

**RESOLUTION NO. \_\_\_\_\_ (2022 SERIES)**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN LUIS OBISPO, CALIFORNIA, APPROVING AMENDMENTS TO THE ADOPTED 2021-22 BUDGET APPROPRIATIONS AND AUTHORIZING THE CITY MANAGER TO APPROVE NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM PERMIT VIOLATION SETTLEMENTS**

**WHEREAS**, in accordance with San Luis Obispo Charter Section 802, the City Manager has submitted the 2021-23 Financial Plan to the Council for review and consideration on June 1, 2021; and

**WHEREAS**, the Council adopted the 2021-23 Financial Plan and appropriated the 2021-22 budget allocation including operating, debt service, and capital improvement plan budgets; and

**WHEREAS**, in accordance with Budget Policy G under Financial Plan Purpose and Organization, the Council will formally review the City's fiscal condition, and amend appropriations, if necessary, six months after the beginning of the year; and

**WHEREAS**, the report follows the City's completion of its annual comprehensive financial report (ACFR) for 2020-21 which shows that the General Fund has an unassigned Fund Balance of \$5,311,792 and the Local Revenue Measure sub-fund has an unassigned sub-fund balance of \$1,964,773; and

**WHEREAS**, in June 2021, the City Council adopted a comprehensive Fund Balance and Reserve Policy (R-11250) and the use of funds from the Capital Projects Reserve Fund can be made upon Council approval as necessary during any fiscal year;

**WHEREAS**, in 2018-19 the City adopted a Fiscal Health Response Plan (FHRP) and is now in a financial condition to make the CalPERS payments consistent with the FHRP original payment schedule; and

**WHEREAS**, the City receives revenue under the Transportation Development Act (TDA) which is restricted for the improvements and maintenance of bicycle and pedestrian infrastructure and has \$53,029 of unallocated funding from 2020-21 in addition to \$45,000 in 2021-22 allocation; and

**WHEREAS**, per Resolution No. 11251 Section 3, staff was directed to return to Council with project recommendations and appropriation requests to further implement Tier 1 Active Transportation Plan projects as a result of Urban Greening Grant Funding for the Cerro San Luis Greenway Project; and

**WHEREAS**, the City of San Luis Obispo's Water Resource Recovery Facility (WRRF) has been issued a National Pollutant Discharge Elimination System (NPDES) permit; and

**WHEREAS**, the monitoring and reporting requirement of the WRRF's NPDES permit are subject to mandatory minimum penalties (MMPs); and

**WHEREAS**, the Porter-Cologne Water Quality Act establishes MMPs for certain types of violations of the NPDES permit; and

**WHEREAS**, California Water Code sections 13385 and 13385.1 require the Central Coast Regional Water Quality Control Board (CCRWQCB) to impose MMPs of \$3,000 for certain violations; and

**WHEREAS**, negotiation and settlement of MMPs can occur long after the violation event; and

**WHEREAS**, the 2021-22 mid-year budget appropriation amendments include the funding to pay the violations; and

**WHEREAS**, it is critical that settlement payment for any MMP be authorized in an expedient manner to comply with the CCRWQCB deadline.

**NOW, THEREFORE, BE IT RESOLVED**, by the Council of the City of San Luis Obispo as follows:

**SECTION 1.** The 2021-22 budget is hereby amended to appropriate a one-time allocation of \$4,800,000 from the City's General Fund unassigned fund balance into operating budgets for the uses listed in Exhibit A.

**SECTION 2.** The 2021-22 budget is hereby amended to appropriate a one-time allocation of \$1,940,000 of the Local Revenue Measure unassigned balance into operating budget for the uses listed in Exhibit A.

**SECTION 3.** \$1,872,000 of the Capital Projects Reserve Fund are hereby assigned for the capital projects as listed in Exhibit A.

**SECTION 4.** The City will make a \$12,429,774 down payment to CalPERS and invest \$2,428,052 into a 115 Pension Trust Fund.

**SECTION 5.** The 2021-22 budget is hereby amended to appropriate \$53,029 of 2020-21 TDA carryover balance into the Pedestrian Crossing Improvements Project (Specification 1000069) and move \$45,000 of current year budgeted TDA funding and \$55,000 in Capital Outlay-Local Revenue Measure funding from the Active Transportation Plan Implementation Project (Specification 1000502) into the Pedestrian Crossing Improvements Project (Specification 1000069).

**SECTION 6.** The 2021-22 budget is hereby amended to re-appropriate \$476,971 of the Cerro San Luis Greenway Project Budget for the ATP projects listed in Exhibit A, with \$1,223,029 remaining for allocation at a later date.

**SECTION 7.** The 2021-22 budget is hereby amended to make the following budget appropriations from fund balance for the uses listed in Exhibit A.

<b>Fund</b>	<b>2021-22</b>
General Fund	\$ 261,025
Local Revenue Measure	\$ 623,660
PEG Fund	\$ 110,030
Public Safety Equipment Replacement Fund	\$ 68,656
Sewer Fund	\$ 396,000
Water Fund	\$ (75,000)
San Luis Ranch Fund	\$ 28,000
Affordable Housing Fund	\$ 30,000
Law Enforcement Grant Fund (JAG Grant)	\$ 10,000
Transit Fund	\$ 35,000
Parking Fund	\$ 135,000
<b>Total</b>	<b>\$ 1,622,371</b>

**SECTION 8.** The City will add 15 Full-Time Equivalent (FTE) positions as a result of the budget appropriations in Section 7 and listed in Exhibit A.

**SECTION 9.** The 2022-23 adopted budget is hereby amended to make the changes as listed in Exhibit A.

**SECTION 10.** Council delegates the authority to the City Manager to approve any future NPDES permit violation settlements in an amount not to exceed \$50,000.

On motion of \_\_\_\_\_, seconded by \_\_\_\_\_,  
and on the following vote:

AYES:

NOES:

ABSENT:

The foregoing Resolution was adopted on the \_\_\_\_ day of \_\_\_\_\_, 2022.

\_\_\_\_\_  
Mayor Erica A. Stewart

ATTEST:

\_\_\_\_\_  
Teresa Purrington,  
City Clerk

APPROVED:

\_\_\_\_\_  
J. Christine Dietrick,  
City Attorney

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed the official seal of the City of San Luis Obispo, California, on \_\_\_\_\_.

\_\_\_\_\_  
Teresa Purrington,  
City Clerk

R \_\_\_\_\_

*Exhibit A*

Budget Amendment	+ FTE	One-time/ Ongoing	2021-22	2022-23
<b>SECTION 1: General Fund FY21 One-time Fund Balance</b>			<b>4,800,000</b>	<b>-</b>
Downtown Safety Enhancements		One-time	375,000	-
Vehicles for New Maintenance Positions		One-time	210,000	-
Bob Jones Bike Trail Vegetation Management		One-time	25,000	-
Council Hearing Room - Auto Tracking Camera		One-time	30,000	-
Crisis Communications Planning		One-time	50,000	-
Litigation Support		One-time	120,000	-
Transfer of Mitigation Fee Payment		One-time	10,000	-
Covid Tests		One-time	30,000	-
SLO Rep Payment		One-time	3,950,000	-
<b>SECTION 2: Local Revenue Measure FY21 one-time Fund Balance</b>			<b>1,940,000</b>	<b>-</b>
Golf Course Pro Shop Flood Damage Repairs		One-time	120,000	-
Mission Plaza Landscape and Lighting Improvements Construction		One-time	275,000	-
Reimbursement Agreement for 600 Tank Farm		One-time	1,545,000	-
<b>SECTION 3: Capital Reserve</b>			<b>1,872,000</b>	<b>-</b>
Santa Rose at Monterey Intersection Improvements		One-time	1,000,000	-
Fire Medium Duty Truck with Utility Bed		One-time	20,000	-
Increased Vehicle Costs Tied to Inflation		One-time	120,000	-
Mid Higuera Bypass (Design 90649)		One-time	110,000	-
Mission Plaza Restroom (Design 91439)		One-time	60,000	-
Reconstruction and Resurfacing Annual Asset Maintenance		One-time	150,000	-
Sidewalk Annual Asset Maintenance		One-time	50,000	-
SLO Creek Repair at Johnson (Design 1000183)		One-time	175,000	-
Parks Vandal Resistant Restroom Dispensers		One-time	25,000	-
Replacement of Park Tables Citywide - Safety Measure		One-time	25,000	-
Transportation Consultant Support		One-time	125,000	-
Truck Mounted Sign Boards		One-time	12,000	-
<b>SECTION 6: Re-allocation of Cerro San Luis Greenway Budget</b>			<b>476,971</b>	<b>-</b>
Higuera Corridor Complete Street Design		One-time	250,000	-
Pedestrian Crossing Improvements		One-time	226,971	-
<b>SECTION 7: General Fund</b>	<b>4</b>		<b>261,025</b>	<b>501,938</b>
2nd Legal Assistant		Ongoing	-	73,400
Hybrid Public Meetings (0.5 FTE)	.5	Ongoing	-	60,888

Budget Amendment	+ FTE	One-time/ Ongoing	2021-22	2022-23
Monsido - ADA Compliance Software		Ongoing	-	4,900
Office Space		One-time	-	197,040
Part-time Fire Inspector (0.5 FTE) (Revenue Offset)	.5	Ongoing	11,025	33,410
Part-time, contract attorney resource		Ongoing	-	94,100
Transitional Legal Services (related to Org Assessment)		Ongoing	-	32,000
Virtual Meeting Software		Ongoing	-	6,200
One-time Contingency for Benchmark Study Adjustments in FY22		One-time	250,000	-
Conversion of City Attorney Contract Positions (3 FTE)	3	Ongoing	-	-
<b>SECTION 7: Local Revenue Measure</b>	<b>11</b>		<b>623,660</b>	<b>1,083,497</b>
CIP Staff Augmentation Study - Conversion of Existing Funding to Positions (4 FTE)	4	Ongoing	-	-
Accelerate New Streets Position		One-time	-	-
CAPSLO Programming - Railroad Square Safe Parking		One-time	64,633	-
Contract Volunteer Coordinator		One-time	32,850	101,508
Housing/Homelessness Contract Position		One-time	40,000	80,000
Mobile Data Computers		One-time	14,200	-
Additional Pressure Washing		Ongoing	25,000	25,000
Additional Pruning/Watering		Ongoing	200,000	200,000
Additional Streets Maintenance Staff (2 FTE)	2	Ongoing	60,750	243,000
Additional Supplies for Downtown Maintenance Program		Ongoing	-	25,000
Centralized Resident Inquiry Platform		Ongoing	40,000	40,000
Parks & Rec Community Services Coordinator (1 FTE)	1	Ongoing	-	9,728
Converting Contract Homelessness Response Manager to FTE (1 FTE)	1	Ongoing	-	-
Emergency Manager (1 FTE)	1	Ongoing	38,627	143,061
Facilities Additional Contract Funding		Ongoing	-	25,000
Increase in Mission Plaza Maintenance		Ongoing	27,000	27,000
Mobile Crisis Unit (MCU) (1 FTE)	1	Ongoing	-	-
Parks Additional Contract Funding		Ongoing	-	40,000
Parks Maintenance Beautification Gardner (1 FTE)	1	Ongoing	48,600	97,200
Public Safety Customer Engagement		Ongoing	17,000	12,000
Supplemental Overtime for Farmer's Market Support		Ongoing	15,000	15,000
<b>SECTION 7: PEG Fund</b>			<b>110,030</b>	<b>-</b>
Council Chambers - Auto Tracking Cameras		One-time	110,030	-

Budget Amendment	+ FTE	One-time/ Ongoing	2021-22	2022-23
<b>SECTION 7: Public Safety Equipment Replacement Fund</b>			<b>68,656</b>	<b>-</b>
Confined Space Rescue Equipment		One-time	38,656	-
Recruit Academy Personal Protective Equipment		One-time	30,000	-
<b>SECTION 7: Sewer Fund</b>			<b>396,000</b>	<b>95,000</b>
Additional WRRF Safety Perimeter Fencing		One-time	260,000	-
Utilities Fleet Replacement		One-time	20,000	-
Mandatory Minimum Penalties from the State for THMs and Pathogen Violations		One-time	21,000	-
Administrative Error in Position Costing for 1 Water Distribution Operator		Ongoing	95,000	95,000
<b>SECTION 7: Water Fund</b>			<b>(75,000)</b>	<b>(95,000)</b>
Utilities Fleet Replacement		One-time	20,000	-
Administrative Error in Position Costing for 1 Water Distribution Operator		Ongoing	(95,000)	(95,000)
<b>SECTION 7: San Luis Ranch Fund</b>			<b>28,000</b>	<b>-</b>
Madonna Rd. Bike Path Landscaping Design		One-time	28,000	-
<b>SECTION 7: Affordable Housing Fund</b>			<b>30,000</b>	<b>-</b>
Affordable Housing Legal Fees		One-time	30,000	-
<b>SECTION 7: Law Enforcement Grant Fund (JAG Grant)</b>			<b>10,000</b>	<b>-</b>
Mobile Command Trailer Bandwidth		One-time	10,000	-
<b>SECTION 7: Transit Fund</b>			<b>35,000</b>	<b>-</b>
40 Prado Rd. Bus Shelter Relocation		One-time	35,000	-
<b>SECTION 7: Parking Fund</b>			<b>135,000</b>	<b>180,000</b>
Gateless Parking Garages Equipment Install		One-time	45,000	-
New Security Services Agreement		Ongoing	45,000	90,000
Supervising Parking Enforcement Officer Reclassification		Ongoing	45,000	90,000
<b>Grand Total</b>	<b>15</b>		<b>\$10,711,342</b>	<b>\$1,765,435</b>