

# CITY OF MORRO BAY

## Citizens Oversight Committee

### Acting as Citizens Finance Advisory Committee

## AGENDA

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#### *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.*

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### **Agenda**

### **Tuesday, April 21, 2020 - 3:00 PM**

### **Held Via Teleconference**

ESTABLISH QUORUM AND CALL TO ORDER

COMMITTEE MEMBERS ANNOUNCEMENTS & PRESENTATIONS

#### PUBLIC COMMENT PERIOD

*Pursuant to Section 3 of Executive Order N-29-20, issued by Governor Newsom on March 17, 2020, this Meeting will be conducted telephonically through Zoom and broadcast live on Cable Channel 20 and streamed on the City website (click [here](#) to view). Please be advised that pursuant to the Executive Order, and to ensure the health and safety of the public by limiting human contact that could spread the COVID-19 virus, the Vet's Hall will not be open for the meeting.*

#### Public Participation:

*In order to prevent and mitigate the effects of the COVID-19 pandemic, and limit potential spread within the City of Morro Bay, in accordance with Executive Order N-29-20, the City will not make available a physical location from which members of the public may observe the meeting and offer public comment. Remote public participation is allowed in the following ways:*

- *Community members are strongly encouraged to submit agenda correspondence in advance of the meeting and watch the meeting live on either cable Channel 20 or as streamed on the City's [website](#). Agenda correspondence may be mailed the CFAC Committee care of the City Clerk at 595 Harbor Street, Morro Bay, CA 93442, or emailed to the City Clerk's office at [cityclerk@morrobayca.gov](mailto:cityclerk@morrobayca.gov) prior to the meeting will be published on the City website with a final update one hour prior to the meeting start time. Agenda correspondence received less than an hour before the meeting start time may not be posted until after the meeting.*
- *If you would like to speak during general Public Comment Period or the comment period for a specific agenda item, please use the call-in information provided below. You will be placed in a queue until the Chair opens public comment. Each speaker will be allowed three minutes for public comment.*

*Public Comment call-in: 1(818) 794-7004  
Show #2607  
Guest PIN #464192*

A. CONSENT CALENDAR

1. APPROVAL OF MINUTES FOR THE FEBRUARY 18, 2020 REGULAR CITIZENS OVERSIGHT/FINANCE ADVISORY COMMITTEE MEETING

**RECOMMENDATION: Receive and file.**

B. BUSINESS ITEMS

1. BRIEF FINANCE DIRECTOR UPDATE (FINANCE DIRECTOR)

**RECOMMENDATION: Receive and file.**

2. DISCUSSION AND INPUT ON THE MEASURE Q FY 2020/21 DRAFT PROPOSED BUDGET (FINANCE DIRECTOR)

**RECOMMENDATION: Receive draft Proposed FY 2020/21 Measure Q Budget and provide feedback.**

C. FUTURE AGENDA ITEMS

D. SCHEDULE NEXT MEETING

MAY 19, 2020

E. ADJOURNMENT

**THIS AGENDA IS SUBJECT TO AMENDMENT UP TO 74 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 805-772-6201 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 UPON REQUEST BY CALLING THE CITY HALL AT 805-772-6201.**

**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  
REGULAR MEETING – FEBRUARY 18, 2020  
VETERANS MEMORIAL HALL – 3:00 P.M.**

|                  |                   |                   |
|------------------|-------------------|-------------------|
| MEMBERS PRESENT: | Barbara Spagnola  | Chair             |
|                  | John Martin       | Vice-Chair        |
|                  | Bart Beckman      | Member            |
|                  | Lois Johnson      | Member            |
|                  | Tina Wener        | Member            |
| NOT PRESENT:     | Homer Alexander   | Member            |
|                  | Bill Bowes        | Member            |
| STAFF PRESENT:   | Jennifer Callaway | Finance Director  |
|                  | Tracy McConnell   | Account Clerk III |

ESTABLISH A QUORUM AND CALL TO ORDER

Chair Spagnola called the meeting to order at 3:00 p.m., with 5 members present.

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

COMMITTEE MEMBERS ANNOUNCEMENTS & PRESENTATIONS

<https://youtu.be/O3hZC1y3amE?t=90>

Chair Spagnola reported that the Measure Q report presented to City Council at their February 11, 2020 meeting was well received by both the public and Council.

Chair Spagnola also posted a comment about the Measure Q report on Next Door, inviting the public to the meeting where it would be presented.

STAFF ANNOUNCEMENTS

None

PUBLIC COMMENT PERIOD

None

A. CONSENT CALENDAR

1. APPROVAL OF MINUTES FOR THE JANUARY 21, 2020 CITIZENS OVERSIGHT/FINANCE ADVISORY COMMITTEE MEETING.

<https://youtu.be/O3hZC1y3amE?t=3m11s>

MOTION: Member Johnson moved to approve A-1. Member Wener seconded. Motion carried 5–0–2 with Member Alexander and Member Bowes absent.

B. BUSINESS ITEMS

1. NEW MEMBER INTRODUCTION

<https://youtu.be/O3hZC1y3amE?t=4m10s>

Chair Spagnola introduced new CFAC Member Tina Wener. Member Wener gave a short biography of herself.

2. ELECTION OF CHAIRPERSON AND VICE CHAIRPERSON

<https://youtu.be/O3hZC1y3amE?t=5m19s>

MOTION: Member Beckman made a motion nominating Member Martin for Chairperson. Member Johnson seconded. No other nominations were made. Member Martin accepted the nomination. Motion carried 5–0–2 with Member Alexander and Member Bowes absent.

MOTION: Member Martin made a motion nominating Chair Spagnola for Vice Chairperson. Member Johnson seconded. No other nominations were made. Chair Spagnola accepted the nomination. Motion carried 5–0–2 with Member Alexander and Member Bowes absent.

3. PRESENTATION ON “JOIN THE CONVERSATION” COMMUNITY OUTREACH - (City Manager)

<https://youtu.be/O3hZC1y3amE?t=9m16s>

Finance Director Callaway gave the PowerPoint presentation that will be presented to the local service groups and answered committee questions.

Public Comment:

Barry Brannen asked if the survey was just about Measure Q or all funding.

Chair Spagnola closed public comment.

In response to public comment, Director Callaway clarified the survey is not speaking to a certain fund at this time.

The presentation was received and filed.

4. BRIEF FINANCE UPDATE (Finance Director)

<https://youtu.be/O3hZC1y3amE?t=32m52s>

Finance Director Callaway gave a brief presentation and answered committee questions.

Public Comment:

None

Chair Spagnola closed public comment.

The presentation was received and filed.

5. REVIEW OF THE FY 2019/20 SECOND QUARTER BUDGET PERFORMANCE REPORT FOR THE SIX-MONTH PERIOD ENDING DECEMBER 31, 2019; (Finance Director)

<https://youtu.be/O3hZC1y3amE?t=37m4s>

Finance Director Callaway gave a presentation and answered committee questions.

Public Comment:

None

Chair Spagnola closed public comment.

MOTION: Chair Spagnola made a motion to approve everything listed on page 65 of the agenda for the Measure Q expenditures minus the last bullet, the \$25,000 for consulting which should come from the general funds. Member Martin seconded the motion. Motion carried 5–0–2 with Member Alexander and Member Bowes absent.

6. REVIEW OF SECOND QUARTER INVESTMENT REPORT (PERIOD ENDING DECEMBER 31, 2019) FOR FY 2019/20; (Finance Director)  
<https://youtu.be/O3hZC1y3amE?t=1h23m52s>

Finance Director Callaway gave a presentation, answered committee questions and took suggestions.

Public Comment:  
None

Chair Spagnola closed public comment.

The presentation was received and filed.

C. FUTURE AGENDA ITEMS

The following items were address as future agenda items:

1. Water Reclamation Facility Quarterly Report for period ending March 30, 2020.
2. Measure Q Budget Requests for next year
3. City of Morro Bay Operating Budget
4. Update on “Join the Conversation” survey results if available

D. SCHEDULE NEXT MEETING

The next Regular Meeting of the Citizens Finance Advisory Committee is scheduled for May 19, 2020 at 3:00 pm.

E. ADJOURNMENT

The meeting adjourned at 4:36 pm

Recorded by:  
Tracy McConnell

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AGENDA NO: B-2

MEETING DATE: April 21, 2020

# Staff Report

**TO:** Chairman and Committee Members

**DATE:** April 16, 2020

**FROM:** Jennifer Callaway, Finance Director

**SUBJECT:** Discussion and Input on the Measure Q FY 2020/21 Draft Proposed Budget

## RECOMMENDATION

Receive draft proposed FY 2020/21 Measure Q Budget and provide feedback.

## DISCUSSION

The draft FY 2020/21 proposed Measure Q budget is attached. As we are all aware, the City's local economy has been devastated by the COVID-19 pandemic. Hotels are essentially vacant, meaning little to no transient occupancy tax (TOT) and tourism is basically non-existent. The City relies heavily on tourism to drive our local economy and generate revenues that are relied upon to provide essential city services. Beyond the General Fund, several of the City's funds are tourist driven, including the Measure Q fund which is funded by transaction and use tax.

Furthermore, the COVID-19 pandemic is unprecedented, shutting down the world's economy. We have very little, relevant, historical information to base revenue projections from. Therefore, staff is recommending conservative revenue projections, accounting for believed cash flow impacts from the Governors actions to defer sales tax for business between 90 days and 12 months. In addition, we forecasted revenue impacts for the remaining portion of FY 2019/20, understanding that Measure Q would be highly impacted by the COVID-19 pandemic.

Under this methodology, staff is projecting a loss of transaction tax of approximately \$300,000 for FY 2019/20 and revenues of \$800,000 for FY 2020/21. As such, since much of the public safety allocations for FY 2019/20 have been expensed, staff recommends deferring the 2019/20 pavement management plan at this time. Senate Bill 1 funds that augment the City's pavement management plan will be carried into FY 2020/21 to help fund the pavement management project for that fiscal year.

FY 2020/21 revenues are estimated at \$845,000. Again, while there is very little to base estimates from, staff believes this is a conservative estimate and has budgeted expenditures around this estimate, also providing a list of unfunded needs that can be drawn upon should revenues exceed expectation. Of the \$845,000 budgeted in FY 2020/21, \$506,687 is allocated to Fire, \$81,600 is allocated to Police and \$325,000 to pavement management. Details of the allocations are provided in the draft proposed Measure Q budget.

Prepared By:   JC  

Dept Review: \_\_\_\_\_

City Manager Review: \_\_\_\_\_

City Attorney Review: \_\_\_\_\_

The FY 2020/21 budget development cycle is going to be challenging, during these unprecedented times, the health and well-being of our residents is our top priority. Now, it is more important than ever that we hear from you, on your City service needs and priorities as we work together towards recovery. We encourage residents to continue to join the conversation and complete the City's survey online at <https://www.surveymonkey.com/r/2SGTJMC>.

**ATTACHMENT:**

1. FY 2020/21 Draft Proposed Measure Q Budget



**MEASURE Q REQUEST**

**PROGRAM PURPOSE**

Measure Q was approved to preserve Morro Bay's safety and character by funding essential services including upgrading firefighter/paramedic equipment, fire stations, police, street and pothole repairs, improving storm drains to protect the bay from pollution, and other general city services. Citizens approved increasing the City sales tax by one-half cent, subject to independent annual financial audits, and establishing an independent citizens' advisory committee to review annual expenditures.

**BUDGET OVERVIEW**

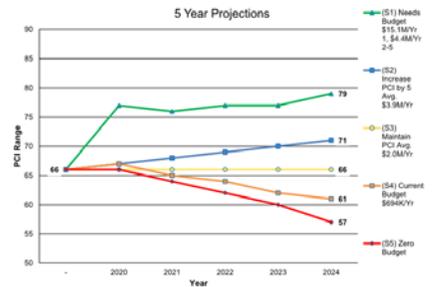
As with many of the City's funds, the city's Measure Q fund, funded through an add on one-half cent transaction tax, is expected to be significantly impacted as a result of the COVID-19 pandemic and corresponding federal, state and local shelter-at-home orders, effectively closing business and stalling the nation's economy. The FY 2020/21 Measure Q budget is based on conservative projections of transaction tax for FY 2019/20 and FY 2020/21, analyzing recession period receipts from 2008 through 2011 and FY 2012/13, combined with the City's sales tax consultant, HDL's, projections. In addition, the estimates include projections related to cash flow on the 90-day filing extension for taxpayers with a total tax liability less than \$1 million and the 12-month tax payment deferral program of total taxes up to \$50,00 for small businesses. HDL estimates that the Measure Q impact on cash flow for the 90-day extension to \$165,000 and the 12-month payment plan for small business to be \$107,000. As the City continues to be fiscally prudent and is taking every measure to reduce costs, staff suspended the pavement management program for FY 2019/20, with the understanding that transaction receipts will be significant lower than anticipated due to the COVID-19 Pandemic and many of the Fire and Police approved expenditures are fixed costs and/or mostly expensed at the time of budget development. Staff estimates FY 2019/20 revenues to be \$800,000, approximately \$300,000 less than the \$1.1 million originally budgeted. In addition, staff is conservatively estimated FY 2020/21 transaction tax revenues to generate \$845,000. Staff has developed a list of unfunded departmental needs and will recommend budget adjustments accordingly should revenues outpace projections. Within the \$845,000 revenue projections, the City proposes to allocate \$325,000 to the Pavement Management Plan Capital, \$81,600 to the Police Department for both personnel and equipment needs, and \$506,687 to the Fire Department for personnel, equipment and debt service requirements.



In FY 2017/18 the City established a Capital Project for the Pavement Management Program. This allows for all pavement management work to be accounted for in one fund, making it more efficient to account for the supplemental funding of the pavement management plan through Senate Bill (SB)1 gas tax expenditures and other grant monies. As a part of the FY 2019/20 budget approval City Council authorized funding to update the Pavement Management System (PMS) model and the City's Pavement

## PROPOSED

Management Planning document. Results of the analysis of the City's pavement condition and modeling future conditions indicate an expenditure of approximately \$2M per year is needed to maintain the City's average Pavement Condition Index (PCI) score of 66. Should the City spend the historical average of approximately \$694K per year the PCI decreases to 61 over the next five years. To achieve the State goal for average system PCI of 70 or greater, the City would need to spend approximately \$3.9M per year. At current revenue levels it appears unrealistic the City will ever reach the State's goal of PCI=70. Therefore, based on current State law, all SB1 funding the City receives must be used for maintenance, and cannot be used for betterments in the City Traffic circulation system.



A summary of each of the scenario projections are as follows:  
 Scenario 1: Unconstrained Budget/ Funds Needed to obtain Optimum PCI (\$15.1M for Year 1, \$4.4M/Yr Avg. for Years 2-5)  
 Scenario 2: Amount of funding to increase PCI by 5 (Avg. \$3.9M/Yr.)  
 Scenario 3: Amount of funding to maintain PCI of 66 (Avg. \$2.0M/Yr.)  
 Scenario 4: Impact of the current funding amount (\$694K/Yr.) the current PCI would decline from 66 to 61, a 5-point overall drop.  
 Scenario 5: Represents the impact to the PCI if Zero dollars are spent  
 The full report for the various budget scenarios can be found in **Appendix B**.

For FY 2020/21 Measure Q funds of \$325,000 will be supplemented by approximately \$315,000 in SB 1 funds (carryforward funds from FY 2019/20 and FY 2020/21 allocation). This level of funding will be used to complete a "Stop-Gap" project to repair up to 95,000 square feet of failed pavement section on the City's major roadways, including Main Street, South Bay Boulevard, Harbor Street and Pacific Street.

The Fire Department's Measure Q expenditures consist of Fire Station debt service and salaries and benefits (based off the 2007 standard to maintain our 4-person staffing as per the Emergency Services Ad-Hoc Committee report and Fire Department Strategic Plan), consistent with prior year expenditures. In addition, the Measure Q fund has committed to a four-year repayment plan to the City's Vehicle Replacement Fund for the purchase of the new Fire Engine, this repayment amount of \$56,250 is included in the Department's Measure Q funding allocation. Lastly, the Fire Department's funding allocation includes funds for purchase of structure and water rescue Personal Protection Equipment (PPE) (\$26,400) and high-pressure hoses (\$3,600).



The Police Department will receive \$81,600 from Measure Q to support operations. This includes funding for standby pay (\$24,000) which allows the department to have a detective available to respond to call-outs 24 hours a day. This funding will provide \$25,000 to support the 5-year contract for body-worn cameras, \$2,000 to purchase ballistic vests for 2 new incoming officers, \$4,000 to purchase flashlights, \$3,000 for vehicle radio replacement, \$1,000 for patrol emergency response Narcan kits and \$2,000 for a digital crime scene camera.

Lastly, the Department is requesting \$20,600 in fixed cost payment to other agency --- \$14,600 for Bomb, Gang and Narcotic Task Force assistance and \$6,000 for the Computer Aided Dispatch (CAD)/Data Lines.



MEASURE Q

MEASURE Q

Fund 003

SUMMARY OF REVENUES AND EXPENDITURES

|   | 2016/17<br>Actuals  | 2017/18<br>Actuals  | 2018/19<br>Actuals  | 2019/20<br>Amended  | 2019/20<br>Estimated | 2020/21<br>Proposed |
|---|---------------------|---------------------|---------------------|---------------------|----------------------|---------------------|
| <b>SOURCES OF FUNDS</b>                     |                     |                     |                     |                     |                      |                     |
| Beginning Fund Balance                      | \$ 500,113          | \$ 73,557           | \$ 184,052          | \$ 342,964          | \$ 342,964           | \$ 313,899          |
| <b>REVENUES</b>                             |                     |                     |                     |                     |                      |                     |
| <i>Sales &amp; Use Tax</i>                  | \$ 1,077,488        | \$ 1,062,872        | \$ 1,225,936        | \$ 1,096,000        | \$ 800,000           | \$ 845,000          |
| <i>Intergovernmental</i>                    | 38,823              | -                   | -                   | -                   | -                    | -                   |
| <i>Interest</i>                             | 1,959               | -                   | 616                 | -                   | -                    | -                   |
| <i>Transfers In</i>                         | -                   | -                   | -                   | -                   | -                    | -                   |
| <b>TOTAL REVENUES</b>                       | <b>\$ 1,118,270</b> | <b>\$ 1,062,872</b> | <b>\$ 1,226,552</b> | <b>\$ 1,096,000</b> | <b>\$ 800,000</b>    | <b>\$ 845,000</b>   |
| <b>EXPENDITURES</b>                         |                     |                     |                     |                     |                      |                     |
| <i>Salaries and Benefits</i>                | \$ 307,182          | \$ 260,362          | \$ 317,020          | \$ 329,066          | \$ 329,065           | \$ 353,631          |
| <i>Supplies</i>                             | 18,726              | 34,661              | 34,058              | 188,800             | 188,800              | 67,000              |
| <i>Services</i>                             | 1,126,268           | 41,987              | -                   | 3,023               | 3,023                | -                   |
| <i>Capital Outlay</i>                       | -                   | -                   | 43,139              | 43,655              | 43,655               | -                   |
| <i>Other</i>                                | 10,000              | 14,600              | 30,137              | 20,600              | 20,600               | 20,600              |
| <i>Debt Service</i>                         | 82,394              | 83,194              | 82,938              | 90,806              | 82,643               | 90,806              |
| <i>Equipment</i>                            | -                   | -                   | 60,000              | 56,250              | 56,250               | 56,250              |
| <b>TOTAL EXPENDITURES</b>                   | <b>\$ 1,544,570</b> | <b>\$ 434,804</b>   | <b>\$ 567,292</b>   | <b>\$ 732,200</b>   | <b>\$ 724,036</b>    | <b>\$ 588,287</b>   |
| <b>Pavement Management Plan</b>             | \$ -                | \$ 502,016          | \$ 500,348          | \$ 525,478          | \$ 105,029           | \$ 325,000          |
| <b>TOTAL EXPENDITURES AND TRANSFERS OUT</b> | <b>\$ 1,544,570</b> | <b>\$ 936,820</b>   | <b>\$ 1,067,640</b> | <b>\$ 1,257,678</b> | <b>\$ 829,065</b>    | <b>\$ 913,287</b>   |
| Ending Fund Balance                         | \$ 73,557           | \$ 184,052          | \$ 342,964          | \$ 181,286          | \$ 313,899           | \$ 245,612          |
| Assigned Fund Balance                       |                     |                     |                     |                     |                      |                     |
| -Debt Service Reserve                       |                     |                     | \$ 48,586           |                     | \$ 56,749            | \$ 64,912           |
| <b>Unassigned Fund Balance</b>              |                     |                     | <b>\$ 294,378</b>   | <b>\$ 181,286</b>   | <b>\$ 257,150</b>    | <b>\$ 180,700</b>   |

The measure Q budget is presented below with departmental detail.

**MEASURE Q**  
**City of Morro Bay**  
**Measure Q**  
**Operating Revenues vs. Operating Expenditures**  
**Proposed FY 2020/21**

|  | <b>FY19/20<br/>Adopted<br/>Budget</b> | <b>FY19/20<br/>Budget<br/>Adjustments</b> | <b>FY 2019/20<br/>Amended<br/>Budget</b> | <b>FY 2019/20<br/>Estimated<br/>YE Actuals</b> | <b>FY20/21<br/>Proposed<br/>Budget</b> |
|--|---------------------------------------|---|--|--|--|
| <b>Revenues</b>  |                                       |   |  |  |  |
| Sales Tax  | \$ 1,096,000                          | \$ -                                      | \$ 1,096,000                             | \$ 800,000                                     | \$ 845,000                             |
| Charges for Services - Sale of Plans/Specs   | -                                     | -   |  |  |  |
| Interest   | -                                     | -   |  |  |  |
| Grants - CalRecycle  | -                                     | -   |  |  |  |
| <b>Total Revenues</b>  | <b>1,096,000</b>                      | <b>-</b>                                  | <b>1,096,000</b>                         | <b>800,000</b>                                 | <b>845,000</b>                         |
| <b>Expenditures</b>  |                                       |   |  |  |  |
| <b>Fire</b>  |                                       |   |  |  |  |
| Salaries & Benefits (Relief Firefighter)   | 183,149                               | -   | 183,149                                  | 183,149  | 200,732                                |
| Transfer to General Fund (Remaining balance of Relief Firefighter)                       | 121,916                               |   | 121,916                                  | 121,916  | 128,899                                |
| Fire Station #53 Debt Service  | 90,807                                | -   | 90,807                                   | 82,643   | 90,806                                 |
| Small Tools  |                                       | 15,000                                    | 15,000                                   | 15,000   |  |
| Equipment (PPE & Cardiac Monitors)   | 30,800                                | 15,000                                    | 45,800                                   | 45,800   |  |
| Equipment (Hose, Structure PPE, Water PPE)   |                                       |   |  |  | 30,000                                 |
| Replacement Engine Repayment   | 56,250                                |   | 56,250                                   | 56,250   | 56,250                                 |
| Professional Development   |                                       | 3,023                                     | 3,023                                    | 3,023  |  |
| Outside Vehicle Repair/Maintenance   |                                       | 15,000                                    | 15,000                                   | 15,000   |  |
| <b>Total Fire</b>  | <b>482,922</b>                        | <b>48,023</b>                             | <b>530,945</b>                           | <b>522,781</b>                                 | <b>506,687</b>                         |
| <b>Police</b>  |                                       |   |  |  |  |
| Standby Pay  | 24,000                                |   | 24,000                                   | 24,000   | 24,000                                 |
| Equipment (Body Worn Cameras, First Responder Kits)                                      | 43,000                                | 70,000                                    | 113,000                                  | 113,000  | 25,000                                 |
| Equipment (Ballistic Vests, Flashlights, Vehicle Radio, Response kits, camera)           |                                       |   |  |  | 12,000                                 |
| Patrol Vehicle   |                                       | 43,655                                    | 43,655                                   | 43,655   |  |
| Payment to Other Agency's - SLO Sheriff  | 20,600                                |   | 20,600                                   | 20,600   | 20,600                                 |
| <b>Total Police</b>  | <b>87,600</b>                         | <b>113,655</b>                            | <b>201,255</b>                           | <b>201,255</b>                                 | <b>81,600</b>                          |
| <b>Public Works</b>  |                                       |   |  |  |  |
| <b>Streets</b>   |                                       |   |  |  |  |
| Street Maintenance - Computer Operating Supplies   |                                       | -   |  |  |  |
| Street Maintenance - Equipment Rental  | 20,133                                |   | 20,133                                   | 20,029   |  |
| Storm Drain/Creek Maint  |                                       |   |  |  |  |
| Repairs/Maint Materials  |                                       |   |  |  |  |
| Pavement Management Plan (transferred out to the new Pavement Mgmt Plan Capital Project) | 505,345                               |   | 505,345                                  | 85,000   | 325,000                                |
| Salaries & Benefits  |                                       |   |  |  |  |
| Miscellaneous Operating Supplies   |                                       |   |  |  |  |
| Consulting Services - Rick Engineering   |                                       |   |  |  |  |
| Contractual Services - Pavement Coatings Co.   |                                       |   |  |  |  |
| Postage  |                                       |   |  |  |  |
| <b>Total Public Works</b>  | <b>525,478</b>                        | <b>-</b>                                  | <b>525,478</b>                           | <b>105,029</b>                                 | <b>325,000</b>                         |
| Gain/Loss on Investment -GASB 31   |                                       |   |  |  |  |
| <b>Total Operating Expenditures</b>  | <b>\$ 1,096,000</b>                   | <b>\$ 161,678</b>                         | <b>\$ 1,257,678</b>                      | <b>\$ 829,065</b>                              | <b>\$ 913,287</b>                      |
| <b>Use of Carryforward Funds</b>   |                                       |   |  |  |  |
| <b>Net Operating Revenues over Expenditures &amp; Carryforwards</b>                      | <b>\$ (0)</b>                         |   | <b>\$ (161,678)</b>                      | <b>\$ (29,065)</b>                             | <b>\$ (68,287)</b>                     |
| <b>Ending Cash Balance</b>   | <b>\$ 342,963</b>                     |   | <b>\$ 181,285</b>                        | <b>\$ 313,898</b>                              | <b>\$ 245,611</b>                      |
| <b>Ending Fund Balance</b>   | <b>\$ 342,963</b>                     |   |  | <b>\$ 313,898</b>                              | <b>\$ 245,611</b>                      |
| <b>Assigned Fund Balance - Debt Service Reserve</b>                                      | <b>48,586</b>                         |   |  | <b>56,749</b>                                  | <b>64,912</b>                          |
| <b>Unassigned Fund Balance</b>   | <b>\$ 294,377</b>                     |   |  | <b>\$ 257,149</b>                              | <b>\$ 180,699</b>                      |

**MEASURE Q**

| Object   | 2020-2021 Measure Q Request  |
|--|--|
| <p>Fire Station #53 debt service + 10% reserve</p>                                 | <p><b>\$90,806</b> - The United States Department of Agriculture has loaned the City of Morro Bay \$1.5 million to complete construction of the Harbor Street Fire Station. Completing the construction of the fire station has been a Council priority for several years and we celebrated the grand opening in 2013. Additionally, Council has expressed an intent to pay down the USDA debt with proceeds from the sale of the Cloisters property when sold.</p>  |
| <p>Replacement for Engine 5391 with Type 1 Fire Combination Pumper</p>             | <p><b>\$56,250</b> - Fund a 5-year payment schedule for a Fire Apparatus that meets Type 1 Fire Combination Pumper standards to replace Engine 5391. Engine 5391 has been in service in Morro Bay since 1994 and was on the Fire Department's replacement schedule in 2014. The service life was extended 5 years to 2019 due to the performance and testing results of Engine 5391. A (\$275,000) down payment is being funded by the Bertha Shultz Trust with a total price of (\$675,000).</p>  |
| <p>Firefighter Structural and Water Rescue Personal Protection Equipment (PPE)</p> | <p><b>\$26,400</b> - For current firefighters and projected new hires in fulltime and part-time staff, fund up 6 new structure PPE, face and neck hoods, gloves, and structure boots. Also includes helmets, wildland boots, wildland gear, fire shelters, signal layer wildland coats, eye protection, hearing protection and hand protection. To support our water rescue program, scheduled replacements and purchases for fins, wet suits, and rescue belts. All PPE replacements and purchases will follow Cal OSHA, US Coast Guard and National Fire Protection Agency (NFPA) guidelines. All PPE maintenance and repairs are supported in the general fund.</p> |
| <p>Hydraulic Automotive Extrication High Pressure Hose (12 units)</p>              | <p><b>\$3,600</b> – Replace of high-pressure hose</p>  |

MEASURE Q

| Object  | 2019-2020 Measure Q Request   |
|---|---|
| Salaries and benefits - Fire  | <b>\$328,356</b> - Continues funding for vacation relief full-time firefighter Salary (\$81,349), Benefits (\$63,810), vacation relief overtime pay (\$16,341), and overtime to maintain staffing of 3 full-time firefighters (\$128,899), and funding the additional reserve part-time firefighter wage (\$34,506) and benefit (\$3,451) to maintain the council desired and strategic plan recommended 4 firefighters on duty each day.                                   |
| Salaries & Benefits – Police  | <b>\$24,000</b> – Standby pay (\$24,000) This funding allows the police department to have a detective on stand-by at all times (after normal business hours) to respond to emergency callouts.   |
| Body Worn Cameras   | <b>\$25,000</b> – Continued funding for the In Unit and Body Camera contract with Lenslock. This contract will run for the next 3 years with the option to renew or cancel the contract in 2023. In Unit and Body cameras have become imperative for day to day functions.  |
| Police Equipment – Ballistic Vests, Flashlights, Vehicle Radio, Emergency Response kits, Crime Scene Camera | <b>\$12,000</b> – This funding will purchase two (2) ballistic patrol vests for incoming officers, replace patrol flashlights, replace radio communication system in patrol unit#1701 (radio previously salvaged from unit#1101 when placed out of service), replace the Emergency Narcan/Naloxone kits in each patrol vehicle (expire 6/2020), and will support the purchase of a digital crime scene camera to be used in processing/preserving evidence at crime scenes. |
| Payment to other Agency   | <b>\$20,600</b> – Payment to San Luis Obispo (SLO) Sheriff for Bomb, Gang and Narcotic Task force assistance and training and CAD/Data lines.   |
| Pavement Management Program   | <b>\$325,000</b> –Supplemented by SB 1 gas tax money to complete pavement work within the City. SB 1 gas tax supplement includes FY 2019/20 estimated allocation of \$150,000 plus FY 2020/21 estimated allocation of \$165,000.  |
| Total Request   | <b>\$913,287</b>  |



**MEASURE Q**

Consistent with the City’s ongoing accountability and transparency with taxpayer funds and given the nature of uncertainty that surrounds the COVID-19 pandemic, the unknown duration of the Shelter at Home directives, and when businesses will be allowed to open again, as well as the overall duration it will take the economy to recover from the shutdown, staff has provided conservative revenue estimates and budgeted only already committed expenditures such as the body work camera contract expense and fire station debt service loan payments, as well as minimum operational equipment needs that cannot be funded within the City’s general fund and are believed to be essential for operations and the safety of City employees. Both the Police and Fire Departments had additional requests for supplies beyond the capacity of funding at this time, as such unfunded needs lists are provided below for reference and should the economy recover more quickly than expected and/or revenues outpace expectations, these unfunded needs would be recommended for funding during future monthly and quarterly budget reviews.

| <b>Unfunded Police and Fire Needs</b>              |                   |   |
|--|-------------------|---|
| <b>FY 2020/21</b>                                  |                   |   |
|  | <b>Amt</b>        | <b>Additional Information</b>   |
| <b>Police</b>                                      |                   |   |
| Replacement Patrol Vehicle                         | \$ 55,000         | Replacement scheduled for 2020  |
| Patrol Rifles/Shotguns                             | \$ 20,000         | Replacement as needed, some are 15+ years old                                   |
| <b>Total Police</b>                                | <b>\$ 75,000</b>  |   |
| <b>Fire</b>  |                   |   |
| Command Vehicle                                    | \$ 74,880         | Replacement Scheduled in 2016   |
| Wildland PPE/Boots                                 | \$ 7,500          | Mid-Year after Mutual Aid reimbursement   |
| Mechanized Saws (Engine 5392 & 5391)               | \$ 9,270          | 3 Chain Saws and K Saw  |
| OES 38 Mechanized Saws                             | \$ 4,635          | 3 Chain Saws  |
| Automobile Extrication Cutters/Spreaders (8 units) | \$ 36,000         | Oldest Purchsed in 2000, pursuing OES Grant                                     |
| Engine 5391 Nozzels                                | \$ 9,000          | Possible rebuilds can be used, but must purchase a complete set 1st to do that. |
| Engine 5392 Nozzles                                | \$ 9,000          | Possible rebuilds can be used, but must purchase a complete set 1st to do that. |
| Truck 5341 Nozzles                                 | \$ 10,506         | Possible rebuilds can be used, but must purchase a complete set 1st to do that. |
| EOC Mobile Radios/Antennas                         | \$ 62,000         | Secondary Dispatch for all Public Safety and PW                                 |
| Ballistic Helmets/Vests (10 sets)                  | \$ 6,500          | Received on Homeland Security Grant, Helmets Only                               |
| Handheld Radios Fire - Grant Match                 | \$ 4,500          | 10% Match   |
| Structure Gear - Grant Match                       | \$ 23,180         | 10% Match   |
| <b>Total Fire</b>                                  | <b>\$ 256,971</b> |   |
| <b>Total Unfunded Needs</b>                        | <b>\$ 331,971</b> |   |