



CITY OF MORRO BAY
Citizens Oversight Committee
Acting as Citizens Finance Advisory Committee
NOTICE OF REGULAR MEETING

Mission Statement

The City of Morro Bay provides essential public services and infrastructure to maintain a safe, clean and healthy place for residents and visitors to live, work and play.

Agenda
TUESDAY, May 15, 2018
VETERANS MEMORIAL HALL – 3:30 PM
209 SURF ST., MORRO BAY, CA

ESTABLISH QUORUM AND CALL TO ORDER

COMMITTEE MEMBERS ANNOUNCEMENTS & PRESENTATIONS

PUBLIC COMMENT PERIOD - Members of the audience wishing to address the Committee on business matters may do so at this time.

To increase the effectiveness of the Public Comment Period, the following rules shall be followed:

- When recognized by the Chairperson, please come forward to the podium, and state your name and address for the record. Comments are to be limited to three minutes.
- All remarks shall be addressed to the Committee, as a whole, and not to any individual member thereof.
- The Committee respectfully requests that you refrain from making slanderous, profane or personal remarks against any elected official, commissioner, committee member and/or staff.
- Please refrain from public displays or outbursts such as unsolicited applause, comments or cheering.
- Any disruptive activities that substantially interfere with the ability of the Committee to carry out its meeting will not be permitted, and offenders will be requested to leave the meeting.
- Your participation in Committee meetings is welcome, and your courtesy will be appreciated.

A. CONSENT CALENDAR

1. APPROVAL OF MINUTES FOR THE APRIL 25, 2018, SPECIAL CITIZENS OVERSIGHT/FINANCE ADVISORY COMMITTEE MEETING

B. BUSINESS ITEMS

1. DISCUSSION AND INPUT ON THE PROPOSED FY 2018/19 OPERATING AND CAPITAL BUDGET

2. SUBCOMMITTEE UPDATES

3. FUTURE AGENDA ITEMS

C. SCHEDULE NEXT MEETING

June 19, 2018

D. ADJOURNMENT

THIS AGENDA IS SUBJECT TO AMENDMENT UP TO 72 HOURS PRIOR TO THE DATE AND TIME SET FOR THE MEETING. PLEASE REFER TO THE AGENDA POSTED AT CITY HALL FOR ANY REVISIONS, OR CALL CITY HALL AT 772-6201 FOR FURTHER INFORMATION.

MATERIALS RELATED TO AN ITEM ON THIS AGENDA SUBMITTED TO THE COMMITTEE AFTER DISTRIBUTION OF THE AGENDA PACKET ARE AVAILABLE FOR PUBLIC INSPECTION AT CITY HALL LOCATED AT 595 HARBOR STREET DURING NORMAL BUSINESS HOURS.

IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN A CITY MEETING, PLEASE CONTACT THE CITY CLERK'S OFFICE AT LEAST 72 HOURS PRIOR TO THE MEETING TO INSURE REASONABLE ARRANGEMENTS CAN BE MADE TO PROVIDE ACCESSIBILITY TO THE MEETING.

**MINUTES – CITIZENS OVERSIGHT/ FINANCE
 ADVISORY COMMITTEE
 SPECIAL MEETING – APRIL 25, 2018
 VETERANS MEMORIAL HALL – 3:30 P.M.**

MEMBERS PRESENT:	Barbara Spagnola	Chairperson
	John Martin	Vice-Chairperson
	Bart Beckman	Member
	David Betonte	Member
	John Erwin	Member
	Walter Heath	Member
ABSENT:	Dawn Addis	Member
STAFF PRESENT:	Scott Collins	City Manager
	Jennifer Callaway	Finance Director
	Sandy Martin	Budget and Accounting Manager
	Valerie Webb	Senior Accounting Technician
	Steve Knuckles	Fire Chief
	Rob Livick	Public Works Director
	Gregory Allen	Police Chief
	Jody Cox	Police Commander
Bonnie Johnson	Support Services Manager	

ESTABLISH A QUORUM AND CALL TO ORDER

The meeting was called to order at 3:30 p.m., with 6 members present. Member Addis was absent.

COMMITTEE MEMBERS ANNOUNCEMENTS & PRESENTATIONS

Walter Heath invited the community to participate in an upcoming clean-up event at the Morro Bay Blvd roundabout on Saturday September 28th.

PUBLIC COMMENT PERIOD

<https://youtu.be/OQcD88MsGts?t=4m34s>

No public comment.

A. CONSENT CALENDAR

1. APPROVAL OF MINUTES FOR THE MARCH 20, 2018, REGULAR CITIZENS OVERSIGHT/FINANCE ADVISORY COMMITTEE MEETING
<https://youtu.be/OQcD88MsGts?t=4m52s>

MOTION: Member Betonte moved to approve the CFAC meeting minutes of March 20, 2018 without revision. Member Heath seconded and the motion carried 6-0.

B. BUSINESS ITEMS

1. BRIEF FINANCE DEPARTMENT UPDATE – OPENGOV

<https://youtu.be/OQcD88MsGts?t=6m47s>

Senior Accounting Technician Valerie Webb shared the progress on having data uploaded to the OpenGov transparency portal.

2. DISCUSSION ON MEASURE Q PROPOSED BUDGET FOR FY 2018/19

<https://youtu.be/OQcD88MsGts?t=10m17s>

Finance Director Callaway presented a general overview of the Measure Q proposed budget allocations. Discussion covered the planned purchase of a new engine for the fire department and it was recommended that Chief Knuckles provide a staff report to compare financing options and sources.

<https://youtu.be/OQcD88MsGts?t=55m19s>

Discussed the police department proposed use of funds for cameras, computer aided dispatch program, and two pilot positions for a full-time records clerk and an administrative sergeant. The committee is wary of using Measure Q funds for labor costs and recommends that the contract on the body cameras is reviewed by the city attorney.

<https://youtu.be/OQcD88MsGts?t=1h34m36s>

Discussed funding for street maintenance, continuing with current plan for road work. A new storm drain master plan is going to be included with OneWater.

<https://youtu.be/OQcD88MsGts?t=1h51m15s>

Committee is approving the Measure Q requests as presented with the recommendations and concerns above. Chairperson Spagnola will provide a memo to management summarizing the advice of the committee.

MOTION: Member Health moved to approve the amounts for proposed Measure Q expenditures, with the provision the Chair send a memo to the City Clerk or City Council that outlines the concerns as indicated. Member Erwin seconded and motion carried 6-0.

3. DISCUSSION ON PROPOSED GENERAL FUND FY 2018/19 BUDGET

<https://youtu.be/OQcD88MsGts?t=1h55m14s>

Finance Director Callaway answered many of the committee members questions in advance of the meeting. Cost allocation plan is extremely outdated, a RFP is out now to get these amounts brought current. Committee complimented the new format of the budget. Discussed increasing PERS liabilities.

4. SUBCOMMITTEE UPDATES

None.

C. SCHEDULE NEXT MEETING

The next Regular Meeting of the Citizens Finance Advisory Committee is scheduled for Tuesday, May 15, 2018.

D. ADJOURNMENT

<https://youtu.be/OQcD88MsGts?t=2h27m10s>

The meeting adjourned at 6:04 p.m.

Recorded by:
Valerie Webb

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AGENDA NO: B-1

MEETING DATE: May 15, 2018

Staff Report

TO: Chairman and Committee Members

DATE: May 10, 2018

FROM: Jennifer Callaway, Finance Director

SUBJECT: Discussion and Input on the Proposed FY 2018/19 Operating and Capital Budget

RECOMMENDATION

Board discuss and provide input on the Proposed FY 2018/19 Operating and Capital Budget.

DISCUSSION

The draft proposed budget was distributed on April 30, 2018, in advance of the scheduled Budget Study Sessions held on May 8, 2018 and May 9, 2018. Attached for the Committee's review are the presentations provided to the Council during those budget study sessions. The Council expressed appreciation for the Committee's thoughtful review and discussion regarding the Measure Q and General Fund budgets and has provided direction to staff to adhere to the Committee's recommendation related to purchasing, specifically related to the projected single source purchase of the fire engine as well as the Committee's recommendation to refrain from financing the purchase of the engine.

Attached for the Committee's review are materials presented to the City Council during the two budget study sessions. The Council has not directed modification to the proposed budget thus far except for adding capital projects for the Surf Street Stairs, City Park Play Equipment, funding of the ADA Transition Plan for Sidewalk and Crosswalk work.

ATTACHMENTS

1. May 8, 2018 Council Budget Study Session Presentation
2. May 9, 2018 Council Budget Study Session #2 Presentation

Prepared By: JC

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

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City of Morro Bay

Proposed FY 2018/19 Operating and Capital Budget

May 8, 2018



BUDGET STUDY SESSIONS

- **May 8th – General Overview**
 - Revenues
 - Expenditures
 - Measure Q & Tourism
 - Emergency Reserves
 - Items for Council Direction – EDSP and Facility Needs
- **May 9th – Budget Detail**
 - Fund Budget Overviews
 - Council Bequests
 - Proposed Capital Budget and Projects
- **May 22nd – Ten-Year Forecast and CalPERS Update**

BUDGET GOALS

- **Balanced Budget – without impacting core services**
- **Being Mindful of Internal Service Funds**
 - Infrastructure
 - Facility
 - Equipment
- **Identify ways to enhance service delivery through technology and open government**
- **Remain Mindful of Future Budget Challenges and Forecasted Shortfalls.**

BUDGET DOCUMENT

- Transmittal Letter: A-1
 - City Manager's Budget Message
- Financial Summaries: B-1
 - Summary of Total City Revenues and Expenditures
 - Summary of General Fund Revenues and Expenditures
 - Summary of Fund Balance Reserves
 - Summary of FTEs

BUDGET DOCUMENT

- Departmental Budgets: Section C

Summary of FTEs

	2018/19 Funded
<i>City Clerk</i>	
<i>City Clerk</i>	0.33
<i>Admin/Deputy City Clerk</i>	0.75
Total Department FTEs	1.08

KEY PROGRAM SERVICES

- Provides public notice of City Council and other Brown Act meetings.
- Prepares and distributes all City Council and certain Advisory Body Agenda packets.
- Preserves and maintains the City's records and legislative history.
- Responds to Public Records Act requests.
- Coordinates recruitment and appointment process for City Advisory Bodies.
- Acts a Filing Official for the City's Conflict of Interest Code (Form 700) in conformance with the requirements of the Fair Political Practices Commission.
- Oversees compliance with legally required Ethics and Harassment Prevention training for appointed and elected officials.
- Provides risk management services and processes and monitors all City contracts.
- Maintains City's Municipal Code.
- Elections Official for Local Municipal Elections.

BUDGET DOCUMENT

- Departmental Budgets: FY 2017/18 Accomplishments

Objectives	FY 2017/18 Accomplishments
Good Governance	<ul style="list-style-type: none">• Compile and publish City Council and other advisory body agendas, minutes and documentation in an efficient manner, within legally prescribed timelines.• Provide open access to information, documents and the legislative process.• Worked with Council Subcommittee to update Council Policies & Procedures and Advisory Bodies Handbook & By-Laws
Records Management	<ul style="list-style-type: none">• Implementation of the City's Record Retention Schedule and Destruction Policies adopted in May 2017.

BUDGET DOCUMENT

Departmental Budgets: FY 2018/19 Goals

FY 2018/19 KEY PROJECTS

Core Goals	Key Projects
Good Governance	<ul style="list-style-type: none"> • Ensure open access to information, documents and the legislative process • Improve transparency by providing public access to key City documents including ordinances, resolutions and contracts via the City website public portal. • Continue to develop programs to better educate staff, Council and Advisory Body members regarding Political Reform Act, Brown Act, AB 1234 Ethics Laws and Public Records Act compliance.
Records Management	<ul style="list-style-type: none"> • Develop new employee training / annual training on records management, e-mail management, retention and destruction policies. • Continue efforts to organize and index City records in accordance with adopted policies.
Elections	<ul style="list-style-type: none"> • Conduct a fair and impartial November 2018 Municipal Election, meeting Federal / State / local statutes and policies, including responsibilities for Fair Political Practices Commission (FPPC) filings (Campaign Disclosures, Conflict of Interest)
Risk Management	<ul style="list-style-type: none"> • Update the City's Illness and Injury Prevention Policy.

BUDGET DOCUMENT

Departmental Budgets: Performance Indicators

ACTIVITY AND WORKLOAD HIGHLIGHTS	2017/18 ESTIMATED	2018/19 BUDGET
Number of Legislative Records Indexed:		
a. Number of Resolutions Indexed:	61	60
b. Number of Agreements Indexed:	40	40
c. Number of Ordinances Indexed:	1	5
Number of Commission and Committee applications and appointments processed:	18 applications to fill 9 appointments	11 terms end in 2018/19
Number of Commission and Committee seats available:	2	TBD
Number of Legal Notices published within established timelines:	11	10
Number of Fair Political Practices Commission (FPPC) Form 700s filed:	86	85
Number of City Council Agenda Packets processed:	21 regular meetings 30 special meetings	21 regular meetings 20 special meetings
Number of Public Records Act requests processed:	120	80
Average response time to Public Record Act requests:	5 days	4-5 days
Percentage of City Council Minutes prepared within 45 business days.	82%	95%
Number of Liability Claims processed:	12	12
Number of Workers' Compensation Claims processed:	15	15

BUDGET DOCUMENT

- Internal Service Funds: Section D
- Measure Q: Section E
- Tourism: Section F
- Other Funds: Section G
- Enterprise Funds: Section H
- Capital Budget: Section I
- Supplemental Information

BUDGET DEVELOPMENT

Staff from all Departments

Dana Swanson, Laurie Goforth, Damaris Hanson, Mike Wilcox, Joe Mueller, Janeen Burlingame, Cindy Jacinth, Kirk Carmichael, Jen Little, Bonnie Johnson, Commander Cox, Laurie Stilts, Matt Vierra, Dawn McLean

Employee Budget Advisory Committee

Lori Kudzma, Jim Kelly, Dave Zevely, Jamie James, Matt Bishop, Joan Gargiulo, Pam Newman, Lori Stilts, Matt Vierra, Capt. Talmadge, Bonnie Johnson, Kirk Carmichael, Jen Little

Finance Team

Sandy Martin, Tracy McConnell, Val Webb, Chere Valencia, Carly Hartzell, Chloe Budd

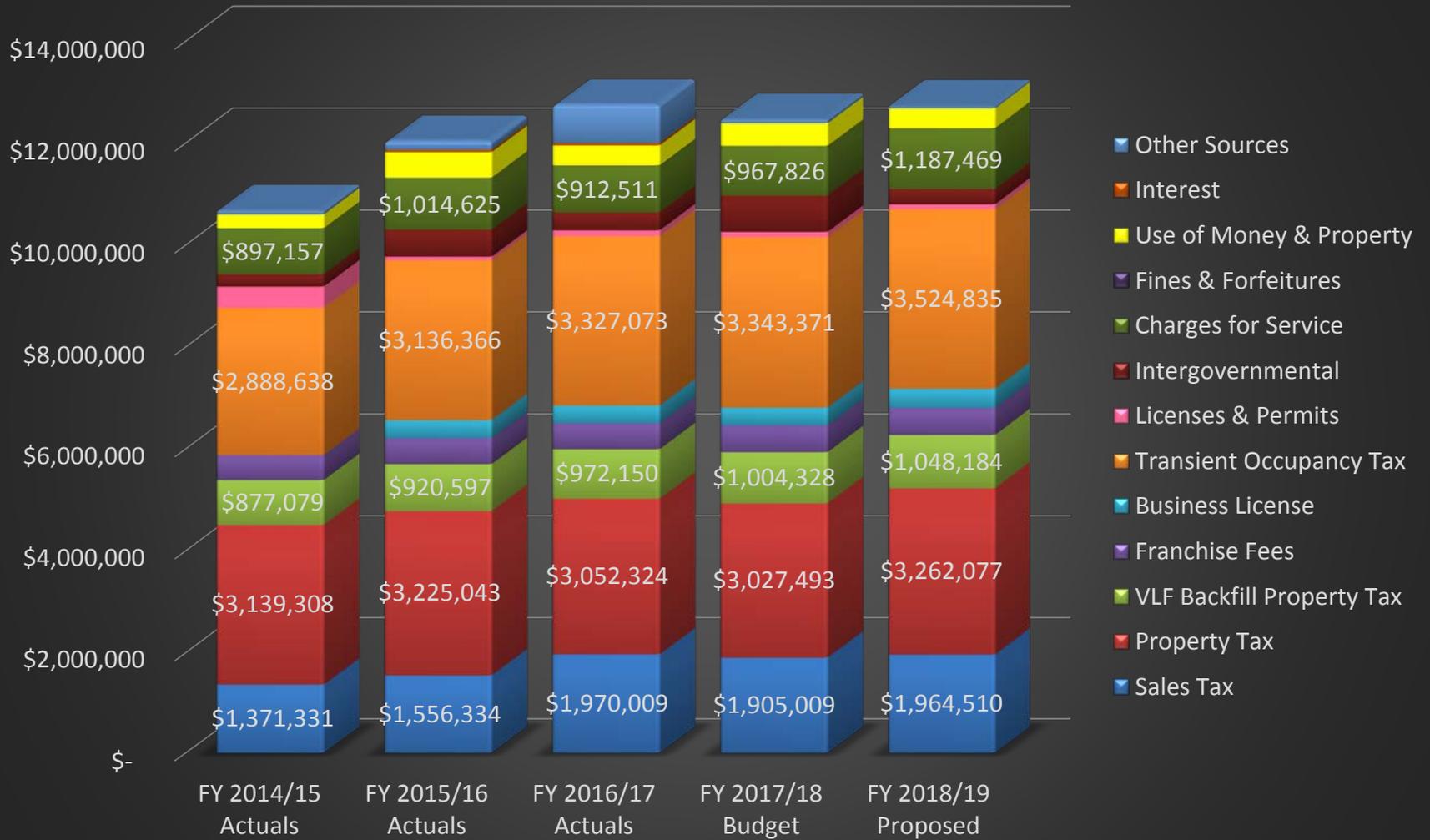
Budget at a Glance

BUDGET CATEGORIES	PURPOSE	FUNDING SOURCE
GF Operating Budget - \$14.3M	<u>Provide Core Services</u> <ul style="list-style-type: none"> • Police • Public Works • Community Development • Fire • Administrative Services • Recreations 	<ul style="list-style-type: none"> • Sales/Property Tax • Licenses & Permit Fees • Franchise Fees • Business License • Transient Occupancy Tax
Special Revenue Funds (Measure Q and Tourism) - \$2.1 M	<ul style="list-style-type: none"> • Augment Police, Fire, Streets and Storm Drains • Promote Tourism 	<ul style="list-style-type: none"> • Sales Tax revenue (Measure Q) • Tourism Business Assessments
Internal Service Funds - \$2.1 M	<ul style="list-style-type: none"> • Risk Management • Information Technology • Project/Capital Accumulation • Vehicle/Facility Replacement/Maintenance 	<ul style="list-style-type: none"> • Interfund transfers

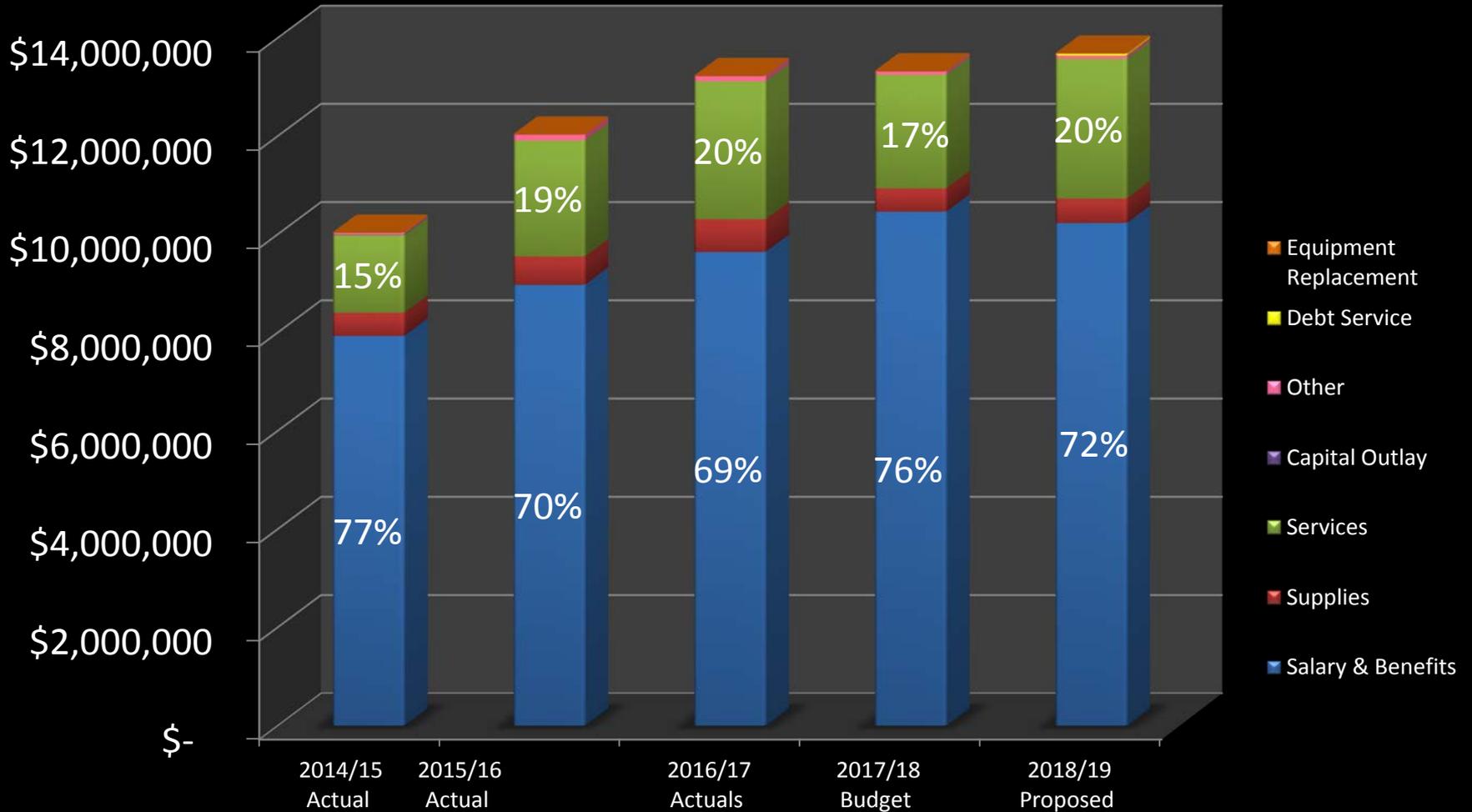
Budget at a Glance

BUDGET CATEGORIES	PURPOSE	FUNDING SOURCE
Other Funds - \$1.3M	<ul style="list-style-type: none"> • Account for revenues with restricted use 	<ul style="list-style-type: none"> • Assessments • LTF • Grants • Impact and In-Lieu Fees • Donations
Enterprise Funds- \$12.7 M	<ul style="list-style-type: none"> • Water • Sewer <ul style="list-style-type: none"> • Wastewater Treatment • Harbor Services 	<ul style="list-style-type: none"> • User Rates • Rents
Capital Projects - \$12.9 M	<ul style="list-style-type: none"> • Maintain Public Facilities • Infrastructure Improvements • WRF 	<ul style="list-style-type: none"> • General Fund • Gas Tax • User Rates • In-Lieu Fees • Measure Q Sales Tax • PEG Fees • Transit Funds • Rents

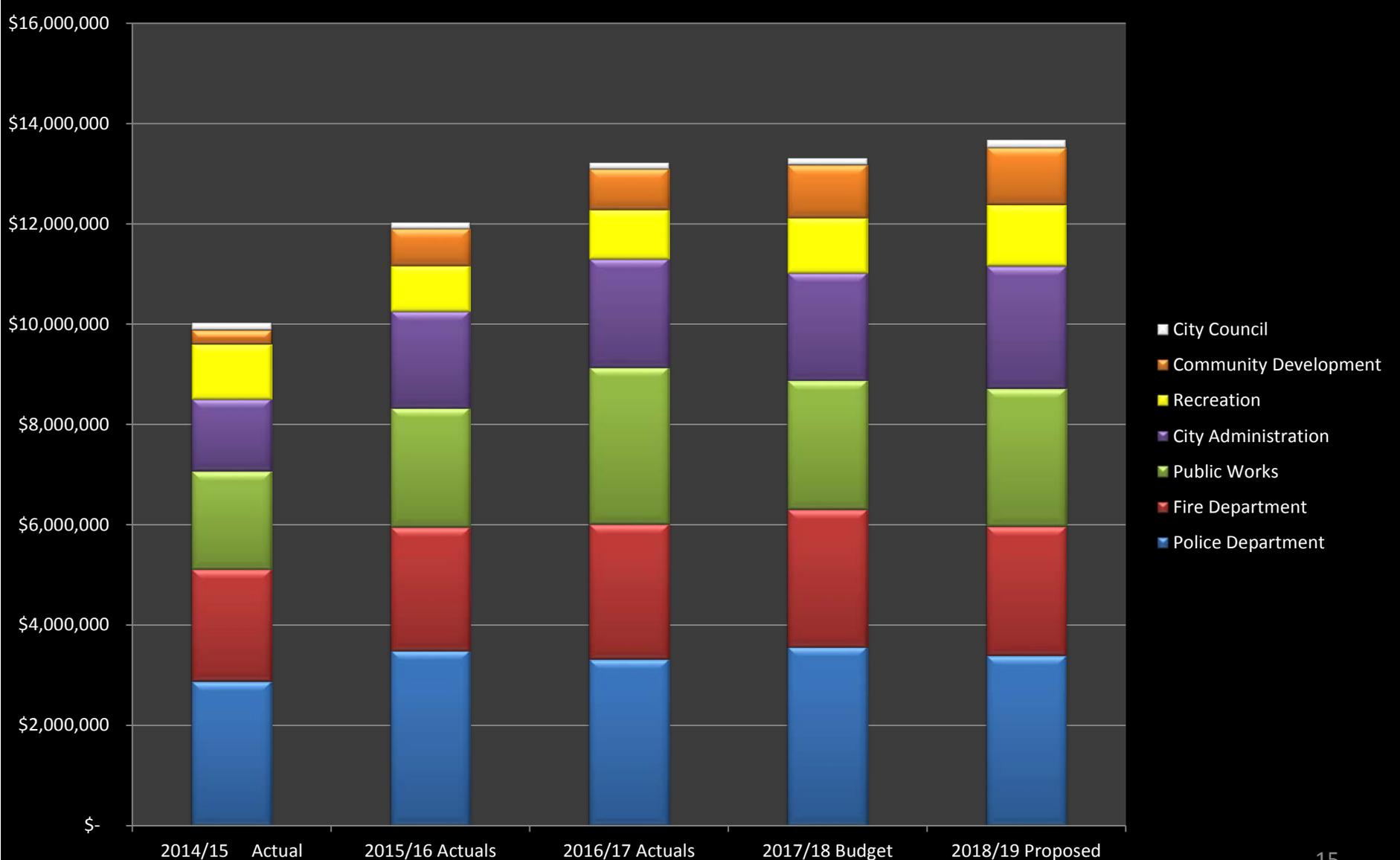
GENERAL FUND REVENUES BY TYPE



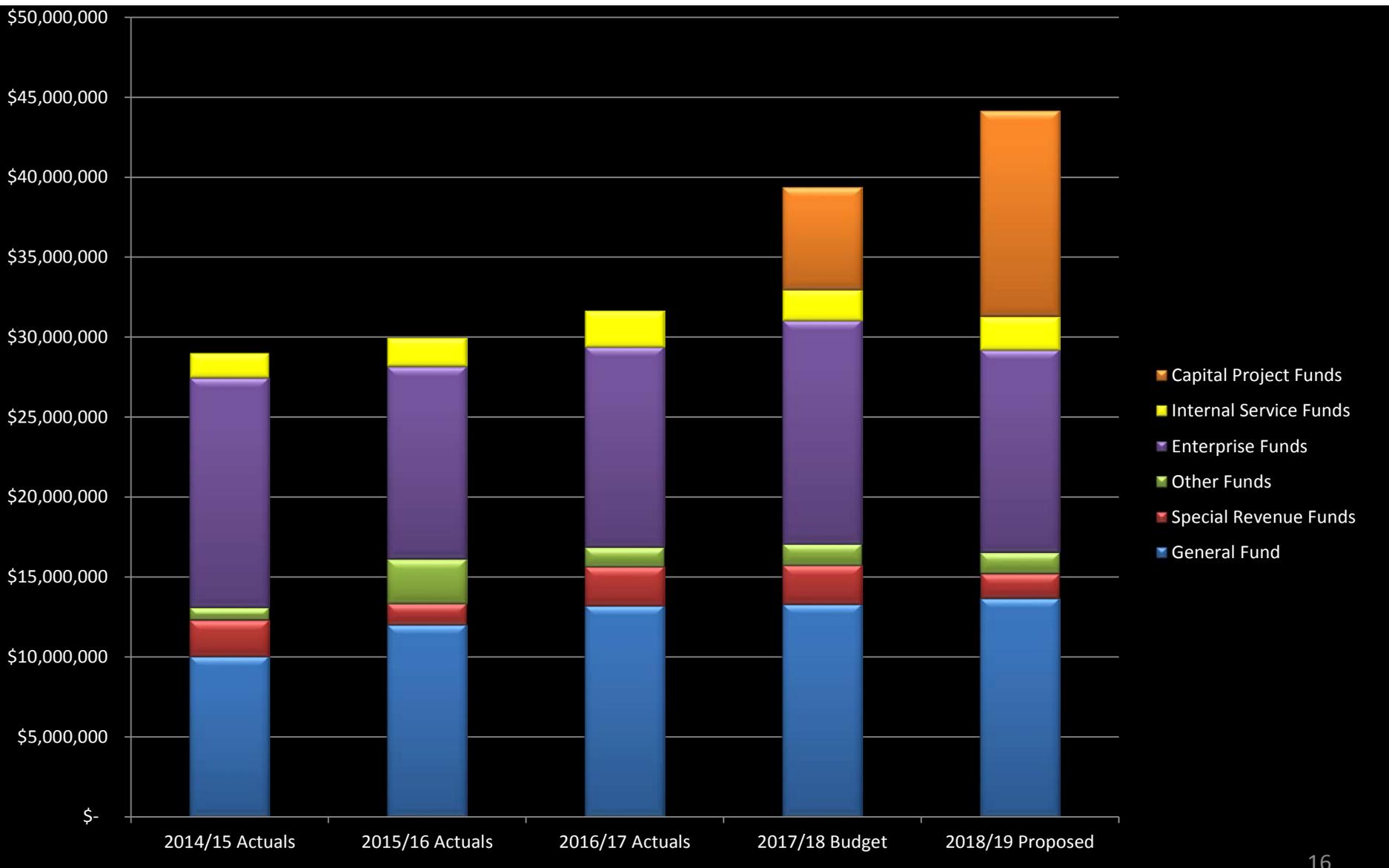
GENERAL FUND EXPENDITURES BY CATEGORY



GENERAL FUND EXPENDITURES BY DEPARTMENT



TOTAL CITY EXPENDITURES BY FUND



PROPOSED 2018/19 BUDGET

- Increased Revenues
 - Sales Tax Revenue (2.6% over Estimated Year-End Receipts)
 - TOT Revenue (1% Growth Rate over Estimated Year-End Receipts)
 - Property Tax Revenue (5% Growth Rate)
- Expenditures
 - GF: Increased Services (\$531K). Due to City Attorney Reclassification, Civil Engineering Services, Animal Services and the City's Fee Study Update.
 - GF: \$65,335 in other expenditures: \$21,500 for beautification and Bequests, \$24,810 in electricity, \$10K in special events, \$9K for JPA Haz Mat Team Fees
 - GF: \$35,190 for debt service on solar installation loan
 - GF: \$50K Transfer to Vehicle Replacement
 - GF: \$30K Transfer to Risk Mgmt
 - GF: \$30K Transfer to Compensable Leave
 - GF: Increased support to Tourism (\$157K)
 - GF: \$357K support for IT

PROPOSED 2018/19 BUDGET

- Salary and Benefit Cost Impacts
 - GF: \$230K reduction
 - Defunded 1.0 FTE DCM
 - Defunded Senior Civil Engineer
 - Funded 1.0 FTE Consolidated Maintenance II in Cloisters Assessment District
 - 2.0 FTE Consolidated Maintenance I Positions added
 - 1.0 FTE Records Clerk/Training Coordinator – 1-Year Pilot
 - 0.75 FTE Property Technician – SLESF Grant Fund
 - 1.0 Admin Sgt Position – 1-year pilot, cost increase funded in Measure Q
 - 2% COLA increases for SEIU, MBFFA, Management and Confidential
 - Pension increases accounted for – side-fund payoff for Fire not considered
 - Increase to health rates

MEASURE Q

Proposed Budget of \$1.08 million (E-1)

- Fire - \$480,213
 - Fire Station Debt, Equipment, Engine, salary and benefits to remain staffed at 4 firefighters per shift
- Police - \$101,100
 - Body Worn Cameras, Admin Sgt Force Multiplier, Standby pay, Payment to other agency
- Pavement Management - \$501,687
 - Transferred to the pavement management plan CIP
 - Supplemented with approximately \$191K in SB 1 Gas Tax
- Reviewed and Approved, with comment, by CFAC on April 25, 2018

TOURISM

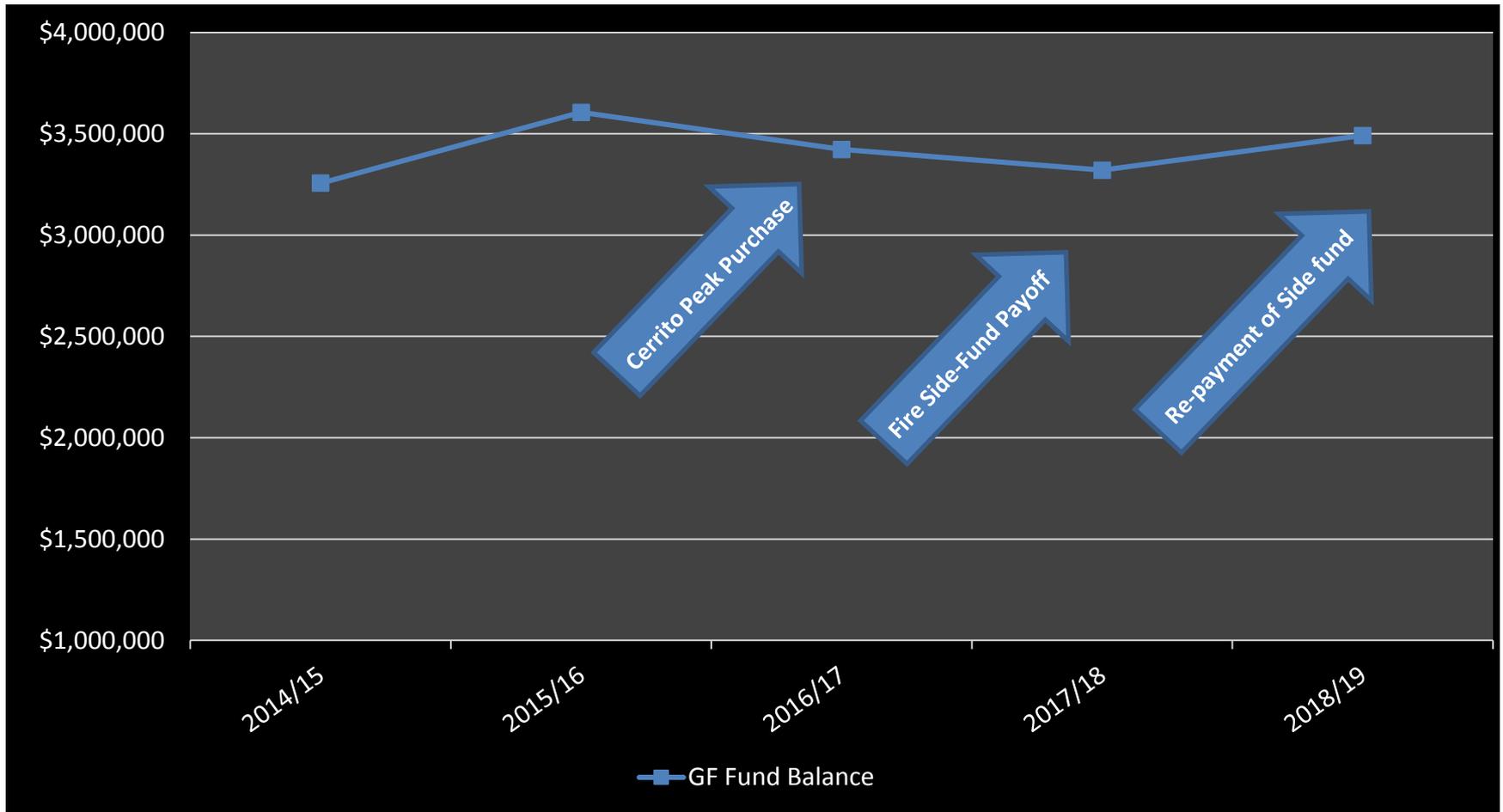
Proposed Budget - \$997,135

- \$836,135 in Assessments
- \$157,000 GF Contribution
- \$4,000 Other (Advertising)

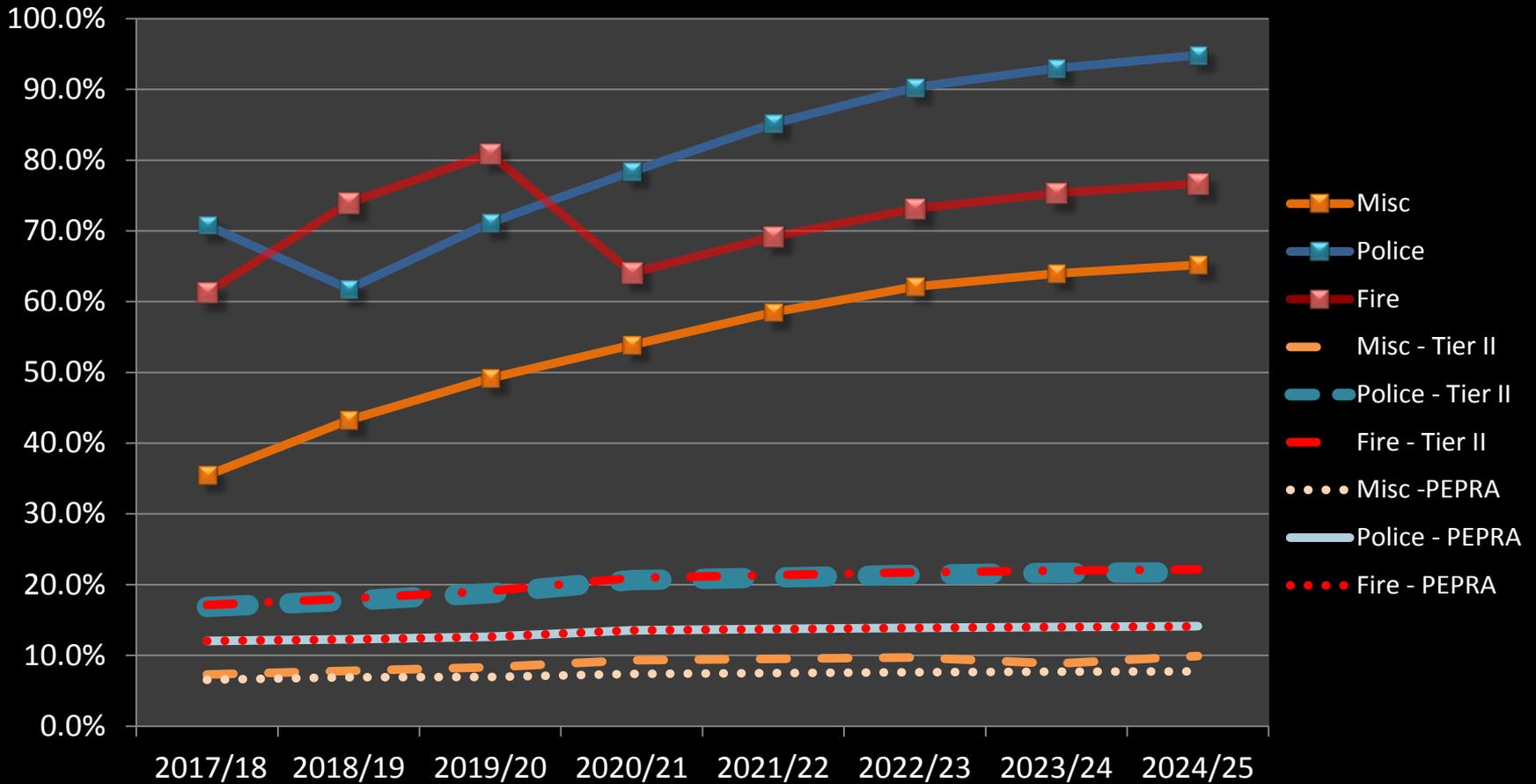
- Expenditures:

- \$196,000 in Salary and Benefits
- \$760,000 marketing, public relations and community event support
- \$20,000 Admin support (GF and IT)

GF FUND EMERGENCY RESERVES



CITY'S EMPLOYER CONTRIBUTION RATES



Noted Corrections to Date

- Sewer Revenue – New section provided with staff report
- PEG Access Fees - \$32,000 included as FY 2018/19 expenditures
- Police Department – General Fund Salary & Benefits increase by \$15,308
- Transit – Fund 301, Pg G-3 – include revenue and expenditure of \$83,000 for receipt of grant funds to purchase replacement bus (capital project I-28)

COUNCIL ITEMS FOR CONSIDERATION

- Partnership with Chamber of Commerce – One-Year Pilot project for EDSP. \$25,000 identified from Opportunity Fund and Strategic Investment Spending Plan.
- Transfer to Facility Maintenance Fund - \$10,000 for unforeseeable, unbudgeted City Facility needs.

BUDGET STUDY SESSIONS

- **May 8th – General Overview**
 - Revenues
 - Expenditures
 - Measure Q and Tourism
 - Emergency Reserves
 - Items for Council Direction – EDSP and Facility Needs
- **May 9th – Budget Detail**
 - Fund Budget Overviews
 - Council Bequests
 - Proposed Capital Budget and Projects
- **May 22nd – Ten-Year Forecast and CalPERS Update**



Questions & Answers

City of Morro Bay

Proposed FY 2018/19 Operating and Capital Budget

May 9, 2018



BUDGET STUDY SESSIONS

- May 8th – General Overview
 - Items for Council Direction – EDSP and Facility Needs
- **May 9th – Budget Detail**
 - Fund Budget Overviews
 - Council Bequests
 - IS Fund Balances
 - Park In-Lieu Fund
 - Proposed Capital Budget and Projects
 - Pavement Management Plan
- **May 22nd – Ten-Year Forecast and CalPERS Update**

GENERAL FUND

Revenues: \$12.7m + \$1.6m in transfers = \$14.3M

Expen: \$13.7 million + \$624K transfers = \$14.28M

Balanced Budget – Overall Theme:

Cautious

- 5% operating reduction
- No New positions, unless cost neutral

GENERAL FUND DEPT OVERVIEW: ADMINISTRATION (18%)

City Manager –

- Defunded Opportunity line item – previously budgeted at \$20,000
- 2% COLA Included
- Defunded DCM Program – Savings of \$117,284
- Contract Services – Includes Animal Services, Dispatch, partial funding for Fee Study update

GENERAL FUND DEPT OVERVIEW: ADMINISTRATION (18%)

City Attorney – \$409K

All legal services consolidated into one program

- GF - \$160K
- Water - \$121
- Sewer - \$72.7
- Harbor - \$55.2K

GENERAL FUND DEPT OVERVIEW: ADMINISTRATION

City Clerk—

- Consolidated Elections Program into Clerk Budget
- Reallocated staffing – 1.08 FTE
- 2% COLA

Human Resources—

- Reallocated staffing – 1.33 FTE
- 2% COLA

GENERAL FUND DEPT OVERVIEW: ADMINISTRATION

Finance—

- Incorporated Account Clerk in Training Position – Previously approved by Council
- Reallocated staffing – 3.65 FTE + Temp Hrs
- 2% COLA
- Increased Revenues: Property Tax (5%), Sales Tax (2.6%) and TOT (1%)

GENERAL FUND DEPT OVERVIEW: ADMINISTRATION

Transfers In – \$1.6M

- Measure Q Support of Fire OT - \$121K
- TBID - \$20K
- Gas Tax - \$272K
- Enterprise Fund CAP - \$897K
- Enterprise Fund Legal - \$249K

GENERAL FUND DEPT OVERVIEW: ADMINISTRATION

Transfers Out – \$624K

- Vehicle Replacement - \$50K
- IT Fund - \$357K
- Risk Management - \$30K
- Compensable Leave - \$30K
- Tourism - \$157K

GENERAL FUND DEPT OVERVIEW: POLICE

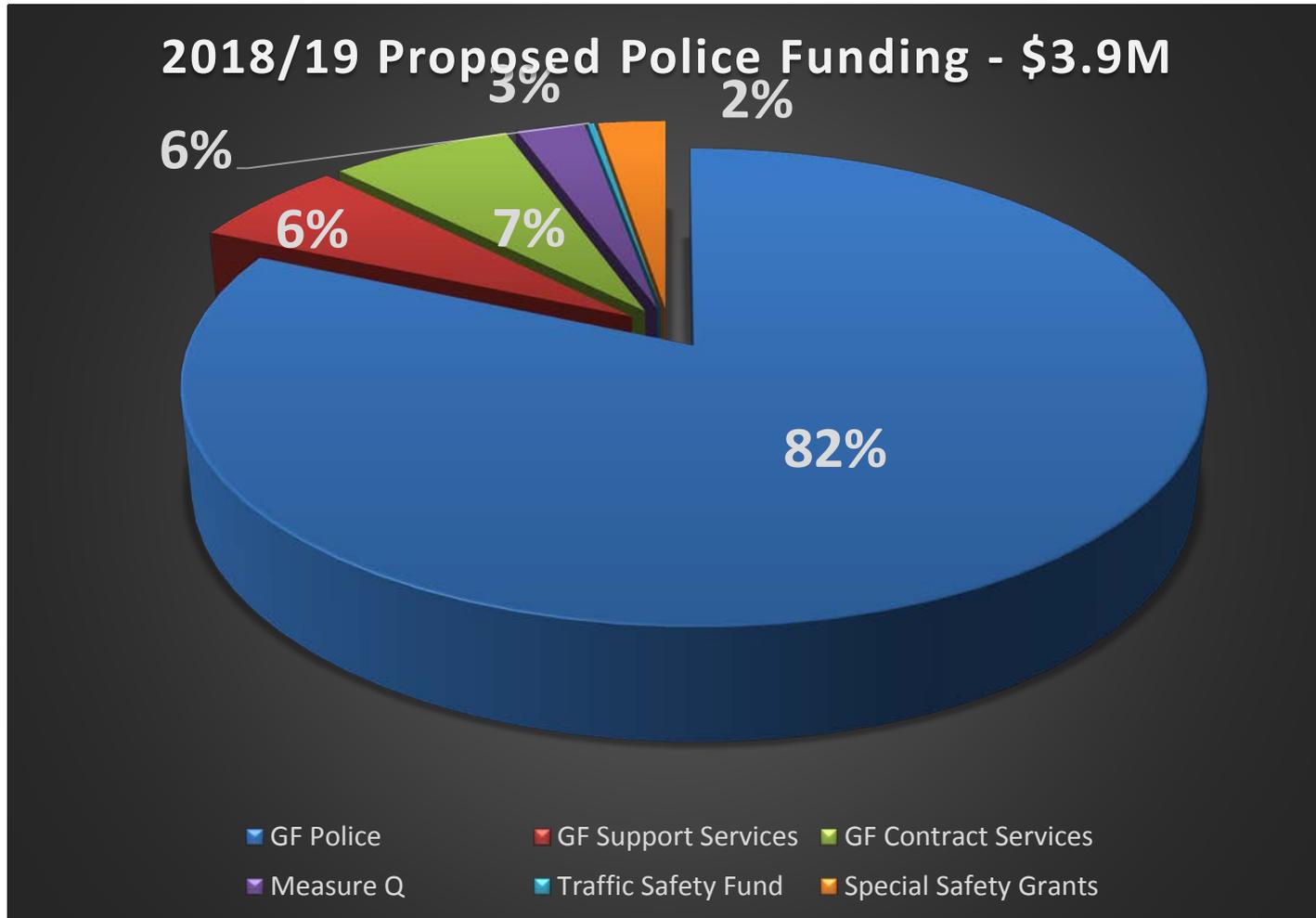
GF Budget - \$3.4M (25%)

- Added – 1.0 FTE Records Clerk/Training Coordinator
- Reduced Salary & Benefits – Side fund payoff
- 2% Cola for Non-Sworn Staff
- CAD – Funded in General Fund

TOTAL POLICE FUNDING

Police Funding	2018/19 Proposed
General Fund	
GF Police	\$ 3,166,164
GF Support Services	233,099
GF Contract Services	267,436
Measure Q	101,100
Traffic Safety Fund	10,000
Special Safety Grants	100,000
Total Police Exp	\$ 3,877,799
Police Revenues	
General Fund	\$ 60,430
Traffic Safety	10,000
Special Safety Grants	100,000
Total Police Rev	\$ 170,430

TOTAL POLICE FUNDING



Measure Q –

- Admin Sgt Assignment
- Body Worn Cameras
- Bomb Squad Training, CAD
- Standby Pay

Special Safety Grant –

- 0.75 FTE Training Coordinator

GENERAL FUND DEPT OVERVIEW: FIRE

GF Budget - \$2.6M (19%)

- Status Quo Expenditures – minor operational increases for fuel, utilities and small equipment
- 2% COLA

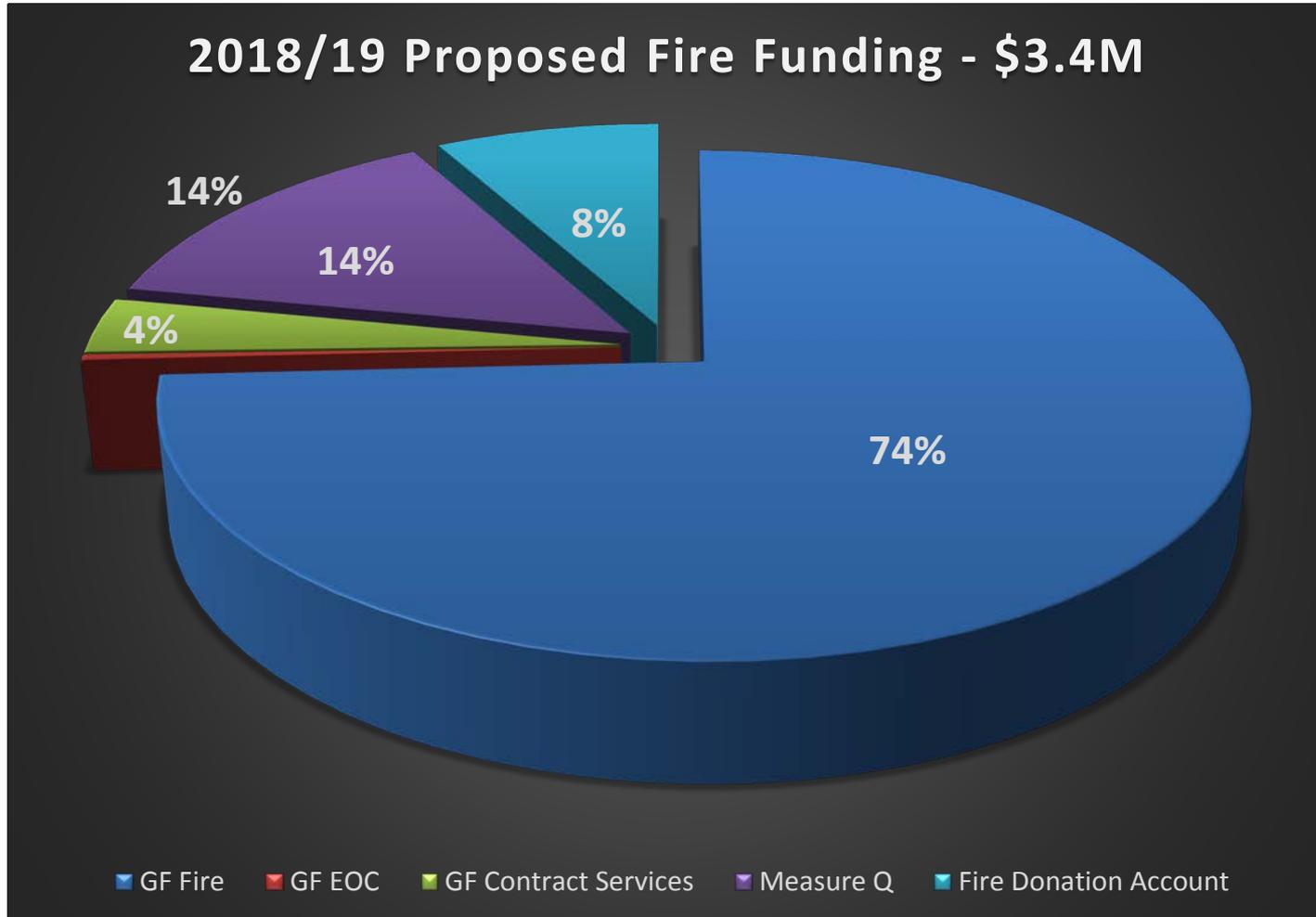
TOTAL FIRE FUNDING

Fire Funding	2018/19 Proposed
General Fund	
GF Fire	\$ 2,557,512
GF EOC	11,967
GF Contract Services	123,899
Measure Q	480,213
Fire Donation Account	275,000
Total Fire Exp	\$ 3,448,591

Fire Revenues

General Fund	\$ 267,588
Fire Donation	275,000
Total Fire Rey	\$ 542,588

TOTAL FIRE FUNDING



FIRE – OTHER FUNDS

Measure Q – \$480K

- Fire Engine Replacement - \$60K
- Personnel - \$288K
- PPE - \$27.6K
- Fire Station Debt Service - \$90K
- Radios - \$14K

Fire Donation Account –

- \$275K Down Payment on Fire Engine

GENERAL FUND DEPT OVERVIEW: PUBLIC WORKS (20%)

Multiple Programs –

- Net budget increase of \$179K

Administration

- Defunded Senior Civil Engineer –
Reduced Salary & Benefits
- Increased Services –
 - Consultant Engineering Services
 - Pavement Mgmt Plan Services
 - Misc. Land Surveying Services
- 2% COLA

GENERAL FUND DEPT OVERVIEW: PUBLIC WORKS (20%)

Consolidated Maintenance

- Reallocated Funding for Maintenance Worker II – Cloisters
- Reduced Part-time Hours (3,850)
- Added 2.0 FTE Consolidated Maintenance Worker I
- Operating Increases for Utilities and services for CCC and CDCR labor
- 2% COLA

GENERAL FUND DEPT OVERVIEW: PUBLIC WORKS (20%)

Consolidated Maintenance - Streets

- Operational Increases –
 - Gravel, Asphalt, cold patch, base material (\$5,600)
 - Equipment Rental for Streets Work (\$10K)
- 2% COLA

GENERAL FUND DEPT OVERVIEW: COMMUNITY DEVELOPMENT (8%)

GF - \$1.14M

- 2% Cola
- \$100,000 in Discretionary Spending for DWSP/EDSP Implementation
- \$20,000 Environmental Consultant Services and Peer Review

GENERAL FUND DEPT OVERVIEW: RECREATION (9%)

GF Total Budget - \$1.2M

- Net Operational Increase - \$126K
 - Opening of the pool
 - Additional \$147K in revenues
- 2% COLA

Council Direction Needed:

Council Bequests - \$16,500 proposed budget

- \$10,000 EVC
- \$500 Score
- Food Group Waiver of Facility Fees – Value \$17,310

Note: \$5,000 request from HomeShare SLO included in Housing in-lieu fund budget (pg. G-15)

Discretionary Beautification – Morro Bay
Adopt-it Program



Pause for Discussion

MEASURE Q

Proposed Budget of \$1.08 million (E-1)

- Fire - \$480,213
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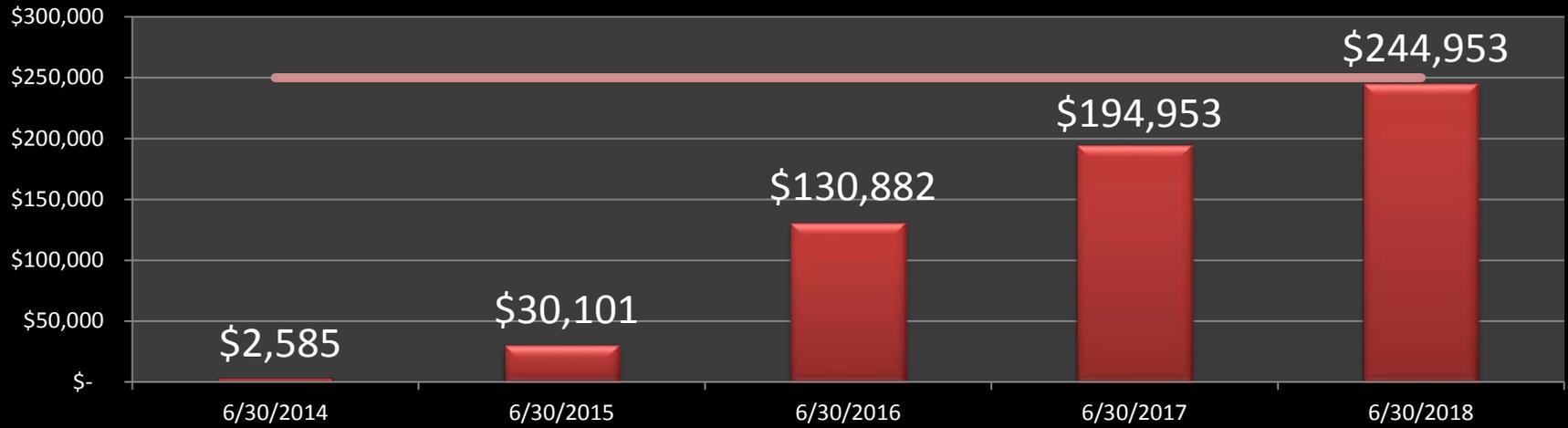
Questions & Answers

INTERNAL SERVICE FUNDS

Cash Balance Reserves	2017/18	2018/19
Internal Service Funds	Estimated YE	Budgeted YE
Risk Management	\$ 260,898	\$ 305,017
Information Technology	102,493	155,423
Facility Maintenance	91,224	14,974
Vehicle Replacement	194,953	244,953
Capital Replacement	201,712	201,712
Project Accumulation	286,127	286,127
Compensable Leave	279,130	309,130
<i>Total Internal Services Cash Balance Reserves</i>	\$ 1,416,537	\$ 1,517,336

INTERNAL SERVICE FUNDS – CONT.

Vehicle Replacement – Cash Balance

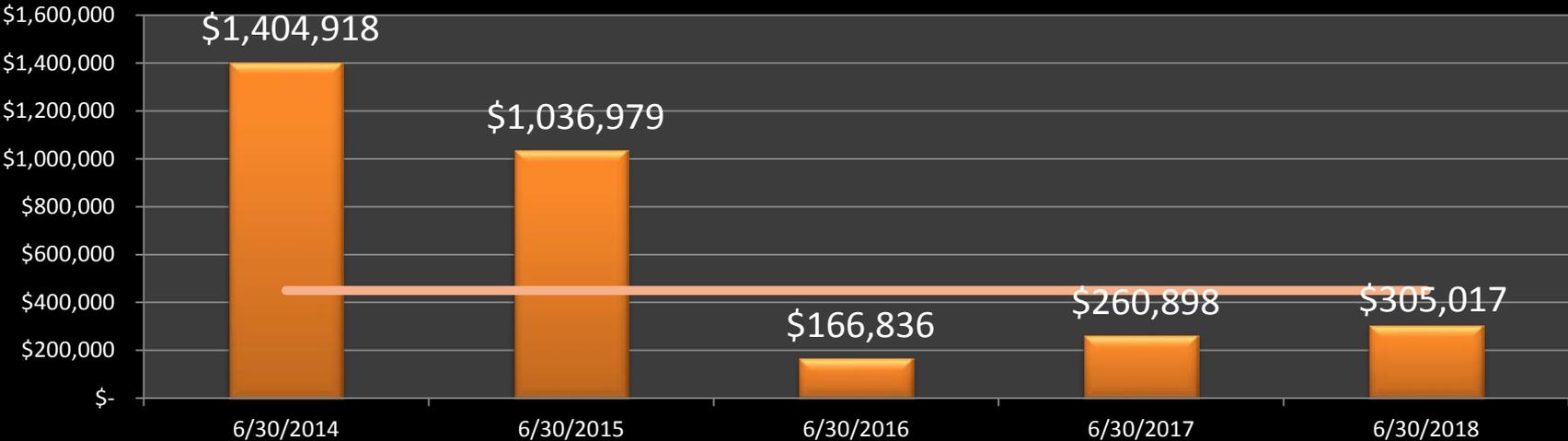


Information Technology – Cash Balance



INTERNAL SERVICE FUNDS

Risk Management – Cash Balance

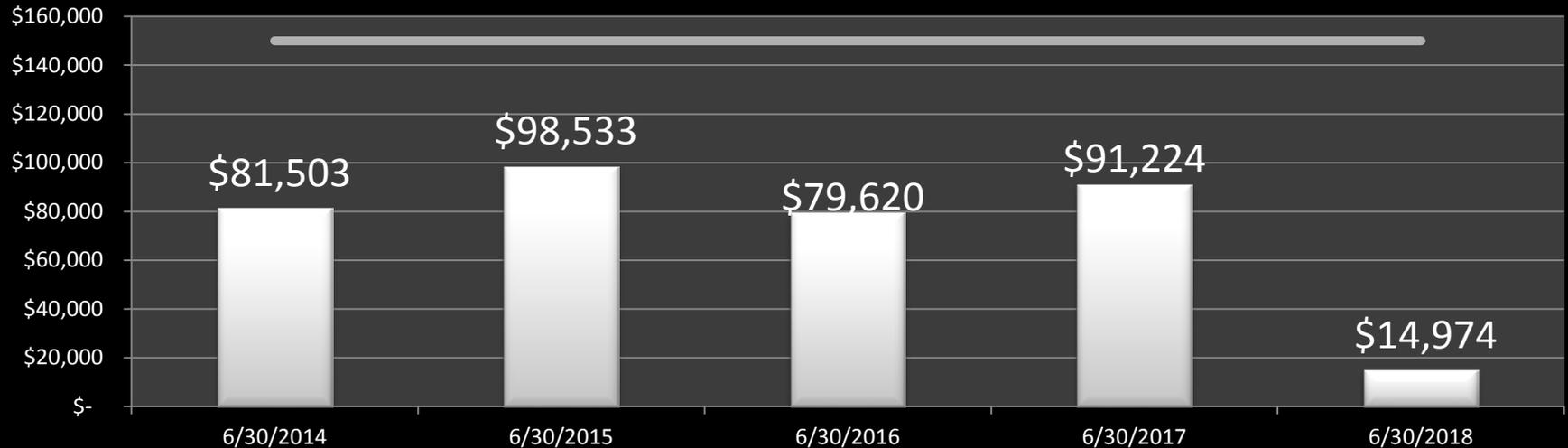


Compensable Leave – Cash Balance



INTERNAL SERVICE FUNDS – CONT.

Facilities Maintenance – Cash Balance



Recommended Funding Level – Estimated

- Staff Recommends analysis of fund activity
- Benchmarking
- Return with Financial policies and recommended funding level with 1st Qtr Budget Update



Questions & Answers

PROPOSED CAPITAL BUDGET

Approved With Budget

- City Works Implementation
 - Project Completion - \$5,000 SISP
- Morro Creek Restoration
 - Carryforward - \$60,894 FEMA Disaster Grant
- Bocce Ball Court/Greenhouse – Shasta Street Pocket Park (~\$32,000)
 - Pending Final Planning/Design/Bid
 - \$20K General Government Park Impact Fees
 - \$12K Donation from Morro Bay In Bloom
- Replacement Vehicle – Bus (\$83,540)
 - Rural Transit Grant (\$71,280)
 - Fund Balance (\$12,260)
- Short Range Transit Plan (\$20,725)
 - LTF and Fund Balance
- Transfer Center Bus Stop
 - SLOCOG Awarded RTF Grant

PROPOSED CAPITAL BUDGET

Would Require Additional Council Authorization to Enter Into Contract:

– **Fire Engine Replacement for #5391 (\$675K)**

- \$275K Fire Donation Fund
- \$73.5K General Government Impact Fees
- \$60K Measure Q

– **Replacement Vehicle – Trolley (\$193k)**

- \$164K FTA Grant
- \$29K RTF Grant

– **Pavement Management Plan (\$729K)**

- \$501K Measure Q
- \$191K SB1
- \$36K Cal Recycle Grant

Street ID	Start	End	PCI
Barlow	Main St	End	44
Beachcombe	Yerba Buena	North End	15
Carmel	Kings Ave	Arbutus Ave	64
Coral	Paul Creek	Java St	19
Coral	Indigo Cir	San Jacinto	50
Elm	Bonita St	Pico St	60
Emerald Circle	Coral Ave	Coral Ave	59
Hemlock	San Joaquin	Elena St	64
Juniper	North End	Elena St	43
Juniper	Elena St	Avalon St	27
LittleMorr	Radcliff St	City Limits	29
Main	Zanzibar	Yerba Buena	37
Maple Ave	Cuesta St	End	64
Morro	Pacific St	Marina St	48
Morro	Morro Bay Blvd	Pacific St	50
Morro BayAL	Piney Way	Bernardo Ave	8
Morro Bay BLVD	Round-About	Round-About	87
Panay	Beachcomber Dr	End	44
Panorama	Blanca St	Zanzibar St	75
Piney Lane	Piney Way	End	60
Preston	Main St.	End	17
Rennell St	Panorama Dr	Main St	57
San Jacinto	Main St.	COP at Alder	65
Tahiti	Beachcomber Dr	End	32
Tide	Nevis	Vashon	45
Tulare	South End	Carmel St	62
Vashon	Beachcomber Dr	End	16
Verdon	Sandalwood Ave	Coral Ave	32
West	Beach	Surf St.	42

PROPOSED CAPITAL BUDGET

May Require Additional Council Authorization Depending on Final Plans/Design/Bid or at Council Direction

– Facility/Audio Visual Upgrades

- \$34,755 estimate – pending planning/design/bid
- PEG Fees for Audio Visual Upgrades and Redesign
- General Government Impact Fees

– Jack LaLanne Memorial Fitness Stations

- Conceptual. Funding TBD

– Striping for On-Street Angle Parking

- \$83,700 Parking In-Lieu

FUNDS AVAILABLE FOR CAPITAL

Capital Replacement – Cash Balance



Project Accumulation – Cash Balance



OTHER FUNDS – RESTRICTED FUNDS

Cash Balance Reserves	2016/17	2017/18	2018/19	2018/19
Government Impact Fees	YE Balance	Est YE Balance	Proposed Use	Available
Administration	\$ 398,332		TBD	\$ 398,332
Police	57,919			57,919
Fire	73,494		73,500	(6)
Street	143,847			143,847
Storm Drain	10,137			10,137
Parks	43,846		20,000	23,846
Total Government Impact Fees	\$ 727,575		\$ 93,500	\$ 634,075
Parking In-Lieu Fees	349,852	348,107	83700	264,407
Park In-Lieu	9,925	266,208	20000	246,208
Total Available In-Lieu Fees	\$ 359,777	\$ 614,315	\$ 103,700	\$ 510,615
Total Available In-Lieu Fees	\$ 1,087,352	\$ 614,315	\$ 197,200	\$ 1,144,690

Questions & Answers Council Discussion & Direction

**Approve Capital Budget
as Proposed**



ENTERPRISE FUNDS – CAPITAL PROJECTS

WATER

- One Water Plan – Carry Forward \$105,756
 - Accumulation Fund
- Water System Emergency Contingency - \$100,000
 - Accumulation Fund

Sewer

- One Water Plan – Carry Forward \$105,756
 - Accumulation Fund
- Emergency Replacement Contingency - \$100,000
 - Accumulation Fund

ENTERPRISE FUNDS – CAPITAL PROJECTS

WRF - \$9.35M

WRF Capital Project	2018/19 Proposed
Program Management	\$ 500,000
Design	1,464,000
Environmental/Permitting	270,000
Land Acquisition	337,000
Laboratory Testing	25,000
Misc. Operating Supplies	5,000
Engineering Services	450,000
Grant Support	30,000
Government Relations	57,000
Maintenance Contracts	44,776
Rate Study	21,000
Construction	6,075,000
Contingency	75,000
<i>Total Government Impact Fees</i>	\$ 9,353,776

ENTERPRISE FUNDS – CAPITAL PROJECTS

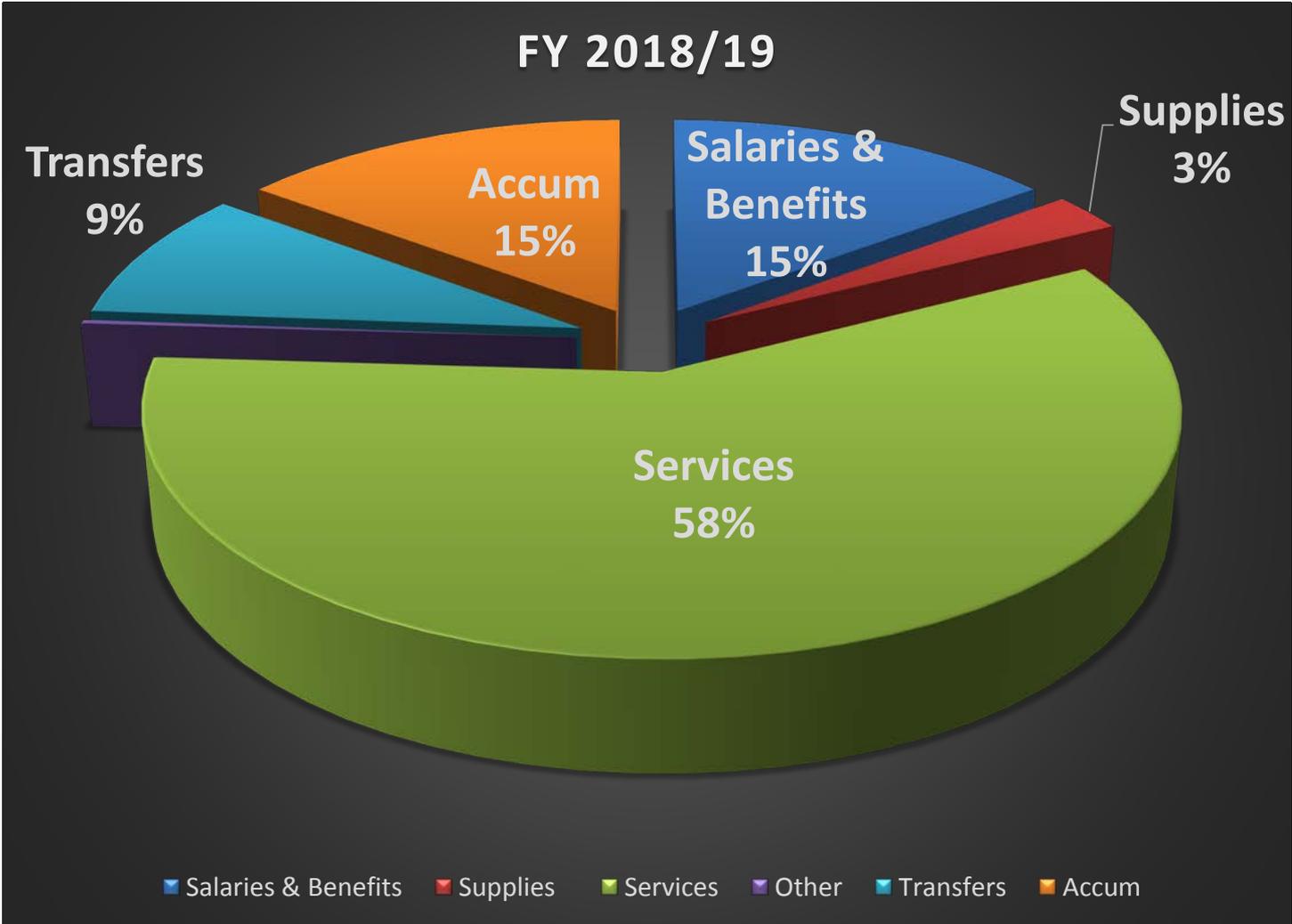
Harbor

- Beach Street Slips South –\$215,000
 - Accumulation Fund
- Boat Repair/Storage Yard - \$40,576
 - Accumulation Fund
- Ice Machine – \$35,000
 - Accumulation Fund
- South T Pier Renovations - \$55,000
 - Accumulation Fund
- DBW – Launch Ramp Renovations - \$250,000
 - Accumulation Fund/Boating and Waterways Grant

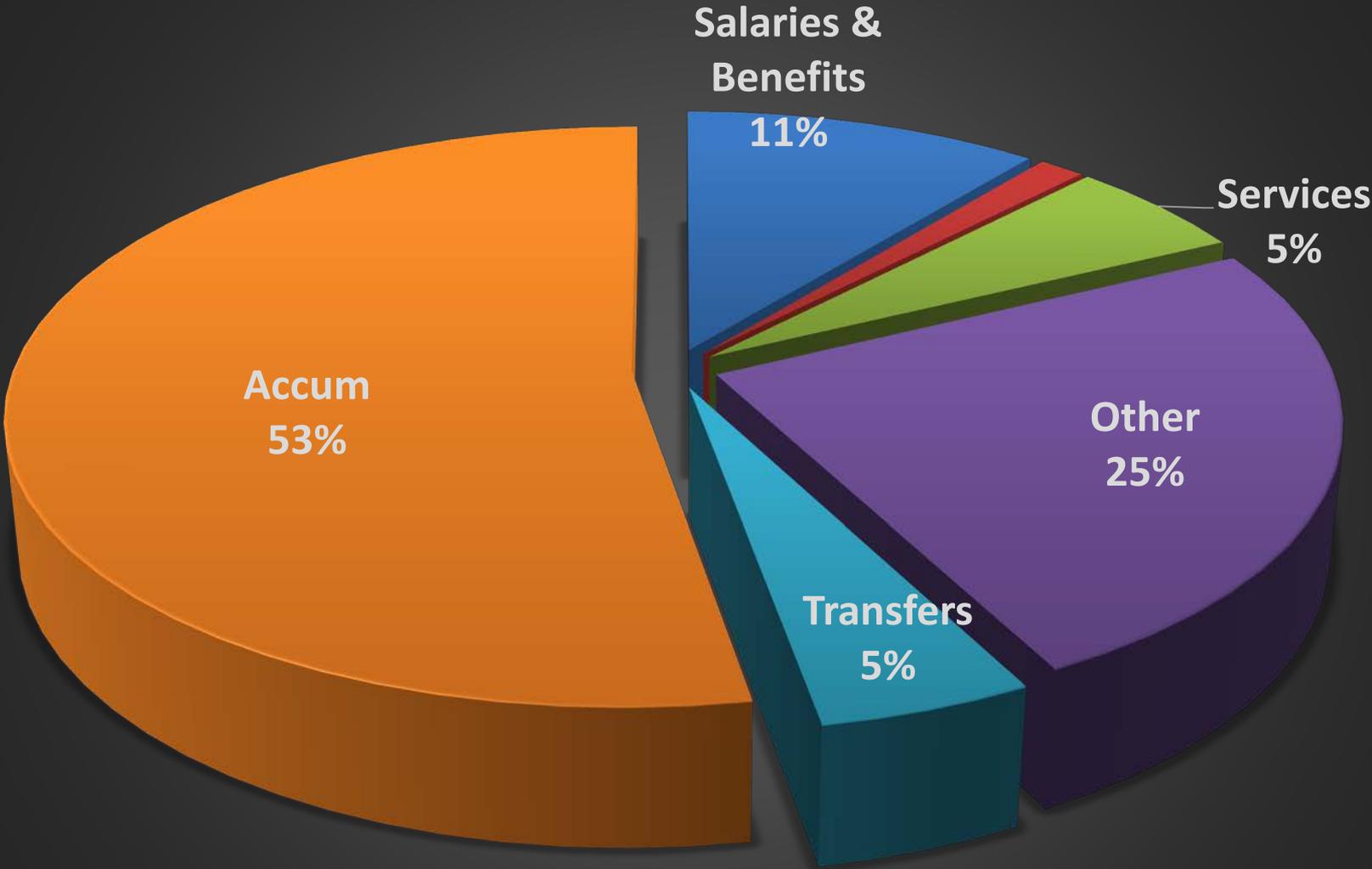


Questions & Answers

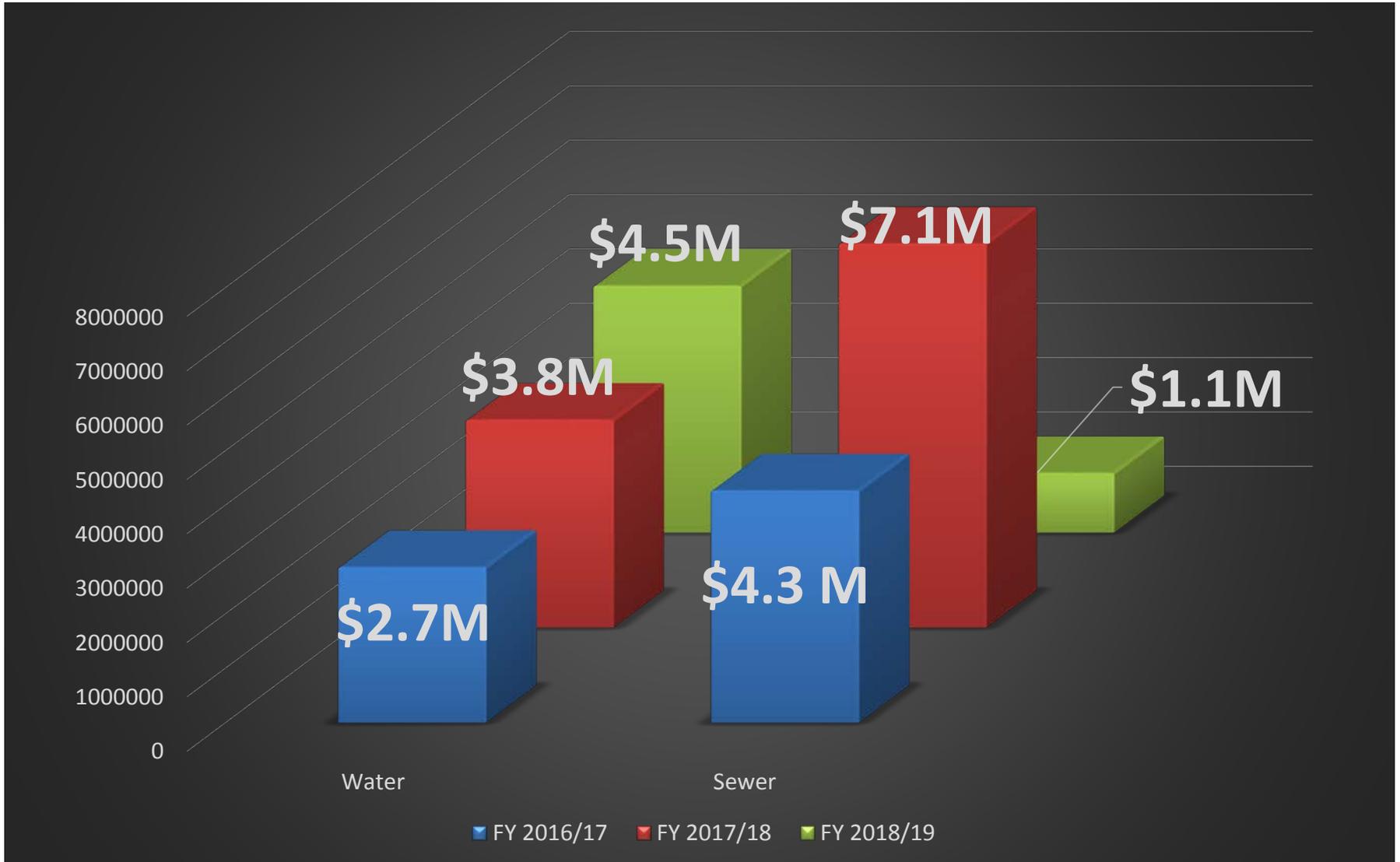
WATER ENTERPRISE FUNDS



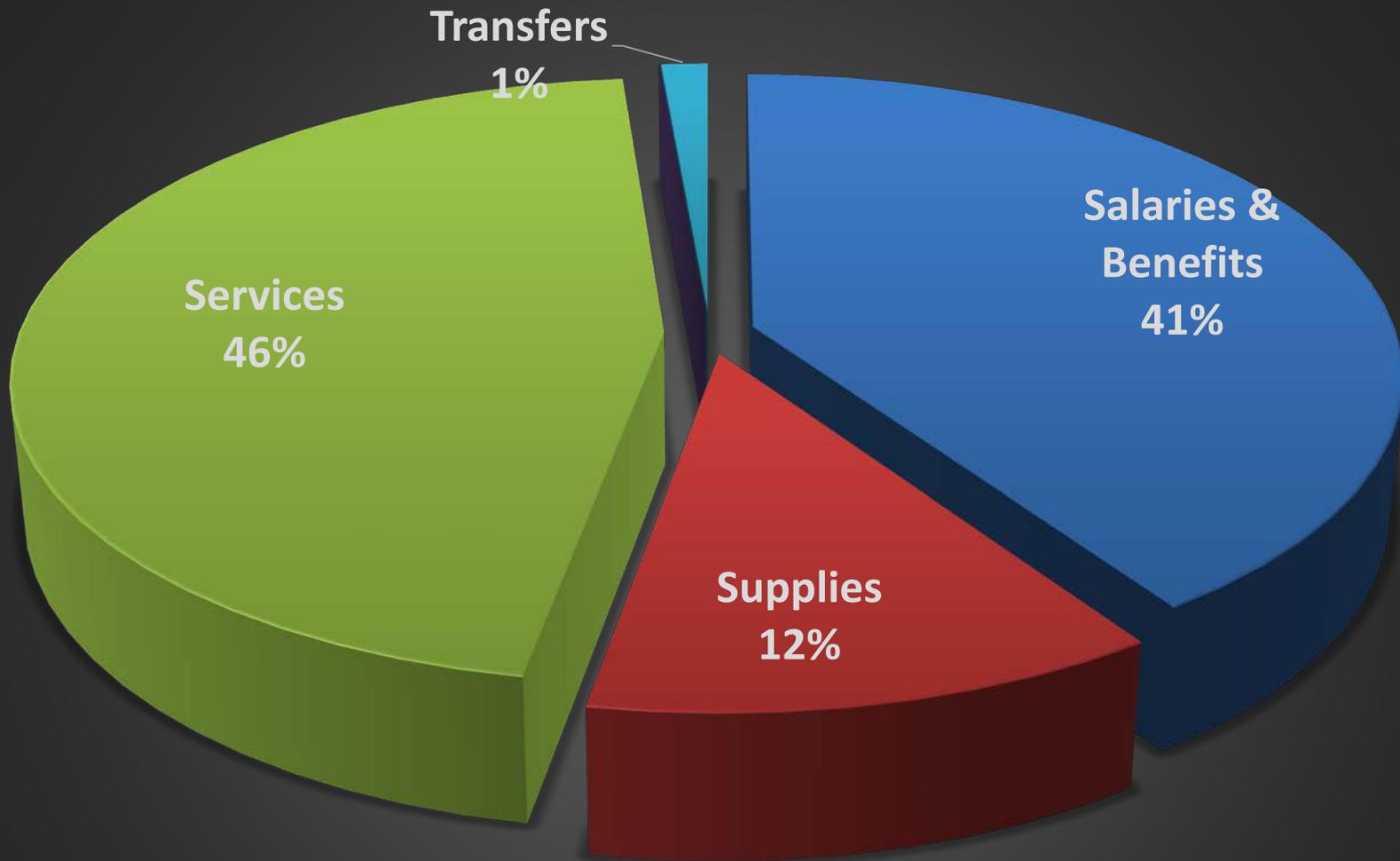
SEWER ENTERPRISE FUNDS



WATER & SEWER ACCUMULATION FUNDS

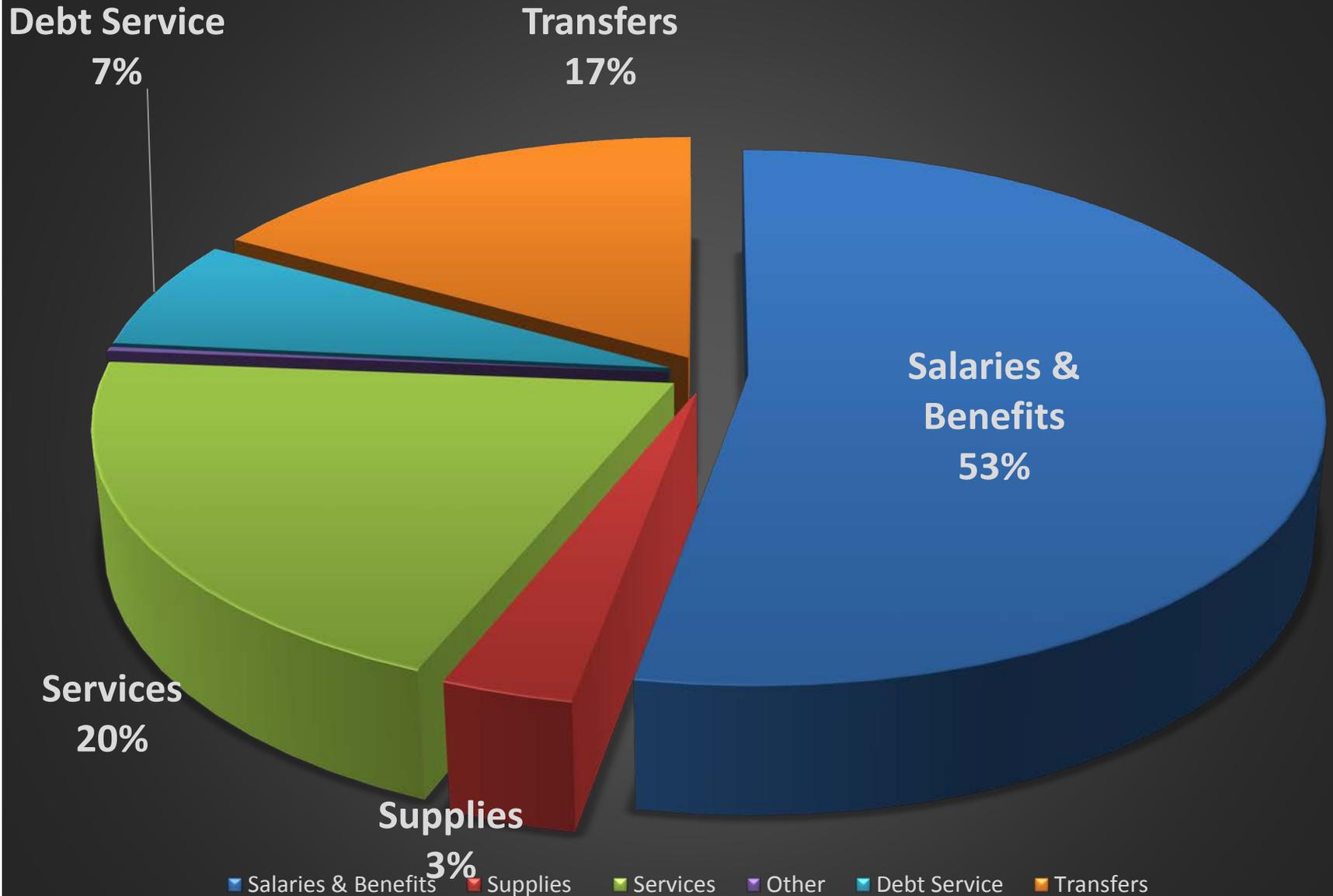


WWTP FUND

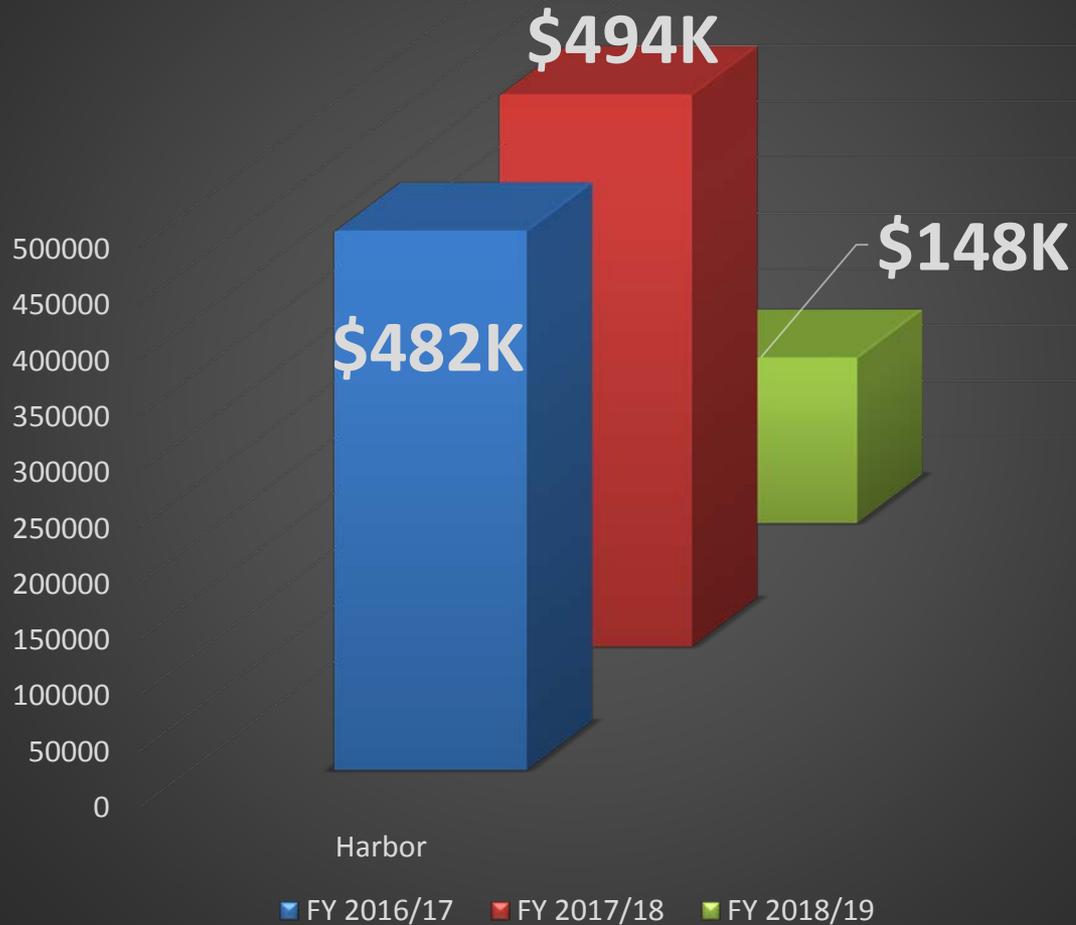


■ Salaries & Benefits ■ Supplies ■ Services ■ Other ■ Transfers ■ Accum

Harbor Enterprise Fund



HARBOR ACCUMULATION FUND





Questions & Answers