



Mid-Year Budget Review

FISCAL YEAR 2023-24

The City's *Budget and Fiscal Policies (Financial Plan Purpose and Organization, G – Mid-Year Budget Reviews)* call for a formal financial status report to the City Council based on the first six months of each fiscal year. The Mid-Year Budget Review fulfills this requirement and allows the Council to take a broader look at the City's financial picture and progress on Major City Goals or strategic initiatives shortly after the mid-point of the fiscal year. This report focuses on the current fiscal year and provides an analysis of adopted budget revenue and expenditure appropriations. It also outlines the achievements and the potential challenges for each department and the City organization as a whole and provides an update on adopted Major City Goals. Based on the review and accompanying analysis, the City remains financially sound with most revenues tracking ahead of budget and operating program expenditures remaining within budgeted allocations.

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Section A: GENERAL FUND SUMMARY

How to read the budget tables in this report

Budget: Adopted budget *plus* any encumbrances from prior year(s) or approved budget adjustments made throughout the year.

Actual: Actual expenditures *plus* any encumbrances or obligated funds as of December 31, 2023.

A1. Revenue

The table below shows the updated revenue forecast for the General Fund (all revenue consolidated). Detailed year-to-date actuals and mid-year changes by revenue type can be found in Appendix A.

Table 1 - General Fund Revenue

		FY 2023-24						
	General Fund Revenue	FY 2022-23	Budget	Actuals	% Received	Midyear Revised Budget	Total Midyear Changes	
1	Tax and Franchise Revenue	\$ 102,133,765	\$ 100,527,765	\$ 44,010,515	44%	\$ 102,210,442	\$ 1,682,677	
2	Sales Tax (Bradley Burns)	21,865,468	22,578,995	8,994,782	40%	22,578,995	-	
3	Local Revenue Measure G20*	30,508,731	30,262,098	12,409,186	41%	30,262,098	-	
4	Safety Prop 172	544,521	498,988	264,510	53%	550,000	51,012	
5	Property Tax	22,216,031	21,999,786	9,799,735	45%	22,863,770	863,985	
6	Transient Occupancy Tax	11,037,037	10,704,000	4,910,337	46%	10,704,000	-	
7	Utility User Tax	6,904,194	5,710,320	2,334,838	41%	6,332,000	621,680	
8	Business Tax	3,281,010	3,252,293	2,976,154	92%	3,252,293	-	
9	Franchise Fees	2,349,603	1,854,000	680,073	37%	2,000,000	146,000	
10	Gas Tax*	1,239,701	1,389,292	700,591	50%	1,389,292	-	
11	Gas Tax (SB1)*	1,059,724	1,177,994	483,061	41%	1,177,994	-	
12	Cannabis Tax	1,127,744	1,100,000	457,248	42%	1,100,000	-	
							-	
13	Service Fees and Other Revenue	\$ 15,356,185	\$ 13,269,580	\$ 8,433,108	64%	\$ 14,127,713	\$ 858,134	
14	Development Review	6,424,716	6,275,536	3,165,789	50%	6,275,536	-	
15	Fire	1,612,981	1,577,836	695,328	44%	1,647,854	70,018	
16	Parks & Recreation	1,813,831	2,021,599	981,734	49%	2,025,958	4,359	
17	Police	763,511	689,420	381,581	55%	745,003	55,583	
18	Business Licenses (Incl Cannabi:	669,968	666,600	673,764	101%	694,774	28,174	
19	Other Revenue	2,662,834	1,032,771	1,293,649	125%	1,732,771	700,000	
20	Grants & Subventions	1,408,344	1,005,817	1,241,264	123%	1,005,817	-	
21	Grand Total	\$ 117,489,950	\$ 113,797,345	\$ 52,443,623	46%	\$ 116,338,155	\$ 2,540,810	

Sales Tax revenue is on track with its budget for the year; however only reflects five months of revenue and excludes the “clean-up” payment for Q4 (calendar year) which can impact the overall numbers. The state as a whole experienced a decline of 1.5% in year over year sales tax in the first quarter. The County of San Luis Obispo outperformed the State and was flat and the City of San Luis Obispo outperformed all other cities in the county. Combined sales tax revenue from Bradley Burns and the Local Revenue Measure was up 1.7% from the same quarter last year. These trends are encouraging and can be partially attributed to new auto dealers and growth in the restaurants and hotels category.

As we look towards Q4 data, anecdotally, local businesses have shared that they were very busy over the holiday shopping period. Even as inflation and high interest rates have squeezed budgets, a record 200 million shoppers turned out nationally between Black Friday and Cyber Monday, according to the [National](#)

[Retail Federation](#). This, in combination with a so far mild winter season, should help keep sales tax revenue stable through the beginning of 2024.

Table 2- Year-over-year Sales Tax Revenue (Bradley Burns) for Calendar Year Q3 (July-Sept)



CITY OF SAN LUIS OBISPO
MAJOR INDUSTRY GROUPS

Major Industry Group	Count	3Q23	3Q22	\$ Change	% Change
General Consumer Goods	718	1,355,981	1,371,188	(15,207)	-1.1%
Autos and Transportation	153	1,142,556	1,005,853	136,703	13.6%
State and County Pools	-	863,330	854,054	9,276	1.1%
Restaurants and Hotels	340	668,000	652,039	15,961	2.4%
Building and Construction	79	601,408	651,676	(50,267)	-7.7%
Business and Industry	691	342,823	331,650	11,173	3.4%
Fuel and Service Stations	21	308,509	447,402	(138,893)	-31.0%
Food and Drugs	71	268,449	255,996	12,453	4.9%
Transfers & Unidentified	72	3,959	1,560	2,399	153.8%
Total	2,145	5,555,014	5,571,416	(16,403)	-0.3%

Table 3 - Year-over-year Sales Tax Revenue (Local Revenue Measure G-20) for Calendar Year Q3 (July-Sept)



CITY OF SAN LUIS OBISPO MEASURE G-20
MAJOR INDUSTRY GROUPS

Major Industry Group	Count	3Q23	3Q22	\$ Change	% Change
General Consumer Goods	3,871	2,541,848	2,528,388	13,460	0.5%
Business and Industry	6,290	1,254,577	1,096,488	158,089	14.4%
Restaurants and Hotels	349	1,061,391	1,008,840	52,551	5.2%
Building and Construction	789	989,567	980,202	9,365	1.0%
Autos and Transportation	952	940,158	879,670	60,488	6.9%
Fuel and Service Stations	87	483,945	567,493	(83,547)	-14.7%
Food and Drugs	151	406,471	383,364	23,107	6.0%
Transfers & Unidentified	2,860	88,888	81,729	7,159	8.8%
State and County Pools	-	0	0	0	-N/A-
Total	15,349	7,766,845	7,526,173	240,672	3.2%

Property Tax forecasts have been increased by about \$800,000 to reflect the latest forecast (October 2023) from the County Assessor’s Office.

Transient Occupancy Tax (TOT) revenue hit a record high in FY 2022-23; however, we have seen the monthly amounts in FY 2023-24 average about 3% lower than last year. Staff anticipated this cooling and expects this trend to continue through the rest of the year. Despite being lower than last year, the revenue is still on track to meet budget projections.

Utility Users Tax (UUT) revenue budget was increased to a conservative projection based on year-to-date revenue trends and last years’ receipts. Over the last several years, this revenue has been volatile. Last year, the City hit record high UUT revenues largely due to rate increases across all utilities. Electricity, water, sewer, and telecommunications revenue is tracking almost the same as or slightly higher than last year; however, UUT revenue from natural gas is down about 15% because of fluctuation in rates based on

supply and demand. Given the relatively mild winter and lower rates, this trend is projected to continue through the remainder of the fiscal year.

Franchise Fee revenue budget was increased to a conservative projection based on year-to-date trends and last years' receipts. Like UUT revenue, franchise fee revenue was particularly high last fiscal year because the franchise agreements are based on the utility providers' gross receipts, which spiked in FY 2022-23 due to rate increases. Trends are showing that this is slowing down, particularly in the natural gas sector which explain a lower budget than last year.

Business Tax should all be collected at this point, but there are several delinquent businesses that once remitted should bring the actuals up to the budgeted amount. 430 businesses will be sent a second citation that costs \$200. The citations will be sent out January 24th. If still unpaid, a third citation of \$500 will be sent out in the middle of February.

Cannabis Tax revenue is on track with projections.

Gas Tax and SB1 are on track with projections.

Fees for Service have been marginally adjusted to account for actual year-to-date revenue or trends identified over the last six months. Despite some decreased revenue projections for certain fees, a projected increase in other free revenue results in a net neutral impact on the general fund. Specific revenue budget changes can be found in Appendix A.

Other Revenue The major adjustment in "other revenue" is a true-up in the city's projected interest earnings or Fair Market Value (FMV) adjustments based on the year-to-date actuals. Interest earnings and FMV adjustments swing between fiscal years based on the market and are difficult to forecast because investment returns are impacted by market, bond, and other geo-economic factors. The revenue budget is being increased conservatively to reflect the current interest rate environment.

Grants and Subventions are at 123% received because of unbudgeted Mutual Aid Reimbursements that the City receives for sending resources to help other agencies. This revenue helps offset unbudgeted expenditures associated with providing mutual aid to other agencies (staffing, overtime, fuel, etc.)

[Development Services Designation](#)

In 2014, the City Council adopted [Resolution No. 10539](#) forming the Development Services Designation Fund. It authorized the City Manager to approve the appropriation and carryover of up to 75 percent of the over-realized development services revenue to cover the additional funds needed for development projects. This policy can be found in the 2021-23 Financial Plan Development Services Revenue policy (Policy D of the Financial Reporting and Budget Administration section).

While the Designation policy was removed with adoption of the 2023-25 Financial Plan, there was a fund balance of \$464,136 at the end of FY 2022-23. The intended purpose of those funds is the timely processing of development permit applications. In September 2023, a City Manager Report authorized \$250,000 of the Designation Fund's remaining balance to be transferred to the Community Development Department budget, with \$200,000 to Engineering (4004) and \$50,000 to Planning (4003) for consultant services. At the beginning of the fiscal year, staffing was challenging in both Planning and Engineering Development resulting in the contracting of consultants to manage and keep up with workload demands. As the remaining balance of the designation fund continues to support these efforts through the remainder of the Financial Plan, no revenue will be added to the Development Services Designation. A

balance of \$214,136 remains in the assigned designation account for use on the intended purpose; however, once drawn down, the account will be eliminated. Based on the FY 2022-23 audited financials and usage during the current fiscal year, the following table shows the current balance of the development services designation:

Table 4- Development Services Designation

Development Services Designation		
23-24 Beginning Balance	\$	464,136
Engineering Development Consultants		(\$200,000)
Planning Consultants		(\$50,000)
Current Balance	\$	214,136

A2. Expenditures

Table 5- General Fund Operating Expenditures by Department

General Fund Expenditures by Department	FY 2022-23 Actual	FY 2023-24		
		Budget	Year-to-date Actual	% Expended
1 Internal Services	17,815,915	19,996,243	10,558,314	53%
2 Admin/IT	11,500,788	12,184,186	6,782,052	56%
3 City Attorney	1,424,496	1,668,051	972,240	58%
4 Finance	2,378,451	2,485,965	1,345,715	54%
5 Human Resources	2,126,740	2,233,158	1,239,827	56%
6 Non-Dept/Support Services	385,440	1,424,883	218,480	15%
7 Community Services	30,207,250	33,727,885	18,495,344	55%
8 CSG Admin	703,556	830,784	498,044	60%
9 Community Development Depart	7,439,031	8,807,387	4,510,454	51%
10 Parks & Recreation	5,092,322	5,706,488	2,761,044	48%
11 Public Works	16,710,736	17,918,390	10,458,882	58%
12 Utilities	261,605	464,836	266,919	57%
13 Public Safety	36,827,297	37,571,537	22,327,530	59%
14 Police	21,430,400	22,278,369	13,262,834	60%
15 Fire	15,396,897	15,293,168	9,064,696	59%
16 Total	\$ 84,850,462	\$ 91,295,664	\$ 51,381,188	56%

Table 6 - General Fund Operating Expenditures by Type

General Fund Expenditures by Department	FY 2022-23 Actual	Budget	Year-to-date Actual	% Expended
1 Salaries	42,285,999	46,490,831	21,187,413	46%
2 Retirement/Benefits	9,340,941	11,508,563	5,438,573	47%
3 Contract Services	11,641,737	13,581,934	9,190,424	68%
4 Other Operating Expenditures	4,618,922	5,317,520	3,077,836	58%
5 PERS Unfunded Liability	13,916,694	11,132,870	10,998,102	99%
6 Utilities	3,046,170	3,263,947	1,488,839	46%
7 Total	\$ 84,850,462	\$ 91,295,664	\$ 51,381,188	56%

At Mid-Year, departmental budgets should typically be about 50% expended, though this can vary for departments that budget for significant non-salary expenditures that do not always follow even expenditure patterns throughout the year such as fiscal year contracts that cover a full year that are entered into in early July. Overall, the General Fund is on track with its expenditure budgets at both the department and the category level.

Storm Update

As noted in prior budget reports, the winter storms in January and March 2023 caused significant damage to City infrastructure and resulted in emergency declarations at the Federal and State level, in addition to the Emergency Services Director's local emergency proclamation. The City Council authorized use of up to \$9 million from the City's operating reserve in FY 2022-23 and FY 2023-24 to address unbudgeted storm costs and with adoption of the 20-23-25 Financial Plan, the City Council also approved allocation of \$2.75 million in the CIP to fund projects to repair storm damages and mitigate against future damage. The Federal and State declarations enable the City eligible to seek reimbursement for certain storm related costs. The maximum reimbursement for eligible costs is 93.75% (75% from FEMA and 18.75% from CalOES), meaning that the City will pay a minimum of 6.25% for certain storm related costs. The FEMA reimbursement process has moved slowly, due to turnover in the FEMA Program Delivery Managers assigned to assist local agencies in submitting projects for reimbursement and a lack of clarity about the information required in order to submit projects. Based upon information provided by EY (the consultant hired to provide disaster recovery technical assistance), staff expects that reimbursement will be received approximately 12 months following formal submittal of projects to FEMA. The timing of reimbursement is being closely tracked as the City's ability to pay back the operating reserve and fund future storm-related projects is dependent on receiving reimbursement for incurred storm costs.

The City has expended approximately \$10.34 million on storm response to date, including debris removal, emergency protective measures, and projects to make permanent repairs to damaged facilities. As noted in prior updates, storm related costs continue to shift as projects are scoped and designed. Currently, the total storm costs are estimated at \$35.6 million, consistent with what was reported in the First Quarter Financial Report. Total costs reflect efforts to not only repair storm damage, but to mitigate against future damage brought on by a potential El Niño year or subsequent storm events. In order to move quickly to address storm damages, staff is using streamlined procurement processes, including the authorization of construction contracts and change orders by the City Manager where necessary and allowable to expedite work in order to protect community health and safety. Staff recently completed the project to repair and stabilize the creek bank at San Luis Drive—one of the highest priorities and most costly projects related to the storms. Staff continue to work to prioritize the repairs and identify which projects will be eligible for the highest reimbursement.

Inflation

In recent years, the City (as well as most other local agencies) has grappled with the effects of inflation, particularly as it pertains to construction bid prices. The Consumer Price Index (CPI) serves as a key indicator, and a striking comparison between the 2019 CPI at 2.3 percent and the 2023 CPI at 5.8 percent highlights the significant increase in costs. The City Council is acutely aware that City staff is diligently navigating economic uncertainties and contending with substantial cost escalation. This escalation has had a profound impact on the overall expenses associated with maintaining existing levels of service. Furthermore, the surge in construction prices has posed challenges to the City's ability to fund both ongoing projects and incorporate new initiatives into the Capital Improvement Plan. The table below illustrating comparable bid prices in 2019 versus 2023, along with the corresponding escalation,

underscores the tangible impact of inflation on the construction landscape within the city. This awareness emphasizes the need for strategic planning and resource allocation to address these economic challenges effectively.

Table 7 - Impacts of Inflation

	Cost in 2019	Cost in 2023	Increase	Variance %
Dozen Eggs¹	\$1.54	\$2.51	\$0.97	+63.3%
Silt Removal (CY)	\$94.74	\$116.00	\$21.26	+22%
Hot mix² (AC) per TON	\$114.75	\$161	\$46.25	+40%
PCC³ Sidewalk (SF)	\$19.00	\$30.00	\$11.00	+58%
Adjust Utility Collars to grade (EACH)	\$1,900	\$2,965.00	\$1,065.00	+56%

The Council and staff will need to be cautious and focused on core commitments towards the City’s capital program. Any new projects or shifting of capital costs to the General Fund may have a significant impact on the delivery of planned improvements. Staff are recommending allocating unassigned fund balance Infrastructure Investment Fund to help the City bridge funding gaps for some major projects coming down the line.

A3.

Revised General Fund Long Term Forecast

The long-term forecast is an essential *planning* tool for the City and its ongoing service delivery. While the City adopts a two-year Financial Plan that must be balanced, the outer years of the forecast are presented to show the City’s financial condition and availability of resources into the future. The forecast is updated every six months which gives staff the opportunity to alert Council of looming imbalances and strategize proper actions to be taken.

Assumptions and Changes to Forecast

To avoid an overhaul of the budget, staff have updated only items that need to be adjusted based on significant new information or variances. In this case, the revenue forecasts associated with property tax, utility user tax, and franchise fees have been adjusted upward to reflect the new base projected for this year. On the expenditure side, the only change was to the future CalPERS unfunded liability payments, which needed to be increased significantly based on the Foster and Foster assessment from 2023 (presented to Council in May 2023). Overall, these changes nearly net out to zero in the short-term, but in the outer years of the forecast, there are some structural imbalances.

Looking Forward

Although there are imbalances in this forecast version, staff anticipate that the City’s number one source of revenue, sales and use tax will need to be increased at the time of the FY 2024-25 Budget Supplement which should alleviate those imbalances and create a surplus in the outer years. Sales and use tax will need to be carefully evaluated and will consider Q2 results which will be released around March 2024.

¹ <https://fred.stlouisfed.org/series/APU0000708111>

² Hot Mix Asphalt (AC) is used on large-scale paving projects like roads and surface parking lots.

³ Portland Cement Concrete (PCC) is primarily used throughout the City for sidewalk, curb ramp, and driveway replacements.

Approximately 50% of the City's budget is funded by sales and use tax, one of the more volatile revenue streams. This is good in good times and can cause shortfalls during periods of economic downturns. As part of the 2023-25 Financial Plan, Council established a "revenue stabilization reserve" of \$2 million which will help provide a glidepath in the short term.

Additionally, staffing budgets will be updated to reflect any negotiated changes that happened between April 2023 and April 2024 in addition to changes in employees and their associated benefits. Because the City prepares a two-year budget, departments should have considered the impacts of inflation and contractual increases on non-salary expenditures in the FY 2023-24 adopted budget. Minor adjustments are permitted if they are within a certain parameter and are generally required to be offset elsewhere in the budget.

In preparation for the 2023-24 Budget Supplement and the 2025-27 Financial Plan, there are a number of other considerations that staff is planning to factor into the updated long-term forecast:

- **Labor Pressure** Like many other public agencies, the City is seeing increased pressure related to employee compensation, due to inflation and an increased cost of living. Per the City Council's adopted labor relations philosophy, the City is to consider financial sustainability, community acceptability, relevant labor market data, and internal relationships in evaluating competitive compensation. Despite the fact that the City does not have any control over compensation in comparator agencies, the reality is that market data significantly influences the compensation provided by the City.
- **Development and Population Growth** Current and planned development activity is adding residential units, which will expand the city's population. To support our growing community, the City needs to expand infrastructure and amenities (such as park space). While there are near-term costs associated with the development of this infrastructure, the City will also need to factor in costs to maintain this infrastructure and amenities into the future. This type of work is currently performed by a combination of City staff and contract services, and investments in both will need to be made in order to maintain new assets to current standards.
- **Development and Operations of Fire Station 5** As a part of the development agreement for the Avila Ranch Development, the builder is required to mitigate the increased demand on fire protection services. The City is currently in discussions with the builder to determine the best path forward relative to both a temporary solution and then development of a permanent fire station at full buildout of Avila Ranch. While a Mello-Roos property-based charge is assessed for parcels in the Avila Ranch Community Facilities District will cover a portion of the ongoing costs to support expanded fire service, the General Fund will be impacted by both development and ongoing operations of a fifth fire station. Fire staff is currently working to forecast ongoing operating expenditures associated with staffing a fifth fire station.
- **General CIP Imbalances** In addition to the challenges highlighted earlier in the report, it is crucial to emphasize the impact of inflation on all Capital Improvement Projects (CIP) undertaken by the City. Inflation has significantly increased construction costs across the board, which makes it difficult to maintain a balanced CIP. Inflationary pressures are expected to continue into the 2025-

27 Financial Plan, where currently programmed funding for future projects likely will not be sufficient.

A prime illustration of this inflationary pressure is evident in the case of Righetti Park, a long-standing project initially projected at approximately \$6 million. Current estimates place project costs at \$20.5 million. This glaring disparity underscores the urgency to re-assess cost estimates comprehensively. The City must acknowledge the substantial impact of inflation and its implications on the financial landscape. The City Manager quoted economists at the outset of significant inflation noting that it would have an impact on capacity and expectations and noted "Inflation, the insidious thief of dreams".

In light of these challenges, a strategic re-prioritization of projects is imperative. This involves not only acknowledging the current financial constraints induced by inflation but also formulating realistic and adaptive strategies to navigate these challenges successfully. Only through a proactive and comprehensive reassessment can the City make informed decisions that ensure the sustained progress of crucial infrastructure projects. A revised forecast will be presented to the City Council during the Supplemental Budget Process.

Table 8 - General Fund Five-Year Forecast

	(A) Actual 2022-23	2023-25 Financial Plan			(E) Projected 2025-26	(F) Projected 2026-27	(G) Projected 2027-28
		(B) Budget 2023-24*	(C) Mid Year Revised 2023-24	(D) Forecast 2024-25			
Tax & Franchise Revenue							
1 Sales & Use Tax	52,927	53,340	53,391	54,630	56,214	57,385	58,533
2 <i>Sales Tax General</i>	21,865	22,579	22,579	23,166	23,838	24,362	24,850
3 <i>Public Safety (Prop 172)</i>	545	499	550	567	583	530	540
4 <i>Measure G20</i>	30,517	30,262	30,262	30,898	31,794	32,493	33,143
5 Property Tax	22,216	22,000	22,864	23,542	24,249	24,855	25,352
6 Transient Occupancy Tax	11,037	10,704	10,704	10,918	11,136	11,359	11,586
7 Utility Users Tax	6,904	5,710	6,332	6,459	6,588	6,720	6,854
8 Franchise Fees	2,350	1,854	2,000	2,040	2,081	2,122	2,165
9 Business Tax Certificates	3,281	3,252	3,252	3,317	3,384	3,451	3,520
10 Cannabis Tax	1,128	1,100	1,100	1,100	1,400	1,428	1,457
11 Total Tax & Franchise Revenue	\$ 99,842	\$ 97,960	\$ 99,643	\$ 102,007	\$ 105,052	\$ 107,320	\$ 109,467
Fees for Service & Other Revenue							
12 Police Services	753	612	745	612	624	637	649
14 Fire Services	1,613	1,578	1,648	1,578	1,609	1,642	1,674
15 Development Review	6,527	6,276	6,276	6,585	6,783	6,986	7,126
16 Parks & Recreation	1,868	2,022	2,026	2,069	2,110	2,152	2,174
17 Business Licenses	523	459	459	468	477	487	497
18 Cannabis Licenses	147	208	171	233	237	242	247
19 Other Revenues	3,708	2,188	2,911	2,389	2,496	2,592	2,692
20 Subventions & Grants	1,429	665	1,006	682	440	441	442
21 <i>Storm Reimbursement - ESTIMATE</i>		4,208		8,732			
22 Total Fees & Other Revenue	\$ 16,568	\$ 18,214	\$ 15,241	\$ 23,348	\$ 14,777	\$ 15,178	\$ 15,501
23 Total Revenue	\$ 116,410	\$ 116,174	\$ 114,884	\$ 125,355	\$ 119,829	\$ 122,499	\$ 124,968
Use of Funds							
24 Staffing	65,544	67,427	67,422	71,342	73,887	76,743	78,684
26 Contract Services	9,285	9,380	11,066	9,249	8,822	8,998	9,178
27 Other Operating Expenditures	\$ 9,471	9,858	11,097	9,943	9,537	9,728	9,922
28 Cost Allocation	(4,462)	(5,419)	(5,419)	(5,582)	(5,694)	(5,808)	(5,924)
29 Encumbrances from prior year							
30 <i>Storm Expenditures - ESTIMATE</i>	3,646	4,500	5,354				
31 <i>Mid-Year One-time Budget Recommendations(See Section B)</i>			4,471	3,804			
32 Total Operating Expenditure	\$ 83,484	\$ 85,746	\$ 93,991	\$ 88,756	\$ 86,552	\$ 89,661	\$ 91,861
33 Debt Service	1,992	1,854	1,854	1,769	1,761	1,550	1,549
34 Capital	27,056	29,728	29,728	27,269	27,868	28,488	29,123
35 Transfers Out/(In)	2,085	1,490	1,490	1,487	1,896	2,263	2,678
36 Total Expenditure	\$ 114,618	\$ 118,817	\$ 127,062	\$ 119,281	\$ 118,076	\$ 121,961	\$ 125,212
37 Revenue Over/(Under) Expenses	\$ 1,792	\$ (2,643)	\$ (12,178)	\$ 6,074	\$ 1,753	\$ 538	\$ (243)
38 Beginning Fund Balance	\$ 40,746	\$ 32,840	\$ 40,538	\$ 26,360	\$ 30,433	\$ 30,186	\$ 28,723
39 CalPERS ADP	2,000	2,000	2,000	2,000	2,000	2,000	2,000
40 Ending Fund Balance	\$ 40,538	\$ 28,197	\$ 26,360	\$ 30,433	\$ 30,186	\$ 28,723	\$ 26,480
41 General Fund Reserve (see line 46)	13,727	11,597	10,826	15,283	14,701	15,147	15,447
42 Revenue Stabilization Reserve	2,000	2,000	2,000	2,000	2,000	2,000	2,000
43 115 Pension Trust Fund	2,000	2,000	2,000	2,000	2,000	2,000	2,000
44 Restricted based on Audit	14,536	12,600	11,534	11,000	10,500	10,500	10,500
45 Undesignated Fund Balance	\$ 8,275	\$ 0	\$ 0	\$ 150	\$ 985	\$ (924)	\$ (3,467)
46 Reserve funded level (Policy=20%)	20%	17%	14.0%	20%	20%	20%	20%

* As adopted in 2023-25 Financial Plan. Column C is updated to include actual ending fund from FY 2022-23, carryover of encumbrances, and budget adjustments made throughout the year.

Section B: Mid-Year Expenditure Budget Changes

The mid-year budget is an opportunity to make mission critical adjustments throughout the year. It is also an opportunity to evaluate any unassigned fund balance from the prior year as confirmed through the [annual audit](#). Unassigned fund balance from the prior year is considered “one-time” in nature and should only be used to fund items as outlined in Section 8 of the City’s [Fiscal Policies](#):

1. The City sets the following prioritization of unassigned General Fund balance:
 - a. Additional discretionary payments to CalPERS
 - b. Infrastructure investments
 - c. Emerging Health and Safety needs of the community

Strategic Recommendation of One-time Fund Balance

In line with the above policy and as planned in the adopted 2023-25 Financial Plan, staff recommend making a \$2.4 million investment (across all funds) for an additional payment to CalPERS. Given that CalPERS rates of return fell short in FY 2022-23, staff recommends that Infrastructure should be the priority for the remaining unassigned fund balance for two main reasons:

1. The cost of projects is going up drastically and by getting funding into the community now, it is a better return on investment than waiting to do projects later at a much higher cost.
2. By allocating funding into the City’s Infrastructure Investment Fund, it keeps these funds liquid in case of an emergency while the reserve is being utilized for emergency storm work.

The following table summarizes the one-time budget recommendations for FY 2023-24 by funding source. Additional detail about each funding source and the available balances is found in the corresponding subsections. **Enterprise fund budget recommendations can be found within Section C of this report.**

Table 9 - Budget Recommendations by Funding Source (See Section C for Enterprise Funds)

Sub Section	Funding Source	Amount
A	General Fund 2022-23 Unassigned Fund Balance ⁴	\$ 6,471,095
B	Local Revenue Measure 2022-23 Unassigned Fund Balance	\$ 3,872,937
C	Capital Reserve	\$ 1,860,000
D	Completed Projects Balance or Reallocation of Project Budgets	\$ 680,000
E	IT Replacement Fund	\$ 33,200
Total Budget Changes		\$ 12,917,232

⁴ Includes \$2 million CalPERS Additional Discretionary payment which is listed as “assigned” for that purpose in the audited financials. In addition to the recommendation to appropriate \$6,296,095 of unassigned fund balance, staff also recommend a planned investment of \$3,804,358 with the remaining General Fund Unassigned Fund Balance. Formal Council action on this item would take place with a future budget cycle (see subsection A for detail).

A. General Fund Unassigned Fund Balance

The General Fund ended FY 2022-23 with a significant one-time unassigned fund balance of approximately \$8.3 million largely due to major tax revenues exceeding projections, high interest earnings, and expenditure savings associated with the activation of the [Fiscal Health Contingency Plan in response to the 2023 winter storms](#). Additionally, FY 2022-23 was the second year of the 2021-23 Financial Plan which means unspent funds are not eligible for carryover.

Table 10 - General Fund Balance per Audited Financials

General Fund – Fund Balance per June 30, 2023	
Non-spendable	\$101,462
Committed	
Contingency Fund – 20% policy level	13,727,000
General government programs	5,307,988
Risk Management	585,456
Assigned to:	
Encumbrances	2,455,573
SLO Rep Theater grant	3,940,000
115 Trust Fund	2,000,000
CalPERS Payment	2,000,000
Revenue Stabilization	2,000,000
Tenant Improvement	1,400,000
Development Services	464,136
Solid Waste AB939	281,000
Unassigned	8,275,453
Total Fund Balance	\$42,538,068

CalPERS Additional Discretionary Payment (ADP) – With the 2018-19 Budget Adoption, Council adopted the “Fiscal Health Response Plan” to help balance the long-term forecast and begin an ambitious schedule to pay down pension obligations over 20 years instead of 30 years. As shown in the table above, the City has been planning to use \$2,000,000 of its General Fund year end fund balance to make an additional CalPERS downpayment. This additional payment is consistent with the City’s adopted strategy to pay down its pension liabilities and is also in line with feedback provided by an independent actuary in May 2023 who noted that the City’s approach to making additional payments has made an impact to the funded status of the pension plan, despite significant market losses experienced by CalPERS in recent years. The table below shows the breakdown of the recommended appropriation for FY 2023-24 from all funds. If approved, this additional payment will be made in spring of 2024.

Table 11 - Recommended FY 2023-24 CalPERS ADP

Fund	ADP Amount
General Fund	\$ 2,000,000
Water	\$ 164,840
Sewer	\$ 169,419
Parking	\$ 61,003
Transit	\$ 12,555
Whale Rock	\$ 21,417
TBID	\$ 7,976
Total All Funds	\$ 2,437,211

Table 12 - Unassigned General Fund Balance Recommendations

Line	Funding Source/ (Use)	Amount
1	General Fund Unassigned Fund Balance (after CalPERS ADP)	\$8,275,453
2	Fire - Additional Fuel Budget - <i>The fire department’s fuel budget is underfunded for projected use in FY 2023-24 based on year-to-date trends and last year’s spending. Staff is requesting \$30,000 increase in budget to address the increased costs. In FY 2022-23 fuel consumption was \$96,086. The budget for FY 2023-24 is \$70,000. The department has already used over 75% of the appropriated budget. Oil and waste disposal is also budgeted from this account and have driven costs up as well.</i>	(30,000)
3	Mobility Services Salary Restructure – <i>This is an administrative adjustment to realign the Mobility Services Salary costs to be distributed based on the percentage of work for each fund. This request is for the Active Transportation portion of the Deputy Director of Mobility Services, Mobility Services Business Manager and an Administrative III. This distribution will be included in the base budget of the 2024-25 Supplemental Budget and ongoing forecast.</i>	(46,095)
4	Public Art Contribution – <i>This one-time additional contribution to Public Art will fund the purchase of the “David” sculpture currently showcased in the Mission Plaza lawn (\$120,000) which will be relocated to one of the City’s parks. An additional \$100,000 will be earmarked to help support the local art community with a variety of art projects around the City.</i>	(220,000)
5	Repayment of IIF for 1166 Higuera – <i>As detailed in R-11459, \$4.8 million of the Infrastructure Investment Fund (IIF) was appropriated to purchase 1166 Higuera Street and will be reimbursed via a 30-year interfund loan with the Parking Fund. To ensure that the IIF has sufficient funding for upcoming projects (Prado Creek Bridge, Righetti Park, etc.), staff recommend using one-time balance to repay the IIF and will use Parking Fund debt proceeds to help offset CIP needs over the next 30 years. To keep the General Fund reserve at a 14% funded level, the remaining balance of 1166 Higuera (\$845,000) will be transferred in FY 2024-25 or when the City receives storm reimbursements (see Line 10).</i>	(4,000,000)
6	Allocation to Insurance Fund for Appropriation – <i>One-time funding is necessary for various legal support related matters. Because the exact amount and timing of payments are unknown, staff recommend allocating this amount directly to (and subsequently appropriation from) the Insurance Fund. Any unused amount will therefore remain in the insurance fund for the intended purpose. Because these costs are often unanticipated, staff are working on a policy recommendation which will be presented with the 2024-25 budget to help support and smooth these costs over the years.</i>	(175,000)
7	Total Recommendations for FY 2023-24 Budget Appropriations (lines 2-6)	\$(4,471,095)
8	Remaining Balance at FY 2023-24 Year End	\$ 3,804,358
9	Planned Investments for FY 2024-25	
10	Investment into Infrastructure Investment Fund – <i>As explained in Section A, the cost of building and maintaining infrastructure is rapidly increasing and there is a fundamental imbalance between the City’s infrastructure needs and available resources. Staff recommend allocating the remaining one-time general fund balance to the IIF to help cover the cost of planned projects specifically related to</i>	(3,804,358)

Line	Funding Source/ (Use)	Amount
	<i>investments in the Cultural Arts District and for projects related to growth and development, such as parks. This recommendation is to earmark the remaining unassigned fund balance for use in 2024-25 or whatever year the City can secure reimbursement of costs related to the 2023 winter storms. The advantage of this is that it keeps the reserve at a 14% funded rate. Staff will continue to provide updates to Council and will make a recommendation for appropriation with a future budget cycle.</i>	
11	Total current and future budget recommendations of FY 2022-23 Unassigned Balance (Line 7 + Line 10)	\$(8,275,453)
12	Remaining 2022-23 Unassigned Fund Balance	\$ 0

B. Local Revenue Measure 2022-23 Unassigned Fund Balance

The Local Revenue Measure (LRM) Fund is used to track revenue and expenditures related to Local Revenue Measure G-20. It helps protect and maintain services and public infrastructure identified by the community such as community safety, creek protection, addressing homelessness, keeping public areas safe and clean, retaining local businesses, youth/senior services, streets, open space/natural areas and other vital services and facilities.

As outlined in the ACFR, the LRM has an unassigned fund balance of about \$3.8 million. This fund balance reflects revenues exceeding expenditures in FY 2022-23.

Table 13 - Local Revenue Measure FY 2022-23 Fund Balance

Local Sales Tax Measure Revenue & Uses Summary	
2022-23	
Revenues:	
Sales and use tax - Measure G add-on tax	\$ 30,508,731
Investment income	7,899
Total Revenues	\$ 30,516,630
Uses:	
Operating Programs	(\$8,778,263)
Capital Projects	(22,127,243)
Total Uses	(\$32,491,617)
Change in Fund Balance	(\$30,905,506)
Prior Sales Tax Measure Balance	\$5,696,864
Encumbered or designated for carryover for future year expenditures	(\$1,435,051)
Net available for future year appropriations (note 1)	\$ 3,872,937

Table 14 - Unassigned Local Revenue Measure Fund Balance Recommendations

Line	Funding Source/(Use)	Amount
1	Local Revenue Measure Unassigned Fund Balance	\$3,872,937
2	Arterials 2023 - Additional Asphalt Repairs on Johnson - This budget recommendation is necessary for additional asphalt repairs on Johnson Road, involving supplemental base repairs and crack sealing. These repairs are crucial in preparing Johnson Road for the upcoming 2024 paving project. The proposed work extends the repair limits from Laurel to Orcutt. Allocating funds for these additional repairs is essential to ensure the structural integrity of the road and optimize the success of the impending paving initiative. Construction March 2024	(300,000)
3	Arterials 2023 - Morro Street Sidewalk - This budget request is specifically directed towards the Morro Street Sidewalk project, aiming to extend the design of the newly constructed sidewalk near the New Anderson Hotel to the corner of Morro/Higuera. The proposed undertaking involves the removal and replacement of the existing sidewalk on approximately half a block on Higuera to align with the recently installed section fronting the hotel. The requested funds will enable the City to maintain visual continuity and enhance pedestrian infrastructure in this vital area. It is intended that this sidewalk replacement work would occur prior to paving Morro Street with the 2023 Arterials Project. Construction February/March 2024	(200,000)
4	Arterials 2023 - Palm Street Paving - This budget recommendation is for the Palm Street paving bid alternate initially proposed in conjunction with the 2023 Arterials project, awarded to Souza Construction in May 2023. Additional funds are now sought to facilitate the implementation of this bid alternate. Should the requested funds be transferred, the contractor will proceed with the necessary work, focusing on paving over the concrete street segment located off Palm Street near Santa Rosa Street and various sidewalk improvements. Construction February/March 2024	(915,000)
5	Augusta / Smith CMP Replacement - This budget recommendation is for financial support to address a critical CMP storm drainpipe failure at the intersection of Augusta and Smith Streets, a consequence of a recent storm event. The proposed project entails the removal and replacement of approximately 425 linear feet of 18" CMP (Corrugated Metal Pipe) and the installation of three catch basins. Timely approval of this budget will facilitate the necessary repairs to mitigate potential risks and ensure the infrastructure's resilience. Design January 2024	(750,000)
6	Fire Marshal Vehicle (Electric)⁵ - The truck assigned to the Fire Marshal was originally projected for replacement in 2024 in the 2021-2023 Financial Plan and according to the city's fleet replacement policy, it is past due for replacement. Because of the reshuffling of CIP in the 2023-25 Financial Plan, replacement of this vehicle was pushed out, but it is starting to have costly repair issues. This is also a good opportunity to replace the vehicle with an electric vehicle which are now in stock and eligible for various rebate programs.	(70,000)
7	Police Radio Encryption - The Police Department is seeking the necessary funding to update its police radios with both multi-key encryption and Wi-Fi licensing to minimize the burden on IT staff and make the transition to digital encryption	(91,000)

⁵ This vehicle is eligible for a 15% rebate which will bring the net cost to approximately \$60,000. It is necessary to budget for the entire cost of the vehicle; however, the rebate will later be collected as revenue.

Line	Funding Source/(Use)	Amount
	<i>manageable and useful for our personnel. The police radio is a critical piece of safety equipment for police officers and dispatchers, and being able to communicate with other local agencies is a necessity to ensure public safety in San Luis Obispo.</i>	
8	Righetti Park Investment - <i>This budget recommendation is to secure additional funding for Righetti Park, specifically in support of the linear park, pocket park, and community parks, which are currently at 50% design completion. Ongoing discussions are in progress to determine which segment of the project the City aims to construct first, as recent estimates have exceeded initial expectations. The additional funding sought is intended to support the development of one of the smaller parks or a section of the community park, allowing for phased implementation while ensuring that the project remains on track.</i>	(304,637)
9	Storm Response - <i>This budget recommendation is to secure funding for city-wide storm response mitigation planting, encompassing the replacement of trees and vegetation removed during emergency storm repairs. Additionally, funds are sought for an unforeseen project at 152 Cuesta, addressing wall repair resulting from storm damage. The City is actively pursuing supplementary funds and FEMA reimbursement to support these initiatives. 152 Cuesta has already been completed (Dec 2023), Mitigation Planting design 2024 - Planting late 2024 - 5 years of monitoring following planting.</i>	(600,000)
10	Streets R&R - Higuera Street Crack Sealing - <i>This budget recommendation is for imperative crack sealing on Higuera Street, spanning from Marsh to LOVR, in preparation for the scheduled Higuera Complete Streets project in Fall 2024. The Complete Streets project involves slurry seal application, and by conducting crack sealing six months in advance, we aim to optimize the effectiveness of the overall pavement maintenance. Allocating funds for this preparatory crack sealing initiative is crucial to enhance the longevity and resilience of Higuera Street. Construction March 2024</i>	(250,000)
11	Streets R&R - Paving Sacramento Drive - <i>This funding recommendation is for urgent bike lane paving along Sacramento Drive from Industrial to Via Esteban. The current pavement conditions, characterized by cracking and poor quality, pose significant challenges for cyclists. Allocating funds for this project will not only enhance the safety and accessibility of the bike lane but also contribute to the overall well-being of cyclists utilizing this route. Draft design and bid early 2024</i>	(220,000)
12	Truck 1 Refurbishment - <i>Truck 1, a 100' heavy-duty tractor-drawn Aerial Apparatus, provides essential access to buildings in the City beyond the reach of ground ladders, typically above 30 feet. Truck 1 is a 2010 Pierce that is rapidly deteriorating and not likely to reach the scheduled replacement in FY 2029-30. This refurbishment request is to replace drive-train components prior to catastrophic failure. Extending the life of Truck 1 will allow the department to replace it at the end of its expected lifespan and account for extended production delays due to supply chain shortages.</i>	(172,300)
13	Remaining Balance	\$ 0

C. Capital Reserve

The City maintains a committed reserve of 20% of the capital improvement plan budget from the Local Revenue Measure (LRM) for the purpose of offsetting unanticipated cost increases, unforeseen conditions, and urgent unanticipated projects to provide continued investment in infrastructure maintenance and enhancement. Use of funds from the Capital Projects Reserve Fund can be made upon Council approval as necessary during any fiscal year. The reserve is planned to be replenished to the 20% level with the supplemental budget.

The recommended use of the reserve is in response to the Righetti hillside slope failure that occurred in January 2023, prompting a need for initial repair by the developer. Responsibility is currently under dispute, but the City intends to execute emergency mitigation work in early 2024 to address risk to below properties. The City is actively investigating and exploring potential cost recovery options, possibly through litigation with the developer. This budget request provides funding to do the work now, with reimbursement sought later.

After this budget recommendation, the reserve will be about 38% funded which will allow for additional emergent needs through the remainder of the fiscal year. Public Works staff are aware of several projects that will require additional funding however the timing and amount of funding is still unknown at this time. One of these projects includes the remodel of the City-County Library restrooms which are necessary to bring it up to ADA compliance.

Table 15 - Recommended Use of Capital Reserve

Capital Reserve Balance as of January 2024	\$ 3,370,000
Righetti Hillside	\$ (1,860,000)
Remaining Balance	\$ 1,510,000

D. Completed Projects Balance or Reallocation of Project Budget

When projects are completed under budget, the balance goes into a “completed projects” account which is eligible for reallocation by the City Manager. This is often a great way to help bridge gaps between projects that need marginal additional funding. Approval by the Council is required for all transfers from the completed projects account for any new projects as well as for any existing project when the transfer amount exceeds the City Manager’s purchasing authority. Additionally, listed below are some transfers out of projects that have identified excess budget available for reallocation that have not yet been transferred into the completed projects account.

Table on next page

Table 16 - Recommended Use of Completed Projects Balances (Capital Outlay Fund and Capital Outlay LRM)

Funding Source/(Use)	Amount
Completed Projects Balance	\$167,000
Transfers from:	\$513,000
<i>Railroad Safety Trail Taft to Pepper</i>	<i>113,000</i>
<i>Bridge Maintenance</i>	<i>150,000</i>
<i>CDBG Project</i>	<i>87,000</i>
<i>ATP</i>	<i>30,000</i>
<i>California/Foothill</i>	<i>75,000</i>
<i>Annual Striping and Signage</i>	<i>25,000</i>
<i>Sidewalk Maintenance Project</i>	<i>33,000</i>
Transfers to:	\$(680,000)
<i>Pismo / Johnson Funding to address increased wall height</i>	<i>(200,000)</i>
<i>Streets R&R - Striping on Orcutt Road</i>	<i>(100,000)</i>
<i>Arterials 2023 - Bike Path Repair adjacent to Cerro San Luis -</i>	<i>(30,000)</i>
<i>North Chorro Greenway</i>	<i>(350,000)</i>
Remaining Balance	\$ 0

E. IT Replacement Fund

The IT Replacement Fund is funded based on annual allocations through the Capital Improvement Planning process as well as through the collection of IT surcharges. The IT surcharge is collected on Community Development Department fees and is intended to help offset the cost the City’s permitting program, EnerGov. Back-end configuration changes need to be made to the program in order for it to support the new fee structure that will go into effect on July 1, 2024. The remaining fund balance is necessary to help smooth the cost of uneven IT replacement costs over the next five years.

Table 17 - Recommended Use of IT Replacement Fund Balance

IT Replacement Fund Balance	\$ 908,000
EnerGov Upgrades	\$ (33,200)
Remaining Fund Balance	\$ 874,800

Section C. Enterprise Funds

The City’s financial structure is separated into governmental funds and business activities or Enterprise funds. Business activities are distinguished from governmental funds by their similarity to private sector enterprises and are predominantly financed through user service charges. The City has four unique funds that fall into this category:



C1: WATER FUND

Revenue

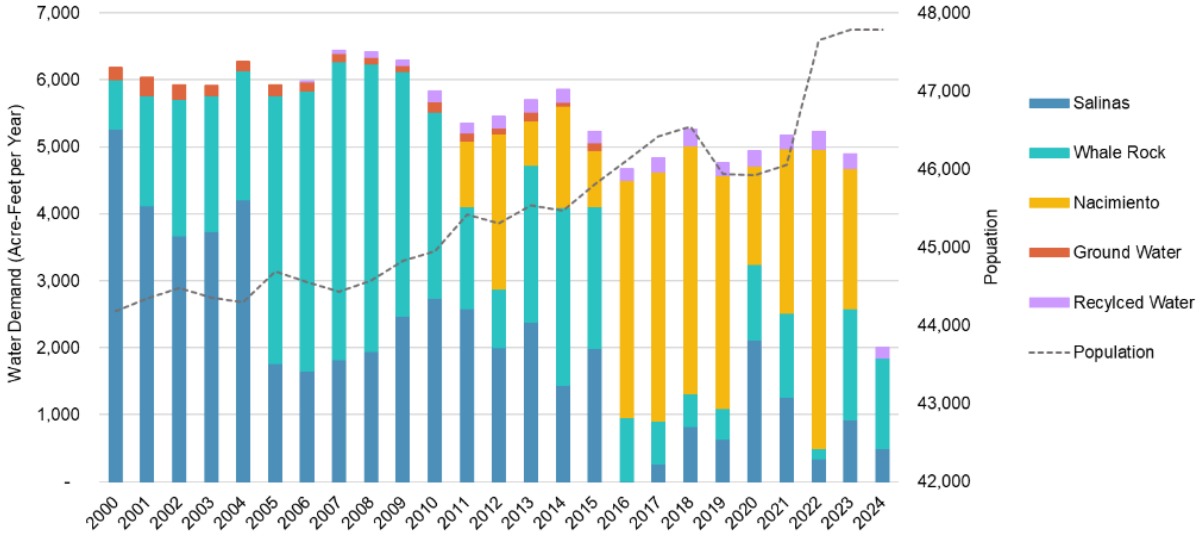
Water sales are trending on track with revenue projections and revenues in prior fiscal years. At the time of writing this report, revenues only reflect four months (or 33%) of water sales because of the timing of billings. Water sales, base charges, sales to Cal Poly, and other miscellaneous utilities set up fees comprise over 90% of anticipated revenues.

Table 18 - Water Fund Revenue

	Revenue Type	2022-23 Actual	FY 2023-24				
			Budget	YTD Actuals	% Received	Midyear Revised Budget	Total Midyear Changes
1	Service Charges and Base Fees	23,407,610	26,146,099	10,473,895	40%	26,146,099	-
2	Cal Poly Capacity & Resilience	233,025	251,072	233,025	93%	251,072	-
3	Investment and Property Revenue	567,540	50,000	256,337	513%	50,000	-
4	COVID Rate Relief Program (Contra-account)¹	(53,940)	-	(84,946)		-	-
5	Long Term Debt Proceeds	122,214	872,574	-	0%	750,360	(122,214)
6	State Grants	371,201	697,500	218,982	31%	1,237,171	539,671
7	Other Grants/Subventions	53,940	-	96,759		-	-
8	Other Revenue	517,680	208,647	292,032	140%	208,647	-
9	Transfers in (Impact Fees)	3,614,800	-	111,897		-	-
10	Total	\$28,834,071	\$28,225,893	\$ 11,597,982	41%	\$28,643,350	\$ 417,457

Overall City water demand has remained relatively consistent over the past five years, with minor variations year-to-year. 2023-24 water use is on track with forecasted demands. A dry winter may result in slightly higher than anticipated revenues, while a wet winter may result in slightly lower than forecasted revenues. Figure 1 plots the City’s water demand and population growth from fiscal years 2000 through 2024. Increased water conservation efforts by the Department and the community have offset water demand generated by population growth.

Figure 1 Water Demand Fiscal Years 2000-2024



Other major sources of forecasted revenue in the Water Fund include \$657,171 received through the Cal OES Hazard Mitigation Grant Program for the Public Safety Power Shutoff project and \$580,000 for Round 3 of the Proposition 1 Groundwater Grant Program. Additionally, staff are anticipating about \$750,000 in loan proceeds from I-Bank for the Water Treatment Plant Energy Efficiency project. This project is complete, but payment is being retained until the performance period for the project is met by the contractor. The Water Fund has only partially received these funds because they are contingent on project timelines and corresponding disbursements. The Water Fund remains on track to meet revenue targets and short-term operational, capital expenditure, and reserve needs.

Operating Expenses

Costs related to chemicals, electricity, and capital project delivery continue to increase. Industry-specific increases have exceeded general inflation and are not anticipated to normalize this fiscal year. Chemical and electricity are about 20% of the annual operating budget. Actual electricity expenses are trending lower in quarters 1 and 2 because of increased use of water from the Whale Rock Reservoir (see Figure 1), which costs less to pump water from. The change in source water strategy is largely due to damage to the Nacimiento pipeline caused by the 2023 winter storms. Staff has been notified that electricity will increase an additional 14% for bundled customers and 25% for Community Choice Aggregation (CCA) customers beginning January 2024. Staff anticipate that this will be partially offset by the newly implemented Tesla Backup Battery which is calculated to reduce electricity costs by approximately \$15,000 per month. The anticipated electricity savings resulting from the use of this battery are not fully realized in YTD expenditures since electricity rates from October-May are lower than peak pricing from June-September.

Table 19 - Water Fund Operating Expenditures

	Water Fund Operating Expenditures	FY 2022-23 Actual	FY 2023-24		
			Budget	Year-to-date Actual	% Expended
1	Salaries	\$ 3,385,240	\$ 3,887,239	\$ 1,682,108	43.3%
2	Retirement/Benefits	\$ 840,370	\$ 936,831	\$ 447,637	47.8%
3	Contract Services	\$ 9,793,078	\$ 1,067,009	\$ 911,800	85.5%
4	Other Operating Expenditures	\$ 1,154,345	\$ 13,005,131	\$ 9,709,026	74.7%
5	PERS Unfunded Liability	\$ 843,537	\$ 678,507	\$ 668,626	98.5%
6	Transfers Out	\$ 2,311,753	\$ 2,826,143	\$ 1,413,072	50.0%
7	Utilities	\$ 657,418	\$ 1,033,720	\$ 362,888	35.1%
8	Total	\$ 18,985,741	\$ 23,434,580	\$ 15,195,157	64.8%

Mid-Year Budget Changes

There are three mid-year budget amendments being recommended as outlined below. These recommendations can be absorbed within the Water Fund's working capital. All budget amendments address safety, regulatory, or other issues otherwise necessary to the provisions of water services.

Table 20 - Water Fund Mid-Year Operating Budget Requests

	Budget Request Description	Current Amount Budgeted	Amount Recommended	New Total
1	Refund to the General Fund for Fire Hydrant Expenses	\$0.00	\$92,218	\$92,218
2	Water Treatment Plant Ozone Containment Repairs	\$0.00	\$180,000	\$180,000
3	Arc Flash Survey for the Water Treatment Plant and Water Distribution	\$0.00	\$132,750	\$132,750
4	TOTAL	\$0.00	\$404,968	\$404,968

In September of 2020, the Governor signed Senate Bill No. 1386 which specified that hydrants are part of the system of public improvements included in the definition of "water" for purposes of the Proposition 218 Omnibus Implementation Act. The bill specified that the fees or charges for property-related water service imposed or increased, as specified, may include the costs to construct, maintain, repair, or replace hydrants as needed. During the period in which SB 1386 went into effect, all **Fire hydrant** related costs had been paid by the General Fund. This action is to document the amount of costs that are now having to be paid back to the General Fund by the Water Fund as a "true up" action. This is a one-time request, as hydrant related costs will be funded by the Water Fund moving forward.

The **Water Treatment Plant Ozone repair** budget change is a one-time request that will address minor modifications to meet required permit compliance for the water treatment plant.

Lastly, the **Arc Flash Survey** is a one-time request for Water Treatment and Water Distribution programs. This budget change will allow for a third-party contractor to conduct an arc-flash survey designed to reduce the potential for injury to staff who are maintaining or operating equipment associated with water and wastewater treatment.

The Water Fund Long Term Forecast

Industry specific cost increases remain high in chemicals, electricity, and capital expenses. As staff learn more about our assets through the Infrastructure Renewal Strategy and the Strategic Asset Management Plan, this may shift prioritization of capital projects and forecasted expenses.

Chemicals have somewhat stabilized but remain high in cost relative to a few years ago. Electricity continues to increase at an above-inflation rate. Staff have been notified that electricity will increase an additional 18% for bundled customers and 24% for Community Choice Aggregation (CCA) customers beginning January 2024. These estimates reflect a system-wide impact and do not delineate between customer categories or rate types.

Capital expenses continue to exceed projected estimates. The drivers of increased capital expenses vary from increased base material costs to ongoing supply chain issues. The California Construction Cost Index reflects a 9.5% increase from November 2022 to November 2023.

Specific costs, like electricity and construction, are impacting the Utilities Department's budget in outsized ways, but general inflation still impacts costs as whole. The Municipal Cost Index (MCI), an index designed to reflect the effects of inflation on providing municipal services, peaked at a 6.27% monthly increase in January 2023. For comparison, the year-over-year percent changes for MCI as of September for the last seven years can be found in the Sewer Fund write up below.

Table 21 - Water Fund Five Year Forecast

		Current Financial Plan 23-25						
<i>in thousands</i>		(A) Actual 2022-23	(B) Budget 2023-24	(C) Mid Year Revised 2023-24	(D) Forecast 2024-25	(E) Projected 2025-26	(F) Projected 2026-27	(G) Projected 2027-28
Revenue								
Charges for Service								
1	46102-Development Review Fees	\$ 37	\$ 26	\$ 26	\$ 26	\$ 26	\$ 26	\$ 26
2	46701- Sales to Cal Poly	\$ 1,195	\$ 1,119	\$ 1,119	\$ 1,184	\$ 1,340	\$ 1,458	\$ 1,558
3	46702- Water Sales	\$ 15,260	\$ 17,717	\$ 17,717	\$ 19,045	\$ 20,474	\$ 21,395	\$ 22,358
4	46703- Utilities Base Charges	\$ 5,910	\$ 6,243	\$ 6,243	\$ 6,712	\$ 7,215	\$ 7,540	\$ 7,879
5	46704- Reclaimed Water Sales	\$ 1,042	\$ 1,080	\$ 1,080	\$ 1,161	\$ 1,248	\$ 1,304	\$ 1,363
6	46708 - Utilities Setup Fees	\$ 180	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60
7	46709- Other Utilities Charges	\$ (0)	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1
8	46711- Water Distribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	46712- Low Income Subsidy	\$ (16)	\$ (100)	\$ (100)	\$ (100)	\$ (100)	\$ (100)	\$ (100)
10	46713- Cal Poly Capacity & Resilience	\$ 233	\$ 251	\$ 251	\$ 263	\$ 288	\$ 299	\$ 310
11	Total Charges for Service	\$ 23,841	\$ 26,397	\$ 26,397	\$ 28,352	\$ 30,552	\$ 31,983	\$ 33,455
12	Total Other Revenue¹	\$ 1,770	\$ 1,829	\$ 2,246	\$ 3,719	\$ 11,370	\$ 202	\$ 202
13	Total Impact Fees	\$ 3,649	\$ 1,810	\$ 1,810	\$ 800	\$ 800	\$ 800	\$ 800
14	Total Revenue	\$ 29,260	\$ 30,036	\$ 30,453	\$ 32,872	\$ 42,722	\$ 32,985	\$ 34,457
Expenditures								
15	Total Salaries and Benefits	\$ 5,069	\$ 5,503	\$ 5,503	\$ 5,747	\$ 5,945	\$ 6,158	\$ 6,365
16	Total Contract Services	\$ 9,835	\$ 12,421	\$ 12,553	\$ 12,721	\$ 13,009	\$ 13,354	\$ 13,755
17	Total Other Operating Expenditures	\$ 1,782	\$ 2,685	\$ 2,685	\$ 2,753	\$ 2,868	\$ 2,954	\$ 3,043
18	Total Capital Asset Expense Expenditu	\$ 2,653	\$ 28,551	\$ 28,823	\$ 4,319	\$ 11,979	\$ 5,826	\$ 5,975
19	Total Debt Services Expenditures	\$ 2,301	\$ 1,870	\$ 1,870	\$ 1,869	\$ 1,866	\$ 2,391	\$ 2,390
20	Total General Expenditures	\$ 2,312	\$ 2,826	\$ 2,826	\$ 3,250	\$ 3,738	\$ 3,924	\$ 4,121
	Total Expenditures	\$ 23,952	\$ 53,856	\$ 54,261	\$ 30,659	\$ 39,404	\$ 34,608	\$ 35,649
21	CalPERS Additional Discretionary Payment	\$ -	\$ 679	\$ 679	\$ 706	\$ 165	\$ 165	\$ 165
22	Total Expenditures (After CalPERS ADP)	\$ 23,952	\$ 54,535	\$ 54,940	\$ 31,365	\$ 39,569	\$ 34,773	\$ 35,814
23	Working Capital - Beginning	\$ 34,725	\$ 40,033	\$ 40,033	\$ 15,547	\$ 17,053	\$ 20,205	\$ 18,418
24	Change in Financial Position	\$ 5,308	\$ (24,499)	\$ (24,486)	\$ 1,506	\$ 3,152	\$ (1,788)	\$ (1,357)
25	Working Capital - Year End	\$ 40,033	\$ 15,534	\$ 15,547	\$ 17,053	\$ 20,205	\$ 18,418	\$ 17,060
26	Operating Reserve (20%)	\$ 4,260	\$ 5,061	\$ 5,088	\$ 5,268	\$ 5,485	\$ 5,756	\$ 5,935
27	Rate Stabilization (10%)	\$ 2,237	\$ 2,508	\$ 2,508	\$ 2,694	\$ 2,903	\$ 3,039	\$ 3,179
28	Other Reserves (115 Pension Trust Fund)	\$ 176	\$ 176	\$ 176	\$ 176	\$ 176	\$ 176	\$ 176
29	Unreserved Working Capital Year End	\$ 33,361	\$ 7,789	\$ 7,776	\$ 8,915	\$ 11,642	\$ 9,446	\$ 7,771
1 Includes Loan Proceeds for Santa Rosa Project and Grant Funding in FY2025-26								
2 Includes Project Carryover from 2-3 years prior in FY2023-24								

C2: SEWER FUND

Revenue

Sewer sales are trending on track with revenue projections and revenues in prior fiscal years. At the time of writing this report, revenues only reflect three months (or 33%) of sewer sales because of billing timing. Sewer service charges, base charges, sales to Cal Poly, and other miscellaneous utilities set up fees comprise about 95% of anticipated revenues.

Table 22 - Sewer Fund Revenue

Revenue Type	2022-23 Actual	FY 2023-24				
		Budget	YTD Actuals	% Received	Midyear Revised Budget	Total Midyear Changes
1 Service Charges and Base Fees	19,593,710	19,324,641	7,105,284	37%	19,324,641	-
2 Cal Poly Capacity & Resilience	243,568	472,534	-	0%	472,534	-
3 Other Revenue	523,148	224,000	276,029	123%	224,000	-
4 State Grants	1,275,831	1,386,153	700,075	51%	1,500,380	114,227
5 Investment and Property Revenue	680,086	50,000	380,056	760%	50,000	-
6 Long Term Debt Proceeds	21,384,848	31,132,364	13,368,259	43%	25,964,877	(5,167,487)
7 Transfer in (Impact Fees)	1,968,592	-	61,170	-	-	-
8 Total	\$45,669,785	\$52,589,691	\$ 21,890,873	42%	\$47,536,432	\$ (5,053,260)

The City's Sewer Service Charges and Base Fees continue to trend consistently with previous years. While the sewer rates were increased by 4% on July 1, 2023 (Resolution 11428), this was largely offset by a reduction in the default sewer cap from 5 to 4⁶ and an extremely wet winter in 2023, which deflates the sewer cap. Because the Utilities Department cannot meter sewer use, the sewer cap enables the calculation of the maximum units that an account can be billed by averaging water use during winter months when irrigation demand is lower.

Other major sources of revenue in the Sewer Fund include \$1,368,927 through the Cal OES Hazard Mitigation Grant Programs and \$131,453 through the Proposition 1 Integrated Regional Water Management Implementation Grant. Both grants contribute to flood control/protection and resiliency elements of the Water Resource Recovery Facility upgrade. Additionally, staff are anticipating the remainder of the loan proceeds for the WRRF upgrade to be realized in 2023-24 and 2024-25. These revenues have only been partially realized because they are contingent on project timelines and corresponding disbursements. The fund remains on track to meet revenue targets and short-term operational, capital expenditure, and reserve needs.

Operating Expenses

Costs related to chemicals, electricity, and capital project delivery continue to increase. Industry-specific increases have exceeded general inflation and are not anticipated to normalize this fiscal year. Chemical and electricity are about 17% of the annual operating budget. Actual electricity expenses are trending lower in quarter 1 and 2 due to delays in the WRRF upgrade, which will shift expenses from chemicals to electricity. Consequently, chemical costs may trend higher and electricity costs may trend lower than

⁶ The sewer cap provides the maximum number of units that a residential customer is charged for sewer usage on their monthly bill. By reducing the default sewer cap from 5 to 4, ratepayers with new accounts that do not have an established sewer cap are only charged a maximum of 4 units on their sewer bill. The sewer cap is used because staff are unable to meter sewer use.

anticipated. Staff has been notified that electricity will increase an additional 18% for bundled customers and 24% for Community Choice Aggregation (CCA) customers beginning January 2024. The increases in costs will be brought to Council in February of 2024.

Table 23 - Sewer Fund Operating Expenditures

	Sewer Fund Operating Expenditures	FY 2022-23 Actual	FY 2023-24		
			Budget	Year-to-date Actual	% Expended
1	Salaries	\$ 3,291,795	\$ 3,889,630	\$ 1,702,353	43.8%
2	Retirement/Benefits	\$ 801,764	\$ 909,393	\$ 439,624	48.3%
3	Contract Services	\$ 921,169	\$ 1,251,733	\$ 1,285,240	102.7%
4	Other Operating Expenditures	\$ 1,539,529	\$ 1,595,059	\$ 912,542	57.2%
5	PERS Unfunded Liability	\$ 872,861	\$ 692,112	\$ 682,034	98.5%
6	Transfers Out	\$ 2,573,783	\$ 3,104,155	\$ 1,552,078	50.0%
7	Utilities	\$ 773,208	\$ 1,062,892	\$ 447,813	42.1%
8	Total	\$ 10,774,110	\$ 12,504,974	\$ 7,021,683	56.2%

Mid-Year Budget Changes

There are three mid-year budget amendments being recommended as outlined below. These recommendations can be absorbed within the Sewer Fund's working capital. All budget amendments address safety, regulatory, or other issues otherwise necessary to the provisions of sewer services.

Table 24 - Sewer Fund Mid-Year Operating Budget Requests

	Budget Request	Current Amount Budgeted	Amount Recommended	New Total
1	Sewer Inflow and Infiltration Reduction	\$0.00	\$50,000	\$50,000
2	Arc Flash Survey for Wastewater Collections	\$0.00	\$39,550	\$39,550
3	TOTAL	\$0.00	\$89,550	\$89,550

The **Sewer Inflow and Infiltration** reduction budget change is a one-time request that will contribute to a project budget that includes sewer lateral rebates, engineering reports, construction plans for point repairs, construction management services, sewer manhole re-coatings, sewer flow monitoring studies, field testing of wastewater piping infrastructure, etc.

The **Arc Flash Survey** is a one-time request for Wastewater Collections programs. This budget change will allow for a third-party contractor to conduct an arc-flash survey designed to reduce the potential for injury to staff who are maintaining or operating equipment associated with water and wastewater treatment.

The Sewer Fund Long Term Forecast

Industry specific cost increases remain high in chemicals, electricity, and capital expenses. As staff learn more about our assets through the Strategic Asset Management Plan and other studies, this may shift prioritization of capital projects and forecasted expenses.

Chemicals have somewhat stabilized but remain high in cost relative to a few years ago. Electricity continues to increase at an above-inflation rate. Staff have been notified that electricity will increase an additional 14% for bundled customers and 25% for Community Choice Aggregation (CCA) customers

beginning January 2024. These estimates reflect a system-wide impact and do not delineate between customer categories or rate types.

Capital expenses continue to exceed project estimates. The drivers of increased capital expenses vary from increased base material costs to ongoing supply chain issues. The California Construction Cost Index reflects a 9.5% increase from November 2022 to November 2023.

Specific costs, like electricity and construction, are impacting the Utilities Department's budget in outsized ways, but general inflation still impacts costs as whole. The Municipal Cost Index (MCI), an index designed to reflect the effects of inflation on providing municipal services, peaked at a 6.27% monthly increase in January 2023. For comparison, the year-over-year percent changes for MCI as of September for the last seven years are in the table below.

Table 25 - Municipal Cost Index % Change

Calendar Year	MCI YoY % Change (September)
2023	1.42%
2022	9.14%
2021	10.80%
2020	1.04%
2019	0.55%
2018	3.24%
2017	3.41%

While the MCI has leveled in 2023, the anomalous and large increases in 2021 and 2022 are still impacting the cost of providing sewer services.

Table 26 - Sewer Fund Five Year Forecast

		Financial Plan 23-25						
		(A)	(B)	(C)	(D)	(E)	(F)	(G)
		Actual	Budget	Mid Year	Forecast	Projected	Projected	Projected
		2022-23	2023-24	Revised	2024-25	2025-26	2026-27	2027-28
		2023-24						
Revenue								
Charges for Service								
1	46101-Planning and Zoning Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	46102-Development Review Fees	\$ 38	\$ 26	\$ 26	\$ 26	\$ 26	\$ 26	\$ 26
3	46104- Sewer Wye	\$ 8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	46701- Sales to Cal Poly	\$ 1,106	\$ 1,013	\$ 1,013	\$ 1,008	\$ 991	\$ 984	\$ 960
5	46703- Utilities Base Charges	\$ 5,143	\$ 5,008	\$ 5,008	\$ 5,209	\$ 5,417	\$ 5,634	\$ 5,831
6	46705- Sewer Service Charges	\$ 13,345	\$ 13,304	\$ 13,304	\$ 13,836	\$ 14,389	\$ 14,965	\$ 15,489
7	46708 - Utilities Setup Fees	\$ 187	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60
8	46709- Other Utilities Charges	\$ (0)	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1
9	46711- Water Distribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	46713- Cal Poly Capacity & Resilience	\$ 244	\$ 473	\$ 473	\$ 473	\$ 473	\$ 473	\$ 473
11	Total Charges for Service	\$ 20,071	\$ 19,884	\$ 19,884	\$ 20,612	\$ 21,357	\$ 22,142	\$ 22,839
12	Total Other Revenue	\$ 23,634	\$ 32,793	\$ 27,652	\$ 15,187	\$ 187	\$ 187	\$ 187
13	Total Impact Fees	\$ 1,981	\$ 1,225	\$ 1,225	\$ 600	\$ 600	\$ 600	\$ 600
	Total Revenue	\$ 45,686	\$ 53,901	\$ 48,761	\$ 36,399	\$ 22,144	\$ 22,929	\$ 23,626
Expenditures								
14	Salaries and Benefits	\$ 4,966	\$ 5,491	\$ 5,491	\$ 5,727	\$ 5,903	\$ 6,085	\$ 6,273
15	Contract Services Expenditures	\$ 1,785	\$ 2,439	\$ 2,478	\$ 2,356	\$ 2,443	\$ 2,516	\$ 2,592
16	Other Operating Expenditures	\$ 1,444	\$ 1,471	\$ 1,471	\$ 1,494	\$ 1,552	\$ 1,599	\$ 1,647
17	Capital Asset Expenditures	\$ 31,789	\$ 58,427	\$ 58,477	\$ 3,631	\$ 8,090	\$ 1,689	\$ 10,761
18	Debt Service Expenditures	\$ 1,376	\$ 1,382	\$ 1,382	\$ 7,006	\$ 7,099	\$ 7,090	\$ 7,088
19	General Government	\$ 2,575	\$ 3,104	\$ 3,104	\$ 3,570	\$ 4,105	\$ 4,311	\$ 4,526
	Total Expenditures	\$ 43,935	\$ 72,314	\$ 72,404	\$ 23,784	\$ 29,192	\$ 23,290	\$ 32,887
20	CalPERS Additional Discretionary Payment	\$ -	\$ 692	\$ 692	\$ 721	\$ 169	\$ 169	\$ 169
21	Total Expenditures (After CalPERS ADP)	\$ 43,935	\$ 73,006	\$ 73,096	\$ 24,504	\$ 29,362	\$ 23,460	\$ 33,056
22	Working Capital - Beginning	\$ 47,774	\$ 49,526	\$ 49,526	\$ 25,191	\$ 37,085	\$ 29,868	\$ 29,336
23	Change in Financial Position	\$ 1,751	\$ (19,105)	\$ (24,335)	\$ 11,894	\$ (7,218)	\$ (531)	\$ (9,430)
24	Working Capital - Year End	\$ 49,526	\$ 30,421	\$ 25,191	\$ 37,085	\$ 29,868	\$ 29,336	\$ 19,906
25	Operating Reserve (20%)	\$ 2,429	\$ 2,777	\$ 2,785	\$ 4,031	\$ 4,221	\$ 4,320	\$ 4,425
26	Rate Stabilization (5%)	\$ 980	\$ 966	\$ 966	\$ 1,003	\$ 1,040	\$ 1,079	\$ 1,114
27	115 Pension Trust Fund	\$ 180	\$ 180	\$ 180	\$ 180	\$ 180	\$ 180	\$ 180
28	Other Reserves (i.e. SRF Loan)	\$ 2,953	\$ 5,907	\$ 5,907	\$ 5,907	\$ 5,907	\$ 5,907	\$ 5,907
	Unreserved Working Capital Year End	\$ 42,983	\$ 20,590	\$ 15,352	\$ 25,965	\$ 18,520	\$ 17,850	\$ 8,280

C3: PARKING FUND

Revenue

Revenue from parking meters is tracking high with 57% of budgeted revenue received so far. Council recently approved the purchase of a property for immediate use as a public parking lot located at 1166 Higuera and staff anticipates a minor increase in revenue this fiscal year as a result. Revenue from parking structures is tracking low but this is likely due to the 842 Palm Street parking structure being converted to a gateless operating system beginning July 2023. Revenue from 842 Palm is being combined with on-street revenue since the rollout of the gateless parking system. Staff is working with the gateless payment equipment contractor to correct the issue.

Council also approved changes to the parking structure operations on November 7, 2023, including reestablishing the 1st hour free program and offering free parking on Sundays effective December 2023. Staff has adjusted the revenue forecast to account for these program changes. Revenue from parking fines is also tracking high and has been adjusted based on the first five months of actuals. Even with relaxed enforcement during the holiday period, enforcement activities will remain steady for the remainder of the fiscal year and revenue projections should be adjusted accordingly.

Other Revenue, which includes lease revenue and City employee parking revenue, has been adjusted to account for the City's implementation of a Governmental Accounting Standards Board (GASB) statement relating to fiduciary activities. The exact amount is unknown at this time but is estimated to be \$150,000 based on past actuals.

Table 27 - Parking Fund Revenue

		FY 2023-24				
Revenue Type	2022-23 Actual	Budget	YTD Actuals	% Received	Midyear Revised Budget	Total Midyear Changes
1	Parking Meters	4,876,000	2,928,306	63%	4,876,000	-
2	Parking Structures	3,242,100	1,049,572	34%	2,316,100	(926,000)
3	Parking Fines	852,100	778,332	95%	1,050,010	197,910
4	Federal Stimulus Grants	-	-		-	-
5	Long Term Parking	695,300	344,816	55%	695,300	-
6	Other Revenue	537,824	493,053	92%	763,584	225,760
7	Total	\$ 10,203,324	\$ 5,594,079	55%	\$ 9,700,994	\$ (502,330)

Operating Expenditures

Salaries and benefits are on track but will likely see savings as the Parking Manager position vacated at the beginning of December 2023 and is anticipated to be filled by March 2024. Other Contract Services expenditures are tracking high because of multiple open purchase orders for service contracts. Utilities services are tracking slightly low; however, no changes are recommended as part of Mid-Year Review.

Other Operating Expenditures, which include print and reproduction costs, maintenance supplies and equipment, and safety-related purchases, is tracking high even when adjusted for one-time annual purchases. Staff multiplies monitoring the needs of these operating line items for the remainder of the fiscal year and will make the appropriate adjustments at year-end.

The Parking Fund is already overbudget for credit card merchant fees. This is due to the conversion of the 842 Palm Street parking structure to a gateless operation, continued mobile app adoption, and upgrade of coin-only single space meters to credit card capable meters. The upgrade to credit card capable meters was necessary to implement previously approved rate increases effective July 1, 2023. The requested budget adjustment for this item is outlined in the next section.

Table 28 - Parking Fund Expenditures

Parking Fund Operating Expenditures	FY 2022-23 Actual	FY 2023-24			
		Budget	Year-to-date Actual	% Expended	
1 Salaries	\$ 1,165,576	\$ 1,405,279	\$ 646,846	46.0%	
2 Retirement/Benefits	\$ 249,000	\$ 321,392	\$ 148,353	46.2%	
3 Contract Services	\$ 906,613	\$ 969,370	\$ 838,827	86.5%	
4 Other Operating Expenditures	\$ 530,578	\$ 392,450	\$ 432,136	110.1%	
5 PERS Unfunded Liability	\$ 275,476	\$ 196,276	\$ 177,823	90.6%	
6 Transfers Out	\$ 1,263,622	\$ 1,387,281	\$ 693,641	50.0%	
7 Utilities	\$ 202,684	\$ 264,172	\$ 105,795	40.0%	
8 Total	\$ 4,593,549	\$ 4,936,220	\$ 3,043,420	61.7%	

Mid-Year Budget Changes

Staff requests two SOBCs for the Parking Fund as outlined below. The revised budget forecast for the Parking Fund projects revenues that are sufficient to cover operating costs and debt service, including the recommended budget changes below, without significantly impacting working capital.

Table 29 - Parking Fund Mid-Year Operating Budget Requests

Budget Request	Current Amount Budgeted	Additional Amount Recommended	New Total
1. Mobility Services Position Allocation True-up	\$1,922,947 ⁷	\$102,336	\$2,025,283
2. Credit Card Merchant Fees	\$205,590	\$185,000	\$390,590
Total	\$2,128,537	\$287,336	\$2,415,873

- Increase Salaries and Benefits by \$102,336 to account for the reallocation of positions within the new Mobility Services Division

As part of the multi-phased Mobility Services Division reorganization effort, the position allocations need to be trued up for the following positions: 1) Deputy Director of Mobility Services, 2) Mobility Services Business Manager, 3) Administrative Assistant III.

Deputy Director of Mobility Services – Currently 100% in Transit Fund; Is being allocated as follows:

- 60% Parking/20% Transit/20% General Fund (Active Transportation)

Mobility Services Business Manager – Currently 100% in Transit Fund; Is being allocated as follows:

⁷ Entire Parking Fund staffing budget.

- 20% Parking/75% Transit/5% General Fund (Active Transportation)

Administrative Assistant III – Currently 100% in Parking; Is being allocated as follows:

- 50% Parking/50% Transit
2. Increase Credit Card Merchant Fees by \$185,000

The shift to credit card and digital payment options has increased dramatically as the City has modernized its Parking program infrastructure. The credit card merchant fee budget was not adjusted when 842 Palm went gateless or when coin only meters were replaced with credit card capable meters. Mobile application (app) adoption has also increased as parkers can now pay for parking in 842 Palm via the apps. Prior to July 2023, mobile apps were only available for use on-street. The City is currently undergoing a Parking Rate Study that will analyze options to better account for credit card processing costs.

Long Term Forecast

Significant changes have occurred to the Parking Fund's Long-Term Forecast since the adoption of the 2023-25 Financial Plan. In November 2023, Council approved parking relief scenarios including reinstating the 1st hour free program in the parking structures, establishing free parking on Sundays in the parking structures, and deferring a previously approved on-street rate increase scheduled for July 2025. Impacts of the program changes will be analyzed, along with other revenue scenarios, with the completion of a parking rate study. Recommendations from the study will be presented at Supplement including possible recommendations to stabilize the long-term health of the Fund.

Staff also presented to Council in November other revenue line-item adjustments based on analysis of current year actuals. Overall, the changes resulted in a \$336,200 reduction in revenue for this fiscal year. Staff will continue to monitor the approved changes and adjust out-year forecasts as necessary at Supplement.

In November 2023, Council also approved the purchase of a property for interim use as a public parking lot which has revenue and expenditure implications for the Parking Fund. Staff anticipates receiving \$60,800 annually in revenue from operation of the lot and expending \$139,500 in annual loan interest repayments for the first three years which will increase to \$243,400 annually thereafter. The property will require a one-time investment of an estimated \$125,000 this fiscal year before the lot can be put into operation. The one-time costs are included in the loan repayment term.

Since the adoption of the 2023-25 Financial Plan, the City has issued bonds for the Cultural Arts District Parking Structure (CAD-PS) debt financing. The final interest rate on bond repayment came in lower than budgeted which resulted in savings of \$1 million for the first full repayment year. The annual debt repayment was budgeted at \$3.8 million which is now \$1.6 million in fiscal year 2023-24 with full payments of \$2.8 million beginning in fiscal year 2024-25.

Additionally, the revised forecast includes adjustments to future capital expenditures to better align with the City's ability to deliver parking structure maintenance projects. In 2018, a Capital Asset Management Plan was completed and provided a 10-year maintenance plan for the structures. The plan needs an update to reflect specific projects completed since 2018 and to ensure estimated costs reflect current market conditions. Associated costs to implement the recommended projects in the plan will be re-programmed into the forecast once the update is complete. The long-term forecast also includes the

requested budget changes to increase staffing for the Mobility Services restructuring and to increase the credit card merchant fees. The Mid-Year Budget review for the Parking Fund forecasts a stable fund with sufficient revenue to cover anticipated operating costs and debt service.

Table 30 - Parking Fund Five Year Forecast

		2023-25 Financial Plan						
		(A)	(B)	(C)	(D)	(E)	(F)	(G)
		Actual 2022-23	Budget 2023-24	Mid Year Revised 2023-24	Forecast 2024-25	Projected 2025-26	Projected 2026-27	Projected 2027-28
Revenue								
1	Charges for Service							
2	46401/46402 - Parking Meters	2,574,431	4,876,000	4,876,000	4,936,800	4,936,800	4,936,800	4,936,800
3	46403 - Parking Structures	1,224,458	3,242,100	2,316,100	1,805,400	3,388,400	3,840,653	3,852,272
4	46404 - Long Term Parking	700,873	695,300	695,300	766,300	720,800	727,500	738,200
5	46405 - Parking In-Lieu	23,824	23,824	23,824	23,824	23,824	23,824	23,824
6	46406 - City Employee Parking	82,705	-	89,760	89,760	89,760	89,760	89,760
7	44204 - Other Rent & Lease Revenue	698,623	456,300	474,200	475,500	479,600	483,900	504,400
8	Total Charges for Service	5,304,913	9,293,524	8,475,184	8,097,584	9,639,184	10,102,437	10,145,256
9	Total Citations and Fines	1,369,078	852,100	1,050,010	1,050,010	1,160,622	1,160,622	1,160,622
10	Total Other Revenue	1,291,192	57,700	175,800	76,800	30,000	34,000	40,000
11	Total Revenue without Debt Financing	7,965,184	10,203,324	9,700,994	9,224,394	10,829,806	11,297,059	11,345,878
12	Proceeds from Debt Financing	-	46,315,169	47,000,000	-	-	-	-
13	TOTAL REVENUE	7,965,184	56,518,493	56,700,994	9,224,394	10,829,806	11,297,059	11,345,878
EXPENDITURES								
14	Operations							
15	Operations							
16	Total Salaries and Benefits	1,690,052	1,922,947	2,016,191	2,105,636	2,174,313	2,247,398	2,319,373
17	Total Contract Services	794,078	895,746	794,078	607,661	625,891	644,668	664,008
18	Total Other Operating Expenditure:	769,146	703,126	465,236	694,888	720,073	741,675	763,926
19	Total Operating Expenditures	3,253,276	3,521,819	3,275,505	3,408,185	3,520,277	3,633,741	3,747,307
20	Total Capital Asset Expenditures	1,936,247	48,594,961	59,498,290	1,382,467	1,631,665	1,702,292	1,107,612
21	Total Debt Service Expenditures	819,618	4,195,421	2,508,307	3,827,322	3,832,523	3,847,476	3,843,068
22	Total Transfers to / from Other Funds	1,263,622	1,387,281	1,387,281	1,421,842	1,478,433	1,537,771	1,599,991
23	TOTAL EXPENDITURES	7,272,763	57,699,482	66,669,383	10,039,817	10,462,898	10,721,280	10,297,978
24	CalPERS Payment (ADP)		61,003	61,003	61,003	61,003	61,003	61,003
25	Total Expenditures (After CalPERS ADP)	7,272,763	57,760,485	66,730,386	10,100,820	10,523,901	10,782,283	10,358,981
26	Working Capital - Beginning	13,129,008	13,821,428	13,821,428	3,853,039	3,037,616	3,404,524	3,980,304
27	Change in Financial Position	692,421	(1,180,989)	(9,968,389)	(815,423)	366,908	575,779	1,047,901
28	Working Capital - Year End	13,821,428	12,640,439	3,853,039	3,037,616	3,404,524	3,980,304	5,028,204
29	Operating Reserve (20%)	814,579	1,543,448	1,156,762	1,447,101	1,470,560	1,496,243	1,518,075
30	115 Pension Trust Fund	-	61,446	61,446	61,446	61,446	61,446	61,446
31	Unreserved Working Capital Year End	13,006,849	11,035,545	2,634,830	1,529,069	1,872,518	2,422,614	3,448,684

C4: TRANSIT FUND

Revenue

The City secured \$12.4 million in American Rescue Plan Act (ARPA) funding for operational costs for the Transit Fund. The \$12.4 million was divided equally across three fiscal years beginning in FY 2022-23. Reimbursement from the ARPA funding for operating costs incurred this fiscal year has not occurred, so it is not reflected in the table below. Reimbursement in federal funds expended on capital projects has occurred but was booked into Other Revenue / Interest, hence the significant difference between budget and actuals.

State revenue is on track as budgeted since disbursement of funds occurs quarterly. Bus fare, which constitutes fares paid on bus, pass purchases, and revenue from the City's agreement with Cal Poly, is tracking slightly above budgeted amounts. This is because Cal Poly's agreement is billed and paid at the beginning of each quarter. Other Revenue / Interest is tracking high even when adjusted for the incorrectly programmed federal funds because interest on investment accrued so far is higher than anticipated.

Table 31 - Transit Fund Revenue

Revenue Type	2022-23 Actual	FY 2023-24				
		Budget	YTD Actuals	% Received	Midyear Revised Budget	Total Midyear Changes
1 Federal	4,083,165	7,571,830	631,726	8%	7,571,830	-
2 Local (Bus Fare)	806,521	990,000	477,543	48%	990,000	-
3 Other Revenue/ Interest Revenue	446,998	13,579	59,918	441%	13,579	-
4 State	379,078	3,179,564	1,549,497	49%	3,179,564	-
7 Total	\$ 5,715,762	\$ 11,754,973	\$ 2,718,684	23%	\$ 11,754,973	\$ -

Operating Expenditures

Salaries expenditures are tracking high because the interim Transit Manager stayed on this fiscal year to help onboard the new Mobility Services Business Manager. Contract Services expenditures are tracking high because of open purchase orders for transit operations and maintenance services, as well as the fuel services contract. Maintenance costs this fiscal year are higher than anticipated due to the aging fleet operated by SLO Transit. Over half of the active fleet is at or beyond the 12-year useful lifespan standard used by the federal government. Fuel costs are also higher than anticipated due to a continuing volatile global market, increase in diesel taxes, and restoration of services which occurred in October 2023. Funds were transferred from another operating line item to cover increased maintenance and fuel costs. The transfer is cost neutral and does not affect staffing line items.

Table 32 - Transit Fund Operating Expenditures

Transit Fund Operating Expenditures		FY 2022-23 Actual	FY 2023-24		
			Budget	Year-to-date Actual	% Expended
1	Salaries	\$ 142,243	\$ 337,815	\$ 173,342	51.3%
2	Retirement/Benefits	\$ 18,121	\$ 74,554	\$ 41,448	55.6%
3	Contract Services	\$ 2,986,398	\$ 4,487,341	\$ 3,337,230	74.4%
4	Other Operating Expenditures	\$ 397,917	\$ 410,200	\$ 349,227	85.1%
5	PERS Unfunded Liability	\$ 35,615	\$ 45,388	\$ 44,728	98.5%
6	Transfers Out	\$ 365,544	\$ 463,491	\$ 231,746	50.0%
7	Total	\$ 3,945,838	\$ 5,818,789	\$ 4,177,720	71.8%

Mid-Year Budget Changes

Transit is requesting an update to staffing costs as part of the new Mobility Services Division reorganization. Transit will split direct costs of the new Mobility Services Deputy Director and Mobility Services Business Manager positions as well as costs for an existing Administrative Assistant position. At budget adoption, the Transit Fund budgeted 100% for both the Mobility Services Deputy Director and Mobility Services Business Manager positions but will realize a savings of an estimated \$148,431 this fiscal year by allocating positions across the three programs. See the Parking Fund Summary, Section 5 above, for more information.

Transit is also requesting a transfer of funds of \$58,253 from Other Contract Services to temporary salaries to cover staffing costs for the interim Transit Manager. The interim Transit Manager was not anticipated to continue working through this fiscal year but stayed on to help on board the new Mobility Services Business Manager.

Table 33 - Transit Fund Budget Requests

Budget Request	Current Amount Budgeted	Amount Requested	New Total
Regular Salaries and Benefits	\$456,758	-\$148,431	\$308,327
Temporary Salaries	\$1,000	\$58,253	\$59,253
TOTAL	\$457,758	-\$90,178*	\$367,580

*Negative value indicating this is an appropriation of budget back to fund balance.

Long Term Forecast

The Transit program was approved to extend the existing transit operations and maintenance services agreement with Transdev for an additional two years and to include hiring incentives for drivers. Staff is in negotiations and will have an amendment to the Transdev agreement executed early 2024. Annual contract cost increases will be included in the fund forecast for Supplement. The City's two-year agreement with Cal Poly for transit services expires at the end of this fiscal year. Staff will begin negotiations in the new calendar year with an expectation of executing an agreement in Spring 2024.

In July 2023, staff received approval to issue a purchase order for six additional battery electric buses (BEBs). The buses have an anticipated delivery date of Spring 2025 and an in-service date of fall 2025. The two BEBs currently operated by the City will be monitored to determine electrical charging needs and associated costs so that utility services expenses can be adjusted accordingly.

The Transit program also finalized the Transit Innovation Study in January 2024 and will submit Capital Improvement Plan (CIP) project requests at Supplement to implement specific recommendations.

Table 34 - Transit Fund Five Year Forecast

	2023-25 Financial Plan							
	(A) Actual 2022-23	(B) Budget 2023-24	(C) Mid Year Revised 2023-24	(D) Forecast 2024-25	(E) Projected 2025-26	(F) Projected 2026-27	(G) Projected 2027-28	
REVENUE								
1	Charges for Service							
2	46601 - Bus Fare	206,521	240,000	240,000	250,000	260,000	260,000	260,000
3	46602 - Cal Poly Transit Agreement	600,000	750,000	750,000	750,000	772,500	795,675	819,545
4	Total Charges for Service	\$806,521	\$990,000	\$990,000	\$1,000,000	\$1,032,500	\$1,055,675	\$1,079,545
5	Other Revenue							
6	44101 - Interest on Investment	117,310	13,579	13,579	13,851	32,815	27,131	43,472
7	44107 - Investment FMV	(17,944)	-	-	-	-	-	-
8	44310 - Miscellaneous Revenue	3,449	-	-	-	-	-	-
9	45208 - TDA Revenue	(60,272)	2,727,295	2,727,295	2,809,114	2,893,387	2,980,189	3,069,594
10	45209 - STA Revenue	430,628	443,547	443,547	456,853	470,559	484,676	499,216
11	45215 - State of Good Repair (SGR)	8,722	-	-	-	-	-	-
12	45211 - Other State Grants	-	8,722	8,722	8,722	8,722	8,722	8,722
13	45216 - Low Carbon Operation Revenue	344,183	-	-	-	-	-	-
14	45302 - FTA 5307 (Capital)	1,339,692	3,471,830	3,471,830	3,575,985	3,647,505	3,720,455	3,794,864
15	45303 - FTA 5307 (Preventative Maint.)	-	-	-	-	210,765	214,980	219,280
16	45304 - FTA 5307 (Operating)	2,743,473	-	-	-	1,694,054	1,727,935	1,762,494
17	45305 - Other Federal Grants	-	4,100,000	4,100,000	4,100,000	-	-	-
18	Total Other Revenue	4,909,241	10,764,973	10,764,973	10,964,525	8,957,807	9,164,087	9,397,641
19	Total Revenue	\$5,715,762	\$11,754,973	\$11,754,973	\$11,964,525	\$9,990,307	\$10,219,762	\$10,477,187
EXPENDITURES								
21	Total Salaries and Benefits	\$195,979	\$457,758	\$367,579	\$326,312	\$333,901	\$340,348	\$346,830
22	Contract Services							
23	61011 - Maintenance	348,373	255,000	255,000	265,000	283,550	303,399	324,636
24	61013 - Other Contract Services	229,164	963,803	905,550	1,011,993	1,062,592	1,115,722	1,171,508
25	61016 - Purchased Transportation	2,387,952	3,078,597	3,078,597	3,693,446	3,863,962	3,979,881	4,099,277
26	62504 - Fuel	365,359	350,000	350,000	385,000	385,000	385,000	385,000
27	Total Contract Services	3,330,848	4,647,400	4,589,147	5,355,439	5,595,104	5,784,001	5,980,422
28	Total Other Operating Expenditures	31,425	125,713	125,713	124,513	124,513	128,248	132,095
29	Total Capital Asset Expenditures	2,430,996	5,300,669	5,300,669	3,794,674	4,260,629	232,295	4,152,812
30	Total Transfers to / from Other Funds	365,544	463,491	463,491	477,396	491,718	506,469	521,663
31	Total Expenditures	6,354,792	10,995,030	10,846,599	10,078,333	10,805,865	6,991,361	11,133,821
32	CalPERS ADP	12,555	12,555	12,555	12,555	12,555	12,555	12,555
33	Total Expenditures (After CalPERS ADP)	6,367,347	11,007,585	10,859,154	10,090,888	10,818,420	7,003,916	11,146,376
34	Working Capital - Beginning	2,875,428	2,236,399	2,236,399	3,144,773	5,030,965	4,215,407	7,443,808
35	Change in Financial Position	(639,030)	759,943	908,374	1,886,192	(815,558)	3,228,401	(656,635)
36	Working Capital - Year End	2,236,399	2,996,342	3,144,773	5,030,965	4,215,407	7,443,808	6,787,173
37	Operating Reserve (20%)	711,650	1,046,174	1,016,488	1,161,253	1,210,704	1,250,519	1,291,869
38	Unreserved Working Capital Year End	2,948,049	4,042,516	4,161,260	6,192,218	5,426,110	8,694,327	8,079,043

Section D: Department Performance Measure and Work Program Updates

Administration & IT Department

Performance Measure Update

Objective	Measure	2022-23 Actual	2023-24 Target	2023-24 Mid-Year
Provide City-wide communications to the community. <i>Strategic Goal: Citywide Communications</i>	Open City Hall Participant Satisfaction Rating	94%	93%	92%
	# of Pageviews for City News Pages	300,000	350,000	60,215 ⁸
	# of news email subscribers	3,400	4,500	3,438
Provides reliable IT resources to the organization and community. <i>Strategic Goal: Information Technology</i>	Maintain City Network Reliability Uptime Status	99.9%	99.9%	99.9%
	Data backed-up in Terabytes ⁹	173	173	173
	Number of GIS layers maintained	915	920	920
Economic Stability <i>Strategic Goal: Economic Recovery and Stability</i>	Contacts with businesses regarding starting, expanding, and/or staying in the City	99	75	48
	One-time funds used for direct aid to local businesses and non-profits	\$495,000 ¹⁰	\$175,000	\$350,000 ¹¹
Supports our commitment to sustainability and provides open space resources to the community. <i>Strategic Goal: Climate Action, Open Space, and Sustainable Transportation</i>	# of Green Team Meetings	10	10	5
	# of Open Space Conservation Plans that will guide the long-term protection and stewardship of natural resource values while guiding appropriate public use	1	1	1
Strengthens the City's commitment to advancing Diversity, Equity and Inclusion <i>Strategic Goal: DEI</i>	# of City-wide DEI Trainings Offered	3	10	3 ¹²
	# of DEI Newsletters for Staff	1	6	3
	Funds for High-Impact DEI Grants Awarded	\$300,000 ¹³	\$150,000	\$150,000

⁸ Last year, we released more high-profile news than we have this year. However, a review of previous years shows that this year's actual pageviews is on par or even higher than similar years when we've released more typical news.





⁹ Data previously measured in gigabytes; 1 terabyte (TB) equals 1,000 gigabytes (GB).


¹⁰ Includes one-time DEI Business Grants which expanded direct aid administered to the community.

¹¹ Includes \$225,000 for Buy Local Bonus, \$25,000 for Childcare Grants and \$100,000 for PCC grants.

¹² Although fewer trainings have occurred, the trainings offered have allowed for larger numbers of staff to attend totaling 52 this year with more planned in 2024.

¹³ FY 2022-23 High Impact Grants include \$150,000 from the missed grant cycle in FY 2021-22.

Work Program Evaluations	
City Administration	
<p>The first half of the fiscal year was a busy one for the Communications Program. The team sent out more than 280 news bulletins (e-notifications) and saw an increased number of people who participated on Open City Hall during this period. The number of visitors who participated in 11 surveys on Open City Hall has been steadily increasing. The surveys had 3,769 visitors and 2,483 responses for a 66% response rate. The survey with the highest response rate was the Park Local Program survey (of the 1,173 visitors to that survey, 88% responded). While the overall satisfaction rating of Open City Hall has declined slightly from 93% to 92%, analysis determined this was mostly dissatisfaction with the new demographic questions and with parking services/rates rather than the survey tool itself. The Communications Program also provided additional support to the Parking Services team during this time period due to the increased need for communications around parking changes and rates. The Communications Program will continue to support Parking Services and the Mobility Services Division of Public Works over the next six months by supervising a contract for an in-house Communications Coordinator. The Communications Program will also work with the Office of Sustainability and Natural Resources on a Sustainable SLO campaign and with the Office of Diversity Equity and Inclusion to begin implementing the proposed DEI Strategic Plan, pending adoption by City Council.</p> <p>The City’s legislative Program advocated for the City’s interest on multiple items including support for ACA 1, which if approved could help the City fund affordable housing. Staff presented the full 2023 State Legislative Summary to Council on January 9, 2023. Several grants have recently been awarded to the City and over the next six months staff will be working with the City’s contracted grant writer on a training to further educate staff on the grant application and support process. Staff are also preparing for the 2024 Community Academy which is planned to start in April 2024 with the application period opening in late January.</p>	
Cultural Activities	
<p>The City continues to support the City-County Library and the Performing Arts Center (PAC). The City provides an annual contribution to the operating costs and funds various capital improvements for the library. The City is also a partner with Cal Poly and the Foundation for the Performing Arts (FPAC) in the operation of the Performing Arts Center. Operations are overseen by the Performing Arts Commission, with the Mayor and the City Manager serving as the City’s representatives. Administration staff and the rest of the PAC partners are working on updating the operating agreement to reflect current operations and respond to anticipated industry practices & local market conditions.</p>	
Economic Development	
<p>The Economic Development & Tourism program is a major contributor to the Economic Resiliency, Cultural Vitality & Fiscal Sustainability Major City Goal. Currently all tasks and goals are ahead of or on schedule unless otherwise noted. The department reorganization is progressing as planned. The key programs including the Downtown activation programs, development of the new ARTober program, the expansion of the Buy Local Bonus and Eat Local Bonus programs, and additional childcare grants are all proceeding as anticipated.</p>	
Diversity, Equity, and Inclusion (DEI)	
<p>The Office of Diversity, Equity, and Inclusion (DEI) leads the implementation of DEI initiatives in collaboration with various City departments. For the last couple of months, the Office of DEI has been diligently working in developing the City’s first DEI Strategic Plan, which included a robust community engagement process from September to November consisting of a community wide vision survey,</p>	

<p>workshops in English and Spanish, and one-on-one interviews with community leaders. The Office of DEI is scheduled to present to Council the complete strategic plan on February 20, 2024. Likewise, the Office of DEI moved forward the HRC recommendations on the 2023-2024 DEI High Impact Grant Program and received City Council approval for a total of eight (8) non-profit organizations to advance DEI initiatives in the community. Internally, the Office of DEI is in the process of rolling out a new DEI Leadership Training for all staff with an accompanying DEI Language & Resource Guide, and the DEI Employee Committee continues to be more involved in community activities and to address internal departmental projects and activities.</p>	
<p>Sustainability & Natural Resources</p>	
<p>The Office of Sustainability & Natural Resources leads the implementation of open space conservation and planning, climate action, creeks and watershed protection, and community partnerships. Since the beginning of the fiscal year, key activities have included continued open space protection efforts including the completion of a suite of open space easements for the Froom Ranch Specific Plan area, the adoption of a revised approach for new buildings decarbonization and a key study session on options for addressing existing buildings, the award of the \$400,000 Buildings UP prize through the federal Department of Energy, the inclusion of the City of San Luis Obispo by the Carbon Disclosure Project as an “A-List City”, continued implementation of recovery actions following last winter’s storm damage to local creeks and tributaries and last fall’s Lizzie Fire, and ongoing support, partnership, and work towards updates of agreements with numerous community partners.</p>	
<p>Community Promotion</p>	
<p>The Community Promotion work program, directed by the Promotional Coordinating Committee (PCC) is directly tied into the work of the Office of Economic Development & Tourism and has implemented several programs to enhance the quality of life for residents and the experience for visitors in our community. Key program highlights include the community promotions grant programs (Cultural GIA and Cultural Arts & Community Promotions) which awarded \$100,000 total to 23 local nonprofit organizations for programs and activities in FY24, the continued development and implementation of the Neighborhood campaign including maps and promotional resources to support the economic vitality of business areas downtown and beyond, the oversight of the Support Local campaign including the Buy Local Bonus and Eat Local Bonus promotions, and the continued promotions of the arts including the completion of the Art Starts With campaign and the development of ARTober and Piano in the Plaza.</p>	
<p>Tourism Business Improvement District (TBID) Program</p>	
<p>The TBID, through Visit San Luis Obispo continues to promote travel to and within San Luis Obispo including the implementation of the comprehensive Tourism Marketing and Business Plan resulting in overnight stays in the city. The TBID is actively implementing a robust paid, owned and earned program inviting visitors to the city mostly from drive markets statewide as well as fly-markets. While visitation to the city has begun to slow somewhat when compared to the banner year in FY23 resulting in a minor dip in occupancy and TOT, the City did maintain the collection of \$1 million in Transient Occupancy Tax each month during the first quarter of the year. A key program highlight to-date the fiscal year is the launch of the redesigned VisitSLO.com – the site was a year in development. The TBID is anticipating a typical slowdown in the shoulder season and will bring back the Mid-Weekend Spring Promotion in February – March 2024 to offset those impacts.</p>	
<p>Downtown Business Improvement District (BID) Program</p>	
<p>The Downtown BID provides the resources to Downtown SLO to provide ongoing activation and placemaking activities in the Downtown including Farmers’ Market, Concerts in the Plaza and the</p>	

<p>Holiday Parade. In addition to the traditional activities the City has also partnered with the BID to activate store fronts, add additional ambassadors and provide additional activations. City staff have also worked closely with DSLO in the selection and onboarding of the new CEO.</p>	●
<p>City Clerk</p>	●
<p>The City Clerk’s office has been active throughout the first half of 23-24 on the implementation of hybrid meetings for City Council and transitioning Advisory Bodies into our agenda management system Escribe. Ten of the sixteen Advisory Bodies are now using Escribe to produce their agenda packets. Since July 1st, the department has received and processed 171 public records requests which is consistent with past request rates and for other benchmark cities. The Clerk’s office prepared agendas for 16 City Council meetings, processed 176 Council Agenda Reports and prepared a total of 19 agendas and packets for the Planning Commission, Architectural Review Commission, Cultural Heritage Committee, Human Relations Committee, and Tree Committee.</p>	●
<p>IT - Network Services</p>	●
<p>This Fall, collaboration with Cal Poly concluded in the successful completion of the KVEC Radio Tower construction project. Enhancements and expansions were made to the site, greatly amplifying radio coverage capabilities.</p> <p>The Control Systems Administrators continued their role in partnering with Utilities for the construction of a new lift station at Calle Joaquin. Their responsibilities encompassed overseeing the design, installation, and commissioning of SCADA systems, ensuring seamless operations at the facility.</p> <p>Throughout the past six months, the IT Help Desk managed and resolved a total of 1,591 support tickets. These tickets encompassed a wide spectrum of support activities, including hardware and software installations, computer upgrades, and troubleshooting tasks.</p>	●
<p>IT - Information Services</p>	●
<p>During the recent Lizzie Fire emergency management and recovery efforts, the GIS Team played a pivotal role by collecting data, including fire perimeter details and impacted properties. This contribution significantly supported the recovery process.</p> <p>In addition, the GIS Team marked Geography Awareness Week and GIS Day on November 15th, 2023, commemorating these occasions with various activities.</p> <p>Simultaneously, the Oracle Team is actively engaged in crafting a comprehensive program calendar for 2024. This calendar will highlight key milestones for the upcoming year and incorporate the prioritization framework developed earlier this Fall.</p>	●

City Attorney

Performance Measure Update

Objective	Measure	2022-23 Actual	2023-24 Target	2023-24 Mid-Year ¹⁴
Timely and Responsive legal advice and support <i>Strategic Goal: Department Objectives</i>	Administrative Citation Appeals Received by the City	110	120	56
	Appeals closed without need of a hearing ¹⁵	23	25	21
	City assisted corrections to defective appeals to allow access to hearing	6	15	9
	City facilitated hearings on the record without need for personal appearance by Appellant	35	30	14
	# of hearing days scheduled ¹⁶	18 ¹⁷	12	6
Legal Training & Compliance <i>Strategic Goal: Department Objectives</i>	# of Council, Staff, and Advisory Body legal trainings, legal updates, and compliance advisory sessions	8 ¹⁸	12	3
Municipal Claims, Litigation & Prosecution Management <i>Strategic Goal: Department Objectives</i>	Percentage of Claims Resulting in Litigation	7.8% ¹⁹	<5%	3.6%
	Liability Claims Against the City Reviewed/Managed	77	70	28
	Number of multi-count complaints filed for misdemeanor municipal code violations ²⁰	-	35	20

¹⁴ Projected actual as of 12/31/23.

¹⁵ Closed in some way that did not include a decision being issued (e.g., withdrawn by appellant, untimely filed, voided by the issuing department)

¹⁶ If more than one hearing officer convened hearings on the same day, those are counted separately.

¹⁷ A hearing officer's preference for less appeals heard on a single day led to more overall hearing days needing to be scheduled.

¹⁸ Onboarding of multiple staff members and an extended leave of absence made it difficult to prioritize time for the preparation of training materials.

¹⁹ Of the six claims that went to litigation, one is a private matter in which the City was named due to plaintiff's misunderstanding of HASLO and was dismissed; for two, the City is indemnified under terms of either an event permit or a construction contract; the others are a personnel matter, a trip and fall at a City park, and an allegation that code enforcement action reduced the sale price of a homeowner's property, which the City assesses as meritless.

²⁰ New measure being tracked due to rise of volume and importance to the community.

Work Program Evaluations	
City Attorney	
<p><u>Legal Advice and Assistance.</u> This has been a claims-and-litigation-intensive year to date, with litigation defense, settlement negotiations, and discovery related activities consuming significant resources and demanding coordination and contributions from interdepartmental staff and leadership throughout the organization. The highest resource demand cases have been: the <i>Langley</i> federal court matter, alleging misapplication of evolving laws surrounding occupation and storage of property in public spaces by unhoused individuals; the <i>Wichman</i> matter, a meritless, but persistent, federal court action by the relatives of Eddie Giron, arising out of his suicide following his murder of SLOPD Officer Luca Benedetti in the course of an investigation into a series of thefts by Mr. Giron; two related state and federal court <i>Orcutt</i> actions, alleging misconduct by a City-employee witness and City investigators arising out of the investigation and arrest of the plaintiff for allegedly making racist threats against real property managers and real estate agents (the underlying criminal case was ultimately dismissed by the DA and the City prevailed at both trial and appellate courts in both the state and federal courts and is seeking to recover fees in the state court action); the <i>Littlejohn</i> matter alleging violations of civil rights and diminished property value related to a City code enforcement inspection; several personal injury or wrongful death cases arising out of trip and falls or traffic collisions occurring on City streets and sidewalks; several property damage claims arising from flood damages to private properties; a California Voting Rights Act demand that the City transition to district-based elections and related settlement negotiations; a receivership action filed to remediate serious health and safety concerns on a private property located at 48 Prado Road; a code enforcement action and related administrative appeals and a writ filed by the owner of 4080 Horizon related to violations of creek regulations; several personnel and labor negotiations and grievance matters; and evaluation of a successful legal challenge to the City of Berkeley’s electric building regulations and responsive actions to suspend and amend City ordinances, pending resolution of litigation against Berkeley.</p> <p>Additionally, City Attorney staff has provided legal support to staff on various Capital Improvement, real property, community partnership and development review matters, including: mediation of development agreement disputes arising out of the San Luis Ranch and Avila Ranch project approval implementations; negotiations regarding the implementation of the 600 Tank Farm project and the Tank Farm Roundabout improvements; objections to the City’s application of housing and ADU laws, including SB 9, Housing Accountability Act and Density Bonus Law amendments; updates to various affordable housing agreements; negotiation of Mid-Higuera Bypass easements and Froom Ranch easements necessary for annexation; assistance with negotiation of Acquisition Agreements with East Airport Annexation Area, necessary for participation in the SCIP funding program; acquisition of 1106 Walnut and 1166 Higuera properties for City use; legal advice related to Welcome Home Village, HomeKey, and City safe parking projects; Surplus Land Act compliance issues; and non-profit partner agreements, including SLOMA, SLO Rep, HASLO, TMHA, People’s Self Help Housing, and the Downtown Association.</p> <p>In the coming months staff will be working to defend and/or resolve outstanding claims and litigation matters, provide legal support to collaborative regional solutions to homelessness, provide training to staff on emerging and evolving development, public safety, public contracting, tax-and-fee, and housing laws, conclude code enforcement matters affecting public and environmental safety and neighborhood wellness, conclude outstanding personnel matters, update City contract templates, and provide legal support for and conclude right of way acquisitions necessary to implement important public and private development projects.</p>	

Administrative. During the first half of the fiscal year, the City Attorney’s Office has worked to fill vacancies in support positions created by two resignations near the start of the year. The Legal Assistant I recruitment was a success, and the new staff member in that position is learning quickly and contributing to important projects, like the complete overhaul of the department’s task management system (an effort conceived and led by our other legal assistant who has only been in position since April). The first Paralegal recruitment did not result in a hire, so the second attempt is being held open longer than usual (opened just before Thanksgiving and will close near the end of January) to maximize the potential for a positive outcome. During this transition period, remaining staff have redistributed the workload and continue to complete their support of discovery and claim responses, coordination of the administrative citation appeal and criminal misdemeanor complaint processes, support of the attorneys and Human Resources staff in multiple personnel matters, and allocation of review and production of records for requests under the California Public Records Act. The Paralegal vacancy has had the biggest impact on review and production of records since being lead on those duties are a large part of that position’s assignments. However, our newest staff members (both legal assistants) have taken on two of the most voluminous requests (one with an initial batch of over 600,000 potentially responsive records, now down to 11,000 after months of work, and the other with an initial batch of 180,000 items) freeing up other staff members to focus on other voluminous and time intensive requests.

The biggest administrative projects planned in the department for the second half of the year are the review of approximately 140 boxes of paper records being held in storage (to scan documents for retention or request destruction for documents overdue for processing) and coordination with criminal justice and social services partners on the processing of misdemeanor citations. Since the Police Department hired a team of Community Service Officers to patrol downtown, the number of citations issued for violation of the municipal code has doubled. These citations are issued to address criminal misdemeanor activities impacting the experience and perception of safety in the downtown but can also be a tool for City Attorney’s Office staff, in collaboration with community partners, to connect more effectively those in need with supportive and rehabilitative services. Along with working to make the misdemeanor complaint process more effective and efficient, staff will also be moving it from a largely paper-based process to a digital one, an effort begun earlier in the year, but requiring correction of technical issues and further coordination and refinement of processes for receiving citations from Police Records and for filing complaints with the court.

Finance Department

Performance Measure Update

Objective	Measure	2022-23 Actual	2023-24 Target	2023-24 Mid-Year
Enables & enhances transparency, accountability & integrity. <i>Strategic Goal: Fiscal Policies</i>	# of calendar days following year-end until ACFR is issued	168	170	170
	# of audits/reviews conducted/ # of additional agreed upon procedure audits performed	2/2	2/2	2/2
Protects & prudently manages its financial resources. <i>Strategic Goal: Fiscal Policies</i>	# of funds within fund balance requirements/ total funds with fund balance requirements	8/8	8/8	8/8
	Net annual direct debt per capita (General Fund ²¹)	\$395	\$395	\$395
	Twelve-month total rate of return/City portfolio ²²	0.76%	3%	3%

Work Program Evaluations	
Finance Administration	●
<p>Finance Administration oversees the management and administration of the City's finance operations. The Division includes the Finance Director, a half-time Administrative Assistant (supplemental through the end of FY 2023-24), and a half-time Financial Analyst/Oracle Subject Matter Expert (currently vacant). On September 13, 2023, the City officially closed on a lease revenue bond financing for the Cultural Arts District Parking Structure; the closing was the culmination of many months' worth of work by staff within the Finance Department as well as staff from other departments. In addition, the Department continues to have a significant workload associated with recovery from the severe winter</p>	

²¹ The California Government Code provides for a legal debt limit of 3.75% of assessed valuation. The City's debt management policy, however, sets a more restrictive debt limit of 2% of valuation. This equates to a legal debt limit per capita of \$8,500 and a City policy per capita limit of \$4,500. The City remains well below its per capita limit.

²² Based on the June 2023 Investment Report. The City aims for a long-term rate of return of 3%, but market volatility can cause swings from year to year. The 0-5 Treasury Index measured a twelve-month rate of return of 0.42%; therefore, the City's portfolio performed slightly better than the index in FY 2022-23. As a government entity, the City's primary investment objective is to achieve a reasonable rate of return on public funds rather than the maximum generation of income, which could expose the City to unacceptable levels of risk.

storms in January and March 2023, which have resulted in an estimated \$35 million of unanticipated costs to the City, related to emergency protective measures, debris clean up, and work to permanently repair damages to the public right of way and City infrastructure. Both the lease revenue bond financing and work with FEMA to seek reimbursement for unanticipated storm costs has taken attention away from continuous process improvements, but the Department has remained on track in addressing core services and objectives. In FY 2022-23, the Department kicked off an organizational assessment to determine the most appropriate organizational structure for the Department, given current needs. The assessment is also intended to provide greater flexibility in the assignment of work, as well as opportunities for staff development. The assessment is close to wrapping up and has resulted in the reclassification of positions as noted below, to enable the Department to better support the needs of the City organization. The department currently has a half-time Financial Analyst for Oracle support. This position does not provide sufficient capacity to make timely progress in addressing the configuration changes needed to achieve desired compliance or system enhancement requests. These activities will continue to be delayed, particularly as the position is now vacant and recruitment of a half-time resource with the necessary skills and knowledge is unlikely in the current job market.

Budget ●

The Budget division coordinates and oversees of the City's annual budget, quarterly financial reports, and two-year financial plan development. The budget division has remained nimble over the last several years of economic volatility with careful budget management and fiscal forecasting. The City Council adopted the 2023-25 Financial Plan in June 2023. In mid-September, the Principal Budget Analyst moved into a new position in City Administration but has continued to support the Finance Department on critical budget related tasks. A new Principal Budget Analyst joined the team in mid-January and is getting up to speed.

Revenue Management ●

The Revenue Management division oversees the collection and accurate recording of the City's fee and tax revenues. As part of the broader organizational assessment, the division recently reclassified one of its Accounting Assistant positions to a Finance Cashier which will be primarily focused on receiving payments, responding to customer inquiries, and assisting other departments with billing. This new position was filled in January. The second Accounting Assistant is planned to be reclassified to a Financial Specialist which will have responsibility for more advanced customer inquiries, monitoring the many functions of the Revenue Management division to ensure that things are being done both in a timely and accurate manner and assist the Financial Analyst with long-term projects that will improve the division. The division has not had consistent and complete staffing for a year and once the team is fully staffed, it will focus its efforts on business license and tax certificate enforcement. This includes enforcement of unregistered short-term rentals.

Purchasing ●

The Purchasing division coordinates the City's competitive bidding and contract routing procedures and in the first half of FY 2023-24 has posted 21 formal requests for proposals and routed 139 contracts. The division reviews and audits all City purchase orders and contracts for policy compliance and has processed 1,824 purchase orders in the first half of FY 2023-24. In addition to day-to-day duties, the division is also responsible for leading documentation efforts related to unbudgeted costs incurred due to the 2023 January and March storms. The storms caused significant damage to City infrastructure, resulting in an estimated \$35 million of costs. The Financial Analyst in Purchasing is currently working with a disaster recovery consultant that is providing technical assistance and has broken the damages into 67 projects to be submitted to FEMA and CalOES for review and consideration of reimbursement (due to Federal and State emergency declarations, the City may be able to secure reimbursement for a maximum of 93.75% of eligible expenses). As of the end of 2023, the City has submitted 14 projects

for review by FEMA and expects to have an additional five projects submitted in January. Significant delays have occurred due to a lack of clarity from FEMA about the information required and FEMA Program Delivery Manager (PDMG) turnover, and we expect these challenges to continue. The division is also continuing to work with FEMA to obtain reimbursement for COVID-19 expenditures and has submitted \$646,830 in costs associated with the pandemic response. The Financial Specialist position was filled in December 2023 after having been vacant since January, and this additional capacity will enable the division to do more analysis on purchasing and procurement to enable the City to achieve maximum value for its purchases.

Accounting ●

The Accounting division has completed the preparation of the audited financial statements for FY 2022-23 and has, again, submitted the report to GFOA for the Excellence in Financial Reporting Award. The payroll function issued all W2s and year-end tax reports timely. Other accounting activities include the preparation of the annual Cost Allocation Plan and supporting departments in processing vendor payments. The division also assisted with the issuance of the CADPS bonds and associated implications on the City’s financial statements and has been continuing to support storm project accounting. As part of the broader organizational assessment, the Accounting Manager/Controller position was reclassified to Deputy Director of Finance/Controller, as it was determined that the position was performing duties similar to those performed by other Deputy Director level classifications in the City organization.


Support Services & Non-Departmental Expenses ●

Support Services and Non-departmental divisions are in place to help effectively budget and account for Citywide costs not associated with a specific operating program or project. Both elements are generally on track in the current year, but the Non-Departmental Expenses budget will be adjusted to account for an increase in credit card merchant fees. The program budget is primarily made up of contingency budget that is only activated when a department is faced with salary cost increases due to bargaining unit results, minimum wage increases, or unexpected vacation buyouts that cannot be absorbed within the department's appropriated budget. The contingency amount is determined based on Council's approved parameter amounts.

Human Resources Department

Performance Measure Update

Objective	Measure	2022-23 Actual	2023-24 Target	2023-24 Mid-Year
Integrated HR Services <i>(Strategic Goal)</i>	Average days between injury and Workers' Compensation claim filed.	4	3	4
	Achieved lower severity of Workers' Compensation claims than the risk pool	Yes	Yes	Yes
	Annual liability claims payment under the Self-Insured Retention amount.	No	Yes	Yes
Employee Development & Growth <i>(Strategic Goal)</i>	Percentage of On-Time Employee Performance Evaluations	92%	95%	98%
	Percentage of Internal Promotions	35%	40%	45%
	Training Sessions Coordinated	15	20	8
Engaged and Aware Culture <i>(Strategic Goal)</i>	Number of Policies Communicated	80	75	88
	Informational Sessions Coordinated	266	200	123

Work Program Evaluations	
Human Resources Administration	
<p>Human Resources plays a pivotable role providing comprehensive organizational support in various domains, including benefits administration, risk management, compensation, recruitment, labor relations, performance management, training and development, and legal compliance. While continuing to meet the needs of the organization, the Human Resources team has experienced instability in staffing levels within the department. All employees within the department have been in their role for 2.5 years or less and the HR Manager position remains vacant despite multiple recruitment attempts. Additionally, one HR Specialist position is vacant following an internal promotion.</p> <p>The department continues to experience a noticeable increase in the volume of recruitments, labor issues, and performance management issues. This is in part due to the increased number of positions added over the last two years, the impact of the Great Reshuffle, the dynamic and changing workforce, and other external factors. Additionally, there is an increased level of requests for classification review, leaves of absence, disability accommodation, and benefits changes.</p> <p>In the last six months, three notable achievements stand out: (1) the successful negotiation of a successor Memorandum of Understanding with the Firefighters Union, (2) hiring or promoting 70</p>	

employees, representing approximately 15% of the organization, and (3) several enhancements made to employee benefit offerings and to the open enrollment process.

To adapt to these evolving conditions, the department has had to make strategic decisions, including temporarily slowing down process improvements. This intentional shift in focus allows the team to channel efforts towards sustaining and maintaining a foundational level of service while ensuring strict adherence to legal compliance standards. This approach enables the department to effectively navigate the increased workload and challenges associated with the changing organizational landscape.

Complicating matters further, new legislative mandates effective January 1, 2024, have necessitated updates to policies and system configurations, compounding the department’s existing workload. Despite these challenges, the Department continues to partner with the Centre for Organization Effectiveness to provide professional development opportunities for employees and supervisors across the organization and implement enhancements based on the 2023 Employee Engagement Survey. Additionally, staff continues to promote enhancement of the Oracle Human Capital Management system.

Wellness ●

The Wellness program supplements the Risk Management program by providing employees tools and education to improve their physical and emotional well-being, thus enhancing employee productivity and performance. Mental health services through The Counseling Team International (TCTI) are being offered to public safety employees, geared toward the unique challenges of their profession. The City’s SLO Healthy and Smart (SLO HAS) Committee has hosted gatherings for City employees to network and share ideas. They will continue to work on advancing the healthy and smart culture across the organization. The functional mobility program at the Fire and Police Departments continues to promote safety and targets a reduction in workplace injuries. The Employee Assistance Program (EAP) through Aetna Resources for Living continues to be available to all employees. Voluntary programs like Yoga and Chair Massages have been put on hold due to instructor availability.

Insurance Fund ●

The Insurance Fund is a sub-fund of the General Fund that is used to pay insurance-related expenses and maintain reserves for current claims, potential settlements, and insurance premiums. Within the Fund is an account for paying claim expenses up to the Self-Insured Retention (SIR) limits of \$500,000 each for liability and workers’ compensation. The shift to the SIR model for workers’ compensation happened on July 1, 2023, reducing up front premium costs. The number and severity of claims appear lower than prior years, but it is too early to tell the overall trend as claim costs develop over time. The City also began using a new third-party administrator, Athens, in January 2023 and that has been a smooth transition. At mid-year, 3% of the SIR account for workers’ compensation has been expended, indicating far lower than anticipated costs for this point in the year. However, this is a phenomenon of being in the first six months of the program and only reflects the costs of new claims since July 1, 2023. Costs for these claims will develop over time. For liability, 54% of the SIR account has been expended, indicating that costs are as predicted for this point in the year. Remaining funds are expected to be adequate to cover expenses through the remainder of the fiscal year for both workers’ compensation and liability. The minimum budgeted fund balance was established to withstand fluctuations in expenses and reflects a 75% confidence level based on trends over the previous five years. To predict

future increases, staff tracks market trends and conditions that affect insurance rates and periodically performs root cause analyses to identify ways to reduce injuries and accidents. Staff regularly reviews contracts to ensure City partners and vendors maintain adequate insurance coverage that extends to the City.

Community Services Group (CSG)

Community Development • Parks & Recreation • Public Works • Utilities


The Community Services Group is comprised of the City’s four public-facing, service departments. The Community Services Group Administration team did not have official performance measured identified as a part of the Financial Plan 21-23 but will identify and outline those as a part of the next Financial Plan.

Work Program Evaluations	
Community Services Group Administration	●
<p>The CSG Administration team provides oversight and support on the production of core services, advancement of Major City Goals and objectives, identification of new departmental efficiencies, communication with the public, policy research, and City staffing transitions. The CSG Admin team consists of the Assistant City Manager, Business Services and Administrative Manager, Infrastructure Investment Financial Analyst and full-time Administrative Assistant; with oversight of the Analysts in the CSG Departments. The first two quarters, the CSG Team focused on supporting the transitions of the retirements of the Community Development Director and Assistant City Manager, including the creation of onboarding materials and preparation for the new incumbents. The new CSG Analyst Team has focused on budgetary support as Fiscal Officers for their respective departments, including facilitating training for new employees on Budget and Oracle 101 and the creation of a Budget 102. In addition, analysts for CSG consistently report updated department budget information to managers and supervisors to reference and assist in tracking their budgets. CSG Admin implemented a centralized resident engagement platform, AskSLO, in Fall 2022, and has been consistently working on refinements, improvements and feedback gathered from staff and the community to make the tool more user efficient and friendly. Policy work has focused on the Shopping Cart Ordinance implementation, including coordination of proactive and reactive shopping cart retrieval and business plan submittal review and most recently enforcement. Additionally in the last two quarters, CSG Admin has partnered in supporting Parking, particularly in project managing the acquisition of the 1166 Higuera Street property. Lastly, CSG has been and continues to be focused on the 5-year Citywide User and Impact Fee Study in data gathering, applying updated methodology and analysis to ensure the capture of cost of services. CSG Admin has managed and guided significant efforts focused on partnerships and project management to support critical programs within CSG Departments, recruitments, and creating new processes to collaborate across CSG departments.</p>	

Community Development Department

Performance Measure Update

Objective	Measure	2022-23 Actual	2023-24 Target	2023-24 Mid-Year
Affordable housing production <i>Strategic Goal: Housing</i>	Number of affordable housing units secured through entitlements or construction	147	50	1 ²³
Provide Excellent Customer Service <i>Strategic Goal: Other Department Objectives</i>	Customer survey response positivity rate	79%	85%	85%
Ensure a Safe Community <i>Strategic Goal: Housing</i>	Percent of Code Enforcement cases investigated on time: First Tier - 24 Hours, Second Tier - 2 Days, and Third Tier - 3-5 Days	79%	85%	53% ²⁴
Development Review activities <i>Strategic Goal: Other Department Objectives</i>	The target goal of meeting cycle times 75% of the time reflects an increase in more complex and resource-intensive development review activities.	75%	75%	78%
Building Permit Review activities <i>Strategic Goal: Economic Stability</i>	Percent of building permit reviews completed within established cycle times	NA	85%	59% ²⁵

Work Program Evaluations	
Community Development Administration	
The Administration team continues to provide process management and support for all the divisions within the Community Development Department. The division also supports the Department’s advisory bodies and Major City Goal work programs. Administration provides internal customer service by	

²³ CDD anticipates that 60 affordable housing units will be secured through approved entitlements in January 2024 as part of the Avila Ranch Sendero Apartments project.

²⁴ Code Enforcement saw an increase in investigation requests and was not fully staffed to handle the increase in demands. The percentage of cases investigated on time is expected to increase due to new hires, and Code Enforcement should be fully staffed by January of 2024.

²⁵ This is a new measure for Building & Safety. Building and Safety is still developing metrics to establish cycle times within an automated process. On average, customers experienced a one-day delay in permit processing during the first two quarters.



maintaining SharePoint pages and content, which are currently undergoing an overhaul. Externally supporting customer service via the phone while our online platform, Citizens Self-Service Portal, allows customers to schedule inspections at any time while not being limited to the Department’s hours of operation. The division experienced recruitment challenges in the past, which delayed the digitizing of a backlog of permitting documents for easier access to city customers. Administration is now resuming this work effort to ensure ease of information and transparency for the public. Administration is currently undertaking a front counter user assessment by gathering input on front counter needs. This effort will inform a remodel to make it easier for customers to interact with staff and provide a more customer-focused experience, which is anticipated to be completed by the end of the Fiscal Year 2023-24. This also includes the development of a transparency reporting dashboard that will be displayed in the permit center to enhance public awareness about important updates in the Department and provide customers with information related to processing and wait times.

Planning

The Planning Division continues to serve our community by processing planning entitlements, building permit application reviews, cannabis program implementation, and housing and homelessness-related work. Planning has made process improvements to support housing production and economic development, allowing certain projects to move forward with a timelier and streamlined review of entitlements. Work efforts have begun on key Housing & Homelessness Major City Goal work program tasks, including the initiation of an update to the Margarita Area Specific Plan, an initiation of an update to the Airport Area Specific Plan, the development of a scope of work to update the City’s parking requirements, ongoing implementation of the Homelessness Response Strategic Plan and preparation of a Request for Proposals to update the City’s Historic Resources Inventory. Planning cycle times for application reviews continue to exceed the 75% target goal. The beginning of the fiscal year through the end of the second quarter was steady, with minor dips in planning activities typical for October, November, and December. The Planning division experienced recruitment challenges at the beginning of the fiscal year but, by mid-year, hired a Cannabis Business Coordinator, an Assistant Planner, and a Community Development Climate Fellow. The division is actively recruiting an Associate Planner and an Urban Forestry Coordinator.

Engineering

The Engineering Division plays an important role in the Development Review process, ensuring that public improvements required to support private property development are designed to City standards. In addition, the Engineering Division reviews grading, and drainage plans to ensure that stormwater management is consistent with the City’s Drainage Design Manual. The division evaluates planning applications and building permits for compliance with stormwater management, in addition to the direct applications received for subdivision map checks and Public Improvement Plans. The Engineering Division plays a major role in facilitating housing production in the city. It supports the Housing and Homelessness Major City Goal by providing plan check and mapping services for projects such as Avila Ranch, San Luis Ranch, Froom Ranch, Righetti Ranch, Bullock Ranch, 600 Tank Farm Road, 650 Tank Farm Road, 1150 Laurel Lane, three HASLO projects (Anderson Apartments, 287 Bridge Street, and 1422 Monterey Street), as well as numerous Senate Bill 9 urban lot splits and Accessory Dwelling Unit applications. This division started the fiscal year with significant staffing shortages but has since refilled key positions with a mix of full-time employees, supplemental part-time temporary employees and contracted services. While the hiring climate is challenging, the following positions were filled in the CDD Engineering division: Engineer I, Permit Technician I, Engineering Technician III, Senior Civil Engineer (full-time regular), and Senior Civil Engineer (supplemental part-time temporary), which position will remain open until it can be filled with a full-time regular employee. Filling these positions resulted in immediate improvements to customer service and project processing times for CDD Engineering.

Building and Safety	
<p>Code Enforcement: The Code Enforcement team promotes community health and safety by increasing awareness of City policies and investigating reported code violations. The mid-year monthly average open code enforcement cases were approximately 246, and code enforcement staff responded to 493 investigation requests. The City Council held a study session on October 3, 2023, to provide an overview of the division's work and discussed the development of the Safe Housing Program. Code Enforcement has hired a Code Enforcement Technician II (Safe Housing Specialist) who is working closely with Cal Poly's Off-Campus Housing Program Coordinator to develop rental housing educational materials and programs. Code Enforcement will hire a Code Enforcement Technician I dedicated to Neighborhood Services by the beginning of third quarter.</p> <p>Building Inspections: The number of building inspection requests has remained high, with over 3,600 inspections conducted since the start of the fiscal year. The team has become efficient in providing timely inspections because of consistent staffing and technology upgrades. The building inspection team is fully staffed and supplemented by a consultant inspector stationed at and funded by the San Luis Ranch Development. On average, the building inspection team, which consists of one supervisor and three inspectors, conducts over 150 building inspection per week. Notable projects that have received final inspection include the Tesla Service Center and the Nordstrom Rack tenant improvement in the Madonna Plaza Shopping Center. Furthermore, a temporary certificate of occupancy has been issued to People's Self-Help Housing on Broad Street for 36 affordable units and a community center. Another notable project in downtown, the renovation of the Anderson Hotel, is currently framing out accessible units on each floor and has completed the seismic strengthening of the foundation walls in the basement.</p> <p>Permits: Building permit activity has remained high and is consistent with last year's numbers. The front counter received over 849 new building permit applications and an additional 156 fire permit applications. 857 building permit applications completed the review process during the same time. 223 of those building permits issued were for the installation of solar panels, almost half of which were processed through SolarAPP+. The City's investment in the implementation of SolarAPP+ has proven to benefit residents by expediting the application process and has so far saved the City \$13,000 in consultant fees this fiscal year alone. Notable projects that have recently been submitted include two mixed-use projects in the downtown, which, together, will bring 34 dwelling units to the downtown. In total, permits issued in the first half of this fiscal year have added 167 new dwelling units to the City.</p>	
Housing Policy and Programs	
<p>Homelessness Response staff have been working with community partners including the County of SLO, Peoples Self Help Housing (PSHH), and the Housing Authority of SLO (HASLO), to move forward two projects that would rapidly provide approximately 150 units to house and provide wrap-around services to unsheltered individuals and families; the Welcome Home Village and the Calle Joaquin Homekey projects. Staff have updated and streamlined encampment clean ups, including and revising protocols for internal and external requests and those coming through Ask SLO, in alignment with the City Compassionate Assistance Mitigation and Prevention (CAMP) standards. Recruitment was successful for the position of Administrative Specialist for Homelessness Response. On the outreach front, Homelessness Response staff have distributed over 1,000 updated pocket guides (in English and Spanish) in the fall, provided direct outreach to downtown businesses with Community Service Officers, and responded to ten media and 27 community partner and business group invitations to speak to organizations about City Homelessness Response. Staff have continued to build a list of potential public and faith partner sites for the Rotating Overnight Safe Parking Program and will consider starting the</p>	

program once 6-12 sites are identified and permitted. Additionally, an application has been submitted and will be considered by the Planning Commission in January for an expansion of the overnight safe parking program at the 40 Prado Homeless Services Center. The Housing team, in collaboration with the City's third-party "Below Market Rate Housing" administrator, Housekeys, continue to assist placing eligible applicants into units, including running an average of three opportunity drawings per month. This is in addition to transactions for multi-family apartment projects managed directly by partners PSHH and HASLO. A Downpayment Assistance Program was established for the Avila Ranch Development in accordance with the Development Agreement. Two loans have been distributed and the City's BEGIN program awarded two households with downpayment assistance. Three Below Market Rate Housing escrow closings are being processed for December 2023 or January 2024, including the Maxine Lewis, Bridge Street and Broad Street Place projects. Regionally, the Housing and Infrastructure Plan was approved by the San Luis Obispo Council of Governments, that lists projects, many in SLO, that promote housing production as priorities. On the State level, the City has earned enough points through evaluation of housing programs to be eligible as a Pro-housing jurisdiction which enables access to incentive funds and prioritizes the City for specific grants. Although we anticipate news from the state that we were selected, we will not be sure until the third quarter.



Public Works

Performance Measure Update

Objective	Measure	2022-23 Actual	2023-24 Target	2023-24 Mid-Year
Proactively enhances traffic safety by providing a system of safe, reliable and well-maintained roadways, sidewalks, traffic signals and streetlights. <i>MCG: Climate Action</i> Strategic Goal: Enhance Safe & Efficient Transportation (PW Strategic Plan)	Pavement Condition Index	75	75	76
	Bicycle network in total miles (Class I/II/III/IV)	14.5/31.3/25.3/1.5	14.6/31.0/25.1/2.8	14.5/31.3/25.3/1.5
	Street miles maintained	134	134	143
Enhance the City’s Urban Forest and maintains visually appealing public spaces. <i>MCG: Climate Action</i> Strategic Goal: Proactively Manage Assets (PW Strategic Plan)	# of trees maintained	13,030	13,080	13,120
	Total acreage of park inventory	582	584 ²⁶	584
Provide high quality services to the community through efficient and effective delivery of capital improvement projects and management of the City’s infrastructure. <i>MCG: Economic Recovery</i> Strategic Goal: Connect with our Community (PW Strategic Plan)	Total value of CIP Managed	\$28M	\$97M ²⁷	\$100M

²⁶ The 2023-24 park acreage inventory includes the addition of North Broad Street Park and Parks A, B, and C in Avila Ranch.

²⁷ Reflects the value of the CIP managed by Public Works Operating Programs

Work Program Evaluations	
Public Works Administration	
<p>Over the last six months, the Public Works Administration program effectively met its core services and objectives. The division recently reclassified its Business Analyst role to Senior Business Analyst, to address the many fiscal complexities of the department, which includes enterprise funds, the Capital Improvement Program, and the newly formed Mobility Services Division. This position will continue to provide support to the Mobility Services Business Manager and CIP Administrative Manager roles, while addressing the day-to-day fiscal needs of the department.</p> <p>In Q1, the department focused much of its resources on Storm Recovery and Parking Services Management as well as a continued focus on staffing structures and hiring, including implementing a significant, multi-phased divisional reorganization, combining its Parking, Transit and Active Transportation programs into a new Mobility Services Division to enhance internal services and collaboration, leverage available resources, address current workload needs, and enhance customer service experiences. This effort included the hiring of a Deputy Director of Mobility Services and Mobility Services Business Manager in Q1. Staff continue to implement the restructure of the new Mobility Services Division, which includes allocating positions across the three programs and pursuing operational efficiencies through shared use of resources. Additionally, the department began and completed a recruitment for the vacant CIP Administrative Manager that will lead the CIP Review Committee and support of the CIP Program.</p>	
Parks Maintenance	
<p>The program is categorized as yellow due to increased workload demands on limited staff and the rising costs of playground part replacements. The Parks Maintenance program has continued to successfully provide the community with safe facilities and well-maintained parks. The Crew Coordinator recently retained a Certified Playground Safety Inspector, who along with the Supervisor, implemented a more robust playground inspection program for staff to routinely complete. This division has also contracted mowing services for select parks, allowing staff to focus more time on addressing aging infrastructural needs within those parks.</p> <p>Staffing vacancies and increased workload continues to put a strain on existing staff. The program made staffing adjustments in September after an FTE vacancy to ensure appropriate coverage. Project volume has increased over the past six months, requiring staff time for development review of City and private projects. Due to supplemental staff vacancies, full-time staff have been required to work overtime to provide Farmer’s Market restroom support, which will likely continue through the rest of the fiscal year due to the difficulty of filling supplemental positions. In November, the program increased its focus on providing ADA compliance upgrades. Despite these challenges, service requests are being prioritized and addressed in a timely fashion.</p> <p>As the City’s playgrounds are aging, the maintenance of playground equipment continues to require more time because of failing parts. Due to its high impact to user safety, staff has been prioritizing this need. However, the high cost of playground parts is impacting the program’s budget and resulted in less material used during turf renovations. Staff will look toward the broader Public Works budget to support this need in the short-term and will request additional funding in the coming fiscal years. Since July, the program also assumed maintenance of three new parks, with a fourth under construction. Three of the new facilities have playgrounds. Due to the increased number of playgrounds and aging</p>	

playgrounds, daily and monthly playground inspections require more resources. The program has shifted more resources towards inspection needs and is outsourcing custodial services at four parks. The program will require more resources in future financial plans to maintain recently added parks in order to maintain these facilities to community expectations.

Overall, the Parks Maintenance budget is on track, but special attention will be given to balancing workload, and prioritizing playground safety repairs.

Swim Center Maintenance

The Swim Center Maintenance program continues to provide a safe and clean aquatic facility for the community’s use while remaining on track with its budget. Because a large percentage of the program’s operating budget is for utilities and supplies, there is some concern that inflation and other economic factors may cause costs to rise above initial projections. Staffing levels have remained relatively stable, with one full-time Maintenance Technician and one supplemental part-time position. The program successfully completed its annual maintenance closure in August, which included an LED lighting retrofit inside the main bath house, replacement of the motor and pump in the therapy pool and a rebuild of the backwash valves in the main pool filtration system.

The SLO Swim Center transitioned from using hydrochloric acid alone for pH control to a balanced system combining CO2 and acid. The previous acid usage reduced pool water alkalinity, requiring the manual addition of sodium bicarbonate. The new system has stabilized total alkalinity, reducing the total acid volume used by 50% and eliminating the need for weekly sodium bicarbonate addition. Despite increasing chemical costs, the CO2 system saved the program \$13,000 in the past year and has enhanced water balance and quality. Staff is also currently working on replacing and upgrading the acid storage tank with a new system to neutralize vapors/fumes created by muriatic acid in the swimming pool equipment room.

Urban Forest Services

The Urban Forest Program continues to operate in a limited staffing capacity, maintaining 13,120 inventoried tree assets valued at over \$39 million. The program currently staffs a retired annuitant who performs young tree care maintenance; all other services are contracted out. With the support of Council, the program is recruiting two full-time Urban Foresters, which has been challenging. After a failed recruitment in November, a second recruitment will begin sometime in January with additional hiring incentives to assist in recruiting qualified staff. Urban Forest staff is optimistic that the pending recruitment will guide the program back on track.

Facilities Maintenance

The Facilities Maintenance team, comprised of four full-time technicians and a supervisor, efficiently maintains approximately 242,000 square feet of buildings five days a week. The program outsources larger projects or projects that are more cost-effective to be contracted out under the current workload. Facilities Maintenance also plays an important role in overseeing and executing CIP projects and building upgrades. Recent accomplishments include re-roofing of the Police Department evidence storage building, major repairs on the Rodriguez Adobe deck, and a rebuild of the back stairs at the Jack House. Staff has also managed repairs and updates at the newly acquired Police Department facility; HVAC upgrades at the Ludwick Community Center, Corporation Yard, and Senior Center; and the

installation of new heat pump water heaters at seven City facilities, improving energy efficiency at these locations.

The additional maintenance of new office space for Human Resources and the Police Department has created workload challenges for the program. Additionally, a rise in the number of trash clean-ups, graffiti reports and other impacts from the unhoused community have put a strain on staff time. Due to limited bandwidth, staff have not been able to complete or have been required to postpone additional work requests from other divisions and departments outside of normal scope over the past few months.

Streets & Sidewalk Maintenance ●

The Streets Maintenance Program continues to address sidewalk and pavement needs throughout the city. During rain events, the Streets Maintenance Program performs storm patrol and responds to numerous service requests throughout the year. The program also completes trash and green waste management for the corporation yard and manages the metal recycling program. Due to the popularity and a large number of requests via Ask SLO, some paving and concrete construction projects have been delayed. The Streets Maintenance Program provides traffic control support to City events and maintenance activities such as street tree pruning and cleanups along arterial roads. The program helped support a very successful Holiday Parade in December. Downtown staff has made a difference in the downtown area by increasing the level of maintenance and sidewalk cleaning. The program recently implemented a hard closure with anti-vehicle barriers weekly at the Farmers Market, which is being completed by permanent staff through overtime, and will be impactful on the overtime budget. During Budget Supplement, the program plans to request additional resources to help address community expectations and continue with the progress of the City’s Pavement Program.

Traffic Signals & Lighting ●

The program is categorized as yellow due to the need to repair and replace signal and lighting equipment from unanticipated vehicle or storm damages. Safe and efficient traffic signal operations have been maintained through regular preventative maintenance, repairs to damaged traffic signal equipment, and ongoing refinements to traffic signal timings and equipment, including ADA upgrades for pedestrian push buttons and assistance with Pedestrian Hybrid Beacons. Traffic Signal/Streetlight technicians have also assisted with several development-led traffic signal and beacon installations. The program has also been responding to what seems to be an increase in knock down incidents where vehicles have hit above ground traffic signal equipment. Staff will be implementing a standard plan for solar path lighting as part of the 2023 Engineering Standards update and is continuing to explore solar options for streetlights.

One of two signal technician positions is currently vacant, which will continue to pose workload challenges until it is filled. The program budget is on track to fund minimal essential maintenance responsibilities through end of the fiscal year; however, an ongoing uptick in the frequency of equipment knock-downs and failures has been quickly depleting available budget needed to maintain adequate inventory of spare signal equipment. Additional budget will be requested as part of future budgets to be able to more timely address equipment replacements that are necessary due to vehicle strikes and to purchase sufficient spare equipment to adequately maintain the aging existing signal system. In some cases, repair costs are reimbursed through “damage to city property” fees; however, staff estimate that only about 50% of repair costs are recovered as damages are often caused by hit-and-run incidents. In addition to vehicle damages, several locations (Righetti-Tank Farm Roundabout

lighting, and the five median streetlights on Los Osos Valley Road by Froom Ranch Way) have experienced underground electrical issues that are currently being troubleshooted. In the meantime, solar panel powered lighting is being used until the issue is resolved.

Fleet Maintenance



The Fleet program is responsible for purchasing, outfitting, maintaining, and repairing nearly 300 City-owned fleet assets. Other responsibilities include vehicle procurement and disposal, emissions reporting, maintenance of the Corp Yard fuel pumps and car wash, back-up generators, hazardous waste handling, reporting and disposal, and parts inventory. Staff perform 45-60 preventative work orders each month, in addition to repairs that are a result of unscheduled breakdowns. In line with Major City Goal objectives, staff was able to procure two additional Ford Lightning EV trucks bringing the City-wide total to six. Fleet also procured its fourth EV car – a Chevy Bolt. Charging stations installed under Fleet direction at the Corporation Yard are on-line and working without issue, and Fleet assisted with securing charger installations for public use by sourcing the ChargePoint chargers needed.

Vehicle procurement has been hindered by supply chain issues, but the program is working to procure the necessary vehicles for City programs and services. Following the reduction of one position as part of the 2023-25 Financial Plan, Fleet Maintenance has routed many repairs and maintenance tasks to outside vendors. Increasing demands of emissions testing and reporting, hazardous waste, storm water, and wastewater discharge, and the implementation of tracking software have posed additional workload challenges. Additional mechanics will be necessary to support the day-to-day operations of the program.

Overall, the Fleet Maintenance budget is currently on track; however, fuel costs are highly susceptible to market volatility.

CIP Engineering



The program is categorized as yellow due to challenges recruiting the additional staffing resources necessary to oversee and deliver the increase in workload associated with the passage of Measure G20 and the unforeseen number of storm response recovery from winter 2022-23. A focus of this program has been filling vacant positions, and managing recruitments to find highly qualified candidates has been a challenge. The CIP Engineering Program continues to advance and deliver Capital Improvement Projects funded for design and construction. During the first quarter of FY 2023-24, several construction projects have been completed including the 842 Palm Parking Structure Gateless Entry, Railroad Safety Trail Fencing, Santa Rosa at Monterey Intersection Improvements, Silt Removal 2023, Ruth and Iris Storm Drain Repair, San Luis Obispo Creek Emergency Bank Stabilization Project near Johnson Avenue, and CDBG Curb Ramps 2022. Additionally, many projects are currently awarded to be in construction soon or already in construction including the North Chorro Neighborhood Greenway, 2023 Arterials, North Broad Street Neighborhood Park, Cheng Park Revitalization, Fire Station 1 Fleet Maintenance Roof, Johnson Waterline, and the Cultural Arts District Parking Structure. Inspection staff continue to review and monitor private and public projects in construction, including large developments such as San Luis Ranch and Avila Ranch. Though the program continues to deliver a large quantity of important projects on schedule, the program has seen an increase in the overall workload with the emergency storm response projects generated from winter 2022-23. This has greatly increased workload of existing staff and highlighted the need for additional resources to fill staffing vacancies to help balance the workload. The program is currently recruiting a vacancy of the Construction Engineering Manager in January 2024. Additionally, the program has one

vacant full-time engineer position due to the recent promotion of an existing engineer to Capital Improvement Plan Administrative Manager and one part-time intern vacancy. Filling these positions will be important for returning CIP Engineering to the green category.

Transportation Planning & Engineering ●

The program is categorized as yellow due to the impacts of staff vacancies and expanded workload associated with multiple concurrent priorities, including complex development projects, large capital improvement projects and other ongoing priorities. The Transportation Planning & Engineering Program has continued progress with enhancing crosstown traffic circulation, including managing several large projects in construction; progressing with design of several upcoming capital projects; continued support for a continuous stream of private development-related projects; ongoing implementation of the City’s Active Transportation Plan; and managing day-to-day essential services. Some highlights over the last six months include: completion of the Pedestrian Crossing Improvements Project; major progress on the North Chorro Greenway and 2023 Arterials Paving Projects, which are both nearing completion in early 2024; development and adoption of a formal Outdoor Dining Program after a successful pilot parklet program that was previously launched as part of the City’s COVID-19 response efforts; planning, outreach and design progress on the Higuera Complete Streets project; and construction of the Santa Rosa/Monterey Intersection Improvements Project, which included pavement improvements, ADA curb ramp upgrades, traffic signal modifications and pavement markings to enhance safety for all road users.

While the program is anticipated to be fully staffed in early 2024, the average experience level of program staff has decreased in the past few years due to staff departures and transitions within the organization. The program has had a vacant senior Transportation Planner/Engineer position since July 2023, which has required redistribution of day-to-day assignments to other staff. This has also slowed progress with some ongoing project efforts, such as the California/Taft Roundabout Project, the Foothill Boulevard Complete Streets Project, and the Railroad Safety Trail Extension (Tiburon to Orcutt) Project. With significant involvement in several complex development projects, continued commitments to several large capital improvement projects that will continue through 2024, and focused efforts on priority programs/planning efforts, it will be difficult for the program to take on any new project assignments in the next 1-2 years until several of these ongoing efforts are completed. If there is interest in accelerating any current tasks or adding new project assignments to the program, staff would need to explore some combination of deferring existing projects and increasing funding for outside consultant engineering support.

Work Program Evaluation

Mobility Services – Transit Operations and Maintenance ●


The Transit Program is part of a Public Works Department reorganization effort that unifies the Transit, Parking, and Active Transportation programs under the new Mobility Services Division. The Transit

Manager position was also reclassified into the Mobility Services Business Manager as part of this reorganization.

Ridership is recovering but is still significantly lower than pre-pandemic levels. Recruitment and retention of bus drivers is the primary force limiting a return to full academic services. Staff was able to partially restore services at the end of October 2023 across all fixed route lines. The Farmer's Market Trolley and Holiday Trolley also made a return this year thanks to a minor increase in the number of drivers. Council authorized the City Manager to negotiate and execute an amendment to SLO Transit's operations and maintenance services agreement to include driver hiring incentives to attract and retain drivers, and an extension of the term of the agreement through June 2026.

In August 2023, staff completed a Federal Transit Administration (FTA) Triennial Review, which constituted a significant work effort for the small Transit team. In December, staff also kicked-off a Transportation Development Act (TDA) Triennial Performance Audit which will continue through Spring 2024. These efforts are resource-intensive but have not affected delivery of critical program objectives. Staff continues transition to a zero-emission fleet with the delivery and operation of two new battery electric buses. Staff has issued a purchase order for six additional battery electric buses which would put SLO Transit ahead of the state's timeline for full zero emission adoption. However, the transition to zero emission fleet remains a challenge, as costs of buses and charging infrastructure outpaces inflation in other markets. Production and delivery timelines are also still affected by the COVID pandemic.

Funding is critical to the rollout of a zero-emission fleet as the cost of buses and associated charging infrastructure continue to increase. Maintenance and fuel costs will continue to be an issue until the aging diesel-powered fleet is replaced by battery electric buses over the next three years. These costs continue to rise as the aging fleet requires more major repairs and fuel prices remain volatile due to larger market forces. Staff is closely monitoring both line items and have recommended net zero operating budget changes as part of Mid-Year Review. Staff is not recommending any changes to estimated transit service revenue.

Work Program Evaluation	
Mobility Services - Parking	
<p>The Parking Services program is also part of the Mobility Services reorganization effort referenced above. Staff secured funding for and began construction of the Cultural Arts District Parking Structure, with groundbreaking occurring in December, and developed the request for proposals for the Parking Rate Study, which is scheduled to begin in January. Parking Services collaborated with the project team to support the acquisition of 1166 Higuera Street which will operate in the near term as a new City parking lot. Staff implemented the Holiday Free Parking Program through December and early January and implemented additional free parking in the structures (one-hour free plus free parking on Sundays) through June 2025 . Operations staff upgraded 27 on-street pay stations and completed several minor projects to maintain the cleanliness of the structures.</p> <p>When a parking rate increase, activation of gateless infrastructure at 842 Palm Structure, and implementation of Park Local Pilot Program launched on July 1 (concluding in November), the Parking Services Program moved quickly to prioritize communications, public engagement, and coordination with multiple vendors. The volume of phone calls and emails as a result of these initiatives overwhelmed staff and unfortunately impacted other areas of customer service within the program. Since that time, staff has recalibrated and addressed the valuable feedback of community members. Parking Services developed a comprehensive Communications Plan that includes increased signage and messaging, and implemented administrative changes to improve communication via phone, email and in-person. Several operational changes, including an extended grace period after expired parking sessions, a reduction in the number of supported mobile apps, and consistency among payment methods for pay sessions, enhanced the customer experience.</p> <p>The Parking Services Program has also experienced staffing challenges. Administrative team vacancies have impacted workload but are now filled. The Parking Services Program Manager was on paternity leave for a duration of Q1. The position is now vacant; recruitment is underway and estimated to be filled by the end of March 2024. Despite these challenges, staff is working to meet day-to-day objectives. Public communication remains a top priority in Parking Services. Currently the Division is recruiting for a Mobility Communications Coordinator that will heavily support the Parking Services team; recruitment for this role is set for early 2024. This person will be the lead on implementation of the Parking Communications Plan.</p> <p>Staff is working with a consultant to review, evaluate and provide recommendations on the overall Parking Program including administration, operation and enforcement. This evaluation will inform the future of the Parking Services program and provide opportunity for improvement prior to and continuing past the recruitment and onboarding of a new Parking Manager.</p> <p>Staff is closely monitoring unexpected cost increases in several operating budget accounts and have recommended several operating budget changes as part of Mid-Year Review. These include increases to the Advertising & Public Outreach, Equipment & Maintenance Supplies, Miscellaneous Materials &</p>	

Supplies, Print & Reproduction budgets to reflected true projected costs, and a substantial increase to the Credit Card Merchant Fees budget due to the rapid adoption of digital payment methods. Additionally, as part of the multi-phased Mobility Services Division reorganization effort, staff have requested changes to the position allocations for the Deputy Director of Mobility Services, Mobility Services Business Manager, and Admin Assistant III in order to properly reflect their time allocation. At the same time, staff is recommending positive revenue adjustments to parking fines based on current trends, additional anticipated parking lease revenue, and parking meter revenue due to the recent acquisition of the new 1166 Higuera parking lot, but a significant decrease in parking structure revenue (\$926,000) based on free Sunday parking and first hour free parking relief programs.

Parks and Recreation Department

Performance Measure Update

Objective	Measure	2022-23 Actual	2023-24 Target	2023-24 Mid-Year
Provide inclusive, accessible programming that serves the whole community. <i>Strategic Goal: Programming is Directed to Diverse Users (P&R Strategic Plan Goal), DEI and Economic Vitality MCGs</i>	# of Department Community Events	22	25	10
	# of non-profit permitted Facility Uses	100	120	100
	# of program registrations	4,575	4,500	3,981
	# of program offerings	410	400	215
	# of childcare spots filled/offered	2000/2000	1500/1500	2437/2437 ²⁸
	# of children receiving subsidy	70 CAPSLO 35 City scholarship	60 CAPSLO 50 City scholarship	60 CAPSLO 9 City scholarship ²⁹
In Coordination with Public Works, engage the public to prioritize new and revitalized Recreational Amenities <i>Strategic Goal: Expand Parks & Facilities (P&R Strategic Plan Goal), MCG Economic Stability</i>	# of public outreach meetings	4	6	5
	# of updated or new parks and amenities in process	5	5	9 ³⁰
Creates and fosters a sense of community through citizen involvement. <i>Strategic Goal: Maximize Community Resources & Collaborations (P&R Strategic Plan Goal)</i>	# of volunteers/hours	164/1935hrs	380/4100hrs	116/1973hrs
	# of temporary Public Art or Cultural Art Events	4	5	2 ³¹
Leverage technology to engage the community and promote program offerings. <i>Strategic Goal: Programming is Directed to Diverse Users (P&R Strategic Plan Goal)</i>	# of Instagram followers	7,000	7,800	7,400
	# of Facebook followers	4,500	5,000	5,400
Open Space Preservation and Enhancement <i>Strategic Goal: Nurture Open Space (P&R Strategic Plan Goal), Climate Action MCG</i>	# of miles of Open Space trails maintained	65.5	66.5	66.5
	# of staff hours dedicated to fuel reduction	3,300	4,000	2,000
	# of encampment site clean-ups removed from Open Spaces	90	110	35 ³²

²⁸ The number of childcare spots offered/filled was significantly higher than targeted due to the additional space offered for Summer Camp, specifically the Summer Fun Day Camp that the City partnered with San Luis Coastal Unified School District on as the District provided additional facility space and financial support to families.

²⁹ Staff has received a reduced volume of scholarship applications to date for FY 24 but is currently working to restructure the program this quarter to make the scholarships more impactful for families.

³⁰ These include Cheng Park Beautification Project, North Broad Street Neighborhood Park, Mitchell Park Revitalization Project, Emerson Park Beautification Project, Righetti Ranch Park System, Laguna Lake Dog Park Revitalization Project and pilot Bike Park at Laguna Lake Park, as well as playground replacements at Vista Lago Park and DeVaul Park.

³¹ The City is under contract to install a replacement sculpture at Mission Plaza lawn and a new roundabout sculpture in spring 2024. Additionally, under the partnership with SLOMA, a new downtown art project is in exploratory stages for Garden Street.

³² The Bob Jones Bike Trail was closed from September 12-October 31, 2023 for fencing and creek maintenance. This meant no access to the trail or creek from Prado Road to Los Osos Valley Road during this timeframe, thereby significantly reducing the build ups of encampments on the City's most impacted transient-occupied open space.

Work Program Evaluations	
Recreation Administration	●
<p>The Recreation Administration Division continues to advance the identified short, mid, and long-term priorities outlined in the plan. The Cheng Park Beautification Project has commenced, in collaboration with the original designer and architect, Alice Loh, and ground broke on the new park project at North Broad Street Neighborhood Park in December. The two State Park Prop 68 Grant-supported projects are underway, with the anticipation of the Mitchell Park Beautification commencing in early 2024, and the Emerson Park Beautification Project design being finalized in early 2024. The Righetti Ranch Park System designs have been approved by the Parks & Recreation Commission with an anticipated start date in Fall 2024. Staff is currently reviewing potential construction costs for the Laguna Lake Dog Park Revitalization Project and is anticipating a project timeline of late Summer 2024. At the same time, playground replacement designs for Vista Lago Park and DeVaul Park are being finalized in January 2024, and the internal design and build for the pilot bike park at Laguna Lake Park is anticipated to begin in late winter 2024. The Public Art Program, as part of its community partnership agreement with San Luis Obispo Museum of Art (SLOMA), selected a pre-constructed sculpture, <i>Shift</i>, by artist Warren Hamrick, for the Heirloom/Froom Ranch roundabout, and commissioned an original work by artist April Banks as part of a rotating exhibition on the Mission Plaza adjacent to SLOMA that will replace the existing David sculpture by artist Adam Parker Smith in April 2024. Staff hired a new Public Art Coordinator set to start in January. This position was approved by Council in the FY 2023-25 Financial Plan as a full-time contract position and will assist in coordinating the Public Art Program and implementing the Public Art Master Plan.</p>	
Facilities	●
<p>The Facilities Division supports the Open SLO Program by performing daily set-up, maintenance, and clean-up for the Downtown Dining program in Mission Plaza. Community youth and adult sports regularly utilize City fields and courts for tournaments, leagues, and practices with significant resources being dedicated to the Damon-Garcia Sports Complex. The Library Conference and Community rooms, the Ludwick Community Center, Senior Center, and Meadow Park Building, overseen by Facilities staff, serve the community for social gatherings, meetings and general uses. Staff is also accepting reservations for events at the Jack House for the upcoming 2024 season. The Division recently enhanced various community facilities with several key upgrades. The Ludwick Community Center gym received new floor mats to support events. Staff replaced reservation display boards and updated court rule signage in multiple parks, and the Library meeting rooms received new tables. Staff added tables to the Mission Plaza Downtown Dining Program, enhancing the community's experience in this vibrant social hub. Indoor meeting room rentals and Jack House Gardens rentals continue to lag behind pre-pandemic reservation numbers. However, staff is increasing advertising to reintroduce these unique and affordable venues to the community.</p>	
Youth Services	●
<p>The Youth Services Division is categorized as yellow because of staffing challenges associated with recruitment and retention, as well as classroom space restrictions. Youth Services provided quality childcare to the community at all five (5) elementary school sites located within the City (C.L. Smith, Hawthorne, Pacheco, Sinsheimer, and Bishop's Peak), and expanded summer camp programming to assist in fulfilling community needs. The Division continues to experience recruitment challenges which were already issues</p>	

pre-pandemic but have become increasingly challenging in relation to consistent supplemental staffing. One full-time Site Specialist role remains unfilled and is currently being covered by the Youth Services Coordinator and Supervisor. The Site Director position is in its second recruitment attempt for January 2024. Recruitment for in-classroom supplemental staff who are qualified to work as Aides, Teachers and Head Teachers continues to be challenging with a limited pool of interested candidates. Staff have increased recruitment efforts by attending in-person job fairs at Cal Poly, Cuesta, and local high schools, as well as increased marketing recruitment promotions to year-round efforts. In addition, many Youth Services staff are college-aged students and have scheduling challenges surrounding academic calendars to fulfill some of the daytime shift needs. However, even with the local and national trends confirming the recruitment challenges for these types of positions, the program has been able to hire over 25 additional supplemental staff since July and are rebuilding a more sustainable staffing structure in the aftermath of the pandemic hiring challenges. With childcare at the center of the community's economic recovery, Youth Services staff continue to provide before and after school childcare, as well as childcare for school breaks. Two classrooms at each school site have full programs for each program time. The City continued to be contracted by the San Luis Coastal Unified School District to staff the District's expanded Kinder and TK-aged children's programs that are now included in the daily operations at the school sites. Previously, the City operated the Kinder and TK programs exclusively. Youth Services staff continues to look for creative solutions to accommodate as many children as possible from waitlists as they continue to hire supplemental staff throughout the year, as well as work with District to identify facility space (classrooms/multi-purpose rooms). Summer camp (June-August) expanded to eight (8) classrooms from the previous six (6) classrooms. Children with Special Needs are accommodated at all school sites and programs. Ongoing professional development is provided to Youth Services staff, including mandated Child Abuse reporting, First Aid and CPR, program and curriculum development, positive guidance strategies and inclusive programming, safety training, and large group management. Staff have started advertising higher step wages for supplemental positions based on available budget, to assist with recruitment.

Community Services	
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The Community Services Division manages youth and adult athletics leagues, organizes recreational activities, hosts free and affordable community events, oversees the SLO Skate Park and Monster Skate Series with surrounding communities, and promotes healthy lifestyles through expanded contract instructional programs. Additionally, the division supports Jack House events and the Jack House Docent Program, manages the Community Gardens programs at five locations, and programs in collaboration with the Senior Center Board. In support of the Parks & Recreation Blueprint for the expanded youth and adult recreational activities, shifts to the job duties for one of the Division's existing Recreation Coordinator positions has provided additional support for the division's popular Adult and Youth Sports offerings, and special events. The youth basketball league continues to grow, with over 700 participants for the 2024 winter season. In support of the expanded community programming in support of the Parks and Recreation Blueprint (master plan), as well as Major City Goals and Local Revenue Measure expectations for youth and senior programming, the Community Services Division continues to offer several zero to low-cost community-based events for youth, seniors and families, such as the Monday Meet-Ups and the Rec is Rad youth activity series in under-represented local parks, as well as the Senior Trivia series, Pet Week, and hiking and walking groups. The Division's inaugural Senior Dance was also a smash hit, drawing a large crowd. Notably, the annual September Scramble in the fall attracted over 450 participants, while the Boo Bash in October expanded its reach, drawing attendance from over 1,000 community members, with 1500+ entries through the Haunted House. As community events and youth and adult sports returned to full programming, the Division continues to rely on both full-time and part-time staff, and staff also have reached out to Cal Poly for volunteers to make their special events successful.

The newly established citywide Volunteer Program has quickly ramped up under the guidance of the City's new full-time Volunteer Coordinator. Over the past few months, the Volunteer Program has launched Engage SLO, a new volunteer portal, and created and advertised many new and ongoing volunteer opportunities to support City activities, including Adopt-a-Park, Arbor Day, September Scramble, Boo Bash, Fall Creek Clean Up, Community Garden Service Saturdays, Jack House Docent Program, and Ranger Workdays. Regular and recurring volunteer numbers continue to grow, with volunteer hours totaling nearly 2000 over the last 6 months – an impact valued at over \$74,000. In the coming months, the Volunteer Program will continue to expand Adopt-a-Park volunteer opportunities, explore a multi-departmental Community Connector volunteer role, and capture Police and Advisory Body data.

The Community Services Division received three program awards this fall from the California Parks and Recreation Society (CPRS) District 8. The awards were for "Creating Excellence within the Community," and recognized the Volunteer Jack House Docents, the Senior Center Executive Board, and the Monday Meet-Up program.

Revenue estimates for adult athletic fees, youth athletic fees and instructional fees have been re-forecasted based on past year and year-to-date actuals and expected revenue, with a minor net impact. Increases have been driven by partnership agreement changes, and decreases have been driven by fewer than expected revenues to-date for adult athletic fees and contract classes.

Ranger Service	
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Ranger Service continues to effectively maintain and patrol the City's 4,050 acres of open space across all 13 City-managed open space properties. The Ranger Service Division dedicates resources for supporting fuel management (WUI) and to clean up trash and debris in the City's open spaces and creeks. Staff recently completed two new trail projects – Bog Thistle and King Trail Re-Route and completed the trail design and layout for the Righetti Loop Trail. The Division closed the Bob Jones Bike Trail for two months in the fall to complete fire fuel mitigation and creek clean-up projects, using The Goat Girls to naturally remove large amounts of brush in the creek systems. Ranger Service has expanded its educational programming with more environmental education videos, social media postings, Ranger-instructed classroom/event presentations, and Ranger-led interpretive hikes (including bi-lingual opportunities). Ranger Service implemented another successful and sold-out Junior Ranger Camp session in August – one of three that are offered annually to the community. The Winter Evening Access program (November - March at Cerro San Luis) has also remained incredibly popular with the significant impacts occurring in the month of December. With one Ranger position frozen this fiscal year to support the organizational shift to pilot Skill-Based Pay model, increased workload on other Rangers has extended maintenance intervals where necessary, while still addressing top priorities. Another ongoing challenge is that Rangers are operating with a shortage of vehicles and equipment. If the pilot skill-based pay program is successful and endorsed at year end, the staffing limitation will need to be addressed by revisiting the frozen position for the second year of the financial plan. Additionally, if the Open Space Tech program continues to be identified as a City-wide need, then financial support for an additional vehicle and supply equipment will need to be addressed. These limitations can detract from available staff resources for open space needs; however, Ranger Service has been able to maintain the current work plans for year one of the financial plan.

Aquatics	
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Recently, stronger recruitment and retention of lifeguards for Fall programming has allowed for the return to regular operational hours for lap swimming and regular warm water programming. Additionally, staff is expanding swim lesson program offerings throughout the upcoming season and has re-forecasted revenue projections to reflect this programming update. Management continues to provide monthly staff trainings, including First Aid, CPR, water rescue techniques, customer service and diversity trainings. Staff installed a

new diving board at the end of summer, in advance of the fall season. The Aquatics Division provides program and facility support for the SLO Seahawks Swim Club, local SCUBA shops, and Mission Prep High School, and has a short-term agreement to support Atascadero High School while their pool remains under construction. Staff offer public lifeguard training and instructor courses throughout the year. The potential for recruitment and retention concerns remain as wages for part-time (supplemental classifications) offerings in the fast-food sector are legislated to have a higher minimum wage in 2024. Staff have started advertising higher step wages for supplemental positions based on available budget.

Golf Course



This division is categorized as yellow due to the continued challenges associated with the aging irrigation infrastructure and Pro Shop facility remediation at the course. The Golf Division continues to provide standard operating services at the Laguna Lake Golf Course (LLGC) seven days per week. The course has experienced consistent round play throughout the first 6 months due to ideal playing conditions. However, with the issues of not having a fully operational pro shop have restricted golf programs from operating at full capacity. Additionally, revenue estimates have been slightly reduced for golf green fees due to recent and expected closures from forecasted El Niño. On the maintenance side, staff have used innovative watering techniques to offer a consistently green course throughout the August-October months, while still working hard to conserve water. Unfortunately, the course continued to be severely impacted by leaks caused by aging irrigation lines requiring additional maintenance time and facility closures and leading to increased water costs. During the recent Financial Plan development, this project was added to the forecast for FY28-FY31.

With the main Pro Shop closed due to major flooding from a significant winter storm back in December 2021, a temporary trailer serves as the Pro Shop and staff offices. The remediation project for the Pro Shop completed the removal and sanitization of all golf equipment (Phase 1) and the removal of all damaged areas within the facility (Phase 2) in early 2023. Staff are in the process of finalizing construction documents for the renovation of the Pro Shop (Phase 3), with an expected start date of Fall/Winter 2024-25.

Police Department

Performance Measure Updates

Objective	Measure	2022-23 Actual	2023-24 Target	2023-24 Mid-Year
Reduce Crime <i>Strategic Goal: Economic Recovery, Department Mission</i>	# of total Part I Crime by year. ³³	2,011	2,010	1083
Provide safe roadways for pedestrians, vehicles, and bicyclists. <i>Strategic Goal: Patrol Objectives, Department Mission</i>	# of total traffic collisions. ³⁴	Vehicle: 435	Vehicle: 420	Vehicle: 183
		Pedestrian: 36	Pedestrian: 34	Pedestrian: 13
		Bicycle: 35	Bicycle: 32	Bicycle: 21
	# of targeted enforcement operations conducted under the Office of Traffic Safety Grant per year	DUI Checkpoints: 2	DUI Checkpoints: 2	0 ³⁵
		DUI Saturation Patrols: 28	DUI Saturation Patrols: 28	0
		Traffic Enforcement Operations: 13	Traffic Enforcement Operations: 14	1
		Distracted Driving Enforcement: 5	Distracted Driving Enforcement: 5	1
Bicycle & Pedestrian Enforcement: 9	Bicycle & Pedestrian Enforcement: 9	1		
Reduce Homeless related Calls for Service through proactive engagement. <i>Strategic Goal: Economic Recovery, Department Mission, Patrol Objective</i>	# calls related to homelessness	6,699	6,300	3829 ³⁶
	# of unique individuals contacted by CAT	437	305	166
	# of Family & Agency Reunification	6	8	4
	# of Local Permanent Housing	11	12	1
	# of Mental Health/Substance Abuse Treatment Referrals	215	100	110

Work Program Evaluations

Police Administration	
The department continues to work toward filling vacancies and increase recruitment efforts. Staff is working with the City’s Public Communications Manager to create a webpage specific to police recruitment. As of early December, the department has eight vacancies (this includes both sworn and civilian positions).	●

³³ Part 1 Crimes include: homicide, forcible rape, robbery, aggravated assault, burglary, and motor vehicle theft. Figures shown represent calendar year. Mid-year figure shown represents January to October 2023.

³⁴ Traffic Collision data is from July – December 14, 2023, for mid-year reporting.

³⁵ Targeted enforcement at mid-year appears low, however the grant period started on October 1st and additional grant operations will occur in 2024.

³⁶ All stats related to homelessness are July – November 30, 2023.

The department hired ten employees during the period of July to early December, these included: three Communication Technicians and four lateral Police Officers, two cadets and one Records Clerk. In contrast, there were seven employees that left during the same period, these included: crime analyst, two dispatchers, three police officers, and a community services officer.

Staff attended a retreat in early September, facilitated by Jacob Green and Associates, to start developing a five-year strategic plan. Although still in draft form, the plan includes the following focus areas: Service to the Community, Community Engagement, Recruitment and Retention, Health and Wellness, and Improving Infrastructure & Equipment. The department is working to finalize the plan and begin implementation in Quarter 1 of 2024.

Patrol ●

Patrol continues to be understaffed due to vacancies. As of mid-December, there are two officer vacancies, four officers in field training and two cadets starting the academy in January 2024. This accounts for eight officer positions that are unfilled. Special assignments continue to be short staffed or unfilled. Downtown Bikes are operating at lower capacity as well.

For the period of July to mid December 2023, total paid overtime hours for the department were 10,800. In comparison, last year for the same period, hours were 8,500.

The Community Action Team continues to be understaffed with only one police officer and one assigned case manager position that is contracted through the County.

Investigations ●

The Investigations division is categorized as yellow because the Special Enforcement Team (SET) continues to be nonoperational due to low staffing levels. We expect to have a partial SET team up and running in spring 2024, after the officers in patrol have completed their field training program. The Detective Bureau is fully staffed and has been actively working several cases related to property crimes, child abuse, and sexual assaults.

Support Services ●

The Support Services division includes Dispatch and Records. Since July, the department hired three Communication Technicians and one Records Clerk. Currently, there are two vacant Communication Technician positions. Interviews for the vacancies were held in early December and successful candidates will start the background process soon.

Neighborhood Outreach ●

The Neighborhood Outreach division continues to meet objectives. Calls related to party noise complaints from the period of January to early December 2023 are similar compared to the same period in 2022. The party registration program continues to be successful.



Traffic Safety ●

The traffic sergeant continues to manage the annual Office of Traffic Safety grant and conduct DUI Checkpoints, traffic enforcement, and other targeted enforcement activities. A fully staffed traffic team is supposed to include one sergeant and three officers; however, due to staffing shortages in patrol, there are only two officers currently in the assignment.

Fire Department

Performance Measure Update

Objective	Measure	2022-23 Actual	2023-24 Target	2023-24 Mid-Year
Deliver Timely Emergency Response to ensure rapid care and hazard mitigation. <i>Strategic Goal: Other Department Objectives</i>	Meet the Total Response Time (TRT) goal. of 7 minutes or less to 90% of all lights-and-siren emergencies in the City as defined by the Department’s Master Plan. TRT Includes Call Processing Time, Turnout Time, and Travel Time.	8:48	7:00	8:40
	Meet the Call Processing Time goal. of 1 minute or less to 90% of all lights-and-siren emergencies in the City as part of TRT.	1:35	1:00	1:40
	Meet the Turnout Time goal. of 2 minutes or less to 90% of all lights-and-siren emergencies in the City as part of TRT.	2:26	2:00	2:20
	Meet the Travel Time goal. of 4 minutes or less to 90% of all lights-and-siren emergencies in the City as part of TRT.	5:51	4:00	5:49
Provide timely service to the development community. <i>Strategic Goal: Housing</i>	% of Fire Department Development Review activities completed within published cycle times.	67%	80%	73%

Work Program Evaluations	
Fire Administration	
Fire Administration consists of four full-time positions (FTEs) The program provides strategic leadership to the department and entire organization. Fire Administration plans, directs, and evaluates all Fire Department programs and activities. The administrative assistant was successfully reclassified from an administrative assistant III to an administrative assistant specialist to more accurately align with the increased duties assigned which have expanded to include social media monitoring among other duties.	
Emergency Response	
The 45 FTE staffed Emergency Response Program is responsible for protecting life, the environment, and property by responding to a wide variety of emergencies, including, but not limited to: medical emergencies, structure fires, vegetation fires, hazardous materials incidents, vehicle fires/accidents, flooding, utility emergencies, and a wide range of urgent public assists.	
<p>This program is categorized as yellow due to its underperformance in meeting the Total Response Time (TRT) Performance Measure Goals. To help meet the travel time component of TRT, the department would require a significant investment in additional resources, such as adding a strategically placed 5th fire station or increasing the number of units to help improve travel time. A 5th</p>	

station is planned at to be added in the Southwest side of the City once the Avila Ranch development project reaches 80% occupancy levels.	
Hazard Prevention	●
<p>This program is categorized as green because it is close to meeting its development review goals. A new half time inspector was added at the beginning of FY23. New projects including hotels, apartments and multi-family condominiums continue to increase the total number of mandated inspections, hindering the department’s ability to keep up with demand. With the retirement announcement from the Fire Marshal the division took the opportunity to undergo an organizational assessment and it was determined that some restructuring would be beneficial. The division will be led by a new position that will focus on overall community risk reduction beyond building safety and encompassing vegetative fuels reduction for fire prevention. Staff anticipates filling this position before Spring.</p>	
Training Services	●
<p>The Fire Training Program schedules, coordinates, and documents both in-house and outside training and certification for fire department staff. The program also works to maintain and improve the health and fitness of fire department employees. The overall program goal is to support highly qualified, well trained, safe, healthy, and fit employees. The Training Services program continues to utilize dedicated funding to implement the injury reduction program for emergency response staff. This has included the purchase of equipment and professional contracted services for functional movement screening and training. Overall, the department has observed a decrease in the frequency of on-the-job injuries in the short term.</p>	
Recruit Academy	●
<p>The non-staffed Recruit Academy Program is responsible for coordinating and completing the training of new hire firefighters. The Fire Department does not have current plans to host a recruit academy in FY24 due to the current number of firefighter vacancies.</p>	
Fire Apparatus Services	●
<p>This program is categorized as yellow however staff recommended an ongoing solution as part of the FY24 Mid-Year SOBC that will meet the resource needs improving the program category to green. The Fire Apparatus Program performs fire apparatus services, maintenance, and repair of light and heavy fire apparatus and vehicles. Due to Truck 1’s high usage it is requiring more frequent and costly service and repairs. In response the department is recommending refurbishment of the apparatus. Replacing key components of the powertrain will reduce the repairs and extend the life of Truck 1. Additionally, two vehicles in the department’s light fleet are past replacement age and also increasing repairs times and costs. The department is recommending replacement of the truck dedicated to the Fire Marshal and the Type VI fire engine. Replacement will reduce the repair needs and keep the department’s fleet on schedule with the city’s established replacement policy.</p>	
Fire Station Facilities Support	●
<p>The non-staffed Fire Stations Facilities Support Program helps manage and maintain the City’s four fire station facilities, their grounds, and miscellaneous equipment, appliances, and furnishings. The budget is currently enough to meet the overall program objectives and activities.</p>	
Disaster Preparedness and Assistance	●
<p>This program is now fully staffed, funded and meeting objectives. The Disaster Preparedness and Assistance program focuses on three areas; 1) ensuring City personnel can provide appropriate rescue and relief services following a major disaster such as earthquake, flood, nuclear power accident, hazardous material spill and wildland fire: 2) providing information and education on disaster preparedness, and fire safety the general public: and 3) provides assistance to communities outside of the City of San Luis Obispo as part of the State’s Mutual Aid system.</p>	

Utilities Department

Performance Measures

Performance measures are designed to determine accountability, improve service quality, allocate resources, and evaluate departmental performance in meeting San Luis Obispo’s goals and objectives.

Objective	Measure	2022-23 Actual	2023-24 Target	2023-24 Mid-Year
Maintain and manage infrastructure, assets, and facilities responsibly and transparently. <i>Strategic Goal: Public Stewardship</i>	Sanitary Sewer Overflows per 100 miles of sewer main ³⁷	9.15	0	0.68
	Breaks/leaks per 100 miles of water main ³⁸	10	<13.4	2.08
Provide the Community with High Quality and Reliable Service <i>Strategic Goal: Public Service</i>	Recycled Water Delivered (AF) ³⁹	236	300	181.37
	Minimize Customer Shut-Off for Nonpayment ⁴⁰	352	<450	95

Work Program Evaluations	
Water Administration/Engineering	●
<p>Water Administration/Engineering includes administrative, planning, and engineering staff that work with operations staff to manage the City's drinking water program. The division is responsible for planning efforts to ensure distribution systems and water supplies can meet the needs of the present and future community. Major work efforts include implementation of the Groundwater Sustainability Plan, source water planning and acquisition, and workforce planning and development. Other work includes the transition from a surface water permit to a surface water license at Whale Rock and Salinas reservoirs, and the development and execution of large CIP projects at the City’s Water Treatment Plant and within the Water Distribution system, which are outlined in additional detail below.</p>	
Water Source of Supply	●
<p>The Source of Supply budget within the Water Division funds programs related to the City’s surface water sources, groundwater, and recycled water. This budget is administered by staff at the Water Treatment Plant, Whale Rock Reservoir, Water Quality Lab, Water Resources, Water Resource Recovery Facility, and Water Administration/Engineering sections. Approximately 97 percent of the Source of Supply budget is utilized to fund the delivery of raw water to the City’s Water Treatment Plant and to fund associated capital repairs and projects at the City’s three surface water reservoirs. During the first half of the Fiscal Year, the Spillway Underdrain Repair project was completed at the Whale Rock Reservoir and the City began the second phase of its groundwater cleanup project within the San Luis Obispo Basin. Approximately 40 percent of the Source of Supply budget funds debt service for the Nacimiento Water</p>	

³⁷ The Utilities department maintains 142 miles of sewer main annually. The data in the table above was updated on 11/8/2023 and represents roughly 36% of the fiscal year. Relative to the 2021 American Water Works Association Utility Benchmarking report, 0.9-1.1 SSOs per 100 miles of sewer main would put the City in the 75th percentile of surveyed wastewater service providers.

³⁸ The Utilities department maintains 192 miles of water main annually. The data in the table above was updated on 11/14/2023 and represents roughly 37% of the fiscal year.

³⁹ The data located in the table above was updated on 11/26/2023 and represents roughly 41% of the fiscal year.

⁴⁰ The data located in the table above was updated on 11/8/2023 and represents roughly 36% of the year.

<p>Project, which has been critical in allowing the City to manage source water supplies without requiring mandatory water conservation measures. Storms during the winter of 2022-23 damaged the Nacimiento pipeline, resulting in a disruption of service to the City. County of San Luis Obispo staff are currently preparing design plans for permanent repairs to the pipeline and anticipate the pipeline will be restored to approximately 50 percent of capacity by Spring of 2024. It is expected that FEMA and Cal OES will provide funding for over 90 percent of the permanent repairs to the pipeline.</p>	
<p>Reservoir Operations</p>	<p>●</p>
<p>This section consists of three staff members that are responsible for maintenance and operation of Whale Rock Reservoir, 18 miles of raw water pipeline, and two pump stations that deliver untreated water to the Water Treatment Plant. CIP projects are planned to maintain, replace, or upgrade infrastructure to meet the goals of protecting source water quality and ensuring consistent water delivery. From August-October a contractor completed the Spillway Underdrain Repair project, restoring the spillway underdrain system to its original capacity and function. Additionally, Whale Rock staff added additional monitoring equipment to the reservoir to allow for continuous monitoring of overflow volumes from the lake and conducted debris removal from sections of Old Creek downstream of the reservoir to ensure proper stream flow. Staff also conducted repairs to a section of the Whale Rock pipeline that was exposed due to landslides during the Winter storms in 2022-23.</p>	
<p>Water Treatment</p>	<p>●</p>
<p>Water Treatment is an 11-member team responsible for the operation and maintenance of the City's drinking water plant. In the first half the current fiscal year, the water treatment plant has provided the City's users and Cal Poly with over 2,504 acre-feet of safe, reliable, potable drinking water. The water treatment plant is now operating with state-of-the-art ozone disinfection equipment that was installed last year as part of the Water Energy Efficiency Project. To understand and plan for future equipment needs, the Utilities Department is working with a consultant to develop a Water Treatment Plant infrastructure replacement strategy. The infrastructure replacement strategy will help the section understand equipment replacement needs, how changing regulations may require upgrades to the plant, and how water may be more effectively treated to meet regulatory standards while minimizing costs. Global supply chain issues and shortages of raw materials continue to impact prices of chemicals used in the water treatment process. Similarly, electricity costs continue to escalate due to PG&E rate increases. In October, the treatment plant brought online its new Tesla backup battery system, which is expected to reduce electricity expenditures by over \$100,000 per year. The battery also provides backup power to the treatment plant for approximately seven hours in case of a power outage.</p>	
<p>Water Distribution</p>	<p>●</p>
<p>Water Distribution is a 12-person team responsible for the operation, maintenance, and expansion of the City's Water Distribution system. This system of pipes, tanks, pumps, valves, meters, and hydrants transport water from the Water Treatment Plant throughout the City for fire protection and community use. In the first half of the fiscal year, the section installed a new pressure-reducing valve on Highland Drive. This new valve provides a secondary source of water supply for the pressure zone surrounding Bishop Peak School and the Patricia Drive area. This installation greatly improved fire flow availability in the area surrounding the school and provides necessary redundancy for maintenance activities. Additionally, staff completed the design and bid process for two major CIP projects, including the replacement of a 3,000' of 16" transmission main along Johnson Ave. The section has also begun installation of a small number of AMI (advanced metering infrastructure) endpoints in a pilot area to test the technology's viability and assess it for potential benefits. The crew repaired or replaced 31 service lines, repaired 5 water main leaks, performed 3,069 work orders related to establishing water service for new customers, and flushed, maintained, or replaced 401 fire hydrants.</p>	
<p>Water Resources</p>	<p>●</p>
<p>Water Resources is a three-person team responsible for the development of local groundwater resources, expansion of the City's use of Recycled Water, and implementation of the City's Water Conservation programs. This team currently has one vacant position that has been open since July and is expected to be filled in March of 2024. The team is also responsible for public outreach and</p>	

communications regarding the City’s drinking water program, which includes radio advertising, social media outreach, and special event campaigns. The team received notification of grant funding for the final phase of the Groundwater Cleanup Project, which will provide about \$6.6 million to install up to 12 monitoring wells and construct two new groundwater extraction wells with treatment systems.

The City is working with the California State Water Resource Control Board to finalize the funding agreement, and working with consultants to finalize design, environmental studies, and permitting for the project. Construction for the monitoring and extraction wells are anticipated to begin in August-September 2024, with the project anticipated to be completed by Spring of 2026. The team launched a revised water rebate program designed to reduce potable water use in the City while utilizing \$30,000 that was approved as part of the 2022-23 and 2023-24 budgets. Following up on the work done to revise the rebate program, the team is completing a Water Conservation and Efficiency Plan, which details the City’s history of water conservation and considers future paths for water conservation programming. Refinements to the administration of the Recycled Water Program, including enhanced communication with Site Supervisors and property managers, updated, and streamlined reporting, and increased oversight, have resulted in a better understanding of the needs of recycled water users and a greater assurance that the Department is meeting State. On [2/7/2023](#), staff received Council direction to release a Request for Interested Parties (RFIP) as part of the Roadmap for the Maximization of Recycled Water. Through the RFIP staff were able to identify regulatory, operational, economic, and legal requirements for extraterritorial recycled water sales. The RFIP was released September 2023 and closed December 2023. Only one response was received, which did not meet the minimum pricing requirements set forth in the RFIP and corroborated by rate consultants and legal counsel. Staff will continue to explore opportunities to maximize recycled water for community benefit.

Wastewater Administration/Engineering ●

The Wastewater Administration/Engineering program leads, evaluates, and provides guidance and direction for the effective management of the various wastewater programs. It provides strategic and long-term planning for environmental compliance, stormwater, water quality analysis and reporting, wastewater treatment and conveyance, solid waste and recycling, the Utilities Department’s safety program, and recycled water production. Major work efforts of this section are currently centered around the upgrade and regulatory permitting of the Water Resource Recovery Facility (WRRF) SLO Water Plus project, public outreach and education, the sewer lateral rebate program, sewer system modeling, departmental asset management standardization, consolidating roles and responsibilities of the Citywide Stormwater Program, completing water quality laboratory certification for environmental analysis and documentation, and negotiation of a new solid waste franchise agreement with San Luis Garbage.

Wastewater Collection ●

This nine-member program of the Utilities Department is responsible for the operation and on-going maintenance of the City’s wastewater collection system, with two staff members dedicated to the maintenance of the City’s storm drain systems. The lateral rebate program offers financial support to homeowners opting for sewer lateral replacement, granting rebates ranging from \$2,000 to \$3,000. Between July 1, 2023, and November 14th, 2023, 26 sewer laterals were replaced, and 13 lateral rebates were issued. Notably, the completion of the Calle Joaquin lift station project stands as a significant achievement in this fiscal year. Additionally, the team is gearing up for a comprehensive two-year flow study aimed at updating information related to capacity-constrained segments of the system. The study aims to provide valuable insights for prioritizing capital improvement projects over the next decade and assess the effectiveness of the sewer lateral programs. These programs contribute to reduced inflow and infiltration into the wastewater collection system, meet regulatory requirements, protect human health, and preserve capacity. The program is currently updating its Sanitary Sewer Management Plan (SSMP) to address regulatory changes from a State-issued general order that went into effect on June 2023, and plans to bring the SSMP to council for adoption sometime in the fall of 2024. During the storms of early 2023, where the sewer system experienced some of the highest flows on record due to flooded

streets, staff are proud to report that there were zero sanitary sewer overflows. This is a testament to an aggressive preventative maintenance program and the adoption of novel technologies like a smart cover monitoring network.

Environmental Programs ●

Environmental Programs (EP) oversees pretreatment industrial compliance for about 340 industrial users within the City, including six Significant Industrial Users (SIUs). EP staff transitioned its paper filing and reporting system to an electronic platform called ACP FOG this year, which tracks inspections performed for industrial users within San Luis Obispo. The implementation of this software has enabled staff to meet data tracking requirements better, monitor and report to the Water Board, streamline inspection and monitoring processes, and reduce costs related to the administration of the program. Additionally, staff have improved measurement and enforcement of fats, oils, and grease (FOG) at restaurants. New equipment has enabled staff to better measure solids in grease traps and interceptors. This is important as the reduction of FOG inflow to the wastewater collection system reduces the risk of downstream sanitary sewer overflows (SSOs).

Water Resource Recovery Facility ●

This 13-member section of the Utilities Department is responsible for the operations and maintenance of the City’s Water Resource Recovery Facility (WRRF), which treats all wastewater from the City, County Regional Airport, and California Polytechnic University, and includes recycled water production.

The WRRF upgrade project (SLO Water Plus), the largest CIP project in the City’s history, has seen significant progress in most aspects of construction, with approximately 75 percent of the initial treatment processes completed and placed into service. Due to unforeseen conditions such as contaminated soils and other hazardous materials, pandemic related supply chain and labor impacts, and weather, the project is considered delayed. A detailed breakdown of project delays and underlying impacts is currently being compiled by the General Contractor, PCL Construction. However, commissioning of the completed systems has resulted in full compliance capacity with a Time Sensitive Order (TSO) issued by the Regional Water Board. Staff anticipate receiving a new discharge permit from the Regional Water Board in June of 2024 and are currently negotiating the terms. The remaining SLO Water Plus construction includes work that results in additional treatment capacity and new odor control facilities. During construction, operations and maintenance staff have worked around construction and with the existing treatment train to convert nearly half a billion gallons of wastewater to safe, clean water. While the 2023-25 Financial Plan indicated completion by the first quarter of 2024, the SLO Water Plus project is now anticipated to be substantially completed by July 2024. Project closeout is expected by the end of calendar year 2024, which will include a ribbon-cutting ceremony and a series of public outreach events.

The WRRF program is categorized as yellow because of three unanticipated costs. First, staff budgeted the fiscal year 2023-24 electric service account assuming a 35% rate increase; however, staff were informed in January 2024 that the cumulative electric rate increase from January 2023 to July 2024 is now forecasted to be 63% for Community Choice Aggregate customers. In fiscal year 2023-24, staff anticipate being able to utilize underspend in other accounts to cover the rate increases. That said, staff will continue to monitor spend rates and provide an updated forecast on electric service spending at the 2023-24 3rd Quarter Report. Staff will need to request additional electric service budget at 2024-25 Budget Supplement.

Second, during the demolition of a legacy treatment system, the construction team encountered residual mercury, which was part of a sealed component of the old system. Staff worked closely with the construction team and regulators to safely remediate the site and properly dispose of the hazardous materials. The estimated impact of this work is \$350,000 and is not covered by the WRRF upgrade budget. Staff will seek authorization to appropriate this funding through Undesignated Capital (Completed Projects) at 2024-25 Budget Supplement.

Third, construction delays produced sequencing constraints that resulted in the generation of significant odors which have impacted the community. Staff collaboration and creative solutions have resulted in temporary operations to reduce odor and stabilize impacts on discharge compliance. These solutions include a supplementary centrifuge to assist with solids separation and disposal services for solids byproducts in excess of current processing capacity. These systems will be utilized until permanent infrastructure related to solids handling is completed in the spring of 2024. Staff will seek authorization to appropriate funding for the costs of these temporary odor reduction measures through Undesignated Capital (Completed Projects) at 2024-25 Budget Supplement.

Sewer Fund Undesignated Capital (Completed Projects) are funds that have been approved by Council to be spent on capital projects but are not designated to a specific project. This balance increases when Sewer Funded projects are completed under budget.

Utilities Revenue ●

Utilities Revenue is staffed with two full-time positions and provides support to 16,765 service connections. This includes billing, payment collection, past-due processing, and customer service.

Staff also administer the customer assistance program, which applies a 15% discount to the water and sewer bills of qualifying customers. 186⁴¹ customers are enrolled in the customer assistance program. In coordination with the Community Action Partnership of San Luis Obispo County (CAPSLO), Utilities Revenue staff have administered \$140,288⁴² in direct bill relief for eligible customers through the Low-Income Household Water Assistance Program (LIHWAP) from June 2022 to present.

Water Quality Lab ●

The five-member Water Quality Laboratory (WQL) is an Environmental Laboratory Accreditation Program (ELAP) State Certified Laboratory that performs sampling and/or analyses in support of City services including wastewater, recycled water, groundwater, drinking water, and the San Luis Obispo Creek watershed. The WQL operates under regulations ensuring compliance with Federal, State, and local regulations. For the past six months, staff provided continued support for the WRRF Upgrade and corresponding regulatory permit negotiations, protecting public and environmental health. Staff also continues to implement new Environmental Lab Accreditation Program Standards.

Water Quality Lab staff maintain an ongoing partnership with the County and other health professionals in wastewater-based epidemiology to track and support general trends relating to the COVID-19 pandemic.

Solid Waste & Recycling ●

The Solid Waste and Recycling (SW&R) Program was created in July 2019 to ensure compliance with solid waste legislation such as Senate Bill 1383 and Assembly Bill 1826, manage the City’s SW&R collection franchise agreements, conduct public outreach, and work with external partners such as San Luis Garbage and the Integrated Waste Management Authority (IWMA). In July 2023, a full-time permanent SW&R Coordinator was hired. In September, a Cal Poly College Corps Fellow joined the SW&R Program to support the City’s Climate Action - Lead by Example Zero Waste Plan implementation.

Some of the projects that staff are currently working on include the completion of the updated waste characterization study, preparation for expiration of the waste SW&R collection franchise agreements, coordination with the IWMA on regional efforts and governance, and acquisition and implementation of a CalRecycle Beverage Container Grant.

In October 2023, the County Board of Supervisors voted to rejoin the IWMA through a Joinder Agreement. This agreement provides a pathway for the County to rejoin the IWMA with a single seat

⁴¹ 186 customers are enrolled in the customer assistance program as of 11/28/2023.

⁴² Staff have secured \$140,288 in direct bill relief for eligible customers through LIHWAP as of 11/29/2023.

and a single vote on the IWMA Board. The Resolution to Adopt IWMA Joinder Agreement is scheduled to be considered for approval by the City Council in January 2024.

Along with the City’s Sustainability and Natural Resources Team, staff debuted 30 new Sustainable SLO recycling and trash bins in November 2023 as part of the \$236,531 CalRecycle Beverage Container Recycling Grant awarded to the City. The Big Belly manufacturer “smart” bins provide the City and waste hauler with insights into waste volumes, minimizes overflow, reduces maintenance needs, while creating cleaner, more beautiful streets, and public spaces. Staff continue to implement public outreach elements of the grant.

Stormwater ●

The Stormwater program is an interdepartmental approach to meeting the stormwater requirements outlined by the State Water Resources Control Board (SWRCB). Staff from Utilities, Public Works, Community Development, and Administration departments all contribute to the underlying goal of protecting water quality and meeting regulatory standards. Stormwater uses interventions like Low Impact Development infrastructure (LID), groundwater infiltration and recharge, community education, regulatory compliance, construction site management, and clean up and abatement of illicit discharges to protect water quality.

The city received a notice of violation (NOV) in July 2023 from the 2022 Post-Construction Requirements (PCR) Annual Report. To address the NOV and prevent future violations, staff in the Utilities and Community Development Departments collaborated to perform field verification of structural control measures (SCMs) for construction projects completed from September 2021 through June 2023. Field verification of SCMs is now a required step prior to a final building inspection.

Staff have improved operations by working with IT staff to create an online portal for property owners to submit their annual self-inspection of post construction requirements forms as required by the Central Coast Regional Water Quality Control Board.

Safety ●

The Safety Program is currently comprised of a Safety Manager, who performs a variety of technical and professional duties in the implementation and coordination of the occupational safety programs and safety-related training for the Utilities Department.

In 2023, the Safety Manager visited each Utilities site multiple times, performed over forty risk assessments via job shadowing, and discussed any findings with relevant managers and supervisors. This position has been crucial to providing oversight and management of various hazardous material remediation efforts. Currently, the Safety Manager is collaborating with the Human Resources Department to review and publish the following Safety Programs: Hazardous Materials, Electrical Safety, Hazard Communication, Hearing Conservation, Machine Guarding, Safety at Heights/Fall Prevention, Respiratory Protection, Lead and Asbestos, Heat Illness, Exposure Control, Fire Prevention and Trenching and Excavation.

Section E: CIP Update

Table 35 - Completed and Ongoing Capital Project Update

Completed & Ongoing Construction Capital Projects (July 2023 - December 2023)				
ID#	Project	Total Budget	Estimated Construction Completion Date	Additional Comments
1	842 Palm Parking Structure Gateless Entry	\$ 175,000	Complete	
2	2022 Pedestrian Crossing Improvements	\$ 841,644	Complete	
3	Railroad Safety Trail Fencing	\$ 350,000	Complete	
4	Santa Rosa at Monterey Intersection Improvements	\$ 1,067,084	Complete	
5	Silt Removal 2023	\$ 38,055	Complete	
6	Calle Joaquin Lift Station Replacement	\$ 9,225,565	Complete	Construction Substantially Completed this Quarter.
7	2022 Roadway Sealing	\$ 5,550,000	Complete	Construction Substantially Completed this Quarter.
8	Whale Rock Dam Maintenance-Spillway Underdrain Repairs	\$ 472,430	Complete	Construction Substantially Completed this Quarter.
9	San Luis Obispo Creek Emergency Bank Stabilization Project near Johnson Avenue	\$ 1,700,455	Complete	Construction Substantially Completed this Quarter.
10	Marsh Street Bridge Emergency Debris Clearing	\$ 343,222	Complete	Construction Substantially Completed this Quarter.
11	CDBG Curb Ramps 2022	\$ 800,128	Complete	Construction Substantially Completed this Quarter.
12	Ruth and Iris Storm Drain Repair	\$ 321,656	Complete	Construction Substantially Completed this Quarter.
13	Transit Facility Electric Vehicle Charging Infrastructure	\$ 2,692,434	Q1 FY 24-25	Construction Substantially Complete. Pending delivery of electrical switchboard estimated in August 2024.
14	San Luis Drive Emergency Repair	\$ 7,000,000	Q3 FY 23-24	Construction Ongoing
15	Prefumo Creek LOVR to Laguna Lake	\$ 341,724	Q3 FY 23-24	Construction Ongoing
16	North Chorro Neighborhood Greenway	\$ 8,218,904	Q3 FY 23-24	Construction Ongoing
17	2023 Arterials	\$ 8,521,058	Q3 FY 23-24	Construction Ongoing
18	Buchon Street Traffic Calming	\$ 337,370	Q3 FY 23-24	Construction Ongoing
19	Cheng Park Revitalization	\$ 807,786	Q3 FY 23-24	Construction Ongoing
20	Fire Station 1 Fleet Maintenance Roof	\$ 409,597	Q3 FY 23-24	Construction Ongoing
21	North Broad Street Neighborhood Park	\$ 1,739,474	Q4 FY 23-24	Construction Ongoing
22	Wastewater Resource Recovery Facility Upgrade	\$ 143,376,754	Q4 FY 23-24	Construction Ongoing
23	Water Treatment Plant Generator Improvement Project at Facility 98	\$ 3,527,523	Q4 FY 24-25	Construction Ongoing
24	Cultural Arts District Parking Structure	\$ 54,614,116	Q3 FY 25-26	Phase 2 Construction Ongoing. Phase 1A and 1B are complete.
25	Johnson Waterline	\$ 5,204,444	Q4 FY 23-24	Construction Contract Awarded. Construction scheduled to start in January.
26	842 & 919 Palm Parking Structure Repairs	\$ 3,462,180	Q4 FY 23-24	Construction Contract Awarded. Construction scheduled to start in January.
27	Tank Farm Lift Station Discharge Pipe Replacement	\$ 276,000	Q4 FY 23-24	Construction Contract Awarded.
28	Reservoir No. 2 Cover Replacement Project	\$ 3,449,835	Q1 FY 24-25	Construction Contract Awarded.
29	Wash Water Tank #1	\$ 753,807	Q2 FY 24-25	Construction Contract Awarded.
30	City Hall Landing	\$ 162,942	Q4 FY 23-24	Construction Contract Awarded.
31	Mitchell Park Revitalization	\$ 251,671	Q4 FY 23-24	Awarding Construction Contract in January.
32	Downtown Trash Capture Device Installation	\$ 23,575	Q3 FY 23-24	Advertising for Bids.
33	Corporation Yard Fuel Island and Wash Station Rehabilitation	\$ 847,688	Q4 FY 23-24	Advertising for Bids.

Table 36 - Status of Major and Legacy Projects in Design

Status of Major and Legacy Projects in Design				
ID#	Project	Total Budget	Estimated Construction Start Date	Additional Comments
34	Mission Plaza Restroom and Kiosk	\$ 3,729,574	Q4 FY 23-24	Finalizing design documents.
35	Mid-Higuera Bypass	\$ 9,438,044	Q4 FY 23-24	Finalizing design documents and easement acquisition process.
36	Prado Road Bridge and Road Widening	\$ 7,043,360	Q1 FY 25-26	Working on regulatory permits and 90% construction documents.
37	California and Taft Roundabout	\$ 950,084	Q1 FY 25-26	Right of way acquisition in progress and finalizing design documents.
38	Prado Road Interchange	\$ 5,660,780	Q1 FY 27-28	Alternative analysis and environmental document phase. Pursuing advertisement of CEQA document and final project report. Planning to enter design phase in early 2024.
39	Public Safety Center	\$ 486,902	To Be Determined	Consultant to analyze two site option and present conceptual design for review. Currently working on 1106 Tenant Improvement and Site Security Fencing project.

Section F: Major City Goal Update

- On track
- Task delayed or potential setbacks with workable solutions
- Problems emerged with no solution yet

MCG Key: ER,CV, FS= Economic Resiliency, Cultural Vitality & Fiscal Sustainability; DEI= Diversity, Equity & Inclusion; HH=Housing and Homelessness; CA, OS, ST= Climate Action, Open Space & Sustainable Transportation

MCG	Task/ Action	Completion Date	Status
1.1 For All Members of the Community			
1	ER,CV & FS a. Implement the relevant actions in the updated Economic Development Strategic Plan (EDSP) focusing on those relevant to Economic Resiliency, Cultural Vitality and Fiscal Sustainability.	Ongoing	●
2	ER,CV & FS b. Continue to partner with the Office of Sustainability to implement the economic development related actions in the Climate Action Plan (CAP) as well as the sustainability related actions in the updated Economic Development Strategic Plan (EDSP)	Ongoing	●
3	ER,CV & FS c. Continue to partner with the Office of Diversity, Equity and Inclusion (DEI) to implement the economic development related actions in the DEI major City goal and planned DEI strategic framework as well as the DEI related actions in the updated Economic Development Strategic Plan (EDSP)	Ongoing	●
4	ER,CV & FS d. Continue to monitor local labor participation in major City projects and adjust the City's efforts as needed to ensure local labor participation through the use of Community Workforce Agreements and other similar tools. Work to finalize CWA for Prado Overpass and Public Safety Center.	Ongoing	●
5	ER,CV & FS e. Continue to update the employment scorecard and the economic activity scorecard.	Ongoing	●
1.2 Business Support			
6	ER,CV & FS a. Continue activations, promotions and programs like "Buy Local Bonus", "Eat Local Bonus" and "Shop local" to build economic resiliency through out the City and including downtown.	Ongoing	●
7	ER,CV & FS b. Continue to work with partners at the Chamber, REACH, Cal Poly, Downtown SLO, SCORE and others to support the business community through retention, creation, attraction, education and communication efforts.	Ongoing	●
8	ER,CV & FS c. Continue to promote the City to tourists, visitors and locals through the efforts of the TBID and the PCC.	Ongoing	●
9	ER,CV & FS d. Continue to focus on efficiency and transparency in the permitting process through implementation of new tools, performance management reporting, and enhanced customer transparency tools. Report recurring performance measures or permit processing times during General Plan Annual Report.	Ongoing	●
10	ER,CV & FS e. Ensure broad and inclusive engagement in area and specific plans updated by the Community Development Department to represent the needs of local businesses.	Ongoing	●
11	ER,CV & FS f. Conduct outreach and engagement with property owners and businesses in the Upper Monterey Special Focus Area to confirm scope in pursuing an area plan consistent with Land Use Element Policy 8.2.2.	FY25 Q4	●
12	ER,CV & FS g. Continue to support new and expanded private childcare options through the use of grant funding and other programs.	Ongoing	●

Section F: Major City Goal Update

	MCG	Task/ Action	Completion Date	Status
13	ER,CV & FS	h. Continue to support the childcare options for school age children through the City's own programs and programs in conjunction with other partners.	Ongoing	●
14	ER,CV & FS	i. Proactively evaluate and implement after briefing council on opportunities to partner with Cal Poly, San Luis Coastal Unified School District and other major employers for employer supported childcare programs.	Ongoing	●
15	ER,CV & FS	j. Represent the interests of the business community during the implementation of the broadband strategic plan.	Ongoing	●
1.3 Arts & Culture Support				
16	ER,CV & FS	a. Continue to partner with Downtown SLO to ensure the promotion, resiliency, growth, and vitality of the Downtown.	Ongoing	●
17	ER,CV & FS	b. Continue to financially and operationally support Downtown SLO during the winter holidays including incentivizing private participation through the matching program.	Ongoing	●
18	ER,CV & FS	c. Continue to support the Downtown SLO programs like Clean & Safe, the Ambassadors and homelessness support.	Ongoing	●
19	ER,CV & FS	d. Develop a Council report and Study Session on downtown vacancies, the status and possible options to address any issues identified.	FY25 Q4	●
20	ER,CV & FS	Develop an implementation plan for the recently adopted Access and Parking Management Plan and begin execution of the plan.	Ongoing	●
21	ER,CV & FS	f. Begin construction of the Cultural Arts District Parking Structure.	Under Construction	●
22	ER,CV & FS	g. Replace the existing Mission Plaza Restrooms in compliance with Mission Plaza Concept Plan and Council Direction.	Ongoing	●
1.4 Downtown Vitality				
23	ER,CV & FS	a. Continue to work with our community partners to ensure the Cultural Vitality of the City.	Ongoing	●
24	ER,CV & FS	b. Continue to execute the City's public art master plan.	Ongoing	●
25	ER,CV & FS	c. Ensure that the City promotes the various City and privately owned art installations through programs like the public art promotional plan developed by the PCC.	Ongoing	●
26	ER,CV & FS	d. Continue to financially support the Arts and Cultural Activities of the City through the PCC's GIA program and the additional grant funding via the PCC.	Ongoing	●
27	ER,CV & FS	e. Continue the citywide banner program.	Ongoing	●
28	ER,CV & FS	f. Continue to support the preservation of the City's adobes, including work on the La Loma Adobe through a phased approach intended to ensure that the structure is ready for active stabilization efforts by 2025.	FY25 Q4	●
29	ER,CV & FS	g. Initiate implementation of the consultant recommended phased approach to update the City's historic resources inventory.	FY24 Q2	●
30	ER,CV & FS	h. Develop a Council Memorandum on the current base level of economic support for Arts and Cultural activities across the various departments in the City.	Complete	●
1.5 Practicing Fiscal Responsibility				
31	ER,CV & FS	b. Conduct a Study Session on alternative capital project delivery options and determine whether Council wishes to proceed with a Charter Amendment.	FY24 Q4	●
32	ER,CV & FS	c. Implement a City fee program update.	FY24 Q3	●
33	ER,CV & FS	Continue to implement and enhance the City's sound financial management practices to support stability of the organization and services provided to the community.	Ongoing	●
34	ER,CV & FS	d. Implement a Development impact fee (AB1600) study and update.	FY24 Q3	●

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	MCG	Task/ Action	Completion Date	Status
35	ER,CV & FS	e. Monitor Public Banking advances and alert the City Council to major changes.	Ongoing	●
36	ER,CV & FS	f. Continue to support and prioritize employee development and growth through investing in resources to train, develop, and onboard new and transitioning employees.	Ongoing	●
37	ER,CV & FS	g. Continue to support employees in managing their workloads by reviewing and prioritizing work efforts, goals, and balancing trade-offs for a new workload.	Ongoing	●
38	ER,CV & FS	h. Continue to evaluate and adjust internal meetings to create more effective meeting practices.	Ongoing	●
39	ER,CV & FS	i. Continue promoting cross-department communication and collaboration amongst employees.	Ongoing	●
40	ER,CV & FS	j. Continue to evaluate and enhance the training and usability of Oracle Cloud, the City's Enterprise Resource Planning/Human Capital Management software.	Ongoing	●
2.1 Establish Office of DEI				
41	DEI	a. Based on the completion of the DEI Strategic Plan, determine the ongoing support structure needed in the Office of DEI to optimally deliver organizational and community programs and services.	Ongoing	●
42	DEI	b. Work with Cal Poly and Cuesta to host interns.	Ongoing	●
43	DEI	c. Further develop purpose, role, activities, and enhance impact of DEI Employee Committee, including equal standing and priority to tasks and responsibilities assigned to the members (e.g. ERGs, newsletters, cultural celebrations, trainings, internal communication, public web pages, etc.).	Ongoing	●
44	DEI	d. Continue to support and act as the staff liaison to the Human Relations Commission (HRC).	Ongoing	●
45	DEI	e. Continue to provide grant support to the HRC for DEI High Impact Grants, Community Development Block Grants and Human Services Grants and complete necessary follow up and reporting with grant recipients.	Ongoing	●
2.2 Develop & Implement DEI Strategic Plan				
46	DEI	a. Complete a DEI Strategic Plan for comprehensive DEI initiatives and programming for the organization and community based on needs, priorities, and resource assessments.	FY24 Q3	●
47	DEI	b. Implementation of prioritized programs as outlined in the DEI Strategic Plan within available resources.	FY24 Q3	●
2.3 Workforce Recruitment & Retention				
48	DEI	a. Continue to enhance job descriptions and recruiting materials such as materials in Spanish or in different formats to easy access.	Ongoing	●
49	DEI	b. Assess and develop enhancements processes such as implementing DEI-focused screening and interviewing trainings to personnel and interview panels.	Ongoing	●
50	DEI	c. Create and rollout DEI-focused trainings for employees.	Ongoing	●
51	DEI	d. Examine policies and programs to support primary caretakers.	Ongoing	●
52	DEI	e. Continue communicating childcare options and resources for City employees; additional to First 5 findings. Explore flex schedules, job share, remote options, etc.	Ongoing	●
2.4 Inclusive & Equitable Workplace				
53	DEI	a. Develop and adopt a DEI statement for the organization.	FY24 Q3	●
54	DEI	b. Develop and implement a DEI module in new hire onboarding process.	Ongoing	●

Section F: Major City Goal Update

	MCG	Task/ Action	Completion Date	Status
55	DEI	c. Provide DEI-related training for all staff of all levels (Council, Commission, Advisory Board, Directors, Managers, Staff, etc.).	Ongoing	●
56	DEI	d. Complete a planning study for gender-inclusive restroom and sleeping facilities for Fire Stations 3 & 4. Proceeds with design work pending results of study.	Ongoing	●
2.5 Community-based Policing & Restorative Practices				
57	DEI	a. Promote DEI best practices in Police Department (PD) recruiting and hiring efforts.	Ongoing	●
58	DEI	b. Work in partnership with Facilities and PD to ensure new public safety building design is equitable and inclusive for the community and all department employees.	Ongoing	●
59	DEI	c. Continue to work with community partners (PAC and Roundtable) to give the community a voice in policing and that 21st Century Policing Recommendations are implemented where possible.	Ongoing	●
60	DEI	d. Use Community partnerships to help build a 5-year strategic plan to create transparency and legitimacy.	Ongoing	●
2.6 Cal Poly & Cuesta Partnerships				
61	DEI	a. Establish bimonthly collaborative and informative meetings with Cal Poly Office of University Diversity & Inclusion and Cuesta College Office of Student Equity & Special Programs to further explore partnerships around education and training.	Ongoing	●
62	DEI	b. Utilize the Assistant VP for Strategic Planning and Network at Cal Poly OUDI to research best practices, grants for internships, programs, outreach, innovative practices, etc.	Ongoing	●
63	DEI	c. Host City/Cal Poly quarterly roundtable (City & Cal Poly leadership, DEI Employee Committee, HRC, Cal Poly students, DEI Leaders, Cuesta College, etc.) regarding community/student experience, relationship-building and partnership programs.	Ongoing	●
64	DEI	d. Explore and develop shared multicultural programming, activities, and events with Cal Poly, Cuesta College, and Non-profit partners through a pilot and/or pop up multicultural center experience.	Ongoing	●
65	DEI	e. Contract to develop a feasibility study for a multicultural center.	Ongoing	●
2.7 Access, Inclusion, Support for Underrepresented Communities				
66	DEI	a. Support the development and implementation of the Broadband Strategic Plan to ensure access is equitable and pursue funding to fill gaps.	Ongoing	●
67	DEI	b. Continue to provide Community Academy program in even numbered years including application outreach to underserved/underrepresented communities.	Complete	●
68	DEI	c. Complete training for applicable staff on the City's updated Public Engagement & Noticing (PEN) to ensure diverse participation.	Ongoing	●
2.8 Community Education & Programming				
69	DEI	a. Review and embed DEI language into existing policies and procedures, codes of conduct within facilities, parks, programs, events, and rentals for services provided to the community.	Ongoing	●
70	DEI	b. Include DEI Manager Financial Planning Steering Committee meetings.	Ongoing	●
71	DEI	c. Edit existing and create new policies and procedures that reflect a DEI lens for internal processes to ensure all City Departments support the DEI MCG.	Ongoing	●
72	DEI	d. Provide financial assistance to qualified families through City funded scholarships for youth related programs such as: before/after-school childcare, spring break & summer camps, swim lessons, and after-school sport programs.	Ongoing	●
3.1 Implement Housing Element				

Section F: Major City Goal Update

MCG	Task/ Action	Completion Date	Status
73	HH a. Initiate a missing middle housing program that enables "house-scale" multi-family housing opportunities (duplex, tri-plex, bungalow court, etc.) in neighborhoods where existing infrastructure (e.g. arterial and collector streets) can support additional infill and intensification and promote complete neighborhoods.	FY25 Q4	●
74	HH b. Initiate an update to the Margarita Area Specific Plan to include more housing options of all types (affordable, multi-family, mixed-use) on undeveloped land, and work with property owners on a plan for the completion of the Prado Road extension to Broad Street.	FY25 Q4	●
75	HH c. Initiate an update to the Airport Area Specific Plan to allow mixed-use residential development, where appropriate and consistent with the County Airport Land Use Plan	FY25 Q4	●
76	HH d. Conduct a Study Session with the City Council to identify needs and opportunities across the housing spectrum, including various types of transitional and supportive housing options.	FY24 Q3	●
77	HH e. Develop a scope of work for possible funding as part of the 2023-25 Financial Plan Supplement to update the City's parking requirements in consideration of best practices that support housing production. Strategies may include lowering parking minimums, establishing parking maximums, reducing parking requirements in areas close to services and transit facilities, and other proven strategies.	FY24 Q3	●
78	HH f. Implement Below Market Rate Housing best practices including leveraging affordable housing fund revenues, down payment assistance programs, streamlined processing of loan documents, and updated policies and procedures.	FY24 Q4	●
3.2 Implement Inclusionary Housing Ordinance			
79	HH a. Work collaboratively with County and key stakeholders to coordinate regional encampment and street outreach, including an expanded hotel voucher program to ensure a bridge for temporary emergency shelter	FY24 Q4	●
80	HH b. Increase homelessness response communications, resource sharing, and education, including increased public use of Ask SLO app	FY24 Q4	●
81	HH c. Expand implementation of digital encampment management tool internally and for potential countywide use or explore using other countywide systems shared with other regional partners.	FY24 Q4	●
82	HH d. Leverage additional funding from other partner agencies for Mobile Crisis Unit (MCU) program, and Community Action Team (CAT) and service expansion; develop sustainable safe parking programs; and pilot additional transitional shelter programs with regional partners	FY24 Q4	●
83	HH e. Support County and regional partners in pursuing and implementing funding resources as appropriate given the City's role for services, and transitional and permanent supportive housing, including Encampment Resolution Funding and Project Homekey grants	FY24 Q4	●
84	HH f. Continue to develop the City's Safe Housing Outreach and Education Program, including preparation of a Council Memo on options for protecting renters, including homelessness prevention strategies.	FY24 Q3	●
85	HH g. Monitor and update the two-year Homelessness Response Strategic Plan to align with Countywide Plan to Reduce Homelessness, other regional and state opportunities, and in advance of next City financial plan	FY25 Q2	●

Section F: Major City Goal Update

MCG	Task/ Action	Completion Date	Status
3.3 Below Market Rate Portfolio Management			
86	HH a. Environmental clean-ups in creek and open space areas associated with abandoned personal property and trash. (Funding approved on March 7, 2023)	FY25 Q4	●
87	HH b. Environmental clean-ups in City Parks and public spaces associated with abandoned personal property and trash. (Funding approved on March 7, 2023)	FY25 Q4	●
3.4 Financial Management			
88	HH a. Maintain SLOPD bike patrol program as staffing allows	FY25 Q4	●
89	HH b. Implement the new Community Service Officer program over the next fiscal year to ensure effectiveness and improvements in quality of life surrounding homelessness issues in the downtown (funding approved on March 7, 2023)	Complete	●
4.1 Provide Sustainability Resources to Achieve Council's Adopted Goals			
90	CA, OS, ST a. Continue to install electric vehicle chargers and replace fleet vehicles as needed with all-electric alternatives as called for by CAP Lead by Example task 1.1.A .	Ongoing	●
91	CA, OS, ST b. Continue to electrify the bus fleet as called for by CAP Lead by Example task 1.1.A.	Ongoing	●
92	CA, OS, ST c. Complete installation of solar panels at the City's Bus Yard, Fire Station 1, and Sinsheimer Pool as called for by CAP Lead by Example task 1.1.A.	FY25 Q2	●
93	CA, OS, ST e. Apply the "Sustainable SLO" mark to City infrastructure and assets and conduct a general awareness outreach program as funding and staff resources allow, as called for by CAP Lead by Example task 1.1.B.	Ongoing	●
94	CA, OS, ST f. Provide ongoing support for Central Coast Community Energy Policy and Operations Board Members, and engage in staff level policy and program development, as called for by CAP Clean Energy task 1.1.A	Ongoing	●
95	CA, OS, ST g. Pursue funding, and if feasible, create the "Green and Healthy Buildings" service to educate the community and connect building owners with resources, federal funding, incentives, financing, contractors, and streamlined permitting as called for by CAP Green Buildings Task 2.1.B, 2.1.C, and 2.1.D, and CASE Program HE-4.7.	Ongoing	●
96	CA, OS, ST h. Continue to monitor impacts to Municipal Code 8.11 (All-Electric New Buildings), and if necessary return to Council with an alternative approach to achieving the City's climate action goals as they relate to new buildings.	Complete	●
97	CA, OS, ST i. Conduct a study session, and pending Council direction, develop an equitable framework for cost effective building electrification retrofit policies, with an initial focus on additions and alterations, as called for by CAP Green Buildings Task 2.1.E.	Ongoing	●
98	CA, OS, ST j. Continue SB 1383 implementation by developing an inspection and enforcement program and complying with procurement requirements for organic waste and paper as called for in CAP Circular Economy task 1.1.A and 1.1.B.	Ongoing	●
99	CA, OS, ST k. Continue to support the IWMA on facilitating the City's edible food recovery programs as called for in CAP Circular Economy task 1.1.C, 1.2.A, and 1.3.A.	Ongoing	●
100	CA, OS, ST Sustain, Manage, and Enhance the City's Greenbelt and Make Progress on Planting 10,000 trees by 2035	Ongoing	●
4.2 Continue to Update & Implement the Climate Action Plan ("CAP") for Carbon Neutrality			
101	CA, OS, ST a. Actively implement opportunities to purchase open space lands and permanent land conservation agreements in furtherance of the City's Greenbelt Protection Program as called for by CAP Natural Solutions task 1.1.A.	Ongoing	●
102	CA, OS, ST b. Complete installation of adopted trail systems at the Irish Hills Natural Reserve and at Miossi Open Space.	Ongoing	●

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	MCG	Task/ Action	Completion Date	Status
103	CA, OS, ST	c. Identify and implement trail alignment revisions, if feasible, and other solutions to reduce erosion and wet weather closures and address trail user safety and enjoyment at Reservoir Canyon Natural Reserve.	Ongoing	●
104	CA, OS, ST	d. Continue Open Space education activities including the "hikes with experts" series, Junior Ranger Camp, and ongoing public information and programming, with emphasis on equity and equitable access.	Ongoing	●
105	CA, OS, ST	e. Continue implementation by Ranger Service staff of all Open Space maintenance activities including establishing a replacement schedule for Open Space trailhead improvements, as well as replacement or repair of Open Space fencing currently in disrepair, all as set forth in the adopted Open Space Maintenance Plan	Ongoing	●
106	CA, OS, ST	f. Continue ongoing Ranger Service patrol of Open Space areas ensuring compliance with the City Open Space regulations, the safety of users, and protection of natural resources values and functions.	Ongoing	●
107	CA, OS, ST	g. Implement priority projects at Righetti Hill Open Space consistent with the Conservation Plan (if adopted in May 2023).	Ongoing	●
108	CA, OS, ST	h. Continue to work with community groups on tree planting in creeks and open space areas toward the goal of 10,000 trees by the year 2035 as called for in CAP Natural Solutions task 2.1.A	Ongoing	●
109	CA, OS, ST	i. Continue to expand climate-informed maintenance practices in the Greenbelt through external funding and partnerships, and conduct ongoing monitoring on carbon sequestration results and other co-benefits for existing and potential future projects, as called for in CAP Natural Solutions task 2.1.B.	Ongoing	●
110	CA, OS, ST	j. Continue to implement rehabilitation efforts throughout the City's open space network where storm damage has occurred to trails, access roads, and other open space infrastructure.	Ongoing	●
111	CA, OS, ST	k. Continue partnership with City Farm SLO to install site security and access measures and to implement California Farmland Conservancy Program grant scope of work.	Ongoing	●
4.3 Continue Preservation, Maintenance, & Enhancement of the City's Open Space & Urban Forest				
112	CA, OS, ST	a. Active Transportation Plan (ATP) Tier 1 Network - Higuera Complete Street Project: Complete final design and construction of active transportation and safety improvements along Higuera Street corridor from Marsh St. to Los Osos Valley Rd.	FY25 Q3	●
113	CA, OS, ST	b. Active Transportation Plan (ATP) Tier 1 Network - South/King Crossing: Complete design and construction of a new protected bicycle/pedestrian crossing at the intersection of South St. & King St., improving access to Meadow Park, Hawthorne Elementary, and existing active transportation routes.	FY25 Q3	●
114	CA, OS, ST	c. Active Transportation Plan (ATP) Tier 1 Network - Foothill Complete Street Project: Continue design of active transportation and safety improvements along the Foothill Blvd. corridor between the western city limits and California Blvd., with goal to have shovel-ready project for construction in FY2025-27.	FY25 Q1	●
115	CA, OS, ST	d. Active Transportation Plan (ATP) Tier 1 Network - California/Taft Roundabout: Complete final design and right-of-way acquisition for new roundabout at the California Blvd. & Taft St. intersection, with goal to have shovel-ready project for construction in FY2025-27.	FY25 Q4	●

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	MCG	Task/ Action	Completion Date	Status
116	CA, OS, ST	e. Active Transportation Plan (ATP) Tier 1 Network - Paving Project Complete Street Elements: Implement complete street and safety improvements as part of 2023 and 2024 summer paving projects as guided by the Active Transportation Plan and Traffic Safety/Vision Zero reports.	Ongoing	●
117	CA, OS, ST	f. Active Transportation Plan (ATP) Tier 1 Network - Railroad Safety Trail (Orcutt to Tiburon) Connection: Initiate design and environmental review for a project that will complete the gap in the Railroad Safety Trail in the Orcutt Area between Tiburon Dr. and Orcutt Rd., including replacement of the narrow culvert on Bullock Lane and pedestrian/bicycle safety improvements at the Orcutt Road/Union Pacific Railroad Crossing.	FY25 Q4	●
118	CA, OS, ST	g. Active Transportation Plan (ATP) Tier 1 Network - Foothill/California Railroad Crossing Improvements: Complete design and initiate construction of federally-funded pedestrian safety improvements at railroad crossing.	FY25 Q4	●
119	CA, OS, ST	h. Active Transportation Plan (ATP) Tier 1 Network - Prado Creek Bridge Replacement: Complete design of new bridge, including sidewalks, protected bike lanes, and additional vehicular lanes to accommodate existing and future traffic demand. Includes reconstruction of S. Higuera/Prado intersection with additional capacity and protected intersection features to improve safety for pedestrians and cyclists.	Ongoing	●
120	CA, OS, ST	i. Active Transportation Plan (ATP) Tier 1 Network - Prado/US 101 Interchange: Complete project approval and environmental document phase of project, and initiate design phase for new interchange, which includes extension of Prado Road over US 101 to Froom Ranch Way, with new northbound on/off-ramps, four auto lanes, center median/left turn lanes, sidewalks and protected bike lanes. Includes realignment of Elks Lane and signalization of the Prado/Elks intersection.	Ongoing	●
121	CA, OS, ST	j. Vision Zero Implementation - Update annual Traffic Safety Report to evolve into a 5-Year Vision Zero Action Plan and continue ongoing implementation of traffic safety projects and programs, focusing efforts on the City's high crash/injury network.	Ongoing	●
122	CA, OS, ST	k. Transit Innovation Study Implementation: Begin planning implementation of strategies recommended in Final Transit Innovation Study, including incorporation of near-term strategies as part of planned SLO Transit/RTA Short Range Transit Plan update, as called for in CAP Connected Community Task 4.2.A and in the APMP Strategies 1.C.	Ongoing	●
123	CA, OS, ST	l. Reassess the viability of launching a citywide bikeshare system, with ongoing coordination with Cal Poly as called for in CAP Connected Communities Task 2.2.A and the APMP strategy 1.B.1. Solicit potential bikeshare system operators if staffing resources allow and this can be done without diverting resources from delivering priority active transportation infrastructure projects.	FY25 Q4	●
124	CA, OS, ST	m. Public EV Chargers - Enable public EV charger deployment on City property, support EV charger installation on private property, and deploy EV chargers in low-income areas of the City as called for in CAP Connected Community Tasks 6.1.A, 6.1.B, and 6.1.D.	Ongoing	●
4.4 Alternative & Sustainable Transportation				
125	CA, OS, ST	a. In coordination with Zone 9, convene a working group to assess the current creek flow monitoring system and provide recommendations for enhancements, as called for in CASE program FL-3.13.	FY25 Q4	●
126	CA, OS, ST	b. Conduct a study session to consider options for funding stormwater and / or creek maintenance and flood preparedness in support of CASE programs 3.9, 3.10, 3.11, 3.12, 3.13, and 3.14.	FY25 Q4	●

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	MCG	Task/ Action	Completion Date	Status
127	CA, OS, ST	d. Evaluate opportunities to integrate climate considerations in the City's Engineering Standards and Specifications as called for in CASE program MH-1.6.	Ongoing	●
128	CA, OS, ST	e. Provide post-disaster recovery resources and emergency preparedness education to vulnerable community members as called for in CASE program MH-1.10.	Ongoing	●
129	CA, OS, ST	f. Initiate the development of Wildland-Urban-Interface Defensible Space and Home Hardening Program as called for in CASE program FI-5.15.	FY24 Q4	●
130	CA, OS, ST	g. Monitor funding sources and if feasible pursue a Climate Resilience Hub planning grant with community partners, as called for in CASE program MH-1.8.	Ongoing	●
131	CA, OS, ST	h. In partnership with Zone 9, seek funding to initiate the Waterway Management Plan update to incorporate climate-informed flood risk as called for in CASE program FL-3.7. Initial work in this Financial Plan period is envisioned to include identifying and securing funding, developing a project scope, and drafting a request for proposals.	FY25 Q4	●
132	CA, OS, ST	i. Develop an Urban Creeks Vegetation Management Plan as called for in CASE program FL-3.10.	Ongoing	●
133	CA, OS, ST	j. Incorporate Traditional Ecological Knowledge into open space management decisions as called for in CASE program OP-7.2.	Ongoing	●
134	CA, OS, ST	k. Implement the Mid-Higuera Bypass Project.	Ongoing	●
135	CA, OS, ST	l. Implement the Laguna Lake Dredging and Sediment Management Project.	Ongoing	●
136	CA, OS, ST	m. Implement Silt Removal Projects from Priority Creek Locations.	Ongoing	●
137	CA, OS, ST	n Implement existing Community Wildfire Protection Plan and initiate focused update in 2024.	Ongoing	●
4.5 Planning & Implementation for Resilience				
138	CA, OS, ST	a. Participate in the Cal Poly Climate Corps Fellowship program to build staff capacity as called for in the CAP.	Ongoing	●
139	CA, OS, ST	b. Manage the Green Team to Support Lead by Example, Climate Adaptation and Safety Element of General Plan, and Climate Action Plan implementation, as called for in CASE program MH-1.11 and OP-7.9.	Ongoing	●
140	CA, OS, ST	c. Continue to support and empower community collaboration for climate action, including support for the Climate Coalition and the San Luis Obispo Climate Justice Collaborative, as called for in CAP task 3.1.A.	Ongoing	●
141	CA, OS, ST	d. Support regional efforts to develop the workforce required to implement the Climate Action Plan as called for in CAP task 2.2.A.	Ongoing	●
142	CA, OS, ST	e. Initiate update to the Lead by Example plan to inform the 2025-27 Financial Plan as called for by CAP Lead by Example task 1.1.A and Lead by Example Plan Administrative Action 1	Ongoing	●
143	CA, OS, ST	f. Conduct GHG Emissions Inventory and Biennial CAP and Lead by Example Progress Reports as called for in CAP Administrative Action 2 and Lead by Example Plan Administrative Action 2.	FY24 Q3	●
144	CA, OS, ST	g. Continue to integrate climate action and resilience into the 2025-27 Financial Plan development process consistent with Budget Policy A.6 and as called for by CAP Lead by Example task 1.1. and CASE Program MH-1.5.	Ongoing	●
145	CA, OS, ST	h. As authorized by City Council (December 13, 2022) and as called for in CAP Administrative Action 6, pursue grant and other external funding sources opportunistically and strategically.	Ongoing	●
146	CA, OS, ST	i. Complete steps and present recommendations and options to maximize the reuse of wastewater per the "Road Map" presented to the City Council.	Ongoing	●

Appendix A - Detailed Financials

Table A1: General Fund Revenue Detail		FY 2023-24				Mid-Year Changes			
		FY 2022-23 Actuals	Total Budget	Actual	Variance**	% Received	Revised Budget	Total Changes	
1	Tax and Franchise Revenue	\$ 102,133,765	\$ 100,527,765	\$ 44,010,515	\$ (56,517,250)	44%	\$ 102,210,442	\$ 1,682,677	
2	Sales Tax (Bradley Burns) (July-Nov)	21,865,468	22,578,995	8,994,782	(13,584,213)	40%	22,578,995	-	
3	Local Revenue Measure G20* (July-Nov)	30,508,731	30,262,098	12,409,186	(17,852,912)	41%	30,262,098	-	
4	Safety Prop 172 (July-Nov)	544,521	498,988	264,510	(234,478)	53%	550,000	51,012	
5	Property Tax	22,216,031	21,999,786	9,799,735	(12,200,051)	45%	22,863,770	863,985	
6	Transient Occupancy Tax (July-Nov)	11,037,037	10,704,000	4,910,337	(5,793,663)	46%	10,704,000	-	
7	Utility User Tax (July-Nov)	6,904,194	5,710,320	2,334,838	(3,375,482)	41%	6,332,000	621,680	
8	Business Tax	3,281,010	3,252,293	2,976,154	(276,139)	92%	3,252,293	-	
9	Franchise Fees	2,349,603	1,854,000	680,073	(1,173,927)	37%	2,000,000	146,000	
10	Gas Tax* (July-Dec)	1,239,701	1,389,292	700,591	(688,701)	50%	1,389,292	-	
11	Gas Tax (SB1)* (July-Nov)	1,059,724	1,177,994	483,061	(694,933)	41%	1,177,994	-	
12	Cannabis Tax (July-Nov)	1,127,744	1,100,000	457,248	(642,752)	42%	1,100,000	-	
		<i>*Special Revenue or Sub-Fund of the General Fund</i>							
Fees for Service and Other Revenue									
13	Development Review	\$ 6,424,716	\$ 6,275,536	\$ 3,165,789	\$ (3,109,747)	50%	\$ 6,275,536	\$ -	
14	Building Permits	2,505,378	2,561,860	1,454,657	(1,107,203)	57%	2,561,860	-	
15	Code Enforcement Fines	46,560	79,617	11,324	(68,293)	14%	79,617	-	
16	Development Review Fees	330,002	387,008	168,096	(218,912)	43%	387,008	-	
17	Encroachment Permits	418,019	324,437	172,527	(151,910)	53%	324,437	-	
18	Engineering Development Review	153,878	160,058	46,475	(113,583)	29%	160,058	-	
19	Infrastructure Plan Chk & Inspection	927,550	970,693	570,104	(400,589)	59%	970,693	-	
20	Plan Check Fees	1,371,473	1,180,266	542,686	(637,580)	46%	1,180,266	-	
21	Planning & Zoning Fee	744,868	611,597	199,921	(411,676)	33%	611,597	-	
22	TIPP- Contra Revenue Account	(73,012)	-	-	-	-	-	-	
23	Parks & Recreation	\$ 1,813,831	\$ 2,021,599	\$ 981,734	\$ (1,039,865)	49%	\$ 2,025,958	\$ 4,359	
24	Adult Athletic Fees	102,428	161,598	53,824	(107,774)	33%	138,000	(23,598)	
25	Aquatics Daily Use Fees	86,573	121,000	69,163	(51,837)	57%	130,000	9,000	
26	Driving Range Fees	10,901	13,000	6,711	(6,289)	52%	13,000	-	
27	Golf Cart Rentals	19,424	25,000	13,106	(11,894)	52%	25,000	-	
28	Golf Greens Fees	167,997	220,000	90,106	(129,894)	41%	200,000	(20,000)	
29	Golf Lesson Fees	699	-	416	416	-	-	-	
30	Golf Rental Fees	5,140	6,000	2,765	(3,235)	46%	6,000	-	
31	Indoor Rental & Use Fees	40,251	65,100	39,203	(25,897)	60%	65,100	-	
32	Instruction Fees	76,827	102,722	24,981	(77,741)	24%	92,722	(10,000)	
33	Junior Ranger Camps	8,361	5,230	-	(5,230)	0%	8,000	2,770	
34	Library Rental	3,493	6,500	1,060	(5,440)	16%	6,500	-	
35	Multi Day Swim Passes	67,049	55,000	36,740	(18,260)	67%	65,000	10,000	
36	Other Parks & Recreation Revenue	61,339	74,000	78,372	4,372	106%	74,000	-	
37	Outdoor Rental & Use Fees	104,002	135,003	93,357	(41,646)	69%	135,003	-	
38	Sales Taxable	7,242	10,000	4,886	(5,114)	49%	10,000	-	
39	Special Events - City Sponsered	1,345	3,400	4,037	637	119%	4,037	637	
40	Special Events Insurance	10,478	12,000	5,003	(6,998)	42%	12,000	-	
41	Swim Instruction Fees	103,246	82,700	13,249	(69,451)	16%	100,000	17,300	
42	Therapy Pool Fees	5,324	16,000	4,507	(11,493)	28%	16,000	-	
43	Youth Athletic Fees	94,054	57,750	8,299	(49,451)	14%	76,000	18,250	
44	Youth Services Camps	95,812	155,980	138,166	(17,814)	89%	155,980	-	
45	Youth Services Childcare	708,004	663,616	281,315	(382,301)	42%	663,616	-	
46	Special Event App/Permit	33,841	30,000	12,471	(17,529)	42%	30,000	-	

Appendix A - Revenue

Table A1: General Fund Revenue Detail		FY 2023-24				Mid-Year Changes		
		FY 2022-23 Actuals	Total Budget	Actual	Variance**	% Received	Revised Budget	Total Changes
47	Fire	\$ 1,612,981	\$ 1,577,836	\$ 695,328	\$ (882,508)	44%	\$ 1,647,854	\$ 70,018
48	Cal Poly Fire Services	362,109	361,684	249,694	(111,990)	69%	432,337	70,653
49	CUPA Inspection Fees	217,335	172,800	2,703	(170,097)	2%	172,800	-
50	Fire Alarm Permits	4,743	10,010	351	(9,659)	4%	10,010	-
51	Fire Department Permits	99,591	108,000	100,910	(7,090)	93%	108,000	-
52	Fire Plan Check & Inspection	363,875	350,000	171,398	(178,602)	49%	350,000	-
53	Medical ER Recovery	209,566	218,452	111,433	(107,019)	51%	217,817	(635)
54	Other Fire Department Revenue	(430)	5,890	11,625	5,735	197%	5,890	-
55	R1 Inspection Fees	356,192	351,000	47,215	(303,785)	13%	351,000	-
56	Police	\$ 763,511	\$ 689,420	\$ 381,581	\$ (307,839)	55%	\$ 745,003	\$ 55,583
57	Accident Reports	4,884	3,400	1,542	(1,858)	45%	3,400	-
58	Administrative Citations - Safety	148,616	125,833	116,230	(9,603)	92%	155,833	30,000
59	Alarm Permits - Contract (Police)	190,955	150,000	128,446	(21,554)	86%	170,000	20,000
60	Collision Investigation	972	3,000	565	(2,435)	19%	1,000	(2,000)
61	DUI Cost Recovery	28,138	20,417	44,633	24,216	219%	45,000	24,583
62	Miscellaneous Revenue	10,031	-	-	-	-	-	-
63	Other Police Revenue	262,032	267,503	68,796	(198,708)	26%	267,503	-
64	Police Department Permits	3,826	4,011	3,006	(1,005)	75%	4,011	-
65	Police Issued Parking Fines	53,115	70,000	6,257	(63,743)	9%	53,000	(17,000)
66	Property Release Fees	1,181	-	200	200	-	-	-
67	Second Response Fees	482	1,200	1,029	(171)	86%	1,200	-
68	Tobacco Permits	32,339	30,450	-	(30,450)	0%	30,450	-
69	Tow Release Fees	21,974	12,000	9,778	(2,222)	81%	12,000	-
70	Witness Fees	4,965	1,606	1,100	(506)	68%	1,606	-
71	Business Licenses	\$ 669,968	\$ 666,600	\$ 673,764	\$ 7,164	101%	\$ 694,774	\$ 28,174
72	Business Licenses	522,674	459,000	523,774	64,774	114%	523,774	64,774
73	Cannabis Operator License	147,295	207,600	149,990	(57,610)	72%	171,000	(36,600)
74	Other Revenue	\$ 2,662,834	\$ 1,032,771	\$ 1,293,649	\$ 260,877	125%	\$ 1,732,771	\$ 700,000
75	Damage to City Property	127,130	5,290	18,857	13,567	356%	5,290	-
76	Federal Grants	21,031	-	23,112	23,112	-	-	-
77	Fines & Forfeitures	146,992	153,071	53,036	(100,035)	35%	153,071	-
78	Impact Fees and Special Assessments	88,705	-	18,001	18,001	-	-	-
79	Interest on Investment	1,541,440	230,000	701,770	471,770	305%	930,000	700,000
80	Long Term Debt Proceeds	-	-	7,002	7,002	-	-	-
81	Miscellaneous Revenue	543,999	484,000	429,410	(54,590)	87%	484,000	-
82	Other Revenue	10,375	2,566	2,879	313	112%	2,566	-
83	Rent & Lease Revenue	183,162	157,845	39,582	(118,263)	25%	157,845	-
84	Grants & Subventions	\$ 1,408,344	\$ 1,005,817	\$ 1,241,264	\$ 235,447	123%	\$ 1,005,817	\$ -
85	AB939 Reimbursement	392,846	354,511	144,128	(210,383)	41%	354,511	-
86	Federal Grants	100,000	315,000	315,000	-	100%	315,000	-
87	Law Enforcement SB229 Grant	181,371	140,000	116,659	(23,341)	83%	140,000	-
88	Mutual Aid Reimbursements	386,095	-	483,155	483,155	-	-	-
89	Other Grants/Subventions	110,882	14,900	137,709	122,809	924%	14,900	-
90	Police Training Grant (POST)	56,166	61,406	9,905	(51,501)	16%	61,406	-
91	State Grants & Subventions	118,152	-	8,958	8,958	-	-	-
92	Zone 9 Streambed Clearance	62,833	120,000	25,749	(94,251)	21%	120,000	-
93	Grand Total	\$ 117,489,950	\$ 113,797,345	\$ 52,443,623	\$ (61,353,721)	46%	\$ 116,338,155	\$ 2,540,810


**Many revenues are "lumpy" in nature and may be collected entirely in the beginning or end of the year. Unless the budget is being adjusted, it is considered on track.


Table A2: Assessment Revenue		FY 2022-23				Mid-Year Changes		
		FY 2022-23 Actuals	Total Budget	Actual	Variance	% Received	Revised Budget	Total Changes
1	202-Downtown	\$ 269,523	\$ 275,400	\$ 259,648	\$ (15,752)	94%	\$ 275,400	\$ -
2	47101-DT Assoc. Assessment*	\$ 269,523	\$ 275,400	\$ 259,648	\$ (15,752)	94%	\$ 275,400	\$ -
3	208-Tourism Bid Fund	\$ 2,226,411	\$ 2,140,800	\$ 886,776	\$ (1,254,024)	41%	\$ 2,140,800	\$ -
4	44101-Interest on Investment	\$ 18,963	\$ -	\$ 7,797	\$ 7,797		\$ -	\$ -
5	44107-Investment FMV Adjustment	\$ (1,943)	\$ -	\$ 1,376	\$ 1,376		\$ -	\$ -
6	47102-TBID Assessment Revenue	\$ 2,209,390	\$ 2,140,800	\$ 877,603	\$ (1,263,197)	41%	\$ 2,140,800	\$ -

***The majority of this revenue is collected at the beginning of the fiscal year during the annual business license renewal period. Although the City collects this revenue, it is distributed to the Downtown Association.*


































Appendix A - Detailed Financials

On track 

Trending high or low but identified solution or savings in a different cost center 

Trending high or low with no identified solution 

FY 2023-24

Table A3: General Fund Operating Expenditures by Department/Cost Center	Total Budget	Year-to-date Actual	Funds Available Amount	% Expended (or committed)	Status
Admin/IT	\$ 12,184,186	\$ 6,782,052	\$ 5,402,134	56%	
1001-City Administration	\$ 1,764,843	\$ 957,506	\$ 807,337	54%	
1002-City Council	\$ 244,185	\$ 115,705	\$ 128,479	47%	
1003-Cultural Activities	\$ 365,161	\$ 348,269	\$ 16,892	95%	
1004-Economic Development	\$ 1,216,861	\$ 892,580	\$ 324,282	73%	
1005-Natural Resource Protection	\$ 1,480,624	\$ 577,346	\$ 903,279	39%	
1007-Community Promotion	\$ 441,535	\$ 358,986	\$ 82,549	81%	
1009-Community Services Group	\$ 350	\$ 47	\$ 304	13%	
1010-Office of DEI	\$ 722,889	\$ 418,534	\$ 304,355	58%	
1021-City Clerk	\$ 765,004	\$ 311,165	\$ 453,840	41%	
1101-Network Services	\$ 3,682,179	\$ 1,981,627	\$ 1,700,552	54%	
1103-Information Services	\$ 1,500,554	\$ 820,289	\$ 680,265	55%	
City Attorney	\$ 1,668,051	\$ 972,240	\$ 695,811	58%	
1501-City Attorney	\$ 1,668,051	\$ 972,240	\$ 695,811	58%	
Community Development Dept.	\$ 8,807,387	\$ 4,510,454	\$ 4,296,932	51%	
4001-CDD Admin	\$ 962,448	\$ 594,029	\$ 368,419	62%	
4002-Commissions and Committees	\$ 37,240	\$ 4,053	\$ 33,187	11%	
4003-Planning	\$ 2,115,384	\$ 941,195	\$ 1,174,189	44%	
4004-Engineering	\$ 1,235,933	\$ 601,669	\$ 634,264	49%	
4006-Building and Safety	\$ 3,246,148	\$ 1,582,842	\$ 1,663,306	49%	
4008-Housing Policy and Homelessness	\$ 1,210,233	\$ 786,665	\$ 423,568	65%	
CSG Admin	\$ 830,784	\$ 498,044	\$ 332,740	60%	
1009-Community Services Group Admin	\$ 830,784	\$ 498,044	\$ 332,740	60%	
Finance	\$ 2,485,965	\$ 1,345,715	\$ 1,140,250	54%	
2001-Financial Administration	\$ 363,621	\$ 197,824	\$ 165,797	54%	
2002-Budget	\$ 227,653	\$ 115,699	\$ 111,955	51%	
2003-Revenue Management	\$ 548,176	\$ 337,573	\$ 210,603	62%	
2004-Purchasing	\$ 246,560	\$ 101,662	\$ 144,898	41%	
2005-Accounting	\$ 1,099,955	\$ 592,957	\$ 506,998	54%	
Fire	\$ 15,293,168	\$ 9,064,696	\$ 6,228,472	59%	
8501-Fire Administration	\$ 1,173,220	\$ 601,023	\$ 572,198	51%	
8502-Emergency Reponse	\$ 11,828,869	\$ 7,234,545	\$ 4,594,324	61%	
8503-Hazard Prevention	\$ 1,037,289	\$ 526,295	\$ 510,995	51%	
8504-Training Services	\$ 113,448	\$ 85,987	\$ 27,461	76%	
8505-Recruit Academy	\$ 89,261	\$ 13,661	\$ 75,600	15%	
8506-Fire Apparatus Services	\$ 490,601	\$ 310,103	\$ 180,498	63%	
8507-Fire Station Facility Support	\$ 44,457	\$ 12,288	\$ 32,170	28%	
8510-Mobile Crisis Unit	\$ 320,579	\$ 162,376	\$ 158,203	51%	
8599-Emergency Management	\$ 195,444	\$ 118,420	\$ 77,024	61%	

Appendix A - Operating Expenditures

FY 2023-24					
Table A3: General Fund Operating Expenditures by Department/Cost Center	Total Budget	Year-to-date Actual	Funds Available Amount	% Expended (or committed)	Status
Human Resources	\$ 2,233,158	\$ 1,239,827	\$ 993,331	56%	
3001-Human Resources	\$ 2,179,800	\$ 1,200,135	\$ 979,665	55%	●
3003-Wellness Program	\$ 53,358	\$ 39,692	\$ 13,666	74%	●
Non-Dept/Support Services (see note 1)	\$ 1,868,469	\$ 258,644	\$ 1,609,824	14%	
2006-Finance Support Services	\$ 767,586	\$ 118,357	\$ 649,228	15%	●
2007-Finance NonDept	\$ 1,100,883	\$ 140,287	\$ 960,596	13%	●
Parks & Recreation	\$ 5,706,488	\$ 2,761,044	\$ 2,945,444	48%	
7001-Recreation Administration	\$ 919,910	\$ 427,639	\$ 492,271	46%	●
7002-Recreation Facilities	\$ 355,639	\$ 179,790	\$ 175,849	51%	●
7003-Youth Services	\$ 1,413,794	\$ 645,295	\$ 768,499	46%	●
7004-Community Services	\$ 696,591	\$ 272,854	\$ 423,738	39%	●
7005-Ranger Service	\$ 898,725	\$ 463,480	\$ 435,245	52%	●
7006-Aquatics	\$ 605,119	\$ 343,805	\$ 261,314	57%	●
7007-Golf Course	\$ 806,211	\$ 427,451	\$ 378,759	53%	●
7008-Jack House	\$ 10,500	\$ 731	\$ 9,769	7%	●
Police	\$ 22,278,369	\$ 13,262,834	\$ 9,015,534	60%	
8001-Police Administration	\$ 2,466,114	\$ 1,533,650	\$ 932,464	62%	●
8002-Patrol	\$ 11,933,187	\$ 7,279,086	\$ 4,654,101	61%	●
8003-Investigations	\$ 3,064,087	\$ 1,845,668	\$ 1,218,419	60%	●
8004-Police Support Services	\$ 3,598,872	\$ 1,909,358	\$ 1,689,514	53%	●
8005-Neighborhood Services	\$ 302,867	\$ 153,359	\$ 149,508	51%	●
8006-Traffic Safety	\$ 913,242	\$ 541,714	\$ 371,528	59%	●
Public Works	\$ 17,918,390	\$ 10,458,882	\$ 7,459,508	58%	
5001-Public Works Administration	\$ 1,474,919	\$ 825,337	\$ 649,583	55%	●
5002-Parks Maintenance	\$ 4,115,300	\$ 2,568,102	\$ 1,547,199	62%	●
5003-Swim Center Maintenance	\$ 673,536	\$ 338,817	\$ 334,719	50%	●
5004-Urban Forest Services	\$ 263,870	\$ 119,858	\$ 144,012	45%	●
5005-Facilities Maintenance	\$ 1,464,833	\$ 847,871	\$ 616,962	58%	●
5006-Street/Sidewalk Maintenance	\$ 2,493,434	\$ 1,451,705	\$ 1,041,729	58%	●
5007-Traffic Signals and Lighting	\$ 636,999	\$ 350,134	\$ 286,865	55%	●
5008-Fleet	\$ 1,455,937	\$ 997,775	\$ 458,162	69%	●
5009-CIP Project Eng	\$ 2,956,755	\$ 1,562,827	\$ 1,393,927	53%	●
5010-Transportation Plan and Eng	\$ 1,075,330	\$ 543,544	\$ 531,786	51%	●
5301-Stormwater	\$ 1,307,476	\$ 852,911	\$ 454,564	65%	●
6107-Solid Waste Recycling	\$ 464,836	\$ 266,919	\$ 197,916	57%	●
Grand Total	\$ 91,739,250	\$ 51,421,352	\$ 40,317,898	56%	

Note 1: These cost centers includes the budget for equity adjustments and various other wage adjustments or contingencies that were approved after initial departmental budget development (February 2023). This budget line item is used to offset the overages if departments end the year over budget in staffing. For FY 2023-24, staff expect the contingency budget to be fully utilized.

FY 2023-24					
Table A4: Enterprise Fund Operating Expenditures by Fund/Cost Center*	Total Budget	Year-to-date Actual	Funds Available Amount	% Expended (or committed)	Status
601-Water Fund	\$ 20,551,226	\$ 13,724,875	\$ 6,826,351	67%	
6001-Water Administration/Engineering	\$ 1,553,770	\$ 911,435	\$ 642,335	59%	●
6002-Water Source of Supply	\$ 11,781,268	\$ 9,221,325	\$ 2,559,943	78%	●
6003-Water Treatment	\$ 4,220,634	\$ 1,940,947	\$ 2,279,687	46%	●
6004-Water Distribution	\$ 2,035,155	\$ 1,138,998	\$ 896,157	56%	●
6005-Water Resources	\$ 630,942	\$ 256,382	\$ 374,560	41%	●
6105-Utility Billing	\$ 326,583	\$ 255,789	\$ 70,794	78%	●
6106-Water Quality Lab	\$ 2,875	\$ -	\$ 2,875	0%	●
602-Sewer Fund	\$ 9,342,462	\$ 5,411,248	\$ 3,931,214	58%	
6101-Wastewater Admin and Eng	\$ 1,699,401	\$ 1,002,832	\$ 696,569	59%	●
6102-Wastewater Collection	\$ 1,492,791	\$ 868,368	\$ 624,423	58%	●
6103-Environmental Programs	\$ 323,423	\$ 150,355	\$ 173,068	46%	●
6104-Water Resource Recovery	\$ 4,642,180	\$ 2,716,012	\$ 1,926,168	59%	●
6105-Utility Billing	\$ 326,583	\$ 255,847	\$ 70,735	78%	●
6106-Water Quality Lab	\$ 858,085	\$ 417,834	\$ 440,251	49%	●
611-Parking Fund	\$ 3,532,389	\$ 2,333,230	\$ 1,199,159	66%	
5101-Parking Admin	\$ 3,532,389	\$ 2,333,230	\$ 1,199,159	66%	●
621-Transit Fund	\$ 5,351,471	\$ 3,942,147	\$ 1,409,324	74%	
5201-Transit Ops and Maint	\$ 5,351,471	\$ 3,942,147	\$ 1,409,324	74%	●

* Excludes transfers

FY 2023-24					
Table A5: Special Funds Operating Expenditures by Fund/Cost Center*	Total Budget	Year-to-date Actual	Funds Available Amount	% Expended (or committed)	Status
202-Downtown	\$ 275,400	\$ 259,241	\$ 16,159	94.13%	
1008-Downtown Association Administration	\$ 275,400	\$ 259,241	\$ 16,159	94.13%	●
208-Tourism Bid Fund	\$ 2,266,990	\$ 1,668,698	\$ 598,292	73.61%	
1006-Tourism and Bid Promotion	\$ 2,266,990	\$ 1,668,698	\$ 598,292	73.61%	●
406-Public Safety Equipment Replacement Fund	\$ 633,752	\$ 598,192	\$ 35,560	94.39%	
8002-Patrol	\$ 29,400	\$ 29,250	\$ 150	99.49%	●
8502-Emergency Reponse (Fire)	\$ 604,352	\$ 568,942	\$ 35,410	94.14%	●
802-Insurance ISF Fund	\$ 5,555,473	\$ 4,018,044	\$ 1,537,429	72.33%	
3050-Insurance ISF	\$ 5,555,473	\$ 4,018,044	\$ 1,537,429	72.33%	●

* Excludes transfers