, 2020, and incorporated herein by reference, in order to set forth a vision for a shared project to be known as the Waterman Peace Village (“Peace Village”), as well as identification of tasks and responsibilities agreed upon by both groups; and

WHEREAS, the Peace Village project, as currently described, entails rehabilitation and adaptive re-use of the adobe structure, construction of a new multi-use straw bale studio facility, and installation of tiny housing units, together with related on-site and off-site (if any) improvements on or appurtenant to the Property; and

WHEREAS, the Parties recognize that the exact site plan, improvements, and location of improvements that can be accommodated by the Property cannot be determined at this time, and understand that the Property has certain zoning requirements, regulations, and development restrictions including permissible uses, maintenance of trees, street setbacks, creek protection, and other provisions that affect the net buildable and usable land; and

WHEREAS, the City’s Financial Management Manual allows exclusive negotiations for long term lease of City property when there is a clear link between the proposal and accomplishment of significant City goals, plans or policies; and

WHEREAS, the City considers the restoration, adaptive reuse, and long-term stewardship of the Property to be in the public interest and in accordance with the City’s goals and policies.

NOW, THEREFORE, in consideration of the mutual covenants, conditions, promises and agreements herein set forth, the parties agree as follows:

AGREEMENT

1. **RECITALS.** The above Recitals are true and are incorporated herein by reference.
2. **TERM.** This Agreement shall commence upon the Effective Date and shall continue in effect for a period of two (2) years (the “Term”), unless sooner terminated as provided herein. The Parties may extend the Term of this Agreement in writing upon mutual consent.
3. **PURPOSE.** The purpose of this Agreement is to enable the Parties to explore the feasibility of designing, permitting, constructing, and financing the Peace Village on the Property.
4. **CITY’S OBLIGATIONS.** The City shall, during the Term of this Agreement:
 - a. **Exclusivity.** Negotiate exclusively with the Project Partners as the future tenant of the Property.
 - b. **Project Entitlements and Permitting Requirements.** The City will work with the Project Partners to review zoning and General Plan requirements and any other applicable local, state, or federal regulations. The intent of this portion of the Agreement is for the Parties to reach an understanding of the legally permissible uses and restrictions on the Property; however, the City legally cannot, and therefore does not, contractually agree as to how it will exercise its legislative authority to administer the General Plan and its zoning and land use authority.
 - c. **Environmental Review.** The City will act as Lead Agency pursuant to the requirements of the California Environmental Quality Act. If any project-specific environmental documentation is necessary in order for the City to conduct its environmental review, such documentation shall be at the Project Partners sole cost and expense.
5. **PROJECT PARTNERS’ OBLIGATIONS.** Project Partners shall, during the term of this Agreement:
 - a. **Non-Profit Status.** Be a California non-profit corporation in good standing and be exempt from state and federal income taxes under section 501 (c) (3) of the Internal Revenue Code.
 - b. **Proof of Financial Ability.** Provide to the City's reasonable satisfaction that it has the financial ability to design, construct and operate the Peace Village on the Property. At a minimum the Project Partners shall:
 - i. **Preliminary Cost Estimates.** Provide the City with preliminary capital development cost estimates (including but not limited to planning, design, engineering and construction) and two (2) year operating cost estimates, within these established timeframes:
 - Primary Component Plan: Smart Share Housing Solutions and Peace Project, jointly, for the adobe rehab, initial site infrastructure and public

neighborhood park installation; by one year from effective date of this agreement;

-Secondary Component Plan S1: Smart Share, solely, for the tiny housing unit component; by one year of effective date of this agreement; and

-Secondary Component Plan S2: Peace Project, solely, for the New Studio component; by two years from the effective date of this agreement.

Inability of Smart Share to provide cost estimates for its housing project or the Peace Project to provide cost for its New Studio project will not prevent the Primary Component Plan, adobe rehab, or other secondary project component.

Cost estimates will be updated as design progresses, at least every 6 months.

The Project Partners will include the payment of prevailing wages in estimates for construction.

- ii. **Fundraising Plans.** Provide the City with fundraising and / or financing plans with milestones that are acceptable to, and approved by, the City Manager, whose approval shall not be unreasonably withheld, delayed or conditioned, within these established timeframes:

-Primary Component Plan: Smart Share Housing Solutions and Peace Project, jointly, for the adobe rehabilitation, initial site infrastructure and public neighborhood park installation; by one year of effective date of this agreement;

-Secondary Component Plan S1: Smart Share, solely, for the tiny housing unit component; by one year of effective date of this agreement; and

-Secondary Component Plan S2: Peace Project, solely, for the New Studio component; by two years from the effective date of this agreement.

Inability of Smart Share to provide cost estimates for its housing project or the Peace Project to provide cost for its New Studio project will not prevent the Primary Component Plan, adobe rehabilitation, or other secondary component.

Milestones shall, at a minimum, prior to commencement of lease negotiations demonstrate to the City Finance Director's reasonable satisfaction that the Project Partners have available at least 50% of all the funds necessary to design and construct the Primary component, at a minimum, and/or either or both of the Secondary Components in addition to the Primary Component. "Funds necessary" may include cash on hand, donor pledges or evidence of financing.

Inability for one or other of the parties (i.e. the Peace Project to fund and construct its Secondary New Studio project or Smart Share to fund and construct its Secondary housing project) will not prevent the Primary Component adobe rehabilitation and other project components.

- iii. **Annual Financials.** Annually, commencing on or before December 31st of 2022, provide the City with a current financial statement, copy of most recent filed state and federal tax returns, and copies of current bank statements, to demonstrate fundraising results for the Peace Village.

- iv. **Formal Development Application.** Finalize and submit a formal development application for the Peace Village to the City.

- v. **Compensation for City Review Costs.** Discuss and finalize how City processing and review costs will be funded. Notwithstanding, parties will agree to seek cost estimates prior to entering into lease.
 - c. **Environmental Review Information.** Provide the City promptly with all information necessary to conduct any subsequent environmental review of the Peace Village that may be necessary. This information includes, but is not limited to, square footage of structures; square footage of various uses such as public or common areas, storage, studio, and other accessory structures, and any other information deemed necessary by City to conduct its evaluation and inform its environmental determination.
- 6. **TERMINATION.** Either the City or Project Partners may terminate this Agreement with or without cause and without liability to the other party at any time by providing forty-five (45) days' written notice to the other party.
- 7. **CONDITIONS PRECEDENT TO LEASE NEGOTIATION AND EXECUTION.** All of the following conditions must be met as conditions precedent prior to lease execution for the Property:
 - a. **Lease negotiation:**
 - i. **Project Due Diligence.** The Parties have reviewed zoning and General Plan requirements and any other applicable local, state, or federal regulations and agree with the likely conditions and requirements that will be necessary to carry out the project.
 - ii. **Availability of Funds for Design, Construction, and Operation.** Prior to execution of the lease, Project Partners demonstrate to the City Manager's reasonable satisfaction that they have met all applicable financial milestones in the fundraising and financing plan approved by the City Manager, at a minimum, for Primary Component, adobe rehab and public park.
 - iii. **Obligations Met.** Both City and Project Partners have met all of their respective obligations under the Agreement, for Primary Component, at a minimum, and agree that the Peace Village appears economically feasible, physically possible, and legally permissible.
 - b. **Non-Profit Status.** Project Partners have established and maintain non-profit and tax-exempt status under applicable state and federal law.
 - c. **Design and Construction Schedule.** Prior to lease execution, Project Partners shall provide, to the City's Community Development Director's reasonable satisfaction, a design and construction schedule, demonstrating, at a minimum, the Peace Village will be constructed and completed within 7 years of the execution of the long-term lease, allowing for Primary and Secondary component phasing, and the potential for either Secondary component to be removed from the project description, without sacrificing the project as a whole, as described in section 5.
- 8. **GENERAL LEASE TERMS.** As the Parties enter into the exclusive negotiations, the Parties desire that the lease include the following general provisions; provided, the actual language of each provision is subject to further negotiation, and most material terms and provisions of the

lease have not yet been discussed. The City shall not lease the land for minimal rent unless the lease is completely acceptable to the City and approved by the City Attorney. The following provisions serve as guidelines of the Parties' general intent but nothing in this paragraph shall be interpreted as an agreement or offer to lease upon the terms, provisions or language set forth below.

- a. Project Partners shall commence construction of the Peace Village no later than one (1) year after the execution of the lease agreement and shall complete construction of the Peace Village within seven (7) years after execution of lease. Project Partners shall not commence construction of the Peace Village unless and until they have demonstrated, to the City's Finance Manager's reasonable satisfaction prior to expiration of the year within which Project Partners are to commence construction, that they have all of the funds necessary to design and construct, at a minimum, the Primary Component (adobe rehabilitation, site infrastructure and public park construction), as well as operate for at least two (2) years after completion of construction, plus a 15% contingency, available in cash or approved financing (the "Required Funds").

Secondary component tiny house construction will commence within 3 years, and;

Secondary component New Studio construction will commence within 5 years of lease agreement.

If Project Partners do not timely demonstrate that they have the Required Funds, or if Project Partners fail to timely begin or timely complete construction of the Primary Component, Project Partners shall be in substantial default, and the lease shall automatically terminate unless City agrees otherwise in writing. Failure of Smart Share or Peace Project to complete either one or both of the Secondary Components will not place Project Partners in default.

The Peace Village shall be deemed complete only upon issuance of a Certificate(s) of Occupancy.

- b. Minimum 55-year term with the right of first refusal for additional lease years provided that the Project Partners are in good standing at the time of the renewal.
- c. Rent of \$1.00 per year provided Project Partners:
 - i. Are a California non-profit corporation in good standing; and
 - ii. Are a federal and state income tax exempt 501 (c)(3) entity; and use the Property solely as described herein, consistent with the RFI and other related City approved community uses.
 - iii. Project Partner's failure to maintain their non-profit corporate status in good standing or its tax-exempt status under applicable state and federal law or to use the Property for any purpose other than as approved and related City approved community uses during the term or any extended term of the lease, shall be a material breach of the lease. In the event any such breach occurs, City may, at its option, either terminate the lease or raise the rent to fair market rates for neighboring commercial uses.
- d. Project Partners shall design, construct, operate and maintain the Peace Village and all street frontage and landscaping, utility extensions and connections, and other improvements, based on agreed upon and approved plans and specifications, at its sole

cost and expense without any assistance from the City, unless otherwise agreed to by the City.

- e. Project Partners agree and understand that the City's Cultural Heritage Committee shall have the opportunity to review the Peace Village project in order to ensure consistency with the City's Historic Preservation Guidelines and any other applicable guidance or regulations, including the Secretary of the Interior's Standards for Historic Preservation.
- f. Project Partners shall be responsible for meeting or mitigating all conditions, impacts, mitigations and requirements identified in the environmental review and entitlement processes for issues associated with the Project Partners' operation of the Peace Village on the Property, at Project Partners' sole cost and expense. Some cost sharing between the City and Project Partners may be possible, i.e. tree maintenance, hardscape improvements, historic structure repair and infrastructure costs, where they support public access and purpose.
- g. Project Partners shall take all reasonable efforts to preserve, protect, and maintain the heritage trees and grounds of the Property in accordance with a Tree Preservation and Protection Plan agreed to by the Parties.
- h. If the Project Partners are not in material compliance with the Lease or ceases to be financially solvent and to maintain the Property in a commercially reasonable manner, the lease shall contain provisions for the City to declare a default of the Lease, for Project Partners to effect a reasonable cure of the default(s), and for the City to terminate the Lease if the default(s) are not cured pursuant to the terms and conditions of the Lease, and for the Remainder Property to revert to the City.
- i. Prevailing wages shall be paid by Project Partners for construction of the Peace Village and related improvements where applicable.
- j. Payment of possessory interest and other taxes by Project Partners.
- k. Other long-term landlord protection ground lease provisions, such as City standard insurance requirements, indemnity provisions, attorneys' fees, prohibitions against nuisance, waste, requiring maintenance at the Project Partners' expense.
- l. The City will not subordinate its interest in the Property to any financing.

10. AMENDMENT. This Agreement may be extended, amended, or modified with the mutual consent of the parties. Any such extension, amendment or modification from the terms of this Agreement shall be in writing and shall be effective only upon approval by the City Council.

11. COMPLETE AGREEMENT. This written Agreement, including all writings specifically incorporated herein by reference, shall constitute the complete agreement between the parties. No oral agreement, understanding or representation not reduced to writing and specifically incorporated herein shall be of any force or effect, nor shall any such oral agreement, understanding or representation be binding upon the parties.

12. NOTICE. All notices to the parties shall be in writing and shall be sent by United States mail, postage prepaid by registered or certified mail addressed as follows:

13. AUTHORITY TO EXECUTE AGREEMENT. Both City and Project Partners warrant and represent that each individual executing the Agreement on behalf of each party is a person duly authorized and empowered to execute agreements for such party.

IN WITNESS WHEREOF, the parties execute this Agreement on the day and year first above written.

CITY OF SAN LUIS OBISPO

Mayor

ATTEST:

City Clerk

Approved:

City Manager

Approved to as form:

City Attorney

ECOLOGISTICS, a California non-profit corporation, as fiscal sponsor for The Peace Project

President

SMART SHARE HOUSING SOLUTIONS, a California non-profit corporation

President



Department: Information Technology
Cost Center: Network Services
For Agenda of: 9/21/2021
Placement: Consent
Estimated Time: N/A

FROM: Greg Hermann, Deputy City Manager
Prepared By: Miguel Guardado, Information Technology Manager

SUBJECT: APPROVE AN EXTENSION TO THE ORACLE ERP PROJECT MANAGEMENT SERVICES CONTRACT WITH ARCHER STREET, LLC

RECOMMENDATION

Approve a contract extension with Archer Street, LLC for Oracle ERP Project Management Services in the amount of \$80,000.

DISCUSSION

This request is to approve continued Project Management support of the City's Oracle ERP system to continue to deliver essential services. The amount of the contract is \$80,000. The Motion project implemented Oracle's Cloud Enterprise Resource Planning (ERP) system in 2018. Since the implementation City Staff have been working to resolve ongoing issues with configuration and system functionality. Staff have been working with the Human Resources and Finance functional teams to identify outstanding high importance issues from the implementation of the Motion project.

The Motion Core Team has landed on a work plan for the next two years. Technology Project Management services allow the City to continue implementing and optimizing the City's Enterprise Resource Planning (ERP) software application. Staff is currently contracted with Archer Street, LLC, to provide project management services to assist the staff team in the completion of specified projects. During the current engagement, City staff has been able to complete several important projects (such as improvements to Bank Reconciliation processes, implementation of a budgeting module, and implementation of labor cost modeling). Staff have also implemented recommendations from Archer Street, LLC, including establishing a governance structure, and coordination with vendors on project scoping and prioritization of projects for upcoming work plans. The IT Strategic Plan, approved and adopted in 2017, identified the need and recommended the creation of a Project Management Office to generate alignment between people, processes, and systems across the organization. As our organization continues to mature and the City increases reliance on enterprise systems, this request aligns and is supported by a Council approved position. City staff ran a recruitment last year and were unable to fill the vacancy.

City staff is seeking to continue its engagement with Archer Street, LLC, specifically Tony Rice, II, one of Archer Street's Principal Project Managers, which expired August 1, 2021. Mr. Tony Rice, II has over ten years of experience in consulting services in Project/Program Management, Data Analytics, Business Intelligence, Business Process Redesign, Organization Design, and Change Management. He has consulted with various public sector and education clients. This contract extension would run through the end of the 2022 fiscal year and allow the City to continue progress on important projects for the Motion system and complete the recruitment for the Technology Project Manager position.

Staff has extensively discussed the duties and responsibilities for this position and this role for the City of San Luis Obispo would meet all the conditions of AB 5 Employment Status. Moreover, the work Archer Street LLC is performing is outside the usual course of the City's business as it does not have an internal Technology Project Manager, and the work Mr. Rice is performing is more specialized and project specific focused and differs from the work the anticipated full-time employee will perform once hired. Mr. Rice is assisting the City through coordinating major system enhancements and implementations with Oracle Consulting Services whereas the future Technology Project Manager will be primarily focused on quarterly updates and enhancements handled by internal staff, along with other Technology Projects across the City.. Further, Mr. Rice is free from the City's control and direction in the performance of his services, has other clients, and is customarily engaged in project management consulting services.

Previous Council or Advisory Body Action

There is no previous Council action on this item. Per City purchasing policies, the original Archer Street, LLC contract was approved through a City Manager Report.

Policy Context

The original contract was approved through a sole source agreement on 2/26/2021 per the City's establish purchasing policies.

Public Engagement

This is an administrative item, so no outside public engagement was completed. Public comment can be provided to the City Council through written correspondence prior to the meeting and through public testimony at the meeting.

FISCAL IMPACT

Budgeted: No
Funding Identified: Yes

Budget Year: 2021-22

Fiscal Analysis:

Funding for the contract extension would come from the Network Services budget and the vacant Technology Project Manager position (\$112,738). This contract extension would take the City through June 2022, but in the event that a full-time employee is hired prior to the end of the contract, the City has the option to terminate the contract early (thus not spending the full \$80,000).

Funding Source	Current balance of Technology Project Manager	Proposed Contract Extension	Remaining Balance
Salaries and Benefits	\$ 112,738	\$80,000	\$32,738

ALTERNATIVES

Do not approve the Oracle ERP Project Management contract extension. This is not recommended as it would delay the identified projects in the IT two-year work plan that have been identified to move this project forward.

ATTACHMENTS

- A – Amendment to Agreement with Archer Street, LLC
- B – Archer Street Project Management Services Quote dated 08/26/2021
- C – Sole Source Archer Street LLC

AMENDMENT TO AGREEMENT NO. 1

THIS AMENDMENT TO AGREEMENT is made and entered in the City of San Luis Obispo on September 1, 2021, by and between the CITY OF SAN LUIS OBISPO, a municipal corporation, herein after referred to as City, and Archer Street, LLC, Tony Rice II, hereinafter referred to as Contractor.

WITNESSETH:

WHEREAS, on March 1, 2021, the City entered into an Agreement with Archer Street, LLC, Tony Rice II for Project Management Services to the Motion Oracle ERP System; (the "Agreement") and

WHEREAS, the City and Archer Street LLC, Tony Rice II desires to amend the Agreement to extend the contract until June 30, 2022, and Archer Street LLC, Tony Rice II has submitted a proposal for this purpose that is acceptable to the City.

NOW THEREFORE, in consideration of their mutual promises, obligations and covenants hereinafter contained, the parties hereto agree as follows:

1. The Agreement is hereby amended as set forth in Exhibit A attached hereto.
2. All other terms and conditions of the Agreement remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed the day and year first written above.

ATTEST:

CITY OF SAN LUIS OBISPO

Teresa Purrington, City Clerk

By: _____
Derek Johnson, City Manager

APPROVED AS TO FORM:

CONTRACTOR

J. Christine Dietrick, City Attorney

By: _____
Tony Rice, II

Quote #SLO20210826

Date: August 26, 2021

Expires: October 26, 2021

Customer: City of San Luis Obispo, CA

Vendor: Archer Street LLC

Project Management Services Quote

Archer Street LLC will provide a consultant at the rate of \$100.00 USD per hour for an average of 20 hours per week for 40 weeks (800 hours total) amounting to a sum not to exceed (NTE) \$80,000.00 USD to perform Senior Project Manager services for the Information Technology Department.

Under the direction of the IT Manager or designee(s), the consultant's duties will include assisting staff with activities and work related to the planning and implementation of the Enterprise Resource Planning project.

Services

- Has primary responsibility for delivery of full scope of projects, on schedule and within budget
- Manage the development of the scope definition and project plans to support project goals and successful completion of project
- Provide team leadership for problem resolution by working with the lowest organizational levels possible and escalating, as necessary
- Monitor schedule and costs for projects versus their progress; identify problems and possible solutions
- Serve as central point of contact for project

Deliverables

- Project Charters, Project Plans, Project Status Reports, Project Closure Reports and other written deliverables, as required

Rate Summary

Archer Street utilizes an "all-inclusive" rate (see "Expenses" section for details) that decreases the administrative time required for both the Client and Firm.

Expenses

Administrative and travel costs (i.e. gas, hotel and meals) are included assuming on-site travel is not required. Other project related costs including, but not limited to, software and equipment will be billed only with prior approval by the City designee at cost plus 10% administration fee. Archer Street terms accommodate pro-rata professional fees should work stop prematurely for any reason.



City of San Luis Obispo

Justification Form

Sole Source

Archer Street, LLC

It is the policy of the City of San Luis Obispo to solicit quotations or bids for purchases of commodities or services for specified dollar amounts and to select vendors on a competitive basis (See City of San Luis Obispo Financial Management Manual, Section 201, Exhibit 201-B).

Pursuant to San Luis Obispo Municipal Code Chapter 3.24.060, certain acquisitions in which the products or services may only be obtained from a single source may be purchased without engaging in bidding procedures. Such Sole Source acquisitions must be justified in sufficient detail to explain the basis for suspending the usual competitive procurement process and approved by the approving authority before such a purchase is made.

- 1. What product or service is being requested? Why is it necessary?** The request is for Oracle ERP senior project management services for the planning and implementation of the Motion Enterprise Resource Planning Project. This service is necessary to provide the resource for project charters, project plans and the setup of a governance structure, identification of critical issues, analysis of necessary work efforts, and coordination with vendors.
- 2. Is this “brand” of product or services offered the only one that meets the City’s requirements? If yes, what is unique about the product/services?** No
- 3. Is the product or service proprietary, or is it available from various dealers? Have you verified this?**
The service is not proprietary
- 4. Have other products/vendors been considered? If yes, which? And how did they fail to meet the City’s requirements?** Yes, the City ran a recruitment for a project manager with a successful candidate.
- 5. Is the purchase an upgrade or addition to an existing system or brand of products adopted citywide? If so, will purchase of this product avoid “switching” costs as opposed to purchasing another product or service (e.g., additional training required; data conversion; implementation of a new system; etc.)? No**
- 6. Is this a request for services by a contractor with necessary, unique, and critical knowledge of established City systems or programs? If so, will the use of the contractor’s services avoid other costs (e.g., significant staff time in compiling information, data transfers, etc.)?** Yes, the City has been working with Archer LLC since November 2020 on a limited basis for project management. During this time, Archer LLC has been engaged and has knowledge of the Motion ERP project and staff.

7. **What is the quoted price for the product or services, and is it reasonable (based on other products or services in the same field or based on historical pricing for the City for similar products or services)?** The quoted price is \$100/hour and is reasonable based on historical pricing for similar services.

Josh Erquiaga, Network Services Supervisor
Requester

Dan Clancy/s/
Dan Clancy, Purchasing Analyst

2/26/2021
Date



Council Agenda Correspondence

DATE: September 21, 2021

TO: Mayor and Council

FROM: Brigitte Elke, Finance Director

VIA: Derek Johnson, City Manager

SUBJECT: ITEM #6e – FISCAL YEAR 2020-21 4TH QUARTER BUDGET REVIEW (YEAR-END)

Staff received a request to present a break-down of the City's 2020-21 Investment for Covid-19 Relief Efforts organized by spending category in addition to funding source as presented in the Council agenda report on page 54.

The table below shows the requested breakdown:

2020-21 Investment into Covid-19 Relief Efforts	
Economic Recovery & Support	
Open SLO Project & Parklets	\$ 800,203
Small Business Relief Program	\$ 775,000
Shop Local Incentive	\$ 200,000
Downtown Retail Strategy/ Mission Plaza Improvements	\$ 54,400
Total	1,829,603
Human Services	
Homeless Services Support incl. Safe Parking	\$ 435,189
Childcare Amendments	\$ 20,000
Total	\$455,189
Government Services	
Communications and Grant Writing Support	\$ 80,000
Other Covid-19 Related Expenditures	\$ 383,723
Investment to Support Grant Funding Opportunities for Tenant Improvements	\$ 2,000,000
Total	2,463,723
Grand Total	\$ 4,748,515

The funding for these efforts was approved by the following Council actions:

- 4th Quarter Measure G-20 Revenue ([R-11203](#))
- CARES act Funding ([July 21, 2020 Item B](#))
- General Fund Undesignated Fund Balance ([R-11117](#))



Department: Finance
Cost Center: 2002
For Agenda of: 9/21/2021
Placement: Consent
Estimated Time: N/A

FROM: Brigitte Elke, Finance Director
Prepared By: Natalie Harnett, Principal Budget Analyst

SUBJECT: FISCAL YEAR 2020-21 4TH QUARTER BUDGET REVIEW (YEAR-END)

RECOMMENDATION

Receive and file the FY 2020-21 4th Quarter Budget Review and unaudited year-end results.

REPORT-IN-BRIEF

This report provides an overview of the City's unaudited financial position through the fourth and final quarter of fiscal year 2020-21 (July 1, 2020-June 30, 2021) for the General Fund and the City's four enterprise funds. It also delivers a re-cap on how the 2020-21 Supplemental Budget was developed and the decisions that Council made along the way, given the Covid-19 emergency.

Based on the unaudited financials, it is clear that the activation of the Fiscal Health Contingency Plan together with the third and last year of the Fiscal Health Response Plan measures adjusted the City's expenditures to withstand the revenue losses experienced during the Covid-19 year. In addition, the pace of the economic recovery was quicker than forecasted once public health restrictions were lifted, and people began to resume daily activities. Much pent-up demand led to spending and all funds ended the year in a positive position with operating revenues over operating expenditures.

The report also provides a review of the approved Measure G20, which was approved by the voters in November 2020. The City began collecting the additional one-cent transaction tax (G20) on April 1, 2021. On December 8, 2020, Council approved the allocation of \$3,425,000 from the anticipated first quarter revenue from the augmented local transaction and use tax for economic recovery efforts.

Lastly, the report provides an update on the American Rescue Plan Act (ARPA) funding. This historic bill will provide economic stimulus funding to the City of San Luis Obispo to reimburse lost revenue and help support economic recovery efforts. The originally authorized \$8.9 million was programmed into the 2021-23 Supplemental budget, but it has since been confirmed that the City will receive \$13.5 million.

No actions for allocating unaudited or unreceived ARPA funding are recommended at this time and staff will return with recommended appropriations once the final audit is reviewed and accepted by the City Council.

DISCUSSION

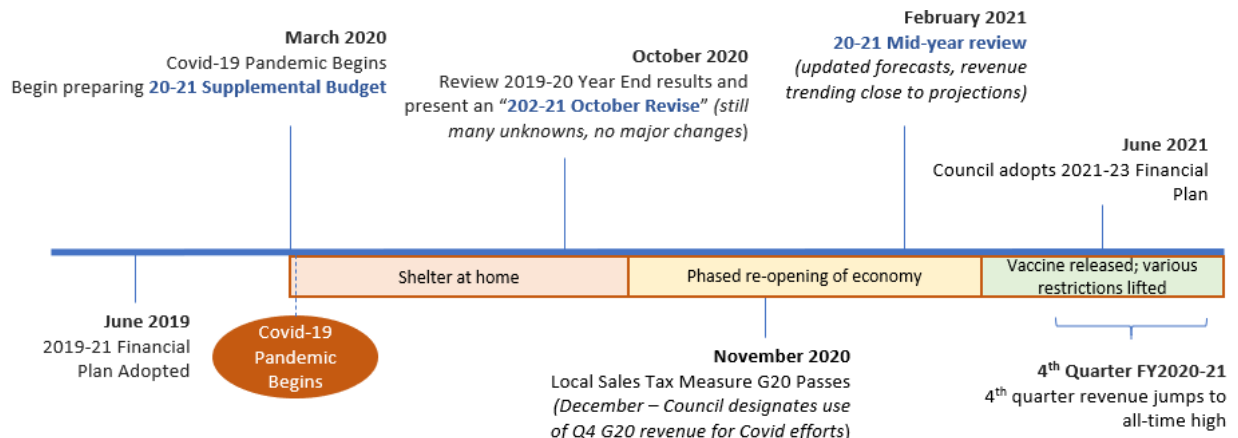
A Year Like No Other

During “normal” times, the second year of the City’s two-year 2019-21 Financial Plan (the 2020-21 *Supplemental Budget*) is simply an adjustment to the assumptions made a year earlier given a deeper understanding of the current trends and budget needs and therefore has generally very few significant changes from the work programs that were adopted with the two-year Financial Plan. The 2020-21 Supplemental Budget preparation was far from normal. Staff began the planning efforts right when the Covid-19 pandemic shut down the economy and introduced shelter-at-home directives that lasted through various stages until June 2021. Equipped with the savings measures from the third year of the Fiscal Health Response Plan (FHRP) and the immediate activation of the Fiscal Health Contingency Plan, staff further adjusted the operating and capital budget to an adjusted revenue forecast selected from several scenario models.

	Original 2020-21 Expenditure Budget (General Fund)	Revised 2020-21 Expenditure Budget (General Fund)	Reductions
Operating	\$75,025,818	\$70,283,576	\$4,742,242
Capital	\$5,627,937	\$4,346,518	\$1,281,419
Total	\$80,653,755	\$74,630,094	\$6,023,661

It is important to review the information provided in the report with the savings measures and adjustment efforts in mind. The detail of the individual reductions by department can be found in the [2020-21 Budget Supplement](#) beginning on page 57.

Timeline of Fiscal Year 2020-21



General Fund Expenditures Overview

Overall, the General Fund finished the year in a positive position and experienced about 4% in net expenditure budget savings in spite of already revised expenditure budget. The savings can be associated with both the effectiveness of the third year of the [Fiscal Health Response Plan](#) and the immediate activation of the [Fiscal Health Contingency Plan](#), and the disciplined adherence to both plans during a pandemic year that also saw wide-ranging protests. It is therefore important to note that the operating savings were achieved despite unbudgeted expenditures related to the Covid-19 pandemic and the additional cost related to the protests. To date, the City has submitted eight applications to FEMA amounting to \$1.8 million but has yet to receive any reimbursement. Given the ongoing nature of the pandemic with the 4th wave of infections currently raging and the natural disasters occurring on the U.S. East Coast, it is not anticipated that reimbursements will be received anytime soon.

Table 1: General Fund Expenditures by Department

Index	Department	2019-20	2020-21				2021-22
		Actual	Budget	Actual	Funds Available	%	Budget
1	Internal Services						
2	Administration/IT	\$ 7,391,885	\$ 8,914,944	\$ 8,561,681	\$ 353,263	4%	\$ 9,772,859
3	City Attorney	\$ 953,794	\$ 1,140,736	\$ 1,106,284	\$ 34,452	3%	\$ 1,185,571
4	Finance	\$ 1,755,289	\$ 2,137,421	\$ 1,836,038	\$ 301,383	14%	\$ 2,190,827
5	Non-dept, Support Services	\$ 605,707	\$ 2,533,201	\$ 2,374,349	\$ 158,852	6%	\$ 695,358
6	Human Resources	\$ 1,225,244	\$ 1,484,646	\$ 1,437,144	\$ 47,502	3%	\$ 1,700,849
7	Public Safety						
8	Fire	\$ 12,541,211	\$ 14,964,924	\$ 14,082,842	\$ 882,082	6%	\$ 13,997,547
9	Police	\$ 17,532,449	\$ 18,044,459	\$ 17,728,656	\$ 315,804	2%	\$ 19,141,343
10	Community Services Group (CSG)						
11	CSG Administration	\$ 9,593	\$ 404,998	\$ 338,468	\$ 66,530	16%	\$ 665,501
12	Community Development	\$ 5,671,947	\$ 7,328,592	\$ 6,687,988	\$ 640,605	9%	\$ 6,981,163
13	Parks & Recreation	\$ 3,743,241	\$ 4,476,025	\$ 4,159,514	\$ 316,511	7%	\$ 5,126,817
14	Public Works	\$ 12,508,036	\$ 14,348,211	\$ 13,276,038	\$ 1,072,173	7%	\$ 14,675,638
15	Utilities - Solid Waste Recycling	\$ 87,156	\$ 228,669	\$ 141,918	\$ 86,751	38%	\$ 199,699
16	Total	\$ 64,025,552	\$ 76,006,827	\$ 71,730,921	\$ 4,275,906	6%	\$ 76,333,171
17	Restricted for Carryover						
18	Restricted AB 939 Solid Waste Recycling Funds				\$ 103,571		\$ 103,571
19	Public Safety Equipment Funding				\$ 929,344		\$ 929,344
20	Total after Carryover	\$ 64,025,552	\$ 76,006,827	\$ 70,776,458	\$ 3,242,990	4%	\$ 1,032,915

Table 2: General Fund Expenditures by Type

Expenditure Type	2019-20	2020-21				2021-22
	Actual	Budget	Actual	Funds Available	%	Budget
Staffing	\$ 51,200,303	\$ 56,176,951	\$ 54,671,543	\$ 1,505,408	3%	\$ 59,262,760
Contract Services	\$ 5,841,089	\$ 9,053,545	\$ 7,779,421	\$ 1,274,124	14%	\$ 8,356,630
Other Operating Expenses	\$ 4,571,439	\$ 7,350,524	\$ 5,662,883	\$ 1,687,640	23%	\$ 5,876,080
Utilities	\$ 2,113,794	\$ 2,475,448	\$ 2,520,540	\$ (45,092)	-2%	\$ 2,837,702
Covid-19 *	\$ 298,927	\$ 950,359	\$ 1,096,534	\$ (146,175)	-15%	
TOTAL	\$ 64,025,552	\$ 76,006,827	\$ 71,730,921	\$ 4,275,906	6%	\$ 76,333,171

*This amount is not inclusive of all Covid-19 expenditures. Many Covid-19 related costs and budget allocations were distributed throughout department budgets and/or capital project budgets. See the "Covid-19 Impacts" section below for more detail.

General Fund Revenue Overview

Revenue Loss Assumptions

At the onset of the pandemic, the City's Finance Department immediately began to draft fiscal scenarios for the General Fund based on a multitude of data points including economist and econometric input and an analysis of revenue variances from 1998 to present; essentially assessing the fiscal trends following the past two recessions. The initial picture showed a revenue shortfall in the General Fund within three months at a level it took 16 months to develop during the Great Recession. Based on the intelligence gained through the models, staff estimated a revenue loss of \$8.6 million in the General Fund alone in fiscal year 2020-21.

However, at the end of the 4th quarter, two of the City's largest sources of revenue, Sales and Use Tax and Transient Occupancy Tax (TOT) far exceeded the City's projections for the year. This is consistent with trends across the state. At the end of the third quarter, revenue was tracking only slightly higher than projected, but the fourth quarter of the year experienced a huge spike in consumer spending. This coincided with increasing vaccination rates and the lifting of state-wide restrictions. While good news for the City's economy, this is likely a temporary escalation due to pent-up demand, excess savings, and a re-opening economy. The City had budgeted and anticipated robust Property Tax revenue due to a strong real estate market driven by a very low interest environment that continued the momentum. The growth is anticipated to continue into the current fiscal year and possibly into 2023. The City had reduced its Cannabis Tax assumption due to the delay in retail activity. The first retailer opened its doors in August 2020. Together with a rigorous enforcement of delivery activity, this revenue surpassed assumptions but was offset by the Council approved lowering of Cannabis fee revenue. Of note is also the recovery of Parks & Recreation fees once restrictions on adult and youth sports were lifted. All factors combined, the City ended with actual revenue about \$6.6 million over the projection with the 4th Quarter making up nearly all of this overage. For details about specific revenue categories, see Attachment A.

Table 3: General Fund Revenue Overview

	2018-19 Actual	2019-20 Actual	2020-21			
			Budget	Actual	Variance	%
1 Tax & Franchise Revenue						
2 Sales Tax (Bradley Burns)	18,119,000	16,571,064	16,571,000	20,067,740	3,496,740	121%
3 Local Revenue Measure G20*	8,325,000	7,554,375	11,392,000	12,779,713	1,387,713	112%
4 Safety Prop 172		416,459	315,163	425,136	109,973	135%
5 Property Tax	17,473,000	18,591,951	19,553,558	19,587,146	33,588	100%
6 Transient Occupancy Tax	8,061,000	6,325,841	6,267,000	6,921,335	654,335	110%
7 Utility User Tax	4,920,000	5,439,144	5,565,000	4,934,876	(630,124)	89%
8 Franchise Fees	1,428,000	1,888,414	1,544,000	1,611,728	67,728	104%
9 Business Tax	2,630,000	2,913,665	2,853,740	2,937,176	83,436	103%
10 Cannabis Tax		81,599	400,000	830,265	430,265	208%
11 Gas Tax	937,032	1,047,225	1,082,390	1,038,123	(44,267)	96%
12 Gas Tax (SB1) *	722,436	1,015,564	795,548	779,144	(16,404)	98%
13 Total Tax/Franchise	\$ 62,615,468	\$ 61,845,300	\$ 66,339,399	\$ 71,912,382	\$ 5,572,983	108%
14 * Special Revenue Funds						
15 Fees and Other Revenue						
16 General Government	\$ 2,438,651	\$ 4,044,223	\$ 5,480,662	\$ 5,476,349	\$ (4,314)	100%
17 Development Review Services	\$ 5,881,785	\$ 7,257,859	\$ 6,387,087	\$ 6,732,896	\$ 345,809	105%
18 Fire Services	\$ 1,453,435	\$ 1,442,456	\$ 1,387,037	\$ 1,498,215	\$ 111,177	108%
19 Police Services	\$ 655,371	\$ 916,344	\$ 556,000	\$ 609,643	\$ 53,643	110%
20 Parks & Recreation Services	\$ 1,679,974	\$ 1,247,119	\$ 1,217,112	\$ 1,768,932	\$ 551,819	145%
21 Total Fees and Other Revenue	\$12,109,216	\$ 14,908,001	\$15,027,899	\$ 16,086,034	\$1,058,135	107%
22 TOTAL	\$ 74,724,684	\$ 76,753,301	\$ 81,367,298	\$ 87,998,416	\$ 6,631,118	108%

General Fund Ending Position

The table below shows the ending net position of the general fund and the estimated fund balance at year end. While these numbers are still unaudited, they show that the fund ended with revenue over expenditures and an undesignated fund balance of about \$10 million. This is a further increase from \$7.1 million on June 30, 2020 (audited financials), an amount the City Council decided to leave in fund balance for use of economic recovery and further pandemic related efforts. With this decision, the Council also postponed the previously scheduled CalPERS payments to reduce the City's unfunded liability.

Table 4: General Fund Ending Position (UNAUDITED) in thousands		
1	Total Operating Expenditures (not including encumbrances)	\$ (68,502)
2	Transfers, Debt, Capital	\$ (6,203)
3	Revenue	\$ 86,538
4	Encumbrances, Commitments, Carryover	\$ (4,589)
5	Adjustment for Audit/ Outstanding Invoices (estimate)	\$ (500)
6	Revenue Over/(under) Expenditures	\$ 6,745
7	2019-20 Ending Fund Balance	\$ 33,651
8	Ending Fund Balance before CalPERS	\$ 40,362

9	CalPERS Downpayments ¹	\$	3,000
10	Ending Fund Balance	\$	37,362
11	Policy Reserve Level - 20%	\$	11,394
12	Tenant Improvement(TI) Program	\$	1,950
13	Capital Reserve ²		
14	115 Pension Trust Fund	\$	2,000
15	Restricted based on Audit (estimate)	\$	12,000
16	Undesignated Fund Balance	\$	10,052

Covid-19 Impacts

Impacts on Departments

As soon as the City announced the “shelter-at-home” directive, it also enacted its Fiscal Health Contingency Plan that immediately placed a hiring, purchasing, and travel chill on all City operations. This longstanding planning tool allowed the City to control expenditures and limit them to essential services only.

Covid-19 had a citywide impact on department operations. In most cases, it led to an increased volume and complexity of workload. At the onset of the pandemic, the organization was able to quickly set up its Emergency Operations Center (EOC) and begin addressing the health emergency (with City staff performing essential and regular services simultaneously). See Attachment A for details on how Covid-19 impacted operations for each department.

Investment into Covid-19 Efforts

The table below lists the investments into economic recovery and relief efforts related to the Covid-19 pandemic. This table does not include staffing or overhead costs needed to respond to the health crisis. The City used CARES Act funding to pay for some of these expenditures, but the majority of the funding came from the General Fund undesignated fund balance or the 4th quarter of Measure G-20 revenue ([Resolution no. 11203](#)).

¹ See **Section 7 of Attachment A** for CalPERS update. This does not include postponed payments from prior years.

² Starting in 2021-22, the Capital Reserve will be moved to the General Capital Outlay Fund and will maintain a committed reserve of 20% of the capital improvement plan budget from the Local Revenue Measure for the purposes of offsetting unanticipated costs increases, unforeseen conditions, and urgent unanticipated projects to provide the continued investment in infrastructure maintenance and enhancement.

Table 5: Covid-19 Expenditures

2020-21 Investment into Covid-19 Relief Efforts	
Funded by 4th Quarter Measure G-20 Revenue (See Section 5 of Attachment A for more detail)	\$ 3,425,000
Shop Local Incentive	\$ 200,000
Mission Plaza Improvements/Landscaping	\$ 25,000
Downtown Future Strategy	\$ 29,400
Homeless Services Support/Coordination	\$ 300,000
Small Business Relief Program	\$ 500,000
Grant Funding Opportunities for Tenant Improvements ³	\$ 2,000,000
Open SLO Project/Parklets	\$ 370,600
Funded by CARES Act	\$ 566,680
Homeless Programs	\$ 29,132
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Other Covid-19 Expenditures	\$ 237,548
Funded by General Fund Balance	\$ 756,835
Open SLO Project/Parklets	\$ 329,603
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Mini Grants	\$ 75,000
Childcare Amendments	\$ 20,000
Grant Writing Services	\$ 20,000
Homeless Services: Safe Parking, Shelter Capacity Increase	\$ 101,057
Shower the People Project	\$ 5,000
Other Covid-19 Expenditures	\$ 146,175
Total	\$ 4,748,515

Capital Improvement Plan (CIP)

Due to the revised projections in revenue, staff evaluated all projects currently funded and the projects that were previously identified in FY 2020-21 as part of the 2019-21 Financial Plan. Part of that evaluation included the role of capital projects in supporting recovery. The proposed capital projects support essential services to the community as well as proposes deferred projects to align with the revised revenue projections. These projects are identified in more detail starting on page 120 of the [2020-21 Budget Supplement](#).

³ **Tenant Improvement Grant Program:** The concept of this program is to locally invest \$2,000,000 in short term Certificates of Deposit to generate interest and use that interest for a grant program to help offset the cost of a TI permit. The principal amount would be budget to be spent on projects and services as a part of the 2021-23 Financial Plan. Due to the continuing low-income environment, no banks bid on the request for proposals and the funding will remain in LRM fund balance and is invested with the City's pooled assets under its current investment strategy.

The City completed over 20 capital improvement projects in 2020-21. A few of the accomplishments for 2020-21 were the Marsh Street Bridge Replacement, the Islay Hill Park Playground Replacements, the Chorro Street Traffic Circle, and Casa/Murray Street Waterline Replacements.

Enterprise Fund Overviews

Water Fund

For the most part, Water operations continued as normal through the pandemic. The Utilities department lowered its revenue projections for the supplemental budget because of uncertainties about consumer usage and assumptions that the shelter-at-home order would lower overall consumption due to lack of tourism and business activity. However, a dry winter increased irrigation usage by 14% and the residential increase of 7% made up for the 5% decrease in commercial use. Additionally, the fund ended the year with about 11% in operating expenditure savings. This was due to several staffing vacancies and a reduction in electricity costs due to the Nacimiento pipeline being shut down for construction for part of the year. Overall, about \$6 million dollars will return to the fund's working capital. It is important to note that the increases in revenue were considered during the review of the long-term financial outlook and the previously projected water rate increase was reduced from 5.5% to 3.5% for both 2021-22 and 2022-23.

Table 6: 2020-21 Water Fund Summary

	Budget	Actual	Difference	Variance
Revenue	24,198,489 ⁴	28,935,456	4,736,967	+20%
Expenditures	18,122,881	16,090,107	2,032,774	-11%
Year-End Net Increase Return to Unreserved Working Capital			6,769,741	

Sewer Fund

The Wastewater division was busy in 2020-21 with normal operations, responding to the Covid-19 health emergency, and undertaking the first full year of construction of the WRRF upgrade project. Like the Water Fund, the Sewer Fund ended the year with revenue about 18% higher than projected due to a change in consumption patterns and increased residential usage. Additionally, actual expenditures were about 13% below budget. This was because some WRRF upgrade project expenses were postponed, and anticipated contract services were shifted for completion in next fiscal year (2021-22). As mentioned under the Water Fund, the financial picture led to a review of the previous rate increases by the rate consultant, HDR, and the lowering from originally 6.5% for both years of the 2021-23 Financial Plan to 3.5%. Overall, the Sewer Fund ended the year with about \$4 million dollars returning to its working capital. This is especially important as the fund continues to hold unassigned working capital to reduce the needed amount of the construction loan from the State Revolving Fund at the end of the project.

⁴ Budget revenue number excludes Proceeds from Debt to better demonstrate operating revenue compared to actual operating expenditures.

Table 7: 2020-21 Sewer Fund Summary

	Budget	Actual	Difference	Variance
Revenue	18,692,895 ⁵	22,001,248	3,308,353	+18%
Expenditures	8,454,246	7,317,963	1,139,284	-13%
Year-End Net Increase return to Unreserved Working Capital			4,447,637	

Parking Fund

There is no question that the Parking fund was hit the hardest by the pandemic and the resulting shut-down of the economy. It also greatly assisted with the economic recovery as 120 on-street parking spaces were used to provide parklets for restaurants downtown. As in the General Fund, the 4th quarter saw a return of the Farmers' Market and an influx of tourists, which allowed the Parking Fund to finish FY 20-21 in a stronger position than anticipated at the onset of the COVID-19 pandemic. Additionally, Parking Services was able to reduce operating expenditures by holding positions vacant, transitioning to electronic communications, and switching contract services to City staff. Parking Services has shown community leadership assisting with economic recovery efforts and enhancing parking facilities with public art and restoration projects. While multiple capital projects were deferred to account for projected revenue shortfalls, parking completed critical maintenance and on-bill financing-energy upgrades.

The COVID-19 pandemic has significantly affected Parking program operations as most fee services were suspended during the initial order to shelter-at-home and were gradually reimplemented to match demand. Parking suspended most enforcement, waived all parking fees at meters and in parking structures for certain time periods, and made reductions to staffing to account for the projected decrease in revenues. The Fund is seeing a significant increase in the use of parking pay stations as a means for contactless payment much welcomed by Covid-19 wary customers.

Table 8: 2020-21 Parking Fund Summary

	Budget	Actual	Difference	Over/Under Budget
Revenue	\$2,296,291	\$3,127,150	\$830,859	73%
Expenditures *	\$2,582,378	\$2,127,147	\$455,230	-18%
Year-End Net Difference	\$ (286,087)	1,000,003	\$1,286,090	

Transit Fund

The Transit Enterprise Fund ended the year with significant variances in both anticipated expenditures and forecasted revenues because of COVID-19. The pandemic had negative impacts on ridership and fare revenue that was offset by reduced expenditures in maintenance and supplies. The availability of CARES Act funds supplemented the Transit Fund, paying for 100% of the operating costs. Using CARES Act to fund

⁵ Budget figure excludes Proceeds from Debt to better demonstrate operating revenue compared to actual operating expenditures.

operational costs in FY 20-21 allowed the Transit Fund to use the originally programmed Federal funds for the purchase of two electric buses.

The reduction in service levels resulted in cost savings that helped to offset current losses in revenues. CARES Act funds were prioritized as the primary revenue source for the Transit Fund for FY 20-21. The unused balance of typical annual allocations of Federal 5307 and State Transit Development Act (TDA) Funds have been deferred for future use in FY 21-22.

The two electric buses have been ordered and are anticipated to arrive toward the end of the calendar year.

Local Revenue Measure

In 2014, the City's voters approved the continuation of the half-cent transaction tax (Local Revenue Measure) to protect and maintain essential services and facilities. In November 2020, voters approved Measure G20 and an increase of this vital revenue source to one and a half cent. This tax will provide an additional \$14-16 million for community services and infrastructure improvements each year.

The City began collecting the additional transaction tax on April 1, 2021. Since the voter approval did not happen until November 2020, this revenue was not programmed into the adopted supplemental budget and staff returned to Council with an updated revenue forecast at mid-year. At the time Measure G20 passed, there was an immediate need to invest in additional economic recovery efforts to support businesses and for services to support the community's most vulnerable. On December 8, 2020, Council approved the allocation of \$3,425,000 from the anticipated first quarter revenue from the augmented local transaction and use tax (see *Table 5*).

Table 9: LRM Ending Position for 2020-21

a. Forecast Revenue	b. Actual Revenue	Variance (a-b)	c. Approved Budget Allocations (expenditures)	Unallocated Revenue (b-c)
\$11,392,000	\$12,779,713	\$1,387,713	\$10,643,000	\$2,136,713

CalPERS Update

Fiscal Health Response Plan and Payment of Unfunded Liability

With the development of the 2017-19 Financial Plan, it became apparent that the City was facing a structural budget gap due to increases in pension cost. Starting in 2018-19, it implemented an aggressive three-year Fiscal Health Response Plan to pay down the pension obligation. Overall, the strategy included 1) New Ways of Doing Business 2) Employee Concessions and 3) Cannabis Revenues.

The plan included multiple one-time additional payments to CalPERS to reduce the unfunded liability payment term from 30 to 20 years. At the onset of the pandemic, the City had successfully built-up sufficient fund balance in its General Fund to make the second scheduled payment to CalPERS for 2019-20.

However, the City Council decided to retain this funding in fund balance to cover anticipated revenue shortfalls and to assist with economic recovery efforts as the shut-down of the economy and shelter-at-home directives had just taken place and the future looked precarious. With the prolonged duration of the pandemic and slow reopening of the economy, the third payment scheduled in Spring of 2021 was also postponed. The City is now behind on its scheduled one-time payments by \$7.2 million.

Table 10: Scheduled CalPERS Payments

2018-19	2019-20	2020-21	2021-22
\$4.2 million	\$4.2 million	\$3.0 million	\$3.0 million
<i>Paid, Unpaid, Planned</i>			

CalPERs Risk Mitigation Policy

In July 2021, CalPERs reported a 21.3% net return on investments for the 12-month period that ended June 30, 2021. Under the Funding Risk Mitigation Policy, approved by the CalPERS Board of Administration in 2015, the double-digit return triggered a reduction in the discount rate used to calculate employer and Public Employees' Pension Reform Act (PEPRA) members contributions. The discount rate, or assumed rate of return, will drop from 7% to 6.8% on ongoing basis.

The lowering of the discount rate will increase both employee and employer normal cost and also influence the unfunded liability. However, the double-digit gains should offset the impact of the lower discount rate on the unfunded liability. The City will see the effects of the change to the discount rate with the 2022-23 contributions. Staff is currently evaluating the impact of the change to adjust its 20-year pay-down strategy and will provide a full report at the mid-year budget in February 2022.

American Rescue Plan Act (ARPA)

On March 6, 2021, Congress approved a second stimulus bill known as the American Rescue Plan Act (ARPA), releasing \$1.9 trillion in funding. In a historic move, the bill includes direct payments to 19,000 municipalities, including the City of San Luis Obispo. In April 2021, the City received confirmation of an estimated allocation of \$8.9 million and the amount was built into the 2021-23 Financial Plan. However, the U.S. Treasury recently updated the City's allocation to \$13.5 million of which 50% was received on July 6, 2021, after staff placed the request for funding. The second installment will arrive one year after (July 2022) and jurisdictions have until December 31, 2024, to obligate the funds.

The original assumed \$8.9 million was programmed into the 2021-23 Supplemental budget to assist in reinstating frozen positions and invest in capital projects that had to be defunded due to the revenue shortfall. Applying the formula required through the Interim Final Rule, the City's revenue shortfall amounted to \$8.7 million for calendar year 2020. Staff is preparing to return to Council with strategic options on how to utilize the additional \$4.6 million at the 2021-22 Mid-Year Budget Review meeting in February 2022.

Recommendations

The careful management of expenditures, over realized revenues and additional ARPA funding provide a once in a lifetime opportunity to address liabilities and community livability. Staff intends to return to the Council in February 2022 as part of the mid year presentation to 1) Make additional CalPERS payments consistent with FHRP 2) Fund offsetting general fund budget appropriations with additional ARPA funding and 3) Provide additional allocations to the Infrastructure Investment Fund to advance critical key community and public infrastructure projects. More details will be provided as part of comprehensive report in February 2022.

Previous Council or Advisory Body Action

On June 4, 2019, the City adopted a two-year Financial Plan and the budget appropriations for 2019-20. Council later adopted the Supplemental Budget for the 2020-21 fiscal year on June 2, 2020 (Resolution no. 11126). The 2020-21 Mid-Year Review was before Council on February 6, 2021, and Council took action on allocation of G-20 funding anticipated in the last quarter of the fiscal year.

The City Council's advisory body for the Local Revenue Measure, the Revenue Enhancement Oversight Committee, recommended adoption of the Local Revenue Measure budget for the 2020-21 Budget Supplement on May 14, 2020.

Policy Context

The City's budget policies⁶ require that City Council review the City's budget and financial condition through periodic reports.

Public Engagement

Public comment on this item can be provided to the City Council through written correspondence prior to the meeting and through public testimony at the first meeting. The Fourth Quarter Financial Report for 2020-21 (Attachment A) will also be posted to the City's website for public review.

CONCURRENCE

Operating departments were provided the fourth quarter financial results before the preparation of this report. The respective fiscal officers and department analysts reviewed the numbers and have provided department evaluations and review summaries within Section 2 of Attachment A.

⁶ **Pg.20, 2019-21 Financial Plan: Interim Reporting** The City will prepare and issue timely interim reports on the City's fiscal status to the Council and staff. This includes online access to the City's financial management system by City staff; monthly reports to program managers; more formal quarterly reports to the Council and Departments heads, mid-year budget reviews; and interim annual reports.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act does not apply to the recommended action in this report, because the action does not constitute a “Project” under CEQA Guidelines Sec. 15378.

FISCAL IMPACT

Budgeted: Yes

Budget Year: 2020-21

Funding Identified: Yes

Fiscal Analysis:

Funding Sources	Total Budget Available	Current Funding Request	Remaining Balance	Annual Ongoing Cost
General Fund	N/A	N/A	N/A	N/A
State				
Federal				
Fees				
Other:				
Total	N/A	N/A	N/A	N/A

This report provides a high-level overview and analysis of the City’s financial position after the fourth and final quarter of FY 2020-21. No changes to the budget are being made at this time and results remain unaudited until the City’s Annual Comprehensive Financial Statements are published.

ALTERNATIVES

This is a “receive and file” item and no action from Council is required.

ATTACHMENTS

A – 2020-21 4th Quarter Budget Report



Fourth Quarter Financial Report (Year End) Fiscal Year 2020-21

Introduction

This financial report provides an overview of the City's financial position through the fourth quarter of fiscal year 2020-21 (July 1, 2020 – June 30, 2021) for the General Fund and the City's four enterprise funds. The report is broken down into the multiple sections to report on all elements of the budget and also elaborates on recent developments regarding pensions and the American Rescue Plan Act funding available to the City.

2020-21 – A Year like No Other

Staff had begun the planning efforts for the 2020-21 Budget Supplement when the Covid-19 pandemic shut down the economy and introduced shelter-at-home directives that lasted through various stages until June 2021. Equipped with the savings measures from the third year of the Fiscal Health Response Plan (FHRP) and the immediate activation of the Fiscal Health Contingency Plan, staff further adjusted the operating and capital budget to an adjusted revenue forecast selected from several scenario models.

It is important review the information provided in the report with the savings measures and adjustment efforts in mind. The detail of the individual reductions by department can be found in the [2020-21 Budget Supplement](#) beginning on page 57.

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Section 1: General Fund Overview

General Fund Expenditures

Overall, the General Fund finished the year in a positive position and experienced about 4% in net expenditure budget savings. The savings can be associated with both the effectiveness of the third year of the Fiscal Health Response Plan and the immediate activation of the Fiscal Health Contingency Plan, and the disciplined adherence to both plans during a pandemic year that also saw wide-ranging protests. It is therefore important to note that the operating savings were achieved despite unbudgeted expenditures related to the Covid-19 pandemic and the additional cost related to the protests

How to read the budget tables in this report

Budget: Adopted supplemental budget *plus* any encumbrances from prior year(s) or approved budget adjustments made throughout the year. This includes approved allocations from fund balance for Covid-19 related relief efforts.

Actual: Actual expenditures *plus* any encumbrances or obligated funds that will be carried forward to FY 2021-22.

Table 1: Expenditure Overview by Department

Index	Department	2019-20	2020-21				2021-22
		Actual	Budget	Actual	Funds Available	%	Budget
1	Internal Services						
2	Administration/IT	\$ 7,391,885	\$ 8,914,944	\$ 8,561,681	\$ 353,263	4%	\$ 9,772,859
3	City Attorney	\$ 953,794	\$ 1,140,736	\$ 1,106,284	\$ 34,452	3%	\$ 1,185,571
4	Finance	\$ 1,755,289	\$ 2,137,421	\$ 1,836,038	\$ 301,383	14%	\$ 2,190,827
5	Non-dept, Support Services	\$ 605,707	\$ 2,533,201	\$ 2,374,349	\$ 158,852	6%	\$ 695,358
6	Human Resources	\$ 1,225,244	\$ 1,484,646	\$ 1,437,144	\$ 47,502	3%	\$ 1,700,849
7	Public Safety						
8	Fire	\$ 12,541,211	\$ 14,964,924	\$ 14,082,842	\$ 882,082	6%	\$ 13,997,547
9	Police	\$ 17,532,449	\$ 18,044,459	\$ 17,728,656	\$ 315,804	2%	\$ 19,141,343
10	Community Services Group (CSG)						
11	CSG Administration	\$ 9,593	\$ 404,998	\$ 338,468	\$ 66,530	16%	\$ 665,501
12	Community Development	\$ 5,671,947	\$ 7,328,592	\$ 6,687,988	\$ 640,605	9%	\$ 6,981,163
13	Parks & Recreation	\$ 3,743,241	\$ 4,476,025	\$ 4,159,514	\$ 316,511	7%	\$ 5,126,817
14	Public Works	\$ 12,508,036	\$ 14,348,211	\$ 13,276,038	\$ 1,072,173	7%	\$ 14,675,638
15	Utilities - Solid Waste Recycling	\$ 87,156	\$ 228,669	\$ 141,918	\$ 86,751	38%	\$ 199,699
16	Total	\$ 64,025,552	\$ 76,006,827	\$ 71,730,921	\$ 4,275,906	6%	\$ 76,333,171
17	Restricted for Carryover						
18	Restricted AB 939 Solid Waste Recycling Funds				\$ 103,571		\$ 103,571
19	Public Safety Equipment Funding				\$ 929,344		\$ 929,344
20	Total after Carryover	\$ 64,025,552	\$ 76,006,827	\$ 70,776,458	\$ 3,242,990	4%	\$ 1,032,915

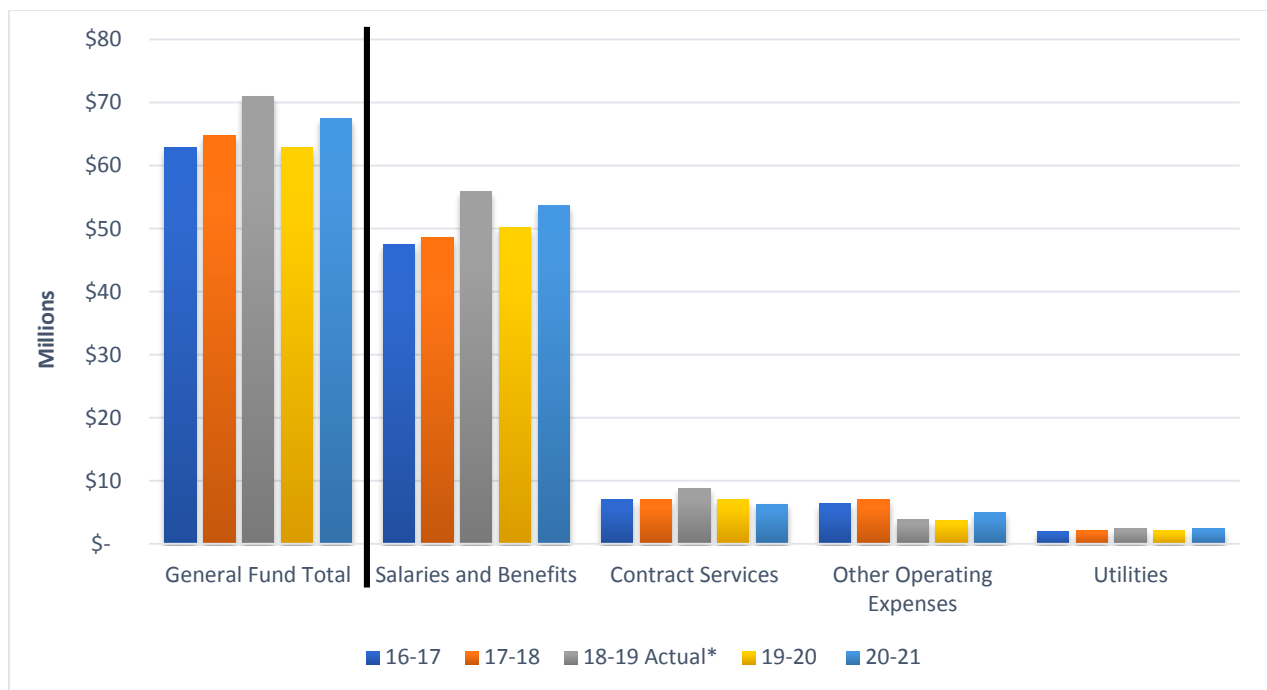
Table 2: Expenditure Overview by Type

Expenditure Type	2019-20	2020-21					2021-22
	Actual	Budget	Actual	Funds Available	%		Budget
Staffing	\$ 51,200,303	\$ 56,176,951	\$ 54,671,543	\$ 1,505,408	3%		\$ 59,262,760
Contract Services	\$ 5,841,089	\$ 9,053,545	\$ 7,779,421	\$ 1,274,124	14%		\$ 8,356,630
Other Operating Expenses	\$ 4,571,439	\$ 7,350,524	\$ 5,662,883	\$ 1,687,640	23%		\$ 5,876,080
Utilities	\$ 2,113,794	\$ 2,475,448	\$ 2,520,540	\$ (45,092)	-2%		\$ 2,837,702
Covid-19 *	\$ 298,927	\$ 950,359	\$ 1,096,534	\$ (146,175)	-15%		
TOTAL	\$ 64,025,552	\$ 76,006,827	\$ 71,730,921	\$ 4,275,906	6%		\$ 76,333,171

*This amount is not inclusive of *all* Covid-19 expenditures. Many Covid-19 related costs and budget allocations were distributed throughout department budgets and/or capital project budgets. See the “**Covid-19 Expenditures**” section below for more detail.

Graph A: Year-over-year Expenditures by Type:

The graph below demonstrates expenditure trends over the last five years. While Other Operating Expenses and Contract Services have stayed relatively flat, Salary and Benefit costs have increased steadily over the years. Though cost of living adjustments (COLAs) were given during two of the three FHRP years for most employee groups, the negotiated terms also required a 3% employee contribution toward the CalPERS employer obligation that largely offset the COLAs. The City’s contracts with CalPERS were updated accordingly.



*18-19 Actuals include the one-time additional payment to CalPERS of \$4.2 million.

Covid-19 Expenditures

The table below lists the investments into economic recovery and relief efforts related to the Covid-19 pandemic. This table does *not* include staffing or overhead costs needed to respond to the health crisis. The City used CARES Act funding to pay for some of these expenditures but the majority of the funding came from the General Fund undesignated fund balance or the 4th quarter of Measure G-20 revenue ([R-11203](#)).

2020-21 Investment into Covid-19 Relief Efforts	
<i>Funded by 4th Quarter Measure G-20 Revenue (see Section 5 for more detail)</i>	<i>\$ 3,425,000</i>
Shop Local Incentive	\$ 200,000
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**** Tenant Improvement Grant Program:** The concept of this program is to locally invest \$2,000,000 in short term Certificates of Deposit to generate interest and use that interest for a grant program to help offset the cost of a TI permit. The principal amount would be budget to be spent on projects and services as a part of the 2021-23 Financial Plan. Due to the continuing low-income environment, no banks bid on the request for proposals and the funding will remain in LRM fund balance and is invested with the City's pooled assets under its current investment strategy.

General Fund Revenues

Table 4: General Fund Revenue Overview

The table below shows an overview of the General Fund revenue. More detail about fee revenue can be found within the respective department section.

			2020-21			
	2018-19 Actual	2019-20 Actual	Budget	Actual	Variance	%
1 Tax & Franchise Revenue						
2 Sales Tax (Bradley Burns)	18,119,000	16,571,064	16,571,000	20,067,740	3,496,740	121%
3 Local Revenue Measure G20*	8,325,000	7,554,375	11,392,000	12,779,713	1,387,713	112%
4 Safety Prop 172		416,459	315,163	425,136	109,973	135%
5 Property Tax	17,473,000	18,591,951	19,553,558	19,587,146	33,588	100%
6 Transient Occupancy Tax	8,061,000	6,325,841	6,267,000	6,921,335	654,335	110%
7 Utility User Tax	4,920,000	5,439,144	5,565,000	4,934,876	(630,124)	89%
8 Franchise Fees	1,428,000	1,888,414	1,544,000	1,611,728	67,728	104%
9 Business Tax	2,630,000	2,913,665	2,853,740	2,937,176	83,436	103%
10 Cannabis Tax		81,599	400,000	830,265	430,265	208%
11 Gas Tax	937,032	1,047,225	1,082,390	1,038,123	(44,267)	96%
12 Gas Tax (SB1) *	722,436	1,015,564	795,548	779,144	(16,404)	98%
13 Total Tax/Franchise	\$ 62,615,468	\$ 61,845,300	\$ 66,339,399	\$ 71,912,382	\$ 5,572,983	108%
14 <i>* Special Revenue Funds</i>						
15 Fees and Other Revenue						
16 General Government	\$ 2,438,651	\$ 4,044,223	\$ 5,480,662	\$ 5,476,349	\$ (4,314)	100%
17 Development Review Services	\$ 5,881,785	\$ 7,257,859	\$ 6,387,087	\$ 6,732,896	\$ 345,809	105%
18 Fire Services	\$ 1,453,435	\$ 1,442,456	\$ 1,387,037	\$ 1,498,215	\$ 111,177	108%
19 Police Services	\$ 655,371	\$ 916,344	\$ 556,000	\$ 609,643	\$ 53,643	110%
20 Parks & Recreation Services	\$ 1,679,974	\$ 1,247,119	\$ 1,217,112	\$ 1,768,932	\$ 551,819	145%
21 Total Fees and Other Revenue	\$12,109,216	\$ 14,908,001	\$15,027,899	\$ 16,086,034	\$1,058,135	107%
22 TOTAL	\$ 74,724,684	\$ 76,753,301	\$ 81,367,298	\$ 87,998,416	\$ 6,631,118	108%

Sales and Use Tax Revenue: Sales and use tax revenue far exceeded the City's (and its Sales Tax Consultants) projections for the year. This is consistent with trends across the state. At the end of the third quarter, revenue was tracking only slightly higher than projected but the fourth quarter of the year experienced a huge spike in consumer spending. This coincided with increasing vaccination rates and the lifting of state-wide restrictions. While good news for the City's economy, this is likely a temporary escalation due to pent-up demand and a re-opening economy which is also reflected in the Transient Occupancy Tax that experienced a similar fourth quarter return.

Local Transaction Tax (G-20): While the local transaction tax largely mirrors the sales tax trends, the fourth quarter of FY2020-21 saw the voter approved increase and lead to a remittance of \$6.2 million for the last three months of the fiscal year. This number alone represents 82% of the previous yearly collection of local revenue measure funding.

Property Tax: Property tax revenue continues to increase, and the City recorded an all-time high in FY 2020-21, nearly 5% higher than the prior year. The main reason for growth is the transfer of ownership and the increase in Taxable Assessed Value of homes in our community largely supported by an extremely low interest environment that the Fed continues to nurture to drive economic activity. The County Assessor's Office anticipates an additional 4% growth in 2021-22 since a change in monetary policy is not expected until 2023.

Transient Occupancy Tax (TOT): TOT revenue correlated closely with the Statewide reopening schedule. The fourth quarter of FY 2019-20 saw visitor activity and revenue plummet by 70% due to travel restrictions and shelter-at-home directives. Monthly TOT revenues gradually increased as positive COVID19 cases decreased, restrictions were lifted, and vaccination rates increased. As staff had assumed in the forecast, the final three months of the fiscal year recorded all-time highs in TOT due to the full reopening of the state and pent-up demand in leisure travel. As a drive-to destination, San Luis Obispo benefited from a renewed travel wave.

Utility User Tax (UUT): In February of 2021, the City turned over the collection of UUT to a third party to pursue collection and apply all permissible penalties to outstanding remittances more aggressively. Though some minor amounts are still outstanding, staff are currently working on a reconciliation of UUT revenue and a long-term trend analysis in order to hone-in on why this revenue has been lower than budgeted for the last two years.

Business Tax: Business taxes are collected at the beginning of the fiscal year and are based on the gross receipts of the previous calendar year. FY 2020-21 revenues ended higher than the previous fiscal year since businesses remitted payment based on their 2019 gross receipts. The partial shutdown in 2020 due to COVID19 will affect businesses taxes in FY 2021-22, but revenues for this fiscal year ended up above the original forecast. This is also due to a change in collection strategy as staff now pursues all outstanding dues in a shorter timeframe and all applicable remedies available in the Municipal Code. The use of electronic communication and the availability of online payments have further facilitated compliance with this revenue stream.

Cannabis Tax: FY2020-21 saw the opening of the first Cannabis retailer and the first tax remittance in August 2020. Since the Cannabis industry was allowed to stay open throughout the pandemic, revenue from the retailer saw a gradual increase in monthly remittances with relatively steady revenue over the last four months of the fiscal year. An aggressive strategy to bring all delivery businesses into tax compliance and seek reimbursement for tax erroneously remitted to the County saw this revenue further exceed initial revenue assumptions despite the opening of the second retailer being delayed well into the current fiscal year. This is partially offset by a reduction in permitting fees the Council approved during the fiscal year, but still ahead of combined budget.

General Government: General Government revenue includes all of the City's non-departmental revenue such as business licenses, interest earning, and rent revenue. It also includes grant and subvention revenue which often fluctuates significantly each year. For example, in 2020-21 the City received nearly \$2.0 million in Mutual Aid reimbursement. This revenue offsets the Fire Department's overtime expenditures incurred from sending aid to multiple fires throughout the state last summer.

General Fund Ending Position

The table below shows the ending net position of the general fund and the estimated fund balance at year end. While these numbers are still unaudited, they show that the fund ended with revenue over expenditures and an undesignated fund balance of about \$12 million.

Table 5:

Table 5: General Fund Ending Position (UNAUDITED) in thousands		
1	Total Operating Expenditures (<i>not including encumbrances</i>)	\$ (68,502)
2	Transfers, Debt, Capital	\$ (6,203)
3	Revenue	\$ 86,538
4	Encumbrances, Commitments, Carryover	\$ (4,589)
5	Adjustment for Audit/ Outstanding Invoices (estimate)	\$ (500)
6	Revenue Over/(under) Expenditures	\$ 6,745
7	2019-20 Ending Fund Balance	\$ 33,651
8	Ending Fund Balance before CalPERS	\$ 40,362
9	CalPERS Downpayments ¹	\$ 3,000
10	Ending Fund Balance	\$ 37,362
11	Policy Reserve Level - 20%	\$ 11,394
12	Tenant Improvement(TI) Program	\$ 1,950
13	Capital Reserve ²	
14	115 Pension Trust Fund	\$ 2,000
15	Restricted based on Audit (estimate)	\$ 12,000
16	Undesignated Fund Balance	\$ 10,052

¹ See **Section 7** for CalPERS update. This does not include postponed payments from prior years.

² Starting in 2021-22, the Capital Reserve will be moved to the General Capital Outlay Fund and will maintain a committed reserve of 20% of the capital improvement plan budget from the Local Revenue Measure for the purposes of offsetting unanticipated costs increases, unforeseen conditions, and urgent unanticipated projects to provide the continued investment in infrastructure maintenance and enhancement.

Administration and Information Technology Department

The Administration and Information Technology Department ended FY 20-21 with a 4% overall savings. The savings were distributed across Contract Services, Operating Expenses, and Salaries and can be attributed to a variety of factors including vacant positions, filling vacancies with employees at lower steps, reduced spending due to COVID-19 for training and travel, and deferring projects and tasks to meet the needs of the organization in addressing the COVID-19 pandemic. Although, workloads were impacted based on the fluctuation of the guidelines and the volatility of the pandemic, Department program objectives and performance measures were met as outlined below.

Effects of Covid-19 on Department Operations

The department's FY 20-21 workplan was constructed to support the community during the ongoing pandemic. The department provided leadership, communications, and resources both internally and externally throughout the various emergency related experiences over the past year. Many of these efforts, such as technical support for the Emergency Operations Center, are outside of the department's normal scope of work. The Economic Development program quickly pivoted and focused on helping the business community in the areas of communication, education, promotion, and providing direct business support. The Community Promotion program held all meetings virtually and provided grants for virtual and passive events such as the Mission Plaza Pop-Up Program. The Office of Sustainability and Natural Resource's overall workload and program priorities changed to focus on the COVID-19 recovery efforts. Several planned projects were delayed or frozen for the year while meta-goal tasks were prioritized. The City Clerk's Office continued virtual public meetings which required significant support from IT Network Services. In addition to virtual public meetings, Network Services continued to support staff working remotely. Some projects were delayed due to equipment shortages caused by the pandemic, though IT is on target to close all FY 20-21 projects by August. IT Information Services (IS) staff worked remotely and, although they were unable to provide the normal "walk-in" services, they spent significant time with City staff virtually and assisting members who worked on COVID-19 recovery efforts. In light of this, some routine tasks such as updating software and firmware on equipment were delayed, but still accomplished. On the positive side, the department embraced working remotely and greatly improved use of MS Teams and other virtual platforms which will ultimately make the City more resilient in the future.

Accomplishments

- City Administration – Supported the development of the 2021-23 Financial Plan, including leading the Community Forum and other public engagement efforts; facilitated setting long term spending priorities for City Council and REOC for the voter adopted Measure G-20 sales tax revenue; and further refined the City's Communication Program, including hiring a new Public Communications Manager and are in the process of adding a Diversity, Equity and Inclusion (DEI) Office.
- Economic Development – Implemented the Business Ambassador program that included direct contact with businesses as well as regular email updates on critical issues; executed promotion programs like shopping and dining maps and supported the other City promotional and activation programs (like Open SLO) and provided direct aid to businesses through two rounds of grants and the Buy Local Bonus program.
- Office of Sustainability – Significant accomplishments included the City Council's adoption of the *Climate Action Plan for Community Recovery*, which received the California chapter of the American Planning Association's "Award of Excellence for the 2021 Innovation in Green Community Planning" and working with the Green Team comprised of staff throughout the City organization to produce *Lead by Example: A Plan for Carbon Neutral Municipal Operations*.
- Community Promotion – implemented a modified Grants In Aid program; completed the MCG work for the banner program; developed and managed the Support Local recovery programs (Shop Local; Buy Local

Bonus, Support Local Pledge, general support local advertising campaigns); created the pilot program for Mission Plaza Pop-Ups.

- City Clerk – Implemented a new Agenda Management System in three months and successfully held virtual public meetings for City Council and advisory bodies as required.
- IT Network Services – Network Services enabled the City staff to continue to do business and support the public despite the challenges of stay-at-home orders and COVID quarantine procedures. This involved big changes to our communications infrastructure (rolling out Teams) and remote tools that the City uses, as well as moving most of City staff to laptops and other remote capable hardware.
- IT Information Services created several applications to support downtown businesses. Rapid Deploy was implemented for Emergency Communication Dispatchers. Received Significant Achievement award from CompTIA for digital transformation of Weed Abatement Program. The SLO GIS Day 2020 virtual event received many accolades from attendees including one from ESRI. Successfully trained another IS Team member to support EnerGov Program.

Key Objectives

- Support the City organization by completing tasks related to the FY21 META Major City Goal of Economic Stability, Recovery and Resiliency.
- Support technology projects citywide and continue to enhance remote working opportunities.
- Continue to lead the new cannabis-based business program, including land use, licensing, and compliance issues.
- Administer procedures for City elections for elective offices, initiatives, referendum and recalls. Conduct elections that conform to the State Elections Code and the City's campaign regulations.
- Provide GIS, mapping and enterprise database support for the organization.

Performance Measures	Target	Result
Maintain the City Network Reliability Uptime Status	99.9%	99.9%
Open City Hall Participant Satisfaction Rating	90%	94%
Economic Recovery & Resiliency Plan Implementation	100%	100%

Variance Analysis

Table D-1

Administration/IT	2019-20	2020-21					2021-22
	Actual	Budget	Actual	Funds Available	%		Budget
Staffing	\$ 3,979,570	\$ 4,296,850	\$ 4,225,604	\$ 71,245	2%		\$ 5,109,881
Contract Services	\$ 1,791,413	\$ 2,645,002	\$ 2,474,598	\$ 170,404	6%		\$ 2,845,761
Other Operating Expenses	\$ 1,303,322	\$ 1,647,145	\$ 1,535,151	\$ 111,994	7%		\$ 1,491,171
Utilities	\$ 317,568	\$ 325,947	\$ 326,328	\$ (381)	0%		\$ 326,046
TOTAL	\$ 7,391,874	\$ 8,914,944	\$ 8,561,681	\$ 353,263	4%		\$ 9,772,859

Contract Services: The Administration and IT Department realized a 6% savings in Contract Services for FY2021. Various contract services were delayed due to the pandemic, or the services were not performed, such as the operator contract for Council Meetings was not needed as meetings were virtual. We expect to resume regular contract services in the next fiscal year. Other contract services not implemented were the ECOSLO contract and a contract to update the Economic Development Strategic Plan. Both items are budgeted for and scheduled to begin in FY 2021-22.

Other Operating Expenses: The 7% savings in Other Operating Expenses can be associated with staff working remotely, the Fiscal Health Contingency Plan guidelines and COVID-19. As staff continued to work remotely, the department did not utilize numerous budgets associated with being in the office such as office supplies, furniture, and fixtures, etc. Professional development and training opportunities were either canceled or switched to on-line trainings, which were less expensive in nature due to the absence of travel costs. Additionally, advertising for legal ads was decreased due to the fluctuation of development. These savings are expected to be one-time as the impacts of COVID-19 influenced spending in FY 20-21 as it related to in-person events. Although there was a negative variance as the Office of Sustainability and Natural Resources paid two years of property tax for its open space land as opposed to the typical annual payment, this was offset by other savings. This was due to a billing error on the County's part.

Staffing: The 2% variance in Staffing can be attributed to vacant positions such as the Assistant to the City Manager and Executive Assistant. Although, some of the savings were partially offset to fund interim or backfilled positions along with compensating for overtime hours spent due to COVID-19 (after-hours meetings, Oracle application updates performed after hours, etc.). The overtime has been addressed in the budget for next year by adding resources.

City Attorney Department

The department ended the year with an overall surplus by prioritizing and moving budgeted funds to best provide legal support for continually emergent and evolving needs, while addressing ongoing operational demands and continuing to provide high level legal advice and support to the Council and the entire City organization. In order to advance the sustainability of the legal services function to the organization, the Department advocated successfully for the need to hire additional staff in order to gain capacity for ongoing legal services needs and to analyze the department budget and structure for future sustainability. This led to approved SOBCs for the 2021-23 Financial Plan to perform a department organizational assessment and to hire enough staff to keep workload moving while the assessment was being completed.

The Department has now completed the RFP process, selected a consultant, awarded a contract, and begun the department organizational assessment process, with project completion anticipated at the end of the calendar year and related structural changes and hiring processes to be implemented and completed shortly thereafter.

Effects of COVID-19 on Department Operations

Ongoing organizational legal support demand continued to increase in both volume and complexity and sustainable operations, which were strained pre-COVID, were further adversely impacted by Emergency Operations Center (EOC) legal support demands. The addition of COVID related legal services demand and participation in the EOC policy and operations teams has adversely impacted both timeliness of response and feasible thoroughness of legal analysis, essentially requiring triage treatment of what previously would have been singular focus legal issues affecting the City. Additional temporary staffing was needed to support the additional layer of complexity that COVID and its associated emergency orders, research demands, policy and document production and analysis and related matters added to all legal procedures and community interactions. This included attorney time to research and analyze the effects of orders and provide legal advice to policy and operational staff, but also impacted existing processes, such as administrative time to manage the exponential increase in appeals of administrative citations – whether for ordinary noise violations or for violation of emergency health orders specific to COVID. As a particularly acute example, the time to bring closure to only two of the administrative citations issued to Kennedy Club Fitness (KCF) for violation of emergency health orders was longer than eight months, once appeals were received from KCF in December 2020, not including extensive pre-citation and pre-appeal outreach and coordination by multiple city departments.

Accomplishments

- Successfully defended the City's authority to enforce COVID-19 Public Health Orders to protect public health and safety and provided ongoing legal support to the City's Emergency Operations team.
- Trained a successful new Assistant City Attorney.
- Ongoing legal advice and support to City's significant homelessness programs, policy and operational initiatives, as well as defending against related claims and litigation threats against the City.
- Ongoing legal advice and support of the City's Cannabis Program, including successful completion of the defense of an action challenging City permitting decisions.
- Completed multiple high volume Public Records Act and subpoena document productions.
- Management of significant claims and litigation, including ongoing defense of City housing projects approvals and a district election demand under the California Voting Rights Act.
- Successfully proposed and began to implement a departmental reorganization, including Council approval of funding for a position reclassification and additional supplemental staffing, using the increased capacity to initiate the requisite RFP and contract for an independent departmental organizational assessment.

- Tested and launched a department intake protocol to better manage new requests for legal advice and analysis to define and centralize requests and aggregate pertinent information at the outset of services requests more efficiently.

Key Objectives

- Develop and maintain a high level of legal support to City government
- Provide prompt, thorough legal advice in response to inquiries, with emphasis on legal options
- Minimize liability exposure of City through the practice of preventative law
- Apprise City Council on pending litigation, legislation, and other significant legal matters
- Strengthen Municipal Code enforcement practices

Performance Measures	Target	Result
Citation Appeal Process Completed Within 70 Days	70%	67%
Claims Against the City Received that Resulted in Litigation	<5%	2%

Variance Analysis

Table D-2

City Attorney	2019-20	2020-21					2021-22
	Actual	Budget	Actual	Funds Available	%		Budget
Staffing	\$ 815,900	\$ 864,586	\$ 836,951	\$ 27,635	3%		\$ 1,073,381
Contract Services	\$ 23,976	\$ 68,865	\$ 60,989	\$ 7,876	11%		\$ 92,995
Other Operating Expenses	\$ 113,918	\$ 207,285	\$ 208,344	\$ (1,059)	-1%		\$ 19,195
TOTAL	\$ 953,794	\$ 1,140,736	\$ 1,106,284	\$ 34,452	3%		\$ 1,185,571

Contract Services: Surplus was the intended source of a change order near end of year to increase an existing purchase order for cannabis related issues and litigation. The change order was mistakenly sourced out of Legal Services instead leaving funding here and throwing the Other Operating Expenses balance into negative.

Other Operating Expenses: See Contract Services for explanation of negative balance. Even with travel restrictions due to COVID, staff were able to use a significant amount of the budget and carryover funding requested for Education and Training to complete programs offered remotely, including those necessary to the training of the new Assistant City Attorney and to meet the demands of emergent issues. This was accomplished via registrations in the virtual MCLE seminars offered by local and regional law associations and sessions of League of California Cities Conferences. In addition, staff also completed specialized CEQA, Personnel and Laserfiche training via online offerings.

Staffing: As the fiscal year progressed, Regular Salaries was noted as trending towards overspent. A CMR was approved to move funds from Other Contract Services to Regular Salaries, but it seems the amount calculated for that budget adjustment did not allow for the last pay period of the year. That expenditure, for the final pay period, pushed Regular Salaries negative.

Various staffing lines were predicted to be over budget due to increased hours worked (due to workload increase related to COVID-19) and added benefits (PERS enrollment) for supplemental employees. Instead of moving the extra funding needed into specific budget lines (Retirement Contributions, Medicare, etc.) a budget adjustment placed all needed funds in Temporary Salaries. The surplus in Temporary Salaries is intended to counter negative balances of any overspent staffing lines.

Finance Department

The Finance Department ended the year with some savings due to vacancies in Accounting and the frozen position of a Purchasing Specialist in the Purchasing division. The biggest challenge for the department in FY 20-21 was the continued implementation of the ERP and HCM system but the department made huge improvements through the assistance of Oracle Consulting Services (OCS).

Effects of Covid-19 on Department Operations

The Finance department experienced increased workload associated with forecasting, planning, and funding needs for COVID19. Additional sessions before Council reported on the pandemics impact on the City's fiscal outlook. The department was in charge of tracking all expenditures, establishing the reporting mechanism, and submitting funding requests to FEMA. To date, eight applications have been filed, however, no reimbursement has been received.

Accomplishments

- Continued enhancements to the ERP and HCM system, notably for bank reconciliation.
- Launched transparent online budget portal
- Updated Fund Balance and Reserve Policy
- Implementation of a new credit card policy to address audit findings.
- Improved Business License and Tax renewal process
- Improved enforcement of UUT through collaboration with HdL
- Implemented a new investment policy and management plan encompassing ESG investing
- Implemented a comprehensive fund balance and reserve policy
- California Municipal Treasurer Association certification of City's Investment Policy and Management Plan

Key Objectives

- Work closely with the operating departments in developing and implementing funding plans and programs in achieving their goals and objectives.
- Evaluate, monitor, and produce reports documenting the City's financial progress for internal customers and for presentation to the City Council every three months.
- Monitor receipts of local revenues and initiate effective collection strategies to ensure that revenues and taxes are paid by those who are obligated to pay them.
- Oversee City purchasing and ensure compliance with all applicable laws, regulations, and policies.
- Provide accurate and timely financial reports to internal and external stakeholders.

Performance Measures	Target	Result
Receive the Government Finance Officers Association Distinguished Budget and Annual Report Award	Yes	TBD*
Meet Budget and Fiscal Fund Balance Requirements	100%	100%
Meet all Federal, State, and City Charter Reporting	100%	100%

**Due to a backlog in GFOA award reviews, the Annual Comprehensive Financial Report is still under review.*

Variance Analysis

Table D-3:

Finance	2019-20	2020-21					2021-22
	Actual	Budget	Actual	Funds Available	%		Budget
Staffing	\$ 1,480,458	\$ 1,649,954	\$ 1,514,956	\$ 134,998	8%		\$ 1,790,957
Contract Services	\$ 240,972	\$ 433,567	\$ 304,579	\$ 128,988	30%		\$ 345,970
Other Operating Expenses	\$ 33,859	\$ 53,900	\$ 16,503	\$ 37,397	69%		\$ 53,900
TOTAL	\$ 1,755,289	\$ 2,137,421	\$ 1,836,038	\$ 301,383	14%		\$ 2,190,827

Contract Services The significant one-time savings in the Contract Services category was largely due to several budgeted efforts that were not executed in addition to changes in suppliers and variations in cost. For example, there was \$40,000 budgeted for cannabis audits which were postponed due to the delayed opening of businesses. While the department tries to budget as accurately as possible, reporting requirements (and associated costs) vary from year to year.

Other Operating Expenses Consistent with all other departments, Finance had significant savings in its education and training budget due to Covid-19 travel restrictions. However, staff did take advantage of many training opportunities and conference, all of them offered online without related travel cost.

Staffing The Finance department had several vacancies due to the Fiscal Health Contingency Plan (FHCP) restrictions and used some of them for temporary staff to fulfill critical tasks such as Accounts Payable and CalPERS reporting. The department is currently recruiting for all of its vacancies including the position in Purchasing that was frozen as a measure for the FHCP. All of the department's work programs were fulfilled, however, since the Purchasing Analyst was also assigned to the City's EOC as the FEMA liaison, the update to the Purchasing Policy was delayed and is now scheduled to go to Council by Winter of 2021.

Variance Analysis: Support Services and Non-Departmental Cost Centers

Table D-5

Finance: Support Services	2019-20	2020-21					2021-22
	Actual	Budget	Actual	Funds Available	%		Budget
Other Operating Expenses	\$ 154,724	\$ 259,465	\$ 158,991	\$ 100,474	39%		\$ 317,700
COVID19	\$ 283,979	\$ 950,359	\$ 1,091,817	\$ (141,458)	-15%		
TOTAL	\$ 438,703	\$ 1,209,824	\$ 1,250,808	\$ (40,984)	-3%		\$ 317,700

Table D-6

Finance: Non Departmental	2019-20	2020-21					2021-22
	Actual	Budget	Actual	Funds Available	%		Budget
Staffing	\$ 5,688	\$ 1,253,377	\$ 954,463	\$ 298,914	24%		\$ 307,658
Other Operating Expenses	\$ 161,316	\$ 70,000	\$ 169,078	\$ (99,078)	-142%		\$ 70,000
TOTAL	\$ 167,004	\$ 1,323,377	\$ 1,123,541	\$ 199,835	15%		\$ 377,658

Support Services – Citywide

The Support Services cost center is managed by the Finance Department but is used for expenditures that support all departments such as postage costs, Ventures and Contingencies (V&C), and membership costs for the League of California Cities. The newly established account to track Covid-19 related expenditures was therefore placed in this cost center.

The savings in “Other Operating Expenditures” is due to an under-utilization of the V&C account. This account is designated to fund one-time, unplanned operating projects at the City Manager’s discretion. Due to economic uncertainties last September, budget carryover from FY 19-20 was approved on a very limited basis. Instead of approving individual department carryover requests, the City Manager approved the allocation of \$391,000 into V&C account to use on an as needed basis for projects aiding economic recovery or advancing the meta-goal. After Measure G20 passed, the Council decided to allocate the additional transaction tax revenue anticipated in the last quarter of the fiscal year towards economic recovery efforts (see table on page 67) ; therefore, a lot of the V&C funding budget was no longer needed (see [attachment B](#)). This savings will help offset the unbudgeted Covid-19 expenditures explained below.

As mentioned above, Support Services is the centralized cost center for Covid-19 operating expenditures. As detailed in Section 1, most Covid-19 related costs and budget allocations were distributed throughout department budgets and/or capital project budgets, but the \$1,091,817 and \$141,458 variance listed in the table above represents *unbudgeted* costs associated with the Covid-19 health emergency (PPE, cleaning supplies, etc.). This cost has been submitted to FEMA via several reimbursement applications.

Non-Departmental Allocations

Other Expenses: The negative balance in this category was caused by credit card and bank fees that were underbudgeted. As more customers utilize online payment gateways and switch to credit card payments, these costs increase. However, the biggest difference comes from bank charges that are usually covered by the interest the account earns. In the current low interest rate environment, this was not achieved in FY 21. Finance staff keeps a close eye on the terms and conditions and negotiates ongoingly with its bank on record.

Salaries: Non-departmental salary budget is comprised of contingency budget for organization-wide staffing line items. This budget is activated when a department is faced with unexpected staffing costs due to bargaining results and payout of vacation leave. The budget was partially allocated in FY21 for unbudgeted vacation buyout in the City Attorney department and COBRA payments for the family of a fallen police officer. The portion pertaining to ongoing negotiations will be carried over to FY 20-21.

Human Resources Department

The Human Resources Department ended the year with positive variances in all cost centers. While the department resumed many pre-pandemic activities, the inability to host in-person interviews, meetings, and events drove savings throughout the Department's budget. The biggest challenge the Human Resources Department faced this fiscal year was balancing major projects, ongoing core services, and responding to changing COVID-19 needs.

Despite these challenges, the Human Resources Department was able to meet many of its key objectives. The Department exceeded its goal of percentage of internal promotions and was incredibly close in achieving the goal of 95% of on-time performance evaluations citywide. The Department did not achieve its goal of reducing workers' compensation and liability claims expenses mainly due to one unusually large claim payment. The Department has been working diligently to implement the self-service feature of the Benefits module in Oracle to allow employees to submit paperless benefit enrollments and changes. This work effort is anticipated to be complete in time for the 2022 Open Enrollment period. The Department also collaborated with other departments across the City to develop recommendations for staffing requests in the 2021-23 Financial Plan.

Effects of Covid-19 on Department Operations

Human Resources Department operations were heavily impacted due to ongoing changes related to the COVID-19 pandemic. Ongoing staff resources were focused on new regulations, changing OSHA requirements, and internal contact tracing and communication with employees. As hiring resumed, staff began onboarding employees virtually and found efficiencies in transitioning to an electronic onboarding process. Staff also began holding more virtual training sessions to continue opportunities for professional development.

Accomplishments

- Onboarded additional recruitment support in anticipation of significantly increased demand for the upcoming year.
- Conducted department workload analysis to recommend appropriate staffing levels and structure for the 2021-23 Financial Plan.

Key Objectives

- Maintain compliance with State and Federal laws related to employment practices.
- Continue to develop and implement a comprehensive training and development program, including succession planning efforts.
- Continue to improve marketing the City as an employer of choice to draw well-qualified applicants.

Performance Measures	Target	Result
Percentage of On-Time Performance Evaluations	95%	93%
Percentage of Internal Promotions	40%	48%
Reduction of Liability and Workers' Compensation Claims	-6%	43%

Variance Analysis

Table D-7:

Human Resources	2019-20	2020-21					2021-22
	Actual	Budget	Actual	Funds Available	%		Budget
Staffing	\$ 924,133	\$ 1,065,325	\$ 1,055,161	\$ 10,164	1%		\$ 1,265,198
Contract Services	\$ 276,209	\$ 380,956	\$ 330,464	\$ 50,492	13%		\$ 384,751
Other Operating Expenses	\$ 24,901	\$ 38,365	\$ 51,519	\$ (13,154)	-34%		\$ 50,900
TOTAL	\$ 1,225,244	\$ 1,484,646	\$ 1,437,144	\$ 47,502	3%		\$ 1,700,849

Contract Services

The department ended the year with an overall positive variance in contract services. The main reason for this variance is the uncertainty with COVID-19 that caused in-person events to be rescheduled or moved to a virtual setting or caused priorities to shift to focus on COVID-19 response.

Other Operating Expenses

Across all department programs, other operating expenses had a negative variance due to the high number of tuition reimbursements processed throughout the fiscal year. The department has increased the budget for tuition reimbursements from \$7,500 to \$15,000 to match historical averages and will closely monitor applications in the next year.

Staffing

The staffing budget did not see the desired two percent savings due to a vacation cash out from an unexpected retirement.

Fire Department

Summary

The Fire Department ended FY 20-21 with minimal savings, 0.22%. While staff anticipated ending the fiscal year approximately 1% over budget, unanticipated savings in “retiree healthcare” was significant enough to overcome the forecasted budget deficit. The primary driver of the department’s costs for FY 20-21 was staffing, most notably Emergency Response overtime which was significant this year due to unbudgeted Covid-19 sick leave, long-term worker’s compensation injuries, two unanticipated resignations and two retirements. Vacancy salary savings only partially offsets overtime costs. These cost drivers will continue to impact the fire department budget until new fire recruits are hired and complete the ten-week recruit academy at which time they will be eligible to fill the existing vacancies. Additional details regarding notable budgetary variances are discussed below in “Variance Analysis”.

Based on the result (see table below), staff is working to make process improvements to its FY 20-21 performance measures. In FY 21-22 the Fire Department altered Total Response Time (TRT) performance measures by segmenting out each response time component: call processing time, turnout time and travel time. Staff believe that segmenting out TRT will improve the department’s ability to identify and analyze areas of improvement to inform both short-term and long-range city-wide planning needs. A combination of development activity and a fire prevention vacancy led to an inability to meet development review activities as quickly as targeted. The department will continue to assess workload versus staff capacity to determine if additional resources will need to be requested at mid-year to help support the current pace of development.

Additionally, the department is working to complete a self-assessment to analyze strengths, weaknesses, opportunities, and threats to providing a high level of service to our growing community. The self-assessment will provide framework for an update to the department’s strategic plan and provide guidance for long-term planning efforts and budgetary needs.

Effects of Covid-19 on Department Operations

Covid-19 resulted in both workload and budgetary impacts. Similar to what was observed in FY 19-20, the Fire department saw a reduced number in calls for service in FY 20-21 which is likely tied to reduced daytime population levels, roadway traffic and other societal changes brought on by Covid-19. Additionally, staff reduced in-person training and nearly eliminated non-essential training unless it was done so virtually due to public health recommendations.

Regarding budgetary impacts, staff limited spending to operationally essential purchases however unavoidable Covid-19 sick leave costs resulted in a net negative impact to the FY 20-21 operational budget. This unbudgeted additional benefit required the fire department to provide overtime backfill to maintain minimum daily staffing levels. The additional overtime costs would have resulted in the department ending the fiscal year over-budget, had it not been for the unanticipated savings in “retiree healthcare” costs due to new Governmental Accounting Standards Board (GASB) reporting.

Accomplishments

- New-hires and promotions demonstrated the success of department succession planning efforts and lower the costs associated with retirement due to an increase in the number of PEPRA employees
- Restructuring battalion chief roles to improve service delivery
- Enhanced open space rescue capabilities through the new paramedic E-Bike program and updated trail maps
- Enhanced public communications through increased social media presence and scheduled communications

- Awarded two Federal Emergency Management Agency (FEMA) Assistance to Firefighters Grants to (1) fund training to increasing the number of staff paramedics and (2) recoup Covid-19 Personal Protective Equipment (PPE) expenses
- Conducted Position Specific Emergency Operation Center (EOC) training for key city staff
- Rolled out new, standardized Command and Control training for all emergency response staff.

Key Objectives

- Provide responsive, effective, and efficient fire department programs.
- Deliver timely response providing medical emergency basic and advanced life support, fire suppression and rescue.
- Provide effective number of personnel for initial attack on fires.
- Minimize property damage and limit environmental damage caused by release of hazardous materials.
- Eliminate fire hazards and minimize fires in buildings, properties and equipment through plan review and safety inspection services.
- Perform all required maintenance on all fire vehicle apparatus and vehicles and related equipment.
- Lead City disaster preparedness efforts through providing disaster response training to City employees, maintaining up-to-date hazard mitigation and disaster response plans and educating the public in disaster and emergency preparedness.

Performance Measures	Target	Result
Meet the Total Response Time (TRT) goal as defined by General Plan Safety Element of 7 minutes or less to 90% of all lights-and-siren emergencies in the City.	90%	70%
Percentage of Fire Department Development Review activities completed within published cycle times.	80%	67%

Variance Analysis

Table D-8:

Fire	2019-20	2020-21					2021-22
	Actual	Budget	Actual	Funds Available	%		Budget
Staffing	\$ 11,857,023	\$ 13,014,982	\$ 13,200,028	\$ (185,047)	-1%		\$ 12,854,313
Contract Services	\$ 126,929	\$ 250,198	\$ 148,375	\$ 101,823	41%		\$ 254,297
Other Operating Expenses	\$ 469,256	\$ 581,918	\$ 483,222	\$ 98,696	17%		\$ 771,250
Utilities	\$ 88,003	\$ 113,150	\$ 97,687	\$ 15,463	14%		\$ 117,687
TOTAL	\$ 12,541,211	\$ 13,960,247	\$ 13,929,312	\$ 30,935	0%		\$ 13,997,547
Public Safety Equipment Funding *		\$ 1,004,677	\$ 153,530	\$ 851,147			\$ 851,147
GRAND TOTAL	\$ 12,541,211	\$ 14,964,924	\$ 14,082,842	\$ 882,082	6%		\$ 14,848,694

*With FY 21-22, Public Safety Equipment funding is now accounted for in a unique fund and will be carried forward indefinitely (Fiscal Policy Section 7.k)

Contract Services

Overall, the Fire Department ended FY 20-21 with 41% savings for Contract Services. The primary drivers for savings in this category were found in Hazard Prevention and Disaster Assistance. Hazard Prevention utilizes development fee revenue to fund contract fire plan check services to keep up with demand and the budget for this item is developed by using historical actuals and anticipated activity. Staff was not able to fully utilize the anticipated budget for FY 20-21 and will adjust FY 20-22 budget for this service accordingly. Additional savings were reached after contracted underground storage tank services were utilized less than anticipated during the Hazardous Materials Coordinator vacancy. Disaster Assistance experienced contract emergency management services savings due to the lack of in-person trainings, public workshops, and the rescheduling of the FEMA EMI Training in Emmitsburg, MD to

April 2022 given Covid-19. The FY 21-22 budget has been adjusted accordingly. Another noteworthy item is that these savings were slightly offset by an overage in Fire Station Facility Support contract services which experienced a nearly 100% overage due to unanticipated repairs needed at all 4 Fire Stations. Staff will continue to monitor budget amount to meet ongoing needs.

Other Operating Expenses: Overall, the Fire Department ended FY 20-21 with 18% savings in this budget category. The primary driver for savings was limiting spending to operationally essential items only, given the Covid-19 fiscal health contingency plan being in place city-wide. One of the most common areas in savings was found in Education and Training after reduced training opportunities given Covid-19. These savings are not anticipated for FY 21-22 as more trainings and conferences become feasible. Another notable savings was in fuel, where 25% of the budget went unexpended. This savings was due to reduced support vehicle use during Covid-19 health restrictions and moderately reduced call volume observed during Covid-19 shut-downs. Increased consumption is anticipated as City operations increase in FY 21-22.

Staffing: Overall, the Fire Department ended FY 20-21 with a 1% overage in Staffing. Overall, this overage was offset by savings achieved in Contract Services, Other Operating Expenses and Utilities. The biggest driver in this overage is tied to the additional overtime costs resulting from unbudgeted Covid-19 sick leave offered to employees as emergency response staff require backfill overtime shifts to maintain minimum daily staffing levels. Additionally, the department experienced several long-term work-related injuries and several vacancies due to retirements and unplanned resignations. A major offset of the staffing overage was unanticipated savings in Retiree Healthcare costs due to new Governmental Accounting Standards Board (GASB) reporting. Additionally, some of the worker's compensation backfill overtime was offset by worker's compensation reimbursement provided by the California Joint Powers Insurance Authority (CJPIA) and the vacancy backfill overtime was partially offset by vacancy salary and benefit savings. None of these offsets were significant enough to overcome the department's staffing overage. The overspending is anticipated to continue into FY 21-22 until the fall recruitment candidates complete the 10-week recruit academy. Staff is working to move up the start date of this academy to help expedite the department's ability to fill the vacancies and subsequently limit overtime costs. Salary savings do not completely offset the cost of overtime required to fill the vacant position.

Utilities: Overall, the Fire Department ended FY 20-21 with 16% savings for Utilities. The primary driver for this savings was the decrease in utility demand after Covid-19 resulted in fewer administrative employees utilizing City facilities. This was most notably observed in City utility services and electrical service which also experienced rate decreases due to participation in Central Coast Community Energy (3CE). Significant savings are not anticipated as more staff return to in-office work and normal day-to-day operations.

Fire Department Revenues

Table D-9			2020-21			
			Budget	Actual	Variance	%
1	Fire Services				\$ -	
2	Cal Poly Fire Services	\$ 318,058	\$ 315,241	\$ 315,241	\$ -	100%
3	CUPA Inspection Fees	\$ 173,984	\$ 140,000	\$ 146,953	\$ 6,953	105%
4	Fire Alarm Permits	\$ 10,451	\$ 4,335	\$ 8,871	\$ 4,536	205%
5	Fire Department Permits	\$ 104,153	\$ 103,044	\$ 101,572	\$ (1,472)	99%
6	Fire Plan Check & Inspection	\$ 299,258	\$ 333,000	\$ 361,415	\$ 28,415	109%
7	Medical ER Recovery	\$ 194,408	\$ 198,103	\$ 198,103	\$ (0)	100%
8	Other Fire Department Revenue	\$ 34,809	\$ 33,315	\$ 41,426	\$ 8,112	124%
9	R1 Inspection Fees	\$ 307,334	\$ 260,000	\$ 324,634	\$ 64,634	125%
10	Total	\$ 1,442,456	\$ 1,387,037	\$ 1,498,215	\$ 111,177	108%

Overall, the Fire Department ended FY 20-21 with 8% in over-realized revenue for the budgeted revenue accounts. The primary drivers of the additional revenue were increased fire plan check & inspection activity along with multi-

dwelling unit fire and life-safety inspections. Staff will monitor these accounts in the first half of FY 21-22 and will update revenue forecasting accordingly at mid-year. Additionally, the fire department realized an additional 5% of forecasted mutual aid revenue due to a late FY 19-20 mutual aid response to Southern California and late reimbursement for previous fiscal year responses. Mutual Aid Revenue is not budgeted at the beginning of the fiscal year but forecasted at mid-year.

Police Department

The Police department ended the year with an overall savings of \$315,804, which is about 1.7% of the total department budget. Total staffing savings were \$114,856 which includes salaries, benefits, and workers compensation reimbursement. Other savings were in Other Operating Expenses in the amount of \$142,205 and Contract Services was \$32,968.

One of the challenges during the fiscal year was associated with staffing shortages in patrol. Leave hours related to workers compensation increased, there were several officers on light duty, and two officers on administrative leave for about half of the fiscal year. The department utilized officers from other specialty assignments to help cover shifts due to minimum staffing requirements. Staff is underway with hiring cadets/laterals, increasing outreach methods, and developing incentive options for new hires.

Effects of Covid-19 on Department Operations

Early on in the fiscal year, the daytime population was significantly reduced (minimal students living in town, workforce at home, decrease in tourism). There were also staffing challenges with COVID due to exposures and self-quarantine time. As a result, officer pro-active activity and traffic enforcement were decreased in comparison to prior years due to COVID restrictions. The budgetary impacts due to COVID included decreased revenues related to parking and administrative citations; however, these were offset with higher than budgeted revenue from other accounts such as False Alarm and Alarm Permits. Employee training slowed down significantly during the first half of the fiscal year which resulted in some savings; classes were either cancelled or held virtually.

The patrol officers and the downtown bicycle team also worked with the downtown business owners to enforce health and safety guidelines related to the pandemic. In December, the department was asked to provide increased patrol personnel downtown to support businesses and the holiday light display.

During COVID, the department's calls for service increased from previous years. Staff attributes the increase in calls to COVID; specifically, calls related to public health and safety regulations (from businesses and members of the community) and the idea that more people were working from home and therefore were more apt to notice and report suspicious activity. Other impacts of COVID included savings in Other Operating Expenses related to training due to the cancellation of in-person training for the first half of the fiscal year.

Accomplishments

- The new Police Chief was hired in May 2021.
- The department increased public communication efforts by creating a more robust social media presence.
- Staff hosted two successful "Open House" events to try and gain more public interest in department vacancies. This resulted in a greater number of candidates for police officer and dispatch positions.
- The department's Peer Support Team played a crucial role in guiding employees through the grieving process with the loss of Detective Luca Benedetti. The team offered counseling and grief services, scheduled debriefs for employees and family members, provided check-in opportunities and worked closely with other agency's Peer Support teams for support and feedback. Many of the services they provide continue to be utilized by department employees on a regular basis.
- Grants awarded to the department include:
 - Alcoholic Beverage Control: this grant helps agencies to develop an effective and comprehensive approach to eliminate crime and public nuisance problems associated with alcoholic beverage outlets.

- The Office of Traffic Safety grant which provided funding to conduct best practices strategies to reduce the number of persons killed and injured in crashes involving alcohol and other crash factors.
- Justice of Assistance Grant (Edward Byrne Memorial) provided grant funding to repair items at the department's range facility and purchase replacement furniture for the briefing room.

Key Objectives

- Continue with the development of the Intelligence Lead policing model with the Crime Analyst and have ongoing meetings to identify and address crime trends within the City.
- Continue to deploy the Community Action Team and Downtown Bike Unit to address adverse behavior and homeless issues within the downtown and explore ways to manage and address homeless related issues that negatively impact our community.
- Continue to partner with Transitions Mental Health Association to address the needs of individuals that may be dealing with mental health related issues within our community.
- Conduct pro-active investigations in crime trends which victimize City residents and businesses
- Neighborhood Services will collaborate with patrol to improve the public outreach relating to crime trends including but not limited to web/social media outreach, in-person presentations, media releases and videos.
- Traffic Safety will continue to conduct special enforcement operations in the City's most hazardous intersections and roadways to reduce collisions, including a focus on reducing collisions involving bicycles and pedestrians.

Performance Measures	Target FY 20-21	Result FY 20-21
Crime Reduction Crime Statistics for total Part 1 Crime for calendar year 2020 were 1,825. (UCR statistics are reported in calendar year). Comparing this to 2019, this is 5.19% reduction. Part 1 crimes include Violent and Property crimes against persons. Although Violent crime stats increased from 187 to 205 (9.6% increase), Property crime stats decreased from 1738 to 1620 (6.8% reduction). In totality, these Part 1 crimes show an overall decrease of 5.19%.	-2%	-5.19%
Increase Engagement on Internal Wellness and Employee Health As a result of COVID-19, the department's Peer Support Team found innovative ways to stay connected to the department, offering live webinars and other literature on health and wellness. The team conducted multiple briefing trainings as well. With the tragic loss of Detective Luca Benedetti in May 2021, the team played a critical role in offering support services to employees. Many employees utilized Peer Support Team services and continue to stay connected.	20%	27%
Reduce Homelessness and Mental Health Disorder Calls for Service In 2019, total Homelessness and Mental Health Disorder related calls totaled 7,320. These types of calls increased by 4.7% in calendar year 2020 to 7,662. Calls increased due to an increase in the homeless population during the pandemic. In addition, the department's ability to take action was inhibited due to legal restrictions related to enforcement activities.	-5%	4.7%

Variance Analysis

Table D-10

Table D-10

Police	2019-20	2020-21					2021-22
	Actual	Budget	Actual	Funds Available	%	Budget	
Staffing	\$ 16,549,713	\$ 16,720,947	\$ 16,606,091	\$ 114,856	1%	\$ 17,742,688	
Contract Services	\$ 443,358	\$ 662,746	\$ 629,778	\$ 32,968	5%	\$ 820,265	
Other Operating Expenses	\$ 402,469	\$ 419,027	\$ 353,836	\$ 65,191	16%	\$ 433,540	
Utilities	\$ 131,592	\$ 144,512	\$ 118,737	\$ 25,775	18%	\$ 144,850	
TOTAL	\$ 17,527,133	\$ 17,947,232	\$ 17,708,442	\$ 238,790	1%	\$ 19,141,343	
Public Safety Equipment Funding *	\$ 5,316	\$ 97,227	\$ 20,213	\$ 77,014	79%	\$ 77,014	
GRAND TOTAL	\$ 17,532,449	\$ 18,044,459	\$ 17,728,656	\$ 315,804	2%	\$ 19,218,356	

*Public safety equipment funding is now accounted for in a unique fund and the unused balance will be carried forward indefinitely (Fiscal Policy Section 7.k)

Expenditures

Contract Services

Overall, the department's Contract Services accounts had a savings of \$32,968 which is about 5% of the budgeted amount. The savings in 8001 (Administration) was directly related to the County's "year 1" animal shelter construction costs, which were lower than anticipated for our City. There would have been additional savings, however funds were used to cover expenses related to Luca Benedetti's memorial which totaled about \$24,000. Other savings in 8005 (Neighborhood Services) also contributed, this was because there were no special projects (due to COVID) to advertise for.

Other Operating Expenses

The department's Other Operating Expenses had a savings of \$65,191. Savings in 8001 (Administration) and Patrol (8002) contributed to most of the savings. Administration had savings in Education and Training which was directly related to the pandemic. All in-person training classes were cancelled for the first half of the year and online classes became available later in the year. The online classes generally were less expensive since lodging, per diem, mileage and gas were not needed. Additionally, there was savings in Support Services due to lower rates for CJIS inquiries (Criminal Justice Information Services). Rates were 10.37 in FY 19-20, and in FY 20-21 rates reduced to 6.28.

Staffing

The department ended the year with \$114,856 in total staffing savings. Typically, the department ends the year with more savings in this category. Some of the contributing factors include: POA MOA lump sum payments during the fiscal year were absorbed in the staffing budget, this totaled about \$115,500; final payouts for employees that retired or left the department totaled \$113,500. Combined, this totals approximately \$230,000, which was unbudgeted. Savings in benefits and Workers Comp Reimbursement also contributed to savings in staffing as well.

Ultimately, the savings in salaries and benefits helped offset overages in overtime. The breakdown of those savings and total overtime expenditures are shown below.

FY 20-21	Budgeted	Expended	Balance
Salaries & Benefits	\$16,006,594	\$15,454,821	\$551,773
Overtime	\$714,352	\$1,151,269	(\$436,916)
Total staffing savings:			\$114,856

Total overtime expenditures for FY 20-21 exceeded the previous year by over 15%.

	FY 19-20	FY 20-21	Increase
Total Overtime Expenditures	\$ 997,117	\$ 1,151,269	15.43%

The main contributor was related to shift coverage, overtime hours for shift coverage increased by 47% from last year. There were 13 officers throughout the fiscal year that were unable to work (on worker's compensation leave), some short- and some long- term. Hours for worker's compensation from the previous year increased by 115%. In addition, there were two officers on administrative leave for about half of the fiscal year as well. Staff was able to utilize officers from specialty assignments to help with patrol coverage, but in most cases, overtime was required.

Overtime hours related to protests started in June 2020. The protests continued into FY 20-21, but overtime hours decreased by approximately 36%. Although the hours were reduced, it was still a significant impact on the department's budget.

The chart below illustrates the type of overtime worked that contributed to the increase in expenditures.

Table D-11: Factors Contributing to Increased Overtime in FY 20-21			
Type of Overtime Worked	FY 19-20 Hours	FY 20-21 Hours	Notes
Shift Coverage	3,790	5,555	Increased by 47%
Protest	2,085	1,324	Less hours in FY 20-21, but still unbudgeted.
OIS	0	229	Hours related to the department's officer involved shooting.
Downtown Patrol	60	328	Requests for increased patrols downtown.

The following chart shows the number of total hours that were coded as worker's compensation leave. Officers use worker's compensation leave if they are injured and cannot work. There was a total of 15 individuals (13 were officers) that could not work either part of the year or the entire year due to injuries.

	FY 19-20	FY 20-21	Increase
Worker's Compensation Leave Hours	3,452	7,439	115%

Utilities

Savings in utilities totaled \$25,775. For the Police department, this includes water, sewer, gas, and electricity. The only account that had savings was electricity, this was due to the city's participation (change over) in Central Coast Community Energy (3CE) which resulted in lower rates. Also, during COVID, there were several administrative staff working remotely.

Police Department Revenue

Table D-12:

Police Services Revenue		2019-20 Actual	2020-21				%
			Budget	Actual	Variance		
1	Accident Reports	\$ 3,225	\$ 3,400	\$ 1,977	\$ (1,423)		58%
2	Collision Investigation	\$ 3,393	\$ 3,000	\$ 1,848	\$ (1,152)		62%
3	Credit Collections	\$ 13,860		\$ 12,438	\$ 12,438		
4	DUI Cost Recovery	\$ 22,347	\$ 23,400	\$ 18,968	\$ (4,432)		81%
5	Other Police Revenue	\$ 323,819	\$ 195,950	\$ 218,768	\$ 22,818		112%
6	Police Department Permits	\$ 4,610	\$ 3,000	\$ 2,635	\$ (365)		88%
7	Police Issued Parking Fines	\$ 85,427	\$ 75,000	\$ 61,057	\$ (13,943)		81%
8	Property Release Fees	\$ 733	\$ 500	\$ 33	\$ (467)		7%
9	Second Response Fees	\$ 628	\$ 1,000	\$ -	\$ (1,000)		0%
10	Tobacco Permits	\$ 27,998	\$ 21,417	\$ 29,247	\$ 7,830		137%
11	Tow Release Fees	\$ 9,675	\$ 9,000	\$ 7,441	\$ (1,559)		83%
12	Witness Fees	\$ 3,880	\$ 2,500	\$ 1,650	\$ (850)		66%
13	Administrative Citations - Safety	\$ 245,963	\$ 152,833	\$ 136,627	\$ (16,206)		89%
14	Alarm Permits - Contract (Police)	\$ 170,786	\$ 65,000	\$ 116,953	\$ 51,953		180%
14	Total	\$ 916,344	\$ 556,000	\$ 609,643	\$ 53,643		110%

COVID-19 also had an impact on the department's revenues. With the exception of a few accounts, all Police revenue accounts ended the year with less than projected revenues. Accounts such as accident reports, collision investigations, parking fines, and administrative citations were all below budget. There were fewer people in the neighborhoods and the downtown (no students and minimal tourists). In addition, fees were waived during COVID for property releases; this fee is typically \$11 and was not collected during the majority of the year. Staff also believes that implementing the city-wide safety enhancement zone during COVID, which implemented double fines, had an effect on noise violations and administrative citations. Comparing FY 19-20 to FY 20-21, there were about 24% fewer administrative citations written this past year as a result of COVID.

However, revenues from other accounts help offset this shortfall and the department ended the year \$53,643 over projected revenue. False alarm and permit revenue along with Tobacco permits, and the Other Police revenue account received more revenue than anticipated. Specifically, the False Alarm and permit revenue actuals for FY 19-20 were about \$170K, and at mid-year during FY 20-21, staff decreased anticipated revenue for the year down to \$65K because actuals were extremely low for the year (much like other revenue due to the impacts of the pandemic). However, by year end, total revenues exceeded the adjusted projection, but still fell short of the previous fiscal year. Total False alarm and permit revenue ended the year at about \$117K.

Community Services Group (CSG)

Community Development • Parks & Rec • Public Works • Utilities

The Community Services Group is comprised of the City's four service departments. The administrative costs listed below are not specific to a department but benefit each department through administrative oversight and support. The objective of this "umbrella" is to provide management and analytic support to the departments as well as to identify new ways of doing business, enhanced efficiencies, and more effective cross departmental collaboration. The CSG Work Group has seen sharing of tools, sharing of staff resources, reorganization of programs (such as storm water), service level agreements and much more. The stormwater program and homeless services support are examples of the four departments working collaboratively on issues. Increased communications internally and externally are a current focus using the new communications coordinator. In response to the Great Resignation – the Business Services and Administrative Manager is now building a team of all departmental analysts to provide support to this work group; standardization of practices and shared resources will be a significant focus for this team in its support of the four departments and four enterprise funds. The unexpended staffing and operating expenses were due to the timing of hiring and the inability to fully take part in travel and training.

Table D-13:

CSG Administration	2019-20	2020-21					2021-22
	Actual	Budget	Actual	Funds Available	%		Budget
Staffing	\$ 9,593	\$ 361,889	\$ 298,314	\$ 63,574	18%		\$ 544,185
Contract Services	\$ -	\$ 37,109	\$ 36,600	\$ 509	1%		\$ 109,317
Other Operating Expenses	\$ -	\$ 6,000	\$ 3,554	\$ 2,446	41%		\$ 12,000
TOTAL	\$ 9,593	\$ 404,998	\$ 338,468	\$ 66,530	16%		\$ 665,501

Community Development Department

The Community Development Department had an operating budget of \$7,328,592 in FY 20-21, with an overall savings of \$649,032. Some expenditure and revenue accounts had variances, however, the whole department remained almost nine percent under-budget. The implementation of the Fiscal Health Contingency Plan resulted in salary savings for the department because of multiple vacancies coinciding with the hiring chill.

Effects of Covid-19 on Department Operations

The State of California deemed construction activities essential services during the Covid-19 pandemic, including construction, inspection, and maintenance of construction projects. Before Covid-19, the Community Development front counter was open Monday through Friday from 8 a.m. to 3 p.m., however, the pandemic required the City to close the public counter. As a result, staff created online and alternative processes to decrease Covid exposure while still providing customer services. These innovative practices included digital permit applications, mail-in application submittals, and online payments.

About one-third of Community Development staff worked remotely to support the continuing permit and planning workload, while Building Inspectors, Permit Technicians, Code Enforcement Officers, and the Engineering team continued in-person inspections, patrolling, addressing of public health order violations, and processing of permits. Because of the effectiveness of the procedures implemented in each program, the department continued to collect \$7,089,762 in revenue, \$702,675 more than anticipated.

Accomplishments

- Association of Environmental Professionals Outstanding Award for the Froom Ranch Specific Plan Environmental Impact Report
- Association of Environmental Professionals Merit Award for the City's CEQA GHG Thresholds adopted as part of the Climate Action Plan
- American Planning Association award for the City's Climate Action Plan for Innovation in Green Community Planning
- Supported the installation of horizontal improvements, modified phasing, and modified development plan to facilitate vertical construction at the Avila Ranch Specific Plan
- Annexed the East Airport and Fiero Lane Areas
- Participated in a FEMA audit of the City's implementation of its floodplain management regulations
- Adopted a new Parks and Recreation Element
- Adopted the City's Climate Action Plan
- Adopted a new Housing Element for the 6th Cycle Planning Period
- Opened the City's first cannabis dispensary and granted use permit approval/construction permits for two other cannabis businesses
- Approved entitlements for the 1144 Chorro project, a major new mixed-use project in the City's downtown core
- Completed entitlements for the Northwest Corner project and made substantial progress on the 600 Tank Farm project, ensuring major new infrastructure enhancements along the Tank Farm Road corridor
- Implemented the TIPP-FAST program to expedite issuance of Tenant Improvement permits
- 75% of all building permits issued for new homes were all-electric permits
- 174 solar permits were issued
- Building inspections peaked with 1,004 inspections in June

Key Objectives

- Support the Housing and Climate Action Major City Goals

- Implement proactive public engagement tools for projects
- Forecast future conditions, needs, and strategies to implement the City’s land-use policies and programs
- Assist in achieving desired development in conformance with established policies, guidelines, standards, and acceptable timeframes and provide timely processing of applications consistent with State and local laws and policies
- Preserve neighborhood wellness by coordinating code enforcement activities and timely compliance with a variety of regulatory programs citywide
- Award grant funding to private, nonprofit agencies serving the Human Services needs of residents

Performance Measures	Target	Result
Development Review Activities Completed Within Established Cycle Times	75%	80%
Affordable Housing Units Constructed	34	40
Code Enforcement Response Within Established Timelines	80%	85%*

**In fiscal year 2021, there were 520 code enforcement requests. Of the 520 requests, 444 requests received responses within the established timelines. Due to Covid-19, code cases were taking longer to fully resolve than in the past. This is due to Code Enforcement officers working remotely and extra cases being opened due to Covid health concerns at local businesses.*

Variance Analysis

Table D-14

Community Development	2019-20	2020-21					2021-22
	Actual	Budget	Actual	Funds Available	%		Budget
Staffing	\$ 3,920,619	\$ 4,439,658	\$ 4,103,213	\$ 336,445	8%		\$ 5,182,888
Contract Services	\$ 1,545,544	\$ 2,181,993	\$ 1,898,144	\$ 283,849	13%		\$ 1,449,347
Other Operating Expenses	\$ 205,783	\$ 706,941	\$ 686,630	\$ 20,310	3%		\$ 348,928
TOTAL	\$ 5,671,947	\$ 7,328,592	\$ 6,687,988	\$ 640,605	9%		\$ 6,981,163

Contract Services

The Department had variances in Contract Services for Administration, Developmental Review, and Human Relations. Some variances were due to purchase orders being rolled from FY 19-20 to FY 20-21 although services were completed, and funding was released in FY 21.

Other Operating Expenses

Due to the pandemic, many trainings and seminars were either cancelled or held online, which provided cost savings in registration and travel fees. Additionally, there was no spending in Publications and Subscriptions for Commissions and Committees because all Commission materials were provided digitally and will be done this way going forward. Next year’s budget reflects this change.

Credit Card expenses were historically unbudgeted and reported as negative revenues. This has been corrected as a budget line item. The total credit card merchant fees in FY 20-21 exceeded the projected amount, however, this is due to the high number of building permit fees being paid and a greater number of people utilizing the online payment system.

Staffing

Savings for regular and contract staff in Development Review came from vacant positions that were not immediately filled due to the hiring chill and challenges with recruiting. Contract positions are particularly difficult to fill when the remaining budget does not support at least a 12-month contract. Over-spending for regular staff in Administration and Building and Safety was due to a prior budgetary error that has been fixed for future years. Salaries for contract staff was over-spent due to a BAR that was never completed for a contract admin staff position. Funding for Commissions and Committees was budgeted in Salaries-Temporary and paid out of Council and Commissioners. This

payroll error is being fixed in future years. The remaining underspending variance is due to vacancies on the Commissions and holding fewer meetings due to Covid.

Development Services Revenue

Table D-15		2020-21			
2019-20 Actual		Budget	Actual	Variance	%
1	Development Review			\$ -	
2	Building Permits	\$ 2,518,404	\$ 2,200,000	\$ 3,580,748	\$ 1,380,748 163%
3	Code Enforcement Fines	\$ 97,164	\$ 50,000	\$ 90,879	\$ 40,879 182%
4	Development Review Fees	\$ 435,822	\$ 248,000	\$ 508,373	\$ 260,373 205%
5	Encroachment Permits	\$ 356,434	\$ 305,000	\$ 327,948	\$ 22,948 108%
6	Engineering Development Review Fees	\$ 108,498	\$ 120,000	\$ 116,097	\$ (3,903) 97%
7	Infrastructure Plan Check & Inspection	\$ 1,638,456	\$ 1,200,000	\$ 829,252	\$ (370,748) 69%
8	Fire Plan Check (also listed under Fire)	\$ 299,258	\$ 333,000	\$ 361,415	\$ 28,415 109%
9	Plan Check Fees	\$ 1,420,723	\$ 1,664,087	\$ 1,135,478	\$ (528,609) 68%
10	Planning & Zoning Fee	\$ 682,358	\$ 600,000	\$ 500,989	\$ (99,011) 83%
11	Total	\$ 7,557,118	\$ 6,720,087	\$ 7,451,176	\$ 731,090 111%

Building Permits: Building Permit activity was high throughout the fiscal year due to increased building activity in the community. Staff revised the revenue projections to a more conservative number in response to the Fiscal Health Response Plan, however, building did not slow down like anticipated and revenues were about 63 percent higher than projected. Final revenues are consistent with prior revenue projections before the pandemic. The revenue collected from building permits in FY 20-21 was the highest amount ever collected.

Code Enforcement Fines: The increase in Code Enforcement fines was directly related to the high number of building permits that were issued to address unpermitted construction, which requires a Special Investigation Fee to be added to the cost of the permit. Additionally, a total of \$6,000 was collected from citations issued for the violation of public health orders associated with the Covid pandemic. Additional citations are still pending payment.

Development Review Fees: Development Review Fees are generated via the building permit process. When a plan is routed to various City staff in Community Development, Public Works, Utilities, or Fire, the time that it takes to conduct the plan check of the building permit is recorded in Energov and an associated fee is collected at the time of permit issuance. Therefore, the variance in Development Review Fees is related to the high volume of building permits submitted and processed over the past year. While speculative development review did see a slow down during the pandemic (i.e. fewer planning applications for future development), building permits did not see a similar reduction. This is due to both ongoing residential development in subdivisions (San Luis Ranch Area, Orcutt Area, and Margarita Area) as well as homeowners making significant improvements to their properties like adding Accessory Dwelling Units, solar panels, and electrical panel upgrades.

Encroachment Fees: Some building permits require an encroachment permit and due to high building activity, the number of permits increased exponentially.

Infrastructure Plan Check and Inspection: This variance is due to staff over-projecting how many infrastructure plan checks and inspections would be needed in FY 20-21. Specifically, it was anticipated that public improvements for the Froom Ranch Specific Plan would begin in FY 20-21. However, it now appears that the project is being offered for sale and development may not move forward until new owners take over the property.

Plan Check Fees: Per Finance, this variance is skewed. This is overstated because as part of the FY 19-20 Financial Plan, a new policy was passed that allowed CDD to transfer plan check revenue directly into plan check expenditures since 65 percent of the fee is cost recovery for consultant services. BARs then increased the revenue and expenditure budget throughout the year as revenues were collected. In FY 20-21, BARs were completed in addition to having the initial budget reflect the expected amount, which artificially inflated the budget. This is fixed for FY 21-22.

Planning & Zoning Fees: This variance is due to anticipated applications for large-scale projects not being submitted in the fiscal year or fees that were invoiced but never paid. The fee applications are only 60 percent of the cost of the entitlement. Applicants are invoiced for the remaining completion fee and these invoices lag because applicants do not pay them until they are ready to submit for a building permit. Ultimately, any entitlements approved that will move forward to the Building Permit process will have to pay any outstanding planning and zoning fees before the application can be filed.

Development Services Designation

Over-realized revenue requested for restriction - \$356,866

Table D-16:

Development Services Designation Calculation	
Eligible over-realized revenue (see table D-15)	\$731,090
Available for appropriation (75%)	\$548,317
FY22 Approved Personnel Use	\$ (93,506)
FY23 Approved Personnel Use	\$ (97,945)
Total Allocation for FY21 Year End	\$356,866
Existing Balance	\$ 284,339
Balance after appropriation	\$ 641,205

Resolution No. 10539 authorizes the City Manager to approve the appropriation and carryover of up to 75% of the over-realized development services revenue to cover the additional funds needed for development projects. This funding is vital to fund resources needed to achieve major City goals and department objectives. Many multi-year projects require resources that lag significantly from the revenue collection to the services being rendered.

Since the simultaneous budget adjustment and revenue increase did not include authorization for additional expenditures to address the resulting workload from increased fee revenue, this method helps to ensure that the fee revenues collected are appropriately allocated to Development Services activities to meet customer service expectations.

The method used to calculate the actual appropriation over-realized revenue was directed by Finance in consultation with Community Development following the Council approved appropriation and budget adjustment that occurred as part of the mid-year budget review. Per City Manager approval, beginning this year, over-spent credit card fees will not be removed from the eligible over-realized revenue and instead be removed from the General Fund balance. The approved personnel use is per the FY21-23 Financial Plan for a stormwater inspector who will monitor stormwater compliance on all construction sites across the City.

Going forward, the designation will likely be used to fund a variety of resources including additional plans examiners, permit technicians, planners, and engineers, including the use of on-call consultants to address workload demands.

Parks and Recreation Department

The Parks and Recreation Department has ended the year with positive variances in both revenues (\$551,819) and expenditures (\$316,511) which can be explained by COVID-19 unknowns at the time of the budget supplement, continuing through mid-year. Even amidst COVID-19 uncertainties, the Department was able to achieve its performance measures and almost all program objectives, with the exception of those programs most impacted by COVID-19 restrictions.

Ranger Service staff prepared the Miossi Open Space for official public use and continued to see increased trail usage among the City's 4,050 acres of Open Space this past year. With Special Events restricted, Community Services staff developed creative alternative programming for the majority of the fiscal year, and with Governor Newsom's lifting of all restrictions in early June 2021, the FY 20-21 culminated with Monday "Meet-Ups" with Food Trucks and music at certain City parks. In addition, Facilities staff duties were reallocated to support the Downtown Dining program and Parks and Recreation played a large role in operating the program to revitalize downtown and support economic recovery and vitality.

Effects of Covid-19 on Department Operations

Staff originally forecasted modified summer programming and normal fall programming for FY 20-21, which unfortunately did not come to fruition. Staff were cautious in forecasting programs due to uncertainties surrounding program feasibility and demand based on prolonged Covid-19 restrictions and adjusted revenue forecasts at mid-year. Most Community Services and Facilities programs continued to be most impacted by COVID-19 restrictions resulting in significant savings in both staffing and operating for both programs. Although programs remained modified as recommended by County Health guidelines, certain programming did resume earlier than mid-year projections, such as sport league programming in Spring 2021 which attributed to the positive variance in Adult Sports and Outdoor Facility Rental revenues.

Certain programs such as Youth Services and Aquatics over-expended in salaries due to program modifications related to COVID-19 health guidelines. In addition, due to FHCP requirements, temporary staffing budgets were cut for both Aquatics and Youth Services. Although the Department over-expended in supplemental salary expenditures, there were savings in other areas due to COVID-19 program cancellations which offset the staffing overages.

Accomplishments

- Parks and Recreation leadership and Community Development worked on multiple iterations of the Parks and Recreation Blueprint for the Future in preparation for Council Adoption (July 2021).
- Amidst COVID-19 program restrictions, staff was able to safely open the Laguna Lake Golf Course and SLO Swim Center facilities to the public with no reported COVID-19 outbreaks at either facility.
- To respond to Community need, Youth Services Childcare programming pivoted to provide full-day care to families during the SLCUSD period of distance learning.
- Staff implemented Youth Sports Clinics to the community for the first time.
- Community Services creatively planned a number of COVID-19 conscience events.
- Facilitation of the Fitness in the Park program to support local fitness/wellness businesses.
- Management of Downtown Dining in Mission Plaza to support economic recovery.
- Trail building and preparing the Miossi Open Space for public use.

Key Objectives

- Providing high quality childcare programs to the community, stimulating the local economy and enabling parents to return to work.

- Facilitation of Downtown Dining.
- Adoption of the Parks and Recreation Blueprint for the Future.
- Implementation of Public Art to enhance the look and feel of the public right of way during its temporary use.
- Open Space Maintenance and new Trail Development.
- Maintain clean, accessible and safe Aquatics facility.
- Maintain 26-acre, 10-Hole Executive Golf Course.

Performance Measures	Target	Result
Pop up Events to Activate our Parks & Facilities	13 Events	17 Events
Increased Community Awareness of Recreational Activities	10%	30%
Miles of Trails/Roads Maintained in the City Open Space	60 Miles	60 Miles

Variance Analysis

Table D-17:

Parks and Recreation	2019-20	2020-21					2021-22
	Actual	Budget	Actual	Funds Available	%		Budget
Staffing	\$ 3,163,735	\$ 3,491,859.85	\$ 3,473,347.48	\$ 18,512.37	1%		\$ 4,232,703.52
Contract Services	\$ 220,809	\$ 349,638.62	\$ 277,444.45	\$ 72,194.17	21%		\$ 250,915.00
Other Operating Expenses	\$ 263,368	\$ 516,892.52	\$ 310,163.31	\$ 206,729.21	40%		\$ 515,285.00
Utilities	\$ 95,329	\$ 117,634.00	\$ 98,558.57	\$ 19,075.43	16%		\$ 127,913.00
TOTAL	\$ 3,743,241	\$ 4,476,025	\$ 4,159,514	\$ 316,511	7%		\$ 5,126,817

Contract Services

The most significant savings under Contract Services are tied to Community Services Contract Services accounts due to closed programming and a reduction in contract class program offerings and consequently less funding expended in instructor payments. In addition, Community Services cancelled the SLO Triathlon and other special events hosted by the Department due to COVID-19 restrictions. There were also a smaller number of banners installed due to COVID-19 impacts on special events.

Other Operating Expenses

The savings in Other Operating Expenses is partly due to savings in Office Supplies, Offices Expenses-Other and Print and Reproduction due to the transition to remote work and transitioning many standard paper processes to electronic means. The department did not spend Advertising and Public Outreach budgets, mainly due to the use of social media platforms for the majority of the Department's communications and advertising. In the case of the Jack House, the department did not conduct events or tours and expended only \$300 of the \$10,500 budget. In addition, there were savings due to many divisions not fully expending Education and Training and/or Trips and Meetings budgets due to COVID-19 restrictions surrounding conferences and the department holding most meetings virtually. In addition, Community Services and Facilities programming remained closed through the majority of the fiscal year, which included the cancellation of the SLO Triathlon, resulting in significant other operating expense savings for the Department.

As Youth Sports programming remained closed due to County Public Health Guidelines, the Department experienced savings in rents and leases for gym space at SLCUSD schools. In addition, the school district provided rooms and space free for Youth Services as the Department expanded programming to meet the needs of families during the period of distance learning, resulting in additional rent and lease savings for the Department.

Staffing

Due to COVID-19 health and safety program requirements, staff over-spent in Aquatics supplemental salaries due to increased staff needs for health screenings, sanitation, and increased programming hours based on capacity restrictions. Youth Services overspent in supplemental salaries due to program modifications and increased hours to accommodate childcare for families during SLCUSD distance learning. In addition, Youth Services over-expended in Regular Salaries due to the SLOCEA new contract negotiation which included a December 2020 lump sum payment, a vacation buyout that hadn't been budgeted, in addition to an error with the pay rate associated with a Recreation Coordinator pay grade. Lastly, attributing the most to the overage, Youth Services was able to receive early Council approval to reclassify the Limited Benefit Temporary (LBT) Specialists to Fulltime and was able to transition three LBTs to full-time employees in June 2021. The Golf Course Regular Salaries overage can be explained by the SLOCEA lump sum payment, a retroactive step increase due to a missing pay change form from a year prior, and comp time buyout that was not budgeted.

Recreation Administration had savings in Temporary Salaries with the public counter closure consistent with County public health guidelines. There were Supplemental Salary savings in both Facilities and Community Services due to program restrictions surrounding COVID-19. Recreation Facilities supplemental staff were reallocated to work Downtown Dining, but the division still had savings as the resources needed to staff downtown dining were not equivalent to a normal programming year for facilities. Ranger Service had savings in Temporary Salaries due to multiple Ranger Service Specialist vacancies and a former Specialist who worked limited hours during fire season.

Utilities

Utilities savings is directly associated with Electric Service expenditures at the Golf Course due to lesser need to use the pump for well water.

Parks & Recreation Revenues

Table D-18:

Department Overview – Parks & Recreation

	2019-20 Actual	2020-21			
		Budget	Actual	Variance	%
1 Parks & Recreation				\$ -	
2 Adult Athletic Fees	\$ 44,316	\$ -	\$ 46,307	\$ 46,307	
3 Aquatics Daily Use Fees	\$ 61,900	\$ 42,308	\$ 50,361	\$ 8,053	119%
4 Driving Range Fees	\$ 7,502	\$ 7,252	\$ 12,561	\$ 5,309	173%
5 Golf Cart Rentals	\$ 15,346	\$ 5,975	\$ 12,429	\$ 6,454	208%
6 Golf Greens Fees	\$ 127,305	\$ 151,470	\$ 198,058	\$ 46,588	131%
7 Golf Lesson Fees	\$ -	\$ 140	\$ 8	\$ (132)	6%
8 Golf Rental Fees	\$ 5,621	\$ 5,363	\$ 7,889	\$ 2,525	147%
9 Indoor Rental & Use Fees	\$ 33,726	\$ 20,000	\$ 12,201	\$ (7,799)	61%
10 Instruction Fees	\$ 41,118	\$ 10,000	\$ 56,152	\$ 46,152	562%
11 Junior Ranger Camps			\$ 4,210	\$ 4,210	
12 Library Rental	\$ 15,188	\$ -	\$ -	\$ -	
13 Local Revenue Measure Transfer In	\$ 146,474	\$ 152,922	\$ 152,922	\$ -	100%
14 Miscellaneous	\$ 3	\$ 1,185	\$ 1,165	\$ (20)	98%
15 Multi Day Swim Passes	\$ 26,248	\$ 35,000	\$ 56,387	\$ 21,387	161%
16 Other Parks & Recreation Revenue	\$ 28,660	\$ 24,840	\$ 41,780	\$ 16,940	168%
17 Outdoor Rental & Use Fees	\$ 65,561	\$ 29,319	\$ 61,033	\$ 31,714	208%
18 Sales Taxable	\$ 8,030	\$ 7,481	\$ 14,741	\$ 7,260	197%
19 Special Events Insurance	\$ 6,770	\$ -	\$ 884	\$ 884	
20 Swim Instruction Fees	\$ 14,734	\$ 20,673	\$ 49,997	\$ 29,324	242%
21 Therapy Pool Fees	\$ 6,706	\$ 8,327	\$ 9,553	\$ 1,226	115%
22 Youth Athletic Fees	\$ 31,518	\$ 14,000	\$ 36,071	\$ 22,071	258%
23 Youth Services Camps	\$ 23,437		\$ 86,776	\$ 86,776	
24 Youth Services Childcare	\$ 500,294	\$ 680,857	\$ 849,552	\$ 168,695	125%
25 Special Events App/Permit	\$ 26,101	\$ -	\$ 4,333	\$ 4,333	
26 Special Events - City Sponsored	\$ 10,559	\$ -	\$ 3,564	\$ 3,564	
27 Total	\$ 1,247,119	\$ 1,217,112	\$ 1,768,932	\$ 551,819	145%

Facilities: Staff adjusted all facility rental budgets down to account for the restrictions surrounding group activities, specifically indoors. In Spring 2021, the County released guidelines approving outdoor league sports resulting in outdoor rental revenue immediately increasing while indoor rental fees remained below what staff originally forecasted. In addition, prior to league sports, the Department charged youth sports groups to utilize the fields for clinics under COVID-19 guidelines. When forecasting revenues, staff was unsure of the ability to charge for this type of activity. Indoor rentals were still largely impacted by County restrictions, and staff didn't begin allowing indoor rentals until late Spring resulting in revenue shortfall in Indoor Rentals by \$7,799.

Youth Services: Youth Services program hours expanded to accommodate full-day programming in response to virtual/distance academic learning. Staff was unsure of demand for programming and conservatively budgeted revenues. Revenue actuals were at a historic high at \$936,327 due to the expanded program hours and the San Luis Coastal Unified School District (SLCUSD) sharing the financial burden of the cost for SLCUSD families. SLCUSD covered 50% of the program cost for families during the distance learning time period.

Community Services: Community Services revenues encompass Adult and Youth Sports, Special Event Permit and City Sponsored Special Events, and Contract Classes. At mid-year, staff adjusted Adult Athletic fees down to \$0 due to County restrictions surrounding COVID-19 for league programming. Fortunately, in Spring 2021, the County published new guidelines allowing for modified league programming resulting in the revenue actuals surpassing the budgeted target (\$46,307). In addition, staff conservatively budgeted revenues for Youth Sports (clinics) and Contract Classes as staff was unsure of program demand amidst the COVID-19 pandemic. Demand was higher than forecasted revenues, explaining the positive variance for Youth Athletic fees (\$22,071) and Contract Classes (\$46,152). Note that revenue actuals still fell below a normal programming year due to limited Adult and Youth Sport league opportunities which traditionally bring in a significant amount of revenue.

Aquatics: Staff conservatively forecasted revenues for swim lessons, and assumed no group lessons, only private lessons. Staff only held private lessons in Fall 2020 but swim lessons resumed as normal for Summer 2021 with the majority of summer swim lesson registration paid in Spring 2021 (including typical group lessons). Multi-Day passes continued to be in high demand with more revenue brought in than forecasted due to the emphasis on lap swimming programming amidst COVID-19 program restrictions and the multi-day pass being a cost-effective choice for lap swimmers. Staff have returned to normal Aquatics revenue budgets for FY 21-22. Staff was unsure of third-party demand for the SLO Swim Center and adjusted the Other Aquatics revenue down. However, the Seahawks Swim Team did resume under a modified rental agreement to utilize the SLO Swim Center resulting in a \$16,940 positive revenue variance. The SLO Swim Center typically closes the last two weeks of August for annual maintenance but closed mid-August into mid-September in 2021 for an extended CIP maintenance project. These projects were originally scheduled during FY 20-21 however were delayed to FY 21-22 in order to reduce the impact to the community.

Golf: Staff conservatively adjusted revenues down at mid-year and were able to achieve all revenue targets with minimal variances and brought in an additional \$46,588 in Golf Green Fees than originally forecasted. With lessening restrictions, four-some groups resumed which reduced wait times between reservations resulting in higher revenues for Golf Green fees than originally forecasted. Staff adjusted at mid-year based on the first and second quarters of the Fiscal Year. Revenues for FY 21-22 have been adjusted to better reflect a normal programming year at \$200,000. FY 20-21 Actuals for Golf Green Fees were at an all-time high; revenues hadn't reached above those levels since FY 16.

Public Works Department

The Public Works Department ended FY 20-21 with significant expenditure variances that were attributable to staff vacancies, a change in service levels in response to COVID-19 and an increased irrigation need due to lower than anticipated rainfall. The department held positions vacant to assess staffing levels and structure; program studies are underway for CIP Project Engineering, Urban Forestry, and Transit. Several of the positions held vacant were in CIP Project Engineering due to an analysis of the program to determine the optimal staffing level and structure given the recently approved increase in the local revenue measure and corresponding expansion of the Capital Improvement Plan. Short staffing in the program paired with dynamic economic conditions that escalated construction costs precluded the department from attaining its goal of constructing 80% of CIP projects in the year they were budgeted. The department is continuing to hold positions vacant as program studies near completion. The recommendations provided in these studies will result in significant process improvements in staffing, performance tracking, financial management, and delivery of services.

COVID-19 and social unrest had an impactful effect on the department's workload and allocation of resources. Efforts were focused on achieving key objectives with an emphasis on health and safety as well as economic resiliency. While the department did not achieve its target of a 10% reduction in traffic collisions, staff were diligent in creating safe and accessible walking and bicycling opportunities. Efforts were committed across programs to OpenSLO which entailed temporary street closures, parklets, and more flexible sidewalk dining permits. This effort necessitated several street and traffic safety measures, as well as increased maintenance and sanitation efforts in the downtown corridor. In addition to OpenSLO program support, staff continued to be proactive in preventative maintenance efforts for City assets, increasing the number of work orders by four percent from Fiscal Year 2020.

Effects of Covid-19 on Department Operations

The department provided essential services to the community and played an important role in City's response to COVID-19. The department was able to maintain all service levels provided to the community and took on additional responsibilities to promote health and safety during the ongoing pandemic. Measures taken included:

- Increased frequency of janitorial services for public facilities.
- Implementation of a disinfection program for the downtown and park facilities.
- Providing public counter information, staging, screening, and shielding protection to better protect front counter staff and the community.
- Assisting with the OpenSLO program and implementation of parklets in the right-of-way, traffic control, and Higuera Street roadway striping revisions and the half-street closure of Monterey St. between Morro and Chorro Streets.
- Adjusting service levels and fees in parking and transit service discussed in the enterprise fund sections of this report.

The department also assisted with the City's response to social unrest by providing traffic control services and other resources, as necessary.

Accomplishments

- Marsh Street Bridge Complete and Opening
- Islay Park Playground Rehabilitation
- ATP Adoption
- Parklets and OpenSLO
- Enhanced downtown cleaning (sidewalk scrubbing and parklet cleaning)
- Multi-space meters (step one of Parking operational interface modernization)
- Dana Street Parking District
- Railroad Safety Trail start of construction

- Two electric bus purchases

Key Objectives

- Provide the public with safe and reliable parks facilities
- Provide a sustainable urban and community forest
- Provide the community with a safe and smooth public transportation infrastructure
- Deliver the City's capital construction program in a timely and cost-effective manner
- Enhance accessible regional transit, bicycle, and pedestrian mobility

Performance Measures	Target	Result
Increase the number of work orders for proactive preventative maintenance of city assets	5%	4%
Enhance traffic safety for all modes of transportation ³	10%	1%
Percentage of capital projects constructed in the budgeted year ⁴	80%	60%

Variance Analysis

Table D-19:

Public Works	2019-20	2020-21					2021-22
	Actual	Budget	Actual	Funds Available	%		Budget
Staffing	\$ 8,420,661	\$ 8,918,516	\$ 8,296,529	\$ 621,987	7%		\$ 9,034,719
Contract Services	\$ 1,171,878	\$ 1,950,319	\$ 1,589,314	\$ 361,006	23%		\$ 1,764,012
Other Operating Expenses	\$ 1,434,196	\$ 1,705,171	\$ 1,510,967	\$ 194,204	13%		\$ 1,755,701
Utilities	\$ 1,481,301	\$ 1,774,205	\$ 1,879,229	\$ (105,024)	-6%		\$ 2,121,206
TOTAL	\$ 12,508,036	\$ 14,348,211	\$ 13,276,038	\$ 1,072,173	7%		\$ 14,675,638

Contract Services – There were significant savings in contract services in the department largely attributable to decreased program and service levels over the year primarily in Parks Maintenance, and Swim Center Maintenance. As the demand for organized sports field preparation, the required intensive turf renovation, and typical swim center use normalize contract services expenses will increase.

Other Operating Expenses – Significant savings were realized in Other Operating Expenses. These savings were realized in part due to increased use of contract services in Fleet to address staff shortages. Vendors have absorbed supply costs typically borne by the City. Furthermore, staff were able to realize savings due to a surplus of supplies from last year, paired with a lower rate of vehicle and equipment use during COVID. Parks Maintenance and Streets/Sidewalk Maintenance realized significant savings due to a delay in services during the state stay-at-home order. There were no significant ramifications due to the maintenance delays because they were brief and tied to reduced programming.

Staffing – Significant salary savings were realized in part due to positions being held vacant while the department conducts program studies. Additionally, vacancies that did not urgently need to be filled were maintained as a fiscal health measure. The largest savings were realized in Public Works Administration, Urban Forestry, CIP Project

³ The 1% reduction in collisions in FY21 is due to the uncharacteristically low number of collisions in FY 19-20. Even with a running three-year average that low of a data point from the previous year weighs down the running average significantly.

⁴ Dynamic economic conditions that resulted in escalated construction costs, staff vacancies and an expanded CIP resulted in the department falling short of its goal of completing 80% of Capital Projects in the year they were budgeted.

Engineering, and Transportation Planning and Engineering. The staff vacancies precluded CIP Project Engineering from achieving its target performance measures. In an effort to address project delivery in light of the passage of G20 and an expanded capital budget for 2021-23 staff contracted with Management Partners to identify how to best do this. Over 50 priority recommendations have been identified from added staff, to new metrics, to changes in how projects are scoped, budgeted, and delivered. Implementation will start in September 2021. Program delivery impacts on Urban Forestry and Transportation Planning and Engineering were minimal as staff addressed heavier workloads with overtime.

Utilities – While programs realized savings due to a decrease in programming and service levels, the department exceeded its overall utilities budget due to lower than anticipated rainfall which caused Parks Maintenance to go over budget by a significant amount due to increased irrigation needs. Facilities Maintenance also exceeded its electric utility budget as it was decreased in the supplemental budget to account for PG&E's peak hours rates impact on Parks Maintenance.

Utilities Department

The Utilities Department oversees three Enterprise Funds and the Solid Waste and Recycling program in the General Fund. The Solid Waste and Recycling budget, while managed by the Utilities Department, is a General Fund program, maintained primarily by AB 939 funding. In addition to the Water and Sewer Funds, the Utilities Department also manages the Whale Rock Fund, which is overseen by the Whale Rock Commission. City operations expenses and CIP reserve contributions for Whale Rock operations are budgeted for in the Water Fund's Source of Supply budget.

The Department's Enterprise Funds ended FY 20-21 with significant expenditure variances under budget and revenue variances over budget. Revenues in both Water and Sewer were higher than anticipated. Consumption revenue in both funds was projected to be down by 6% due and budget figures were adjusted at the supplemental budget to reflect this assumption. However, due to increased volumes of residential water and sewer use during the stay-at-home order, consumption revenue was actually 12% higher in the Water Fund and 8% higher in the Sewer Fund. The observed increase in residential use associated with the stay-at-home order was compounded with a drier winter and higher irrigation demand. While increases in usage were seen in residential accounts, there was reduced use in commercial accounts. During FY 20-21 residential water use increased seven percent, commercial water use decreased five percent, and irrigation water use increased 14 percent.

Operating expenditures were also underspent in both Funds. The Water Fund was \$2.0 million under budget, and the Sewer Fund was \$1.1 million under budget. Further details for these variances are discussed below. Lastly, construction on major capital projects at both the Water Treatment Plant and at the Water Resource Recovery Facility (WRRF), the City's largest capital project to date, continued on schedule during FY 20-21 with only minor impacts from the pandemic.

Effects of Covid -19 on Department Operations

During the pandemic, the workload for Utilities Water and Sewer field staff largely remained stable and employees continued to report to work, as the nature of their duties often precludes remote work. However, field staff modified their operations to ensure physical distancing and temporarily reduced activities that involved direct interaction with the public such as facility tours, attendance at public events such as the Farmers Market, and in-person meetings with contractors and consultants. Additionally, opportunities for staff to attend training courses and take certification tests were reduced significantly, with a resultant decrease in training and certification expenditures. As an alternative to in-person training courses, staff utilized digital training opportunities that were less costly. Impacts related to delayed certification were experienced mostly by newer staff who relied upon certifications to advance through Skills Based Pay levels and to satisfy employment requirements. Certification agencies provided digital certification alternatives in the second half of FY 20-21 which generally allowed staff who were awaiting certification testing to satisfy this need.

Administrative staff within the Water and Sewer Fund were more significantly impacted by the pandemic. Throughout FY 20-21 the Utilities office remained closed to the public. Approximately 50% of administrative staff also worked from home during this time.

One of the largest impacts of Covid-19 on water and sewer operations was related to the State of California moratorium prohibiting cities from terminating water and sewer services to customers for non-payment of utility bills. Termination of service is one of the methods that is taken to encourage bill payment and to keep revenue levels consistent. Utility Billing staff dedicated a significant amount of time to modifying internal policies related to termination of service and revenue collection. Staff also began offering additional programs and services to those who were impacted by the pandemic. These programs and services include extended payment plans and increased outreach to customers notifying them of state and local programs that were available to help them pay past-due balances.

A continued concern is the ability of customers to pay their current and past due bills. A moratorium remains in place by the State restricting the ability to shut off water for non-payment. Until a change to this requirement is made, Utilities will not have the ability to shut off water to those customers who do not pay. As of June 30th, 2021 there was approximately \$676,000 in past-due utility bills (water and sewer combined). This amount has increased as the stay-at-home order continued through the 2020-21 fiscal year. Before the pandemic, \$90,000 was the approximate average of past due balances. Utilities staff continues to reach out to customers to make efforts to obtain payment directly and encourage customers to enroll in payment plans to pay down their past due balances. Without water shut offs as an “incentive” to pay, the past due account balances are anticipated to continue to increase. The Utilities Department will resume shutting off water for non-payment when the moratorium is no longer in place. Once that occurs, the Department will provide a 60-day notice of the upcoming shut-off to allow time to pay past due balances or alternatively schedule payment plans.

Permit Fees for Class I and II Industrial User Permits were not collected in an effort to help local businesses during the pandemic. This action resulted in \$62,530 in lost revenue for the year in the Sewer Fund.

Water Fund

The Water Fund ended FY 20-21 with revenues 20% above total budget, and operating expenditures 11% below budget. Over-realized revenue and funding saved from under-realized expenses will be returned to Unreserved Working Capital where it can be utilized for future needs of the Water Fund.

Water Division Accomplishments

- The Water Treatment Plant completed the installation and began the operation of its new Ozone Treatment System.
- The Department invested in new technology that allows for aerial/GIS-based assessment of outdoor irrigation quotas, to comply with AB 1668 and SB606.
- The Water Distribution section coordinated the removal of the Terrace Hill Water Tank, replacing it with a Pressure Reducing Valve (PRV) that increases fire-fighting flow in the area and decreases long-term water tank rehabilitation and replacement costs.
- The Water Resources Section began utilizing radio advertising to inform the community about the City’s secure and drought resilient water supplies.
- Design was completed for both the emergency generator and Tesla backup battery at the Water Treatment Plant.
- Spillway underdrain repair bids and specifications were completed at Whale Rock Reservoir.
- The Water Distribution section began and/or completed four separate waterline replacement CIP projects.

Water Division Key Objectives

- Deliver raw water supplies to the City’s Water Treatment Plant in a reliable, cost-effective manner.
- Protect public health, maintain compliance with all applicable regulations and continue to provide uninterrupted supply of high-quality water to customers through the distribution system.
- Continue water distribution system improvements in accordance with the Capital Improvement Plan.
- Coordinate the planning, development, implementation, and regulatory reporting for programs and services related to recycled water, water conservation, and groundwater pumping.
- Manage the Water Enterprise Fund’s financial operations and recommend rates and revenues needed to support program and service objectives.
- Continue implementation and tracking of strategic planning activities.

- Continue safety assessments and ensure compliance with safety regulations.
- Implement and monitor the Fiscal Health Response Plan for the Water Fund

Performance Measures	Target	Result
Drinking Water Treatment Compliance Rate	100%	100% ⁵
Prevention and Reduction of Safety Incidents	0 Incidents	3 ⁶
Capital Improvement Projects on Schedule	100%	82%

2020-21 Fund Summary

<i>Table D-20</i>	Budget	Actual	Difference	Variance
Revenue	24,198,489 ⁷	28,935,456	4,736,967	+20%
Expenditures	18,122,881	16,090,107	2,032,774	-11%
Year-End Net Increase Return to Unreserved Working Capital			6,769,741	

Revenue Detail – Water Fund

<i>Table D-21</i>	Budget	Actual	Variance
Investment and Property Revenue	200,000 ⁸	256,206	56,206
Water Service Charges and Base Fees	21,044,904	22,863,424	1,818,520
Development Impact Fees	800,000	4,744,361	3,944,361
Other Revenue	157,010	209,846	52,836
State Grants	1,996,575	326,440	-1,670,135
Cal Poly Capacity & Resilience	----	535,180	535,180
Debt Proceeds	14,300,000	12,601,254	-1,698,746
Total	\$ 38,498,489	\$ 41,536,711	\$ 3,038,222

Even through the COVID pandemic, Water Service Charges exceeded budget by approximately \$1.8 million. Some of this increase can be attributed to increased water use during an abnormally dry winter, and Cal Poly students being able to return to campus and contributing to higher water consumption in the final quarter of the fiscal year.

Water Fund Long-Term Debt Proceeds revenue were \$1.7 million less than budgeted. Proceeds from debt was forecasted to be \$14.3 million; however, a portion of the projected debt proceeds for the year were delayed due to timing of the Water Treatment Plant Energy Efficiency project. The remaining FY 20-21 budgeted reimbursements are projected to be submitted in January of 2022 (FY 21-22). If proceeds from debt were excluded, total water revenue exceeded budget by \$4.7 million, largely due to Development Impact Fees discussed below.

Development Impact Fees were \$3.9 million higher than projected as commercial and residential construction projects in the City continued through the pandemic. The budget projections for Development Impact Fees have in

⁵ The Utilities Department was required to issue an advisory boil water notice in May 2021, due to a large water main break that resulted in depressurization of the water distribution system. Laboratory tests confirmed that no water quality issues or violations occurred as a result of this event.

⁶ The Water Division had three total safety incidents for the 2020-21 FY which included: 2 motor vehicle accidents (one was of no fault of the employee who was rear-ended by a citizen) and one tripping injury.

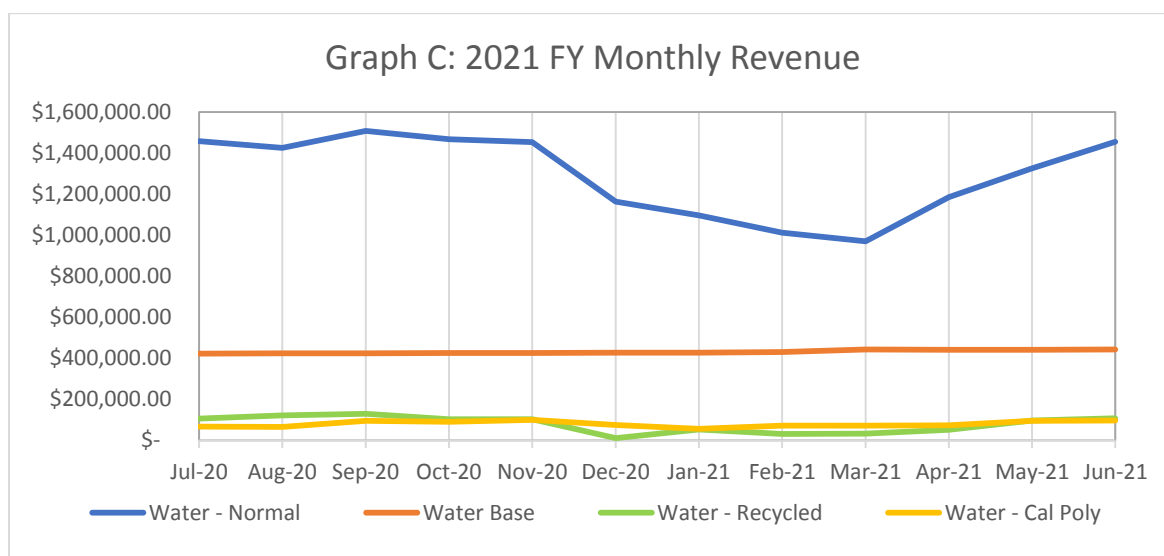
⁷ Budget revenue number excludes Proceeds from Debt to better demonstrate operating revenue compared to actual operating expenditures.

⁸ Market Value Gain/Loss (\$150,000) is not included in the budget figure.

the past been conservatively based on the historically lowest amount collected and then adjusted at mid-year. This methodology has been updated beginning with the 21-23 Financial Plan to budget for the average of the next five years of projected impact fees. This is the final year that the variance should reflect such a high amount due to this change in methodology.

Due to delays from CalOES and FEMA, the permanent backup power generator at the Water Treatment Plant was not installed during this fiscal year. Original budget estimates projected that the City would receive approximately \$2 million in grant funding. The generator is anticipated to be installed during the FY 22-23 and grant funding will be received after the initiation of the project. The Capacity and Resiliency agreements were signed with Cal Poly during the final months of the fiscal year. These payments are the University's contributions to preserve their capacity share in the City's Water Treatment Plant and Water Resource Recovery Facility projects, and for Source of Supply related operational resiliency and were not originally budgeted for this fiscal year.

The increased revenues listed above resulted in the review of the long-term financial outlook by the rate consultant HDR and the projected water rate increase of 5.5% for both 2021-22 and 2022-23 being reduced to 3.5% for each year.



Operating Expenditures

The Utilities Department Water Division ended the year with approximately 11% total operational savings. Significant savings in Contract Services, Education and Training, and Utilities (electricity) contributed to year end savings.

Operating Expenditures Variance Analysis

Table D-22:

Water Fund	2019-20	2020-21				2021-22
	Actual	Budget	Actual	Funds Available	%	Budget
Staffing	\$ 4,638,948	\$ 4,569,099	\$ 4,072,299	\$ 496,800	12%	\$ 4,730,739
Contract Services	\$ 371,046	\$ 565,117	\$ 468,203	\$ 96,914	21%	\$ 688,915
Other Operating Expenses	\$ 11,565,635	\$ 12,331,965	\$ 10,987,882	\$ 1,344,083	12%	\$ 11,458,868
Utilities	\$ 505,698	\$ 656,700	\$ 564,456	\$ 92,244	16%	\$ 679,010
TOTAL	\$ 17,081,327	\$ 18,122,881	\$ 16,092,840	\$ 2,030,041	11%	\$ 17,557,532

Contract Services-Savings in Water Administration/Engineering Contract Services account resulted from not conducting longer-term administrative evaluations for Salinas and Whale Rock Reservoirs which were delayed due to staffing shortages; it is anticipated to occur during FY 21-22 and FY 22-23 as priorities allow.

Savings in Water Resources are a result of Water and Wastewater education tours and classroom education at the WRRF not being held because of COVID restrictions. This budget item had been reduced at Supplement in anticipation of fewer tours, but ultimately no tours were allowed due to health and safety guidelines. In addition, vacancies in the Water Resources program also contributed to anticipated program contracts not being fully expended. The vacancies within the water Resources Section were filled in November 2020 and April 2021.

Other Operating Expenses- Throughout the Water Division, there were significant savings in Education and Training, and Trips and Meetings as conferences and on-site training events continued to be cancelled due to the pandemic. Budgets had been reduced at supplement in anticipation of some educational events being on-site, but ultimately very few in-person training sessions were available throughout the year and staff utilized less expensive online training opportunities.

Source of Supply, Miscellaneous Materials and Supplies realized a savings of 51% as a budgeted chlorine dosing system for recycled water production was not purchased due to the WRRF construction project timeline. This expense is now budgeted in the 21-23 Financial Plan to align with the updated project timeline changes. Additional savings (16%) in Chemical expenses at the Water Treatment plant are a result of higher water quality in surface water reservoirs, allowing for fewer chemicals needed for treatment. A few special projects such as valve clean ups and main pipeline abandonments were delayed in Water Distribution as CIP and development projects took priority resulting in Construction Materials and Supplies budget savings.

Staffing

Source of Supply- Some positions in the Water Fund are funded through the Source of Supply budget, the program that procures water from the City's three primary surface water sources (Whale Rock, Salinas, and Nacimiento Reservoir) as well as recycled water production at the WRRF. Regular Salaries in Source of Supply was over budget by \$57,806 due to 0.50 FTE WRRF Operator position allocation not being budgeted appropriately at Supplement and a Human Capital Management data entry issue. This has been corrected in the 21-23 Financial plan and the budget has been increased to reflect this position's expenses correctly.

*Water Treatment-*Salary and benefits savings realized at the Water Treatment Plant are due to an approximate three-month Water Treatment Plant Operator vacancy. This vacancy was largely backfilled through increased overtime and through the temporary deferral of maintenance tasks.

*Water Distribution-*A Water Distribution Operator position was vacant through most of FY20-21 and not filled until the last few months of FY20-21 resulting in staffing savings. This position being vacant for the majority of the fiscal year resulted in minor decreases to asset maintenance within the water distribution system, specifically in hydrant and dead-end flushing activities. This decrease in hydrant and dead-end water main flushing aligns with the City's goal to reduce flushing temporarily during periods of drought.

*Water Resources-*Two Water Resources Technician positions were also vacant until the last few months of the fiscal year, and the Water Resources Manager was not filled until November 2020. The Water Resources section vacancies resulted in decreased public education and outreach, increased temporary staffing costs, and additional support being needed from the Water Distribution and Utility Billing sections for conservation and customer service activities.

Water Administration-The Administrative Assistant position was vacant for the last three months of the fiscal year which contributed to salary savings in the Water Administration budget. Impacts related to this vacancy were largely accommodated by an experienced administrative staff within the Utilities Department.

Utilities

Source of Supply-The Nacimiento pipeline was shut down for construction for the third quarter of FY20-21 (January to March) which resulted in significant savings in electrical pumping. The electrical budget for Source of Supply was increased in anticipation of a higher energy demand for the Ultraviolet (UV) treatment system for the Recycled Water system but was not realized due to rescheduling of the equipment installation because of WRRF construction project scheduling. The net total savings in Source of Supply Water Supply account was \$862,148. Due to the complexity of projecting source water pumping costs in advance, the Source of Supply budget is generally underspent and returns funding to unreserved working capital each year from which it can be requested, should the need arise.

Water Treatment Plant-The Water Treatment Plant Energy Efficiency upgrade project also contributed to electricity savings due to the implementation of a more efficient Ozone Treatment System. The full impacts of the savings associated with this upgraded system are currently being monitored for future budget analysis.

Sewer Fund

The Sewer Fund ended FY 20-21 with revenues 18% above total budget, and operating expenditures 13% below budget. Over-realized revenue and funding saved from under-realized expenses will be returned to Unreserved Working Capital where it can be utilized for future needs of the Sewer Fund

The Sewer Fund Administration COVID 19 expense account was \$62,747 over the budgeted amount. These expenses are for the Water Quality Lab COVID wastewater testing and necessary supplies. With the need for additional information on COVID presence in the community, this testing took priority over other process control analysis at WRRF. This change in testing led to operating budget savings in the Water Quality Lab, contract services account. This process control testing at the WRRF will be performed as the WRRF project continues.

Accomplishments

- The WRRF project completed its first full year of construction and is on-time and within budget.
- Replacement of two major wastewater collection system projects began construction.
- Design has been completed for the Calle Joaquin Lift Station and the Request for Bids for construction will go to Council in the Fall of 2021.
- The stormwater program transitioned to management under Environmental Programs and completed an MOU with City Departments.
- The City's Water Quality Laboratory partnered with Cal Poly and performed COVID-19 wastewater sampling that was shared with SLO County Health and the University.
- Completion of Utilities Department Strategic Plan.

Wastewater Division Key Objectives

- Transport wastewater from its various sources to the Water Resource Recovery Facility (WRRF).
- Comply with non-domestic wastewater and various stormwater aspects of the Clean Water Act.
- Receive and treat millions of gallons of wastewater daily.
- Production of millions of gallons of recycled water annually.
- Continue construction of the Water Resource Recovery Facility (WRRF) Project
- Budget, plan, and support the design and construction of capital improvement projects
- Support and collaborate with others on private development applications.
- Support and collaborate with other departments on Major City Goals.
- Continue programs to reduce Inflow and Infiltration (I/I).
- Provide accurate and timely collection of revenues that support the City's water and wastewater programs.
- Perform sampling and analyses to support wastewater, recycled water, groundwater, drinking water, San Luis Obispo Creek watershed to protect public health.
- Monitor sewer enterprise fund financial operations and recommend rates and revenues needed to support program and service objectives.
- Continue implementation and tracking of strategic activities.
- Continue safety assessments and ensure compliance with safety regulations.
- Implement and monitor the Fiscal Health Response Plan for the wastewater fund.

Performance Measures	Target	Result
Wastewater Treatment Compliance Rate	100%	87 ⁹ %
Prevention and Reduction of Safety Incidents	0 Incidents	6 ¹⁰
Self-Generated Electricity at WRRF	5%	8%
Capital Improvement Projects on Schedule	100%	87%

The Sewer Fund ended FY 20-21 with revenues 18% above budget, and operating expenditures 13% below budget. The Utilities Department is requesting that net increases to the Fund and remaining balances be maintained in Unreserved Working Capital. As mentioned under the Water Fund, the financial picture led to a review of the previous rate increases by the rate consultant, HDR, and the lowering to 3.5% from originally 6.5% for both years of the 2021-23 Financial Plan.

2020-21 Fund Summary

<i>Table D-23:</i>	Budget	Actual	Difference	Variance
Revenue	18,692,895 ¹¹	22,001,248	3,308,353	+18%
Expenditures	8,454,246	7,317,963	1,139,284	-13%
Year-End Net Increase return to Unreserved Working Capital			4,447,637	

Revenue Detail – Sewer Fund

<i>Table D-24:</i>	Budget	Actual	Variance
Investment and Property Revenue	200,000 ¹²	337,344	137,344
Sewer Services Charges and Base Fee	15,913,900	17,012,818	1,098,918
Development Impact Fees	600,000	3,822,469	3,222,469
Other Revenue	163,010	326,582	163,572
Other State Grants	1,815,985	258,467	-1,557,518
Cal Poly Capacity & Resilience	----	243,568	243,568
Debt Proceeds	43,099,819	20,211,971	-22,887,848
Total	\$ 61,792,714	\$ 42,213,219	\$ -19,579,495

Sewer revenue was \$19 million less than budgeted due primarily to the timing of WRRF project reimbursements. Proceeds from debt was expected to be \$96.3 million with carryover from the previous fiscal year for the WRRF construction project but was \$20.2 million below budget as a result of project timelines moving forward to the next

⁹ The WRRF maintained effluent and receiving water requirements for 87 percent of fiscal year 2021. Non-compliance resulted from exceedances of salts or disinfection by-products and because of COVID-related impacts that have been resolved but remain under investigation. The salt and disinfection by-products violations will be addressed by the WRRF upgrade. Most water quality objectives were met during this time, including the annual toxicity test, which measures the impact of the WRRF's effluent on San Luis Obispo Creek. There have been no visible or otherwise quantifiable impacts on receiving water quality.

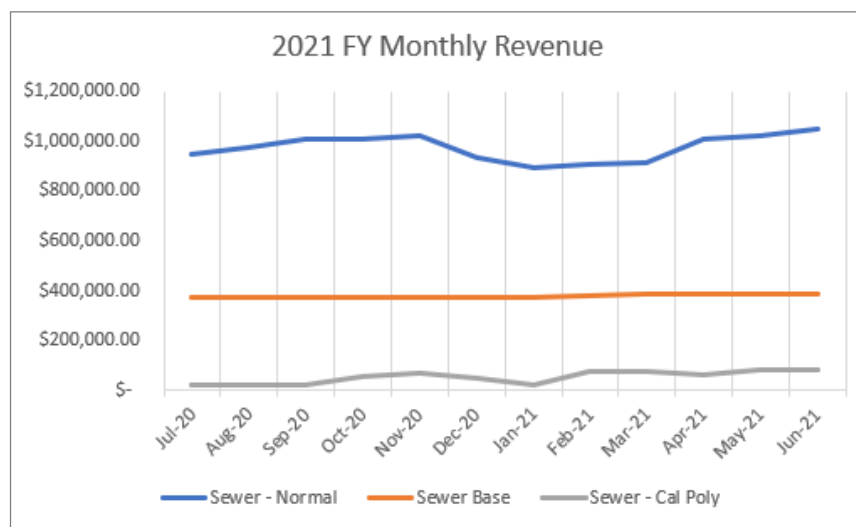
¹⁰ The wastewater division had six total safety incidents for the FY 20-21 which included: 1 tripping injury, 1 sprained wrist, 1 cut finger, 1 struck head on a piece of equipment, and 2 reported eye issues (irritation of the eye and chemical in the eye).

¹¹ Budget figure excludes Proceeds from Debt to better demonstrate operating revenue compared to actual operating expenditures.

¹² Market Value Gain/Loss (\$150,000) is not included in the budget figure.

fiscal year. If proceeds from debt is excluded, sewer revenue exceeded budget by \$3.3 million. Debt Proceeds have been adjusted to reflect the expected project reimbursements in the FY 21-22 budget.

Sewer development impact fees exceeded budget by approximately \$3.2 million, reflective of continued development in the City and a change in methodology to better forecast this revenue. This change in calculation of impact fees in the coming years has been incorporated in the current financial plan. Sewer service charges were more than budgeted by \$1.09 million. This is due to higher than budgeted sewer revenue from the Cal Poly campus with students returning to campus full-time and an increase in residential use.



Operating Expense Variance Analysis

Table D-25:

Sewer Fund	2019-20	2020-21					2021-22
	Actual	Budget	Actual	Funds Available	%	Budget	
Staffing	\$ 4,869,963	\$ 4,808,125	\$ 4,376,908	\$ 431,217	10%	\$ 4,816,352	
Contract Services	\$ 690,723	\$ 1,112,297	\$ 899,223	\$ 213,074	24%	\$ 869,192	
Other Operating Expenses	\$ 1,318,239	\$ 1,774,690	\$ 1,540,390	\$ 234,300	15%	\$ 1,671,302	
Utilities	\$ 588,697	\$ 758,100	\$ 507,292	\$ 250,808		\$ 793,010	
COVID-19	\$ 5,832	\$ 1,034	\$ 63,781	\$ (62,747)	-98%		
TOTAL	\$ 7,473,454	\$ 8,454,246	\$ 7,387,593	\$ 1,066,653	13%	\$ 8,149,856	

Contract Services- Additional sampling needs were reduced, and lower than anticipated due to COVID response and wastewater testing being prioritized. Some WRRF upgrade project expenses were postponed and anticipated contracted services were shifted for completion in the next fiscal year. Utilities Revenue (billing) had savings due to carry over for the multi-year meter reading contract funding not fully expended as anticipated. Additional contract services budget was not expended for manhole coatings maintenance as COVID related measures lead to the difficulty in scheduling a contractor. In addition, fewer emergency repairs were required. Emergency repairs are budgeted in operating programs, but occasionally may require requests for additional funding from working capital in cases where the needed funding surpasses the budgeted resources.

Other Operating Expenses- Anticipated expenses for legal services for permit negotiation and regulatory compliance did not occur as anticipated which resulted in significant savings in Wastewater Administration. These negotiations are expected to begin in FY21-22. All Sewer Fund programs were underspent in the areas of Education and Training, and Trips and Meetings (travel). Testing and certification training was cancelled or delayed due to the pandemic; most trainings available were done remotely or ultimately cancelled. Staff's ability to attend training courses and take

certification tests were reduced significantly during the first two quarters of FY 20-21, with a resultant decrease in training and certification expenditures. Staff began utilizing digital training opportunities that were less costly when they became available. Impacts related to delayed certification were experienced mostly by newer staff who are required to achieve a certain level of certification to meet their job requirements. Certification agencies provided digital certification alternatives in the second half of FY 20-21 and delays in training have been remedied.

Staffing

Water Quality Lab-Savings in regular salaries were realized as the program was not fully staffed until the second half of the fiscal year (March of 2021). These multiple vacancies impacted overtime and temporary staffing program budgets which were overspent. However, overall salary savings offset these budget overages for the lab program.

Wastewater Collections- Regular Salary savings were realized in Wastewater Collection due to Skills Based Pay budget projections being slightly higher than actuals.

WRRF- Regular Salary savings were realized at the WRRF due to Skills Based Pay budget projections being slightly higher than actuals. A WRRF Operator position was vacant for multiple months of the year resulting in regular salary savings. Needed temporary and contract overstaffing costs, while over budget, were covered by the regular staffing savings.

Utilities- Approximately \$90,000 was budgeted for the Ultraviolet (UV) wastewater treatment equipment coming online in the FY 20-21. The WRRF construction project timelines have impacted the installation and resulted in significant savings in electrical costs as additional energy was not needed. Operational efficiencies implemented at the WRRF also contributed to electrical savings.

Solid Waste -AB939 General Fund

The Solid Waste program is mainly paid for by AB939 funding collected through the solid waste bills. AB939 funds may only be used to pay for activities that divert waste from the landfill so any funds remaining at the end of the year must remain within the Solid Waste program budget. FY 20-21 was the second fiscal year that this funding has been tracked separately, and funding from FY 19-20 continued to be carried over. Savings were realized in the program again in FY 20-21 due to the program continuing to get established. In FY 20-21, a Water Resource Technician was permanently reclassified to a Solid Waste and Recycling Coordinator, providing a dedicated FTE to the program. Identified projects are moving forward with the current staffing resources of the program, and additional temporary staffing was approved for the FY 21-22 to assist with program objectives.

<i>Table D-26: Solid Waste AB939 Revenue Overview</i>	Budget	Actual	Variance	% Over/Under
a) Revenue – AB939	----	181,338		
b) Expenditures	228,669	141,918	86,751	-37%
c) 20-21 Year-End Net Revenue Over Exp (a-b)		39,420		
d) 19-20 Carryover Remaining		64,152		
Total Carryover Request (c + d)		103,572		

Operating Expenditures

Variance Analysis

Table D-27:

Solid Waste	2019-20	2020-21					2021-22
	Actual	Budget	Actual	Funds Available	%		Budget
Staffing	\$ 73,209	\$ 99,007	\$ 106,885	\$ (7,878)	-8%		\$ 124,189
Contract Services	\$ -	\$ 93,152	\$ 29,000	\$ 64,152	69%		\$ 39,000
Other Operating Expenses	\$ 13,947	\$ 36,510	\$ 6,033	\$ 30,477	83%		\$ 36,510
TOTAL	\$ 87,156	\$ 228,669	\$ 141,918	\$ 86,751	38%		\$ 199,699

Savings in Contract Services and other Operating Expenses were due to a combination of the Solid Waste program being new to the City, regional outreach and education efforts reprioritized to address the pandemic, and AB939 funding balance rollover from FY 19-20. Expenses for public outreach and advertising were also underspent because no public events were attended in the midst of COVID and response to the pandemic was prioritized throughout the region, thus removing available staff time to focus on alternative outreach efforts. Most efforts in FY 20-21 were focused on the partnership with the Integrated Waste Management Authority (IWMA) to implement the prescriptive standards set by SB1383 (i.e. ordinance adoption, hauler agreement amendments, purchasing and procurement policies), which resulted in other program projects being delayed until the following year. All remaining budgets will be carried over to FY 21-22 in a separate restricted account as AB939 revenue is required to fund waste diversion activities only. Going forward in the 2021-23 Financial Plan, an additional supplemental position will be filled to contribute to the development of the program and continued efforts in community outreach, communications, and promotion.

Key Objectives

- Promote reuse and the avoidance of solid waste production.
- Increase organics recycling to reduce greenhouse gas emissions.

- Promote the use of reusable items to reduce solid waste generation and embedded energy costs of material production and transportation.
- Partner with the Integrated Waste Management Authority to provide Household Hazardous Waste, Motor Oil disposal, school education, and other community programs.
- Ensure adequate and efficient solid waste recycling services are provided to business and residents within the City of San Luis Obispo

Accomplishments

- Hired a full time Solid Waste and Recycling Coordinator.
- Successfully completed an application to the AmeriCorps CivicSpark Program for appointment of an 11-month Fellow that will be assigned to developing a Waste Reduction Manual based on operational waste generation.
- Executed an RFP for a thorough third-party Solid Waste Rate Study.
- Facilitated a grant award for new reusable water bottle filling stations at several locations which are to be determined by the Public Works Department.
- Streamlined internal illegal dumping reporting processes.
- Collaborated with the Central Coast Partners for Clean Water to select a marketing firm to develop the “Central Coast Clean” regional litter reduction campaign. Working collaboratively with the IWMA to ensure SB1383 related organics diversion messaging is delivered to all City residents.
- Continued to monitor and track legislation related to solid waste and recycling, including SB 1383 compliance for the City.
- Partnered and continued to be a key player in IWMA strategic planning.

Parking Fund

The Parking Fund finished FY 20-21 in a stronger position than anticipated at the onset of the COVID-19 pandemic. Parking Services was able to reduce operating expenditures by holding positions vacant, transitioning to electronic communications, and switching contract services to City staff. Parking Services has shown community leadership assisting with economic recovery efforts and enhancing parking facilities with public art and restoration projects. While multiple capital projects were deferred to account for projected revenue shortfalls, parking completed critical maintenance and on-bill financing-energy upgrades. This work has improved City infrastructure, is in the process of upgrading the customer's experience by modernizing a 50-year-old operational system. Parking Services continues to review the use of the equipment and how it can better suit the needs of the community and local businesses. The use of existing equipment and staffing reassignments have been designed to meet the current needs of the community, while work is underway to implement gateless and limited contact parking operations in the structures and at metered spaces. Planned improvements for FY 21-22 include the implementation of virtual permits for permitted residential areas and parking districts and the addition of mobile payment methods (Mobile Apps).

Effects of Covid-19 on Department Operations

The COVID-19 pandemic has significantly affected Parking program operations as most fee services were suspended during the initial order to shelter-at-home and were gradually reimplemented to match demand. Parking suspended most enforcement, waived all parking fees at meters and in parking structures for certain time periods, and made reductions to staffing to account for the projected decrease in revenues. Parking saw a significant increase in the use of parking pay stations as a means for contactless payment. As an additional cost saving measure, Parking held vacant two positions. Supplemental staffing was reduced by 47% as there was a drastic decrease in workload.

Parking services was and continues to be actively engaged in the economic recovery effort of the City through the following actions:

- Waived parking fees parking in the structures from March 19, 2020 to October 19, 2020. Offered additional free hour of parking in the structures from October 19, 2020 through January 1, 2021. Very little revenue was generated from daily parking the first half of FY 20-21 as a result.
- Waived parking fees for all on-street parking from March 19, 2020 to July 27, 2020. Waived parking fees for 10-hour parking spaces until September 8, 2020.
- Minimal revenues generated from citation issuance and contract parking for the first two quarters for FY 2020-21.
- Courtesy Curbside Pickup zones were installed to assist customers with reaching businesses while maintaining proper physical distancing.
- Reduction in on-street metered spaces to provide space for businesses to operate in the Open SLO Program.

In the 2020-21 Supplemental Budget, the Parking Fund model was adjusted to estimate revised revenues and expenditures for FY 20-21 due to the economic impacts of COVID-19. The adjusted Parking Fund model showed expenditures exceeding revenues in FY 20-21. Revenue actuals significantly exceeded the revised projections by year-end while operating costs were under the projected amounts. Parking programs returned to pre-COVID activity levels quicker than anticipated. On-street parking revenue in June 2021 was nearly identical to revenue received in February 2020 prior to the COVID pandemic. Similarly, parking structure usage quickly returned to pre-COVID levels beginning in May 2021 when Farmer's Market was reestablished. Expenditures were under the revised projected amounts because of savings from vacant staff positions and from a reduction in contracted services. These are both positive indicators of a Parking Fund moving toward fiscal sustainability into the new fiscal year.

Several Capital Improvement Plan (CIP) projects were also deferred, and the construction of the Palm-Nipomo parking structure was delayed to FY 21-22 so that Parking Fund revenues and fund balance can recover, and parking

demand returns (which it has). Most projects were deferred to FY 21-22, deferred maintenance may result in increased costs due to inflation and an increase in reactive maintenance.

Key Objectives

- Promote economic vitality in the downtown core
- Implement the Conceptual Physical Plan for the City's Center
- Provide well managed access to parking in the downtown area for visitors and employees through appropriately priced daily and monthly parking programs
- Reduce parking demand by promoting use of other transportation methods such as SLO Transit's Downtown Access Pass.
- Implement the transportation strategy presented in the General Plan Circulation Element

*Rate increases deferred due to COVID-19 pandemic.

Performance Measures	Target	Result
Replace existing credit card capable parking meters with new technology that improves on-street parking management	50%	50%
Implement system-wide rate increases	100%	0%*
Partially fund CIP Engineering position to assist with Parking Fund maintenance projects	100%	100%
Add overnight security for all parking structures	100%	100%

Table D-28:

Parking Fund	2019-20	2020-21					2021-22
	Actual	Budget	Actual	Funds Available	%		Budget
Staffing	\$ 1,465,774	\$ 1,177,561	\$ 1,121,287	\$ 56,274	5%		\$ 1,666,213
Contract Services	\$ 639,058	\$ 997,384	\$ 738,440	\$ 258,944	35%		\$ 553,265
Other Operating Expenses	\$ 252,639	\$ 265,554	\$ 204,976	\$ 60,578	30%		\$ 356,900
Utilities	\$ 144,381	\$ 201,178	\$ 117,581	\$ 83,597	71%		\$ 211,301
TOTAL	\$ 2,501,852	\$ 2,641,678	\$ 2,182,284	\$ 459,394	17%		\$ 2,787,679

Contract Services – There were significant savings in contract services as service levels were reduced and responsibilities in security, landscaping and cleaning were taken over by supplemental staff.

Other Operating Expenses – There were significant savings in other operating expenses; as service levels declined so did the need for maintenance supplies and materials. Parking also realized significant print and reproduction savings as it transitioned to electronic communications.

Salaries and Benefits – Parking held multiple positions vacant that were budgeted for in FY 20-21 as a cost saving measure. Garage operations staff were either placed on a suspended status or taken off the schedule in response to the COVID-19 pandemic. A portion of these positions were phased back in as the City transitioned through the State's re-opening tiers.

Utilities – This savings is predominately due to the parking structure lighting systems being upgraded to LED fixtures as part of the City's lighting retrofit project. The electric vehicle charging stations also experienced a significant decrease in use during the COVID-19 pandemic.

Parking Revenue

Parking Fund Revenue	2019-20 Actual	2020-21			
		Budget	Actual	Variance	%
Parking Fines	\$ 602,409	\$ 297,300	\$ 458,654	\$ 161,354	54%
Parking Meters - Lots	\$ 105,998	\$ 76,658	\$ 310,650	\$ 233,992	305%
Parking Meters - Streets	\$ 1,029,593	\$ 821,300	\$ 943,529	\$ 122,229	15%
Parking Structures	\$ 857,649	\$ 200,000	\$ 346,300	\$ 146,300	73%
Long Term Parking	\$ 602,516	\$ 431,300	\$ 422,381	\$ (8,919)	-2%
Other Revenue	\$ 1,072,356	\$ 469,733	\$ 645,636	\$ 175,903	37%
Total	\$ 4,270,521	\$ 2,296,291	\$ 3,127,150	\$ 830,859	36%

Revenues – Revenue projections were accurate for the first half of Fiscal Year 2021 but exceeded projections as the State moved through the reopening phases beginning in March 2021. The Parking Fund forecasted that very little revenue collection would occur from March 2020 through the end of the fiscal year due to the COVID-19 pandemic and shutdown of the economy that followed it. Since that time, some revenue has been collected as parking programs were slowly brought back online to match the demand.

Parking Fund Balance

The Parking Fund is also responsible for debt service payments, CIP projects that add, maintain, or improve Parking Fund assets, and General Fund transfers, in addition to the operating costs listed above. General Fund transfers include direct/indirect cost allocations, funding of two Police positions, and partial funding of a CIP Engineering position to deliver the Parking Fund's capital projects. The budgeted projection presented at the 2020-21 Budget Supplement outlined a \$2.75M shortfall for FY 20-21; however, revenues were higher than projected due to a quicker recovery than originally anticipated, resulting in an improved financial position.

<i>Table D-29:</i>	Budget	Actual	Difference	Over/Under Budget
Revenue	\$2,296,291	\$3,127,150	\$830,859	73%
Expenditures *	\$2,582,378	\$2,127,147	\$455,230	-18%
Year-End Net Difference	\$ (286,087)	1,000,003	\$1,286,090	

Transit Fund

The Transit Enterprise Fund ended the year with significant variances in both anticipated expenditures and forecasted revenues because of COVID-19. The pandemic had negative impacts on ridership and fare revenue that was offset by reduced expenditures in maintenance and supplies. The availability of CARES Act funds supplemented the Transit Fund, paying for 100% of the operating costs. Using CARES Act to fund operational costs in FY 20-21 allowed the Transit Fund to use the originally programmed Federal funds for the purchase of two electric buses. The reduction in service levels resulted in cost savings that helped to offset current losses in revenues. CARES Act funds were prioritized as the primary revenue source for the Transit Fund for FY 20-21. The unused balance of typical annual allocations of Federal 5307 and State Transit Development Act (TDA) Funds have been deferred for future use in FY 21-22.

Effects of Covid-19 on Department Operations

1. **Significant Decrease in Ridership** – There was a small increase in ridership as the community reopened but overall, Transit is well below normal ridership levels. The ridership decline was anticipated in response to community guidelines for safe reopening. Many riders have been limiting trips and learning and working remotely. Additionally, Cal Poly students typically comprise about 65% of total ridership so their absence from the community has had a noticeable impact on total ridership.
2. **Reduced Transit Service Levels** – The City continued to operate at weekend level service; “A” routes from 8 a.m. – 8 p.m. through August 2020. Since August Service levels have been at summer service level “A” and “B” routes from 6 a.m. – 8 p.m.
3. **Cal Poly** – Given Cal Poly’s uncertain need for transit services, a long-term agreement was delayed in favor of a one-year agreement extension. Cal Poly will fund the City with a total amount of \$537,500, paid quarterly in the amount of \$134,375. This approach provides a reasonable solution for both organizations. The infusion of CARES Act funds makes the Transit Fund whole for any losses in revenue making the fund less reliant on Cal Poly’s contribution to fare revenue for the near future. During FY 21-22 (adoption no later than June 2022) staff will work directly with Cal Poly on a long-term transportation contract.

Key Objectives

- Continue to implement Health and Safety measures in compliance with CDC guidelines.
- Continue to provide essential transit service corresponding to ridership levels.
- Obtain and maximize the use of grant funds to maintain and expand transit services.
- Negotiate a new long-term fee for service agreement with Cal Poly.
- Negotiate a new fund distribution methodology with SLOCOG.

Performance Measures	Target	Result
Provide service levels to meet “essential trips” demand	450,000 annual trips	179,456 rides; reduced service levels due to COVID.
Procure and put into service two electric buses	Fall 2021 33%	Procured 2 electric buses
Enter into new long-term agreement with Cal Poly	June 2022 25%	1-year extension due to uncertainties tied to COVID

Table D-30:

Transit Fund	2019-20	2020-21				2021-22
	Actual	Budget	Actual	Funds Available	%	Budget
Staffing	\$ 357,718	\$ 327,181	\$ 323,678	\$ 3,503	1%	\$ 358,181
Contract Services	\$ 2,733,484	\$ 3,002,869	\$ 2,935,511	\$ 67,358	2%	\$ 383,687
Other Operating Expenses	\$ 551,735	\$ 768,161	\$ 543,274	\$ 224,886	41%	\$ 3,241,946
Covid-19	\$ 9,553	\$ 16,000	\$ 28,892	\$ (12,892)		
TOTAL	\$ 3,652,491	\$ 4,114,211	\$ 3,831,356	\$ 282,855	7%	\$ 3,983,814

The Transit Fund operating costs are typically split equally between state and federal funding sources after deducting the 20% farebox recovery. The state provides TDA funds based on the adopted budget and federal funds are based upon actual costs. When the Transit Fund has savings there will be a reduction in federal funds being reimbursed which shows as a reduction in revenues.

Contract Services – The cumulative Contract Services variance resulted in significant savings at year-end. The savings are largely related to reduced purchased transportation cost since the level of service was reduced to “Weekend Service” from March 2020 to August 2020 at which point the City transitioned to “Summer Service”. The Transit Fund is largely subsidized for direct cost by State and Federal Funds.

Other Operating Expenses – There were significant savings in Other Operating Expenses. The savings are largely related to reduced fuel cost, reduced training availability, and reduced purchase of materials and supplies.

Salaries and Benefits – The cumulative Salaries and Benefits variance results in minor savings at year end. The savings are largely related to the temporary vacancy of the Transit Manager position.

All savings are considered one-time and a result of the ongoing pandemic. As explained above, these savings will adjust the Federal contribution as described above resulting in revenue reductions.

Transit Revenues

Table D-31:

Transit Fund Revenue	2019-20 Actual	2020-21			
		Budget	Actual	Variance	%
Local (Bus Fare)	\$ 630,067	\$ 465,693	\$ 328,009	\$ (137,684)	-30%
Federal	\$ 2,307,585	\$ 4,861,321	\$ 552,085	\$ (4,309,236)	-89%
State	\$ 779,667	\$ 1,136,757	\$ 2,040,964	\$ 904,207	80%
Other Revenue/ Interest Revenue	\$ 61,938	\$ 6,647	\$ 30,826	\$ 24,179	364%
Total	\$ 3,779,257	\$ 6,470,418	\$ 2,951,885	\$ (3,518,533)	-54%

Free fare service was in place from March 23, 2020, through July 1, 2020; despite returning to normal fares in FY 20-21, the decrease in ridership caused the program to fall short of its revenue projections. Additionally, there was a significant reduction in bus fare revenue tied to the Cal Poly agreement which was based on ridership levels. The state mandates that farebox revenue collected from passenger fares and other local revenues must be 20% or more. In the case of failure to meet this requirement, the agency has three years to comply without jeopardizing state funding. Due to the pandemic, the state has suspended this mandate for FY 2020 through FY 2023 under AB 90 and AB 149.

Funds from federal grants are based on reimbursements. The decrease in federal funds is attributed to capital projects that are in progress and operating funds that have not been requested from the Federal Transit Administration during the fiscal year. The remaining funds from the CARES Act for FY 2021 has been recently approved by the FTA and the City will be requesting these remaining funds for operations. CARES Act funding

decreased the City's need for federal funds. These federal funds will be available for use on a reimbursement basis in future years.

In Fiscal Year 2021 Transit continued to receive funding from the CARES Act. The CARES Act allocated up to \$4,196,099 to the Transit Fund and was used to cover operating costs for part of FY 19-20 and all of FY 20-21. Due to the CARES Act reimbursement, the unused balance of traditional State and Federal funds will be used to support Transit Services in later years once all CARES Act funds have been expended. Both funding sources are provided through a reimbursement process after the close of the fiscal year.

Tourism Business Improvement District (TBID)

The Tourism Business Improvement District (TBID) was established in 2008 in the City of San Luis Obispo at the request of the local lodging industry. The assessment is set at 2% of the lodging industry's gross receipts and is used to defray the costs of services, activities and programs promoting tourism which 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. Annually, the program sets an operating budget to match its anticipated yearly revenues.

Effects of Covid-19

Due to public safety guidelines and travel restrictions in place for the majority of FY 20-21, the TBID was limited in its ability to implement the robust tourism promotional campaigns and programs standard to their effort. Additionally, the TBID followed the City's conservative approach to budget projections and spending in an effort to maintain a resilient program and to safeguard the fund from the volatile impacts of COVID-19 on the tourism industry.

The COVID-19 emergency had an unprecedented impact on the California Tourism industry and in the tourism market of San Luis Obispo. TOT revenue and occupancy saw historic lows in April of 2020, less than 10% the previous April, with the impacts of public health orders and hesitant tourists impacting the rest of the year. July, typically the strongest month for tourism in the City, was 42% lower in 2020 in comparison to 2019 – numbers stayed low throughout the summer partially recovering to levels higher than is typical in San Luis Obispo during the slow winter months, but far from pre-pandemic summer highs. Winter of 2020-21 was slower than typical, 36 percent lower in January but with the proliferation of COVID vaccines tourism in San Luis Obispo began a dramatic recovery in Spring of 2021. March and April saw TOT figures slightly higher than in 2019 with slightly lower occupancy levels than pre-pandemic. June of 2021 saw an incredible \$973,000 in TOT revenue, 15% higher than the previous June high and the best month in City history. This can be primarily attributed to ADR, a measure of average room prices, being significantly higher than any previous month on record; it is unclear how much this increase is related to local changes (new hotels and a changing consumer base) or to macro-level changes across the wider industry (Cities across San Luis Obispo County have seen similar dramatic rises in 2021 compared to pre-pandemic, San Luis Obispo City continues to be more expensive hotel destination than cities like Paso Robles, but significantly cheaper than Pismo Beach which has seen the most dramatic post-pandemic ADR inflation).

Key Objectives

- Continue the diverse marketing efforts to promote overnight stays in San Luis Obispo in alignment with local and statewide emergency orders.
- Support the economic recovery and resiliency of San Luis Obispo through focused staff resources on delivering a safe and appropriate visitor experience communicated through tourism marketing.
- Actively participate in local, regional, and state Visit SLO CAL, Central Coast Tourism Council, Downtown SLO and other tourism organizations.

TBID Variance Analysis

Table D-32:

TBID Operating Expenditures	2019-20	2020-21					2021-22
	Actual	Budget	Actual	Funds Available	%		Budget
Staffing	\$ 201,126	\$ 213,320	\$ 203,149	\$ 10,171	5%		\$ 227,580
Contract Services	\$ 1,088,185	\$ 954,117	\$ 895,456	\$ 58,661	6%		\$ 1,125,920
Other Operating Expenses	\$ 92,297	\$ 92,120	\$ 33,128	\$ 58,992	64%		\$ 89,100
TOTAL	\$ 1,381,608	\$ 1,259,557	\$ 1,131,733	\$ 127,825	10%		\$ 1,442,600

Salary and Benefits - Salary savings due to staff maternity leave.

Contract Services- Variances in the Contract Services category were due to the savings from promotions and marketing campaigns not implemented due to COVID-19 and the remaining funds within the contingency budget to offset any negative budget impacts.

Other Operating Expenses- Variances in the Other Operating Expenses category was due to savings from promotions and program like no travel expenses related to tradeshow and conferences.

Table D-33:

TBID Fund Revenue	2019-20 Actual	2020-21			
		Budget	Actual	Variance	%
TBID Assessment Revenue	\$ 1,260,048	\$ 1,253,400	\$ 1,381,106	\$ 127,706	10%
Interest on Investment	\$ 14,747	\$ 1,400	\$ 3,075	\$ 1,675	120%
Total	\$ 1,274,796	\$ 1,254,800	\$ 1,384,182	\$ 129,382	10%

The TBID assessment correlates with TOT revenue. Monthly TOT revenues gradually increased as positive COVID19 cases decreased, restrictions were lifted, and vaccination rates increased.

Downtown SLO Business Improvement District

The Downtown Business Improvement District (DBID) was established in 1975 as a parking and promotions district for the downtown area. As a special fee district, fees are collected from business license holders operating within a designated area and revenue supports the operations of Downtown SLO. The City and Downtown SLO (DSLO) agreed by contract that DSLO would provide various services for the economic, social, cultural, and environmental vitality and beautification of downtown San Luis Obispo. The assessment is a special revenue and is administered in its separate and distinct fund. Expenditures will always be equal to the revenue received because all of the downtown assessment revenue is remitted to the Downtown SLO.

Effects of Covid-19

A new agreement was reached with DSLO to carry out the core mission while still following the pandemic health and safety guidelines and restrictions. The Downtown Assessment is collected as a flat fee of \$150 up to \$273,000 in gross receipts. After that a percentage of gross receipts applies. Business license and tax certificates are renewed in the beginning of each fiscal year and by the time the assessment was due, multiple businesses had closed their doors for good. However, the main impact might be seen with the FY 21-22 renewals as companies went out of business due to the prolonged closure. Staff will report on the current renewal efforts with mid-year.

Table D-35:

Downtown Association	2019-20	2020-21					2021-22
	Actual	Budget	Actual	Funds Available	%		Budget
Pass-through Payments	\$ 272,165	\$ 252,588	\$ 249,074	\$ 3,514	1%		\$ 245,000
TOTAL	\$ 272,165	\$ 252,588	\$ 249,074	\$ 3,514	1%		\$ 245,000

Insurance Fund

The City is a member of the California Joint Powers Insurance Authority (CJPIA) which provides liability and workers' compensation insurance coverage and coordinates oversight and management of claims administration. Two different approaches are used to manage these programs: a self-insured retention (SIR) program for liability claims allows the City to pay the direct cost of liability claims with the security of excess insurance to cover larger claims should they occur; and a risk pool among member agencies is utilized for workers' compensation claims. The consolidation of all insurance-related expenses into one Insurance Fund has made it easier to oversee and manage insurance-related expenses. The Fund includes premiums for liability, workers' compensation, and other ancillary insurances such as property, crime, pollution, volunteers, and special events.

Since Fiscal Year 2015-16, there has been a concerted effort to reduce the number and cost of liability and workers' compensation claims. The initial goal of reducing the number and cost of claims by 30% per year over 3 years was reached and launched an ongoing effort to focus on safety matters and reduce injuries and accidents in the workplace and community at large. Going forward these efforts will be directed towards continuing to identify root causes, seek to address these, and ensure expenses for liability claims are below the City's Self-Insured Retention (SIR) allocation. The SIR is calculated annually based on the previous five years of experience. In FY 2020-21, liability claims-related costs were about four hundred fifty thousand dollars. Liability claims costs were higher this year because they included a substantial settlement that was initially filed in 2018.

Workers' Compensation claims have averaged around 60 claims per year while the severity has fluctuated. Consistent with prior years, the number of non-COVID claims totaled 62 during FY 2020-21. In addition, there were 16 COVID-related claims bringing the total to 78. Detailed staff analysis identified an alternative methodology for determining our premiums that resulted in a savings of over one hundred thousand dollars this year; this change in methodology will continue to reduce the City's Workers' Compensation costs on an annual basis.

Effects of COVID-19

At the beginning of the pandemic, there was a noticeable reduction in the number of vehicle-related claims, which may have been a result of the decrease in vehicles on the roadways and pedestrians on sidewalks. Activity on the streets and sidewalks has since increased, and there has been an uptick in the number of claims for trip-and-fall incidents and vehicle accidents. Workers' Compensation claims associated with COVID-19 increased last year, as noted above. Special Events insurance costs went down during the last fiscal year due to the decline in gatherings during the pandemic. While the primary responsibilities of Fund Management and oversight of insurance matters remains a high priority, the additional responsibilities assumed by Human Resources staff for COVID-related communications, contact tracing, and mandated reporting requirements have reduced staff response time for less urgent insurance inquiries.

Variance Analysis

Table D-36:

Insurance Fund Expenditures	2019-20	2020-21					2021-22
	Actual	Budget	Actual	Funds Available	%		Budget
Insurance	\$ 4,322,327	\$ 3,968,617	\$ 3,361,435	\$ 607,182	15%		\$ 4,183,103
TOTAL	\$ 4,322,327	\$ 3,968,617	\$ 3,361,435	\$ 607,182	15%		\$ 4,183,103

Other Operating Expenses

In January 2020, CJPIA initiated appraisals of its member properties. As a result, property values and insurance premiums increased. Due to the removal of old and the addition of new structures at the Water Resources Recovery Facility, adjustments in insurance coverage were made during the last fiscal year and will continue to be made to insure currently functioning facilities are properly covered. The cost of pollution insurance went down because of a

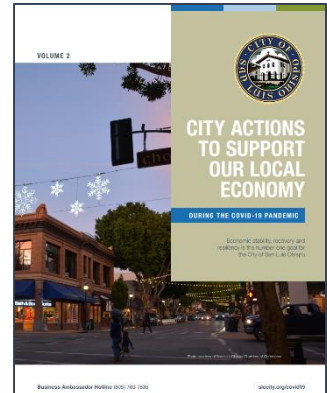
change in insurance carriers, and special events insurance also declined due to a decrease in gatherings during the pandemic.

Forecast

Wildfires and other natural disasters have been increasing in frequency in various places in the country, and some insurance companies have withdrawn from the market and/or have increased premiums to address higher costs. Cyber security is also a growing concern among municipalities, and it is likely that the cost for securing such insurance will increase. Finally, the higher value claims that were filed within the last year may not be resolved for months or years, yet they could incur significant expenses when settled; the Undesignated Insurance Fund balance remains stable and available to cover such expenses, if necessary.

Section 3: Meta City Goal Update

As part of the Supplemental Budget adoption, the Council concluded that the City's top priority for FY 20-21 is to protect the public health and safety of San Luis Obispo and its residents, provide essential services, and assist the community in economic recovery via a Meta City Goal. To see all the ways that the City is supporting economic recovery and resiliency, visit [here](#). Below are just some of the accomplishments over the last 12 months.



- Open SLO Project
- Sidewalk Dining
- Temporary Parklets
- Downtown Vacancy Taskforce
- TIPP-FAST
- Additional Cleaning for Health Safety
- Business Ambassador Program
- Work on Open Space Improvements
- Fitness in the Parks
- Community Hotline
- Enhanced Police Support
- Partnership Programs
- Grant Programs
- Fee and Tax Deferrals
- Parking Modifications
- Shop Local Promotions
- Adjusted Childcare Options
- Parks & Rec Programs
- Wastewater Sampling with Cal Poly
- Virtual Holiday Activities
- Fitness Clinics to Community
- Small Business Relief Funds

Table D-37 & D-38:

Strategy	Staff Hours Spent	Operating Dollars Spent
Support Business Growth	1,811	\$ 971,740
Foster Cal Poly Partnerships	801	\$ 58,856
Improve City Organization Response	9,962	\$ 7,894
Provide Community Support	30,397	\$ 169,053
Work with new/existing Community Partners	158	\$ -
Enhance Downtown Vitality	990	\$ 320,000
Support Impacted Industries and Business	3,406	\$ 323,531
Prioritize Infrastructure and Capital Projects	2,578	\$ 233,611
Improve Quality of Life	5,948	\$ 13,370
Build Resiliency	1,378	\$ 7,500
Total	57,428	\$ 2,105,554

Department	Staff Hours Spent	Operating Dollars Spent
City Administration	4,304	\$ 1,555,271
Community Development	9,864	\$ -
Fire	8	\$ -
Parks and Recreation	38,265	\$ 59,500
Police	1,864	\$ 6,037
Public Works	2,688	\$ 433,391
Utilities	436	\$ 51,356
Total	57,428	\$ 2,105,554

Section 4: Completed and Ongoing Capital Projects

Table D-39:

ID#	Project	Status*:
		Completed and Ongoing (July 2020 - Present)
1	Casa/Murray Waterline Replacements	Completed in August 2020
2	405 Foothill Storm drain Repair	Completed in August 2020
3	Bridge Deck Maintenance 2020	Completed in August 2020
4	City Hall Fire Department Connection	Completed in September 2020
5	South Hills Radio Site Upgrade	Completed in September 2020
6	Swim Center Bath House Roof	Completed in September 2020
7	Silt Removal 2020	Completed in September 2020
8	919 Palm Street Parking Structure Lighting Energy Efficiency Retrofits	Completed in September 2020
9	842 Palm Street Parking Structure Lighting Energy Efficiency Retrofits	Completed in October 2020
10	Islay Hill Park Playground Replacement	Completed in October 2020
11	Bullock Lane CMP Replacement	Completed in December 2020
12	Swim Center Shower System Repair	Completed in January 2021
13	Roadway Sealing 2020	Completed in February 2021
14	Chorro Street Traffic Circle	Completed in March 2021
15	Higuera Street Paving	Completed in May 2021
16	Marsh Street Parking Structure Elevator Repair	Completed in May 2021
17	Downtown Pay Station Installation	Completed in June 2021
18	Fire Station #1 Air Compressor Replacement	Completed in June 2021
19	Marsh Street Bridge Replacement	Completed in June 2021
20	871 Marsh Street parking Structure Lighting Energy Efficiency Retrofits	Completed in June 2021
21	Terrace Hill Pipeline and Pressure Reducing Valve Rehabilitation	Ongoing (Complete in Aug 2021)
22	Fire Station 1 HVAC Replacement	Ongoing (Complete in Aug 2021)
23	TTHM and Pipe Gallery	Ongoing
24	RRST Taft to Pepper	Ongoing
25	Laguna Lake 2021 Maintenance Dredging Project	Ongoing
26	Broad Street/Woodbridge Pedestrian Hybrid Beacon	Ongoing
27	Sinsheimer Irrigation and Stadium Drainage	Ongoing
28	Bee Bee/Cuesta/Loomis Waterline Replacement	Ongoing
29	Jeffrey Sewer and Water Replacement	Ongoing
30	Tank Farm Road and Orcutt Roundabout	Ongoing
31	Downtown Pavement Improvement	Ongoing
32	Reservoir 1 Cover Replacement	Ongoing
33	Meadow Park Pathway Maintenance	Award Phase
34	Mission Plaza Railing Upgrades	Award Phase
35	Energy Efficient Lighting Retrofits - City Hall and Fire Station 1	Award Phase

*Reflects completion of construction. Project closeout dates vary.

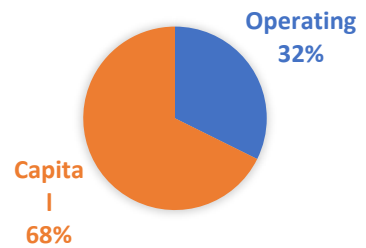
Section 5: Local Revenue Measure

In 2014, the City's voters approved the continuation of the half-cent transaction tax (Local Revenue Measure) to protect and maintain essential services and facilities. In November 2020, voters approved Measure G20 which will provide an additional \$14-16 million for community services and infrastructure improvements each year.

At the time of the FY 20-21 Budget Adoption, the forecasted revenue projection for the Local Revenue Measure (LRM) was about \$7.2 million. This was about 10% lower than the pre-pandemic forecasts. In light of the reduced revenue forecast, all LRM-funded capital projects were evaluated and prioritized based on how they supported delivering essential services to the community. These projects are identified in more detail in Section 7 of the [FY 20-21 Supplemental Budget](#).

The largest portion of LRM for capital expenditures is for Neighborhood Street Paving. Other projects include playground equipment replacement, park major maintenance and repairs and pedestrian and bicycle pathway maintenance. The largest use of the LRM operating portion supports public safety. Other examples include staffing expenditures for neighborhood street paving, flood control, and code enforcement.

LRM INVESTMENT FOR FY 20-21



LRM Capital Budget

	20-21 Project Budget*	20-21 Total Consumption	Remaining Project Budget
LRM Capital Expenditures	\$9,855,656	\$7,238,284	\$2,617,372

*Includes project carryover budget

LRM Operating Budget

Table D-40:

Local Revenue Measure Categories	FTE	2020-21
1. Open Space Preservation (Ranger Staffing)	2	\$152,922
2. Bicycles and Pedestrian Improvements (Engineer, Active Transportation Manager)	1.6	\$215,023
3. Traffic Congestion Relief (Signal and Light Maintenance (Technician)	1	\$112,237
4. Public Safety (Downtown Officers, Sergeant)	4	\$663,940
5. Neighborhood Street Paving (Project Engineer & Maintenance Worker)	2	\$189,527
6. Code Enforcement (Code Enforcement Technicians and Officer)	3	\$302,046
7. Flood Protection (Collection Operators)	6	\$667,282
8. Parks and Recreation/Senior Programs and Facilities (Maintenance Worker)	1	\$66,954
9. Other Vital Services and Capital Projects	-	-
TOTAL	20.6	\$2,369,931

New Revenue: Allocation of April-June Measure G20 Funding

The City began collecting an additional one-cent transaction tax (G20) on April 1, 2021. Since the voter approval did not happen until November 2020, this revenue was not programmed into the adopted supplemental budget, staff returned to Council with an updated revenue forecast at mid-year.

Table D-41:

Adopted LRM Revenue Forecast (June 2020)	\$7,218,000
Updated Forecast after Adoption of Measure G20 (February 2021)	\$11,392,000
Projected increase in revenue from Measure G20	\$4,147,000

At the time Measure G20 passed, there was an immediate need to invest in additional economic recovery efforts to support businesses and for homeless services to support the community's most vulnerable. On December 8, 2020, Council approved the allocation of \$3,425,000 from the anticipated first quarter revenue from the augmented local transaction and use tax for the following efforts ([R-11203](#)).

Table D-42: Approved Investment of LRM Funding in Economic Development Efforts and Homeless Services		
1	Create Grant Funding Opportunities for Tenant Improvements (TIs)	\$2,000,000*
2	Expand the SLO City Small Business Relief Grant Program	\$500,000
3	Increase Efforts to Support Downtown Vitality	\$425,000
4	Implement an Economic Development Shop Local Incentive	\$200,000
5	Homeless Service Support & Coordination	\$300,000
TOTAL		\$3,425,000

*this amount was to be invested locally and investment proceeds used for the TIs. Due to the continuing low income environment, no banks bid on the request for proposals and the funding will remain in LRM fund balance and is invested with the City's pooled assets under its current investment strategy.

Actual FY 20-21 Revenue

Actual revenue for the Local Sales Tax Measure exceeded projections by about \$1.4 million. This was due to pent-up demand and a significant up-tick in consumer spending in the 3rd and 4th quarters of the fiscal year.

Table D-43:

a. Forecast Revenue	b. Actual Revenue	Variance (a-b)	c. Approved Budget Allocations (expenditures)	Unallocated Revenue (b-c)
\$11,392,000	\$12,779,713	\$1,387,713	\$10,643,000	\$2,136,713

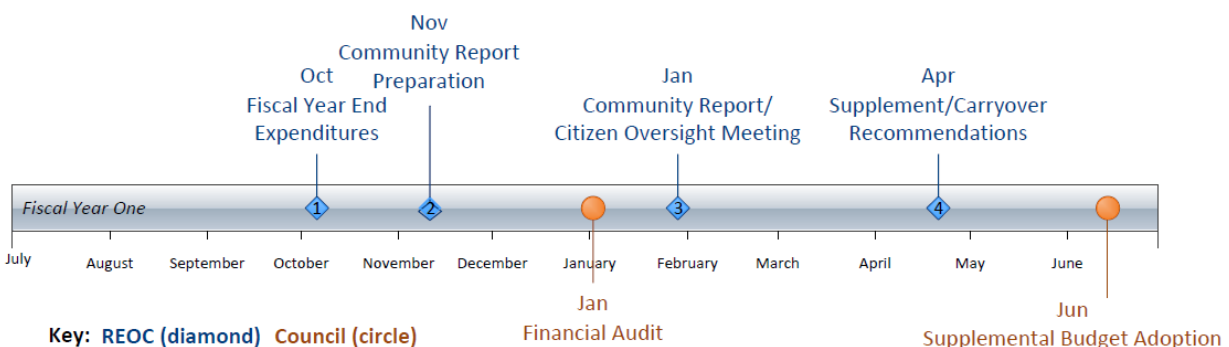
Looking Forward

It is important to note that the actual revenue numbers remain unaudited. Audited financials will be presented to the Council and the Revenue Enhancement Oversight Committee (REOC) in January 2022 at which time decisions on allocations can be re-visited. Staff will also provide an updated long-term forecast with the FY 21-22 Mid-Year Review.

2021-22 Key Changes

LRM Split between Capital and Operating: 75% Capital /25% Operating
Allocation to a Capital Reserve within the Capital Outlay Fund (NEW): \$3.4 million

REOC Standard Schedule with Financial Plan Milestones



Section 6: Debt Payments for FY 20-21

Table D-44:

	2020-21 ANNUAL DEBT PAYMENTS BY SOURCE	2020-21	Maturity Date
1	GENERAL FUND		
2	2012/2001 Revenue Refunding Bonds Series B & C	\$ 384,000	2039
3	Energy Conservation Loan 2014	\$ 94,200	2024
4	LOVR Lease Revenue Bonds 2014	\$ 592,100	2045
5	Fire Engine Lease Financing 2016	\$ 240,100	2021
6	Capital Lease Street Sweeper/Dump Truck 2017	\$ 141,200	2021
7	Fire Truck 2018	\$ 146,100	2024
8	Refunding Lease Revenue Bonds 2018	\$ 943,700	2024
9	Motorola Radio Lease	\$ 217,671	2023
10			
11	WATER FUND		
12	Revenue Refunding Bonds 2012	\$ 568,400	2023
13	Refunding Lease Revenue Bonds 2018	\$ 27,400	2039
14	Water Revenue Refunding Bonds 2018	\$ 892,300	2035
15	Infrastructure Bank Loan 2020	\$ 942,329	2040
16			
17	SEWER FUND		
18	SunTrust Loan 2008	\$ 185,000	2024
19	CIEDB State Loan - Tank Farm Lift Station 2009	\$ 554,400	2038
20	Wastewater Bank Loan 2014	\$ 617,800	2029
21	Refunding Lease Revenue Bonds 2018	\$ 30,200	2039
22			
23	PARKING FUND		
24	State Infrastructure Bank (CIEDB) Loan 2001	\$ 416,000	2032
25	Refunding Lease Revenue Bonds 2018	\$ 439,500	2039
26	Total	\$ 7,432,400	

Section 7: CalPERS Update

Fiscal Health Response Plan and Payment of Unfunded Liability

With the development of the 2017-19 Financial Plan, it became apparent that the City was facing a structural budget gap due to increases in pension cost. Starting in 2018-19, it implemented an aggressive three-year Fiscal Health Response Plan to pay down the pension obligation. The plan included multiple one-time additional payments to CalPERS to reduce the unfunded liability payment term from 30 to 20 years. At the onset of the pandemic, the City had successfully built-up sufficient fund balance in its General Fund to make the second scheduled payment to CalPERS for 2019-20. However, the City Council decided to retain this funding in fund balance to cover anticipated revenue shortfalls and to assist with economic recovery efforts as the shut-down of the economy and shelter-at-home directives had just taken place and the future looked precarious. With the prolonged duration of the pandemic and slow reopening of the economy, the third payment scheduled in Spring of 2021 was also postponed. The City is now behind on its scheduled one-time payments by \$7.2 million.

Table D-45:

2018-19	2019-20	2020-21	2021-22
\$4.2 million	\$4.2 million	\$3.0 million	\$3.0 million

Paid, Unpaid, Planned

CalPERS Discount Rate Lowered to 6.8%

In July 2021, CalPERS reported a 21.3% net return on investments for the 12-month period that ended June 30, 2021. Under the Funding Risk Mitigation Policy, approved by the CalPERS Board of Administration in 2015, the double-digit return triggered a reduction in the discount rate used to calculate employer and Public Employees' Pension Reform Act (PEPRA) members contributions. The discount rate, or assumed rate of return, will drop from 7% to 6.8% from here on out. The lowering of the discount rate will increase both employee and employer normal cost and also influence the unfunded liability. However, the double-digit gains should offset the impact of the lower discount rate on the unfunded liability. The City will see the effects of the change to the discount rate with the 2022-23 contributions. Staff is currently evaluating the impact of the change to adjust its 20-year pay-down strategy.



Department: Administration
Cost Center: 1021
For Agenda of: 9/21/2021
Placement: Consent
Estimated Time: N/A

FROM: Greg Hermann, Deputy City Manager
Prepared By: Kevin Christian, Deputy City Clerk

SUBJECT: ADVISORY BODY APPOINTMENT FOR UNSCHEDULED VACANCY

RECOMMENDATION

Confirm the appointment of Brian Kragh to the Mass Transportation Committee (MTC) as recommended by the Advisory Body Council Liaison Subcommittee.

DISCUSSION

Annual appointments to the various City Advisory Body Committees were made at the March 16, 2021, City Council meeting. The process for those appointments included recruitment by the City Clerk's office, interviews, and recommendations by the respective City Council sub-committees, with final confirmation of those recommendations made by the full Council. The applications of qualified candidates who are not chosen for immediate appointment are held for one-year for possible consideration in the event an unscheduled vacancy occurs.

The vacant MTC position is for the Cal Poly Associated Students Inc. (ASI) representative. This position requires that the individual be a registered Cal Poly student and that they have an endorsement by the ASI to represent the ASI. It does not require residency in the City of San Luis Obispo. This position has been vacant since June 2020. Due to the COVID-19 pandemic, in-person classes at Cal Poly were dramatically reduced and consequently, outreach for this position failed to yield candidates for the 2020-2021 school year. This position does not have a defined term length date as it follows the ASI endorsement for the position. Members are typically assigned the four-year default length as described in the Advisory Body Handbook, starting at the date of appointment by Council.

The MTC Council Liaison Subcommittee members, Mayor Harmon and Councilmember Pease, recommend Brian Kragh to fill the vacant student representative position, with a term length of four years beginning upon appointment.

The following City Council Advisory Bodies also have current vacancies with recruitment ongoing or in-process as noted:

Area Agency on Aging – Due to a resignation in August there is an unscheduled vacancy. Recruitment has yielded an eligible candidate. The Council Liaison review, interview, and recommendation process is pending.

Cultural Heritage Committee – Recruitment has been ongoing since April as there was one unfilled position following the annual recruitment/appointment process.

Jack House Committee – Recruitment is ongoing for the Cal Poly College of Agriculture position which was unable to be filled during the annual recruitment.

Promotional Coordinating Committee - Due to a resignation in July there is an unscheduled vacancy for this advisory body. Recruitment has yielded two eligible candidates. The Council Liaison review, interview, and recommendation process is pending.

Policy Context

The Advisory Body Handbook, last adopted by City Council in February 2018, outlines the recruitment procedures, membership requirements, and term limits for all advisory bodies. Additionally, the City Council Policies and Procedures Manual, last updated April 2021, describes the “Appointment Procedure” and “Process” for Advisory Body appointments. Recruitment and appointment recommendations were performed in conformance with all recruitment procedures, processes, and bylaws found in these resources.

California Government Code Section 54972, Local Appointments List (Maddy Act), requires that on or before December 31st of each year, each legislative body shall prepare an appointments list for their boards, commissions, and committees whose members serve at the pleasure of the legislative body. This obligation was met and is on-going.

Public Engagement

Notices that the city was accepting applications for City Advisory Bodies were placed in The New Times, on the City’s website and “e-notification” service, listed in the annual Local Appointments List (Maddy Act Notice – GC 54972) on the City Website and City Information kiosk, and distributed via City social media outlets, in November 2020 for the annual recruitment.

CONCURRENCE

The Council Liaison Subcommittee concurs with the recommendations.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act does not apply to the recommended action in this report, because the action does not constitute a “Project” under CEQA Guidelines Sec. 15378.

FISCAL IMPACT

Budgeted: Yes

Budget Year: 2021-22

Funding Identified: N/A

Fiscal Analysis:

Funding Sources	Total Budget Available	Current Funding Request	Remaining Balance	Annual Ongoing Cost
General Fund	N/A	\$	\$	\$
State				
Federal				
Fees				
Other:				
Total	\$	\$	\$	\$

Advisory body members for these bodies serve as volunteers and donate their time. The costs related to recruitment is accounted for in the annual budget appropriation in the City Clerk program.

ALTERNATIVES

Council could recommend changes to the sub-committee recommended appointment or direct staff to re-open recruitment for additional candidates. This is not recommended as the candidate is endorsed by the ASI to represent them and the Council Liaison Subcommittee feels that their consideration of the applicant’s qualifications has been thorough.



Department: Finance
Cost Center: 2001
For Agenda of: 9/21/2021
Placement: Consent
Estimated Time: N/A

FROM: Brigitte Elke, Finance Director
Prepared By: Brigitte Elke, Finance Director

SUBJECT: REQUEST FOR PROPOSALS FOR INVESTMENT ADVISOR SERVICES

RECOMMENDATION

1. Approve the Request for Proposal (RFP) documents for investment advisor services and authorize their release.
2. Authorize the City Manager to enter into contract with the selected consultant.

DISCUSSION

Background

The City of San Luis Obispo pools its financial resources and diversifies its investments into long- and short-term vehicles to maximize yield while preserving safety and liquidity. In 2014, the City entered into contract with PFM Asset Management, LLC for investment adviser services. The term of the contract was for an initial five years with a possible two-year extension that was executed on November 19, 2019. The contract is set to expire and a new request for proposals (RFP) is necessary to ensure that the City receives the best possible services at the best possible price.

Scope of Services

The investment advisor services requested include but are not limited to the following:

1. Manage the City's portfolio in a fiduciary capacity with discretionary authority;
2. Execute trades in accordance with the City's Investment Policy and Management Plan and its Environmental, Social, Governance (ESG) investment strategy;
3. Assist the City with maturity and cashflow analysis;
4. Provide credit analysis of investment instruments of portfolio;
5. Provide monthly/quarterly/annual reporting on all government entity funds including market values and a detailed listing of investments held in the portfolio at each reporting interval;
6. Attend quarterly meetings with City staff, the Investment Oversight Committee, and occasionally the City Council during public session;
7. Evaluate market risk and develop strategies that minimize the impact on the portfolio;
8. Provide assurances of portfolio compliance with applicable policies and laws and the City's Investment Policy and Management Plan;

9. Establish an appropriate performance benchmark when necessary;
 10. Indicate full understanding of Investment Policy and Management Plan, the ESG investment strategy and recommend changes as appropriate;
 11. Ensure portfolio structure matches City objectives; and
 12. Forecast annual earnings from the portfolio for the City's use in a budget planning.
- The firm shall not have custody or possession of the funds or securities that the City has placed under its management.

Next Steps

Staff has prepared RFP documents (Attachment A) and seeks to release the RFP by September 22, 2021. The schedule is set as follows:

- | | |
|---|---------------|
| • Issue RFP | 9/13/21 |
| • Receive proposals | 9/30/21 |
| • Complete proposal evaluations | 10/15/21 |
| • Conduct finalist interviews & finalize recommendation | 10/18 – 27/21 |
| • Execute contract | 11/1 – 5/21 |
| • Start work | 11/20/21 |

Previous Council or Advisory Body Action

The City Council approved the last RFP release on September 2, 2014, which resulted in a seven-year contract with PFM Asset Management, LLC that will expire on November 19, 2021.

Policy Context

The City of San Luis Obispo has an adopted Investment Policy and Management Plan which sets for that

Public Engagement

This item will be before Council during public session on September 21, 2021. No additional public engagement was conducted.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act does not apply to the recommended action in this report, because the action does not constitute a "Project" under CEQA Guidelines Sec. 15378.

FISCAL IMPACT

Budgeted: Yes

Budget Year: 2021-22

Funding Identified: Yes

Fiscal Analysis:

Funding Sources	Total Budget Available	Current Funding Request	Remaining Balance	Annual Ongoing Cost
General Fund		\$	\$	\$
State				
Federal				
Fees				
Other:				
Total	\$	\$	\$	\$

Investment Advisor services are usually compensated based on the level of the invested assets. Currently, the City reimburses PFM Asset Management, LLC based on the following scale:

Assets under Management	Annual Fee
First \$25 million	10 basis points (0.10%)
Next \$25 million	8 basis points (0.08%)
Next \$50 million	7 basis points (0.07%)
Assets over \$100 million	6 basis points (0.06%)

At the level of the current investment, this would equate to between \$80,000 to \$85,000. This amount will be distributed to the City's five major funds based on the assets currently invested and managed by the Investment Advisor. The amount is compensated directly from the City's investment earnings control account.

ALTERNATIVES

1. ***Do not approve the release of a RFP and approve an additional extension of the agreement with PFM Asset Management, LLC.*** While PFM Asset Management's performance has been exemplary to date, this is not recommended since it is prudent to make sure that the City receives the best services at the most competitive rate possible.
2. ***The City Council could direct staff to bring investment services in-house.*** This is not recommended as the Finance department is not staffed appropriately to provide this service in-house.

ATTACHMENTS

A – Investment Auditor Services Request for Proposals



Notice Requesting Proposals for Investment Adviser Services

The City of San Luis Obispo is requesting sealed proposals for services associated with the **Investment Adviser Services**.

All firms interested in receiving further correspondence regarding this Request for Proposals (RFP) will be required to complete a free registration using BidSync (<https://www.bidsync.com/bidsync-app-web/vendor/register/Login.xhtml>). All proposals must be received via BidSync by the Department of Finance at or before **September 30, 2021**, when they will be opened publicly in the City Hall Conference Hearing Room, 990 Palm Street, San Luis Obispo, CA 93401.

All firms interested in receiving further correspondence regarding this Request for Qualifications will be required to complete a free registration using BidSync (<https://www.bidsync.com/bidsync-app-web/vendor/register/Login.xhtml>).

All qualifications must be received via BidSync by the Department of Finance at or before **September 30, 2021**, when they will be opened electronically in BidSync.

An optional pre-proposal conference will be held to answer any questions that the prospective proposers may have regarding the City's request for proposals.

Project packages and additional information may be obtained at the City's BidSync website at www.BidSync.com. Please contact Daniel Clancy with any questions.

For technical help with BidSync please contact BidSync tech support at 800-990-9339.



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A. INTRODUCTION

The City is requesting proposals for investment advisor services for a five-year term, with an option to renew for an additional two years.

It is the City's policy to establish a long-term, ongoing relationship with its investment advisor, under which advice is available whenever needed. At the end of the contract's term, it is the City's policy to seek formal proposals to ensure that it continues to receive quality professional services at the best competitive price. The City's current investment advisor is PFM Asset Management, LLC and they have been invited to submit a proposal.

About the City's Portfolio

The City's primary investment objective is to achieve a reasonable rate of return on public funds while minimizing the potential for capital losses arising from market changes or issuer default. Although the generation of revenues through interest earnings on investment is an appropriate City goal, the primary consideration in the investment of City funds is capital preservation in the overall portfolio. As such, the City's yield objective is to achieve a reasonable rate of return on City investments rather than the maximum generation of income, which would expose the City to unacceptable levels of risk.

In determining individual investment placements, the following factors shall be considered in priority order:

1. Safety
2. Liquidity
3. Yield

The City's current portfolio under outside management is valued at approximately \$103 million and consists of a combination of U.S. Treasury, Agency, and corporate debt. Further guidance regarding eligible financial institutions can be found in the [City's investment policy](#) under Section IV. The Investment Policy and Management Plan was updated in August 2020 to incorporate an ESG Investing approach to enhance previous RSI considerations.

The City uses Bank of New York Mellon as the custodial trustee to maintain custody of certain investments and to provide valuation services for the portfolio, independent of the asset manager.

B. SCOPE OF WORK

Oversight of the City's investment activities is provided by the City Treasurer, who also serves as the Finance Director. The City maintains an Investment Oversight Committee that meets quarterly to review the transactions that have occurred within the portfolio and to confirm that the portfolio has been managed in accordance with the requirements of the City's investment policy. The committee also develops recommendations regarding the City's investments for consideration by the City Council.

City Finances

Detailed information about the City's finances and key policies are also available on the City's website at www.slocity.org. The [2021-2023 Financial Plan](#) along with the [2019-20 fiscal year Annual Comprehensive Financial Report](#) are the key source documents for this information.

Investment Advisor Services

The investment advisor services requested include but are not limited to the following:

1. Manage the City's portfolio in a fiduciary capacity with discretionary authority
2. Execute trades in accordance with the City's Investment Policy and Management Plan and its ESG investment strategy.
3. Assist the City with maturity and cashflow analysis
4. Provide credit analysis of investment instruments of portfolio
5. Provide monthly/quarterly/annual reporting on all government entity funds including market values and a detailed listing of investments held in the portfolio at each reporting interval
6. Attend quarterly meetings with City staff, the Investment Oversight Committee, and occasionally the City Council during public session.
7. Evaluate market risk and develop strategies that minimize the impact on the portfolio
8. Provide assurances of portfolio compliance with applicable policies and laws and the City's Investment Policy and Management Plan
9. Establish an appropriate performance benchmark when necessary
10. Indicate full understanding of Investment Policy and Management Plan, the ESG investment strategy and recommend changes as appropriate
11. Ensure portfolio structure matches City objectives
12. Forecast annual earnings from the portfolio for the City's use in a budget planning. The firm shall not have custody or possession of the funds or securities that the City has placed under its management.

C. PROJECT SCHEDULE

1. Issue RFP	9/22/2021
2. Receive proposals	10/13/2021
3. Complete proposal evaluations	10/20/2021
4. Conduct finalist interviews and finalize recommendation	10/21– 29/2021
5. Execute contract	11/1 – 5/2021
6. Start work	11/20/2021

D. PROJECT BUDGET

The City has no pre-determined budget for its investment advisor services. Pricing and related terms and conditions will be evaluated as part of the proposal consideration.

E. GENERAL TERMS AND CONDITIONS

PROPOSAL REQUIREMENTS

1. **Requirement to Meet All Provisions.** Each individual or firm submitting a proposal (bidder) shall meet all the terms, and conditions of the Request for Proposals (RFP) project package. By virtue of its proposal submittal, the bidder acknowledges agreement with and acceptance of all provisions of the RFP specifications.
2. **Proposal Submittal.** Each proposal must be submitted on the form(s) provided in the specifications and accompanied by any other required submittals or supplemental materials. Proposal documents shall be submitted electronically via BidSync. However, if you can't submit electronic, please send your bid copy in a sealed envelope to the Department of Finance, City of San Luis Obispo, 990 Palm Street, San Luis Obispo, CA, 93401. To guard against premature

opening, the proposal should be clearly labeled with the proposal title, project number, name of bidder, and date and time of proposal opening. No FAX submittals will be accepted.

3. **Insurance Certificate.** Each proposal must include a certificate of insurance showing:
 - a. The insurance carrier and its A.M. best rating.
 - b. Scope of coverage and limits.
 - c. Deductibles and self-insured retention.

The purpose of this submittal is to generally assess the adequacy of the bidder's insurance coverage during proposal evaluation; as further discussed under paragraph 11, endorsements are not required until contract award. The City's insurance requirements are detailed in Section H.

4. **Proposal Quotes and Unit Price Extension.** The extension of unit prices for the quantities indicated and the lump sum prices quoted by the bidder must be entered in figures in the spaces provided on the Proposal Submittal Form(s). Any lump sum bid shall be stated in figures. The Proposal Submittal Form(s) must be totally completed. If the unit price and the total amount stated by any bidder for any item are not in agreement, the unit price alone will be considered as representing the bidder's intention and the proposal total will be corrected to conform to the specified unit price.
5. **Proposal Withdrawal and Opening.** A bidder may withdraw its proposal, without prejudice prior to the time specified for the proposal opening, by submitting a written request to the Director of Finance for its withdrawal, in which event the proposal will be returned to the bidder unopened. No proposal received after the time specified or at any place other than that stated in the "Notice Inviting Bids/Requesting Proposals" will be considered. All proposals will be opened and declared publicly. Bidders or their representatives are invited to be present at the opening of the proposals.
6. **Submittal of One Proposal Only.** No individual or business entity of any kind shall be allowed to make or file, or to be interested as the primary submitter in more than one proposal, except an alternative proposal when specifically requested; however, an individual or business entity that has submitted a sub-proposal to a bidder submitting a proposal, or who has quoted prices on materials to such bidder, is not thereby disqualified from submitting a sub-proposal or from quoting prices to other bidders submitting proposals.
7. **Communications.** All timely requests for information submitted in writing will receive a written response from the City. Telephone communications with City staff are not encouraged but will be permitted. However, any such oral communication shall not be binding on the City.

CONTRACT AWARD AND EXECUTION

8. **Proposal Retention and Award.** The City reserves the right to retain all proposals for a period of 60 days for examination and comparison. The City also reserves the right to waive non-substantial irregularities in any proposal, to reject any or all proposals, to reject or delete one part of a proposal and accept the other, except to the extent that proposals are qualified by specific limitations. See the "special terms and conditions" in Section F of these specifications for proposal evaluation and contract award criteria.

9. **Competency and Responsibility of Bidder.** The City reserves full discretion to determine the competence and responsibility, professionally and/or financially, of bidders. Bidders will provide, in a timely manner, all information that the City deems necessary to make such a decision.
10. **Contract Requirement.** The bidder to whom award is made (Consultant) shall execute a written contract with the City within ten (10) calendar days after notice of the award has been sent by mail to it at the address given in its proposal. The contract shall be made in the form adopted by the City and incorporated in these specifications.

CONTRACT PERFORMANCE

11. **Insurance Requirements.** The Consultant shall provide proof of insurance in the form, coverages and amounts specified in Section H of these specifications within 10 (ten) calendar days after notice of contract award as a precondition to contract execution.
12. **Business License & Tax.** The Consultant must have a valid City of San Luis Obispo business license & tax certificate before execution of the contract. Additional information regarding the City's business tax program may be obtained by calling (805) 781-7134.
13. **Ability to Perform.** The Consultant warrants that they possess, or have arranged through subcontracts, all capital and other equipment, labor, materials, and licenses necessary to carry out and complete the work hereunder in compliance with all federal, state, county, city, and special district laws, ordinances, and regulations.
14. **Laws to be Observed.** The Consultant shall keep itself fully informed of and shall observe and comply with all applicable state and federal laws and county and City of San Luis Obispo ordinances, regulations and adopted codes during its performance of the work.
15. **Payment of Taxes.** The contract prices shall include full compensation for all taxes that the Consultant is required to pay.
16. **Permits and Licenses.** The Consultant shall procure all permits and licenses, pay all charges and fees, and give all notices necessary.
17. **Safety Provisions.** The Consultant shall conform to the rules and regulations pertaining to safety established by OSHA and the California Division of Industrial Safety.
18. **Public and Employee Safety.** Whenever the Consultant's operations create a condition hazardous to the public or City employees, it shall, at its expense and without cost to the City, furnish, erect and maintain such fences, temporary railings, barricades, lights, signs and other devices and take such other protective measures as are necessary to prevent accidents or damage or injury to the public and employees.
19. **Preservation of City Property.** The Consultant shall provide and install suitable safeguards, approved by the City, to protect City property from injury or damage. If City property is injured or damaged resulting from the Consultant's operations, it shall be replaced or restored at the Consultant's expense. The facilities shall be replaced or restored to a condition as good as when the Consultant began work.

20. **Immigration Act of 1986.** The Consultant warrants on behalf of themselves and all subcontractors engaged for the performance of this work that only persons authorized to work in the United State pursuant to the Immigration Reform and Control Act of 1986 and other applicable laws shall be employed in the performance of the work hereunder.
21. **Consultant Non-Discrimination.** In the performance of this work, the Consultant agrees that they will not engage in, nor permit such subcontractors as it may employ, to engage in discrimination in employment of persons because of age, race, color, sex, national origin or ancestry, sexual orientation, or religion of such persons.
22. **Work Delays.** Should the Consultant be obstructed or delayed in the work required to be done hereunder by changes in the work or by any default, act, or omission of the City, or by strikes, fire, earthquake, or any other Act of God, or by the inability to obtain materials, equipment, or labor due to federal government restrictions arising out of defense or war programs, then the time of completion may, at the City's sole option, be extended for such periods as may be agreed upon by the City and the Consultant. In the event that there is insufficient time to grant such extensions prior to the completion date of the contract, the City may, at the time of acceptance of the work, waive liquidated damages that may have accrued for failure to complete on time, due to any of the above, after hearing evidence as to the reasons for such delay, and making a finding as to the causes of same.
23. **Payment Terms.** The City's payment terms are 30 days from the receipt of an original invoice and acceptance by the City of the materials, supplies, equipment, or services provided by the Consultant (Net 30).
24. **Inspection.** The Consultant shall furnish City with every reasonable opportunity for City to ascertain that the services of the Consultant are being performed in accordance with the requirements and intentions of this contract. All work done, and all materials furnished, if any, shall be subject to the City's inspection and approval. The inspection of such work shall not relieve Consultant of any of its obligations to fulfill its contract requirements.
25. **Audit.** The City shall have the option of inspecting and/or auditing all records and other written materials used by Consultant in preparing its invoices to City as a condition precedent to any payment to Consultant.
26. **Interests of Consultant.** The Consultant covenants that they presently have no interest, and shall not acquire any interest—direct, indirect or otherwise—that would conflict in any manner or degree with the performance of the work hereunder. The Consultant further covenants that, in the performance of this work, no subcontractor or person having such an interest shall be employed. The Consultant certifies that no one who has or will have any financial interest in performing this work is an officer or employee of the City. It is hereby expressly agreed that, in the performance of the work hereunder, the Consultant shall at all times be deemed an independent Consultant and not an agent or employee of the City.
27. **Hold Harmless and Indemnification.**

(a) **Non-design, non-construction Professional Services:** To the fullest extent permitted by law (including, but not limited to California Civil Code Sections 2782 and 2782.8), Consultant shall indemnify, defend, and hold harmless the City, and its elected officials, officers, employees, volunteers, and agents ("City Indemnitees"), from and against any and all causes of action, claims, liabilities, obligations, judgments, or damages, including reasonable legal counsels' fees and costs of litigation ("claims"), arising out of the Consultant's performance or Consultant's failure to perform its obligations under this Agreement or out of the operations conducted by Consultant, including the City's active or passive negligence, except for such loss or damage arising from the sole negligence or willful misconduct of the City. In the event the City Indemnitees are made a party to any action, lawsuit, or other adversarial proceeding arising from Consultant's performance of this Agreement, the Consultant shall provide a defense to the City Indemnitees or at the City's option, reimburse the City Indemnitees their costs of defense, including reasonable legal fees, incurred in defense of such claims.

(b) **Non-design, construction Professional Services:** To the extent the Scope of Services involve a "construction contract" as that phrase is used in Civil Code Section 2783, this paragraph shall apply in place of paragraph A. To the fullest extent permitted by law (including, but not limited to California Civil Code Sections 2782 and 2782.8), Consultant shall indemnify, defend, and hold harmless the City, and its elected officials, officers, employees, volunteers, and agents ("City Indemnitees"), from and against any and all causes of action, claims, liabilities, obligations, judgments, or damages, including reasonable legal counsels' fees and costs of litigation ("claims"), arising out of the Consultant's performance or Consultant's failure to perform its obligations under this Agreement or out of the operations conducted by Consultant, except for such loss or damage arising from the active negligence, sole negligence or willful misconduct of the City. In the event the City Indemnitees are made a party to any action, lawsuit, or other adversarial proceeding arising from Consultant's performance of this Agreement, the Consultant shall provide a defense to the City Indemnitees or at the City's option, reimburse the City Indemnitees their costs of defense, including reasonable legal fees, incurred in defense of such claims.

(c) **Design Professional Services:** In the event Consultant is a "design professional", and the Scope of Services require Consultant to provide "design professional services" as those phrases are used in Civil Code Section 2782.8, this paragraph shall apply in place of paragraphs A or B. To the fullest extent permitted by law (including, but not limited to California Civil Code Sections 2782 and 2782.8) Consultant shall indemnify, defend and hold harmless the City and its elected officials, officers, employees, volunteers and agents ("City Indemnitees"), from and against all claims, damages, injuries, losses, and expenses including costs, attorney fees, expert consultant and expert witness fees arising out of, pertaining to or relating to, the negligence, recklessness or willful misconduct of Consultant, except to the extent caused by the sole negligence, active negligence or willful misconduct of the City. Negligence, recklessness or willful misconduct of any subcontractor employed by Consultant shall be conclusively deemed to be the negligence, recklessness or willful misconduct of Consultant unless adequately corrected by Consultant. In the event the City Indemnitees are made a party to any action, lawsuit, or other adversarial proceeding arising from Consultant's performance of this Agreement, the Consultant shall provide a defense to the City Indemnitees or at the City's option, reimburse the City Indemnitees their costs of defense, including reasonable legal fees, incurred in defense of such claims. In no event shall the cost to defend charged to Consultant under this paragraph exceed Consultant's proportionate percentage of fault. However, notwithstanding the previous sentence, in the event one or more defendants is unable to pay its share of defense costs due to bankruptcy or dissolution of the business, Consultant shall meet and confer with other parties regarding unpaid

defense costs.

(d) The review, acceptance or approval of the Consultant's work or work product by any indemnified party shall not affect, relieve or reduce the Consultant's indemnification or defense obligations. This Section survives completion of the services or the termination of this contract. The provisions of this Section are not limited by and do not affect the provisions of this contract relating to insurance.

28. **Contract Assignment.** The Consultant shall not assign, transfer, convey or otherwise dispose of the contract, or its right, title or interest, or its power to execute such a contract to any individual or business entity of any kind without the previous written consent of the City.
29. **Termination for Convenience.** The City may terminate all or part of this Agreement for any or no reason at any time by giving 30 days written notice to Consultant. Should the City terminate this Agreement for convenience, the City shall be liable as follows: (a) for standard or off-the-shelf products, a reasonable restocking charge not to exceed ten (10) percent of the total purchase price; (b) for custom products, the less of a reasonable price for the raw materials, components work in progress and any finished units on hand or the price per unit reflected on this Agreement. For termination of any services pursuant to this Agreement, the City's liability will be the lesser of a reasonable price for the services rendered prior to termination, or the price for the services reflected on this Agreement. Upon termination notice from the City, Consultant must, unless otherwise directed, cease work and follow the City's directions as to work in progress and finished goods.
30. **Termination.** If, during the term of the contract, the City determines that the Consultant is not faithfully abiding by any term or condition contained herein, the City may notify the Consultant in writing of such defect or failure to perform. This notice must give the Consultant a 10 (ten) calendar day notice of time thereafter in which to perform said work or cure the deficiency.

If the Consultant has not performed the work or cured the deficiency within the ten days specified in the notice, such shall constitute a breach of the contract and the City may terminate the contract immediately by written notice to the Consultant to said effect. Thereafter, neither party shall have any further duties, obligations, responsibilities, or rights under the contract except, however, any and all obligations of the Consultant's surety shall remain in full force and effect, and shall not be extinguished, reduced, or in any manner waived by the terminations thereof.

In said event, the Consultant shall be entitled to the reasonable value of its services performed from the beginning date in which the breach occurs up to the day it received the City's Notice of Termination, minus any offset from such payment representing the City's damages from such breach. "Reasonable value" includes fees or charges for goods or services as of the last milestone or task satisfactorily delivered or completed by the Consultant as may be set forth in the Agreement payment schedule; compensation for any other work, services or goods performed or provided by the Consultant shall be based solely on the City's assessment of the value of the work-in-progress in completing the overall work scope.

The City reserves the right to delay any such payment until completion or confirmed abandonment of the project, as may be determined in the City's sole discretion, so as to permit a full and complete accounting of costs. In no event, however, shall the Consultant be entitled to receive in excess of the compensation quoted in its proposal.

SPECIAL TERMS AND CONDITIONS

1. **Contract Award.** Subject to the reservations set forth in Paragraph 9 of Section B (General Terms and Conditions) of these specifications, the contract will be awarded to the lowest responsible, responsive proposer.
2. **Sales Tax Reimbursement.**
For sales occurring within the City of San Luis Obispo, the City receives sales tax revenues. Therefore, for bids from retail firms located in the City at the time of proposal closing for which sales tax is allocated to the City, 1% of the taxable amount of the bid will be deducted from the proposal by the City in calculating and determining the lowest responsible, responsive proposer.
3. **Labor Actions.**
In the event that the successful proposer is experiencing a labor action at the time of contract award (or if its suppliers or subcontractors are experiencing such a labor action), the City reserves the right to declare said proposer is no longer the lowest responsible, responsive proposer and to accept the next acceptable low proposal from a proposer that is not experiencing a labor action, and to declare it to be the lowest responsible, responsive proposer.
4. **Failure to Accept Contract.**
The following will occur if the proposer to whom the award is made (Consultant) fails to enter into the contract: the award will be annulled; any bid security will be forfeited in accordance with the special terms and conditions if a proposer's bond or security is required; and an award may be made to the next lowest responsible, responsive proposer who shall fulfill every stipulation as if it were the party to whom the first award was made.
5. **Contract Term.**
The supplies or services identified in this specification will be used by the City for up to one year. The prices quoted for these items must be valid for the entire period indicated above unless otherwise conditioned by the proposer in its proposal.
6. **Contract Extension.**
The term of the contract may be extended by mutual consent for an additional one-year, and annually thereafter, for a total of four years.
7. **Supplemental Purchases**
Supplemental Purchases. Supplemental purchases may be made from the successful proposer during the contract term in addition to the items listed in the Detail Proposal Submittal Form. For these supplemental purchases, the proposer shall not offer prices to the City in excess of the amounts offered to other similar customers for the same item. If the proposer is willing to offer the City a standard discount on all supplemental purchases from its generally prevailing or published price structure during the contract term, this offer and the amount of discount on a percentage basis should be provided with the proposal submittal.
8. **Consultant Invoices.**
The Consultant may deliver either a monthly invoice to the City with attached copies of detail invoices as supporting detail, or in one lump-sum upon completion.

9. **Non-Exclusive Contract.** The City reserves the right to purchase the items listed in the Detail Proposal Submittal Form, as well as any supplemental items, from other vendors during the contract term.
10. **Unrestrictive Brand Names.** Any manufacturer's names, trade names, brand names or catalog numbers used in the specifications are for the purpose of describing and establishing general quality levels. Such references are not intended to be restrictive. Proposals will be considered for any brand that meets or exceeds the quality of the specifications given for any item. In the event an alternate brand name is proposed, supplemental documentation shall be provided demonstrating that the alternate brand name meets or exceeds the requirements specified herein. The burden of proof as to the suitability of any proposed alternatives is upon the proposer, and the City shall be the sole judge in making this determination.
11. **Delivery.** Prices quoted for all supplies or equipment to be provided under the terms and conditions of this RFP package shall include delivery charges, to be delivered F.O.B. San Luis Obispo by the successful proposer and received by the City within 90 days after authorization to proceed by the City.
12. **Start and Completion of Work.** Work on this project shall begin immediately after contract execution and shall be completed within 90 calendar days thereafter, unless otherwise negotiated with City by mutual agreement.
13. **Change in Work.** The City reserves the right to change quantities of any item after contract award. If the total quantity of any changed item varies by 25% or less, there shall be no change in the agreed upon unit price for that item. Unit pricing for any quantity changes per item in excess of 25% shall be subject to negotiation with the Consultant.
14. **Submittal of References.** Each proposer shall submit a statement of qualifications and references on the form provided in the RFP package.
15. **Statement of Contract Disqualifications.** Each proposer shall submit a statement regarding any past governmental agency bidding or contract disqualifications on the form provided in the RFP package.

**PROPOSAL CONTENT FOR MOST RFP's EXCEPT FOR
ENGINEERING, ARCHITECTURAL AND ENVIRONMENTAL SERVICES**

1. **Proposal Content.** Your proposal must include the following information:

Submittal Forms

- a. Proposal submittal summary.
- b. Certificate of insurance.
- c. References from at least three firms for whom you have provided similar services.

Qualifications

- d. Experience of your firm and those of sub-consultants in performing work and projects relevant to the Scope of Services outlined and described in the request.
- e. Resumes of the individuals who would be assigned to this project, including any sub-consultants, with their corollary experience highlighted and specific roles in this project clearly described.
- f. Standard hourly billing rates for the assigned staff, including any sub-consultants.
- g. Statement and explanation of any instances where your firm or sub-consultant has been removed from a project or disqualified from proposing on a project.

Work Program

- h. Detailed description of your approach to completing the work.
- i. Detailed schedule by task and sub-task for completing the work.
- j. Estimated hours for your staff in performing each phase and task of the work, including sub-consultants, so we can clearly see who will be doing what work, and how much time it will take.
- k. Detailed budget by task and sub-task for completing the work.
- l. Services or data to be provided by the City.
- m. Services and deliverables provided by the Consultant(s).
- n. Any other information that would assist us in making this contract award decision.
- o. Description of assumptions critical to development of the response which may impact cost or scope.

Requested Changes to Terms and Conditions

- p. The City desires to begin work soon after selecting the preferred Consultant Team. To expedite the contracting process, each submittal shall include requested redlined changes to terms and conditions, if necessary.

Proposal Length

- q. Proposal length should only be as long as required to be responsive to the RFP, including attachments and supplemental materials.

2. **Proposal Evaluation and Selection.** Proposals will be evaluated by a review committee and evaluated on the following criteria:
- a. Understanding of the work required by the City.
 - b. Quality, clarity and responsiveness of the proposal.
 - c. Demonstrated competence and professional qualifications necessary for successfully performing the work required by the City.
 - d. Recent team experience in successfully performing similar services.
 - e. Creativity of the proposed approach in completing the work.
 - f. Value
 - g. Writing skills.
 - h. References.
 - i. Background and experience of the specific individuals managing and assigned to this project.

As reflected above, contract award will not be based solely on price, but on a combination of factors as determined to be in the best interest of the City. After evaluating the proposals and discussing them further with the finalists or the tentatively selected Consultant, the City reserves the right to further negotiate the proposed work and/or method and amount of compensation.

3. **Proposal Review and Award Schedule.** The following is an outline of the anticipated schedule for proposal review and contract award:

a.	Issue RFP	9/22/2021
b.	Receive proposals	10/13/2021
c.	Complete proposal evaluations	10/20/2021
d.	Conduct finalist interviews and finalize recommendation	10/21– 29/2021
e.	Execute contract	11/1 – 5/2021
f.	Start work	11/20/2021

4. **Ownership of Materials.** All original drawings, plan documents and other materials prepared by or in possession of the Consultant as part of the work or services under these specifications shall become the permanent property of the City and shall be delivered to the City upon demand.
5. **Release of Reports and Information.** Any reports, information, data, or other material given to, prepared by or assembled by the Consultant as part of the work or services under these specifications shall be the property of the City and shall not be made available to any individual or organization by the Consultant without the prior written approval of the City.
6. **Copies of Reports and Information.** If the City requests additional copies of reports, drawings, specifications, or any other material in addition to what the Consultant is required to furnish in limited quantities as part of the work or services under these specifications, the Consultant shall provide such additional copies as are requested, and City shall compensate the Consultant for the costs of duplicating of such copies at the Consultant's direct expense.
7. **Required Deliverable Products.** The Consultant will be required to provide:

- a. One electronic submission - digital-ready original .pdf of all final documents. If you wish to file a paper copy, please submit in sealed envelope to the address provided in the RFP.
- b. Corresponding computer files compatible with the following programs whenever possible unless otherwise directed by the project manager:

Word Processing:	MS Word
Spreadsheets:	MS Excel
Desktop Publishing:	InDesign
Virtual Models:	Sketch Up
Digital Maps:	Geodatabase shape files in State Plan Coordinate System as specified by City GIS staff
- c. City staff will review any documents or materials provided by the Consultant and, where necessary, the Consultant will be required to respond to staff comments and make such changes as deemed appropriate.

ALTERNATIVE PROPOSALS

8. **Alternative Proposals.** The proposer may submit an alternative proposal (or proposals) that it believes will also meet the City's project objectives but in a different way. In this case, the proposer must provide an analysis of the advantages and disadvantages of each of the alternative and discuss under what circumstances the City would prefer one alternative to the other(s).
9. **Attendance at Meetings and Hearings.** As part of the workscope and included in the contract price is attendance by the Consultant at up to [number] public meetings to present and discuss its findings and recommendations. Consultant shall attend as many "working" meetings with staff as necessary in performing work-scope tasks.
10. **Accuracy of Specifications.** The specifications for this project are believed by the City to be accurate and to contain no affirmative misrepresentation or any concealment of fact. Bidders are cautioned to undertake an independent analysis of any test results in the specifications, as City does not guaranty the accuracy of its interpretation of test results contained in the specifications package. In preparing its proposal, the bidder and all subcontractors named in its proposal shall bear sole responsibility for proposal preparation errors resulting from any misstatements or omissions in the plans and specifications that could easily have been ascertained by examining either the project site or accurate test data in the City's possession. Although the effect of ambiguities or defects in the plans and specifications will be as determined by law, any patent ambiguity or defect shall give rise to a duty of bidder to inquire prior to proposal submittal. Failure to so inquire shall cause any such ambiguity or defect to be construed against the bidder. An ambiguity or defect shall be considered patent if it is of such a nature that the bidder, assuming reasonable skill, ability and diligence on its part, knew or should have known of the existence of the ambiguity or defect. Furthermore, failure of the bidder or subcontractors to notify City in writing of specification or plan defects or ambiguities prior to proposal submittal shall waive any right to assert said defects or ambiguities subsequent to submittal of the proposal.

To the extent that these specifications constitute performance specifications, the City shall not be

liable for costs incurred by the successful bidder to achieve the project's objective or standard beyond the amounts provided there for in the proposal.

In the event that, after awarding the contract, any dispute arises as a result of any actual or alleged ambiguity or defect in the plans and/or specifications, or any other matter whatsoever, Consultant shall immediately notify the City in writing, and the Consultant and all subcontractors shall continue to perform, irrespective of whether or not the ambiguity or defect is major, material, minor or trivial, and irrespective of whether or not a change order, time extension, or additional compensation has been granted by City. Failure to provide the hereinbefore described written notice within one (1) working day of Consultant's becoming aware of the facts giving rise to the dispute shall constitute a waiver of the right to assert the causative role of the defect or ambiguity in the plans or specifications concerning the dispute.

Proposal Content and Selection Process
ONLY FOR
ENGINEERING, ARCHITECTURAL AND ENVIRONMENTAL SERVICES
For All Other Services, Use the Process Proceeding This One

1. **Proposal Content.** Your proposal must include the following information:

Submittal Forms

- a. Proposal submittal summary.
- b. Certificate of insurance.
- c. References from at least three firms for whom you have provided similar services.

Qualifications

- d. Experience of your firm in performing similar services.
- e. Resumes of the individuals who would be assigned to this project, including any sub-consultants.
- f. Standard hourly billing rates for the assigned staff, including any sub-consultants.
- g. Statement and explanation of any instances where your firm has been removed from a project or disqualified from proposing on a project.

Work Program

- h. Description of your approach to completing the work.
- i. Tentative schedule by phase and task for completing the work.
- j. Estimated hours for your staff in performing each major phase of the work, including sub-consultants.
- k. Services or data to be provided by the City.
- l. Any other information that would assist us in making this contract award decision.

Proposal Length and Copies

- m. Proposals should not exceed 20 pages, including attachments and supplemental materials.
- n. 5 copies of the proposal must be submitted.

2. **Proposal Evaluation and Consultant Selection.** Proposals will be evaluated by a review committee using a two-phase selection and contract award process as follows:

Phase 1 – Written Proposal Review/Finalist Candidate Selection

A group of finalist candidates (generally the top 3 to 5 five proposers) will be selected for follow-up interviews and presentations based on the following criteria as evidenced in their written proposals:

- a. Understanding of the work required by the City.
- b. Quality, clarity and responsiveness of the proposal.

- c. Demonstrated competence and professional qualifications necessary for successfully performing the work required by the City.
- d. Recent experience in successfully performing similar services.
- e. Proposed approach in completing the work.
- f. References.
- g. Background and experience of the specific individuals to be assigned to this project.
- h. **Whatever other criteria you want to use.**

Phase 2 – Oral Presentations/Interviews and Consultant Selection

Finalist candidates will make an oral presentation to the review committee and answer questions about their proposal. The purpose of this second phase is two-fold: to clarify and resolve any outstanding questions or issues about the proposal; and to evaluate the proposer's ability to clearly and concisely present information orally. As part of this second phase of the selection process, finalist candidates will submit proposed compensation costs for the work, including a proposed payment schedule tied to accomplishing key project milestones or tasks. After evaluating the proposals and discussing them further with the finalists or the tentatively selected Consultant, the City reserves the right to further negotiate the proposed workscope and/or method and amount of compensation.

Contract award will be based on a combination of factors that represent the best overall value for completing the workscope as determined by the City, including: the written proposal criteria described above; results of background and reference checks; results from the interviews and presentations phase; and proposed compensation.

3. **Proposal Review and Award Schedule.** The following is an outline of the anticipated schedule for proposal review and contract award:

- | | |
|--|--------|
| a. Issue RFP | [date] |
| b. Pre-Proposal Conference (optional) | [date] |
| c. Receive proposals | [date] |
| d. Complete proposal evaluations | [date] |
| e. Conduct finalist interviews and finalize recommendation | [date] |
| f. Execute contract | [date] |
| g. Start work | [date] |

4. **Pre-Proposal Conference.** An optional pre-proposal conference will be held at the following location, date, and time to answer any questions that prospective bidders may have regarding this RFP:

[Day, Date, Time]
[LOCATION]

5. **Ownership of Materials.** All original drawings, plan documents and other materials prepared by or in possession of the Consultant as part of the work or services under these specifications shall become the permanent property of the City and shall be delivered to the City upon demand.
6. **Release of Reports and Information.** Any reports, information, data, or other material given to, prepared by or assembled by the Consultant as part of the work or services under these

specifications shall be the property of the City and shall not be made available to any individual or organization by the Consultant without the prior written approval of the City.

7. **Copies of Reports and Information.** If the City requests additional copies of reports, drawings, specifications, or any other material in addition to what the Consultant is required to furnish in limited quantities as part of the work or services under these specifications, the Consultant shall provide such additional copies as are requested, and City shall compensate the Consultant for the costs of duplicating of such copies at the Consultant's direct expense.
8. **Required Deliverable Products.** The Consultant will be required to provide:
 - a. One electronic submission - digital-ready original .pdf of all final documents. If Consultant wishes to file a paper copy, it must be submitted in a sealed envelope to the address provided in the RFP.
 - b. Corresponding computer files compatible with the following programs whenever possible unless otherwise directed by the project manager:

Word Processing:	MS Word
Spreadsheets:	MS Excel
Desktop Publishing:	InDesign
Virtual Models:	Sketch Up
Digital Maps:	Geodatabase shape files in State Plan Coordinate System as specified by City GIS staff
 - c. City staff will review any documents or materials provided by the Consultant and, where necessary, the Consultant will be required to respond to staff comments and make such changes as deemed appropriate.

ALTERNATIVE PROPOSALS

9. **Alternative Proposals.** The proposer may submit an alternative proposal (or proposals) that it believes will also meet the City's project objectives but in a different way. In this case, the proposer must provide an analysis of the advantages and disadvantages of each of the alternative and discuss under what circumstances the City would prefer one alternative to the other(s).
10. **Attendance at Meetings and Hearings.** As part of the workscope and included in the contract price is attendance by the Consultant at up to [number] public meetings to present and discuss its findings and recommendations. Consultant shall attend as many "working" meetings with staff as necessary in performing workscope tasks.
11. **Accuracy of Specifications.** The specifications for this project are believed by the City to be accurate and to contain no affirmative misrepresentation or any concealment of fact. Bidders are cautioned to undertake an independent analysis of any test results in the specifications, as City does not guaranty the accuracy of its interpretation of test results contained in the specifications package. In preparing its proposal, the bidder and all subcontractors named in its proposal shall bear sole responsibility for proposal preparation errors resulting from any misstatements or omissions in the plans and specifications that could easily have been ascertained by examining

either the project site or accurate test data in the City's possession. Although the effect of ambiguities or defects in the plans and specifications will be as determined by law, any patent ambiguity or defect shall give rise to a duty of bidder to inquire prior to proposal submittal. Failure to so inquire shall cause any such ambiguity or defect to be construed against the bidder. An ambiguity or defect shall be considered patent if it is of such a nature that the bidder, assuming reasonable skill, ability and diligence on its part, knew or should have known of the existence of the ambiguity or defect. Furthermore, failure of the bidder or subcontractors to notify City in writing of specification or plan defects or ambiguities prior to proposal submittal shall waive any right to assert said defects or ambiguities subsequent to submittal of the proposal.

To the extent that these specifications constitute performance specifications, the City shall not be liable for costs incurred by the successful bidder to achieve the project's objective or standard beyond the amounts provided there for in the proposal.

In the event that, after awarding the contract, any dispute arises as a result of any actual or alleged ambiguity or defect in the plans and/or specifications, or any other matter whatsoever, Consultant shall immediately notify the City in writing, and the Consultant and all subcontractors shall continue to perform, irrespective of whether or not the ambiguity or defect is major, material, minor or trivial, and irrespective of whether or not a change order, time extension, or additional compensation has been granted by City. Failure to provide the hereinbefore described written notice within one (1) working day of Consultant's becoming aware of the facts giving rise to the dispute shall constitute a waiver of the right to assert the causative role of the defect or ambiguity in the plans or specifications concerning the dispute.

SECTION G: FORM OF AGREEMENT

AGREEMENT

THIS AGREEMENT is made and entered into in the City of San Luis Obispo on [day, date, year] by and between the CITY OF SAN LUIS OBISPO, a municipal corporation, hereinafter referred to as City, and [CONSULTANT'S NAME IN CAPITAL LETTERS], hereinafter referred to as Consultant.

WITNESSETH:

WHEREAS, on [date], City requested proposals for [_____], per Project No. [xxxx]

WHEREAS, pursuant to said request, Consultant submitted a proposal that was accepted by City for said project;

NOW THEREFORE, in consideration of their mutual promises, obligations and covenants hereinafter contained, the parties hereto agree as follows:

1. **TERM.** The term of this Agreement shall be from the date this Agreement is made and entered, as first written above, until acceptance or completion of said project.

2. **INCORPORATION BY REFERENCE.** City Specification No. _____ and Consultant's proposal dated [date] is hereby incorporated in and made a part of this Agreement and attached as Exhibit A. The City's terms and conditions are hereby incorporated in and made a part of this Agreement as Exhibit B. To the extent that there are any conflicts between the Consultant's fees and scope of work and the City's terms and conditions, the City's terms and conditions shall prevail, unless specifically agreed otherwise in writing signed by both parties.

3. **CITY'S OBLIGATIONS.** For providing the services as specified in this Agreement, City will pay, and Consultant shall receive therefore compensation [xxxxxxx]. If there are installment payments? Consultant shall be eligible for compensation installments after completion of milestone Tasks -E as shown in the attached project schedule.

4. **CONSULTANT/CONSULTANT'S OBLIGATIONS.** For and in consideration of the payments and agreements hereinbefore mentioned to be made and performed by City, Consultant agrees with City to do everything required by this Agreement and the said specifications.

5. **AMENDMENTS.** Any amendment, modification or variation from the terms of this Agreement shall be in writing and shall be effective only upon approval by the City Manager.

6. **COMPLETE AGREEMENT.** This written Agreement, including all writings specifically incorporated herein by reference, shall constitute the complete agreement between the parties hereto. No oral agreement, understanding or representation not reduced to writing and specifically incorporated herein shall be of any force or effect, nor shall any such oral agreement, understanding or representation be binding upon the parties hereto.

7. **NOTICE.** All written notices to the parties hereto shall be sent by United States mail, postage prepaid by registered or certified mail addressed as follows:

City	Name
	Dept.
	Address

Consultant	Name
	Title
	Address
	Address

8. **AUTHORITY TO EXECUTE AGREEMENT.** Both City and Consultant do covenant that everyone executing this agreement on behalf of each party is a person duly authorized and empowered to execute Agreements for such party.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed the day and year first above written.

CITY OF SAN LUIS OBISPO:

By: _____
City Manager

APPROVED AS TO FORM:

CONSULTANT:

City Attorney

By: _____
Name of CAO / President
Its: CAO / President

SECTION H: INSURANCE REQUIREMENTS

Environmental Consultants and Consultants

Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, employees or subcontractors. General Liability, Errors and Omissions and Pollution and/or Asbestos Pollution Liability coverages should be maintained for a minimum of five (5) years after contract completion.

Minimum Scope of Insurance. Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001 or Claims Made Form CG 0002).
2. Insurance Services Office form number CA 0001 (Ed. 1/87) covering Automobile Liability, code 1 (any auto), or code 8, 9 if no owned autos.
3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.
4. Pollution and/or Asbestos Pollution Liability and/or Errors & Omissions.
5. Cyber-Liability Insurance

Minimum Limits of Insurance. Consultant shall maintain limits no less than:

1. General Liability: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.
3. Employer's Liability: \$1,000,000 each accident, \$1,000,000 policy limit bodily injury by disease, \$1,000,000 each employee bodily injury by disease.
4. Pollution and/or Asbestos Pollution Liability and/or Errors and Omissions: \$1,000,000 each occurrence/\$2,000,000 policy aggregate.
5. Consultant/Consultant shall procure and maintain Cyber Liability insurance with limits of \$1,000,000 per occurrence/loss which shall include the following coverage:
 - a. Liability arising from the theft, dissemination and/or use of confidential or personally identifiable information; including credit monitoring and regulatory fines arising from such theft, dissemination or use of the confidential information.
 - b. Network security liability arising from the unauthorized use of, access to, or tampering with computer systems.
 - c. Liability arising from the failure of technology products (software) required under the contract for Consultant to properly perform the services intended.
 - d. Electronic Media Liability arising from personal injury, plagiarism or misappropriation of ideas, domain name infringement or improper deep-linking or framing, and infringement or violation of intellectual property rights.
 - e. Liability arising from the failure to render professional services

- f. If coverage is maintained on a claims-made basis, Consultant/Contractor shall maintain such coverage for an additional period of three (3) years following termination of the contract.

Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by the Entity.

Other Insurance Provisions. The following insurance provisions shall also apply:

1. The general liability, automobile liability, pollution and/or asbestos pollution and/or errors & omissions policies are to contain, or be endorsed to contain, the following provisions:
 - a. The City, its officers, officials, employees, agents and volunteers are to be covered as additional insureds as respects: liability arising out of activities performed by or on behalf of the Consultant; products and completed operations of the Consultant; pollution and/or asbestos pollution and/or errors or omissions, or automobiles owned, leased, hired or borrowed by the Consultant. The coverage shall contain no special limitations on the scope of protection afforded to the Entity, its officers, officials, employees, agents or volunteers.
Note: Automobile, Pollution, Asbestos Pollution and/or Errors and Omissions insurance carriers may not name the City as Additional Insured. If the City cannot be named as Additional Insured, a letter from the insurance company confirming their position required.
 - b. For any claims related to this project, the Consultant's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, agents or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
 - c. The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
 - d. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party except after thirty (30) days prior written notice has been given to the City.
2. The automobile liability policy shall be endorsed to delete the pollution and/or the asbestos exclusion and add the Motor Carrier Act endorsement (MCS-90).
3. If General Liability, Pollution and/or Asbestos Pollution Liability and/or Errors & Omissions coverages are written on a Claims Made Form:
 - a. The "Retro Date" must be shown, and must be before the date of the contract or the beginning of contract work.
 - b. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract or work.
 - c. If the coverage is canceled or non-renewed, and not replaced with another claims made policy form with a "Retro Date" prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of five years after completion of the contract or work.

- d. A copy of the claims reporting requirements must be submitted to the City for review.
- 4. The workers compensation policy shall be endorsed with a waiver of subrogation in favor of the City.

Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII. Since Pollution and/or Asbestos Pollution coverages may not be available from an "Admitted" insurer, the coverage may be written by a Non-Admitted insurance company. A Non-admitted company should have an A.M. Best's rating of A:X or higher. Pollution and/or Asbestos coverages may also be written by a Captive Insurance Company or Risk Retention Group or Captive Insurance Company, the City will check with its Insurance Advisor for further information before approval.

Verification of Coverage. Consultant shall furnish the City with certified copies of endorsements effecting coverage required by this clause. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. The endorsements are to be on forms provided by the City, unless the insurance company will not use the City's form. All endorsements are to be received and approved by the City before work commences. As an alternative to the City's forms, the Consultant's insurer may provide complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications.

Subcontractors. Consultant shall include all subcontractors as insured under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

SECTION H: INSURANCE REQUIREMENTS

Consultant Services

The Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, employees or subcontractors.

Minimum Scope of Insurance. Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).
2. Insurance Services Office form number CA 0001 (Ed. 1/87) covering Automobile Liability, code 1 (any auto).
3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.
4. Errors and Omissions Liability insurance as appropriate to the consultant's profession.

Minimum Limits of Insurance. Consultant shall maintain limits no less than:

1. General Liability: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.
3. Employer's Liability: \$1,000,000 per accident for bodily injury or disease.
4. Errors and Omissions Liability: \$1,000,000 per occurrence.

Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of the City, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officers, officials, employees and volunteers; or the Consultant shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

Other Insurance Provisions. The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. The City, its officers, officials, employees, agents and volunteers are to be covered as insureds as respects: liability arising out of activities performed by or on behalf of the Consultant; products and completed operations of the Consultant; premises owned, occupied or used by the Consultant; or automobiles owned, leased, hired or borrowed by the Consultant. The coverage shall contain no special limitations on the scope of protection afforded to the City, its officers, official, employees, agents or volunteers.
2. For any claims related to this project, the Consultant's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, agents or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.

3. The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
4. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City.

Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII.

Verification of Coverage. Consultant shall furnish the City with a certificate of insurance showing maintenance of the required insurance coverage. Original endorsements effecting general liability and automobile liability coverage required by this clause must also be provided. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. All endorsements are to be received and approved by the City before work commences.

SECTION I: PROPOSAL SUBMITTAL FORM - SAMPLE

The undersigned declares that she or he has carefully examined Project No. [xxxx] which is hereby made a part of this proposal; is thoroughly familiar with its contents; is authorized to represent the proposing firm; and agrees to perform the specified work for the following cost quoted in full:

BID ITEM: [ITEM]

Total Base Price	
Sales tax []	
Other	
TOTAL	\$

Delivery of equipment to the City to be within _____ calendar days after contract execution and written authorization to proceed.

q Certificate of insurance attached; insurance company's A.M. Best rating: _____.

Firm Name and Address

<i>Contact</i>	<i>Phone</i>

Signature of Authorized Representative

<i>Date</i>

E NOTES ON THIS SAMPLE FORM

This is the City's "basic" submittal form, and something like it should accompany all proposals, even if: a combined "description of work/detailed proposal submittal form" (like Sample E) is required; or price information is not requested (like Sample F).

SECTION I: PROPOSAL SUBMITTAL FORM - SAMPLE

The undersigned declares that she or he has carefully examined Specification No. 97-6, which is hereby made a part of this proposal; is thoroughly familiar with its contents; is authorized to represent the proposing firm; and agrees to perform the specified work for the following cost quoted in full:

Description	Quantity	Unit Price	Total
TOTAL BASE PRICE			
Sales tax @ []			
Other (provide detail below)			
TOTAL			\$

Delivery of equipment to the City to be within _____ calendar days after contract execution and written authorization to proceed.

q Certificate of insurance attached; insurance company's A.M. Best rating: _____.

Firm Name and Address

<i>Contact</i>	<i>Phone</i>

Signature of Authorized Representative

<i>Date</i>

E NOTES ON THIS SAMPLE FORM

This is another sample of "basic" submittal form when you have multiple bid items that are specified in detail in the "description of work" section.

SECTION I: PROPOSAL SUBMITTAL FORM - SAMPLE

The undersigned declares that she or he has carefully examined Project No. [xxxx], which is hereby made a part of this proposal; is thoroughly familiar with its contents; is authorized to represent the proposing firm; and agrees to perform the specified work for the following cost quoted in full:

	Basic Proposal		Alternate Proposal	
	Phase A	Phase B	Phase A	Phase B
Location				
TOTAL BASE PRICE				
Sales tax @ 7.25%				
Other (attach supporting detail)				
TOTAL	\$	\$	\$	\$

Calendar days required to complete work				
---	--	--	--	--

q Certificate of insurance attached; insurance company's A.M. Best rating: _____.

Firm Name and Address

Contact	Phone

Signature of Authorized Representative

Date

E NOTES ON THIS SAMPLE FORM

This sample form would be useful in an RFP where there are several options and phases, and the proposal is likely to have a lot of narrative.

SECTION I: PROPOSAL SUBMITTAL FORM - SAMPLE

The undersigned declares that she or he has carefully examined Specification No. XXX which is hereby made a part of this proposal; is thoroughly familiar with its contents; is authorized to represent the proposing firm; and agrees to perform the specified work for the following cost quoted in full:

Description	2018-19	2019-20	2020-21
Work effort A			
Work effort B			
Work effort C			
Work effort D			
Work effort E			
TOTAL	\$	\$	\$

q Certificate of insurance attached; insurance company's A.M. Best rating: _____.

Firm Name and Address

<i>Contact</i>	<i>Phone</i>

Signature of Authorized Representative

	<i>Date</i>
--	-------------

REFERENCES

Number of years engaged in providing the services included within the scope of the specifications under the present business name:_____.

Describe fully the last three contracts performed by your firm that demonstrate your ability to provide the services included with the scope of the specifications. Attach additional pages if required. The City reserves the right to contact each of the references listed for additional information regarding your firm's qualifications.

Reference No. 1:

Agency Name	
Contact Name	
Telephone & Email	
Street Address	
City, State, Zip Code	
Description of services provided including contract amount, when provided and project outcome	

Reference No. 2:

Agency Name	
Contact Name	
Telephone & Email	
Street Address	
City, State, Zip Code	
Description of services provided including contract amount, when provided and project outcome	

Reference No. 3

Agency Name	
Contact Name	
Telephone & Email	
Street Address	
City, State, Zip Code	
Description of services provided including contract amount, when provided and project outcome	

STATEMENT OF PAST CONTRACT DISQUALIFICATIONS

The proposer shall state whether it or any of its officers or employees who have a proprietary interest in it, has ever been disqualified, removed, or otherwise prevented from bidding on, or completing a federal, state, or local government project because of the violation of law, a safety regulation, or for any other reason, including but not limited to financial difficulties, project delays, or disputes regarding work or product quality, and if so to explain the circumstances.

■ ***Do you have any disqualification as described in the above paragraph to declare?***

Yes q No q

■ ***If yes, explain the circumstances.***

Executed on _____ at _____ under penalty of perjury of the laws of the State of California, that the foregoing is true and correct.

Signature of Authorized Proposer Representative



Council Agenda Report

Item 7a

Department: Administration
Cost Center: 208-1006
For Agenda of: 9/21/2021
Placement: Business
Estimated Time: 30 minutes

FROM: Greg Hermann, Deputy City Manager
Prepared By: Molly Cano, Tourism Manager

SUBJECT: 2020-21 ANNUAL REPORT OF THE TOURISM BUSINESS
IMPROVEMENT DISTRICT

RECOMMENDATION

1. As recommended by the Tourism Business Improvement District (TBID) Board, receive and approve the TBID Board's annual report for FY 2020-21; and
2. Adopt a Resolution of Intention entitled, "A Resolution of the City Council of the City of San Luis Obispo, California, declaring its intention to continue the San Luis Obispo Tourism Business Improvement District, to continue the basis for and to levy the assessment for the district, and to set a date for the Public Hearing on the district and the assessment for 2021-22."

DISCUSSION

Background

In June 2008, the Council adopted Ordinance No. 1517 establishing a tourism business improvement district as requested by the local lodging industry. The district was formed under the State's Parking and Business Improvement Law of 1989, sections 36500 *et seq.* of the Streets and Highways Code and codified into the City's Municipal Code under Chapter 12.42.

Pursuant to Municipal Code Section [12.42.060](#) and [Sections 36530 and 36533](#) of the State's Parking and Business Improvement Law, the appointed TBID Advisory Board is to submit an annual report (Attachment A) that outlines the past year's efforts and how the funding was used and to what effect.

[Section 36534](#) further requires that after the approval of the annual report, the Council shall adopt a resolution of intention (Attachment B) to levy an annual assessment for that fiscal year. The resolution also sets a public hearing in order to receive any written or oral protests against the continuation of the TBID as required by the applicable statute.

Annual Report

On September 8, 2021, the TBID Board met in a regular monthly meeting to finalize the 2020-21 annual report for recommendation to the Council. Public noticing for the TBID Advisory Board meeting was performed through the posting of the agenda on the City's website by 5:00 pm on September 3, 2021. For convenience, the agenda was also distributed to TBID constituents and stakeholders via email. The annual report reiterates the use of the TBID funds within the defined marketing platform that guides the strategy used to deliver on the TBID's objective and goals.

The annual report's contents include:

1. TBID Background and Advisory Body
2. 2020-21 Year by the Numbers
3. Strategic Plan Implementation and Program Approach
4. 2020-21 Summary of Activities
5. 2020-21 Financial Statement
6. Looking Ahead to 2021-22
7. Charts and Graphs showing various results

Next Steps

Should the City Council approve the annual report and adopt the resolution of intention, a public hearing will be noticed for November 2, 2021. The public hearing will allow hoteliers to submit comments, voice concerns, and protest the assessment.

As set forth in Sections [36524](#) and [36525](#) of the California Streets and Highways Code, the Council has the ability to continue the proposed citywide TBID at this public hearing, unless oral or written protests are received from City hoteliers that pay 50% or more of the proposed assessments. In that event, the Council cannot consider continuation of the TBID in the City for at least one year.

Noticing Schedule

Legal notices regarding the Council's review and approval of the TBID annual report were sent to TBID properties on September 9, 2021. For convenience, the link to the agenda was also distributed to TBID constituents and stakeholders via email.

Previous Council or Advisory Body Action

On September 8, 2021, the TBID Board approved the 2020-21 annual report for submission to Council and recommended the continuation of the TBID for fiscal year 2021-22 (Attachment C).

Policy Context

As referenced in the City's Municipal Code, [12.42.060](#) and [Sections 36530 and 36533](#) of the State's Parking and Business Improvement Law, the appointed TBID Advisory Board is to submit an annual report that outlines the past year's efforts and how the funding was used and to what effect.

Public Engagement

This item is on the agenda for the September 21, 2021 Council meeting and will follow all required postings and notifications. The public may have an opportunity to comment on this item at or before the meeting.

All Advisory Body Meetings for the TBID were noticed in accordance with Brown Act standards.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act does not apply to the recommended action in this report, because the action does not constitute a “Project” under CEQA Guidelines Sec. [15378](#).

FISCAL IMPACT

Budgeted: Yes

Budget Year: 2020-21

Funding Identified: Yes

Fiscal Analysis:

Funding Sources	Total Budget Available	Current Funding Request	Remaining Balance	Annual Ongoing Cost
General Fund	\$	\$	\$	\$
State				
Federal				
Fees				
Other:				
Total	\$	\$	\$	\$

The current unaudited year-end TBID Assessment Revenue for 2020-21 is \$1,381,106.48, which is approximately \$127,706 or 10% more than the budgeted amount reflected on [page 67 of the 2019-21 Financial Plan Supplement](#). This is largely due to a very strong fourth quarter when gradual lifting of Covid restrictions lead to a strong return of visitor activities.

In 2021-22, the TBID projected revenue is \$1,442,600 and is budgeted for program costs including staffing. Additionally, the City will retain approximately \$29,000 of the assessment revenue- roughly 2% of 2021-22 TBID Assessment Revenue - to cover the City’s administrative costs associated with collecting and disbursing the assessment.

ALTERNATIVES

The Council may choose to not approve the report or levy the assessment. This action is not recommended as the advisory body has fully reviewed the report and recommended the approval to Council in order to move forward with the Public Hearing for the TBID.

ATTACHMENTS

- A – SLO TBID 2020-21 Annual Report
- B – Draft Resolution of Intention to continue the SLO TBID
- C – TBID Draft Minutes from September 8, 2021

SLO TBID ANNUAL REPORT 2020–2021



san luis
Obispo

Live the SLO Life

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SLO TBID SUMMARY OF OPERATIONS

BACKGROUND

In June 2008 the City Council adopted Ordinance 1517 establishing the Tourism Business Improvement District (TBID) in the City of San Luis Obispo as requested by the local lodging industry. The assessment of two percent of gross receipts for the district became effective on Oct. 1, 2008, and the use of funds was defined in Section 12.42.030 of the Municipal Code as follow:

“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.”

ADVISORY BODY

The use of the assessment fund is based on the recommendation of the Tourism Business Improvement District advisory board that is staffed by City of San Luis Obispo hotel owners, operators and/or managers. The board members are appointed by the City Council and serve for an initial term of four years with the opportunity to serve a second term for a maximum of eight years.

2020-21 ADVISORY BOARD

NAME	PROPERTY	STATUS	TERM
David Smith	Hotel SLO	Appointed	3/31/25
John Conner (Chair)	Petit Soleil		3/31/24
LeBren Harris (Vice Chair)	Hampton Inn & Suites by Hilton		3/31/25
Matthew Wilkins	La Cuesta Inn	Appointed	3/31/25
Natalie Ward	Hotel Cerro	Appointed	3/31/24
Pragna Patel-Mueller	Hotel Buena Vista		3/31/23
Stephanie Bolles	Courtyard Marriott	Appointed	3/31/23
Bruce Skidmore	Embassy Suites	Resigned	
Clint Pearce	Madonna Inn	Completed	
John Byrns	The Kinney SLO	Resigned	



ADVISORY BODY BYLAWS

In addition to the governing City ordinance, the TBID Board established its advisory body bylaws and further defined its role and functions as:

The functions and duties of the TBID Board shall include, but not be limited to, the following:

- Planning a comprehensive program to promote tourism to the City of San Luis Obispo and prepare an annual marketing program consistent with industry goals and objectives.
- Develop advertising and promotional programs and projects to benefit the lodging industry in San Luis Obispo.
- Present an annual assessment report to the City Council regarding the implemented promotional programs and projects.
- Perform any other lawful tasks as directed by the Council.

The Board meets monthly on the second Wednesday at 10 a.m. for its regular board meeting.

In 2020-21, the Board met 15 times for regularly scheduled Monthly Board Meetings and Special Board Meetings. It held 12 regularly scheduled Board Meetings all in a virtual format and three Special Board meetings including one in-person Branding Workshop. Additionally, the Board utilized the two standing committees composed of board members — the Management Committee and the Marketing Committee — to execute detailed program development work and to offer expenditure recommendations to the Board. In 2020-21, the TBID also formed a DEI taskforce to work with staff on the Diversity, Equity and Inclusion (DEI) work for the TBID.



2020-21 YEAR BY THE NUMBERS (TOT)

In the 2020-21 fiscal year, the City collected \$6,921,335.30 million in transient occupancy tax (TOT). This number represents a 10 percent increase in revenue compared to FY 2019-20, which was also severely impacted by the COVID-19 pandemic. The TOT revenue in FY 20-21 exceeded the City’s projected budget by more than \$600,000. While TOT revenue for the City was still below pre-COVID years, the positive increase represents a strong step toward economic recovery.

The City’s occupancy for fiscal year 2020-21 was relatively flat compared to the 2019-20 fiscal year with the average annual occupancy rate slightly above 58 percent for the year. When compared to occupancy pre-pandemic, it was 18 percent below the 2018-19 fiscal year when annual average occupancy for the City was at 70 percent.

A bright spot: the results of the Average Daily Rate (ADR) for the City tells a different story. In 2020-21 the annual ADR was approximately \$158, which is almost \$13 more than the previous year and \$4 more than the pre-pandemic year.

The last key indicator used by the TBID to gauge impact is RevPAR, defined as Revenue Per Available Room. In the 2020-21 fiscal year the annual average RevPAR was up 7 percent from the prior year at the rate of \$93.73.

Finally, the downtown Visitor Center served just over 63,000 in-person guests.

2020-21 YEAR BY THE NUMBERS BREAKDOWN

MEASUREMENT	FY 2020-21 RESULT	% CHANGE FROM FY 2019-20
TOT	\$6,921,335.30	10%
Occupancy	58.13%	0.7%
ADR	\$157.66	8.8%
RevPAR	\$93.73	6.9%

CHECK THE APPENDIX TO VIEW COMPLETE GRAPHS (FOR TOT/ADR/REVPAR/OCC)



STRATEGIC PLAN IMPLEMENTATION

Due to the impacts of COVID-19, the TBID updated the TBID Strategic Plan in December 2020. This document serves as one piece of the framework for the direction and decisions made by the TBID Board for the tourism program this fiscal year. As defined within the plan, the TBID is focused on the fulfillment of five Strategic Imperatives:

- Elevate the SLO brand and experience
- Deliver smart growth
- Build meaningful partnerships
- Ensure operational excellence
- Foster destination resilience

Each of these imperatives contain objectives and initiatives the TBID Board strives to achieve over the plan's lifespan.

TBID completed a Destination Resilience Assessment as one new component of the strategic plan. Six dimensions of the organization were assessed to identify gaps in resilience: visitors, stakeholders, marketing and communications, leadership, team and funding. The TBID will continue to use these results as inputs to the creation of future marketing plans, strategic plans and destination plans to ensure the resilience of the destination into the future.

CHECK THE APPENDIX TO VIEW STRATEGIC IMPLEMENTATION CHART



CONSTITUENT RELATIONS

Due to the ever-changing nature of the COVID-19 pandemic and the impacts it had on the tourism industry, the connection with TBID constituents was extremely important this year. As a commitment to the imperative to “Ensure Operational Excellence” the TBID Board continued to support constituent relations efforts in 2020-21. To keep the lodging constituency abreast of all TBID business, the Board was assigned properties to liaise. Each board member was responsible for communication with their respective group of hotels. Members were then asked to report their findings during the “Hotel Update” portion of each Board meeting agenda.

The TBID also leveraged the outreach support of the SLO Chamber’s contracted services to perform weekly lodging call arounds and quarterly hotel visits. This resulted in 4,968 touch points with San Luis Obispo hotels through phone calls, emails and property visits to distribute important visitor-serving collateral as well as COVID-19 safety signage and PPE to all lodging properties in the City of SLO.



SLO TBID MARKETING ACTIVITIES

The 2020-21 fiscal year was unlike any other for tourism marketing. Due to COVID-19 stay-at-home orders and travel restrictions, many of the traditional programs the TBID operates such as special promotions went dark this year. Instead, the TBID focused on efficient ways to ensure that San Luis Obispo remained top-of-mind for future visitors through a robust marketing approach that intercepted travelers at all stages of the journey by using different marketing levers across that journey. This multi-pronged approach was developed to drive an effective conversion strategy and incorporated the fluctuations in travel behavior influenced by COVID-19.

The TBID also focused on efforts for responding, navigating and building to ensure a successful future beyond the pandemic including the following key activities:

- Ongoing COVID-19 pandemic response
- Onboarding a new Agency-of-Record and national Public Relations team
- Development and cautious implementation of the #SLOReady Campaign
- Pivoting the Media outreach from general destination storytelling to timely trends such as sustainability
- Investment in research for brand development, sentiment and DEI

To implement the complex marketing programs, the TBID Board and staff worked closely with the team of contractors including the new marketing agency-of-record, Noble Studios and DCI, and the San Luis Obispo Chamber of Commerce for Public Relations and Guest Service initiatives.

SEE APPENDIX FOR MARKETING PROCESS CHART

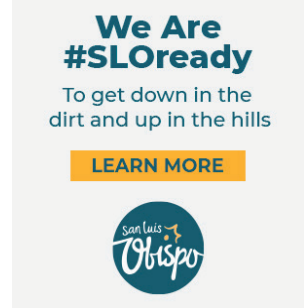
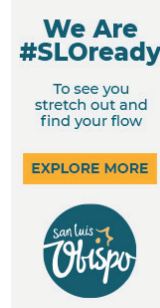
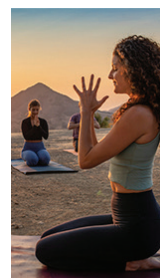


BRANDING & CAMPAIGN

The TBID manages the tourism brand for the destination of San Luis Obispo, delivering balanced growth of tourism, with creativity and integrity. Due to COVID-19, the TBID was in a unique position to limit the welcome message to a focus on health and safety. For this, the TBID used the #SLOready campaign when the timing was appropriate to invite visitors to San Luis Obispo.

The campaign messaging and aesthetic was meant to welcome visitors and featured imagery of businesses and locals warmly and confidently inviting people back. The approach to rolling out #SLOready messaging was phased and flexible. The term “ready” was versatile and allowed the TBID to be nimble with messaging and provided the ability to adjust the messaging in line with local and traveler confidence levels. New promotional assets went into production to tell this story.

Because there were times during the 2020-21 fiscal year when promoting travel was not appropriate, the TBID utilized a micro-campaign called “Small Town, Big Charm” to keep the awareness and interest in San Luis Obispo without a direct call-to-action to visit.

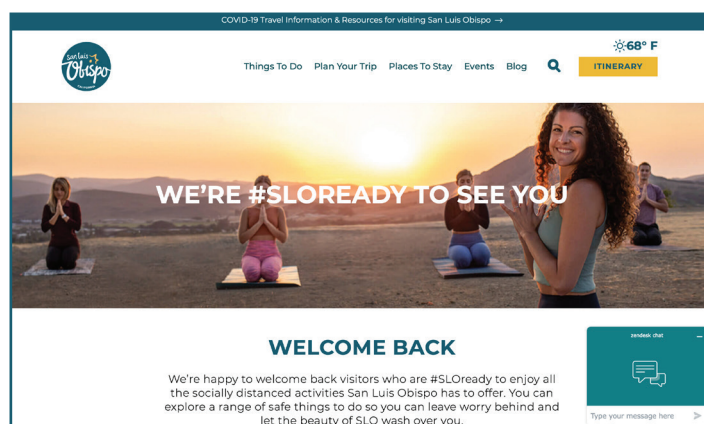


WEBSITE

VisitSLO.com is the City's official tourism website and the primary marketing tool used to represent the destination. It is designed mainly for consumers, but also serves the travel trade, meeting planners, TBID members and media.

This year, the website's goal was to provide travelers with up-to-date information about San Luis Obispo that helped them plan and enjoy their visit. It continues to provide information about health and safety protocols, while inspiring visitors by sharing SLO experiences and getting an insider's scoop.

+62% OVERALL TRAFFIC YOY	+61% NEW USERS YOY	+20% BLOG PAGEVIEWS YOY	+8% TIME ON BLOG PAGES YOY	-84% DESKTOP SITE SPEED
---------------------------------------	---------------------------------	--------------------------------------	---	--------------------------------------



SEARCH ENGINE OPTIMIZATION — SEO

Search Engine Optimization (SEO) ensures the relevancy and success of the TBID's website through building website authority which improves VisitSLO.com's positioning and find-ability on search pages. By developing depth of content and optimizing existing content, VisitSLO.com saw increased organic traffic to optimized pages and encouraged users to engage with the website by improving user experience.

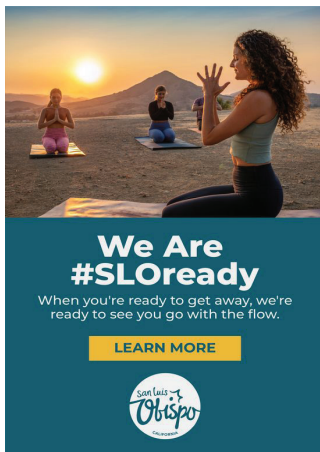
+27% ORGANIC TRAFFIC	+17% ORGANIC HOTEL REFERRALS	+24% ORGANIC PAGEVIEWS TO OPTIMIZED PAGES	-3% BOUNCE RATE
--------------------------------	---	--	---------------------------



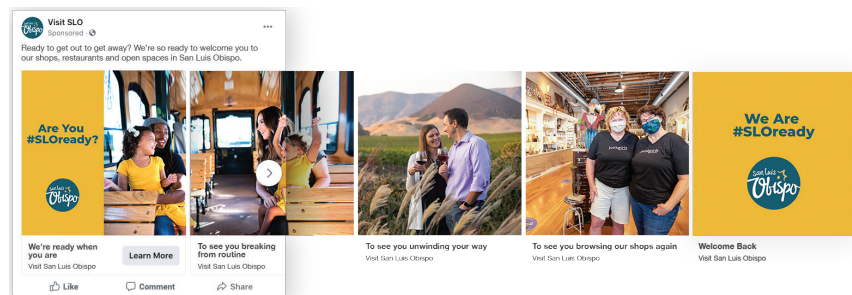
DIGITAL MEDIA

The digital media efforts in 2020-21 were focused on driving overnight stays while paid media was on for the TBID. Using up-to-date research surrounding traveler sentiment, media consumption patterns, and booking behavior as a guide, the media was continually evaluated and shifted. When compared with the same channels in fiscal year 2019-20, the website saw exponential growth in traffic and engagement. Due to COVID-19, paid media was turned on and off multiple times throughout the year in response to the pandemic.

+255% IN PAID TRAFFIC YOY	31.1 MIL PAID IMPRESSIONS	8.28% PAID SEARCH CTR	1.2% PAID SOCIAL CTR	+675% PAID HOTEL REFERRALS	+1009% PAID HOMESTAY REFERRALS YOY
--	--	------------------------------------	-----------------------------------	---	---



#SLOREADY PAID AD



#SLOREADY CAROUSEL AD

SOCIAL MEDIA

The goal of the TBID's social media channels (@ShareSLO) is to continue to engage locals and visitors alike while optimizing the TBID's efforts and further establishing a clear value to follow ShareSLO on organic social media. As a result in 2020-21, the two social media channels that drove the most traffic to VisitSLO.com were Facebook and Pinterest.

SOCIAL MEDIA CHANNELS



Facebook



Instagram



Twitter



Pinterest



Youtube

124.1K
TOTAL SOCIAL MEDIA
AUDIENCE

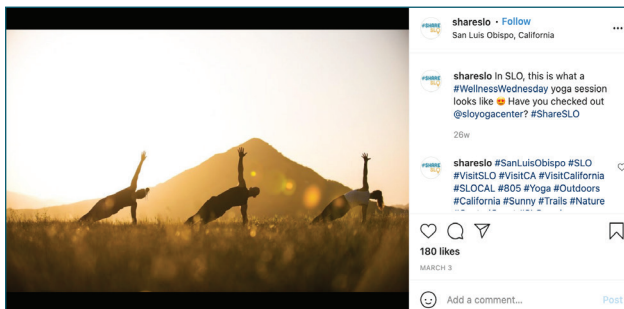
2%
TOTAL CONTRIBUTION TO
WEBSITE TRAFFIC

PRINT ADVERTISING

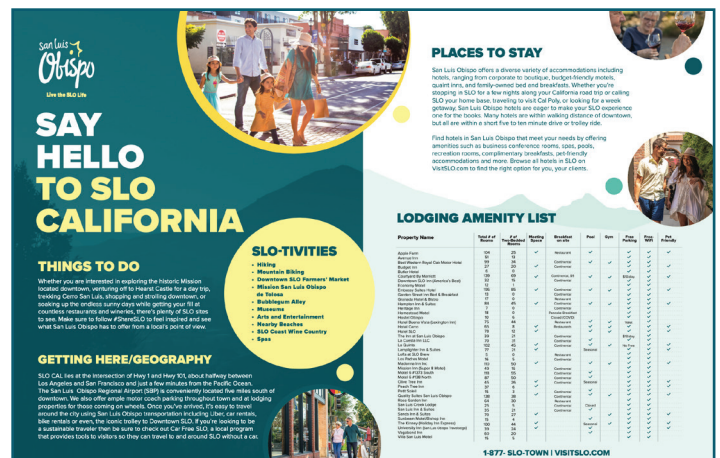
Limited print advertising placements continued in the media mix for the 2020-21 fiscal year. Traditional print campaigns are an important tool to reach niche market visitors primarily in the mature demographic and to reinforce travel inspiration while building brand awareness for the destination.

Placements Included:

- Visit SLO CAL Visitors Guide
- SLO Chamber Visitors Guide
- Cal Poly Program Ad & Visiting Teams Guide
- CCTC Map & Co-op Ad



HIGH-PERFORMING ORGANIC SOCIAL POST



CAL POLY PROGRAM AD & VISITING TEAMS GUIDE



EMAIL MARKETING

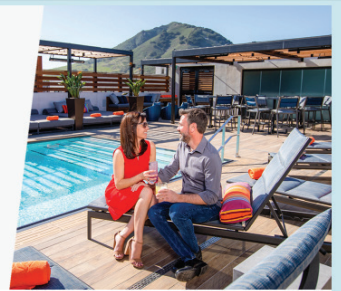
The TBID maintained email marketing activities through the newsletter to communicate regularly with potential visitors about activities in SLO. This was done to build brand loyalty and encourage repeat visitation and an extended length of stay. This year, the goal was to send timely and relevant newsletters to subscribers to keep San Luis Obispo top of mind as a destination while informing them of the city's changing travel landscape due to COVID-19.

20.9%
NEWSLETTER
OPEN RATE

1.43% AVG
CLICK
RATE

13 TOTAL
EMAILS
SENT

Welcoming You with Open Arms



Have you heard the news? California is officially REOPENED! That's right. Locals and visitors alike are experiencing the SLO life similar to what it was before the pandemic. When you're in San Luis Obispo, here's what you can expect:

- Vaccinated individuals do not need to wear a mask in alignment with state, county and CDC guidelines.
- Restaurants, shopping, theaters, and most everyday places will not have capacity limits or social distancing required.
- Large events will start to come back. Keep your eyes peeled on our [SLO Happenings Events Calendar!](#)

[Start Planning Your Trip](#)

SLO Happenings in July



Kick off your 4th of July festivities with a [SLO Blues Baseball game and fireworks](#), happening July 3. For the big day, head into downtown for a family lunch and some fun shopping to support local businesses. Then, take a drive to local beaches for food, music and fireworks.

[READ NOW >](#)

Festival Mozaic returns from July 24-31, 2021 with exquisite musical performances. Tickets are selling fast for these distinctive San Luis Obispo venues from SLO Brew Rock to Miossi Hall at the Performing Arts Center. Buy your tickets now!

[READ NOW >](#)





PUBLIC RELATIONS

In 2020-21, the TBID took a new approach to Public Relations. In addition to the joint contract between the TBID and PCC with the San Luis Obispo Chamber of Commerce for Public Relations efforts — the TBID secured a national Public Relations agency, DCI. On behalf of the City’s Community Promotions program, the SLO Chamber is responsible for establishing professional relationships with media outlets and journalists in various markets to build and maintain awareness of San Luis Obispo as a travel destination. DCI is responsible for national media relations and influencer management to further expand the proactive destination Public Relations efforts.

In the spirit of building a resilient program, the TBID established a Most Wanted Media List that will continue to be used to target top tier media and influencers to tell the unique stories that SLO can offer. These stories were also defined through the development of the TBID’s Story Idea database. The City’s core values of sustainability and DEI are reflected in this work.

However, the nature of destination Public Relations was very different in 2020-21 as well. Most journalists were not traveling for familiarization visits for much of the year due to COVID-19 restrictions and overall the media was shying away from travel focused stories. In order to meet this challenge, the TBID pivoted the approach mid-year to focus on lifestyle storytelling centered around “Sustainable SLO.” In April, the TBID’s staff and PR team hosted a virtual media event that featured a selection of San Luis Obispo partners that make sustainability a lifestyle in SLO, including Bike SLO County, SIP Certified, EcoSLO and others. Attendees learned about the City’s Climate Action goals directly from the City’s Sustainability Manager while sipping sustainable SLO wine from Chamisal shipped to them prior to the event.

Top media coverage included: Conde Nast; Travel + Leisure; and *The Los Angeles Times*.



25+
HOSTED VISITS

220+
PLACEMENTS

30%
MWM LIST
PENETRATION



SUPPORT LOCAL

While the year presented many challenges related to travel promotion, the TBID was able to shift focus and leverage their audience for the City's Support Local efforts with the Promotional Coordinating Committee. Whether it was encouraging staycations or just keeping SLO top of mind for when visitors were ready to come to SLO, the TBID provided a resource base through VisitSLO.com/supportlocal, a new Support Local section of the ShareSLO blog, and used the ShareSLO social media channels for the Ticket Tuesday and Monday Business Insider local business features. In addition, the TBID boosted the reach of the Support Local content by including in Visit SLO newsletters and sharing stories through our national Public Relations outreach.

45 TICKET TUESDAY POSTS	5,198 ENTRIES	22 BUSINESS INSIDER FEATURES	22,541 BLOG VIEWS	11,558 PAGE VIEWS ON VISITSLO.COM/ SUPPORTLOCAL	47 MENTIONS IN LOCAL AND REGIONAL PUBLICATIONS
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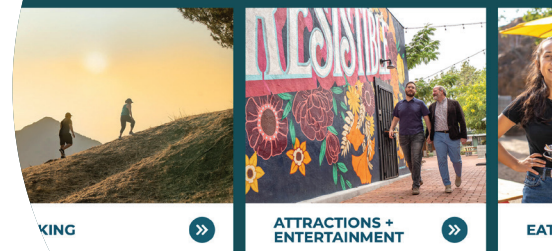
GUEST SERVICES

Through a dedicated contract with the TBID, the San Luis Obispo Chamber of Commerce provides a suite of guest services to the TBID. In 2020-21, the SLO Chamber was contracted for the Visitor Center to answer each call made to the TBID's 1-877-SLO-TOWN number, which serves as a response tool to the TBID's advertising efforts and digital presence. This creates the option for a "real person" to assist in trip planning, ensuring that travelers seeking personal guidance have a friendly, live voice to shape their experience of San Luis Obispo before arriving. The telephone number, 1-877-SLO-TOWN, is a separate line that rings in the Chamber and is used solely to refer TBID properties and promote San Luis Obispo as a destination. The Guest Services also included the Live Chat widget on VisitSLO.com which received hundreds of conversations throughout the year.

63,024 IN-PERSON VISITORS SERVED	1,417 PHONE CALLS RECEIVED
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FEATURED THINGS TO DO

From trekking Cerro San Luis, shopping and strolling downtown getting your fill at countless restaurants and wineries, there's plenty of SLO sites to see. Check out these authentic experiences that you can enjoy following safe travel guidelines.





STRATEGIC PARTNERSHIPS

The TBID collaborates with numerous community partners and industry nonprofit organizations in marketing San Luis Obispo as a destination, making the TBID more efficient in promotional activities. The TBID's strategic partnerships allow the marketing agencies to build relationships with the organizations below, elevating the destination as a whole. Promotional opportunities with each organization give the TBID new platforms and audiences to build brand awareness.

This year, the TBID leveraged partnerships to share updates on destination information. In particular, the partnership with Cal Poly's Office of Student Affairs was extremely valuable, thanks to virtual presentations to Cal Poly Parents and Supporters during the virtual SLO Days and Mustang Family Insights.

Top partnerships include:

- SLO Coast Wine Collective
- Cal Poly's Office of Student Affairs — New Student & Transition Programs and Parent Program
- MINDBODY

INDUSTRY RELATIONS



California Hotel & Lodging Association

The California Hotel & Lodging Association (CHLA) protects the rights and interests of the California lodging industry. Legislative advocacy, educational training, communication and cost-saving programs are provided for all segments of the industry. Through the TBID, all lodging properties in the City of SLO are members of CHLA and can utilize the services offered. In 2020-21, CHLA provided educational training for all TBID members. Additionally, during COVID-19 crisis response, CHLA was a key partner in industry education, outreach and communication. CHLA also partnered with the TBID to provide PPE for all lodging properties in San Luis Obispo.



Visit California

The Visit California partnership has been critical in the growth of the TBID's brand within the California Tourism product. San Luis Obispo has received coverage through the marketing activities performed by Visit California including travel trade, press and industry outreach. Monthly submissions are uploaded to Visit California for media outreach, trade contacts and newsletter content.



Central Coast Tourism Council

The Central Coast Tourism Council (CCTC) is an organization of tourism and hospitality professionals whose marketing efforts accomplish collectively what no single tourism entity can do alone — promoting the entire California Central Coast as a destination and maximizing our members' tourism revenue. The CCTC serves as the Central Coast's voice in Sacramento, and partners with California Tourism's global marketing and advertising campaigns. The TBID is actively involved in CCTC with the Tourism Manager having served as the past president and Regional Board Member. In 2020-21, the TBID leveraged the CCTC activities through media and trade leads, blog and social presence, as well as cooperative participation marketing campaigns.



Visit SLO CAL

The TBID maintains participation with Visit SLO CAL by having a representative on the Board of Directors and the Tourism Manager on the Marketing Committee. The TBID Board leverages the partnership with Visit SLO CAL to promote San Luis Obispo on a national and international level to extend beyond the local and state reach. The TBID's participation in Visit SLO CAL also encompasses group sales, film commission, countywide public relations and countywide special events such as Restaurant Month and Wine Month. This also includes countywide strategic planning efforts, Destination Management efforts, and the renewal of the Tourism Marketing District, to name a few.



AWARDS & ACCOLADES

While this year was incredibly challenging in so many ways, with the help of Noble Studios, the TBID received multiple awards for the successful and responsible campaign, #SLOready.



AMERICAN MARKETING ASSOCIATION: ACE AWARDS

Visit San Luis Obispo - #SLOready
Best in Digital Marketing



COMMUNICATOR AWARDS

Visit San Luis Obispo - #SLOready
Gold Award for B-to-C Integrated Campaign



COMMUNICATOR AWARDS

Visit San Luis Obispo - #SLOready
Silver for Online Travel Video



2020-21 FINANCIAL ANALYSIS

INCOME

INCOME SOURCE	2020-21
TOT Revenue Assumption	\$6,267,000
TBID Assessment Revenue Assumption (20% of TOT Revenue)	\$1,253,400
2019-20 Carryover	-
TBID Fund Reserve	\$100,000
2020-21 TBID Program Budget	\$1,253,400

EXPENDITURES

EXPENDITURE	ALLOCATED
Operations/Staffing	
Administration Overhead (2% of TBID Assessment)	\$25,068
Staffing (1 FTE & .75 FTE)	\$214,279
Contracts & Marketing Projects	
Marketing Contract	\$510,000
Chamber of Commerce - PR	\$42,500
Chamber of Commerce - Guest Services	\$47,500
Chamber of Commerce - Media Monitoring Service Fee	\$3,713
Co-Op Program Funding	\$30,000
FAM Trip Hosting Funding	\$5,000
COVID -19 Response	\$8,000
Partnerships	
SLO Coast Wine Collective Associate Membership	\$4,200
Tradeshows	
Tourism Conferences	\$5,000
Tourism Organizations/Research	
Central Coast Tourism Council Membership	\$850
Smith Travel Report	\$2,700
California Travel Association (Cal Travel)	\$875
California Hotel & Lodging Association	\$26,565
Support/Meetings	
Tourism Program Expenses	\$5,000
Contingency	
Contingency Fund	\$319,163
Totals Committed	\$1,250,413
Funds Remaining	\$2,988
Total Allocated Expenditure	\$1,253,400

*This figure represents the total allocated expenditures.
The difference will be available for carryover to the 2021-22 program budget.



LOOKING AHEAD TO 2021-22

As the TBID moves into FY2021-22, there are three key focus areas that remain top of mind for the work of the Board in the next fiscal year:

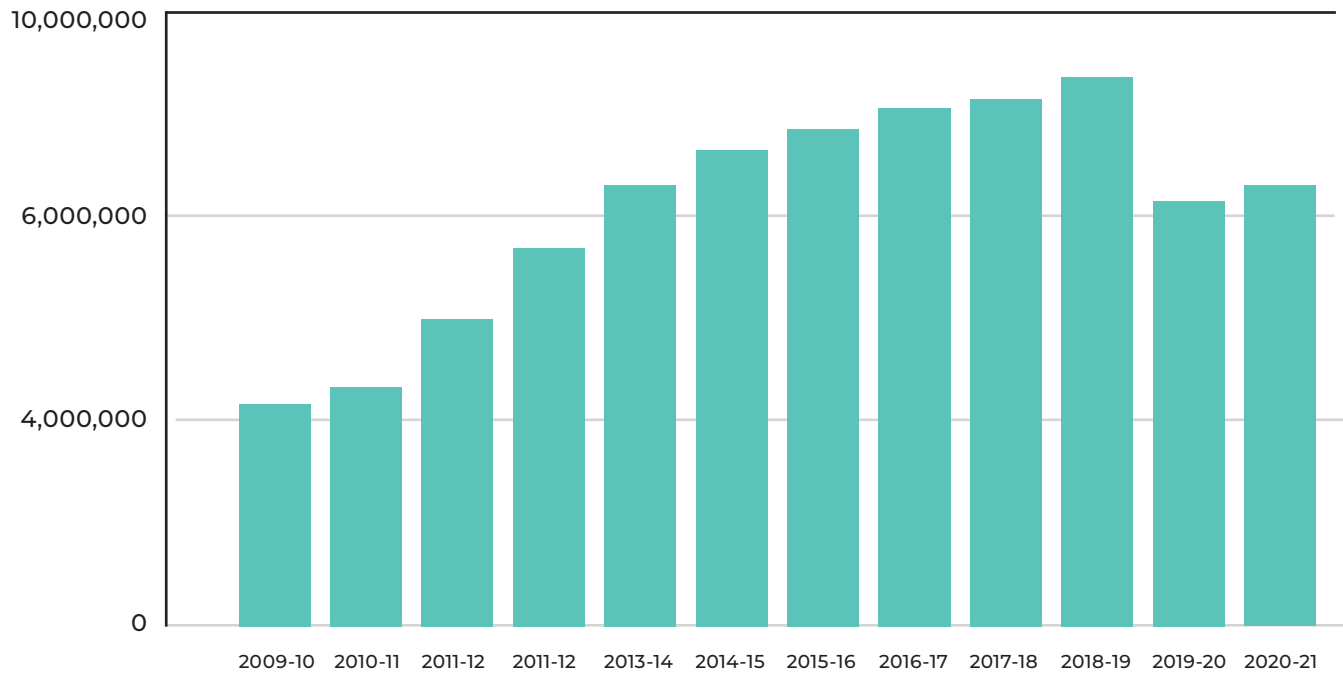
1. A conscious approach to Diversity, Equity and Inclusion in all TBID programs
2. Destination Stewardship and the development of the Sustainable SLO program for visitors
3. Emphasis on research with the Brand Equity, Local and Visitor Sentiment, and Equity, Diversity and Inclusion studies

While these are not the only subjects that the TBID Board will be focused on, these three will influence the approach to all TBID-related work efforts.

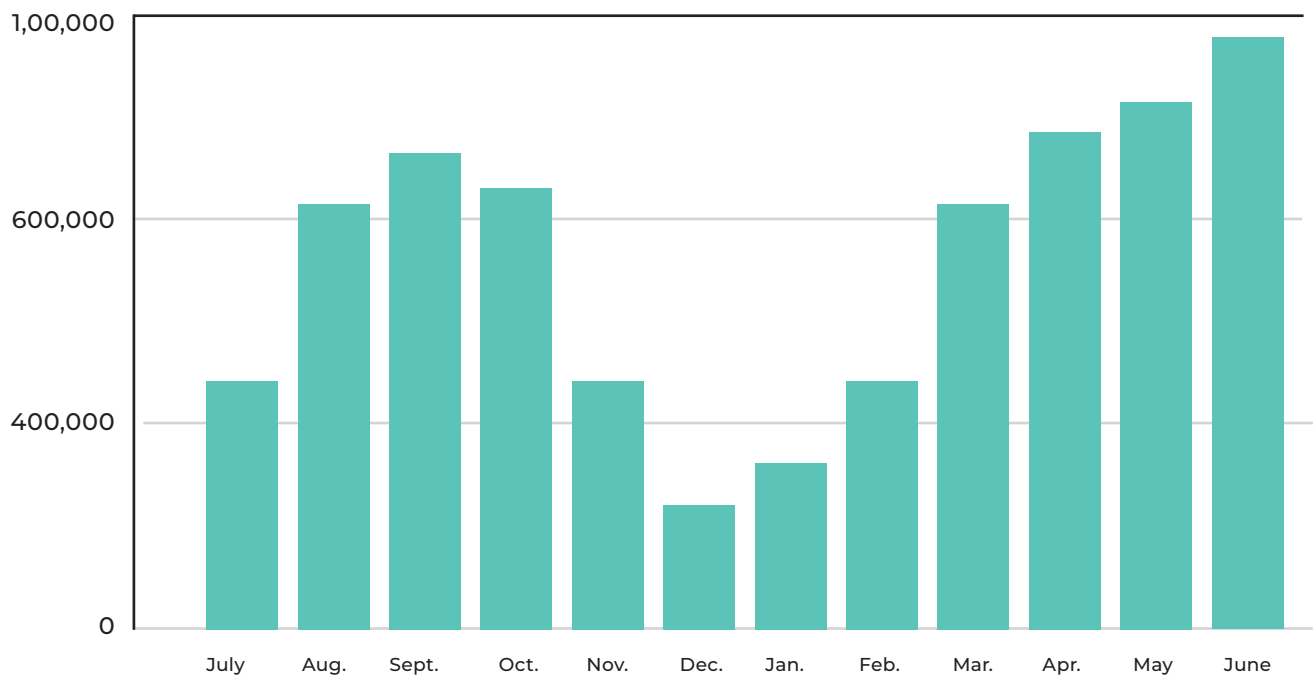
In 2021-22, the Board is committed to the continued implementation of the TBID Strategic Plan and the newly adopted 2021-22 TBID Marketing & Business Plan. These plans provide a foundation for building the City of SLO tourism brand and establishing real tactics for consistently improving tourism in the City of San Luis Obispo now and into the future.

APPENDIX

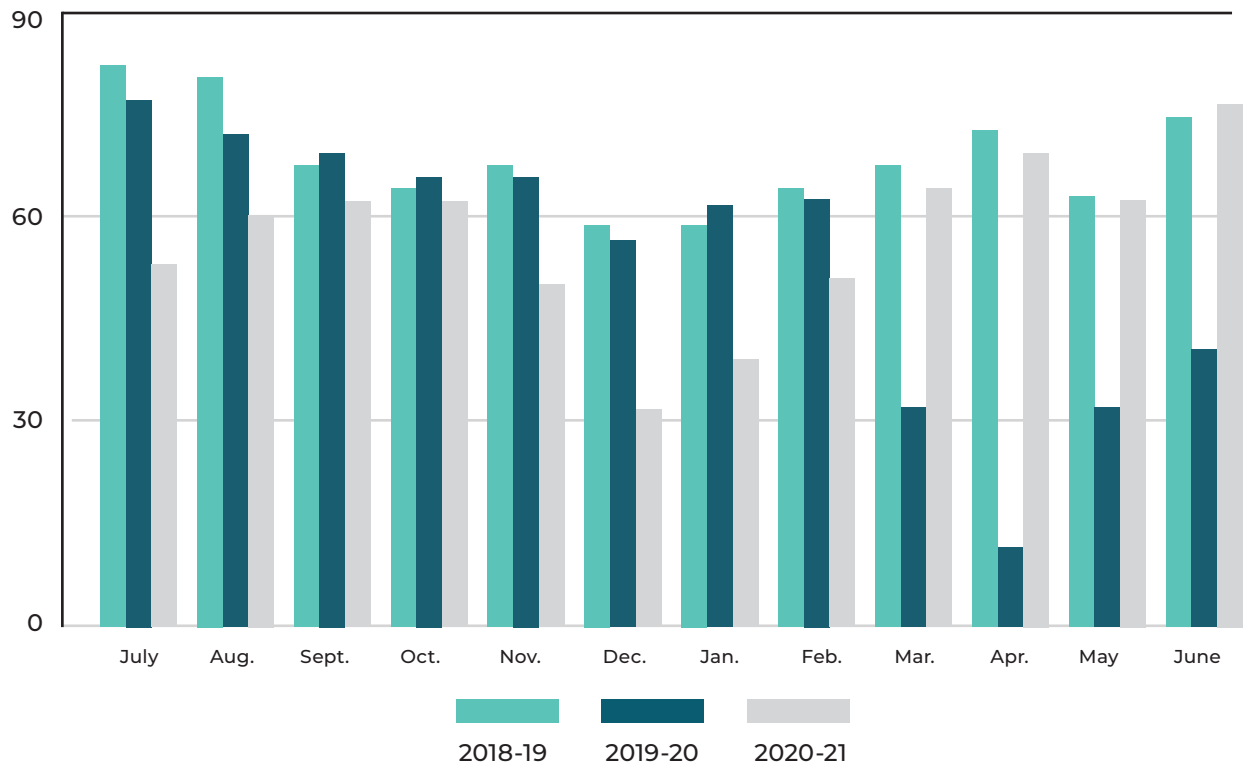
TOT YEAR TO YEAR FOR 2020-21



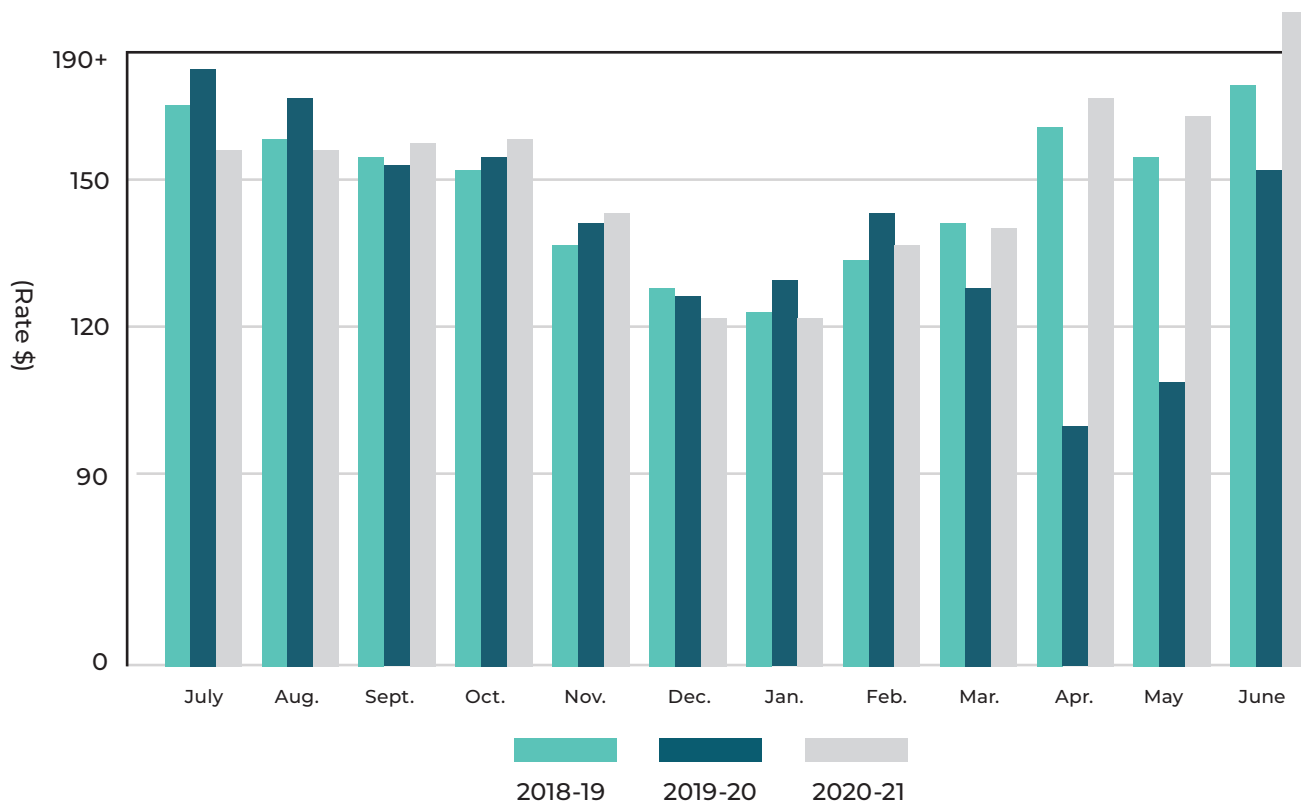
TOT MONTH TO MONTH 2020-21



OCC MONTH TO MONTH 2020-21



ADR MONTH TO MONTH 2020-21



REVPAR MONTH TO MONTH 2020-21



STRATEGIC PLAN 2019-2024

VISION	MISSION	VALUES	REPUTATION	POSITION
A welcoming community with a vibrant economy that enriches the lives of visitors and residents alike	We share the abundance of SLO, driving the lodging economy and serving as the voice of our stakeholders	<ul style="list-style-type: none"> Service Leadership Adaptability Collaboration 	<ul style="list-style-type: none"> Essential Approachable Strategic Driven Effective 	The SLO TBID stewards the brand of San Luis Obispo and represents its lodging partners, driving overnight stays by: <ul style="list-style-type: none"> Telling the San Luis Obispo story via targeted marketing content and activities Serving as a convener and subject matter expert for tourism conversations impacting the destination Advancing strategic partnerships that extend the reach and influence of the SLO TBID
IMPERATIVES	OBJECTIVES		INITIATIVES	
Elevate the SLO Brand and Experience	<ul style="list-style-type: none"> Increase visitor awareness in target markets Increase positive visitor perception 		<ul style="list-style-type: none"> Integrate the City's priorities into the execution of the TBID's marketing strategies Identify the core SLO identity and develop a plan to market it Develop a TBID Destination Stewardship approach Identify opportunities to influence community placemaking and destination management efforts 	
Deliver Smart Growth	<ul style="list-style-type: none"> Exceed California's RevPAR growth over FY21 baseline Year-over-year growth in ratio of weekday to weekend occupancy 		<ul style="list-style-type: none"> Develop an approach to monitoring local sentiment related to tourism Influence the SLO conference center development plan and effort Identify structure & budget allocation for mid-week and group business Develop a local business travel program to drive visitation 	
Build Meaningful Partnerships	<ul style="list-style-type: none"> Increase average Earned Partnership Value score over 2022 baseline Grow economic impact of tourism in SLO by 2024, over 2017 baseline 		<ul style="list-style-type: none"> Identify and develop BOLD partnerships that generate overnight stays Create a partnership management plan using measurable goals that are in line with our TBID Mission 	
Ensure Organizational Excellence	<ul style="list-style-type: none"> Growth in member newsletter open rates Growth in stakeholder satisfaction score on survey 		<ul style="list-style-type: none"> Establish and document a process to execute, evaluate and track strategic plan Identify opportunities to streamline governance and leverage constituency of TBID 	
Foster Destination Resilience	<ul style="list-style-type: none"> Year-over-year growth in TOT over FY21 baseline 		<ul style="list-style-type: none"> Implement COVID-19 Response Plan Document lessons learned from COVID era to feed resilience assessment Perform a destination resilience assessment 	

KEY:
Priority 1 | Priority 2 | Priority 3



MARKETING PROCESS 2020-21

DREAMING	PLANNING	BOOKING	EXPERIENCING	SHARING
<ul style="list-style-type: none"> • Aim to create brand experiences & connection • Create shareable content that inspires travel 	<ul style="list-style-type: none"> • Bring prospects to the website to encourage research and discovery about what makes the destination special and unique • Help prospective travelers plan with destination specific content 	<ul style="list-style-type: none"> • Encourage travelers to visit key stakeholder pages to book and plan their trip 	<ul style="list-style-type: none"> • Utilize website to plan in destination moments and activities • Find up to date safety information 	<ul style="list-style-type: none"> • Keep the conversation going to amplify our message
<ul style="list-style-type: none"> • Organic Social • Paid Social • Display Ads • Email • PR • Influencers 	<ul style="list-style-type: none"> • Website Experience • Organic Search • Paid Search • Organic Social • Paid Social • Display Ads • Third-Party Ads • Email • PR • Print 	<ul style="list-style-type: none"> • Organic Search • Paid Search • Third-Party Ads • Website Experience 	<ul style="list-style-type: none"> • Website Experience 	<ul style="list-style-type: none"> • Organic Social

RESOLUTION NO. _____ (2021 SERIES)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN LUIS OBISPO, CALIFORNIA, DECLARING ITS INTENTION TO CONTINUE THE SAN LUIS OBISPO TOURISM BUSINESS IMPROVEMENT DISTRICT, TO CONTINUE THE BASIS FOR AND TO LEVY THE ASSESSMENT FOR THE DISTRICT, AND TO SET A DATE FOR THE PUBLIC HEARING ON THE DISTRICT AND THE ASSESSMENT FOR 2021-22

WHEREAS, the Parking and Business Improvement Law of 1989, sections 36500 *et seq.* of the Streets and Highways Code, authorizes cities to establish business improvement districts for several purposes, one of which is promotion of tourism; and

WHEREAS, the lodging businesses within the proposed City of San Luis Obispo Tourism Business Improvement District had requested the City of San Luis Obispo establish such a self-assessment improvement district in 2008; and

WHEREAS, the San Luis Obispo Tourism Business Improvement District was established in July 2008 and incorporated into the Municipal Code under Chapter 12.42; and

WHEREAS, the assessment went into effect on October 1, 2008; and

WHEREAS, the City Council appointed an advisory board to provide oversight, guidance, and recommendations regarding the use of the assessment funds; and

WHEREAS, the City Municipal Code and the Parking and Business Improvement Law require the advisory board to prepare and submit an annual report stating proposed changes, improvements and activities for the fiscal year; and

WHEREAS, an annual report was prepared pursuant to Section 36533 of the Streets and Highway Code; and

WHEREAS, notices regarding the approval of the annual report were sent on September 9, 2021 to all assessed properties.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of San Luis Obispo as follows:

- a) That the Tourism Business Improvement District Annual Report for fiscal year 2020-21 as filed by the advisory body is hereby approved.

R _____

- b) The San Luis Obispo City Council proposes to continue the established Tourism Business Improvement District in the City of San Luis Obispo in accordance with City Municipal Code Chapter 12.42 and the California Streets and Highways Code, sections 36500 *et seq.* (Parking and Business Improvement Law of 1989).
- c) The assessment levied by the Tourism Business Improvement District shall be used to promote lodging at the hotels within the district and administer a marketing program that increases overnight hotel stays pursuant to the set goals.
- d) The assessment will be levied and allocated by the City of San Luis Obispo.
- e) The assessment is proposed to be levied on all “hotels”, as that term is defined in San Luis Obispo Municipal Code section 3.04.020, to wit: any structure, or any portion of any structure, which is occupied or intended or designed for occupancy by transients for dwelling, lodging or sleeping purposes, and includes any hotel, inn, tourist home or house, motel, studio hotel, bachelor hotel, lodging house, rooming house, apartment house, dormitory, public or private club, mobile home or house trailer at a fixed location, or other similar structure or portion thereof.
- f) The assessment shall be based on two percent (2%) of gross room rent.
- g) New hotels shall not be exempt from immediate assessment.
- h) The public hearing, held pursuant to the City Municipal Code Chapter 12.42 and the Parking and Business Improvement Law of 1989, section 36535 of the Streets and Highways Code, is to allow for comments on the District and proposed assessment, and is hereby set for 6 P.M., Tuesday, November 2, 2021, before the City Council of San Luis Obispo.
- i) At the public hearing, the testimony of all interested persons for or against the continuation of the District, the boundaries of the District, or the furnishing of specified types of improvements or activities will be heard.
- j) Any protest against the continuation of the City of San Luis Obispo Tourism Business Improvement District and the levying of the assessment, or any aspect thereof, may be made in writing. A protest may be withdrawn at any time before the conclusion of the public hearing. Any written protest shall contain a description of the business in which the person signing the protest is not shown on the official records of the City of San Luis Obispo as the owner of the business, then the protest shall contain or be accompanied by written evidence that the person is the owner of the authorized representative of the business. Any protest as to the regularity or evidence of the proceedings shall be in writing and clearly state the irregularity or defect to the City of San Luis Obispo at 990 Palm Street, San Luis Obispo, CA 93401.

R _____

- k) If, at the conclusion of the public hearing, there are of record, written protests by the owners of businesses within the proposed San Luis Obispo Tourism Business Improvement District that will pay fifty percent (50%) or more of the total assessments of the entire San Luis Obispo Tourism Business Improvement District, no further proceedings to continue the San Luis Obispo Tourism Business Improvement District shall occur. New proceedings to form the San Luis Obispo Tourism Business Improvement District shall not be undertaken again for a period of at least one (1) year from the date of the finding. If the majority of written protests are only as to an improvement or activity proposed, then that type of improvement or activity shall not be included in the San Luis Obispo Tourism Improvement District.

BE IT FURTHER THEREFORE RESOLVED, the City Clerk is instructed to provide notice as required by the City Municipal Code Chapter 12.42 and the Parking and Business Improvement Law of 1989, section 36534, subpart (a)(7) of the Streets and Highways Code, to wit: the City Clerk shall give notice of the public hearing by causing the resolution of intention to be published once in a newspaper of general circulation in the City no less than seven days before the public hearing.

Upon motion of _____, seconded by _____, and on the following roll call vote:

AYES:
NOES:
ABSENT:

The foregoing resolution was adopted this _____ day of _____ 2021.

Mayor Heidi Harmon

ATTEST:

Teresa Purrington
City Clerk

APPROVED AS TO FORM:

J. Christine Dietrick
City Attorney

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of San Luis Obispo, California, on _____.

Teresa Purrington
City Clerk

R _____



TOURISM BUSINESS IMPROVEMENT DISTRICT BOARD

Minutes - DRAFT

Wednesday, September 8, 2021
Regular Meeting of the Tourism Business Improvement District Board

CALL TO ORDER

The regular meeting of the San Luis Obispo Tourism Business Improvement District Board was called to order on September 8, 2021 at 10:02 a.m. by Vice Chair LeBren Harris.

ROLL CALL

Present: Vice Chair LeBren Harris and Members David Smith, Pragna Patel-Mueller, Natalie Ward, and Matt Wilkins

Absent: Member Stephanie Bolles and Chair John Conner

Staff: Tourism Manager Molly Cano and City Clerk Teresa Purrington

PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

None.

--End of Public Comment--

CONSENT ITEMS

ACTION: MOTION BY BOARD MEMBER WARD SECONDED BY MEMBER PATEL-MUELLER, CARRIED 5-0-2 TO APPROVE THE CONSENT AGENDA ITEMS 1 THRU 7.

C.1 Minutes of Meeting on Wednesday, August 11, 2021

C.2 Smith Travel Report

C.3 Transient Occupancy Tax (TOT) Report

C.4 Chamber Public Relations Monthly Report

C.5 Chamber Guest Services Monthly Report

C.6 Noble Studios & DCI Marketing Monthly Report

BUSINESS ITEMS

1. ECOSLO PARTNERSHIP: URBAN TREE PLANTING

Hannah Romano and Grant Helete from ECOSLO presented the Urban Tree Program including the work effort based on the TBID's revenue contribution to the sustainability and climate action initiative.

Public Comment

None.

--End of Public Comment--

ACTION: MOTION BY BOARD MEMBER WILKINS SECONDED BY BOARD MEMBER WARD CARRIED 5-0-2 to approve the work effort presented at the meeting.

2. 2020-21 TBID ANNUAL REPORT

Molly Cano, Tourism Manager presented the draft FY 2020-21 TBID annual report for recommendation to City Council on September 21, 2021.

ACTION: MOTION BY BOARD MEMBER SMITH SECONDED BY BOARD MEMBER WILKINS CARRIED 5-0-2 to approve the FY 2020-21 TBID Annual Report.

TBID LIAISON REPORTS AND COMMUNICATION

- 1. HOTELIER UPDATE** – None
- 2. MARKETING COMMITTEE UPDATE** – None
- 3. MANAGEMENT COMMITTEE UPDATE** – Tourism Manager Cano provided a summary of the sales response process provided by the SLO Chamber and approved by the Management Committee.
- 4. PCC UPDATE** – None, no meeting in August.
- 5. VISIT SLO CAL UPDATE** – None.
- 6. TOURISM PROGRAM UPDATE** – Tourism Manager Cano provided staffing updates and currently projects.

ADJOURNMENT

The meeting was adjourned at 11:01 a.m.. The next Tourism Business Improvement District Board meeting will be a special meetin and is scheduled for Wednesday, October 13, 2021 at 10:00 a.m. held remotely and via teleconference.

APPROVED BY THE TOURISM BUSINESS IMPROVEMENT DISTRICT BOARD: XX/XX/XXXX



Council Agenda Correspondence

DATE: September 21, 2021

TO: Mayor and Council

FROM: Greg Hermann, Deputy City Manager
Teresa Purrington, City Clerk
Kevin Christian, Deputy City Clerk

VIA: Derek Johnson, City Manager

SUBJECT: ITEM #7b – 2021 ADVISORY BODY HANDBOOK AND BYLAWS UPDATE

The purpose of this memo is to add a City Council sub-committee recommendation to the Jack House Bylaws, and to correct an error in the staff report related to the Administrative Review Board and Architectural Review Commission.

1) Jack House Bylaws Recommendation - modify the bylaws as follows:

3. One member of the *horticulture or landscape architecture* faculty, current or retired, of California Polytechnic State University ~~College of Agriculture, preferably a horticulturist.~~

Background – The Jack House Bylaws are dictated by the Jack House Deed which states, “*The committee shall serve without pay and consists of city residents including:*

7.(c) One member from the Ornamental Horticulture faculty of the California Polytechnic State University.”

Due to reorganizations at California Polytechnic State University, the Ornamental Horticulture department was absorbed by the College of Agriculture. A previous Jack House bylaw update modified the language to the current, “College of Agriculture, preferably a horticulturist” version. Further reorganization has placed it in the College of Architecture and Environmental Design. The above proposed bylaw modification supports the intent of the Jack House Deed sections (below) and is hoped to avoid the need for modification if there are further school reorganizations.

1. To keep, preserve and use: said real property and the residence situated thereon in a manner which maintains, enhances, and celebrates its place in the historical development of San Luis Obispo.

4. To care for and preserve existing trees and shrubbery, and to return the gardens as much as possible to the appearance of the gardens as illustrated in photographs circa 1910 – 1920 provided by the Grantors.

2) Staff Report error correction:

In the Advisory Body Bylaws section of the Staff Report the staff recommendation that meeting frequency be changed from monthly regular meetings to, “held as needed” was inadvertently placed under “Architectural Review Commission, Staff Analysis” and should have been placed with the “Administrative Review Board” Staff Analysis. However, it is correct as reflected in in the legislative draft (item attachment B).



Department: Administration
Cost Center: 1021
For Agenda of: 9/21/2021
Placement: Business
Estimated Time: 45 minutes

FROM: Greg Hermann, Deputy City Manager
Prepared By: Kevin Christian, Deputy City Clerk

SUBJECT: 2021 ADVISORY BODY HANDBOOK AND BYLAWS UPDATE

RECOMMENDATION

Adopt a Resolution entitled "A Resolution of the City Council of the City of San Luis Obispo, California, amending the bylaws of certain advisory bodies and adopting a revised Advisory Body Handbook."

REPORT IN BRIEF

In accordance with the Advisory Body Handbook, Section 3B, a review of each Advisory Body's bylaws is to be conducted on a biennial basis. Due to work being carried out to respond to the COVID-19 emergency, this update has been delayed. The City Clerk has reviewed the Handbook and made several amendment recommendations as shown in the legislative draft (Attachment B).

At this time each of the City's advisory bodies have completed a review of its bylaws, as reflected in their minutes (Attachment C), and forwarded them to the City Clerk. The following discussion on updates is broken into two sections, Handbook Revisions and Advisory Body Bylaws. The below listed Handbook Revisions are substantive revision recommendations made by staff. In the Advisory Body Bylaws discussion, the various body recommendations are presented or summarized, followed by a staff analysis and recommendation. Detailed final recommended modifications to the Handbook and Bylaws are included in legislative draft format, including both the substantive changes discussed and minor edits made for clarity or clerical reasons. The final approved Handbook will be included with the final resolution as an Exhibit to the resolution.

The last biennial update was conducted in 2017.

DISCUSSION

Handbook Revisions

1. Added the City Council Vision Statement to the Handbook Introduction.
2. Added a Section to provide a longer description for City and Regional Advisory Bodies for which City Council makes appointments.
3. Modified references of Advisory Body "purpose" to include "purview" where appropriate.

4. Updated information on how to sign up for Advisory Body vacancy notifications.
5. Added the ability to administer the Oath of Office in a manner consistent with other communications accepted during declared emergencies (i.e., via Teleconference).
6. “Term of Office” section: Added clarifying language to reflect term length differences on various Advisory Bodies. Provided clarification for the term start date. Provided details for exceptions to the 2-term standard and added language that allows the City Council to appoint members to more than two consecutive terms if no qualified candidates are found.
7. Set all Advisory Body Officer appointments to one, two-year term, with elections held in April of odd numbered years. In addition to the general Handbook section revision on this topic, references were placed in the Advisory Body Bylaws for each of the body.
8. Added the option for appointments made with less than one year remaining, to be reappointed without application and interview at the Council sub-committee liaison discretion.
9. Added the ability for the City Clerk to suspend a member for failure to file Statements of Economic Interest or failure to complete Ethics training, following at least a 60 day delinquent period and notification thereof.
10. Modified quorum definitions to use consistent language for all Advisory Bodies*, “A quorum is the majority of the total number of established members of the committee.”
*The Mass Transportation Committee and Jack House Committee are exceptions as they contain non-voting members in addition to the “established members”. Non-voting members are not counted towards quorum establishment.
11. Updated the City Organization chart.
12. Updated the general meeting section to include a cut-off time of 11:00 p.m. for night meetings, following the Council Policies and Procedures manual language.
13. Added language limiting applicant speaker time to 10-minutes, consistent with the Council Policies and Procedures.
14. Added language to encourage Advisory Body members to reach out in advance of meeting if they have significant questions concerning the agenda report information.
15. Added process information for “Leaves of Absence” requests.
16. Updated the “Understanding Your Role and Scope of Responsibility” section reference, “useful binder of information about the City” to simply “provide materials.” The intent is to allow supplying information digitally.
17. Added a reference to the City Council Social Media Policy under the “Public Records Act and Public Records Retention” section.

Advisory Body Bylaws

- Active Transportation Committee – No changes recommended at their January 16, 2020 meeting.
- Administrative Review Board – At their November 12, 2019, meeting, the Board recommended a revision to the term appointment to stagger office term appointments in a manner that no two terms start/end in the same year, and to make all terms a length of three years, up from two years.

Staff Analysis: Staff concurs that this would help ensure Board membership continuity. This body has three members. Currently two terms are complete in 2022, and one in 2023. To accommodate the proposed stagger, staff recommends that, of the two seats being completed in 2022; one be reappointed to a two-year term – ending 2024, and one to the recommended three-year term – ending 2025. Thereafter, all terms would be for three years.

- Architectural Review Commission – At their December 16, 2019, meeting, the Commission recommended:
 - Limiting applicant presentations to ten-minutes, to align with City Council meeting policy; and
 - To modify the Compensation section for Commissioner stipend to \$70 per meeting (not to exceed \$280 monthly), to reflect changes made by City Council (Resolution No. 10887 [2018 Series]).

Staff Analysis: Staff concurs with the recommendations. In addition, staff recommends that the meetings frequency is changed from monthly regular meetings to, “held as needed.”

- Citizens Revenue Enhancement Oversight Commission – No changes recommended at their December 12, 2019, meeting.
- Construction Board of Appeals – Due to the infrequency of meetings by this body, they have not reviewed their bylaws.

Staff Analysis: For clarity, staff recommends the addition of language confirming that the term length for appointments is the standard of four-years, but that there is no limitation to the number of consecutive terms which may be held. This is already stated in the general handbook section.

- Cultural Heritage Committee – At their June 28, 2021, meeting, the Cultural Heritage Committee (CHC) recommended that the following be added:
 - References to the body as a historic preservation commission of a Certified Local Government and having partnership with the State of California Office of Historic Preservation and National Park Service, be added to the CHC “Purpose” statement; and
 - That Council may select up to two members who are residents of the county rather than the City to fill positions with desired professional expertise; and
 - That the current Article 3 Membership section be replaced and revised to include, “All members must have a demonstrated interest, competence, or knowledge in historic preservation. At least two CHC members are encouraged to be appointed from among professionals in the disciplines of history, architecture, architectural history, planning, pre-historic and historic archeology, folklore, cultural anthropology, curation, conservation, and landscape architecture or related

disciplines, such as urban planning, American studies, American civilization, or cultural geography, to the extent that such professionals are available in the community. CHC membership may also include lay members;” and

- Eliminate the current reference for representation from each of the City’s five Historical Preservation Districts; and
- The Chairperson duties be modified to eliminate the roll of appointing subcommittees and submitting a budget report, and add that, “The Chairperson shall submit the annual report to the State Office of Historic Preservation.”

Staff Analysis: Staff concurs with the recommendations with the following caveat:

- Appointment of non-City residents: Concern has been expressed regarding the perspective that non-city residents advising on historic matters could create issues. The appointment of residents who do not live in the City has precedent on the following bodies: Housing Authority Board, Mass Transportation Committee, and the Tourism Business Improvement District Board (and by extension on the Promotional Coordinating Committee via the TBID representative).

- Human Relations Commission – At their December 4, 2019, meeting, the Commission recommended the addition of inclusive language for Advisory Body membership in the Advisory Body Handbook.

Staff Analysis: Staff concurs with the recommendation and has added the City Council Vision Statement to the Advisory Body Handbook, Introduction section.

- “The City of San Luis Obispo is a dynamic community embracing its future while respecting its past with core values of civility, sustainability, diversity, inclusivity, regionalism, partnership, and resiliency.”
- Additional revisions can be considered at subsequent biennial updates as the City brings additional staff with Diversity, Equity and Inclusion expertise and implements actions from the current Major City Goal.

- Investment Oversight Committee – The Investment Oversight Committee (IOC) is a City Committee rather than a City Council Advisory Body, therefore no bylaw review by the committee is directed.

Staff Analysis: Staff has added the Investment Oversight Committee (IOC) to the Handbook for membership and informational purposes. Although the IOC is a City Committee rather than a City Council Advisory Body, the City Council has responsibility for the appointment of the citizen member of the committee. Recruitment is run concurrently and through the same process as the Advisory Body recruitment, and membership rules follow the Advisory Body handbook for the lone citizen member. Providing information on the committee within the handbook serves the public.

- Jack House Committee – At their July 10, 2019, meeting the committee recommended modifying the Chair and Vice Chair office terms from two to one-year terms, with options to hold the office for a second year.

Staff Analysis: Staff does not recommend making the requested changes. As is detailed in the Advisory Body Handbook Revisions section (below), for consistency across all the City Council Advisory Bodies, staff is recommending that officer positions be for two-year terms.

- Mass Transportation Committee – At their November 20, 2019, meeting the committee recommended the removal of on “Alternate Member.” Currently the committee has seven voting members and two (non-voting) alternates. While the alternates are included in committee agenda item discussion, their main function is to ensure a quorum, with voting rights when a regular member is unable to attend. This is the only committee with alternate members and the committee has not been experiencing quorum or absence issues.

Staff Analysis: Staff concurs with this recommendation as it will ease some of the recruitment burden associated with the extended membership of the committee. Further, staff is recommending that the ASI representative term be limited to two years as a more realistic expectation than four years for a student term, and to make that appointment in September to coincide with the standard school year. Additionally, the ASI should be urged to prioritize candidates who expect to be in school for at least one full (school) year following appointment. Note that this position is an ASI appointment with City Council review for acceptance.

- Parks and Recreation Commission – No changes to the bylaws were recommended at their December 4, 2019, meeting.

Staff Analysis: Staff recommends the elimination of the requirement that one Parks and Recreation Commission (PRC) member serve as a representative on the Tree Committee, as most of the Tree Committee business falls outside the purview of the PRC. Additionally, tree-related issues inside City parks are brought to the PRC by the City Arborist as a matter of regular procedure. This recommendation is in concurrence with the Tree Committee recommendation.

- Planning Commission – At their November 6, 2019, meeting the Planning Commission recommended:
 - That the latest time a new item can be introduced in a meeting be moved from 11:00 p.m. to 10:00 p.m. without consent of a majority of Commissioners present; and
 - To modify the Commissioner stipend to \$70 per meeting (not to exceed \$280 monthly) to reflect changes made by City Council (Resolution No. 10887 [2018 Series]).

Staff Analysis: Staff concurs with the recommendations.

- Personnel Board – At their October 29, 2020, meeting the board approved the following recommended addition to their bylaws: “Personnel Board members are expected to serve in an objective manner when reviewing disciplinary appeal matters or matters of Council censure. If a member has a personal relationship that hinders them from remaining objective, therefore presenting due process concerns, they should state the relationship on the record and recuse themselves from the decision. To ensure compliance, the Chair shall ask each member at the beginning of proceedings, if they are able to be objective (whether that was due to a personal relationship, what they had read in the newspaper about the situation, etc.)” Additionally, they approved draft changes made at their November 7, 2019, meeting.

Staff Analysis: Staff concurs with the recommendations.

- Promotional Coordinating Committee – At their November 13, 2019, meeting, the committee recommended that the Tourism Business Improvement District Board (TBID) member may be any appointed TBID member and that their term of office will be the same as their TBID term of office. Additionally, they recommended dropping the “Events Promotion” subcommittee as a standing subcommittee.

Staff Analysis: Staff concurs with both recommendations. The TBID membership corrects discrepancies in the bylaws, will enhance membership continuity and is in concurrence with the TBID recommendation, and the subcommittee referenced is no longer active.

- Tourism Business Improvement District Board – At their November 13, 2019, meeting, the board recommended that membership appointment to the Promotional Coordinating Committee (PCC) shall become the responsibility of the Chair should no other member be available for appointment, and that the PCC membership term shall be the same as their term on the board.

Staff Analysis: Staff concurs with this recommendation as it corrects discrepancies in the bylaws and will enhance membership continuity for the PCC and is in concurrence with the PCC recommendation.

- Tree Committee – At their December 5, 2019, meeting, the committee recommended that the requirement for one member to be a representative of the Parks and Recreation Commission be dropped, that the need for horticultural expertise in general public members be increased from one to two, and that the meeting times be changed from 5:00 p.m. to 5:30 p.m., along with a few additional clerical non-substantive changes.

Staff Analysis: Staff concurs with the recommendations. The elimination of the PRC representative will allow an additional general public appointment, further allowing the proposed increase of horticultural expertise in general public appointments. The meeting time change will allow easier attendance by committee members as well as the general public to meetings following their personal business day.

Background

Previous Council or Advisory Body Action

The last full review and adoption of the Advisory Body Handbook was done in 2017 by City Council Resolution No. 10804 (2017 Series). A further modification to the Active Transportation Committee was made in February 2018, City Council Resolution No. 10862 (2018 Series). In preparation for the planned 2019 Advisory Body Handbook and Bylaws update, all Advisory Bodies were tasked with reviewing their bylaws and forwarding their recommendations to the City Clerk for inclusion. Minutes of these meetings are located in Appendix B.

Policy Context

In accordance with the Advisory Body Handbook, Section 3B, a review of each Advisory Body's bylaws is to be conducted on a biennial basis and submitted to the City Clerk.

Public Engagement

Agendas for the various City Advisory Bodies notifying the public that they were reviewing their bylaws were published and posted per standard procedure meeting Brown Act requirements prior to the various meetings. Public comment can be provided to the City Council through written correspondence prior to the meeting and through public testimony at the meeting.

CONCURRENCE

The City Clerk and various department staff that assist the Advisory Bodies are in concurrence with the recommendations listed.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act does not apply to the recommended action in this report, because the action does not constitute a "Project" under CEQA Guidelines Sec. 15378.

FISCAL IMPACT

Budgeted: Yes

Funding Identified: N/A

Budget Year: 2021-22

Fiscal Analysis:

Funding Sources	Total Budget Available	Current Funding Request	Remaining Balance	Annual Ongoing Cost
General Fund	N/A	\$	\$	\$
State				
Federal				
Fees				
Other:				
Total	\$	\$	\$	N/A

The costs related to this scheduled update is accounted for in the annual budget appropriation in the City Clerk program.

ALTERNATIVES

Council could recommend changes to or reject specific recommended updates as detailed in the Advisory Body Handbook legislative draft.

ATTACHMENTS

A – Draft Resolution Amending the Bylaws of the City Advisory Bodies and Adopting a Revised Advisory Body Handbook - 2021.

B – Advisory Body Handbook – Legislative draft 2021

C – Advisory Body minutes recommending bylaw amendments – 2021.

RESOLUTION NO. _____ (2021 SERIES)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN LUIS OBISPO, CALIFORNIA, AMENDING THE BYLAWS OF CERTAIN ADVISORY BODIES AND ADOPTING A REVISED ADVISORY BODY HANDBOOK

WHEREAS, in accordance with the Charter of the City of San Luis Obispo, the San Luis Obispo Municipal Code, and its own Resolutions, the City Council of the City of San Luis Obispo appoints individuals to serve on its advisory bodies; and

WHEREAS, those advisory bodies have adopted bylaws to aid them in conducting their meetings fairly, smoothly, efficiently and in accordance with law; and

WHEREAS, certain advisory bodies have reviewed their bylaws and some of those bodies have recommended revisions of their bylaws; and

WHEREAS, City staff have also reviewed said bylaws and the Advisory Body Handbook and Advisory Committee recommendations and have made suggestions for revisions; and

WHEREAS, the Council periodically revises its Advisory Body Handbook to ensure clarity, consistency with state law, and conformity with the City Charter and Ordinances; and

WHEREAS, the Advisory Body Handbook was last adopted by the City Council in February 2018 by Resolution No. 10862 (2018 Series).

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of San Luis Obispo as follows:

SECTION 1. The amended Advisory Body Bylaws and Advisory Body Handbook as set forth in Exhibit "A" are hereby approved and adopted. The City Clerk is hereby authorized to update the Advisory Body Handbook, consistent with the City Council Policies and Procedures, Resolutions, and Ordinances as necessary.

R _____

SECTION 2. The City Clerk is hereby directed to make an electronic copy of the Advisory Body Handbook available on the City Website for use by City staff, Advisory Body members, and the general citizenry.

Upon motion of Council Member _____, seconded by Council Member _____, and on the following roll call vote:

AYES:

NOES:

ABSENT:

The foregoing resolution was adopted this _____ day of _____ 2021.

Mayor Heidi Harmon

ATTEST:

Teresa Purrington
City Clerk

APPROVED AS TO FORM:

J. Christine Dietrick
City Attorney

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of San Luis Obispo, California, on _____.

Teresa Purrington
City Clerk

R _____

Exhibit A - Advisory Body Handbook

WILL BE ATTACHED FOLLOWING APPROVAL BY CITY COUNCIL

**To review the Legislative Draft of the Advisory Body Handbook and Bylaws,
please see Attachment B of the 9/21/2021 City Council Agenda Report.**

B - ADVISORY BODY HANDBOOK – LEGISLATIVE DRAFT 2021.DOCX



Prepared by the Office of the City Clerk
Adopted by Resolution No. XXXXX (21Series)
Updated September 2021

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NOTE TO REVIEWERS. THIS INDEX WILL BE UPDATED FOLLOWING ADOPTION.

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<u>Zone 9 (Regional Advisory Body)</u>	

Introduction

City Council Vision Statement:

The City of San Luis Obispo is a dynamic community embracing its future while respecting its past with core values of civility, sustainability, diversity, inclusivity, regionalism, partnership, and resiliency.

Welcome to San Luis Obispo City Government!

The City Council and staff hope that this Advisory Body Handbook will answer many of your questions and provide you with fundamental information related to the responsibilities of the City's various advisory bodies.

Serving on one of the City Council's commissions, committees, or boards can be a fascinating and rewarding experience. These advisory bodies are charged with formulating new ideas, information gathering, receiving public testimony and comments, analyzing complex issues, and making recommendations on specific projects and broad policy - all toward helping the City Council make better-informed decisions.

As you may realize, it isn't always easy. Issues are often more complex than anticipated, public opinion can be sharply divided, questions may overlap, and sometimes the province of one body may also be the territory of another.

Much of the information in this Handbook comes from a variety of City policy documents, such as the City's Charter, Municipal Code, Financial Plan (or budget) and Council Policies and Procedures. In addition, State Law governs certain responsibilities of advisory body members. The material presented is intended to: 1) give interested persons an understanding of why the City's advisory bodies have been established and how they function within the overall governmental framework; and, 2) summarize the roles, relationships and responsibilities of each advisory body member. The Handbook is divided into six sections:

- Section 1: Advisory Body Basics
- Section 2: How City Government Works
- Section 3: How Advisory Bodies Work
- Section 4: The Brown Act
- Section 5: Tips for Being an Effective Member and Chair of an Advisory Body
- Section 6: Advisory Body Bylaws

Thank you for your interest in serving on one of our citizen advisory bodies and volunteering your time and skills to enhance our community.

Section 1. Advisory Body Basics

A. Background

San Luis Obispo has a long history of involving its citizens in the business of their City government. Advisory committees and commissions provide an opportunity for interested residents to participate in the governing of their community under guidelines and procedures established by the Council. Advisory bodies can improve the quality of City government by providing the Council with resources to make better-informed decisions. Because of the nature of various advisory bodies, they can serve as the “eyes and ears” of the Council for issues and matters that otherwise might not receive the attention they deserve. Other benefits of advisory bodies include improvement in the lines of communication between the public and the Council, greater opportunities for discussion of public issues, and more citizen involvement in City government.

There is considerable variety in the purpose, purview, or charge of these bodies. Some are required by State law or the Charter and are directed to guide certain City activities such as community planning or personnel affairs. Others have been created by the City Council to serve San Luis Obispo’s unique needs. Some bodies considered “technical” or “special purpose” have been formed to address defined subjects and frequently require members with specific areas of expertise.

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The authority of an advisory body will depend upon its specific (purview). Some have been delegated specific authority to approve or deny projects. Decisions made by an advisory body may be appealed to the Council. The Council may not always accept the recommendation of an advisory body because of additional information available or a need to balance the recommendation with policy or community priorities.

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Generally, advisory bodies are empowered only to make recommendations to the Council or to the City staff, unless specifically authorized by law or Council to do otherwise. Lastly, there should be two-way communication so that commissions are aware of the long-term goals Council has adopted, and the advisory body is able to present new ideas to the Council. Commission members are encouraged to attend Council meetings.

B. Opportunities for Service

Interested individuals may apply for appointment to any of the following City bodies:

(T/SP) – denotes “technical or special-purpose”

(A) – denotes “advisory”

- Active Transportation Committee (T/SP)
- Administrative Review Board (T/SP)
- Architectural Review Commission (A)
- Citizens’ Revenue Enhancement Oversight Commission (T/SP)
- Construction Board of Appeals (T/SP)
- Cultural Heritage Committee (A)
- Housing Authority of San Luis Obispo (T/SP)
- Human Relations Commission (A)
- Jack House Committee (T/SP)
- Mass Transportation Committee (T/SP)

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- Parks & Recreation Commission (A)
- Personnel Board (A)
- Planning Commission (A)
- Promotional Coordinating Committee (A)
- Tourism Business Improvement District Board (T/SP)
- Tree Committee (T/SP)

There are opportunities for San Luis Obispo residents to serve on the following *City committee and regional bodies*:

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- Investment Oversight Committee (*City committee*).
- Central Coast Commission for Senior Citizens, Area Agency on Aging (*Regional body*).
- Citizens Transportation Advisory Committee (*Regional body*).
- Zone 9 Advisory Committee (*Regional body*).

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Deleted: , 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 to the City Treasurer (Finance Director regarding investment management practices.)

Deleted: In addition, there are opportunities for San Luis Obispo residents to serve on the following *regional bodies*: ¶

Deleted: (AAA), a non-profit organization responsible for allocating federal and state dollars to local agencies to insure that supportive, nutrition and health promotion services are available to older adults in San Luis Obispo and Santa Barbara Counties. ¶

Deleted: (CTAC), which provides citizen review and recommendations on agenda items to staff and COG Board. - provides citizen review and recommendations on matters considered by the County Council of Governments.

Deleted: San Luis Obispo County Flood Control and Water Conservation District ...

Deleted: , which was formed to assist the San Luis Obispo County Board of Supervisors on policy decisions relating to Zone 9. The Advisory Committee assists in determining the needs, desires, and financial capabilities of property owners in Zone 9. The Advisory Committee also recommends specific programs to alleviate and control flood damage, with recognition of the ecological and aesthetic values of the programs.

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C. Membership Qualifications & Appointment Process

The City of San Luis Obispo encourages participation of a wide variety of its citizens through service on an advisory body. Unless specified, there are no special education, training or background requirements for appointment.

With the following exceptions, only residents who are registered voters within the City limits are eligible to apply to an advisory body. Exceptions include the Cultural Heritage Committee (CHC), Tourism Business Improvement District (TBID) Board, one representative from the TBID Board serving on the Promotional Coordinating Committee, the Cal Poly employee and student representatives serving on the Mass Transportation Committee, and members of the Housing Authority. In addition, part- or full-time City officials and management employees are not eligible to apply.

Note: Former members of the City Council may not be appointed to serve on an advisory body until one year after the expiration of their term of office. (Charter §409)

Basic elements of the City Council appointment process are as follows (*note that there are a few position appointments made by outside entities or from within an appointed body to serve on an additional body*):

1. How to Apply: Each person seeking appointment or reappointment to an advisory body shall obtain and file an application via the application program (NeoGov) administered by the Office of the City Clerk. Applications may be made for a vacancy that currently exists. Persons interested in positions without current vacancies are encouraged to file a "Job Interest Card" (select "Miscellaneous") in the NeoGov application program located under "Job Opportunities" on the City's website.
2. Interview prerequisite: Applicants shall read and become familiar with the contents of this handbook and are encouraged to attend at least one full meeting of the Advisory Body they are applying for.

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3. **Interview Process and Appointment Recommendation:** Applicants shall be interviewed by a Council Liaison Subcommittee (CLS) consisting of two Council Members. At the discretion of the CLS, interviews may be waived for those applicants designated by another agency or for applicants who have been interviewed previously for a vacancy on the same advisory body to which they've applied within the past year. The Chair or the Vice Chair of the advisory body is invited to participate in the interviews. The CLS will independently make the final nominee selection. If the Chair or the Vice Chair is unable to participate or is being considered for reappointment, another member who is available may attend. The CLS shall submit recommendations for appointment to the entire Council. If a unanimous decision by the Subcommittee for recommendation to the full Council cannot be reached, the Council shall take a separate motion for each candidate proposed by each member of the CLS.
4. **Application Disposition:** Applicants not appointed will be so advised and their applications held for no less than one year for consideration in the event of a future vacancy.
5. **Limitations:** As a general policy, an applicant shall not be appointed to serve on more than one advisory body except that a member may also serve on one technical or special-purpose committee at the same time. Unless excepted as previously stated, if an applicant is appointed to another advisory body, they must immediately resign from one body upon being appointed to another.
6. **Council Liaison:** Council liaisons to advisory bodies (i.e., the CLS) are selected annually by the full Council, usually in December or early January. The Mayor and Vice Mayor shall submit recommendations to the full Council and rotate nominations for Council Liaison Subcommittees to provide an opportunity for each member to serve as a liaison at least once on each advisory body when possible. When terms of office do not allow each member to serve once, members with greatest seniority shall have first right of selection. Automatic rotation for the technical and regional committees is not always followed, allowing Council Members to develop a higher level of expertise for some of the more complex committees, as well as continuity where appropriate.

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D. Oath of Office

Following appointment and usually at the next meeting of the advisory body, the City Clerk, or designee, will administer the Oath of Office pursuant to the City Charter. The Oath may also be administered in the Office of the City Clerk. During declared emergencies, Oaths may be administered in a manner consistent with other group communication accepted during the emergency, such as teleconference or videoconference. The Oath of office need not be done for consecutive appointments to the same advisory body.

E. Orientation

After the appointments are made by the Council, new appointees will be given a resource manual to be provided by their staff liaison which will include a variety of introductory references to assist them in becoming more fully knowledgeable about City government. The department serving as staff support to a particular advisory body will coordinate and conduct an orientation with new appointees. Before or during that orientation, support staff will provide relevant documentation and background information about the specific advisory body upon which the new appointee shall serve.

F. Training

The City Clerk's Office and the City Attorney's Office conducts a training every two years to review Conflict of Interest laws, Brown Act regulations, and best practices for meeting management. Newly-appointed members are encouraged to view archived recordings of the training available on the City's website and to communicate any questions they may have to the City or City Attorney.

G. Term of Office – Advisory Body Members

Unless otherwise noted in the Advisory Body Bylaws, the full term of office will be four years unless dictated otherwise by an alternate authority as reflected in the specific body bylaws. The length of a term is dictated by the principle that no more than two terms on any committee will expire each year. This rule ensures continuity for all committees. Annual appointments commence on April 1st for all bodies except the Area Agency on Aging, the Citizens' Revenue Enhancement Oversight Commission, and the ASI representative for the Mass Transportation Committee (see specific body bylaws for details). Appointments to unexpired terms begin the day following the appointment confirmation date by City Council action. No appointee shall serve on the same advisory body for more than two consecutive full terms, but may subsequently serve on another advisory body unless noted otherwise. Exceptions to the consecutive terms rule include the Construction Board of Appeals, Citizen Transportation Committee, Housing Authority Board, Jack House Committee, and Zone 9. The Council may also determine that a subsequent consecutive term may be held if no additional qualified candidates are found.

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A mid-term appointment to a vacant seat on an advisory body shall not preclude the appointee from serving two additional consecutive full terms, provided that the initial, partial term served is less than half of a full term. Appointments made with less than one-year left in the term may be considered for re-appointment without a new application and interview, at the discretion of the City Council sub-committee members assigned to the advisory body.

H. Officer Election and Officer Terms *(Note for reviewers to be deleted for final version - This had been called "Functional Review" and was in Section 3: How Advisory Bodys Work, in the last version of the handbook.)*

1. Election: Regular elections for Advisory Body Chair and Vice Chair shall be held in April of each odd year at a regular meeting. Special elections for Chair or Vice Chair shall be held at the first meeting following the unscheduled resignation of an officer, or other reason for an officer position to become vacant.

2. Terms of Office: The term of office of a chairperson or vice chairperson shall be two years, commencing upon election. No person shall serve as chairperson or vice chairperson for consecutive terms except if noted below. They may serve consecutive terms in different offices (e.g. Vice Chair, then Chair)

Completion of a partial term of office as chairperson or vice chairperson shall not preclude an advisory body member from serving an additional consecutive full term, provided that the partial term served is less than one year, one half of the allowed term.

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I. Removal from Office

Members of advisory bodies serve at the pleasure of the Council and may be removed without cause by Council action in an open public meeting.

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J. Vacancies

Seats become vacant in two ways; they either expire at the end of the term or an “unscheduled” vacancy occurs when a member resigns during a term. The City Clerk’s Office will advertise in accordance with statutory requirements and a subsequent appointment shall be made consistent with the provisions set forth in Section C, above.

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K. Conflict of Interest and Ethics

1. The duties of an advisory body member shall be performed in good faith and in a manner which the member believes to be in the best interest of the City.
2. It is improper for any member of an advisory body to utilize, for personal pecuniary gain or in an otherwise self-dealing manner, any information which is received by reason of said membership and is not a matter of public record.
3. No member of an advisory body shall have a material financial interest in any contract or other transaction involving that advisory body. The member shall promptly disclose such interest in any proposed activity of the advisory body and shall not participate in any related deliberations or actions of that body, nor vote on the matter.
4. Potential conflicts of interest may arise when an advisory body member serves on another board within the community and there is a clash of duties between the two positions, e.g. when one board exercises supervisory, auditory, or removal powers over the other.
5. **Statement of Economic Interest:** The Political Reform Act of 1974, as amended (Government Code sections 81000-91014) and the City’s Conflict of Interest Code; (Resolution No. **11163** **(2020 Series)** **require certain elected and appointed officials and designated employees to disclose certain personal financial holdings.** Most of the City’s advisory bodies are **solely** advisory, meaning that final decisions are made by the City Council, and therefore are not required to file Statements of Economic Interest (Form 700).

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The following committees/commissions have limited decision-making authority therefore, they are required to file Statements of Economic Interest (Form 700) with the Office of the City Clerk.

- Administrative Review Board
- Architectural Review Commission
- Construction Board of Appeals
- Cultural Heritage Committee
- Housing Authority of San Luis Obispo
- Human Relations Committee
- Investment Oversight Committee
- Planning Commission
- Promotional Coordinating Committee

Filing dates for Statement of Economic Interest (Form 700) are mandated by State law and are as follows:

- Assuming Office Statement – Must be filed within 30 days of taking office.
- Annual Statements – Must be filed by April 1st of each year.
- Leaving Office Statement – Must be filed within 30 days of leaving office.

Please Note: The City Council has adopted a late fine policy pursuant to State law (December 13, 2016). A late fee of \$10.00 per day may be assessed for filing late. In addition, failure to file timely or not at all may be grounds for removal, so it is important to comply with the filing requirements and associated deadlines. Prior to removal, the City Clerk may suspend a member from an Advisory Body for failure to file; when they are at least 60 days delinquent and have been adequately notified of the delinquency. The City Clerk shall notify the City Council sub-committee for the Advisory Body of this action. If no action to file is taken by the Advisory Body member, the City Clerk shall recommend to the City Council that the member to removed. If and when the member completes the required filing, the suspension will be immediately lifted.

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6. Ethics Training: The following advisory body members and Staff Liaisons are required to complete two hours of ethics training pursuant to State Law within one year of assuming office, and further to renew this training at least once every two years thereafter. The original proof of participation certificate, awarded after completion of the training, must be provided to the City Clerk via electronic filing.

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- Architectural Review Commission
- Housing Authority
- Planning Commission
- Tourism Business Improvement District
- Primary Staff Liaisons to the Above

Failure to timely complete the required training or not at all may be grounds for removal, so it is important to comply with the training requirements and associated deadlines. Prior to removal, the City Clerk may suspend a member from an Advisory Body for failure to complete the training; when they are at least 60 days delinquent and have been adequately notified of the delinquency. The City Clerk shall notify the City Council sub-committee for the Advisory Body of this action. If no action to file is taken by the Advisory Body member, the City Clerk shall recommend to the City Council that the member to removed. If and when the member completes the required training, the suspension will be immediately lifted.

7. Individual advisory body members should avoid making public comments on Council actions or public policies that might appear to represent the official position of their advisory body. Advisory body actions, with the voting of each member, are conveyed to the Council in the form of official minutes or by resolution. The chairperson of an advisory body is the spokesperson for the advisory body.
8. Questions regarding possible ethical issues or conflicts of interest should be reviewed with the chairperson, City Attorney, or City Clerk, as appropriate under the circumstances, in advance of the subject meeting or discussion.

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L. Awards and Recognition

The City Council values and appreciates each citizen who volunteers his/her time and energy to serving the City on an advisory body. An annual appreciation event hosted by the City Council is one way in which appreciation is expressed for all advisory body members. When a member terminates service on an advisory body, the Council will recognize that member's contribution to the City through an appropriate expression of appreciation. If that advisory body wishes to make its own presentation to an outgoing member, the chairperson shall communicate with the City Clerk in order to avoid duplication of awards.

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Section 2. How City Government Works

A. City Charter

San Luis Obispo is a "charter" City as contrasted to a "general law" City. Under California law, the authority of a general law City is derived only from the powers granted to it by the general laws adopted by the State Legislature pertaining to the organization and operation of a municipality, and from the police power granted to it by the State Constitution. On the other hand, a charter City's power is not defined or limited by the State's general laws. Instead, with respect to municipal affairs, a charter City's powers are defined by the City's own charter, subject only to the limitations of the State Constitution. As a result, charter cities usually have more operational latitude than do the more prevalent general law cities. A charter serves as the City's "constitution" and may only be amended by a vote of the people.

San Luis Obispo's Charter was first adopted on May 1, 1876, and has been amended by popular vote on several subsequent occasions. In 1955, the Charter was amended to approve a Council-Mayor-City Manager form of government. The City's organizational structure is outlined in the chart on the following page.

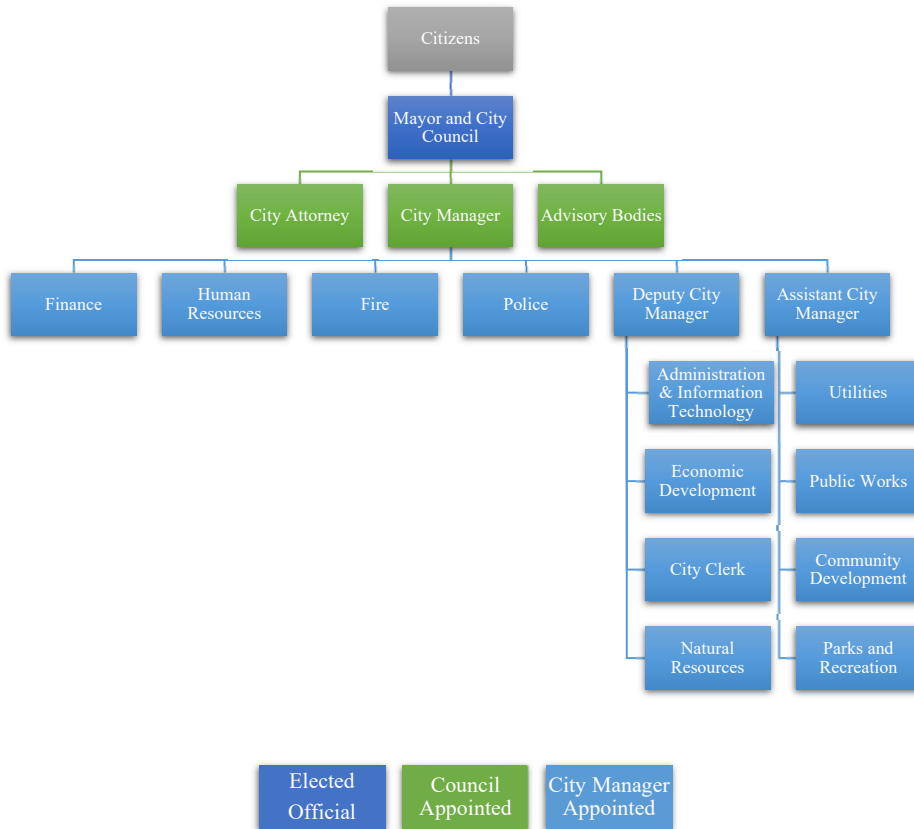
B. City Council

The City Charter provides for an elected, five-member City Council as the governing body of the City. Four Council Members serve staggered four-year terms (two are elected every two years). The fifth member is the Mayor who is elected for a two-year term. City Council elections are held in November of even numbered years. Regular Council meetings are held on the first and third Tuesdays of each month in the Council Chamber at City Hall. In addition, special meetings and study sessions are held from time to time as the need arises. The Mayor is the official spokesperson for the Council.

The Council has the power to make and enforce all laws and regulations relating to municipal affairs, subject to the limitations of the City Charter, the United States and California Constitutions, and certain state statutes.

Final decisions on City taxes and fees, budgets, City policies including the General Plan and land use issues, and other matters are made by the City Council.

C. City Organization



As shown on the Organizational Chart, the City Council is directly responsible to the citizens for the operation and well-being of the City. To carry out these responsibilities, the Council relies on:

1. The administrative skills of a City Manager
2. The legal advice of a City Attorney
3. The citizen advice rendered by advisory commissions, committees, and boards.

D. Council-Appointed Officers

City Manager: The City Charter requires the Council to appoint an executive to run the City's day-to-day operations. The City Manager is appointed by and directly responsible to the Council for all City activities. The nine operational departments, through their directors or chiefs, are responsible to the City Manager.

City Attorney: The City Attorney provides legal services and advice to the Council, the City Manager, departmental staff, advisory bodies and other City agencies or officials. The City Attorney represents the City in court, prepares ordinances and other legal documents, and prosecutes cases involving violations of City laws. The City Attorney is appointed by, and is directly responsible to, the Council.

E. City Departments

The following departments are directly responsible to the City Manager.

Administration: The Administration Department is responsible for providing information and recommendations to the Council, implementing Council policies, and guiding the day-to-day operations of the City. In addition, the City Clerk, Economic Development, Natural Resources and Cultural Activities programs are carried out by staff in the Administration Department, under the supervision of the Assistant City Manager. The City Clerk provides a full range of services for the City Council, including preparation of the minutes, codifying ordinances, and conducting elections. The City Clerk also administers the advisory body appointment process. Economic Development provides staff support for two City advisory bodies, including the Promotional Coordinating Committee and the Tourism Business Improvement Board. The Natural Resources Program frequently makes presentations and seeks concurrence and recommendations from the Parks and Recreation Commission and the Planning Commission regarding conservation plans for City-owned open space areas.

Community Development: The Community Development Department has four divisions, all under the direction of the Community Development Director who is appointed by, and is responsible to, the City Manager. The Long Range Planning Division is responsible for the preparation, maintenance, and implementation of the City's General Plan and its various elements. The Development Review Division assists the community with land use issues, evaluates all types of development applications, and maintains the City's development regulations. The Building and Safety Division administers state and local building codes and is responsible for ensuring safe and sound public and private construction. The Division is responsible for the enforcement of municipal, zoning and property maintenance requirements, State Housing and Building Codes, and State and Federal regulations pertaining to disabled accessibility. The Division issues building permits, reviews and approves building plans, and performs inspections of construction projects to insure code conformity. The Administration Division provides management and support for the three other divisions and is responsible for database and records management, organization development, human resource management, budgeting and resource allocation, contract and securities management, citywide addressing, committee and commission support, public Information and support services.

Finance: The Finance Department is responsible for billing and collecting all monies owed to the city which includes water and wastewater charges, business license fees and transient occupancy taxes. The department also processes payroll bi-weekly for all city employees and processes weekly payments to its vendors. The department also manages the City's investments, provides centralized accounting, prepares all financial reports and develops the city's short and long-term financial plans. Under the Charter provision that allows for combining positions, it is the City's longstanding policy that whomever the City Manager appoints as the Director of Finance also serves as City Treasurer. The Department's goals are: 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; customer service and public access to City information; and providing quality service to all of the department's customers-both external and internal to the organization.

Fire: The San Luis Obispo City Fire Department is a progressive all-hazards, community-focused organization. Operating from four fire stations located throughout the City to decrease response times, highly trained fire companies respond rapidly and with compassion to help citizens, visitors, and business owners in need. While running in to burning buildings to save lives and property is a vital part of our tradition that lives on today, San Luis Obispo City responders are cross trained as paramedic to provide advanced life support; as hazardous materials technicians to mitigate dangerous leaks and spills; as urban search and rescue technicians to rescue people from trails, peaks, waterways, and industrial accidents; and as wild land firefighting experts to protect our community and preserve our beautiful coastal environment. These same responders partner with the department's Fire Prevention staff to ensure buildings are constructed and maintained with citizen safety in mind and that fires are investigated to determine cause and prevent further loss. Fire Department members are also active in the community in an education role, regularly interacting with business owners and managers, children, and at-risk populations.

Human Resources: The Human Resources Department conducts a comprehensive personnel management program to attract and retain competent City employees. The Director is responsible for recruiting, testing, classifying, evaluating and training employees, evaluating employee salaries, administering the City's Personnel Rules and Regulations and Work Force Diversity Program, and directing the City's Risk Management Program. The Director of Human Resources is appointed by, and is responsible to, the City Manager.

Information Technology: Information Technology is responsible for managing information technology operations such as the City's fiber optic network, data file servers, fixed and mobile computer workstations, fixed and mobile telephones along with multiple radio systems. An extensive Geographic Information System (GIS), a utility services supervisory control and data acquisition (SCADA) system, and highly functional data base systems are also provided and maintained by the Department as services to other departments and the public. The Department's goals are: protecting the City's technology assets from unauthorized use; effectively using the City's information technology resources in improving productivity, customer service and public access to City information; and partnering to provide excellent service to our community by connecting people to information and technology solutions.

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Parks & Recreation: The Parks & Recreation Department programs recreational activities in City parks, facilities and open space. It consists of the following divisions: Administration, Facilities/Aquatics; the Laguna Lake Golf Course; Ranger Services; Recreational Sports; Community Services and Events and Youth Services. The Department serves all ages and abilities from young children to teens to boomers and seniors. Recreational activities range from after school childcare at local schools to the use of the Damon Garcia Sports fields to a range of activities at the Senior Center. The department facilitates contract classes, special events, the City's Public Art and Community Garden programs and the Santa Rosa Skate Park for local residents use and enjoyment. The department mission is to enhance and promote personal well-being and a sense of community. With the assistance of the Parks and Recreation Commission the Department evaluates the City's policies for open space, parks and recreational facilities and actively seeks state and federal grants to help pay for projects consistent with the Parks and Recreation Element of the General Plan.

Police: The Police Department has primary jurisdiction for the enforcement of state law within City of San Luis Obispo as well as certain ordinances included in the City's municipal code. Additionally, the Police Department implements and manages programs designed to reduce crime, and partners with other City departments, government entities, stakeholder groups, and individual citizens to protect the quality of life in San Luis Obispo. This department is under the direction of the Chief of Police who is appointed by, and is responsible to, the City Manager.

Public Works: The Public Works Department is responsible for two primary areas, Managing the Transportation Network and Building and Maintaining Public Infrastructure. Managing the Transportation Network, the Department is responsible for several elements which include: traffic signals and signage, traffic safety, traffic studies, traffic calming, street construction and maintenance, sidewalk maintenance, transportation and bike planning, bike facility development, bike parking, parking meters on-street, in public surface lots, and in three current structures, neighborhood parking districts, SLO Transit system, including buses, shelters and other transit facilities and bridges. Building and Maintaining Public Infrastructure includes; parks, street lights, urban forest, landscaped areas, storm water and flood control facilities, private development review and inspection, City buildings and facilities and City fleet. Several programs carry out the work of the Department, and the department is managed by the Public Works Director, who is appointed by, and is responsible to, the City Manager.

Utilities: The Utilities Department provides essential services that support the community's health, well-being, and quality of life. With an ethic of being efficient stewards of the community's resources and environment, the department treats and distributes the community's potable water and then collects, treats, and recycles the wastewater for beneficial uses. It believes in a culture of employee development, empowerment, innovation, and creativity. Its goal is to be a valued partner in ensuring the public health and safety of our community. The Utilities Department also manages the solid waste service franchise provided by San Luis Garbage Company.

Section 3. How Advisory Bodies Work

A. Council Liaison Members

Each year the Council selects two of its members to be “Liaison Members” to each advisory body. The primary responsibility of these subcommittees is to review applications of citizens who would like to serve on a particular advisory body and thereafter hold interview sessions and make recommendations to the full Council for final appointment.

These Council Liaison members can be called upon to facilitate the flow of information between the Council and that advisory body. From time to time they may attend advisory body meetings.

B. Bylaws and Procedures

1. **Bylaws:** Each advisory body has approved bylaws that set forth procedures, purpose, and purview, specific functions, meetings, officers, budget, etc. (Charter, Article XII, Section 1204). By May 1st of each odd-numbered year, the bylaws of each advisory body shall be reviewed by that body. Any proposed changes shall be submitted to the Council through the City Clerk for approval. If no changes are proposed, a report of the review shall be submitted.
2. **Code of Ethics:** Each body shall be governed by the City’s adopted Code of Ethics (established by Resolution No. 8313 [1994 Series], with training requirements set forth by Resolution No. 10432 [2013 Series] to comply with AB 1234).
3. **Parliamentary Procedures:** All advisory body meetings shall be conducted in accordance with City practices and policies. Robert’s Rules of Order, Newly Revised, shall also be used as a guide in conducting meetings. Questions should be directed to the appropriate City staff. A quorum is the majority (more than half) of the total number of established members of the committee.
4. **Meetings:** All regular meetings shall be held at the established time and place set for that body, unless a change is approved by Council. Unless otherwise noted in a specific Advisory Body’s bylaws, meetings shall be completed no later than 11:00 p.m. unless a majority of the body elects to continue past the adjournment hour. If the body has not concluded its business, they will review the balance of the agenda and determine whether to extend the meeting beyond the hour of 11:00 p.m., continue any remaining items, or adjourn the meeting to another date and time.
5. **Events:** Council may hold an event from time to time to recognize advisory body members. (See also Section 1 K). Special meetings may be held pursuant to State Law (see Section 4, The Brown Act).
6. **Meetings are recorded:** Planning Commission meetings are video-recorded. All other advisory body meetings shall be at minimum audio-recorded. Recordings shall be retained in accordance with the City’s approved Records Retention Schedule.
7. **Action Minutes:** The recording secretary for each advisory body shall record the official actions taken. Minutes shall be prepared and retained permanently in an “action minutes” format in accordance with Council policy (Resolution No. 5304 (1984 Series)).

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8. Correspondence from the Public: Written correspondence received from members of the public regarding any agenda item are retained as part of the official record of the meeting. Consistent with City Council practice, citizens are encouraged to present written comments (including emails) at least one day prior to the meeting. This provides advisory bodies with a greater opportunity to review and consider issues and/or concerns expressed in written communications prior to a meeting. (See Section 5 I. “Public Records Act and Public Records Retention” on page 29 for more information about records, including emails).
9. Public Comments on Agenda Items: Consistent with City Council practice for receiving public testimony on agenda items (with the exception of certain types of public hearings), advisory bodies are encouraged to limit public comments to three (3) minutes per speaker to ensure that everyone who wishes to be heard has the opportunity to do so. Additionally, consistent with Council Policies and Procedures, applications or appeals being heard by an appropriate advisory body shall be given ten (10) minutes total speaking time (applicant may wish to hold time for rebuttal arguments). The Chair, with the consensus of the advisory body, may allow additional brief testimony from speakers who have already commented on the same agenda item; however, speakers shall not be allowed to yield their time to another speaker.

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C. Continuity of Work and New Ideas

1. Continuity: There exists a pattern of continuing work for every advisory body in order that the needs of the community are served in a thoughtful yet expeditious manner. Advisory body chairpersons and the assigned professional staff are the responsible parties for establishing an even flow of work. New members to advisory bodies are expected to familiarize themselves with the workload. Normally, it will take new members a bit of time to develop a full understanding of their new work and confidence in their decision-making abilities. Staff members can be helpful with questions.
2. New Ideas: Advisory body members should view themselves as an extension of the abilities of the Council and staff to see and hear matters of importance in our community. Sometimes old policies and established ways of doing things need to be changed. Sometimes fresh ideas need to be given a trial. How does the process of developing a new “idea” work?
 - a. Test the idea on friends; are reactions favorable?
 - b. Bring the idea to your advisory body under the portion of your agenda where individual member comments on items not on the agenda are entertained. If fellow members react favorably; the idea should be formalized in written form.
 - c. At this point, the “cost” of the idea in terms of staff time and dollars must be evaluated. If staff sees the cost to be minor and the impact on City operations to be negligible, the idea can be agendized, discussed publicly and a final decision can be made for a recommendation to the City Council.
 - d. Should the “cost” in staff time and money be deemed high, then the Council should be properly informed and budgeting and staff time approved before further action is taken by the advisory body.

A good time for advancing new ideas is during the Financial Plan and City Goal Setting process, when advisory bodies are actively encouraged to offer such suggestions to the Council, as most of the resource decisions are made at that time.

D. Communications

1. Written Reports: Advisory bodies are occasionally requested to make special reports or recommendations to the Council on specific subjects. The Council may make this request in writing, with specific direction as to the approach, scope, and schedule for the study desired. These recommendations often play a major role in assisting the Council to reach a final decision on important issues.
 - a. Any recommendation or report from an advisory body is required to be in written form. If the matter is to appear on the Council agenda, the report must be submitted to the City Clerk no later than two weeks prior to the Council meeting at which the report is to be considered. This report becomes part of the record and is forwarded to each Council Member for review in advance of public consideration.
 - b. Some advisory bodies may receive study or action requests from citizens or groups. These requests should also be presented in writing to the advisory body, which will then determine if the committee wishes to pursue that particular issue. The committee shall advise the Council of the request and the body's determination for action.
2. Goals/Budget: Each advisory body shall prepare proposed major City Goals and Objectives in a manner established by the City Manager. The advisory body chairperson will be responsible for speaking to this proposal when the Council conducts its goal setting in study session. The City Manager will notify the chairperson of time and place of such Council review. More detailed budget proposals will be made through advisory body staff, consistent with the budget schedule and process.
3. Statements: An advisory body does not have authority to speak for the City. If the body wishes to recommend that a statement be made, such as a letter written to state a position, it shall be submitted to and receive approval of the Council.
4. Public Forums and Surveys: An advisory body shall not sponsor or co-sponsor a public forum, meeting or survey without the prior approval of the Council.
5. Personal Testimony: If a member of an advisory body appears before the Council (or another advisory body) in a capacity other than as representative of his/her body, it should be explained in advance that any statements made are not to be construed as representing the opinions or recommendations of the advisory body.
6. Changes: Changes in a member's address or telephone number, and the names of new officers, shall be submitted to the City Clerk and advisory body staff liaison as soon as possible.
7. Quarterly Meetings: The Mayor shall meet quarterly with the chairpersons of all advisory bodies. The purpose shall be for informational updates and to encourage communication. Quarterly written reports shall be submitted at this meeting and are shared with all Council Members. The chairperson shall report back to the full committee at the next regular meeting.
8. Annual Report: Each advisory body is required by the Charter to submit to the Council by May 1st an annual report describing its activities and evaluating its progress for the year (Charter, Article XII, Section 1205). To provide more timely information to the Council, most

Committees submit reports at the Mayor/Advisory Body Chairs Quarterly Meetings throughout the year, thereby fulfilling the Charter requirement.

E. Role of City Staff Persons and Advisory Body Members

Staff support and assistance is provided, but advisory bodies do not have supervisory authority over City employees. While they may work closely with advisory bodies, staff members remain responsible to their immediate supervisors and ultimately to the City Manager and Council. The advisory body members are responsible for the functions of the advisory body and the chairperson is responsible for committee compliance with the policies outlined in this handbook.

Staff support includes preparation of a summary agenda subject to approval by the chairperson, and preparation of agenda reports providing a brief background of the issue, a list of alternatives, recommendations and appropriate backup material, as necessary. Staff will assist advisory bodies in the conduct of public meetings and ensure that the business listed on the agenda is addressed. Advisory body members should have sufficient information to reach decisions based upon a clear explanation of the issues involved. Best practices dictate that when an advisory body member has significant questions (i.e. insufficient information has been provided to reach a decision), that they reach out to staff in advance of the meeting so that any clarification provided by staff may be shared with all advisory body members and the public in advance of the meeting.

The recording secretary for each advisory body insures that ~~the meeting~~ is electronically recorded ~~(audio or video)~~ and action minutes are taken as needed.

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It is important that recommendations the advisory bodies wish to communicate to the City Council are made through adopted or approved Council agenda procedures. Staff members shall assist the advisory body chair to insure appropriate legal review or City and state legislation is complied with.

F. Absences, Leaves of Absence, and Resignations

1. Attendance: If an advisory body member fails, for any reason, to attend three consecutive regular meetings or a total of six regular meetings within any twelve-month period, that member shall automatically be considered for replacement. The chairperson of the advisory body shall inform the Council, through the City Clerk, of such a situation, explaining any extenuating circumstances resulting in the absences.
2. Absences: There shall be no “excused” absences. Because of quorum requirements, when an absence is anticipated, the individual advisory body member is responsible for notifying the chairperson or the secretary in advance and the absence shall be counted in that member’s attendance record.
3. Leaves of Absence: Leaves of absence are not granted to advisory body members except under very unusual circumstances and when authorized in advance by the Council. To request a Leave of Absence the advisory body member shall submit a letter directed to the Council through the City Clerk stating the reason for the request along with the effective date range of the request, with a copy forwarded to the chairperson of the advisory body. The City Clerk will agendize the request for Council action at the soonest possible City Council meeting.

4. Resignation: In the event a member finds it necessary to resign from an advisory body, a letter of resignation stating the effective date of the resignation shall be immediately directed to the Council through the City Clerk, with a copy forwarded to the chairperson of the advisory body.

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Election: When possible, in April, each advisory body, at its regular meeting, shall elect a chairperson and a vice chairperson.¶

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Terms of Office: The term of office of a chairperson or vice chairperson shall be one year, commencing upon election. No person shall serve as chairperson or vice chairperson for more than two consecutive terms except if noted elsewhere under specific boards and commissions.¶

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Completion of a partial term of office as chairperson or vice chairperson shall not preclude an advisory body member from serving two additional consecutive full terms, provided that the partial term served is less than one year.¶

Section 4. The Brown Act

A. Overview

The State Legislature has declared that the actions of public bodies be taken openly and that their deliberations be conducted openly. California's Ralph M. Brown Act (found in the Government Code Section 54950 through 54961), also known as the "open meeting law," applies to all advisory bodies, and requires that they:

1. Meet within the jurisdictional limits of the City.
2. Post the agenda at least 72 hours before a regular meeting containing a brief general description of each item of business to be transacted or discussed.
3. Hold open and public meetings.
4. Give notice of the meetings to any requesting party at least 24 hours prior to the meeting.
5. Provide in bylaws or rules for time and place of regular meetings, if regular meetings are to be held.

A meeting is defined as a gathering of a majority (quorum) of the advisory body for the purpose of discussing items before the body or conducting other business of the body. It is important to understand that the Brown Act generally prohibits any action or discussion of items not on the posted agenda. There are special posting requirements for advisory body agendas:

- Regular Meetings – 72 hours in advance
- Special Meetings – 24 hours in advance
- Adjourned Meetings – a regular or special meeting may be adjourned to a specific time and place (usually to continue a public hearing or other business). A special notice is required and should be posted within 24 hours of adjournment.

B. Brown Act Provides for Public Comments

The Brown Act mandates that regular meeting agendas allow for two types of public comment periods. The first is a general audience comment period, where the public can comment on any item of interest that is within subject matter jurisdiction of the local agency and that is not listed on the posted agenda. This general audience comment period may come at any time during a meeting (§54954.3).

The second type of public comment period is the specific comment period pertaining to items on the advisory body's agenda. The Brown Act requires that the advisory body allow these specific comment periods on agenda items to occur prior to or during the advisory body's consideration of that item (§54954.3), including consent calendar items.

Public Comments at Special Meetings: The Brown Act requires that agendas for special meetings provide an opportunity for members of the public to speak about any item listed on the agenda prior to the advisory body's consideration of that item (§54954.3). Therefore, for special meetings, advisory bodies must allow public comments for items on the agenda, however (unlike regular meetings), a public comment period for items not on the agenda is not required.

Limitations on Length and Content of Public's Comments: The Brown Act allows a legislative body to adopt reasonable regulations limiting total amount of time allocated for public testimony. In San Luis Obispo, the typical time limit for speakers is three (3) minutes.

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It is not permissible to prohibit public criticism of policies, procedures, programs, or services of the City or acts or omissions of the City (§54954.3(c)). This does not mean that a member of the public may speak on "anything." If the topic is not within the subject matter jurisdiction of the advisory body, the Chair should remind the speaker to direct his/her comments to only those subjects within the advisory body's purview.

C. Common Questions about the Brown Act

The following is intended to give advisory body members a broad understanding of the Brown Act. Please consult with the staff liaison, the City Clerk, or the City Attorney for more specifics.

1. What are serial meetings?

A serial meeting is any direct communication amongst a majority of the members, outside of a meeting, to develop a collective concurrence as to action to be taken on an item by the members. Serial meetings are strictly prohibited by the Brown Act.

Even though a majority of members never gather in a room at the same time, a Brown Act violation may occur if ideas are exchanged among the majority by going through any person acting as an intermediary (including staff), and/or through the use of a technological devices, e.g. telephone answering machine, computer email, or voice mail.

2. What are some examples of serial meetings?

The most common example of a serial meeting is when "Member A" calls "Member B" and then "Member B" calls "Member C," and so on to share ideas among a majority of the advisory body.

Another example: A member of a five-member advisory body receives a letter regarding City business and writes a note on that letter that says "I agree," and then provides a copy of the letter to two other members.

Email can also be troublesome. Here's an example of how easy it can be to unintentionally conduct a serial meeting: A staff member sends out via email a document in draft form for review by the advisory body prior to a meeting. "Member A" recommends to staff a revision and copies fellow advisory body members. "Member B" disagrees with the proposed change and others begin to "weigh in" on the subject.

3. This seems restrictive... aren't there any exceptions?

Of course, prohibition against serial meetings does not prohibit all communication between individuals regarding City business. The Brown Act only prohibits use of serial meetings for the purpose of "developing a collective concurrence" concerning an issue. This does not prohibit a staff person from "briefing" members provided that the briefing is limited to

furnishing information, and the staff person does not solicit opinions concerning an appropriate course of action for City and then share them among the members.

4. What's a Quorum?

A quorum is the majority (more than half) of the total number of established members of the committee. A quorum must be present for any business discussion or action to take place. A quorum must be present for the duration of a meeting. If a member leaves during the meeting, resulting in the lack of a quorum, no further business may be conducted and the meeting must be adjourned.

If vacancies exist on the advisory body, those vacant positions still count towards the quorum. For example, if one seat is vacant on a five-member body, and two members are absent there is not a quorum.

5. What are some exceptions to the Brown Act?

Advisory body members may attend and/or participate in the following as long as a majority of the members do not discuss amongst themselves matters that are within the subject jurisdiction of the advisory body:

- Informational or educational workshops or conferences
- Community meetings, such as town hall meetings, workshops, forums, etc. not sponsored by the advisory body
- A meeting of another body of the local agency
- Social or ceremonial events.

6. Can an advisory body conduct a retreat?

“Team building” or “goal setting” retreats may be held, but they must be held within the City, be properly noticed, and be open to the public.

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Section 5. Tips for Being an Effective Advisory Body Member

A. Understanding Your Role and Scope of Responsibility

After appointment by the Council, the City staff member designated to serve in support of your advisory body will schedule an orientation appointment with you and provide materials maintained by the City Clerk, including this handbook, which are useful or the roll of an advisory body member. This is your chance to learn more about City government and the scope of responsibility (purview) of the advisory body to which you have been appointed. In addition to reading this Handbook (which will answer many of your questions), start preparing for your new role by:

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1. Reviewing the City's Mission Statement, Organizational Values, and your advisory body by-laws.
2. Reading the other information provided to you in your orientation about the City and your specific advisory body.
3. Getting to know fellow advisory body members and staff. Learn the history and "language" of your advisory body. Ask about upcoming issues.
4. Considering meeting with the Chair of your advisory body and/or a Council Liaison to learn more about your role and to understand expectations. This will help you focus in on the "big picture" and how you fit in.
5. Becoming familiar with basic meeting management and diplomatic decision-making procedures.
6. Attending training programs and workshops offered to you by the City.

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B. Prepare Ahead for Meetings

Most citizens understand when they apply to serve on an advisory body that they will be making a commitment of time to attend meetings, but many are often surprised by the amount of time it takes to prepare properly for a meeting. Being prepared is key to making good decisions and will strengthen the value of your advisory body's recommendations.

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1. Do your homework! This involves setting enough time aside to review thoroughly and consider the entire agenda packet.
2. When you receive your agenda packet, read it carefully. Be prepared to discuss fully, evaluate, and act on all matters scheduled for consideration. Think about:
 - a. The number of items.
 - b. Those items that may be controversial.
 - c. Difficult procedural items.
 - d. Issues you know little about.

3. Visit any sites or facilities that will help you understand the issues.
4. Start a list of questions for staff.
5. Call or meet with staff before the meeting to learn more, if need be. Getting more information ahead of time may make your decision-making easier and help move the meeting. Your questions may also alert staff to issues that others may also be pondering. Advance knowledge assists staff with preparing oral reports and adequately addressing the issues during the meeting.
6. Show up on time and be ready to work. (It's also helpful to be well rested!)

C. Develop Positive Relationships

Being selected by the City Council to serve on an advisory body is a high honor and provides a unique opportunity for genuine public service. Open, honest and supportive relationships with the City Council, with City staff and fellow members of your advisory body will ensure your success and effectiveness.

1. The proper channel to contact City staff on items of consideration is through the designated City staff person providing support to your advisory body.
2. Demonstrate respect to your fellow advisory body members by being a good listener, by communicating honestly, and by being dependable.
3. Adopt a positive attitude and become a problem-solver.
4. If you have a new idea, propose it to the group as a whole. (See also Section 3.C.2, Continuity of Work and New Ideas.)
5. If friction develops, individuals should make every attempt to clarify differences and make certain that clear communication is taking place. The public meeting should not be used to express anger or disagreement.
6. If differences cannot be resolved, consider consulting with the appropriate individual/s next in line in the "chain of command": 1) Staff Liaison or Chair, 2) the Department Head, 3) City Manager or Council Liaison.

D. Encourage and Honor Public Participation

Some advisory body meetings are well attended by the public and others are not. Nevertheless, it's important to remember that everyone is entitled to his or her own opinions.

Some members of the public are quite used to speaking before a public body, but most are not. Individuals may address the advisory body to either present an issue or concern, or to speak for or against an item. This may be the first time they have ever done this, and they may find the experience intimidating. Anxiety can be expressed in a variety of ways, including aggressiveness or forgetfulness, so be patient and remember to:

1. Be fair and consistent.
2. Pay attention to all speakers and actively listen to what they are saying.
3. Ask questions for clarification, but avoid debate or "cross-examining."
4. Be sure that your body language is not sending mixed or negative messages.
5. See also this section H: Special Tips for the chairperson.

E. Respect Individual Viewpoints

Although it may seem like this tip could simply go unsaid, it is important to remember it (especially when you feel very strongly about a matter): Treat fellow members of your advisory body, staff, and the public with respect and courtesy at all times.

1. Allow others time to present their views fully.
2. Actively listen and seek to understand.
3. Avoid interrupting others.
4. Be open to new ideas.
5. Explore alternatives.
6. When necessary, agree to disagree.

F. Communicate Effectively

Advisory body members serve as a communications link between the community, staff, and City Council. You provide a channel for citizen expression. Not only is it important for you to listen carefully to others, but you also need to be able to communicate effectively what you are hearing and thinking.

1. Take notes to remind yourself of questions you want to ask or important comments you wish to make.
2. Be direct, open, and forthright.
3. Provide rationale for opinions or recommendations.
4. Stay on topic.
5. Take your charge seriously, but maintain composure and keep your sense of humor.
6. When speaking to the public and/or press, be sure you are representing the majority views of your individual advisory body. Personal opinions should be clearly identified as such.
7. Speak clearly and be sure people can hear you.
8. If you wish to communicate using electronic mail (email), use the tool wisely. It is easy to unintentionally violate the Brown Act, so certain caution must be exercised when using email. (See Section 4 C, Common Questions about the Brown Act.)

G. Special Tips for the Chairperson

The chairperson's main role is to provide the advisory body with group direction and to set the tone for meetings. The Chair must balance being strong enough to move the meeting along and democratic enough to involve all members in the meeting. The effective chairperson:

Remembers to explain the public participation process to the audience. (For example: "The commission will hear first from staff who will present the staff report. Commission questions to staff will follow and then the floor will be open to the public, who may comment on the matter. Following public comment, the matter will come back to the commission for our deliberation and action.")

1. Announces each item before discussion begins.
2. Is even-handed and fair to all participants.
3. Observes specified time limits.
4. Protects commissioners and staff from verbal attacks.
5. Solicits opinions, feelings, and positions from all members.
6. Encourages the generation of alternative solutions.

7. Protects new thoughts from being rejected prior to fair evaluation.
8. Discourages finger pointing and blame-orientated statements or questions.
9. Keeps the discussion focused on the issue.
10. Delays evaluation and analysis of alternatives until all are on the table.
11. Guides the process of screening alternatives and selecting the solution.
12. Attempts to obtain consensus.
13. Moves the meeting along and does not let the advisory body drift off the subject at hand.

H. Managing Difficult Meetings

Here are some additional tips for managing any meeting, but particularly the difficult ones:

1. Encourage the designation of a spokesperson for any groups.
2. Ask staff to make sure there are plenty of extra agendas and staff reports.
3. Establish and announce rules before the meeting begins.
4. Introduce each item and possible actions.
5. Try not to waste time on routine items.
6. Encourage speakers to address the advisory body and not the audience.
7. Discourage clapping and shouting.
8. Use recesses to help diffuse hostility.
9. Adhere to speaker time limits.
10. If you don't already, use speaker slips/cards.
11. Make sure that all advisory body members are addressing each other, through you, and not the audience.
12. Consider continuing an item for further discussion if it appears consensus may not be reached.

I. Public Records Act and Public Records Retention

The state's Public Records Act (Government Code Sections 6250 et seq.) generally authorizes any person to request and receive copies of public records maintained by any state or local agency, unless the records sought are exempt from disclosure. The definition of "public record" is quite extensive and incorporates almost every conceivable sort of electronic or hard copy image, document or communication that relates in a substantive way to the conduct of City business, that is in the possession of a public employee or official. Public records are required to be retained by public agencies under a different set of statutes for varying periods of time. Public records stored on either City or personal devices and accounts must comply with the Public Records Act and retention statutes. See the City's Records Retention Policy, Electronic Communications Policy, Mobile Phone Policy, and the City Council Social Media Policy for what constitutes a public record that must be retained.

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Advisory board members that receive records substantively relating to City business, either hard copy or electronic, at home or work should forward them to appropriate City staff for storage and retention on the City's system.

No advisory board member has a City managed email account. Each board member is required to forward email records pertaining to their conduct of City business, received directly or through private accounts or devices, to the advisory body mailbox. The staff member assigned to the respective board can advise the members as to how to forward records to the advisory body mailbox.

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Section 6. Advisory Body Bylaws

Permanent advisory bodies are established by the City Council by either ordinance or resolution. Membership is defined in the enabling legislation and all members are appointed by the Council. Members are selected:

- On the basis of interest, experience and knowledge in the field pertinent to the committee.
- To represent a particular segment of the community (student, elderly, disabled).
- From a broad representation of community interest and expertise.

Most advisory bodies meet regularly at established times. Technical or special-purpose bodies may meet regularly or only when projects or proposals require their attention.

A. Active Transportation Committee Bylaws (T/SP)

ARTICLE 1. PURPOSE

The purpose of the Active Transportation Committee (ATC) is to provide oversight and policy direction on matters related to bicycle and pedestrian transportation in San Luis Obispo and its relationship to bicycling and walking outside the City.

ARTICLE 2. COMMITTEE MEMBERSHIP AND TERMS OF OFFICE

The Active Transportation Committee shall have seven members appointed by the City Council to staggered terms of four years. Members must be residents and registered voters of the City. Committee members will serve at the pleasure of the City Council. Any Committee member may be reappointed, provided no appointee serves more than two consecutive four-year terms. A member who has served two consecutive four-year terms can be reappointed after a one year absence from the Committee.

ARTICLE 3. OFFICERS

1. Election of officers is governed by section 1.H (Advisory Body Basics / Officer Election and Officer Terms). Regular elections for Advisory Body Chair and Vice Chair shall be held in April of each odd year at a regular meeting. Special elections for Chair or Vice Chair shall be held at the first meeting following the unscheduled resignation of an officer, or other reason for an officer position to become vacant.
2. The Chairperson will preside over all meetings of the Committee and perform such duties as directed by the Committee. The Vice-Chairperson will serve in the absence or incapacity of the Chairperson.

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ARTICLE 4. MEETINGS

1. The Committee will hold a regular meeting at least quarterly. The meetings are generally held the third Thursday of every other month (January, March, May, July, September and November) at 6:00 p.m. in the Council Hearing Room, City Hall, 990 Palm Street, San Luis Obispo, California. All meetings will be open to the public.
2. The Chairperson or any four members of the Committee may call a special meeting, provided that a week's prior notice is given in writing to each member.
3. A quorum is the majority of the total number of established members of the committee.
4. All actions of the Committee will be decided by a majority vote or consensus and will be directed through the Chairperson.
5. All members present must vote, except when abstaining due to a declared conflict of interest.

Deleted: A quorum will consist of a majority of established Committee members.

A failure or refusal to vote when present (except for a declared conflict of interest) will be construed as an affirmative vote.

6. Any member with a declared conflict of interest will not vote or participate in any discussion of any item or in any manner attempt to influence the decision on that item.

ARTICLE 5. SUBCOMMITTEES

Subcommittees consisting of less than a quorum of the Committee can be appointed as needed by the Chairperson.

ARTICLE 6. ADVISORY BODY POLICIES

The Committee adopts and incorporates by reference all policies as stated in the City of San Luis Obispo Advisory Body Handbook that are not in conflict with these bylaws.

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B. Administrative Review Board Bylaws (T/SP)

MEMBERSHIP

The Administrative Review Board (ARB) consists of three members appointed for three year terms. Beginning 2022, appointments will be made in a manner to stagger the terms such that only one member will expire in a given year.

Members must be residents and registered voters of the City pursuant to the City of San Luis Obispo City Council Policies & Procedures Manual, and qualified by experience, training or education in the conduct of administrative hearings.

PURPOSE

The purpose of the Board is described in Article 1. Functions.

ARTICLE 1. FUNCTIONS

The Administrative Review Board is established to provide the following functions:

1. To conduct and decide, as final decision maker for the City, administrative appeal hearings relating to administrative citations issued for certain contested San Luis Obispo Municipal Code enforcement matters that require a more detailed administrative record. This Board will not hear appeals of citations issued for violations of Title 15 (Building and Construction), which appeals are heard by the Construction Board of Appeals, or appeals of most zoning or subdivision appeals, which are heard by the Planning Commission.
2. To issue written decisions based on findings of fact supported by evidence introduced at the hearing in a format sufficient to enable an appellant to challenge the decision by petition for writ to the Superior Court.

ARTICLE 2. MEETINGS

1. The Board shall meet at least once annually to elect its officers, consider adoption of any policies or procedures, and make any recommendations to the Council.
2. Meetings shall be held as needed, in accordance with Municipal Code section 1.24.110 B, unless otherwise agreed in writing by the Appellant and the Department Head of the department that issued the citation that is the subject of the appeal. The agenda for any such meeting shall be publicly posted at least three days in advance of the meeting in a form and manner acceptable to the City Clerk.
3. Meetings shall be held in the Council Hearing Room, City Hall, 990 Palm Street, San Luis Obispo, California, or at a location otherwise noticed.
4. In the event the Board desires to hold all or any portion of a meeting at a place other than the City Hall, then the place of such meeting shall be posted on the bulletin board located

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at the entrance to City Hall prior to the time herein designated for such meetings in accordance with law.

ARTICLE 3. OFFICERS

1. Officers of the Board shall be a Chairperson and a Vice Chairperson.
2. Officers shall be filled from appointed members by voice vote of the voting membership.
3. Election of officers is governed by section 1.H (Advisory Body Basics / Officer Election and Officer Terms). Regular elections for Advisory Body Chair and Vice Chair shall be held in April of each odd year at a regular meeting. Special elections for Chair or Vice Chair shall be held at the first meeting following the unscheduled resignation of an officer, or other reason for an officer position to become vacant.
4. The City Clerk shall designate a staff person to serve as Secretary to the Board.

Deleted: Election of officers shall be held annually at the first meeting held after April 1.

ARTICLE 4. DUTIES OF THE CHAIRPERSON

The Chairperson shall preside at all meetings of the Board. The Chairperson shall preserve order and decorum at all meetings, shall vote on all questions and announce the Board's decisions on all subjects.

ARTICLE 5. DUTIES OF VICE CHAIRPERSON

The Vice Chairperson shall act as Chairperson during the temporary absence or incapacitation of the Chairperson.

ARTICLE 6. DUTIES OF THE SECRETARY

1. It shall be the duty of the Secretary to keep full, true and correct records of the action of the Board and provide each member of the Board with minutes of each meeting. The Secretary shall also audio record the meeting.
2. After final action by the Board on an appeal, the Secretary shall transmit copies of the decision to the appellant, Board and City department initiating the administrative citation.
3. Minutes will be submitted to the Board for approval at the next meeting.
4. The Secretary shall prepare an agenda for each meeting.

ARTICLE 7. CONDUCT OF MEETINGS

1. Board members should address questions through the Chairperson.
2. Members of the audience should address Board members or other persons present through the Chairperson.
3. After roll call, the Chairperson shall publicly announce the procedures to be followed to consider the hearing item(s) and then proceed as follows:
 - a. Members of the public wishing to speak in favor of, or in opposition to, the appeal shall be invited to comment.
 - b. The Chairperson shall introduce the appeal and ask for oral staff reports.
 - c. The staff report and any administrative citation issued and submitted to the Board shall be placed into the record with all communications received regarding the appeal. Staff reports shall be submitted for all appeal hearings in a form acceptable to the Board.
 - d. The administrative citation and any documents, photos or other written information provided to the appellant at time of, or prior to, issuance of the administrative citation shall be admitted as prima facie evidence under Government Code Section 53069.4.
 - e. The appellant or the attorney for the appellant shall be invited to make a presentation on the appeal and to address the staff presentation, public comments or Board questions.
4. The City shall have an opportunity to respond to the appellant's presentation, answer any questions from the Board and may briefly summarize its position.
5. The appellant shall have the opportunity to address any final comments, answer any questions from the Board and may briefly summarize its position.
6. Thereafter, discussion shall be confined to members of the Board; provided that the Board may at any time prior to a decision on an item, ask questions of City staff, the appellant or any person present as it deems necessary and appropriate to its resolution of the appeal.
7. The Board, upon formal motion, shall take action on the appeal. A board member shall not vote unless he or she was present during the entire hearing, unless he or she listens to the tape of the hearing or reads the written hearing record (if any) prior to voting.
8. The Board shall issue a written decision, which shall contain, at a minimum, the information required by Municipal Code Section 1.24.130. If the action is other than the staff recommendation, the Board shall direct staff to prepare a proposed decision for Board consideration at the next meeting reflecting the deliberation and conclusion of the Board, which shall be distributed to the Board and appellant at least 72 hours prior to the next

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meeting. The decision shall include information concerning the appellant's right of petition for writ and/or right of appeal for a trial de novo to the Superior Court

ARTICLE 8. QUORUM

A quorum is the majority of the total number of established members of the board.

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ARTICLE 9. VOTING

1. The vote on all motions deciding the appeal may be, but is not required to be, by resolution and a roll call vote shall be taken for the ayes and noes prior to the consideration of the next order of business. All other motions may be by voice vote.
2. Failure of any motion resolution or other action to receive two affirmative votes shall result in failure or denial of the motion, resolution or other action.

ARTICLE 10. AGENDA

In order for items and materials to be included on an agenda or to be acted upon by the Board, they must be submitted to the Secretary of the Board at least 3 days prior to the date on which said request will be considered by the Board, unless a longer period is specified in Chapter 1.24 of the Municipal Code. Such request must be made in writing.

C. Architectural Review Commission (A)

MEMBERSHIP

The Architectural Review Commission (ARC) has seven members. Members must be residents and registered voters of the City. The only special qualifications for membership are a proven interest in the City's physical environment and the ability to make positive and fair aesthetic evaluations.

PURPOSE

The ARC shall review and approve plans for all structures and physical improvements, and for any relocation, addition, extension, or exterior change to existing buildings, structures and physical improvements, with purview limitations as set forth in Section 2.48.050 of the San Luis Obispo Municipal Code. Approval by the ARC must be obtained before a building permit or other city permit may be issued authorizing construction, alteration, relocation, addition, or extension.

ARTICLE 1. MEETINGS

1. Regular meetings shall be held at 5:00 p.m. on the first and third Monday of each month.
2. Agenda items shall be completed by 9:00 p.m. unless a majority of Commissioners agree to extend the meeting.

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3. Regular meetings shall be held in the Council Hearing Room, City Hall, 990 Palm Street, San Luis Obispo, California.
4. In the event that the Architectural Review Commission desires to hold all or any portion of a regular meeting at a place other than the Council Hearing Room, then the place of such meeting shall be posted on the doors of the Council Hearing Room prior to the time designated for the meeting in accordance with law.

ARTICLE 2. ELECTION OF OFFICERS

1. ~~The Commission shall select a Chairperson and Vice-Chairperson from among its members.~~
2. ~~Election of officers is governed by section 1.G (Advisory Body Basics / Officer Election and Officer Terms). Regular elections for Advisory Body Chair and Vice Chair shall be held in April of each odd year at a regular meeting. Special elections for Chair or Vice Chair shall be held at the first meeting following the unscheduled resignation of an officer, or other reason for an officer position to become vacant.~~
2. Commissioners shall serve as Chairperson or Vice-Chairperson at the discretion of the Commission.
3. The Chairperson shall preside at all meetings of the Commission. The Vice-Chairperson is Chairperson in the absence of the Chairperson or in case of inability of the Chairperson to act.

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ARTICLE 3. CONDUCT OF MEETINGS

1. Commissioners should address questions through the Chairperson.
2. Members of the audience should address Commissioners or other persons present through the Chairperson.
3. Procedure for reviewing public hearing items:

After roll call the Chairperson shall announce to the public the procedures to be followed to consider the public hearing items and then proceed as follows:

- a. The Chairperson shall introduce the items and ask for oral staff reports.
- b. The staff report previously submitted to the Architectural Review Commission shall be placed into the record with all communications received regarding the proposal. Staff reports shall be submitted for all public hearing items in a form acceptable to the Commission.
- c. The applicant or applicant's representative shall be invited to make a 10-minute presentation on behalf of the request.
- d. Members of the public wishing to speak in favor or in opposition of the application shall be invited to make a presentation.
- e. The public hearing shall be closed to the public and discussion confined to members of the Commission; provided that the Commission may reopen the public hearing at any time prior to a decision on an item on an affirmative vote of the majority of those members present.
- f. The Commission, upon formal motion, shall take action on the proposal. The Chairperson shall inform the applicant and public of the right of appeal and procedures for filing such an appeal.

ARTICLE 4. QUORUM

1. A quorum is the majority of the total number of established members of the commission.
2. No approval or other action of the Commission shall become effective without receiving the affirmative vote of a majority of the members present.

Deleted: Four members of the Commission constitutes a quorum for the transaction of business

ARTICLE 5. VOTING

1. Except as otherwise provided in the San Luis Obispo Municipal Code and state law, no motion or any other action shall be passed or become effective without receiving the affirmative vote of at least a majority of members present.

2. Failure to receive such an affirmative vote shall result in failure or denial, as appropriate, of the motion or other action.
3. Except as allowed under the Political Reform Action of 1974, any member abstaining due to a declared conflict of interest shall not participate in the discussion of the items or otherwise influence or attempt to influence in any manner the decision on the item.
4. All members, when present, must vote except when refraining from participating due to a potential conflict of interest.
5. Commissioners not supporting a motion for project approval shall summarize the reason for their vote.

ARTICLE 6. PUBLIC RECORDS

1. Records of all public hearings shall be made available to the public in the office of the Community Development Department.
2. Secretary Duties: The secretary shall keep minutes of each meeting and shall record the official action taken. The records of all proceedings and the basis for all findings shall be available to the Council and to the public.

ARTICLE 7. ATTENDANCE

1. Any member of the Architectural Review Commission who fails, for any reason, to attend three consecutive regular, adjourned regular, or specially-scheduled (excluding Commission site visits) meetings, or a total of six such Commission meetings within any 12 month period, shall be reviewed by the Chairperson for possible referral to the City Council.

ARTICLE 8. FILLING VACANCIES AND REMOVAL OF MEMBERS

1. Vacancies shall be filled for unexpired terms. The Council, by majority action, may remove any Commissioner as provided in the City Charter.

ARTICLE 9. RULES, REGULATIONS AND PROCEDURES

1. The Commission may adopt rules, regulations and procedures as required for the transaction of its business. These rules shall become effective upon approval of the Council.

COMPENSATION

The City Council has approved a stipend of \$70 per meeting (not to exceed \$280 monthly) for each member of the ARC (Resolution No. 10887 [2018 Series]).

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D. Citizens' Revenue Enhancement Oversight Commission Bylaws (T/SP)

MEMBERSHIP

The Citizens' Revenue Enhancement Oversight Commission (REOC) has five members. Members must be residents and registered voters of the City. When recruiting members, the City seeks members that have experience with finance, budgeting, or municipal accounting, though this is not a requirement of membership.

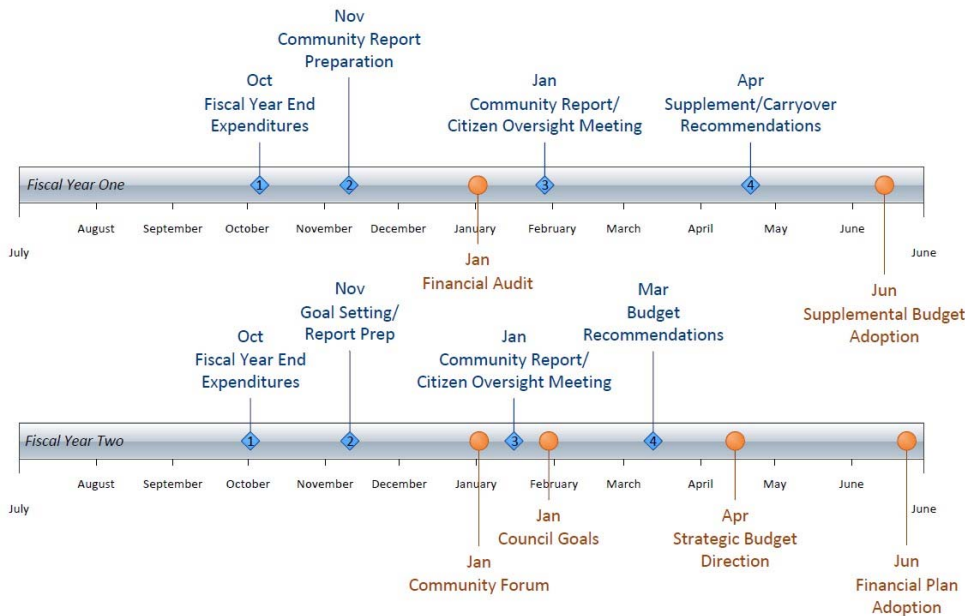
PURPOSE

REOC was established to provide transparency and maximize city accountability, as part of the passage of a ballot measure approving a general use tax to protect and maintain essential services and facilities—such as open space preservation; bike lanes, sidewalks and other traffic congestion relief projects; public safety; neighborhood street paving and code enforcement; flood protection; senior citizen programs including services and facilities; and other vital general purpose services and capital improvement projects. REOC is responsible for reviewing and making budget recommendations directly to the City Council regarding expenditures from the essential services transactions (sales) and use tax, and reporting annually to the community on the City's use of these tax revenues. (San Luis Obispo Municipal Code §3.15.020)

ARTICLE 1. MEETINGS

1. The REOC shall meet a minimum of four times per year to conduct its business.
2. REOC regular meetings will follow the diagram on the next page and be integrated into the City's budget processes for the two-year financial plan, fiscal year-end, and financial plan supplement. Meeting dates may change from year to year according to the actual budget schedule.

REOC Standard Schedule with Financial Plan Milestones



Key: REOC (diamond) Council (circle)

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3. Agenda items shall be completed by 9:00 p.m. unless a majority of Commissioners agree to extend the meeting.
4. Regular meetings shall be held in the Council Hearing Room, City Hall, 990 Palm Street, San Luis Obispo, California.
5. Special meetings may be called by a majority of the REOC, or by City staff in consultation with the Chairperson, if additional meetings are necessary to accomplish the purpose and duties of the Commission.
6. In the event that the REOC desires to hold all or any portion of a regular meeting at a place other than the Council Hearing Room, then the place of such meeting shall be posted on at the doors of the Council Hearing Room prior to the time designated for the meeting in accordance with law.

ARTICLE 2. ELECTION OF OFFICERS

1. The Commission shall select a Chairperson and Vice-Chairperson from among its members to serve for a one-year term beginning with the first meeting following the start of each fiscal year (July 1).
2. Commissioners shall serve as Chairperson or Vice-Chairperson at the discretion of the Commission.
3. The Chairperson shall preside at all meetings of the Commission. The Vice-Chairperson is Chairperson in the absence of the Chairperson or in case of inability of the Chairperson to act.

ARTICLE 3. CONDUCT OF MEETINGS

1. Commissioners should address questions through the Chairperson.
2. Members of the audience should address Commissioners or other persons present through the Chairperson.
3. Procedure for reviewing public hearing items:

After roll call the Chairperson shall announce to the public the procedures to be followed to consider the items listed on the agenda and then proceed as follows:

- a. The Chairperson shall introduce the items and ask for oral staff reports, as appropriate.
- b. The staff report previously submitted to the REOC shall be placed into the record with all communications received regarding the item. Staff reports shall be submitted for all public hearing items in a form acceptable to the Commission.
- c. Members of the public wishing to speak on the topic of the agenda item shall be invited to make a presentation. Public comment shall be accepted for agenda items that are listed as presentations, business items, or public hearings.
- d. Following public testimony on an agenda item, the public hearing or public testimony portion of the meeting shall be closed to the public and discussion confined to members of the Commission; provided that the Commission may reopen the public hearing or invite additional testimony at any time prior to a decision on an item on an affirmative vote of the majority of those members present.
- e. The Commission, upon formal motion, shall take action on the item or recommendation.

ARTICLE 4. QUORUM

1. ~~A quorum is the majority of the total number of established members of the commission.~~
2. No action of the Commission shall become effective without receiving the affirmative vote of a majority of the members present.

Deleted: Three members of the Commission constitutes a quorum for the transaction of business

ARTICLE 5. VOTING

1. Except as otherwise provided in the San Luis Obispo Municipal Code and state law, no motion or any other action shall be passed or become effective without receiving the affirmative vote of at least a majority of members present.
2. Failure to receive such an affirmative vote shall result in failure or denial, as appropriate, of the motion or other action.
3. Except as allowed under the Political Reform Action of 1974, any member abstaining due to a declared conflict of interest shall not participate in the discussion of the items or otherwise influence or attempt to influence in any manner the decision on the item.
4. All members, when present, must vote except when refraining from participating due to actual or potential conflict of interest.
5. Commissioners not supporting a motion for action shall summarize the reason for their vote.

ARTICLE 6. PUBLIC RECORDS

1. Records of all public hearings shall be made available to the public in the office of the City Clerk.
2. Secretary Duties: The secretary shall be a representative of the City Clerk's Office, and shall keep minutes of each meeting and shall record the official actions taken. The records of all proceedings shall be available to the Council and to the public.

ARTICLE 7. ATTENDANCE

1. Any member of the REOC who fails, for any reason, to attend three regular, adjourned regular, or specially-scheduled meetings, within any 12 month period, shall be reviewed by the Chairperson for possible referral to the City Council.

ARTICLE 8. ~~TERM LIMITS,~~ FILLING VACANCIES AND REMOVAL OF MEMBERS

1. ~~Terms are for three years.~~
2. Vacancies shall be filled for unexpired terms. The Council, by majority action, may remove any Commissioner as provided in the City Charter.

ARTICLE 9. RULES, REGULATIONS AND PROCEDURES

1. The Commission may adopt rules, regulations and procedures as required for the transaction of its business. These rules shall become effective upon approval of the Council.

E. Construction Board of Appeals Bylaws (T/SP)

MEMBERSHIP and TERMS

The Construction Board of Appeals (CBOA) consists of seven members. Members must be residents and registered voters of the City pursuant to the City of San Luis Obispo City Council Policies & Procedures Manual. Five of the seven members shall be qualified by experience and training to pass on matters pertaining to building construction and building service equipment, hazards of fire, explosions, hazardous conditions or fire protection and who are not employees of the City. Two members of the Board shall be physically disabled persons, as defined in the adopted California Building Code. Board members may serve simultaneously on other non-technical City advisory bodies pursuant to the City of San Luis Obispo City Council Policies & Procedures Manual.

Each term of office will be for four years. There is no limitation to the number of consecutive terms of appointment.

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PURPOSE

The purpose of the Board is described in Article 1. Functions.

ARTICLE 1. FUNCTIONS

The Construction Board of Appeals is established to provide the following functions:

1. To determine the suitability of alternate materials, methods of construction, and other specifications set out in the City's adopted Uniform Codes.
2. To interpret the provisions of the City's adopted Uniform Codes and to hear and decide appeals of orders, decisions or determinations made by the Chief Building Official, Code Official or Fire Marshall relative to the application and interpretations of the adopted Codes of Title 15.
3. To conduct hearings and provide the second level of administrative review for contested Administrative Citations issued pursuant to the adopted codes of Title 15 or otherwise issued by the Chief Building Official. To serve as the acting Housing Appeals Board required under California Health & Safety Code section 17920.6, and to also serve as the appeals body for any other adopted codes found within Title 15 of the San Luis Obispo Municipal Code, including disability access requirements imposed by the California Building Standards Code and the California Health & Safety Code.

ARTICLE 2. MEETINGS

1. Meetings shall be on call of the Chief Building Official on at least three days public notice given in a form acceptable to the City Clerk.
2. Meetings shall be held in the Council Chamber, City Hall, 990 Palm Street, San Luis Obispo, California, or at a location otherwise noticed.

3. In the event the Board desires to hold all or any portion of a meeting at a place other than the City Hall, then the place of such meeting shall be posted on the bulletin board located at the entrance to City Hall prior to the time herein designated for such meetings in accordance with law.

ARTICLE 3. OFFICERS

1. Officers of the Board shall be a Chairperson and a Vice Chairperson elected from the board membership.
2. The Commission shall select a Chairperson and Vice-Chairperson from among its members.
3. Election of officers is governed by section 1.H (Advisory Body Basics / Officer Election and Officer Terms); Regular elections for Advisory Body Chair and Vice Chair shall be held in April of each odd year at a regular meeting. Special elections for Chair or Vice Chair shall be held at the first meeting following the unscheduled resignation of an officer, or other reason for an officer position to become vacant.

Deleted: Offices shall be filled from appointed members by written ballot of the voting membership

Deleted: Election of officers shall be held annually at the first meeting held after April 1

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ARTICLE 4. DUTIES OF THE CHAIRPERSON

The Chairperson shall preside at all meetings of the Board. The Chairperson shall preserve order and decorum at all meetings, shall vote on all questions and announce the Board's decisions on all subjects.

ARTICLE 5. DUTIES OF VICE CHAIRPERSON

The Vice Chairperson shall act as Chairperson during the temporary absence or incapacitation of the Chairperson.

ARTICLE 6. DUTIES OF THE SECRETARY

1. In the event the Chairperson and Vice Chairperson are absent, the Secretary shall call the meeting to order and the Board shall elect one of its members to act as Chairperson pro tempore.
2. It shall be the duty of the Secretary to keep full, true and correct records of the action of the Board and provide each member of the Board with minutes of each meeting.
3. The Secretary shall transmit copies of decisions and written findings to the City Council.
4. Minutes will be submitted to the Board for approval at the next meeting.
5. The Secretary shall prepare an agenda for each meeting.

ARTICLE 7. CONDUCT OF MEETINGS

1. Board members should address questions through the Chairperson.

2. Members of the audience should address Board members or other persons present through the Chairperson.

ARTICLE 8. QUORUM

A quorum is the majority of the total number of established members of the board.

Deleted: A majority of the number of established Board members shall constitute a quorum for the transaction of business

ARTICLE 9. VOTING

1. The vote on all motions making recommendation to the City Council shall be by resolution, and a roll call vote shall be taken for the ayes and noes prior to the consideration of the next order of business. All other motions may be by voice vote.
2. Failure of any motion resolution or other action to receive three affirmative votes shall result in failure or denial of the motion, resolution or other action.

ARTICLE 10. AGENDA

In order for items and materials to be included on an agenda or to be acted upon by the committee, they must be submitted to the Secretary of the Board at least ten days prior to the date on which said request will be considered by the Board. Such request must be made in writing setting forth the following:

1. The applicable Code provision.
2. The nature of the requested change or interpretation.
3. The reasons for the change or interpretation.

ARTICLE 11. REFERRAL TO CITY COUNCIL

After the conclusion of the hearing on the request, all decisions and findings shall be made in writing to the City Council with a duplicate copy to the appellant. The Board may recommend such new legislation as may be necessary.

Deleted: February 6, 2018

F. Cultural Heritage Committee Bylaws (A)

ARTICLE 1. PURPOSE

The Cultural Heritage Committee (CHC) promotes the preservation of architectural, archaeological, historical and cultural resources in San Luis Obispo, ~~As a City Council established advisory body and a historic preservation commission of a Certified Local Government, in partnership with State of California Office of Historic Preservation and National Park Service, its roles are mandated by the City ordinance and guidelines and Certified Local Government Requirements for Certification.~~

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ARTICLE 2. COMPLIANCE WITH OTHER REQUIREMENTS

The functioning of the Cultural Heritage Committee and all of its actions and decisions shall be in compliance with the provisions of the Advisory Body Handbook and as established by Council Resolution.

ARTICLE 3. MEMBERSHIP

1. The CHC will have seven members appointed by the City Council. Members ~~shall~~ be residents and registered voters of the City. ~~However, the Council may make appointments of up to two persons with desired professional expertise in cultural resources who are residents and registered voters of the county. All members must have a demonstrated interest, competence, or knowledge in historic preservation. At least two CHC members are encouraged to be appointed from among professionals in the disciplines of history, architecture, architectural history, planning, pre-historic and historic archeology, folklore, cultural anthropology, curation, conservation, and landscape architecture or related disciplines, such as urban planning, American studies, American civilization, or cultural geography, to the extent that such professionals are available in the community. CHC membership may also include lay members.~~

Deleted: 1. Helping the public pursue cultural resource preservation projects.¶

¶
2. Sponsoring educational programs and research which improves our understanding of the community's history and archaeology.¶

¶
3. On request, commenting on the effects of public and private actions on community cultural resources.¶

¶
4. Helping with the administration of City-sponsored benefit programs.¶

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Deleted: If possible, membership of the Committee should include a person knowledgeable in local history, a person with training or experience in structural rehabilitation, a person knowledgeable in local archaeology, and a person with knowledge of architecture.

1. 2. ~~Each CHC member is required to attend at least one informational or educational meeting, seminar, workshop, or conference per year that pertains directly to the work and functions of the commission and would be approvable by the state. Commission members will arrange this in collaboration with and with the approval of the Commission's staff liaison and Community Development Department and will not be required to underwrite the expense themselves.~~

Deleted: If possible, the Committee should include one resident from each of the five Historical Preservation Districts created but the Council is not limited to this district residency requirement when making appointments.

ARTICLE 4. TERMS OF APPOINTMENT

Members shall be appointed by the City Council for an initial term of a maximum of four years and may be reappointed for additional terms, not exceeding a total of two consecutive four-year terms.

ARTICLE 5. OFFICERS

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1. ~~Officers shall consist of a Chairperson and Vice-Chairperson. Election of officers is governed by section 1.H (Advisory Body Basics / Officer Election and Officer Terms). Regular elections for Advisory Body Chair and Vice Chair shall be held in April of each odd year at a regular meeting. Special elections for Chair or Vice Chair shall be held at the first meeting following the unscheduled resignation of an officer, or other reason for an officer position to become vacant.~~

Deleted: A**Deleted:** shall be elected by the Committee at its first meeting in April for one-year terms. No person may serve in the office of Chairperson or Vice-Chairperson for more than two consecutive terms...

2. The Chairperson shall preside over all Committee meetings, vote on all matters, call special meetings, and submit an annual report to the Committee for approval and presentation to the City Council. ~~The Chairperson shall submit the annual report to the State Office of Historic Preservation.~~

Deleted: appoint all subcommittees**Deleted:** and budget

3. The Vice-Chairperson shall serve in the absence or incapacity of the Chairperson and perform such other duties as ~~normally performed by the Chair.~~

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ARTICLE 6. MEETINGS

1. The Committee shall hold a regular meeting each month. All meetings shall be open to the public. Regular meetings shall be held at 5:30 p.m. on the fourth Monday of each month in the City Council Hearing Room, City Hall, 990 Palm Street, San Luis Obispo, California.
2. ~~A quorum is the majority of the total number of established members of the committee.~~
3. All action of the Committee shall be decided by a majority vote or consensus of the quorum directed through the Chairperson.
4. Minutes of each meeting shall be forwarded to the City Council and be available as a public record.
5. The Chairperson or a quorum majority of the Committee may call a special meeting, provided that all public notice requirements are met.
6. All Committee meetings shall be conducted according to City practices, customs, and policies.

Deleted: A quorum shall consist of a majority of the established members...

Robert's Rules of Order, Newly Revised, may be used as a guideline.

7. All members present must vote, except when a member declares a conflict of interest. Any member declaring a conflict of interest shall not vote or participate in any related deliberations or action of the Committee.

ARTICLE 7. ABSENCES AND RESIGNATIONS

1. If a member fails to attend three consecutive regular meetings or a total of six regular meetings within any 12 months, the member shall automatically be considered for replacement. The Chairperson of the Committee shall inform the Council of such a situation and explain any special circumstances.

2. Committee members are responsible for notifying the Chairperson or the Secretary in advance when an absence is anticipated.
3. If a member needs to resign from the Committee, the member shall immediately direct a letter to the City Council with copies forwarded to the Committee Chairperson and City Clerk.

ARTICLE 8. SUBCOMMITTEES

Subcommittees shall be appointed, as needed. ~~Subcommittees may include non-Committee members who shall have no voting power.~~

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ARTICLE 9. AMENDMENTS

Bylaw amendments shall be submitted for Council approval by an affirmative vote of the members present at a regular meeting of the Committee, provided that such amendments shall have been discussed by the Committee on the agenda of at least two meetings prior to the vote. The members shall receive the proposed amendments at least 10 days prior to the first meeting.

G. Human Relations Commission Bylaws (A)

ARTICLE 1. PURPOSE

It is the purpose of the Human Relations Commission (HRC) to advise the Council in its actions to create an environment within the City in which all persons can enjoy equal rights and opportunities regardless of race, religion, sex, sexual orientation, national origin, age, or physical, mental or economic status. The Human Relations Commission shall make recommendations to the City Council or the City Manager on how these social concerns and human needs can best be addressed.

ARTICLE 2. MEMBERSHIP AND TERMS OF OFFICE

The HRC has seven members. Members must be residents and registered voters of the City. While there are no special qualifications for applicants, the Council usually seeks individuals with experience, or a demonstrated interest in community social issues.

Commissioners shall be appointed by the City Council for terms of four years, commencing on April 1st. Commissioners shall serve at the pleasure of the City Council. Any Commissioner may be reappointed, provided that no appointee shall serve more than two consecutive four-year terms.

ARTICLE 3. MEETINGS

1. The Commission shall hold a regular meeting at least quarterly.
2. Regular meetings will be held generally on the first Wednesday of the month at a specified time and place.
3. The Commission meetings shall be open to the public and shall be held at City Hall in the Council Hearing Room or other previously announced locations at specific times as required by California law.
4. ~~A quorum is the majority of the total number of established members of the commission.~~
5. All actions of the Commission shall be decided by a majority vote or consensus and shall be directed through the Commission Chair.
6. Minutes of each meeting shall be forwarded to the City Council and be available as a public record.
7. The Chairperson or any three members of the Commission may call a special meeting providing a week's prior notice is given in writing to each member.
8. All Commission meetings shall be conducted according to Robert's Rules of Order.

Deleted: A quorum shall consist of a majority of the established Commissioners

9. All members present must vote, except when abstaining due to a declared conflict of interest.
10. Any member with a declared conflict of interest shall not vote on or participate in any discussion of any item or in any manner attempt to influence the decision on that item.

ARTICLE 4. SUBCOMMITTEES

Subcommittees consisting of less than a quorum of the Commission shall be appointed, as needed, by the Chairperson. Study committees may include non-commission members who shall have no voting power.

ARTICLE 5. OFFICERS

1. The officers shall be a Chairperson and a Vice-Chairperson. Election of officers is governed by section 1.H (Advisory Body Basics / Officer Election and Officer Terms); Regular elections for Advisory Body Chair and Vice Chair shall be held in April of each odd year at a regular meeting. Special elections for Chair or Vice Chair shall be held at the first meeting following the unscheduled resignation of an officer, or other reason for an officer position to become vacant.
2. The Chairperson shall preside over all meetings of the Commission, assist staff in preparation of meeting agendas and perform such duties as directed by the Commission.
3. The Vice-Chairperson shall serve in the absence or incapacity of the Chairperson.

Deleted: who shall be elected at the Commission meeting in April for one-year terms

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ARTICLE 6. AMENDMENTS

Bylaw amendments shall be submitted for Council approval by an affirmative vote of the members present at a regular meeting of the Commission, provided that such amendments shall have been discussed by the Commission on the agenda of at least two meetings prior to the vote. The members shall receive the proposed amendments in writing at least ten (10) days prior to the first reading.

H. Jack House Committee Bylaws (T/SP)

ARTICLE 1. PURPOSE

The Jack House and Grounds were deeded to the City of San Luis Obispo on March 10, 1975. In accepting the deed, the City agreed to appoint a committee of seven (7) members to advise the Council on the House and Grounds. The Jack House Committee (JHC) is charged with the responsibility to advise the City Council on matters concerning: Facility use, fees and charges, capital improvements, and any other item affecting the House and Grounds.

ARTICLE 2. COMMITTEE MEMBERSHIP

The grant deed requires that persons with “special expertise” fill four (4) of the seven (7) seats on the Jack House Committee as follows:

1. A representative of the San Luis Obispo County History Center.
2. One member of the faculty, current or retired, of California Polytechnic State University College of Architecture and Environmental Design, preferably an architectural historian.
3. One member of the faculty, current or retired, of California Polytechnic State University College of Agriculture, preferably a horticulturist.
4. A member of the San Luis Obispo Parks and Recreation Commission.

The City Council has resolved that due to these special conditions and requirements, members with this special expertise may serve terms of undetermined length, the choice being left to individual Committee members.

The remaining three (3) Committee members are required to be residents and registered voters of the City of San Luis Obispo. They shall serve four-year terms, with a maximum of eight years.

The coordinator of the volunteer docent group shall serve as ex-officio (non-voting) Jack House Committee member and shall not count toward a quorum.

ARTICLE 3. MEETINGS

1. The Committee shall hold a regular meeting each month but not less than ten (10) times a year.
2. Meetings will be held at 5:30 p.m. the second Wednesday of each month.
3. The Committee meetings shall be open to the public and shall be held at the Parks and Recreation Department Office, the Jack House or any other previously announced locations at specific times as required by California law.
4. A quorum is the majority of the total number of established members of the committee.

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5. All actions of the Committee shall be decided by a majority vote or consensus and shall be directed through the Committee Chair.
6. Minutes of each meeting shall be forwarded to the City Council and be available as a public record.
7. The Chairperson or any three members of the Committee may call a special meeting provided a week's prior notice is given in writing to each member.
8. All Committee meetings shall be conducted according to Robert's Rules of Order.
9. Except for the ex-officio member (who serves as the coordinator of the volunteer docent group), all Committee members shall vote.
10. Any Committee member with a declared conflict of interest shall not vote on or participate in any discussion of any item or in any manner attempt to influence the decision on that item. The member with such conflict shall remove himself/herself from the room until such discussion has concluded.

ARTICLE 4. SUBCOMMITTEES

Subcommittees consisting of less than a quorum of the Committee shall be appointed, as needed, by the Chairperson. Subcommittees shall convene for a specific purpose, study or project and shall have a limited term, not-to-exceed 12 consecutive months. Study subcommittees may include non-Committee members who shall have no voting power.

ARTICLE 5. OFFICERS

1. The officers shall be a Chairperson and a Vice-Chairperson. Election of officers is governed by section 1.H (Advisory Body Basics / Officer Election and Officer Terms): Regular elections for Advisory Body Chair and Vice Chair shall be held in April of each odd year at a regular meeting. Special elections for Chair or Vice Chair shall be held at the first meeting following the unscheduled resignation of an officer, or other reason for an officer position to become vacant.
2. The Chairperson shall preside over all meetings of the Committee, assist in preparing all meeting agendas and perform such duties as directed by the Committee.
3. The Vice-Chairperson shall serve in the absence or incapacity of the Chairperson.

Deleted: who shall be elected at the Committee meeting in April for two-year terms.

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ARTICLE 6. STAFF

The Director of Parks and Recreation or designee is the staff liaison to the Jack House Committee. The Director may designate such other staff as is necessary to provide support to the Committee.

The Director of Public Works should designate a Public Works staff representative for both the house (building maintenance) and the garden (parks maintenance). The Committee shall receive notification if there are any changes to staff representation.

The Committee shall support volunteer opportunities via a docent program for the historic Jack House and gardens through the use of volunteers serving as tour guides of the historic home, gardens, exhibitions and special tours. The ex-officio (non-voting) Jack House Committee member shall serve as the coordinator of this volunteer group in accordance with best management practices for volunteer guides of historic sites.

ARTICLE 7. AMENDMENTS

Prior to May 1, in each odd number year, these by-laws shall be reviewed by the Committee. By-law amendments shall be submitted for Council approval by an affirmative vote of the members present at a regular meeting of the Committee, provided such amendments shall have been discussed by the Committee on the agenda of at least two meetings prior to the vote. The members shall receive the proposed amendments in writing at least ten days (10) prior to the first meeting.

I. Mass Transportation Committee Bylaws (T/SP)

ARTICLE 1. PURPOSE

The purpose of the Mass Transportation Committee (MTC) is to advise City staff and the City Council on all matters related to public transportation in San Luis Obispo (buses, trolley, and taxi).

ARTICLE 2. COMMITTEE MEMBERSHIP

The Committee has seven voting members, consisting of one Cal Poly employee designated by Cal Poly and one Cal Poly student representative designated by Associated Students, Inc. (ASI), with City Council review for acceptance; one person 62 years of age or older; one person from the business community; one person with technical transportation planning experience; one person with a disability; one member-at-large. In addition, when possible, one alternate member selected from the general public will be appointed. The Cal Poly employee representative, ASI representative, and technical planning representatives are exempt from the residency requirements. All other members must be residents and registered voters of the City.

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ARTICLE 3. TERMS OF OFFICE

Committee members will be appointed by the City Council to staggered terms of four* years. Committee members will serve at the pleasure of the City Council. *ASI appointments will be made in September for a two-year term and should be at least 1 year away from graduation. Any Committee member may be reappointed, providing no appointee serves more than eight consecutive years (two 4-year terms or four 2-year terms). A member who has served eight years can be reappointed after a one year absence from the Committee.

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ARTICLE 4. MEETINGS

1. The Committee will hold a regular meeting at least quarterly.
2. The Committee will approve an annual regular meeting schedule by June of each year.
3. The Committee meetings will be open to the public and held at the Council Hearing, unless otherwise noticed.
4. A quorum is the majority of the total number of established voting members of the committee.
5. All actions of the Committee will be decided by a majority vote or consensus and will be directed through the Committee Chair.
6. Minutes of each meeting will be available as a public record in the Public Works Department.
7. The Chairperson or any four members of the Committee may call a special meeting, provided that a week's prior notice is given in writing to each member and the meeting is otherwise properly noticed pursuant to the Brown Act.

Deleted: A quorum will consist of a majority of the established Committee members

8. All Committee meetings will be conducted in accordance with City practices, customs, and policies. Robert's Rules of Order, Newly Revised, may be used as a guideline.
9. All voting* members present must vote, except when abstaining due to a declared conflict of interest. A failure or refusal to vote when present (except for a declared conflict of interest) will be construed as an affirmative vote. (*See Article 2. and Article 4.11 concerning the Alternate Member voting rules.)
10. Any member with a declared conflict of interest will not vote or participate in any discussion of any item or in any manner attempt to influence the decision on that item.
11. The Alternate member does not count towards a quorum unless a voting member of the MTC is absent from an MTC meeting. When a voting member is absent, the Alternate member shall take the place of the voting member and then count towards quorum.

ARTICLE 5. SUBCOMMITTEES

Subcommittees consisting of less than a quorum of the Committee can be appointed as needed by the Chairperson.

ARTICLE 6. OFFICERS

1. The officers will consist of a Chairperson and Vice-Chairperson. Election of officers is governed by section 1.H (Advisory Body Basics / Officer Election and Officer Terms).: Regular elections for Advisory Body Chair and Vice Chair shall be held in April of each odd year at a regular meeting. Special elections for Chair or Vice Chair shall be held at the first meeting following the unscheduled resignation of an officer, or other reason for an officer position to become vacant.
2. The Chairperson will preside over all meetings of the Committee, prepare (with the assistance of staff) all meeting agendas and perform such duties as directed by the Committee.
3. The Vice-Chairperson will serve in the absence or incapacity of the Chairperson.

ARTICLE 7. NEW MEMBER TRANSIT PASSES

In order to assist new MTC members with their transit advocacy function, new members shall receive an initial 31 Day Transit Pass for their personal use.

ARTICLE 8. POLICIES

The Committee adopts policies as stated in the City of San Luis Obispo Advisory Body Handbook, incorporated herein by reference.

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Deleted: who will be elected at the Committee meeting in May for one-year terms that commence the first meeting of the next fiscal year.

J. Parks & Recreation Commission Bylaws (A)

ARTICLE 1. PURPOSE

The Parks & Recreation Commission (PRC) is a body of citizens appointed to advise the City's Parks & Recreation Department and the City Council on the development and operation of recreation programs and parks, and on the implementation of the Parks and Recreation Element of the City's General Plan. It also provides recommendations to the City Council and San Luis Obispo Coastal Unified School District Board of Trustees regarding those facilities which have been mutually designated as joint use facilities; and for the operation of recreational facilities, priority for use of the facilities, and development of new recreation facilities at Sinsheimer Park.

ARTICLE 2. MEMBERSHIP

1. The Parks and Recreation Commission shall consist of seven members.
2. Members are appointed by the City Council for a term of four years. Members are eligible for reappointment for an additional four-year term. Members are subject to a term limit of eight years, or two consecutive four-year terms.

ARTICLE 3. MEETINGS

1. Regular meetings of the Parks & Recreation Commission shall be held on the first Wednesday of each month at 5:30 p.m., except during the annual tour of the City's parks and facilities.
2. Meetings will be held in the Council Chamber, City Hall, 990 Palm Street, San Luis Obispo, California. In the event that the Parks & Recreation Commission chooses to hold all or any portion of a regular meeting other than at City Hall, then the place of such meeting shall be posted at least 72 hours in advance at the Parks & Recreation Department office, 1341 Nipomo Street, San Luis Obispo, California and on the bulletin board located at the entrance to the City Hall prior to the established meeting time.

ARTICLE 4. ELECTION OF OFFICERS

1. ~~Officers shall consist of a Chair and Vice Chair from among the commission membership. Election of officers is governed by section 1.H (Advisory Body Basics / Officer Election and Officer Terms). Regular elections for Advisory Body Chair and Vice Chair shall be held in April of each odd year at a regular meeting. Special elections for Chair or Vice Chair shall be held at the first meeting following the unscheduled resignation of an officer, or other reason for an officer position to become vacant.~~
2. Commissioners shall serve as Chair or Vice Chair at the discretion of the Commission.
3. The Chair shall preside at all meetings of the Parks & Recreation Commission. The Vice Chair will act as the Chair in the absence of the Chair or in case of the inability of the Chair to act.

Deleted: In April of each year, the Parks & Recreation Commission shall select

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4. In the event that the Chair and Vice Chair are unavailable to attend to their duties, the assembled members shall determine a Chair Pro Tempore.

Deleted: 5. No person shall serve as Chair or Vice Chair for more than three consecutive terms.

ARTICLE 5. CONDUCT OF MEETINGS

All meetings will be conducted in accordance with City practices, customs, and policies. Robert's Rules of Order, Newly Revised shall be utilized as a guide in the conduct of meetings.

ARTICLE 6. QUORUM

A quorum is the majority of the total number of established members of the commission.

Deleted: Four members of the Parks & Recreation Commission shall constitute a quorum for the purposes of conducting business

ARTICLE 7. VOTING

1. Except as otherwise provided in the San Luis Obispo Municipal Code and state law, no resolution, motion or other action shall be passed or become effective without receiving the affirmative vote of at least a majority of the members present.
2. Failure to receive such an affirmative vote shall result in failure or denial, as appropriate, of the motion, resolution or other action.
3. Except as allowed under the Political Reform Act of 1974, as amended, any member abstaining due to a declared conflict of interest shall not participate in the discussion of the items or otherwise influence or attempt to influence in any manner the decision on the item.
4. All members, when present, must vote except when abstaining due to a declared conflict of interest.
5. Failure or refusal to vote when present—except for a declared conflict of interest—shall be counted as an affirmative vote.

ARTICLE 8. PUBLIC RECORDS

Records of all public hearings shall be made available to the public in the offices of the Parks & Recreation Department.

ARTICLE 9. ATTENDANCE

Any member of the Parks & Recreation Commission who fails, for any reason, to attend three consecutive regular meetings or a total of six regular meetings within any twelve month period shall be automatically be considered for replacement by the City Council. The Chairperson of the Parks & Recreation Commission shall inform the Council of such a situation, explaining any special circumstances.

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ARTICLE 10. COMMITTEES

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1. A member of the Parks & Recreation Commission shall represent the Commission and sit as a voting member on the Jack House Committee.
2. Additional committee assignments shall be made as deemed necessary by the Chair.
3. Committee assignments will be made in April of each year.

Deleted: following City advisory bodies:**Deleted:** and Tree Committee

ARTICLE 11. AMENDMENTS

1. These bylaws may be recommended for amendment by the majority vote of the Commission members present at a regular meeting, provided that a quorum is present. Members shall receive the proposed amendments at least seven days prior to the meeting in which the amendment is proposed.
2. Prior to May 1 in each odd-numbered year, these bylaws shall be reviewed by the Commission. Any proposed changes shall be submitted to the City Council for approval. If no changes are proposed, a report of the review shall be submitted.

K. Personnel Board Bylaws (A)

ARTICLE 1. PURPOSE

It is the purpose of the Personnel Board (PB) to hear employee appeals of disciplinary action, to review employee grievances, and to hear issues of Council censure. The Board shall then make advisory recommendations to the City Council. The Personnel Board shall also perform other duties pertaining to personnel management as directed by the City Council.

ARTICLE 2. MEMBERSHIP AND TERMS OF OFFICE

Five members of the Personnel Board shall be appointed by the City Council and shall serve for terms of four years. Members must be residents and registered voters of the City.

1. Appointments will be made in a staggered every-other-year pattern, such that two members' terms will expire during a given year and the terms of the other three members will expire two years later.
2. Any vacancies on the Personnel Board shall be filled for the unexpired term of the person replaced.
3. Members shall be appointed for no more than two consecutive terms (eight years).

ARTICLE 3. OFFICERS

1. The officers shall be a Chairperson and a Vice-Chairperson. Election of officers is governed by section 1.H (Advisory Body Basics / Officer Election and Officer Terms); Regular elections for Advisory Body Chair and Vice Chair shall be held in April of each odd year at a regular meeting. Special elections for Chair or Vice Chair shall be held at the first meeting following the unscheduled resignation of an officer, or other reason for an officer position to become vacant.
2. The Chairperson shall preside over all meetings of the Personnel Board, subpoena witnesses and require the production of books, papers and any other materials pertinent to the investigation or hearing.
3. The Vice-Chairperson shall serve in the absence of the Chairperson.
4. The Director of Human Resources or his or her designee shall serve as recording secretary, keeping record of all meetings, and shall issue all necessary notices, copies of agendas, minutes and copies of necessary documents.

Deleted: who shall be elected at the first meeting of alternate calendar years to serve two-year terms.

ARTICLE 4. MEETINGS

1. The Personnel Board shall meet as needed.
2. A quorum is the majority of the total number of established members of the board.
However, for the purpose of a hearing on appeal of a disciplinary action, no Board member may vote on a decision if absent from part of a hearing, unless such member certifies that he/she listened to a recording of or read the transcript of the missed portion of the hearing.
3. Pursuant to Personnel Exception of the Brown Act (Government Code Section 54957), a meeting may be closed to the public at the request of any appellant when the pending issue deals with a particular employee.
4. The Chairperson or the legal advisor to the Board shall administer oaths to all witnesses appearing before the Board. Any regular officer or employee of the City who fails to take the oath or fails to testify truthfully under oath at a hearing shall be subject to disciplinary action.
5. All grievance and disciplinary appeal hearings shall be recorded.
6. At the request of the appellant, a court reporter shall be used. The cost of the court reporter shall be paid as agreed upon by both sides.
7. All actions of the Board shall be decided by majority vote, and shall be directed through the Board Chairperson.
8. The Board may meet with its legal advisor, as needed and outside the presence of any other persons, to receive opinions and advice.
9. The Board may direct the parties to submit hearing briefs outlining the facts and arguments to be presented prior to any hearing. The Chairperson shall establish a schedule for submission of the hearing briefs.
10. Personnel Board members are expected to serve in an objective manner when reviewing disciplinary appeal matters or matters of Council censure. If a member has a personal relationship that hinders them from remaining objective, therefore presenting due process concerns, they should state the relationship on the record and recuse themselves from the decision. To ensure compliance, the Chair shall ask each member at the beginning of proceedings, if they are able to be objective (whether that was due to a personal relationship, what they had read in the newspaper about the situation, etc.)

Deleted: Three members of the Board shall constitute a quorum for the transaction of business

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ARTICLE 5. AMENDMENTS

At such time as these bylaws need to be amended, the Director of Human Resources shall meet with the Board and determine an appropriate procedure for making such amendment(s).

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L. Planning Commission Bylaws (A)

MEMBERSHIP

The Planning Commission (PC) has seven members who are not necessarily planning professionals. Members must be residents and registered voters of the City. No special training is required for appointment. Members occasionally may be requested to attend seminars and workshops to enhance skills in planning.

PURPOSE

The Planning Commission's purview is to make recommendations to the City Council for the City's development, as set forth in San Luis Obispo Municipal Code §2.12.040. To carry out this responsibility the commission will:

Deleted: basic responsibility

1. Prepare and recommend a general plan and appropriate attachments; and
2. Prepare and recommend appropriate specific plans; and
3. Review the City's capital improvement program annually; and
4. Perform authorized duties related to development review; and
5. Perform such other duties required by the Council or by State or City laws.

ARTICLE 1. MEETINGS

1. Regular meetings shall be held at 6:00 p.m. on the second and fourth Wednesday of each month.
2. No agenda item shall be introduced after 10:00 p.m. without the consent of a majority of Commissioners present.
3. Regular meetings shall be held in the Council Chamber, City Hall, 990 Palm Street, San Luis Obispo, California.
4. In the event the Planning Commission desires to hold all or any portion of a regular meeting at a place other than the City Hall, then the place of such meeting shall be posted on the bulletin board located at the entrance to City Hall prior to the time herein designated for such regular meetings in accordance with law.

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ARTICLE 2. ELECTION OF OFFICERS

1. The Commission shall select a Chairperson and Vice-Chairperson from among its members. Election of officers is governed by section 1.H (Advisory Body Basics / Officer Election and Officer Terms): Regular elections for Advisory Body Chair and Vice Chair shall be held in April of each odd year at a regular meeting. Special elections for Chair or Vice Chair shall be held at the first meeting following the unscheduled resignation of an officer, or other reason for an officer position to become vacant.
2. Commissioners shall serve as Chairperson or Vice-Chairperson at the discretion of the Commission.
3. The Chairperson shall preside at all meetings of the Commission. The Vice-Chairperson is Chairperson in the absence of the Chairperson or in case of inability of the Chairperson to act.

Deleted: to serve for a one-year term beginning the first meeting in April of each year.

4. -----

Deleted: No person shall serve as Chairperson or Vice-Chairperson for more than two consecutive terms.

ARTICLE 3. CONDUCT OF MEETINGS

1. Commissioners should address questions through the Chairperson.
2. Members of the audience should address Commissioners or other persons present through the Chairperson.
3. Procedure for reviewing public hearing items:

After roll call the Chairperson shall announce to the public the procedures to be followed to consider the public hearing items and then proceed as follows:

- a. The Chairperson shall introduce the items and ask for oral staff reports.
- b. The staff report precisely submitted to the Planning Commission shall be placed into the record with all communications received regarding the proposal. Staff reports shall be submitted for all public hearing items in a form acceptable to the commission.
- c. The applicant shall be invited to make a presentation on behalf of the request.
- d. Members of the public wishing to speak in favor or in opposition of the application shall be invited to make a presentation.
- e. The applicant shall have the opportunity at the end of the public hearing to address comments made by the public and address any further commission questions.
- f. The public hearing shall be closed to the public and discussion confined to members of the Commission; provided that the Commission may reopen the public hearing

at any time prior to a decision on an item on an affirmative vote of the majority of those members present.

- g. The Commission, upon formal motion, shall take action to dispose of the proposal. The Chairperson shall announce the vote and thereafter, inform the applicant and public of the right of appeal and procedures for filing such appeal.

ARTICLE 4. QUORUM

A quorum is the majority of the total number of established members of the commission.

Deleted: Four members of the Planning Commission constitute a quorum for transacting business

ARTICLE 5. VOTING

1. Except as otherwise provided in the San Luis Obispo Municipal Code and state law, no resolution, motion or any other action shall be passed or become effective without receiving the affirmative vote of at least a majority of members present.
2. Failure to receive such an affirmative vote shall result in failure or denial, as appropriate, of the motion, resolution or other action.
3. Except as allowed under the Political Reform Act of 1974, any member abstaining due to a declared conflict of interest shall not participate in the discussion of the items or otherwise influence or attempt to influence in any manner the decision on the item.
4. All members, when present, must vote except when abstaining due to a declared conflict of interest.
5. Failure or refusal to vote when present—except for a declared conflict of interest— shall be counted as an affirmative vote.

ARTICLE 6. PUBLIC RECORDS

Records of all public hearings shall be made available to the public in the office of the Community Development Department.

ARTICLE 7. ATTENDANCE

Any member of the Planning Commission who fails, for any reason, to attend three consecutive regular, adjourned regular, or specially-scheduled (excluding Commission site visits) meetings, or a total of six such commission meetings within any 12-month period, shall be automatically considered by the City Council for removal from office. The Chairperson shall inform the Council of such situation, explaining any special circumstances.

ARTICLE 8. POLICY

All matters of policy not covered by law may be adopted as a “Resolution of Policy” and when so adopted shall be considered the official policy of the Planning Commission subject to ratification of the City Council.

Insert new adoption date.

Deleted: February 6, 2018

Insert new adoption date.

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COMPENSATION

The City Council has approved a stipend of \$~~70~~ per meeting (not to exceed \$~~280~~ monthly) for each member of the Planning Commission (Resolution No. ~~10887~~ [2018 Series]).

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M. Promotional Coordinating Committee Bylaws (A)

ARTICLE 1. PURPOSE

The Promotional Coordinating Committee (PCC) advises the Council in working to improve the quality of life for all City residents and our visitors. The Committee recommends projects to help promote the City as a regional trade, recreation, and tourist center, consistent with community goals.

ARTICLE 2. MEMBERSHIP

The PCC shall consist of seven members appointed by the Council. Six of the members shall be residents of the City of San Luis Obispo. The seventh member shall be the Chair of the Tourism Business Improvement District (TBID) Board or another member of the TBID board as appointed by the TBID Board. Committee members shall be appointed for a term of four years, commencing on April 1st or other date as directed by the Council. No Committee member shall serve more than two consecutive terms (eight years) on the PCC. Any Committee member who has been appointed to fill a vacant seat in mid-term shall not be precluded from thereafter serving two four-year terms (eight years), so long as the initial, partial term is less than one year. The representative from the TBID Board shall serve a term concurrent with his/her term as the Chairperson of the TBID Board.

ARTICLE 3. OFFICERS

The officers shall be a Chairperson and a Vice Chairperson. Election of officers is governed by section 1.H (Advisory Body Basics / Officer Election and Officer Terms).; Regular elections for Advisory Body Chair and Vice Chair shall be held in April of each odd year at a regular meeting. Special elections for Chair or Vice Chair shall be held at the first meeting following the unscheduled resignation of an officer, or other reason for an officer position to become vacant.

The Chairperson shall preside over all meetings of the PCC, prepare all meeting agendas with staff, and otherwise perform such duties as directed by the PCC or Council.

The Vice Chairperson shall serve in the absence or incapacity of the Chairperson.

ARTICLE 4. MEETINGS

1. The PCC shall hold a regular meeting each month, but no fewer than ten times per year.
2. The meetings are to be held at City Hall, the second Wednesday of each month, unless another location and/or time has been announced as required by California law.
3. The meetings shall be open to the public.
4. A quorum is the majority of the total number of established members of the committee.
5. All actions of the PCC shall be by a majority vote or consensus and shall be directed through the Chairperson.

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Deleted: each of whom shall be elected for a one-year term at the March meeting of the PCC for the term starting in April. No Committee member shall serve more than two consecutive one-year terms as Chairperson or Vice Chairperson. Any Committee member who has been appointed to fill a vacant seat as Chairperson or Vice Chairperson in mid-term shall not be precluded from thereafter serving as Chairperson or Vice Chairperson for two consecutive one-year terms, so long as the initial, partial term is less than six months....

Deleted: A quorum shall consist of a majority of the Committee member currently serving on the PCC

6. Minutes of each meeting shall be taken and forwarded to the Council and shall be -available as a public record.
7. A special meeting may be called at any time by the Chairperson or by a majority of the Committee members currently serving on the PCC, provided each member is given written notice of the special meeting at least 24 hours prior to the meeting, and the time and place of the special meeting is announced as required by California Law.
8. All meetings shall be conducted in general accordance with Robert's Rules of Order, newly revised edition, subject to minor variation by the Chair as appropriate to the needs of the advisory body.
9. All Committee members present at a meeting shall vote on any motion or resolution brought before the PCC, except when abstaining due to a conflict of interest.
10. Any Committee member with a conflict of interest shall not vote on or participate in any discussion of an item or in any way attempt to influence the decision on such item.
11. Any member who fails to attend three regular meetings within any twelve-month period may be automatically considered for replacement at the discretion of the Committee.

ARTICLE 5. SUBCOMMITTEES

Subcommittees shall be appointed, as needed, by the Chairperson. ~~The Grants-in-Aid subcommittees is the only standing subcommittee.~~ The subcommittee members will serve for a ~~two~~-year term. After two years they will automatically rotate to the other standing subcommittee.

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ARTICLE 6. FUNCTIONS AND DUTIES

The functions and duties of the PCC shall include, but not be limited to, the following:

1. Planning a comprehensive program to promote the City of San Luis Obispo consistent with City goals and objectives.
2. Develop promotional programs and projects for the City of San Luis Obispo.
3. Hear requests for financial aid from cultural and promotional groups seeking grants from the City of San Luis Obispo and make recommendations to the Council thereon.
4. Present an annual assessment report to the City Council regarding the Promotional Coordinating Committee's Grants-in-Aid program and other programs as appropriate.

5. Initiate and support community activities that are meaningful to residents and visitors of the City of San Luis Obispo.
6. Provide a liaison to Grant-In-Aid recipients who work to promote the quality of life for residents and visitors of the City of San Luis Obispo.
7. Perform any other lawful tasks as directed by the Council.

ARTICLE 7. AMENDMENTS

These bylaws may be amended by the Council, upon the recommendations of two-thirds of the Committee members currently serving on the PCC, provided that the text of any such proposed amendment shall have first been provided in writing to each Committee member.

N. Tourism Business Improvement District Board Bylaws (T/SP)

ARTICLE 1. PURPOSE

The Tourism Business Improvement District Board (TBID Board) advises the Council in the administration and use of the TBID assessment funds. The Board recommends projects to promote tourism to the City of San Luis Obispo to directly benefit the City's lodging industry.

ARTICLE 2. MEMBERSHIP

The TBID Board shall consist of seven members from the San Luis Obispo City lodging industry as appointed by the Council. Because of the diversity among assessment district members represented by the Board, including local, regional and national lodging industry interests, it is neither practical nor advisable to limit Board membership to City residents. Accordingly, membership on the TBID Board shall be exempt from residency requirements otherwise applicable to City Advisory bodies.

Board members shall be appointed for a term of four years, commencing on April 1st or any other date as directed by the Council. No Board member shall serve more than two consecutive terms (eight years) on the TBID Board. Any Board member who has been appointed to fill a vacant seat in mid-term shall not be precluded from thereafter serving two four-year terms (eight years), so long as the initial, partial term is less than one year.

One member of the TBID Board shall be appointed by the Board to the Promotional Coordinating Committee for a term concurrent with his/her TBID Board term. In the event no member of the Board can serve on both Boards, the responsibility will fall to the Chair.

ARTICLE 3. OFFICERS

The officers shall be a Chairperson and a Vice Chairperson. Election of officers is governed by section 1.H (Advisory Body Basics / Officer Election and Officer Terms); Regular elections for Advisory Body Chair and Vice Chair shall be held in April of each odd year at a regular meeting. Special elections for Chair or Vice Chair shall be held at the first meeting following the unscheduled resignation of an officer, or other reason for an officer position to become vacant.

The Chairperson shall preside over all meetings of the TBID Board, prepare all meeting agendas with staff, and otherwise perform such duties as directed by the TBID Board or Council.

The immediate Past Chairperson shall automatically serve as the Vice Chairperson in order to give support to the incoming Chairperson and guarantee continuity and stability for the board proceedings during the absence of the Chairperson. The Vice Chairperson shall serve in the absence or incapacity of the Chairperson.

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Deleted: each of whom shall be elected for a one-year term at the March meeting of the TBID Board for a term starting in April. No Board member shall serve more than two consecutive one-year terms as Chairperson or Vice Chairperson. Any Board member who has been appointed to fill a vacant seat as Chairperson or Vice Chairperson in mid-term shall not be precluded from thereafter serving as Chairperson or Vice Chairperson for two consecutive one-year terms, so long as the initial, partial term is less than six months.

ARTICLE 4. MEETINGS

1. The TBID Board shall hold a regular meeting each month and no fewer than ten times per year.
2. The meetings are to be held in the Council Hearing Room, City Hall, 990 Palm Street, San Luis Obispo, California the second Wednesday of each month, unless another location and/or time has been announced as required by California law.
3. The meetings shall be open to the public.
4. ~~A quorum is the majority of the total number of established members of the board.~~
5. All actions of the TBID Board shall be by a majority vote or consensus and shall be directed through the Chairperson.
6. Minutes of each meeting shall be taken, shall be available as a public record and forwarded to the Council if requested.
7. A special meeting may be called at any time by the Chairperson or by a majority of the Board members currently serving on the TBID Board, provided each member is given written notice of the special meeting at least 24 hours prior to the meeting, and the time and place of the special meeting is announced as required by California Law.
8. All meetings shall be conducted in general accordance with Robert's Rules of Order, newly revised edition, subject to minor variation by the Chair as appropriate to the needs of the advisory body.
9. All Board members present at a meeting shall vote on any motion or resolution brought before the TBID Board, except when abstaining due to a conflict of interest.
10. Any Board member with a conflict of interest shall not vote on or participate in any discussion of an item or in any way attempt to influence the decision on such item.
11. Any failure to attend three consecutive meetings or a total of six regular meetings within any twelve-month period shall result in that member being automatically considered for replacement.

Deleted: A quorum shall consist of a majority of the members currently serving on the TBID Board

ARTICLE 5. FUNCTIONS AND DUTIES

The functions and duties of the TBID Board shall include, but not be limited to, the following:

1. Plan a comprehensive program to promote tourism to the City of San Luis Obispo and prepare an annual marketing program consistent with industry goals and objectives.
2. Develop advertising and promotional programs and projects to benefit the lodging industry in San Luis Obispo.
3. Present an annual assessment report to the City Council regarding the implemented promotional programs and projects.
4. Perform any other lawful tasks as directed by the Council.

ARTICLE 6. AMENDMENTS

These bylaws may be amended by the Council, upon the recommendations of two-thirds of the members currently serving on the TBID Board, provided that the text of any such proposed amendment shall have first been provided in writing to each Board member.

ARTICLE 7. FUND RESERVE POLICY

The purpose of the Fund Reserve policy for the TBID is to ensure stability of the program under economic uncertainties. For the TBID Fund the level of the reserve has been established at \$100,000. Under this policy, it is allowable for total expenditures to exceed revenues in a given year; however, the fund reserve can only be used to fund "one-time," non-recurring expenditures upon TBID Board approval. In the instance funds are used, the reserve fund would be replenished to the established level in the next fiscal year.

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O. Tree Committee Bylaws (T/SP)

ARTICLE 1. PURPOSE

The purpose of the Tree Committee (TC) is to advise City staff and the City Council on all matters related to trees in San Luis Obispo.

ARTICLE 2. COMMITTEE MEMBERSHIP

The Tree Committee shall have seven members and shall consist of one representative from the Architectural Review Commission, and six members from the general public (two of whom shall be a horticultural expert, if possible). Members must be residents and registered voters of the City.

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ARTICLE 3. TERMS OF OFFICE

Committee members will be appointed by the City Council to staggered terms of four years, commencing April 1. Committee members will serve at the pleasure of the City Council. Any Committee member may be reappointed, provided no appointee serves more than two consecutive terms (eight years).

ARTICLE 4. MEETINGS

1. The Committee will hold a regular meeting each month.
2. Regular meetings will be held at 5:30 pm the fourth Monday of each month.
3. The Committee meetings will be duly advertised according to the Ralph M. Brown Act, and open to the public and held at the City's Corporation Yard, located at 25 Prado Road in Conference Room A, San Luis Obispo, California or other previously announced locations at specific times as required by California law.
4. A quorum is the majority of the total number of established members of the committee.
5. All actions of the Committee will be decided by a majority vote or consensus and will be directed through the Committee Chair.
6. Minutes of each meeting will be available as a public record in the Public Works Department.
7. The Chairperson or any four members of the Committee may call a special meeting provided that a week's prior notice is given in writing to each member and the meeting is otherwise properly noticed pursuant to the Brown Act.
8. All Committee meetings will be conducted in accordance with City Practices, customs, and policies. Robert's Rules of Order, Newly Revised, shall be utilized as a guide in the conduct of meetings.

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9. All members present must vote, except when ~~recusing~~ due to a declared ~~financial~~ conflict of interest.

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A failure or refusal to vote when present (except for a declared conflict of interest) will be construed as an affirmative vote.

10. Any member with a declared conflict of interest will not vote or participate in any discussion of any item or in any manner attempt to influence the decision on that item.

ARTICLE 5. SUBCOMMITTEES

Subcommittees consisting of less than a quorum of the Committee can be appointed as needed by the Chairperson.

ARTICLE 6. OFFICERS

1. The officers will consist of a Chairperson and Vice-Chairperson. Election of officers is governed by section 1.H (Advisory Body Basics / Officer Election and Officer Terms). ∴ Regular elections for Advisory Body Chair and Vice Chair shall be held in April of each odd year at a regular meeting. Special elections for Chair or Vice Chair shall be held at the first meeting following the unscheduled resignation of an officer, or other reason for an officer position to become vacant.
2. The Chairperson will preside over all meetings of the Committee, prepare (with the assistance of staff) all meeting agendas and perform such duties as directed by the Committee.
3. The Vice-Chairperson will serve in the absence or incapacity of the Chairperson.

Deleted: who will be elected at the Committee meeting in April for one year terms

ARTICLE 7. POLICIES

The Committee adopts policies as stated in the City of San Luis Obispo Advisory Body Handbook, incorporated herein by reference.

Section 7. Other Service Opportunities

There are several additional opportunities for San Luis Obispo residents to serve on City or Regional bodies with appointment by the City Council. Recruitment for these bodies is conducted concurrently with the City Council Advisory body annual recruitment and follow the same policies and procedures. Bylaws for these bodies are held outside the City or outside this document. Brief descriptions of these opportunities follow:

- Investment Oversight Committee (IOC). This is a *City committee* with one citizen seat appointed by City Council. 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 to the City Treasurer (Finance Director regarding investment management practices.)

The following are opportunities for San Luis Obispo residents to serve on *regional bodies*:

- Central Coast Commission for Senior Citizens, Area Agency on Aging (AAA): This is a non-profit organization responsible for allocating federal and state dollars to local agencies to ensure that supportive, nutrition and health promotion services are available to older adults in San Luis Obispo and Santa Barbara Counties. There are twelve members on the Board, six appointed from each County. The City of San Luis Obispo has one representative seat on the Board. Term lengths are two-years running July 1 through June 30. There are no term number limitations. Additional information may be found on their website: www.centralcoastseniors.org
- Citizens Transportation Advisory Committee (CTAC): This committee provides citizen review on existing county transportation related issues and affairs, and develops recommendations on transportation policies and implementation to San Luis Obispo Council of Governments (SLOCOG) staff and Board.k There are fifteen members on the committee with one appointed by the San Luis Obispo City Council. Terms are not limited by the bylaws and therefore the City Council reviews the appointment every four years as is consistent with City Advisory Body bylaws.
- Zone 9: The San Luis Obispo County Flood Control and Water Conservation District (Zone 9) Advisory Committee was formed to assist the San Luis Obispo County Board of Supervisors on policy decisions relating to Zone 9. The Advisory Committee assists in determining the needs, desires, and financial capabilities of property owners in Zone 9. The Advisory Committee also recommends specific programs to alleviate and control flood damage, with recognition of the ecological and aesthetic values of the programs. The City Council appoints one regular citizen member and one alternate member to this board, as well as one City staff and alternate City staff. Terms are for four years with no limitation on the number of consecutive terms. Terms begin January 1 and go through December 31.

Appendix A. Mission Statement

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.

Appendix B. Organizational Values

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.



ACTIVE TRANSPORTATION COMMITTEE

Minutes

Thursday, January 16, 2020
Regular Meeting of the Active Transportation Committee

CALL TO ORDER

A Regular Meeting of the San Luis Obispo Active Transportation Committee was called to order on Thursday, January 16, 2020 at 6:00 p.m. in the Council Hearing Room, located at 990 Palm Street, San Luis Obispo, California, by Chair Roberts.

ROLL CALL

Present: Committee Members Thomas Arndt, Lea Brooks (vice chair), Donette Dunaway, Timothy Jouet, Briana Martenies, and Jonathan Roberts (chair)

Absent: Jenna Espinosa

Staff: Active Transportation Manager Adam Fukushima, and Recording Secretary Lareina Gamboa

PUBLIC COMMENT ITEMS NOT ON THE AGENDA

Garrett Otto

--End of Public Comment--

APPROVAL OF MINUTES

1. Review Minutes of the Active Transportation Committee Meeting of November 21, 2019:

ACTION: UPON MOTION BY COMMITTEE MEMBER BROOKS, SECONDED BY COMMITTEE MEMBER JOUET, CARRIED 6-0-1 (COMMITTEE MEMBER ESPINOSA ABSENT), to approve the Minutes of the Active Transportation Committee Meeting of November 21, 2019, as presented.

2. Review Minutes of the Active Transportation Committee Meeting of December 10, 2019:

ACTION: UPON MOTION BY COMMITTEE MEMBER BROOKS, SECONDED BY COMMITTEE MEMBER DUNAWAY, CARRIED 6-0-1 (COMMITTEE MEMBER ESPINOSA ABSENT), to approve the Minutes of the Active Transportation Committee Meeting of December 10, 2019, with the correction to Public Commenter name Jamie "Woolf".

Public Comment

None.

--End of Public Comment--

DISCUSSION ITEM

3. Committee Bylaws

Active Transportation Manager Fukushima and the Committee discussed and reviewed the advisory body bylaws.

Public Comment

Myron Amerine
David Figueroa
Rob Moore
Kylie Clark
Mark Borges
Garrett Otto

--End of Public Comment--

No action was taken on this item.

PRESENTATION ITEM

4. Quick-Build Strategies

Bike SLO County Board Member, Garrett Otto, gave a PowerPoint presentation and responded to committee inquiries in regards to considering the possibility of quick-build strategies within the city.

Public Comment

Karen Aydelott

--End of Public Comment--

No action was taken on this item.

DISCUSSION ITEM

5. Active Transportation Plan Bicycle Policies

Active Transportation Manager Adam Fukushima provided a PowerPoint Presentation and responded to committee inquiries in regards to bicycle policies for the Active Transportation Committee.

Public Comment

Myron Amerine
Garrett Otto

Jesse Englert
David Figueroa

--End of Public Comment--

No action was taken on this item.

COMMENT AND DISCUSSION

6. Committee Member Updates

None.

7. Staff Updates

- a. Railroad Safety Trail**
- b. Ferrini/Foothill Crossing**
- c. Agenda Forecast**

ADJOURNMENT

The meeting was adjourned at 8:10 p.m. The next Regular Active Transportation Committee meeting is scheduled for Thursday, March 19, 2020 at 6:00 p.m., in the Council Hearing Room, 990 Palm Street, San Luis Obispo, California.

APPROVED BY THE ACTIVE TRANSPORTATION COMMITTEE: 06/11/2020



ADMINISTRATIVE REVIEW BOARD

Minutes

Tuesday, November 12, 2019
Regular Meeting of the Administrative Review Board

CALL TO ORDER

A Regular Meeting of the San Luis Obispo Administrative Review Board was called to order on Tuesday, November 12, 2019 at 3:05 p.m. in the Council Hearing Room, located at 990 Palm Street, San Luis Obispo, California, by Chair Conaway.

ROLL CALL

Present: Board Member Alex Karlin and Chair Earl Conaway

Absent: None

Staff: Kelly White, Legal Assistant/Paralegal (as Board Liaison and Recording Secretary)
Kevin Christian, Deputy City Clerk

PUBLIC COMMENT ITEMS NOT ON THE AGENDA

None

--End of Public Comment--

APPROVAL OF MINUTES

- 1. Consideration of Minutes of the Special Administrative Review Board Meeting of November 5, 2018:**

Public Comment

None

--End of Public Comment--

ACTION: UPON MOTION BY BOARD MEMBER KARLIN, SECONDED BY CHAIR CONAWAY, CARRIED 2-0-0, APPROVAL of the Minutes of the Special Administrative Review Board Meeting of November 5, 2018, as presented.

BUSINESS ITEMS

2. Election of Officers:

The Board identified the two officer positions: Chair and Vice Chair.

Public Comment

None

--End of Public Comment--

ACTION: UPON MOTION BY BOARD MEMBER KARLIN, SECONDED BY CHAIR CONAWAY, CARRIED 2-0-0 to keep Conaway as Chair of the Board and elect Karlin as Vice Chair.

3. Review of the Bylaws of the Administrative Review Board:

The Board discussed the changes recommended in the staff report, and a verbal suggestion to stagger the terms of members of the Board while simultaneously making each term three years long.

Public Comment

None

--End of Public Comment--

ACTION: UPON MOTION BY BOARD MEMBER KARLIN, BY VOICE VOTE, CARRIED 2-0-0 to recommend the changes as presented in the staff report and also, by language approved by the City Attorney, to implement a staggering of appointments for the three members of the Board and change the length of each appointment to three years.

ADJOURNMENT

The meeting was adjourned at 3:15 p.m. The next Regular Administrative Review Board meeting is scheduled for December 10, 2019 at 3:00 p.m., in the Council Hearing Room, 990 Palm Street, San Luis Obispo, California.

APPROVED BY THE ADMINISTRATIVE REVIEW BOARD: 1/7/2021



Minutes

ARCHITECTURAL REVIEW COMMISSION

Monday, December 16, 2019 Regular Meeting of the Architectural Review Commission

CALL TO ORDER

A Regular Meeting of the Architectural Review Commission was called to order on Monday, December 16, 2019 at 5:03 p.m. in the Council Hearing Room, located at 990 Palm Street, San Luis Obispo, California, by Vice Chair Amy Nemcik.

ROLL CALL

Present: Commissioners Richard Beller, Mandi Pickens, Micah Smith, Christie Withers, Vice-Chair Amy Nemcik

Absent: Commissioner Michael DeMartini and Chair Allen Root (*arrived at 5:06 p.m.*)

Staff: Senior Planner Shawna Scott, City Clerk Teresa Purrington and Deputy City Clerk Megan Wilbanks

PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

None

--End of Public Comment--

PRESENTATION

1. Annual Review of the Architecture Review Commission Bylaws

City Clerk Teresa Purrington presented the Architectural Review Commission Bylaws, last adopted February 6, 2018, and responded to Commissioner inquiries.

ACTION: MOTION BY COMMISSIONER WITHERS, SECOND BY COMMISSIONER PICKENS, CARRIED 4-2-1 (Chair Root and Vice Chair Nemcik dissenting, Commissioner DeMartini absent) to forward the following recommendations to City Council for approval:

- **CONDUCT OF MEETINGS, Section 3c:** The applicant and/or applicant's representative shall be provided 10-minutes total to make a presentation on behalf of the request at the beginning of public comment.
- **COMPENSATION:** The City Council has approved a stipend of \$70 per meeting (not to exceed \$280 monthly) for each member of the ARC (Resolution No. 10887 [2018 Series]).

APPROVAL OF MINUTES

2. Consideration of Minutes of the Regular Architectural Review Commission Meeting of November 18, 2019.

ACTION: MOTION BY COMMISSIONER PICKENS, SECOND BY COMMISSIONER SMITH, CARRIED 6-0-1 (Commissioner DeMartini absent) to approve the minutes of the Regular Architectural Review Commission meeting of November 18, 2019 as presented.

PUBLIC HEARINGS

Commissioner Smith recused himself from Item 3 due to the close proximity of his business to the project site. Commissioner Smith left the room at 5:24 p.m.

3. Project Address: 1034 Mill Street; Case #: ARCH-0551-2019; Zone: O; Brian Rolph with Familiar Forms Inc., owner/applicant. Review of five new residential dwellings within three 3-story buildings on two lots. The project is categorically exempt from environmental review (CEQA).

Associate Planner Walter Oetzell presented the staff report and responded to Commissioner inquiries.

Applicant representative John Rolph responded to Commissioner inquiries.

Public Comments:

None

--End of Public Comment--

ACTION: MOTION BY COMMISSIONER BELLER, SECOND BY COMMISSIONER WITHERS, CARRIED 5-0-1-1 (Commissioner Smith recused and Commissioner DeMartini absent) to continue the item to a date uncertain with the following recommendations to the applicant:

- Provide additional articulation to relieve the blank walls that have no breaks, particularly those on Buildings A & B, with attention to:
 - The elevation adjacent to neighboring single-family dwelling (to the west)
 - Visible portions of the building elevation adjacent to the office building parking lot (to the east)
- Provide additional articulation to the two-story building elements at either side of the entry to the common driveway

Commissioner Smith rejoined the meeting at 6:04 p.m.

4. **Project Address: 3720 Broad Street; Case #: ARCH-0641-2019; Zone: C-S-S; Peoples Self-Help Housing Corp., owner. Review of a modification to a mixed-use project, consisting of 39 extremely low, very low, and low-income residential units, one manager's unit, and 1,250 square feet of commercial use, including a nine percent density bonus, proposed tree removals, and associated site improvements. The project is categorically exempt from environmental review (CEQA).**

Senior Planner Shawna Scott presented the staff report and responded to Commissioner inquiries.

Applicant representatives Steven Orosco, Murray Duncan and Morgan Mills responded to Commissioner inquiries.

Public Comments:

Jeff Thomas

--End of Public Comment--

ACTION: MOTION BY COMMISSIONER WITHERS, SECOND BY COMMISSIONER SMITH, CARRIED 6-0-1 (Commissioner DeMartini absent) to find the project consistent with the Community Design Guidelines and to recommend that the Community Development Director approve the project as presented.

COMMENT AND DISCUSSION

Senior Planner Shawna Scott provided a brief agenda forecast.

ADJOURNMENT

The meeting was adjourned at 7:02 p.m. The next Regular meeting of the Architectural Review Commission has been rescheduled to Monday, January 13, 2020 at 5:00 p.m., in the Council Hearing Room, 990 Palm Street, San Luis Obispo, California.

APPROVED BY THE ARCHITECTURAL REVIEW COMMISSION: 02/10/2020



REVENUE ENHANCEMENT OVERSIGHT COMMISSION

Minutes

Thursday, December 12, 2019

Regular Meeting of the Revenue Enhancement Oversight Commission

CALL TO ORDER

A Regular Meeting of the San Luis Obispo Revenue Enhancement Oversight Commission was called to order on Thursday, December 12, 2019 at 5:30 p.m. in the Council Hearing Room, located at 990 Palm Street, San Luis Obispo, California, by Chair Christopher Coates.

ROLL CALL

Present: Commissioners Ken Kienow, Jeannette McClure, Michael Multari and Chair Christopher Coates

Absent: Commissioner Winston Newland

Staff: Deputy City Manager Greg Hermann and Assistant to the City Manager Ryan Betz

PUBLIC COMMENT ITEMS NOT ON THE AGENDA

None

--End of Public Comment--

APPROVAL OF MINUTES

1. Consideration of Minutes of the Continued Regular Revenue Enhancement Oversight Commission Meeting of April 4, 2019:

ACTION: UPON MOTION BY COMMISSIONER MULTARI, SECONDED BY COMMISSIONER MCCLURE CARRIED 4-0-1 (Commissioner Newland absent), to approve the Minutes of the Continued Regular Revenue Enhancement Oversight Commission Meeting of April 4, 2019, as presented.

BUSINESS ITEMS

2. Review Purpose of the Revenue Enhancement Oversight Commission and Elect Officers

Assistant to the City Manager Betz presented the staff report and responded to Commissioner inquiries.

Public Comment

None

--End of Public Comment--

ACTION: UPON MOTION BY COMMISSIONER MULTARI, SECONDED BY COMMISSIONER COATES, CARRIED 4-0-1 (Commissioner Newland absent) to elect Commissioner Jeannette McClure to serve as Vice Chair for a one-year term.

ACTION: UPON MOTION BY COMMISSIONER COATES, SECONDED BY COMMISSIONER KIENOW, CARRIED 4-0-1 (Commissioner Newland absent) to elect Chair Christopher Coates to serve another one-year term as Chair.

3. Budget Reallocation of the Police Department Facility Parking Lot Maintenance Project

Supervising Civil Engineer Nelson presented the staff report and responded to Commissioner inquiries.

Public Comment

None

--End of Public Comment--

ACTION: UPON MOTION BY CHAIR COATES, SECONDED BY COMMISSIONER KEINOW, CARRIED 4-0-1 (Commissioner Newland absent) to, forward a recommendation to the City Council to approve the reallocation of Local Revenue Measure funding for the Police Station Parking Lot Maintenance project to other ongoing City Facility Parking Lot Maintenance projects identified in the 19-21 Financial Plan.

4. 2018-19 Annual Community Report and Citizen Oversight Meeting

Assistant to the City Manager Betz presented the staff report and responded to Commissioner inquiries.

Public Comment

None

--End of Public Comment--

ACTION: UPON MOTION BY CHAIR COATES, SECONDED BY COMMISSIONER MCCLURE, CARRIED 4-0-1 (Commissioner Newland absent) to appoint Chair Coates and Commissioner Kienow to serve on a sub-committee to assist in the development of the 2018-19 Annual Community Report.

5. Resident Focus Group and Survey Results Regarding Funding Priorities

City Manager Derek Johnson presented the staff report and responded to Commissioner inquiries.

Public Comment

None

--End of Public Comment--

ACTION: UPON MOTION BY COMMISSIONER MULARTI, SECONDED BY COMMISSIONER KEINOW, CARRIED 4-0-1 (Commissioner Newland absent) to continue public education and outreach efforts and to keep the commission informed of the results of those efforts.

COMMENT AND DISCUSSION

Greg Hermann Interim Deputy City Manager provided an agenda forecast.

ADJOURNMENT

The meeting was adjourned at 7:06 p.m. The next Regular Revenue Enhancement Oversight Commission meeting is scheduled for April 20, 2020 at 5:30 p.m., as a virtual public.

APPROVED BY THE REVENUE ENHANCEMENT OVERSIGHT COMMISSION: 04/30/2020



CULTURAL HERITAGE COMMITTEE

Minutes

Monday, June 28, 2021
Regular Meeting of the Cultural Heritage Committee

CALL TO ORDER

A Regular Meeting of the San Luis Obispo Cultural Heritage Committee was called to order on Monday, June 28, 2021, at 5:30 p.m. via teleconference, by Chair Shannon Larrabee.

ROLL CALL

Present: Committee Members John Ashbaugh, Charles Crotser, Karen Edwards, Vice Chair Eva Ulz, and Chair Shannon Larrabee (*two vacant seats*)

Absent: None

Staff: Senior Planner Brian Leveille and City Clerk Teresa Purrington

PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

James Papp

--End of Public Comment--

ELECTION OF CHAIR AND VICE CHAIR

1. Elect the Chair and Vice Chair to serve a one-year term

ACTION: UPON MOTION BY COMMITTEE MEMBER ASHBAUGH, SECONDED BY COMMITTEE MEMBER CROTSEY, CARRIED 5-0 (with two seats vacant), to elect Shannon Larabee to the position of Chair for a one-year term.

ACTION: UPON MOTION BY COMMITTEE MEMBER CROTSEY, SECONDED BY VICE CHAIR ULZ, CARRIED 5-0 (with two seats vacant), to elect Eva Ulz to the position of Vice Chair for a one-year term.

CONSIDERATION OF MINUTES

2. Approve the minutes of the April 26, 2021, Cultural Heritage Committee meeting.

ACTION: UPON MOTION BY COMMITTEE MEMBER ASHBAUGH, SECONDED BY CHAIR ULZ, CARRIED 5-0 (with two seats vacant) to approve the minutes of the April 26, 2021, Cultural Heritage Committee meeting.

PUBLIC HEARING ITEMS

3. **2223 Monterey Street.** Review of a hotel project with 33 A-frame guestrooms and 43 Airstream trailers on the Master List Historic Motel Inn property, with an Addendum to the previously adopted Initial Study/Mitigated Negative Declaration; **Project Address: 2223 Monterey; Zone: C-T-S; Case #: ARCH-0327-2021; Motel Inn, L.P., owner/applicant.**

Senior Planner Shawna Scott presented the staff report and responded to Committee inquiries.

Applicant representative, Ariana Melendez, SDG Architects, provided a PowerPoint presentation and Damien Mavis, Applicant, responded to Committee inquiries.

Public Comment

James Papp

Paula Carr

Tom Wheeler

--End of Public Comment--

ACTION: UPON MOTION BY COMMITTEE MEMBER ASHBAUGH, SECONDED BY COMMITTEE MEMBER CROTSER, CARRIED 5-0 (with two seats vacant) to recommend denial of the project and that the Community Development Director find that the project is inconsistent with Historic Preservation Program Guidelines and Historic Preservation Ordinance because the proposed structures fail to preserve the essential form and integrity of the historic property. With the applicant hearing the Committee's feedback, the applicant is welcome to come back to the CHC with a reimagined utilization/project.

4. **350 High Street.** Review of a request to designate the property at 350 High Street as a Master List Resource and include the property in the City's Inventory of Historic Resources as the "Tiny Mart" Building (categorically exempt from CEQA environmental review); **Project Address: 350 High Street; Zone: C-N; Case #: HIST 0208-2021; Alex Gough, Anne Gough, and Anne Gaebe, applicants.**

Assistant Planner Walter Oetzell presented the staff report and responded to Committee inquiries.

Applicant representative, James Papp, provided a PowerPoint presentation and responded to Committee inquiries.

Public Comment

None

--End of Public Comment--

ACTION: UPON MOTION BY COMMITTEE MEMBER ASHBAUGH, SECONDED BY COMMITTEE MEMBER CROTSER, CARRIED 5-0 (with two seats vacant) to recommend to the City Council that the property be designated as a Master List Resource in the City's Inventory of Historic Resources.

5. **2006 Swazey Street.** Review of the rehabilitation of a single-family dwelling, including foundation repair resulting in a 10-inch increase in building height, window replacement, porch modification, and removal of an existing non-historical addition, and construction of a new two-bedroom addition to the dwelling, on property designated as a Contributing List Resource in the City's Inventory of Historic Resources (categorically exempt from CEQA environmental review); **Project Address: 2006 Swazey Street; Zone: R-3; Case #: ARCH-0148-2021; Rob Weber and Steve Bastin, applicants.**

Assistant Planner Walter Oetzell presented the staff report and responded to Committee inquiries.

Applicant representative, Greg Wynn, provided a presentation and responded to Committee inquiries.

Public Comment

James Papp

--End of Public Comment--

ACTION: UPON MOTION BY COMMITTEE MEMBER CROTSER, SECONDED BY COMMITTEE MEMBER EDWARDS, CARRIED 5-0 (with two seats vacant) to recommend that the Community Development Director find the project consistent with the Historic Preservation Ordinance.

PRESENTATION AND DISCUSSION

6. Annual Review of the Cultural Heritage Committee Bylaws

ACTION: UPON MOTION BY COMMITTEE MEMBER ASHBAUGH, SECONDED BY COMMITTEE MEMBER CROTSER, CARRIED 5-0 (with two seats vacant) to recommend that City Council approve changes to the Cultural Heritage Committee Bylaws, as shown in the attached legislative draft.

COMMENT AND DISCUSSION

Senior Planner Leveille provided an agenda forecast.

ADJOURNMENT

The meeting was adjourned at 9:04 p.m. The next Regular Meeting of the Cultural Heritage Committee is scheduled for Monday, July 26, 2021 at 5:30 p.m. in the Council Hearing Room, 990 Palm Street, San Luis Obispo.

APPROVED BY THE CULTURAL HERITAGE COMMITTEE: 07/26/2021

F. Cultural Heritage Committee Bylaws (A)

ARTICLE 1. PURPOSE

The Cultural Heritage Committee (CHC) promotes the preservation of architectural, archaeological, historical, and cultural resources in San Luis Obispo, ~~by:~~ As a City Council established advisory body and a historic preservation commission of a Certified Local Government, in partnership with State of California Office of Historic Preservation and National Park Service, its roles are mandated by the City ordinance and guidelines and Certified Local Government Requirements for Certification.

- ~~1. Helping the public pursue cultural resource preservation projects.~~
- ~~2. Sponsoring educational programs and research which improves our understanding of the community's history and archaeology.~~
- ~~3. On request, commenting on the effects of public and private actions on community cultural resources.~~
- ~~4. Helping with the administration of City-sponsored benefit programs.~~

ARTICLE 2. COMPLIANCE WITH OTHER REQUIREMENTS

The functioning of the Cultural Heritage Committee and all of its actions and decisions shall be in compliance with the provisions of the Advisory Body Handbook and as established by Council Resolution.

ARTICLE 3. MEMBERSHIP

1. The CHC will have seven members appointed by the City Council. Members ~~must~~ shall be residents and registered voters of the City. However, the Council may make appointments of up to two persons with desired professional expertise in cultural resources who are residents and registered voters of the county. All members must have a demonstrated interest, competence, or knowledge in historic preservation. At least two CHC members are encouraged to be appointed from among professionals in the disciplines of history, architecture, architectural history, planning, pre-historic and historic archeology, folklore, cultural anthropology, curation, conservation, and landscape architecture or related disciplines, such as urban planning, American studies, American civilization, or cultural geography, to the extent that such professionals are available in the community. CHC membership may also include lay members.
2. Each CHC member is required to attend at least one informational or educational meeting, seminar, workshop, or conference per year that pertains directly to the work and functions of the commission and would be approvable by the state. Commission members will arrange this in collaboration with and with the approval of the Commission's staff liaison and Community Development Department and will not be required to underwrite the expense themselves.
- ~~1. If possible, membership of the Committee should include a person knowledgeable in local history, a person with training or experience in structural rehabilitation, a person knowledgeable in local archaeology, and a person with knowledge of architecture.~~

- ~~2. If possible, the Committee should include one resident from each of the five Historical Preservation Districts created but the Council is not limited to this district residency requirement when making appointments.~~

ARTICLE 4. TERMS OF APPOINTMENT

Members shall be appointed by the City Council for an initial term of a maximum of four years and may be reappointed for additional terms, not exceeding a total of two consecutive four-year terms.

ARTICLE 5. OFFICERS

1. A Chairperson and Vice-Chairperson shall be elected by the Committee at its first meeting in April for one-year terms. No person may serve in the office of Chairperson or Vice-Chairperson for more than two consecutive terms.
2. The Chairperson shall preside over all Committee meetings, vote on all matters, ~~appoint all subcommittees~~, call special meetings, and submit an annual report ~~and budget~~ to the Committee for approval and presentation to the City Council. The Chairperson shall submit the annual report to the State Office of Historic Preservation.
3. The Vice-Chairperson shall serve in the absence or incapacity of the Chairperson and perform such other duties as ~~requested~~ normally performed by the Chair.

ARTICLE 6. MEETINGS

1. The Committee shall hold a regular meeting each month. All meetings shall be open to the public. Regular meetings shall be held at 5:30 p.m. on the fourth Monday of each month in the City Council Hearing Room, City Hall, 990 Palm Street, San Luis Obispo, California.
2. A quorum shall consist of a majority of the established members.
3. All action of the Committee shall be decided by a majority vote or consensus of the quorum directed through the Chairperson.
4. Minutes of each meeting shall be forwarded to the City Council and be available as a public record.
5. The Chairperson or a quorum majority of the Committee may call a special meeting, provided that all public notice requirements are met.
6. All Committee meetings shall be conducted according to City practices, customs, and policies.

Robert's Rules of Order, Newly Revised, may be used as a guideline.
7. All members present must vote, except when a member declares a conflict of interest. Any member declaring a conflict of interest shall not vote or participate in any related deliberations or action of the Committee.

ARTICLE 7. ABSENCES AND RESIGNATIONS

1. If a member fails to attend three consecutive regular meetings or a total of six regular meetings within any 12 months, the member shall automatically be considered for replacement. The Chairperson of the Committee shall inform the Council of such a situation and explain any special circumstances.
2. Committee members are responsible for notifying the Chairperson or the Secretary in advance when an absence is anticipated.
3. If a member needs to resign from the Committee, the member shall immediately direct a letter to the City Council with copies forwarded to the Committee Chairperson and City Clerk.

ARTICLE 8. SUBCOMMITTEES

Subcommittees shall be appointed, as needed, ~~by the Chairperson~~. Subcommittees may include non-Committee members who shall have no voting power.

ARTICLE 9. AMENDMENTS

Bylaw amendments shall be submitted for Council approval by an affirmative vote of the members present at a regular meeting of the Committee, provided that such amendments shall have been discussed by the Committee on the agenda of at least two meetings prior to the vote. The members shall receive the proposed amendments at least 10 days prior to the first meeting.



Minutes

Human Relations Commission

Wednesday, December 4, 2019
Regular Meeting of the Human Relations Commission

CALL TO ORDER

A Regular Meeting of the San Luis Obispo Human Relations Commission was called to order on Wednesday, December 4 at 5:00 p.m. in the Council Hearing Room, located at 990 Palm Street, San Luis Obispo, California, by Chair Welts.

ROLL CALL

Present: Commissioners Renoda Campbell, Bill Crewe, Abe Lincoln, Jeannette Richardson (*arrived at 5:07p.m.*), Emily Rosten (*arrived at 5:07p.m.*), Vice Chair Michael Hopkins, and Chair Nancy Welts

Absent: None

Staff: Cara Vereschagin, Housing Coordinator

PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

None

--End of Public Comment--

APPROVAL OF MINUTES

- 1. Consideration of Minutes of the Regular Human Relations Commission Meeting of October 2, 2019.**

ACTION: MOTION BY CHAIR WELTS, SECOND BY VICE CHAIR HOPKINS, CARRIED 5-0-2 to approve the minutes of the Regular Meeting of the Human Relations Commission of October 2, 2019.

PUBLIC HEARING ITEMS

- 2. 2020-21 Community Development Block Grant (CDBG) Program**

Chair Welts opened up the item. Vice Chair Hopkins recused himself from the item due to a conflict of interest and left the Hearing Room. Housing Coordinator Vereschagin presented the staff report with the use of a PowerPoint presentation and responded to Commissioner inquiries on the 2020-21 CDBG Program.

Chair Welts opened the public hearing.

Public Comments

Grace McIntosh – Community Action Partnership of San Luis Obispo County

Steven Orozco – Peoples' Self-Help Housing Corporation

--End of Public Comment--

Chair Welts closed the public hearing

After the speakers, the HRC deliberated, discussing staff's recommendation for the allocation of CDBG funds.

MOTION BY COMMISSIONER LINCLON to reallocate \$40,000 from Peoples' Self-Help Housing for Broad Street Place to Stand Strong for the Safe Housing Project. The Motion was not seconded and failed.

ACTION: MOTION BY COMMISSIONER CREWE, SECOND BY COMMISSIONER CAMPBELL, CARRIED 6-0-1 to move staff's recommendation for the 2020-21 CDBG Funding Cycle.

Vice Chair Hopkins returned to the meeting at 5:47p.m.

BUSINESS ITEMS

3. Review the Bylaws of the Human Relations Commission

Housing Coordinator presented the current bylaws of the HRC and the Commission reviewed the current language for proposed amendments. There was discussion around Article 2, Membership and Terms of Office, specifically about allocating a seat to a specialized group and including more inclusive language around the description of members. The Commission also gave direction for the Diversity Subcommittee and staff to clarify language with the City Attorney and Clerk's Office.

ACTION: MOTION BY VICE CHAIR HOPKINS, SECOND BY COMMISSIONER ROSTEN, CARRIED 7-0-0 to approve the bylaws of the HRC, and authorized the Diversity Subcommittee to add any additional inclusive language around the description of membership.

4. Review of 2018-19 Grants-in-Aid (GIA) Year End Reports

The Commission discussed the year-end reports per their liaison assignments and briefly reported out on key accomplishments their assigned organizations made use GIA funding.

5. 2020-21 Grants-in-Aid (GIA) Draft Application

Housing Coordinator Vereschagin opened up discussion to review the draft Grants-in-Aid program application. Commissioners agreed that language should be added stating that applicants should submit a complete application package and that incomplete applications will not be considered for funding. Vereschagin made these various corrections to the draft application during the review.

STAFF & COMMISSION COMMUNICATIONS

6. Staff Updates

Vereschagin discussed details of the upcoming Housing Workshop the City was hosting on December 10, 2019.

7. Commissioner Updates

Chair Welts announced that advisory body recruitment is open for applications through the Clerk's Office and encouraged commissioners with expiring terms to reapply if interested.

Commissioner Lincoln announced his resignation from the SLO Noor Foundation.

ADJOURNMENT

Chair Welts adjourned the meeting at 6:30 p.m. The next Regular meeting of the Human Relations Commission is scheduled for Wednesday, February 5 at 5:00 p.m., in the Council Hearing Room, 990 Palm Street, San Luis Obispo, California

APPROVED BY THE HUMAN RELATIONS COMMISSION: 03/04/2020



Jack House Committee

MINUTES

Regular Meeting- Parks and Recreation Office
1341 Nipomo Street, San Luis Obispo
Wednesday, July 10, 2019

CALL TO ORDER: A Regular Meeting of the Jack House Committee was called to order on Wednesday, July 10, 2019 at 5:31 p.m. in the Parks and Recreation Conference Meeting Room, located at 1341 Nipomo Street, San Luis Obispo, California, by Chair Kathi Settle.

ROLL CALL: Vice chair: Toni Kincaid, Committee Members: Chuck Crotser, Bob Gordon, Dorthey Sundbye, Keri Schwab, Julie Moore and Chair Kathi Settle

TARDY: Dorothy Sundbye

ABSENT: Keri Schwab, Chair Kathi Settle

STAFF: Dave Setterlund, Recreation Supervisor

PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

Public Comment

CONSENT AGENDA AND CONSIDERATION OF MINUTES

1. Consideration of the Minutes

ACTION: APPROVAL OF THE REGULAR MEETING MINUTES OF THE JACK HOUSE COMMITTEE FOR MAY 8, 2019.

MOTION BY COMMITTEE MEMBER CROTSEY, SECOND BY COMMITTEE MEMBER MOORE, AND CARRIED 4:0:0 to approve the minutes of Regular Meeting of May 8, 2019 as presented.

AYES: KINCAID, CROTSEY, GORDON, MOORE

NOTES: NONE

ABSTAIN: NONE

ABSENT: SCHWAB, SETTLE

Consideration of Financial Reports and Expenditures

ACTION: APPROVAL OF THE FINANCIAL REPORTS AND EXPENDITURES FOR END OF YEAR 2019, FISCAL YEAR 2018-19

MOTION BY COMMITTEE MEMBER CROTSEY, SECOND BY COMMITTEE MEMBER MOORE, AND CARRIED 4:0:0 to approve the minutes as amended of Regular Meeting of May 8, 2019 as presented.

AYES: KINCAID, CROTSEY, GORDON, MOORE

NOTES: NONE

ABSTAIN: NONE

ABSENT: SCHWAB, SETTLE



Need to correct language in financial report: "Monthly" and "Madonna"

PUBLIC HEARINGS AND BUSINESS ITEMS

3. Bylaw and standard language Amendment (Setterlund – 5 min)

Recommendation: Approve revised bylaw language (specifically in Article V) – in communication with City Attorney and Parks and Recreation Director

MOTION BY COMMITTEE MEMBER CROTSEY, SECOND BY COMMITTEE MEMBER MOORE, AND CARRIED 5:0:0 to revise the Jack House Committee Bylaw Language

AYES: KINCAID, CROTSEY, GORDON, MOORE, SUNDBYE

NOTES: NONE

ABSTAIN: NONE

ABSENT: SCHWAB, SETTLE

Public Comment:

None

Committee Comment

Crotser - Is this a recommendation for just Article V or the entire bylaws?

Kincaid – We should move forward having a meeting every month to keep committee updated

Sundbye – Arrived to meeting at 5:35PM

4. OFFICER ELECTIONS (Setterlund – 5 min)

MOTION BY COMMITTEE MEMBER KINCAID, SECOND BY COMMITTEE MEMBER CROTSEY, AND CARRIED 5:0:0 to elect Chuck Crotser as Chair and Kathi Settle as Vice Chair of the Jack House Committee

AYES: KINCAID, CROTSEY, GORDON, MOORE, SUNDBYE

NOTES: NONE

ABSTAIN: NONE

ABSENT: SCHWAB, SETTLE

Public Comment

NONE

Committee Comments

Kincaid – Would like to nominate Chuck Crotser as Chair and Kathi Settle as Vice Chair

Crotser – We should stick to bylaws and conduct elections in April

5. RESTORATION SURVEY (Setterlund – 5 Min)

Recommendation: Allocate funds for a Condition Survey – Setterlund met with Kimberly Timbs, owner of Patina Conservation Studios to discuss surveying the condition of the Jack House – opportunity to restore properly – Approve up to \$2,000

MOTION BY COMMITTEE MEMBER GORDON, SECOND BY COMMITTEE MEMBER MOORE, AND CARRIED 5:0:0 to approve up to \$2,000 to fund a Condition Survey of the Jack House Collection



AYES: KINCAID, CROTHER, GORDON, MOORE, SUNDBYE

NOTES: NONE

ABSTAIN: NONE

ABSENT: SCHWAB, SETTLE

Public Comment

None

Committee Comments

Moore – Will she come in and tell us how to move forward with our items? Or will she do it herself and fix the issues? (Setterlund: seems she will create a plan and inform us on what needs most attention in the Jack House Collection)

Sundbye – Does she catalog the items? Do we have a plan of how to get rid of items?

Setterlund – She will not get rid of anything – it's a way to understand what the home has and how to move forward

Kincaid – We should look at the cost and financials

Sundbye – Can she help us with the carriage house?

6. Christmas Tree Purchase (Setterlund, Kincaid – 5 Min)

Recommendation: Allow funds for purchase of the Christmas Tree

Move to another agenda to allow time for research on different Christmas Tree options – reconvene at a meeting closer to December.

Public Comment:

NONE

Committee Comment:

Kincaid – Recommend purchasing new Christmas tree since the current one is broken – we had to throw the other one out (Use up to \$100 to purchase a Christmas tree)

Gordon – Important to get a good tree to last a long time as opposed to a cheap one

7. Agenda Forecast & Staff Updates (Setterlund – 5 Min)

Staff report:

- SLO Triathlon
- Family Campouts
- Movies at the Jack House instead of in the Mission Plaza in August
- SHELL ASSESSMENT
- RAILROAD FESTIVAL

Comments:

Setterlund: Let's call in Devin Hyfield to discuss security and the procedures of the "host" at the Jack House – especially during events

Kincaid: September agenda - replace broken sign out front

ADJOURNMENT

Meeting adjourned at 6:15 p.m. to the next Jack House Committee Meeting on Wednesday, September 11, 2019 at 5:30 p.m. at the Parks and Recreation Conference Meeting Room located at 1341 Nipomo St, San Luis Obispo, CA 93401.

JACK HOUSE BYLAWS

ARTICLE 5. **OFFICERS**

1. The officers shall be a Chairperson and a Vice-Chairperson who shall be elected at the Committee meeting in April for ~~two-year terms~~ **a one-year term**.
 - **An officer may be re-elected for a second one-year term, however, an officer may not serve for more than two consecutive one-year terms.**
 - **After serving two consecutive terms, they may be elected to a different office.**
 - **After serving in the same office for two consecutive years, the Committee member will not be eligible for that office for one year.**
2. The Chairperson shall preside over all meetings of the Committee, assist in preparing all meeting agendas and perform such duties as directed by the Committee.
3. The Vice-Chairperson shall serve in the absence or incapacity of the Chairperson.



Minutes - FINAL

MASS TRANSPORTATION COMMITTEE

Wednesday, November 20, 2019
Regular Meeting of the Mass Transportation Committee

CALL TO ORDER

A Regular Meeting of the San Luis Obispo Mass Transportation Committee was called to order on Wednesday, November 20, 2019 at 2:31 p.m. in the Council Hearing Room, located at 990 Palm Street, San Luis Obispo, California, by Chair Osumi.

ROLL CALL

Present: Committee Members David Figueroa (Member at Large), Robin Kisinger (Senior), Denise Martinez (Disabled), James Thompson (Technical), Marlene Cramer (Cal Poly), Rob Moore (Student), John Osumi (Chair)

Absent: None

Staff: Transit Manager Gamaliel Anguiano, Transit Coordinator Megan Weeks

PRESENTATIONS

Oath of Office – Rob Moore (Student), Marlene Cramer (Cal Poly)

PUBLIC COMMENT ITEMS NOT ON THE AGENDA

Louise Justice

--End of Public Comment--

CONSIDERATION OF MINUTES

- 1. Consideration of Minutes of the Regular Mass Transportation Committee Meeting of September 11, 2019:**

ACTION: UPON MOTION BY COMMITTEE MEMBER FIGUEROA, SECONDED BY COMMITTEE MEMBER MOORE, CARRIED 7-0-0, the Mass Transportation Committee approved the Minutes of the Regular Mass Transportation Committee Meeting of September 11, 2019.

PUBLIC COMMENT

None.

--End of Public Comment--

PRESENTATIONS

2. None.

BUSINESS ITEMS

3. Election of Officers

ACTION: UPON MOTION BY COMMITTEE MEMBER KISINGER, SECONDED BY COMMITTEE MEMBER MARTINEZ, CARRIED 7-0-0, the Mass Transportation Committee appointed Committee Member Osumi as Chair.

ACTION: UPON MOTION BY COMMITTEE MEMBER OSUMI, SECONDED BY COMMITTEE MEMBER KISINGER, CARRIED 7-0-0, the Mass Transportation Committee appointed Committee Member Figueroa as Vice Chair.

4. MTC Bylaws Update

ACTION: UPON MOTION BY COMMITTEE MEMBER MOORE, SECONDED BY COMMITTEE MEMBER FIGUEROA, CARRIED 7-0-0, the Mass Transportation Committee recommended to revise the MTC Bylaws by removing one alternate committee member position.

COMMENT AND DISCUSSION ITEMS

5. Staff Updates

Transit Manager Anguiano provided a verbal update and responded to Committee inquiries regarding:

- Transit Manager's Report
- Ridership Summary Report for Fiscal Year 2020
- Wayside Solar-Powered Digital Signage
- GFI Fareboxes
- FTA Triennial Review

Transit Coordinator Weeks provided a verbal update regarding:

- Upcoming service dates and holidays
- Holiday Trolley Service (Nov 29 – Dec 22, 2019)

- Public Meeting (Dec 5, 2019)

Public Comment

None.

--End of Public Comment--

ADJOURNMENT

ACTION: UPON MOTION BY COMMITTEE MEMBER MOORE, SECONDED BY COMMITTEE MEMBER CRAMER, CARRIED 7-0-0, the meeting was adjourned at 3:43 p.m.

The next Regular Mass Transportation Committee meeting is scheduled for Wednesday, January 8, 2020 at 2:30 p.m., in the Council Hearing Room, 990 Palm Street, San Luis Obispo, California.

APPROVED BY THE MASS TRANSPORTATION COMMITTEE: 01/08/2020



Minutes

PARKS AND RECREATION COMMISSION

Wednesday, December 4, 2019

5:30 p.m.

REGULAR MEETING

**Parks and Recreation
Council Chambers
990 Palm Street
San Luis Obispo, CA**

CALL TO ORDER Chair Rodney Thurman

ROLL CALL: Chair Rodney Thurman, Vice Chair Robert Spector, Commissioners Kari Applegate, Adam Stowe, and Andrew Webber

ABSENT: Commissioner Keri Schwab

PUBLIC COMMENT: At this time, people may address the Committee about items not on the agenda. Persons wishing to speak should come forward and state their name and address. Comments are limited to three minutes per person. Items raised at this time are generally referred to staff and, if action by the Committee is necessary, may be scheduled for a future meeting.

Public Comment:

NONE

CONSIDERATION OF MINUTES

1. Minutes of the Parks and Recreation Committee of November 6, 2019.

ACTION: APPROVAL OF THE REGULAR MEETING MINUTES OF THE PARKS AND RECREATION COMMISSION FOR NOVEMBER 6, 2019.

CARRIED 5:00:1 to approve the minutes of the Parks and Recreation Advisory Body for the regular meeting of 11/06/19 as motioned by Applegate and second by Stowe.

AYES: APPLEGATE, STOWE, THURMAN, WEBBER, AND SPECTOR
NOES: NONE
ABSTAIN: NONE
ABSENT: SCHWAB

CONSENT ITEMS

NONE

BUSINESS ITEMS

2. Froom Ranch Specific Plan Draft Environmental Impact Report (Scott – 30 minutes)

Recommendation: Provide comments to staff on any additional analysis or information needed to adequately evaluate impacts to parks and recreational facilities in the EIR for the proposed Froom Ranch Specific Plan.

SWCA Environmental Consultant Emily Creel provided a presentation on the draft Environmental Impact Report (EIR) for the Froom Ranch Specific Plan with focus on the parks and facilities associated with the project. The applicant presented preliminary park plans in August 2016 and based on the PRC comments and direction, incorporated 2.9 acres to provide public facilities and park geared toward the Madonna-Froom units. Features within the proposed park acreage would include four historically significant structures, a playground area, picnic areas, parking spaces and a trailhead plaza with bicycle parking. The Villaggio Life Plan Community will include recreation facilities and amenities for Villaggio resident senior population.

With the population increase of the planned project and Villaggio residents and proposed recreational amenities and parks, the plan, including both the Madonna-Froom units and Villaggio Living Units will fall short of the acreage requirements provided in the goals and policies set forth in the General Plan Parks and Recreation Element and require an additional 1.16 acres for Madonna-Froom and 7.32 acres within the Villaggio community to meet the standards.

The draft EIR identified mitigation measures to reduce impacts on recreation facilities including development of additional parkland within the project or provide a contribution of fees in-lieu of for parkland acquisition and improvement.

Comments collected from the PRC review will be included in the Final EIR and public comment for the draft EIR closes on December 23, 2019.

Victor Montgomery, RRM, Froom Ranch Designer, does not believe that 100% occupancy will be obtained so the figures do not truly show the population projections accurately. He believes 512 to 586 residents is a more reasonable number. The Villaggio recreation amenities

focused within the complex is more than accommodating for the residents and needs to be considered within park acreage projections. Regarding the location of the Madonna-Froom proposed park, the historical structures will need to be moved to the location due to the current location located on a fault line. The proposed location will provide reuse opportunities and the park location will provide better emergency access. Use and maintenance of the historic structures will be addressed with City staff and advisory bodies.

Public Comment

Gary Havis, SLO Resident, recommends that units stay below the 150 ft line, quarry has historic value, bicycle connectivity should be a consideration, more focus on alternative transportation, would the trail be both walking and biking? Historical structures maybe too far gone, consult octagon barn renovations for information.

Neal Havlick, SLO Resident, Follow-up on comments sent to PRC earlier on December 4. Continue to abide by the City of SLO's General Plan policy regarding Hillside Planning Areas, Section H. Restoration of Froom Creek should be addressed – opportunity to bring back running water to the creek. Reject original project, stay below 150 elevation, portions of Irish Hills will be abutted by the project which does not comply with current Open Space ordinances.

Commissioner Comment

Commissioner Webber: Parkland calculations should move along with the realistic projected residents.

Commissioner Applegate: Would like to see clarification on the number of residents in order to establish parkland. Regarding the historical structures, are they required to be moved as a part of the project within Alternative 1? *Was determined to be an integral part of the project given its historical significance.*

Commissioner Webber: Are the historical structures all or nothing? *CHC would like to see all structures taken together.*

Commissioner Stowe: The Villaggio residents does provide a lot of amenities to the population but there will continue to be an impact to the community due to the active population within the units. With the current shortage of parkland existing within the community, the proposed parkland is short of the goals.

Vice Chair Spector: Compromising on acreage tends to lead to equal or less, never equal or more. Safety plan (proactive prevention of transients and proper park lighting, etc) should be added to the plan. Concur with questions regarding bike connectivity. Questions regarding structures vitality with potential private use or non-use. What is the actual potential of the structures as this is currently unclear?

Chair Thurman: Some of the structures can be reasonably reused but at the burden of the City – similar to the history of the Jack House. Clarification is requested on who is responsible for the retrofitting of the historical structures.

Commissioner Webber: What heights will the multi-unit structures be? (*two-story*)

By consensus (*Commissioner Stowe Abstained*), in favor of Alternative 1 but need clarification on historical structures regarding use, retrofitting, and long term care. Adhere to natural buffers and incorporate connectivity within the plans. Recommend that Froom Creek trail provide both walking and bike access and can be considered within acreage calculations.

3. Parks and Recreation Master Plan and General Plan Element Update (Avakian/Scott – 10 minutes)

Director Avakian provided a recap of the goals and concepts provided at the November PRC meeting and provided an updated timeline with emphasis on data, trends and analysis collection by consultants and City staff to further develop working towards a prioritized list as a part of the update to the Parks and Recreation Master Plan and General Plan Element Update. Staff will provide examples of completed Master Plans for other Cities to the PRC for review.

Public Comment

NONE

Commissioner Comment

Chair Thurman: Asked about staff confidence with WRT regarding the completion of the Master Plan and Element Update. *Staff Avakian provided that with the transition of leadership within the City to differing roles, some miscommunication occurred within roles of the consultant and staff. Staff provided WRT with specific responses as to what the City would like to see as a result of the Master Plan and are working with WRT to provide those updates.*

Vice Chair Spector: Inquired into what topics or information will be provided at the February PRC meeting? *Staff Avakian shared that additional data request may be provided depending on the timeline of data provided from consultants for the master plan or may just be an additional update.*

4. PRC Bylaws Review and Approval (Avakian – 10 minutes)

ACTION: APPROVE PARKS AND RECREATION COMMISSION BYLAWS.

CARRIED 5:0:0:1 Motion to approve bylaws with no changes as motioned by Stowe, second by Webber.

AYES: APPLEGATE, STOWE, THURMAN, WEBBER AND SPECTOR
NOES: NONE
ABSTAIN: NONE
ABSENT: SCHWAB

SUBCOMMITTEE LIAISON REPORTS & COMMUNICATIONS

5. Subcommittee Liaison Reports (Vice Chair Thurman – 15 minutes)

- a. Adult and Senior Programming: Vice Chair Spector: The Senior Center held its annual Thanksgiving luncheon. HVAC unit was successfully installed this week. Holiday festivities and programming will continue in the upcoming months.
- b. Active Transportation Committee: Commissioner Webber: The transition of Pismo St from two to one lane will move forward as part of the 2020 plan. Adding speed bumps within Nipomo and High St to mitigate speeds.
- c. City Facilities (Damon Garcia, Golf, Pool & Joint Use Facilities): Commissioner Applegate:
 - Aquatics:
 - The SLO Swim Center is offering its annual Winter Special, buy December and January, get February free.
 - Facilities
 - The Ludwick Community Center and Senior Center will be closed for general maintenance beginning December 16 through January 2.
 - Golf Course
 - The Pro-Shop recently completed moving the starter desk providing a more open area for golfers to view the course.
 - Night Golf will continue on December 12.
 - Community Services
 - 5th annual Gobble Wobble took place on Thanksgiving Day with 444 pre-registered and almost 100 on-site sign-ups at the Laguna Lake Golf Course on November 28.
 - Youth Basketball will begin in January.
- d. Jack House Committee: Commissioner Schwab: Absent.
- e. Tree Committee: Chair Thurman: Tree removal standards will be reviewed at special meeting. Committee will review bylaws. Tree planting will be held Saturday Dec 7 in conjunction with ECOSLO.
- f. Youth Sports Association: Commissioner Stowe: No Report.

6. Directors' Report (Avakian - 5 minutes)

- Blomberg asphalt grant submitted by the City to paint murals within City right of ways leading into the mission (Monterey/Chorro).
- Gobble Wobble was a success with over 500 participants
- HVAC installation instrumental by Mayor Harmon. Ribbon Cutting will be held in January
- Winter/Spring Registration has begun. Online digital version is interactive.
- Staff is reviewing Mid-year budget adjustments
- Multiple open space trails are closed due to rain. Website has up to date closures.

- Night Hike program – 278 permits issued since November. Expecting an increase due to the lighted tree at the top of Cerro San Luis in month of December
- Jack House will host its annual Victorian Christmas in December
- Recruitment is taking place for vacant PRC position

7. Communication

None

ADJOURNMENT at 7:22 pm

To the Public Workshop of the Parks and Recreation Committee as approved by the PRC to **Wednesday, February 5, 2019, at 5:30 p.m., Council Chambers, 990 Palm Street, San Luis Obispo, California.**



The City of San Luis Obispo wishes to make all of its public meetings accessible to the public. Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to the Parks and Recreation Department at (805) 781-7300 at least 48 hours before the meeting, if possible. Telecommunications Device for the Deaf (805) 781-7107.

Meeting audio recordings can be found at the following web address:
<http://opengov.slocity.org/WebLink/1/fol/61014/Row1.aspx>



Minutes

Personnel Board

Regular Meeting Thursday, October 29, 2020

CALL TO ORDER

A Regular Meeting of the San Luis Obispo Personnel Board was called to order on Thursday, October 29, 2020 at 5:02 p.m., via teleconference, by Chair Dunlop.

ROLL CALL

Present: Board Members Judy Groat, Louise Justice, Jill LeMieux, Vice Chair Calvin Stevens, and Chair Dunlop

Absent: None

Staff: Human Resources Director Monica Irons, Deputy City Clerk Kevin Christian, Finance Director Brigitte Elke

PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

None

1. CONSENT AGENDA – CONSIDERATION OF MINUTES

ACTION: MOTION BY BOARD MEMBER LEMIEUX, SECOND BY JUSTICE, CARRIED 5-0 to approve the Personnel Board Minutes of September 17, 2020.

BUSINESS ITEMS

2. Overview of Personnel Board Advisory Body Bylaws Update

Deputy City Clerk Christian presented minor modifications to bylaws as previously proposed by the Personnel Board.

ACTION: MOTION BY CHAIR DUNLOP, SECOND BY LEMIEUX CARRIED 5 – 0

3. Establish 2021-2023 Personnel Board Advisory Body Goals for Council Consideration

Human Resources Director Irons introduced Finance Director Brigitte Elke who presented an overview of the City's financial planning process and fiscal climate. Board deliberated on potential major city goals to submit to Council and requested an additional meeting to further discuss and finalize the following:

Background:

The Personnel Board requests the City Council consider the following goals for the 2021-23 Financial Plan.

Goals:

1. Diversity, Equity, and Inclusion (DEI)

The city is committed to policies, practices and structures that support the well-being and empowerment of all residents, marginalized communities, and its employees.

- a) More fully utilize the expertise of the Personnel Board in providing input and oversight into organizational DEI policies, programs, and practices.
- b) Ensure sufficient resources (staff, consultant, and budgetary) are provided to support best practices in DEI in hiring, training, and promotional policies, practices, programs.

2. Fiscal Sustainability

Engaged employees result in reduced turnover, avoid costs, and provide high level programs and services to the community. COVID 19 has impacted employees, their families, and work practices in many ways.

- a) Support employee engagement, wellness, and resiliency through various avenues including employee surveys, adaptation of work policies established during the COVID 19 pandemic, and resources that support employee mental health.
- b) Ensure appropriate resources are allocated for the above in the 2021-23 Financial Plan.

Board agreed by consensus to reconvene within the next three weeks to finalize goal input to Council.

Chair Dunlop directed Human Resources Director to direct staff to poll the Board members and find a mutually agreeable date and time.

ADJOURNMENT

The meeting was adjourned at 6:24 p.m.

APPROVED BY THE PERSONNEL BOARD: 11/24/2020



Office of the City Clerk

990 Palm Street, San Luis Obispo, CA 93401-3218
805.781.7100
slocity.org

FROM: Kevin Christian
Deputy City Clerk

Personnel Board Meeting: October 29, 2020

SUBJECT: ADVISORY BODY BYLAWS UPDATE

RECOMMENDATION

Approve the draft update to the Personnel Board Advisory Body bylaws as presented.

DISCUSSION

The City Advisory Body Handbook and Bylaws are updated on a biennial basis. In preparation for the 2020 update the Board reviewed their bylaws at the November 7, 2019 meeting and recommended:

- Article 3, item 1 to read, "The officers shall be a Chairperson and a Vice-Chairperson who shall be elected at the first meeting of odd numbered years to serve two-year terms."

Due to resources being directed towards the City's 2020-21 meta goal for economic stability, recovery and resiliency and the ongoing COVID-19 emergency, the scheduled update was postponed and has not yet been completed. At the September 17, 2020 Personnel Board meeting the Board directed staff to add a section to the Board bylaws to address possible Board conflicts due to personal relationships to employees that may be under review by the Board.

Both recommendations from the November 7, 2019 and September 17, 2020 Personnel Board meetings have been incorporated into the draft Advisory Body Handbook update (Attachment A) that will be presented to City Council at an upcoming meeting, to be determined. Note that in the review of all Advisory Body bylaws a number of changes are being recommended for change for bylaws consistency. One of those items is election of Chair and Vice Chair. Therefore, you will note a reference has been placed in the Personnel Board bylaws to a general section of the Advisory Body Handbook (Attachment B: Advisory Body Handbook, Section 1.H. Officer Election and Officer Terms DRAFT). The proposed update does mimic the intent of the Personnel Board action taken on November 7, 2019.

ATTACHMENTS

- Attachment A: Personnel Board Bylaws DRAFT
- Attachment B: Advisory Body Handbook, Section 1.H. Officer Election and Officer Terms DRAFT

Personnel Board Bylaws

ARTICLE 1. PURPOSE

It is the purpose of the Personnel Board (PB) to hear employee appeals of disciplinary action, to review employee grievances, and to hear issues of Council censure. The Board shall then make advisory recommendations to the City Council. The Personnel Board shall also perform other duties pertaining to personnel management as directed by the City Council.

ARTICLE 2. MEMBERSHIP AND TERMS OF OFFICE

Five members of the Personnel Board shall be appointed by the City Council and shall serve for terms of four years. Members must be residents and registered voters of the City.

1. Appointments will be made in a staggered every-other-year pattern, such that two members' terms will expire during a given year and the terms of the other three members will expire two years later.
2. Any vacancies on the Personnel Board shall be filled for the unexpired term of the person replaced.
3. Members shall be appointed for no more than two consecutive terms (eight years).

ARTICLE 3. OFFICERS

1. The officers shall be a Chairperson and a Vice-Chairperson. Election of officers is governed by section 1.H (Advisory Body Basics / Officer Election and Officer Terms). ~~who shall be elected at the first meeting of alternate calendar years to serve two year terms.~~
2. The Chairperson shall preside over all meetings of the Personnel Board, subpoena witnesses and require the production of books, papers and any other materials pertinent to the investigation or hearing.
3. The Vice-Chairperson shall serve in the absence of the Chairperson.
4. The Director of Human Resources or his or her designee shall serve as recording secretary, keeping record of all meetings, and shall issue all necessary notices, copies of agendas, minutes and copies of necessary documents.

ARTICLE 4. MEETINGS

1. The Personnel Board shall meet as needed.
2. A quorum is the majority of the total number of established members of the board. Three members of the Board shall constitute a quorum for the transaction of business.

However, for the purpose of a hearing on appeal of a disciplinary action, no Board member may vote on a decision if absent from part of a hearing, unless such member certifies that he/she listened to a recording of or read the transcript of the missed portion of the hearing.
3. Pursuant to Personnel Exception of the Brown Act (Government Code Section 54957), a meeting may be closed to the public at the request of any appellant when the pending issue deals with a particular employee.
4. The Chairperson or the legal advisor to the Board shall administer oaths to all witnesses appearing before the Board. Any regular officer or employee of the City who fails to take the oath or fails to testify truthfully under oath at a hearing shall be subject to disciplinary action.
5. All grievance and disciplinary appeal hearings shall be recorded.
6. At the request of the appellant, a court reporter shall be used. The cost of the court reporter shall be paid as agreed upon by both sides.
7. All actions of the Board shall be decided by majority vote and shall be directed through the Board Chairperson.
8. The Board may meet with its legal advisor, as needed and outside the presence of any other persons, to receive opinions and advice.
9. The Board may direct the parties to submit hearing briefs outlining the facts and arguments to be presented prior to any hearing. The Chairperson shall establish a schedule for submission of the hearing briefs.
10. Personnel Board members are expected to serve in an objective manner when reviewing disciplinary appeal matters or matters of Council censure. If a member has a personal relationship that hinders him/her from remaining objective, therefore presenting due process concerns, he/she should state the relationship on the record and recuse him/herself from the decision. To ensure compliance, the Chair shall ask each member at the beginning of proceedings, if they are able to be objective (whether that was due to a personal relationship, what they had read in the newspaper about the situation, etc.)

ARTICLE 5. AMENDMENTS

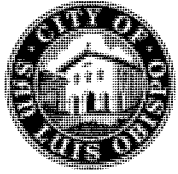
At such time as these bylaws need to be amended, the Director of Human Resources shall meet with the Board and determine an appropriate procedure for making such amendment(s).

Section 1. Advisory Body Basics

H. Officer Election and Officer Terms

1. Election: Regular elections for Advisory Body Chair and Vice Chair shall be held in April of each odd year at a regular meeting. Special elections for Chair or Vice Chair shall be held at the first meeting following the unscheduled resignation of an officer, or other reason for an officer position to become vacant.
2. Terms of Office: The term of office of a chairperson or vice chairperson shall be two years, commencing upon election. No person shall serve as chairperson or vice chairperson for consecutive terms except if noted below. They may serve consecutive terms in different offices (e.g. Vice Chair, then Chair)

Completion of a partial term of office as chairperson or vice chairperson shall not preclude an advisory body member from serving an additional consecutive full term, provided that the partial term served is less than one year, one half of the allowed term.



PERSONNEL BOARD

Minutes

**Thursday, November 7, 2019
Regular Meeting of the Personnel Board**

CALL TO ORDER

A Regular Meeting of the San Luis Obispo Personnel Board was called to order on Thursday, November 9, 2019 at 5:05 p.m. in the Council Hearing Room, located at 990 Palm Street, San Luis Obispo, California, by Chair Dunlop.

ROLL CALL

Present: Chair Keith Dunlop, Vice Chair Calvin Stevens, Board Members Judy Groat, Louise Justice

Absent: None

Staff: Human Resources Director Monica Irons and Deputy City Clerk Kevin Christian

PUBLIC COMMENT ITEMS NOT ON THE AGENDA

None

--End of Public Comment--

APPROVAL OF MINUTES

1. Consideration of Minutes of the Regular Personnel Board Meeting of July 19, 2019:

ACTION: UPON MOTION BY BOARD MEMBER STEVENS, SECONDED BY BOARD MEMBER JUSTICE, CARRIED 4-0-0, the Personnel Board approved the Minutes of the Regular Personnel Board Meeting of July 19, 2019, as presented.

PUBLIC COMMENT

None.

--End of Public Comment--

BUSINESS ITEMS

1. Bylaw Review and Approval (Irons)

Human Resources Director Monica Irons introduced Deputy City Clerk Kevin Christian who highlighted differences between Personnel Board Bylaws and those of other advisory bodies and responded to Board questions.

ACTION: UPON MOTION BY CHAIR DUNLOP, SECONDED BY VICE CHAIR STEVENS, CARRIED 4-0-0, recommending that City Council modify the Personnel Board Bylaws Article 3, item 1 to read, “The officers shall be a Chairperson and a Vice-Chairperson who shall be elected at the first meeting of odd numbered years to serve two-year terms.”

By consensus Board directed staff to consult with the City Attorney and report back to the Board regarding Article 4, item 7, requiring a majority vote of the Board for action and what happens in the event of a 2-2 vote.

Public Comment

None.

--End of Public Comment--

COMMENT AND DISCUSSION

Human Resources Director Monica Irons provided an agenda forecast.

ADJOURNMENT

The meeting was adjourned at 5:43 p.m. The next Special Personnel Board meeting is scheduled for Thursday, January 23, 2020 at 9:00 a.m., in the Council Hearing Room, 990 Palm Street, San Luis Obispo, California.

APPROVED BY THE PERSONNEL BOARD: 09/17/2020



Minutes

Planning Commission

Special Meeting
Wednesday, November 6, 2019

CALL TO ORDER

A Special Meeting of the San Luis Obispo Planning Commission was called to order on Wednesday, November 6, 2019 at 6:05 p.m. in the Council Hearing Room, Room 9, located at 990 Palm Street, San Luis Obispo, California, by Chair Wulkan.

ROLL CALL

Present: Commissioners Robert Jorgensen, Steve Kahn, John McKenzie, Nicholas Quincey, Charles Stevenson, Vice-Chair Hemalata Dandekar and Chair Mike Wulkan

Absent: None

Staff: Community Development Director Michael Codron, Principal Planner Tyler Corey, Assistant City Attorney Charles Bell, and City Clerk Teresa Purrington

Pledge of Allegiance

Chair Wulkan led the Pledge of Allegiance.

1. PLANNING COMMISSION RETREAT

A. Overview of Community Development Department work program and opportunities for input

- How the Planning Commission can influence the work program through Financial Plan process
- Timing for input

Community Development Director Michael Codron and Principal Planner Tyler Corey provided an overview the Community Development Department work program and responded to questions.

ACTION: No action taken of this item.

B. Roles & Responsibilities with updated Zoning Regulations

Community Development Director Michael Codron and Principal Planner Tyler Corey provided an overview of the changes in the roles and responsibilities of the Commission with the updated Zoning Regulations.

ACTION: No action taken on this item.

C. Meeting Management

- Public Hearing Consent Agenda
 - Discuss project types that could fit this category
- Time estimates for agenda items with goal of three-hour maximum meetings
- Utilizing Roberts Rules of Order to assist with efficient meeting management

Principal Planner Tyler Corey provided an overview of meeting management.

ACTION: By consensus, the Commission agreed to test having a Consent Section on the Agenda.

D. Bylaws

- Council to consider changes to the Advisory Body Bylaws in February
- Meeting attendance
- New proposed meeting start time of 5:30 p.m.?
- Voting and recusals

City Clerk Teresa Purrington led the Commission with a review of the Planning Commission bylaws.

ACTION: By consensus, the Planning Commission recommended the attached changes to the bylaws. (See attached highlight and strikethrough of the bylaws)

E. Questions of Staff

The Commission discussed Objective Standards and Growth Management Strategies.

ACTION: No action was taken on this item.

PUBLIC COMMENTS ON ITEMS ON THE AGENDA

Steve Delmartini

--End of public comment--

COMMENT AND DISCUSSION

2. Agenda Forecast – Principal Planner Tyler Corey provided an update of upcoming projects.

ADJOURNMENT

The meeting was adjourned at 8:13 p.m. The next Regular meeting of the Planning Commission is scheduled for Wednesday, November 13, 2019 at 6:00 p.m., in the Council Chamber, 990 Palm Street, San Luis Obispo, California.

APPROVED BY THE PLANNING COMMISSION: 01/08/2020

L. Planning Commission Bylaws (A)

MEMBERSHIP

The Planning Commission (PC) has seven members who are not necessarily planning professionals. Members must be residents and registered voters of the City. No special training is required for appointment. Members occasionally may be requested to attend seminars and workshops to enhance skills in planning.

PURPOSE

The Planning Commission's basic responsibility is to make recommendations to the City Council for the City's development, as set forth in San Luis Obispo Municipal Code §2.12.040. To carry out this responsibility the commission will:

1. Prepare and recommend a general plan and appropriate attachments;
2. Prepare and recommend appropriate specific plans;
3. Review the City's capital improvement program annually;
4. Perform authorized duties related to development review;
5. Perform such other duties required by the Council or by State or City laws.

ARTICLE 1. MEETINGS

1. Regular meetings shall be held at 6:00 p.m. on the second and fourth Wednesday of each month.
2. No agenda item shall be introduced after 10:00 p.m. ~~11:00 p.m.~~ without the consent of a majority of Commissioners present.
3. Regular meetings shall be held in the Council Chamber, City Hall, 990 Palm Street, San Luis Obispo, California.
4. In the event the Planning Commission desires to hold all or any portion of a regular meeting at a place other than the City Hall, then the place of such meeting shall be posted on the bulletin board located at the entrance to City Hall prior to the time herein designated for such regular meetings in accordance with law.

ARTICLE 2. ELECTION OF OFFICERS

1. The Commission shall select a Chairperson and Vice-Chairperson from among its members to serve for a one-year term beginning the first meeting in April of each year.
2. Commissioners shall serve as Chairperson or Vice-Chairperson at the discretion of the Commission.
3. The Chairperson shall preside at all meetings of the Commission. The Vice-Chairperson is Chairperson in the absence of the Chairperson or in case of inability of the Chairperson to act.
4. No person shall serve as Chairperson or Vice-Chairperson for more than two consecutive terms.

ARTICLE 3. CONDUCT OF MEETINGS

1. Commissioners should address questions through the Chairperson.
2. Members of the audience should address Commissioners or other persons present through the Chairperson.
3. Procedure for reviewing public hearing items:

After roll call the Chairperson shall announce to the public the procedures to be followed to consider the public hearing items and then proceed as follows:

- a. The Chairperson shall introduce the items and ask for oral staff reports.
- b. The staff report precisely submitted to the Planning Commission shall be placed into the record with all communications received regarding the proposal. Staff reports shall be submitted for all public hearing items in a form acceptable to the commission.
- c. The applicant shall be invited to make a presentation on behalf of the request.
- d. Members of the public wishing to speak in favor or in opposition of the application shall be invited to make a presentation.
- e. The applicant shall have the opportunity at the end of the public hearing to address comments made by the public and address any further commission questions.
- f. The public hearing shall be closed to the public and discussion confined to members of the Commission; provided that the Commission may reopen the public hearing at any time prior to a decision on an item on an affirmative vote of the majority of those members present.

- g. The Commission, upon formal motion, shall take action to dispose of the proposal. The Chairperson shall announce the vote and thereafter, inform the applicant and public of the right of appeal and procedures for filing such appeal.

ARTICLE 4. **QUORUM**

Four members of the Planning Commission constitute a quorum for transacting business.

ARTICLE 5. **VOTING**

1. Except as otherwise provided in the San Luis Obispo Municipal Code and state law, no resolution, motion or any other action shall be passed or become effective without receiving the affirmative vote of at least a majority of members present.
2. Failure to receive such an affirmative vote shall result in failure or denial, as appropriate, of the motion, resolution or other action.
3. Except as allowed under the Political Reform Act of 1974, any member abstaining due to a declared conflict of interest shall not participate in the discussion of the items or otherwise influence or attempt to influence in any manner the decision on the item.
4. All members, when present, must vote except when abstaining due to a declared conflict of interest.
5. Failure or refusal to vote when present—except for a declared conflict of interest— shall be counted as an affirmative vote.

ARTICLE 6. **PUBLIC RECORDS**

Records of all public hearings shall be made available to the public in the office of the Community Development Department.

ARTICLE 7. **ATTENDANCE**

Any member of the Planning Commission who fails, for any reason, to attend three consecutive regular, adjourned regular, or specially-scheduled (excluding Commission site visits) meetings, or a total of six such commission meetings within any 12-month period, shall be automatically considered by the City Council for removal from office. The Chairperson shall inform the Council of such situation, explaining any special circumstances.

ARTICLE 8. **POLICY**

All matters of policy not covered by law may be adopted as a “Resolution of Policy” and when so adopted shall be considered the official policy of the Planning Commission subject to ratification of the City Council.

COMPENSATION

The City Council has approved a stipend of \$70 ~~\$60~~ per meeting (not to exceed \$280 ~~\$240~~ monthly) for each member of the Planning Commission (Resolution No. 10887 ~~10516~~ [2018 ~~2014~~ Series]).



PROMOTIONAL COORDINATING COMMITTEE

Minutes

Wednesday, November 13, 2019
Regular Meeting of the Promotional Coordinating Committee

CALL TO ORDER

A Regular Meeting of the San Luis Obispo Promotional Coordinating Committee was called to order on Wednesday, November 13, 2019 at 5:30 p.m. in the Council Hearing Room, located at 990 Palm Street, San Luis Obispo, California, by Chair Matteson.

ROLL CALL

Present: Committee Members Melissa Godsey (arrived at 5:36 p.m.), Daniel Levi, Bruce Skidmore, Vice Chair John Thomas and Chair Dana Matteson

Absent: Member Heath

Staff: Tourism Manager Molly Cano and City Clerk Teresa Purrington

PUBLIC COMMENT ITEMS NOT ON THE AGENDA

None

--End of Public Comment--

CONSENT ITEMS

ACTION: UPON MOTION BY COMMITTEE MEMBER LEVI, SECONDED BY COMMITTEE MEMBER SKIDMORE, CARRIED 4-0-2 (MEMBERS GODSEY AND HEATH ABSENT) to approve the Consent Agenda items 1 thru 7.

C.1 Minutes of the Meeting on October 9, 2019

C.2 2019-20 Community Promotions Budget Report

C.3 Public Relations Report

C.4 Grants-in-Aid Support Report

C.5 Visitors Center Report

C.6 SLO Happenings Activity Report

C.7 TOT Report

PRESENTATIONS

1. PUBLIC RELATIONS MONTHLY ACTIVITY UPDATE

Jacqui Clark-Charlesworth, Public Relations provided a PowerPoint presentation and responded to Committee inquiries.

ACTION: No action was taken on this item.

BUSINESS ITEMS

2. HRC DIVERSITY & INCLUSION PROGRAM

Housing Coordinator, Cara Vereschagin provided a PowerPoint presentation and responded to Committee inquiries.

Public Comment

None.

--End of Public Comment--

ACTION: No action taken on this item.

3. BANNER PROJECT UPDATE

Molly Cano, Tourism Manager reviewed the status of the Downtown banners, the railroad square banners, Holiday banners and the style guide development.

Public Comment

None.

--End of Public Comment--

ACTION: UPON MOTION BY COMMITTEE MEMBER LEVI, SECONDED BY VICE CHAIR THOMAS, CARRIED 5-0-1 (MEMBER HEATH ABSENT), to move forward with resizing the artwork for banners for cobra head light posts at a cost of XXXXX.

4. PUBLIC RELATIONS STRATEGIC PLAN IMPLEMENTATION COMPONENTS

Jacqui Clark-Charlesworth, Public Relations representative, presented and update on the implementation components for the 2019-20 Public Relations Strategic Plan.

Public Comment

None.

--End of Public Comment--

ACTION: No action taken on this item.

5. REVIEW OF COMMITTEE BYLAWS

Tourism Manager Molly Cano and City Clerk Teresa Purrington lead the Committee in a review of the bylaws for the Promotional Coordinating Committee.

ACTION: UPON MOTION BY COMMITTEE MEMBER GODSEY, SECONDED BY MEMBER SKIDMORE, CARRIED 5-0-1 (MEMBER HEATH ABSENT) to recommend to City Council the following changes to the PCC bylaws:

ARTICLE 2. MEMBERSHIP

The PCC shall consist of seven members appointed by the Council. Six of the members shall be residents of the City of San Luis Obispo. The seventh member shall be the Chair of the Tourism Business Improvement District (TBID) Board **or another Member of the TBID board** as appointed by the TBID Board. Committee members shall be appointed for a term of four years, commencing on April 1st or other date as directed by the Council. No Committee member shall serve more than two consecutive terms (eight years) on the PCC. Any Committee member who has been appointed to fill a vacant seat in mid-term shall not be precluded from thereafter serving two four-year terms (eight years), so long as the initial, partial term is less than one year. The representative from the TBID Board shall serve a term concurrent with his/her term on ~~as the Chairperson of the TBID Board.~~

ARTICLE 5. SUBCOMMITTEES

Subcommittees shall be appointed, as needed, by the Chairperson. ~~Standing subcommittees are:~~ **The Grants-in-Aid and Events Promotion subcommittees is the only standing subcommittee.** The subcommittee members will serve for a two-year term. After two years they will automatically rotate to the other standing subcommittee.

PCC LIAISON REPORTS AND COMMUNICATION

1. COMMITTEE OUTREACH UPDATE

2. GIA UPDATE –

3. TBID BOARD REPORT – Member Skidmore provided a report on the TBID Meeting

4. TOURISM PROGRAM UPDATE - Tourism Manager Cano provided a brief Tourism Program update.

ADJOURNMENT

The meeting was adjourned at 7:31 p.m. The next Regular Promotional Coordinating Committee meeting is scheduled for Wednesday, December 11, 2019 at 5:30 p.m., in the Council Hearing Room, 990 Palm Street, San Luis Obispo, California.

APPROVED BY THE PROMOTIONAL COORDINATING COMMITTEE: 12/11/2019



TOURISM BUSINESS IMPROVEMENT DISTRICT BOARD

Minutes

Wednesday, November 13, 2019
Regular Meeting of the Tourism Business Improvement District Board

CALL TO ORDER

The regular meeting of the San Luis Obispo Tourism Business Improvement District Board was called to order on Wednesday, November 13, 2019 at 10:03 a.m. in the Kinney, located at 1800 Monterey Street, San Luis Obispo, California, by Chair Bruce Skidmore.

ROLL CALL

Present: Chair Bruce Skidmore and Board Members Nipool Patel, Dean Hutton, LeBren Young-Harris, Pragna Patel-Mueller, and John Conner

Absent: Kristin Battaglia

Staff: Tourism Manager Molly Cano and Tourism Coordinator Chantal Burns

PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

None

--End of Public Comment--

CONSENT ITEMS

C.1 Minutes of Meeting on Wednesday, October 9, 2019

C.2 Smith Travel Report

C.3 SLO Chamber Public Relations Activities Report

C.4 AMF + Matchfire Marketing Services Report

C.5 SLO Chamber Guest Services Report

C.6 Transient Occupancy Tax (TOT) Report

C.7 Marketing Committee Approved 2020 Money for a Rainy Day Program Plan

Tourism Manager Cano presented C.7 budget for program plan context and board member understanding.

Public Comment

None.

--End of Public Comment--

ACTION: MOTION BY COMMITTEE MEMBER CONNER, SECONDED BY COMMITTEE MEMBER HARRIS, CARRIED 6-0-1, TO APPROVE THE CONSENT AGENDA ITEMS 1 THRU 7.

PRESENTATIONS

1. TOT ORDINANCE REVISION UPDATE

City of San Luis Obispo's Budget Analyst, Natalie Harnett, presented the proposed amendments to Title 3 related to the TOT ordinance and answered board member questions.

Public Comment

None.

--End of Public Comment--

No action was taken on presentation items.

BUSINESS ITEMS

1. DENVER TRAVEL & ADVENTURE SHOW ACTIVATION

Tourism Manager Cano reviewed the Marketing Committee's strategy and process leading to the recommendation of participating in the 2020 Denver Travel and Adventure Show. The recommendation includes expanded involvement through partnerships, a media portion and show buildout component. Staffing of the tradeshow will include the City's Tourism Manager and Tourism Coordinator and the Chamber's Public Relations and Visitor Center Managers.

Public Comments:

None.

---End of Public Comments---

ACTION: MOTION BY BOARD MEMBER PATEL, SECOND BY BOARD MEMBER HUTTON, CARRIED 6-0-1, to move forward with the presented plan for the 2020 Denver Travel and Adventure Show and approve the release of a \$30,000 not to exceed budget.

2. REVIEW OF COMMITTEE BYLAWS

The Board performed the bi-annual review of the TBID Board the bylaws and discussed any necessary amendments to be submitted to the City Council. City Clerk Teresa Purrington answered questions and provided input on the TBID's bylaws.

Public Comments:

None.

---End of Public Comments---

ACTION: MOTION BY BOARD MEMBER PATEL, SECOND BY BOARD MEMBER PATEL-MUELLER, CARRIED 6-0-1, Recommending to the City Council that the following changes be made to the TBID bylaws:

ARTICLE 2. MEMBERSHIP

One member of the TBID Board shall be appointed by the Board to the Promotional Coordinating Committee for a term concurrent with his/her TBID Board term. In the event no member of the Board can serve on both Boards, the responsibility will fall to the Chair.

3. TBID MARKETING SERVICES RFP UPDATE

The RFP Taskforce reported on their current progress with the Marketing Services RFP including draft work, timelines and approval goals. Board members discussed the presented material and provided input on the process.

Public Comments:

None.

---End of Public Comments---

No action was taken on this item.

TBID LIAISON REPORTS AND COMMUNICATION

1. Hotelier Update -

- Visit CA ballots are out
- Recent TBID hotel name changes

2. Management Committee Update - November 7, 2019 minutes are in the packet for review.

3. Marketing Committee Update – November 6, 2019 minutes are in the packet for review.

4. PCC Update – October 9, 2019 minutes in packet for review.

5. SLO CAL Update – Tourism Manager Cano;

- Transitions in SLO CAL staff
- Working on creating a potential quarterly meeting for the PR reps in the county
- Restaurant month will be in January and signups close this week

6. Tourism Program Update – Tourism Manager Cano;

- CHLA – October workshops with the BEST training and local law enforcement
- Sip, Stay & Save promotion updates
- Conference Center update
- Strategic Partners:
 - i. CCTC
 - ii. Visit SLO CAL
- Annual Public Hearing passed at the November 12, 2019 meeting
- Upcoming dates to remember

ADJOURNMENT

The meeting was adjourned at 11:49 a.m. The next Tourism Business Improvement District Board meeting is scheduled for December 11, 2019 at 10:00 a.m., at City Hall, 990 Palm Street, San Luis Obispo, CA.

APPROVED BY THE TOURISM BUSINESS IMPROVEMENT DISTRICT BOARD: 12/11/2019



TREE COMMITTEE

Minutes

Thursday, December 5, 2019
Special Meeting of the Tree Committee

CALL TO ORDER

A Regular Meeting of the San Luis Obispo Tree Committee was called to order on Monday, December 5, 2019 at 5:00 p.m. in Conference Room A, located at 25 Prado Road, San Luis Obispo, California, by Chair Loosley.

ROLL CALL

Present: Committee Members Elizabeth Lucas, Allen Root, Rodney Thurman, Vice Chair Jane Worthy, Chair Scott Loosley

Absent: Committee Members Alan Bate and Sean O'Brien

Staff: Matt Horn, Deputy Director Public Works, Charles Bell, Assistant City Attorney City Arborist Ron Combs and Teresa Purrington, City Clerk

BUSINESS ITEMS

1. Review of Tree Committee Bylaws

Teresa Purrington, City Clerk provided a review of the Tree Committee bylaws and responded to Committee inquiries.

Public Comment

None.

--End of Public Comment--

ACTION: By consensus the Committee made the following recommended changes to the bylaws:

ARTICLE 2. COMMITTEE MEMBERSHIP

The Tree Committee shall have seven members and shall consist of ~~one representative from the Parks and Recreation Commission~~, one representative from the Architectural Review Commission, and ~~five-six~~ members from the general public (~~one two~~ of whom shall be a horticultural expert, if possible). Members must be residents and registered voters of the City.

ARTICLE 4. MEETINGS

1. The Committee will hold a regular meeting each month.
2. Regular meetings will be held at ~~5:00~~5:30 pm the fourth Monday of each month.
4. A quorum will consist of four ~~three~~ voting Committee members.
7. The Chairperson or any four ~~three~~ members of the Committee may call a special meeting provided that a week's prior notice is given in writing to each member and the meeting is otherwise properly noticed pursuant to the Brown Act.

2. Review of Tree Ordinance Revisions

Matt Horn, Deputy Director for Public Works provided a presentation on the revised Tree Ordinance and responded to Committee inquiries.

Charles Bell, Assistant City Attorney provided a presentation on purview and legal requirements and responded to Committee inquiries.

Public Comment

Will Powers

--End of Public Comment--

ACTION: No action taken on this item.

ADJOURNMENT

The meeting was adjourned at 6:58 p.m. The next Rescheduled Regular Tree Committee meeting is scheduled for Tuesday December 10, 2019 at 5:00 p.m., in Conference Room A, located at 25 Prado Road, San Luis Obispo, California.

APPROVED BY THE TREE COMMITTEE: 01/27/2020



Council Agenda Report

Item 8a

Department: Public Works
Cost Center: 1009, 5101, 6001, 6101
For Agenda of: 09/21/2021
Placement: Study Session
Estimated Time: 60 minutes

FROM: Matt Horn, Public Works Director
Prepared By: Brian Nelson, Acting City Engineer

SUBJECT: STUDY SESSION: STRATEGIES TO SUPPORT LOCAL CONTRACTORS, VENDORS, AND LABOR ON PUBLIC PROJECTS

RECOMMENDATION

1. Receive a presentation on potential strategies to support local contractors, local vendors, and local labor on public projects; and
2. Provide preliminary direction to staff to guide alternatives evaluation, project plan, and policy development.

REPORT-IN-BRIEF

With the adoption of the 2021-23 Financial Plan, the Major City Goal (MCG) for Economic Recovery, Resiliency & Fiscal Sustainability and work plan was formalized. The MCG intends to collaborate with local partners, continue to support economic recovery for all from the COVID-19 pandemic, and support a thriving local economy by supporting local businesses, arts, and culture, and downtown vitality, in addition to practicing fiscal responsibility, paying down unfunded pension liabilities, and investing in critical infrastructure.

One of the approved tasks for this MCG is to establish an internal working group and hire a consultant to research various methods to support the participation of local contractors, local vendors, and local labor in public projects through workforce agreements, local purchasing requirements, alternative project delivery methods, and other options to support local businesses and workforce.

The intent of this study session with the Council is to seek feedback from the Council for the purposes of generating the Project Plan for analyzing and implementing feasible local preference measures to ensure that staff and the City's consultant team have identified the appropriate pathway forward to meet Council's objectives and community expectations.

DISCUSSION

Background – Workforce Agreement Task in Major City Goal

With the adoption of the 2021-23 Financial Plan, Council established a Major City Goal (MCG) of Economic Recovery, Resiliency, and Fiscal Sustainability. To achieve this goal, Council outlined a specific task to research methods to support the participation of local contractors, local vendors, and local labor in public projects through workforce agreements, local purchasing requirements, and alternative project delivery methods. This work effort has been broken into three general phases:

Phase 1. Council Study Session to provide input and guidance on work effort and develop a project plan based on Council feedback.

Phase 2. As framed by input and guidance from the phase one Study Session, utilize a consultant to develop a policy framework for Community Workforce Agreements (CWA), alternative project delivery, and local purchasing. Within this policy framework, identify negotiating objectives for Council consideration for CWA. Seek final Council approval of the Project Plan, including program implementation priorities.

Phase 3. Council consideration of programs and policies and implementation of the same.

As discussed in detail below, there are three areas of focus for this work effort. Each of the three topic areas is discussed in depth to help inform discussions during the study session so that Council can provide direction to City staff for the development and implementation of the policies and practices to support this work effort.

Community Workforce Agreements

1. Definition and Purpose of a Community Work Force Agreement

A Community Workforce Agreements sometimes referred to as Project Labor Agreements, or CWAs are a "pre-hire" collective bargaining agreements between a project owner and labor organizations, typically construction trade unions. A CWA establishes standard terms and conditions of employment for the qualified construction project, including work conditions, hiring procedures, wages and benefits, management rights, dispute resolution procedures, and procedures to prevent work stoppages. In addition, CWAs often include provisions to promote participation in covered projects by targeted workers and demographics, including local residents, apprentices, historically underutilized or underrepresented residents or groups, and veterans. CWAs can apply to a single project, projects with budgets over a specified threshold, different types of projects, or all projects undertaken by a project owner and must be part of the bid specifications for covered projects.

2. City Experience with a CWA

The City entered into a CWA with the Tri-Counties Building and Construction Trades Council (Trades Council) for the SLO Water Plus Project (i.e., WRRF Upgrade) in December 2018 with the primary objective defined by the Council of prioritizing the employment of local residents. This was the first such agreement the City has approved. The agreement included a local worker participation goal of 30%. By July 2021, approximately 77% of all labor hours (70,300 hours) have been performed by workers residing in San Luis Obispo, Santa Barbara, Monterey, and Ventura Counties (i.e., "local workers"), representing a significant reinvestment of construction funds into the local economy. Table 1 presents the labor hours worked by residents of each tier on the SLO Water Plus Project.

Table 1. SLO Water Plus Project Labor Hours by Tier

Tier	Description	Labor Hours	Percentage of Total Labor Hours
1	City of San Luis Obispo	6,004	6.5%
2	San Luis Obispo County	41,557	45.2%
3	Monterey and Santa Barbara Counties	22,719	24.7%
4	Ventura County	38	<1%
N/A	Non-Local	21,662	23.6%

3. CWA Alignment with Major City Goal

The City's ongoing Capital Improvement Program (CIP) includes numerous construction projects that will provide the infrastructure required for economic vitality, neighborhood wellness, housing, transportation, sustainability, active and passive recreation, public safety, cleanliness, and other basic amenities. The City's CIP budget has increased significantly with the 1.5 cent sales tax approved by the City's voters in November 2020 under Measure G; this has increased the General Fund CIP Budget to approximately \$25 million per year from approximately \$7.5 million per year in prior Financial Plan periods. The public projects included in the City's CIP present an opportunity to continue to promote the employment of local residents by negotiating a CWA with the Trades Council that includes a local worker participation goal. CWAs can fundamentally change the way craft workers are employed and compensated on covered projects and the way the City procures inspection and surveying services. Consequently, it will be important to evaluate how typical CWA provisions align with the successful delivery of the City's CIP. An in-depth analysis is needed to better understand various impacts, and this analysis will inform policy recommendations and negotiation objectives should Council direct staff to proceed with negotiating a CWA policy and agreement framework.

Alternative Project Delivery

1. Definition and Purpose of Alternative Project Delivery

Alternative project delivery describes capital project delivery methods that focus on collaboration between the owner, the engineer, and the contractor from design through construction. This collaborative approach can provide multiple benefits including expedited project delivery, reduced project lifecycle costs, and greater opportunity for risk mitigation. Examples of alternative project delivery methods include design-build, progressive design-build, construction manager at risk (CMAR), and public-private partnerships.

2. City Experience with Alternative Project Delivery

The City has historically delivered its public projects utilizing the traditional design-bid-build (DBB) model, with certain exceptions for maintenance projects and job order contracts. This approach is consistent with prevailing municipal procurement practices throughout the state for public works construction and the Public Contract Code, which did not include provisions for alternative project delivery by general law cities until 2009. Many charter cities have since incorporated Public Contract Code provisions related to alternative project delivery into their municipal codes, where consistent with the cities' charters.

Under the DBB model, separate contracts are awarded for design and construction services. The City's Financial Management Manual allows for a qualifications-based selection of professional service providers for design services; however, both City Charter Section 901 and the City's current purchasing ordinance and financial management policies require that construction contracts must be awarded to the lowest responsible bidder who provides a responsive bid. Alternative project delivery methods such as design-build (DB) combine design and construction services into a single contract. Collaboration between the engineer and the contractor under this model can provide multiple benefits, including expedited project delivery, reduced project lifecycle costs, and greater opportunity for risk mitigation.

3. Alternative Project Delivery Alignment with Major City Goal

It is beyond the scope of this report to evaluate the merit of alternative project delivery as compared to traditional DBB delivery for the City's public projects, as there are various alternative delivery methods, and the considerations are unique for each project. In the context of supporting the Major City Goal, exploring how various alternative project delivery methods could allow the City to make a value-based selection of a single entity that would provide both design and construction services (i.e., the design-builder), rather than a selection based solely on price (i.e., low bid) should occur.

The City has discretion in crafting the criteria used to determine the best value when selecting the design-builder, which could include consideration of the design-builder's geographic location, utilization of local subcontractors, and other criteria targeted at supporting the local economy. This value-based selection approach would increase the City's ability to reinvest construction expenditures in the local economy, which would otherwise go to the lowest bidder regardless of geographic location. Alternative project delivery methods could also help advance the Housing and Homelessness and Climate Action, Open Space & Sustainable Transportation Major City Goals by expediting delivery of capital improvements included in the strategic approaches and work programs for these Goals.

4. Considerations for City's Capital Improvement Program Delivery

With the increased demand on limited City staff to deliver an ambitious CIP, alternative project delivery methods could be an important tool to aid the cost-effective and efficient delivery of the City's public projects while supporting local business. Incorporation of alternative project delivery methods into the City's Financial Management Manual would require changes to the Municipal Code and the City Charter and any Charter amendment would require voter approval. The legal analysis of alternative delivery methods available to the City and development of policies and procedures to implement this procurement approach is part of this work effort at some level. However, given the significance of the structural changes to the City's legislative framework that would be necessary to implement any such changes, staff is seeking Council direction on the threshold level of interest the Council has in evaluating and pursuing these changes, the relative priority and scope of the work effort Council would like to have directed at this piece of the Project Plan, and the priority of timing on this effort.

The City's Financial Management Manual defines the thresholds City staff shall follow to procure goods, professional services, consulting services, public projects, and job order contracts.

Local Purchasing

1. Definition and Purpose of Local Purchasing Policies

While the CWA and alternative project delivery approaches in the preceding sections focus on opportunities to reinvest capital expenditures into the local economy, a local purchasing policy would allow the City to leverage its operational expenditures (City funds for goods and services)— which comprise a significant portion of the City's budget – to support local workers and businesses.

Local purchasing policies are purchasing procedures that give preference to local vendors when procuring goods and services. These policies are designed to reinvest public expenditures into the local economy and support economic growth while preserving competitive procurement requirements. Local purchasing policies encourage, when feasible and in the interest of the City, procurement from local vendors and aims to reinvest public expenditures into the local economy to support economic growth.

2. City Experience with Local Purchasing Policies

The City's Financial Management Manual defines the procedures that City staff follow to procure goods and services, which generally require competitive bidding of some form. Services are procured through a Request for Qualifications (RFQ) or Request for Proposals (RFP) process, both of which allow for consideration of factors other than price. Goods are procured through a Request for Bids (RFB) or Informal Quote process, with the lowest price used as the basis of award. The City's procurement policies do not currently include consideration of the respondent's geographic location when evaluating proposals for goods and services, with the exception of a narrowly defined local preference for vendors as defined in Municipal Code 3.24.060:

“When the purchase can be made [from a cooperative agreement] ...the local dealer within the city limits can provide the same [product] identified in cooperative agreement at or below the cooperative net cost.”

Cooperative purchasing, also referred to as cooperative procurement or co-op contracts, allows two or more government entities to combine their purchasing power to buy goods and services through a common contract, so long as that contract was competitively solicited by at least one public agency in accordance with otherwise applicable public purchasing laws. In other words, it eliminates the need for multiple agencies to issue successive solicitations for the same goods and services, where one agency has issued a solicitation and the chosen vendor has committed to providing the same goods and services on the same terms to other public agencies.

3. Local Purchasing Policy Alignment with Major City Goal

An amended local purchasing policy beyond what is currently possible under the City's Municipal Code could help advance the Major City Goal by allowing local businesses to be more competitive when responding to City solicitations. The policy could be structured to allow the location of respondents to be considered by the City when reviewing bids, quotations, and proposals from prospective vendors. For services, proposal evaluation could include a criterion based on the location of the vendor. For goods, quotes from local vendors could be discounted by a specified percentage when determining the lowest price. Local vendors would have a greater chance of being awarded purchase orders and contracts by the City if a local purchasing policy were implemented. Similar programs have been implemented by charter cities throughout the state.

When considering a local purchasing policy, it should be reviewed under the context of overall economic impact and climate action goals. Consideration of environmental and social criteria are important factors when sourcing goods and services, as is the overall economic impact through local workers and business support. Local and sustainable purchasing and the overall economic impact will therefore be evaluated concurrently in the proposed policy update.

However, incorporation of a local purchasing considerations must be carefully crafted to ensure compliance with state, statutory, and constitutional requirements that are applicable to Charter cities and would require changes to the Municipal Code and purchasing policies adopted by resolution. The next steps include a more comprehensive legal analysis of local purchasing preferences.

Based on these stipulations, the Purchasing Policy update scheduled before Council in Winter of 2021 considers broadening both the Local Preference and Sustainable Purchasing sections for integration into the Municipal Code and the City's Financial Management Manual.

Previous Council or Advisory Body Action

Council adopted the FY21/23 Financial Plan at the June 1, 2021 meeting. Included within the programs and projects identified within Major City Goal of Economic Recovery, Resiliency, and Fiscal Sustainability was a task/action with Strategic Approach #1.1f, which stated:

"Hire a consultant, support legal review, and establish an internal working group and hire a consultant to research methods to support local contractors, local vendors, and labor through workforce agreements, local purchasing requirements, alternative project delivery methods, and other options to support local businesses and employees. The Community Services Group will be leading this effort".

Policy Context

Article IX of the City Charter sets forth the general requirements for public works contracts and purchases of equipment, services and supplies. Chapter 3.24 of the Municipal Code describes the procedures for payment of claims and purchases, which are further detailed in the City's Financial Management Manual/Purchasing Policy.

Public Engagement

Based on feedback received from Council, staff will coordinate with local stakeholders who could potentially be affected by changes to the City's procurement policies, including the San Luis Obispo Chamber of Commerce, Downtown SLO, the SLO County Builders Exchange, the Tri-Counties Building and Construction Trades Council, and local contractors and vendors.

CONCURRENCE

The Public Works and Utilities Departments concurs with the recommended action requesting Council feedback on this Major City Goal topic.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act does not apply to the recommended action in this report because the action does not constitute a "Project" under CEQA Guidelines Sec. 15378.

FISCAL IMPACT

Budgeted: Yes

Budget Year: 2021-22

Funding Identified: Yes

Fiscal Analysis:

The appropriated budget for FY 2021-22 allocated \$175,000 to hire necessary consultant support for this effort. Since four of the City's major funds will benefit from this analysis, the cost was proportionally shared between the General Fund and three enterprise funds - Water, Sewer, and Parking.

Funding Sources	Total Available	Budget	Current Funding Request	Remaining Balance	Annual Ongoing Cost
General Fund	\$	105,000	\$	\$	\$
Water Fund	\$	26,250			
Sewer Fund	\$	26,250			
Parking Fund	\$	17,500			
Total	\$	175,000	\$	\$	\$

STUDY SESSION FRAMEWORK FOR FEEDBACK TO STAFF

At this study session, Council will receive a summary presentation of this report, hear input from the public, and provide questions and feedback to staff to guide further work program development. Below are a series of general focus areas and questions that Council may want to use to guide the discussion when providing feedback to staff. More specific questions will be presented and more detailed Council direction will be sought at subsequent Council meetings on this topic:

Question #1. Do the methods identified (CWAs, alternative project delivery, and local purchasing policies) align with Council's objective of supporting local workers and local businesses?

Question #2a. Does Council want staff to further evaluate each method discussed, and/or are there specific or additional methods that Council wishes to include within the scope of further consideration and analysis by staff and consultants?

Question #2b. Does Council want to review the preferred methods at the same time with one action, or would Council be amenable to reviewing and taking action individually on these methods based upon resources available to implement?

Question #3. Is Council supportive of amending the City Charter if required to implement alternative project delivery and local purchasing policies?

Question #4. Does Council still support implementation of local purchasing policies for equipment, goods, and services?

Question #5a. Is it the Council's primary objective in expanding the scope of CWA application that CWAs be used to require employment of local residents – both union and non-union?

Question #5b. Is Council's objective in pursuing a CWA increased participation in the City's public projects by local contractors?

Question #6. Are there other priority objectives or specific issues Council would like staff to consider when identifying negotiating objectives for a CWA? Would Council like to model a CWA agreement on the WRRF Upgrade Project CWA?

Question #7. Have the correct stakeholders been identified or would Council like to include additional stakeholders in the evaluation?

NEXT STEPS

Based on feedback received from Council during the study session, staff will develop the project plan for the preferred methods of local economic support and return to Council for further direction regarding considerations for permanent policies and programs. Council's feedback will provide staff direction on strategy and scope and allow staff to develop key deliverable and additional timeframes for implementation with available resources in Phase 2.

ATTACHMENTS

None.