

2010-11 Mid-Year Budget Review

For the 2009-11 Financial Plan



**Major City Goal:
Infrastructure Maintenance**

**Major City Goal:
Traffic Congestion Relief**



**Major City Goal:
Preservation of Critical Services**



**Major City Goal:
Economic Development**



city of san luis obispo

2009-11 Financial Plan

MID-YEAR BUDGET REVIEW: 2010-11

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Section A

TRANSMITTAL MEMORANDUM

TRANSMITTAL MEMORANDUM

March 1, 2011

TO: City Council

FROM: Katie Lichtig, City Manager
Mary Bradley, Interim Director of Finance & Information Technology
Debbie Malicoat, Finance Manager
Jennifer Thompson, Revenue Supervisor

SUBJECT: MID-YEAR BUDGET REVIEW FOR 2010-11

OVERVIEW

In monitoring our fiscal condition, we provide ongoing financial information through a variety of methods, including on-line access to up-to-date information, “hard copy” monthly reports, quarterly financial newsletters, and focused reports on key fiscal indicators such as sales tax, transient occupancy tax (TOT) and investments.

In addition to these, the City’s *Budget and Fiscal Policies* also call for preparing a formal report to the Council every six months on the City’s financial status. This allows us to take a broader look at our financial picture at the mid-point of the fiscal year by:

1. Updating beginning fund balance projections based on actual results for the prior fiscal year.
2. Analyzing revenue trends since adoption of the Financial Plan Supplement, and revising revenues and ending fund balance projections accordingly.
3. Identifying and presenting any fiscal problem areas to the Council, and recommending corrective action or additional funding if required.

This is also an opportunity to provide the Council with a formal update on the status of major City goals, capital improvement plan (CIP) projects and other objectives.

Focus on Sustainability. Although experts have declared the “Great Recession” over, the General Fund is still suffering from its economic impacts. While revenue available to operate the City has dropped

significantly, expenses have continued to increase. Our major revenues have, for the most part, reached bottom and started a slow, moderate climb. Unfortunately, while revenues are finally increasing, they are down from their recent peaks and in some cases, we do not expect them to return to past levels for some time.

Our task now is to address the structural gap between revenues and expenditures and develop a Financial Plan which will be sustainable for the long term. Over the last several years, a number of significant steps have been taken to keep our community’s fiscal health strong as the long-term effects of the recession unfolded. Most recently, employee groups and the City agreed that salary costs would remain unchanged in calendar year 2011. In addition, there was agreement that most employees would be responsible for a larger share of their health insurance costs as premiums rose.

Although the City has continued efforts to prepare for our new economic reality, key challenges to fiscal sustainability remain. These include:

- **Adverse State Fiscal Outlook.** Our City was spared large budget reductions in the State budget process earlier this year. In the meantime, Governor Brown has proposed deep cuts to State services to address the \$25 billion State budget gap projected for next fiscal year. While it is possible that we may again escape major State budget cuts, continued funding for the COPs program and jail booking fees are dependent upon voter approval of a Vehicle License Fee extension in June. The total at risk for these two programs is \$350,000.
- **Increased Retirement Costs.** CalPERS has provided information about the City’s employer contribution rates for 2011-12 and estimates for

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the following two years. Due to changes in demographic assumptions, the rates for 2011-12 were higher than originally projected. The effect of these increases was approximately \$520,000 more than was originally assumed. Steeper increases are projected beginning in 2013-14 as prior year investment losses begin to be reflected in the rates. There are several other issues which could cause rates to rise even further in the future, most notably a possible decrease in assumed investment return and cash flow considerations which could require additional contributions.

- **Ongoing Infrastructure and Asset Maintenance Needs.** The City has a variety of assets that are important to our delivery of services to the community. These include infrastructure such as streets, sidewalks, traffic signals, lights, and buildings as well as vehicles and information technology equipment. In the past, maintenance and replacement of these General Fund assets have been funded on a “pay as you go” basis. In order to develop a Financial Plan that is sustainable for the future, funds should be set aside to provide for maintenance and replacement of these assets. In many cases, failure to repair or replace infrastructure can result in increased future costs or service disruption. Staff is working to develop a five year Capital Improvement Plan which includes the necessary funds on a measured and prudent schedule for Council’s consideration. These amounts are likely to be larger than what has previously been anticipated in the Five Year Forecast that was presented to Council in December 2010.

General Fund Focus

This mid-year budget review primarily focuses on programs and projects financed through the General Fund. In addition, notable changes in several other funds are highlighted. Consistent with the City's policy of annually reviewing our enterprise fund rates, a comprehensive analysis will be presented on June 14, 2011 addressing rate and revenue issues in the water, sewer, parking, transit and golf funds.

No Mid-Year Budget Requests

Given our current fiscal outlook for 2010-11 and beyond, there are no proposed mid-year budget requests that are essential to meet costs that were not

anticipated when preparing the 2010-11 Financial Plan Supplement (Supplement).

FINANCIAL CONDITION SUMMARY

Beginning General Fund Balance

The beginning General Fund balance is \$1.7 million more than projected in the adopted 2010-11 budget. After accounting for funds that were unspent in 2009-10 and “carried over” to 2010-11, the net increase to beginning fund balance is \$623,000 more than originally anticipated. Assuming that revenues and expenditures perform as anticipated, the projected ending General Fund balance for 2010-11 is on target, and the reserves are projected to be over 20% of operating expenditures. While this information requires no action as part of the Mid-Year Budget Review, it is an opportunity to highlight the prudent fiscal management taking place.

General Fund Revenues

Included in Section B of this report is a summary of revenues by fund and major source that provides actual results for 2009-10 along with a comparison of the revised 2010-11 revenue projections with original budget estimates. The following summarizes the most significant General Fund revenue revisions:

Sales Tax. Sales tax revenues are projected to be up from the original 2010-11 budget by \$368,000 (2.2%). This is \$172,900 (1.5%) more than the original 2010-11 budget for general sales tax and \$195,100 (3.7%) more for Measure Y sales tax. This is still below the 2007 peak for general sales tax by \$2,493,800 (17.8%).

Property Tax. Property tax has been decreased from the original budget by 5.6% (\$523,100), based on property tax revenue estimates provided by the County. This decrease is a result of slightly lower assessed valuation combined with a negative Consumer Price Index adjustment to property values for this fiscal year

Transient Occupancy Tax. The original budget estimated that TOT would grow by 2%. Based on year-to-date receipts, we are revising this to an

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increase of 6%. This results in a revised estimate of \$4,770,000. This is still below the 2008 peak by \$284,700 (1%).

Utility Users Tax. Based on stronger than anticipated year-to-date results, we have increased this by \$247,800 (5.4%) from the original estimate. Utility Users Tax is one revenue that has remained stable despite the state of the economy.

Franchise Fees. We have decreased this projection from the original budget by 5.5% (\$140,400) based on weaker than anticipated year to date results. This is .5% below the 2009 peak.

Property Tax In-lieu of Vehicle License Fees. Based on collections to-date, this has been revised upward from the original budget by \$96,300 based on actual receipts from the County. This is 2.8% above the original estimate.

Public Safety Service Charges. Police administrative citation revenues are \$130,000 greater and other police department service charges are \$60,000 greater than projected based on current collections. Fire service charges are also up by about \$50,000. This results in a net increase for public safety service charges that are \$240,000 higher than the original budget.

Fines and Forfeitures. This has been decreased by \$22,100 from the original budget based on actual results in 2009-10 and year-to-date results.

Interest Earnings. Based on results to-date, and the very low interest yields currently experienced, this has been revised to a decrease of \$75,000.

Mutual Aid Revenues. Revenues from mutual aid responses are \$73,300 year to date, with no further collections expected for the year. This is \$576,700 less than the original budget and \$1,390,000 less than the 2009 peak.

General Fund Operating Expenditures

Section B includes an overview of changes to the operating program budgets. Organized by function, these schedules include the original budget, re-appropriations for encumbrances and carryovers, and budget changes to date since approval of the Supplement in June 2010.

At the end of 2009-10, there were unspent operating budgets, some of which were not required for carryover to the next fiscal year. Of the unspent amount, \$1.1 million carried over to the current fiscal year. Along with the carryover amount, an offsetting amount of fund balance rolled forward. Providing for carryover allows departments to expend funds to complete projects or workplans over the course of the two year Financial Plan. While it appears that all these funds will not be needed during this fiscal year, this practice allows the Departments to achieve their mission and be agile in responding to changes. The current Mid-Year Budget assumes all but \$300,000 will be spent during the year.

To date, the Council has approved about \$200,000 in additional operating expenditures in the current fiscal year. In addition to the carryovers, other changes to the budget include assumptions made for adjustments to salaries and benefits that, due to recent employee group agreements, will not be necessary in the current fiscal year as well as assumptions for current year expenditure savings.

Significant Changes in Other Funds

Golf Fund

On June 2, 2010 Council deferred implementing a \$1.00 per round rate increase. The Mid-Year Budget Review reflects the fiscal impacts of this deferral, which results in an additional contribution from the General Fund of \$79,300.

Parking Fund

On June 2, 2010 Council deferred implementing a proposed rate increase. The Mid-Year Budget Review reflects the fiscal impacts of this deferral, which results in reduced revenues of \$357,400 from the original budget.

Water Fund

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Based on current trends, revenue estimates for water sales revenues have been revised downward significantly. There are a variety of factors that influence water sales. A full fund analysis will be presented in June 2011 with the 2011-13 Financial Plan.

Transit Fund

Public Works staff has recently discovered that there may be a shortfall of Federal Transit Administration (FTA) funding for 2010-11. In February 2011, the Federal government released its first apportionment for FTA formula funding. FTA is one of the two largest funding sources for the Transit Fund each year. Due to reporting inconsistencies in the National Transit Database, the appropriation for the SLO Urbanized Area (UZA) was reduced by approximately \$450,000. This reduced amount affects the operating assistance grant that has been reflected for the Transit Fund in the current fiscal year. Staff proposes to offset the effect primarily by deferring one capital bus replacement (\$377,000) that was approved in this year's federal program of projects. These changes are reflected in the enclosed Mid-Year Budget Review. Additionally, staff will seek to program some of the existing SLO UZA reserve for operations to cover the shortfall.

Staff is working with the FTA to discuss the circumstances that led to the reporting inconsistencies, which in turn led to the reduction in funding. The National Transit Database reporting was impacted by a medical leave of absence by SLO Transit's Resident Manager. During this leave of absence, the City sought and received reporting requirement waivers, however it was not known at the time that such a waiver would potentially reduce transit funding for the UZA. A final apportionment is scheduled for later this fiscal year.

Capital Improvement Plan

This part of Section B reflects the original CIP budgets for 2010-11 by fund, re-appropriations for encumbrances and carryovers, and budget changes to date since approval of the 2010-11 Financial Plan Supplement in June 2010. The total capital improvement plan is \$8,981,700 greater than projected in the Supplement due primarily to carryovers and encumbrances. There are no new CIP projects for Council consideration.

Interfund Transactions

This portion of Section B reflects actual interfund transfers for 2009-10 along with the original budget and revisions for 2010-11. The revised operating transfers are generally driven by Council approved changes since the adoption of the 2010-11 budget. The reimbursement transfers are based on the 2009-2011 Cost Allocation Plan adopted by Council on February 2, 2010.

Projected Ending Fund Balances/Working Capital

Based on the revised revenue projections and expenditures summaries, this part of Section B includes a summary of projected changes in financial position for each of the City's operating funds. As with the revenue projections, the changes in financial position schedules include the actual fund balances/working capital for 2010-11 and the original budget and revised projections for 2010-11.

Based on the revised revenue and expenditure projections for the General Fund, the ending fund balance is anticipated to be \$1.3 million higher than originally budgeted. This is \$1 million more than the minimum reserve policy requires. While this is positive news, the Mid-Year Budget indicates that there is a structural gap between revenues and expenditure and absent corrective action, this gap will continue.

MID-YEAR BUDGET REQUESTS

As noted previously, there are no mid-year operating or capital budget requests that need to be approved now.

PROSPECTS FOR THE FUTURE

General Fund Five-Year Forecast

As part of the background materials prepared for the Goal Setting Workshop, on December 14, 2010 Council received an updated General Fund Five-Year for 2011-12 through 2015-16. The Forecast projected a budget gap of \$3 million in 2011-12, growing to \$3.4 million in 2013-14. On average, the

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budget gap was projected to be \$2.7 million over the five year period.

Based on the revised revenue and expenditure assumptions included in the Mid-Year Budget Review, modifications to the budget that the Council has already approved, and staff's continued analysis of current trends, the projected gap between revenues and expenditures has narrowed. This is primarily due to two factors: revenues appear to be recovering slightly more quickly than originally anticipated and recent employee contracts have helped contain costs. However, other financial practices are being reviewed (such as best practices for one-time revenues and expenditures such as for mutual aid) that may have an impact on the budget gap. Moreover, while this issue is still being assessed, it appears that capital and infrastructure needs will probably be larger than anticipated in the previous Forecast. In sum, in spite of the positive changes to revenues and the efforts to contain staffing costs, the City is still facing a significant structural gap between revenues and expenditures for the five-year period unless corrective action is taken. Council will receive a formal update of the Forecast on April 12, 2011 in the context of providing Strategic Budget Direction.

2011-13 Financial Plan

Council has already begun the arduous task of balancing the budget for 2011-13 and beyond. While the budget-balancing difficulties facing us are significant, we go into the 2011-13 budget process with a number of strengths. We have strong financial systems and procedures in place. We have an engaged community and information on community priorities. We have committed staff and strong Council leadership. And, we have a great tradition of doing the right thing. All of these taken together will result in a Financial Plan that aligns community priorities and financial resources over the long term.

STATUS OF GOALS AND OBJECTIVES

Section E of this report provides a formal look at the status of Major City Goals, Other Council Objectives and Major CIP Projects as of February 2011. As reflected in the report, with about 80% of the Financial Plan period completed, we are generally on track in achieving the major City goal "action plans." On the other hand, some of the goals and objectives require minor modifications to task schedules.

CONCLUSION

The Mid-Year Budget Review document for 2010-11 has been prepared in order to present the Council with a formal review of the City's financial condition six months into the fiscal year, and to provide an update on the status of major City goals, CIP projects and other objectives.

The Department Heads and Budget Review Team and will be prepared to respond to any questions the Council may have regarding this report at their March 1, 2011 meeting. If you have any questions in the interim, or require additional information, please do not hesitate to contact us.

Section B

FINANCIAL CONDITION SUMMARIES

REVENUES BY MAJOR CATEGORY AND SOURCE

SUMMARY BY FUND

	2009-10	2010-11		Variance
	Actual	Original Budget	Revised Projection	
GOVERNMENTAL FUNDS				
General Fund	49,265,700	50,769,700	51,071,300	301,600
Special Revenue Funds	3,177,700	2,998,800	4,086,500	1,087,700
Capital Project Funds	2,326,500	1,211,700	10,193,400	8,981,700
Total Governmental Funds	54,769,900	54,980,200	65,351,200	10,371,000
ENTERPRISE FUNDS				
Water Fund	14,475,600	15,727,500	15,407,500	(320,000)
Sewer Fund	13,636,100	13,407,600	13,467,600	60,000
Parking Fund	3,788,300	4,006,000	3,648,600	(357,400)
Transit Fund	3,859,200	2,832,400	4,681,700	1,849,300
Golf Fund	395,300	423,700	346,100	(77,600)
Whale Rock Reservoir Fund	1,066,000	1,170,000	1,170,000	
Total Enterprise Funds	37,220,500	37,567,200	38,721,500	1,154,300
TOTAL	\$91,990,400	\$92,547,400	\$104,072,700	\$11,525,300

REVENUES BY MAJOR CATEGORY AND SOURCE

GENERAL FUND

	2009-10	2010-11		Variance
	Actual	Original Budget	Revised Projection	
Tax Revenues				
Sales & use tax				
General	10,723,900	11,327,100	11,500,000	172,900
Measure Y	5,252,500	5,293,900	5,489,000	195,100
Public safety (Proposition 172)	257,900	258,900	258,900	
Property tax	8,579,300	9,323,100	8,800,000	(523,100)
Transient occupancy tax	4,496,100	4,295,800	4,770,000	474,200
Utility users tax	4,862,400	4,612,200	4,860,000	247,800
Property tax in-lieu of VLF	3,565,100	3,454,700	3,551,000	96,300
Franchise fees	2,396,700	2,567,400	2,427,000	(140,400)
Business tax	1,830,100	1,868,100	1,786,700	(81,400)
Real property transfer tax	129,000	175,000	140,000	(35,000)
Total Tax Revenues	42,093,000	43,176,200	43,582,600	406,400
Fines & Forfeitures				
Vehicle code fines	151,900	155,000	155,000	
Other fines & forfeitures	49,800	62,100	40,000	(22,100)
Total Fines & Forfeitures	201,700	217,100	195,000	(22,100)
Investment and Property Revenues				
Investment earnings	843,400	625,000	700,000	75,000
Rents & concessions	61,400	175,600	120,000	(55,600)
Total Investment & Property	904,800	800,600	820,000	19,400
Subventions & Grants				
Motor vehicle in-lieu	135,000	132,000	132,000	
Homeowners & other in-lieu taxes	75,600	76,500	75,400	(1,100)
Other in-lieu taxes	20,500	17,500	20,900	3,400
SB 90 reimbursements				
Police training (POST)	37,600	60,000	30,000	(30,000)
Mutual aid reimbursements	639,000	650,000	73,300	(576,700)
COPS grant AB3229	100,000	100,000	100,000	
State Office of Traffic Safety (OTS)	22,300			
Zone 9 reimbursements	100,200	95,000	95,000	
Other state & federal grants	104,800		167,000	167,000
Total Subventions & Grants	1,235,000	1,131,000	693,600	(437,400)
Service Charges				
Police Services				
Accident reports	3,300	3,000	3,000	
Collision investigation	13,400	12,000	12,000	
Alarm permits	125,100	100,000	100,000	
DUI cost recovery	7,500	30,000	33,000	3,000
Police department permits	10,800	8,000	10,000	2,000
Tow release fee	22,100	21,000	21,000	
Booking fee recovery				
Tobacco permit fees	19,600	12,500	20,000	7,500
Administrative citations	138,000	120,000	250,000	130,000
Parking citations - PD issued	64,500	50,000	88,000	38,000
Other police services	25,300	29,000	40,400	11,400
Total Police Services	429,600	385,500	577,400	191,900

REVENUES BY MAJOR CATEGORY AND SOURCE

GENERAL FUND

	2009-10	2010-11		Variance
	Actual	Original Budget	Revised Projection	
Fire Services				
Cal Poly fire services	250,000	250,000	250,000	
Medical emergency recovery	158,300	158,300	159,700	1,400
Fire safety/haz mat permits	133,400	136,000	136,000	
Multi-dwelling unit inspections	188,800	188,300	188,300	
CUPA fees	66,500	96,600	96,600	
Other fire services	70,000	67,200	114,700	47,500
Total Fire Services	867,000	896,400	945,300	48,900
Development Review				
Planning & zoning fees	429,600	405,000	443,800	38,800
Construction plan check & inspections	829,000	765,000	760,000	(5,000)
Infrastructure plan check & inspections	283,500	350,000	305,500	(44,500)
Encroachment permits	130,700	120,000	135,000	15,000
Fire plan check & inspections	103,700	125,400	125,400	
Waterways management plan fees	17,500		7,400	7,400
Total Development Review	1,794,000	1,765,400	1,777,100	11,700
Parks & Recreation				
Adult athletic fees	136,500	120,000	120,000	
Youth athletic fees	35,600	33,000	33,000	
Skate park fees	200			
Instruction fees	94,900	82,300	82,300	
Special event fees	87,000	83,700	83,700	
Rental & use fees	179,800	178,700	183,500	4,800
Children services	496,400	601,600	551,600	(50,000)
Teens & seniors	2,200	3,400	500	(2,900)
Aquatics	235,700	215,700	213,400	(2,300)
Other recreation revenues		5,000	5,000	
Total Parks & Recreation	1,268,300	1,323,400	1,273,000	(50,400)
General Government				
Business license	232,400	261,100	369,000	107,900
Sales of publications	8,200	20,000	5,000	(15,000)
Other service charges	92,100	15,000	15,000	
Total General Government	332,700	296,100	389,000	92,900
Total Service Charges	4,691,600	4,666,800	4,961,800	295,000
Other Revenues				
Insurance refunds	15,700		15,400	15,400
Sale of surplus property	70,300		5,000	5,000
Other revenues	53,600	778,000	797,900	19,900
Total Other Revenues	139,600	778,000	818,300	40,300
Total General Fund	\$49,265,700	\$50,769,700	\$51,071,300	\$301,600

REVENUES BY MAJOR CATEGORY AND SOURCE

SPECIAL REVENUE FUNDS

	2009-10	2010-11		Variance
	Actual	Original Budget	Revised Projection	
Downtown Business Improvement District Fund				
Investment & Property Revenues				
Service Charges	208,300	220,800	220,800	
Total Downtown Association Fund	208,300	220,800	220,800	
Tourism Business Improvement District Fund				
Investment & Property Revenues	17,800		6,800	6,800
Service Charges	902,500	853,800	905,000	51,200
Tourism BID Fund	920,300	853,800	911,800	58,000
Community Development Block Grant Fund				
Subventions & Grants	817,000	629,600	1,596,400	966,800
Gas Tax Fund				
Subventions & Grants	762,400	1,254,300	1,215,600	(38,700)
<i>In March 2010, the Legislature passed ABx8 6 and ABx8 9, which contained the provisions for a swap of Proposition 42 state sales tax on gasoline with allocations from the motor vehicle excise tax (gas tax).</i>				
Transportation Development Act Fund				
Subventions & Grants	27,800	22,500	22,500	
Law Enforcement Grant Fund				
Investment & Property Revenues	1,300	1,400	1,100	(300)
Subventions & Grants				
Service Charges	3,200	4,400	2,600	(1,800)
Total Law Enforcement Grant Fund	4,500	5,800	3,700	(2,100)
Public Art Contributions Fund				
Investment & Property Revenues	12,100	7,000	5,300	(1,700)
Service Charges	20,100	5,000	80,000	75,000
Other Revenues			30,400	30,400
Total Public Art Contributions Fund	32,200	12,000	115,700	103,700
Proposition 42 Fund				
Investment & Property Revenues				
Subventions and Grants	405,200			
Proposition 42 Fund	405,200			
<i>In March 2010, the Legislature passed ABx8 6 and ABx8 9, which contained the provisions for a swap of Proposition 42 state sales tax on gasoline with allocations from the motor vehicle excise tax (gas tax).</i>				
Proposition 1B Fund				
Investment & Property Revenues				
Subventions and Grants				
Proposition 1B Fund				
Total Special Revenue Funds	3,177,700	2,998,800	4,086,500	1,087,700

REVENUES BY MAJOR CATEGORY AND SOURCE

CAPITAL PROJECT FUNDS

	2009-10	2010-11		Variance
	Actual	Original Budget	Revised Projection	
Capital Outlay Fund				
Subventions & Grants				
<i>State of California</i>				
Traffic safety grant			430,900	430,900
SLTPP/STP grant				
STP/SHA - RRTC	324,400		1,511,700	1,511,700
Safe routes to school			1,053,800	1,053,800
Other state grants	213,600			
<i>Federal Government</i>				
Highway & bridge rehabilitation & replacement (HBRR)	1,200		485,700	485,700
Transportation enhancement (TEA)	44,100		4,400	4,400
Other federal grants	156,600		1,484,900	1,484,900
Service Charges				
Zone 9 reimbursements		90,000	240,000	150,000
Other Revenues				
Contributions	13,100		173,200	173,200
Other Revenue	100,000			
Total Capital Outlay Fund	853,000	90,000	5,384,600	5,294,600
Parkland Development Fund				
Investment & Property Revenues	41,800	37,200	37,200	
Subventions & Grants		50,000	50,000	
Service Charges				
Park in-lieu fees	35,200	50,000	50,000	
Dwelling unit charge	1,200	200	1,000	800
Other Revenue		323,300	323,300	
Total Parkland Development Fund	78,200	460,700	461,500	800
Transportation Impact Fee Fund				
Investment & Property Revenues	107,500	40,000	40,000	
Subventions & Grants	399,900		2,341,300	2,341,300
Service Charges	30,200	150,000	780,000	630,000
Other Revenue	87,200		7,200	7,200
Total Transportation Impact Fee Fund	624,800	190,000	3,168,500	2,978,500
Fleet Replacement Fund				
Investment & Property Revenues	59,800	50,000	30,000	(20,000)
Other Revenues				
Sale of surplus property	27,500			
Total Fleet Replacement Fund	87,300	50,000	30,000	(20,000)

REVENUES BY MAJOR CATEGORY AND SOURCE

CAPITAL PROJECT FUNDS

	2009-10	2010-11		Variance
	Actual	Original Budget	Revised Projection	
Open Space Protection Fund				
Investment & Property Revenues	12,700	5,000	1,000	(4,000)
Subventions & Grants	314,800		750,000	750,000
Other Revenue	10,500			
Total Open Space Protection Fund	338,000	5,000	751,000	746,000
Airport Area Impact Fee Fund				
Investment & Property Revenues	31,500	24,000	24,000	
Service Charges	3,600			
Total Airport Area Impact Fee Fund	35,100	24,000	24,000	
Affordable Housing Fund				
Investment & Property Revenues	41,600	40,000	20,000	(20,000)
Subventions & Grants	270,000			
Service Charges	(21,300)	350,000	350,000	
Total Affordable Housing Fund	290,300	390,000	370,000	(20,000)
Los Osos Valley Road Sub-Area Fee Fund				
Investment & Property Revenues	8,600	2,000	3,800	1,800
Service Charges	11,200			
Total Los Osos Valley Road Sub-Area Fee	19,800	2,000	3,800	1,800
Total Capital Project Funds	2,326,500	1,211,700	10,193,400	8,981,700

REVENUES BY MAJOR CATEGORY AND SOURCE

ENTERPRISE FUNDS

	2009-10	2010-11		Variance
	Actual	Original Budget	Revised Projection	
Water Fund				
Investment & Property Revenues	663,500	182,100	229,700	47,600
Subventions & Grants				
Service Charges	13,755,800	15,520,000	15,147,400	(372,600)
Other Revenues	56,300	25,400	30,400	5,000
Total Water Fund	14,475,600	15,727,500	15,407,500	(320,000)
Sewer Fund				
Investment & Property Revenues	411,000	74,500	93,900	19,400
Subventions & Grants				
Service Charges	13,228,100	13,321,800	13,370,700	48,900
Other Revenues	(3,000)	11,300	3,000	(8,300)
Total Sewer Fund	13,636,100	13,407,600	13,467,600	60,000
Parking Fund				
Fines & Forfeitures	690,500	676,500	676,500	
Investment & Property Revenues	292,200	145,000	145,000	
Service Charges	2,815,200	3,184,500	2,827,100	(357,400)
Other Revenues	(9,600)			
Total Parking Fund	3,788,300	4,006,000	3,648,600	(357,400)
Transit Fund				
Investment & Property Revenues	5,100	5,000	5,600	600
Subventions & Grants	3,302,500	2,219,000	4,060,900	1,841,900
Service Charges	584,900	603,900	592,700	(11,200)
Other Revenues	(33,300)	4,500	22,500	18,000
Total Transit Fund	3,859,200	2,832,400	4,681,700	1,849,300
Golf Fund				
Investment & Property Revenues	56,400	59,300	59,300	
Service Charges	333,900	364,400	286,800	(77,600)
Other Revenues	5,000			
Total Golf Fund	395,300	423,700	346,100	(77,600)
Whale Rock Commission				
Investment & Property Revenues	31,100	13,800	13,800	
Subventions & Grants				
Service Charges	1,033,500	1,154,700	1,154,700	
Other Revenues	1,400	1,500	1,500	
Total Whale Rock Commission Fund	1,066,000	1,170,000	1,170,000	
Total Enterprise & Agency Funds	\$37,220,500	\$37,567,200	\$38,721,500	\$1,154,300

OPERATING PROGRAMS

SUMMARY BY FUND

	2010-11		Changes			Revised Budget
	Original Budget	Carryovers/ Encumbrances	Other Changes	Mid-Year Requests		
General Fund						
Public Safety	\$ 24,612,500	\$ 74,100	\$ 181,700	\$ -	\$	24,868,300
Transportation	3,030,200	99,900	17,700			3,147,800
Leisure, Cultural & Social Services	6,752,100	8,100	9,100			6,769,300
Community Development	5,626,100	106,000				5,732,100
General Government	11,559,900	830,400	(7,300)			12,383,000
Total General Fund	51,580,800	1,118,500	201,200			52,900,500
Downtown BID Fund	220,800					220,800
Tourism BID Fund	853,800	106,600				960,400
CDBG Fund	270,400		10,700			281,100
Water Fund	12,073,400	278,100				12,351,500
Sewer Fund	5,981,000	450,100				6,431,100
Parking Fund	1,665,900	35,300	23,900			1,725,100
Transit Fund	2,527,900	90,400				2,618,300
Golf Fund	525,400					525,400
Whale Rock Fund	878,700	33,400				912,100
Total All Funds Combined.	\$ 76,578,100	\$ 2,112,400	\$ 235,800	\$ -	\$	78,926,300

SUMMARY OF NET BUDGET CHANGES TO-DATE:

	Council/CM Approval Date	General Fund	Revenue or Transfer Offsets	Total
General Fund				
CUPA reimbursement	12/29/2010	1,300	(1,300)	
Damage to City property	various	24,100	(24,100)	
Triathlon sponsorship	7/30/2010	4,500	(4,500)	
SLO night with neighbor program	11/22/2010	2,000	(2,000)	
Business license residential rental enforcement	12/9/2010	10,800	(10,800)	
OTS grant - Police assistance to other agencies	various	16,400	(16,400)	
ABC grant	various	6,100	(6,100)	
Tiller truck training	11/9/2010	10,500	(10,500)	
Assistance to firefighter grant	10/5/2010	53,000	(53,000)	
Hazmat manager salary and benefits	7/20/2010	9,500	(9,500)	
Jr. giants contribution	9/8/2010	1,300	(1,300)	
Memorial bench contribution	9/8/2010	700	(700)	
Various reimbursements	various	1,300	(1,300)	
JAG grant	7/22/2010	78,900	(78,900)	
Retirement incentive program	6/9/2010	10,000	(10,000)	
Accelerate funding - fiscal sustainability task force	6/12/2010	(10,000)	10,000	
Accelerate funding - half cent sales tax communications	6/8/2010	(19,200)	19,200	
Total		\$201,200	(\$201,200)	
Community Development Grant Fund				
Homeless shelter annual contract	7/1/2010	10,700		10,700
Total		10,700		
Parking Fund				
Damage to city property	10/12/2010	300	(300)	
Palm-Nipomo parking garage design transfer from CIP	7/2/2010	23,600	(23,600)	
Total		23,900	(23,900)	
TOTAL		\$235,800	(\$225,100)	

CAPITAL IMPROVEMENT PLAN: ALL FUNDS COMBINED

SUMMARY OF CHANGES BY FUND

	Original Budget	Encumbrances/ Carryovers	Other Budget Changes	Mid-Year Adjustments	Revised
Capital Outlay	2,499,300	14,175,800	(148,600)		16,526,500
Parkland Development	1,293,000	405,400	19,900		1,718,300
Fleet Replacement	126,500	221,900			348,400
CDBG	409,200	494,900	443,000		1,347,100
Law Enforcement Block Grant		2,000			2,000
Transportation Impact Fee	253,600	5,699,800	(85,500)		5,867,900
Open Space Protection		1,136,500			1,136,500
Public Art Private Sector		218,600	49,000		267,600
Airport Area Impact Fee		375,000			375,000
LOVR Impact Fee		61,400			61,400
Affordable Housing		157,500	(38,000)		119,500
Water	3,375,000	5,131,900	(100)		8,506,800
Sewer	1,605,400	4,624,000	(15,300)		6,214,100
Parking	36,600	2,648,700	(20,000)		2,665,300
Transit	67,000	1,393,300	(374,600)		1,085,700
Golf		43,400			43,400
Whale Rock	350,000	223,400			573,400
Total	\$10,015,600	\$37,013,500	(\$170,200)		\$46,858,900

CAPITAL IMPROVEMENT PLAN: ALL FUNDS COMBINED

SUMMARY OF NET CIP BUDGET ADJUSTMENTS

	Council/CAO Approval Date	Total	Revenue Offset	Net Impact
Capital Outlay Fund (General Fund)				
Caltrans paving agreement	11/22/2010	25,000	25,000	
Laserfiche	9/21/2010	90,000		90,000
Carryover adjustments	various	(255,700)		(255,700)
City hall roof repair	7/26/2010	(1,000)		(1,000)
Downtown beautification - moved budget to prior year	8/11/2010	(22,300)		(22,300)
Holcomb Art Donation	7/20/2010	15,400		15,400
Subtotal Capital Outlay Fund		(148,600)	25,000	(173,600)
Parkland Development Fund				
Close project	11/22/2010	(37,500)		(37,500)
Adjust carryover balance	11/8/2010	57,400		
Subtotal Parkland Development Fund		19,900		(37,500)
CDBG Fund				
Women's business center	11/30/2010	10,800		10,800
Women's shelter housing rehab	11/30/2010	37,000		37,000
3592/3594 Broad St acquisition	11/30/2010	189,600		189,600
313 South St acquisition	11/30/2010	205,600		205,600
Subtotal CDBG Fund		443,000		443,000
Transportation Impact Fee				
Adjust carryover balance	11/8/2010	(8,000)		(8,000)
LOVR interchange	8/13/2010	(77,500)		(77,500)
Subtotal Transportation Impact Fee Fund		(85,500)		(85,500)
Public Art in Lieu Fund				
Holcomb donation to Community Garden public art project		15,000		15,000
Box Art		34,000		34,000
Subtotal Public Art in Lieu Fund		49,000		49,000
Affordable Housing Fund				
Close 3301 Rockview project		(68,000)		(68,000)
SLO County Housing Trust Fund		30,000		30,000
Subtotal Affordable Housing Fund		(38,000)		30,000
Water Fund				
Adjust carryover	11/8/2010	(14,500)		(14,500)
Laserfiche	10/28/2010	14,400		14,400
Subtotal Water Fund		(100)		(100)
Sewer Fund				
Adjust carryover	11/8/2010	(24,900)		(24,900)
Laserfiche	10/28/2010	9,600		9,600
Subtotal Sewer Fund		(15,300)		(15,300)
Parking Fund				
Laserfiche	10/28/2010	3,600		3,600
Palm-Nipomo garage design transfer to operating	7/6/2010	(23,600)		(23,600)
Subtotal Parking Fund		(20,000)		(20,000)
Transit Fund				
Document Management System		2,400		2,400
Defer bus replacement from approved Program of Projects		(377,000)		(377,000)
Subtotal Transit Fund		(374,600)		(374,600)
Total Adjustments		(\$170,200)	\$25,000	(\$184,600)

INTERFUND TRANSACTIONS

OPERATING TRANSFERS

	2009-10	2010-11		Variance
	Actual	Original Budget	Revised	
General Fund				
Operating Transfers In				
Gas Tax Fund	762,400	1,254,300	1,215,600	(38,700)
TDA Fund	27,800	22,500	22,500	
Tourism BID Fund		32,000	32,000	
Proposition 42 Fund	405,200			
Total operating transfers in	<u>1,195,400</u>	<u>1,308,800</u>	<u>1,270,100</u>	<u>(38,700)</u>
Operating Transfers Out				
Transportation Impact Fee Fund	(74,000)			
Community Development Block Grant	(21,800)	(50,000)	(31,900)	18,100
Capital Outlay Fund	(3,542,500)	(2,409,300)	(2,499,300)	(90,000)
Open Space Protection Fund	(260,400)			
Fleet Replacement Fund	(79,100)			
Debt Service Fund	(2,908,700)	(2,670,900)	(2,670,900)	
Golf Fund	(301,500)	(277,100)	(356,400)	(79,300)
Total operating transfers out	<u>(7,188,000)</u>	<u>(5,407,300)</u>	<u>(5,558,500)</u>	<u>(151,200)</u>
Total Operating Transfers	(5,992,600)	(4,098,500)	(4,288,400)	(189,900)
Gas Tax Fund				
Operating Transfer Out				
General Fund	(762,400)	(1,254,300)	(1,215,600)	38,700
Transportation Development Act Fund				
Operating Transfer Out				
General Fund	(27,800)	(22,500)	(22,500)	
Community Development Block Grant				
Operating Transfer In				
General Fund	21,800	50,000	31,900	(18,100)
Proposition 42 Fund				
Operating Transfer Out				
General Fund	(405,200)			
Tourism Business Improvement District Fund				
Operating Transfer Out				
General Fund		(32,000)	(32,000)	
Capital Outlay Fund				
Operating Transfer In				
General Fund	3,542,500	2,409,300	2,499,300	90,000
Total Operating Transfers In	<u>3,542,500</u>	<u>2,409,300</u>	<u>2,499,300</u>	<u>90,000</u>

INTERFUND TRANSACTIONS

OPERATING TRANSFERS

	2009-10	2010-11		
	Actual	Original Budget	Revised	Variance
Open Space Protection Fund				
Operating Transfer In				
General Fund	260,400			
Fleet Replacement Fund				
Operating Transfers In				
General Fund	79,100			
Debt Service Fund				
Operating Transfer In				
General Fund	2,908,700	2,670,900	2,670,900	
Transportation Impact Fee Fund				
Operating Transfer In				
General Fund	74,000			
Golf Course Fund				
Operating Transfer In				
General fund	301,500	277,100	356,400	79,300
NET OPERATING TRANSFERS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

INTERFUND TRANSACTIONS

REIMBURSEMENT TRANSFERS

	2009-10	2010-11		Variance
	Actual	Original Budget	Revised	
General Fund	(4,264,000)	(4,349,400)	(4,349,400)	
Enterprise and Agency Funds				
Water	1,669,300	1,702,700	1,702,700	
Sewer	1,438,400	1,467,200	1,467,200	
Parking	538,500	549,300	549,300	
Transit	350,200	357,200	357,200	
Golf	168,300	171,700	171,700	
Whale Rock Commission	99,300	101,300	101,300	
Total Enterprise and Agency Funds	4,264,000	4,349,400	4,349,400	
NET REIMBURSEMENT TRANSFERS	\$ -	\$ -	\$ -	\$ -

CHANGES IN FINANCIAL POSITION

ALL FUNDS COMBINED

	2009-10	2010-11		Variance
	Actual	Original Budget	Revised Projection	
Revenues				
Tax Revenues	42,093,000	43,176,200	43,582,600	406,400
Fines and Forfeitures	892,200	893,600	871,500	(22,100)
Investment and Property Revenues	2,667,700	1,473,100	1,522,700	49,600
Subventions and Grants	8,274,500	5,306,400	15,701,700	10,395,300
Service Charges				
Governmental Funds	5,885,800	6,391,000	7,591,200	1,200,200
Enterprise Funds	30,712,500	33,005,900	32,227,700	(778,200)
Trust and Agency Revenues	1,066,000	1,170,000	1,170,000	
Other Revenues	398,700	1,131,200	1,405,300	274,100
Total Revenues	91,990,400	92,547,400	104,072,700	11,525,300
Expenditures				
Operating Programs				
Public Safety	24,203,800	24,612,500	24,868,300	(255,800)
Public Utilities	12,384,300	18,933,100	19,694,700	(761,600)
Transportation	7,069,800	7,224,000	7,529,200	(305,200)
Leisure, Cultural, & Social Services	6,785,200	7,277,500	7,294,700	(17,200)
Community Development	6,690,200	6,971,100	7,194,400	(223,300)
General Government	11,517,500	11,559,900	12,383,000	(823,100)
Total Operating Programs	68,650,800	76,578,100	78,964,300	(2,386,200)
Capital Projects	22,649,700	10,015,600	46,859,000	(36,843,400)
Debt Service	9,999,900	10,085,100	10,118,000	(32,900)
Total Expenditures	101,300,400	96,678,800	135,941,300	(39,262,500)
Other Sources (Uses)				
Operating Transfers In	4,835,500	6,716,100	6,828,600	112,500
Operating Transfers Out	(8,383,400)	(6,716,100)	(6,828,600)	(112,500)
Proceeds from Debt Financings	3,542,500			
Potential MOA Adjustments		(563,600)	(75,000)	488,600
Other Sources (Uses)	(202,000)	(411,600)	(411,600)	
Expenditure Savings		1,124,000	1,436,100	312,100
Total Other Sources (Uses)	(207,400)	148,800	949,500	(800,700)
Revenues and Other Sources Over (under) Expenditures and Other Uses	(9,517,400)	(3,982,600)	(30,919,100)	(26,936,500)
Fund Balance/Working Capital				
Beginning of Year	75,318,900	35,569,500	65,801,500	30,232,000
Fund Balance/Working Capital				
End of Year				
Reserved for Debt Service	2,285,700	1,939,700	1,939,700	
Unreserved	63,515,800	29,647,200	32,942,700	3,295,500
Total Fund Balance	\$65,801,500	\$31,586,900	\$34,882,400	\$3,295,500

CHANGES IN FINANCIAL POSITION

ALL GOVERNMENTAL FUNDS COMBINED

	2009-10	2010-11		Variance
	Actual	Original Budget	Revised Projection	
Revenues				
Tax Revenues	42,093,000	43,176,200	43,582,600	406,400
Fines and Forfeitures	201,700	217,100	195,000	(22,100)
Investment and Property Revenues	1,239,500	1,007,200	989,200	(18,000)
Subventions and Grants	4,972,000	3,087,400	11,640,800	8,553,400
Service Charges	5,885,800	6,391,000	7,591,200	1,200,200
Other Revenues	377,900	1,101,300	1,352,400	251,100
Total Revenues	54,769,900	54,980,200	65,351,200	10,371,000
Expenditures				
Operating Programs				
Public Safety	24,203,800	24,612,500	24,868,300	(255,800)
Transportation	3,019,700	3,030,200	3,147,800	(117,600)
Leisure, Cultural, & Social Services	6,279,900	6,752,100	6,769,300	(17,200)
Community Development	6,690,200	6,971,100	7,194,400	(116,700)
General Government	13,246,100	11,559,900	12,383,000	(823,100)
Total Operating Programs	53,439,700	52,925,800	54,362,800	(1,330,400)
Reimbursed Expenditures	(5,992,600)	(4,349,400)	(4,349,400)	
Total Operating Expenditures	47,447,100	48,576,400	50,013,400	(1,437,000)
Capital Improvement Plan Projects	17,100,600	4,581,600	27,770,300	(22,859,700)
Debt Service	2,908,700	3,016,900	3,016,900	
Total Expenditures	67,456,400	56,174,900	80,800,600	(24,625,700)
Other Sources (Uses)				
Operating Transfers In	4,539,400	6,439,000	6,472,200	33,200
Operating Transfers Out	(8,383,400)	(6,716,100)	(6,828,600)	(112,500)
Proceeds from Debt Financings	3,542,500			
Potential MOA Adjustments		(484,900)		484,900
Other Sources (Uses)				
Expenditure Savings		1,057,400	1,369,500	312,100
Total Other Sources (Uses)	(301,500)	295,400	1,013,100	717,700
Revenues and Other Sources Over (under) Expenditures and Other Uses	(12,988,000)	(899,300)	(14,436,300)	(13,537,000)
Fund Balance, Beginning of Year	44,405,900	16,464,300	31,417,900	14,953,600
Fund Balance, End of Year				
Reserved for Debt Service	2,285,700	1,939,700	1,939,700	
Unreserved	29,132,200	13,625,300	15,041,900	1,416,600
Total Fund Balance	\$31,417,900	\$15,565,000	\$16,981,600	\$1,416,600

CHANGES IN FINANCIAL POSITION

ALL ENTERPRISE AND AGENCY FUNDS COMBINED

	2009-10	2010-11		Variance
	Actual	Original Budget	Revised Projection	
Revenues				
Fines and Forfeitures	690,500	676,500	676,500	
Investment and Property Revenues	1,428,200	465,900	533,500	67,600
Subventions and Grants	3,302,500	2,219,000	4,060,900	1,841,900
Service Charges	30,712,500	33,005,900	32,227,700	(778,200)
Other Revenues	20,800	29,900	52,900	23,000
Trust and Agency Revenues	1,066,000	1,170,000	1,170,000	
Total Revenues	37,220,500	37,567,200	38,721,500	1,154,300
Expenditures				
Operating Programs				
Public Utilities	12,384,300	18,933,100	19,694,700	(761,600)
Transportation	4,050,100	4,193,800	4,381,400	(187,600)
Leisure, Cultural, & Social Services	505,300	525,400	525,400	
General Government	4,264,000	4,349,400	4,349,400	
Total Operating Programs	21,203,700	28,001,700	28,950,900	(949,200)
Capital Projects	5,549,100	5,434,000	19,088,700	(13,654,700)
Debt Service	7,091,200	7,068,200	7,101,100	(32,900)
Total Expenditures	33,844,000	40,503,900	55,140,700	(14,636,800)
Other Sources (Uses)				
Operating Transfers In	296,100	277,100	356,400	79,300
Proceeds from Debt Financings				
Expenditure Savings		66,600	66,600	
Other Sources (Uses)	(202,000)	(411,600)	(411,600)	
Potential MOA Adjustments		(78,700)	(75,000)	3,700
Total Other Sources (Uses)	94,100	(146,600)	(63,600)	83,000
Revenues and Other Sources Over (under)				
Expenditures and Other Uses	3,470,600	(3,083,300)	(16,482,800)	(13,399,500)
Working Capital, Beginning of Year	30,913,000	19,105,200	34,383,600	15,278,400
Fund Balance, End of Year	\$34,383,600	\$16,021,900	\$17,900,800	\$1,878,900

CHANGES IN FINANCIAL POSITION

GENERAL FUND

	2009-10	2010-11		Variance
	Actual	Original Budget	Revised Projection	
Revenues				
Tax Revenues	42,093,000	43,176,200	43,582,600	406,400
Fines and Forfeitures	201,700	217,100	195,000	(22,100)
Investment and Property Revenues	904,800	800,600	820,000	19,400
Subventions and Grants	1,235,000	1,131,000	693,600	(437,400)
Service Charges	4,691,600	4,666,800	4,961,800	295,000
Other Revenues	139,600	778,000	818,300	40,300
Total Revenues	49,265,700	50,769,700	51,071,300	301,600
Expenditures				
Public Safety	24,203,800	24,612,500	24,868,300	(255,800)
Transportation	3,019,700	3,030,200	3,147,800	(117,600)
Leisure, Cultural, and Social Services	6,279,900	6,752,100	6,769,300	(17,200)
Community Development	5,394,000	5,626,100	5,732,100	(106,000)
General Government	13,246,100	11,559,900	12,383,000	(823,100)
Total Program Expenditures	52,143,500	51,580,800	52,900,500	(1,319,700)
Reimbursed Expenditures	(5,992,600)	(4,349,400)	(4,349,400)	
Total Expenditures	46,150,900	47,231,400	48,551,100	(1,319,700)
Other Sources (Uses)				
Transfers In	1,195,400	1,308,800	1,270,100	(38,700)
Transfers Out	(7,188,000)	(5,407,300)	(5,558,500)	(151,200)
Proceeds from Debt Financings				
Expenditure Savings		1,057,400	1,369,500	312,100
Potential MOA Adjustments		(484,900)		484,900
Total Other Sources (Uses)	(5,992,600)	(3,526,000)	(2,918,900)	607,100
Revenues and Other Sources Over (Under) Expenditures and Other Uses	(2,877,800)	12,300	(398,700)	(411,000)
Fund Balance, Beginning of Year	13,991,900	9,372,600	11,114,100	1,741,500
Fund Balance, End of Year	\$11,114,100	\$9,384,900	\$10,715,400	\$1,330,500
Policy Reserve (20%)			\$9,710,200	
Amount Over (Under) Policy Reserve			\$1,005,200	

CHANGES IN FINANCIAL POSITION

DOWNTOWN BUSINESS IMPROVEMENT DISTRICT FUND

	2009-10	2010-11		Variance
	Actual	Original Budget	Revised Projection	
Revenues				
Investment and Property Revenues				
Service Charges	208,300	220,800	220,800	
Total Revenues	208,300	220,800	220,800	
Operating Expenditures				
Community Development	208,300	220,800	220,800	
Total Expenditures	208,300	220,800	220,800	
Other Sources (Uses)				
Operating Transfers In				
Revenues and Other Sources Over (Under) Expenditures and Other Uses				
Fund Balance, Beginning of Year	1,100		1,100	1,100
Fund Balance, End of Year	\$1,100		\$1,100	\$1,100

CHANGES IN FINANCIAL POSITION

TOURISM BUSINESS IMPROVEMENT DISTRICT FUND

	2009-10	2010-11		Variance
	Actual	Original Budget	Revised Projection	
Revenues				
Investment and Property Revenues	17,800		6,800	6,800
Service Charges	902,500	853,800	905,000	51,200
Total Revenues	920,300	853,800	911,800	58,000
Operating Expenditures				
Community Development	828,100	853,800	960,400	(106,600)
Total Expenditures	828,100	853,800	960,400	106,600
Other Sources (Uses)				
Operating Transfers Out		(32,000)	(32,000)	
Revenues and Other Sources Over (Under) Expenditures and Other Uses				
	92,200	(32,000)	(80,600)	(48,600)
Fund Balance, Beginning of Year	523,800	265,800	616,000	350,200
Fund Balance, End of Year	\$616,000	\$233,800	\$535,400	\$301,600

CHANGES IN FINANCIAL POSITION

GAS TAX

	2009-10	2010-11		Variance
	Actual	Original Budget	Revised Projection	
Revenues				
Subventions and Grants				
Gasoline Tax	762,400	1,254,300	1,215,600	(38,700)
Total Revenues	762,400	1,254,300	1,215,600	(38,700)
Other Sources (Uses)				
Operating Transfers Out	(762,400)	(1,254,300)	(1,215,600)	38,700
Revenues and Other Sources Over (Under) Expenditures and Other Uses				
Fund Balance, Beginning of Year				
Fund Balance, End of Year				

In March 2010, the Legislature passed ABx8 6 and ABx8 9, which contained the provisions for a swap of Proposition 42 state sales tax on gasoline with allocations from the motor vehicle excise tax (gas tax).

CHANGES IN FINANCIAL POSITION

TRANSPORTATION DEVELOPMENT ACT FUND

	2009-10	2010-11		Variance
	Actual	Original Budget	Revised Projection	
Revenues				
Subventions and Grants				
TDA Revenues	27,800	22,500	22,500	
Total Revenues	27,800	22,500	22,500	
Other Sources (Uses)				
Operating Transfers Out	(27,800)	(22,500)	(22,500)	
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses				
Fund Balance, Beginning of Year				
Fund Balance, End of Year				

CHANGES IN FINANCIAL POSITION

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUND

	2009-10	2010-11		Variance
	Actual	Original Budget	Revised Projection	
Revenues				
Subventions and Grants				
CDBG Allocation	817,000	629,600	1,596,400	966,800
Total Revenues	817,000	629,600	1,596,400	966,800
Expenditures				
Operating Programs				
Community Development	259,800	270,400	281,100	(10,700)
General Government				
Total Operating Programs	259,800	270,400	281,100	(10,700)
Capital Improvement Plan Projects	579,000	409,200	1,347,200	(938,000)
Debt Service				
Total Expenditures	838,800	679,600	1,628,300	(948,700)
Other Sources (Uses)				
Operating Transfers In	21,800	50,000	31,900	(18,100)
Total Other Sources (Uses)	21,800	50,000	31,900	(18,100)
Revenues and Other Sources Over (Under) Expenditures and Other Uses				
Fund Balance, Beginning of Year				
Fund Balance, End of Year				

CHANGES IN FINANCIAL POSITION

LAW ENFORCEMENT GRANT FUND

	2009-10	2010-11		Variance
	Actual	Original Budget	Revised Projection	
Revenues				
Investment and Property Revenue	1,300	1,400	1,100	(300)
Subventions and Grants				
Federal Grants				
State Grants				
Service Charges	3,200	4,400	2,600	(1,800)
Total Revenues	4,500	5,800	3,700	(2,100)
Expenditures				
Operating Programs				
Public Safety				
Total Operating Programs				
Capital Improvement Plan Projects	13,000		2,000	(2,000)
Total Expenditures	13,000		2,000	(2,000)
Other Sources (Uses)				
Operating Transfers In				
Operating Transfers Out				
Total Other Sources (Uses)				
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	(8,500)	5,800	1,700	(4,100)
Fund Balance, Beginning of Year	47,200	37,400	38,700	1,300
Fund Balance, End of Year	\$38,700	\$43,200	\$40,400	(\$2,800)

CHANGES IN FINANCIAL POSITION

PUBLIC ART (PRIVATE SECTOR CONTRIBUTIONS) FUND

	2009-10	2010-11		Variance
	Actual	Original Budget	Revised Projection	
Revenues				
Investment and Property Revenues	12,100	7,000	5,300	(1,700)
Service Charges				
In-lieu fees	20,100	5,000	80,000	75,000
Other Revenues			30,400	30,400
Total Revenues	32,200	12,000	115,700	103,700
Expenditures				
Operating Programs				
Leisure, Cultural & Social Services				
Capital Improvement Plan Projects	59,700		267,600	267,600
Total Expenditures	59,700		267,600	267,600
Other Sources (Uses)				
Operating Transfer In				
Operating Transfer Out				
Total Other Sources (Uses)				
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	(27,500)	12,000	(151,900)	(163,900)
Fund Balance, Beginning of Year	415,800	255,400	388,300	132,900
Fund Balance, End of Year	\$388,300	\$267,400	\$236,400	(\$31,000)

CHANGES IN FINANCIAL POSITION

PROPOSITION 42 FUND

	2009-10	2010-11		Variance
	Actual	Original Budget	Revised Projection	
Revenues				
Investment and Property Revenues				
Subventions and Grants				
State Grants	405,200			
Total Revenues	405,200			
Expenditures				
Operating Programs				
Transportation				
Capital Improvement Plan Projects				
Total Expenditures				
Other Sources (Uses)				
Operating Transfer In				
Operating Transfer Out	(\$405,200)			
Total Other Sources (Uses)	(\$405,200)			
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses				
Fund Balance, Beginning of Year				
Fund Balance, End of Year				

In March 2010, the Legislature passed ABx8 6 and ABx8 9, which contained the provisions for a swap of Proposition 42 state sales tax on gasoline with allocations from the motor vehicle excise tax (gas tax).

CHANGES IN FINANCIAL POSITION

CAPITAL OUTLAY FUND

	2009-10	2010-11		Variance
	Actual	Original Budget	Revised Projection	
Revenues				
Subventions and Grants	739,900		4,971,400	4,971,400
Service Charges		90,000	240,000	150,000
Other Revenues	113,100		173,200	173,200
Total Revenues	853,000	90,000	5,384,600	5,294,600
Expenditures				
Capital Improvement Plan Projects	10,285,000	2,499,300	16,526,500	(14,027,200)
Total Expenditures	10,285,000	2,499,300	16,526,500	(14,027,200)
Other Sources (Uses)				
Operating Transfers In		2,409,300	2,499,300	90,000
Operating Transfers Out				
Proceeds from Debt Financing	3,542,500			
Total Other Sources (Uses)	3,542,500	2,409,300	2,499,300	90,000
Revenues and Other Sources Over (Under) Expenditures and Other Uses	(5,889,500)		(8,642,600)	(8,642,600)
Fund Balance, Beginning of Year	14,795,400		8,905,900	8,905,900
Fund Balance, End of Year	\$8,905,900	\$ -	\$ 263,300	\$ 263,300

CHANGES IN FINANCIAL POSITION

PARKLAND DEVELOPMENT FUND

	2009-10	2010-11		Variance
	Actual	Original Budget	Revised Projection	
Revenues				
Investment and Property Revenue	41,800	37,200	37,200	
Subventions and Grants		50,000	50,000	
Service Charges				
Park In-Lieu Fees	35,200	50,000	50,000	
Dwelling Unit Fees	1,200	200	1,000	800
Other Revenue		323,300	323,300	
Total Revenues	78,200	460,700	461,500	800
Expenditures				
Capital Improvement Plan Projects	67,000	1,293,000	1,718,300	(425,300)
Total Expenditures	67,000	1,293,000	1,718,300	(425,300)
Revenues and Other Sources Over (Under) Expenditures and Other Uses	11,200	(832,300)	(1,256,800)	(424,500)
Fund Balance, Beginning of Year	1,319,900	897,900	1,331,100	433,200
Fund Balance, End of Year	\$1,331,100	\$65,600	\$74,300	\$8,700

CHANGES IN FINANCIAL POSITION

TRANSPORTATION IMPACT FEE FUND

	2009-10	2010-11		
	Actual	Original Budget	Revised Projection	Variance
Revenues				
Investment and Property Revenue	107,500	40,000	40,000	
Subventions and Grants	399,900		2,341,300	2,341,300
Service Charges	30,200	150,000	780,000	630,000
Other Revenue	87,200		7,200	7,200
Total Revenues	624,800	190,000	3,168,500	2,978,500
Expenditures				
Capital Improvement Plan Projects	893,300	253,600	5,867,900	(5,614,300)
Total Expenditures	893,300	253,600	5,867,900	(5,614,300)
Other Sources (Uses)				
Operating Transfers In	74,000			
Operating Transfers Out				
Total Other Sources (Uses)	\$74,000			
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	(194,500)	(63,600)	(2,699,400)	(2,635,800)
Fund Balance, Beginning of Year	3,592,800	97,200	3,398,300	3,301,100
Fund Balance, End of Year	\$3,398,300	\$ 33,600	\$ 698,900	\$ 665,300

CHANGES IN FINANCIAL POSITION

OPEN SPACE PROTECTION FUND

	2009-10	2010-11		Variance
	Actual	Original Budget	Revised Projection	
Revenues				
Investment and Property Revenue	12,700	5,000	1,000	(4,000)
Subventions and Grants	314,800		750,000	750,000
Service Charges				
Other Revenue	10,500			
Total Revenues	338,000	5,000	751,000	746,000
Expenditures				
Capital Improvement Plan Projects	370,500		1,136,500	(1,136,500)
Total Expenditures	370,500		1,136,500	(1,136,500)
Other Sources (Uses)				
Operating Transfers In	260,400			
Operating Transfers Out				
Total Other Sources (Uses)	\$260,400			
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	227,900	5,000	(385,500)	(390,500)
Fund Balance, Beginning of Year	261,500	113,800	489,400	375,600
Fund Balance, End of Year	\$489,400	\$118,800	\$103,900	(\$14,900)

CHANGES IN FINANCIAL POSITION

AIRPORT AREA IMPACT FEE FUND

	2009-10	2010-11		Variance
	Actual	Original Budget	Revised Projection	
Revenues				
Investment and Property Revenues	31,500	24,000	24,000	
Service Charges	3,600			
Total Revenues	35,100	24,000	24,000	
Expenditures				
Capital Improvement Plan Projects			375,000	(375,000)
Other Sources (Uses)				
Operating Transfers Out				
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	35,100	24,000	(351,000)	(375,000)
Fund Balance, Beginning of Year	993,700	643,300	1,028,800	385,500
Fund Balance, End of Year	\$1,028,800	\$667,300	\$677,800	\$10,500

CHANGES IN FINANCIAL POSITION

AFFORDABLE HOUSING FUND

	2009-10	2010-11		Variance
	Actual	Original Budget	Revised Projection	
Revenues				
Investment and Property Revenues	41,600	40,000	20,000	(20,000)
Subventions and Grants	270,000			
Service Charges	(21,300)	350,000	350,000	
Total Revenues	290,300	390,000	370,000	(20,000)
Expenditures				
Capital Improvement Plan Projects	3,407,600		119,500	(119,500)
Other Sources (Uses)				
Operating Transfers in				
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	(3,117,300)	390,000	250,500	(139,500)
Fund Balance, Beginning of Year	3,785,000	604,800	667,700	62,900
Fund Balance, End of Year	\$667,700	\$994,800	\$918,200	(\$76,600)

CHANGES IN FINANCIAL POSITION

FLEET REPLACEMENT FUND

	2009-10	2010-11		Variance
	Actual	Original Budget	Revised Projection	
Revenues				
Investment and Property Revenues	59,800	50,000	30,000	(20,000)
Other Revenues				
Sale of Surplus Property	27,500			
Total Revenues	87,300	50,000	30,000	(20,000)
Expenditures				
Capital Improvement Plan Projects	1,406,500	126,500	348,400	(221,900)
Total Expenditures	1,406,500	126,500	348,400	(221,900)
Other Sources (Uses)				
Proceeds from Debt Financing			1,044,000	(1,044,000)
Operating Transfers In				
General Fund	79,100			
Total Other Sources (Uses)	79,100		1,044,000	
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	(1,240,100)	(76,500)	725,600	(241,900)
Fund Balance, Beginning of Year	2,223,900	1,784,200	983,800	(800,400)
Fund Balance, End of Year	\$983,800	\$1,707,700	\$1,709,400	\$1,700

CHANGES IN FINANCIAL POSITION

LOS OSOS VALLEY ROAD SUB-AREA FEE FUND

	2009-10	2010-11		
	Actual	Original Budget	Revised Projection	Variance
Revenues				
Investment and Property Revenues	8,600	2,000	3,800	1,800
Service Charges	11,200			
Total Revenues	19,800	2,000	3,800	1,800
Expenditures				
Capital Improvement Plan Projects	19,000		61,400	(61,400)
Other Sources (Uses)				
Operating Transfers In				
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	800	2,000	(57,600)	(59,600)
Fund Balance, Beginning of Year	168,200	106,200	169,000	62,800
Fund Balance, End of Year	\$169,000	\$108,200	\$111,400	\$3,200

CHANGES IN FINANCIAL POSITION

DEBT SERVICE FUND

	2009-10	2010-11		Variance
	Actual	Original Budget	Revised Projection	
Expenditures				
Debt Service				
2001 Refunded Revenue Bonds	797,800	799,800	799,800	
2004 Refunding Revenue Bonds	293,200	295,000	295,000	
2005 Refunding Revenue Bonds	463,100	469,900	469,900	
2006 Lease Revenue Bonds	459,600	458,400	458,400	
2009 Lease Revenue Bonds	837,600	839,400	839,400	
2010 Fire Truck Financing		97,000	97,000	
Energy Conservation Lease Purchase	57,400	57,400	57,400	
Total Expenditures	2,908,700	3,016,900	3,016,900	
Other Sources (Uses)				
Proceeds from debt financing				
Operating Transfers In	2,908,700	2,670,900	2,670,900	
Total Other Sources (Uses)	2,908,700	2,670,900	2,670,900	
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses		(346,000)	(346,000)	
Fund Balance, Beginning of Year				
Reserved for Debt Service	2,285,700	2,285,700	2,285,700	
Unreserved				
Fund Balance, End of Year	\$2,285,700	\$1,939,700	\$1,939,700	

CHANGES IN FINANCIAL POSITION

WATER FUND

	2009-10	2010-11		
	Actual	Original Budget	Revised Projection	Variance
Revenues				
Investment and Property Revenues	663,500	182,100	229,700	47,600
Subventions and Grants				
Service Charges				
Water Sales				
Water Service Charges	12,037,400	14,006,900	13,334,300	(672,600)
Sales to Cal Poly	939,600	1,030,100	1,030,100	
Development Impact Fees	448,200	267,400	567,400	300,000
Other Service Charges	330,600	215,600	215,600	
Other Revenues	56,300	25,400	30,400	5,000
Total Revenues	14,475,600	15,727,500	15,407,500	(320,000)
Expenditures				
Operating Programs				
Public Utilities	5,934,200	12,073,400	12,351,500	(278,100)
General Government	1,669,300	1,702,700	1,702,700	
Total Operating Programs	7,603,500	13,776,100	14,054,200	(278,100)
Capital Improvement Plan Projects	2,618,100	3,375,000	8,506,800	(5,131,800)
Debt Service	2,377,600	2,341,500	2,341,500	
Total Expenditures	12,599,200	19,492,600	24,902,500	(5,409,900)
Other Sources (Uses)				
Other Sources (Uses)	(119,700)	(45,000)	(45,000)	
Expenditure Savings		66,600	66,600	
Potential MOA Adjustments				
Total Other Sources (Uses)	(119,700)	21,600	21,600	
Revenues and Other Sources Over (under)				
Expenditures and Other Uses	1,756,700	(3,743,500)	(9,473,400)	(5,729,900)
Working Capital, Beginning of Year	13,897,100	9,675,600	15,653,800	5,978,200
Working Capital, End of Year	\$15,653,800	\$5,932,100	\$6,180,400	\$248,300

CHANGES IN FINANCIAL POSITION

SEWER FUND

	2009-10	2010-11		
	Actual	Original Budget	Revised Projection	Variance
Revenues				
Investment and Property Revenues	411,000	74,500	93,900	19,400
Subventions and Grants				
Service Charges				
Customer Sales				
Sewer Service Charges	12,171,900	12,350,500	12,350,500	
Sales to Cal Poly	779,300	751,400	751,400	
Development Impact Fees	98,700	70,500	119,400	48,900
Other Service Charges	178,200	149,400	149,400	
Other Revenues	(3,000)	11,300	3,000	(8,300)
Total Revenues	13,636,100	13,407,600	13,467,600	60,000
Expenditures				
Operating Programs				
Public Utilities	5,606,400	5,981,000	6,431,100	(450,100)
General Government	1,438,400	1,467,200	1,467,200	
Total Operating Programs	7,044,800	7,448,200	7,898,300	(450,100)
Capital Improvement Plan Projects	1,803,400	1,605,400	6,214,100	(4,608,700)
Debt Service	3,191,600	3,243,700	3,243,700	
Total Expenditures	12,039,800	12,297,300	17,356,100	(5,058,800)
Other Sources (Uses)				
Proceeds from Debt Financing				
Potential MOA Adjustments		(35,500)	(35,500)	
Other Sources (Uses)	(132,800)	(366,600)	(366,600)	
Total Other Sources (Uses)	(132,800)	(402,100)	(402,100)	
Revenues and Other Sources Over (Under) Expenditures and Other Uses	1,463,500	708,200	(4,290,600)	(4,998,800)
Working Capital, Beginning of Year	8,165,000	3,718,300	9,628,500	5,910,200
Working Capital, End of Year	\$9,628,500	\$4,426,500	\$5,337,900	\$911,400

CHANGES IN FINANCIAL POSITION

PARKING FUND

	2009-10	2010-11		Variance
	Actual	Original Budget	Revised Projection	
Revenues				
Investment and Property Revenues	292,200	145,000	145,000	
Fines and Forfeitures	690,500	676,500	676,500	
Service Charges				
Parking Meter Collections				
Lots	392,100	406,400	398,600	(7,800)
Streets	1,153,200	1,264,400	1,153,500	(110,900)
Parking Structure Collections	702,400	948,400	713,200	(235,200)
Long-Term Parking Revenues	349,900	352,200	348,700	(3,500)
Lease Revenues	204,800	199,700	199,700	
Parking In-Lieu Fees	12,800	13,300	13,300	
Other Service Charges		100	100	
Other Revenues	(9,600)			
Total Revenues	3,788,300	4,006,000	3,648,600	(357,400)
Expenditures				
Operating Programs				
Transportation	1,603,900	1,665,900	1,725,100	(59,200)
General Government	538,500	549,300	549,300	
Total Operating Programs	2,142,400	2,215,200	2,274,400	(59,200)
Capital Improvement Plan Projects	100,200	36,600	2,665,300	(2,628,700)
Debt Service	1,522,000	1,483,000	1,515,900	(32,900)
Total Expenditures	3,764,600	3,734,800	6,455,600	(2,720,800)
Other Sources (Uses)				
Proceeds from Debt Financing				
Other Sources (Uses)	17,200			
Potential MOA Adjustments		(23,100)	(23,100)	
Total Other Sources (Uses)	17,200	(23,100)	(23,100)	
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	40,900	248,100	(2,830,100)	(3,078,200)
Working Capital, Beginning of Year	7,250,900	4,438,100	7,291,800	2,853,700
Working Capital, End of Year:	\$7,291,800	\$4,686,200	\$4,461,700	(\$224,500)

CHANGES IN FINANCIAL POSITION

TRANSIT FUND

	2009-10	2010-11		Variance
	Actual	Original Budget	Revised Projection	
Revenues				
Investment and Property Revenues	5,100	5,000	5,600	600
Subventions and Grants				
TDA Revenues	992,400	930,100	1,046,200	116,100
Other Grants	979,100	67,000	851,300	784,300
FTA Grants	1,331,000	1,221,900	2,163,400	941,500
Service Charges	584,900	603,900	592,700	(11,200)
Other Revenues	(33,300)	4,500	22,500	18,000
Total Revenues	3,859,200	2,832,400	4,681,700	1,849,300
Expenditures				
Operating Programs				
Transportation	2,446,200	2,527,900	2,656,300	(128,400)
General Government	350,200	357,200	357,200	
Total Operating Programs	2,796,400	2,885,100	3,013,500	(128,400)
Capital Improvement Plan Projects	986,500	67,000	1,085,700	(1,018,700)
Total Expenditures	3,782,900	2,952,100	4,099,200	(1,147,100)
Other Sources (Uses)				
Expenditure Savings				
Other Sources	33,300			
Potential MOA Adjustments		(7,500)	(7,500)	
Total Other Sources (Uses)	33,300	(7,500)	(7,500)	
Revenues and Other Sources Over (Under) Expenditures and Other Uses	109,600	(127,200)	575,000	(702,200)
Working Capital, Beginning of Year	729,000	585,600	838,600	253,000
Working Capital, End of Year	\$838,600	\$458,400	\$1,413,600	\$955,200

CHANGES IN FINANCIAL POSITION

GOLF FUND

	2009-10	2010-11		Variance
	Actual	Original Budget	Revised Projection	
Revenues				
Investment and Property Revenues	56,400	59,300	59,300	
Service Charges				
Retail Sales	24,300	23,000	23,750	750
Green Fees	255,300	296,000	220,150	(75,850)
Other Fees	48,900	45,400	42,900	(2,500)
Other Revenues	10,400			
Total Revenues	395,300	423,700	346,100	(77,600)
Expenditures				
Operating Programs				
Leisure, Cultural & Social Services	505,300	525,400	525,400	
General Government	168,300	171,700	171,700	
Total Operating Programs	673,600	697,100	697,100	
Capital Improvement Plan Projects	40,900		43,400	(43,400)
Total Expenditures	714,500	697,100	740,500	(43,400)
Other Sources (Uses)				
Operating Transfers In	296,100	277,100	356,400	79,300
Other Sources				
Expenditure Savings				
Potential MOA Adjustments		(3,700)		3,700
Total Other Sources (Uses)	296,100	273,400	356,400	83,000
Revenues and Other Sources Over (under) Expenditures and Other Uses	(23,100)		(38,000)	(38,000)
Working Capital, Beginning of Year	61,100		38,000	38,000
Working Capital, End of Year	\$38,000	\$ -	\$ -	\$ -

CHANGES IN FINANCIAL POSITION

WHALE ROCK COMMISSION

	2009-10	2010-11		Variance
	Actual	Original Budget	Revised Projection	
Revenues				
Investment and Property Revenues	31,100	13,800	13,800	
Subventions & Grants				
Service Charges				
Member Agency Contributions	660,900	766,100	766,100	
Water Distribution Charges	372,600	388,600	388,600	
Other Revenues	800			
Other Revenues	600	1,500	1,500	
Total Revenues	1,066,000	1,170,000	1,170,000	
Expenditures				
Operating Programs				
Public Utilities	843,700	878,700	912,100	(33,400)
General Government	99,300	101,300	101,300	
Total Operating Programs	943,000	980,000	1,013,400	(33,400)
Capital Improvement Plan Projects		350,000	573,400	(223,400)
Total Expenditures	943,000	1,330,000	1,586,800	(256,800)
Other Sources (Uses)				
Potential MOA Adjustments		(8,900)	(8,900)	
Total Other Sources (Uses)		(8,900)	(8,900)	
Revenues and Other Sources Over (under) Expenditures and Other Uses	123,000	(168,900)	(425,700)	(256,800)
Working Capital, Beginning of Year	809,900	687,600	932,900	245,300
Working Capital, End of Year	\$932,900	\$518,700	\$507,200	(\$11,500)

Section C

MID-YEAR BUDGET REQUESTS

SUMMARY OF 2010-11 MID-YEAR BUDGET REQUESTS

Page No. **2010-11**

OPERATING PROGRAMS

- There are no new operating program requests.

Total Operating Programs

0

CAPITAL IMPROVEMENT PLAN (CIP)

- There are no new CIP requests.

Total CIP Projects

0

TOTAL

\$ -

FUNDING SOURCES

0

0

\$ -

Section D

RECENT FINANCIAL AND REVENUE REPORTS

Quarterly Financial Report

Second Quarter of 2010-11

January 15, 2011

OVERVIEW

This report summarizes the City's overall financial position for the fiscal year through December 2010. Except as noted below, revenues and operating expenditures are generally on target based on past trends for the second quarter. We will provide the Council with a detailed analysis of the City's financial condition as part of the mid-year budget review.

Adjusted Budgets and Revenue Estimates. The revenue projections and budgets include adjustments for encumbrances, carryovers and any supplemental appropriations made by the Council as of December 31, 2010.

Mid-Year Budget Review. The City's overall revenue and expenditure picture will be discussed in greater detail during the Mid-Year Budget Review scheduled for Council consideration on March 1, 2011. An updated General Fund Fiscal Forecast will also be presented at that time.

GENERAL FUND

General Fund Financial Condition. With 50% of the year complete, General Fund revenues are at 48% of projections and expenditures are at 52%. This is a normal pattern for this time of year, as more fully explained below:

General Fund Balance	Budget	YTD Actual	Percent
Revenues	50,932,200	24,561,300	48%
Expenditures	47,927,000	24,951,100	52%
Other Sources (Uses)	(2,981,800)	(2,220,500)	74%
Balance, Start of Year	11,114,100	11,114,100	-
Balance, Year-to-Date	11,137,500	8,503,800	-

Top Ten Revenues. Our top ten revenues account for about 90% of total General Fund revenues. By focusing on these, we can get an excellent understanding of our revenue position.

Overall, these key revenues are performing as projected based on revised estimates, payment schedules and past trends for the second quarter. Any significant variances are noted below.

Top Ten Revenues	Budget	YTD Actual	% Received
Sales tax - general	11,327,100	4,465,000	39%
Sales tax - measure Y	5,293,900	2,792,100	53%
Property tax	9,323,100	5,104,200	55%
Property tax in lieu of VLF	3,454,700		0%
Transient occupancy tax	4,295,800	2,728,400	64%
Utility users tax	4,612,200	2,470,300	54%
Business tax	1,871,300	1,774,700	95%
Franchise fees	2,567,400	1,514,300	59%
Development review fees	1,765,400	917,100	52%
Recreation fees	1,324,900	532,900	40%
Total	45,835,800	22,299,000	49%

Sales Tax. Results to-date are closer to budget estimates than it appears. Due to the "triple flip," we only receive 75% of our base revenues from State allocations: the remaining 25% is remitted to us from the County in January and June. We are beginning to see economic recovery in this area. As our top revenue source, we will continue to monitor this closely.

Property Tax. The first major apportionment of 2010-11 taxes occurred in December 2010 and thus far collections are below estimates. We will revise our revenue estimate with the Mid-Year Budget Review.

Transient Occupancy Tax. As noted in the TOT report for November 2010, year-to-date revenues are 8.5% higher for year-to-date than they were one year ago. We are currently above our projected 2% increase, but remain cautiously optimistic.

Property Tax In-Lieu of VLF. We will not receive any revenues from this revenue source until January 2011.

Business Tax. The renewal cycle for business tax occurs during the first quarter of the fiscal year and as such, most of the revenues for the year have been collected.

Franchise Fees. We will not receive the largest components of our franchise fee revenues—payments from PG&E and Southern California Gas Company—until April 2011; however, franchise fees from City utilities exceeded budget estimates.

Development Review Fees. Collections to date are on target with budget estimates.

Recreation Fees. These revenues are slightly below targets based on results from the same quarter last year.

Expenditures. Operating costs are generally on target for the second quarter of the year as summarized below:

Expenditures By Type	Budget	YTD Actual	% Expended
Staffing	41,111,200	21,001,300	51%
Contract services	4,388,200	2,111,200	48%
Telecomm & utilities	1,910,100	814,100	43%
Insurance	1,976,900	1,899,000	96%
Other operating costs	2,851,800	1,300,200	46%
Minor capital	38,200		0%
Total by type	52,276,400	27,125,800	52%
Reimbursed expenditures	(4,349,400)	(2,174,700)	50%
Total	47,927,000	24,951,100	52%

Because there were three payrolls in July and December, we are actually on target for staffing costs. The only other key variance by type is insurance: this reflects the City's annual premium for liability, workers compensation and property insurance, which is due in full in July.

Departmental operating expenditures are also generally on target:

Expenditures	Budget	YTD Actual	% Expended
Administration	2,650,400	1,416,100	53%
City Attorney	515,000	262,500	51%
Human Resources	3,088,000	2,412,500	78%
Finance & IT	4,130,600	2,079,900	50%
Community Development	2,664,000	1,290,800	48%
Parks & Recreation	3,097,600	1,549,100	50%
Public Works	11,262,500	5,538,300	49%
Police	15,089,300	7,574,200	50%
Fire	9,779,000	5,002,400	51%
Total Departmental	52,276,400	27,125,800	52%
Reimbursed Expenditures	(4,349,400)	(2,174,700)	50%
Total Expenditures	47,927,000	24,951,100	52%

The only significant variance is in Human Resources, which reflects the City's annual insurance premium payments as discussed above.

ENTERPRISE FUNDS

In general, enterprise fund revenues and expenditures are consistent with past trends. The Golf Fund currently has a negative cash position, which is due to the timing of revenues from cell site leases.

Water Fund

Working Capital	Budget	YTD Actual	Percent
Revenues	15,727,500	8,545,700	54%
Expenditures			
Operating programs	14,054,300	7,901,400	56%
CIP projects	8,506,800	1,276,400	15%
Debt service	2,341,500	1,030,100	44%
Balance, Start of Year	15,653,800	15,653,800	-
Balance, Year-to-Date	6,478,700	13,991,600	-

Sewer Fund

Working Capital	Budget	YTD Actual	Percent
Revenues	13,407,600	6,951,200	52%
Expenditures			
Operating programs	7,898,400	3,655,100	46%
CIP projects	6,214,100	903,500	15%
Debt service	3,243,700	2,721,600	84%
Other Sources (Uses)	(35,500)		0%
Balance, Start of Year	9,628,500	9,628,500	-
Balance, Year-to-Date	5,644,400	9,299,500	-

Parking Fund

Working Capital	Budget	YTD Actual	Percent
Revenues	4,006,000	1,919,500	48%
Expenditures			
Operating programs	2,274,400	1,085,300	48%
CIP projects	2,665,300	147,600	6%
Debt service	1,483,000	542,800	37%
Other Sources (Uses)	(23,100)		0%
Balance, Start of Year	7,291,800	7,291,800	-
Balance, Year-to-Date	4,852,000	7,435,600	-

Transit Fund

Working Capital	Budget	YTD Actual	Percent
Revenues	4,350,100	2,013,500	46%
Expenditures			
Operating programs	2,981,600	1,245,800	42%
CIP projects	1,786,200	908,500	51%
Other Sources (Uses)	(7,500)		
Balance, Start of Year	838,600	838,600	-
Balance, Year-to-Date	413,400	697,800	-

Golf Fund

Working Capital	Budget	YTD Actual	Percent
Revenues	386,700	168,100	43%
Expenditures			
Operating programs	697,100	367,000	53%
CIP projects	43,300	24,800	57%
Other Sources (Uses)	315,700	138,600	44%
Balance, Start of Year	38,000	38,000	-
Balance, Year-to-Date	-	(47,100)	-

Whale Rock Commission

Working Capital	Budget	YTD Actual	Percent
Revenues	1,170,000	628,100	54%
Expenditures			
Operating programs	1,013,400	472,400	47%
CIP projects	573,400	-	0%
Other Sources (Uses)	(8,900)		0%
Balance, Start of Year	932,900	932,900	-
Balance, Year-to-Date	507,200	1,088,600	-

For More Information. This summary is based on detailed information produced by the City's financial management system. If you would like additional information, or have any questions about the report, please call Finance at 781-7128.

Sales Tax Newsletter

Third Quarter of Calendar Year 2010

OVERVIEW

For the Quarter. This newsletter covers the City's sales tax revenues received in January 2011 for sales occurring from July through September 2010. **After adjusting for apportionment errors and late payments, "point-of-sale" revenues were up by 7.6% compared with the same quarter last year.** This follows a 2.9% increase last quarter.

Sales Tax Receipts Summary

Sales Tax Receipts	3rd Qtr 2010	3rd Qtr 2009	% Change
Reported Point-of-Sale	2,801,823	2,734,015	2.5%
Net Adjustments	2,197	(129,062)	
Adjusted Point-of Sale	2,804,020	2,604,953	7.6%
Pool Receipts	285,806	264,771	7.9%
Total	3,089,826	2,869,724	7.7%

The following summarizes "point-of-sale" revenues by major business group, *after adjusting* for late payments, apportionment errors last year and other adjustments identified by our sales tax advisor:

Adjusted Sales Tax Receipts By Type

Point-of-Sale Receipts	3rd Qtr 2010	3rd Qtr 2009	% Change
Gen Consumer Goods	1,023,282	946,764	8.1%
Autos & Transportation	523,978	487,993	7.4%
Restaurants & Hotels	326,819	315,297	3.7%
Building & Construction	276,513	258,511	7.0%
Fuel & Service Stations	296,581	236,592	25.4%
Business & Industry	176,699	182,205	-3.0%
Food & Drugs	180,148	177,591	1.4%
Total	2,804,020	2,604,953	7.6%

Second consecutive quarter of revenue increases. The automobile industry recovery continued as consumers responded favorably to dealer incentives during this quarter. The City also benefited from general consumer goods gains from new businesses as well as from strong sales of electronics, home furnishings and specialty stores. The large increase in receipts for service stations is due to higher fuel prices and consumption.

Although the construction industry continues to suffer from the economic downturn, the City saw an increase in sales of lumber/building materials, plumbing/electrical supplies and paint/glass supplies.

It appears that revenues are slowly recovering to a new lower base. However, revenues are still down 18% from the peak in the 4th quarter of 2006.

Measure Y Revenues. Measure Y revenues were up 3.6% from last year, generating \$1,372,135 for the quarter.

NEWSLETTER CONTENTS

This newsletter includes a summary prepared by the City's sales tax advisor highlighting key trends and sales tax issues. It also includes the following charts and graphs about the City's sales tax base:

- Major business groups: third quarter 2010 and 2009
- Top 25 sales tax producers (listed alphabetically for this quarter)
- Top 15 business categories: this quarter compared with last year
- Sales per capita: City compared with the County and State, last 13 quarters
- Major business groups: last 13 quarters
- Sales per capita: City compared with five other agencies in the region, last 13 quarters
- Sales tax revenues by geographic area: this quarter compared with last year

Several of these charts are based on "raw" unadjusted data. As such, caution should be used in analyzing these results.

A listing of individuals and organizations that routinely receive this newsletter is provided at the end of the report.

MORE INFORMATION AVAILABLE

The information provided in this newsletter is based on a detailed database available to the City through our sales tax advisor. If you require additional information about the City's retail base, or have any questions about this newsletter, please contact Mary Bradley, Interim Director of Finance & Information Technology, at (805) 781-7125.

Monthly TOT Report

December 2010

February 7, 2011

This report covers the City's transient occupancy tax (TOT) revenues for December 2010 compared with the two prior years. As reflected below, revenues for the month of December 2010 are **up by 11.2%** from the same month last year and **up 8.8% year to date**.

Trend Analysis. December brings the seventh straight month of TOT revenue increases. Although this is encouraging news, TOT revenues are still below their 2007-08 pre-economic decline level by 12% for December and 5% year-to-date.

We remain cautiously optimistic that this positive trend will continue. The City recently received positive publicity on the Oprah show that we are hopeful will bolster tourist activity and, thus, TOT revenues. We are currently above our projected increase of 2% for the 2010-11 fiscal year and will update our projections for TOT revenue at the mid-year budget review in March.

Year End TOT Revenues					
	Prior Year 2008-09	Last Year 2009-10	This Year 2010-11	Increase (Decrease) Last Year Vs This Year	
				Amount	Percent
July	\$565,637	\$508,195	\$541,806	\$33,610	6.6%
August	609,452	511,564	542,296	30,732	6.0%
September	416,859	400,023	437,543	37,520	9.4%
October	416,905	414,870	442,586	27,716	6.7%
November	354,737	280,913	330,924	50,010	17.8%
December	274,871	246,684	274,417	27,733	11.2%
Year To Date Total	2,638,461	2,362,250	2,569,572	207,322	8.8%
January	258,316	230,279			
February	292,343	273,373			
March	289,506	326,099			
April	391,891	423,158			
May	393,431	372,997			
June	456,098	489,924			
Year End Total	4,720,047	4,478,080			

The revenues shown in this report are prepared on an accrual basis as of the end of the month. They are based on TOT amounts reported by operators but not necessarily remitted to the City within the 30 days after month-end required by the City's TOT ordinance.

For More Information. Please call Jennifer Thompson, Revenue Supervisor, at (805) 781-7129.

Section E

STATUS OF GOALS AND OBJECTIVES

STATUS OF GOALS AND OBJECTIVES

As of February 1, 2011

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INTRODUCTION

OVERVIEW

This report details the status of Major City Goals and Other Important Objectives set by the Council as part of the 2009-11 Financial Plan as of February 1, 2011. In general, we are on-track in accomplishing these objectives based on the work programs adopted by the Council.

Report Card. The following is a quick “report card” on the status of Major City Goals and Other Important Objectives based on the “action plans” approved by the Council as part of the 2009-11 Financial Plan.

As a benchmark, at February 1, 2011, we are 75% through the two-year Financial Plan period.

Most of the goals and objectives are near or exceed this level.

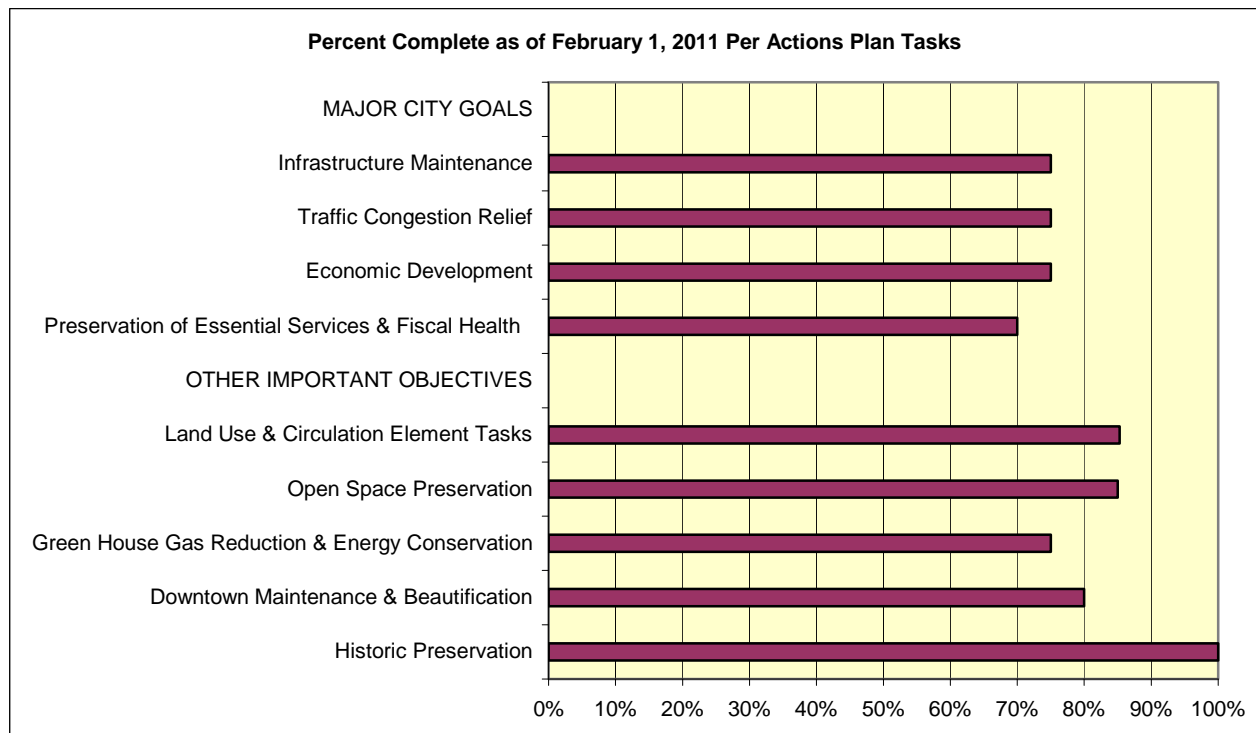
Organization. The “report card” is followed by a short summary of notable changes from the original action plan. After this is a more detailed report on each Major City Goal and Other Important Objectives, which shows the objective, action plan as adopted by the Council, any revisions (additions are shown in italics; date changes are also shown in italics and highlighted in a separate column; and deletions are shown in ~~strikeout~~) and a brief status summary as of February 1, 2011.

Shorter reports are provided for “other Council objectives” for 2009-11 as well as for “carryover goals” from 2007-09.

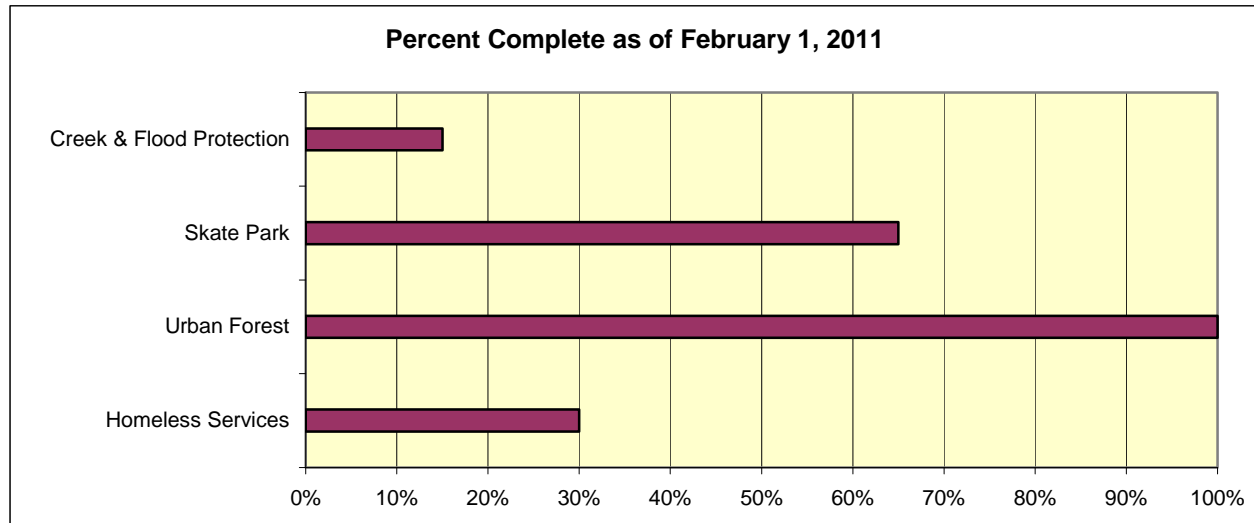
Important Note

Many of these are multi-year goals that have activities associated with them that go beyond the two-year 2009-11 time frame. This status report is focused on approved “Action Plan” tasks as of February 1, 2011.

Report Card: 2009-11 Major City Goals & Other Important Objectives



Report Card: 2009-11 Other Council Objectives



ACTION PLAN CHANGES

As noted above, in general we are on-track in accomplishing these goals and objectives based on the work programs adopted by the Council. However, notable changes from the original action plans include the following.

Major City Goals

Traffic Congestion Relief. The economy and development market have slowed considerably, and as a result, congestion relief improvements contingent upon development (such as Prado Road extension) have been delayed significantly. However, the impacts of these delays are partially offset by the absence of increased traffic associated with the new developments. State transit funding continues to be volatile. Passage of Proposition 22 in the November election may stabilize some of these funding sources for the remainder of FY 2010-11 and beyond. Funding from the Transportation Development Act (TDA) has decreased in 2010-11 but was partially offset by the 2010 Gas Tax swap as well as the allocation of State Transit Assistance (STA) funding to local jurisdictions. Transit service changes were deferred in October 2010 based on revised revenue projections and potential fare adjustments in FY 2011-12.

The Los Osos Valley Road (LOVR) interchange project has been delayed due to environmental litigation against Caltrans. Staff continue to work

with Caltrans to resolve the issues, and 60% of the plans, specifications and estimates (PS&E) are complete and awaiting resolution of the litigation.

The Bob Jones Trail bridges project has been delayed as staff work with Caltrans to coordinate the LOVR interchange project (the south end of the project). Caltrans rejected the City's request to encroach into US 101 to construct the southern connection to LOVR, prompting a revision of the project to make the necessary connection with a stand alone bridge. Costs for the bridge project will exceed the amount budgeted so staff will seek additional grant funding for this project. It is anticipated that the northern connection at Prado Road will be fully designed and ready for construction by spring 2011.

Staff continue to develop a revised alignment for the Railroad Safety Trail (RRST) in the Phase 3 area. Union Pacific Railroad (UPRR) reversed its earlier approval of the project based on a corporate policy that does not allow any type of easement that places activities closer than 40 feet from the centerline of the tracks. As the trail is currently designed, the bicycle path through this area would be placed inside that limit. Staff are exploring other routing options to complete the Trail in this area and will present findings to the Council by June 2011.

Phase 4A of the RRST is substantially complete but awaiting final permit approval by UPRR of signal improvements at the intersection of Foothill and California. The Madonna Bike Path was completed

INTRODUCTION

in January 2011. Measure H, a voter initiative to delete a portion of the Prado Road extension adjacent to the Damon-Garcia Sports facility, qualified for the November election. Staff delivered numerous presentations to community groups about the potential impact to future congestion relief efforts if the measure passed. However, the measure was ultimately defeated at the polls.

The State Route 1 Major Investment Study (SR-1 MIS) was completed and adopted by Council on June 6, 2010.

Other Important Objectives

Land Use and Circulation Element Tasks. The traffic model update is now complete and being beta tested by staff. Final revisions to the forecast transit module were completed in January 2011. Evaluation of the Land Use Element policies and programs is in process.

Greenhouse Gas Reduction and Energy Conservation. This work program is in progress. The City received \$199,400 from the Energy Efficiency and Conservation Block Grant Program (EECBG) and will use \$48,400 of these funds to develop a Climate Action Plan. Staff are updating the Cal Poly developed draft prior to releasing it for public review. The Council adopted a resolution to participate with the County of San Luis Obispo in the California FIRST energy efficiency financing pilot program; however, that program has been placed on hold until mortgage lending issues are resolved. Staff will continue to work with the program team to explore other alternatives to energy improvement financing.

Other Council Objectives

All objectives have seen progress. There are no significant changes to report.

NEXT REPORT

We will present the next “formal report” to the Council in May 2011. In the interim, we will keep the Council up-to-date on the status of major projects through agenda reports, Council Notes and other briefing opportunities.

MAJOR CITY GOALS

INFRASTRUCTURE MAINTENANCE

Objective. Sustain an effective level of core existing infrastructure maintenance such as streets, sidewalks, creeks and flood protection, as well as the protection and maintenance of other physical assets.

Action Plan

Task	Current	Revised
Building Maintenance Projects		
1. Fire Station 3 Shower Stall Construction, Police Annex Sewer Lateral Replacement, Carnegie Library Exterior Sealing, Laguna Lake Restroom Replacement	Complete	
2. Meadow Park Roof Replacement, Santa Rosa Restroom Replacement	6/11	<i>FY2011-13</i>
Playground Equipment Projects		
1. Throop Park playground Equipment Replacement	Complete	
2. Meadow Park playground Equipment Replacement construction; Johnson, Santa Rosa and Emerson Park playground Equipment Replacement design	6/11	
Street and Flood Protection Projects		
1. Andrews Drainage System Design, Drainage Facility Design, Street Reconstruction and Resurfacing Design, Sign Reflectivity Software and Equipment Purchase, Sidewalk Repairs, Sidewalk Ramp Construction, and Street Light Pole Painting	2/11	<i>6/11</i>
2. Andrews Drainage System Permitting, Drainage Facility Construction, Sidewalk Repairs, Pavement Area and Downtown Street Reconstruction and Resurfacing Design and Construction, Sign Replacements, Sidewalk Ramp Construction, Parking lot resurfacing, Street Light Pole Painting, Downtown Tree Management Plan Tree and Sidewalk work	6/11	
3. Pavement and sidewalk maintenance by City staff	Ongoing	
Utility Projects		
1. Polybutylene Water Service Replacement, Waterline Replacement, Sewerline Replacement, Raw Waterline Coating	6/11	
2. Polybutylene Water Service Replacement, Waterline Replacement, Sewerline Replacement, Water Treatment Plant Roof Replacement and Filter Media Replacement, Clarifier Recoating,	6/11	
Downtown Design Standards		
Complete review and modifications of Downtown design standards used in infrastructure maintenance as part of the Council's Downtown Maintenance and Beautification objective	Complete	

Status Summary: 75% Complete. The following is a summary of accomplishments and important next steps for this goal.

Due to a heavy workload in Engineering, and other factors such as the UPRR negotiations, Caltrans permit delays, detailed work to deliver a modified Downtown project, and neighborhood issues, some delay in project schedules has occurred. Staff are working to keep the new schedules for project delivery. Engineering staff have also accelerated the delivery of the Upper Monterey Street reconstruction project to take advantage of American Recovery and Reinvestment Act (ARRA) funds from the RRST Phase 3 project, which has been put on hold.

MAJOR CITY GOALS

Building Maintenance Projects. The Fire Station 3 Shower Stall construction, Police Annex lateral replacement, the Laguna Lake restrooms, and the sealing of the Carnegie Library are complete.

Park Projects. Design for the Santa Rosa restrooms is complete. The Meadow Park Roof project will be delayed until next year because a bidding issue prevented contract award. Construction is expected to begin in August 2011. Design is nearly complete for the Meadow Park playground equipment. The Throop playground equipment replacement project is complete. The design of the next projects has been delayed and is now expected to be completed in summer 2011.

Street and Flood Protection Projects. Marsh Street microsurfacing, along with some minor utility work, is complete along with the LOVR pavement repairs which were accelerated due to damage resulting from the wet weather. The Andrews Street drainage system plans are nearing completion, and staff will meet with the neighbors to discuss the projects this spring. Permitting for work in the channel is not complete and it is currently unknown if work will begin this summer or next. Higuera Culvert and Street Reconstruction projects are under design. Sidewalk repairs are complete. Staff has moved to the next paving area and are preparing for next year's street microsurfacing, as well as completing smaller scale full overlay maintenance work. The Warden Bridge resurfacing project was deleted by the Council. The street light pole painting work will continue with the Downtown beautification project.

Utility Projects. Polybutylene service replacement project and waterline replacement projects are complete and sewerline work is underway. The Raw Waterline Protection project has been postponed. Clarifier recoating project is complete. The Digester repair project will take place during the summer of 2011 to take advantage of reduced plant loads.

MAJOR CITY GOALS

TRAFFIC CONGESTION RELIEF

Objective. Continue efforts on projects and programs which relieve traffic congestion, such as street modifications, intersection improvements, pedestrian improvements, bicycle facilities, trip reduction programs, traffic signal operations and public transit.

Action Plan

Task	Current	Revised
Transit Service Levels		
1. Maintain existing transit levels for local and regional services with uncertain levels of State and Federal funding.	Ongoing	
2. Implement recommendation in the Short Range Transit Plan if funding is available.	Ongoing	
3. Explore alternative fuel and vehicle type to offset operational costs.	Ongoing	
Transit Improvements		
1. Use federal and state capital funding to replace and upgrade vehicles.	Ongoing	
2. Use federal American Recovery and Reinvestment Act (ARRA) and state capital funding to upgrade Automatic Vehicle Location (AVL) system for improved on time performance.	12/10	<i>Complete</i>
3. Use federal (ARRA-completed) and state capital funding to improve the transit facility on Prado Road.	4/11	<i>FY2011-13</i>
Congestion Management Report		
Implement low cost recommendations of the Congestion Management Report.	Ongoing	
State Route 1/Highway 101		
Work with San Luis Obispo Council of Governments (SLOCOG) and Caltrans regarding further planning for State Route 1 (Santa Rosa Street) including an alternatives assessment for US 101/State Route 1 interchange.	Complete	
Prado Road Extension		
Work with west side Margarita area property owners to implement phased improvements to Prado Road.	Ongoing	
Signalization of US 101/Grand Avenue Intersection		
1. Complete design.	12/10	<i>3/11</i>
2. Begin construction.	3/11	<i>5/11</i>
3. Complete construction.	8/11	<i>FY2011-13</i>
Los Osos Valley Road Interchange		
1. Complete construction plans and specifications.	6/11	
2. Begin right of way acquisition.	Complete	
3. Complete right of way acquisition.	6/11	
4. Pursue additional funding.	Ongoing	
5. Implement phase improvements as new development occurs.	Ongoing	
Traffic Model Update		
1. Complete base year traffic model update.	Complete	

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Task	Current	Revised
2. Recruit temporary or contract staff, or consultant assistance for traffic model development.	Complete	
3. Complete Traffic Model Update with existing Land Use scenarios.	4/11	Complete
4. Identification and development of strategic revisions to the Land Use Element in superseded sections.	6/11	
5. Conduct traffic model assessments of various land use modifications for future year forecasts and strategic revisions to the Circulation Element.	6/11	
Neighborhood Traffic Management Program Update		
Update the Neighborhood Traffic Management program to reflect current practices and principles.	4/11	
Aero Drive Realignment		
Work with the County of San Luis Obispo to relocate Aero Drive and signalize access to San Luis Obispo Regional Airport.	Complete	
SLO County 511		
Work with Rideshare to promote a new 511 traffic hotline.	Ongoing	
Johnson and Buchon Intersection Improvements		
1. Begin project design (combined scope of Pismo/Buchon neighborhood traffic management program).	Complete	
2. Begin construction.	2/11	
3. Complete construction.	6/11	
Tank Farm Road Intersection Improvements		
1. Initiate design of Tank Farm Road widening project.	Complete	
2. Complete project design.	6/11	
Railroad Safety Trail - Phase 3: Amtrak to Marsh Street		
1. Identify alternative routes and present initial findings to the Council.	6/11	
2. Pursue additional funding.	Ongoing	
Railroad Safety Trail - Phase 4A: The Missing Link (Foothill to Cal Poly)		
1. Complete construction drawings.	Complete	
2. Begin construction	Complete	
3. Complete construction	4/11	
Railroad Safety Trail - Phase 4: Foothill to Hathaway		
1. Complete construction drawings.	Complete	
2. Begin construction	Complete	
3. Complete construction	Complete	
Railroad Safety Trail Bridge: Highway 101 Crossing		
1. Identify alternative routes and present initial findings to the Council.	6/11	
2. Pursue additional funding	Ongoing	
Bob Jones City-to-Sea Trail: North Connection to Prado Road		
1. Pursue outside funding for trail connections.	Ongoing	

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Task	Current	Revised
2. Complete construction drawings.	4/11	
3. Complete construction.	6/11	<i>FY2011-13</i>
Bob Jones City-to-Sea Trail: Southern Connection to LOVR		
1. Pursue outside funding for trail connections.	Ongoing	
2. Complete Caltrans permitting.	4/11	
Bill Roalman Phase II		
Complete construction.	Complete	
Madonna Road Bike Path		
Work with property owners and Caltrans to implement a new bicycle facility that connects Madonna Road to Marsh Street.	2/11	<i>Complete</i>
Mid-Higuera Widening		
Evaluate the costs and benefits of landscaped medians in the as set forth in the Mid-Higuera Street Enhancement Plan and present results to the Council.	Complete	
Other Projects That Reduce Traffic Congestion		
1. Complete curb ramps, on-street bicycle facility paving and striping improvements in conjunction with City Street paving projects.	Ongoing	
2. Implement Neighborhood Traffic Management projects.	Ongoing	
3. Construct curb ramps and install sidewalks.	Ongoing	
4. Conduct bi-annual vehicle and bicycle traffic counts.	Ongoing	
5. Complete miscellaneous bicycle facility improvements identified in the Bicycle Transportation Plan, as resources permit.	Ongoing	
6. Develop a list, in conjunction with the Bicycle Committee, of streets that would benefit from increased street sweeping and coordinate with Street Maintenance to use miscellaneous sweeping hours, when available, to increase frequency.	Ongoing	
7. Seek funding for the design and construction of bikeways and pedestrian paths within the City.	Ongoing	
8. Promote bicycling, walking and transit as alternative forms of transportation.	Ongoing	
9. Provide more bicycle parking through the City's "Racks with Plaques" program.	Ongoing	

Status Summary: 75% Complete. The following is a summary of accomplishments and important next steps for this goal.

1. The City learned in June 2010 that the State implemented a Gas Tax swap and re-established some State Transit Assistance (STA) funding for FY 2010-11. SLOCOG programmed approximately \$216,000 in STA funding for the current fiscal year to assist in transit operations. State TDA funding is still significantly below historic levels.
2. On October 5, 2010, the Council implemented a partial list of fare box modifications that adjusted the Trolley fare and deferred consideration of other fare increases until the 2011-13 Financial Plan process.
3. ARRA grant funding for transit improvements has been programmed, and projects are completed. The AVL system is 100% complete, and the City accepted the system on October 31, 2010. The fare box upgrade project is complete. The transit facility ARRA improvements are 100% complete and the roof repairs have been completed. Modification to the facility to accommodate the double deck bus has been completed and

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approximately \$44,000 in Federal Transit Administration (FTA) 5307 2007-08 (non-ARRA) grant funding remains to be spent. Facility projects, such as the retirement of the in-floor bus lift system, have been delayed due to design and permitting review and are expected to be included in the work programs for the 2011-13 Financial Plan.

4. Work was completed on the SR-1 MIS project and it was adopted by Council on June 6, 2010.

Construction funding for the LOVR/Highway 101 interchange project was delayed by the California Transportation Commission (CTC) and is now scheduled for FY 2014-15. The City had requested that SLOCOG accelerate right-of-way (ROW) funding for the LOVR/Highway 101 interchange project but instead the City has advanced ROW funding for the project in exchange for funding an equivalent amount in the construction phase of the project. Plans, specifications and engineering (PS&E) for the interchange are approximately 60% complete; however, the project report still needs to be approved by Caltrans and processing of the PS&E is on hold due to environmental litigation between Caltrans and residents of the Los Verdes condominiums. This delays the approval of final construction drawings until 2011. Staff continue to work with Caltrans to resolve these issues and complete the design and environmental approvals for the project.

5. The draft update to the Neighborhood Traffic Management (NTM) Program has been completed and is circulating internally for review. Final Council review of these changes will be delayed until March 2011 in order to complete the design for the Buchon/Pismo/Johnson NTM and Laguna Village Shopping Center driveway issues.
6. The neighborhood vote on the Buchon/Pismo/Johnson NTM was adopted by Council on June 1, 2010. Design has begun on the public improvements, and construction will begin in early 2011.
7. The Tank Farm Road intersection improvements design project has been initiated and scoping of the project is underway.
8. Public improvement plans have been approved for the Prefumo Creek Commons project. Offsite improvement plans which include improvements to the intersection of Madonna/LOVR are being reviewed and approval is anticipated in February 2011 with construction in spring. The Target store is scheduled to open in late summer or early fall of 2011.
9. The Bob Jones Trail bridges project has been delayed as efforts are underway with Caltrans to coordinate the work with the LOVR Interchange project. Encroachment into the Caltrans right of way has been denied due to conflicts with the clear recovery area of the freeway. Revised conceptual plans have been submitted to Caltrans for a stand alone bridge facility to complete the southern connection. This project will cost substantially more than budgeted so staff will need to solicit additional grant sources for its completion. The design of the northern bridge connection (to Prado Road) is moving forward and should be completed in April 2011. However, due to permit conditions from resource agencies, the construction of the bridges will be limited in the creek areas to the August-October 2011 timeframe. This will delay final construction completion to November 2011.

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10. RRST Phase 4A - the Missing Link is under construction and approximately 80% complete. The traffic signal work at the intersection of Foothill and California is delayed as UPRR reviews the timing changes to accommodate railroad preemption for the new crossing.
11. Measure H, a voter initiative to delete part of the Prado Road extension adjacent to the Damon-Garcia Sports facility, qualified for the November election. Staff made numerous presentations to community groups about the potential impact to future congestion relief efforts of the various specific plans and mitigating infrastructure.
12. Staff have received final confirmation from UPRR that a lease agreement for the RRST Phase 3 (Amtrak to Marsh Street) and Highway 101 Bridge is not possible as these projects are currently designed, which was based on UPRR approvals received in 2004. UPRR has reversed its earlier approval based on a corporate policy that does not allow any type of easement that would place activities closer than 40 feet from the centerline of the tracks. The bicycle path through this area had to be placed inside that limit. Staff will explore other options to complete the Trail in these two key locations and plan to present initial findings to the Council by June 2011.

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ECONOMIC DEVELOPMENT

Objective. In collaboration with Cal Poly, Cuesta and the business community, develop strategies to increase economic development including emphasis on head-of-household jobs and environmentally sustainable businesses.

Action Plan

Task	Current	Revised
Business Retention and Expansion (BRE) – Data Collection and Analysis		
1. Finance & Information Technology (IT) hires Administrative Analyst.	Complete	
2. Develop Business Retention and Expansion (BRE) database using existing data from city and external sources.	Ongoing	
3. Conduct 72 business surveys (4 per month beginning January 2010).	6/11	
4. Update BRE database with information from surveys and existing sources of information.	Ongoing	
5. Use BRE data to produce a quarterly newsletter on business retention and expansion efforts.	Ongoing	
6. Use BRE data to produce metrics about inquiries to the City.	Ongoing	
7. Work with Administrative Analyst to manage the BRE database, analyze the information, produce metrics and disseminate information.	Ongoing	
8. Continue to conduct 10 business visitations with Council per year.	Complete	
9. Continue to collaborate with Community Development on the Seismic Retrofit Program.	Ongoing	
Identify Industry Clusters and Opportunities		
1. Begin a series of forums to identify industry clusters and opportunities for job growth drawing on expertise from the business, environmental, educational and governmental communities.	Ongoing	
2. Draft a working list of industry clusters and opportunities.	Ongoing	
3. Present working list of industry clusters and opportunities to participants and foster opportunities for continuing collaboration on the list and opportunities.	Ongoing	
Information Outreach		
1. Identify changes that would make economic development information more accessible to users of the City web pages.	Complete	
2. Work on web upgrades as time and staffing constraints permit.	Ongoing	
3. Coordinate with available staff to periodically update the web pages with data to market City as place to do business.	Ongoing	
4. Explore ideas and opportunities to support the business community during the economic downturn through strategic economic development initiatives program.	Complete	

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Task	Current	Revised
5. Continue to contract with HdL and economic forecasters for data pertinent to businesses.	Ongoing	
Collaborative Economic Development Efforts		
1. Develop Strategic Economic Development Initiatives Program and recommend funding allocations to Council.	Complete	
2. Participate with the Chamber of Commerce coordinated committee for collaboration between business, government and universities.	Ongoing	
3. Foster collaborative activities with the environmental community (including ECOSLO, Sierra Club, and Land Conservancy) beginning with participation with the Chamber’s Sustainability Committee.	Ongoing	
4. Collaborate with Community Development and Finance & IT Departments to explore opportunities for economic development action presented by AB 811.	Ongoing	
5. Partner with tourism efforts to market the community as a place to do business.	Ongoing	

Status Summary: 75% Complete. The following is a summary of accomplishments and important next steps for this goal.

Business Retention and Expansion Efforts

The City’s business retention and expansion efforts have proven to be an important vehicle to let businesses know they are valued by the City. The meetings that occur through this program also generate information about the make-up of the local business community through a survey instrument. With 44 of 72 surveys currently accomplished, program efforts continue to provide a baseline of information about businesses in the City and to provide encouragement to businesses for the work they do in creating jobs.

The focus of the work on this Major City Goal has evolved to include electronic outreach. Economic Development staff have utilized interns and support from other City departments to collect email addresses for one-third of in-City businesses. Collection of the addresses is an ongoing effort that pulls information from business license applications and other resources. At the start of the project, the program maintained no email data and this effort has now matured into a priority so that a reliable and robust group of business emails can be used as an effective communication tool for the Economic Development effort. With the ability to reach out electronically, targeted surveying has started, which enhances the data collection about the City’s local business mix.

An outgrowth of the effort to enable electronic outreach is the e-tips program. Originally envisioned as a newsletter with statistics about our community, the e-tip offers a quick way to get information out to the City business community on an “as-needed” basis and about a wide range of issues.

Business license data has been the target of another large effort. Elimination of inconsistencies and incorrect business coding is underway to make this database more reliable and useful. The transition of business codes from Land Use to the new system (Energov) is being scrutinized to assure consistency with the business licensing coding.

The 2011 business visitation program is underway with a recent visit to Shopatron, a local on-line retail sales facilitator, and the Prefumo Creek Commons retail center on Los Osos Valley Road (Target Center). As a Chamber of Commerce activity, this program highlights local business endeavors. The visit to the Target Center highlighted the continuing work to build out the center. Two stores, the Target and the MAC Superstore will

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open in early July with others following closely. Shopatron's business model was of particular interest to participants, including the high growth, high tech nature of the business.

Seismic strengthening projects continue to make good progress. Compliance with the current deadlines is being managed by the Building Division with assistance and outreach from Economic Development. Council accepted the annual unreinforced masonry hazard mitigation program status report in January 2011, showing 23 of 126 buildings still requiring strengthening. The buildings that qualified for the 2012 deadline group by strengthening to Level A have started to come to life with owners looking at beginning their work. Special attention will be given to the status of the Springfield Baptist Church relative to its deadline in July 2011.

Industry Clusters and Opportunities

The Economic Strategy planning effort undertaken by the Economic Vitality Corporation (EVC) for the County included identification of the clusters where job growth occurs, convening of focus groups, and identification of business needs for fostering business expansion and job growth within the clusters. The identified industry clusters are the growth industries of the County-wide economy. Given that clusters transcend City and even County boundaries, City-identified clusters were adjusted to conform to those identified in the County's Strategic Economic Planning process rather than initiating a wholly separate process. The separate effort envisioned in this Major City Goal to identify industry clusters was streamlined to build on the efforts undertaken by the EVC and to facilitate coordination between County (EVC) efforts and those of the City. Targeted businesses in the City have been sorted by cluster to effectively accomplish outreach via the Business Retention and Expansion program. In addition, business districts have been identified within the City using geographic information systems (GIS) to illustrate the locations of like businesses. This data can be used for marketing certain areas to growing or relocating businesses.

City staff continues to participate in the industry groups that grew out of the process of formulating the Economic Strategy. These meetings, facilitated by the EVC, provide the City an opportunity to reach out to additional businesses, provide input and to facilitate communication of business needs that are surfaced via the work of the industry groups.

Information Outreach

The Economic Development web presence within the City of San Luis Obispo website remains an ongoing focus for improvements to facilitate access to information and organizations that assist businesses. These improvements are incrementally undertaken to update information and provide links to outside organizations of interest and utility to business. Utilizing the expertise of existing staff, changes continue to be accomplished.

Although it was originally envisioned that the City would hire an outside consultant to provide expertise for web upgrades, alternative funding through the Promotional Coordinating Committee (PCC) became available for a fully separate website aimed at business owners visiting the City and looking for information and assistance in setting up shop here. The site is also intended to offer a "welcome mat" to any business looking for help. A contract for this work has been awarded to the Chamber of Commerce with the new site expected to go live in June 2011. This exciting site will emphasize business to business concerns and will bring Chamber of Commerce and City Economic Development efforts together on the web.

The HdL Business Licensing database has become a source of statistics about businesses in the City. Information from the Business License database is also provided to the City's partners in economic development upon request. The ability to provide information about the total number of businesses, the types of businesses, and the changes in the business community has grown with the data being used for purposes beyond revenue collection. More information about new businesses is posted on the website and work by staff continues to enhance this resource.

Collaborative Economic Development Effort

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The jointly sponsored “Collaboration” Committee, comprised of the City of San Luis Obispo, Cal Poly, the County, the EVC and the business community, has assessed the region and identified key factors for creating an entrepreneurial ecosystem here. By studying communities that are similar to San Luis Obispo, the key factors were identified and compared to factors already existing here. The strategic economic development initiative approved in concept by Council on July 21, 2009 has provided the City’s portion of funding for this joint planning effort. Action steps are currently being formulated by the Committee with the overriding goal of creating jobs via support of emerging business.

Businesses continue to rely on the City’s partners for business support: Cuesta College’s Business Assistance Center, now the Business and Entrepreneurship Center at Cuesta College; Mission Community Services Corporation, the EVC’s revolving loan fund for City of San Luis Obispo businesses; and Service Corps of Retired Executives (SCORE).

An emphasis on “green” businesses continues to drive program efforts to identify new business licensees with a focus on sustainability and to offer a welcome mat to all businesses, particularly green businesses. As a result, staff continues to take all opportunities to foster relationships with local conservation organizations and gain knowledge via the work accomplished by Natural Resources staff.

Finally, collaboration between the Economic Development Program and the City’s tourism efforts is ongoing with an aim to maximize the effectiveness of both programs. The new contract for website development is a major crossover between the two City efforts.

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PRESERVATION OF ESSENTIAL SERVICES AND FISCAL HEALTH

Objective. Adopt a balanced budget that retains the City's fiscal health, preserves essential services and implements long-term productivity improvements and cost-reduction strategies.

Action Plan

Task	Current	Revised
1. Implement organization-wide savings recommended by community members and City employees.	Ongoing	
2. Continue to closely review and monitor the City's fiscal situation.	Ongoing	
3. Implement budget-balancing strategies adopted in the 2009-11 Financial Plan.	Complete	
4. Review and update as appropriate key infrastructure maintenance plans.		
a. Present Pavement Management Plan update to Council.	Complete	
b. Review other plans for update as appropriate and present the results to the Council.	6/11	
5. Resume "best practice reviews" that focus on one to two significant internal control areas annually that typically cross department activities.	Ongoing	
6. Continue supporting pension reform.	Ongoing	
7. Implement ongoing "benchmark" analysis of key financial and outcome measures with comparable communities every two years.	6/11	
8. Update the Property Management Manual: comprehensive review of our property management policies and procedures, including property acquisition, sale and lease.	Complete	
9. Continue evaluating contracting-out opportunities for cost reductions or service improvements.	Ongoing	
10. Maximize grant funding opportunities, including "Stimulus Package."	Ongoing	
11. Review Memorandums of Agreements.	Ongoing	
12. Continue succession planning efforts.	Ongoing	
13. Continue to develop, review, modify and implement Human Resources policies in support of fiscal health.	Ongoing	

Status Summary: 70% Complete. The following highlights key accomplishments so far and important next steps:

Implement Organization-Wide Savings Recommended by Community Members and City Employees. Many of these, such as deferring vehicle replacements, lengthening technology replacement cycles and reducing overtime and temporary staffing costs, were implemented as part of the 2009-11 budget-balancing actions. Departments continue to identify and implement cost saving measures on an ongoing basis.

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Continue to Closely Review and Monitor the City's Fiscal Situation. We have continued to issue timely interim reports on the City's overall fiscal condition, including an interim report on financial results for 2008-09; quarterly financial reports; quarterly sales tax reports; monthly transient occupancy tax (TOT) reports; and monthly cash and investment reports. We presented a detailed review of interim 2008-09 financial results and key fiscal trends to the Council on October 3, 2009. This included a recommendation to participate in the "securitization" of Proposition 1A takeaway from the State, which the Council approved on October 17, 2009. The Comprehensive Annual Financial Report (CAFR) for 2008-09, which includes audited financial statements, was presented to the Council on December 15, 2009.

A detailed review of the City's current financial position and revised projections for 2009-11 was presented to the Council as part of the Mid-Year Budget Review on February 23, 2010. As part of this review, the City implemented the "short-term budget-balancing actions" in the Fiscal Health Contingency Plan, which include:

1. Hiring freeze
2. Travel and training chill
3. Capital Improvement Plan (CIP) deferrals/reductions
4. Operating budget reductions
5. Consider use of reserves below policy levels
6. Other short-term savings as appropriate

Specific budget-balancing goals included returning to the Council with \$1.5 million in General Fund budget reductions as part of the 2010-11 Financial Plan Supplement in order to retain reserves at minimum policy levels of 20% of operating expenditures.

The Council also received a comprehensive briefing on retirement cost trends and future outlook at this meeting.

Staff presented a detailed Five-Year General Fund Fiscal Forecast to Council on October 19, 2010. This report included projections of an ongoing budget gap averaging \$2.6 million annually over the next five years. These projections included steep increases in CalPERS retirement costs that are expected in 2013-14.

Staff recently completed a Service Prioritization Project to give the community and Council another tool to compare and contrast services in deciding how to address this budget gap. During this process, staff identified services the City provides to the community and ranked these services according to an established set of criteria. Department heads met in January 2011 to discuss the project results and identify opportunities for cross-departmental efficiencies and program scalability, as well as potential reduction candidates for the 2011-13 Financial Plan.

In a continuing effort to monitor and contain labor costs, staff negotiated agreements with four employee groups in November 2010. The one year agreements (January 1, 2011 through December 31, 2011) provide no cost of living increases or increases to the City's contribution towards health insurance costs. The agreements, approved by Council on November 16, 2010, save approximately \$490,000 annually. On January 4, 2011, Council approved a one-year agreement (January 1, 2011 through December 31, 2011) for the Police Officer Association that provided no cost of living increases or increases to the City's contribution towards health insurance costs. This agreement saved approximately \$233,800 annually.

The CAFR for 2009-10 was presented to Council on January 18, 2011.

Implement Budget Balancing Strategies Adopted in the 2009-11 Financial Plan. All budget-balancing strategies have been implemented.

Present Pavement Management Plan Update. This was presented to the Council on October 6, 2009.

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Resume Best Practice Reviews. Staff performed two best practice reviews in 2009-10 on the petty cash and grant management policies. Candidates for future years include fare box collections; parking meter collections; construction change orders; new development-related fee collections; and Fair Labor Standards Act (FLSA) compliance.

Update the Property Management Manual. This was presented to the Council on May 18, 2010.

Maximize Grant Funding Opportunities, Including “Stimulus Package.” We have pursued several “stimulus” grants as described in further detail on the City’s webpage <http://www.slocity.org/administration/econstim.asp>. Departments continue to look for opportunities to pursue grants for which the City is eligible.

Continue Succession Planning Efforts. The Succession Planning Steering Committee continues to meet bimonthly. The committee’s work on improving the Educational Assistance Program was implemented July 1, 2009. The committee is now reviewing performance management rating scale standards and updating guidelines for performance appraisals to ensure constructive feedback is provided and received as part of the City’s employee development process. Participation in CAL-ICMA Coaching webinars continue to be well attended, with post-call discussions facilitated by City staff. Employee Profiles and Lunch and Learn sessions continue to profile employee’s career paths. During the 2009-11 Financial Plan, the City filled 51% of its job openings through the Employment Opportunity Program, the City’s internal promotion program.

OTHER IMPORTANT OBJECTIVES

LAND USE AND CIRCULATION ELEMENTS POLICY AND PROGRAM EVALUATION

Objective. Prepare to initiate a focused revision to the Land Use and Circulation Elements by conducting an evaluation of policies and programs of the elements and upgrading the City’s circulation model.

Action Plan

Task	Current	Revised
1. Recruit temporary or contract staff or consultant assistance for traffic model development.	Complete	
2. Develop traffic forecast model.	4/11	Complete
3. Evaluate effectiveness of existing Land Use and Circulation Element policies and programs and identify where changes should be considered.	3/11	5/11
4. Public outreach and input (throughout process).	Ongoing	
5. Identify and develop of strategic revisions to the Land Use Element and Circulation Element where sections have been superseded.	6/11	
6. Produce work program for Sphere of Influence areas and identify new programs that may be warranted to address changing legislation.	6/11	
7. Conduct traffic model assessments of various land use modifications for future year forecasts and strategic revisions to the Land Use and Circulation Elements.	6/11	FY2011-2013

Status Summary: 25% Complete

The traffic model update is substantially complete and was incorporated into the SR-1 MIS project. Final revisions to the forecast transit module of the model were completed in January 2011. The modeling work will then be updated by staff (possibly via temporary/contract services) to be used in forecasting land use scenarios and changes. Work on this goal was partially delayed due to Measure H, a voter initiative to delete part of the Prado Road extension adjacent to the Damon-Garcia Sports facility, which qualified for the November election. Staff made numerous presentations to community groups about potential impacts to future congestion relief efforts of the various specific plans and mitigating infrastructure prior to the election which displaced work on this objective.

Evaluation of existing Land Use and Circulation Element policies and programs has begun but completion may be delayed depending upon budget reduction options and resource changes. Project initiation was delayed due to staffing losses and additional work associated with the Housing Element update and subsequent Historic Preservation Ordinance development. Staff anticipates review of the analysis by the Planning Commission in spring 2011. A more comprehensive update may be possible due to the City’s award of \$880,000 in Proposition 84 grant funds. It is likely a new schedule for implementation of the updates will result from the acquisition of these funds and the ability to expand upon the previous scope of the update project.

OTHER IMPORTANT OBJECTIVES

OPEN SPACE PRESERVATION

Objective. Continue efforts to acquire, preserve, and protect open space, and develop a master plan for City-owned agricultural land at Calle Joaquin.

Action Plan

Task	Current	Revised
Continued Open Space Acquisition, Preservation and Protection		
1. Secure grant funding for the acquisition of Froom Ranch and take ownership.	Complete	
2. Participate in planning efforts that at a minimum include: (a) the Chevron Tank Farm; (b) the Orcutt Area; (c) County property near General Hospital and the Filipponi/Twisselman property to the east; (d) the Filipponi/Denbow property at the end of Calle Joaquin; and (e) the Gap property on Los Osos Valley Road.	Ongoing	
3. Continue implementation of elements of City adopted Conservation Plans for: Johnson Ranch; South Hills; Stenner Springs; and the Bob Jones Trail.	Ongoing	
4. Continue efforts to improve informational signage, trail signage, trail conditions and environmental restoration programs.	Ongoing	
5. Continue to participate and oversee City-sponsored or –directed mitigation projects, including the Los Osos Valley Road interchange, Bob Jones Trail environmental enhancements, and various private mitigation and enhancement projects throughout the city.	Ongoing	
6. Review open space “Conservation Guidelines” for consistency with Conservation and Open Space Element of the General Plan and recommend changes if appropriate.	2/11	4/11
7. Continue leadership role in management of the City’s natural waterways through Zone 9 projects, and provide administrative oversight to the Stormwater Management Program.	Ongoing	
Develop Master Plan for City-Owned Agricultural Land		
1. Present a Project Plan for Council Review and consideration including recommended task force structure.	Complete	
2. Conduct and complete research on various public and quasi-public farming models (e.g., Fairview Gardens).	Complete	
3. Identify interested parties and groups. Hold a series of public input workshops to identify various ideas for the use of City-owned agricultural lands. Develop an email group of participants and provide electronic information updates to this group.	Complete	
4. Develop a project plan from initial public input that will outline the remainder of the process. Hold a study session with Council to discuss project plan and public participation.	Complete	
5. Complete public workshops on master plan for City-owned agricultural lands. Use public input as the basis for drafting the master plan for the use of City-owned agricultural lands.	Complete	
6. Draft a master plan for the use of City-owned agricultural lands.	12/10	Complete
7. Present draft master plan to: Stakeholders, Parks and Recreation Commission, and	1/11	2/11

OTHER IMPORTANT OBJECTIVES

Task	Current	Revised
Planning Commission.		
8. Present Master Plan for adoption by Council.	2/11	3/11

Status Summary: 85% Complete. The following is a summary of accomplishments and important next steps for this goal.

Secure Grant Funding for Froom Ranch Acquisition and Take Ownership. The property was acquired on July 28, 2010.

Agricultural Master Plan for Calle Joaquin Open Space. This project is slightly behind schedule. The draft plan was completed in January 2011 and is currently available for public review. The Planning Commission will review the plan at the meeting on February 23, 2011, and in mid-March 2011, the plan will be presented to Council for adoption.

OTHER IMPORTANT OBJECTIVES

GREEN HOUSE GAS REDUCTION AND ENERGY CONSERVATION

Objective. Adopt and begin implementing a plan to reduce greenhouse gas emissions and conserve energy for municipal operations and the community.

Action Plan

Task	Current	Revised
1. Research Climate Action Plans from other jurisdictions and explore formation of an energy facilities financing district.	Complete	
2. Analyze green house gas (GHG) emissions inventory to identify GHG sources and opportunities for reductions.	Complete	
3. Review International Council for Leadership and Environmental Initiatives (ICLEI) best practices information.	Complete	
4. Identify policies and programs already underway that address energy reductions.	Complete	
5. Develop “talking paper” for internal staff review and brainstorming including review of Utilities Conservation Office role in the delivery and oversight of energy conservation programs.	Complete	
6. Present review of progress to Council and adoption of reduction target.	3/11	
7. Develop website and information mailer.	Complete	
8. Implement public outreach and input (i.e. Earth Day event, mailers, interactive web site).	Complete	
9. Enter data and model alternatives.	Complete	
10. Prepare draft action plan.	3/11	
11. Continue public outreach and input.	2/11	
12. Present Action Plan for Council adoption.	6/11	

Status Summary: 75% Complete. The following is a summary of accomplishments and important next steps for this goal.

The Council adopted a baseline Greenhouse Gas Emissions Inventory on September 15, 2009. This report summarizes the sources of emissions from both municipal operations and the community at large for the base year 2005. City staff applied for Recovery Act Stimulus funds in the form of an Energy Efficiency and Conservation Block Grant (EECBG) and received \$199,400. The development of the Climate Action Plan and exploration of formation of an energy improvements financing district will be funded by \$49,400 from this grant.

The City collaborated with the Cal Poly Climate Team to develop a draft Climate Action Plan. The Team submitted their preliminary audit of the City’s policies, procedures and programs to understand where emissions reductions might already be occurring due to efficiencies implemented since 2005, and where future emissions reductions might be captured with implementation of existing programs. City staff reviewed and commented on the audit and the Cal Poly Team incorporated comments and corrections in the draft plan. The Cal Poly Climate Team researched other communities’ Climate Action Plans and met with City staff and toured City facilities.

OTHER IMPORTANT OBJECTIVES

The Team coordinated a kick-off meeting with the Planning Commission in fall 2009 and hosted a booth at three Farmers' Market events. A website (SLOCOOL.org) was created, as well as a Facebook page. Two community workshops were held: one on November 19, 2009 and a second one on February 17, 2010. Information about the Climate Action Plan effort was included in the November utility mailer newsletter. The Chamber of Commerce processed a survey to assess business receptivity to various energy-reduction strategies. Cal Poly submitted an administrative draft of the Climate Action Plan for City staff review at the end of May 2010. Staff evaluated the draft plan and has provided comments and strategy revisions for consideration. Additional work is required to analyze these revisions for their ability to help the City achieve the required emissions reductions prior to the draft being released for public review. Staff anticipates release of the draft plan in spring 2011. Activity #6 is proposed for deletion because the reduction target and progress will be reported as part of the review of the draft Climate Action Plan.

The City initiated participation with the County under a statewide effort to create an AB 811 property-assessed clean energy program sponsored by the League of California Cities and California State Association of Counties to provide energy financing districts. This was formalized under the CaliforniaFIRST pilot program (which is organized around counties) which was successful in partnering in a state-wide application for State Energy Program (SEP) grant funds to assist with program marketing and off-setting program start up costs. City staff had participated in program development meetings when recent positions by Fannie Mae and Freddy Mac essentially put an end to this program. City and county staff are still collaborating on finding alternative ways to finance energy improvements until a more comprehensive solution is found.

OTHER IMPORTANT OBJECTIVES

DOWNTOWN MAINTENANCE AND BEAUTIFICATION

Objective. Expand Downtown beautification efforts to include enhanced maintenance and cleanliness, a review and upgrade of standards and phased physical improvements.

Action Plan

Task	Current	Revised
Design Standards & Upgrades		
1. Assemble all current downtown design guidelines and standards.	Complete	
2. Working with the Architectural Review Commission, review the current guidelines and standards and revise or confirm the public improvement design strategy for the downtown including street furniture, trash and recycling containers, and regulatory signage, for Council consideration.	Complete	
3. Develop costs, spending options, and sequencing options to bring the downtown up to new standards.	Complete	
4. Develop a design and identify possible locations for a centralized news rack enclosure to accommodate a range of different papers in a consolidated and uniform manner, for Council consideration, and possible funding approval.	Complete	
5. Assess existing planters in the downtown for condition, including planter box, plant material and irrigation, and develop funding request for the 2010-11 budget to improve appearances.	Ongoing	
6. Install pedestrian level lighting, repair Mission Style Sidewalk and install other upgraded improvements within selected areas of the Downtown.	6/11	
Signage		
Develop a coordinated program for the City informational and directional signage and recommend implementation plan.	6/11	
Solid Waste		
Identify solid waste issues with the Downtown Association and Chamber of Commerce and develop a work plan to address them.	6/11	
Facility Maintenance		
1. Provide sidewalk scrubbing service and daily cleanup maintenance work.	Ongoing	
2. Implement the Downtown Tree Management Plan.	Ongoing	
3. Complete painting of existing street light poles.	6/11	
4. Complete downtown street resurfacing projects.	Complete	
5. Complete water and sewerline replacements.	Complete	

Status Summary: 80% Complete. The following is a summary of accomplishments and important next steps for this goal.

1. Two Downtown walk-throughs have been conducted in order to understand the most problematic items and the highest priorities for upgrade: one with staff and one with members of the Chamber of Commerce and Downtown Association. An “all hands” meeting was held at the end of November, 2009 to discuss a

OTHER IMPORTANT OBJECTIVES

recommended approach to prioritizing and completing the improvements with the resources available to the City.

2. On December 15, 2009, the Council approved the Downtown Parking Space Conversion Process through Resolution No. 10139 (2009 Series). On March 4, 2010, the City's Sidewalk Café Ordinance became effective.
3. On December 7, 2009, Community Development and Public Works staff presented an update to the Architectural Review Commission on the progress of the goal and looked ahead to reviewing the downtown guidelines in spring 2010. The Architectural Review Commission (ARC) discussed possible new standards for the design of news rack enclosures and trash/recycling receptacles in the downtown at their meeting on March 15, 2010 and April 5, 2010. A preferred design was selected by the ARC on July 19, 2010. Staff is preparing technical drawings and specifications to include as official standards. The standards will be reviewed by the ARC and ultimately be presented for approval by the Council.
4. Staff provided the Council with an update on the beautification efforts near the Wineman Hotel, as well obtained direction on the approach to Downtown improvements on February 23, 2010.
5. A new contract has been approved for the Downtown Sidewalk Scrubbing program, with revisions to allow for more frequent problem area scrubbing.
6. Painting of street light poles and Downtown Tree Management is being combined with other downtown projects to take place in early 2011. The Warden Bridge repair was deleted by the Council. Public Works staff has completed painting traffic signal poles and signal controller boxes in the Downtown. Downtown resurfacing is complete. The parking lot resurfacing project is almost ready for construction; however, businesses affected by the work have requested that construction take place in summer 2011. The Downtown Beautification project is scheduled for advertising in late winter 2011 with Council to make a final determination on project initiation in early spring 2011.
7. Landscape planters surrounding public parking lots have been enhanced with soil amendment, new plants, and repaired irrigation supply under the current Parking Fund budget.
8. The "Way Finding" (directional signage) program was introduced to the ARC on January 10, 2011. The Cultural Heritage Committee will review the sign program on February 28, 2011, with the ARC conducting a final review in the spring of 2011.

OTHER IMPORTANT OBJECTIVES

HISTORIC PRESERVATION

Objective. Adopt a Historic Preservation Ordinance, and if funding permits in 2010-11, update the City's inventory of Historic Resources.

Action Plan

Task	Current	Revised
1. Review and evaluate draft historic preservation ordinance.	Complete	
2. Present draft ordinance for discussion with stakeholder groups.	Complete	
3. Complete public hearings on draft ordinance.	Complete	
If Funding Is Available		
4. Contract for Historian and Architect to lead inventory.	No funding available	
5. Train volunteers.	No funding available	
6. Conduct historic survey.	No funding available	
7. Hold public hearings for consideration of nominated properties.	No funding available	

Status Summary: 100% Complete for funded action

On November 9, 2010, the Council voted to approve updated language for the Historic Preservation Guidelines, and on December 7, 2010, Council voted to approve a new Historic Preservation Ordinance. City staff worked with several community members to address concerns associated with the draft documents after the Cultural Heritage Committee endorsed the drafts for approval. The Council directed further changes be made and the draft documents received majority support after four Council hearings.

To date, no funding has been identified to conduct additional historic surveys or inventories.

CARRYOVER GOALS AND OBJECTIVES

The following provides brief status reports on "Other Council Objectives" for 2009-11.

Creek and Flood Protection

Objective. Advance Mid-Higuera flood protection improvements by seeking Zone 9 funding to complete design, obtain approvals and make progress toward construction as resources will allow.

Status Summary: 15% Complete. As recommended by the Zone 9 committee, the Board of Supervisors approved additional funding for the completion of technical studies necessary for the environmental document. The County Environmental Division completed the studies early due to regulatory agency concurrence on species issues. Staff are now working on preliminary design concepts.

Skate Park

Objective. Develop plans and specifications and seek funding to construct a skate park.

Status Summary: 65% Complete. Draft plans for the skate park are presently undergoing the City's development review process. Consideration of the park plans will occur before the Planning Commission in early winter 2011.

Staff submitted a grant application for Proposition 84 funding (2008 Statewide Park Development and Community Revitalization Program) on March 1, 2010 but the City was not awarded a grant. Staff intends to re-apply for "round two" Proposition 84 grants in 2011. Additionally, staff continue efforts to raise funds for the project through a variety of fundraisers including the ongoing "Buy a Brick Build a Dream" campaign for the park.

Urban Forest

Objective. Update master plan and develop recommendations to renew the urban forest and plant more trees.

Status Summary: 100% Complete. The Council approved matching funds to complete a Street & Park Tree Inventory and to purchase software to manage the Street & Park trees in the City. The Tree inventory is now complete, and Urban Forestry staff will use the new software to maintain and update the

list. Staff will complete an Urban Forest Management Plan for the trees in the City, including parks, open space, private property and street trees.

Staff completed a major replanting to replace trees blown over during the heavy wind storm of October 2009. Staff also replaced trees removed as part of the sidewalk repair program and planted nearly 60 trees as part of a free tree program in fall 2010.

Homeless Services

Objective. Identify and pursue opportunities to implement the "Ten-Year Plan to End Chronic Homelessness."

Status Summary: 30% Complete. The Homeless Services Oversight Council (HSOC) was created on June 2, 2009, and meets monthly in an effort to coordinate the efficient provision of homeless services in the County. The HSOC is envisioned by the "Ten-Year Plan" as an organization that can plan, advise and advocate for homeless services in the County. The City's Police Chief, Deborah Linden, currently serves as the HSOC Vice-Chair and Council Member Ashbaugh is an HSOC member. The City's Housing Programs Manager attends meetings as necessary to report on City program activities that improve homeless services. On January 20, 2010, staff made a presentation to the HSOC regarding the Homeless Services Campus proposed for 3451 South Higuera Street, adjacent to the County Department of Social Services. The City has processed entitlements to permit the site as a replacement for the Maxine Lewis Homeless Shelter, and the Airport Land Use Commission approved the site in February 2010. The facility is programmed to provide coordinated homeless services, including day services, overnight shelter, case management and limited health services, consistent with the objectives of the "Ten-Year Plan." In late October 2010, the Community Action Partnership of San Luis Obispo (CAPSLO) became the project applicant and the organization that will move the campus forward into the next phase.

The following summarizes the status of "carryover" Major City Goals and Other Council Objectives from the 2007-09 and 2005-07 Financial Plans. In

CARRYOVER GOALS AND OBJECTIVES

several cases, “carryover tasks” have been incorporated into the Major City Goals (or “Other Council Objectives”) for 2009-11, and as such, they are not repeated in this section.

MAJOR CITY GOALS

Economic Development: Sales Tax and TOT Revenues

Objective. Encourage and promote projects and programs that will increase sales tax and transient occupancy tax revenues.

Status Summary: 80% Complete. The Economic Development Program continues to highlight businesses and business issues via the City/Chamber of Commerce Business Visitation Program. Work in support of Garden Street Terraces has included renegotiation of the Agreement for sale of parking lot 2 as well as certification of the Final Environmental Impact Report. The project is now being redesigned in accordance with the environmental document. The Chinatown Project received final approvals in November 2009. Although there are new businesses along Monterey Street, within and adjacent to the project, no progress has been made in moving the project closer to construction due to the economic climate. Construction on the Prefumo Creek Commons project and the Target store is well underway. In addition to Target, construction on the new location of the Mac Superstore has begun. Olive Garden, also a part of Prefumo Creek Commons, is expected to follow with entitlements granted soon. The Downtown vacancies continue to persist, including the renovated space in the Wineman Hotel. The economic downturn has proved to be lasting for larger commercial spaces in the downtown with vacancy rates pushing down per square foot rates.

OTHER COUNCIL OBJECTIVES

Waterways Management Plan Implementation Program

Objective. Upon completion of the Waterways Management Plan, adopt an implementation program.

Status Summary: 100% Complete. The “Record of Decision” by the Army Corps of Engineers is now complete. Staff is now implementing projects under the program outlined in the Plan.

Laguna Lake Dredging Study

Objective. Develop options and decide future of Laguna Lake, and begin implementation of approved dredging plan.

Status Summary: 100% Complete. The Laguna Lake Environmental Document was approved by Council on December 1, 2009, completing the study phase of this project. Council has directed staff to prepare a budget request for the 2011-13 Financial Plan.

Tree Planting and Maintenance

Objective. Boost tree planting and maintenance.

Status Summary: 100% Complete. The City’s tree crew continues to plant vacant wells as they develop and recently assisted in a second neighborhood tree planting event on Higuera Street. Additional trimming funds allocated as part of the 2007-2009 Financial Plan were reduced for 2008-09 on September 30, 2008 as part of the budget balancing activity. The additional funds were used in 2008-09 to accomplish additional tree trimming.

Airport Area Annexation

Objective. Annex the Airport Area.

Status Summary: 100% Complete for Phase 1A. The Local Agency Formation Commission (LAFCO) completed the annexation process for 626 acres associated with Phase 1A of the annexation area. The map and certificate of annexation was delivered to the State Board of Equalization and the land was officially added to the City boundary on July 25, 2008.

Discussion with property owners in the Phase 1B area was conducted in early 2009. The proposed development of the Chevron property will result in an amendment to the Airport Area Specific Plan (AASP). That project is in the Environmental Impact Report (EIR) preparation stage and City and County staff are collaborating in the review of the project. The administrative draft of the EIR, along

CARRYOVER GOALS AND OBJECTIVES

with the scope of work for a financing plan, shall be underway in early 2011. Annexation of the Chevron property will provide another key piece of the Airport Area annexation. Discussions with LAFCO staff have indicated that LAFCO would prefer the City pursue annexation of the entire remaining area including the San Luis Obispo County Regional Airport, but would support phased annexations as needed. This issue is significant because several areas of the AASP are not contiguous to existing City boundaries and the only way to bring those properties into the City will be to address the airport property itself. Including the airport may significantly alter the timing anticipated for Phase 1B.

Broad Street Corridor Plan

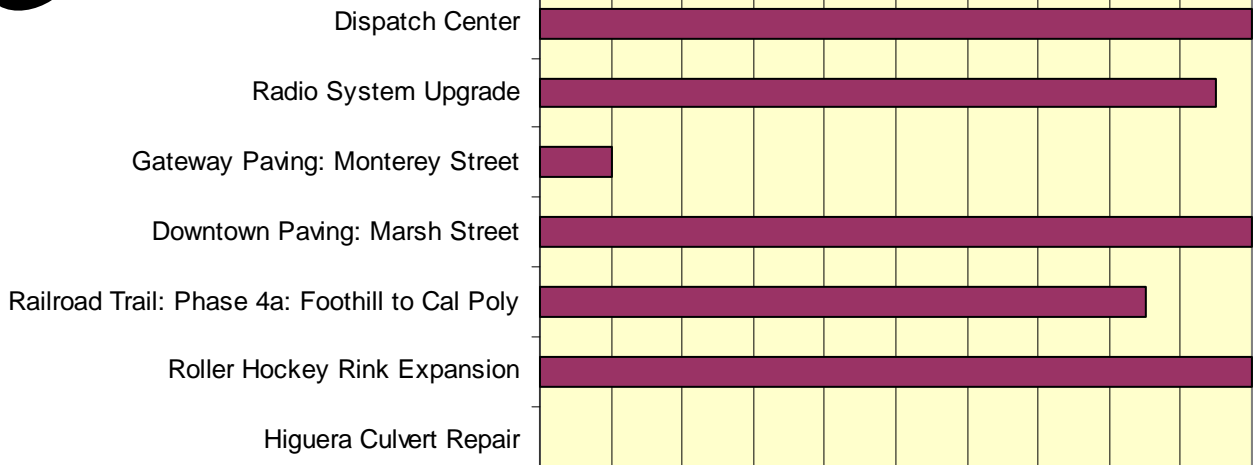
Objective. Adopt and implement a plan for South Broad Street corridor planning and improvements.

Status Summary: 80% Complete. The focus group that helped develop the plan is still active in the process and has provided input to current projects within the plan area. The detailed traffic study is complete and was reviewed by the Planning Commission. After staff evaluated overall densities associated with reducing development to address traffic impacts, it became clear that amending development densities would result in less development than currently allowed. In addition, Utilities staff identified waste collection system issues that needed to be evaluated to ensure orderly development could occur. Staff is proceeding with subsequent evaluation to ensure the project goal of mixed use and infill development is reflected in the revised draft plan. This may trigger the need for an Environmental Impact Report (EIR). Staff anticipate completing the revised draft in spring 2011, with development of a draft EIR to be completed by fall 2011.

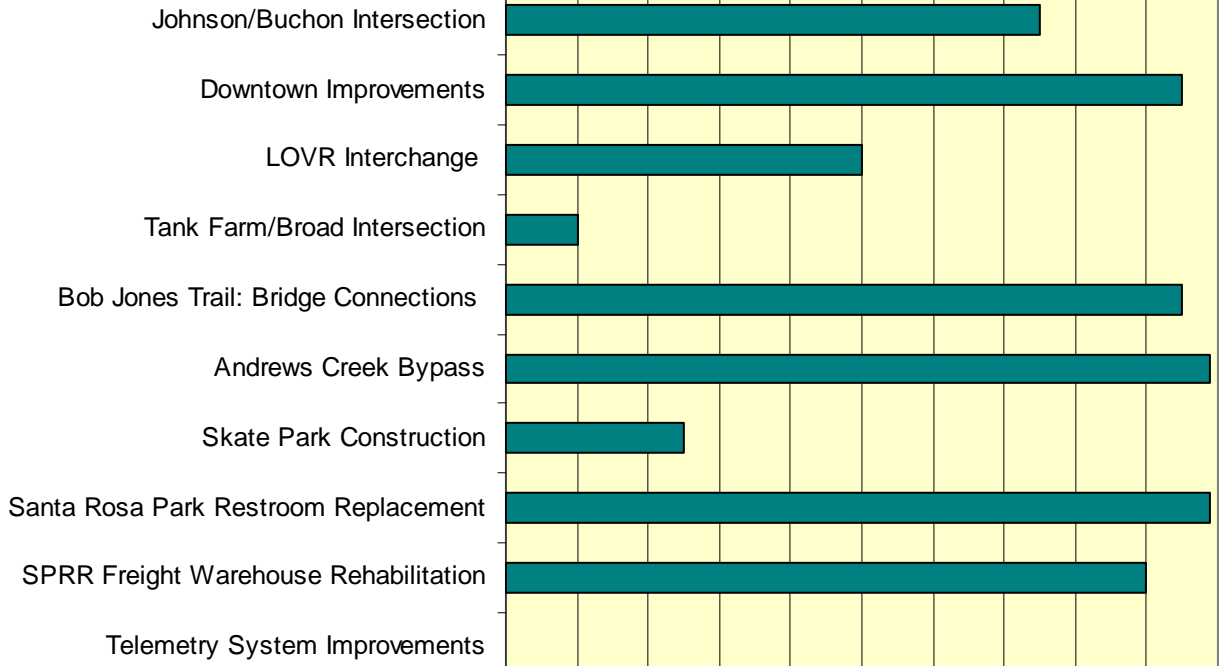
STATUS OF MAJOR CIP PROJECTS



UNDER CONSTRUCTION



UNDER DESIGN



UNDER STUDY

