

# MID-YEAR BUDGET REVIEW

## FISCAL YEAR 2021-22



“IN THE MIDST OF CHAOS, THERE IS ALSO OPPORTUNITY”

Sun Tsu

The City’s *Budget and Fiscal Policies (Financial Plan Purpose and Organization Item G)* call for a formal financial status report to the Council based on the first six months after the beginning 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.

Though in most years the mid-year review is a check-in and discussion about the one-time use of unassigned fund balance, the 2021-22 Fiscal Year is anything but “most years”. With the ongoing pandemic-related rollercoaster or, as others have characterized it, [Pandemic Flux](#), the City organization finds itself in a situation to address emerging needs of the community and utilize available resources without hesitation or delay. This mid-year therefore includes requests for immediate action and resource allocation for one-time efforts as well as ongoing needs to position the City in a place of proactive engagement.

This report focuses on the current fiscal year and provides an analysis of adopted budget revenues 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 for the 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 programs remaining within budgeted allocations.

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## A: GENERAL FUND SUMMARY

### COVID19 and the Fiscal Outlook

Even at mid-year of 2021-22, the worldwide pandemic brought on by the COVID-19 virus remains a top-of-mind concern for the City, the State of California and the nation at large. Over the last two years, the economic outlook presented to Council has changed based on the most current information available. In some cases, the outlook improved and then experienced transitory stresses as new variants of the virus spread. In writing this report, the Omicron variant has surpassed all previous infection rates and now presents 90% of all positive test results. Normally, the past is used to inform the future based on previous business and economic cycles. Unfortunately, this current predicament is unlike any past experiences and a conclusion to it remains elusive. However, as society begins to live with the virus and the pandemic turns into an endemic, the economy will continue to stabilize and return to a more predictable business cycle. With new revenue from the passage of Measure G, the effect of the Fiscal Health Response Plan and the awarded allocation of ARPA funding to cover lost revenue during the pandemic, the City finds itself in a uniquely positive financial position.

The 2021-22 revised mid-year budget is therefore oriented towards sustaining the City's current operational levels while meeting demands of inflation and balancing the service needs of the community. It contains immediate action to fund community priorities that have emerged since July 2021. It also takes immediate action to address labor market shortages and ensure that the City remains competitive to retain and attract talent.

### 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.

<b>Table 1:</b> <i>in thousands</i>	21-23 Financial Plan				
	2021-22	2022-23	2023-24	2024-25	2025-26
Original Forecast	\$ 99,801	\$ 103,748	\$ 101,495	\$ 103,498	\$ 105,404
Mid-year Revised Forecast	\$ 106,947	\$ 110,165	\$ 106,461	\$ 109,370	\$ 112,382
<b>Increase/(Decrease) from original forecast*</b>	<b>\$ 7,146</b>	<b>\$ 6,416</b>	<b>\$ 4,966</b>	<b>\$ 5,872</b>	<b>\$ 6,978</b>

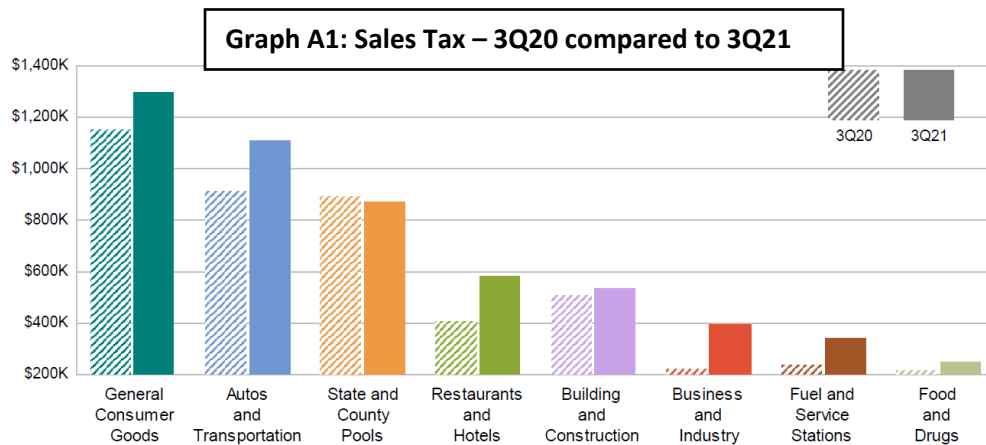
\*The 2021-23 Financial Plan includes ARPA funding (split equally between the two years). The original forecast assumed only \$8.9 million but the updated allocation for the City is now \$13.5 million, explaining the drop in 2023-24.

### Considerations

Trying to develop a revenue forecast during a pandemic is a complex, dynamic and fluid endeavor. As the City approached the 2021-22 mid-year review, staff analyzed current economic trends and gathered data points to provide Council with the most up-to-date forecast possible. Generally, the City does not contract out for comprehensive revenue forecasts, but given the current economic turbulence, staff did so this year with a well-known independent Economic Researcher, Beacon Economics. While the City does receive sales tax forecasts (its major revenue source) from HdL, these forecasts are largely based on California state trends with some regional adjustments. Beacon's proposed forecast is based on its own proprietary econometric forecast model that takes into consideration the most updated, City-specific data available. Staff used the combination of its own scenario modeling and the two forecasts (HdL and

Beacon), each with a different approach, to present a well-informed and updated forecast for Council consideration during financial decision-making.

- A. Sales Tax.** Sales and use tax revenue exceeded the City's projections for FY 2020-21. There were gains in nearly all major industry groups with the County pool up 38%; Business & Industry up 38% and Autos/Trans up 31% driven by a switch from services to goods, inflation, and available savings. The updated FY 2021-22 projections assume that consumer spending spike will decline slightly, plateau and then return to a more consistent growth level. The top industries will be General Consumer goods, Autos & Transportation and the State/County Pools. Supply chain issues will continue to influence availability of goods, but for now, consumers seem to spend on goods rather than services due to the ongoing COVID-19 realities.



- B. Property Tax.** Property tax forecasts are provided by the County Assessor's office. The latest forecast had very minor adjustments with an overall decrease of \$35,000. The forecast takes into account Proposition 13 increases, inventory growth, and revaluation of old housing stock.
- C. Transient Occupancy Tax (TOT).** Tourism along the central coast made a significant and strong comeback as the region re-opened. TOT revenue reached all-time highs through the end of last fiscal year and into the current year, but it is unlikely that rate and demand will stay as high as they are now. The updated forecast assumes a strong 3<sup>rd</sup> quarter and then a fall in rate and an adjustment in demand towards the end of the fiscal year, leading to a decrease in overall TOT revenue for FY 22-23 followed by a conservative 2% annual growth thereafter. This will be closely monitored based on national, state, and regional travel trends.
- D. Utility Users Tax (UUT).** The UUT revenue forecast has been adjusted downward in response to the year-to-date amount collected and the historical four-year average. New regulations brought on by the Federal Communications Commission and the California Public Utilities Commission continue to disrupt the landscape for the revenue and staff continues to evaluate possible changes to the Municipal Code to maximize UUT.
- E. Cannabis Tax.** The Cannabis revenue forecast has been adjusted downward as a result of the assumed total active cannabis businesses within the City being reduced from eight to five for the fiscal year. Three businesses (two delivery and one retail storefront) stopped moving through the City's Cannabis Operator Permit process during 2021. There are currently three cannabis businesses open and

operating in the City, one retail storefront and two delivery businesses. The City expects two additional cannabis businesses will open in early 2022, one retail storefront and one delivery. However, staff continues to enforce delivery from outside businesses making sure the applicable tax is being remitted. The State of California recently announced plans to add resources to enforce voter approved laws for unpermitted operations into compliance.

- F. Fees for Service.** Overall, fee-generating department programs are currently operating at the level projected. Some programs continue to face hurdles related to Covid, hiring challenges, or site closure but the decreased revenue is offset by programs exceeding revenue projections. Minor adjustments can be found in Appendix A, but the long-term forecast contains no significant changes.
- G. Other Revenue.** Due to the volatility in the investment world, the General Fund had a very large “Fair Market Value” adjustment as part of the FY 20–21-year end close. This resulted in significantly lower interest earnings than expected. To avoid this from happening in the current year, staff are recommending reducing the interest revenue budget and using a more conservative long-term budgeting approach. The updated budget is a placeholder to indicate some revenue, but conservative enough to not necessitate any downward adjustments
- H. Subventions and Grants.** Subventions and grants fluctuate from year-to-year based on availability and grant award rate. Generally, the City has met or exceeded its annual budget, but the budget was not based on guaranteed sources. The mid-year adjustment reflects a change in methodology that is in line with budgeting best practices and will avoid the City from ending in a negative position if grants are not awarded. Moving forward, net-zero budget adjustments (revenue/expenditure offsetting) will be posted as the grants are received and only grants that are awarded on a non-competitive “per capita” allocation will be considered in the budgeted amount.

### Development Services Designation

***Financial Policy for Development Services Revenue:*** On June 17, 2014, the City Council revised the fiscal policies to provide for the City Manager to allocate up to 75% of Development Services over-realized revenues to acquire temporary resources for the timely processing of development applications and other permit processing activities. The policy calls for the allocated revenues to be reported to the City Council on a semi-annual basis as part of the mid-year and annual budget presentations.

The Community Development Department conducted a workload analysis in preparation for the 2021-23 Financial Plan. Ultimately, the department determined that the base revenue budget needed to be increased to match the forecasted development services activity, thus allowing the department to increase expenditures by adding full-time staff (as opposed to temporary or contracted resources). The increase in the revenue budget will decrease the “over-realized” revenue and inversely, the added full-time staff will reduce the need to draw down on the Development Services Designation.

With the 2021-23 Financial Plan Based on 2020-21 audited financials and usage during the current fiscal year, the following table shows the current balance of the development services designation:

Table 2: Development Services Designation	
2021-22 Beginning Balance	\$710,657
Administrative Support: Permit Processing	(\$30,000)
Engineering Inspector Support	(\$150,000)
<b>Current Balance</b>	<b>\$530,657</b>

### Year-to-Date Expenditures

There are no significant expenditure variances impacting projected fund balances based on data from the first half of the year. The detailed financial reports included in Appendix A provide year-to-date expenditure information by department. The data presented in the table includes any committed and encumbered services.

**Table 3:**

	Total Budget	Total Consumption	Funds Available	% Consumed
Staffing	\$ 60,301,460	\$ 28,500,686	\$ 31,800,774	47%
Contract Services	\$ 9,644,978	\$ 5,414,708	\$ 4,230,270	56%
Other Operating	\$ 6,637,746	\$ 3,550,089	\$ 3,087,658	53%
Utilities	\$ 2,865,838	\$ 1,314,343	\$ 1,551,495	46%
<b>Total</b>	<b>\$ 79,450,022</b>	<b>\$ 38,779,826</b>	<b>\$ 40,670,196</b>	<b>49%</b>

### Compensation Study

The City of San Luis Obispo is committed to provide competitive compensation to continue to attract and retain talented, qualified, and experienced employees who provide the high-quality public services the community needs and expects. This is in accordance with the City's Compensation Philosophy that was adopted by Council in 2011 to guide compensation decisions for labor negotiations and decisions. City Council received and filed the 2021 Benchmark Compensation Report for the San Luis Obispo City Employees' Association (SLOCEA) and Unrepresented Management and Confidential Bargaining Units on February 1, 2022.

The survey included a total of twenty-two (22) benchmark classifications, including thirteen (13) represented by San Luis Obispo City Employees' Association (SLOCEA) and nine (9) designated management. Overall, the City's base salaries compared to other surveyed employers are on average, 8.55% below the median. As a general industry standard and consistent with the City's Labor Relations Objectives, a classification that surveys within 5% of the market median is considered competitive. While the exact fiscal impact of the findings is still being calculated, the updated mid-year forecast assumes an increase in the City's staffing costs aligned the City's compensation philosophy and challenges to recruit and retain employees due to a unique labor market.

## B: GENERAL FUND MID YEAR RECOMMENDATIONS

The following section is organized by funding source:

- B-1: One-time Fund Balance Appropriations*
- B-2: General Fund Mid-Year Operating Budget Changes*
- B-3: One-time Capital Reserve Requests*
- B-4: Re-allocation of Cerro San Luis Greenway Project Budget*
- B-5: Budget Requests from various funding sources*

**Each mid-year recommendation has a SOBC ID# that corresponds with the detailed list included in Appendix B (Budget Report Pg 74).**

### B-1: One-time Fund Balance Appropriations

Based on the City's audit and Annual Comprehensive Financial Report (ACFR), the General Fund ended the fiscal year 2020-21 with a fund balance of \$47.1 million. The growth of fund balance is two-fold:

1. The prudent Council decision to retain 2018-19 and 2019-20 available fund balance to secure the City's finances during the height of the COVID-19 pandemic.
2. Lower than anticipated revenue losses and expenditure savings due to the activation of the [Fiscal Health Contingency Plan](#) that already benefited from the savings measures from the Fiscal Health Response Plan.

Of this total fund balance, \$5.3 million is unassigned and remains available for any effort that benefits from one-time augmentation of funding. The LRM sub-fund has approximately \$2 million in unassigned fund balance.

Table 5: See ACFR [page xiv](#)

General Fund – Fund Balance per June 30, 2021	
Non-spendable	\$41,155
Committed	
Contingency Fund – 20% policy level	\$11,830,380
Local Revenue Measure balance	\$9,299,971
Insurance Fund	\$1,955,966
Assigned to:	
Encumbrances	\$4,838,806
115 Trust Fund	\$2,000,000
Public Safety Replacement fund	\$929,344
CalPERS Payment	\$10,200,000
Development Services	\$710,657
Unassigned	\$5,311,792
<b>Total Fund Balance</b>	<b>\$47,118,071</b>

Based on Fiscal Health Response Plan.

Local Revenue Measure Sub-Fund	
<b>Fund Balance</b>	<b>\$ 9,299,971</b>
Encumbrances	\$ (1,971,621)
Carryover	\$ (1,937,369)
Allocate to Capital Reserve (FY22)	\$ (3,426,208)
<b>Unassigned LRM Balance</b>	<b>\$ 1,964,773</b>

General Fund Mid-year Budget Recommendations

SOBC#	Table 6: GENERAL FUND One-time Budget Appropriations (FY21 Fund Balance)		
	General Fund available <u>one-time</u> balance		\$ 5,311,792
1	SLO Rep Challenge Grant <sup>1</sup>	Operating	3,950,000
2	Vehicles for New Maintenance Positions	Capital	210,000
3	Bob Jones Bike Trail Vegetation Management	Operating	25,000
4	Downtown Safety Enhancements	Capital	375,000
5	Crisis Communications Planning	Operating	50,000
6	Transfer of Mitigation Fee Payment	Operating	10,000
7	Litigation Support	Operating	120,000
8	Council Hearing Room - Auto Tracking Camera	Operating	30,000
9	Covid Tests	Operating	30,000
	<b>Total</b>		<b>\$ 4,800,000</b>
	<i>Remaining balance</i> <sup>3</sup>		<i>\$ 511,792</i>

SOBC#	Table 7: LRM One-time Budget Appropriations (FY21 Fund Balance)		
	LRM available <u>one-time</u> balance		\$ 1,964,773
10	Golf Course Pro Shop Flood Damage Repairs	Capital	120,000
11	Reimbursement Agreement for 600 Tank Farm	Capital	1,545,000
12	Mission Plaza Landscape & Lighting Improvements	Capital	275,000
	<b>Total</b>		<b>\$ 1,940,000</b>
	<i>Remaining balance</i>		<i>\$ 24,773</i>

B-2: General Fund Mid-Year Operating Budget Changes

Due to the updated forecast which includes an increase in annual revenue over expenditures, staff are recommending the following budget changes.

SOBC#	Table 8: General Fund Operating Budget Requests		FY 21-22	FY 22-23
	Available Balance		\$ 2,273,520	\$ 911,925
14	2nd Legal Assistant	Ongoing	-	73,400
15	One-time Contingency: Benchmark Study Adjustments	One-time	250,000	-
16	Conversion of City Attorney Contract Positions(3 FTE) <sup>2</sup>	Ongoing	-	-
17	Hybrid Public Meeting Support (0.5 FTE)	Ongoing	-	60,888
18	Monsido - ADA Compliance Software	Ongoing	-	4,900
19	Temporary Office Leasing and Equipment	One-time		197,040
20	Transitional Legal Services	Ongoing	-	32,000
21	Virtual Meeting Software	Ongoing	-	6,200
22	Part-time Fire Inspector (0.5 FTE) (Revenue Offset)	Ongoing	11,025	33,410
23	Part-time, Contract Attorney Resource	Ongoing	-	94,100
			<b>261,025</b>	<b>501,938</b>
	<i>Remaining balance</i> <sup>3</sup>		<i>\$2,012,495</i>	<i>\$409,987</i>

<sup>1</sup> The terms and conditions of this challenge grant to be negotiated and returned to the City Council for approval.

<sup>2</sup> The fiscal impact for this request was already included as "ongoing" in the 2021-23 Financial Plan. This is only a request to add Full Time Equivalent (FTE) positions.

<sup>3</sup> Given the remaining uncertainty and volatility that the economy is facing, staff recommend not appropriating any additional expenditures at this time.

General Fund Mid-year Budget Recommendations

SOBC#	Table 9: LRM Operating Budget Requests		FY 21-22	FY 22-23
	<i>Available Balance</i>		<i>\$ 1,531,000</i>	<i>\$ 1,304,870</i>
24	Housing/Homelessness Contract Position	<i>One-time</i>	40,000	80,000
25	Increase in Mission Plaza Maintenance	<i>Ongoing</i>	27,000	27,000
26	Convert Mobile Crisis Unit to Permanent (1 FTE) <sup>4</sup>	<i>Ongoing</i>	-	-
27	Accelerate New Streets Position	<i>One-time</i>	-	-
28	Additional Pressure Washing	<i>Ongoing</i>	25,000	25,000
29	Additional Pruning/Watering	<i>Ongoing</i>	200,000	200,000
30	Additional Streets Maintenance Staff (2 FTE)	<i>Ongoing</i>	60,750	243,000
31	Additional Supplies for Downtown Maintenance Program	<i>Ongoing</i>	-	25,000
32	CAPSLO Programming – Railroad Square Safe Parking	<i>One-time</i>	64,633	-
33	Centralized Resident Inquiry Platform	<i>Ongoing</i>	40,000	40,000
34	CIP Staff Augmentation Study – Conversion of Existing Funding to Positions (4 FTE) <sup>2</sup>	<i>Ongoing</i>	-	-
35	Community Services Coordinator (1 FTE)	<i>Ongoing</i>	-	9,728
36	Public Safety Customer Engagement	<i>Ongoing</i>	17,000	12,000
37	Mobile Data Computers	<i>One-time</i>	14,200	-
38	Supplemental Overtime for Farmer’s Market Support	<i>Ongoing</i>	15,000	15,000
39	Contract Volunteer Coordinator P&R	<i>One-time</i>	32,850	101,508
40	Converting Contract Homelessness Response Manager to FTE (1 FTE) <sup>4</sup>	<i>Ongoing</i>	-	-
41	Emergency Manager (1 FTE)	<i>Ongoing</i>	38,627	143,061
42	Facilities Additional Contract Funding	<i>Ongoing</i>		25,000
43	Parks Additional Contract Funding	<i>Ongoing</i>	-	40,000
44	Parks Maintenance Beautification Gardner (1 FTE)	<i>Ongoing</i>	48,600	97,200
	<b>Total</b>		<b>623,660</b>	<b>1,083,497</b>
	<i>Remaining balance<sup>5</sup></i>		<i>\$907,340</i>	<i>\$221,373</i>

<sup>4</sup> The fiscal impact for this request was already included in the 2021-23 Financial Plan as “one-time”. This is only a request to add Full Time Equivalent (FTE) positions and approve the request as “ongoing”. The ongoing fiscal impact is included in the revised long-term forecast.

<sup>5</sup> It is recommended that any remaining balances for the 21-23 financial plan be appropriated as part of the supplemental budget.



## B-3: One-time Capital Reserve Requests

In June 2021 and based on the REOC's recommendation, the City Council adopted a comprehensive Fund Balance and Reserve Policy ([R-11250](#)). The policy states that the City will maintain 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 following projects are recommended to be funded by the reserve. The reserve will be replenished to the 20% level during supplemental budget preparation through the re-prioritization of projects or use of unassigned LRM fund balance.

SOBC#	Table 10: Capital Reserve Budget Requests	FY 21-22
	<i>Available Balance</i>	<i>\$ 3,276,208</i>
45	Santa Rosa at Monterey Intersection Improvements	1,000,000
46	Fire Medium Duty Truck with Utility Bed	20,000
47	Increased Vehicle Costs Tied to Inflation	120,000
48	Mid Higuera Bypass (Design 90649)	110,000
49	Mission Plaza Restroom (Design 91439)	60,000
50	Parks Vandalism Resistant Restroom Fixtures	25,000
51	Reconstruction and Resurfacing Annual Asset Maintenance	150,000
52	Replacement of Concrete Park Tables Citywide – Safety Measure	25,000
53	Increased Sidewalk Annual Asset Maintenance	50,000
54	SLO Creek Repair at Johnson Avenue (Design 1000183)	175,000
55	Transportation Consultant Support	125,000
56	Additional Truck Mounted Sign Boards	12,000
	<b>Total</b>	<b>1,872,000</b>
	<i>Remaining Balance after mid-year requests</i>	<i>\$ 1,404,208</i>

B-4: Re-allocation of Cerro San Luis Greenway Project<sup>6</sup> Budget

The City received an Active Transportation Grant just prior to the release of the budget and there was not ample time available to integrate the grant funding into the Financial Plan. The originally programmed LRM budget for the Cerro San Luis Greenway Project was temporarily placed in the Infrastructure Investment Fund as a holdover strategy until such time as staff and the Active Transportation Committee could evaluate the first priority projects to initiate from the recently adopted Active Transportation Plan before returning to Council with appropriation recommendations as part of Mid-Year. ([R-11251](#)) Below are two priority projects for funding, Transportation staff continue to coordinate the production of adopted and prioritized projects many of which require design work as the first step.

<sup>6</sup> Previously known as “Anholm Greenway”

SOBC#	Table 11: Reallocation of Cerro San Luis Greenway Project Budget	FY 21-22
	<i>Original Project Budget (LRM Portion)</i>	<i>\$ 1,705,225</i>
57	Higuera Corridor Complete Street (Final Design)	\$ 250,000
58	Pedestrian Crossing Improvements (Construction) <sup>7</sup>	\$ 226,971
	<b>Total</b>	<b>\$ 476,971</b>
	<i>Remaining for allocation at later date (ATP specific projects)</i>	<i>\$ 1,223,029</i>

#### B-5: Budget Requests from various funding sources

The following budget requests are recommended to be funded using Agency, Capital, Special Revenue or Development Fee funds. They will have no impact on the General Fund and all funds have appropriate fund balances to cover the requested expenditures.

Table 12:

SOBC#	Funding Source	Budget Request	FY 21-22
58	TDA Fund	Pedestrian Crossing Improvements (Construction) <sup>4</sup>	53,029
59	Affordable Housing Fund	Affordable Housing Legal Fees	30,000
60	Public Safety Equipment Fund	Confined Space Rescue Equipment	38,656
61	PEG Funds	Council Chambers – Auto Tracking Cameras	110,030
62	San Luis Ranch Park Fund	Madonna Rd. Bike Path Landscaping Design	28,000
63	Law Enforcement Grant Fund	Mobile Command Trailer Bandwidth	10,000
64	Public Safety Equipment Fund	Recruit Academy Personal Protective Equipment	30,000
		<b>Total</b>	<b>\$ 246,686</b>

#### Revised General Fund Long Term Forecast

The revised long-term forecast on the following page includes all of the proposed mid-year budget recommendations on lines 37-42.

<sup>7</sup> Needed to fully fund construction of priority pedestrian/bicycle crossing improvements at several priority intersections in FY2021-22, including at the Sydney/Johnson and South/King intersections.

## GENERAL FUND LONG TERM FORECAST

		Revised with Mid-year						
	In Thousands	Actual 2020-21	Adopted Budget 2021-22	Budget 2021-22	Budget 2022-23	Projected 2023-24	Projected 2024-25	Projected 2025-26
1	<b>Tax &amp; Franchise Revenue</b>							
2	Sales & Use Tax	33,273	43,002	47,093	48,648	50,048	51,549	53,104
3	Sales Tax General	20,068	18,387	20,791	21,643	22,509	23,274	24,019
4	Public Safety (Prop 172)	425	336	493	497	502	507	513
5	Measure G20	12,780	24,279	25,810	26,507	27,037	27,767	28,572
6	Property Tax	19,859	20,192	20,157	20,746	21,369	22,010	22,670
7	Transient Occupancy Tax	6,960	7,213	9,051	8,636	8,809	8,985	9,165
8	Utility Users Tax	5,226	5,565	5,383	5,544	5,655	5,768	5,884
9	Franchise Fees	1,797	1,575	1,575	1,606	1,638	1,671	1,704
10	Business Tax Certificates	2,937	2,426	2,832	2,889	2,946	3,005	3,065
11	Cannabis Tax	845	1,300	1,000	1,400	1,650	1,683	1,717
12	<b>Total Tax &amp; Franchise Revenue</b>	<b>\$ 70,896</b>	<b>\$ 81,274</b>	<b>\$ 87,092</b>	<b>\$ 89,469</b>	<b>\$ 92,115</b>	<b>\$ 94,671</b>	<b>\$ 97,308</b>
	<b>Fees for Service &amp; Other Revenue</b>							
13	Police Services	599	637	610	637	650	663	676
14	Fire Services	1,501	1,404	1,421	1,422	1,451	1,480	1,509
15	Development Review	7,174	6,595	6,551	6,864	7,070	7,282	7,500
16	Parks & Recreation	1,616	1,612	1,616	2,039	2,080	2,122	2,164
17	General Government	442	438	438	446	455	464	473
18	Cannabis	90	310	157	210	216	223	229
19	Other Revenues	2,126	2,166	1,886	1,938	1,984	2,027	2,082
20	<b>Subventions &amp; Grants</b>	<b>3,201</b>	<b>900</b>	<b>477</b>	<b>440</b>	<b>440</b>	<b>440</b>	<b>440</b>
21	<i>Federal Stimulus Funding</i>		4,465	6,700	6,700			
22	<b>Total Fees &amp; Other Revenue</b>	<b>\$ 16,749</b>	<b>\$ 18,527</b>	<b>\$ 19,855</b>	<b>\$ 20,696</b>	<b>\$ 14,345</b>	<b>\$ 14,699</b>	<b>\$ 15,074</b>
23	<b>Total Revenue</b>	<b>\$ 87,646</b>	<b>\$ 99,801</b>	<b>\$ 106,947</b>	<b>\$ 110,165</b>	<b>\$ 106,461</b>	<b>\$ 109,370</b>	<b>\$ 112,382</b>
	<b>Use of Funds</b>							
24	Staffing	\$ 53,829	\$ 54,284	\$ 57,774	\$ 62,977	\$ 65,251	\$ 67,867	\$ 68,889
25	Contract Services	\$ 6,415	\$ 4,963	\$ 8,479	\$ 7,484	\$ 7,708	\$ 7,862	\$ 8,020
26	Other Operating Expenditures	\$ 8,502	\$ 8,127	\$ 8,913	\$ 9,161	\$ 6,998	\$ 7,203	\$ 7,412
27	Cost Allocation	\$ (4,578)	\$ (4,717)	\$ (4,717)	\$ (5,000)	\$ (5,151)	\$ (5,305)	\$ (5,464)
28	21-23 Financial Plan SOBCs*		\$ 7,529			\$ -	\$ -	\$ -
29	<b>Total Operating Expenditure</b>	<b>\$ 64,168</b>	<b>\$ 70,186</b>	<b>\$ 70,448</b>	<b>\$ 74,621</b>	<b>\$ 74,807</b>	<b>\$ 77,627</b>	<b>\$ 78,857</b>
30	Debt Service	\$ 2,541	\$ 1,997	\$ 1,997	\$ 1,992	\$ 2,000	\$ 2,000	\$ 2,000
31	Capital	\$ 6,999	\$ 26,087	\$ 28,531	\$ 25,358	\$ 25,597	\$ 25,810	\$ 26,020
32	Transfers Out	\$ 617	\$ 495	\$ 495	\$ 550	\$ 824	\$ 1,011	\$ 1,208
33	<b>Total Expenditure</b>	<b>\$ 74,325</b>	<b>\$ 98,764</b>	<b>\$ 101,470</b>	<b>\$ 102,520</b>	<b>\$ 103,228</b>	<b>\$ 106,448</b>	<b>\$ 108,085</b>
34	<b>Beginning Fund Balance</b>	<b>\$ 33,798</b>	<b>\$ 30,995</b>	<b>\$ 32,118</b>	<b>\$ 29,984</b>	<b>\$ 29,045</b>	<b>\$ 28,206</b>	<b>\$ 26,753</b>
35	<b>Revenue Over/(Under) Expenses</b>	<b>\$ 13,320</b>	<b>\$ 1,036</b>	<b>\$ 5,477</b>	<b>\$ 7,644</b>	<b>\$ 3,233</b>	<b>\$ 2,922</b>	<b>\$ 4,298</b>
36	<b>Ending Fund Balance</b>	<b>\$ 47,118</b>	<b>\$ 32,031</b>	<b>\$ 37,595</b>	<b>\$ 37,629</b>	<b>\$ 32,278</b>	<b>\$ 31,128</b>	<b>\$ 31,050</b>
37	<i>CalPERS Downpayments</i>	(10,200)		(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
38	<i>One-time Payment to SLO Rep</i>	(3,950)						
39	<i>LRM Restricted</i>			(1,531)	(1,305)	(1,583)	(2,058)	(2,607)
40	<i>One time hold of add'l ARPA</i>				(4,777)			
41	<i>Carryover/encumbrances from FY21</i>			(3,818)				
42	<i>Mid-year SOBCs</i>	(850)		(261)	(502)	(489)	(317)	(326)
43	<b>Ending Fund Balance</b>	<b>\$ 32,118</b>	<b>\$ 32,031</b>	<b>\$ 29,984</b>	<b>\$ 29,045</b>	<b>\$ 28,206</b>	<b>\$ 26,753</b>	<b>\$ 26,118</b>
44	Policy Reserve Level - 20%	11,830	11,769	12,014	12,635	12,513	12,887	13,043
45	115 Pension Trust Fund	2,000	2,000	2,000	3,000	3,000	3,000	3,000
46	Restricted based on Audit	17,776	10,000	13,958	13,000	11,000	10,000	10,000
47	<b>Undesignated Fund Balance</b>	<b>\$ 512</b>	<b>\$ 8,262</b>	<b>\$ 2,012</b>	<b>\$ 410</b>	<b>\$ 1,692</b>	<b>\$ 866</b>	<b>\$ 75</b>

\* SOBCs have been distributed through respective expenditure categories in revised forecast

## 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 financed solely through user service charges. The City has four unique funds that fall into this category:

Water	Sewer	Parking	Transit
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### WATER FUND SUMMARY

#### Revenue

Water sales are trending on track with revenue projections. Consumption is tracking back on pre-pandemic levels with the return of Cal Poly students to campus, businesses reopening, and students returning to K-12 schools. As is typically seen year over year, water consumption trends higher in the summer months, due to an increase in irrigation associated with drier weather.

The Covid-19 pandemic and resulting California State water shut-off moratorium has resulted in an increase in past due water accounts. As of January 5, 2022, there was approximately \$418,000 in past due water balances. This is approximately \$200,000 more than the year prior to the start of the pandemic. The Utilities Department applied for and received funding under the CA Water and Wastewater Arrearage Payment Program of \$263,000 to provide financial relief for water bill payments to those customers impacted by Covid-19. Staff will apply to the same program for relief funding to cover past due sewer balances when the secondary part of the program opens later this month. To provide economic relief and support to residents, the Utilities department also deferred a rate increase from July 2020 to February 2021. As the economy stabilized, Council approved a lower than originally adopted rate increase of 3.5% in July 2021.

Projections for debt proceeds are being increased from \$0 in FY 2021-22 to \$1,698,745. This administrative change will correct for the timing of debt proceeds received for the Water Energy efficiency Project currently under construction at the Water Treatment Plant. Originally the remainder of the debt proceeds had been anticipated to come in during FY 2020-21, however due to project timing, staff expect to receive the remaining financing in the current fiscal year. These funds will be offset by the cost of construction.

The fund remains on track to meet revenue targets needed to meet all anticipated operating and capital expenditures with adequate reserves. Staff will continue to monitor revenues and forecast future expenditures alongside an upcoming rate confirmation study.

#### Operating Expenses

Operating expenses are on track with appropriated budget allocations. Two mid-year budget adjustments are requested as outlined below:

ID#	Table 13: Water Mid-year Operating Budget Request	FY 21-22	FY 22-23
65	Administrative Adjustment in Position Costing for 1 Water Distribution Operator <sup>8</sup>	(95,000)	(95,000)
66	Utilities Fleet Replacement	20,000	-
	<b>Total</b>	<b>(75,000)</b>	<b>(95,000)</b>

<sup>8</sup> The position should have been budgeted in the Sewer Fund.

## WATER FUND LONG TERM FORECAST

			Revised with Mid-year				
(in thousands)	Actual	Original	Budget	Budget	Projected	Projected	Projected
REVENUES BY TYPE	2020-21	2021-22	2021-22	2022-23	2023-24	2024-25	2025-26
<b>Revenue by Type</b>							
1 Water Service Charges	\$15,417	\$15,776	\$15,776	\$16,329	\$16,900	\$17,492	\$18,016
2 Base Fee Revenue	\$5,213	\$5,560	\$5,560	\$5,754	\$5,956	\$6,164	\$6,349
3 Cal Poly Sales	\$954	\$972	\$972	\$1,006	\$1,041	\$1,077	\$1,110
4 Cal Poly Capacity & Resilience	\$535	\$223	\$223	\$225	\$230	\$235	\$240
5 Recycled Water	\$1,061	\$962	\$962	\$995	\$1,030	\$1,066	\$1,098
6 Development Impact Fees	\$4,746	\$1,548	\$1,548	\$1,370	\$789	\$800	\$800
7 Investment Income & Property Rev	\$65	\$408	\$408	\$424	\$361	\$346	\$277
8 Proceeds from Debt	\$12,601	\$0	\$1,699	\$0	\$0	\$0	\$0
9 Grants	\$326	\$256	\$256	\$1,395	\$0	\$0	\$0
10 Miscellaneous Revenue	\$415	\$396	\$396	\$396	\$396	\$396	\$396
11 Rate Assistance Subsidy	\$0	\$ (100)	\$ (100)	\$ (100)	\$ (100)	\$ (100)	\$ (100)
12 TOTAL	\$41,335	\$26,001	\$27,700	\$27,794	\$26,602	\$27,477	\$28,186
<b>EXPENDITURE BY CATEGORY</b>							
13 Salaries & Benefits	\$4,144	\$4,735	\$4,711	\$5,143	\$5,251	\$5,361	\$5,472
14 Operating	\$11,253	\$12,827	\$13,584	\$12,693	\$12,900	\$13,109	\$13,327
15 Debt Service	\$2,460	\$2,449	\$2,449	\$2,443	\$1,870	\$1,869	\$1,866
16 Capital	\$10,866	\$2,944	\$16,419	\$5,597	\$4,496	\$7,792	\$5,827
17 Transfers Out	\$2,673	\$2,546	\$2,517	\$2,490	\$2,791	\$2,838	\$2,912
18 TOTAL	\$31,396	\$25,501	\$39,679	\$28,367	\$27,308	\$30,969	\$29,404
<b>EXPENDITURE BY FUNCTION</b>							
19 General Government	\$2,673	\$2,572	\$2,517	\$2,490	\$2,791	\$2,838	\$2,912
20 Water Source of Supply	\$10,181	\$10,550	\$14,159	\$10,410	\$10,524	\$10,633	\$10,745
21 Water Treatment	\$13,608	\$6,242	\$10,178	\$7,750	\$6,773	\$6,549	\$6,118
22 Water Distribution	\$3,618	\$3,888	\$10,210	\$5,353	\$4,757	\$8,272	\$7,101
23 Water Resources	\$257	\$533	\$543	\$465	\$475	\$485	\$495
24 Water Administration	\$1,059	\$1,442	\$1,730	\$1,306	\$1,384	\$1,575	\$1,404
25 Comp Study Salary Contingency	\$0	\$0	\$72	\$312	\$318	\$324	\$331
26 Utilities Revenue (Billing)	\$0	\$274	\$270	\$281	\$286	\$292	\$298
27 TOTAL	\$31,396	\$25,501	\$39,679	\$28,367	\$27,308	\$30,969	\$29,404
<b>CHANGES IN FINANCIAL POSITION</b>							
29 Working Capital - Beginning	\$20,765	\$30,704	\$30,704	\$17,884	\$17,146	\$16,276	\$12,619
30 Revenue Over/(Under) Expenses	\$9,939	\$500	\$ (11,980)	\$ (573)	\$ (706)	\$ (3,492)	\$ (1,218)
31 Working Capital - Year End	\$30,704	\$31,204	\$18,725	\$17,311	\$16,440	\$12,784	\$11,401
32 CalPERS Downpayments	\$0	\$180	\$841	\$165	\$165	\$165	\$165
33 Working Capital - Year End	\$30,704	\$31,024	\$17,884	\$17,146	\$16,276	\$12,619	\$11,236
34 Policy Reserve Level - 20%	\$4,106	\$4,510	\$4,652	\$4,554	\$4,562	\$4,635	\$4,715
35 Rate Stabilization	\$2,158	\$2,231	\$2,231	\$2,309	\$2,390	\$2,473	\$2,548
36 115 Pension Trust Fund	\$0	\$120	\$166	\$176	\$293	\$293	\$293
37 Unreserved Working Capital - Year End	\$24,440	\$24,163	\$10,835	\$10,108	\$9,031	\$5,218	\$3,681

The working capital drawdown on line #37 reflects the forecasted use as is intended to replace and maintain infrastructure and is assumed as part of the rate setting. The 20% operating reserve remains within policy requirements.

## SEWER FUND SUMMARY

### Revenue

Like the Water Fund, the Sewer Fund revenue is tracking with budget projections and the Utilities department will continue to closely monitor Monthly service charges.

The Covid-19 pandemic and resulting California State water shut-off moratorium has resulted in an increase in past due sewer accounts. As of January 5, 2022, there was approximately \$361,000 in past due sewer balances. This is approximately \$160,000 more than the year prior to the start of the pandemic. As discussed above, the Utilities Department has received notice that there is additional funding available under the CA Water and Wastewater Arrearage Payment Program for past due sewer accounts and will be submitting an application to provide funding for past-due sewer bills. Staff anticipates the amount to be similar to the amount received for water arrearages. To provide economic relief and support to residents, the Utilities department deferred a rate increase from July 2020 to February 2021. As the economy stabilized, Council approved a lower than originally adopted rate increase of 3.5% in July 2021.

The fund is currently assessing its sewer cap as the average water usage between December and February will provide the sewer maximum charge for residential customers. The average use during those three months should be indicative of turned off irrigation, but the dry winter might influence this year's average.

The fund remains on track to meet revenue targets needed to meet all anticipated operating and capital expenditures with adequate reserves. Staff will continue to monitor revenues and forecast future expenditures alongside an upcoming rate confirmation study.

### Operating Expenditures

Operating expenses are on track with appropriated budget allocations, but four mid-year budget adjustments are requested.

SOBC#	Table 14: Sewer Fund Mid-Year Budget Requests	FY 21-22	FY 22-23
67	Additional WRRF Safety Perimeter Fencing	260,000	
68	Administrative Error in Position Costing for 1 Water Distribution Operator	95,000	95,000
69	Mandatory Minimum Penalties from the State for THMs and Pathogen Violations	21,000	
70	Utilities Fleet Replacement	20,000	
	<b>Total</b>	<b>\$ 396,000</b>	<b>\$ 95,000</b>

## SEWER FUND LONG TERM FORECAST

Revised with Mid-year								
(in thousands)	Actual	Original	Budget	Budget	Projected	Projected	Projected	
REVENUES BY TYPE	2020-21	2021-22	2021-22	2022-23	2023-24	2024-25	2025-26	
Revenue by Type								
1	Sewer Service Charges	\$11,699	\$12,359	\$12,359	\$12,792	\$13,176	\$13,571	\$13,978
2	Utilities Base Charges	\$4,543	\$4,653	\$4,653	\$4,816	\$4,960	\$5,109	\$5,262
3	Sales to Cal Poly	\$639	\$992	\$992	\$1,026	\$1,057	\$1,089	\$1,122
4	Cal Poly Capacity & Resilience	\$244	\$244	\$244	\$244	\$473	\$473	\$473
5	Development Impact Fees	\$3,849	\$1,384	\$1,384	\$1,190	\$618	\$600	\$600
6	Industrial User Permits	\$9	\$85	\$85	\$85	\$85	\$85	\$85
7	Investment & Property Revenue	\$10	\$402	\$402	\$608	\$545	\$519	\$519
8	Long Term Debt Proceeds	\$20,212	\$23,921	\$89,916	\$427	\$0	\$0	\$0
9	Other Revenues	\$792	\$3,866	\$3,867	\$397	\$405	\$413	\$421
10	Rate Assistance Subsidy	\$0	(\$100)	(\$100)	(\$100)	(\$100)	(\$100)	(\$100)
11	TOTAL	\$41,996	\$47,805	\$113,801	\$21,485	\$21,219	\$21,759	\$22,360
12	EXPENDITURE BY CATEGORY							
13	Salaries & Benefits	\$4,413	\$4,814	\$4,911	\$5,281	\$5,391	\$5,502	\$5,616
14	Operating	\$2,596	\$3,333	\$3,829	\$3,441	\$3,559	\$3,685	\$3,818
15	Debt Service	\$1,388	\$1,384	\$1,384	\$1,381	\$1,382	\$7,006	\$7,099
16	Capital	\$37,956	\$20,923	\$111,103	\$6,148	\$9,652	\$3,013	\$4,371
17	Transfers Out	\$2,402	\$2,400	\$2,368	\$2,299	\$2,529	\$2,565	\$2,616
18	TOTAL	\$48,754	\$32,855	\$123,596	\$18,551	\$22,514	\$21,772	\$23,521
19	EXPENDITURE BY FUNCTION							
20	General Government	\$2,402	\$2,430	\$2,368	\$2,299	\$2,529	\$2,565	\$2,616
21	Wastewater Collection	\$2,837	\$7,330	\$21,654	\$6,720	\$5,276	\$3,924	\$6,081
22	Environmental Compliance	\$225	\$279	\$281	\$275	\$280	\$286	\$292
23	Water Resource Recovery	\$40,817	\$20,044	\$96,080	\$6,246	\$11,320	\$11,637	\$11,307
24	Utilities Revenue	\$474	\$274	\$313	\$281	\$286	\$292	\$298
25	Water Quality Lab	\$667	\$864	\$870	\$828	\$845	\$862	\$880
26	Water Distribution	\$0	\$0	\$95	\$97	\$99	\$101	\$103
27	Network Services	\$21	\$0	\$134	\$19	\$15	\$254	\$36
28	Comp Study Salary Contingency	\$0	\$0	\$171	\$329	\$335	\$342	\$349
29	Wastewater Administration	\$1,311	\$1,634	\$1,631	\$1,457	\$1,528	\$1,508	\$1,558
30	TOTAL	\$48,754	\$32,855	\$123,596	\$18,551	\$22,514	\$21,772	\$23,521
31	CHANGES IN FINANCIAL POSITION							
32	Working Capital - Beginning	\$40,988	\$34,230	\$34,230	\$23,571	\$26,335	\$24,871	\$24,689
33	Revenue Over/(Under) Expenses	(\$6,758)	\$14,950	(\$9,795)	\$2,934	(\$1,295)	(\$13)	(\$1,161)
34	Working Capital - Year End	\$34,230	\$49,180	\$24,435	\$26,505	\$25,041	\$24,858	\$23,528
35	CalPERS Downpayments	\$0	\$180	\$864	\$169	\$169	\$169	\$169
36	Working Capital - Year End	\$34,230	\$49,000	\$23,571	\$26,335	\$24,871	\$24,689	\$23,358
37	Policy Reserve Level - 20%	\$2,160	\$2,386	\$2,499	\$2,480	\$2,572	\$3,752	\$3,830
38	Rate Stabilization	\$844	\$900	\$900	\$932	\$960	\$988	\$1,018
39	115 Pension Trust Fund	\$0	\$120	\$171	\$180	\$301	\$301	\$301
40	WRRF Upgrade Debt Reserve	\$0	\$5,903	\$0	\$2,953	\$5,907	\$5,907	\$5,907
41	Unreserved Working Capital - Yr End	\$28,273	\$39,691	\$20,001	\$19,789	\$15,132	\$13,741	\$12,303

\*As emergency projects occur, staff looks for a healthy unreserved working capital balance. Note the unreserved working capital for 21-22 is significantly high as the working capital beginning balance is based off of FY 20-21 actuals and staff had budgeted for higher WRRF Upgrade expenditures last year than actually occurred leaving a higher beginning working capital balance for FY 21-22. Likewise in the revised mid-year budget you will see a high debt proceed budget due to the timing of the WRRF Upgrade project which is reflected in the Capital budget. Lastly, the unreserved working capital - year end is higher than normal due to cash flow needed to cushion the fund during loan disbursement requests and contractor invoices. Original WRRF debt payments were scheduled to begin in FY 22-23 but due to timing of project completion, have now been pushed to FY 24-25 as payments will be due one year after project completion.



**PARKING FUND SUMMARY**

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**Revenue**

Despite the adoption of revenue enhancement strategies included in the 2021-23 Financial Plan the Parking Fund is trending slightly behind revenue projections. This is the result of meter and structure revenues driven by downtown activity, staff vacancies, and deliberate waiver of parking fees to reduce barriers for economic activity in the downtown during the pandemic. Revenue projections were made considering the increase in downtown activity in the second half of fiscal year 2020-21. A robust recovery is expected next fiscal year assuming a return to pre-pandemic levels of downtown activity and the adoption of additional revenue enhancement strategies.

Structure revenues have been significantly impacted by lower-than-expected downtown activity, staff vacancies, and equipment issues. Structure revenues are heavily reliant on downtown activity and thus are subject to variances tied to public health and economic factors. The Parking Fund based its structure revenue projections on increased levels of activity in the downtown in the second half of fiscal year 2020-21, however this trend did not continue into this fiscal year. The program did make a substantial financial commitment to encourage downtown business and activity during the holiday season with nonpaid parking offerings at the structures and there was noticeable increase in garage utilization. There may be seasonal factors that result in structure revenues performing better in the second half of the fiscal year. Structure revenues have also been impacted by staffing challenges; half the garage ambassador positions are vacant. Currently the structures are unable to collect revenues without garage ambassadors onsite. While it is difficult to determine how long the impacts of the current labor shortage will linger, this issue should be remedied with the recovery from the pandemic and the installation of license plate recognition gateless technology. The performance of structure revenues will continue to be tied to the economic recovery from the pandemic.

The revenue enhancement strategies adopted in the 2021-23 Financial Plan are having a positive impact on meter and enforcement revenues, however despite these strategies downtown activity and concessions for the downtown's economic recovery are resulting in revenue shortfalls. The expansion of enforcement hours and rate increases has resulted in a minimal revenue shortfall in meter revenues. Furthermore, the Parking Fund is currently exceeding its revenue projections for parking fines, despite not being fully staffed. Additional part-time parking enforcement staff have been hired and trained to monitor and assist parking operations into the evening hours with full-time parking enforcement positions anticipated to be filled by the beginning of Spring 2022.

Despite the projected revenue shortfall, the fund is currently positioned to sustain planned operating and capital expenditures, meet reserve requirements, and cover anticipated debt payments associated with the Palm-Nipomo parking structure. This is attributable to the adoption of additional revenue enhancement strategies, additional enforcement staff, and strategic capital project planning.

However, it is important to note that with its FY 2020-21 year-end result, the Parking Fund has forgone significant revenue as an economic recovery tool and thus was not able to meet its debt coverage requirement as stipulated by the loan agreement with the State's Infrastructure and Economic Development Bank (IBank). A violation of the agreement requires that the jurisdiction demonstrates appropriate rate increases that will eliminate the issue going forward. Though this result was largely due to the impacts of COVID-19, it is imperative to look at the long-term forecast and ensure that revenues and expenditures remain in balance to reach the required debt coverage ratio for the foreseeable future. Since the City is applying to IBank as a possible lender for the Palm-Nipomo parking structure,



Enterprise Funds: Parking demonstrating this long-term adherence is imperative to move that project forward and realize a generational effort. Even if the loan ultimately does not come from IBank, every bond covenant will have similar consideration and the year-over-year net revenue result will be imperative to secure the needed funding. Thus any changes to rates need to be revenue neutral or may otherwise compromise the City's ability to access lending sources.

#### Operating Expenditures

The Parking Fund is trending in line with the Fiscal Year 2021-22 operating budget. The fund is realizing savings due to staff vacancies; however, this is offset by the additional need for contract services to make up the workload, notably for security and maintenance services at the structures. The Parking Program is requesting additional funding to execute a new security services contract to expand nighttime hours with the goal of improving downtown and structure safety.

ID#	Table 15: Parking Fund Mid-Year Budget Requests	FY 21-22	FY 22-23
71	Gateless Parking Garages Equipment Install ( <i>Capital</i> )	45,000	-
72	New Security Services Agreement ( <i>Capital</i> )	45,000	90,000
73	Supervising Parking Enforcement Officer Reclassification ( <i>Operating</i> )	45,000	90,000
	<b>Total</b>	<b>\$135,000</b>	<b>\$180,000</b>

# PARKING FUND LONG TERM FORECAST

Line				Revised with Mid-year				
	(in thousands)	Actual 2020-21	Original 2021-22	Budget 2021-22	Budget 2022-23	Projected 2023-24	Projected 2024-25	Projected 2025-26
	REVENUES BY TYPE							
1	Parking Meter Revenues <sup>1</sup>	1,265	\$ 2,178	\$ 1,941	\$ 2,121	2,168	2,182	2,233
2	Parking Structure Collections <sup>2</sup>	346	\$ 1,275	\$ 835	\$ 2,229	2,273	2,319	2,633
3	Long-Term Parking Revenues	422	\$ 771	\$ 548	\$ 779	787	795	803
4	Lease Revenues	498	\$ 459	\$ 459	\$ 430	434	438	443
5	Parking In-Lieu Fees	11	\$ 21	\$ 21	\$ 21	21	21	21
6	Interest on Investment	4	\$ 76	\$ 76	\$ 64	56	30	40
7	Fines & Forfeitures	718	\$ 702	\$ 718	\$ 710	717	724	731
8	Police Issued Parking Fines	-	\$ -	\$ -	\$ -	-	-	-
9	Other Revenues	22	\$ 30	\$ 14	\$ 28	30	29	29
10	Proceeds from Debt Financing <sup>3</sup>	-	\$ -	\$ -	\$ -	37,052	-	-
11	Total Revenues	\$ 3,286	\$ 5,511	\$ 4,611	\$ 6,381	\$ 43,536	\$ 6,538	\$ 6,931
	USE OF FUNDS							
11	Staffing	\$ 1,126	\$ 1,665	\$ 907	\$ 1,502	\$ 1,540	\$ 1,580	\$ 1,618
12	Contract Services	\$ 683	\$ 607	\$ 607	\$ 796	816	836	857
13	Other Operating Expenditures	\$ 269	\$ 577	\$ 497	\$ 511	\$ 527	\$ 543	\$ 559
14	Cost Allocation	\$ 710	\$ 870	\$ 870	\$ 887	\$ 905	\$ 923	\$ 942
15	SOBCs	\$ -	\$ 180	\$ 180	\$ 135	\$ 135	\$ 135	\$ 135
16	Debt Service	\$ 416	\$ 415	\$ 415	\$ 414	\$ 413	\$ 412	\$ 411
17	Palm/Nipomo Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,044	\$ 2,044
18	Transfers Out	\$ 691	\$ 675	\$ 676	\$ 689	\$ 703	\$ 717	\$ 731
19	Capital	\$ 897	\$ 1,799	\$ 1,799	\$ 6,731	\$ 38,004	\$ 376	\$ 318
20	Total Expenditure	\$ 4,792	\$ 6,789	\$ 5,951	\$ 11,665	\$ 43,042	\$ 7,565	\$ 7,615
35	Beginning Fund Balance	\$ 15,003	\$ 13,161	\$ 13,161	11,510	\$ 6,165	\$ 6,599	\$ 5,510
36	Revenue Over/(Under) Expenses	\$ (1,506)	\$ (1,278)	\$ (1,339)	(5,284)	\$ 495	(1,027)	(684)
	Ending Fund Balance before							
37	CalPERS Downpayments	\$ 13,496	\$ 11,883	\$ 11,821	\$ 6,226	\$ 6,660	\$ 5,571	\$ 4,826
	Cal PERS Downpayment	\$ -	\$ -	\$ 311	\$ 61	\$ 61	\$ 61	\$ 61
39	Ending Fund Balance	\$ 13,496	\$ 11,883	\$ 11,510	\$ 6,165	\$ 6,599	\$ 5,510	\$ 4,765
40	Policy Reserve Level - 20%	\$ 641	\$ 827	659	822	840	859	877
	CalPERS Trust Fund	\$ -	\$ -	\$ 61	\$ 65	65	65	65
46	Undesignated Fund Balance	\$ 12,856	\$ 11,056	\$ 10,790	\$ 5,278	\$ 5,694	\$ 4,587	\$ 3,823
1. Forecast assumes return to pre-covid activity in fiscal year 2022-23 and takes into account the closure of lot 14's impact on revenue. Forecast takes into account expansion of enforcement hours, approved rate increase, paid parking at railroad square, paid parking at upper Monterey, mobile app roll-out, and multi-space pay stations.								
2. FY 22-23 Assumes pre-covid downtown activity and net increase of \$954k considering elimination of 1st hr free, approved rate increase, reduction of max daily rate and installation of LPR. Assumes additional revenue from Palm/Nipomo structure starting in FY 24-25.								
3. Proceeds from Palm/Nipomo financing received in fiscal year 2023-24.								

**TRANSIT FUND SUMMARY**

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**Revenue**

The Transit Fund will be utilizing Federal Transportation Administration (FTA) 5307 funds as the primary source to cover its operating and preventative maintenance costs. These funds will be supplemented by farebox revenue and State TDA funds for the program's operations. The City is currently providing a "zero fare" program to Cal Poly on a one-year extension to the 2011 Transit Service Agreement. The City will be pursuing a long-term agreement with Cal Poly that more closely aligns with the cost of providing service. New federal funding, American Rescue Plan Act (ARPA) funds, will be used to pay for electric vehicle charging infrastructure.

**Operating Expenditures**

The Transit Program is realizing savings as it is temporarily operating at reduced service levels based on current ridership demand. This has resulted in savings in purchased transportation, and maintenance. While no operating budget changes are being requested, staff is requesting additional funds to relocate a bus stop on Prado Rd. as a safety measure to eliminate mid-block pedestrian crossing to access the bus stop. Transit will continue to monitor operations and match expenditures to revenues and take a conservative approach to managing the fund.

**Table 16:**

ID#	Transit Fund Mid-Year Budget Request	FY 21-22	FY 22-23	Ongoing (if applicable)
70	40 Prado Rd. Bus Shelter Relocation (Capital)	35,000		
	<b>Total</b>	<b>\$ 35,000</b>	<b>-</b>	<b>-</b>

**Long Term Forecast**

There are several large pending items looming in the Transit Program's future that could have a significant impact to the fund. Currently staff is in negotiations with Cal Poly University for a new long-term Transit Service Agreement reflective of all operational costs. The Transit Program outsources its Operations & Maintenance to a third-party vendor and the current contract extension ends next year. Prior to that, staff will pursue a new Request for Proposal and service costs will be updated upon that contract award. The Transit fleet has six buses at the end of their useful life and the program is focused with "electrifying them". Federal funds made available via the use of CAREs funds to cover operating costs were used for the purchase of two electric buses. The cost hurdle of transitioning to an electric fleet is being addressed with federal and state funding.

## TRANSIT FUND LONG TERM FORECAST

			Revised with Mid-year				
(in thousands)			Actual	Original	Budget	Budget	Projected
REVENUES BY TYPE			2020-21	2021-22	2021-22	2022-23	2023-24
							2024-25
							2025-26
1	Federal - 5307 Operating <sup>1</sup>	0	\$ 2,557	\$ 2,888	\$ 2,946	3,005	3,065
2	Federal - 5307 Preentative Maintenance <sup>1</sup>	0	\$ 248	\$ 199	\$ 203	207	211
3	Federal - 5307 Capital <sup>1</sup>	1,384	\$ -	\$ -	\$ -	-	-
4	Federal - Cares Act <sup>2</sup>	2,806	\$ -	\$ -	\$ -	-	-
5	Federal - ARP (American Rescue Plan) Formula <sup>3</sup>	-	\$ 898	\$ 898	\$ -	-	-
6	State TDA (Transportation Development Act) STA	209	\$ 305	\$ 305	\$ 312	318	324
7	State TDA LTF	1,380	\$ 1,788	\$ 1,788	\$ 1,795	1,831	1,867
	State TDA Allocated to RTA, SLOCOG and Other						
8	Off-the-Top Obligations	691	\$ 634	\$ 634	\$ 646	659	672
9	State - APCD (Air Pollution Control District)	-	\$ 500	\$ 500	\$ -	-	-
10	PG&E Grant	-	\$ 50	\$ 142	\$ 50	-	-
11	Farebox Revenue	328	\$ 150	\$ 150	\$ 200	240	250
12	Cal Poly Agreement <sup>4</sup>	150	\$ 538	\$ 538	\$ 900	900	900
13	State - SB1	8	\$ 8	\$ 8	\$ -	100	100
	State - LCTOP (Low Carbon Transit Operations Program)	257	\$ -	\$ -	\$ -	75	76
14	ARPA Discretionary	-	\$ -	\$ -	\$ -	-	-
15	Interest on Investment	31	\$ 31	\$ 31	\$ 31	32	33
16							
17	<b>TOTAL REVENUES</b>	<b>\$ 7,243</b>	<b>\$ 7,707</b>	<b>\$ 8,080</b>	<b>\$ 7,082</b>	<b>\$ 7,366</b>	<b>\$ 7,498</b>
	<b>Expenditures &amp; Obligations</b>						
18	Staffing	261	\$ 301	\$ 349	\$ 380	392	403
19	Contract Services	2,414	\$ 3,470	\$ 2,021	\$ 2,446	2,497	2,572
20	Fuel	205	\$ 435	\$ 435	\$ 444	453	462
21	Maintenance	133	\$ 269	\$ 269	\$ 275	280	286
22	Other Operating Expenditures	70	\$ 137	\$ 50	\$ 137	140	143
23	Cost Allocation	231	\$ 235	\$ 235	\$ 257	262	267
24	SOBCs	-	\$ 35	\$ 35	\$ -	-	-
25	RTA, SLOCOG and Other Off-The-Top Contributions	691	\$ 634	\$ 634	\$ 646	659	672
26	Transfers Out	-	\$ -	\$ -	\$ -	-	-
27	Capital	1,800	\$ 2,719	\$ 2,719	\$ 2,928	2,055	2,115
28	<b>TOTAL Expenditures &amp; Obligations:</b>	<b>\$ 5,804</b>	<b>\$ 8,235</b>	<b>\$ 6,747</b>	<b>\$ 7,513</b>	<b>\$ 6,738</b>	<b>\$ 6,921</b>
29	<b>Beginning Fund Balance</b>	<b>\$ 2,697</b>	<b>\$ 2,716</b>	<b>\$ 2,716</b>	<b>\$ 3,984</b>	<b>\$ 3,541</b>	<b>\$ 4,156</b>
30	<b>Revenue Over/(Under) Expenses</b>	<b>\$ 1,439</b>	<b>\$ (529)</b>	<b>\$ 1,333</b>	<b>\$ (431)</b>	<b>\$ 628</b>	<b>\$ 577</b>
31	<b>Ending Fund Balance before CalPERS</b>	<b>\$ 4,137</b>	<b>\$ 2,187</b>	<b>\$ 4,048</b>	<b>\$ 3,553</b>	<b>\$ 4,169</b>	<b>\$ 4,733</b>
32	<b>Calpers Unfunded Liability</b>			<b>\$ 64</b>	<b>\$ 13</b>	<b>\$ 13</b>	<b>\$ 13</b>
33	<b>Beginning Fund Balance<sup>5</sup></b>	<b>\$ 4,137</b>	<b>\$ 2,187</b>	<b>\$ 3,984</b>	<b>\$ 3,541</b>	<b>\$ 4,156</b>	<b>\$ 4,720</b>
34	<b>Policy Reserve Level - 20%</b>	<b>\$ 827</b>	<b>\$ 437</b>	<b>\$ 797</b>	<b>\$ 708</b>	<b>\$ 831</b>	<b>\$ 944</b>
35	<b>Undesignated Fund Balance</b>	<b>\$ 3,309</b>	<b>\$ 1,750</b>	<b>\$ 3,187</b>	<b>\$ 2,833</b>	<b>\$ 3,325</b>	<b>\$ 3,776</b>
36	<b>CAFR/ACFR Variance</b>	<b>\$ 1,631</b>		<b>\$ 1,368</b>	<b>\$ -</b>	<b>\$ 13</b>	<b>\$ 13</b>
<b>Footnotes</b>							
1. 5307 grant funding is subject to minimal change by year. Funding was available for capital outlay in FY 22 because CAREs funding covered operation costs typically covered by 5307 funds. 5307 funds may be increasing by 10% starting in FY 23.							
2. One time CAREs act funding used to cover operations costs, freed up 5307 funds to be used for the purchase of 2 e-buses.							
3. American Rescue Plan Act formula funding that the City is guaranteed to receive for transit. This funding is eligible for purchase of e-buses.							
4. Cal Poly payment is based on ridership and capital costs relative to their level of service.							
5. Beginning fund balance calculated by taking the difference between current assets and current liabilities form City Annual California Financial Report							

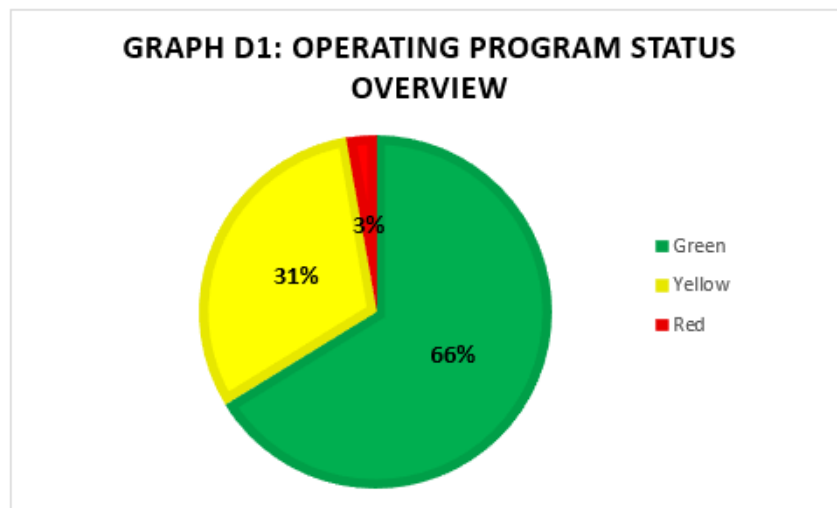
## D: Department Performance Measure and Work Program Updates

Departments constantly operate in an environment of knowns and unknowns and the budget preparation considers that type of environment. Most day-to-day tasks fall into the category of known tasks with known workload associated. In addition to day-to-day activities, departments expect and budget for some level of unknown or emergent priorities. When unexpected issues arise with unknown associated workload emerge, divisions may experience a resource imbalance and thus slow progress on projects or strategic initiatives.

The pandemic has greatly increased the number of unknowns while requiring immediate action to respond to the community's needs. Additionally, retaining and recruiting employees has gotten progressively more difficult. Almost all departments are experiencing staffing challenges, illnesses and vacancies, which lead to increased workload and re-prioritization of tasks for positions that are staffed.

As part of the mid-year review, departments evaluated the core objectives of each program's performance on the following scale:

- **Green** indicates that the program is managing workload with the appropriated budget for current work program tasks.
- **Yellow** indicates that a program is managing workload with the appropriated resources but may need additional resources or objective recalibration in the future to maintain long-term work programs. This could be due to higher-than-normal activity and does not necessarily indicate ongoing need. These programs will be monitored closely over the next quarter.
- **Red** indicates that a program is not currently meeting objectives and needs either additional resources or recalibration to manage workload. This could be due to higher-than-normal activity or may indicate ongoing need. Solutions are provided for each of these programs.



## Administration &amp; IT Department

## Performance Measure Update

Objective	Measure	2020-21 Actual	2021-22 Target	2021-22 Mid-year
Provides City-wide communications to the community.  <i>Strategic Goal: Citywide Communications</i>	Open City Hall Participant Satisfaction Rating	93%	90%	94%
	# of City News Releases <sup>9</sup>	200 <sup>10</sup>	150	50
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 Gigabytes	173,000	173,000	335,000
	Number of GIS layers maintained	905	905	920
Economic Stability  <i>Strategic Goal: Economic Recovery and Stability</i>	Contacts with businesses regarding starting, expanding, and/or staying in the City	300 <sup>11</sup>	75	36
	One-time funds used for direct aid to local businesses and non-profits	\$932,000 <sup>2</sup>	\$500,000	\$219,000
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 <sup>12</sup> 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	0
Strengthens the City's commitment to advancing Diversity, Equity and Inclusion  <i>Strategic Goal: DEI</i>	# of City-wide DEI Trainings Offered <sup>13</sup>	9	10	22
	Funds for High-Impact DEI Grants Awarded	\$109,800	\$150,000	0







<sup>9</sup> Actuals for 20-2021 includes COVID-19 County Press Releases sent by the City. Prior to COVID-19, the City averaged 143 news items per year and are now investing more in additional communication channels such as social media and direct emails which do not always have a corresponding news release.

<sup>10</sup> As of March 15, 2021.

<sup>11</sup> This performance measure is significantly higher than a typical year as the Department's work programs for FY21 have shifted drastically to address the pandemic. The Department contacts businesses in a variety of ways including direct contact, business update emails, and individual emails and phone calls.

<sup>12</sup> The Green Team is a cross-departmental collaborative body that helps guide the approach of the CAP Pillar 'Lead By Example: Carbon Neutral City Operations'. As noted in the Major City Goal Work Program, in 2021-23, the Green Team will focus on implementing the carbon neutral municipal operations plan, completing the Resilient SLO project, and facilitating all-staff sustainability training.

<sup>13</sup> Includes DEI intro/info sessions held in July and August 2021 with almost all functional teams. "City-wide" trainings will increase once the DEI program is fully established.

Work Program Evaluations	
<b>City Administration</b>	
In addition to the overall management of City operations, the Cannabis Business program, and City Communications, the City Administration program provided emergency management to the organization and community in response to the pandemic. The Communications program has worked to improve communication efforts by centralizing resources, standardizing processes, and updating an RFP for access to on-call contractors. Support of the Revenue Enhancement Oversight Committee was transitioned to the Finance Department and work efforts are underway to transition the Human Relations Commission to Administration and IT (previously in Community Development) in 2022 to coincide with the creation of the Office of Diversity, Equity and Inclusion.	
<b>Cultural Activities</b>	
The City continues to support the City-County Library and the Performing Arts Center (PAC). The City provides an annual contribution to 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. Due to the impacts of COVID-19 on the PAC, the City Manager has been actively involved in work to ensure the financial stability and recovery of this community asset.	
<b>Economic Development</b>	
The Economic Development program is a huge contributor to the Economic Recovery, Resiliency & Fiscal Sustainability Major City Goal. Currently all tasks and goals are ahead of or on schedule including the Downtown holiday activation program and return of the Buy Local Bonus program resulting in 4400 qualified entries and \$868,522 in local spending over six weeks which is 19% more than the prior year. The use of the \$500K of TBD economic development funding has been somewhat delayed due to the uncertainty regarding the progress of the pandemic and to be sure funds are available when needed, but some investments have already occurred including the childcare business grant program in coordination with CAPSLO.	
<b>Office of Diversity, Equity, and Inclusion (DEI)</b>	
The creation of the DEI office and the Major City Goal tasks related to DEI are slightly delayed by recruitment of the DEI manager which has been complicated by a competitive and limited labor market. A DEI Manager has been hired, however, and has a start date of February 2022.	
<b>Office of Sustainability</b>	
The Office of Sustainability started off the fiscal year with the adoption of <i>Lead by Example: A Plan for Carbon Neutral Municipal Operations</i> and quickly turned attention to implementation actions through informal activation of Green Team staff networks, particularly with energy efficiency lighting retrofits of City facilities and EV charging infrastructure and vehicle purchases for the City's Fleet, in collaboration with the Public Works Department. All other work program elements remain on schedule. Looking forward, the Office of Sustainability will be focused on preparing the Carbon Neutral City Facilities Plan, updating the Clean Energy Choice Program, piloting the implementation of the Better Buildings SLO program for building retrofits, and assisting with completion of the Resilient SLO planning process. Staff will also be active in 2022 with three separate conservation easement projects for open space protection; the timing for the delivery of these projects was not originally envisioned to take place concurrently and will likely necessitate re-ordering some Major City Goal work scope items in 2022-23.	
<b>Community Promotion</b>	
The Community Promotion work through the Promotional Coordinating Committee (PCC) is on track. During the first half of the fiscal year the committee focused on the modified Cultural GIA program, resulting in the awarding of 18 of the 25 available grants for the year. Additionally, the PCC, has guided	

the implementation of the Support Local Program and corresponding marketing and advertisement efforts. In addition to the on-going work for the programs mentioned above as well as the general community promotion, the second half of the year will be focused on the recovery and placemaking work efforts around projects like public art promotional efforts and resiliency related educational sessions for stakeholders.

#### **Tourism and BID Promotion**



The Tourism Business Improvement District (TBID) has seen a significantly strong first half of the FY resulting in a 24% increase in occupancy and 29% increase in average daily rate (ADR) compared to the same period last year. Although research is showing that the number of American travelers reporting that the recent COVID surge has impacted their travel, overall travel sentiment has improved to the highest levels since the start of the pandemic. To maximize on this recovery, the TBID has launched a new destination brand campaign "Hello to the SLO Life" and established a partnership with the City's Office of Sustainability and Natural Resources and EcoSLO on the new "Keys for Trees" program which is aiding the effort to plant 10,000 trees by 2035. In the second half of the year, the TBID is looking forward to the launch of the new midweek travel promotional campaign for February and March 2022 in partnership with Economic Development.

#### **Downtown SLO BID Administration**



The Downtown Business Improvement District (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 Holiday Parade. All of these efforts resumed in the 2020-21 fiscal and have continued into the current fiscal year.

#### **City Clerk**



The City Clerk's office has been active throughout the first half of 2021-22 continuing implementation of the new agenda management system, agenda preparation, and the increasing number and size of public records requests. Since July 1<sup>st</sup>, the department has received and processed 166 public records requests which is consistent with past request rates and for other benchmark cities. The Clerks' office prepared agendas for 15 City Council meetings and processed 145 Council Agenda Reports, prepared a total of 31 agendas and packets for Planning Commission, Architectural Review Commission, Cultural Heritage Committee, Human Relations Committee, Revenue Enhancement Oversight Committee and Tree Committee. In addition to agenda and packet preparation, the City Clerk's office staff virtual meetings for all advisory bodies.

#### **IT – Network Services**



This program is categorized as yellow due to continued support of work from home efforts and virtual public meetings. Additionally, projects have been delayed by the supply chain issues and vendors delayed in completing their contract obligations. Completed projects include the Radio Handheld replacement, two-factor authentication implementation, public safety mobile data computer replacement, Uninterruptible Power Supply (UPS) replacement and PD RIPA deployment. The Tait backend radio replacement project is scheduled to be complete at the beginning of January, and progress has been made on the KVEC Hill Radio Tower and Shelter, with 60% construction plans completed. IT Support Services handled 1,881 support tickets for the 6-month period. The tickets covered the entire range of our support activities, including hardware and software installation, computer upgrades, and troubleshooting. Support services included creation of new Laserfiche workflows to enable users to be more efficient with their workload. The Help Desk has been able to keep up with the workload with the help of IT Systems Engineers in the Network Services Division. Control Systems Administrators have been busy with the two major Utilities construction projects that are in progress: the Water Resource Recovery Facility upgrade and the Water Treatment Plant upgrade.

#### **IT – Information Services**



This program is categorized as yellow because staff continue to experience higher than normal workload due to the implementation of the Motion Project and system upgrades. The Information



Services team completed the Cityworks 15.7.2 upgrade (the City's asset management system). The team is keeping up with adding thousands of assets in the San Luis Ranch and Avila Ranch area as utility assets are put into the ground. Information Services is also integrating assets from Whale Rock, Stenner Water Treatment and Water Resource Recovery Facility into Cityworks. Finally, a project was completed to provide public, land based information to the community in a map-based interface. The Motion Core Team continues to improve the Oracle system maintenance and resolve compliance-based issues that were identified post-implementation. The team has completed the Benefits and Open Enrollment self-service project, the Journal Entries and Billing Receivables project, and the discovery process for a potential new project around the tracking of Capital Projects.

## City Attorney

## Performance Measure Update

Strategic Goals	Measure	2020-21 Actual	2021-22 Target	2021-22 Mid-Year
Timely and Responsive legal advice and support  <i>Strategic Goal: Department Objectives</i>	Administrative Citation Appeals Received by the City	227	150	53
	Appeals closed without need of a hearing <sup>14</sup>	45	25	15
	City assisted corrections to defective appeals to allow access to hearing	30	15	8
	City facilitated hearings on the record without need for personal appearance by Appellant	58	50	12
	# of hearing days scheduled	20	7	4
Legal Training & Compliance <i>Strategic Goal: Department Objectives</i>	# of Council, Staff, and Advisory Body legal trainings, legal updates, and compliance advisory sessions <sup>15</sup>	4	12	2
Municipal Litigation & Prosecution Management <i>Strategic Goal: Department Objectives</i>	Percentage of Claims Resulting in Litigation	6.8% <sup>16</sup>	<5%	7.7% <sup>17</sup>
	Liability Claims Against the City Reviewed/Managed	59	70	26

<sup>14</sup> Closed in some way that did not include a decision being issued (e.g. withdrawn by appellant, untimely filed, voided by the issuing department)

<sup>15</sup> New performance measure for the 2021-23 Financial Plan. City Attorney staff give many informal advisory sessions to Council, Advisory Body Members, and City Staff, but have yet to find capacity to plan and hold formal trainings. The plan is that after implementing the staffing recommendations of the department organizational assessment (estimated to be finalized in Jan. 2022) capacity will be found to do such trainings.

<sup>16</sup> Two high dollar personal injury claims did not settle and are now in litigation. Additionally, two property damage claims were submitted by a claimant who is now party to a federal lawsuit against the City.

<sup>17</sup> A complaint was filed against the City even though the underlying claim was intended for a different government agency. The misunderstanding is being cleared up. Also, an additional lawsuit against the City for property damage came to staff's attention in mid-December though the City has not been served.

## Work Program Evaluations

### City Attorney



This program is designated yellow because the office has been managing increasing workload over a long period of time with supplemental and contract legal services and administrative support staff, but the model is neither the most efficient nor sustainable to meet the ongoing legal service demands of the City. The City Attorney's Office began this fiscal year by kicking off its Council-approved organizational assessment (the "Assessment"). The timeline proposed in the RFP for the Assessment gave December 2021 as the completion date for the final report, but, as of this writing, that report is still in progress and the first complete draft was just received from the consultant on January 21, 2022. The City Attorney has received preliminary staffing increase recommendations from the consultant and the full draft report will be reviewed and used to inform any Mid-Year recommendations to Council, with the final report being presented to Council in 2022 (forecast at this time for April) as a consent item with a staff report outlining the Assessment process as well as a plan to implement any recommendations.

For the first year of the 21-23 Financial Plan, as the Assessment was underway, Council approved the addition of three contract positions for the office: Legal Assistant, Paralegal and Deputy City Attorney. This was staff's prediction of what would eventually be recommended by the Assessment as additional, regular positions for the office so was included in the budget forecast as an ongoing expense with the intention of converting them to FTEs should the Assessment ultimately make that recommendation. As the year began, staff made the determination that recruiting for a Paralegal and Deputy City Attorney on a short-term, contract basis was not going to provide the quality applicant pool that would make the time spent training a new hire worthwhile. Instead, the funding has been used to support additional Legal Assistant positions and hours for Supplemental, part-time Assistant City Attorney ("ACA") Mark Amberg. The Legal Assistants were hired as contract employees, so their salaries have been coming directly from the surplus in the Contract Salaries budget line. The additional ACA hours have been hitting the Temporary Salaries line which has driven it slightly over budget. A portion of Contract Salaries has been marked as coverage for the forecasted overage in Temporary Salaries at year-end.




For the remainder of the current fiscal year, additional surplus in Contract Salaries is also planned for use in the contracting of outside counsel for criminal and civil municipal code enforcement and, potentially, to hire a regular Deputy City Attorney if the job-description-drafting processes can be completed in time to recruit a new hire this fiscal year. In looking for efficiencies in the allocation of workload within the current staffing configuration, it was determined that the attorney time spent advising on criminal and civil code enforcement, and appearing in court for criminal arraignments, was better assigned to a local law firm via contract. Once a Deputy is hired, it may be more efficient to assign that work to that position, but in the interim outside counsel was deemed to be a better use of time and dollars and allows the part-time ACA to assist with managing demand that is currently well beyond the available capacity of the City Attorney and Assistant City without supplemental legal services.

## Community Development Department

## Performance Measure Update

Objective	Measure	2020-21 Actual	2021-22 Target	2021-22 Mid-Year*
Affordable housing production <i>Strategic Goal: Housing</i>	Number of affordable housing units secured through entitlements or construction	40	50	94 <sup>18</sup>
Provide Excellent Customer Service <i>Strategic Goal: Other Department Objectives</i>	Customer survey response positivity rate		95%	N/A <sup>19</sup>
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	88%	85%	83%
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.	80%	75%	84%
Building Inspections <i>Strategic Goal: Economic Stability</i>	Percent of inspections performed the next working day	92%	85%	93%

\*As of 12/15/21

Work Program Evaluations	
<b>Community Development Administration</b>	
<p>The Administration team provides process management and support for all the divisions within the Community Development Department. The division also provides support for the department's advisory bodies and the City's Major City Goals. To better assist customers and residents, a survey has been created for customers who finalize plans through the Community Development Department to provide feedback on their experience. The survey is currently being tested and staff are creating ways to best analyze the completed surveys and increase participation. From the trial surveys, most customers expressed complete satisfaction with their experience with the Community Development Department. Results of customer service experiences will be shared more broadly on an ongoing basis and as part of the General Plan Annual Report and Mid-Year Budget.</p>	
<b>Planning</b>	
<p>The Planning Division continues to receive high work volumes while also experiencing vacancies due to unsuccessful recruitments for an Associate Planner and a Housing Coordinator. Staff updated zoning regulations and received approximately eight percent more planning applications in the first two quarters of the fiscal year compared to this time last year. <b>New recruitments to fill these critical positions are underway to meet current workload requirements and planning consultants will be utilized to help fulfill cycle times.</b></p>	
<b>Engineering</b>	
<p>The Engineering Division's work program was separated from the Planning Division at the beginning of the 21-23 Financial Plan. The division continues to provide significant support to the Planning entitlement process</p>	

<sup>18</sup> More units have been secured than anticipated due to timing of receipt and processing of entitlement applications.<sup>19</sup> Staff is working on developing a survey that will accurately reflect customer's satisfaction. Launch date is tentatively for Spring of 2022 as staff works with vendors to develop.

and to the Building Division as part of the permit review team. Additionally, the division facilitates the review and approvals for subdivision maps and encroachment permit applications, assists with FEMA Floodplain Management and Stormwater programs, and processes building plan and map reviews. The division supports the Housing and Homelessness Major City Goal by providing essential services for the major housing and infrastructure projects such as the Orcutt Area subdivisions, San Luis Ranch, and Avila Ranch. Compared to this time last year, the Engineering team is seeing significant increases in transportation permits, parking meter permits issued for construction work, and a slight increase in number of encroachment permits.

### Building and Safety

#### Code Enforcement:

The Code Enforcement team promotes health and safety throughout the City by increasing awareness of City policies, investigating reported code violations, and proactively patrolling for violations. A new Code Enforcement Technician II was hired to specialize in a Safe Housing Education Program, which supports the Housing and Homelessness Major City Goal through education and empowerment of tenants. Due to a recent retirement, there is a vacant Code Enforcement Supervisor which is being temporarily back filled by a Code Enforcement Officer II in an acting role. Until permanently filled, this vacancy will create slightly delayed investigation response times.

#### Building Inspections:

There has been a large increase in building inspections compared to this time last year. This increase is due to more inspections being requested for larger development projects such as 790 Foothill, San Luis Ranch, and Righetti Ranch. In addition to the added pressure from increased workload, there is a vacancy for one Building Inspector due to the departure of the Building and Safety Supervisor and the reassignment of an existing Building Inspector to acting Supervising Building Inspector. **To match the demand of the City's increased development and increasing inspections, the division is utilizing consultant inspectors on an as-needed basis.** As part of the 2021-23 Financial Plan, Council approved the addition of a Stormwater Code Enforcement Officer to address the City's ongoing compliance with State's stormwater regulations and resulting notice of violations. The recruitment for this position is currently in progress. In an effort to reduce Building Inspector workload, the division is in the testing stage of a virtual inspection program using Google Duo, which will allow time-sensitive construction projects to continue without scheduling an on-site inspection.

#### Permits:

Building permit activity has increased dramatically this fiscal year due to more solar permits, single and multi-family homes, and commercial tenant improvement projects. There have been 80 percent more building permits and 25 percent more applications compared to this time last year. Additionally, the TIPP-FAST Program issued 13 permits. In the new Financial Plan, an additional Permit Technician position was approved, allowing an internal staff member to promote and assist with the increasing workload.

### Human Relations

The Human Relations Program provides funding for the activities of the Human Relations Commission, which serves as an advisory body to the Council on issues relating to human and social services. This program was able to award grant money to support the production and preservation of affordable housing and non-profit agencies serving the Human Services needs of residents. The Human Relations Commission is transitioning to Administration and IT in 2022 to coincide with the creation of the Office of Diversity, Equity and Inclusion.

### Housing Policy and Programs

Housing Policy and Programs had previously been a sector of the Planning Division and was approved as a stand-alone division in the 2021 – 2023 Financial Plan. This team has completed a study session on the Homelessness Strategic Plan and implemented updates to the Zoning Regulations that affect several key Housing Element Programs. Staff is currently in the process of onboarding the City's contract "Below Market Rate Housing" administrator. Additionally, it is updating the Inclusionary Housing Ordinance and has processed 10 agreements for refinances or reconveyances in support of the City's affordable housing portfolio. All of these efforts support the Housing and Homelessness Major City Goal.

## Finance Department

## Performance Measure Update

Objective	Measure	2020-21 Actual	2021-22 Target	2021-22 Mid-year
Enables & enhances transparency, accountability & integrity.  <i>Strategic Goal: Fiscal Policies</i>	# of calendar days following year-end until ACFR is issued	180	170	171
	# of audits/reviews conducted/ # of additional agreed upon procedure audits performed	2/1	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 direct annual debt per capita (General Fund)	\$59	\$44	\$42.4
	Twelve-month total rate of return/City portfolio	3.9%	3%	0.01%

## Work Program Evaluations

## Finance Administration



This division is responsible for the management and administration of the City's finance operations and infrastructure financing. The division is comprised of the Finance Director, an Administrative Assistant, a half-time Oracle Subject Matter Expert (contract) and an Infrastructure Financing Analyst. In addition to administering Community Facilities Districts, Development related agreements, and AB 1600 related deliverables, the Infrastructure Analyst is also working on a temporary assignment with the City Attorney's office to revise the procedures for managing infrastructure related agreements. In preparation of mid-year, the City's payment strategy for its unfunded liability has been re-evaluated and pertaining recommendations put it back on track with the original intent of the Fiscal Health Response Plan. The division re-worked the Finance website for easier access to financial information including voluntary disclosures. It is currently working on updating its revenue and financial management manuals and is researching the opportunity to include green bonds in its debt policy. The division has also been at the forefront of American Rescue Plan Act funding and applicable use in accordance with the Treasury's Final Rule.

## Budget



The budget division has successfully delivered on its quarterly status reports to Council and has remained nimble in response to the pandemic with careful budget management and fiscal forecasting. The division successfully implemented its new budget software, Questica, in Spring of 2021 and looks forward to completing its first full fiscal year cycle utilizing the program. It is also working on updating the Budget section of the City's internal Financial Management Manual and finding ways to improve efficiencies in the budgeting processes.

<b>Revenue Management</b>	●
<p>The revenue division hired a third full-time employee in September 2021 (50% Accounting/50% Revenue). This new position gives the division the resources needed to enhance its business license and tax management program and enforce compliance, particularly of short-term vacation rentals. Enforcement efforts underway include detecting and seeking out businesses rentals that are operating without a license, including short- and long-term rentals and cannabis delivery drivers. The division also successfully transitioned its Utility Users' tax collection program to a third-party consultant, HDL, in the spring of 2021. The goal of the transition is to improve customer service, enforce penalties on late payments, and allow internal staff to focus on more analytical work. While initial costs associated with getting customers to remit properly were higher than originally anticipated, staff are beginning to see the efficiencies and expect to see overall savings by the end of the fiscal year.</p>	
<b>Purchasing</b>	●
<p>The purchasing division is in the midst of a two-year project effort to update its operating procedures for purchase orders across all departments and divisions. So far, the project has resulted in increased staff efficiencies in the Oracle ERP system and increased compliance with City purchasing policy. During the second half of the fiscal year, the division plans to bring to Council an update to the City's purchasing policy that will further increase efficiencies. Policy change recommendations include increasing approval thresholds and new sections to standardize policies and procedures on contract management, risk management, and insurance, sustainable purchasing, and recycled content procurement required by State mandate SB1383. A local preference policy is scheduled to be heard by Council in the second half of the fiscal year. A project is underway to automate tracking of insurance coverages and compliance which will reduce staff time manually tracking by an estimated 50%. The automation will create a paperless tracking system, which will reduce the City's paper consumption and carbon footprint by approximately 86% from current levels. The division has a vacant Financial Specialist position since two recruitments were unsuccessful in fall 2021. Plans in the second half of the fiscal year are to analyze the role needed and recruit again in spring, with a possible focus on risk management and insurance.</p>	
<b>Accounting</b>	●
<p>The accounting division is categorized as yellow because it continues to face hurdles with the City's financial system and its current configurations, but these hurdles should not undermine the significant process improvements that were made within bank reconciliation and other areas of the system that lead to audit findings. The City continues to work with Oracle's Center for Excellence on an array of configuration and process improvement changes to remedy system shortcomings. The division also implemented additional quality control measures that will ensure accurate and timely financial management until the needed reconfigurations are done. With the help of IT and Oracle Consulting Services (OCS), the division has a planned path forward to achieve system optimization. Over the next six months, staff will focus on the stabilization and reconfiguration of the Human Capital Management/Payroll module and making enhancements to the Capital Projects module. With the adoption of the 2021-22 Budget, the division added a Financial Specialist and a half-time Accounting Assistant. The half-time position is split with Revenue and has been hired. The Financial Specialist position is currently filled with an internal candidate to allow for training and succession planning while the employee's actual position in Accounts Payable is being backfilled with a supplemental employee.</p>	
<b>Support Services &amp; Non-Departmental Expenses</b>	●
<p>The 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 appropriately budgeted for the City's current needs.</p>	

## Fire Department

## Performance Measure Update

Objective	Measure	2020-21 Actual	2021-22 Target	2021-22 Mid-year
Deliver Timely Emergency Response to ensure rapid care and hazard mitigation.  <i>Strategic Goal: Other Department Objectives</i>	Meet the Response Time objective as defined by General Plan Safety Element of 4 minutes to 95% of all lights-and-siren emergencies in the City.	6:17	4:00	6:16
	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.	8:26	7:00	8:35
	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.	2:00	1:00	1:53
	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.	3:12	2:00	3:24
	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.	5:34	4:00	5:35
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%	72%





## Work Program Evaluations

## Fire Administration



**This program is categorized as yellow because additional department resources are needed to continue meeting other department program objectives and priorities, however a staff recommended solution as part of the FY 2022 Mid-Year SOBCs will meet the resource needs improving the program category to green.** Fire Administration consists of four FTEs and plans, directs, and evaluates all Fire Department programs and their activities. The reallocation of staff time and resources to unplanned priorities have required deferring Administration program objectives such as updating the department's 5 year-strategic plan. Specifically, the Fire Chief, Senior Administrative Analyst and Administrative Assistant have been dedicating significant resources to addressing the Disaster Preparedness and Assistance program objectives. Staff included a recommendation to add a full-time ongoing Emergency Manager (1 FTE) to relieve administration staff from this workload as part of the FY22 Mid-Year SOBC requests.



<b>Emergency Response</b>	
<p><b>The program is categorized as yellow due to its underperformance in meeting the Total Response Time (TRT) Performance Measure goals.</b> 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 5<sup>th</sup> fire station or increasing the number of units to help improve travel time. A 5<sup>th</sup> fire station is planned to be added in the Southwest side of the City once the Avila Ranch development project reaches 80% occupancy levels. To help meet turnout time, staff is working to identify improvements to assist in meeting response time expectations including frequently scheduled performance reports and implementing improvement plans if deemed necessary. Recently, staff have encountered call processing and turnout time delays due to required COVID-19 EMSA protocols, including call screening and additional PPE donning. Fire department staff will continue to work with Police Department staff to help improve call processing time.</p> <p>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>	
<b>Hazard Prevention</b>	
<p><b>This program is categorized as yellow because it has not been able to fully meet its development review performance targets in FY22 and 2021 calendar year state mandated life safety inspections, however staff recommended solutions as part of the FY 22 Mid-Year SOBCs will meet the resource needs improving the program category to green.</b> Of the 100 mandated inspections, 30 public assemblies and hospitals and assisted living center inspections have not been completed which equates the approximately 50% of a full-time inspector's workload. New projects including hotels, apartments and multi-family condominiums continue to increase the total number of mandated inspections, further hindering the department's ability to keep up with the demand. Simultaneously, the recent annexation of the East Airport Area brought a significant number of new industrial properties into the City that must be inspected by the Fire Department annually. While the department's plan review turnaround times have improved from 65% in 2020 to 72% in 2021 the department has still been unable to meet our goal of 80% as the volume has increased from 566 in 2020 to 630 in 2021. The department is recommending the addition of a half-time fire inspector as part of the FY22 Mid-Year SOBC requests. Without the addition of a half-time fire inspector, the department anticipates that performance in meeting both plan review turnaround times and state mandated life safety inspections will continue to be below target levels. Updated revenue from life-safety inspection fees for R1 Inspections for FY22 provides enough funding to offset any additional costs associated with adding a half-time inspector.</p>	
<b>Training Services</b>	
<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 fitness of fire department employees. The overall program goal is to provide and 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 training staff to conduct functional movement screening, equipment purchases and contracted functional movement training and the department has observed a decrease in the frequency of on-the-job injuries in the short term.</p>	
<b>Recruit Academy</b>	
<p><b>This program is categorized as yellow because while the budget is currently insufficient to cover the operating expenses for the program, however staff has identified a funding source to cover the</b></p>	

<p><b>unplanned expenses and has included a request as part of the FY2022 Mid-Year SOBCs.</b> The non-staffed Recruit Academy Program is responsible for coordinating and completing the training of new hire firefighters. The normal budget for this program is based on the hiring of four new firefighter recruits. When the FY22 budget was being developed, staff anticipated the number to increase to 6 recruit firefighters and adjusted the budget accordingly. After the budget was finalized, unanticipated retirements and resignations resulted in the need to hire a total of 9 recruit firefighters. With a cost of \$10,000 to outfit each recruit firefighter with the appropriate personal protective equipment, the department will need approximately \$30,000 in additional funding (as recommended by staff on the FY22 SOBC requests) to offset the total cost of the program. If approved by Council, staff will utilize the Public Safety Equipment Replacement Fund to cover these costs. This budgetary change will bring the program category to green.</p>	
<b>Fire Apparatus Services</b>	●
<p>The 2 FTE staffed Fire Apparatus Program performs fire apparatus services, maintenance and repair of light and heavy fire apparatus and vehicles. The budget is currently enough to meet the overall program objectives and activities.</p>	
<b>Fire Station Facilities Support</b>	●
<p>The non-staffed Fire Stations Facilities Support Program manages and maintains the City's four fire station facilities, their grounds and miscellaneous related equipment, appliances, and furnishings. The budget is currently enough to meet the overall program objectives and activities.</p>	
<b>Disaster Preparedness and Assistance</b>	●
<p><b>This program is categorized as yellow however staff recommended an ongoing solution as part of the FY 22 Mid-Year SOBCs will meet the resource needs improving the program category to green. The budget is currently sufficient to meet the overall program objectives and activities only due to the support provided by Fire Administration Staff including the Fire Chief, Deputy Fire Chief, Senior Administrative Analyst and Administrative Assistant and temporary funding to assist with the program is set to expire at the end of FY23 Additionally, COVID-19 health and safety concerns have delayed several scheduled trainings for both City staff and the Community.</b> The non-staffed Disaster Preparedness and Assistance Program has three areas of focus: 1) ensures that 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) provides information and education on disaster preparedness, and fire safety to 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. Staff has continued attempting to fill these responsibilities with existing staff and resources, however resource capacity has limited staff's ability to accomplish much of the program's mission. Without a full-time emergency manager, the fire department has been unable to implement many areas of improvement learned from Emergency Operation Center Exercises including but not limited to: increasing City staff understanding of emergency plans, roles and responsibilities, updating EOC position kits, provide additional position-specific training for key city staff, pre-develop objectives, updating maps, and improve EOC functionality. Additionally, a full-time emergency manager is needed to ensure plans continue to be regularly reviewed, updated and implemented such as the City's Local Hazard Mitigation Plan, Community Wildfire Protection Plan and Comprehensive Disaster Leadership Plan. As part of the 2021-23 Financial Plan, the department is utilizing temporary program funding to contract disaster preparedness services to help prepare City staff for Emergency Operation Center activations, including the coordination of grant-funded training at the FEMA Emergency Management Institute located in Emmitsburg, MD.</p>	

## Human Resources Department

## Performance Measure Update

Objective	Measure	2020-21 Actual	2021-22 Target	2021-22 Mid-year
Integrated HR Services	Average days between injury and Workers' Compensation claim filed.	9	4	4
	Achieved lower severity of Workers' Compensation claims than the risk pool	Yes	Yes	*See Risk Management
	Annual liability claims payment under the Self-Insured Retention amount.	No	Yes	Yes
Employee Development & Growth	Percentage of On-Time Employee Performance Evaluations	88%	95%	87%
	Percentage of Internal Promotions	48%	40%	47%
	Training Sessions Coordinated	29	35	14
Engaged and Aware Culture	Number of Policies Communicated	9	5	4
	Informational Sessions Coordinated	122	80	214

## Work Program Evaluations

## Human Resources Administration



At the end of FY21, the program was in yellow status due to the need for increased staffing to enable proactive human resource support for all City departments. It remains in yellow status due to significant new demands in recruitment, retention, and COVID-19 management. While these conditions are expected to be temporary, staff will be monitoring trends closely to determine actions to address these for the longer term if necessary. Human Resources provides support throughout the organization on benefits administration and compensation, recruitment, labor relations, performance management, training and development, and legal compliance. As approved in the 2021-23 Financial Plan, staff have been added, responsibilities have been reassigned, and employees are transitioning into roles tailored to achieve the best mix of knowledge and skills to meet Departmental goals for the remainder of the year; however, it is unclear when this increased demand for staffing will subside. Meanwhile, the Department has been collaborating with the rest of the organization to assess needs and whether longer term support is needed. The Department continues to partner with the Centre for Organization Effectiveness to provide professional development trainings for employees across the organization, held a kick-off of the first quarterly management meeting, and has made progress towards more successful onboarding and offboarding processes. Staff also continues to promote enhancement of the Oracle Human Capital Management system. The COVID-19 pandemic has continued to evolve in unpredictable ways. The more contagious Omicron variant and subsequent increase in infections and exposures among staff have increased efforts to ensure healthy work environment and uninterrupted services to the community. These have included expanded contact tracing, preventative rapid testing, take-home rapid tests, and virtual proctoring; updating of health screenings; guidance for supervisors; remote work policies; development and implementation of paid leave policies; an updated COVID-19 Prevention Plan; and communications with current information for staff. Staff will review the data and trends provided by local and state public health agencies and other governing agencies to guide us in decision making about future needs for support.

**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. Yoga classes resumed when feasible, and ergonomic assessments were coordinated through the California Joint Powers Insurance Association (CJPIA). Since the beginning of the fiscal year, several new pieces of equipment were added to both wellness rooms, and provisions for safe use of the rooms during COVID-19 were communicated so staff could safely enjoy the new equipment. CJPIA-funded preventative mental health services were offered to employees in the Police Department to help staff following the officer fatality at the end of the last fiscal year; this was a valuable resource and efforts are underway to provide it more broadly on a longer-term basis. The Department received feedback from City leadership for representatives from each department to serve on the City's SLO Healthy and Smart (SLO HAS) Committee. These committee members represent a diverse selection of roles across all departments and will be working together to advance the healthy and smart culture across the organization. The functional mobility program at the Fire Department continues to show reductions in injuries and promotes safety. It has adapted to COVID conditions and provides personal assessments, as well as group and individualized training. Staff was honored to present the program to other members of the CJPIA at its annual conference.

**Insurance Fund**

The Insurance Fund includes all insurance-related expenses and reserves for current claims, potential settlements, and insurance premiums. Within the Fund is a Self-Insured Retention (SIR) from which excess liability claims are paid. At mid-year, over 50% of the SIR has been expended and some higher value claims have been filed recently, so future liability claims, and their outcomes will be closely monitored for fiscal impacts in upcoming months. Staff anticipates there may be future increases in Workers' Compensation expenses in the upcoming year due to several factors, such as the uptick in wildfires and firefighters' exposure to injury, increases in payroll costs, and the fatality within the Police Department among other factors that influence rates. However, the Insurance Fund is substantial and sufficient to cover all known and anticipated expenses, including claims paid from the SIR. The balance was established to sustain fluctuations in claims and related expenses and reflects a 75% confidence level based on trends over the previous five years. To minimize insurance claims and expenditures from the Fund, staff also 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 the City has adequate insurance coverage for its protection.

## Parks and Recreation Department

## Performance Measure Update

Objective	Measure	2020-21 Actual	2021-22 Target	2021-22 Mid-year
Provide inclusive, accessible programming that serves the whole community.  <i>Strategic Goal: Programming is Directed to Diverse Users (P&amp;R Strategic Plan Goal), DEI and Economic Vitality MCGs</i>	# of Department Community Events	15	20	7 <sup>20</sup>
	# of non-profit permitted Facility Uses	15*	120	25
	# of program registrations	2075	3,200	1626 <sup>20</sup>
	# of program offerings	258	300	222 <sup>20</sup>
	# of childcare spots filled/offered	152/152*	1085 /1085	1483
	# of children receiving subsidy	22 CAPSLO* 27 City scholarship	51 CAPSLO 27 City scholarship	44 CAPSLO 22 City Scholarship
In Coordination with Public Works, engage the public to prioritize new and revitalized Recreational Amenities  <i>Strategic Goal: Expand Parks &amp; Facilities (P&amp;R Strategic Plan Goal), MCG Economic Stability</i>	# of public outreach meetings	5	6	5
	# of updated or new parks and amenities in process	3	4	3
Creates and fosters a sense of community through citizen involvement  <i>Strategic Goal: Maximize Community Resources &amp; Collaborations (P&amp;R Strategic Plan Goal)</i>	# of volunteers/hours	11/22hrs*	100/400hrs	28/939 hours <sup>21</sup>
	# of temporary Public Art or Cultural Art Events	4	5	3
Leverage technology to engage the community and promote program offerings  <i>Strategic Goal: Programming is Directed to Diverse Users (P&amp;R Strategic Plan Goal)</i>	# of Instagram followers	5,507	6,700	6,087
	# of Facebook followers	4,547	4,890	3,800 <sup>22</sup>
	# of Virtual Program Offerings	15	15	1
Open Space Preservation and Enhancement  <i>Strategic Goal: Nurture Open Space (P&amp;R Strategic Plan Goal), Climate Action MCG</i>	# of miles of Open Space trails maintained	60	61	61
	# of staff hours dedicated to fuel reduction	304	2,500	326
	# of encampment site clean-ups removed from Open Spaces	125	60	224

<sup>20</sup> As of 12/17/2021<sup>21</sup> Community Services - 28 volunteers; 110 hrs. Rangers: 829 hrs.<sup>22</sup> Facebook got rid of "Follows" and only does "likes" now so that is why this metric is lower.

Work Program Evaluations	
<b>Recreation Administration</b>	●
<p>The Recreation Administration Program recently completed the new master plan and general plan update and entitled the “Parks &amp; Recreation Blueprint for the Future: 2021-2041”. The blueprint identifies short, mid, and long-term priorities for parks and recreation amenity and facility upgrades and additions to address the needs of the community. The blueprint assists staff and the PRC with the prioritization of projects and will serve to guide staff in the creation of the department Strategic Plan. In addition to the Blueprint, staff applied for and received two grants to enhance two downtown park locations. The NFC Fitness Court grant provided \$25,000 to supplement the existing CIP project to replace the fitness equipment at Emerson Park. The other grant was the Prop 68 State Park grant that awarded \$177,952 to provide upgraded amenities to Mitchell Park.</p>	
<b>Facilities</b>	●
<p>The Facilities Division has reopened all indoor and outdoor facilities for permitted reservations and staffing. The Division continues to support the Open SLO Program through the set-up, maintenance, and clean-up of the Downtown Dining program in Mission Plaza – operated weekly. Community youth and adult sports have returned to standard facility uses without capacity restrictions for fields and courts. The Library Conference and Community rooms, in addition to the Ludwick Community Center, are open to the community for social gatherings, meetings, and general uses. The Division is also accepting reservations for events at the Jack House for the upcoming 2022 season. Starting in January, the Parks and Recreation Department offices will be closed for the rehabilitation project. Staff and all operations will be moved to the Ludwick Community Center for duration of the project, restricting public reservations for the facility. With staffing restructures within the Parks and Recreation Department, City-Wide Special Events are now being processed within the Facility Division. City-Wide Special Events are Special Events permitted by the City that are organized by Community Organizations and separate Community Events operated by the Parks and Recreation department.</p>	
<b>Youth Services</b>	●
<p><b>This division is categorized as yellow because the program is facing recruitment and retention challenges.</b> With new full-time Site Directors, retention of these positions has been successful; however, finding in-classroom supplemental staff who are qualified to work as Aides, Teachers and Head Teachers has been extremely challenging, leaving numerous children on waitlists. Recruitment challenges are exacerbated due to the nature of Youth Services staff duties and the higher exposure risk during a pandemic. In addition, many Youth Services staff are Cal Poly students and scheduling around academic calendars can be challenging. With childcare at the center of the community’s economic recovery goal, Youth Services staff continue to provide care for before and after school as well as school breaks. Due to limited staff and remaining CDC guidance, program size is still limited resulting in children on the waitlists. California state licensed facilities are currently provided on five SLCUSD school sites, in 10-15 classrooms. Youth Services staff continues to look for creative solutions to accommodate as many children as possible to allow more children into the program off current waitlists. 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, and large group management.</p>	
<b>Community Services</b>	●
<p><b>Community Services is categorized as yellow due to limited staff and impacts related to Covid-induced program changes and one-time initiatives to support childcare and shift in programming from leagues to clinics.</b> Many of the CS Division staff were reassigned to support childcare and after school types of programming this past year. In a typical year, the Community Services Division hosts a variety of community-based events, manages youth and adult athletic leagues and recreational activities, promotes healthy</p>	



lifestyles and social interactions, coordinates city-wide volunteer opportunities, and serves as liaison to the Jack House Advisory Committee and Senior Center Board. With the loss of volunteers at the Senior Center, the Senior Board is unable to provide the programming that they would like and continue to request additional support from City staff. In addition, as community sports and community events are needed to match community requests and support the Parks and Recreation Blueprint to the Future, the role of the Community Services Supervisor is being impacted through more smaller events and sport related activities/classes. In addition, due to two key FTE resignations, the CS Division has a new Supervisor, Coordinator, and two vacant positions in Specialist (LBT) roles. The Public Art Program signed a 2-year contract to collaborate with SLOMA for downtown and large art installations. Two key public art projects were completed with this new partnership: Momma Mobius sculpture and the Seven Sisters wall mural.

#### Ranger Service



With the adoption of the 2021-23 Financial Plan, much needed additional staff were approved and hired to maintain and patrol the City's expanded public access (new property and trails), increased encampments in the open space, and increased open space usage. The Ranger Service program achieved Maintenance Plan objectives with new built trails at both Waddell and Miossi open space and recently announced the public opening of the Miossi open space. The Ranger Service division continues to dedicate resources to clean up trash and debris in the City's Open Spaces and creeks. Staff are in the process of planning and developing new trails at Righetti, Miossi/Cal Poly connection and Irish Hills. In addition, the pilot "Winter Evening Access" program was approved by City Council to be permanent, and staff spent time preparing educational resources and evening staffing to support the program.

#### Aquatics



**This division is categorized as yellow because the program is facing recruitment and retention challenges which ultimately impact operational hours.** The Aquatic Division continues to operate aquatic programming with modified County Public Health guidelines. Starting in July 2021, standard aquatic programming resumed with traditional capacity restrictions, recreational swim and group swim lessons. Due to a local and national lifeguard and overall workforce shortage, the SLO Swim Center has been operating a modified programming schedule since September 2021. Pool hours were reduced for the 50-meter and therapy pool in order to maintain the required swimmer to lifeguard ratio. The Aquatics Division has been actively recruiting and hiring additional lifeguard staff and added additional hours in December 2021. Staff anticipate a return to normal programming hours by Spring 2022. Management continues to provide monthly staff trainings including First Aid, CPR, water rescue techniques, customer service and diversity trainings. Staff offer public lifeguard training courses throughout the year.

#### Golf Course



**This division is categorized as yellow due to the continued challenges associated with the aging irrigation infrastructure at the course. This project will be evaluated for supplement funding or carryover funding for 2022-2023.** The Laguna Lake Golf Course (LLGC) has returned to standard programming hours with no restrictions to physical distancing on the course. The golf course has been affected by the national turf seed shortage that have occurred due to the pandemic and climate change weather events. Global supply chains have impacted the golf ball supplies as well. Golf Course operation recently implemented a new golf course reservation and retail system at the course that will better the customer experience. Staff anticipate a new golf course concessionaire to begin offering services at the course by February 2022. Golf management continue to implement new programming at the course for new users including upgrades to the driving range, weekly Night Golf, golf and disc golf tournaments, and youth golf clinics. In Fall 2021, maintenance purchased a hydro excavator that will reduce staff time and physical labor needed to expose irrigation leaks and minimize the amount of time irrigation at the course is turned off to fix leaks.

## Police Department

## Performance Measure Updates

Objective	Measure	2020-21 Actual	2021-22 Target or forecast	2021-22 Mid Year*
<b>Reduce Crime</b> <i>Strategic Goal: Economic Recovery, Department Mission</i>	# of total Part I Crime by year. <sup>23</sup>	1,825	<1,825	999
<b>Provide safe roadways for pedestrians, vehicles, and bicyclists.</b> <i>Strategic Goal: Patrol Objectives, Department Mission</i>	# of total traffic collisions.	Vehicle: 288	Vehicle: <500	148
		Pedestrian: 19	Pedestrian: <30	19
		Bicycle: 44	Bicycle: <42	24
	# of targeted enforcement operations conducted under the Office of Traffic Safety Grant per year	DUI Checkpoints: 2	DUI Checkpoints: 2	1
		DUI Saturation Patrols: 21	DUI Saturation Patrols: 28	5
		Traffic Enforcement Operations: 10	Traffic Enforcement Operations: 8	3
		Motorcycle Safety Enforcement: 2	Motorcycle Safety Enforcement: 2	n/a <sup>24</sup>
		Bicycle & Pedestrian Enforcement: 4	Bicycle & Pedestrian Enforcement: 5	3
<b>Reduce Homeless related Calls for Service through proactive engagement.</b> <i>Strategic Goal: Economic Recovery, Department Mission, Patrol Objective</i>	# calls related to homelessness	7344	7200	2625
	# of unique individuals contacted by CAT	524	600	199
	# of Family & Agency Reunification	56	60	9
	# of Local Permanent Housing	26	28	5
	# of major camp cleanups	6	10	9 <sup>25</sup>
	# of Mental Health/Substance Abuse Treatment Referrals	146	160	54

\*Figures shown for Mid-Year includes data from July – November 2021.

<sup>23</sup> Part 1 Crimes include: homicide, forcible rape, robbery, aggravated assault, burglary, and motor vehicle theft. Figures shown represent calendar year.

<sup>24</sup> Staff anticipated two motorcycle safety enforcement operations to be conducted under the grant, however, these operations were not part of the grant objectives for FY 22.

<sup>25</sup> Also includes two clean ups conducted by Cal Trans.



Work Program Evaluations	
<b>Police Administration</b>	●
<p>The Training/Hiring Manager has been very busy working to fill vacancies in both Patrol and Dispatch. Since July, staff has been working to fill eleven police officer positions (nine vacancies and two over hires). Three officers will graduate the police academy in mid-December and two more will start a new academy session in January. Additionally, there are several lateral officers currently going through a background check process. Of the three vacant dispatcher positions, one has just been filled and there are others currently in the background check process.</p> <p>The Administrative Captain position remains unfilled, the Patrol Captain is currently overseeing both department bureaus (Patrol and Administration). Although the workload has increased for the Captain, Administration continues to meet objectives. Staff anticipates filling this vacancy early next fiscal year as other positions are filled.</p>	
<b>Patrol</b>	●
<p>Patrol has experienced low staffing levels due to several vacant officer positions and long-term worker's compensation absences. Filling shifts to ensure minimum staffing levels has been challenging and on-duty officers are feeling the strain from working consecutive days of overtime. Overtime costs will continue to increase until vacancies are filled with officers who have completed training and are able to work shifts on their own. Looking at the same time period (July to mid-December) in FY 20-21 compared to FY 21-22, department overtime has increased close to 1000 hours. The main reason for the increase has been related to shift coverage. There was a 21.5% increase in Worker's Compensation hours in this current fiscal year (same time period July – Dec) compared to last year. The department hired three cadets in late June to fill vacancies, however these cadets were in the academy and could not work to cover shifts. The cadets will graduate mid-December.</p> <p>There were also two officers unable to work due to being placed on Administrative Leave; one officer was out for approximately four months (July – Oct) and the other was out for three months (Jul – Sept). Staff anticipates all vacancies will be filled and new officers will be ready to begin working independently in early to mid-February. All remaining officers in training or on leave should be released and field deployed to patrol in July 2022.</p> <p>The hiring process for a second mental health clinician position for the department's Community Action Team (CAT) has been underway and there were some delays with the service provider. The City's Homelessness Response Manager is currently working to award the contract and staff anticipates this clinician will start working with CAT next month.</p>	
<b>Investigations</b>	●
<p>Investigations has been working to meet all objectives, although it has been challenging to provide public awareness and training opportunities to the community due to Covid-19 restrictions. The team has been actively working on cases related to homicide, sexual assaults, child abuse, and property crimes. The Special Enforcement Team has been active identifying crime trends, investigating thefts and illegal drug activity.</p>	
<b>Support Services</b>	●
<p>The Support Services program (Records and Dispatch) is categorized as yellow due to current staffing shortages. The two Records Clerks who were hired in early 2021 have been in training and will soon be working independently. Once this happens, the department will be able to begin the hiring process for the new Lead Records Clerk position (unfilled since July).</p>	

Like the Records section, Dispatch has also been struggling with staffing shortages and covering shifts continues to be a challenge. Fortunately, a new dispatcher was hired in December and there are other candidates in the background check process to fill the other two vacancies.

#### Neighborhood Outreach



The Neighborhood Outreach division is meeting objectives and continues to increase social media communications. Calls related to noise complaints for the calendar year totaled 1417, a 7% decrease from 2020. 143 noise citations were issued in the calendar year and 146 disturbance advisement card warnings.

Party registration was reinstated in July 2021 and continues to be an excellent tool for residents to use in planning social events. 169 party reg applications were approved between July and December resulting in 22 warning phone calls and 4 citations.

#### Traffic Safety



Traffic Safety is meeting all objectives, but staffing resources are limited due to officers needed to cover shifts in Patrol. Two officers and a sergeant are supposed to be assigned to the Traffic division, however, due to staffing shortages in patrol this has been reduced to only one officer and a sergeant. Once patrol is fully staffed and all new officers have completed training, staff intends to reassign the second officer back to 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.

## Public Works

## Performance Measure Update

Objective	Measure	FY 20-21 Actual	FY 21-22 Target	FY 21-22 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> <i>Strategic Goal: Enhance Safe &amp; Efficient Transportation (PW Strategic Plan)</i>	Pavement Condition Index	74	74	73
	Bicycle network in total miles (Class I/II/III/IV)	11/28.4/25/0.1	12.4/28.9/24.6/2.1	11.8/29.2/25.0/.1
	Street miles maintained	134	135	135
Enhance the City's Urban Forest and maintains visually appealing public spaces.  <i>MCG: Climate Action</i> <i>Strategic Goal: Proactively Manage Assets (PW Strategic Plan)</i>	# of trees maintained	20,000	20,250	20,300
	Total acreage of park inventory	582	583	583
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> <i>Strategic Goal: Connect with our Community (PW Strategic Plan)</i>	Total value of CIP Managed	\$28M	\$59M	\$17.7M

## Work Program Evaluations

<b>Public Works Administration</b>	
Over the last six months, Public Works Administration realized salary savings as a result of the Deputy Public Works Director (City Engineer) vacancy. All other positions are filled, and the program is successfully meeting its core services and objectives. Public Works Administration has been working with Management Partners to determine necessary changes to the CIP program to enable it to deliver the City's expanded CIP as a result of the passage of Measure G20. The final report was submitted to the City in August and staff is working through the adoption process. A process improvement manager was hired in November to lead the implementation of the report's recommendations. A copy of the report will be provided to Council on February 1, 2022.	
<b>Parks Maintenance</b>	
Over the past six months, the Parks Maintenance program has continued to successfully provide the community with safe park facilities, and well-maintained parks. Staff has promptly addressed broken playground equipment to ensure the continued enjoyment of safe parks. Parks Maintenance staff has been covering the workload for the Parks Maintenance Specialist and Facilities Aide vacancies. The Parks Maintenance program has had to respond to unanticipated failing irrigation systems and has had to replace stolen and vandalized restroom fixtures and other park amenities. Discarded items and residual campgrounds have severely impacted resources. Reduced precipitation has led to higher-than-normal irrigation costs for the first part of the year and staff is closely monitoring this variance. Staff	

vacancies, unanticipated failing irrigation and lower than anticipated rain have resulted in the need for additional resources to continue to maintain work program tasks.

#### Swim Center Maintenance



The Swim Center Maintenance program continues to provide a safe and clean aquatic facility for the public's use while remaining on track with its budget. Because a large percentage of the operating budget is for utilities and supply costs, there may be budget variances as overhead costs increase. Staffing levels remain relatively stable with the program technician needing to assist the Facilities Program as it has had prolonged staffing vacancies. The Program successfully completed the annual maintenance closure, which was used for the replacement of the main pool's expansion joint. This joint is typically a weak link in Olympic sized swimming pools and the City was one of the first pools to install a new foam technology for this application. The replacement of the Therapy Pool Boiler occurred at the end of last calendar year which significantly increase reliability and efficiency. Some challenges and technical adjustments are being made to the Therapy Pool Boiler.

#### Urban Forest Services



The Urban Forest Program continues to operate in a limited staffing capacity as was expected for a majority of the 2021-22 Fiscal Year. Doing so has given the City the opportunity to assess the current program structure and look for operational efficiencies. The City expects to conclude the Organizational Assessment in Winter 2022 and will present in Spring 2022, in line with the initiation of an update to the City's tree inventory. Both efforts will be incorporated into the Urban Forest Long-Range Plan that is being undertaken by the Administration and Public Works Departments. The program has also recently contracted with a new tree service contractor who is performing a majority of the reactive and preventive pruning.

#### Facilities Maintenance



Facilities Maintenance is currently recruiting for its last maintenance technician vacancy. Recently, the program promoted a senior technician to Supervisor and hired for a vacant technician position. Because the program has had staffing vacancies for a prolonged period, the program is outsourcing more work to contractors to manage the workload. Facilities Maintenance will continue to utilize contract services while training new staff on program operations. As the City grows facility square footage, complexity of building systems, and work requests increase, response times and preventative maintenance must be adjusted accordingly. The Facilities Maintenance team was heavily impacted this year by COVID and did a large amount of work to improve the facilities to protect employees and community members. The program maintains approximately 230,000 square feet of buildings with four technicians in the program under regular staffing levels.

#### Streets & Sidewalk Maintenance



The Streets Maintenance Program is close to completing sidewalk and pavement work in pavement zone 7, staff anticipates completion in January 2022. The project was slightly delayed by a Utilities CIP project that took place in the zone. This work includes asphalt patching, sidewalk repair, sign replacement, and curb painting. As of November 2021, Streets completed all annual storm prep work including the cleaning of rock guards and delivering sandbag piles. During rain events, the Streets Maintenance Program performs storm patrol and responds to numerous service requests. The program also completes trash and green waste management for the corporation yard and manages the metal recycling program. The Streets Maintenance Program has provided traffic control support for numerous downtown projects to aid with the City's economic recovery. This program will likely exceed

the budgeted amount for overtime, which was a result of downtown leaf litter by inhouse staff and Farmer's Market traffic control. Expenditures in other areas will be reduced to keep work efforts in alignment with program budgets.

#### Traffic Signals & Lighting



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 installing the third Pedestrian Hybrid Beacon in the city at Broad/Woodbridge. Several new streetlights have been installed this year as part of new development, and several additional City-led streetlight installations in neighborhoods near Cal Poly are currently in design. The City's first solar-powered path lighting was recently installed along the new Madonna Road shared-use path and the PW Department plans to install several others as part of upcoming CIP projects (Anholm Greenway, RRST and Bob Jones Trail Path Lighting Projects) during the 2021-23 work program. Further, staff plans to incorporate a standard plan for solar path lighting as part of the 2022 Engineering Standards update and is continuing to explore standard solar options for standard streetlights.

#### Fleet Maintenance



This program is responsible for purchasing, outfitting, maintenance, and repair of the 340 City owned assets. Other responsibilities include emissions reporting, maintenance of the Corp Yard fuel pumps and car wash, hazardous waste handling and disposal, and parts inventory. With the exception of the recently approved Intern position, Fleet Maintenance is now fully staffed with mechanics, which includes one new contract Heavy Equipment Mechanic. The two new mechanics joined the program towards the end of the calendar year, which will help the department get caught up on backlogged work orders. Staff performs on average 45-60 preventative work orders each month, along with repairing assets that are a result of unscheduled breakdowns. Outside vendors and overtime work assisted the program keeping up with the demand during the staffing vacancies. Although fuel prices have risen considerably, the fuel budget appears to be tracking correctly and no increases are needed at this time. Timely procurement of scheduled vehicle replacement has been impacted by increased vehicle costs, staff is requesting additional funds to account for this phenomena.

#### CIP Engineering



The CIP Engineering Program continues to work on and deliver Capital Improvement Projects funded for design and construction. During the first quarter of FY 2021-22, several construction projects have been completed including the Terrace Hill Pipeline and Pressure Reducing Valve Rehabilitation, the Bee Bee/Cuesta/Loomis Waterline Replacement, and the Silt Removal 2021 project. Additionally, many projects are currently in construction including but not limited to the 2021 Downtown Pavement Improvements Project, Laguna Lake 2021 Maintenance Dredging Project, and the Railroad Safety Trail Taft to Pepper Project. Inspection staff continue to review and monitor private and public projects in construction including large developments such as San Luis Ranch and Avila Ranch. Development and construction activities throughout the city continues to remain at high thresholds as shown over the past few years. Additionally, the program has seen an increase in the overall CIP budget due to approval of Measure G20. This has greatly increased workload of existing staff and warranted the need for additional resources to fill staffing deficiencies. The program has one vacant contract engineering inspector position, two vacant full time engineer positions, as well as one individual working in an active role for another position. In an effort to mitigate the staffing shortages, several projects are being managed by outside consultant services to continue progress during design. The increase in budget prompted a program wide assessment. A consultant was hired to do a thorough review of the

program's structure and organization. The assessment of the program provided 53 recommendations for process improvement and re-organization of the program structure. **The program is categorized is red due to the expanded workload associated with the passage of Measure G20; recommendations will be presented to Council in early 2022 in order to address the operational deficiencies currently present in the program and allocate additional resources to the program. While funding was allocated to mitigate the impacts of an expanded CIP the program is still in the process of transitioning to a permanent staffing structure more in line with the increased workload.**



#### Transportation Planning & Engineering



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, and ongoing implementation of the City's Open SLO COVID-19 response effort. Program highlights during the first half of the 2021-22 fiscal year include completion of the Broad/Woodbridge Crossing and progress with construction of the Railroad Safety Trail (Taft to Pepper), Orcutt/Tank Farm Roundabout, and 2021 Downtown Paving Project. Staff has also made progress with final design of several other projects expected to start construction in 2022, such as the Anholm Neighborhood Greenway, Pedestrian Crossing Improvements (upgrades at 7 uncontrolled pedestrian crossings), Higuera Two-Way Left-Turn Lane Widening (Bridge to Elks), 2022 Paving Project, and multiple traffic safety and neighborhood traffic management projects. Staff has also begun preliminary planning and design for protected bike lane projects on the South Higuera and Foothill corridors, with potential implementation in 2023. Finally, staff is in the process of developing a permanent parklet program for Council consideration and potential adoption in 2022.

While the Program has made significant progress on many fronts and is fully staffed, the team is beginning to face challenges keeping up with project schedules and requests from community members due to unprecedented workload levels with several large capital projects in construction and design, a persistent stream of development-related responsibilities (from entitlement review, to infrastructure financing/development agreements, to improvement plan review, to in-field construction and traffic control support), and addition of new responsibilities such as development and implementation of the Open SLO parklet program. The Program workload is likely to continue at this level with increases in funding from the passage of Measure G-20. Staff plans to present recommendations/requests to Council in early 2022 for additional resources in order to address the operational challenges currently present in the program and allocate additional resources to the program where appropriate.

## Parking and Transit

Work Program Evaluation	
<b>Transit Operations and Maintenance</b>	
<p>The Transit Fund continues to operate as expected. There are several issues that the program will face during the remaining of the fiscal year. First, staff will negotiate with First Transit to extend the contract for one year. This will allow sufficient time and continuity for the new Transit Manager to prepare the request for proposals for the transit program. It is anticipated that costs may increase at a minimum of three percent. Secondly, staff will resume to negotiate with Cal Poly for a new long-term transit subsidy agreement. Thirdly, staff is working on the transition of the City's diesel transit fleet to electric transit buses. Given costs of electric buses, the program will likely need to use unappropriated transit fund balance. Lastly, staff will use approximately \$180,000 of unappropriated transit fund balance to relocate the bus stop at Prado Day Center, to fund the current bus shelter Capital Improvement Plan, and the Communications Plan. Staff is currently working with a consultant to conduct an assessment of the transit program covering organizational structure, finances, partnerships, infrastructure planning and the regulatory environment. Bus driver shortages throughout the industry will likely cause disruptions for the foreseeable future.</p>	
Work Program Evaluation	
<b>Parking</b>	
<p>The Parking Fund is tracking in line with the adopted budget, but parking structure revenue is falling slightly behind revenue projections due to staff shortages and equipment issues. The Division has worked to address equipment issues and completed significant software updates and repairs to hardware in November and December that have improved operations and collection of revenues at all structures. The significant revenue enhancement strategies have been implemented including rate increases and expansion of on-street parking enforcement hours. Staff will return at Supplement with a full assessment of impacts the strategies have had on the health of the Fund. Staff is currently not recommending any adjustments to programs as a very limited amount of the financial impacts from these new strategies have been accounted for. Additional part-time parking enforcement staff have been hired and trained to monitor and assist parking operations into the evening hours with full-time parking enforcement positions anticipated to be filled by the beginning of Spring 2022. The Parking Fund has continued to support downtown economic revitalization by providing free parking in the structures on specific days during the holiday season which will have minor impact on overall revenue collection. Parking has completed the rollout of mobile payment technology which allows parkers the ability to pay for and track on-street parking sessions from a mobile device such as a smart phone. Parking will pursue a digital permitting system in Spring 2022 with an anticipated go-live date of Fall 2022. The project to remove abandoned parking meter poles was completed just outside the reporting period on January 14, 2022. The project to convert 842 Palm Street parking structure to a license plate recognition (LPR) based gateless operation is currently active and is on track to be completed by June 2022. Additional funds are being requested to complete the gateless conversion project as material costs are higher than originally budgeted. Parking is also requesting funds to replace the remaining single space parking meters with multi-space pay stations, to execute a new security services contract with expanded nighttime hours with a goal to improve downtown safety, and to create a new supervising parking enforcement position that will oversee all the full-time and part-time parking enforcement staff. The new supervising parking enforcement position is necessitated by the growth of the parking enforcement staff.</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	2019-20 Actual	2020-21 Actual	2021-22 Actual	2021-22 Target	2022-23 Target
Manage Assets Responsibly & Transparently  <i>Strategic Goal: Public Stewardship</i>	Grant and partnership dollars to be obtained to offset rates	\$78,814	\$1,263,187	\$573,618 <sup>26</sup>	\$4,454,168	\$939,368
	Minimize number of Customers Shut-Off for Nonpayment <sup>27</sup>	306	0	0	500	450
	Average Infrastructure Asset Age (years) <sup>28</sup>	21.34	21.26	20.87	20.42	19.92
Connecting the Community to High Quality & Reliable Service  <i>Strategic Goal: Public Service</i>	# Unplanned Service Interruptions <sup>29</sup>	68	49	30	0	0
	# of Sewer Lateral Replacements including Offsets	168	155	57	100	100
	Recycled Water Delivered (AF)	234.71	259.08	130.47	300	325
Foster Leadership, productivity, and opportunity for personal and professional growth.  <i>Strategic Goal: Workforce</i>	% of New Hire Safety Trainings Conducted	N/A <sup>30</sup>	100%	100%	100% <sup>31</sup>	100%
Provide Coworkers and the Community with Information & Opportunities to Participate in Decisions that Impact them  <i>Strategic Goal: Communication</i>	Public Outreach : # of Communications with the Community <sup>32</sup>	120	161	144	170	200

<sup>26</sup> Note that the majority of grant funding that comes in is tied to expenditures and timing of reimbursement requests. If the FY 21-22 target is not met, the Department will likely surpass the FY 22-23 target.

<sup>27</sup> 2019-2020, 2020-2021, and 2021-2022 are artificially low due to the Covid-19 shut-off moratorium. In 2018-2020 (a typical year), there were 533 shut-offs for non-payment.

<sup>28</sup> Average asset age from City fixed assets data. This should decrease each year as assets are replaced.

<sup>29</sup> Includes water main and service line outages; and sanitary sewer overflows.

<sup>30</sup> Did not start tracking until 2020-21.

<sup>31</sup> Goal is to have all safety trainings conducted for all new employees within their first three months of employment.

<sup>32</sup> Includes Facebook posts, blog posts, email bulletins, groundbreaking event, quarterly project reports, the Resource, website news articles, and bill inserts.

Work Program Evaluations	
<b>Water Administration/Engineering</b>	●
<p>The Water Administration/Engineering division is responsible for overall management of the City's drinking water program. This section is comprised of administrative, planning, engineering, and support staff that work together with operations staff to ensure safe drinking water is provided to the community. In addition, this section is responsible for planning efforts designed to ensure adequate water supplies are available for the current and future needs of the City. Major work efforts of this section include implementation of the Groundwater Sustainability Plan, which was adopted by the City Council on December 7, 2021, and submitted to the Department of Water Resources in January 2022. Other work includes the transition from surface water permit to 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>	
<b>Water Source of Supply</b>	●
<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, the Water Quality Lab, and within the Water Resources and Water Admin/Engineering sections. Approximately 98 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. Major source water CIP work efforts currently include the installation of a backup power generator at the Salinas Booster Station, the development of an Emergency Action Plan at Whale Rock Reservoir, and a project to repair and replace drain lines under the Whale Rock Reservoir spillway. Approximately 45 percent of the Source of Supply budget funds debt service for the Nacimiento Water Project, which has been critical in allowing the City to manage the current drought without requiring mandatory water conservation measures. Despite low precipitation to date, the City's water supplies are currently sufficient to provide more than five years of water to the community, which allows the City to remain in the "Monitor" stage of its Water Shortage Contingency Plan.</p>	
<b>Reservoir Operations</b>	●
<p>This three-member section is 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 source water quality and consistent water delivery. At the request of the Division of Safety of Dams (DSOD); Plans and Specifications for Spillway Underdrain Repairs have been produced and submitted for DSOD review and the first draft of the Emergency Action Plan update for Whale Rock Dam has also been submitted for review. Ongoing CIP aimed at maintaining infrastructure safety and reliability includes the replacement of approximately 2,000 feet of fence-line around the reservoir, development of plans for repaving the road to the dam face and plans for draining and cleaning the spillway stilling basin, located at the bottom of the spillway, in preparation for a required inspection. Bids were received in November 2021 for 1,800 feet of fencing replacement which is scheduled to be completed in the spring and staff is currently completing environmental review and permitting for the stilling basin draining project. Work related to repaving the road to the dam face has been delayed as the Utilities Department is in the process of hiring an engineer. In addition to scheduled CIP, Whale Rock staff identified a leak in the Whale rock pipeline just to the south of the City of Morro Bay while conducting routine a pipeline inspection in October. During mid-November the pipeline was taken offline for repairs. Upon excavation of the leak, it was determined that approximately 60 linear feet of pipe needed to be replaced before returning the line to service. Repair efforts were delayed due to a period of extended rainfall which restricted access to the leak location. Leak repairs were completed in</p>	

mid-January and the pipeline was returned to full service. In total the pipeline was offline for approximately two months.	
<b>Water Treatment</b>	●
<p>This 11-member section of the Utilities Department is 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 consumers and Cal Poly with over 2,407 acre-feet of safe, reliable, potable drinking water. The water treatment plant is in the process of implementing the Water Energy Efficient Project. Reflecting the City's fiscal, social, and environmental commitment to sustainability; the Water Energy Efficiency Project is an exciting combination of necessary water treatment plant infrastructure upgrades with energy efficiency and energy savings. Elements of the project, including the replacement of the Ozone disinfection system and plant treated water supply system were completed in the summer of 2021. Upgrades to the Supervisory Control and Data Acquisition (SCADA) system and the installation of Variable Frequency Drives (VFDs) at the transfer pump station are scheduled to be completed in the first half of 2022. Global supply chain issues and shortages of raw materials have been drastically impacting prices of chemicals used in the water treatment process for the first half of the fiscal year. The Water Treatment Plant recently completed successful recruitment of three new Water Treatment Operators. The section was able to utilize hiring incentives to help recruit two Treatment Grade 3 Operators and a Treatment Grade 4 operator in December of 2021. These hiring incentives were helpful in attracting qualified applicants for three critical openings at the Water Treatment Plant during a time period when there has been a shortage of licensed treatment plant operators in the State.</p>	
<b>Water Distribution</b>	●
<p>Water Distribution is a 12-person team responsible for the operation and maintenance of the City's Water Distribution system. This network of pipes, tanks, pumps, valves, meters, and hydrants convey the City's water from the Water Treatment Plant throughout the City to be used for fire protection and domestic use. This system is currently expanding due to new development. In the first half of the fiscal year, the section completed the replacement of approximately 5,000 feet of water main through CIP. This work eliminated an aging water storage tank from the system, improved fire flow, resiliency, and improved water quality through the adjacent pressure zones. The crew repaired or replaced 14 service lines, repaired six water main leaks, performed 3,029 work orders related to establishing water service for new customers, maintained or replaced 211 fire hydrants, replaced 264 aging water meters, and has installed 142 new meters to support development.</p>	
<b>Water Resources</b>	●
<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. The team is also responsible for public outreach and communications regarding the City's drinking water program, which includes radio advertising, social media outreach, special event campaigns, and an interactive sidewalk sticker program. The team assisted with the drafting of the 2020 Urban Water Management Plan which was adopted by City Council in June 2021. Further, the team is involved in the administration of a groundwater contamination study funded through a Proposition 1 grant and is implementing innovative software to investigate parcel-scale water use to create focused conservation programs. Recycled water will be a priority in the upcoming year as the Department moves toward full utilization of the water produced by the upgraded WRRF; including a cost-of-service study and administering a potable reuse implementation planning study.</p>	
<b>Wastewater Administration/Engineering</b>	●
<p>The Wastewater Administration/Engineering program leads, evaluates, and provides guidance and direction for effective water resource management for the various wastewater programs. It provides strategic and long-term planning and engineering for the wastewater and recycled water production.</p>	

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, energy efficiency studies, public outreach and education, the sewer lateral rebate program, departmental asset management standardization, consolidating roles and responsibilities of the Citywide Stormwater Program, and completing water quality laboratory certification while transitioning to The Nelac Institute (TNI) procedures for environmental analysis and documentation. David Hix, the former wastewater division Deputy Director, retired in December 2021 after over 30 years of service with the City. David has been replaced by Chris Lehman. Chris has worked for the City since 2010, and previously served as the WRRF Supervisor since 2018.

#### Wastewater Collection

This nine-member division 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 has provided financial assistance to homeowners who elect to replace their sewer lateral, providing rebates between \$2,000 and \$3,000. Over 80 private sewer lateral replacements receive funding through this program annually. The new (2019) sewer lateral inspection upon sale or transfer ownership requirements have resulted in the disclosure of sewer lateral conditions between buyers and sellers prior to escrow closing, which has resulted in more private sewer lateral replacements than anticipated. From 7/1/2021-1/20/2022, staff has replaced 73 sewer laterals and given 28 lateral rebates. The biggest accomplishment during this FY was the replacement of 4,678ft of sewer main. These programs contribute to reduced inflow and infiltration into the wastewater collection system, meet regulatory requirements, protect human health, and preserve capacity.

#### Environmental Programs

Environmental Programs oversees Pretreatment Industrial Compliance for about 400 industrial users within the City, including six Significant Industrial Users. The Program is also responsible for much of the City's Stormwater Program and took over coordination duties from Administration in the Fall of 2020. This three-member program underwent significant staffing changes in the past year, and at present hosts one Environmental Programs Manager and two Environmental Compliance Inspectors (one currently vacant). Major work efforts center around database updates for both stormwater and pretreatment; evaluating compliance pathways for Pathogen Total Maximum Daily Load (TMDL) reduction in San Luis Obispo Creek; and working with Public Works and Community Development on achieving compliance for the Stormwater Program. Since Fall of 2020, the Stormwater Program has received two Notices of Violation (NOVs) from the State Water Control Board for not meeting requirements set forth in the Phase II MS4 general permit. This includes but is not limited to an incomplete construction site inventory, gaps in construction inspection reporting, and not meeting Post-Construction Stormwater Requirements (PCRs). The Community Services Group continues to actively work towards resolution and is currently on a quarterly technical reporting schedule to achieve compliance with full resolution set for December 2022.

#### 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, Airport, and University, and includes recycled water production. The WRRF is in the third year of a four-year-long construction project designed to address new state regulatory requirements, aging infrastructure, additional capacity to meet the City's General Plan, and provide a community asset in the form of education and water resiliency. The Facility is involved in ongoing energy studies that will assist in reducing energy demands of the new treatment processes. The WRRF continues to collaborate and

support Cal Poly's [award winning](#) on-site research facility, conduct tours when feasible, and to train future treatment professionals through a comprehensive internship program. Global supply chain and transportation disruptions have severely impacted the price of chemicals used in wastewater treatment processes at the WRRF. Although this pricing impact is expected to carry forward into the next fiscal year, the WRRF will also be transitioning away from chemical-based disinfection, which will minimize future fiscal impacts.

#### Utilities Revenue



Utilities Revenue is staffed with two full-time positions and provides support to 16,644 service connections. This includes billing, payment collection, past due processing, and customer service. During the first six months of the fiscal year, this division has continued to focus on efforts to support customers that were financially affected by COVID-19. It provided communication and outreach regarding payment plans, local and statewide assistance programs, as well as the newly implemented Customer Assistance Program in preparation for the return to normal practices in the new year. Most recently, the division secured \$255k in State funding for unpaid water bills through the CA Water Arrearage Program. The division hopes to secure similar funding for wastewater in the next six months. Early in the next year, it plans to transition the payment website, Merchant Transact, to an updated gateway processor that will have many customer benefits and lower costs for the City in the future.

#### Water Quality Lab




The five-member Water Quality Laboratory (WQL) is an Environmental Laboratory Accreditation Program (ELAP) State Certified Laboratory which performs sampling and/or analyses in support of City services including wastewater, recycled water, groundwater, drinking water, San Luis Obispo Creek watershed, protecting public health and biosolids. The WQL operates under regulations ensuring compliance with Federal, State, local regulations, and ELAP. The lab will be transitioning to new ELAP requirements, based on The Nelac Institute (TNI) standards. The TNI standards will focus on policies, procedures, record retention, and improved traceability for all lab related activities. The WQL has expanded service to the City by implementing a COVID-19 wastewater surveillance program and sampling and monitoring of San Luis Obispo Creek to meet the Waste load Allocation and Attainment Program (WAAP) requirements. The COVID-19 surveillance program has been a collaborative effort with the Cal Poly Biological Sciences Department.

#### Solid Waste Recycling



This Program was created in July 2019 to manage the City's solid waste program and associated budget. The program will ensure compliance with Senate Bill 1383, Assembly Bill 18262, and other emerging solid waste regulations. The section also manages the solid waste contract, public outreach, and relationships with external partners such as San Luis Garbage and the IWMA. The section is managed by a Solid Waste and Recycling Coordinator and supervised by the Community Services Group Business Services and Administrative Manager. Over the past year, the section established a permanent Coordinator position, updated the Municipal Code to align with the goals of Senate Bill 1383 and the California Green Building Standards, participated in Green Team and Climate Action Plan strategizing, became a participating member of the IWMA Local Task Force, and continues to be the liaison to the community and Council for questions regarding solid waste and recycling. The use of AB 939 fees is restricted to recycling and waste diversion related work provided to the residents of San Luis Obispo. Facets of the program not directly related to diversion cannot be funded by AB 939 fees and are supported by the General Fund. The future expansion of the City's program is currently being evaluated concurrently with the IWMA's evolution and establishment of roles with its member agencies.

Safety	
<p>Training for the UT Department for has been successful while working through the parameters of Covid-19. The Team was able to complete required training using various methods. CJPIA conducted virtual training for four requirements including: Environmental, Hazard Communication, Trench Excavation Safety, and Energy Control. In-person training was conducted for several training requirements including: First Aid/CPR, NFPA 70E, AC Pipe, Aerial Lift, Fall Protection, Confined Space Entry, Forklift, Respiratory Protection, Spill Prevention, Quad Monitor, and New Hire Training. Virtual and online training methods were utilized to complete annual required training on Fire Extinguishers, Hearing Conservation, Bloodborne Pathogens, and Heat Illness Prevention. New Hires were trained within three months of their hire date. Wastewater Collections worked in collaboration with the Fire Department to conduct Confined Space Entry Rescue Training. Currently, the Safety Engineer position is vacant with an upcoming recruitment scheduled to fill the vacancy.</p>	

## E: CIP UPDATE

Public Works CIP Engineering and Management staff have delivered several projects within the first half of the fiscal year as listed in the table below. There are also a number of projects currently underway. The table below is not inclusive of all capital projects, but is intended to highlight projects that have been completed in the first half of FY 2021-22, ongoing projects currently under construction, and legacy projects that are currently in the planning or design phases.

The amounts in the ‘**Appropriated Project Budget**’ column reflect funding that has been formally moved into a project’s budget. The amounts do not include the total estimated budgets for each project. For example, for projects approved via adoption of the 2021-23 Financial Plan, only the funding approved for FY 2021-22 plus any mid-year adjustments is included. Funding for the project in FY 2022-23 will be appropriated to the project on July 1, 2022, assuming the funding is approved via adoption of the FY 2022-23 budget.

Completed & Ongoing Capital Projects for Q2 FY 2021-22				
ID#	Project	Appropriated Project Budget	Estimated Construction Completion	Additional Comments
1	Terrace Hill Pipeline and Pressure Reducing Valve Rehabilitation	\$720,000	Complete	
2	Fire Station 1 HVAC Replacement	\$140,000	Complete	
3	Bee Bee/Cuesta/Loomis Waterline Replacement	\$1,230,000	Complete	
4	Silt Removal 2021	\$110,000	Complete	
5	Sinsheimer Irrigation and Stadium Drainage	\$650,000	Complete	
6	Broad Street/Woodbridge Pedestrian Hybrid Beacon	\$410,000	Complete	
7	Mission Plaza Railing Upgrades	\$80,000	Complete	
8	Meadow Park Pathway Maintenance	\$380,000	Complete	
9	Laguna Lake 2021 Maintenance Dredging Project	\$605,000	Complete	
10	Meinecke Strom Drain Repair	\$30,000	Complete	
11	Swim Center Therapy Pool Boiler Replacement	\$85,000	Complete	
12	Downtown Parking Meter Pole Removal	\$140,000	Q3 FY22	Construction Ongoing
13	Jeffrey Sewer and Water Replacement	\$1,830,000	Q3 FY22	Construction Ongoing
14	2021 Downtown Pavement Improvement	\$3,190,000	Q3 FY22	Construction Ongoing
15	Energy Efficient Lighting Retrofits - City Hall and Fire Station 1	\$15,000	Q3 FY22	Construction ongoing. Project cost is covered by on-bill financing.
16	Emerson Fitness Park Equipment Replacement	\$280,000	Q3 FY22	Construction Ongoing
17	Railroad Safety Trail Taft to Pepper	\$3,980,000	Q3 FY22	Construction Ongoing



Completed & Ongoing Capital Projects for Q2 FY 2021-22				
ID#	Project	Appropriated Project Budget	Estimated Construction Completion Date	Additional Comments
18	Reservoir 1 Cover Replacement	\$700,000	Q4 FY22	Construction Ongoing
19	Tank Farm Road and Orcutt Roundabout	\$3,510,000	Q4 FY22	Construction Ongoing
20	Parks and Recreation Office Rehabilitation	\$605,000	Q4 FY22	Construction Ongoing
21	Tesla Batteries	\$30,000	Q1 FY23	Construction is anticipated to begin 2024.
22	Calle Joaquin Lift Station Replacement	\$8,534,000	Q2 FY23	Construction Ongoing
23	Wastewater Resource Recovery Facility Upgrade	\$123,331,000	Q3 FY 24	Total construction budget is estimated at \$140 million.
24	Area 6 and 7 Curb Ramps	\$1,000,000	Summer 2022	The appropriated budget is being requested via a Council Agenda Report on February 15, 2022. Construction is anticipated to begin May 2022.
25	Cerro San Luis Greenway	\$3,085,000	Fall 2022	This project was formerly known as 'Anholm Greenway'. Of the appropriated amount, the estimated construction cost is \$2.4 million.
26	Cheng Park Revitalization	\$350,000	Winter 2022	Construction is anticipated to begin Fall 2022
27	North Broad Street Neighborhood Park	\$958,000	Spring 2023	Construction is anticipated to begin Summer 2022.
28	Mission Plaza Restroom and Kiosk Café	\$390,000	Fall 2023	This project is currently under CEQA environmental review and planning application preparation for project entitlements. Design is expected to extend into Spring 2023, with construction beginning late Spring/Summer 2023. The construction budget is \$1,035,000 for appropriation on July 1, 2022.
29	Orcutt Area Park Improvements	\$1,520,000	Winter 2024	Construction is anticipated to begin 2024.
30	California and Taft Roundabout	\$1,413,000	Winter 2024	Construction start is dependent on property acquisition.
31	Palm-Nipomo Parking Structure	\$2,810,000	Fall 2025	The total estimated cost included in 5 Year CIP is \$45.5 million.
32	Prado Road Bridge & Road Widening	\$1,528,000	Winter 2026	The appropriated budget only reflects design costs; total project budget is estimated at \$22 million. Construction is anticipated to begin Fall 2023.
33	Public Safety Center	\$191,000	Fall 2027	Public outreach effort is being scoped and will lead into planning applications, environmental review, and project entitlements. Construction is anticipated to begin Summer 2025 with an estimated budget of \$52 million.
34	Prado Road Interchange	\$1,656,000	Fall 2030	The appropriated budget only reflects design costs; total project budget is estimated at \$72.3 million. The estimated start of construction is in Winter 2025 with a 4 year construction timeframe. This project is required to follow Caltrans review and approval processes.

## F: Major City Goal (MCG) Update

The following table provides an update on all ongoing Major City Goal tasks and all tasks that were scheduled for completion in FY 2021-22. The completion date is the originally scheduled completion date unless otherwise noted. The status of each task (far right column) is based on the following scale:

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

**MCG Key:** ERR= Economic Recovery, Resiliency & Fiscal Sustainability; DEI= Diversity, Equity & Inclusion;  
HH=Housing and Homelessness; CA= Climate Action, Open Space & Sustainable Transportation

MCG	Task	Completion Date	
1	<b>1.1 For all members of the Community</b>		
2	ERR a. Establish a process for the City to recognize and promote Minority-owned businesses.	FY22 Q3	●
3	ERR b. Implement protocols within the City's Office of Economic Development to reach out to existing and new Minority-owned/operated businesses to learn of their experiences operating in SLO, and to identify ways the City can be of support.	FY22 Q3	●
4	ERR c. Evaluate and potentially establish a City Leadership/Chamber of Commerce / Minority Business Owners' roundtable.	FY22 Q4	●
5	ERR e. Update and maintain a listing of resources for BIPOC, LGBTQ+ and other underserved communities on the City's Doing Business section of the website.	Ongoing	●
6	ERR f. Hire a consultant, support legal review, and establish an internal working group and hire a consultant to research methods to support local contractors, local vendors, and labor through workforce agreements, local purchasing requirements, alternative project delivery methods and other options to support local businesses and employees. The Community Services Group will be leading this effort.	FY22 Q4	●
7	ERR g. Develop and implement a scorecard to track visitation to key areas of the City, employment, DEI economic efforts and other relevant economic indicators.	FY22 Q2	●
8	ERR j. Ensure adequate temporary and flex resources available to develop and execute required initiatives.	Ongoing	●
9	<b>1.2 Business Support</b>		
10	ERR a-1. Set aside funding for activations, promotions and programs like "Light Up Downtown", "Buy Local Bonus", Shop local to aid in the recovery from the impacts of COVID-19 through out the City and including downtown.	Ongoing	●
11	ERR a-2. Elevate the promotion and branding of the Economic Development activities of the City highlighting the efforts around Sustainability and DE&I through the website, videos and other collateral. (\$60k communications support for Administration)	F22 Q4	●
12	ERR a-3. Continue to work with our 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	●
13	ERR a-4. Work with REACH and other partners to offset the loss of the Diablo Canyon Nuclear Power plant through business attraction, H-o- H job creation and other relevant efforts.	Ongoing	●
14	ERR a-5. Evaluate the continuation and/or modification of the Open SLO program Fitness in the Parks.	Complete	●
15	ERR a-6. Review transitioning the Business Ambassador program from a COVID response action to an ongoing program with an available hotline as well as an online form option.	Complete	●
16	ERR a-7. Continue to promote the City to tourists, visitors and locals through the efforts of the TBID and the PCC.	Ongoing	●
17	ERR a-8. Provide childcare programming to the community to enable residents to work and fuel the local economy.	Ongoing	●
18	ERR b-1. Continue to implement the TIPP-FAST program to fast track tenant improvement permits and support business recovery. Incorporate subsidies into program when funding is available.	Ongoing	●
19	ERR b-3. Develop a streamlined and easy to understand process for businesses to allow activities encouraged by Open SLO, and other programs implemented in response to Covid-19, to continue - especially in relation to outdoor dining.	Original: FY22 Q1 Updated: FY22 Q4	●
20	ERR b-4. Improve efficiency and transparency in the permitting process through implementation of paperless permitting, performance management reporting, and enhanced customer transparency tools.	FY22 Q4	●
21	ERR b-5. Review and establish policies as required to support broadband to the home to take advantage of the opportunities to work from home to support the Climate Action Plan and Quality of life.	Ongoing	●
22	ERR b-6. Staff Resources to improve permitting efficiency and support development services program capacity	Ongoing	●
23	ERR c-1. Ensure the business community is updated and aware of major City projects (CIP and others) that will impact their operations. Coordinate with business adjusting working hours and construction impacts to reduce impacts.	Ongoing	●

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	MCG	Task	Completion Date	
24	ERR	c-2. Set aside funding for the potential to expand the various Open Slo programs (Parklets, Street closures) to other areas of the City to support business recovery.	Ongoing	●
25		<b>1.3 Arts and Culture Support</b>		
26	ERR	a. Support the recovery of Arts and Cultural activities throughout the City.	Ongoing	●
27	ERR	b. Support the recovery of Arts, Culture and Community programs through a PCC program similar to GIA.	Ongoing	●
28	ERR	c. Continue to support local community non-profit organizations through the Cultural GIA program facilitated by the PCC.	Ongoing	●
29	ERR	d. Roundabout Public Art Installations	Ongoing	●
30		<b>1.4 Downtown Vitality</b>		
31	ERR	a-1. Continue to partner with Downtown SLO to ensure the recovery and growth, and vitality of the Downtown.	Ongoing	●
32	ERR	a-2. Support Downtown SLO in expanding the Holiday "Light up Downtown" program and incentivize private participation through a matching program.(For example \$100K base with \$ for \$ match on \$50K)	Ongoing	●
33	ERR	a-3. Continue the work of the Vacancy and Vibrancy Task force in cooperation with Downtown SLO with a focus on activating and re-leasing vacant store fronts.	Ongoing	●
34	ERR	a-4. Review, evaluate and execute on the outcomes from the Downtown Future Forum ensuring the required public participation and Council approval as needed.	Complete	●
35	ERR	a-5. Continue to enhance and modify the Open SLO program "Downtown Dining" within Mission Plaza as needed to contribute to downtown vitality.	Ongoing	●
36	ERR	a-6. Support the restart of the various Downtown SLO activations like Farmers, Concerts in the Plaza and the Holiday Parade.	Ongoing	●
37	ERR	a-7. Continue to promote the Downtown to tourists, visitors and locals through the efforts of the TBID and the PCC.	Ongoing	●
38	ERR	c-1. Support Arts and Culture in the downtown while ensuring appropriate efforts are made to support DEI through available programs.	Ongoing	●
39	ERR	c-2. Support the recovery of Arts and Cultural activities by working with new and existing community partners.	Ongoing	●
40	ERR	c-3. Activation of public spaces in downtown through events and programming such as pop up activities and temporary public art that celebrates the proliferation of public art.	Ongoing	●
41	ERR	c-4. Explore options of creative placemaking and temporary public art in the downtown i.e. adjacent to Bubblegum Alley and Rose Alley.	Ongoing	●
42	ERR	c-5. Support creation and partnership of a Downtown Mural Program with Downtown SLO and SLOMA.	Ongoing	●
43	ERR	d-1. Develop and present a long-term plan for the initiatives started under the Open SLO like parklets and street closures in the downtown.	Ongoing	●
44	ERR	d-10. Expansion of enforcement to ensure on-street, off-street, and residential compliance and safety and to improve overnight safety in the parking structures	Ongoing	●
45	ERR	d-11. Expansion of maintenance to ensure parking structures and adjoining areas remain safe, clean and orderly (see above for fiscal impact)	Ongoing	●
46	ERR	d-12. Parking structure maintenance at 842 Palm, 871 Palm, and 919 Palm.	Ongoing	●
47	ERR	d-2. Replace the existing Mission Plaza Restrooms in compliance with Mission Plaza Concept Plan and Council Direction.	Ongoing	●
48	ERR	d-3. Construct the new Palm/Nipomo structure in coordination with SLO REP theatre.	Ongoing	●
49	ERR	d-4. Continue with the City banner program.	Ongoing	●
50	ERR	d-5. Establish and implement a plan to make the Zig Zag lights permanent in the current locations as well as other locations in the downtown.	Ongoing	●
51	ERR	d-6. Ensure the downtown business community is updated and aware of major City projects (CIP and others) that will impact their operations and set aside funding to minimize the impacts where possible.	Ongoing	●
52	ERR	d-7. Investigate opportunities to develop a Downtown Wi-Fi Mesh.	Ongoing	●
53	ERR	d-9. Assist with the continuation of Open SLO parklets and courtesy curbside pick up locations	Ongoing	●
54	ERR	e-1. Continue to support the Downtown SLO programs like Clean & Safe, the Ambassadors and homelessness support.	Ongoing	●
55	ERR	e-2. Continue to enhance downtown cleanliness through daily sidewalk scrubbing, street sweeping and trash clean up and the improvement of the existing creek walk.	Ongoing	●
56	ERR	e-3. Continue to provide public safety presence in the downtown. Includes costs of Downtown Bike Patrol, Sergeant, and Officers)	Ongoing	●

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	MCG	Task	Completion Date	
57	ERR	e-4. The Police department will develop an educational program, which will include in-person presentations for business owners (including visitor serving) to know how to deal with situations requiring public safety support. Costs are associated with materials.	Ongoing	●
58	ERR	e-5. Develop a CAT staffing plan with a second social worker, to ensure public safety and social service resources in both the downtown and creek area. FUNDING LISTED IN HOMELESSNESS MCG	Ongoing	●
59	ERR	e-6. Evaluate a plan to reestablish a downtown sub station for public safety. (Potential of adding to Mission Plaza Project)	Ongoing	●
60	ERR	e-7. Track hours worked (regular and overtime hours) by the downtown sergeant and downtown officers and tracking crime statistics.	Ongoing	●
61	ERR	e-8. Downtown safety enhancements - bollards	FY22 Q4	●
62	ERR	e-9. Mission Plaza Railing Replacement	Complete	●
63		<b>1.5 Practicing fiscal responsibility</b>		
64	ERR	a. Practicing fiscal responsibility: The City will continue to focus fiscal sustainability through all work efforts, programs, and the required budget appropriations. It will review its revenue sources ongoingly and maximize collection and return on its investments.	Ongoing	●
65	ERR	b. Staff Resources: Continued enhancements to the Oracle Cloud system through the MOTION program to increase efficiencies and overall effectiveness of the system. Additionally help maintain the City's accounting and financial information.	Ongoing	●
66	ERR	c. Negotiate successor agreements with employee groups in alignment with Council adopted Labor Relations Objectives.	Ongoing	●
67	ERR	d. Complete benchmark compensation survey for SLOCEA, Management, and Confidentials groups.	FY22 Q4	●
68	ERR	e. Continue to monitor and reduce liability and workers' compensation claims through actions aimed at reducing liability and workers' compensation costs.	Ongoing	●
69	ERR	f. Injury Reduction Programs, Compliance Software, Onboarding Software, and transitioning to electronic files	Ongoing	●
70		<b>1.6 Paying down unfunded pension liabilities</b>		
71	ERR	a. Paying down unfunded pension liabilities (includes all funds): The City will work to pay down the unfunded liabilities and allocate additional annual payment in pursuit of a 20-year paydown.	Ongoing	●
72		<b>1.7 Investing in critical infrastructure</b>		
73	ERR	a. Investing in critical infrastructure: The City will invest in critical infrastructure based on the approved 2021-23 CIP or as otherwise directed by the City Council. Projects that 1) facilitate economic recovery, 2) enhance safety, resilience, fire prevention, 3) address past commitments (previously budget, approved planning documents), 4) are partnership projects with a significant portion of the cost covered by private development, 5) address existing core infrastructure maintenance needs and 6) provide positive impact towards climate change goals and/or Diversity Equity and Inclusions needs will be prioritized for inclusion and Council's consideration in the 2021-23 CIP. Specific CIP projects/Investments are included in the relevant task and the overall CIP plan.	Ongoing	●
74	ERR	b. Regional Transit Authority Analysis: The RTA is currently building a Regional Transit HUB 800 feet from the City's SLO Transit Bus Yard. Much of the infrastructure that supports SLO Transit is aged and nearing the end of its lifespan. All transit providers are required to shift the fleet of transit vehicles to zero emission vehicles.  This funding would support the analysis and review of SLO Transit's operations and infrastructure to determine if there may be benefit to sharing infrastructure, equipment or centralizing services to provide increased community services at the same or reduced purchasing requirements, alternative project delivery methods and other options to support local businesses and employees. The Community Services Group will be leading this effort.	FY22 Q4	●
75	ERR	c. Administrative Costs to Support Investment in CIP (Office modifications, Interns)	Ongoing	●
76		<b>2.1 Establish Office of DEI</b>		
77	DEI	a. Design DEI Administration, Function, and Operations of the Office	Original: FY22 Q1 Updated: FY22 Q3	●
78	DEI	b. Develop DEI Base Operating Budget	Original: FY22 Q1 Updated: FY22 Q3	●
79	DEI	c. Identify and secure office space (2000/mo @ 7 mos Y1, 12 mos Y2)	FY22 Q2	●

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MCG	Task	Completion Date	
80	DEI d. Develop positions; Hire Staff	Original: FY22 Q1 Updated: FY22 Q3	●
81	DEI e. Hire Diversity position - 1.0 FTE	Original: FY22 Q1 Updated: FY22 Q3	●
82	DEI f. Hire -DEI Administrative Support - .5 FTE	Original: FY22 Q1 Updated: FY22 Q3	●
83	DEI g. Hire CivicSparks Fellow - Y2 - .75 FTE	FY22 Q4	●
84	DEI h. Hire Interns - Cal Poly, Cuesta, community candidates - .25 FTE - 2 positions Y1 @ midyear / 2 - Y2, full year	FY22 Q3	●
85	DEI j. Create and establish formal and informal activities, outreach, programs, policies, structures to advance equity and inclusion, cultural and systemic anti-racism, and cultural competence in the organization and community, and support underrepresented communities	Ongoing	●
86	DEI k. Implementation of prioritized activities – internal and community-based	Ongoing	●
87	DEI l. Support DEI efforts throughout each department	Ongoing	●
88	DEI m. Coordinate activities of the DEI Employee Committee	Ongoing	●
89	DEI n. Community-based outreach, education, programming	Ongoing	●
90	DEI o. DEI High Impact and GIA grant administration and management	Ongoing	●
91	DEI p. Cal Poly & Cuesta collaborations	Ongoing	●
92	DEI q. Support the HRC	Ongoing	●
93	<b>2.2 Develop &amp; Implement DEI Strategic Plan</b>		
94	DEI a. Conduct needs, priority, and resource assessments. Create comprehensive DEI initiatives and programming for the organization and community.	FY22 Q4	●
95	DEI b. Utilize DEI Task Force Recommendations, Internal D&E Audit as foundation; Cal Poly Experience report and other documents as reference and for benchmarking	FY22 Q4	●
96	DEI c. Present comprehensive plan to City Council for Adoption	FY22 Q2	●
97	DEI d. Create project designs and implementation plans. Identify applicable qualitative and quantitative metrics to measure impact of DEI projects and overall DEI program	FY22 Q2	●
98	DEI e. Begin implementation of prioritized programs and projects; scoped as resources allow. To be determined through Strategic Planning process.	Ongoing	●
99	<b>2.3 Workforce Recruitment &amp; Retention</b>		
100	DEI a. Improve DEI-Focused Recruitment, Screening, Hiring Practices	Ongoing	●
101	DEI b. Improve DEI-focused language in job descriptions, announcements and other recruitment materials. Identify gaps and opportunities to increase inclusivity in materials. - supported by consultant, 2.1.4.g	Ongoing	●
102	DEI c. Provide DEI-focused screening and interviewing training to personnel and panels - supported by consultant, 2.1.4.g	Ongoing	●
103	DEI d. Implement applicable recommendations from Internal Audit, as well as other industry best practices. Continue to ensure final selection guidelines are consistent with DEI best practices	Ongoing	●
104	DEI e. Conduct Pay Equity Audit	Original: FY22 Q4 Updated: FY23 Q4	●
105	DEI f. Examine Policies and Programs to Support for Primary Caretakers	Ongoing	●
106	DEI g. Review, evaluate and implement findings of SLO County Child Care Study (First 5's analysis) of childcare for working families, as applicable; 22-23 Supplemental Plan as resources permit.	FY22 Q4	●
107	DEI h. Continue communicating childcare options and resources for City employees; additional to First 5 findings. Explore flex schedules, job share, remote options, etc.	Ongoing	●
108	DEI i. Expanded Recruitment Services Expenses to Augment HR	Ongoing	●
109	DEI j. Fire: Recruit Academy Support and Intern Program - enhance DEI recruitment efforts	Ongoing	●
110	<b>2.4 Inclusive &amp; Equitable Workplace</b>		
111	DEI a. Develop and Adopt Diversity Statement for the Organization	FY22 Q3	●
112	DEI b. Assist Departments in infusing DEI into their programs, policies, and practices in relevant and practical ways	Ongoing	●
113	DEI c. Further develop purpose, role, activities and enhance impact of DEI Employee Committee – (e.g. ERGs, cultural celebrations, activity budget, speakers, self-study materials, public web pages)	Ongoing	●
114	DEI d. Grant equal standing and priority to the tasks and responsibilities periodically assigned to DEI committee members as is given to their other duties	Ongoing	●

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MCG	Task	Completion Date	
115	DEI e. DEI-related Staff Development / Training	Ongoing	●
116	DEI f. Implement a DEI module in new hire onboarding	Original: FY22 Q1 Updated: FY22 Q3	●
117	DEI g. Provide training and other learning opportunities for all levels. E.g. inclusive leadership, cultural competency, assessments, speakers, self-study, etc.	Ongoing	●
118	DEI h. Continue Clarity Collective training as foundation training - ASSIGNED / RESOURCED TO HR	Ongoing	●
119	DEI i. Training for Council, Commission, Advisory Board – tailored for roles, Brown Act, etc.	Ongoing	●
120	<b>2.5 Community-based Policing and Restorative Practices</b>		
121	DEI a. Implement After Action Report recommendations	Ongoing	●
122	DEI b. Review and implement Governor’s recommendations regarding protests when issued	Ongoing	●
123	DEI c. Implement federal government changes in law enforcement. Implement RIPA Spillman Module: the Racial and Identity Profiling Act (RIPA) was formed as part of AB953. California law enforcement agencies will be required to collect data for stops made by law enforcement personnel. Annual reporting to DOJ is a requirement.	Ongoing	●
124	DEI d. Review new Police Station building program and budget for opportunities to reduce costs to preserve resources for community service investments	FY22 Q2	●
125	<b>2.6 Cal Poly &amp; Cuesta Partnerships</b>		
126	DEI a. Solidify relationships and collaborations	Ongoing	●
127	DEI b. CP Office of University Diversity and Inclusion (OUDI) and City DEI Office/City Manager Leadership quarterly planning meetings	Ongoing	●
128	DEI c. Host City / Cal Poly Office of Student Diversity & Belonging quarterly roundtable (City & CP leadership, DEI committee, HRC, Cal Poly students, DEI leaders, etc.) - re community / student experience, relationship-building	Ongoing	●
129	DEI d. Utilize Faculty Fellow assigned to Office of DEI in partnership with CP OUDI to research best practices, grants for internships, programs, outreach, innovative practices, etc. – seeking sponsorship from Cal Poly	Ongoing	●
130	DEI e. Explore opportunities and build collaborations with Cuesta College	Ongoing	●
131	DEI f. Provide City facilities as available to campus DEI programs delivered to and in the community	Ongoing	●
132	DEI g. Utilize interns from Cal Poly and Cuesta within the Office of DEI	Ongoing	●
133	<b>2.7 Access, Inclusion, Support for Underrepresented Communities</b>		
134	DEI a. High Impact DEI Grants	Ongoing	●
135	DEI b. GIA Grants	Ongoing	●
136	DEI c. HRC Operating Budget for enhanced presence, advocacy, community building, etc. (such as awareness campaigns, access/fairness efforts, citizen award, etc.). Activities TBD	Ongoing	●
137	DEI h. City 101 / Community Academy to increase understanding / access / participation in City government	Ongoing	●
138	DEI i. City 101 – first stage, short program, easy access/commitment. Overview of City, how to access, ways to be involved. Extensive outreach to Underrepresented minorities, community-based sessions. Design, pilot Y1	FY22 Q4	●
139	DEI k. Develop “Undocu-Friendly” logo for City documents, as allowable by law (cost of internal resources)	FY22 Q4	●
140	DEI m. Park major maintenance and repairs specific to Cheng Park improvements and Mission Plaza railing improvements.	FY22 Q4	●
141	DEI n. Parks Major Maintenance - ADA Transition Plan Implementation	Ongoing	●
142	<b>2.8 Community Education &amp; Programming</b>		
143	DEI a. Trainings, workshops, speakers, forums, townhalls, listening sessions, outreach, etc. for youth, marginalized communities and community-at-large [in addition to CP's programming]	Ongoing	●
144	DEI b. Utilize proven providers rather than City develop program. City serves as coordinator, sponsor, convener, etc.	Ongoing	●
145	DEI c. Determined by interest, guidance by BIPOC, other URM, DEI committee, HRC + public input, etc.	Ongoing	●
146	<b>2.9 Support &amp; Attract Minority-Owned Businesses</b>		
147	DEI a. Establish a process for the City to recognize and promote Minority-owned businesses	FY22 Q4	●
148	DEI b. Implement protocols within the City’s Office of Economic Development to reach out to all existing and new Minority-owned/operated businesses to learn of their experiences operating in SLO, and to identify ways the City can be of support.	FY22 Q4	●
149	DEI c. Establish a City Leadership/Chamber of Commerce / Minority Business Owners’ roundtable.	FY22 Q4	●
150	DEI e. Update and maintain a listing of resources for BIPOC, LGBTQ+ and other underserved communities on the City's Doing Business section of the website.	FY22 Q4	●
151	DEI f. Establish a process for the City to recognize and promote Minority-owned businesses	FY22 Q4	●



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MCG	Task	Completion Date	
152	<b>3.1 Implement Housing Element</b>		
153	HH a. Inclusionary Housing Ordinance (HE programs 2.13 & 4.6)	Original: FY22 Q3 Updated: FY23 Q3	●
154	HH b. Flexible Density Program (HE Program 2.15)	Original: FY22 Q3 Updated: FY23 Q3	●
155	HH c. Develop Objective Design Standards & Update Development Review Process (HE 6.22 & 6.23)	Complete	●
156	HH d. Zoning Regulations Update - Housing (HE 5.5, 8.18, 8.23, 2.17 and AB 2345)	Complete	●
157	HH e. Subdivision Regulations Update (HE 6.20)	Original: FY22 Q1 Updated: FY23 Q1	●
158	HH h. Regional Coordination (HE Chapter 4)	ongoing	●
159	HH i. Housing Element Program Implementation (Chapter 3)	ongoing	●
160	HH m. CDD Fleet Replacement	Ongoing	●
161	<b>3.2 Implement Inclusionary Housing Ordinance</b>		
162	HH a. Development review project referrals	ongoing	●
163	<b>3.3 Below Market Rate Portfolio Management</b>		
164	HH a. Inventory Management; Monitoring; Escrow services; Homebuyer & rental services; BEGIN/FTHB	ongoing	●
165	<b>3.4 Financial Management</b>		
166	HH a. CDBG Program Administration	ongoing	●
167	HH b. GIA Program Administration	ongoing	●
168	HH c. Affordable Housing Fund Administration	ongoing	●
169	HH d. Grant research; applications; coordination	ongoing	●
170	<b>3.5 Advisory Body &amp; Council meetings &amp; support</b>		
171	HH a. Reports, Community meetings, presentations (does not include time associated with tasks identified herein)	ongoing	●
172	HH b. HRC liaison	ongoing	●
173	<b>3.6 Homelessness Team Coordination</b>		
174	HH a. Coordination of staff from various City departments (Public Works, Parks and Recreation, Police, Fire, Administration) focused on addressing issues associated with homelessness.	Ongoing	●
175	HH b. Develop a Strategic Plan to guide a sustained effort of engagement by regional partners, non-profit partners, and community members to identify and implement coordinated solutions to chronic homelessness.	FY22 Q3	●
176	HH c. Maintain and update informational resources, such as the City's Homelessness Solutions web page, about City actions to help the unhoused population, and the scope of services provided to address the challenges of homelessness by the County, State, City, and regional partners.	ongoing	●
177	HH d. Work to prevent homelessness through a Safe Housing Outreach and Education Program that will provide, among other duties, information about rental assistance programs, eviction protection programs, and new housing opportunities.	ongoing	●
178	HH e. Pursue a coordinated lobbying strategy to motivate action at the State and regional level, and research and secure additional sources of funding to address local challenges.	ongoing	●
179	HH f. Housing and Homelessness City Staff	ongoing	●
180	<b>3.7 Environmental Protection and Water Quality</b>		
181	HH a. Environmental clean-ups in creek and open space areas associated with abandoned personal property and trash (Parks & Rec)	Ongoing	●
182	HH b. Environmental clean-ups in creek and open space areas associated with abandoned personal property and trash (Parks & Rec)	Ongoing	●
183	HH c. Environmental clean-ups in City Parks and public spaces associated with abandoned personal property and trash (Public Works)	Ongoing	●
184	HH d. Environmental clean-ups in City Parks and public spaces associated with abandoned personal property and trash (Public Works)	Ongoing	●
185	<b>3.8 Regional Engagement and Grant Management</b>		
186	HH a. Active participation and representation of the City in the County's regional strategic planning efforts to develop regional solutions to chronic homelessness.	ongoing	●
187	HH b. Attend HSOC & PACT meetings, support City seat on the Commission, and report status of agenda items back to staff	ongoing	●



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	MCG	Task	Completion Date	
188	HH	c. Support the Housing Policy and Program section and the Office of Diversity, Equity and Inclusion on homelessness related funding opportunities, such as CDBG, GIA, DEI, and other sources.	ongoing	●
189		<b>3.9 Community Action Team Resources</b>		
190	HH	a. Expand the current Community Action Team by adding an additional social worker position.	ongoing	●
191	HH	b. Continue to provide public safety services by utilizing the Community Action Team; includes two officers and a social worker. (Costs include existing social worker position, but funding for the position is provided by the County).	ongoing	●
192	HH	c. Continue to provide public safety services by utilizing the downtown bike team.	ongoing	●
193		<b>3.10 Mobile Crisis Unit Pilot Program</b>		
194	CA	a. Pair a crisis worker with an Emergency Medical Technician (EMT) to provide non-emergency response and care to unhoused community members.	one time	●
195	CA	b. Implement the program with the goals of reducing emergency dispatch of paramedics and law enforcement to community members who need non-emergency support.	ongoing	●
196	CA	c. Engage with the County of San Luis Obispo in the implementation of the pilot program so that if it is successful it can be scaled up and replicated across the region.	ongoing	●
197		<b>3.11 Non-Profit Partner Support</b>		
198	HH	a. Support non-profit partners in pursuing funding resources, such as CARES Act and Project Homekey grants.	ongoing	●
199	HH	b. Support a 25% expansion of the number of beds at the 40 Prado Homeless Services Center.	Complete	●
200	HH	c. Continue to expand Safe Parking opportunities and support coordinated regional efforts for Safe Parking, transitional housing, and other shelter resources.	ongoing	●
201	HH	d. Ongoing General Fund support to CAPSLO for 40 Prado (includes safe parking, warming center, operational support)	ongoing	●
202	HH	e. Bus Token in-kind program to CAPSLO	ongoing	●
203	HH	f. General Fund low income utility subsidies	Ongoing	●
204	HH	g. Federal CDBG Grant for social services (Provided to CAPSLO to help fund Homeless Services Center operations)	ongoing	●
205		<b>4.1 Provide Sustainability Resources to achieve Council's Adopted Goals</b>		
206	CA	a. To ensure consistent maintenance and adequate oversight of City Open Space lands, add one net new Ranger Maintenance Worker to maintain level of service standards following recent Open Space acquisitions. The City's level of service standard for Open Space is 1 Ranger per 1,000 acres.	Complete	●
207	CA	b. To address Ranger Services staffing, recruitment, and retention, convert 5 Ranger Specialist positions (currently limited benefit temporary) to full-time regular permanent positions.	Complete	●
208	CA	c. Create a limited term Sustainability & Natural Resources Analyst position to support open space conservation planning, implement Climate Action Plan actions that were established for 2021-23 on time, and support the completion of the Resilient SLO climate adaptation work effort.	Ongoing	●
209	CA	d. Restore the Sustainability & Natural Resources Intern position to support open space administration and planning efforts and climate action plan implementation efforts, including completion of the Community Forest Master Plan. Costs include \$10,000 in Yr 1 for minor office retrofits to support the office of sustainability	Ongoing	●
210	CA	e. Hire a CivicSpark Fellow for one year to initiate, complete, and begin implementing a municipal solid waste reduction initiative.	Ongoing	●
211	CA	f. Continue grant writing consulting support to ensure focused and competitive proposals for state, federal, and private grants.	Ongoing	●
212	CA	h. Orient the Green Team to support "Lead by Example" implementation, "Resilient SLO" implementation, and all-staff educational efforts.	Ongoing	●
213	CA	i. Continue SLO Climate Coalition support to provide a resource for community members to participate in climate action initiatives and build overall community capacity.	Ongoing	●
214	CA	j. Convene an inter-departmental staff team to assess and provide recommendations for the Urban Forest Program's future role in advancing sustainability goals and objectives.	Ongoing	●
215	CA	k. Continue to monitor the status of the Integrated Waste Management Authority (IWMA) Polystyrene Ordinance and respond as needed and appropriate.	Ongoing	●
216		<b>4.2 Continue to update and implement the Climate Action Plan ("CAP") for carbon neutrality</b>		

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MCG	Task	Completion Date	
217	CA b. Implement the Lead by Example Municipal Operations Carbon Neutrality Plan, as called for by CAP Lead by Example task 1.1. Specific projects include: - i. Install electric vehicle chargers to support the transition to all-electric fleet vehicles. - ii. Initiate and complete Building and Facility Energy and Decarbonization Study in order to identify and prioritize projects for City facilities. - iii. Complete installation of lighting retrofits at City Hall and Fire Station 1 using available on-bill financing. - iv. Complete installation of solar panels at the City's Bus Yard, Fire Station 1, and Sinsheimer Pool. - v. Install Transit Facility EV Charging Infrastructure - vi. Review options to further integrate climate action into the 2023-25 Financial Plan.	Ongoing	●
218	CA c. Provide for 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.	Ongoing	●
219	CA g. Implement organic waste reduction measures required by California Senate Bill 1383, which are also called for by CAP Circular Economy tasks 1.1, 1.2, 1.3, and 2.1.	Ongoing	●
220	CA g. Provide support for community electric mobility work being led by the SLO Climate Coalition, in support of CAP Connected Communities task 3.1.	FY22 Q2	●
221	CA a. Working with the Coastal San Luis Resource Conservation District, complete existing planning efforts and pilot program implementation at Johnson Ranch Open Space and City Farm intended to improve soil health and remove and store carbon, as called for at CAP Natural Solutions task 1.1.	FY22 Q4	●
222	<b>4.3 Continue preservation, maintenance, and enhancement of the City's open space and urban forest</b>		
223	CA b. Complete an Urban Forest Master Plan including a comprehensive update of tree inventory update, assessment of tree canopy coverage, and implementation of an ongoing tracking system, as called for by CAP Natural Solutions task 2.1.	FY22 Q2	●
224	CA c. Establish a contract service for enhanced tree pruning and maintenance to ensure the long-term health and vigor of the City's Urban Forest, as well as public safety and identify a strategy for a prioritized replacement schedule for downtown focus trees, and begin implementation in order to ensure the long-term preservation of the Downtown street tree canopy.	Ongoing	●
225	CA d. Partner with ECOSLO to support the 10,000 Trees by 2035 goal through a tree planting and maintenance program, as well as continue with the SLO Stewards Docent Program, annual creek clean up efforts, and administration of the SLO Green Business Program.	Ongoing	●
226	CA e. Actively pursue opportunities to purchase open space lands and permanent land conservation agreements in furtherance of the City's Greenbelt Protection Program.	Ongoing	●
227	CA f. Update the existing Cerro San Luis Natural Reserve Conservation Plan (2005), including a contemporary natural resources inventory, mapping, policy review, and identification of land stewardship needs and priorities.	FY22 Q2	●
228	CA g. Implement priority projects and actions at Cerro San Luis Natural Reserve consistent with the updated Conservation Plan.	ongoing	●
229	CA i. Implement priority projects at South Hills Natural Reserve consistent with the updated Conservation Plan.	ongoing	●
230	CA n. Continue Open Space education activities including the "hikes with experts" series, Junior Ranger Camp, supporting the SLO Stewards Docents, and ongoing public information and programming.	Ongoing	●
231	CA o. Continued 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	●
232	CA p. Continued, 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	●
233	CA q. Implement Laguna Lake Dredging and Sediment Management and Shoreline Stabilizations Projects in order to begin restoration of the lake for recreation and habitat improvement purposes	Complete	●
234	<b>4.4 Alternative and sustainable transportation</b>		
235	CA a. Establish consistent mode split tracking and reporting method, consistent with performance monitoring recommendations as called for in the Active Transportation Plan and CAP Connected Communities task 1.1.	FY22 Q3	●
236	CA b. Prepare a Mobility as a Service Study to guide potential implementation of programs and software tools to create an integrated platform linking access to transit, future bikeshare and ridesharing services, as called for in CAP Connected Communities task 1.2.	FY22 Q4	●

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MCG	Task	Completion Date	
237	<p>d. Active Transportation Plan (ATP) Implementation: Implement infrastructure improvements and programs specifically identified in the City's Active Transportation Plan to improve access, mobility and safety for walking and bicycling citywide. Actions support the CAP Connected Communities task 2.1, ATP. Specific projects and programs within the current work program include:</p> <ul style="list-style-type: none"> <li>- i. Plan, Design and Construct the ATP Tier 1 Network</li> <li>- ii. Construct Minor Bicycle and Pedestrian Access &amp; Safety Improvements</li> <li>- iii. Complete preliminary design and right-of-way acquisition for the Railroad Safety Trail (Tiburon to Orcutt Road)</li> <li>- iv. Implement complete street improvements as part of 2021 and 2022 Roadway Sealing Projects</li> <li>- v. Continue to monitor trends in the Micromobility industry and feasibility of future SLO Bikeshare Program.</li> <li>- vi. Complete construction of the Broad/Woodbridge Pedestrian Hybrid Beacon crossing</li> </ul>	Ongoing	●
238	<p>e. Perform additional sweeping to remove debris and obstructions along sidewalks, shared-use paths, and bike lanes, including use of narrow street sweeping machinery and manual sweeping to clear protected bike lanes, parklets and painted bulb outs. FUNDING IN ECONOMIC RECOVERY 1.4 e-2.</p>	Ongoing	●
239	<p>f. Construct sidewalk repairs and new ADA curb ramps to improve access and safety for pedestrians, particularly those with mobility challenges.</p>	Ongoing	●
240	<p>g. Achieve meaningful progress towards the "Vision Zero" goal by implementing recommendations from the City's Annual Traffic Safety &amp; Operations Program, with particular focus on eliminating injury collisions involving vulnerable road users such as bicyclists, pedestrians, seniors and children.</p>	Ongoing	●
241	<p>h. Construct the Anholm Neighborhood Greenway Phases 1B and 2, completing the priority bicycle and pedestrian route between Foothill Boulevard and Downtown SLO, including safety lighting and public artwork at the US 101/Chorro Undercrossing</p>	FY22 Q4	●
242	<p>i. Complete construction of the Orcutt Road/Tank Farm Road Roundabout, reducing congestion and auto emissions and improving access and safety for bicycles, pedestrians and drivers.</p>	FY22 Q3	●
243	<p>k. Install new streetlights throughout the city</p>	Ongoing	●
244	<p>l. Install new solar path lights along the Bob Jones and Railroad Safety Trails, utilizing solar options where feasible, to improve safety for active transportation users.</p>	Ongoing	●
245	<p>n. Continue Active Transportation Education and Outreach to encourage safe behaviors for all road users and to encourage interest and use of active transportation modes.</p>	Ongoing	●
246	<p>o. Prepare Feasibility Study for Potential City VMT Mitigation Program, providing a programmatic mechanism to reduce VMT and GHG production of new development projects within the city.</p>	FY22 Q2	●
247	<p>p. Continue advancing the electrification of the SLO Transit vehicle fleet, including electrification of buses and bus charging infrastructure.</p>	Ongoing	●
248	<p>q. Replace SLO Transit bus shelters to maintain a quality environment for new and future transit users.</p>	Original: FY22 Q4 Updated: FY23	●
249	<p>r. Fund two Transportation Interns to assistance with implementation of sustainable transportation projects and programs.</p>	Ongoing	●
250	<p>s. Implement Neighborhood Traffic Management Program to address traffic speeding concerns through local residential streets and collector/arterial streets with fronting residential uses.</p>	Ongoing	●
251	<p>t. Preserve and repair pavement surface within SLO Transit Bus Yard</p>	FY22 Q4	●
252	<p>u. Pedestrian &amp; Bicycle Pathway Maintenance: Preserve and repair pavement service along off-street pedestrian/bicycle pathways (RRST from Cal Poly to Taft; Madonna Inn Path; Meadow Park Paths)</p>	Ongoing	●
253	<p>v. Street Reconstruction and Resurfacing: Implement the City's Pavement Management Program, repairing pavement surfaces along roadways throughout the city while leveraging opportunities for safety and multimodal street improvements.</p>	Ongoing	●
254	<p>w. Traffic Sign &amp; Striping: Repair and replace traffic signs and roadway pavement markings to maintain traffic control measures for all road users in a state of good repair.</p>	Ongoing	●
255	<b>4.5 Planning and implementation for resilience</b>		
256	<p>a. Complete the "Resilient SLO" planning project (Safety Element Update and associated CEQA) to assess community vulnerability to the impacts of climate change and adopt a resilience policy framework in the City's General Plan, as required by California Senate Bill 379.</p>	FY22 Q4	●
257	<p>b. Following successful piloting at Terrace Hill Open Space, implement and expand vegetation management for fire fuel reduction, as well as to promote soil health and recruitment of native perennial bunchgrasses, using goats and sheep with a professional contractor in order to ensure a safe and effective operation.</p>	Ongoing	●

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MCG	Task	Completion Date	
258 CA	c. Proactively conduct pre-season inspections of the creek system and implement the removal of woody debris, hazardous trees, and other obstacles that could lead to an increased potential for local flooding in accordance with the City's Routine Maintenance Agreement permit issued by the California Department of Fish and Wildlife.	Ongoing	●
259 CA	e. Respond quickly to instances when hazardous trees are identified on City Open Space lands or creek areas where the City has a property interested.	Ongoing	●
260 CA	f. Conduct a microgrid feasibility assessment to identify City properties that could add solar, battery storage, and controls to allow operation during times of electrical grid outages as an uninterruptable power supply.	FY23 Q4	●
261 CA	h. Establish an Open Space Fire Fuel Reduction Crew (part-time staff, 4,000 hours), including procurement of necessary machinery and equipment, in order to ensure that the City's has a reliable means of conducting fuel reduction activities.	Ongoing	●
262 CA	i. Expand Technical Rescue Team roster from 3 to 6 firefighters to improve the City's open space rescue capabilities and improve self-sufficiency following the first 72 hours of a regional disaster such as earthquake or flood where resources are often limited.	Complete	●
263 CA	j. Project: Storm Drainage Infrastructure Replacement - capital maintenance and replacement of pipe, culvert and constructed drainage channels to provide increased flood protection and reduced likelihood of loss of property	Ongoing	●
264 CA	k. Project: Inlet Trash Capture Devices (Water and Wastewater Management Element: The City will manage the collection system to ensure that the proper level of maintenance is provided and that the flow in sanitary sewers does not exceed design capacity.) This annual asset maintenance project addresses capital maintenance and replacement of pipe, culvert and constructed drainage channels to provide increased flood protection and reduced likelihood of loss of property.	Ongoing	●
265 CA	l. Project: Pismo/Johnson/San Luis Creek Bank Stabilization - San Luis Creek passes under Johnson Avenue near Pismo Street. The creek bank is starting to erode and this project will stabilize the creek bank and protect Pismo Street.	Ongoing	●
266 CA	m. Project: Hydration Stations at Various Parks - funding annually for parks surfacing maintenance and water supply infrastructure including the installation of hydration stations.	Ongoing	●
267 CA	n. Project: Laguna Lake Dredging - rerouting of Prefumo Creek has increased sediment deposits into the lake. This is a pilot project to ascertain if dredging is a viable solution for Laguna Lake and could become a routine maintenance activity.	FY22 Q2	●
268 CA	p. Water Treatment Plant Emergency Power - PSPS - additional temporary or permanent emergency generators, requiring engineering design and inspection services, and construction at the Water Treatment Plant, Whale Rock Reservoir, and other water pump stations.	Ongoing	●
269 CA	q. Water Treatment Plant - Power Storage Units Tesla Battery Grant - when emergency power is not required for plant operations, the power storage units will allow plant staff to shift power needs during electrical time of use periods having lower electrical rates, and lower carbon emissions associated with the transmission of electrical power. The control module operating the power storage units will also monitor and track energy efficiencies of existing pumps and the plant's treatment units.	Ongoing	●
270 CA	r. Sustainable Groundwater Management Act (SGMA) Groundwater Sustainability Plan (GSP) - collaborate with Groundwater Sustainability Agency (GSA) stakeholders to effectively manage the groundwater basin in the City, which may include preparation of research studies, field investigations, legal documents, grant applications, and regional participation in the development of a GSP.	Ongoing	●
271 CA	s. Mid-Higuera Bypass - this funding provides final engineering design work for this long-planned flood control project between Marsh Street and Madonna Road along San Luis Obispo Creek.	Ongoing	●

**Understanding the Financial Report:**

**Total Budget:** Adopted budget in addition to any encumbrances from prior years or budget amendments made in the first two quarters of the year. Total budget does not include budget requests included in the mid-year report.

**Total Consumption:** Total expenditures or obligations (purchase orders) as of December 15, 2021.

**Budget Status:**

- On track
- Trending high or low but identified solution or savings in a different cost center
- Trending high or low with no identified solution

General Fund Expenditures by Department	Total Budget	Total Consumption	Funds Available	% Consumed	Budget Status
<b>Internal Services</b>					
<b>Administration And IT</b>	<b>\$ 10,444,934</b>	<b>\$ 4,836,578</b>	<b>\$ 5,608,355</b>	<b>46%</b>	
1001-City Administration	\$ 1,443,722	\$ 670,298	\$ 773,424	46%	●
1002-City Council	\$ 215,501	\$ 91,271	\$ 124,230	42%	●
1003-Cultural Activities	\$ 347,632	\$ 318,351	\$ 29,281	92%	●
1004-Economic Development	\$ 1,275,440	\$ 601,025	\$ 674,415	47%	●
1005-Natural Resource Protection	\$ 1,099,068	\$ 592,458	\$ 506,610	54%	●
1007-Community Promotion	\$ 437,898	\$ 333,943	\$ 103,954	76%	●
1010-Office of DEI	\$ 506,041	\$ 200	\$ 505,841	0%	●
1021-City Clerk	\$ 574,916	\$ 253,183	\$ 321,734	44%	●
1101-Network Services	\$ 3,294,515	\$ 1,394,116	\$ 1,900,399	42%	●
1102-IT Support Services	\$ -	\$ -	\$ -		
1103-Information Services	\$ 1,250,202	\$ 581,734	\$ 668,467	47%	●
<b>City Attorney</b>	<b>\$ 1,330,474</b>	<b>\$ 643,834</b>	<b>\$ 686,640</b>	<b>48%</b>	
1501-City Attorney	\$ 1,330,474	\$ 643,834	\$ 686,640	48%	●
<b>Finance</b>	<b>\$ 2,237,601</b>	<b>\$ 1,043,086</b>	<b>\$ 1,194,515</b>	<b>47%</b>	
2001-Financial Administration	\$ 550,277	\$ 260,148	\$ 290,129	47%	●
2002-Budget	\$ 164,402	\$ 78,673	\$ 85,729	48%	●
2003-Revenue Management	\$ 420,193	\$ 223,248	\$ 196,945	53%	●
2004-Purchasing	\$ 225,183	\$ 87,408	\$ 137,775	39%	●
2005-Accounting	\$ 877,547	\$ 393,610	\$ 483,937	45%	●
<b>Human Resources</b>	<b>\$ 1,804,960</b>	<b>\$ 741,677</b>	<b>\$ 1,063,283</b>	<b>41%</b>	
3001-Human Resources	\$ 1,786,710	\$ 733,596	\$ 1,053,113	41%	●
3003-Wellness Program	\$ 18,251	\$ 8,081	\$ 10,169	44%	●
<b>Non-departmental/ Support Services</b>	<b>\$ 1,637,430</b>	<b>\$ 285,744</b>	<b>\$ 1,351,686</b>	<b>17%</b>	
2006-Finance Support Services	\$ 317,957	\$ 194,569	\$ 123,388	61%	●
2007-Finance NonDepart	\$ 1,319,473	\$ 91,175	\$ 1,228,298	7%	●

# APPENDIX A: Detailed Financials

General Fund Expenditures by Department	Total Budget	Total Consumption	Funds Available	% Consumed	Budget Status
<b>Community Services Group (CSG)</b>					
<b>Community Development</b>	\$ 7,338,753	\$ 2,990,525	\$ 4,348,228	41%	
4001-Community Development Admin	\$ 1,024,382	\$ 401,585	\$ 622,797	39%	
4002-Commissions and Committees	\$ 34,939	\$ 6,799	\$ 28,140	19%	
4003-Planning	\$ 2,028,150	\$ 1,082,259	\$ 945,891	53%	
4004-Engineering	\$ 678,898	\$ 234,254	\$ 444,645	35%	
4006-Building and Safety	\$ 2,544,181	\$ 925,244	\$ 1,618,937	36%	
4007-Human Relations	\$ 66,045	\$ 63,045	\$ 3,000	95%	
4008-Housing Policy and Homelessness	\$ 962,157	\$ 277,338	\$ 684,818	29%	
<b>CSG Admin</b>	\$ 685,132	\$ 287,535	\$ 397,597	42%	
1009-Community Services Group	\$ 685,132	\$ 287,535	\$ 397,597	42%	
<b>Parks and Recreation</b>	\$ 5,178,095	\$ 2,304,661	\$ 2,873,434	45%	
7001-Recreation Administration	\$ 781,671	\$ 376,555	\$ 405,116	48%	
7002-Recreation Facilities	\$ 275,066	\$ 123,739	\$ 151,327	45%	
7003-Youth Services	\$ 1,272,354	\$ 515,301	\$ 757,053	40%	
7004-Community Services	\$ 655,001	\$ 278,177	\$ 376,824	42%	
7005-Ranger Service	\$ 818,243	\$ 316,471	\$ 501,772	39%	
7006-Aquatics	\$ 651,167	\$ 270,926	\$ 380,241	42%	
7007-Golf Course	\$ 714,094	\$ 423,446	\$ 290,648	59%	
7008-Jack House	\$ 10,500	\$ 47	\$ 10,453	0%	
<b>Public Works</b>	\$ 15,586,193	\$ 7,743,539	\$ 7,842,654	50%	
5001-Public Works Administration	\$ 923,458	\$ 414,117	\$ 509,340	45%	
5002-Parks Maintenance	\$ 3,452,234	\$ 1,955,134	\$ 1,497,099	57%	
5003-Swim Center Maintenance	\$ 592,191	\$ 256,671	\$ 335,520	43%	
5004-Urban Forest Services	\$ 492,709	\$ 183,677	\$ 309,032	37%	
5005-Facilities Maintenance	\$ 1,428,128	\$ 730,878	\$ 697,251	51%	
5006-Street/Sidewalk Maintenance	\$ 1,884,761	\$ 895,221	\$ 989,541	47%	
5007-Traffic Signals and Lighting	\$ 569,934	\$ 293,628	\$ 276,306	52%	
5008-Fleet	\$ 1,489,883	\$ 713,313	\$ 776,570	48%	
5009-CIP Project Eng	\$ 2,516,076	\$ 1,193,401	\$ 1,322,675	47%	
5010-Transportation Plan and Eng	\$ 1,016,643	\$ 486,329	\$ 530,313	48%	
5301-Stormwater	\$ 1,220,177	\$ 621,170	\$ 599,006	51%	
<b>Utilities - General Fund - AB939</b>	\$ 332,271	\$ 99,963	\$ 232,309	30%	
6107-Solid Waste Recycling	\$ 332,271	\$ 99,963	\$ 232,309	30%	

## APPENDIX A: Detailed Financials

General Fund Expenditures by Department	Total Budget	Total Consumption	Funds Available	% Consumed	Budget Status
<b>Public Safety</b>					
<b>Police</b>	\$ 19,252,608	\$ 10,018,041	\$ 9,234,567	52%	
8001-Police Administration	\$ 2,186,391	\$ 1,024,383	\$ 1,162,008	47%	
8002-Patrol	\$ 9,514,860	\$ 5,329,984	\$ 4,184,876	56%	
8003-Investigations	\$ 3,470,883	\$ 1,696,282	\$ 1,774,601	49%	
8004-Police Support Services	\$ 2,920,629	\$ 1,410,705	\$ 1,509,924	48%	
8005-Neighborhood Services	\$ 274,535	\$ 136,551	\$ 137,983	50%	
8006-Traffic Safety	\$ 885,312	\$ 420,136	\$ 465,176	47%	
<b>Fire</b>	\$ 13,621,569	\$ 7,783,487	\$ 5,838,082	57%	
8501-Fire Administration	\$ 1,038,581	\$ 570,455	\$ 468,127	55%	
8502-Emergency Reponse	\$ 10,925,317	\$ 6,361,923	\$ 4,563,394	58%	
8503-Hazard Prevention	\$ 875,057	\$ 437,342	\$ 437,715	50%	
8504-Training Services	\$ 131,427	\$ 50,804	\$ 80,623	39%	
8505-Recruit Academy	\$ 90,300	\$ 75,939	\$ 14,361	84%	
8506-Fire Apparatus Services	\$ 468,759	\$ 235,513	\$ 233,247	50%	
8507-Fire Station Facility Support	\$ 45,418	\$ 13,900	\$ 31,518	31%	
8510- Mobile Crisis Unit	\$ 0	\$ -	\$ 0	0%	
8599-Disaster Assistance	\$ 46,709	\$ 37,611	\$ 9,098	81%	
<b>Grand Total</b>	\$ 79,450,022	\$ 38,779,826	\$ 40,670,196	49%	

Expenditures - Special Revenue Funds	Footnote	Total Budget	Total Consumption	Funds Available	% Consumed	Budget Status
<b>202-Downtown BID</b>	<a href="#">1</a>	\$ 245,000	\$ 223,958	\$ 21,042	91%	
<b>208-Tourism Bid Fund</b>		\$ 1,451,127	\$ 1,073,338	\$ 377,789	74%	
<b>802-Insurance ISF Fund</b>		\$ 4,183,103	\$ 4,070,305	\$ 112,798	97%	
<b>Grand Total</b>						

1 - The Downtown BID budget is based on forecasted business tax revenue that the City receives during the Business License renewal period. The tax assessment is calculated based on gross receipts from the prior calendar year. Overall gross receipts for downtown businesses were 20% lower in 2020 compared to 2019.



## APPENDIX A: Detailed Financials

Operating Expenditures by Enterprise Fund	Total Budget	Total Consumption	Funds Available	% Consumed	Budget Status
<b>601-Water Fund</b>	<b>\$ 18,389,354</b>	<b>\$ 11,938,586</b>	<b>\$ 6,450,768</b>	<b>65%</b>	
2007-Finance NonDepart <sup>1</sup>	\$ 160,368	\$ -	\$ 160,368	0%	
6001-Water Administration/Engineering	\$ 1,410,959	\$ 725,933	\$ 685,026	51%	●
6002-Water Source of Supply	\$ 10,913,383	\$ 8,367,728	\$ 2,545,654	77%	●
6003-Water Treatment	\$ 3,302,519	\$ 1,464,383	\$ 1,838,135	44%	●
6004-Water Distribution	\$ 1,824,112	\$ 956,299	\$ 867,813	52%	●
6005-Water Resources	\$ 508,324	\$ 215,274	\$ 293,050	42%	●
6105-Utilities Revenue	\$ 269,690	\$ 208,969	\$ 60,721	77%	●
<b>602-Sewer Fund</b>	<b>\$ 8,612,717</b>	<b>\$ 4,074,732</b>	<b>\$ 4,537,985</b>	<b>47%</b>	
2007-Finance NonDepart <sup>1</sup>	\$ 171,352	\$ -	\$ 171,352	0%	
6101-Wastewater Admin and Eng	\$ 1,569,015	\$ 759,196	\$ 809,819	48%	●
6102-Wastewater Collection	\$ 1,224,949	\$ 533,768	\$ 691,182	44%	●
6103-Environmental Programs	\$ 280,558	\$ 135,150	\$ 145,408	48%	●
6104-Water Resource Recovery	\$ 4,184,058	\$ 2,055,470	\$ 2,128,588	49%	●
6105-Utilities Revenue	\$ 312,746	\$ 239,265	\$ 73,481	77%	●
6106-Water Quality Lab	\$ 870,039	\$ 351,884	\$ 518,156	40%	●
<b>611-Parking Fund</b>	<b>\$ 2,607,497</b>	<b>\$ 1,439,709</b>	<b>\$ 1,167,374</b>	<b>55%</b>	
5101-Parking Admin	\$ 2,607,497	\$ 1,142,159	\$ 1,465,338	44%	●
5102-Parking Enforcement	\$ 0	\$ 138,351	\$ (138,351)		
5103-Parking Structures	\$ 0	\$ 116,893	\$ (116,893)		
5104-Parking Lots and Streets	\$ (0)	\$ 42,306	\$ (42,306)		
<b>621-Transit Fund</b>	<b>\$ 4,670,294</b>	<b>\$ 4,176,542</b>	<b>\$ 493,752</b>	<b>89%</b>	
5201-Transit Ops and Maint	\$ 4,670,294	\$ 4,176,542	\$ 493,752	89%	●
<b>Grand Total</b>	<b>\$ 34,279,861</b>	<b>\$ 21,629,775</b>	<b>\$ 12,650,086</b>	<b>63%</b>	

1 - Credit card fees are budgeted in the Finance non-departmental cost center. These fees will be posted later in the year.

2 - The Parking Fund moved its entire budget into the Parking Administration cost center to simplify tracking and reporting but some actual costs from early in the year still need to be adjusted.

## APPENDIX A: Detailed Financials

		As of 12.21.2021				Mid Year Changes	
	Total FY22 Budget	Actuals	YTD Variance	% Received		Mid-year Revised Budget	Total Mid-year Changes
<b>Tax &amp; Franchise Revenue</b>	<b>\$ 83,412,820</b>	<b>\$ 36,143,839</b>	<b>\$ (47,268,981)</b>	<b>43%</b>		<b>\$ 89,230,869</b>	<b>\$ 5,818,049</b>
LRM Measure G (Jul-Oct)	\$ 24,279,000	\$ 9,243,950	\$ (15,035,050)	38%		\$ 25,810,000	\$ 1,531,000
Property Tax 1	\$ 20,192,883	\$ 8,650,512	\$ (11,542,371)	43%		\$ 20,157,153	\$ (35,730)
Sales Tax (Bradley Burns) (Jul-Oct)	\$ 18,387,000	\$ 7,227,434	\$ (11,159,567)	39%		\$ 20,790,779	\$ 2,403,779
Transient Occupancy Tax (Jul-Nov)	\$ 7,213,000	\$ 4,155,622	\$ (3,057,378)	58%		\$ 9,051,000	\$ 1,838,000
Utility User Tax 1	\$ 5,565,000	\$ 2,104,724	\$ (3,460,276)	38%		\$ 5,383,000	\$ (182,000)
Business Tax 2	\$ 2,426,000	\$ 2,857,356	\$ 431,356	118%		\$ 2,832,000	\$ 406,000
Franchise Fees 1	\$ 1,575,000	\$ 442,179	\$ (1,132,821)	28%		\$ 1,575,000	\$ -
Cannabis Tax	\$ 1,300,000	\$ 329,735	\$ (970,265)	25%		\$ 1,000,000	\$ (300,000)
Gas Tax	\$ 1,223,937	\$ 596,676	\$ (627,261)	49%		\$ 1,223,937	\$ -
Gas Tax (SB1)	\$ 915,000	\$ 314,678	\$ (600,322)	34%		\$ 915,000	\$ -
Safety Prop 172	\$ 336,000	\$ 220,974	\$ (115,026)	66%		\$ 493,000	\$ 157,000
<b>General Government</b>	<b>\$ 2,003,389</b>	<b>\$ 1,083,846</b>	<b>\$ (919,543)</b>	<b>54%</b>		<b>\$ 1,565,389</b>	<b>\$ (438,000)</b>
Interest on Investment	\$ 495,000	\$ 24,187	\$ (470,813)	5%		\$ 230,000	\$ (265,000)
Miscellaneous	\$ 450,000	\$ 410,710	\$ (39,290)	91%		\$ 450,000	\$ -
Business Licenses 2	\$ 418,443	\$ 434,624	\$ 16,181	104%		\$ 418,443	\$ -
Cannabis Operator License	\$ 310,000	\$ 107,032	\$ (202,968)	35%		\$ 157,000	\$ (153,000)
Other Rent & Lease Revenue	\$ 154,750	\$ 43,125	\$ (111,625)	28%		\$ 154,750	\$ -
Motor Vehicle Fines	\$ 118,500	\$ 11,412	\$ (107,088)	10%		\$ 118,500	\$ -
Misc Fines & Forfeitures	\$ 37,596	\$ 9,112	\$ (28,484)	24%		\$ 17,596	\$ (20,000)
Disability Insurance	\$ 19,100	\$ -	\$ (19,100)	0%		\$ 19,100	\$ -
Sale of Surplus Property	\$ -	\$ 302	\$ 302			\$ -	\$ -
Impact Fees and Special Assessments	\$ -	\$ 38,017	\$ 38,017			\$ -	\$ -
Damage to City Property	\$ -	\$ 5,326	\$ 5,326			\$ -	\$ -
<b>Development Review</b>	<b>\$ 6,550,817</b>	<b>\$ 2,573,534</b>	<b>\$ (3,977,283)</b>	<b>39%</b>		<b>\$ 6,550,817</b>	<b>\$ -</b>
Building Permits	\$ 3,510,000	\$ 1,401,644	\$ (2,108,356)	40%		\$ 3,510,000	\$ -
Infrastructure Plan Check & Insp 1	\$ 1,200,000	\$ 69,740	\$ (1,130,260)	6%		\$ 1,200,000	\$ -
Plan Check Fees 3	\$ 602,537	\$ 499,181	\$ (103,356)	83%		\$ 602,537	\$ -
Planning & Zoning Fee	\$ 600,000	\$ 242,180	\$ (357,820)	40%		\$ 600,000	\$ -
Development Review Fees	\$ 400,000	\$ 158,728	\$ (241,272)	40%		\$ 400,000	\$ -
Encroachment Permits	\$ 305,000	\$ 128,725	\$ (176,275)	42%		\$ 305,000	\$ -
Engineering Development Review Fees	\$ 135,000	\$ 59,205	\$ (75,795)	44%		\$ 135,000	\$ -
Code Enforcement Fines	\$ 90,000	\$ 14,130	\$ (75,870)	16%		\$ 90,000	\$ -
TIPP- Contra Revenue Account	\$ (291,721)	\$ -	\$ 291,721	0%		\$ (291,721)	\$ -

1 - These revenue sources are not received on a straight line basis and can be very "lumpy". Staff expect revenue to hit the projected budgeted amount by year end.

2 - Business license and tax certificate are renewed annual during the first quarter of the fiscal year.

3 - Budget is adjusted throughout the year as revenue is collected. 65% of plan check revenue is allocated directly to expenditure budgets in order to offset the cost of plan check services.

# APPENDIX A: Detailed Financials

		As of 12.21.2021				Mid Year Changes	
	Total FY22 Budget	Actuals	YTD Variance	% Received		Mid-year Revised Budget	Total Mid-year Changes
<b>Parks &amp; Recreation</b>	<b>\$ 1,611,955</b>	<b>\$ 698,859</b>	<b>\$ (913,096)</b>	<b>43%</b>		<b>\$ 1,615,555</b>	<b>\$ 3,600</b>
Youth Services Childcare	\$ 611,785	\$ 284,664	\$ (327,121)	47%		\$ 611,785	\$ -
Golf Greens Fees	\$ 200,000	\$ 86,195	\$ (113,805)	43%		\$ 200,000	\$ -
Adult Athletic Fees	\$ 122,400	\$ 33,456	\$ (88,944)	27%		\$ 122,400	\$ -
Youth Services Camps	\$ 106,650	\$ 58,737	\$ (47,913)	55%		\$ 106,650	\$ -
Outdoor Rental & Use Fees	\$ 88,867	\$ 40,435	\$ (48,432)	46%		\$ 88,867	\$ -
Aquatics Daily Use Fees	\$ 73,075	\$ 45,965	\$ (27,110)	63%		\$ 73,075	\$ -
Instruction Fees	\$ 61,400	\$ 34,883	\$ (26,517)	57%		\$ 61,400	\$ -
Special Events - City Sponsered	\$ 50,000	\$ -	\$ (50,000)	0%		\$ 50,000	\$ -
Youth Athletic Fees	\$ 48,000	\$ 3,922	\$ (44,078)	8%		\$ 48,000	\$ -
Other Parks & Recreation Revenue	\$ 45,000	\$ 12,151	\$ (32,849)	27%		\$ 45,000	\$ -
Multi Day Swim Passes	\$ 41,753	\$ 23,534	\$ (18,219)	56%		\$ 41,753	\$ -
Indoor Rental & Use Fees	\$ 39,532	\$ 19,305	\$ (20,227)	49%		\$ 39,532	\$ -
Golf Cart Rentals	\$ 28,262	\$ 9,402	\$ (18,861)	33%		\$ 28,262	\$ -
Swim Instruction Fees	\$ 20,923	\$ 13,495	\$ (7,428)	64%		\$ 20,923	\$ -
Special Events App/Permit	\$ 20,000	\$ 5,872	\$ (14,128)	29%		\$ 20,000	\$ -
Driving Range Fees	\$ 11,715	\$ 5,594	\$ (6,121)	48%		\$ 11,715	\$ -
Golf Rental Fees	\$ 10,566	\$ 4,555	\$ (6,011)	43%		\$ 10,566	\$ -
Sales Taxable	\$ 10,000	\$ 10,164	\$ 164	102%		\$ 10,000	\$ -
Therapy Pool Fees	\$ 8,627	\$ 2,951	\$ (5,676)	34%		\$ 8,627	\$ -
Library Rental	\$ 6,500	\$ 116	\$ (6,385)	2%		\$ 6,500	\$ -
Junior Ranger Camps	\$ 4,500	\$ (146)	\$ (4,646)	-3%		\$ 4,500	\$ -
Special Events Insurance	\$ 2,400	\$ 3,539	\$ 1,139	147%		\$ 6,000	\$ 3,600
Golf Lesson Fees	\$ -	\$ 71	\$ 71			\$ -	\$ -
<b>Fire</b>	<b>\$ 1,404,376</b>	<b>\$ 608,722</b>	<b>\$ (795,654)</b>	<b>43%</b>		<b>\$ 1,421,460</b>	<b>\$ 17,084</b>
Fire Plan Check & Inspection	\$ 350,000	\$ 177,993	\$ (172,007)	51%		\$ 350,000	\$ -
Cal Poly Fire Services	\$ 300,373	\$ 136,784	\$ (163,590)	46%		\$ 273,567	\$ (26,806)
R1 Inspection Fees	\$ 280,000	\$ 84,805	\$ (195,195)	30%		\$ 320,000	\$ 40,000
Medical ER Recovery	\$ 198,103	\$ 100,995	\$ (97,107)	51%		\$ 201,993	\$ 3,890
CUPA Inspection Fees	\$ 160,000	\$ 6,774	\$ (153,226)	4%		\$ 160,000	\$ -
Fire Department Permits	\$ 100,000	\$ 96,884	\$ (3,116)	97%		\$ 100,000	\$ -
Fire Alarm Permits	\$ 10,010	\$ 4,487	\$ (5,523)	45%		\$ 10,010	\$ -
Other Fire Department Revenue	\$ 5,890	\$ -	\$ (5,890)	0%		\$ 5,890	\$ -

## APPENDIX A: Detailed Financials

		As of 12.21.2021				Mid Year Changes	
	Total FY22 Budget	Actuals	YTD Variance	% Received		Mid-year Revised Budget	Total Mid-year Changes
<b>Police</b>	<b>\$ 637,196</b>	<b>\$ 137,002</b>	<b>\$ (500,194)</b>	<b>22%</b>		<b>\$ 610,105</b>	<b>\$ (27,091)</b>
Other Police Revenue	\$ 250,000	\$ 49,478	\$ (200,522)	20%		\$ 250,000	\$ -
Administrative Citations - Safety	\$ 152,833	\$ 33,390	\$ (119,443)	22%		\$ 125,000	\$ (27,833)
Alarm Permits - Contract (Police)	\$ 90,000	\$ 23,757	\$ (66,243)	26%		\$ 90,000	\$ -
Police Issued Parking Fines	\$ 75,000	\$ -	\$ (75,000)	0%		\$ 75,000	\$ -
Tobacco Permits	\$ 29,000	\$ -	\$ (29,000)	0%		\$ 29,000	\$ -
DUI Cost Recovery	\$ 16,417	\$ 11,766	\$ (4,651)	72%		\$ 16,417	\$ -
Tow Release Fees	\$ 9,000	\$ 8,042	\$ (958)	89%		\$ 9,000	\$ -
Police Department Permits	\$ 7,511	\$ 1,909	\$ (5,602)	25%		\$ 7,511	\$ -
Accident Reports	\$ 3,400	\$ 1,449	\$ (1,951)	43%		\$ 2,000	\$ (1,400)
Collision Investigation	\$ 3,000	\$ 1,139	\$ (1,861)	38%		\$ 3,000	\$ -
Witness Fees	\$ 1,606	\$ 825	\$ (781)	51%		\$ 1,606	\$ -
Second Response Fees	\$ 1,071	\$ 387	\$ (684)	36%		\$ 1,071	\$ -
Credit Collections	\$ -	\$ 4,862	\$ 4,862			\$ -	\$ -
Property Release Fees	\$ (1,642)	\$ -	\$ 1,642	0%		\$ 500	\$ 2,142
<b>Grants &amp; Subventions</b>	<b>\$ 900,000</b>	<b>\$ 267,824</b>	<b>\$ (632,176)</b>	<b>30%</b>		<b>\$ 477,000</b>	<b>\$ (423,000)</b>
Other Grants/Subventions <sup>2</sup>	\$ 900,000	\$ (45,642)	\$ (945,642)	-5%		\$ 447,000	\$ (453,000)
State Grants & Subventions	\$ -	\$ 100,702	\$ 100,702			\$ -	\$ -
Police Training Grant (POST)	\$ -	\$ 19,105	\$ 19,105			\$ 30,000	\$ 30,000
Federal Stimulus Grants	\$ -	\$ 26,746	\$ 26,746			\$ -	\$ -
AB939 Reimbursement	\$ -	\$ 77,528	\$ 77,528			\$ -	\$ -
Law Enforcement SB229 Grant (COPS S	\$ -	\$ 89,385	\$ 89,385			\$ -	\$ -
<b>Grand Total</b>	<b>\$ 96,520,553</b>	<b>\$ 41,513,627</b>	<b>\$ (55,006,926)</b>	<b>43%</b>		<b>\$ 101,471,194</b>	<b>\$ 4,950,642</b>

2 – Subventions and grants fluctuate from year-to-year based on availability and grant award rate. Generally, the City has met or exceeded its annual budget, but the budget was not based on guaranteed sources. The mid-year adjustment reflects a change in methodology that is in line with budgeting best practices and will avoid the City from ending in a negative position if grants are not awarded. Moving forward, net-zero budget adjustments (revenue/expenditure offsetting) will be posted as the grants are received and only grants that are awarded on a non-competitive “per capita” allocation will be considered in the budgeted amount.

### Revenue: Enterprise Funds and Special Revenue Funds

		As of 12.21.2021				Mid Year Changes	
	2021-22 Budget	Actuals	YTD Variance	% Received		Midyear Revised Budget	Total Mid-year Changes
202-Downtown	\$ 245,000	\$ 223,987	\$ (21,013)	91%		\$ 245,000	\$ -
208-Tourism Bid Fund	\$ 1,444,000	\$ 828,798	\$ (615,202)	57%		\$ 1,444,000	\$ -
601-Water Fund	\$ 24,452,759	\$ 9,597,975	\$ (14,854,784)	39%		\$ 24,452,759	\$ -
602-Sewer Fund	\$ 22,499,887	\$ 7,420,778	\$ (15,079,109)	33%		\$ 22,500,887	\$ 1,000
611-Parking Fund	\$ 5,450,826	\$ 2,386,088	\$ (3,064,738)	44%		\$ 4,551,136	\$ (899,690)
621-Transit Fund	\$ 6,640,081	\$ 922,949	\$ (5,717,132)	14%		\$ 7,446,049	\$ 805,968
<b>Grand Total</b>	<b>\$ 60,732,553</b>	<b>\$ 21,380,575</b>	<b>\$ (39,351,978)</b>	<b>35%</b>		<b>\$ 60,639,831</b>	<b>\$ (92,722)</b>

## APPENDIX B: BUDGET REQUESTS

SOBC#	Description (*indicates LRM Funded)
<b>1</b>	<b>SLO Rep Challenge Grant</b> One-time challenge grant with the SLO Repertory Theatre to support the building of their new community theater at the corner of the Palm-Nipomo parking structure. Cost escalation have made the project infeasible for the non-profit organization. This is an important component for the creation of the community's cultural corridor around the Mission and consistent with a variety of objectives in the Economic Recovery Major City Goal.
<b>2</b>	<b>Vehicles for New Maintenance Positions</b> Additional fleet needed for maintenance positions added with the 21-23 Financial Plan and the 21-22 Mid-year.
<b>3</b>	<b>Bob Jones Bike Trail Vegetation Management</b> As the City continues to address the interwoven issues of water quality and natural resources protection, flood control capacity, and encampments within the creek system, additional vegetation management is needed through focused, site-specific effort.
<b>4</b>	<b>Downtown Safety Enhancements</b> Additional barriers for Farmers Market to enhance downtown safety.
<b>5</b>	<b>Crisis Communications Planning</b> When a crisis occurs, the need to communicate is immediate. To further support the Public Information function of the City's Comprehensive Disaster Leadership Plan (CDLP), the City needs a comprehensive crisis communications plan that identifies for each type of incident all audiences, messages, and contact information centers. This effort will be contracted out to a subject matter expert and will provide ready to use templates for all incidents identified in the CDLP.
<b>6</b>	<b>Transfer of Mitigation Fee Payment</b> Allocate \$10,000 from the General Fund unassigned fund balance to the San Luis Ranch Fund. This is due to mitigation fee payment that was erroneously posted to the General Fund.
<b>7</b>	<b>Litigation Support</b> The city has experienced an increase in litigation outside the coverage of the City's Joint Powers Insurance Authority and increasingly aggressive litigation tactics, driving increases in outside defense costs.
<b>8</b>	<b>Council Hearing Room – Auto Tracking Camera</b> Auto Tracking camera and ceiling mounted microphone for Council Hearing Room. This will allow for hybrid meetings to be held in the Council Hearing room. We have approximately \$120,000 in PEG money which could offset the cost of this equipment. The \$1500 ongoing fiscal impact would be the service plan for the equipment.
<b>9</b>	<b>Covid Tests</b> The City has spent over \$15,000 on unbudgeted Covid rapid tests for employees and projects another \$15,000 needed before year end. These costs will be submitted to FEMA for reimbursement.
<b>10</b>	<b>Golf Course Pro Shop Flood Damage Repairs</b> The recent storm (December 2021) caused flood damage to the Laguna Lake Golf Course Pro Shop. Seeking one-time emergency repair funding to restore the shop to its prior condition. Currently awaiting estimate numbers, but assuming the amount exceeds \$25,000, this request has been placed in Capital.
<b>11</b>	<b>Reimbursement Agreement for 600 Tank Farm</b>

## APPENDIX B: BUDGET REQUESTS

	Reimbursement due to developer per reimbursement agreement for roundabout at Santa Fe and Tank Farm
<b>12</b>	<b>Mission Plaza Landscape and Lighting Improvements Construction</b>
	Improvements to include up lighting for trees in the plaza, new light standards, and relandscaping.
<b>14</b>	<b>2<sup>nd</sup> Legal Assistant – (Org Assessment Recommendation)</b>
	Organizational Assessment of the City Attorney’s Office is still in progress, but the draft staffing recommendation was provided in late November. After discussion with City Manager and other City staff, this contract position, placeholder SOBC is being submitted. The draft staffing recommendation included a second Legal Assistant or an Executive Assistant/Legal Secretary, and also stated options of having the position be permanent or contract. With so many variables, and with the final assessment report still incomplete, it was deemed prudent to keep this position contract for the time being.
<b>15</b>	<b>Comp Study FY 22 One-time Contingency</b>
	This request is for a contingency to cover the additional staffing costs associated with implementing recommendations included in the compensation benchmark study assuming they go into effect before the end of the year. Any unused balance will return to fund balance at year end.
<b>16</b>	<b>Conversion of City Attorney Contract Positions – 3 FTE (Org Assessment Recommendation)</b>
	No fiscal impact as a result of this request as the budget was already included in the 2021-23 Financial Plan as “ongoing”. The Organizational Assessment recommends the conversion of three contract positions to permanent ongoing: Paralegal, Legal Assistant & Deputy City Attorney.
<b>17</b>	<b>Hybrid Public Meetings (0.5 FTE)</b>
	Implement and support hybrid City Council and Planning Commission meetings on an ongoing basis. This funding would provide for additional Clerk’s Office and IT staffing to manage virtual side of hybrid public meetings by queuing up speakers via phone or Zoom and managing those platforms. Prior to launching hybrid meetings, Council has previously indicated that a policy discussion should be initiated and any changes to council policies and procedures should be adopted.
<b>18</b>	<b>Monsido – ADA Compliance Software</b>
	People with disabilities should be able to enjoy the same access to information as those without disabilities. To help make the City’s website more welcoming for all, further our DEI initiatives, and ensure compliance with ADA requirements we need a tool that will help us make our website content accessible to everyone. This software will help scan our website content and let us know what content is not meeting website accessibility standards. It will also help us easily fix those issues, as well as any broken links on our website.
<b>19</b>	<b>Temporary Office Leasing and Equipment</b>
	Current City offices are surpassing effective capacity levels even when accounting for remote work and additional, temporary office space is being requested until space in existing facilities can be maximized. Across departments a space needs assessment was conducted, and various leasing options were explored as well as modifications for existing facilities. Leasing offices will create the necessary, temporary space to relieve capacity issues across five departments while projects that will come forward with the Supplemental budget are completed to ensure existing space is used as effectively as possible. The request includes one-time set-up costs, equipment, and a temporary lease. Some ongoing lease costs may be needed until such time as the current SLO Repertory space is returned for future civic uses, including office space.

## APPENDIX B: BUDGET REQUESTS

<b>20</b>	<b>Transitional Legal Services (related to Org Assessment)</b>
	During the implementation of the staffing recommendations from the Org Assessment, transitional assistance will be needed in order to have time to train new staff while continuing to meet workload demands. Amount is based on previous code enforcement and Assistant City Attorney contract rates. Request is for funds to be used for contract or supplemental staff, or contract work by outside law firms at the discretion of the City Attorney. The request is categorized as “ongoing” since it is unknown at this time how long the transition will be and when the efficiencies of extra staffing will be realized.
<b>21</b>	<b>Virtual Meeting Software</b>
	Resources for software to support virtual functionality for the public and/or Consultants.
<b>22</b>	<b>Part-time Fire Inspector (0.5 FTE) (Revenue Offset)</b>
	<p>Reinstate a half-time fire inspector 1 to meet state mandatory annual inspections and reach fire plan review performance metrics. Updated FY22 life-safety inspection fee revenue fully offsets the cost to reinstate the position. This revenue account is expected to continue to increase as it is based on the number of units in the program. Currently the fire department has not been able to complete the yet to complete state mandated inspections of multi-family dwellings in the 2021 calendar year due to staff capacity. Of the 100 mandated inspections, 30 public assemblies and hospitals and assisted living center inspections have not been completed which equates the approximately 50% of a full-time inspector’s workload. New projects including hotels, apartments and multi-family condominiums continue to increase the total number of mandated inspections, further hindering the department’s ability to keep up with the demand.</p> <p>Simultaneously, the recent annexation of the East Airport Area brought a significant number of new industrial properties into the City that must be inspected by the Fire Department annually. While the department’s plan review turn-around times have improved from 65% in 2020 to 72% in 2021 the department has still been unable to meet our goal of 80% as the volume has increased from 566 in 2020 to 630 in 2021. The trade-off between plan review turn-around times and the annual inspection program is not one that allows the department to service the development and developed community equally.</p>
<b>23</b>	<b>Part-time, contract attorney resource (Org Assessment Recommendation)</b>
	Another part of the draft staffing recommendation from the Org Assessment is to hire a contract, half-time Assistant City Attorney. Funding for this position is recommended as “ongoing” but the position will be kept as a contract until other elements of the org assessment are fully implemented.
<b>24</b>	<b>Housing/Homelessness Contract Position*</b>
	2-year contract position to assist the Housing Policy and Programs division. This position will directly report to the Homelessness Response Manager and expire June 2023 (at the end of FY23).
<b>25</b>	<b>Increase in Mission Plaza Maintenance*</b>
	This request is for maintenance costs associated with landscaping, lighting and other aesthetic improvements related to Mission Plaza improvements.
<b>26</b>	<b>Mobile Crisis Unit (MCU) (1 FTE)*</b>
	This was a previously approved one-time budget addition for the 2021-23 Financial Plan. This request is to make the MCU ongoing and convert 1 contract EMT into an ongoing FTE.



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<b>27</b>	<b>Accelerate New Streets Position*</b>
	No cost request to accelerate the addition of the Streets Maintenance Operator that is funded as “ongoing” starting in the 22-23 fiscal year. Program salary savings will be used to fund the request.
<b>28</b>	<b>Additional Pressure Washing*</b>
	This request is to expand coverage area in Downtown for pressure cleaning.
<b>29</b>	<b>Additional Pruning/Watering</b>
	This request is to supplement existing salary savings to keep contractor working full-time through the end of FY, as the City is currently one full cycle behind. There is approximately \$125K remaining in budget which will only support services through February. The plan is to have two crews going at one time and area pruning by contractors to get caught up in cycle.
<b>30</b>	<b>Additional Streets Maintenance Staff (2 FTE)*</b>
	Additional staff is needed to enhance downtown cleanliness and staffing for downtown events including but not limited to the weekly farmer’s market. The activation of downtown has resulted in a more proactive approach to keeping the downtown clean and safe. The department is struggling to support these additional work efforts along with staff's original workload. This request will cover a downtown maintenance coordinator who will plan and supervise the work of 1 full time downtown maintenance technician and 2 supplemental downtown maintenance technicians.
<b>31</b>	<b>Additional Supplies for Downtown Maintenance Program*</b>
	As the downtown cleaning and maintenance program expands, these funds will be used for operating material and supplies for the program.
<b>32</b>	<b>CAPSLO Programming - Railroad Square Safe Parking*</b>
	This request is to add funds to CAPSLO's contract for the continuation of the low barrier pilot parking program at Railroad Square. Contract will be extended to June 30, 2022.
<b>33</b>	<b>Centralized Resident Inquiry Platform*</b>
	This request is for a platform that would enhance the way customer issues or service request are identified, responded to, and tracked. By organizing these requests, this allows staff to respond to effectively and efficiently and has tracking and metric capabilities. This will more easily provide data on incoming requests and response rates. Having this data will help provide and improve performance measures and the ability to update staff internally on progress. It would allow more time to do other tasks and assignments as once operational it should save time; allow for repeat use of materials and provide long term operational efficiencies. An RFI was published, and bids were received by seven vendors providing limited fiscal information. Two of the seven vendors supplied potential costs that ranged from \$6,500 to \$30,000 annually. Next steps include demos and internal stakeholder communication, thus the \$40k is a conservative placeholder.
<b>34</b>	<b>CIP Staff Augmentation Study - Conversion of Existing Funding to Positions (4 FTE)*</b>

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In the 21-23 Financial Plan, funding was appropriated in a capital project to augment the City's ability to deliver capital projects. The appropriations totaled \$500K for FY 22, and \$1M in FY 23 and ongoing to support delivery of the City's Capital Improvement Program (CIP) which has seen a substantial increase in complexity, scale, and number of Capital Improvement projects as a result of the increased funding attributed to Measure G20 which will generate approximately \$25M annually.

In 2021, the City retained a consultant (Management Partners) to perform an assessment of the City's CIP. The assessment concluded that the City has capable, engaged and qualified staff managing the program, but that the unprecedented growth in the size and scale of the CIP requires focus in the following areas: delivering projects on schedule; project scoping, budgeting, and execution; reporting, performance measurement, and management information systems; and staffing and organizational structure. Management Partners developed 53 recommendations that cover all aspects of the City's CIP and in November, the City hired a CIP Process Improvement Manager to lead implementation of these recommendations over the coming year.

The immediate priority is to right-size the organization so that the City has the capacity to effectively manage all of the projects that are planned for the next several years. Management Partners has recommended the addition of 4.00 FTE permanent positions, and the reclassification of 1.00 FTE vacant position. This midyear request is to convert a portion of the funding from the capital project to operational staffing and approve 4.00 FTE new positions, including a new CIP Manager, a new CIP Project Manager, and an additional Engineering Inspector and Supervising Engineer. No additional cost is attributed to this action.

The Management Partners report was provided on the consent agenda on February 1, 2022 explaining this comprehensive assessment report in detail and how the recommendations are intended to support CIP staff and the City as a whole, in improving the overall delivery of the many current and future capital and maintenance projects that the City is undertaking.

<b>35</b>	<b>Community Services Coordinator (1 FTE)*</b>
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## APPENDIX B: BUDGET REQUESTS

<p>The Local Revenue Measure G included funding to increase Senior programming for the community. The SLO Senior Center has been operating under the guidance of a volunteer Senior Executive Board with a Parks and Recreation staff member serving in a liaison role. The Senior Board is requesting additional day-to-day staff support in managing the Senior Center which would benefit both the City and the senior community. The coordinator position would provide an anticipated 20-25 hours per week of direct support to enhance programming, provide a sense of security to the Senior Center members and rehabilitate the relationship and programming opportunities with the Senior Center Board. The coordinator would also oversee the current five locations (and the pending addition of 2 additional locations) for the Community Gardens program, manage the expanding Contract Class program, and support the Community Services Division (global community events). The oversight of the Community Gardens and Contract Classes, as well as community event support, have historically been managed by two Recreation Specialists (part time, limited benefit temporary positions); however, these programs require a more consistent level of professionalism, community outreach, safety and risk management, contract oversight, and maintenance that exceeds the expectations of a part-time position. Combining two supplemental positions into one full-time position will allow for consistent management and appropriate support of the Senior Center programs and expanded and innovative Contract Classes and Community Gardens programs. Funds would be transferred from Temporary Salaries to Regular Salaries, as funding for this position will be covered (fully for FY 22 / partially for FY 23) through the already two budgeted positions. Overage amount for FY 23 should be supported through the LRM funds directed towards Senior Programming and there will be no fiscal impact for FY 2022. For FY 2023, the fully loaded costs of this full-time role is estimated at \$93,989, the merging of the two part-time roles are estimated combined to be \$84,981, total FY 2023 fiscal impact would be \$9,007.</p>	
<b>36</b>	<b>Public Safety Customer Engagement*</b>
	Utilizing new technology, information can be sent via text to reporting parties that call 9-1-1. Callers will receive information regarding their incident and provide estimated updates on officer arrival times and/or subsequent delays. This software can also gather service feedback via surveys. This tool provides a direct opportunity for the community to provide helpful feedback when responding and working with with public safety.
<b>37</b>	<b>Mobile Data Computers*</b>
	The police department was given approval to over hire two police officer positions in anticipation of natural turnover and planned retirements and minimize the need for overtime. Two mobile data computers(MDUs) are needed for these positions and staff is requesting to purchase two spares. Total purchase would be for four MDCs.
<b>38</b>	<b>Supplemental Overtime for Farmer's Market Support*</b>
	The funding is for the deployment of Farmer's Market barricades
<b>39</b>	<b>Contract Volunteer Coordinator *</b>

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	<p>The City relies on community volunteers to support a variety of services within different Departments (general community events, garden and trail maintenance, public art, internships). Over the years, there has been a significant increase in request and inquiries for volunteer services to support the community and City services. A centralized volunteer program would ensure marketing, recruitment, tracking of hours, risk management, recognition events, and globalized program area support would be achieved through coordinating with service groups, academic and other community partners. It is recommended that P&amp;R have direct oversight of the position as the Department hosts a variety of volunteer opportunities and collaborates across City departments. As the position and needs fulfilled by this position may evolve, it is recommended as a contract position at which time reassessment of City-wide needs can be determined. Per Finance's guidance, since this request is for a contract position, the contract should only extend through the end of the Financial Plan (June 2023).</p>
<b>40</b>	<b>Converting Contract Homelessness Response Manager to FTE (1 FTE)*</b>
	<p>No fiscal impact as a result of this request - Convert the contract Homelessness Response Manager to a regular position. Salary is currently in the contract services account and needs to be moved to Regular salaries for the remainder of FY22 and for all of FY23. Ongoing salary will be put in Regular salaries in the next Financial Plan.</p>
<b>41</b>	<b>Emergency Manager (1 FTE)*</b>
	<p>To maintain the high level of community response and preparedness service in alignment with Measure G-20 priorities and to help meet the growing impacts of climate change including increased risk to fire, flood, heat, and drought related emergencies the department is seeking a full time 40-hour Staff Emergency Manager. Staff attempted to fill some emergency manager responsibilities utilizing contract services and continues to learn that a dedicated staff member is needed to deliver on the work products necessary for an all-inclusive Emergency Management Program for the organization and community. A job description for this position is in draft status and near complete after consultation with Human Resources.</p> <p>The position will be responsible for directing City-wide all-hazards emergency/disaster worker training, preparedness, response, mitigation, and recovery activities for natural, environmental, humanmade and other emergencies impacting the City. Responsibilities will include mandatory management of the City's Emergency Plan (Comprehensive Disaster Leadership Plan (CDLP)), Local Hazard Mitigation Plan (LHMP) and Community Wildfire Protection Plan (CWPP); conduct emergency preparedness training for City employees (NIMS/SIMS/emergency worker prep); Serve as liaison with local, state and federal agencies to ensure compliance; Assist the City Manager, acting as Emergency Services Director, with development and presentation of critical incident updates to the Disaster Council; maintain emergency operations center (EOC) preparedness and readiness; conduct community emergency preparedness forums; assist in the administration of Fuel Reduction efforts. Presently the Fire Chief is coordinating the Emergency Management Division work and has limited capacity to increase and improve the program without increased resources as necessary to meet City Goals of resiliency and disaster preparedness.</p>
<b>42</b>	<b>Facilities Additional Contract Funding*</b>
	<p>The additional contract funding will be used for rain gutter cleaning and for technical repairs. Gutter cleaning is time consuming and a high liability to the City and contracting out these services will allow staff to be more responsive and limit liability. Also, as senior technicians leave the program for various reasons, recruitment of qualified technicians has been challenging,</p>

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	which is resulting in a higher use of contractors for some of the more complex mechanical systems.
<b>43</b>	<b>Parks Additional Contract Funding*</b>
	The additional contract service funding will be used to fund expanded landscaping request, along with the installation and maintenance of landscaping along protected bike and pedestrian paths.
<b>44</b>	<b>Parks Maintenance Beautification Gardner (1 FTE)*</b>
	This position will work in all Parks and City Facilities maintained by the Parks Maintenance Program. This position will focus strictly on beatification by planting and maintaining ornamental plantings.
<b>45</b>	<b>Santa Rosa at Monterey St Improvements</b>
	Public costs for intersection improvements at Santa Rosa/Monterey to help with pedestrian, bike and vehicle safety improvements. Improvements will complement infrastructure investments by adjacent property NKT property owner as they tenant the building and will provide a safer intersection for those working at the County of SLO.
<b>46</b>	<b>Fire Medium Duty Truck with Utility Bed</b>
	Due to the strained supply chain and market inflation the anticipated cost of the utility bed associated with the Medium Duty Truck has increased past the current allocated budget for the vehicle replacement. The budgeted amount in FY22 for this replacement is currently \$125,000, however the total project cost is now expected to be \$145,000.
<b>47</b>	<b>Increased Vehicle Costs Tied to Inflation</b>
	This funding would be used to build the 8 Police Department vehicles that have been purchased or scheduled to be purchased. Build cost have increase significantly due to inflation, and the local vendor who the City has been using for builds is no longer meeting the City's expectations.
<b>48</b>	<b>Mid Higuera Bypass (Design 90649)</b>
	Funding for property easement acquisition for this flood control project between Marsh St. and Madonna Road along San Luis Creek.
<b>49</b>	<b>Mission Plaza Restroom (Design 91439)</b>
	Funding for Archeological Monitoring and Soils Report to advance final designs.
<b>50</b>	<b>Parks Vandal Resistant Restroom Dispensers</b>
	Unanticipated vandalism such as from TikTok challenge <sup>33</sup> .
<b>51</b>	<b>Reconstruction and Resurfacing Annual Asset Maintenance</b>
	Additional funding for the installation of curb ramps.
<b>52</b>	<b>Replacement of Park Tables Citywide - Safety Measure</b>
	This request is a result of increased cost in materials and the need to switch to aluminum tables. Currently concrete and rubber coated expanded metal. Replacing all concrete picnic tables is neededthat could be harmful to the public.
<b>53</b>	<b>Sidewalk Annual Asset Maintenance</b>
	Repair Sidewalk Damaged by City Trees for the purpose of trip and fall prevention
<b>54</b>	<b>SLO Creek Repair at Johnson (Design 1000183)</b>
	Additional funding request for permitting and design to prevent project delay. This project is intended to stabilize the creek bank adjacent to Johnson Avenue near Pismo Street.
<b>55</b>	<b>Transportation Consultant Support</b>

<sup>33</sup> Commonly referred to as "Devious Licks".

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<p>Several priority transportation projects/work efforts that will be very difficult to complete with current staffing &amp; workload levels. Staff is requesting funding to utilize on-call consultant resources to support the following work efforts: a) Traffic Analysis &amp; Preliminary Design for Potential Johnson Ave Road Diet (Bishop to Laurel) -- Planning &amp; design needs to be completed in 2022 to incorporate into currently planned 2023 summer paving project. b) Downtown Signal Timing Refinements -- Need additional staff resources to develop and implement updated signal timing plans for Santa Rosa corridor and Downtown Core w/ upcoming street changes with Marsh/Higuera Road Diets and changes to Santa Rosa/Monterey signal with partial ped scramble with NKT development. c) Protected Bikeway Design Standard -- Staff desires to develop standard plans for protected bike lanes (on-street and sidewalk-level) for inclusion in 2022 Engineering Standards Update. On-call engineering consultants have significant experience with such facilities and should support this effort and were used during surge efforts during the pandemic to implement a variety of projects.</p>	
<b>56</b>	<b>Truck Mounted Sign Boards</b>
<p>This request is needed for employee safety. City has recently taken over responsibility for maintenance work on arterial streets, which has typically been covered by contractors and thus is now resulting in an additional cost to advise the public of impending projects in the roadway.</p>	
<b>57</b>	<b>Higuera Corridor Complete Street Design</b>
<p>Appropriate a portion of the fund reserve from \$1.7M Cerro San Luis Greenway Urban Greening Grant to fund PS&amp;E for a complete street project along the Higuera Corridor between Marsh St. and LOVR. ATC ranked this as highest priority Tier 1 project in Active Transportation Plan. High-level concept design and feasibility analysis currently underway but need additional funding for final design and construction. This request would fund final design and consultant support for planned grant application with upcoming Caltrans Active Transportation Program (Cycle 6). Staff plans to return at FY2022-23 Budget Supplement to request construction funding.</p>	
<b>58</b>	<b>Pedestrian Crossing Improvements</b>
<p>Additional funding needed to proceed with construction of Pedestrian Crossing Improvements project in 2022. Project will provide enhanced ped/bike crossings with flashing beacons at several high-priority intersections identified in ATP, including Johnson/Sydney and South/King. Cost estimates at 90% design have increased beyond initial funding resources due to (a) unanticipated ADA improvements required, (b) increases in construction costs, (c) design revisions to Johnson/Sydney Crossing due to community feedback, and (d) design direction from ATC.</p>	
<b>59</b>	<b>Affordable Housing Legal Fees</b>
<p>Legal fees associated with affordable housing closing costs. External counsel is needed due to high City Attorney workload</p>	
<b>60</b>	<b>Confined Space Rescue Equipment</b>
<p>Utilize the Public Safety Equipment Fund to purchase confined space rescue equipment. The department has been working increase the City's ability to stand on its own during both large- and small-scale technical rescue demanding events. One area that staff has identified as a vulnerability without the assistance from mutual aid is confined space rescue which can be important with both a small, isolated incident to a destructive earthquake. The equipment to be purchased will be used to facilitate victim removal and provide adequate air and communication lines.</p>	
<b>61</b>	<b>Council Chambers - Auto Tracking Cameras</b>

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	New Auto Tracking Cameras for Council Chambers. This would eliminate the need for an operator or would allow for a remote operator. There is approximately \$120,000 in PEG money which will offset the cost of this equipment. The City has pursued a variety of efforts to secure human operated cameras without success.
<b>62</b>	<b>Madonna Rd. Bike Path Landscaping Design</b>
	Landscape improvements along Madonna Rd. at Laguna Lake.
<b>63</b>	<b>Mobile Command Trailer Bandwidth</b>
	Replacement router to improve bandwidth as we integrate critical technology and full remote dispatching capabilities from the trailer. Bandwidth has become constrained and decreases performance. The Mobile Command Trailer is also the backup Public Safety Answering Point (PSAP). *This estimated cost may be reduced if staff finds another solution for increasing bandwidth.
<b>64</b>	<b>Recruit Academy Personal Protective Equipment</b>
	Additional funding to purchase Personal Protective Equipment for three additional firefighters. The normal budget for this program is based on the hiring of four new firefighter recruits. When the FY22 budget was being developed, staff anticipated the number to increase to six recruit firefighters and adjusted the budget accordingly. After the budget was finalized, unanticipated retirements and resignations resulted in the need to hire a total of nine recruit firefighters. With a cost of \$10,000 to outfit each recruit firefighter with the appropriate personal protective equipment, the department will need approximately \$30,000 in additional funding to offset the total cost of the program.
<b>65</b>	<b>Administrative Error in Position Costing for 1 Water Distribution Operator</b>
	An administrative adjustment in position costing, staff allocated a Water Distribution Operator to the Sewer Fund. The Sewer Fund pays for 1 FTE due to work Water Distribution does on meters as meters are also used to calculate Sewer sales. Request is to move between the water and sewer funds .
<b>66</b>	<b>Utilities Fleet Replacement</b>
	The Utilities Department has two Prii that had not been budgeted for replacement in the current 5-year CIP but recently had the catalytic converters stolen. Due to the age of the vehicle and cost of replacement, staff recommend purchasing one new vehicle (\$40,000) split between Water and Sewer Funds.
<b>67</b>	<b>Additional WRRF Safety Perimeter Fencing</b>
	Due to emergent security concerns and repeated break-ins at the WRRF, staff proposes installing architectural safety perimeter fencing. There is already budget for WRRF fencing in CIP 1000077 WRRF Major Maintenance and CIP 1000530 Recycled Water Tank. This request is to augment the current funding available for additional fencing at the WRRF.
<b>68</b>	<b>Administrative Error in Position Costing for 1 Water Distribution Operator</b>
	An administrative adjusgment in position costing, a Water Distribution Operator was costed in the Sewer Fund. The Sewer Fund pays for 1 FTE due to work Water Distribution does on meters as meters are also used to calculate Sewer sales. . Request is to move between the water and sewer funds .
<b>69</b>	<b>Mandatory Minimum Penalties from the State for THMs and Pathogen Violations</b>



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<p>The WRRF had several discharge violations in 2021. One was a process upset created by the extensive use of a disinfectant or surfactants discharged to the WRRF referred to as quaternary ammonia resulting in four pathogen violations. The other six violations were caused by the formation of disinfection by-products called Trihalomethanes (THMs) which are created by the use of chlorine. The WRRF project is constructing an ultraviolet disinfection process that will bring the WRRF into compliance with THMs. This request is for the entire fine. The violations are \$3,000 each and the City has contested the four pathogen violations. After multiple conversations with the Central Coast Regional Water Quality Control Board, they have agreed to reduce the fine amount, considering the four pathogen violations as one event, which is reflected in the current funding request.</p>	
<b>70</b>	<b>Utilities Fleet Replacement</b>
	<p>The Utilities Department has two Prii that had not been budgeted for replacement in the current 5-year CIP but recently had the catalytic converters stolen. Due to the age of the vehicle and cost of replacement, staff recommend purchasing one new vehicle (\$40,000) split between Water and Sewer Funds.</p>
<b>71</b>	<b>Gateless Parking Garages Equipment Install</b>
	Request for additional funding due to increased costs tied to inflation.
<b>72</b>	<b>New Security Services Agreement</b>
	Additional security services with expanded nighttime hours to enhance downtown safety.
<b>73</b>	<b>Supervising Parking Enforcement Officer Reclassification</b>
	Supervising Parking Enforcement Officer Reclassification necessitated by a growth in the enforcement staff.
<b>74</b>	<b>41 Prado Rd. Bus Shelter Relocation</b>
	<p>This is a new project to improve the safety for bus passengers. Relocating the bus stop on the side of the new Prado Day Center will eliminate the need for bus passengers to J-walk to the bus stop.</p>