

**RESOLUTION NO. \_\_\_\_\_ (2021 SERIES)**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN LUIS  
OBISPO, CALIFORNIA, APPROVING THE 2021-23 FINANCIAL PLAN  
AND FISCAL YEAR 2021-22 BUDGET.**

**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 consistent with established budget and fiscal policies; and

**WHEREAS**, the preparation of the 2021-23 Financial Plan was based on extensive public outreach, comment, and input and the City Council's strategic vision as discussed during public hearing for strategic budget direction on April 20, 2021; and

**WHEREAS**, the Planning Commission reviewed the City's Capital Improvement Plan for the 2021-23 Financial Plan on April 28, 2021, and confirmed the plan's conformity with the City's General Plan.

**WHEREAS**, the City of San Luis Obispo received an Active Transportation Grant just prior to the release of Strategic Budget Direction and ample time was not available to integrate the grant funding into the financial plan or evaluate or integrate new projects;

**WHEREAS**, the City Council held a public hearing on June 1, 2021 to consider the preliminary 2021-23 Financial Plan and Fiscal Year 2021-22 budget appropriations for the General Fund, the Parking Fund, and the Transit Fund.

**WHEREAS**, the City entered into a loan agreement with the State Revolving Fund for the upgrade of the Water Resource Recovery Facility, which requires the City to set aside one full loan payment as a reserve fund and to restrict the funds for the duration of the loan and the City will restrict the funds with the 2021-22 fiscal year.

**WHEREAS**, the City has been awarded \$8.9 million in American Rescue Plan Act (ARPA) funding, which is restricted for use for certain purposes and cannot be allocated to payments towards pension liabilities.

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

**SECTION 1.** The 2021-23 Financial Plan and Fiscal Year 2021-22 budget with appropriations consistent with the proposed capital improvement plan for the General Fund, the Parking Fund and the Transit Fund are herewith adopted and official copies of the financial plan, budget, and the capital improvement plan for all funds, as adopted, shall be maintained on file with the City Clerk along with this Resolution.

**SECTION 2.** The Water and Sewer Fund Fiscal Year 2021-22 budget appropriation is deferred to June 15, 2021, when the Council will hold a public hearing consistent with the applicable requirements of Proposition 218 for recommended water and sewer fee increases.

**SECTION 3.** Staff is directed to return to the Council with project recommendations and appropriation requests to further implement Tier 1 Active Transportation Plan projects as result of Urban Greening Grant Funding for the Anholm Greenway Project.

**SECTION 4.** Fund balances and reserve levels will be applied in accordance with GASB 54 and the City's Fund Balance and Reserve Policy – Resolution XXXX (2021 Series).

**SECTION 5.** ARPA funding received by the City and expenditures thereof will be separately tracked and accounted for to ensure allocation in accordance with the requirements and limitations on expenditures of those funds as required by the Act.

**SECTION 5.** In compliance with the terms of the City's loan agreement for the State Revolving Fund loan for the upgrade of the Water Resource Recovery Facility, the Finance Director is directed to restrict in a State Revolving Fund Loan reserve account the amount of \$5,902,953 from the Sewer Fund working capital and to maintain that restricted reserve amount in the reserve fund account for the duration of the State Revolving Fund loan to the City.

**SECTION 6.** The City Manager is hereby delegated authority to approve budget adjustments consistent with the adopted budget appropriations to maintain budgetary flexibility for the organization.

**SECTION 7.** The City Manager is hereby delegated the authority to approve format and typographical changes found within the 2021-23 Financial Plan as needed.

**SECTION 8.** The City Council approves the appropriation limit as set forth on page 536 of the 2021-23 Financial Plan and 2021-22 Budget.

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

AYES:

NOES:

ABSENT:

The foregoing Resolution was passed and adopted on \_\_\_\_\_, 2021.

\_\_\_\_\_  
Mayor Heidi Harmon

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