



Advisory Bodies 2025-27 Financial Plan Goal Setting Parameters



San Luis Obispo is committed to...

Good Fiscal
Management

Public
Engagement

Quality
Services



Policy Context

City Charter

Section 802. Annual Budget

City Manager shall send to the Council a careful estimate of the amounts required for business and proper conduct of all departments/offices.

Section 803. Public Hearing on the Budget

Council shall hold a public hearing on the proposed budget at which interested persons desiring to be heard shall be given such opportunity.

Adopted Budget Policies

Financial Plan Objectives

Links resources to identified community needs and Council goals.
Establishes program policies and goals.

Two-Year Budget

Reinforces the importance of long-range, strategic planning.
Promotes more orderly spending patterns.
Reduces time and resources allocated to budget preparation.

Second Year Budget

Council will review progress during the first year and approve appropriations for the second fiscal year.



A look-back on 2023-25 Financial Plan Objectives

1

Focus on **long-term fiscal health**, aligned with Fiscal and Budget Policies and Financial Responsibility and Sustainability Philosophy.

2

Prioritize storm recovery and seek as much **reimbursement through FEMA and CalOES** as possible

3

Align budget resources with Council adopted Major City Goal strategies.

4

Plan to restore **the minimum fund balance** and working capital **policy requirements**.

5

Invest in the future and fund maintenance of existing infrastructure and invest in the capital improvement program.

6

Address both required and “pre” payments to **unfunded liabilities**.

Adopted Major City Goals:



2024-25 Budget Highlights

Challenges

Cost escalation for labor and materials, internally and with contractors

Damages from Winter 2023 storms necessitated costly repairs

Limited financial and staff resources to complete capital projects on schedule

Opportunities

FEMA and CalOES reimbursement for storm expenditures to replenish reserves

Early identification of looming costs to allow sufficient time to plan

Strong history of sound financial management policies and practices



Overall Financial Forecast

All funds are in good financial standing based on current assumptions and recommendations

Revenue growth is expected to moderate

Expenditure growth needs to moderate as well

Prior commitments are coming due and need to be budgeted for

Investment in existing ongoing services, programs, and infrastructure take priority

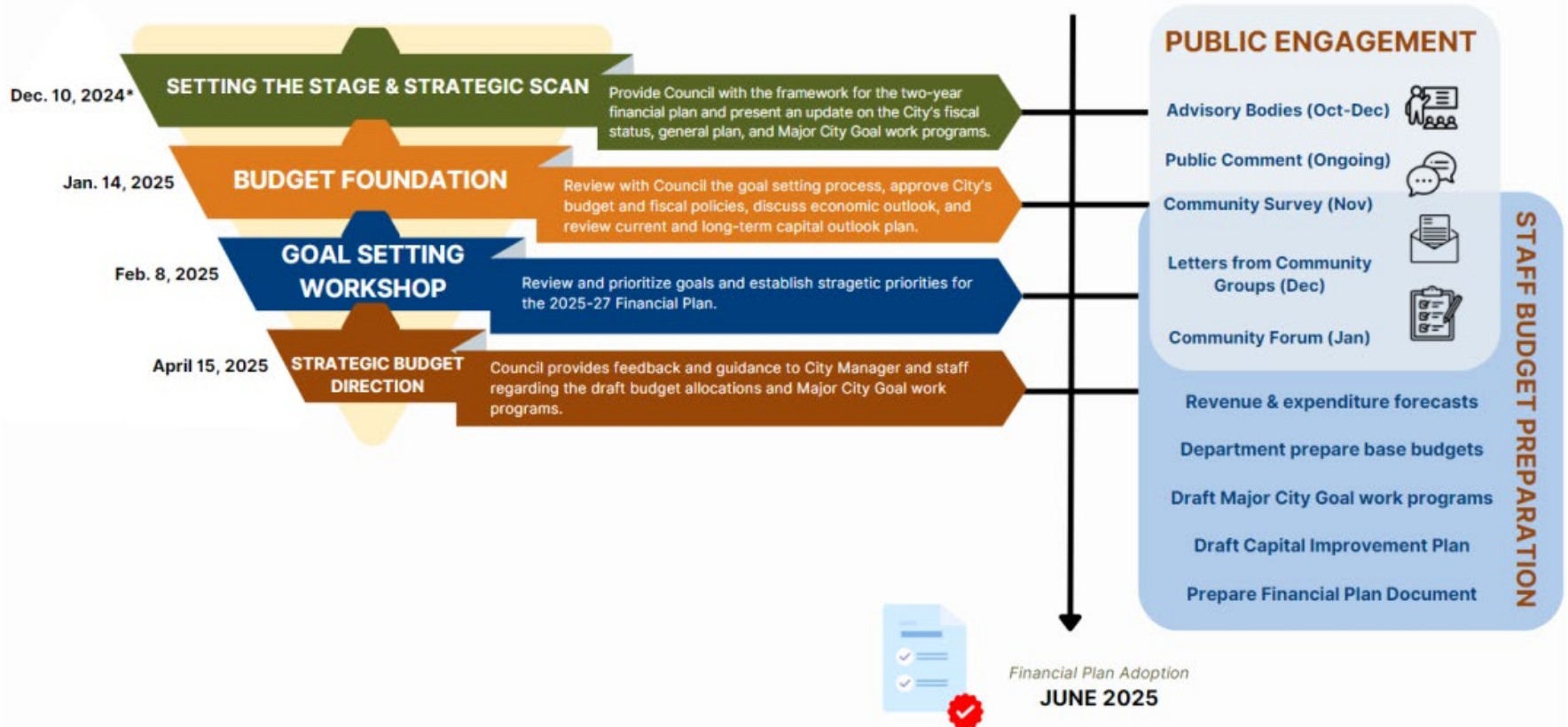
Limited ability to fund net new programs



Considerations When Setting Goals



Goal-Setting & the Budget Process



The proposed Financial Plan Calendar will be presented to Council on 10/1/24



QUESTIONS?

If you have any additional questions you can reach out to:

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