



Council Agenda Correspondence

DATE: December 10, 2024

TO: Mayor and Council

FROM: Emily Jackson, Finance Director
Riley Kuhn, Principal Budget Analyst

VIA: Whitney McDonald, City Manager

SUBJECT: ITEM 6B 2025-27 FINANCIAL PLAN - SETTING THE STAGE & FIRST QUARTER BUDGET REPORT

Staff received the following questions, regarding the Budget Report and Financial Plan item. The questions are below with staff's response shown in italics:

1) Why are the debt service expenditures so high for this time of year for SLR CFD?

Debt service expenditures are high early in the year because the first of two annual debt service payments includes both principal and interest. The remaining payment due in the second half of the year will include interest only and will not exceed the remaining budget.

2) The Broad Street Park construction project is listed as ongoing. Is that project complete?

The Broad Street Park construction project was listed as ongoing in the Q1 report (July 2024 to September 2024) because the project was not fully completed until Q2 2025. During Q1, we were still waiting for the park to be energized by PG&E, which delayed the final completion. The project's completion will be reflected in the Q2 report.

3) Was the solar installation completed on Sinsheimer Pool, Fire Station 1, and the Bus yard?

The solar installation projects for Sinsheimer Pool, Fire Station 1, and the Bus Yard have not yet been completed. The City Council recently approved the agreement with Forefront for these projects as a Power Purchase Agreement (PPA). Now that the agreements are executed, Forefront has begun the design work. We are expecting completion of these projects by March 2026.

- 4) The Setting the Stage document describes our population growth during various periods, with the most recent growth of 5% from 4/20-7/23. I believe our general plan supposes a growth rate of about 1% per year. Are we still generally falling within our growth projections?**

Yes, we are still generally falling within our growth projections. The [last General Plan Annual Report](#) (page 21) discusses this and states that on average between 2015 and 2023 the City maintained an average annual growth rate of .98%. Staff will be bringing the 2024 General Plan Annual Report with updated statistics to the City Council for review in April 2025.

- 5) What percentage of total Major City Goal tasks have been completed and how many will require ongoing action into 2025-27? Many strategies are listed as "ongoing" with a green status indicator. Does this mean that the program is fully up and running? How should I read a strategy as "ongoing"?**

All Major City Goal tasks were assigned targeted completion dates with the 2023-25 Financial Plan. As of FY 2024-25 Q1, 21% of tasks have an updated completion date of "Complete". Many other tasks created an ongoing work effort. 106 of 146 tasks were assigned original completion dates of "Ongoing". A status of green indicates that the task is on track or complete, yellow indicates that the task is delayed, and red indicates that the task is delayed without an identified solution.

- 6) What are the estimated costs of the Storm projects detailed in the Q1 Budget Report?**

The estimated costs of the storm projects detailed in the Q1 Budget Report are provided in the revised table below. This table includes the estimated costs as of August 2024; however, these figures do not account for inflation, changes in market conditions, or other potential cost adjustments since that time. Because the projects are currently in the early phases—either Project Initiation or Design—construction will occur at a later stage, meaning that the final costs are likely to change. Adjustments may be necessary to account for inflation, evolving material costs, or unforeseen design complexities as the projects progress toward construction.

In the Q1 Budget Report, the percentage completion for each project is shown in a table that organizes the projects by their respective phases (e.g., Project Initiation, Design). These percentages indicate the progress within each phase. For example, if a project in the Design phase is marked as 50% complete, this means that 50% of the design work—such as plans and specifications—has been completed. It is important to note that these percentages reflect the status of the work and not the spending or funding allocated to the project.

ITEM 6B 2025-27 FINANCIAL PLAN - SETTING THE STAGE & FIRST QUARTER
 BUDGET REPORT

Projects by Phase - Storm Funding and Staff Resources Advancing Project Development	Percentage Complete	Current Cost Estimate(August 2024)
1 - Project Initiation	0%	\$1,910,000.00
Mitigation Planting	0%	\$1,910,000.00
Replant and vegetate emergency project areas	0%	\$1,910,000.00
2 - Design	24%	\$10,350,000.00
Prefumo Creek Grade Structure	25%	\$2,450,000.00
Phase I - Remove damaged grade control structure and install RSP roughened ramp.	25%	\$1,700,000.00
Phase II - Install new sewer siphon.	25%	\$750,000.00
Prefumo through Golf Course	50%	\$800,000.00
Phase 1 - Install City Owned Ped bridge	50%	\$800,000.00
SLO Creek at Elks Lodge	18%	\$5,700,000.00
Phase 1 - Install RSP on East Side (Elks Side) - armor embankment due to Caltrans revetment	25%	\$800,000.00
Phase 2 - Install creek bank revetment on Elks Lodge side downstream of Elks Lodge	25%	\$1,500,000.00
Phase 3 - Install soil nail wall on Hwy 101 side of SL Creek near Elks Lodge	5%	\$3,400,000.00
SLO Creek at Mission Plaza	10%	\$1,400,000.00
Remove and install structural sidewalk	10%	\$1,400,000.00
Grand Total	21%	\$12,260,000.00

7) What new legislation will take effect in January?

While some of this legislation was highlighted in the Setting the Stage for the 2025-27 Financial Plan report (Item 6a – Attachment B), a complete 2024 legislative briefing will be presented to the City Council in February 2025. On December 6, 2025, the League of California Cities published its 2024 Legislative Report, offering a comprehensive overview of significant legislative developments and policies impacting municipalities. A link to the full report can be found here: https://www.calcities.org/docs/default-source/advocacy/2024-legislative-report-final.pdf?sfvrsn=4d267d7d_5