



CITY OF MORRO BAY

Citizens Oversight Committee

Acting as Citizens Finance Advisory Committee

AGENDA

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.

Regular Meeting

Tuesday, January 21, 2025 - 3:30 PM

Veterans Memorial Hall

209 Surf St., Morro Bay, CA

Stephen Peck	Chair
Michael Erin Woody	Vice-Chair
Jean Johnson	Member
Brian Dorfman	Member
Sarah Love	Member

Pursuant to Assembly Bill 361 (2021-22) and Government Code section 54953 this Meeting will be conducted in a hybrid format with both in-person and virtual public participation. Ways to watch this meeting and submit public comment are provided below.

Public Participation:

Public participation is allowed in the following ways:

- *Community members may attend the meeting in person at the Morro Bay Veterans Hall.*
- *Alternatively, members of the public may watch the meeting and speak during general Public Comment or on a specific agenda item by logging in to the Zoom webinar using the information provided below. Please use the "raise hand" feature to indicate your desire to provide public comment.*

Please click the link below to join the webinar:

- <https://us02web.zoom.us/j/82722747698?pwd=aWZpTzcwTHlRTk9xaTlmWVNWRFUQT09>

Password: 135692

- *Or Telephone Attendee: 1 (408) 638-0968 or 1 (669) 900 6833 or 1 (346) 248 7799; Webinar ID: 827 2274 7698; Password: 135692; Press *9 to "Raise Hand" for Public Comment*

- *Members of the public may watch the meeting either on cable Channel 20 or as streamed on the City [website](#).*
- *Community members are encouraged to submit agenda correspondence in advance of the meeting via email to the CFAC Committee at cfac@morrobayca.gov prior to the meeting. Agenda Correspondence received at cfac@morrobayca.gov by 10 a.m. on the meeting day will be posted on the City website.*

ESTABLISH QUORUM AND CALL TO ORDER

COMMITTEE MEMBER ANNOUNCEMENTS & PRESENTATIONS

- SUBCOMMITTEE UPDATE

BRIEF FINANCE DIRECTOR UPDATE

PUBLIC COMMENT

Members of the audience wishing to address the CFAC on City business matters not on the agenda may do so at this time. For those desiring to speak on items on the agenda, but unable to stay for the item, may also address the CFAC at this time.

A. CONSENT CALENDAR

1. APPROVAL OF MINUTES FOR THE OCTOBER 15, 2024 CITIZENS' OVERSIGHT/FINANCE ADVISORY COMMITTEE MEETING

Recommendation: Approve as submitted.

2. EXCUSED ABSENCE OF CFAC MEMBER SARAH LOVE

Recommendation: Staff recommends the Citizens Finance Advisory Committee (CFAC) approve the request submitted by CFAC committee member Sarah Love to excuse her absence from the January 21, 2025 Regular CFAC meeting.

3. EXCUSED ABSENCE OF CFAC VICE-CHAIR MICHAEL WOODY

Recommendation: Staff recommends the Citizens Finance Advisory Committee (CFAC) approve the request submitted by CFAC Vice-Chair Michael Erin Woody to excuse his absence from the January 21, 2025 Regular CFAC meeting.

B. BUSINESS ITEMS

1. APPOINT A CITIZEN'S FINANCE ADVISORY COMMITTEE (CFAC) MEMBER TO CITY'S WATERFRONT MASTER PLAN ADVISORY COMMITTEE (WMPAC)

RECOMMENDATION: Staff recommends the Citizen's Finance Advisory Committee (CFAC) appoint a CFAC committee member to the City's Waterfront Master Plan Advisory Committee (WMPAC).

2. REVIEW OF FISCAL YEAR (FY) 2023-24 TRANSACTIONS FROM THE COLLECTION OF THE GENERAL-PURPOSE LOCAL SALES TAX, COMMONLY KNOWN AS MEASURE Q/E

RECOMMENDATION: Staff recommends the Citizens Finance Advisory Committee (CFAC)

1. Receive and approve the presentation of FY 2023-24 transactions from the collection of the general-purpose local sales tax, commonly known as Measure Q/E; and
2. Provide input to staff regarding the alignment of current and future Measure Q/E expenditures with City Council priorities with specific recommendations for FY 2025-26 budget development; and
3. Provide input to the Chair or a representative of CFAC regarding the Committee's annual presentation to be delivered to the City Council at a regular meeting before February 28, 2025.

C. FUTURE AGENDA ITEMS

D. SCHEDULE NEXT MEETING
February 18, 2025

E. ADJOURNMENT

THIS AGENDA IS SUBJECT TO AMENDMENT UP TO 72 HOURS PRIOR TO THE DATE AND TIME SET FOR THE MEETING. PLEASE CALL CITY HALL AT 805-772-6201 FOR FURTHER INFORMATION.

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 (805) 772-6205. NOTIFICATION 24 HOURS PRIOR TO THE MEETING WILL ENABLE THE CITY TO MAKE REASONABLE ARRANGEMENTS TO ENSURE ACCESSIBILITY TO THE MEETING.

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MINUTES – CITIZENS FINANCE ADVISORY COMMITTEE
REGULAR MEETING – October 15, 2024
VETERAN'S MEMORIAL HALL – 3:00 p.m.

- MEMBERS PRESENT: Michael Erin Woody Vice-Chairperson
Brian Dorfman Committee Member
Jean Johnson Committee Member
Sarah Love Committee Member
- ABSENT: Stephen Peck Chair
- STAFF PRESENT: Emily Conrad Finance Director
Melissa Green Administrative Programs Manager

ESTABLISH QUORUM AND CALL TO ORDER
<https://youtu.be/hBMutQi4Zas?si=N7ueaGBrhHyrZouq&t=11>
Vice-Chair Woody called the meeting to order at 3:03 p.m. with all but Chair Peck present.

COMMITTEE ANNOUNCEMENTS & PRESENTATIONS
https://youtu.be/hBMutQi4Zas?si=Umj5_Eimu6f1M_9R&t=60

BRIEF FINANCE DIRECTOR UPDATE
<https://youtu.be/hBMutQi4Zas?si=wJLDptfofFbNfQYJ&t=2405>

PUBLIC COMMENT - NONE

- A. CONSENT CALENDAR
https://youtu.be/hBMutQi4Zas?si=toIT73RkHUD5I_0-&t=2653
- A-1 APPROVAL OF MINUTES FOR AUGUST 15, 2024 CITIZENS OVERSIGHT/FINANCE ADVISORY COMMITTEE MEETING

Recommendation: Approve as submitted.

- A-2 APPROVAL OF MINUTES FOR SEPTEMBER 17, 2024 CITIZENS OVERSIGHT/FINANCE ADVISORY COMMITTEE SPECIAL MEETING

Recommendation: Approve as submitted.

- A-3 EXCUSED ABSENCE OF CFAC CHAIR STEVE PECK

Recommendation: Staff recommends the Citizens Finance Advisory Committee (CFAC) approve the request submitted by CFAC Chair Steve Peck to excuse his absence from the October 15, 2024, Regular Citizens Finance Advisory Committee meeting.

MOTION: Member Dorfman moved to approve the consent calendar items A-1 through A-3. The motion was seconded by Member Love and carried 4-0-1, with Chair Peck absent.

B. BUSINESS ITEMS

- B-1 DISCUSSION OF CFAC'S BUDGET DEVELOPMENT APPROACH AND SCHEDULE
<https://youtu.be/hBMutQi4Zas?si=w8da6moQKuv-txe&t=2717>
Finance Director Conrad made a brief presentation and answered Committee Member inquiries.

Public Comment:

None.

No formal action was taken.

- B-2 FY 2023-24 GENERAL FUND AND MEASURE E SALES AND USE TAX – UNAUDITED REVENUE
<https://youtu.be/hBMutQi4Zas?si=KNJ6lmUbKxmZhbWf&t=3018>
Finance Director Conrad presented the report and responded to Committee Member inquiries.

Public Comment:

None.

No formal action was taken.

C. FUTURE AGENDA ITEMS

<https://youtu.be/hBMutQi4Zas?si=CkUMIFF8MRib-ag&t=3885>

Vice-Chair Woody requested that a cost analysis for turning two Police Department part-time positions into full-time positions be included in the next budget development item at the January 2025 meeting.

D. SCHEDULE NEXT MEETING

The next regularly scheduled Citizen's Finance Advisory Committee meeting will be January 21, 2025 at 3:00 pm.

E. ADJOURNMENT

The meeting adjourned at 4:07 p.m.

Recorded by:

Melissa Green
Administrative Programs Manager



AGENDA NO: A-2

MEETING DATE: January 21, 2025

Staff Report

TO: CFAC Chair and Committee Members **DATE:** January 13, 2025
FROM: Melissa Green, Administrative Programs Manager
SUBJECT: Excused Absence of CFAC Committee Member Sarah Love

RECOMMENDATION

Staff recommends the Citizens Finance Advisory Committee (CFAC) approve the request submitted by CFAC Committee Member Sarah Love to excuse her absence from the January 21, 2025, Regular Citizens Finance Advisory Committee meeting.

ALTERNATIVES

The Committee may choose not to excuse the committee members' absence from the January 21, 2025, meeting.

BACKGROUND/DISCUSSION

In April 2022, the Council adopted Resolution No. 39-22, amending the By-Laws for all standing advisory bodies to establish a policy regarding absences. That policy, which is included in the current Advisory Bodies Handbook and By-Laws, states:

"Because of quorum requirements, when an absence is anticipated, the individual advisory body member is responsible for notifying the Chair and the staff responsible a minimum of seven days in advance and the absence shall be counted in that member's attendance record. An advisory body member may include a written request that the absence be excused; said request must be submitted in advance and formally approved at a regular meeting of the advisory body. The unexcused absence from two consecutive regular meetings or twenty-five (25) percent of the regular meetings during any calendar year period shall constitute the resignation of such absent member. An advisory body member determined to have not met the attendance requirements herein may submit a written request to the City Council to have the previous absences excused."

Staff received a request from CFAC Committee Member Sarah Love for Committee consideration to excuse her absence from the January 21, 2025, regular meeting. Member Love is out of the country for a pre-planned trip, which staff accepts as reasonable and warrants Committee consideration. Member Love has no absences in the 2025 calendar year.

CONCLUSION

Staff recommends the Committee approve Member Love's request for an excused absence from the January 21, 2025 Regular Citizens Finance Advisory Committee meeting.

ATTACHMENTS

1. Request for Excused Absence submitted by Committee Member Love
2. Link to [Advisory Bodies Handbook and By-Laws](#)

From: [Sarah Love](#)
To: [Melissa A. Green](#)
Subject: Re: Quorum Check - January 21, 2025 CFAC Meeting
Date: Monday, January 13, 2025 1:13:37 PM

Hi Melissa,

Yes, please. Thank you!

Get [Outlook for iOS](#)

From: Melissa A. Green <magreen@morrobayca.gov>
Sent: Monday, January 13, 2025 1:10:00 PM
To: Sarah Love <slove@morrobayca.gov>
Subject: RE: Quorum Check - January 21, 2025 CFAC Meeting

Hi, Sarah:

Would you like to request an excused absence?

Thanks!

Melissa Green

Administrative Programs Manager

City of Morro Bay | www.morrobayca.gov

From: Sarah Love <slove@morrobayca.gov>
Sent: Thursday, January 9, 2025 11:13 AM
To: Melissa A. Green <magreen@morrobayca.gov>; CFAC <cfac@morrobayca.gov>; Stephen Peck <Steve@PeckPlanning.com>; [REDACTED]; [REDACTED]; [REDACTED]
Cc: Emily Conrad <econrad@morrobayca.gov>
Subject: Re: Quorum Check - January 21, 2025 CFAC Meeting

Happy new year, all! I will be out of the country and unfortunately unable to attend this month's CFAC meeting.

I will have internet access and would like to be engaged in the recommendations to City Council as much as possible. I can attend the meeting on 2/25 if we choose to present on that date.

Thank you,
Sarah

From: Melissa A. Green <magreen@morrobayca.gov>

Sent: Wednesday, January 8, 2025 4:58:16 PM

To: CFAC <cfac@morrobayca.gov>; Stephen Peck <steve@peckplanning.com>;

Cc: Emily Conrad <econrad@morrobayca.gov>

Subject: Quorum Check - January 21, 2025 CFAC Meeting

Good evening,

I hope you all had a lovely holiday season.

It's that time again! Please let me know if you will or will not be attending the January 21st CFAC meeting. This meeting includes the annual review of Q/E expenditures and recommendations to the Chair regarding their presentation to City Council no later than January 31st.

Your attendance is appreciated!

Sincerely,



Melissa Green

Administrative Programs Manager

City of Morro Bay

805-772-6218

magreen@morrobayca.gov

595 Harbor St., Morro Bay, CA 93442

www.morrobayca.gov

Need to book a budget meeting for mid-year? [Click here](#) to schedule time with the budget team.

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AGENDA NO: A-3

MEETING DATE: January 21, 2025

Staff Report

TO: CFAC Chair and Committee Members **DATE:** January 13, 2025
FROM: Melissa Green, Administrative Programs Manager
SUBJECT: Excused Absence of CFAC Vice-Chair Michael Woody

RECOMMENDATION

Staff recommends the Citizens Finance Advisory Committee (CFAC) approve the request submitted by CFAC Vice-Chair Michael Woody to excuse his absence from the January 21, 2025, Regular Citizens Finance Advisory Committee meeting.

ALTERNATIVES

The Committee may choose not to excuse the Vice-Chair's absence from the January 21, 2025, meeting.

BACKGROUND/DISCUSSION

In April 2022, the Council adopted Resolution No. 39-22, amending the By-Laws for all standing advisory bodies to establish a policy regarding absences. That policy, which is included in the current Advisory Bodies Handbook and By-Laws, states:

"Because of quorum requirements, when an absence is anticipated, the individual advisory body member is responsible for notifying the Chair and the staff responsible a minimum of seven days in advance and the absence shall be counted in that member's attendance record. An advisory body member may include a written request that the absence be excused; said request must be submitted in advance and formally approved at a regular meeting of the advisory body. The unexcused absence from two consecutive regular meetings or twenty-five (25) percent of the regular meetings during any calendar year period shall constitute the resignation of such absent member. An advisory body member determined to have not met the attendance requirements herein may submit a written request to the City Council to have the previous absences excused."

Staff received a request from CFAC Vice-Chair Michael Woody for Committee consideration to excuse her absence from the January 21, 2025, regular meeting. Vice-Chair Woody had an unexpected personal commitment arise, which staff accepts as reasonable and warrants Committee consideration. Vice-Chair Woody has no absences in the 2025 calendar year.

CONCLUSION

Staff recommends the Committee approve Vice-Chair Woody's request for an excused absence from the January 21, 2025 Regular Citizens Finance Advisory Committee meeting.

ATTACHMENTS

1. Request for Excused Absence submitted by Vice-Chair Michael Woody
2. Link to [Advisory Bodies Handbook and By-Laws](#)

From: [Michael Erin Woody](#)
To: [Melissa A. Green](#)
Subject: Re: Regarding Remote Attendance at CFAC
Date: Monday, January 13, 2025 3:30:22 PM

CAUTION: This is an external email. Please take care when clicking links or opening attachments.

Hi Melissa

Oh no worries. Yes, please consider this a request for an excused absence.

And yes I'll be liable for cookies at the following meeting...

Michael
Sent from my iPhone

On Jan 13, 2025, at 3:26 PM, Melissa A. Green <magreen@morrobayca.gov> wrote:

Hello,

This is just a follow-up to the voicemail I left you to make sure you receive this information. Dana Swanson informed me that you could not participate in the CFAC meeting via Zoom since there are restrictions under the Brown Act that only permit remote attendance in emergency situations.

As a result, if you will be out of the area, we will have to consider you absent from the meeting. Would you like to request an excused absence?

I'm sorry for giving you false hope regarding Zoom attendance!

Best,



Melissa Green

Administrative Programs Manager

City of Morro Bay

805-772-6218

magreen@morrobayca.gov

595 Harbor St., Morro Bay, CA 93442

www.morrobayca.gov

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year? [Click here](#) to schedule time with the budget team.

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AGENDA NO: B-1

MEETING DATE: January 21, 2025

Staff Report

TO: Chair and Committee Members **DATE:** January 16, 2025

FROM: Airlin Singewald, Community Development Director

SUBJECT: Appoint a Citizen's Finance Advisory Committee (CFAC) member to the City's Waterfront Master Plan Advisory Committee (WMPAC)

RECOMMENDED ACTION

Staff recommends the Citizen's Finance Advisory Committee (CFAC) appoint a CFAC committee member to the City's Waterfront Master Plan Advisory Committee (WMPAC).

ALTERNATIVES

Select a date (in the next 30 days) for a special meeting to appoint a CFAC member to the City's Waterfront Master Plan Advisory Committee (WMPAC).

FISCAL IMPACT

There is no fiscal impact associated with this action.

BACKGROUND/DISCUSSION

The City's Waterfront Master Plan has not been updated since it was first adopted in 1996. The Waterfront Master Plan is a vision for the future development, land use, circulation, and infrastructure for both sides of the Embarcadero from Tidelands Park to Morro Rock.

On October 9, 2024, the California Coastal Commission approved the City's grant application for \$750,000 to update the City's Waterfront Master Plan Update. The estimated timeline to complete the update is November 2026.

At the January 14, 2025 Council meeting, the Council approved the formation of a Waterfront Master Plan Advisory Committee (WMPAC) consisting of community members and local stakeholders to act in an advisory capacity and provide recommendations to the Planning Commission and City Council for consideration. The WMPAC will hold monthly public meetings to provide recommendations on policy and design components on the WMP.

The expected time commitment for WMPAC members is 8 to 12 hours per month for the next 24 months.

ATTACHMENT(S)

None

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AGENDA NO: B-2

MEETING DATE: January 21, 2025

Staff Report

TO: Chair and Committee Members DATE: January 6, 2024

**FROM: Emily Conrad, Finance Director
Melissa Green, Administrative Programs Manager**

SUBJECT: Review of Fiscal Year (FY) 2023-24 Transactions from the Collection of the General-Purpose Local Sales Tax, commonly known as Measure Q/E

RECOMMENDATION:

Staff recommends the Citizens Finance Advisory Committee (CFAC):

- 1) Receive and approve the presentation of FY 2023-24 transactions from the collection of the general-purpose local sales taxes, commonly known as Measure Q/E, and
- 2) Provide input to staff regarding the alignment of current and future Measure Q/E expenditures with City Council priorities with specific recommendations for FY 2025-26 budget development, and
- 3) Provide input to the Chair or a representative of CFAC regarding the Committee's annual presentation to be delivered to the City Council at a regular meeting before February 28, 2025.

BACKGROUND:

In November 2006, the residents of Morro Bay approved a one-half-cent district sales tax, commonly referred to as Measure Q. In November 2020, the residents of Morro Bay approved a one-cent district sales tax, commonly called Measure E. Measure E replaced Measure Q as a total 1.5% local transaction and use tax. It is a general-purpose tax with no sunset date. Throughout this report, the combined Measures and their associated fund will be referred to as Q/E.

Measure Q, approved in 2006, authorized a one-half cent increase in the transaction and use tax 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.

Measure E, a one-cent increase to the transaction and use tax (approved by the Morro Bay voters in November 2020), articulated the following priorities: maintain 24/7 911 public safety emergency response, 24/7 police services, 24/7 paramedic services, health emergency/disaster preparedness; keep beaches, public areas, and public restrooms safe and clean (including the Embarcadero and Harbor); invest in infrastructure; and protect Morro Bay's financial stability and City services.

Both measures included a provision that required an independent annual financial audit and the establishment of an independent citizens' advisory committee to review annual expenditures.

Uses of Q/E

On April 13, 2021, City Council directed staff to implement a streamlined process for allocating Q/E revenues consistent with the revised principles A through D:

- a. Maintain public safety services by funding staff positions most closely aligned with the purposes of Measure Q/E. Expenses include costs associated with Morro Bay Fire Department, Morro Bay Police Department, and Morro Bay Harbor personnel and equipment, in addition to the Fire Headquarter Debt service and the Fire Engine loan repayment;
- b. Maintain or enhance cleanliness and safety of public spaces such as parks, waterfront, and the beach by funding personnel, supplies, expenses, and equipment to support City operations in departments including Public Works Consolidated Maintenance and Harbor Department;
- c. Invest in infrastructure and equipment such as street paving, storm drains, and vehicle replacements that support City services. This priority may include increasing capacity to implement the backlog of unfunded capital projects; and
- d. Ensure the City's financial health by maintaining appropriate reserves to protect against economic downturns, natural/health emergencies, and other unforeseen challenges or opportunities.

FY 2023-24 Measure Q/E Budget

The FY 2023-24 Q/E adopted budget was based on projected revenue of \$4,550,000. This estimate was developed in coordination with the City's sales tax consultant, HdL. The fund also had an estimated fund balance of \$1.2M as of June 30, 2023, and a total adopted expenditure budget of \$5,715,712 in the Q/E Fund for FY 2023-24. The remaining fund balance not already appropriated in prior years was recommended to remain available in case of unforeseen circumstances.

Of the budgeted expenditures, the City Council approved the following major funding allocations at budget adoption:

- \$98,000 for two unmarked police vehicles
- \$350,000 for sidewalk, curb repair, storm drain repair, and street maintenance
- \$72,000 for a harbor patrol response vehicle
- \$67,000 towards the Active Transportation Plan/Active Corridor Studies project
- \$150,000 towards the Local Road Safety Plan Implementation project
- \$60,000 for trash and recycling container replacements
- \$150,000 for sidewalk improvements and street tree replacement project
- \$1,840,000 towards the Annual Pavement Management Program

The Adopted Budget is presented in detail in the Q/E Fund (003) section of the FY 2023-24 Adopted Budget, which can be found online at: <https://city-morro-bay-ca-budget-book.cleargov.com/11742/fund-summaries/measure-q-e-fund>

No midyear budget adjustments were recommended for the Q/E Fund in FY 2023-24.

DISCUSSION:

As part of the ballot language for both Measure Q/E, the City was to establish an independent Citizen's Financial Advisory Committee (CFAC) to review annual expenditures. Per this requirement, staff has compiled the unaudited annual revenues and expenditures with supporting documentation from the City's Finance system for the Committee's review and consideration.

Attachment 1 includes Q/E Fund budget performance reports, detailed transaction reports, and a balance sheet. These reports incorporate all revenues and expenditures posted to the Q/E Fund for FY 2023-24. The data is summarized and analyzed below.

Summary of Fund Performance

As noted, the FY 2023-24 adopted expenditure budget exceeded the adopted revenue budget by \$1,165,712, the intention being to be spend from available fund balance. Fund revenues came in at 99% of budgeted estimates and expenditures were under budget by approximately 6% resulting in actual expenditures exceeding actual revenues by \$830,891.

Table 1. FY 2023-24 Q/E Total Revenues and Expenditures

	Amended Budget	YTD Transactions	Budget - YTD Transactions	% Used/ Rec'd	Prior Year Actuals
REVENUE TOTALS	4,550,000.00	4,519,481.97	30,518.03	99%	4,578,570.08
EXPENSE TOTALS	5,715,712.00	5,350,372.78	365,339.22	94%	5,198,333.92
Grand Totals	(\$1,165,712.00)	(\$830,890.81)	(\$334,821.19)		(\$619,763.84)

Revenues

As shown in Table 2 below, actual Q/E revenues for FY 2023-24 fell just short of projections, generating \$4,509,073 across both measures, which represents 99% of the budgeted revenues. This figure is 1% lower than the actuals from FY 2022-23, confirming the anticipated slowdown in post-pandemic economic activity. Short-term forecasts continue to predict stagnation in tax revenue.

Table 2. FY 2023-24 Q/E Fund Revenues

Account Description	Amended Budget	YTD Transactions	Budget - YTD Transactions	% Used/ Rec'd	Prior Year Actuals
<i>Revenues From Taxes</i>					
Sales Tax City Portion - Burns & Measure Q	.00	2,588.68	(2,588.68)	+++	15,886.04
Sales Tax City Portion - Measure E	4,550,000.00	4,506,483.92	43,516.08	99	4,550,767.62
<i>Revenues From Taxes Totals</i>	\$4,550,000.00	\$4,509,072.60	\$40,927.40	99%	\$4,566,653.66
<i>Revenues From Use of Money & Property</i>					
Interest Income	.00	.00	.00	+++	11,916.42
Gain On Investment	.00	10,409.37	(10,409.37)	+++	.00
<i>Revenues From Use of Money & Property Totals</i>	\$0.00	\$10,409.37	(\$10,409.37)	+++	\$11,916.42
1111 - Undistributed/Non-Dept. Totals	\$4,550,000	\$4,519,482	\$30,518	99%	\$4,578,570

Operating Expenditures by Department

The tables below present the adopted operating budget by Department, actuals, the percent expended, and prior year actuals. Council authorizes budgets by fund and City policy permits individual line items to exceed budget so long as the total expenditures by fund do not exceed the budget without Council-approved budget amendments. The City Manager manages budgets by department, by fund, expecting each department to stay within their allotted budget within each fund. However, the City Manager may authorize overages with justification if the fund remains within budget.

The Police Department (4110) utilized 98% of its overall budgeted Q/E operating funds in FY 2023-24.

Q/E supplements General Fund expenditures for Police personnel, including one Sergeant FTE, two Police Officer FTEs, one Community Services Officer FTE, and two 0.5 FTE part-time positions: a homeless outreach case manager and a retired annuitant for extra help.

Table 3. Police Department FY 2023-24 Q/E Fund Operating Expenditures

	Amended Budget	YTD Transactions	Budget - YTD Transactions	% Used/ Rec'd	Prior Year YTD
<i>Personnel Services Totals</i>	\$695,199.00	\$723,834.56	(\$28,635.56)	104%	\$719,234.50
<i>Supplies Totals</i>	\$19,000.00	\$17,658.16	\$1,341.84	93%	\$15,730.66
<i>Services Totals</i>	\$48,560.00	\$40,323.06	\$8,236.94	83%	\$129,423.06
<i>Capital Outlay Totals</i>	\$98,000.00	\$75,938.56	\$22,061.44	77%	\$12,605.21
<i>Other Expense Totals</i>	\$36,720.00	\$20,690.86	\$16,029.14	56%	\$18,176.30
4110 - Police Department Totals	\$897,479	\$878,445	\$19,034	98%	\$895,170

At the October 15, 2024, regular CFAC meeting, Vice Chair Woody requested a cost analysis to show the impact of converting the two part-time Police Department positions to full-time positions. The analysis below assumes that both positions would be placed in the existing Property Evidence Clerk salary range with the Homeless Community Outreach position at Step 4 and the Property Evidence Clerk position at Step 2, consistent with current wages. The total impact to Q/E would be approximately \$104,703 in year one, increasing by at least 5% in year two due to approved bargaining agreements.

ESTIMATED FY 2025-26 TOTAL COST (FULL-TIME)

Position	Step	Wages	Total Benefits	Proposed Annual Cost
Homeless Community Outreach and Property Evidence Clerk	1	61,318	40,808	102,126
	2	64,355	41,797	106,152
	3	67,600	42,854	110,454
	4	70,990	43,958	114,948
	5	74,547	45,117	119,664

ESTIMATED FY 2025-26 TOTAL COST (PART-TIME)

Homeless Community Outreach		Wages	Total Benefits	Total Wages
PT Salary (0.5 FTE) - \$30/hr + OT		51,597	1,942	53,539
Property Evidence Clerk	Step	Wages	Total Benefits	Total Wages
PT Salary (0.75 FTE)	1	48,266	14,592	62,858

BUDGET IMPACT

Budget Impact - Homeless Community Outreach					Budget Impact - Property Evidence Clerk				
Step 1	Step 2	Step 3	Step 4	Step 5	Step 1	Step 2	Step 3	Step 4	Step 5
48,586	52,613	56,915	61,409	66,125	39,268	43,294	47,596	52,090	56,806

The Fire Department (4210) utilized 90% of its overall budgeted Q/E operating funds in FY 2023-24.

Q/E supplements General Fund expenditures for Fire personnel to allow the City to uphold the 2007 standard to maintain 4-person staffing per the Emergency Services Ad-Hoc Committee report and Fire Department Strategic Plan.

Table 4. Fire Department FY 2023-24 Q/E Fund Operating Expenditures

	Amended Budget	YTD Transactions	Budget - YTD Transactions	% Used/ Rec'd	Prior Year YTD
<i>Personnel Services Totals</i>	\$952,439.00	\$855,660.74	\$96,778.26	90%	\$898,465.42
4210 - Fire Department Totals	\$952,439	\$855,661	\$96,778	90%	\$898,465

Public Works (5205) utilized 73% of its overall budgeted Q/E operating funds in FY 2023-24.

Q/E supplements General Fund expenditures for Public Works personnel, including one FTE Associate Engineer position and 0.25 FTE of a new Senior Civil Engineer position, both of whom help implement critical City capital improvement projects consistent with Q/E funding priorities.

Table 5. Public Works FY 2023-24 Q/E Fund Operating Expenditures

	Amended Budget	YTD Transactions	Budget - YTD Transactions	% Used/ Rec'd	Prior Year YTD
<i>Personnel Services Totals</i>	\$202,907.00	\$178,299.01	\$24,607.99	88%	\$122,479.15
<i>Services Totals</i>	\$40,000.00	\$20.00	\$39,980.00	0%	\$0.00
5205 - Public Works Totals	\$242,907	\$178,319	\$64,588	73%	\$122,479

Consolidated Maintenance (5215) utilized 82% of its overall budgeted Q/E operating funds in FY 2023-24.

This funding supported two Consolidated Maintenance Worker FTEs, one Maintenance Division Manager FTE, and the part-time maintenance program. Consolidated maintenance staffing will continue to enhance the cleanliness of waterfront, embarcadero, public restrooms, and parks. The services budget supported city-wide calls for projects and the Fire Department cistern plumbing repairs.

Table 6. Consolidated Maintenance FY 2023-24 Q/E Fund Operating Expenditures

	Amended Budget	YTD Transactions	Budget - YTD Transactions	% Used/ Rec'd	Prior Year YTD
<i>Personnel Services Totals</i>	\$433,823.00	\$330,603.08	\$103,219.92	76%	\$314,177.54
<i>Services Totals</i>	\$70,000.00	\$62,093.17	\$7,906.83	89%	\$25,400.00
<i>Insurance Totals</i>	\$0.00	\$506.00	(\$506.00)	+++	\$0.00
<i>Capital Outlay Totals</i>	\$0.00	\$20,100.37	(\$20,100.37)	+++	\$0.00
5215 - Consolidated Maintenance Totals	\$503,823	\$413,303	\$90,520	82%	\$339,578

Street Maintenance (5230) utilized 96% of its overall budgeted Q/E operating funds in FY 2023-24.

Table 7. Street Maintenance FY 2023-24 Q/E Fund Operating Expenditures

	Amended Budget	YTD Transactions	Budget - YTD Transactions	% Used/ Rec'd	Prior Year YTD
<i>Services Totals</i>	\$350,000.00	\$273,612.89	\$76,387.11	78%	\$32,325.00
<i>Capital Outlay Totals</i>	\$0.00	\$61,115.50	(\$61,115.50)	+++	\$0.00
5230 - Street Maintenance Totals	\$350,000	\$334,728	\$15,272	96%	\$32,325

The Harbor Department (6510) utilized 64% of its overall budgeted Q/E operating funds in FY 2023-24.

All Harbor part-time staffing is funded by Q/E. The reserve and lifeguard programs allow the Harbor Department to maintain current service levels to keep the harbor beaches safe and clean, and to maintain emergency 911 response. Q/E also funds harbor trash disposal along the waterfront and embarcadero.

The \$72,000 Harbor Patrol response vehicle was purchased as planned; however, to properly capitalize that Harbor Fund asset, the purchase needed to be made from the Harbor Fund—not Q/E (a general fund). As a result, the expenditure posted to the Harbor Fund using the revenue from an interfund transfer out of Q/E, which is reflected in the Transfers Out section on page 7 below.

Table 8. Harbor Department FY 2023-24 Q/E Fund Operating Expenditures

	Amended Budget	YTD Transactions	Budget - YTD Transactions	% Used/ Rec'd	Prior Year YTD
<i>Personnel Services Totals</i>	\$79,270.00	\$48,639.25	\$30,630.75	61%	\$53,828.10
<i>Services Totals</i>	\$114,292.00	\$122,030.15	(\$7,738.15)	107%	\$79,855.88
<i>Capital Outlay Totals</i>	\$72,000.00	\$0.00	\$72,000.00	0%	\$0.00
6510 – Harbor Department Totals	\$265,562	\$170,669	\$94,893	64%	\$133,684

Harbor Lifeguards (6511) utilized 86% of its overall budgeted Q/E operating funds in FY 2023-24.

Table 9. Harbor Lifeguards FY 2023-24 Q/E Fund Operating Expenditures

	Amended Budget	YTD Transactions	Budget - YTD Transactions	% Used/ Rec'd	Prior Year YTD
<i>Personnel Services Totals</i>	\$90,968.00	\$76,302.38	\$14,665.62	84%	\$84,732.30
<i>Services Totals</i>	\$3,300.00	\$4,663.02	(\$1,363.02)	141%	\$1,056.51
5230 - Street Maintenance Totals	\$94,268	\$80,965	\$13,303	86%	\$85,789

Transfers Out

Interfund Transfers

The Q/E Fund contributed \$92,234 for its share of IT equipment and services, pursuant to the City’s Cost Allocation Plan. In addition, \$72,000 was transferred to the Harbor Capital Improvement Fund to support the budgeted purchase of a Harbor Patrol response vehicle.

Transfers to Capital Improvement Projects

The Adopted FY 2023-24 Q/E budget included \$2,267,000 in contributions to Capital Improvement Projects. These projects included the Active Transportation Plan/Active Corridor Studies project, the Local Road Safety Plan Implementation and Safety Improvements project, Trash and Recycling Enclosure Replacements, Sidewalk Improvements and Street Tree Replacements project, and the Annual Pavement Management Program.

Table 10. Interfund Transactions FY 2023-24 Q/E Fund Operating Expenditures

	Amended Budget	YTD Transactions	Budget - YTD Transactions	% Used/ Rec'd	Prior Year YTD
<i>Transfers Out</i>	92,234.00	164,234.00	(72,000.00)	178	.00
<i>Transfer To General Fund</i>	.00	.00	.00	+++	240,000.00
<i>TRFR To Capital Imp Fund</i>	2,267,000.00	2,267,000.00	.00	100	2,514,000.00
7710 - Interfund Transactions Totals	\$2,359,234.00	\$2,431,234.00	(\$72,000.00)	103%	\$2,754,000.00

Attachment 1 includes Q/E-funded capital improvement project budget performance reports and accumulated transaction reports. These reports incorporate all revenues and expenditures posted to Q/E-funded capital improvement projects for FY 2023-24. The data is summarized below. Any unspent capital funds are carried forward for use in the next fiscal year.

A member of the Public Works team may be available to provide project status updates for each Q/E-funded project.

Table 11. Active Transportation Plan FY 2023-24 Q/E Fund Expenditures

Account	Account Description	Amended Budget	YTD Transactions	Budget - YTD Transactions	% Used/ Rec'd	Prior Year YTD
REVENUE						
3801	Transfers In	.00	67,000	(67,000)	+++	.00
3820	Trans. From Special Rev.	.00	13,000	(13,000)	+++	.00
REVENUE TOTALS		\$0.00	\$80,000	(\$80,000)	+++	\$0.00
EXPENSE						
6106	Contractual Services	80,000	.00	80,000	0	.00
EXPENSE TOTALS		\$80,000	\$0.00	\$80,000	0%	\$0.00
8032 - ActiveTranspPlan/ CorridorStudies Totals		(\$80,000)	\$80,000	(\$160,000)	-100%	\$0.00

Table 12. Local Roadway Safety Plan FY 2023-24 Q/E Fund Expenditures

Acct	Account Description	Amended Budget	YTD Transactions	Budget - YTD Transactions	% Used/ Rec'd	Prior Year YTD
REVENUE						
3370	State Grant Capital Impv	.00	40,000	(40,000)	+++	.00
3801	Transfers In	.00	150,000	(150,000)	+++	10,000
3820	Trans. From Special Rev.	.00	47,000	(47,000)	+++	35,000
REVENUE TOTALS		\$.00	\$237,000	(\$237,000)	+++	\$45,000
EXPENSE						
6104	Engineering Services	132,000	74,949	57,051	57	.00
6106	Contractual Services	150,000	4,636	145,364	3	.00
EXPENSE TOTALS		\$282,000	\$79,586	\$202,414	28%	\$.00
8045 - Local Roadway Safety Plan (LRSP) Totals		(\$282,000)	\$157,414	(\$439,414)	-56%	\$45,000

Table 13. Annual Pavement Management Program FY 2023-24 Q/E Fund Expenditures

Acct	Account Description	Amended Budget	YTD Transactions	Budget - YTD Transactions	% Used/ Rec'd	Prior Year YTD
REVENUE						
3302	Federal Grant Public Svc	.00	396,541	(396,541)	+++	.00
3801	Transfers In	.00	.00	.00	+++	745,494
3802	Intrafund Rev. Transfers	.00	.00	.00	+++	1,380,000
3820	Trans. From Special Rev.	1,840,000	1,840,000	.00	100	.00
REVENUE TOTALS		1,840,000	2,236,541	(396,541)	122%	2,125,494
EXPENSE						
6104	Engineering Services	20,000	94,385	(74,385)	112	.00
6105	Consulting Services	86,102	7,651	78,451	9	12,554
6106	Contractual Services	3,521,827	358,349	3,163,479	10	1,250,443
EXPENSE TOTALS		3,627,929	460,385	3,167,544	11%	1,262,997
Department 9614 - Pavement Management Program Totals		(1,787,929)	1,776,156	(3,564,085)	-103%	862,497

Table 14. Sidewalk Improvements/Street Tree Replacements FY 2023-24 Q/E Fund Expenditures

Account	Account Description	Amended Budget	YTD Transactions	Budget - YTD Transactions	% Used/ Rec'd	Prior Year YTD
REVENUE						
3801	Transfers In	.00	150,000	(150,000)	+++	.00
REVENUE TOTALS		.00	150,000	(150,000)	+++	.00
EXPENSE						
6106	Contractual Services	150,000	.00	150,000	0	.00
EXPENSE TOTALS		150,000	.00	150,000	0%	.00
9827 - Sidewalk Imprv&Street Tree Repl Totals		(150,000)	150,000	(300,000)	-100%	.00

Table 14. Trash/Recycling Enclosure Replacements FY 2023-24 Q/E Fund Expenditures

Account	Account Description	Amended Budget	YTD Transactions	Budget - YTD Transactions	% Used/ Rec'd	Prior Year YTD
REVENUE						
3801	Transfers In	.00	60,000	(60,000)	+++	.00
REVENUE TOTALS			60,000	(60,000)	+++	
EXPENSE						
7302	Equipment Acquisition	60,000	.00	60,000	0	.00
EXPENSE TOTALS			60,000	.00	0%	.00
9906 - Trash Enclosures Totals		(60,000)	60,000	(120,000)	-100%	.00

Year-End Fund Balance

The projected year-end fund balance at the time of FY 2023-24 Budget adoption, based on estimated FY 2022-23 transactions and FY 2023-24 budgeted transactions was \$86,000. The actual (unaudited) year-end fund balance as of June 30, 2024 is \$450,998.

CONCLUSION

Staff recommends that CFAC approve the FY 2023-24 transactions from Q/E revenues collected after reviewing the Q/E detailed transactions.

After reviewing the FY 2023-24 use of Q/E funds, CFAC may wish to revisit Council’s priorities and provide input to staff regarding the alignment of current and future Q/E spending with those priorities. Furthermore, CFAC may wish to use this time to provide preliminary recommendations to staff regarding FY 2025-26 budget development.

The CFAC Chair or designee will present to City Council at a regular meeting before February 28, 2025 regarding CFAC’s review of Q/E for FY 2023-24. The other members of the Committee may wish to provide input to the Chair or designee regarding the presentation.

ATTACHMENTS

1. Link to Q/E (Fund 003) and Q/E-Funded CIP (Fund 915) Budget Performance Reports, Accumulated Transactions Listings, and Q/E Fund 003 Balance Sheet through June 30, 2024.
 - a. <https://www.morrobayca.gov/DocumentCenter/View/19819/Q-E-FY-2023-24-Year-End-Worksheets>
2. Figures Showing Budgeted Q/E Expenditures by Department (1) and Object (2)
3. Staff Presentation

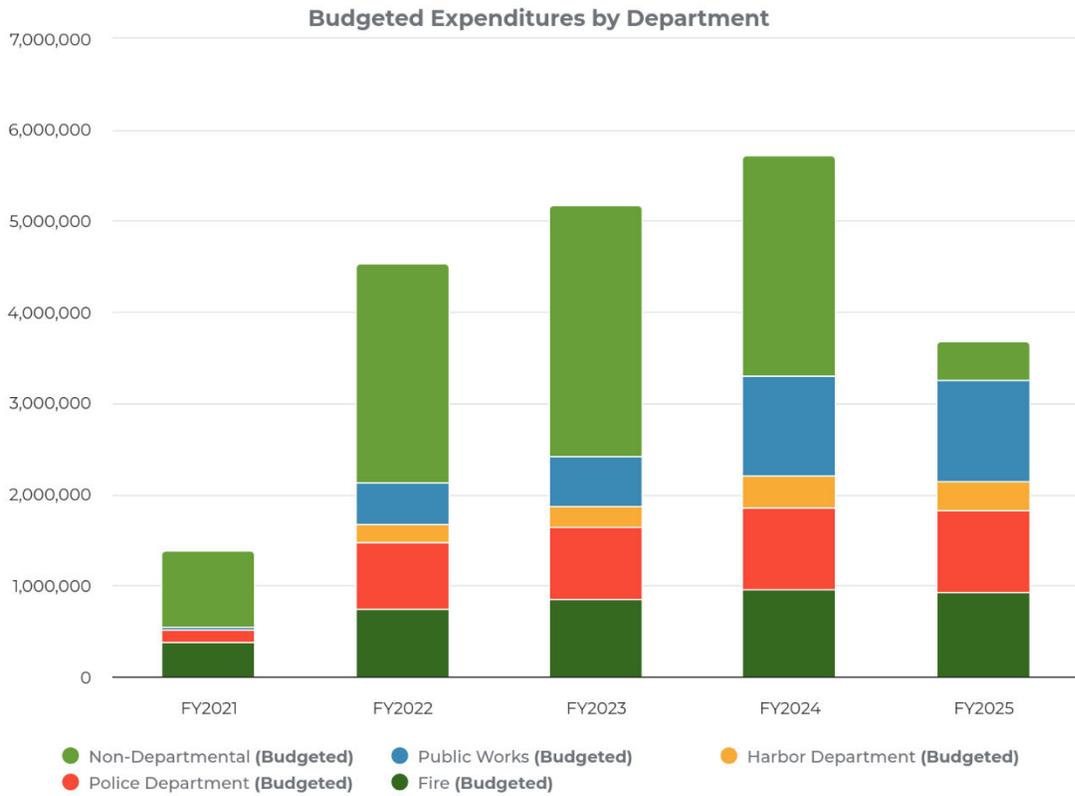


Figure 1 – Q/E Budgeted Expenditures by Dept

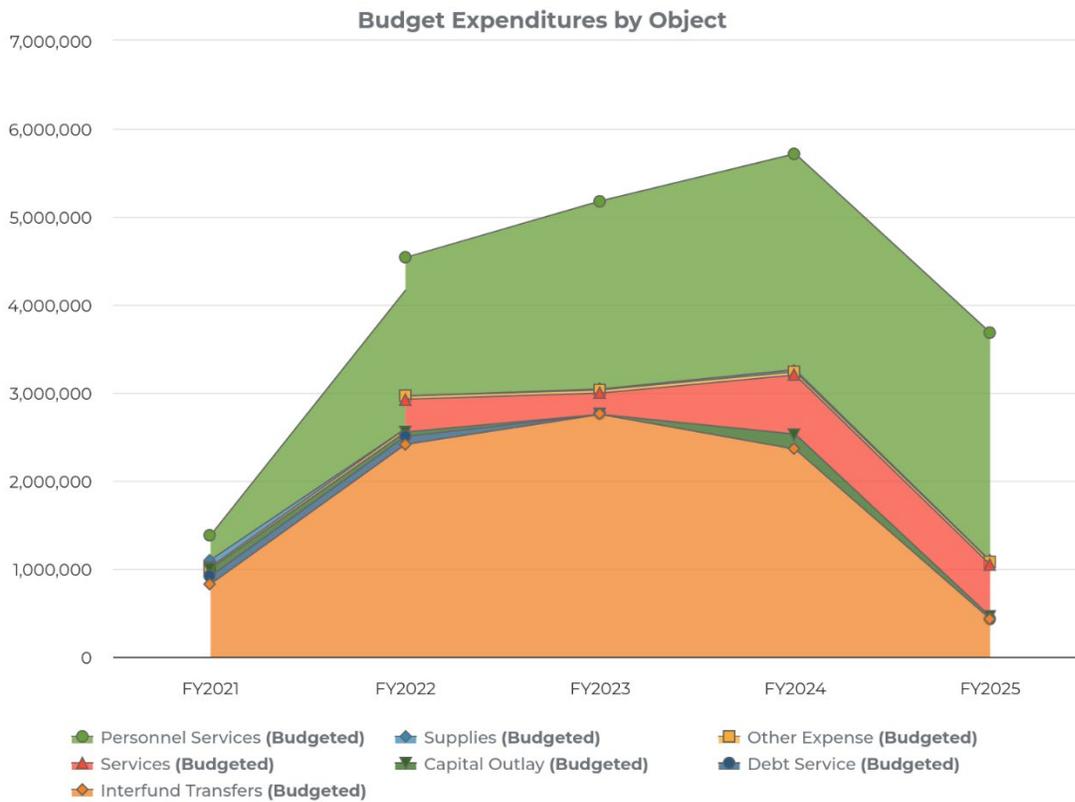


Figure 2 – Q/E Budgeted Expenditures by Object

Citizens' Finance Advisory Committee Meeting

January 21, 2025
3:30pm



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Item B-2: Review of Q/E Expenditures for FY 2023-24



2

2



Background

- Measure Q – ½ cent transaction and use tax (2006)
- Measure E – 1 cent transaction and use tax (2020)
- Requires an independent finance advisory committee to review expenditures

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Use of Funds

- General purpose taxes with defined priorities
- April 13, 2021 – Council directed:
 - Maintain **public safety services** by funding staff positions that are most closely aligned with the purposes of the Measures Q and E. Expenses include costs associated with Morro Bay Fire Department, Morro Bay Police Department and Morro Bay Harbor personnel and equipment, in addition to the Fire Headquarter Debt service and the Fire Engine loan repayment;
 - Maintain or enhance **cleanliness and safety of public space such as parks, waterfront and the beach** by funding personnel, supplies, expenses and equipment to support City operations in departments including Public Works Consolidated Maintenance and Harbor Department;
 - Invest in **infrastructure and equipment** such as street paving, storm drains, and vehicle replacements that support City services. This priority may include increasing capacity to implement the backlog of unfunded capital projects; and
 - Ensure **financial health of the City** by maintaining appropriate reserves to protect against economic downturns, natural/health emergencies and other unforeseen challenges or opportunities.

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FY 2023-24 Budget

Adopted Budget

- Revenues: \$4,550,000
- Expenditures: \$5,715,712
 - \$98,000 for two unmarked police vehicles
 - \$350,000 for sidewalk, curb repair, storm drain repair, and street maintenance
 - \$72,000 for a harbor patrol response vehicle
 - \$67,000 towards the Active Transportation Plan/Active Corridor Studies project
 - \$150,000 towards the Local Road Safety Plan Implementation project
 - \$60,000 for trash and recycling container replacements
 - \$150,000 for sidewalk improvements and street tree replacement project
 - \$1,840,000 towards the Annual Pavement Management Program

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Total Revenues & Expenditures

- 99% of budgeted revenues were received
- 94% of budgeted expenditures were spent
- \$830,891 was reduced from fund balance (unaudited numbers)

	Amended Budget	YTD Transactions	Balance	% Used/ Rec'd	Prior Year Actuals
Revenue Totals	4,550,000.00	4,519,481.97	30,518.03	99%	4,578,570.08
Expense Totals	5,715,712.00	5,350,372.78	322,155.39	94%	5,198,333.92
Grand Totals	(\$1,165,712.00)	(\$830,890.81)	(\$291,637.36)		(\$619,763.84)

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Police Dept. Expenditures

	Amended Budget	YTD Transactions	Budget - YTD Transactions	% Used/ Rec'd	Prior Year YTD
Regular Pay	343,848.00	369,133.24	(25,285.24)	107	364,499.76
Overtime Pay	10,000.00	35,032.90	(25,032.90)	350	36,897.60
Part-Time Pay	41,064.00	9,063.77	32,000.23	22	.00
Standby Pay	8,007.00	14,366.53	(6,359.53)	179	30,410.99
Other Pay	38,465.00	28,462.00	10,003.00	74	21,717.77
Employer Paid Benefits	79,547.00	78,174.24	1,372.76	98	136,043.03
Pension Normal Cost	47,768.00	51,810.68	(4,042.68)	108	47,536.66
PERS Unfunded Accrued Liability	91,849.00	103,140.00	(11,291.00)	112	82,128.69
Workers' Compensation	34,651.00	34,651.20	(.20)	100	.00
Personnel Services Totals	\$695,199.00	\$723,834.56	(\$28,635.56)	104%	\$719,234.50

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Police Dept. Expenditures, Continued

	Amended Budget	YTD Transactions	Budget - YTD Transactions	% Used/ Rec'd	Prior Year YTD
Personnel Services Totals	695,199.00	723,834.56	(28,635.56)	104	719,234.50
Machinery/Equip/Supplies	19,000.00	17,658.16	1,341.84	93	15,730.66
Contractual Services	20,000.00	13,250.00	6,750.00	66	102,350.00
Maintenance Contracts	28,560.00	27,073.06	1,486.94	95	27,073.06
Automobiles	98,000.00	75,938.56	22,061.44	77	.00
Payment to Other Agency	36,720.00	20,690.86	16,029.14	56	18,176.30
	\$897,479.00	\$878,445.20	\$19,033.80	98%	\$895,169.73

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Fire Dept. Expenditures

	Amended Budget	YTD Transactions	Budget - YTD Transactions	% Used/ Rec'd	Prior Year YTD
Regular Pay	404,765.00	407,460.01	(2,695.01)	101	358,430.53
Overtime Pay	98,223.00	123,671.64	(25,448.64)	126	151,189.27
Part-Time Pay	121,440.00	59,780.74	61,659.26	49	78,648.50
Other Pay	29,326.00	20,448.20	8,877.80	70	21,430.03
Employer Paid Benefits	86,110.00	64,667.18	21,442.82	75	154,014.74
Pension Normal Cost	71,125.00	61,601.59	9,523.41	87	49,390.28
PERS Unfunded Accrued Liability	106,799.00	82,080.00	24,719.00	77	83,462.07
Workers' Compensation	34,651.00	34,651.38	(.38)	100	.00
Telephone (Cell Phone Reimb)	.00	1,300.00	(1,300.00)	+++	1,900.00
	\$952,439.00	\$855,660.74	\$96,778.26	90%	\$898,465.42

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Public Works Expenditures

	Amended Budget	YTD Transactions	Budget - YTD Transactions	% Used/ Rec'd	Prior Year YTD
Regular Pay	128,702.00	123,787.96	4,914.04	96	79,034.06
Overtime Pay	.00	1,299.33	(1,299.33)	+++	.00
Other Pay	5,259.00	1,448.05	3,810.95	28	1,443.26
Employer Paid Benefits	25,988.00	24,464.12	1,523.88	94	19,751.03
Pension Normal Cost	14,211.00	9,388.55	4,822.45	66	5,773.61
PERS Unfunded Accrued Liability	26,912.00	16,076.00	10,836.00	60	16,477.19
Workers' Compensation	1,835.00	1,835.00	.00	100	.00
Contractual Services	40,000.00	.00	40,000.00	0	.00
Telephone (Cell Phone Reimb)	.00	20.00	(20.00)	+++	.00
	\$242,907.00	\$178,319.01	\$64,587.99	73%	\$122,479.15

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Consolidated Maintenance Expenditures

	Amended Budget	YTD Transactions	Budget - YTD Transactions	% Used/ Rec'd	Prior Year YTD
Regular Pay	208,817.00	193,000.24	15,816.76	92	186,321.60
Overtime Pay	2,500.00	1,888.17	611.83	76	1,604.14
Part-Time Pay	80,388.00	15,550.00	64,838.00	19	1,120.00
Other Pay	10,947.00	5,856.74	5,090.26	54	11,533.44
Employer Paid Benefits	66,389.00	50,759.56	15,629.44	76	57,029.78
Pension Normal Cost	15,924.00	16,061.37	(137.37)	101	13,571.15
PERS Unfunded Accrued Liability	43,352.00	41,981.00	1,371.00	97	42,997.43
Workers' Compensation	5,506.00	5,506.00	.00	100	.00
Contractual Services	70,000.00	62,093.17	7,906.83	89	25,400.00
Unemployment Insurance	.00	506.00	(506.00)	+++	.00
Other Maintenance Vehicle	.00	20,100.37	(20,100.37)	+++	.00
	\$503,823.00	\$413,302.62	\$90,520.38	82%	\$339,577.54

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Street Maintenance Expenditures

	Amended Budget	YTD Transactions	Budget - YTD Transactions	% Used/ Rec'd	Prior Year YTD
Consulting Services	.00	.00	.00	+++	.00
Contractual Services	350,000.00	273,612.89	76,387.11	78	32,325.00
Equipment Acquisition	.00	61,115.50	(61,115.50)	+++	.00
	\$350,000.00	\$334,728.39	\$15,271.61	96%	\$32,325.00

Using available budget savings, a mini excavator was purchased for street repairs, ditch cleaning, stump and tree removal, and parking lot maintenance. Prior to this purchase, the Maintenance Division did not have an excavator or backhoe to perform this work and relied on borrowed equipment from other divisions or third-party contractors at higher cost.

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Harbor Dept. Expenditures

	Amended Budget	YTD Transactions	Budget - YTD Transactions	% Used/ Rec'd	Prior Year YTD
Regular Pay	.00	480.02	(480.02)	+++	.00
Overtime Pay	.00	1,086.01	(1,086.01)	+++	1,651.88
Part-Time Pay	73,980.00	45,687.02	28,292.98	62	50,151.97
Employer Paid Benefits	5,290.00	1,386.20	3,903.80	26	2,024.25
Disposal	114,292.00	122,030.15	(7,738.15)	107	79,855.88
Automobiles	72,000.00	.00	72,000.00	0	.00
	\$265,562.00	\$170,669.40	\$94,892.60	64%	\$133,683.98

Automobile purchase posted to Harbor Capital Projects Fund to ensure proper capitalization of the asset. A transfer out from Q/E to the Harbor CIP fund was made in lieu of the direct purchase (see Interfund Transfers).

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Harbor Dept. Beach Lifeguards Expenditures

	Amended Budget	YTD Transactions	Budget - YTD Transactions	% Used/ Rec'd	Prior Year YTD
Overtime Pay	3,000.00	2,344.08	655.92	78	2,148.00
Part-Time Pay	82,098.00	71,802.46	10,295.54	87	78,035.89
Employer Paid Benefits	5,870.00	2,155.84	3,714.16	37	4,548.41
First Aide Supplies	500.00	.00	500.00	0	.00
Uniforms/Safety Equip.	2,000.00	3,541.52	(1,541.52)	177	214.28
Misc Operating Supplies	800.00	1,121.50	(321.50)	140	842.23
	\$94,268.00	\$80,965.40	\$13,302.60	86%	\$85,788.81

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Non-Dept & Interfund Transfer Expenditures

	Amended Budget	YTD Transactions	Budget - YTD Transactions	% Used/ Rec'd	Prior Year YTD
Employer Paid Benefits	.00	(153.40)	153.40	+++	(67,586.21)
Contractual Services	50,000.00	7,202.00	42,798.00	14	.00
	\$50,000.00	\$7,048.60	\$42,951.40	14%	(\$67,586.21)

	Amended Budget	YTD Transactions	Budget - YTD Transactions	% Used/ Rec'd	Prior Year YTD
Transfers Out	92,234.00	164,234.00	*(72,000.00)	178	.00
Transfer To General Fund	.00	.00	.00	+++	240,000.00
TRFR To Capital Imp Fund	2,267,000.00	2,267,000.00	.00	100	2,514,000.00
	\$2,359,234.00	\$2,431,234.00	(\$72,000.00)	103%	\$2,754,000.00

*\$72,000 transfer out to the Harbor CIP fund for the purchase of the harbor patrol vehicle.

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Active Transportation Plan/ Corridor Studies

	Amended Budget	YTD Transactions	Budget - YTD Transactions	% Used/ Rec'd	Prior Year YTD
REVENUE					
Transfers In	.00	67,000.00	(67,000.00)	+++	.00
Trans from Special Rev	.00	13,000.00	(13,000.00)	+++	.00
REVENUE TOTALS	\$0.00	\$80,000.00	(\$80,000.00)	+++	\$0.00
EXPENSE					
Contractual Services	80,000.00	.00	80,000.00	0	.00
EXPENSE TOTALS	\$80,000.00	\$0.00	\$80,000.00	0%	\$0.00

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Local Roadway Safety Plan

	Amended Budget	YTD Transactions	Budget - YTD Transactions	% Used/ Rec'd	Prior Year YTD
REVENUE					
State Grant Cap Imp	.00	40,000.00	(40,000.00)	+++	.00
Transfers In	.00	150,000.00	(150,000.00)	+++	10,000.00
Trans from Special Rev	.00	47,000.00	(47,000.00)	+++	35,000.00
REVENUE TOTALS	\$0.00	\$237,000.00	(\$237,000.00)	+++	\$45,000.00
EXPENSE					
Engineering Services	132,000.00	74,949.29	57,050.71	57	.00
Contractual Services	150,000.00	4,636.45	145,363.55	3	.00
EXPENSE TOTALS	\$282,000.00	\$79,585.74	\$202,414.26	28%	\$0.00

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Annual Pavement Management Program

	Amended Budget	YTD Transactions	Budget - YTD Transactions	% Used/ Rec'd	Prior Year YTD
REVENUE					
Federal Grant Public Svc	.00	396,540.74	(396,540.74)	+++	.00
Transfers In	.00	.00	.00	+++	745,493.82
Intrafund Rev Transfers	.00	.00	.00	+++	1,380,000.00
Trans. From Special Rev.	1,840,000.00	1,840,000.00	.00	100	.00
REVENUE TOTALS	1,840,000.00	2,236,540.74	(396,540.74)	122%	2,125,493.82
EXPENSE					
Engineering Services	20,000.00	94,385.00	(74,385.00)	112	.00
Consulting Services	86,102.09	7,651.25	78,450.84	9	12,553.91
Contractual Services	3,521,827.18	358,348.67	3,163,478.51	10	1,250,442.82
EXPENSE TOTALS	3,627,929.27	460,384.92	3,167,544.35	11%	1,262,996.73

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Sidewalk Improvement & Street Tree Replacements

	Amended Budget	YTD Transactions	Budget - YTD Transactions	% Used/ Rec'd	Prior Year YTD
REVENUE					
Transfers In	.00	150,000.00	(150,000.00)	+++	.00
REVENUE TOTALS	\$0.00	\$150,000.00	(\$150,000.00)	+++	\$0.00
EXPENSE					
Contractual Services	150,000.00	.00	150,000.00	0	.00
EXPENSE TOTALS	\$150,000.00	\$0.00	\$150,000.00	0%	\$0.00

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Trash & Recycle Enclosures

	Amended Budget	YTD Transactions	Budget - YTD Transactions	% Used/ Rec'd	Prior Year YTD
REVENUE					
Transfers In	.00	60,000.00	(60,000.00)	+++	.00
REVENUE TOTALS	\$0.00	\$60,000.00	(\$60,000.00)	+++	\$0.00
EXPENSE					
Equipment Acquisition	60,000.00	.00	60,000.00	0	.00
EXPENSE TOTALS	\$60,000.00	\$0.00	\$60,000.00	0%	\$0.00

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Year-End Fund Balance

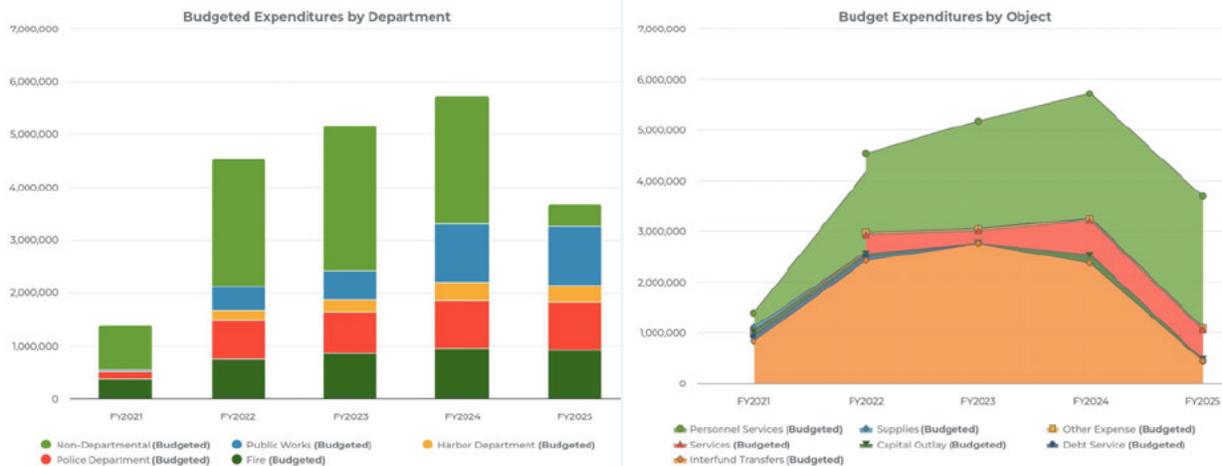
Starting Fund Balance:	\$1,325,073
Total Revenue Earned thru 6/30/2024:	<u>\$4,519,482</u>
Total Adjusted Fund Balance:	\$5,844,555
Total Expenditures:	\$5,350,373
Balance Sheet Activity:	<u>\$43,184</u>
Total Use of Funds:	\$5,393,557
Unaudited Ending Fund Balance:	\$450,998

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Budgeted & Historical Expenditures by Department



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Measure E Priorities

- Maintain **public safety services** by funding staff positions that are most closely aligned with the purposes of Measures Q and E. Expenses include costs associated with Morro Bay Fire Department, Morro Bay Police Department, and Morro Bay Harbor personnel and equipment, in addition to the Fire Headquarter Debt service and the Fire Engine loan repayment;
- Maintain or enhance **cleanliness and safety of public spaces such as parks, waterfront, and the beach** by funding personnel, supplies, expenses, and equipment to support City operations in departments including Public Works Consolidated Maintenance and Harbor Department;
- Invest in **infrastructure and equipment** such as street paving, storm drains, and vehicle replacements that support City services. This priority may include increasing capacity to implement the backlog of unfunded capital projects; and
- Ensure **the City's financial health** by maintaining appropriate reserves to protect against economic downturns, natural/health emergencies, and other unforeseen challenges or opportunities.

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Staff Recommendation

Staff recommends that the Committee:

- 1) Receive and approve the presentation of FY 2023-24 transactions from the collection of the general-purpose local sales taxes, commonly known as Measure Q/E, and
- 2) Provide input to Staff regarding the alignment of current and future Measure Q/E expenditures with City Council priorities with specific recommendations for FY 2025-26 budget development, and
- 3) Provide input to the Chair or a representative of CFAC regarding the Committee's annual presentation to be delivered to the City Council in February 2025.

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