



CITY COUNCIL MEETING
AGENDA SUMMARY

Tuesday, June 11, 2024, 5:00 p.m.

In person at:

Arroyo Grande City Council Chambers
215 E. Branch Street, Arroyo Grande, CA 93420

AND via Zoom at:

<https://us02web.zoom.us/j/86752345420>

Please click the link above to join the Zoom Meeting:

Webinar ID: 867 5234 5420

Or by Telephone: 1-669-900-6833; 1-346-248-7799

This City Council meeting is being conducted in a hybrid in-person/virtual format. Members of the public may participate and provide public comment on agenda items during the meeting in person at the location identified above, by joining the Zoom meeting, or by submitting written public comments to the Clerk of the Council at publiccomment@arroyogrande.org. Meetings will be broadcast live on Channel 20 and and streamed on the [City's YouTube Channel](#).

CLOSED SESSION MEETING 5:00 P.M.:

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **FLAG SALUTE**
4. **PUBLIC COMMENT ON CLOSED SESSION ITEMS**
5. **CLOSED SESSION**

The City Council will recess to a closed session for the following and will report any reportable action at the City Council Regular meeting at 6:00 p.m.:

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

(Paragraph (1) of subdivision (d) of Section 54956.9)

(1) Case: City of Arroyo Grande v. Adam Hideo Saruwatari, Trustee, etc., et al., Case No. 24CV-0368

6. **ADJOURNMENT**

REGULAR MEETING 6:00 P.M.

1. **CALL TO ORDER**

2. **ROLL CALL**

3. **MOMENT OF REFLECTION**

4. **FLAG SALUTE**

ARROYO GRANDE VALLEY KIWANIS CLUB

5. **AGENDA REVIEW**

5.a **Closed Session Announcements**

City Attorney Rosen will announce any reportable action from the following meeting:

June 11, 2024

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

(Paragraph (1) of subdivision (d) of Section 54956.9)

(1) Case: City of Arroyo Grande v. Adam Hideo Saruwatari, Trustee, etc., et al., Case No. 24CV-0368

5.b **Ordinances read in title only**

None.

6. **SPECIAL PRESENTATIONS**

6.a **Honorary Proclamation Declaring June 19, 2024 as "Juneteenth Day"**

6.b **City Manager Communications**

(DOWNING)

Recommended Action:

Receive correspondence/comments as presented by the City Manager and Provide direction, as necessary.

7. **CITY COUNCIL REPORTS**

None.

Reports are made during the Second Council Meeting each month.

8. **COMMUNITY COMMENTS AND SUGGESTIONS**

This public comment period is an invitation to members of the community to present issues, thoughts, or suggestions on matters not scheduled on this agenda. Comments should be limited to those matters that are within the jurisdiction of the City Council. Members of the public may provide public comment in-person or remotely by joining the Zoom meeting utilizing one of the methods provided below. Please use the "raise hand" feature to indicate your desire to provide public comment.

- Click the link below to join the webinar: <https://us02web.zoom.us/j/86752345420>; Webinar ID: 867 5234 5420
- Or by Telephone: 1-669-900-6833; 1-346-248-7799
Press * 9 to "raise hand" for public comment

The Brown Act restricts the Council from taking formal action on matters not published on the agenda. In response to your comments, the Mayor or presiding Council Member may:

- Direct City staff to assist or coordinate with you.
- A Council Member may state a desire to meet with you.
- It may be the desire of the Council to place your issue or matter on a future Council agenda.

Please adhere to the following procedures when addressing the Council:

- Comments should be limited to 3 minutes or less.
- Your comments should be directed to the Council as a whole and not directed to individual Council members.
- Slanderous, profane or personal remarks against any Council Member or member of the audience shall not be permitted.

9. **CONSENT AGENDA**

The following routine items listed below are scheduled for consideration as a group. The recommendations for each item are noted. Any member of the public who wishes to comment on any Consent Agenda item may do so at this time. Any Council Member may request that any item be withdrawn from the Consent Agenda to permit discussion or change the recommended course of action. The City Council may approve the remainder of the Consent Agenda on one motion.

9.a **Consideration of Cash Disbursement Ratification** (VALENTINE)

Recommended Action:

Review and ratify the attached listing of cash disbursements for the period of May 1 through May 15, 2024.

9.b **Consideration of Statement of Investment Deposits** (VALENTINE)

Recommended Action:

Receive and file the attached report listing investment deposits of the City of Arroyo Grande as of April 30, 2024, as required by Government Code Section 53646(b).

9.c **Consider Approval of Fiscal Year 2024-25 Appropriation Limit** (VALENTINE)

Recommended Action:

1) Adopt a Resolution adopting a tax proceeds expenditure appropriation limit for Fiscal Year 2024-2025; and

2) Determine that establishing the appropriation limit for FY 2024-25 is not a project subject to the California Environmental Quality Act (“CEQA”) because it has no potential to result in either a direct, or reasonably foreseeable indirect, physical change in the environment. (State CEQA Guidelines, §§ 15060, subd. (b)(2)-(3), 15378.)

9.d **Adoption of a Resolution Updating the Fund Balance and Reserve Policy** (VALENTINE)

Recommended Action:

1) Adopt a Resolution Updating the Fund Balance and Reserve Policy; and

2) Determine that adopting a resolution updating the Fund Balance and Reserve Policy is not subject to the California Environmental Quality Act (“CEQA”) because it has no potential

to result in either a direct, or reasonably foreseeable indirect, physical change in the environment. (State CEQA Guidelines, Cal. Code Regs., tit. 14, §§ 15060, subd. (c)(2)- (3), 15378.)

9.e Approval of Minutes
(MATSON)

Recommended Action:

Approve the minutes of the Regular City Council Meetings of May 14, 2024, and May 28, 2024, as submitted.

9.f Amendments to the Central Coast Blue Regional Recycled Water Authority Joint Exercise of Powers Agreement
(DOWNING)

Recommended Action:

1) Adopt a Resolution approving Amendment Number 1 to the Joint Exercise of Powers Agreement Creating the Central Coast Blue Regional Recycled Water Authority; and

2) Determine that adopting the Resolution is not a project subject to the California Environmental Quality Act (CEQA) because it has no potential to result in either a direct, or reasonably foreseeable indirect, physical change in the environment. (State CEQA Guidelines, §§ 15060, subd. (c)(2)-(3), 15378)

9.g Memorandum of Understanding Between the Arroyo Grande Police Department and the Lucia Mar Unified School District for School Resource Officer Services
(MARTINEZ)

Recommended Action:

1) Approve a Memorandum of Understanding between the City of Arroyo Grande and the Lucia Mar Unified School District (LMUSD) to share the cost of salary and benefits for one School Resource Officer (SRO) position in Fiscal Year (FY) 2024-25; and

2) Find that approving the Memorandum of Understanding is not a project subject to the California Environmental Quality Act (“CEQA”) because it has no potential to result in either a direct or reasonably foreseeable indirect physical change in the environment. (State CEQA Guidelines, §§ 15060, subd. (b)(2)-(3), 15378.)

9.h Temporary Use Permit 24-004; Authorization for Sale of Beer and Wine at the 2024 Summer Concert Series, an Application Fee Waiver; Location Heritage Square Park; Applicant – Arroyo Grande Rotary
(PEDROTTI)

Recommended Action:

1) Adopt a Resolution approving Temporary Use Permit No. 24-004 to allow the sale of beer and wine at the 2024 Heritage Square Park Summer Concert Series and approving a waiver of fees; and

2) Find the action exempt from the California Environmental Quality Act pursuant to Section 15304 of the CEQA Guidelines.

9.i Consideration of Acceptance of the Five Cities Fire Authority Station #1 Emergency Generator Replacement Project, PW 2021-09

(ROBESON)

Recommended Action:

- 1) Accept the project improvements as constructed by Electricraft, Inc. in accordance with the plans and specifications for the Five Cities Fire Authority (FCFA) Station #1 Emergency Generator Replacement Project, PW 2021-09;
- 2) Direct staff to file a Notice of Completion; and
- 3) Authorize release of retention thirty-five (35) days after the Notice of Completion has been recorded if no liens have been filed.

9.j Consider Traffic Way Bridge Temporary Construction Easement Execution
(ROBESON)

Recommended Action:

Authorize the City Manager to fully execute a temporary construction easement (TCE) for certain real property, more particularly described as Assessor Parcel Number 007-481-011, that is necessary for the Traffic Way Bridge Replacement Project.

10. PUBLIC HEARINGS

None.

11. OLD BUSINESS

11.a Adopt Resolutions of Approval for the Fiscal Year (FY) 2024-25 Mid-Cycle Budget Update Report and the 5-Year Capital Improvement Program Budget FY 2024-29

Recommended Action:

- 1) Adopt a Resolution approving the Fiscal Year 2024-25 Budget and Making Appropriations for the Amount Budgeted; and
- 2) Adopt a Resolution approving the Fiscal Year 2024-29 Capital Improvement Program Budget and Making Appropriations for the Amount Budgeted.

12. NEW BUSINESS

None.

13. COUNCIL COMMUNICATIONS

Any Council Member may ask a question for clarification, make an announcement, or report briefly on his or her activities. In addition, subject to Council policies and procedures, Council Members may request staff to report back to the Council at a subsequent meeting concerning any matter or request that staff place a matter of business on a future agenda. Any request to place a matter of business for original consideration on a future agenda requires the concurrence of at least one other Council Member.

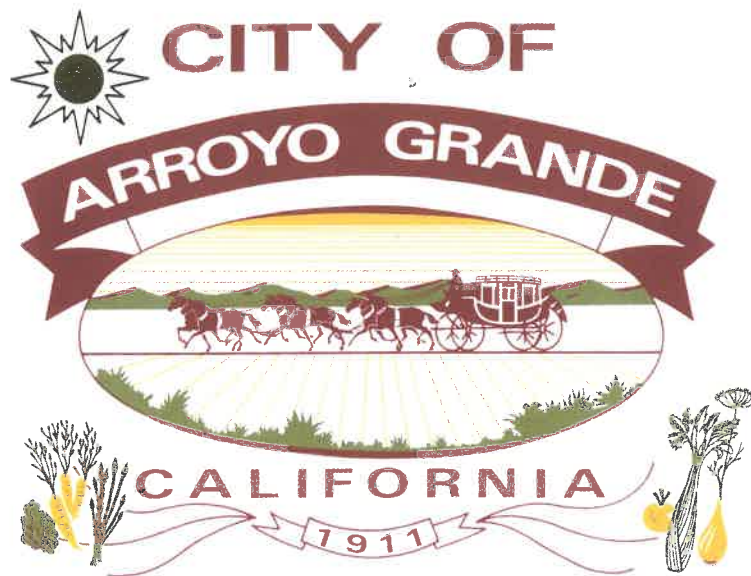
14. ADJOURNMENT

All staff reports or other written documentation, including any supplemental material distributed to a majority of the City Council within 72 hours of a regular meeting, relating to each item of business on the agenda are available for public inspection during regular business hours in the City Clerk's office, 300 E. Branch Street, Arroyo Grande. If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by the Americans with Disabilities Act. To make a request for disability-related modification or accommodation, contact the

Legislative and Information Services Department at 805-473-5400 as soon as possible and at least 48 hours prior to the meeting date.

This agenda was prepared and posted pursuant to Government Code Section 54954.2 Agenda reports can be accessed and downloaded from the City's website at www.arroyogrande.org If you would like to subscribe to receive email or text message notifications when agendas are posted, you can sign up online through the "Notify Me" feature.

City Council Meetings are streamed live on the [City's YouTube Channel](#) and recorded for replay on Arroyo Grande's Government Access Channel 20.



**HONORARY PROCLAMATION
RECOGNIZING JUNE 19, 2024 AS
"JUNETEENTH DAY" IN ARROYO GRANDE**

WHEREAS, Juneteenth has become the harbinger of the ending of the institution of slavery in this great nation; and

WHEREAS, Juneteenth embodies the indomitable human spirit of the past, the present, and all time; and

WHEREAS, the celebration of Juneteenth gives us all the opportunity to rededicate ourselves to the true American spirit; and

WHEREAS, we are citizens who wish to secure the blessings of freedom, justice, and equality for all in this great City of ours; and

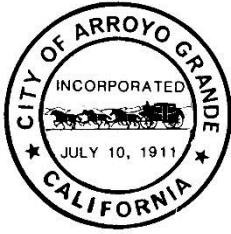
WHEREAS, the collaboration of community-based organizations, faith-based organizations, local businesses, and local government are committed to being part of the solution and guidance in continuing the struggle for freedom, justice, and equality for all.

NOW, THEREFORE, BE IT RESOLVED, that I, Caren Ray Russom, Mayor of the City of Arroyo Grande hereby recognize June 19, 2024, as "Juneteenth Day" in the City of Arroyo Grande and urge all to join in recognizing the importance of this day.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the City of Arroyo Grande to be affixed this 11th day of June 2024.

CAREN RAY RUSSOM, MAYOR





MEMORANDUM

TO: City Council

FROM: Nicole Valentine, Administrative Services Director

BY: Lynda Horejsi, Accounting Manager

SUBJECT: Consideration of Cash Disbursement Ratification

DATE: June 11, 2024

RECOMMENDATION:

Review and ratify the attached listing of cash disbursements for the period of May 1 through May 15, 2024.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

There is a \$1,409,567.10 fiscal impact for the period of May 1 through May 15, 2024, that includes the following items:

- Accounts Payable Checks \$923,434.76
- Payroll & Benefit Checks \$486,132.34

BACKGROUND:

Cash disbursements are made weekly based on the submission of all required documents supporting the invoices submitted for payment. Prior to payment, Administrative Services staff reviews all disbursement documents to ensure that they meet the approval requirements adopted in the Municipal Code and the City's Purchasing Policies and Procedures Manual.

ANALYSIS OF ISSUES:

The attached listing represents the cash disbursements required of normal and usual operations during the period. The disbursements are accounted for in the FY 2023-24 budget.

ALTERNATIVES:

The following alternatives are provided for the Council's consideration:

1. Approve staff's recommendation;
2. Do not approve staff's recommendation; or

Item 9.a.

City Council
Consideration of Cash Disbursement Ratification
June 11, 2024
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3. Provide other direction to staff.

ADVANTAGES:

- The Administrative Services Department monitors payments of invoices for accountability, accuracy, and completeness using standards approved by the City Council.
- Invoices are paid in a timely manner to establish goodwill with merchants.
- Discounts are taken where applicable.

DISADVANTAGES:

There are no disadvantages identified in this recommendation.

ENVIRONMENTAL REVIEW:

Ratifying the cash disbursements is not a project subject to the California Environmental Quality Act (“CEQA”) because it has no potential to result in either a direct, or reasonably foreseeable indirect, physical change in the environment. (State CEQA Guidelines, §§ 15060, subd. (c)(2)-(3), 15378.)

PUBLIC NOTIFICATION AND COMMENTS:

The Agenda was posted at City Hall and on the City’s website in accordance with Government Code Section 54954.2.

ATTACHMENTS:

1. May 1 through May 15, 2024 – Accounts Payable Check Register
2. May 3, 2024 – Payroll & Benefit Check Register

CITY OF ARROYO GRANDE
CHECK LISTING
MAY 1 - MAY 15, 2024

ATTACHMENT 1

Line	Check Date	Check #	Amount	Description	Acct #	Vendor Name
1	05/03/2024	300995	\$ 276.00	TRAINING-TUITION REGISTRATION	010.4203.5501	ALLAN HANCOCK COLLEGE JCCD
2	05/03/2024	300996	233.35	PERFORATED PAPER, CHECK STOCK, ENVELOPES	010.4120.5201	AMAZON CAPITAL SERVICES
3	05/03/2024	300997	27.48	BAN#9391033186 CC MACHINE	010.4145.5403	AT&T
4	05/03/2024	300998	134.39	04/24 TOWER LEASE	010.4201.5303	ATC SEQUOIA LLC
5	05/03/2024	300999	243.25	OFFICE SUPPLIES-WINDOW ENVELOPES	010.4201.5201	BOONE PRINTING & GRAPHICS INC
6	05/03/2024	300999	322.19	OFFICE SUPPLIES-ALARM PERMIT RETURN ENVELOPES	010.4201.5201	BOONE PRINTING & GRAPHICS INC
7	05/03/2024	301000	1,130.50	ARTS & CRAFTS CLUB WINTER SESSION	010.4424.5351	KENDRA BOWLING
8	05/03/2024	301001	970.00	REPAIR TO TRASH PUMP ENGINE	612.4610.5603	BOYER'S DIESEL
9	05/03/2024	301002	726.00	200LBS CALCIUM HYPOCHLORATE	640.4712.5274	BRENNTAG PACIFIC INC
10	05/03/2024	301003	31.70	PW-383 TRASH PUMP FUEL INJECTION CLEANER	612.4610.5603	CARQUEST AUTO PARTS
11	05/03/2024	301003	57.31	PD-4613 OIL & FILTER	010.4203.5601	CARQUEST AUTO PARTS
12	05/03/2024	301004	130.00	TOWING SERVICE-PD4609	010.4203.5601	COLLEGE TOWING SOUTH
13	05/03/2024	301005	50.00	PARK DEPOSIT REFUND-STROTHER	010.0000.2206	DYLAN COX
14	05/03/2024	301006	480.00	04/24 ROLLER SKATING CLASS	010.4424.5351	DOOMSDAY SKATE LLC
15	05/03/2024	301007	40.00	REFUND-DOGGIE AGILITY	010.0000.4605	LYNN DORLAND
16	05/03/2024	301008	50.00	PARK DEPOSIT REFUND-ELM ST	010.0000.2206	AMBER ESCOBEDO
17	05/03/2024	301009	1,818.96	JOINT ADAPTERS	640.4712.5610	FAMCON PIPE AND SUPPLY INC
18	05/03/2024	301010	150.00	REFUND-ENRICHMENT CAMP 7/1-7/3	010.0000.4605	CATHYANN FISHER
19	05/03/2024	301011	50.00	PARK DEPOSIT REFUND-RANCHO GRANDE	010.0000.2206	JAIME FLORES
20	05/03/2024	301012	50.00	PARK DEPOSIT REFUND-ELM ST	010.0000.2206	JUANA GALINDO-NINCHE
21	05/03/2024	301013	50.00	PARK DEPOSIT REFUND-STROTHER	010.0000.2206	TAYLOR HAENEL
22	05/03/2024	301014	197.64	05/24 AETNA RESOURCES EAP	010.4145.5147	HEALTH AND HUMAN RESOURCE CTR
23	05/03/2024	301014	49.41	05/24 AETNA RESOURCES EAP	010.0000.1111	HEALTH AND HUMAN RESOURCE CTR
24	05/03/2024	301015	23.53	PD-FUEL	010.4203.5608	JB DEWAR, INC
25	05/03/2024	301016	40.93	GROUND MAINT-DRILL BIT	010.4201.5605	MINER'S ACE HARDWARE, INC
26	05/03/2024	301017	50.00	PARK DEPOSIT REFUND-STROTHER	010.0000.2206	JESSICA MURAKI
27	05/03/2024	301018	117.00	PH NOTICE AGTBID	010.4002.5301	NEW TIMES
28	05/03/2024	301019	1,035.00	SEWER EASEMENT CORRECTION DOCUMENTS	010.4301.5303	NORTH COAST ENGINEERING INC
29	05/03/2024	301020	143.67	COPIER METER READ 3/28-4/27	010.4204.5602	OFFICE1
30	05/03/2024	301021	885.49	REIMBURSE LODGING AEP CONFERENCE	010.4130.5501	ANDREW PEREZ
31	05/03/2024	301022	200.00	03/24 PARKING CITATION PROCESS	010.4204.5303	PHOENIX GROUP
32	05/03/2024	301023	532.11	POSTAGE METER LEASE FEE	010.4102.5602	PITNEY BOWES, INC
33	05/03/2024	301024	2,835.00	QUILTING-WINTER SESSION 2	010.4424.5351	BARBARA ANN PORTER
34	05/03/2024	301025	50.00	PARK DEPOSIT REFUND- HERITAGE SQUARE	010.0000.2206	JENN PRENTICE
35	05/03/2024	301025	59.00	REFUND PSWP-FEE WAIVED	010.0000.4125	JENN PRENTICE
36	05/03/2024	301026	1,092.00	W/E 4/12/24 ACCTG HR SUPPORT	010.4120.5303	ROBERT HALF
37	05/03/2024	301026	1,092.00	W/E 04/19 ACCTG HR SUPPORT	010.4120.5303	ROBERT HALF
38	05/03/2024	301027	50.00	PARK DEPOSIT REFUND-RANCHO GRANDE	010.0000.2206	DENISE RUIZ

CITY OF ARROYO GRANDE
CHECK LISTING
MAY 1 - MAY 15, 2024

ATTACHMENT 1

Line	Check Date	Check #	Amount	Description	Acct #	Vendor Name
39	05/03/2024	301028	\$ 50.00	PARK DEPOSIT REFUND-STROTHER	010.0000.2206	LIBNY SALGADO
40	05/03/2024	301029	69.50	03/24 PARKING CITATION REVENUE	010.0000.4203	SLO COUNTY AUDITOR-CONTROLLER
41	05/03/2024	301030	2,807.90	2024 CLETS INVOICING 13 MNE	010.4204.5606	SLO COUNTY SHERIFF'S DEPT
42	05/03/2024	301031	141.00	REFUND INSPECTION FEE BLD23-000503	010.0000.4183	SLO CRAFT INC
43	05/03/2024	301032	15.91	GAS SERVICES-1500 W BRANCH	010.4145.5401	SOCALGAS
44	05/03/2024	301032	33.21	GAS SERVICES-111 S MASON	010.4145.5401	SOCALGAS
45	05/03/2024	301032	32.49	GAS SERVICES-215 E BRANCH	010.4145.5401	SOCALGAS
46	05/03/2024	301032	50.32	GAS SERVICES-211 VERNON ST	010.4145.5401	SOCALGAS
47	05/03/2024	301033	32.00	BASKETBALL SCORER-2 GAMES X \$16	010.4424.5352	ZACHARY SORIANO
48	05/03/2024	301034	1,000.00	CHAMBER MEMBERSHIP-GOLD LEVEL	010.4145.5503	SOUTH COUNTY CHAMBERS
49	05/03/2024	301035	19.24	BACKGROUND INVESTIGATION SVCS	010.4201.5315	TRANS UNION LLC
50	05/03/2024	301036	113.11	KONICA COPIER METER READ 04/24	010.4102.5602	ULTREX BUSINESS PRODUCTS (DBA)
51	05/03/2024	301037	1,314.08	ACCT#20862661-00002 PD CELL PHONES	010.4201.5403	VERIZON WIRELESS
52	05/03/2024	301038	50.00	PARK DEPOSIT REFUND-HERITAGE SQUARE	010.0000.2206	VILLAGE CREATIVE
53	05/03/2024	301039	5,000.00	SOJERN CO-OP MARKETING	240.4150.5301	VISIT SLO CAL
54	05/03/2024	301040	1,092.78	COPY MACHINE LEASE PYMT 07/20	010.4201.5803	WELLS FARGO VENDOR FINANCIAL
55	05/03/2024	301041	2,793.00	SOCCER-WINTER SESSION 3	010.4424.5351	YOUTH EVOLUTION BASKETBALL
56	05/03/2024	301042	15,228.50	MEDICARE	011.0000.2105	CITY OF ARROYO GRANDE
57	05/03/2024	301042	62,616.34	SOCIAL SECURITY	011.0000.2105	CITY OF ARROYO GRANDE
58	05/03/2024	301042	61,429.36	FEDERAL WITHHOLDING	011.0000.2104	CITY OF ARROYO GRANDE
59	05/03/2024	301043	25,158.53	STATE WITHHOLDING	011.0000.2108	CA ST EMPLOYMENT DEVEL DEPT
60	05/03/2024	301043	5,177.02	CASDI	011.0000.2111	CA ST EMPLOYMENT DEVEL DEPT
61	05/03/2024	301044	401.06	DEPT OF CHILD SUPPORT SERVICES	011.0000.2114	CA STATE DISBURSEMENT UNIT
62	05/03/2024	301045	7,871.00	DENTAL INSURANCE	011.0000.2110	DELTA DENTAL
63	05/03/2024	301045	2,518.72	05/23 DELTA DENTAL RETIREE PREMIUM	010.4099.5132	DELTA DENTAL
64	05/03/2024	301046	350.78	ROTH % - AFTER TAX	011.0000.2117	ICMA RETIREMENT CORP
65	05/03/2024	301046	6,370.99	DEFERRED COMPENSATION - EE %	011.0000.2117	ICMA RETIREMENT CORP
66	05/03/2024	301046	10,483.72	DEFERRED COMPENSATION - EE	011.0000.2117	ICMA RETIREMENT CORP
67	05/03/2024	301046	891.66	DEFERRED COMPENSATION - ER	011.0000.2117	ICMA RETIREMENT CORP
68	05/03/2024	301046	135.00	ROTH - AFTER TAX	011.0000.2117	ICMA RETIREMENT CORP
69	05/03/2024	301047	2,078.54	PERS GOLD - FIRE MANAGEMENT	011.0000.2109	PERS - ACTIVE MED
70	05/03/2024	301047	2,303.00	PPO PERS PLATINUM - FIRE	011.0000.2109	PERS - ACTIVE MED
71	05/03/2024	301047	16,468.44	PPO PERS GOLD - FIRE	011.0000.2109	PERS - ACTIVE MED
72	05/03/2024	301047	810.24	BLUE SHIELD TRIO HMO - FIRE	011.0000.2109	PERS - ACTIVE MED
73	05/03/2024	301047	8,211.26	HMO UNITED HEALTHCARE-FIRE	011.0000.2109	PERS - ACTIVE MED
74	05/03/2024	301047	4,357.00	HMO-UNITED HEALTH FIRE-MGMT	011.0000.2109	PERS - ACTIVE MED
75	05/03/2024	301047	4,742.00	PORAC MED INSURANCE	011.0000.2109	PERS - ACTIVE MED
76	05/03/2024	301047	1,738.28	HMO BLUESHIELD - SEIU	011.0000.2109	PERS - ACTIVE MED

CITY OF ARROYO GRANDE
CHECK LISTING
MAY 1 - MAY 15, 2024

ATTACHMENT 1

Line	Check Date	Check #	Amount	Description	Acct #	Vendor Name
77	05/03/2024	301047	\$ 11,032.26	PPO PERS GOLD - MANAGEMENT	011.0000.2109	PERS - ACTIVE MED
78	05/03/2024	301047	11,192.14	PPO PERS GOLD - POLICE	011.0000.2109	PERS - ACTIVE MED
79	05/03/2024	301047	18,387.10	PPO PERS GOLD - SEIU	011.0000.2109	PERS - ACTIVE MED
80	05/03/2024	301047	3,727.10	BLUE SHIELD TRIO HMO - MGMT	011.0000.2109	PERS - ACTIVE MED
81	05/03/2024	301047	9,560.82	BLUE SHIELD TRIO HMO - POLICE	011.0000.2109	PERS - ACTIVE MED
82	05/03/2024	301047	4,213.24	BLUE SHIELD TRIO HMO - SEIU	011.0000.2109	PERS - ACTIVE MED
83	05/03/2024	301047	18,704.54	HMO-UNITED HEALTHCARE-MGMT	011.0000.2109	PERS - ACTIVE MED
84	05/03/2024	301047	9,384.28	HMO UNITED HEALTHCARE-POLICE	011.0000.2109	PERS - ACTIVE MED
85	05/03/2024	301047	18,936.16	HMO UNITED HEALTHCARE-SEIU	011.0000.2109	PERS - ACTIVE MED
86	05/03/2024	301047	363.29	05/24 ACTIVE HEALTH ADMIN FEE	010.4145.5131	PERS - ACTIVE MED
87	05/03/2024	301047	7,494.92	05/24 RETIREE HEALTH INSURANCE	010.4099.5136	PERS - ACTIVE MED
88	05/03/2024	301047	635.24	05/24 RETIREE HEALTH INSURANCE	220.4303.5136	PERS - ACTIVE MED
89	05/03/2024	301047	0.01	ROUNDING DIFFERENCE	010.0000.4818	PERS - ACTIVE MED
90	05/03/2024	301047	103.44	05/24 FCFA ACTIVE HEALTH ADMIN	010.0000.1111	PERS - ACTIVE MED
91	05/03/2024	301047	800.48	05/24 FCFA RETIREE HEALTH INSU	010.0000.1111	PERS - ACTIVE MED
92	05/03/2024	301048	2,178.49	05/24 ACTIVE HEALTH INS PT NONPERS	011.0000.2109	PERS - ACTIVE MED
93	05/03/2024	301048	6.97	05/24 ACTIVE HEALTH INS ADMIN FEE-PT NONPERS	010.4145.5131	PERS - ACTIVE MED
94	05/03/2024	301049	43,887.31	PERS RETIREMENT	011.0000.2106	PERS - RETIREMENT
95	05/03/2024	301049	58,658.64	PERS RETIREMENT	011.0000.2106	PERS - RETIREMENT
96	05/03/2024	301049	1,580.68	PERS Employer Pick Up	011.0000.2106	PERS - RETIREMENT
97	05/03/2024	301049	497.46	PERS BUYBACK - PRE TAX	011.0000.2106	PERS - RETIREMENT
98	05/03/2024	301049	(0.05)	ROUNDING DIFFERENCE	010.0000.4818	PERS - RETIREMENT
99	05/03/2024	301050	2,624.51	STANDARD INSURANCE COMPANY	011.0000.2113	STANDARD INSURANCE CO
100	05/03/2024	301051	885.95	PARS: Payment	011.0000.2107	US BANK OF CALIFORNIA
101	05/03/2024	301052	677.34	05/24 VISION PREMIUM RETIREES	010.4099.5133	VISION SERVICE PLAN
102	05/03/2024	301052	2,200.80	VISION CARE INSURANCE	011.0000.2119	VISION SERVICE PLAN
103	05/10/2024	301053	33,746.40	AG WARMING CENTER 23-24	260.4565.5303	5 CITIES HOMELESS COALITION
104	05/10/2024	301054	925.00	02/24 CODE ENFORCEMENT SVCS	010.4101.5303	ADAMSKI MOROSKI MADDEN
105	05/10/2024	301055	1,350.00	ELECTRONICS RECYCLING, DATA DESTRUCTION	010.4140.5303	ALL GREEN ELECTRONICS
106	05/10/2024	301056	12.81	USB-C CABLE	010.4140.5602	AMAZON CAPITAL SERVICES
107	05/10/2024	301057	550.00	LEAK DETECTION OF LANDSCAPE SYSTEM @ ELM ST. PARI	226.4306.5303	AMERICAN LEAK DETECTION-SLO
108	05/10/2024	301058	20.46	REPLACE MAILBOX-FAIRVIEW PROJECT	640.4712.5255	ARROYO GRANDE HOME & GARDEN
109	05/10/2024	301059	1,778.52	REPAIRS TO PW-10 SERVICE TRUCK	640.4712.5601	BACK ON THE ROAD AUTOMOBILE
110	05/10/2024	301059	504.43	4605 - REPAIR	010.4204.5601	BACK ON THE ROAD AUTOMOBILE
111	05/10/2024	301060	818.00	CASH FOR GRASS-818 SQFT	226.4306.5554	NATHAN BARBER
112	05/10/2024	301061	41.23	CORP YARD-HOSE BIBB, COUPLER, TEE	010.4213.5604	BRISCO MILL & LUMBER YARD
113	05/10/2024	301061	144.37	HEADLAMP, TOOLSET	220.4303.5273	BRISCO MILL & LUMBER YARD
114	05/10/2024	301061	128.75	WORK GOLVES, RATCHET SET	220.4303.5273	BRISCO MILL & LUMBER YARD

CITY OF ARROYO GRANDE
CHECK LISTING
MAY 1 - MAY 15, 2024

ATTACHMENT 1

Line	Check Date	Check #	Amount	Description	Acct #	Vendor Name
115	05/10/2024	301061	\$ 144.21	POSTMASTER FENCE POSTS, BIT HOLDER, STRAP MARKER	010.4420.5605	BRISCO MILL & LUMBER YARD
116	05/10/2024	301062	192.00	04/24 CLOGGING CLASS	010.4424.5351	KATHLEEN J CINOWALT
117	05/10/2024	301063	1,314.47	TONER CARTRIDGES (8) CDD PRINT	010.4130.5201	COAST TO COAST
118	05/10/2024	301064	3,096.01	SWINGING BRIDGE EVALUATION & REHAB PROJECT	350.5620.7501	CONSOR NORTH AMERICA INC
119	05/10/2024	301064	34,044.24	TRAFFIC WAY BRIDGE DESIGN & ENVIRONMENTAL SERVICE	350.5679.7501	CONSOR NORTH AMERICA INC
120	05/10/2024	301065	644.13	SCANNER HOLD UP ROLLER UNIT	010.4130.5201	CRISP IMAGING
121	05/10/2024	301066	515.20	04/24 SENIOR FITNESS	010.4424.5351	GAYLE CUDDY
122	05/10/2024	301067	78.75	04/24 LINE DANCING	010.4424.5351	ZOE DASCALOS
123	05/10/2024	301068	5,000.00	FY23/24 REV MEASURE PROJECT DIGITAL MEDIA BUY	010.4101.5303	DATA GENOMIX LLC
124	05/10/2024	301069	2,177.00	FCFA GENERATOR REPLACEMENT PROJECT	350.5473.7001	ELECTRICRAFT INC
125	05/10/2024	301070	994.00	04/24 BRIDGE GAMES & CLASSES	010.4424.5351	FIVE CITIES DUPLICATE BRIDGE
126	05/10/2024	301071	19,131.63	AG TRAFFIC WAY BRIDGE REPLACEMENT	350.5679.7303	HAMNER-JEWELL ASSOCIATES
127	05/10/2024	301072	4,563.39	1100 GALL RED DIESEL	010.0000.1202	JB DEWAR, INC
128	05/10/2024	301073	78.75	04/24 LINE DANCING	010.4424.5351	KAYLYN KELLER
129	05/10/2024	301074	1,456.00	03/24 PROF FEES-400 W BRANCH	010.0000.2563	KOSMONT & ASSOCIATES INC
130	05/10/2024	301075	127.00	GRINDING WHEELS, TWIST ON PADS, AIR GUN	010.4305.5255	LAWSON PRODUCTS, INC
131	05/10/2024	301076	300.00	SPANISH INTERPRETATION-GENERAL	010.4130.5303	DAVID GASPAR MARTINEZ
132	05/10/2024	301077	470.51	LOCKER ROOM REPLACEMENT LOCKS	010.4201.5604	MCMURRAY STERN
133	05/10/2024	301078	49.84	BATTERIES, HANDLE	010.4213.5604	MINER'S ACE HARDWARE, INC
134	05/10/2024	301078	27.73	ROLLERS, FRAME, PAINT TRAY	010.4213.5604	MINER'S ACE HARDWARE, INC
135	05/10/2024	301078	48.48	SURGE PROTECTOR	010.4213.5604	MINER'S ACE HARDWARE, INC
136	05/10/2024	301078	47.36	FLAPPER, FLUSH LEVERS	010.4213.5604	MINER'S ACE HARDWARE, INC
137	05/10/2024	301078	32.27	(5) DISINFECTANT SPRAY	010.4213.5604	MINER'S ACE HARDWARE, INC
138	05/10/2024	301078	53.84	FLUSH LEVERS	010.4213.5604	MINER'S ACE HARDWARE, INC
139	05/10/2024	301078	6.45	DISINFECTANT SPRAY	010.4213.5604	MINER'S ACE HARDWARE, INC
140	05/10/2024	301078	225.20	STREET-20 VOLT BATTERY 2 PACK	220.4303.5255	MINER'S ACE HARDWARE, INC
141	05/10/2024	301078	129.28	(2) AQUAPHALT ASPHALT PATCH	220.4303.5613	MINER'S ACE HARDWARE, INC
142	05/10/2024	301078	24.96	SOTO-CLEANERS, SCOURING PAD	010.4430.5604	MINER'S ACE HARDWARE, INC
143	05/10/2024	301079	5,372.50	COMPREHENSIVE GENERAL PLAN UPDATE	010.4130.5303	MINTIER HARNISH LP
144	05/10/2024	301080	460.80	04/24 YOGA IN THE PARK	010.4424.5351	NICCOLA NELSON
145	05/10/2024	301081	100.00	PRE-EMPLYMNT MEDICAL TESTING-A	010.4201.5315	PACIFIC CENTRAL COAST HEALTH
146	05/10/2024	301082	18,465.00	2022 SLURRY SEAL PROJECT CONSTRUCTION INSPECTION	350.5638.7401	PAVEMENT ENGINEERING INC
147	05/10/2024	301083	25.03	CITY HALL MATS	010.4213.5303	PRUDENTIAL OVERALL SUPPLY
148	05/10/2024	301083	48.02	WOMEN'S CLUB MATS, MOPS	010.4213.5303	PRUDENTIAL OVERALL SUPPLY
149	05/10/2024	301083	27.63	PD MATS	010.4213.5303	PRUDENTIAL OVERALL SUPPLY
150	05/10/2024	301083	31.17	REC DEPT MATS, MOPS	010.4213.5303	PRUDENTIAL OVERALL SUPPLY
151	05/10/2024	301083	25.03	CITY HALL MATS	010.4213.5303	PRUDENTIAL OVERALL SUPPLY
152	05/10/2024	301083	48.02	WOMEN'S CLUB MATS, MOPS	010.4213.5303	PRUDENTIAL OVERALL SUPPLY

CITY OF ARROYO GRANDE
CHECK LISTING
MAY 1 - MAY 15, 2024

ATTACHMENT 1

Line	Check Date	Check #	Amount	Description	Acct #	Vendor Name
153	05/10/2024	301083	\$ 27.63	PD MATS	010.4213.5303	PRUDENTIAL OVERALL SUPPLY
154	05/10/2024	301083	31.17	REC DEPT MATS, MOPS	010.4213.5303	PRUDENTIAL OVERALL SUPPLY
155	05/10/2024	301083	16.38	AUTO SHOP UNIFORMS	010.4305.5143	PRUDENTIAL OVERALL SUPPLY
156	05/10/2024	301083	37.10	AUTO SHOP UNIFORMS	010.4305.5143	PRUDENTIAL OVERALL SUPPLY
157	05/10/2024	301083	36.68	AUTO SHOP UNIFORMS	010.4305.5143	PRUDENTIAL OVERALL SUPPLY
158	05/10/2024	301083	16.38	AUTO SHOP UNIFORMS	010.4305.5143	PRUDENTIAL OVERALL SUPPLY
159	05/10/2024	301083	36.47	PARKS DEPT UNIFORMS	010.4420.5143	PRUDENTIAL OVERALL SUPPLY
160	05/10/2024	301083	57.31	PARKS DEPT UNIFORMS	010.4420.5143	PRUDENTIAL OVERALL SUPPLY
161	05/10/2024	301083	46.72	WATER DEPT UNIFORMS	640.4712.5143	PRUDENTIAL OVERALL SUPPLY
162	05/10/2024	301083	46.72	WATER DEPT UNIFORMS	640.4712.5143	PRUDENTIAL OVERALL SUPPLY
163	05/10/2024	301083	46.72	WATER DEPT UNIFORMS	640.4712.5143	PRUDENTIAL OVERALL SUPPLY
164	05/10/2024	301083	46.72	WATER DEPT UNIFORMS	640.4712.5143	PRUDENTIAL OVERALL SUPPLY
165	05/10/2024	301083	36.47	PARKS DEPT UNIFORMS	010.4420.5143	PRUDENTIAL OVERALL SUPPLY
166	05/10/2024	301083	57.31	PARKS DEPT UNIFORMS	010.4420.5143	PRUDENTIAL OVERALL SUPPLY
167	05/10/2024	301083	23.08	SOTO SPORTS COMPLEX UNIFORMS	010.4430.5143	PRUDENTIAL OVERALL SUPPLY
168	05/10/2024	301083	19.44	SOTO SPORTS COMPLEX UNIFORMS	010.4430.5143	PRUDENTIAL OVERALL SUPPLY
169	05/10/2024	301083	23.08	SOTO SPORTS COMPLEX UNIFORMS	010.4430.5143	PRUDENTIAL OVERALL SUPPLY
170	05/10/2024	301083	23.08	SOTO SPORTS COMPLEX UNIFORMS	010.4430.5143	PRUDENTIAL OVERALL SUPPLY
171	05/10/2024	301083	24.49	BLDG MAINT UNIFORMS	010.4213.5143	PRUDENTIAL OVERALL SUPPLY
172	05/10/2024	301083	24.49	BLDG MAINT UNIFORMS	010.4213.5143	PRUDENTIAL OVERALL SUPPLY
173	05/10/2024	301083	33.18	STREETS DEPT UNIFORMS	220.4303.5143	PRUDENTIAL OVERALL SUPPLY
174	05/10/2024	301083	33.18	STREETS DEPT UNIFORMS	220.4303.5143	PRUDENTIAL OVERALL SUPPLY
175	05/10/2024	301083	33.18	STREETS DEPT UNIFORMS	220.4303.5143	PRUDENTIAL OVERALL SUPPLY
176	05/10/2024	301083	33.18	STREETS DEPT UNIFORMS	220.4303.5143	PRUDENTIAL OVERALL SUPPLY
177	05/10/2024	301083	23.63	SEWER DEPT UNIFORMS	612.4610.5143	PRUDENTIAL OVERALL SUPPLY
178	05/10/2024	301083	23.63	SEWER DEPT UNIFORMS	612.4610.5143	PRUDENTIAL OVERALL SUPPLY
179	05/10/2024	301083	23.77	SEWER DEPT UNIFORMS	612.4610.5143	PRUDENTIAL OVERALL SUPPLY
180	05/10/2024	301083	23.77	SEWER DEPT UNIFORMS	612.4610.5143	PRUDENTIAL OVERALL SUPPLY
181	05/10/2024	301083	24.49	BLDG MAINT UNIFORMS	010.4213.5143	PRUDENTIAL OVERALL SUPPLY
182	05/10/2024	301083	24.49	BLDG MAINT UNIFORMS	010.4213.5143	PRUDENTIAL OVERALL SUPPLY
183	05/10/2024	301084	20,000.00	FURNISH & INSTRALL 3-RAIL RANCH STYLE VINYL FENCE	010.4420.5303	TYLER JAMES SCHEIDT
184	05/10/2024	301085	14.42	PVC CHECK VALVES	010.4420.5605	SITEONE LANDSCAPE SUPPLY LLC
185	05/10/2024	301085	146.98	RAINBIRD CONTROL ZONE KIT, CHECK VALVE, TEFLON TAP	010.4420.5605	SITEONE LANDSCAPE SUPPLY LLC
186	05/10/2024	301085	126.27	(2) 2.5 GALL HERBICIDE	010.4420.5605	SITEONE LANDSCAPE SUPPLY LLC
187	05/10/2024	301085	252.56	(4) 2.5 GALL HERBICIDE	640.4712.5609	SITEONE LANDSCAPE SUPPLY LLC
188	05/10/2024	301086	253,683.23	04/30 SEWER SVCS COLLECTIONS	760.0000.2304	SOUTH SLO COUNTY SANIT DIST
189	05/10/2024	301086	105.72	12 CITY ACCTS	010.4145.5401	SOUTH SLO COUNTY SANIT DIST
190	05/10/2024	301087	264.38	(10) ALUMINUM SIGNS	220.4303.5613	TRAFFIC MANAGEMENT PRODUCTS

CITY OF ARROYO GRANDE
CHECK LISTING
MAY 1 - MAY 15, 2024

ATTACHMENT 1

Line	Check Date	Check #	Amount	Description	Acct #	Vendor Name
191	05/10/2024	301088	\$ 648.02	SPRING BREAK SOCCER CAMP 4/1-4/5	010.4424.5351	UK INT'L SOCCER CAMPS INC
192	05/10/2024	301089	928.28	W/E 04/21 PT PARKS WORKER	010.4420.5303	UNITED STAFFING ASSOC.
193	05/10/2024	301090	382.88	ARBOR DAY-(1) #15 OAK, (10) PITTOSPORUM	010.4420.5605	WEST COVINA NURSERIES
194	05/10/2024	301091	170.29	UB Refund Cst #00026754	640.0000.2301	AARON BAILEY
195	05/10/2024	301092	99.38	UB Refund Cst #00028500	640.0000.2301	SHANNON CARTER
196	05/10/2024	301093	24.07	UB Refund Cst #00028346	640.0000.2301	JENNIFER CERA
197	05/10/2024	301094	88.98	UB Refund Cst #00022749	640.0000.2301	BRIAN CONAWAY
198	05/10/2024	301095	84.44	UB Refund Cst #00027266	640.0000.2301	MICHELLE DI FORTI
199	05/10/2024	301096	80.96	UB Refund Cst #00027734	640.0000.2301	MAYRA GUZMAN
200	05/10/2024	301097	84.55	UB Refund Cst #00003361	640.0000.2301	JOHN KEEN
201	05/10/2024	301098	231.85	UB Refund Cst #00026182	640.0000.2301	MELISSA LAYSHOTT
202	05/10/2024	301099	85.36	UB Refund Cst #00027352	640.0000.2301	JEFF MCIIVEEN
203	05/10/2024	301100	225.67	UB Refund Cst #00028342	640.0000.2301	MASON JAMES STRICKLIN ELAN
204	05/10/2024	301101	886.00	UNEMPLOYMENT-LEGISLATIVE & INFO SERVICES	010.4002.5142	CA ST EMPLOYMENT DEVEL DEPT
205	05/10/2024	301101	5,269.00	UMEMPLOYMENT-RECREATION	010.4421.5142	CA ST EMPLOYMENT DEVEL DEPT
206	05/10/2024	301102	69.50	DCA/FSA MAINT FEE 03/24	010.4145.5131	STERLING ADMINISTRATION
207	05/10/2024	301103	624.99	DEPENDENT CARE ACCOUNT	011.0000.2127	STERLING ADMINISTRATION
208	05/10/2024	301103	1,144.16	FLEXIBLE SPENDING ACCOUNT	011.0000.2127	STERLING ADMINISTRATION
			<u>\$ 923,434.76</u>			

CITY OF ARROYO GRANDE

DEPARTMENTAL LABOR DISTRIBUTION

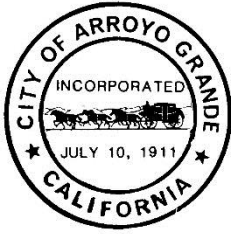
PAY PERIOD

04/12/24 - 04/25/2024

5/3/2024

BY FUND		BY ACCOUNT	
General Fund	431,599.83	5101 Salaries Full time	276,881.24
Streets Fund	18,354.47	5101 Volunteer Employee Retirement	-
Sewer Fund	11,468.90	5102 Salaries Part-Time - PPT	7,317.06
Water Fund	24,709.14	5103 Salaries Part-Time - TPT	4,927.10
	<u>486,132.34</u>	5105 Salaries OverTime	23,512.00
		5106 Salaries Strike Team OT	-
		5107 Salaries Standby	2,117.90
		5108 Holiday Pay	8,143.28
		5109 Sick Pay	5,363.45
		5110 Annual Leave Buyback	-
		5111 Vacation Buyback	-
		5112 Sick Leave Buyback	-
		5113 Vacation Pay	5,619.51
		5114 Comp Pay	3,955.18
		5115 Annual Leave Pay	9,561.46
		5116 Salaries - Police FTO	178.84
		5121 PERS Retirement	40,692.73
		5122 Social Security	25,878.88
		5123 PARS Retirement	177.19
		5126 State Disability Ins.	3,710.64
		5127 Deferred Compensation	791.66
		5131 Health Insurance	58,647.41
		5132 Dental Insurance	3,070.06
		5133 Vision Insurance	839.38
		5134 Life Insurance	412.31
		5135 Long Term Disability	426.78
		5137 Leave Payouts	-
		5142 Unemployment Insurance	-
		5143 Uniform Allowance	-
		5144 Car Allowance	887.50
		5146 Council Expense	-
		5147 Employee Assistance	-
		5148 Boot Allowance	-
		5149 Motor Pay	118.28
		5150 Bi-Lingual Pay	175.00
		5151 Cell Phone Allowance	2,727.50
			<u>486,132.34</u>

OVERTIME BY DEPARTMENT:	
Administrative Services	-
Information Services	-
Community Development	-
Police	21,904.01
Public Works - Maintenance	539.91
Public Works - Enterprise	1,068.08
Recreation - Administration	-
Recreation - Special Events	-
Children In Motion	-
	<u>23,512.00</u>



MEMORANDUM

TO: City Council

FROM: Nicole Valentine, Administrative Services Director

BY: Lynda Horejsi, Accounting Manager

SUBJECT: Consideration of Statement of Investment Deposits

DATE: June 11, 2024

RECOMMENDATION:

Receive and file the attached report listing investment deposits of the City of Arroyo Grande as of April 30, 2024, as required by Government Code Section 53646(b).

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

There is no funding impact to the City related to these reports. However, the City does receive interest revenue based on the interest rate of the investments. Little to no future staff time is projected

BACKGROUND:

The Administrative Services department has historically submitted to the City Council a monthly report, providing the following information:

1. Type of investment.
2. Financial institution (bank, savings and loan, broker, etc).
3. Date of maturity.
4. Principal amount.
5. Rate of interest.
6. Current market value for all securities having a maturity of more than 12 months.
7. Relationship of the monthly report to the annual statement of investment policy.

ANALYSIS OF ISSUES:

This report represents the City's investments as of April 30, 2024, and includes all investments managed by the City. As of April 30, 2024, the investment portfolio was in compliance with all State laws and the City's investment policy.

Item 9.b.

ALTERNATIVES:

The following alternatives are provided for the Council’s consideration:

1. Approve staff’s recommendation to receive and file the attached report listing the investment deposits;
2. Do not approve staff’s recommendation; or
3. Provide other direction to staff.

ADVANTAGES:

Safety of principal is the foremost objective of the City. Investments are undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.

DISADVANTAGES:

Some level of risk is present in any investment transaction. Losses could be incurred due to market price changes, technical cash flow complications such as the need to withdraw a non-negotiable Time Certificate of Deposit early, or even the default of an issuer. To minimize such risks, diversifications of the investment portfolio by institution and by investment instruments are being used as much as is practical and prudent.

ENVIRONMENTAL REVIEW:

The Statement of Investment Deposits is not a project subject to the California Environmental Quality Act (“CEQA”) because it has no potential to result in either a direct, or reasonably foreseeable indirect, physical change in the environment. (State CEQA Guidelines, §§ 15060, subd. (c)(2)-(3), 15378.)

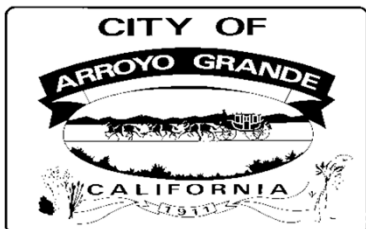
PUBLIC NOTIFICATION AND COMMENTS:

The Agenda was posted at City Hall and on the City’s website in accordance with Government Code Section 54954.2.

ATTACHMENTS:

1. Portfolio Summary: April 30, 2024

300 E. Branch St.
Arroyo Grande, CA 93420
Phone: (805) 473-5400



CITY OF ARROYO GRANDE
Portfolio Summary
April 30, 2024

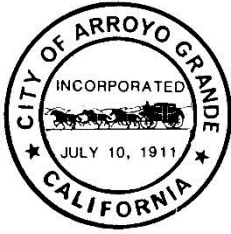
Investments	Principal Value	Current Market Value	Interest Rate	Date of Purchase	Term	Maturity Date	% of Portfolio
Local Agency Investment Fund	\$ 8,927,466.63	\$ 8,927,466.63	4.272%				27.903%
Certificates of Deposit							
Pacific Premier Bank	249,000.00	249,000.00	4.880%	February 21, 2024	12 mos	February 21, 2025	0.778%
BMW Bank North America	249,000.00	249,000.00	0.500%	July 16, 2021	36 mos	July 16, 2024	0.778%
Mountain America Federal Credit Union	249,000.00	249,000.00	4.750%	October 14, 2022	24 mos	October 15, 2024	0.778%
Enerbank USA	247,000.00	247,000.00	1.850%	October 25, 2019	60 mos	October 25, 2024	0.772%
Wells Fargo Bank	249,000.00	249,000.00	4.600%	October 28, 2022	24 mos	October 28, 2024	0.778%
Beal Bk Plano TX	247,000.00	247,000.00	1.350%	March 26, 2022	36 mos	March 26, 2025	0.772%
Beal Bk Las Vegas NV	247,000.00	247,000.00	1.250%	March 26, 2022	36 mos	March 26, 2025	0.772%
First Technology Federal	248,000.00	248,000.00	5.000%	April 14, 2023	24 mos	April 14, 2025	0.775%
Flagstar Bank	245,000.00	245,000.00	0.850%	May 15, 2020	60 mos	May 15, 2025	0.766%
American Express National Bank	246,000.00	246,000.00	3.100%	May 25, 2022	36 mos	May 25, 2025	0.769%
New York Community Bank	249,000.00	249,000.00	0.550%	July 1, 2021	48 mos	July 1, 2025	0.778%
Chief Financial Federal Credit Union	249,000.00	249,000.00	4.600%	October 12, 2022	36 mos	October 14, 2025	0.778%
Live Oak Bank	249,000.00	249,000.00	3.150%	May 25, 2022	48 mos	May 26, 2026	0.778%
UBS Bank USA	249,000.00	249,000.00	0.900%	July 21, 2021	60 mos	July 21, 2026	0.778%
Toyota Financial Savings Bank	248,000.00	248,000.00	0.950%	July 22, 2021	60 mos	July 22, 2026	0.775%
Chartway Federal Credit Union	248,000.00	248,000.00	5.250%	July 28, 2023	60 mos	July 28, 2026	0.775%
California Credit Union Glendale	243,000.00	243,000.00	5.450%	October 26, 2023	36 mos	October 26, 2026	0.759%
Alliant Credit Union	248,000.00	248,000.00	5.500%	November 15, 2023	36 mos	November 16, 2026	0.775%
Bank United NA	249,000.00	249,000.00	1.350%	December 8, 2021	60 mos	December 8, 2026	0.778%
Capital One Bank USA	248,000.00	248,000.00	1.250%	December 8, 2021	60 mos	December 8, 2026	0.775%
Discover Bank	246,000.00	246,000.00	3.200%	May 18, 2022	60 mos	May 19, 2027	0.769%
United Teletech Financial Credit Union	248,000.00	248,000.00	3.500%	November 8, 2023	53 mos	April 1, 2028	0.775%
Morgan Stanley Bank	244,000.00	244,000.00	4.650%	April 6, 2023	60 mos	April 6, 2028	0.763%
Maine Savings Federal Credit Union	249,000.00	249,000.00	4.800%	July 21, 2023	60 mos	July 21, 2028	0.778%
Total Certificates of Deposit	5,943,000.00	5,943,000.00					18.572%
Agency Bonds							
Federal Farm Credit Bank	1,999,314.00	1,995,361.18	0.350%	December 4, 2020	42 mos	May 16, 2024	6.249%
Federal Home Loan Bank	499,252.43	510,887.44	1.000%	July 19, 2022	29 mos	December 20, 2024	1.560%
Federal Farm Credit Bank	998,431.00	960,728.49	0.430%	March 17, 2021	48 mos	March 3, 2025	3.120%
Federal Natl Mortgage Assn	1,000,000.00	932,370.52	0.500%	October 20, 2020	60 mos	October 20, 2025	3.125%
Federal Home Loan Bank	999,500.00	923,985.32	0.800%	March 17, 2021	60 mos	March 10, 2026	3.124%
Federal Home Loan Bank	994,396.00	931,160.32	2.400%	March 17, 2021	72 mos	March 29, 2027	3.108%
Federal Home Loan Bank	500,000.00	477,421.44	3.375%	May 17, 2022	60 mos	May 17, 2027	1.563%
Total Agency Bonds	6,990,893.43	6,731,914.71					21.849%
Municipal Bonds							

300 E. Branch St.
 Arroyo Grande, CA 93420
 Phone: (805) 473-5400



CITY OF ARROYO GRANDE
Portfolio Summary
April 30, 2024

Investments	Principal Value	Current Market Value	Interest Rate	Date of Purchase	Term	Maturity Date	% of Portfolio
California State GO Various Purp Bond	\$ 491,810.00	\$ 477,850.00	3.100%	May 12, 2022	47 mos	April 1, 2026	1.537%
California State Taxable GO Unlimited	1,256,116.00	1,273,804.00	3.500%	November 1, 2023	53 mos	April 1, 2028	3.926%
Total Municipal Bonds	1,747,926.00	1,751,654.00					5.463%
Treasury Obligations							
U.S. Treasury 42-Day Bill	2,471,635.00	2,491,564.00	5.250%	March 4, 2024	53 mos	May 23, 2024	7.725%
U.S. Treasury 182 -Day Bill	2,440,702.50	2,458,606.73	5.200%	March 4, 2024	53 mos	August 22, 2024	7.628%
U.S. Treasury BL-2024 Series	2,489,952.50	2,487,768.55	4.500%	March 4, 2024	53 mos	November 30, 2024	7.782%
U.S. Treasury Z-2026 Series	984,728.00	917,304.69	1.100%	December 6, 2021	53 mos	May 31, 2026	3.078%
Total Treasury Obligations	8,387,018.00	8,355,243.97					26.213%
TOTAL INVESTMENTS	\$ 31,996,304.06	\$ 31,709,279.31					100.000%



MEMORANDUM

TO: City Council

FROM: Nicole Valentine, Administrative Services Director

BY: Lynda Horejsi, Accounting Manager

SUBJECT: Consider Approval of Fiscal Year 2024-25 Appropriation Limit

DATE: June 11, 2024

RECOMMENDATION:

- 1) Adopt a Resolution adopting a tax proceeds expenditure appropriation limit for Fiscal Year 2024-2025; and
- 2) Determine that establishing the appropriation limit for FY 2024-25 is not a project subject to the California Environmental Quality Act ("CEQA") because it has no potential to result in either a direct, or reasonably foreseeable indirect, physical change in the environment. (State CEQA Guidelines, §§ 15060, subd. (b)(2)-(3), 15378.)

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

There are no significant fiscal or personnel impacts associated with approval of the appropriation limit.

BACKGROUND:

Proposition 4, known as the Gann Initiative, was approved by California voters in 1979, adding Article XIII B to the California Constitution. This Article established an annual limit (Gann Limit) on the appropriations of tax proceeds for government agencies. In 1990, the article was modified by Proposition 111 and SB 88, which included new adjustment formulas that allow cities a choice in methodologies for determining both the annual growth and inflation factors. The annual population growth factor can be calculated by using the greater of the City of Arroyo Grande or County population growth. Agencies have a choice of using the growth in California per capita personal income, or the growth in non-residential assessed valuation due to new construction within their city. In May 2024, the California Department of Finance released population and per capita personal income information. The population between January 2023 and January 2024 for the City decreased by a half-percent (-0.5%) and the County population decreased by an eight-thousandths of a percent (-0.08%). For FY 2024-25, the change in per capita personal income from the prior year increased by three point sixty-two percent (3.62%).

Item 9.c.

City Council
Consider Approval of Fiscal Year 2024-25 Appropriation Limit
June 11, 2024
Page 2

In accordance with Proposition 111, the City's annual spending limit must be approved by the City Council at the beginning of each fiscal year. The limit is calculated using the previous year's appropriation limit (\$27,890,501), multiplied by the per capita personal income percentage increase (3.62%), and multiplied again by the greater available population growth factor, which for FY 2024-25 is the City's -0.5%.

ANALYSIS OF ISSUES:

The City is responsible for separating citywide revenues between tax and non-tax revenue and applying the formula to the cumulative appropriation limit. For FY 2024-25, the appropriation limit has been calculated to be \$28,875,036. This calculation means the City cannot appropriate more than \$28,875,036 of tax-based revenues in FY 2024-25. The estimated proceeds of taxes subject to appropriation limit for the proposed FY 2024-25 budget is estimated to be \$20,577,352, which is approximately \$8.3 million less than the appropriation limit. Therefore, the City is in compliance with Article XIII B of the California Constitution.

ALTERNATIVES:

The following alternatives are provided for the Council's consideration:

1. Adopt a Resolution establishing the appropriation limit for FY 2024-25; or
2. Revise and adopt a Resolution establishing the appropriation limit for FY 2024-25;
or
3. Provide other direction to staff.

ADVANTAGES:

Adoption of the Resolution establishing the appropriation limit for FY 2024-25 will ensure that the City is in compliance with Article XIII B of the California Constitution.

DISADVANTAGES:

There are no disadvantages identified with the recommended action.

ENVIRONMENTAL REVIEW:

Establishing the appropriation limit for FY 2024-25 is not a project subject to the California Environmental Quality Act ("CEQA") because it has no potential to result in either a direct, or reasonably foreseeable indirect, physical change in the environment. (State CEQA Guidelines, §§ 15060, subd. (b)(2)-(3), 15378.)

PUBLIC NOTIFICATION AND COMMENTS:

The Agenda was posted at City Hall and on the City's website in accordance with Government Code Section 54954.2.

ATTACHMENTS:

1. Proposed Resolution

Item 9.c.

RESOLUTION NO.

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ARROYO GRANDE ADOPTING A TAX PROCEEDS
EXPENDITURE APPROPRIATION LIMIT FOR FISCAL
YEAR 2024-2025**

WHEREAS, sections 7900 et seq. of the Government Code provide for the effective and efficient implementation of Article XIII B of the California Constitution; and

WHEREAS, Government Code sections 7901 through 7914 provide that each year, the governing body of each local jurisdiction shall, by resolution adopted at a regularly scheduled meeting, establish the annual adjustment factors to be used and the tax proceeds expenditure appropriation limit.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Arroyo Grande as follows:

1. The California per capita income and the population for the County of San Luis Obispo, California are recognized as the annual adjustment factors for Fiscal Year 2024-2025.
2. The appropriation limit for Fiscal Year 2024-2025 is hereby set at twenty-eight million, eight hundred seventy-five thousand, thirty-six dollars (\$28,875,036).
3. Documentation used in the determination of the tax proceeds expenditure appropriation limit is attached hereto as Exhibit A and incorporated herein by this reference.
4. This Resolution is effective on its date of adoption.

On motion of Council Member _____, seconded by Council Member _____, and on the following roll call vote, to wit:

AYES:
NOES:
ABSENT:

the foregoing Resolution was passed and adopted this 11th day of June, 2024.

**RESOLUTION NO.
PAGE 2**

CAREN RAY RUSSOM, MAYOR

ATTEST:

JESSICA MATSON, CITY CLERK

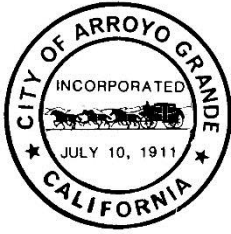
APPROVED AS TO CONTENT:

MATTHEW DOWNING, CITY MANAGER

APPROVED AS TO FORM:

ISAAC ROSEN, CITY ATTORNEY

CITY OF ARROYO GRANDE			
CALCULATION OF APPROPRIATION LIMIT FROM TAX PROCEEDS			
FOR FISCAL YEAR 2024-25			
Appropriation limit for 2023-24		27,890,501	(A)
Multiplied by the appropriation limit change factors:			
Per Capita Personal Income Change:	3.62%		
Conversion to ratio:	$\frac{3.62\% + 100}{100} =$	1.0362	(B)
Population Factor - San Luis Obispo County			
2023	275,541		
2024	$\frac{275,307}{(234)}$	-0.08%	
Conversion to ratio:	$\frac{(234)}{275,307} =$	$\frac{-0.50\% + 100}{100} =$	0.99915 (C)
Appropriation limit factor: (B x C)		1.0353	(D)
APPROPRIATION LIMIT FOR FISCAL YEAR 2024-25 (A x D)		\$ 28,875,036	
ESTIMATED 2024-25 PROCEEDS OF TAXES SUBJECT TO APPROPRIATION LIMIT		\$ 20,577,352	
Amount under (over) limit		8,297,684	



MEMORANDUM

TO: City Council

FROM: Matthew Downing, City Manager

BY: Nicole Valentine, Administrative Services Director

SUBJECT: Adoption of a Resolution Updating the Fund Balance and Reserve Policy

DATE: June 11, 2024

RECOMMENDATION:

1) Adopt a Resolution Updating the Fund Balance and Reserve Policy; and
2) Determine that adopting a resolution updating the Fund Balance and Reserve Policy is not subject to the California Environmental Quality Act ("CEQA") because it has no potential to result in either a direct, or reasonably foreseeable indirect, physical change in the environment. (State CEQA Guidelines, Cal. Code Regs., tit. 14, §§ 15060, subd. (c)(2)- (3), 15378.)

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

There is no fiscal impact resulting from updating the Fund Balance and Reserve Policy. The total fund balance amounts reported in any given fund will not be altered. Only the consideration of reporting of the individual components that make up the total fund balance are being discussed.

BACKGROUND:

The City Council first adopted the Fiscal Policy on September 5, 1995, and has revised the policy several times, most recently on June 28, 2011. Many of these updates were included with a review of the budget adoption. The current Fiscal Policy states the City will:

- Establish and maintain a Fund Balance reserve goal of 20% of expenditures with a minimum of 15% in the General Fund.
- Maintain a minimum of 5% of the General Fund budget as a Contingency Reserve.

Item 9.d.

City Council
Adoption of a Resolution Updating the Fund Balance and Reserve Policy
June 11, 2024
Page 2

- Contribute 10% of annual appropriations to the improvement of Infrastructure.

Over many years, the City has established a comprehensive and extensive budget and financial policy framework. This framework is reviewed with each Biennial Budget and periodically amended based on the need of the organization as well as changes in mandates and best practices.

In 2009, the Governmental Accounting Standard Board (GASB) introduced GASB Statement No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions. The statement’s objective is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be applied consistently. The classifications comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in its governmental funds.

In order to apply GASB 54, staff amended the established policies and combined them into a stand-alone comprehensive policy document for easy access and reference. The City’s Biennial Budget will continue to incorporate this information in the financial policy section and reference the adopting resolution. Additionally, the Fund Balance and Reserve Policy will be posted on the City website. The City’s independent auditor will use the definitions of fund balance when providing the City’s annual audit and annual financial statements.

On [June 27, 2023](#), the City Council adopted the FY 2023-25 Biennial Budget, which included an overview of the Consolidated General Fund to provide the City Council and the community the full picture of City revenues, expenditures, ending fund balances, and the updated Consolidated General Fund as shown in Table 1.

City Council
Adoption of a Resolution Updating the Fund Balance and Reserve Policy
June 11, 2024
Page 3

Table 1: FY 2023-25 Consolidated General Fund Budget & Available Fund Balance in Thousands

	FY 2023-24			FY 2024-25		
	General Fund	Local Sales	Consolidated Total	General Fund	Local Sales	Consolidated Total
Beginning Fund Balance	\$8,993	\$3,093	\$12,086	\$8,462	\$2,904	\$11,366
Revenues:						
Revenues	18,544	2,962	21,506	19,000	3,033	22,033
Transfers In	3,114	-	3,114	3,185	-	3,185
Total Revenues	21,658	2,962	24,620	22,185	3,033	25,218
Expenditures:						
Salaries and Benefits	12,089	-	12,089	12,437	-	12,437
Services and Supplies	9,435	1,042	10,477	9,775	1,087	10,862
Debt Service	310	-	310	294	-	294
Capital Outlay	240	-	240	150	-	150
Transfers Out	115	2,109	2,224	2,475	3,858	6,333
Total Expenditures	22,189	3,151	25,340	25,131	4,945	30,076
Total Operating Incr/(Dec)	(531)	(189)	(720)	(2,946)	(1,912)	(4,858)
Available Fund Balance	\$8,462	\$2,904	\$11,366	\$5,516	\$992	\$6,508
Reserve %	38.1%	92.2%	44.9%	22.0%	20.1%	21.6%
\$ Above Reserve Policy	4,025	2,274	6,299	491	3	494
Funds Available to Allocate	3,500	1,695	5,195	400	-	400

The City's Annual Comprehensive Financial Report (ACFR) was presented on [January 23, 2024](#), and a request to review the reserve policy was discussed. The Beginning Fund Balances for the funds have been updated upon completion of the ACFR and are shown in Table 2.

City Council
Adoption of a Resolution Updating the Fund Balance and Reserve Policy
June 11, 2024
Page 4

Table 2: Updated Fund Balances FY 2023-25 Consolidated General Fund Budget & Available Fund Balance in Thousands

	FY 2023-24			FY 2024-25		
	General Fund	Local Sales	Consolidated Total	General Fund	Local Sales	Consolidated Total
Beginning Fund Balance	\$11,862	\$7,625	\$19,487	\$11,331	\$7,436	\$18,767
Revenues:						
Revenues	18,544	2,962	21,506	19,000	3,033	22,033
Transfers In	3,114	-	3,114	3,185	-	3,185
Total Revenues	21,658	2,962	24,620	22,185	3,033	25,218
Expenditures:						
Salaries and Benefits	12,089	-	12,089	12,437	-	12,437
Services and Supplies	9,435	1,042	10,477	9,775	1,087	10,862
Debt Service	310	-	310	294	-	294
Capital Outlay	240	-	240	150	-	150
Transfers Out	115	2,109	2,224	2,475	3,858	6,333
Total Expenditures	22,189	3,151	25,340	25,131	4,945	30,076
Total Operating Incr/(Decr)	(531)	(189)	(720)	(2,946)	(1,912)	(4,858)
Available Fund Balance	\$11,331	\$7,436	\$18,767	\$8,385	\$5,524	\$13,909
Reserve %	51.1%	236.0%	74.1%	33.4%	111.7%	46.3%
\$ Above Reserve Policy	6,895	6,806	13,701	3,360	4,536	7,896
Funds Available to Allocate	3,300	4,520	7,820	2,800	3,780	6,580

The estimated Consolidated General Fund available fund balance at the end of FY 2024-25 is \$13,909,000.

Staff brought forward a Fund Balance and Reserve Policy during the [April 9, 2024](#), City Council meeting to update the existing policy and consider updating the policy to incorporate a Budget Stabilization Reserve, as well as, three replacement/repairs reserves. This item was continued and staff incorporated this discussion in the preliminary budget item presented to the City Council on [May 28, 2024](#).

The City Council reviewed the preliminary budget and provided direction to appropriate \$560,000 of Excess Available Consolidated General Fund Balance to the three replacement/repairs reserves:

- Information Technology Reserve
- Fleet Replacement Reserve
- Facility Repairs Reserve

The Fund Balance and Reserve Policy has been updated to incorporate this direction.

ANALYSIS OF ISSUES:

Healthy reserves are a mark of fiscal stability and a cornerstone of financial flexibility. The Government Finance Officers Association best practice recommends, at a minimum, that general-purpose governments, regardless of size, maintain unrestricted budgetary fund

Item 9.d.

City Council
Adoption of a Resolution Updating the Fund Balance and Reserve Policy
June 11, 2024
Page 5

balance in their General Fund of no less than two months (16.67%) of regular general fund operating revenues or operating expenditures.

The updated Fund Balance and Reserve Policy included as Exhibit A to Attachment 1 does not change the current Operating Reserve policy that is equal to 15%, with a goal of 20% of the City's annual operating expenditures.

The updated Fund Balance and Reserve Policy also maintains a Pension and Other Post-Employment Benefits Reserve. Funds set aside under this reserve shall be used to further mitigate costs associated with pensions and other post-employment benefits. These funds will be used as a funding source for potential additional discretionary payments to pay down unfunded liability, held in the reserve account, or placed in a City Council approved trust instrument. Funds may be used for such purposes as a supplemental funding source for unanticipated increases to the annual pension and/or other post-employment benefit costs resulting from future actuarial assumptions and investment market volatility, or to make the City's annual payments during times of economic uncertainty as brought on by such circumstances as a recession resulting in funding gaps.

Additionally, the updated Fund Balance and Reserve Policy establishes three replacement/repairs reserves:

- Information Technology Reserve – Funds set aside under this reserve shall be used for information system and technology projects including communications systems, hardware, and software, which are capital in nature. Technology can change rapidly within the information systems sphere and often comes at a large cost. This reserve helps the City keep pace with changes in information technology and take advantage of improvement/efficiency opportunities in this area. While this will not eliminate the need to utilize the General Fund to support technology, it will help defray costs associated with unforeseen impacts to the City's Information Technology system.
- Fleet Replacement Reserve – Funds set aside under this reserve shall be used to maintain a Fleet Replacement Reserve in the Consolidated General Fund to provide for the timely replacement of existing vehicles should they come to the end of their useful life or become inoperable. The intent of this fund is to help self-finance the City's fleet needs into the future.
- Facility Repairs Reserve – Funds set aside under this reserve shall be to address any unforeseen maintenance and repairs or planned replacements within City

Item 9.d.

owned facilities. This fund is not intended to support planned facility maintenance and repairs.

The three replacement/repairs reserves would have a maximum fund balance of 1% each, bringing the full Reserve Policy to a total of 23% of the City’s annual operating expenditures. Any Excess Available General Fund Balance above 23% would be brought back to the City Council each year for consideration and options of how to appropriate funds.

ALTERNATIVES:

The following alternatives are provided for the Council’s consideration:

1. Adopt a Resolution updating the Fund Balance and Reserve Policy;
2. Modify as appropriate the Fund Balance and Reserve Policy; or
3. Provide other direction to staff.

ADVANTAGES:

The last update to the Fund Balance and Reserve Policy was more than thirteen years ago. The proposed changes align the GFOA best practices and continue to improve the City’s ongoing commitment to responsible stewardship and transparency of public funds.

DISADVANTAGES:

There are no disadvantages in relation to the recommended action.

ENVIRONMENTAL REVIEW:

Adopting a resolution updating the Fund Balance and Reserve Policy is not subject to the California Environmental Quality Act (“CEQA”) because it has no potential to result in either a direct, or reasonably foreseeable indirect, physical change in the environment. (State CEQA Guidelines, Cal. Code Regs., tit. 14, §§ 15060, subd. (c)(2)- (3), 15378.)

PUBLIC NOTIFICATION AND COMMENTS:

The Agenda was posted at City Hall and on the City’s website in accordance with Government Code Section 54954.2.

ATTACHMENTS:

1. Proposed Resolution

RESOLUTION NO.

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF ARROYO GRANDE UPDATING THE FUND BALANCE
AND RESERVE POLICY**

WHEREAS, the Governmental Accounting Standards Board (“GASB”) released Statement No. 54 - “Fund Balance Reporting and Governmental Fund Type Definitions” on March 11, 2009. The objective of the Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications and by clarifying governmental fund type definitions; and

WHEREAS, the City Council has expressed a desire to update the established Fund Balance and Reserve Policy for the General Fund that promotes responsible financial management by adhering to best budget practices and Generally Accepted Accounting Principles (GAAP); and

WHEREAS, by maintaining sufficient fund balances and reserves, the City will be well positioned to provide financial security and continued delivery of services, withstand economic downturns and other financial stressors such as a natural disaster or emergency, promote stable tax rates and fees, protect the city’s credit worthiness and bond rating, respond to opportunities, and consider long-term financial needs; and

WHEREAS, adopting a resolution updating the Fund Balance and Reserve Policy is not subject to the California Environmental Quality Act (“CEQA”) because it has no potential to result in either a direct, or reasonably foreseeable indirect, physical change in the environment. (State CEQA Guidelines, Cal. Code Regs., tit. 14, §§ 15060, subd. (c)(2)-(3), 15378.); and

WHEREAS, the policy will establish a target threshold for the unassigned General Fund balance, provide requirements to replenish the depleted reserves, and guidelines by which surpluses may be spent; and

WHEREAS, the City Council desires to update the Fund Balance and Reserve Policy at this time.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Arroyo Grande, that:

1. The recitals set forth herein are true, correct and incorporated herein by this reference.
2. The Fund Balance and Reserve Policy attached to this Resolution and marked as Exhibit A, is hereby incorporated herein by this reference. The Fund Balance and Reserve Policy shall become effective concurrently with the adoption of this

RESOLUTION NO.
PAGE 2

Resolution.

3. The City Council finds that the Fund Balance and Reserve Policy is reasonable and necessary to ensure the City is prepared in times of financial difficulties to continue to provide vital services to its residents.
4. The City Council further finds the types of reserve funds and the amounts to be funded within each fund described in the Fund Balance and Reserve Policy are reasonable and necessary to meet the City's financial planning needs.
5. The City Council may amend the Fund Balance and Reserve Policy from time to time as may be necessary.
6. This Resolution shall become effective immediately upon its adoption.

On motion of Council Member _____, seconded by Council Member _____, and by the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

the foregoing Resolution was passed and adopted this 11th day of June, 2024.

**RESOLUTION NO.
PAGE 3**

CAREN RAY RUSSOM, MAYOR

ATTEST:

JESSICA MATSON, CITY CLERK

APPROVED AS TO CONTENT:

MATTHEW DOWNING, CITY MANAGER

APPROVED AS TO FORM:

ISAAC ROSEN, CITY ATTORNEY

EXHIBIT A

Fund Balance and Reserve Policy

INTRODUCTION

The purpose of this document is to state the policy goals of the City of Arroyo Grandes' General Fund reserves, and the budgeting practices that maintain such reserves. Although there is no formula that defines a completely adequate Fund Balance, a conservative approach should enable the City to finance its operations and meet unplanned expenditures without having to incur short-term debt or raise new revenues.

These policies are intended to provide guidelines for budget decisions as to the appropriate use of General Fund resources and the maintenance of adequate reserves for contingencies, emergencies, capital improvements, and other such uses as determined by the City Council. After amounts projected to be available from the year-end fund balance of the General Fund are allocated to Assigned categories, the remaining amount, referred to as the Unassigned Fund Balance, will be reserved for contingencies as further set forth below.

PURPOSE

The purpose of the Fund Balance and Reserve Policy is to ensure strong fiscal management to guide the City of Arroyo Grande's financial planning, while continuing to provide services to the residents of the City. Additionally, the policy will: aide in reducing financial impacts of temporary revenue short falls and unpredicted one-time expenditures, such as disasters or catastrophic events; assist the City in responding to challenges of a changing economic environment; and preserve adequate reserve levels to improve or maintain the City's credit worthiness. The Fund Balance and Reserve Policy establishes the appropriate level of reserves in the Consolidated General Fund. The policy sets conditions warranting the use of reserves and outlines the plan to replenish them if the balances fall below the levels established in this policy.

BACKGROUND

Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, was implemented in FY 2010-11 with the intent of improving financial reporting by providing fund balance categories that will be more easily understood. The categories are more clearly defined to make the nature and extent of the constraints placed on a government's fund balance more transparent. This Fund Balance and Reserve Policy establishes the procedures for reporting unrestricted fund balance in the financial statements. The policy also authorizes and directs the Administrative Services Director to prepare financial reports which accurately categorize fund balance as per GASB Statement No. 54.

Fund Balance and Reserve Policy

POLICY

Fund balance is essentially the difference between the assets and liabilities reported in a governmental fund. There are five separate components of fund balance, each of which identifies the extent to which the City is bound to honor constraints on the specific purposes for which amounts can be spent.

- Non-spendable fund balance: Amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted fund balance: To be used for specific purposes stipulated by external resource providers, constitution, or through enabling legislation.
- Committed fund balance: To be used for specific purposes as established by City Council.
- Assigned fund balance: Amounts intended for a specific purpose as authorized by the City Manager, but are neither restricted nor committed.
- Unassigned fund balance: The residual amount not contained in the other classifications. The first two components listed above, non-spendable and restricted fund balances, are not addressed in this policy due to the nature of the restrictions. Examples of non-spendable fund balance include prepaid expenses, loan receivables, and inventory. Restricted fund balance is either imposed by laws or constrained by grantors, contributors, or laws or regulations of other governments. This policy is focused on financial reporting of unrestricted fund balance, which is the last three components listed above. These three components are further defined below.

These funds may be pooled for investment earning purposes only and interest earned shall be credited to each individual fund based upon the proportionate share of the revenues invested.

Committed Fund Balance

The City Council, as the City's highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by formal actions taken, such as an ordinance or resolution. These Committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use through the same type of formal action taken to establish the commitment. Five types of committed reserves are set aside by the City including Operating Reserve, Pension and Other Post-Employment Benefits Reserve, Information Technology Reserve, Fleet Replacement Reserve, and Facility Repairs Reserve. The intended use of each reserve and the Fund(s) in which they are held is outlined below. To develop the appropriate amount of reserves, the City considered guidance from the Government Finance Officers Association (GFOA), as well as the current economic conditions and needs of the City. Reserve balances will be reviewed at the end of each fiscal year to ensure compliance with this Policy.

Fund Balance and Reserve Policy

- Operating Reserve – The GFOA recommends that general-purpose governments maintain reserves in the general fund of no less than two months (16.67%) of annual general fund operating revenues or annual general fund operating expenditures. The City has established an Operating Reserve in the Consolidated General Fund to mitigate financial and service delivery risk due to unexpected revenue shortfalls or unanticipated critical expenditures. The purpose of this reserve is to provide budgetary stabilization and not to serve as an alternative funding source for new programs and ongoing operating expenditures. It is for one-time needs and expenditures identified in the budget and not ongoing structural challenges. The City will aim to maintain a minimum balance in the Operating Reserves equal to approximately 15%, with a goal of 20% of the City’s annual operating expenditures.
- Pension and Other Post-Employment Benefits Reserve – Funds set aside under this reserve in the Consolidated General Fund to be used to further mitigate costs associated with pensions and other post-employment benefits. These funds will be used: as a funding source for potential additional discretionary payments to pay down unfunded liability; or held in the reserve account; or placed in a City Council approved trust instrument. Funds may be used for such purposes as a supplemental funding source for unanticipated increases to the annual pension and/or other post-employment benefit costs resulting from future actuarial assumptions and investment market volatility, or to make the City’s annual payments during times of economic uncertainty as brought on by such circumstances as a recession resulting in funding gaps.
- Information Technology Reserve – This fund, established in the Consolidated General Fund, provides for information system and technology projects including communications systems, hardware, and software, which are capital in nature. Technology can change rapidly within the information systems sphere and often comes at a large cost. This reserve helps the City keep pace with changes in information technology and take advantage of improvement/efficiency opportunities in this area. This reserve will not exceed 1.0% of annual Consolidated General Fund operating expenditures.
- Fleet Replacement Reserve – The City will maintain a Fleet Replacement Reserve in the Consolidated General Fund to provide for the timely replacement of existing vehicles should they come to the end of their useful life or become inoperable. This reserve will not exceed 1.0% of annual Consolidated General Fund operating expenditures.
- Facility Repairs Reserve – This reserve is set up in the Consolidated General Fund to address any unforeseen maintenance and repairs or planned replacements within City owned facilities. This reserve will not exceed 1.0% of annual Consolidated General Fund operating expenditures.

Fund Balance and Reserve Policy

Assigned Fund Balance

Amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed, should be reported as assigned fund balance. This policy hereby delegates the authority to assign amounts to be used for specific purposes to the City Manager or designee for the purpose of reporting these amounts in the annual financial statements. Examples of assigned fund balance include:

- Encumbered Fund balance levels must be sufficient to meet funding requirements for materials or services ordered, but not received, before the end of the fiscal year.
- Continuing Appropriations Fund balance levels must be sufficient to meet funding requirements for projects approved in prior years and which must be carried forward into the new fiscal year.
- Other Designations Assigned fund balance can also include amounts designated for certain programs, additional reduction of debt, special events, or other non-recurring expenditure needs of the City.

Unassigned Fund Balance

Unassigned fund balance is the residual positive net resources in excess of what can properly be classified in one of the other four categories. The Consolidated General Fund is the only fund that may report a positive (surplus) unassigned balance. Conversely, any governmental fund in a negative (deficit) position could report a negative amount of unassigned fund balance.

Fund Balance Classification

The accounting policies of the City consider restricted fund balance to have been spent first when the expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when the expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the City considers committed amounts to be reduced first, followed by assigned amounts and the unassigned amounts.

Surplus

Since a surplus of unassigned fund balance does not represent a recurring source of revenue, it shall not be used to fund a recurring expense; however, the surplus may be appropriated for use to fund a one-time expenditure or use not already funded through an appropriation. If it is determined there is an operating surplus, the City Council may appropriate funds for the following nonrecurring purposes, listed in order of priority:

Fund Balance and Reserve Policy

- Surplus funds may be used to meet the minimum Operating Reserve requirement;
- Any surplus may be transferred to reduce the unfunded pension liability and/or any other unfunded postemployment benefit liabilities;
- If there is short-term debt within the General Fund, the surplus may be applied to reduce, or eliminate, the debt if determined to be advantageous for the City. If a borrowing is scheduled, the surplus may be used to reduce the principal amount the City needs to obtain if determined to be advantageous for the City; and
- Surplus funds may be used for capital improvements and equipment purchases that are not financed with borrowings or other contributions.

Replenishment of Reserves

If the Operating Reserve balance established in this policy falls below the minimum required level, the City shall strive to restore it to the minimum required balance by any feasible means, including, but not limited to, adopting a budgetary surplus; applying any cost savings, over-realized revenues, and/or surpluses realized within the applicable fund.

If the Information Technology Reserve, Fleet Replacement Reserve, or Facility Repairs Reserve fall below the 1.0% of annual Consolidated General Fund operating expenditures, the levels will be replenished when surplus funds become available.

These guidelines may be suspended, in whole or part, if financial or economic circumstances prevent meeting any or all of the timelines. These policy guidelines may also be amended by action of the City Council from time to time.

This policy is instituted to provide a measure of protection for the City against unforeseen circumstances and to comply with GASB Statement No. 54. No other policy or procedure supersedes the authority and provisions of this policy.

Enterprise Fund Reserves

Reserves for Enterprise Funds – Water and Wastewater (Sewer): Revenues contained in these funds are restricted and may only be used for their described purposes below. In no event will these funds be used to fund general fund services.

- Operating Reserve – The purpose of the Enterprise Fund Operating Reserve is to provide working capital to meet cash flow needs during normal operations and support the operation, maintenance and administration of the utility. This reserve ensures that operations can continue

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should there be significant events that impact cash flows. The target balance to be maintained is 90 days (25 percent) of the current annual operating expense budget.

- Capital Reserve – The purpose of the Enterprise Fund Capital Reserve is to fund future replacement of assets and CIP projects. The Capital reserves are used to fund the construction of the projects as the projects progress and the funds are expended. The reserve target has been established at \$500,000 each for the water and wastewater systems through prior cost of service studies.
- Lopez Fund Reserve – The Enterprise Fund Lopez Fund accounts for the revenue and expenditures of the surface water purchases from the County. Revenues are collected through the water rates in sufficient amounts to provide for a transfer of revenue to meet the expenses in the Lopez Fund. A reserve is maintained in the fund at least equal to annual Lopez debt service.



ACTION MINUTES
REGULAR MEETING OF THE CITY COUNCIL

May 14, 2024, 6:00 p.m.
Hybrid City Council Chamber/Virtual Zoom Meeting
215 East Branch Street, Arroyo Grande

Council Members Present: Mayor Ray Russom, Council Member Barneich, Council Member George, Council Member Secrest, Mayor Pro Tem Guthrie (virtually)

Staff Present: City Clerk Jessica Matson, City Attorney Isaac Rosen, City Manager Matthew Downing, Assistant City Manager/Public Works Director Bill Robeson, Administrative Services Director Nicole Valentine, Community Development Director Brian Pedrotti, City Engineer Shannon Sweeney

This meeting was conducted in a hybrid in-person/virtual format.

1. CALL TO ORDER

Mayor Ray Russom called the Regular City Council Meeting to order at 6:00 p.m.

2. ROLL CALL

City Clerk Matson stated that Mayor Pro Tem Guthrie is participating remotely in accordance with AB 2449 regulations.

Mayor Pro Tem Guthrie made a statement that he is attending virtually under AB 2449 "just cause" provision as he is traveling for official City business in Cincinnati, Ohio and that no other adults were in the room.

City Clerk Matson took roll call.

3. MOMENT OF REFLECTION

4. FLAG SALUTE

Mayor Ray Russom led the flag salute.

5. AGENDA REVIEW

5.a Closed Session Announcements

None.

5.b Ordinances read in title only

Moved by Mayor Ray Russom
Seconded by Council Member Barneich

Move that all ordinances presented at the meeting shall be read by title only and all further readings be waived.

AYES (5): Mayor Ray Russom, Council Member Barneich, Council Member George, Council Member Secrest, and Mayor Pro Tem Guthrie

Passed (5 to 0)

6. SPECIAL PRESENTATIONS

6.a Honorary Proclamation Declaring May 2024 as "National Foster Care Awareness Month"

Mayor Ray Russom read the Honorary Proclamation Declaring May 2024 as "National Foster Care Awareness Month". Julie Kadis, Department of Social Services and Lilly Green-Williams, accepted the proclamation.

Mayor Ray Russom invited public comment. No public comments were received.

No action was taken on this item.

6.b Honorary Proclamation Declaring May 2024 as "ALS Awareness Month"

Mayor Ray Russom read the Honorary Proclamation Declaring May 2024 as "ALS Awareness Month".

Mayor Ray Russom invited public comment. No public comments were received.

No action was taken on this item.

6.c Honorary Proclamation Declaring May 19-25, 2024 as "National Travel and Tourism Week"

Mayor Ray Russom read the Honorary Proclamation Declaring May 19-25, 2024 as "National Travel and Tourism Week". Matt Halvorson, Visit SLO Cal, accepted the proclamation.

Mayor Ray Russom invited public comment. No public comments were received.

No action was taken on this item.

6.d City Manager Communications

City Manager Downing announced that there was a major water line break at the intersection of Fair Oaks and Valley Road over the weekend and crews were able to repair the waterline and thanked staff; the Branch Street closure for digouts and slurry seal project; crews are mobilizing for the Swinging Bridge Project; the Peace Officer Memorial event will take place on Thursday and closure of City Hall 10-11 a.m.; and answered questions from Council.

No action was taken on this item.

Receive correspondence/comments as presented by the City Manager and Provide direction, as necessary.

7. CITY COUNCIL REPORTS

None.

Reports are made during the Second Council Meeting each month.

8. COMMUNITY COMMENTS AND SUGGESTIONS

Mayor Ray Russom invited public comment. Speaking from the public were Garry Schmidt, Brenda Auer, Gaea Powell, Michael Punsalon, Shannon Kessler, and Darcy Cole. No further comments were received.

City Attorney Rosen responded to questions from the public. Mayor Ray Russom asked that staff provide information to the speaker regarding the Verizon cell tower.

9. CONSENT AGENDA

Mayor Ray Russom asked the Council if there were any questions or any items to be pulled from the consent agenda for further discussion. There were none.

Mayor Ray Russom invited public comment. No public comments were received.

Moved by Council Member Barneich
Seconded by Council Member George

Approve Consent Agenda Items 9.a. through 9.f., with the recommended courses of action.

AYES (5): Council Member Barneich, Council Member George, Council Member Secret, Mayor Pro Tem Guthrie, and Mayor Ray Russom

Passed (5 to 0)

9.a Consideration of Cash Disbursement Ratification

Reviewed and ratify the listing of cash disbursements for the period of April 1 through April 15, 2024.

9.b Consideration of Statement of Investment Deposits

Received and filed the attached report listing investment deposits of the City of Arroyo Grande as of March 31, 2024, as required by Government Code Section 53646(b).

9.c Fiscal Year 2023-24 Third Quarter Status Report and Budget Adjustment Requests

Considered, received, and filed the Fiscal Year (FY) 2023-24 Third Quarter Financial Status Report (the "Third Quarter Report") and approve Two Budget Adjustment Requests.

9.d Approval of Minutes

Approved the minutes of the Regular City Council Meeting of April 23, 2024, as submitted.

9.e Consider Adoption of Resolutions Ordering the Preparation and Filing of Annual Engineer's Reports for the Parkside Village & Grace Lane Assessment Districts, & the Landscaping & Lighting District No. 1, Within Tract 1769, for FY 2024-25

1) Adopted Resolutions entitled: **"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE ORDERING THE PREPARATION AND FILING OF THE ANNUAL ENGINEER'S REPORT FOR THE GRACE LANE ASSESSMENT DISTRICT FOR FISCAL YEAR 2024-2025"**; **"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE ORDERING THE PREPARATION AND FILING OF THE ANNUAL ENGINEER'S REPORT FOR THE PARKSIDE VILLAGE ASSESSMENT DISTRICT FOR FISCAL YEAR 2024-2025"**; and **"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE ORDERING THE PREPARATION AND FILING OF THE ANNUAL ENGINEERS REPORT FOR THE ARROYO GRANDE LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT NO. 1, WITHIN TRACT 1769, FOR FISCAL YEAR 2024-2025"**; and 2) Determined that adopting the Resolutions ordering the Engineer's reports is not a project subject to the California Environmental Quality Act ("CEQA") because it has no potential to result in either a direct, or reasonably foreseeable indirect, physical change in the environment. (State CEQA Guidelines, §§ 15060, subd. (c)(2)-(3), 15378.)

9.f Consider Traffic Way Bridge Temporary Construction Easement Execution

Authorized the City Manager to fully execute temporary construction easements (TCEs) for certain real property, more particularly described as Assessor Parcel Numbers 006-311-056, 007-482-026, 007-481-007, 007-481-008, 007-481-009, 007-482-020, and 007-482-018, that are necessary for the Traffic Way Bridge Replacement Project.

10. PUBLIC HEARINGS

10.a Amendments to the Arroyo Grande Public Art Regulations, Guidelines, and Donation Program

Community Development Director Pedrotti presented the item. Director Pedrotti and City Attorney Rosen responded to questions from Council.

Mayor Ray Russom opened the public hearing. Speaking from the public were Cindy Blankenburg, and Shirley Horacek. Upon hearing no further public comments, Mayor Ray Russom closed the public hearing. City Attorney Rosen and Director Pedrotti responded to questions from the public.

Moved by Council Member George
Seconded by Council Member Secrest

1) Introduce an Ordinance entitled: **"AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE AMENDING SECTION 16.16.200 OF THE ARROYO GRANDE MUNICIPAL CODE REGARDING PUBLIC ART AND FINDING THE ORDINANCE EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT"**;

2) Adopt a Resolution entitled: **"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE APPROVING AMENDMENTS TO THE PUBLIC ART GUIDELINES AND PUBLIC ART DONATION PROGRAM AND FINDING THE ACTION NOT SUBJECT TO CEQA"**; and

3) Determine that the amendments to the Public Art Guidelines and Public Art Donation Program are not subject to the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines sections 15060(c)(2) and 15061(b)(3).

AYES (5): Council Member George, Council Member Secret, Council Member Barneich, Mayor Pro Tem Guthrie, and Mayor Ray Russom

Passed (5 to 0)

11. **OLD BUSINESS**

11.a **Water Supply Evaluation, Central Coast Blue Member Agency Status Update, and Requested Direction**

City Manager Downing introduced the item and commented on the Grover Beach City Council action on May 13, 2024. City Engineer Sweeney presented. City Engineer Sweeney, Administrative Services Director Valentine, and City Manager Downing responded to questions from Council.

Mayor Ray Russom opened public comment. Speaking from the public were Pamela Storton, Alexandria Davis, Brenda Auer. Upon hearing no further public comments, Mayor Ray Russom closed public comment. City Manager Downing responded to questions from the public.

Council discussion ensued regarding withdrawing from the Central Coast Blue (CCB) Project and the CCB Regional Recycled Water JPA; deferring a State water ballot measure; looking into other recycled water projects; and continuing to work with regional partners.

Moved by Council Member George
Seconded by Council Member Barneich

Approve staff's recommendation to withdraw from the Central Coast Blue Regional Recycled Water Authority Joint Powers Agreement, proceed with Water Master Plan and Water Utility Plan updates once these items are approved in the FY 2024-25 budget, and defer a State Water ballot measure until at least 2026.

AYES (5): Council Member George, Council Member Barneich, Council Member Secret, Mayor Pro Tem Guthrie, and Mayor Ray Russom

Passed (5 to 0)

12. **NEW BUSINESS**

Mayor Ray Russom called for a brief break at 7:35 p.m. The Council reconvened at 7:39 p.m.

12.a **Discussion of Financing Options Related to the Top Three Priorities from the Community Priorities Survey Results and City Council Direction on a Potential Sales Tax Measure**

City Manager Downing introduced the item, and Administrative Services Director Valentine presented. City Manager Downing commented on staff's recommendation and responded to questions from Council.

Mayor Ray Russom invited public comment. Speaking from the public were Jon Hoffman, and Alexandria Davis. No further public comments were received.

Council discussion ensued regarding financing options including placing a 1% sales tax measure on the November 5, 2024 ballot; the addition of a sunset clause in the ballot language; and a citizens oversight committee.

City Manager Downing commented on the California Business Roundtable initiative as it relates to sunset clauses.

Administrative Services Director Valentine provided information regarding financing options.

Moved by Council Member George
Seconded by Mayor Ray Russom

Direct staff to prepare a resolution and ordinance for City Council consideration at the May 28, 2024 meeting, to place a 1% Transaction and Use (“sales tax”) measure with a 10-year sunset clause on the November 5, 2024 ballot.

AYES (5): Council Member George, Mayor Ray Russom, Council Member Barneich, Council Member Secrest, and Mayor Pro Tem Guthrie

Passed (5 to 0)

13. COUNCIL COMMUNICATIONS

Council Member George stated that a presentation regarding the State of Youth Mental Health will be held in Arroyo Grande on May 22nd.

Mayor Ray Russom thanked the Rotary Clubs of Arroyo Grande and Pismo Beach for funding the redwood tree lighting, which is lighted blue and gold in appreciation to the Rotary Clubs.

Council Member Secrest stated that she attended the We Heart AG event; Public Service Employee Recognition Lunch; Redwood Tree Lighting event, and GALA Evening of Action event where she presented a Proclamation for Pride Month on behalf of the City Council.

14. ADJOURNMENT

There being no further business to come before the City Council, Mayor Ray Russom adjourned the meeting at 8:41 pm.

Caren Ray Russom, Mayor

ATTEST:

Jessica Matson, City Clerk



ACTION MINUTES
REGULAR MEETING OF THE CITY COUNCIL

May 28, 2024, 5:00 p.m.
Hybrid City Council Chamber/Virtual Zoom Meeting
215 East Branch Street, Arroyo Grande

Council Members Present: Mayor Ray Russom, Mayor Pro Tem Guthrie,
Council Member Barneich, Council Member
George, Council Member Secrest

Staff Present: City Clerk Jessica Matson, City Attorney Isaac
Rosen, City Manager Matthew Downing,
Assistant City Manager/Public Works Director
Bill Robeson, Administrative Services Director
Nicole Valentine, Community Development
Director Brian Pedrotti, City Engineer
Shannon Sweeney

This meeting was conducted in a hybrid in-person/virtual format.

CLOSED SESSION MEETING 5:00 P.M.:

1. CALL TO ORDER

Mayor Ray Russom called the meeting to order at 5:00 p.m.

2. ROLL CALL

City Clerk Matson took roll call.

3. FLAG SALUTE

Mayor Ray Russom led the flag salute.

4. PUBLIC COMMENT ON CLOSED SESSION ITEMS

Mayor Ray Russom invited public comment. No comments were received.

5. CLOSED SESSION

City Attorney Rosen announced that the City Council will recess to a closed session for the following and

will report any reportable action at the City Council Regular meeting at 6:00 p.m.:

- a) PUBLIC EMPLOYEE PERFORMANCE EVALUATION pursuant to Government Code Section 54957:
Title: City Attorney

The City Council adjourned to Closed Session at 5:01 p.m.

6. ADJOURNMENT

The City Council adjourned Closed Session at 5:53 p.m.

REGULAR MEETING 6:00 P.M.

1. CALL TO ORDER

Mayor Ray Russom called the Regular City Council Meeting to order at 6:00 p.m.

2. ROLL CALL

City Clerk Matson took roll call.

3. MOMENT OF REFLECTION

4. FLAG SALUTE

Mayor Ray Russom led the flag salute.

5. AGENDA REVIEW

Council Member George requested Item 10.a. be moved after Item 12.b. and Item 13 after Item 8.
Council concurred.

5.a Closed Session Announcements

City Attorney Rosen announced that there was no reportable action from the following meeting:

May 28, 2024

- a) PUBLIC EMPLOYEE PERFORMANCE EVALUATION pursuant to Government Code Section 54957:
Title: City Attorney

5.b Ordinances read in title only

Moved by Mayor Ray Russom
Seconded by Council Member Barneich

Move that all ordinances presented at the meeting shall be read by title only and all further readings be waived.

AYES (5): Mayor Ray Russom, Council Member Barneich, Council Member George, Mayor Pro Tem Guthrie, and Council Member Secret

Passed (5 to 0)

6. SPECIAL PRESENTATIONS

6.a Honorary Proclamation Declaring June 2024 as "Pride Month"

Mayor Ray Russom read the Honorary Proclamation Declaring June 2024 as "Pride Month". Val Jones, GALA Pride & Diversity Center, accepted the proclamation.

No action was taken on this item.

6.b Honorary Proclamation Declaring June 7, 2024 as "Hunger Awareness Day"

Mayor Ray Russom read the Honorary Proclamation Declaring June 7, 2024 as "Hunger Awareness Day". Andrea Kisler, SLO Food Bank, accepted the proclamation.

No action was taken on this item.

6.c City Manager Communications

City Manager Downing provided information regarding the slurry seal and striping project in the Village; AGPD assistance in responding to the incident in Grover Beach; Spring issue of Arroyo Grande Gazette; and the Art in the Park event on June 8th.

No action was taken on this item.

7. CITY COUNCIL REPORTS

The City Council provided brief reports from the following committee, commission, board, or other subcommittee meetings that they attended as the City's appointed representative.

7.a MAYOR RAY RUSSOM:

1. California Joint Powers Insurance Authority (CJPIA)
2. Central Coast Blue Regional Recycled Water Authority Board
3. Five Cities Fire Authority
4. San Luis Obispo County Mayor's Meeting
5. South San Luis Obispo County Sanitation District (SSLOCSD)
6. Other

7.b MAYOR PRO TEM GUTHRIE:

1. County Water Resources Advisory Committee (WRAC)
2. Council of Governments/Regional Transit Authority/ South County Transit (SLOCOG/SLORTA/SCT)
3. Integrated Waste Management Authority Board (IWMA)

4. REACH Economic Development Roundtable
5. Other

7.c COUNCIL MEMBER BARNEICH:

1. Audit Committee
2. Homeless Services Oversight Council (HSOC)
3. Zone 3 Water Advisory Board
4. Other

7.d COUNCIL MEMBER GEORGE:

1. Five Cities Fire Authority
2. Visit SLO CAL Advisory Board
3. Other

7.e COUNCIL MEMBER SECREST:

1. Air Pollution Control District (APCD)
2. South County Chambers of Commerce Governmental Affairs Committee
3. Other

8. COMMUNITY COMMENTS AND SUGGESTIONS

Mayor Ray Russom invited public comment. Speaking from the public were Patty Welsh, Jeff Chambers, Gaea Powell, Michael Punsalon, Shannon Kesler, Victor, Garry Schmidt. No further public comments were received.

Community Development Director Pedrotti and City Manager Downing responded to questions from the public.

9. CONSENT AGENDA

Mayor Ray Russom asked the Council if there were any questions or any items to be pulled from the consent agenda for further discussion. There were none.

Mayor Ray Russom invited public comment. No public comments were received.

Moved by Council Member Barneich
Seconded by Council Member George

Approve Consent Agenda Items 9.a. through 9.f., with the recommended courses of action.

AYES (5): Council Member Barneich, Council Member George, Council Member Secrest, Mayor Pro Tem Guthrie, and Mayor Ray Russom

Passed (5 to 0)

9.a Consideration of Cash Disbursement Ratification

Reviewed and ratified the listing of cash disbursements for the period of April 16 through April 30, 2024.

9.b Resolutions for the 2024 General Municipal Election for the Election of Certain Officers of the City

1) Adopted a entitled: **"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE, CALIFORNIA, CALLING FOR THE HOLDING OF A GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 5, 2024, FOR THE ELECTION OF CERTAIN OFFICERS AS REQUIRED BY THE PROVISIONS OF THE LAWS OF THE STATE OF CALIFORNIA RELATING TO GENERAL LAW CITIES"**; 2) Adopted a entitled: **"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE, CALIFORNIA, REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN LUIS OBISPO TO CONSOLIDATE A GENERAL MUNICIPAL ELECTION TO BE HELD ON NOVEMBER 5, 2024, WITH THE STATEWIDE GENERAL ELECTION TO BE HELD ON THE SAME DATE PURSUANT TO SECTION 10403 OF THE ELECTIONS CODE"**; and 3) Adopted a entitled: **"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE, CALIFORNIA, ADOPTING REGULATIONS FOR CANDIDATES FOR ELECTIVE OFFICE PERTAINING TO CANDIDATE STATEMENTS SUBMITTED TO THE VOTERS AT AN ELECTION TO BE HELD ON TUESDAY, NOVEMBER 5, 2024"**.

9.c Consideration of Engineer's Reports and Resolutions Declaring the City's Intention to Levy and Collect Assessments

1) Approved the Engineer's Reports for the Parkside Village Assessment District, Grace Lane Assessment District, and Arroyo Grande Landscaping and Lighting Assessment District No. 1, within Tract 1769, for FY 2024-25;

2) Adopted Resolutions entitled: **"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE DECLARING ITS INTENTION TO LEVY AND COLLECT ANNUAL ASSESSMENTS RELATED TO THE PARKSIDE VILLAGE ASSESSMENT DISTRICT FOR FISCAL YEAR 2024-2025"**; **"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE DECLARING ITS INTENTION TO LEVY AND COLLECT ANNUAL ASSESSMENTS RELATED TO THE GRACE LANE ASSESSMENT DISTRICT FOR FISCAL YEAR 2024-2025"**; and **"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE DECLARING ITS INTENTION TO LEVY AND COLLECT ANNUAL ASSESSMENTS RELATED TO THE ARROYO GRANDE LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT NO. 1, WITHIN TRACT 1769, FOR FISCAL YEAR 2024-2025"**.

3) Set a public hearing for June 25, 2024, at 6:00 p.m. for the Parkside Village Assessment District, Grace Lane Assessment District, and Arroyo Grande Landscaping and Lighting Assessment District No. 1, within Tract 1769, to consider levying the property assessments; and

4) Made findings that the is categorically exempt from the California Environmental Quality Act ("CEQA") under the Class 2 exemption, which applies to the replacement or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced. (State CEQA Guidelines, § 15302.)

9.d Consider Four-Year Agreement with the California Department of Corrections and Rehabilitation for Use of Inmate Work Crews

Adopted a Resolution entitled: **"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE APPROVING THE EXECUTION OF AN AGREEMENT WITH THE CALIFORNIA DEPARTMENT OF CORRECTIONS AND REHABILITATION FOR INMATE COMMUNITY SERVICE WORK CREWS"**.

9.e Monthly Water Supply and Demand Update

Received and filed the Monthly Water Supply and Demand Update.

9.f Adoption of an Ordinance Amending Title 16 of the Arroyo Grande Municipal Code Regarding Public Art

1) Adopted an Ordinance entitled: **"AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE AMENDING SECTION 16.16.200 OF THE ARROYO GRANDE MUNICIPAL CODE REGARDING PUBLIC ART AND FINDING THE ORDINANCE EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT"**; and

2) Found that the Ordinance is not subject to the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines sections 15060(c)(2) and 15061(b)(3).

10. PUBLIC HEARINGS

10.a Continued Public Hearing to Consider a Resolution Denying the Installation of One (1) Domestic Well on Property Zoned Planned Development (PD); Applicant – Michael Harris; Representative – Richard Burde, SLO Civil Design

This Item was heard after Item 12.b.

Council Member George recused herself due to the location of her residence being within 500 feet of the project and left the meeting.

Mayor Ray Russom read a statement recusing herself and left the meeting.

Mayor Ray Russom called for a brief break at 8:06 p.m. The Council reconvened at 8:12 p.m.

Mayor Pro Tem Guthrie presided.

Community Development Director Pedrotti presented the item. Director Pedrotti, Assistant City Manager/Public Works Director Robeson, and City Manager Downing responded to questions from Council.

Mayor Pro Tem Guthrie and Council Member Secrest disclosed ex parte communications with the applicant.

Michael Harris, applicant, presented and responded to questions from Council.

Mayor Pro Tem Guthrie opened the public hearing. Speaking from the public were No Name Provided, Shannon Kesler, Charlotte. Upon hearing no further public comments, Mayor Pro Tem Guthrie closed the public hearing. Mayor Pro Tem Guthrie and Council Member Secrest responded to questions from the public.

Director Pedrotti and City Manager Downing responded to questions from Council regarding the proposed alternative resolution approving the domestic well, with conditions.

City Attorney Rosen responded to comments from the applicant. Director Pedrotti responded to questions from Council.

Moved by Council Member Secrest
Seconded by Mayor Pro Tem Guthrie

1) Adopted a Resolution entitled: **"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE APPROVING THE INSTALLATION OF ONE (1) NEW DOMESTIC SUPPLY WELL ON PROPERTY ZONED PLANNED DEVELOPMENT; LOCATED NORTHEAST OF THE INTERSECTION OF NOYES ROAD AND EQUESTRIAN WAY (APN: 007-781-055); APPLIED FOR BY MICHAEL HARRIS, AND FINDING THAT THIS ACTION IS EXEMPT FROM CEQA";** and

2) Determined that the installation of a domestic water well is categorically exempt from CEQA under the Class 3 exemption, which applies to the construction and location of limited numbers of new, small facilities or structures; installation of small new equipment and facilities in small structures; and the conversion of existing small structures from one use to another where only minor modifications are made in the exterior of the structure. (State CEQA Guidelines, § 15303.).

AYES (3): Council Member Secrest, Mayor Pro Tem Guthrie, and Council Member Barneich

ABSENT (2): Mayor Ray Russom, and Council Member George

Passed (3 to 0)

11. **OLD BUSINESS**

None.

12. **NEW BUSINESS**

12.a **Consider Placing a Local Transactions and Use Tax ("Sales Tax") Measure on the November 5, 2024 Ballot**

This item was heard after Item 9.

City Manager Downing presented the item and responded to questions from Council.

Council Member George recommended Council Member Secrest and Mayor Pro Tem Guthrie for appointment to the ad-hoc committee.

Mayor Ray Russom invited public comment. Speaking from the public were Shannon Kesler, Keith Storton, and Gaea Powell. No further public comments were received.

City Council discussion ensued regarding appointments to the ad-hoc committee and support of staff's recommendations.

Moved by Council Member George
Seconded by Council Member Barneich

1) Adopted a Resolution entitled: **"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE, CALIFORNIA CALLING FOR THE PLACEMENT OF A GENERAL TAX MEASURE ON THE BALLOT FOR THE NOVEMBER 5, 2024 GENERAL MUNICIPAL ELECTION FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF AN ORDINANCE TO ENACT A GENERAL TRANSACTIONS AND USE TAX (SALES TAX) AT THE RATE OF ONE CENT (1¢)";**

2) Adopted a proposed Ordinance entitled: **"AN ORDINANCE OF THE PEOPLE OF THE CITY OF ARROYO GRANDE, CALIFORNIA, ADDING CHAPTER 3.26 TO TITLE 3 OF THE ARROYO GRANDE MUNICIPAL CODE TO ENACT A ONE PERCENT (1%) GENERAL TRANSACTIONS AND USE TAX (SALES TAX) TO BE ADMINISTERED BY THE CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION";**

3) Adopted a Resolution entitled: **"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE, CALIFORNIA, PROVIDING FOR THE FILING OF PRIMARY AND REBUTTAL ARGUMENTS AND SETTING RULES FOR THE FILING OF WRITTEN ARGUMENTS REGARDING A CITY MEASURE TO BE SUBMITTED AT THE NOVEMBER 5, 2024 GENERAL MUNICIPAL ELECTION";**

4) Adopted a Resolution entitled: **"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE, CALIFORNIA, REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN LUIS OBISPO TO CONSOLIDATE A GENERAL MUNICIPAL ELECTION TO BE HELD ON NOVEMBER 5, 2024 WITH THE STATEWIDE GENERAL ELECTION TO BE HELD ON THAT DATE PURSUANT TO §10403 OF THE ELECTIONS CODE";**

5) Appointed Council Member Secrest and Mayor Pro Tem Guthrie to serve on an ad-hoc committee for creation of the argument to be submitted in favor of the measure; and

6) Determined that adopting the Resolutions and Ordinance relates to organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment, and therefore is not a project within the meaning of the California Environmental Quality Act ("CEQA") and the State CEQA Guidelines, section 15378(b)(5).

AYES (5): Council Member George, Council Member Barneich, Council Member Secrest, Mayor Pro Tem Guthrie, and Mayor Ray Russom

Passed (5 to 0)

12.b Discussion and Consideration of Approval of the Fiscal Year (FY) 2024-25 Mid-Cycle Budget Update Report

Administrative Services Director Valentine presented the item and responded to questions from Council.

Mayor Ray Russom invited public comment. Speaking from the public was Alexandria Davis. No further public comments were received. Assistant City Manager/Public Works Director Robeson responded to questions from the public.

City Council discussion ensued regarding spending down reserves and staff's budget requests. Mayor Pro Tem Guthrie requested the Council consider the two items separately. Administrative Services Director Valentine and City Manager Downing responded to questions from Council.

Moved by Mayor Pro Tem Guthrie
Seconded by Council Member George

Directed staff to implement the recommendation of a policy that establishes three additional reserves: Information and Technology Reserve, Fleet Replacement Reserve and Facility Repairs Reserve; with the excess reserves, over 20%, that are expected to be available at the end of the Fiscal Year.

AYES (5): Mayor Pro Tem Guthrie, Council Member George, Council Member Barneich, Council Member Secrest, and Mayor Ray Russom

Passed (5 to 0)

Moved by Council Member Barneich
Seconded by Council Member George

Approve staff recommendations on the preliminary Fiscal Year 24-25 mid-cycle budget.

AYES (4): Council Member Barneich, Council Member George, Council Member Secrest, and Mayor Ray Russom

NOES (1): Mayor Pro Tem Guthrie

Passed (4 to 1)

13. COUNCIL COMMUNICATIONS

This item was heard before Item 8.

Council Member Secrest noted that she attended the Youth Mental Health Symposium and stated resources are available to youth and training for those who are 18+.

Council Member George commented on the Center for Child Adolescent Mental Health programming; the 2nd Annual State of Youth Mental Health Program; and commented that support is needed from the education system; and the student's report will be published in June.

Mayor Ray Russom commented on the Mills Act in place at the City and requested that the Council consider directing staff to agendize a discussion as part of the General Plan Update process. Council Member Barneich concurred.

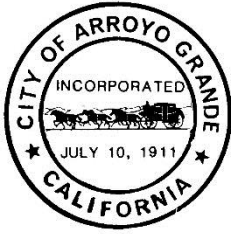
Mayor Ray Russom also commented on the flag at Fireman's Park and requested staff check on all flags at City facilities to see if they need to be updated.

14. ADJOURNMENT

There being no further business to come before the City Council, Mayor Ray Russom adjourned the meeting at 9:08 p.m.

Caren Ray Russom, Mayor

Jessica Matson, City Clerk



MEMORANDUM

TO: City Council

FROM: Matthew Downing, City Manager

SUBJECT: Amendments to the Central Coast Blue Regional Recycled Water Authority Joint Exercise of Powers Agreement

DATE: June 11, 2024

RECOMMENDATION:

1) Adopt a Resolution approving Amendment Number 1 to the Joint Exercise of Powers Agreement Creating the Central Coast Blue Regional Recycled Water Authority; and
2) Determine that adopting the Resolution is not a project subject to the California Environmental Quality Act (CEQA) because it has no potential to result in either a direct, or reasonably foreseeable indirect, physical change in the environment. (State CEQA Guidelines, §§ 15060, subd. (c)(2)-(3), 15378)

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

There is no direct fiscal impact associated with the recommended action. If the amendment is approved by all necessary parties, the City would be reimbursed its respective share of the purchase price of real property obtained for purposes of the Central Coast Blue Project ("Project"), calculated as the sum of \$499,855.34.

BACKGROUND:

The Cities of Arroyo Grande, Grover Beach, and Pismo Beach ("Member Agencies") entered into a Joint Exercise of Powers Agreement ("Agreement") in October 2022, which included provisions to govern the development and management of the Project and the Central Coast Blue Regional Recycled Water Authority ("Authority").

On [April 9, 2024](#), the City Council directed staff to submit formal notices of intent to withdraw from the Agreement, as well as from the related Cost-Sharing Agreement. Pursuant to Section 8.2 of the Agreement (Attachment 2), withdrawal is effective one hundred eighty (180) days after written notice is provided to the Authority. Under the Agreement, withdrawal from the Authority constitutes a withdrawal of that member agency's representative from the Board of Directors.

On [June 3, 2024](#), the Authority Board of Directors voted unanimously to provide a recommendation to the Member Agencies to amend the Agreement as outlined below. At

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Amendments to the Central Coast Blue Regional Recycled Water Authority Joint
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the same meeting, the Board of Directors acknowledged and accepted the City’s notice of intent to withdraw from the Agreement effective June 30, 2024, and waived the 180-day notice requirement, contingent upon the approval of the proposed amendments by all three Member Agencies. Amendments to the Agreement are specifically addressed in Article 8 – Termination / Withdrawal / Amendment of the Agreement as follows:

8.5 Amendment. This Agreement may be amended at any time by the written approval of the governing body of each Member Agency upon recommendation of a majority of the Board of Directors of the Authority.

ANALYSIS OF ISSUES:

The City of Pismo Beach has expressed its interest in continuing the existence of the Authority to preserve the previous investment in the Authority and the opportunity to develop the Project notwithstanding the withdrawal of the City and the City of Grover Beach from the Authority. To that end, Pismo Beach has requested an amendment to the Agreement that would accomplish a number of matters, generally outlined as follows:

1. The Agreement would be amended to remove the cities of Arroyo Grande and Grover Beach as Member Agencies, and to add the Pismo Beach Financing Agency as a Member Agency;
2. The Agreement would be amended to change the Water Purveyor Contributions to reflect the withdrawal of Arroyo Grande and Grover Beach, and setting the allocation of costs at 100% for Pismo Beach;
3. The Agreement would be amended to remove the restriction prohibiting the Authority’s attorney from being counsel to one of the Member Agencies;
4. The Agreement would be amended to remove the provision that Arroyo Grande and Grover Beach would participate in the division of remaining assets upon the dissolution of the Authority at some undetermined point in the future, and to authorize the reimbursement of Arroyo Grande and Grover Beach for their respective shares of the purchase price of real property acquired for the Project; and
5. Other conforming changes would be made to the Agreement to reflect the withdrawal of Arroyo Grande and Grover Beach and the addition of the Pismo Beach Public Financing Agency.

ALTERNATIVES:

The following alternatives are provided for the Council’s consideration:

1. Adopt a Resolution approving Amendment Number 1 to the Joint Exercise of Powers Agreement Creating the Central Coast Blue Regional Recycled Water Authority;
2. Modify and adopt the Resolution; or
3. Provide other direction to staff.

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ADVANTAGES:

The proposed amendments remove the City from the Agreement and Authority prior to the 180-day notice requirement and minimizes Authority administration costs as the City departs. The amendments also preserve the Authority as a tool for current and future financing, as well as providing a structure for future regional water supply solutions as desired by the City Council.

DISADVANTAGES:

Due to the requirement for amendments to the Agreement to be approved by the governing body of each Member Agency, any Member Agency's failure to approve the proposed amendments would preclude the City's withdrawal from the Authority prior to the 180-day noticing period. This would require the City to remain in the Authority until November 13, 2024, and the City would be responsible for Project costs during this time period. Additionally, not allowing the Pismo Beach Financing Agency to join the Authority would effectively eliminate the joint powers agreement structure, triggering dissolution of the Agreement and associated actions, including property disposition under State law.

ENVIRONMENTAL REVIEW:

The action is not a project subject to the California Environmental Quality Act (CEQA) because it has no potential to result in either a direct, or reasonably foreseeable indirect, physical change in the environment (State CEQA Guidelines, §§ 15060, subd. (c)(2)-(3), 15378).

PUBLIC NOTIFICATION AND COMMENTS:

The Agenda was posted at City Hall and on the City's website in accordance with Government Code Section 54954.2.

ATTACHMENTS:

1. Proposed Resolution
2. Joint Exercise of Powers Agreement Creating the Central Coast Blue Regional Recycled Water Authority

RESOLUTION NO.

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ARROYO GRANDE APPROVING AMENDMENT NUMBER
1 TO THE JOINT EXERCISE OF POWERS AGREEMENT
CREATING THE CENTRAL COAST BLUE REGIONAL
RECYCLED WATER AUTHORITY**

WHEREAS, the City of Arroyo Grande, along with the Cities of Grover Beach and Pismo Beach, is a “Member Agency” of the Central Coast Blue Regional Recycled Water Authority (“Authority”), created pursuant to the joint exercise of powers agreement (“Agreement”) between the Member Agencies to govern participation in the Central Coast Blue Project; and

WHEREAS, the City wishes to amend the Agreement to reflect the withdrawal of Arroyo Grande and Grover Beach from the Authority, effective June 30, 2024; and

WHEREAS, the City wishes to amend the Agreement to reflect the addition of the Pismo Beach Public Financing Agency as a member agency under the Agreement, effective June 30, 2024; and

WHEREAS, the City wishes to amend the Agreement to make all necessary changes related to the withdrawal of Arroyo Grande and Grover Beach, as agreed upon by the Member Agencies, including, but not limited to, the provisions related to financing the Authority and reimbursing withdrawing Member Agencies for contributions to Authority property; and

WHEREAS, Section 8.5 of the Agreement requires that any amendment to the Agreement be approved by the governing body of each Member Agency upon recommendation of the Board of Directors of the Authority, which recommendation was given on June 3, 2024; and

WHEREAS, this action is not a project subject to the California Environmental Quality Act (CEQA) because it has no potential to result in either a direct, or reasonably foreseeable indirect, physical change in the environment (State CEQA Guidelines, §§ 15060, subd. (c)(2)-(3), 15378).

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Arroyo Grande hereby approves Amendment Number 1, incorporated herein as Exhibit A, to the Joint Exercise of Powers Agreement Creating the Central Coast Blue Regional Recycled Water Authority.

RESOLUTION NO.
PAGE 2

On the motion of Council Member _____, seconded by Council Member _____, and on the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

the foregoing Resolution was passed and adopted this 11th day of June 2024.

CAREN RAY RUSSOM, MAYOR

ATTEST:

JESSICA MATSON, CITY CLERK

APPROVED AS TO CONTENT:

MATTHEW DOWNING, CITY MANAGER

APPROVED AS TO FORM:

ISAAC ROSEN, CITY ATTORNEY

**AMENDMENT NUMBER 1
TO JOINT EXERCISE OF POWERS AGREEMENT
CREATING THE CENTRAL COAST BLUE
REGIONAL RECYCLED WATER AUTHORITY**

This Amendment Number 1 to Joint Exercise of Powers Agreement Creating the Central Coast Blue Regional Recycled Water Authority ("First Amendment") is effective as of June 30, 2024 (the "Effective Date").

WHEREAS, the Cities of Arroyo Grande, Grover Beach and Pismo Beach (each a "Member Agency" and collectively the "Member Agencies") entered into a joint exercise of powers agreement ("Agreement") for the Member Agencies' participation in the Central Coast Blue Project, which established the Central Coast Blue Regional Recycled Water Authority ("Authority"); and

WHEREAS, the Parties wish to amend the Agreement to reflect the withdrawal of Arroyo Grande and Grover Beach effective June 30, 2024; and

WHEREAS, the Parties wish to amend the Agreement with this First Amendment to reflect the addition of the Pismo Beach Public Financing Agency as a member agency under the Agreement effective June 30, 2024; and

WHEREAS, Section 8.5 of the Agreement requires that any amendment to the Agreement be approved by the governing body of each Member Agency upon recommendation of the Board of Directors of the Authority, which recommendation was given on June 3, 2024.

NOW, THEREFORE, Arroyo Grande, Grover Beach and Pismo Beach hereto agree as follows:

1. Section 1.1.9 is revised to read as follows:

"Construction Costs shall mean the cost incurred as of the effective date of the first construction contract for Phase 1 of the Project through the determination by the Parties that construction of Phase 1 is complete, including the cost of the purchase of the Facility site for the Project. Construction Cost does not include legal expenses attributable to each Party's City Attorney, retained counsel or their associates."

2. Section 1.1.13 is revised to read as follows:

Facility Site is defined in Section 1.5.2 herein.

3. Section 1.1.16 is revised to read as follows:

"Member Agency(ies) means Pismo Beach, the Pismo Beach Public Financing Agency, and any other entity added to this Agreement by subsequent amendment."

4. The first sentence of Section 1.2 is revised to read as follows:

“This Agreement is made pursuant to the Act by Pismo Beach and the Pismo Beach Public Financing Agency, each of which is authorized to contract with the other pursuant hereto.”

5. Section 1.5.1 is revised to read as follows:

Phase 1 of Project. Pismo Beach will be Lead Agency and act as project developer through final completion of Phase 1 of the Project. As the Lead Agency, Pismo Beach will act as the construction manager for Phase 1 and will provide administration of construction and start-up of Phase 1 on behalf of the Member Agencies. The Parties shall pay their pro rata shares of Pre-Construction costs for any professional service expenses incurred by Pismo Beach in connection with obtaining such Phase 1 approvals, in accordance with Section 6.3.2 below.

6. Section 1.5.2 is revised to read as follows:

“Pismo Beach has previously transferred to the Authority Facility Parcel #1, which is located in Grover Beach and identified as Assessor's Parcel Number 060-543-016. Prior to June 30, 2024, Grover Beach shall complete the transfer to the Authority of Facility Parcel #2, which is located in Grover Beach and identified as Assessor's Parcel Number 060-543-007 (collectively Facility Parcels #1 and #2 are referred to as the "Facility Site").” The Authority shall own all Facilities located at the Facility Site, including, but not limited to, the real property, buildings, water and treatment facilities, and support infrastructure and assets, injection wells and related transmission lines.”

7. Section 1.5.4 is revised to read as follows:

“To finance Construction Costs, the Authority shall apply for and obtain financing for such costs through the issuance of Bonds, entering into loans or Financing Agreements or any other financing mechanisms not otherwise covered by grant funding awarded to the Project. Any loans entered into and secured for construction of the Project may consist of separate installment sale agreements based on the respective share of each Member Agency, and any prepayment may be paid either directly to the Authority by each Party consistent with the Water Purveyor Contribution percentages identified in Section 6.3.2 hereof or directly to the grant funding agency or bond trustee, depending on the funding mechanism.”

8. Section 1.6.2(ii) is revised to read as follows:

“To employ agents, attorneys, consultants and employees or to contract for personnel to fulfill its mission and purpose.”

9. Section 2.1 is revised to read as follows:

“Creation. Until such time as additional member agencies are added to this Agreement through amendment under Section 8.5, the Authority shall be governed by a board of two (2) members, which is hereby established and which shall be composed of one (1) representative appointed from each Member

Agency. The governing board shall be known as the "Board of Directors of the Central Coast Blue Regional Recycled Water Authority." All voting power shall reside in the Board."

10. Section 2.2.1 is revised to add the following sentence at the end of the existing section:

"Any Member Agency which joins the Authority pursuant to an amendment to this Agreement shall designate and appoint a regular and alternate representative in the manner described in this section upon the effective date of such amendment."

11. Section 4.3 is revised to read as follows:

"Authority Attorney. The Attorney for the Authority shall be engaged by the Board of Directors and may be the attorney for one of the Member Agencies. The Attorney for the Authority or a designated deputy shall attend or participate in meetings of the Board of Directors; provided, however, that the absence of the Authority Attorney shall not affect the validity of any meeting. The Attorney shall perform such other duties the Board of Directors specifies."

12. The first sentence of Section 6.2.2 is revised to read as follows:

"Annually, in March of each year, the Board shall adopt a preliminary budget and an allocation of contributions from Member Agencies for presentation to each Member Agencies' governing body."

13. Section 6.3.2 of is revised to read as follows:

"The Parties shall pay their pro rata share of all Pre-Construction and Construction Costs incurred by Pismo Beach in connection with Phase 1 of the Project.

The Parties agree to the following cost allocation of the total Pre-Construction and Construction costs for Phase 1 for each Party:

i. Pismo Beach shall contribute 100%.

As provided in Section 6.2.2, annual contributions by Member Agencies for ongoing operations shall be consistent with the above percentages.

14. The existing second paragraph of Section 7.3 shall be stricken entirely and revised to read as follows:

"The respective obligation of each Party to make payments herein with respect to the Pre- Construction and Construction Costs of Phase 1 or in furtherance of the objective and purpose of this Agreement, is a special, limited obligation payable solely from net revenues of each party' s respective Enterprise fund(s), and does not constitute a debt or pledge of the faith and credit of each Party or of the State of California or of any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction. The payments made under this Agreement, if any, are payable from net revenues of each party's respective

Enterprise fund(s) on such a basis as is dictated by each Party's existing debt instruments. The respective obligation of each Party to make payments hereunder or in furtherance of the objective and purpose of this Agreement is further subject to the Parties establishing sufficient net revenues to fund the obligations of this Agreement, which includes, but is not limited to, approval by the Parties' governing bodies for an increase in enterprise user fees sufficient to meet the above obligations of this Agreement, the successful implementation of a Proposition 218 protest hearing wherein the Parties are authorized to proceed with approval of a fee increase, and the attainment of Proposition 1 Groundwater Grant Program Grant Funding by the State Water Resources Control Board."

15. Section 8.3 is revised to read as follows:

"The withdrawal of a Member Agency shall not terminate its responsibility to contribute its share of any obligation incurred by the Authority, including amounts determined by the Board for (1) liabilities and claims accrued during the time the agency was a Member Agency or (2) budgeted expenses for the Fiscal Year in which notice of intent to withdraw is given.

"Except as the withdrawing Member Agency may agree, in writing, with the Board, the withdrawing Member Agency shall automatically relinquish all rights as a Member Agency under this Agreement, on the effective date of the withdrawal. Upon termination of this Agreement, only those Member Agencies who are parties to this Agreement at the time of termination shall be permitted to participate in disbursement of Authority assets. Notwithstanding the foregoing sentence, Arroyo Grande and Grover Beach shall be entitled to reimbursement for their respective shares of the purchase price of Facility Parcel #1 and Facility Parcel #2 as follows: not later than 30 days following full execution of this First Amendment by the Parties, Pismo Beach shall remit to Arroyo Grande the sum of \$499,855.34, and to Grover Beach the sum of \$719,791.71.

Notwithstanding anything to the contrary set forth in any other agreements among the Parties approving the amendment revising this Section 8.3, and notwithstanding the withdrawal from this Agreement of any Party, the Parties hereto acknowledge and agree that the recycled water injected into the ground pursuant to this Agreement, as well as all new developed water subsequently extracted, is New Developed Water as defined in the January 25, 2008 Judgment entered by the Santa Clara Superior Court in the Santa Maria Groundwater Adjudication litigation."

16. Section 9.3 shall be revised to delete the last sentence in its entirety, which currently reads:

"This section shall not be deemed to supersede, extinguish, or modify the indemnification provisions in the Cost Sharing Agreement."

17. Section 10.2 is revised to read as follows:

"Notices. Notices required or permitted hereunder shall be sufficiently given if made in writing and delivered either personally or by registered or certified mail, postage prepaid to the respective Parties, as follows:

City of Pismo Beach
Attention: City Manager
760 Mattie Road Pismo Beach, CA 93449

Pismo Beach Public Financing Agency
Attention: Executive Director
760 Mattie Road Pismo Beach, CA 93449”

18. Section 10.3 is revised to read as follows:

“The responsibilities and obligations of each Party to this Agreement shall be, solely as provided in this Agreement, or as may be provided for in other agreements to be executed by the Parties.”

Except as set forth herein, all other terms and conditions of the Agreement, shall remain in full force and effect.

Dated: _____

City of Arroyo Grande

Caren Ray Russom, Mayor

Attest:

Jessica Matson, City Clerk

Dated: _____

City of Grover Beach

Karen Bright, Mayor

Attest:

Wendi Sims, City Clerk

Dated: _____

City of Pismo Beach

Ed Waage, Mayor

Attest:

Erica Inderlied, City Clerk

**A JOINT EXERCISE OF POWERS AGREEMENT
CREATING THE CENTRAL COAST BLUE REGIONAL
RECYCLED WATER AUTHORITY**

THIS JOINT EXERCISE OF POWERS AGREEMENT ("Agreement") is made and entered into by and between the City of Arroyo Grande, a California municipal corporation ("Arroyo Grande"), the City of Grover Beach, a California municipal corporation ("Grover Beach"), and the City of Pismo Beach, a California municipal corporation ("Pismo Beach"). The cities may be individually referred to herein as a "Party" or collectively as the "Parties."

RECITALS

WHEREAS, each Party to this Agreement is a public agency authorized and empowered to contract for the joint exercise of powers under Articles 1 through 4, Chapter 5, Division 7, Title 1 (commencing with Section 6500) of the Government Code of the State of California; and

WHEREAS, in 1983, the Parties hereto entered into a voluntary groundwater management plan to manage the safe yield of the Arroyo Grande Groundwater Basin, which agreement was updated by the Parties through approval of the 2002 Agreement Regarding Management of the Arroyo Grande Groundwater Basin (the "Management Agreement"); and

WHEREAS, on April 30, 2002, the Parties hereto, among others, entered into a settlement agreement (the "Settlement Agreement") related to a 1997 groundwater adjudication litigation filed by the Santa Maria Valley Water Conservation District, which reaffirmed the Management Agreement, established separate water management areas (the "Original Management Areas") to be independently managed by the Parties and others, and requiring the Parties and others to develop an equitable cost sharing agreement for any newly constructed water resource and water production facilities within the Original Management Areas; and

WHEREAS, on June 30, 2005, the Parties hereto entered into a stipulation imposing a physical solution for ensuring the Arroyo Grande Groundwater Basin's long-term stability (the "Stipulation"). The Stipulation adopted a local management approach, establishing three management areas (the "Current Management Areas") and requiring a monitoring program to be established in each of the Current Management Areas; and

WHEREAS, on January 25, 2008, the Santa Clara Superior Court entered Judgment in the Santa Maria Groundwater Adjudication litigation approving the Stipulation, without qualification (the "Adjudication Decree"); and

WHEREAS, the Parties are participating in the Central Coast Blue Project to construct a regional recycled water project that will enhance supply reliability by injecting advanced purified water into the Northern Cities Management Area of the Santa Maria Groundwater Basin ("Project"). The Project will reduce vulnerability to drought and seawater intrusion by creating a seawater intrusion barrier and supplementing the naturally occurring groundwater; and

WHEREAS, Phase 1 of the Project includes construction of an Advanced Treatment Facility ("ATF"), treatment of secondary treated flows from Pismo Beach's Wastewater Treatment Plant ("WWTP"), construction of approximately five injection wells and associated transmission lines, and injection of flows from the WWTP ("Phase 1"). Phase 1 proposes to treat wastewater from Pismo Beach to an advanced purification level to create between nine hundred (900) and one thousand (1,000) acre-feet of additional water per year; and

WHEREAS, Phase 2 of the Project will include upgrades to the ATF to increase capacity, construction of approximately two additional injection wells and associated transmission lines, and injection of flows from the South San Luis Obispo County Sanitation District Wastewater Treatment Plant ("Phase 2"); and

WHEREAS, Arroyo Grande, Grover Beach and Pismo Beach believe that the best way to achieve their joint goals in a way that is mutually beneficial is to form a joint powers agency under Articles 1 through 4, Chapter 5, Division 7, Title 1 (commencing with Section 6500) of the Government Code of the State of California ("Joint Exercise of Powers Act"); and

WHEREAS, by forming a joint powers agency ("JPA") under the Joint Exercise of Powers Act, the Parties believe they will be better able to, through a separate JPA, oversee and manage the planning and implementation, including but not limited to construction, operation and administration of, the Project.

NOW THEREFORE, in consideration of the above Recitals and of the mutual promises and agreements contained herein, the Parties agree as follows:

ARTICLE 1 GENERAL PROVISIONS

1.1 **Definitions.** Unless the context otherwise requires, the words and terms defined in this Section 1.1 shall, for the purposes of this Agreement, have the meanings herein specified.

- 1.1.1. Act means Articles 1 through 4, Chapter 5, Division 7, Title 1 of the Government Code of the State of California (commencing with Section 6500) relating to the joint exercise of powers common to public agencies.
- 1.1.2. Agreement means this Joint Exercise of Powers Agreement.
- 1.1.3. Ancillary Facilities means injection wells, storage tanks, pump stations, associated piping, and any other equipment located on an Ancillary Facilities Site.
- 1.1.4. Ancillary Facilities Sites means any real property or real property interest held by the Authority for purposes of the Project, excluding the Facility Site.
- 1.1.5. Annual Budget means the budget adopted pursuant to Section 6.2.2 of this Agreement.
- 1.1.6. Authority means the Central Coast Blue Regional Recycled Water Authority, which is created by this Agreement.
- 1.1.7. Board or Board of Directors means the Board of Directors referred to in Article 2 of this Agreement, which is the governing body of the Authority.
- 1.1.8. Bonds means bonds, notes, commercial paper, and any other evidence of indebtedness of the Authority authorized and issued pursuant to the Act, any indebtedness issued or incurred by the Authority pursuant to any act supplementary to the Act, including, but not limited to, refunding bonds authorized and issued pursuant to Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California.
- 1.1.9. Cost Sharing Agreement means the Cost Sharing Agreement for the Parties' Participation in the Central Coast Blue Project dated March 14, 2022, a copy of which is attached hereto as Exhibit A and incorporated herein.

- 1.1.10. Director means a member of the Board appointed to the Board pursuant to Section 2.2 of this Agreement.
- 1.1.11. Effective Date means the last date on which all Parties to this Agreement have executed the Agreement.
- 1.1.12. Facility or Facilities means the advanced water treatment facility that will receive and further treat wastewater influent from Pismo Beach’s WWTP, in Phase 1, which as of the date of this Agreement is proposed to be constructed on Assessor’s Parcel Number 060-543-016 in the City of Grover Beach, including the Facility’s equalization basin, injection wells, storage tanks, pump station and associated piping and equipment from the Pismo Beach WWTP, but excluding the joint outfall shared by the South San Luis Obispo County Sanitation District and the City of Pismo Beach which both agencies use to discharge their municipal waste.
- 1.1.13. Facility Site means Assessor’s Parcel Number 060-543-016 in the City of Grover Beach, California.
- 1.1.14. Financing Agreement means any agreement between the Authority and a Member Agency securing the obligation of the Member Agency to make payments relating to Bonds or other obligations issued or incurred by the Authority in connection with the financing of the Facilities or the improvement, use or acquisition of real or personal property that is or will be owned or operated by the Authority, or to refinancing of such previously issued or incurred Bonds or other obligations.
- 1.1.15. Manager means the manager of the Authority.
- 1.1.16. Member Agency(ies) means Arroyo Grande, Grover Beach and Pismo Beach and any other entity added to this Agreement by a subsequent amendment.
- 1.1.17. Member of the Board or Board Member means and includes any duly appointed Director, Chair and/or Vice-Chair of the Board.
- 1.1.18. Party(ies) means those entities who have executed this Agreement or any Amendment to this Agreement and who have not withdrawn from the Authority.

1.2 **Purpose.** This Agreement is made pursuant to the Act by Arroyo Grande, Grover Beach and Pismo Beach, each of which is authorized to contract with the other pursuant hereto. The purposes of this Agreement are to create the Authority, provide for the administration of the Authority and to enable the Authority to: (1) take all actions necessary to operate, and maintain Phases 1 and 2 of the Project. Phase 1 includes construction of an ATF, treatment of all secondary treated flows from Pismo Beach’s WWTP, construction of approximately five injection wells and associated transmission lines, and injection of flows from the WWTP; and (2) pursue grant funding and financing options for the Project and future projects; and (3) collectively interact with regulatory agencies with oversight over the Parties and the Project.

1.3 **Creation of Authority.** Pursuant to the Act, there is hereby created a public entity known as the “Central Coast Blue Regional Recycled Water Authority.” The Authority shall be a public entity separate and apart from the Member Agencies and shall administer this Agreement.

1.4 **Term.** The term of this Agreement shall commence on the Effective Date and shall continue until terminated by the Parties as provided in Article 7 of this Agreement.

1.5 **Phase 1, Project Facility Site Ownership, Construction Financing, and Operation**

1.5.1. **Phase 1 of Project.** As set forth in Article III, Section 1 – Lead Agency Duties of the Cost Sharing Agreement, Pismo Beach will be Lead Agency and act as project developer through final completion of Phase 1 of the Project. As the Lead Agency, Pismo Beach will act as the construction manager for Phase 1 and will provide administration of construction and start-up of Phase 1 on behalf of the Member Agencies. The Parties shall pay their pro rata shares of Pre-Construction costs for any professional service expenses incurred by Pismo Beach in connection with obtaining such Phase 1 approvals, in accordance with Section 6.3.2 below.

1.5.2. **Ownership of Facility Sites and Facilities.** Pismo Beach has previously purchased the Facility Site, which is located in Grover Beach and identified as Assessor’s Parcel Number 060-543-016 (“Facility Site”). Within sixty (60) days of the Effective Date of this Agreement, Pismo Beach shall transfer the Facility Site to the Authority. The Authority shall own all Facilities located at the Facility Sites, including, but not limited to, the real property, buildings, water and treatment facilities, and support infrastructure and assets, injection wells and related transmission lines.

1.5.3. **Ownership of Ancillary Facilities Sites and Ancillary Facilities.** The Authority shall own all Ancillary Facilities Sites and Ancillary Facilities located thereon.

1.5.4. **Financing of Construction Costs.** To finance Construction Costs, as defined in the Cost Sharing Agreement, the Authority shall apply for and obtain financing for such costs through the issuance of Bonds, entering into loans or Financing Agreements or any other financing mechanisms not otherwise covered by grant funding awarded to the Project. Any loans entered into and secured for construction of the Project may consist of separate installment sale agreements based on the respective share of each Member Agency, and any prepayment may be paid either directly to the Authority by each Party consistent with the Water Purveyor Contribution percentages identified in Section 6.3.2 hereof or directly to the grant funding agency or bond trustee, depending on the funding mechanism. In the event that the Authority is not able to finance the Construction Costs as described in this Section 1.5.4, the Parties will seek financing consistent with the financing plan described in Article III, Section 1.c of the Cost Sharing Agreement for its respective share of Construction Costs.

1.5.5. **Operation and Maintenance of the Facilities.** The Authority will have total responsibility for the operation and maintenance of the Facilities.

1.5.6. **Procurement Methods.** The Board may adopt such policies relating to procurement of services, equipment, supplies and other materials needed to accomplish the purposes of this Agreement.

1.6 **Powers of Authority**

- 1.6.1. General Powers. The Authority shall exercise, in the manner herein provided, the powers which are common to each of the Member Agencies, powers otherwise permitted under the Act, and powers necessary to accomplish the purposes of this Agreement.
- 1.6.2. Specific Powers. Subject to the limitations set out in Section 1.6.1, the Authority is hereby authorized, in its own name, to do all acts necessary, convenient and appropriate for the exercise of the foregoing powers for the purposes set forth in this Agreement and to do any or all of the following:
- i. To make and enter contracts, including contracts with its Member Agencies;
 - ii. To employ agents, attorneys, consultants and employees or to contract for personnel to fulfill its mission and purpose. The Authority shall not contact employees of the Member Agencies at their current places of employment about employment opportunities with the Authority;
 - iii. To lease, acquire, construct, manage, maintain or operate any building, works or improvements;
 - iv. To lease, acquire, hold or dispose of real or personal property;
 - v. To acquire and hold property, including funds, Project agreements and other obligations of any kind, and pledge, encumber or assign the same, or the revenues therefrom or any portion of such revenues, or other rights, whether then owned or possessed, or thereafter acquired, for the benefit of the bondholders, and as security or additional security for any bonds or the performance of obligations under an indenture;
 - vi. To provide for the advance of bond proceeds and other funds pursuant to Project agreements as necessary to pay or reimburse for Project costs;
 - vii. To borrow money and issue Bonds and incur debts, liabilities or obligations for the purpose of paying all or any part of the costs of the Project or for any other authorized purpose, which do not constitute a debt, liability or obligation of any Member Agency;
 - viii. To receive gifts, contributions and donations of property, funds, services and other forms of assistance from persons, firms, corporations, and governmental entities, provided that the Authority consents to such gifts, contributions and donations;
 - ix. To fix the compensation, if any, paid to the Board of Directors, Secretary, Treasurer, Controller and Attorney, in compliance with all applicable laws;
 - x. To prescribe the duties, compensation and other terms and conditions of employment of other agents, officers and employees;
 - xi. To adopt reasonable rules and regulations for the conduct of the day-to-day operations of the Authority;

- xii. To apply for, accept, receive and disburse grants, loans and other aid from any agency of the United States of America or of the State of California;
- xiii. To sue and be sued in its own name;
- xiv. To enter into Financing Agreements, state funding agreements and federal funding agreements relating to the Project, and assume rights and obligations pursuant to these agreements;
- xv. To invest money in the treasury, pursuant to Government Code Section 6505.5, that is not required for the immediate necessities of the Authority, as the Authority determines advisable, in the same manner and on the same conditions as local agencies, pursuant to Section 53601 of the Government Code;
- xvi. To contract and pay compensation for professional, financial, and other services;
- xvii. To carry out and enforce all provisions of this Agreement;
- xviii. To exercise any and all powers which are provided for in the Act and in Government Code section 6584 et seq., including, without limitation, Government Code section 6588, as they exist on the Effective Date of this Agreement or may hereafter be amended;
- xix. To exercise any power necessary or incidental to the foregoing powers.

ARTICLE 2

BOARD OF DIRECTORS

2.1. **Creation.** The Authority shall be governed by a board of three (3) members, which is hereby established and which shall be composed of one (1) representative appointed from each Member Agency. The governing board shall be known as the "Board of Directors of the Central Coast Blue Regional Recycled Water Authority." All voting power shall reside in the Board.

2.2. **Members of the Board of Directors.**

2.2.1. **Directors Appointed.** Upon the Effective Date of this Agreement, each Member Agency which has not already done so shall designate and appoint, by resolution or minute order of its governing body, one (1) member of its governing body to act as its representative on the Board of Directors, and one individual to act as an alternate to each Director so appointed. The alternate appointed by each Member Agency shall have the authority to attend, participate in and vote at any meeting of the Board when the regular member is absent.

2.2.2. **Membership.** Each Director and alternate of the Board of Directors shall serve until a successor is appointed; provided, however, each Director and alternate serves at the pleasure of the appointing Member Agency's governing body and may be removed at any time, with or without cause, at the sole discretion of the appointing Member Agency governing body. If a Director or alternate's membership on the appointing Member Agency's governing body ceases, his or her membership on the Board shall also cease.

- 2.2.3. **Chair.** The Board of Directors shall elect one of its members as Chair of the Board. The term of office for the Chair of the Board shall be one (1) year. The Chair of the Board shall preside at all meetings and shall perform such other duties as are specified by the Board of Directors.
- 2.2.4. **Vice-Chair.** The Board of Directors shall elect one of its members as Vice-Chair. The term of office for the Vice-Chair shall be one (1) year. The Vice-Chair shall perform all the duties of the Chair of the Board in the absence of the Chair of the Board or in the event the Chair of the Board is unable to perform such duties, and shall perform such other duties as are specified by the Board of Directors.
- 2.2.5. **Board Compensation.** Except for reimbursement for actual costs and expenses, the Board shall serve without compensation from the Authority. Compensation may be provided as approved by the Member Agencies appointing each Director and alternate, and any such compensation will be the responsibility of the Member Agency.
- 2.2.6. **Reimbursement of Costs.** Each Board Member is entitled to reimbursement for their travel, meals, lodging and other actual and necessary expenses incurred in the performance of the duties required or authorized by the Board pursuant to Government Code Section 53232.2.

2.3. **Powers of the Board.** All the power and authority of the Authority shall be exercised by the Board of Directors.

2.4. **Provision for Bylaws.** The Board may cause to be developed and may adopt, from time to time, such bylaws for the Authority to govern its day-to-day operations. Each Member Agency shall receive a copy of any bylaws developed and adopted under this Section.

ARTICLE 3

MEETINGS OF THE BOARD

3.1 **Meetings.** The Board shall provide for its regular meetings by resolution; provided, however, that at least one regular meeting shall be held each fiscal quarter. The date, hour and place of the regular meetings shall be fixed by resolution of the Board and filed with the governing body of each of the Member Agencies. The Board may meet in joint session with other public agencies and advisory bodies in accordance with State law.

3.2 **Ralph M. Brown Act.** All meetings of the Board, including, without limitation, regular, adjourned regular, special, adjourned special, and emergency meetings, shall be called, noticed, held, and conducted in accordance with the provisions of the Ralph M. Brown Act, commencing with section 54950 of the Government Code.

3.3 **Voting.** Each Board Member shall have one vote. Except as otherwise provided by law or by this Agreement, all actions of the Board shall be approved on the affirmative vote of a majority of the Members of the Board.

3.4 **Quorum.** A majority of the Members of the Board shall constitute a quorum for the transaction of business, except that less than a quorum may adjourn from time to time.

3.5 **Minutes.** The Secretary of the Authority shall cause minutes of regular, adjourned regular, special, adjourned special, and emergency meetings to be kept and shall, as soon as possible after each

meeting, cause a copy of the minutes to be forwarded to each Member of the Board and to each Member Agency.

3.6 **Rules.** The Board may adopt from time to time such rules and regulations for the conduct of its affairs as may be required.

ARTICLE 4 OFFICERS AND EMPLOYEES OF THE AUTHORITY

4.1 **Secretary.** The Board of Directors shall appoint a Secretary who shall serve at the pleasure of the Board. The Secretary may, but need not, be a member of the Board of Directors. The Secretary shall be responsible for the minutes and other records of the proceedings of the Board of Directors and shall perform such other duties as the Board of Directors specifies.

4.2 **Treasurer and Auditor Controller.** Pursuant to Government Code Sections 6505.5 and 6505.6, the Authority's Treasurer and Auditor/Controller shall be the Manager's senior financial officer (such as its chief financial officer, director of finance, or finance manager as designated by the Manager. The Treasurer shall be the depository and have custody of all money of the Authority, from whatever source, and shall have all of the duties and obligations set forth in Sections 6505 and 6505.5 of the Government Code. The offices of Treasurer and Auditor/Controller may be held by separate individuals, or combined and held by one individual as the Board may elect. The Treasurer and Auditor/Controller shall serve at the pleasure of the Manager and may be removed at any time, with or without cause, in the sole discretion of the Manager.

4.3 **Authority Attorney.** The Attorney for the Authority, who may not be counsel to one of the Member Agencies, shall be engaged by the Board of Directors. The Attorney for the Authority or a designated deputy shall attend or participate in meetings of the Board of Directors; provided, however, that the absence of the Authority Attorney shall not affect the validity of any meeting. The Attorney shall perform such other duties the Board of Directors specifies.

4.4 **Official Bond.** Pursuant to Government Code section 6505.1, the public officer, officers or persons who have charge of, handle or have access to any property of the Authority shall file an official bond in an amount to be fixed by the Parties to this Agreement.

4.5 **Additional Officers and Employees.** The Board shall have the power to appoint such additional officers and to employ such employees, assistants, contractors, consultants and others as may be appropriate. Such power shall include, but not be limited to, the power to appoint a Manager for the purposes of managing and administering the Authority, and an Operator for the purposes of providing operations, maintenance, and similar services to the Authority. A Member Agency may be appointed as the Authority's Manager and/or Operator pursuant to a written agreement with the Authority.

ARTICLE 5 COMMITTEES

5.1 **Committees.** The Board of Directors, by a majority vote, may form committees for any purpose. Such vote shall designate the method for appointing committee members, the scope of the duties and responsibility of the committee, whether the committee is a standing or ad hoc committee, and such other matters as the Board may deem appropriate.

**ARTICLE 6
FINANCES**

Fiscal year. The Fiscal Year of the Authority shall be the period commencing on July 1 of each year and ending on and including the following June 30.

6.2 Annual Budget.

6.2.1 **Interim Budget.** The Board shall, within one hundred and twenty days (120) days of the Effective Date of this Agreement, approve an interim budget, which shall constitute the operating budget until the Annual Budget is adopted.

6.2.2 **Annual Budget.** Except for costs related to construction of Phase I, which shall be subject to the Cost Sharing Agreement, annually, in March of each year, the Board shall adopt a preliminary budget and an allocation of contributions from Member Agencies for presentation to each Member Agencies' governing body. The governing body of each Member Agency shall, no later than May 31 of each year, review and comment on the preliminary budget and allocation of contributions. Thereafter, annually, prior to July 1 of each year, the Board shall adopt a final budget for all expenses to be made by the Authority during the ensuing Fiscal Year and adopt an allocation of contributions from Member Agencies consistent with Section 6.3.2. Each annual budget shall be adopted and shall be effective on the affirmative unanimous vote of the Directors, except that the first Annual Budget may be adopted by an affirmative vote of a majority of the Directors. Contributions for each Member Agency shall be due and payable to the Authority on a monthly basis with the first payment being made within thirty (30) days of approval of the budget.

6.2.3 **Failure to Obtain Budget Approval.** In the event the Board does not adopt a budget prior to the beginning of a fiscal year, the budgeted amounts of all expenses and allocation of contributions from Member Agencies shall remain the same as the amounts last approved by the Board in its most recently adopted budget; provided, however, that the amounts shall be increased by the Consumer Price Index ("CPI") with a minimum increase of no less than two percent (2%). The CPI shall mean the Consumer Price Index, Bureau of Labor Statistics, U.S. Department of Labor Consumer Price Index-All Urban Consumers, All Items, Los Angeles-Long Beach-Anaheim CA for the twelve (12) month period ending the February prior to the beginning of the fiscal year, or if this index no longer exists, an index approved by a majority of the Board. This factor shall be applied to the budget until such time as a new budget is adopted by the Board. Any shortfall in revenues shall be made up from available reserves dedicated by the Board for such purpose and, if insufficient to cover the shortfall, any available reserve funds which have not been designated by the Board for a particular purpose or otherwise legally restricted for other purposes. Reserves shall mean any available cash or investments.

6.3 **Funds, Accounts and Reports.** There shall be strict accountability of all funds and reporting of all receipts and disbursements.

6.3.1 **Sources of Funds.** The sources of funds available to the Authority may include, but are not limited to, the following:

- i. Grants, donations, and loans received by the Authority from local, State, or Federal agencies or from individuals or businesses.
- ii. Funds collected as user charges or user fees by Member Agencies.
- iii. Funds collected from Members pursuant to this Agreement.
- iv. Funds received from State and Federal disaster relief agencies.
- v. Funds obtained by issuing Bonds.
- vi. Funds collected pursuant to a Financing Agreement.
- vii. "In kind" contributions from Member Agencies.
- viii. Funds from any other source derived.

The Authority shall arrange for the receipt of such funds from the above sources as are available to the Authority and as are necessary for the conduct of the Authority's activities. Member Agencies may, in the appropriate circumstances: (a) make contributions from their treasuries for the purposes set forth in this Agreement; (b) make payments of public funds to defray the cost of such purposes; and (c) make advances of public funds for such purposes. The provisions of Government Code section 6513 are incorporated into this Agreement.

6.3.2 Water Purveyor Contributions. The Parties shall pay their pro rata share of all Pre-Construction and Construction Costs incurred by Pismo Beach in connection with Phase 1 of the Project.

The Parties agree to the following cost allocation of the total Pre-Construction and Construction costs for Phase 1 for each Party:

- i. Arroyo Grande shall contribute 25%.
- ii. Grover Beach shall contribute 36%.
- iii. Pismo Beach shall contribute 39%.

As provided in Section 6.2.2, annual contributions by Member Agencies for ongoing operations shall be consistent with the above percentages.

6.3.3 Accounts. Revenues or funds received or made available to the Authority from any source whatsoever, shall be deposited into accounts that may be established by the Authority and may be expended by the Authority in any legal manner, subject to such reservations as may be imposed by the Authority from time to time.

6.3.4 Reports. The Treasurer shall, within one hundred and eighty days (180) days after the close of each Fiscal Year, give a complete written report of all financial activities for such fiscal year to the Board of Directors and to each Member Agency. The Authority's books and records shall be open to inspection at all reasonable times by representatives of each Member Agency.

6.4 **Payments and Advances.** No expenditures in excess of those budgeted shall be made without approval of a revised or amended budget, which may from time to time be submitted to and approved by the Board of Directors.

6.5 **Audit.** The Treasurer and Auditor/Controller shall cause an annual audit of the accounts and records of the Authority to be made and reported in accordance with Sections 6505 through 6505.6 of the Government Code. The audit shall be conducted by an independent certified public accountant. The audit shall conform to generally accepted auditing standards. Such report shall be filed within twelve (12) months of the end of the Fiscal Year under examination.

ARTICLE 7 COST ALLOCATION

7.1 **Operations and Maintenance Costs.** Each Party shall pay its allocated share of all expenses incurred by the Authority for administration, operation, and maintenance of its Facilities and Ancillary Facilities based on the Water Purveyor Contribution percentages.

7.2. **Capital Improvement Costs.** Capital improvement costs to acquire, construct, or improve Facilities and Ancillary Facilities shall be subject to allocation between the Parties based on the Water Purveyor Contribution percentages.

7.3 **Debt Service.** In connection with the issuance of Bonds or the incurrence of other obligations by the Authority to finance or refinance Construction Costs or capital improvement costs to acquire, construct or improve Facilities and Ancillary Facilities, each Party shall negotiate a Financing Agreement with the Authority that includes provisions by which each Party shall make payments with respect to such Party's share of debt service on the Bonds or other obligations incurred by the Authority, consistent with any pre-existing contractual obligations of each Party.

Each Financing Agreement will stipulate that the debt service payments made by a Party to the Authority will be subject to the payment limitations set forth in Article IV, Section 5 of the Cost Sharing Agreement. For purposes of this Section 7.3, the provisions of Article IV, Section 5 of the Cost Sharing Agreement shall continue in full force and effect in the event that the Cost Sharing Agreement shall terminate.

At the time of a Bond issuance or the entering into of any other obligation by the Authority, if a Party elects to pay its share of the capital improvement costs in full with cash, it will not be allocated any share of the debt service on such Bonds or other obligations incurred by the Authority, and will not be required to enter into a Financing Agreement with the Authority, for that Bond issuance or obligation.

ARTICLE 8 TERMINATION/WITHDRAWAL/AMENDMENT

8.1 **Duration and Termination.** This Agreement shall become effective as of the Effective Date and shall continue in full force and effect until terminated by the mutual written agreement of all Member Agencies, which agreement shall meet the requirements imposed by the terms and conditions of all outstanding bonds, notes, warrants, indentures and other evidences of indebtedness; provided, however, that this Agreement and the Authority shall continue to exist for the purpose of disposing of all claims, distribution of assets, and all other functions necessary to conclude the affairs of the Authority.

8.2 **Withdrawal.** Notwithstanding any other provision of this Agreement, any Member Agency may withdraw from the Authority by providing the Authority with one hundred eighty (180) days written notice of its intent to withdraw. A withdrawal from the Authority constitutes a withdrawal of that Member Agency's representatives from the Board of Directors.

8.3 **Effect of Withdrawal.** The withdrawal of a Member Agency shall not terminate its responsibility to contribute its share of any obligation incurred by the Authority, including amounts determined by the Board for (1) liabilities and claims accrued during the time the agency was a Member Agency or (2) budgeted expenses for the Fiscal Year in which notice of intent to withdraw is given. Except as the withdrawing Member Agency may agree, in writing, with the Board, the withdrawing Member Agency shall automatically relinquish all rights as a Member Agency under this Agreement, on the effective date of the withdrawal. Upon termination of this Agreement, a Member Agency that has withdrawn will be treated like all other Member Agencies for purposes of disbursement of Authority assets, unless otherwise agreed in writing.

8.4 **Disbursement.** Upon termination of this Agreement and after payment of all liabilities, costs, expenses and charges validly incurred under this Agreement, all remaining assets of the Authority shall be disbursed among Member Agencies, including any Member Agencies which previously withdrew from the Authority. All assets shall be divided among the Member Agencies in accordance with and proportionate to the Water Purveyor Contribution amounts stated in Section 6.3.2, if it is feasible to do so.

8.5 **Amendment.** This Agreement may be amended at any time by the written approval of the governing body of each Member Agency upon recommendation of a majority of the Board of Directors of the Authority.

ARTICLE 9 SPECIAL PROVISIONS

9.1 **Insurance.** The Authority shall maintain types and levels of insurance coverage for the Authority as the Board of Directors determines to be reasonably adequate, provided, however, that each Member Agency shall be named as an additional insured on such policy of and/or agreement for insurance coverage.

9.2 **Liability of Authority, Board, Officers, Employees.** Pursuant to Government Code section 6508.1, the debts, liabilities, and obligations of the Authority shall not be the debts, liabilities and obligations of any of the Member Agencies or any of their respective members, officers, directors, employees or agents. The Authority, its Directors, officers, employees, staff and agents shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties pursuant to this Agreement. No Member Agency, its officer, director or employee shall be responsible for any action taken or omitted by any other Member Agency, or its officers, or employees or the Authority, its officers, or employees.

9.3 **Indemnity.** The Authority shall indemnify, defend and hold harmless the Board of Directors, the individual Member Agencies, and their elected officials, members, officers, directors, employees and agents from and against any and all liability, loss, damages, expenses, costs (including, without limitations, costs and fees of litigation or arbitration) of every nature, arising out of any act or omission related to this Agreement, including, but not limited to those related to the use of any property and/or facility of any Member Agency. The Authority shall indemnify, defend and hold harmless the individual Member Agencies, and their elected officials, members, officers, directors, employees and agents from and against any and all liability, loss, damages, expenses, costs (including, without limitations, costs and

fees of litigation or arbitration) of every nature, arising out of any willful misconduct of the Authority Board of Directors or its Board Members, officers or employees. Further, the duty of the Authority to indemnify, defend and hold harmless shall not extend to the activities of the individual Member Agencies, and their members, officers, directors, employees and agents that are outside the scope of this Agreement. The Authority's duty to indemnify each Member Agency pursuant to this Agreement shall survive that Member Agency's withdrawal from the Agency. This section shall not be deemed to supersede, extinguish, or modify the indemnification provisions in the Cost Sharing Agreement.

9.4 **Conflict of Interest Code.** The Authority shall, by resolution, adopt a conflict of interest code as required by law.

**ARTICLE 10
MISCELLANEOUS PROVISIONS**

10.1 **Severability.** If any section, clause or phrase of this Agreement or the application thereof to any Party or any other person or circumstance is for any reason held to be invalid by a court of competent jurisdiction, it shall be deemed severable, and the remainder of the Agreement or the application of such provisions to the other Party or to other persons or circumstances shall not be affected thereby. Each Party hereby declares that it would have entered into this Agreement, and each subsection, sentence, clause and phrase thereof, irrespective that one or more sections, subsections sentences, clauses or phrases or the application thereof might be held invalid.

10.2 **Notices.** Notices required or permitted hereunder shall be sufficiently given if made in writing and delivered either personally or by registered or certified mail, postage prepaid to the respective Parties, as follows:

City of Arroyo Grande
Attention: City Manager
300 E Branch Street
Arroyo Grande, CA 93420

City of Pismo Beach
Attention: City Manager
760 Mattie Road
Pismo Beach, CA 93449

City of Grover Beach
Attention: City Manager
154 S. Eighth Street
Grover Beach, CA 93433

10.3 **Other Obligations.** The responsibilities and obligations of each Party to this Agreement shall be solely as provided in this Agreement, or as may be provided for in other agreements to be executed by the Parties, including but not limited to the Cost Sharing Agreement. In the event there is any conflict between this Agreement and the Cost Sharing Agreement, the provisions of this Agreement shall be controlling.

10.4 **Consent.** Whenever in this Agreement or in any amendment thereto consent or approval is required, the same shall not be unreasonably withheld.

10.5 **Other Agreements Not Prohibited.** Other agreements by and between the Parties of this Agreement or any other entity are neither prohibited nor modified in any manner by execution of this Agreement.

10.6 **Assignment.** The rights, titles and interests of any Party to this Agreement shall not be assignable or transferable without the consent of the governing body of each Party hereto and the Board of Directors. Any assignment of a membership in the Authority made under this Section 10.6 by the governing body of any Party hereto will not result in the novation of the assignor Member Agency's obligations with respect to this Agreement, a Financing Agreement or any other agreement which may obligate the assignor Member Agency, unless such novation is agreed to in writing by such consenting Member Agency, the assignee and the assignor Member Agency.

10.7 **Section Headings.** The section headings herein are for convenience of the Parties only, and shall not be deemed to govern, limit, modify or in any manner affect the scope, meaning or intent of the provisions or language of this Agreement.

10.8 **Laws of California.** This Agreement is made in the State of California, under the Constitution and laws of such State, and shall be construed and enforced in accordance with the laws of such State.

10.9 **Construction of Language.** It is the intention of the Parties hereto that if any provision of this Agreement is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision shall have the meaning which renders it valid.

10.10 **Cooperation.** The Parties recognize the necessity and hereby agree to cooperate with each other in carrying out the purposes of this Agreement.

10.11 **Successors.** This Agreement shall be binding upon and shall inure to the benefit of the successors of the Parties hereto.

10.12 **Enforcement.** The Authority is hereby authorized to take any and all legal or equitable actions, including, but not limited to, an injunction and specific performance, necessary or permitted by law to enforce this Agreement.

10.13 **Integration.** This Agreement constitutes the full and complete Agreement of the Parties.

10.14 **Counterparts.** This Agreement may be executed in counterparts, each of which shall constitute an original and all of which together shall constitute one and the same agreement.

[Signatures on following page.]

IN WITNESS WHEREOF, the Parties have caused this Joint Exercise of Powers Agreement to be executed and attested by their proper officers thereunto duly authorized on the day and year set forth below, making the same effective on the date signed by the last of all Parties hereto.

CITY OF ARROYO GRANDE:

By: [Signature]
Caren Ray Russom, Mayor
Date: 9/27/22

ATTEST:

By: [Signature]
Jessica Matson, City Clerk
Date: 9/29/22

APPROVED AS TO FORM:

By: [Signature]
Timothy J. Carmel, City Attorney
Date: 9/29/22

CITY OF PISMO BEACH:

By: [Signature]
Ed Waage, Mayor
Date: 10/17/22

ATTEST:

By: [Signature]
Erica Inderlied, City Clerk
Date: 10/7/2022

APPROVED AS TO FORM:

By: [Signature]
David M. Fleishman, City Attorney
Date: 6 OCTOBER 2022

CITY OF GROVER BEACH:

By: _____
Jeff Lee, Mayor
Date: _____

ATTEST:

By: _____
Wendi Sims, City Clerk
Date: _____

APPROVED AS TO FORM:

By: _____
David P. Hale, City Attorney
Date: _____

IN WITNESS WHEREOF, the Parties have caused this Joint Exercise of Powers Agreement to be executed and attested by their proper officers thereunto duly authorized on the day and year set forth below, making the same effective on the date signed by the last of all Parties hereto.

CITY OF ARROYO GRANDE:

By: _____
Caren Ray Russom, Mayor
Date: _____

ATTEST:

By: _____
Jessica Matson, City Clerk
Date: _____

APPROVED AS TO FORM:

By: _____
Timothy J. Carmel, City Attorney
Date: _____

CITY OF PISMO BEACH:

By: _____
Ed Waage, Mayor
Date: _____

ATTEST:

By: _____
Erica Inderlied, City Clerk
Date: _____

APPROVED AS TO FORM:

By: _____
David M. Fleishman, City Attorney
Date: _____

CITY OF GROVER BEACH:

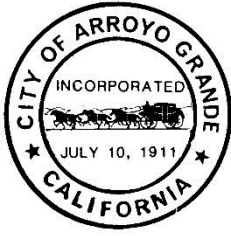
By: _____
Jeff Lee, Mayor
Date: 9/27/22

ATTEST:

By: Wendi Sims
Wendi Sims, City Clerk
Date: 9/27/2022

APPROVED AS TO FORM:

By: _____
David P. Hale, City Attorney
Date: 9/27/22



MEMORANDUM

TO: City Council

FROM: Michael M. Martinez, Chief of Police

BY: David Culver, Police Commander

SUBJECT: Memorandum of Understanding Between the Arroyo Grande Police Department and the Lucia Mar Unified School District for School Resource Officer Services

DATE: June 11, 2024

RECOMMENDATION:

- 1) Approve a Memorandum of Understanding between the City of Arroyo Grande and the Lucia Mar Unified School District (LMUSD) to share the cost of salary and benefits for one School Resource Officer (SRO) position in Fiscal Year (FY) 2024-25; and
- 2) Find that approving the Memorandum of Understanding is not a project subject to the California Environmental Quality Act ("CEQA") because it has no potential to result in either a direct or reasonably foreseeable indirect physical change in the environment. (State CEQA Guidelines, §§ 15060, subd. (b)(2)-(3), 15378.)

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

The cost of the School Resource Officer position is approximately \$163,800 for Fiscal Year (FY) 2024-25. This agreement shares the cost of the salary and benefits associated with the officer between the City and Lucia Mar Unified School District (LMUSD). The City will receive fifty percent (50%) of the cost from LMUSD; totaling \$81,900. These funds were included as estimated revenues in the City's proposed FY 2024-25 Budget.

BACKGROUND:

The Arroyo Grande Police Department (AGPD) has been providing School Resource Officer (SRO) services to the Lucia Mar Unified School District (LMUSD) since the early 1990's. The SRO Program is a collaborative effort between the AGPD and the LMUSD with the goal of reducing crime, drug abuse, violence, and providing a safe school environment. The SRO is a full-time police officer whose primary function is to address law enforcement concerns at their respective schools. The AGPD and LMUSD work closely in selecting the SRO by identifying specific traits that are essential to working in a

Item 9.g.

City Council

Memorandum of Understanding Between the Arroyo Grande Police Department and the Lucia Mar Unified School District for School Resource Officer Services

June 11, 2024

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school environment. The SRO program utilizes the SRO Triad concept as set forth by the National Association of School Resource Officers (NASRO) (Attachment 2). The SRO Triad concept generally means that the officers assigned to the SRO program are law enforcement officers, counselors and teachers. The SRO works closely with school officials and administrators to develop positive relationships with the community, students, parents and school officials. While the position is housed at, and primarily assigned to, Arroyo Grande High School, the SRO is responsible for responding to requests from Paulding Middle School and Ocean View and Harloe Elementary schools. The SRO interacts with students from a variety of ages and backgrounds, often serving in a mentorship role.

One of the highlights of this program is the ability for the SRO to provide counseling to students on a formal and informal basis. The SRO regularly interacts with students and is often viewed as a role model. The SRO provides opportunities to forge beneficial relationships with staff and students, all the while being a visible deterrent to crime and other untoward behavior. The relationships that SRO's establish with students are enduring beyond students' graduation for personal and professional development. On site law enforcement provides familiarity with the layout of the campuses and administration, as well as provide quick assistance with student safety emergencies.

ANALYSIS OF ISSUES:

The LMUSD has requested SRO services be provided for the 2024-2025 school year. The term of the agreement begins July 1, 2024, and ends June 30, 2025. This agreement is reviewed annually.

The SRO position has been in existence since the 1990's and staff believes this program is extremely important to the City's public safety services and should be maintained. Given the City's demographics, a substantial portion of public safety issues are youth related. If the position were not dedicated to schools, it would require other AGPD patrol personnel to respond to a large volume of school related calls for service. The SRO historically provides advantages and efficiency of personal networking relationships and collaboration from being teamed with school administration to address safety issues in a proactive role, rather than being responsive after the fact.

The MOU has been drafted so that AGPD and LMUSD share the costs of the SRO, including overtime pay. The cost of the MOU to LMUSD will be \$81,900, except that LMUSD will pay for overtime work at rates which are included in Exhibit A attached to the MOU (Attachment 1). AGPD, specifically the Chief of Police, is responsible for hiring the SRO, but may solicit input from LMUSD to assist in their selection. Further, AGPD will collaborate with LMUSD in the implementation of the SRO program. For example, the

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City Council
Memorandum of Understanding Between the Arroyo Grande Police Department
and the Lucia Mar Unified School District for School Resource Officer Services
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SRO will coordinate with the school administration in order to provide lessons regarding police services and general citizenship. The SRO will primarily, however, respond to incidents or conduct investigations regarding calls to service.

In the LMUSD 2023-2024 school year (specifically July 1, 2023, to May 22, 2024), the SRO responded to (183) calls for service and completed (48) police reports. AGPD has developed guidelines for the SRO with a multifaceted approach to provide services given the many health and safety requirements set forth by the State. The LMUSD has agreed to partner with AGPD for another year of this program supporting the need to provide this valuable resource to the students, staff and the community.

ALTERNATIVES:

The following alternatives are provided for the Council's consideration:

1. Approve the Agreement to share 50% of the cost for SRO services for FY 2024-25 with any minor changes necessary to effectuate City Council's intent;
2. Do not adopt the Agreement; or
3. Provide other direction to staff.

ADVANTAGES:

The LMUSD will help the City of Arroyo Grande continue enhanced school safety by sharing fifty percent (50%) of the cost of the salary and benefits associated with the actual officer assigned to the SRO position.

DISADVANTAGES:

Non-approval will result in the Police Department unable to dedicate an officer in the City schools on a full-time basis.

ENVIRONMENTAL REVIEW:

Approving the agreement is not a project subject to CEQA because it has no potential to result in either a direct, or reasonably foreseeable indirect, physical change in the environment. (State CEQA Guidelines, §§ 15060, subd. (b)(2)-(3), 15378.)

PUBLIC NOTIFICATION AND COMMENTS:

The Agenda was posted at City Hall and on the City's website in accordance with Government Code Section 54954.2.

ATTACHMENTS:

1. Proposed School Resource Officer Memorandum of Understanding
2. National Association of School Resource Officers (NASRO) Best Practices

Item 9.g.

SCHOOL RESOURCE OFFICER

MEMORANDUM OF UNDERSTANDING

A. Mission Statement

The community of Arroyo Grande, the Lucia Mar Unified School District, and the Arroyo Grande Police Department are significantly impacted by demands to address incidents and situations directly or indirectly related to juveniles and the schools. The problems of juvenile delinquency, alcoholic beverage and illegal substance abuse, gang involvement, and other youth-related problems that negatively affect the community and the schools can be best addressed in a pro-active, interactive, and preventive manner. Effective education requires a safe and orderly environment in which learning can occur. Consequently, the Arroyo Grande Police Department and the Lucia Mar Unified School District jointly propose to implement the School Resource Officer (SRO) program within the Lucia Mar Unified School District for schools located within the City of Arroyo Grande. The mission of the SRO program shall be to provide appropriate law enforcement resources and a school-based approach to the development of a positive relationship among students, staff and the police, the maintenance of a safe learning environment and the prevention of juvenile delinquency, alcoholic beverage and illegal substance abuse, and gang involvement by our community's youth.

In order to facilitate a proper working relationship between the school administration and the SRO, it is important to establish, maintain, and update specific guidelines and procedures to be followed by the SRO and school administrators.

This Memorandum of Understanding clarifies the roles of the SRO and school administrators, their scope of authority, and the respective responsibilities of the Lucia Mar Unified School District and the Arroyo Grande Police Department in this collaboration. The success of this program relies on effective communication among the SRO, school administrators, and other key staff members of each organization.

All references in this Memorandum of Understanding to responsibilities and obligations of the Lucia Mar Unified School District, the Arroyo Grande Police Department, and the City of Arroyo Grande are applicable only to schools located within the City of Arroyo Grande.

Under the terms of this Memorandum of Understanding, the Lucia Mar Unified School District and the Arroyo Grande Police Department agree that the duties, responsibilities and physical presence of the SRO are not limited to the Arroyo Grande High School but include all schools in the Lucia Mar Unified School District within the City of Arroyo Grande.

B. Concept

The SRO program shall utilize the SRO Triad concept as set forth by the NASRO National Association of School Resource Officers (NASRO) that is attached hereto and incorporated herein by reference. The SRO Triad concept generally means that the officers assigned to the SRO program are law enforcement officers, counselors and teachers. The SRO is first and foremost a law enforcement officer for the City of Arroyo Grande. The SRO shall be responsible for carrying out all duties and responsibilities of a Police Officer and shall ultimately at all times remain under the control of the Arroyo Grande Police Department and its policies and procedures.

The SRO will comply with the policies and procedures of the Lucia Mar Unified School District to the extent that such policies and regulations do not conflict with those of the Arroyo Grande Police Department or the City of Arroyo Grande are not in conflict with other terms in this Memorandum of Understanding, and are not in conflict with federal, state, or local laws. The SRO is an enforcement officer in CRIMINAL matters only. The SRO shall not enforce any school or classroom rules. The SRO is not a school disciplinarian and should not assume this role. The SRO shall not involve themselves in administrative matters of Lucia Mar Unified School District that do not relate to the duties and responsibilities of the SRO. The SRO is not a formal counselor and will not act as such; however, the SRO may be used as a resource to assist students, parents, school staff and all persons involved with the Lucia Mar Unified School District. The SRO may also be used as a teacher and can instruct in a variety of subjects ranging from alcoholic beverage and illegal substance abuse to citizenship and community responsibilities. The SRO may use teaching to build rapport between the students and the staff.

C. Description of General Duties

1. The SRO is a sworn Arroyo Grande Police Officer assigned to provide the law enforcement expertise and resources to assist school staff in maintaining safety and order within the assigned school(s) and in the prevention and control of crime, Juvenile delinquency, truancy and disorder on school campuses and in the immediate area of the school campuses if students may reasonably be involved through the enforcement of applicable state statutes and Municipal Codes as appropriate.
2. The SRO will conduct or assist in the investigation of incidents on school campuses.
3. The SRO may assist in the coordination of the efforts of other law enforcement agencies on the school campuses.
4. The SRO will be considered an active member of the administrative team in his/her assigned school(s).
5. Although the SRO's primary responsibility and location will be the Arroyo Grande High School, he/she shall respond to SRO-related issues at other Lucia Mar Unified School District campuses within the City as reasonable and appropriate.
6. The school buildings, grounds, and the adjacent neighborhoods and streets will be the equivalent of the SRO's patrol area and he/she will assume primary responsibility for

handling calls for police service and coordinating the response of other police or emergency resources to the school. All criminal activity that comes to the attention of the school staff shall be reported immediately to the Police Department. In an emergency situation, the school shall call 911 and should also notify the SRO as soon as reasonably possible. In a non-emergency situation, the school should notify the SRO or call the pen-emergency police Department number if the SRO is not available. The SRO may delay his/her Immediate response to incidents that are not of an emergency nature for action upon his/her return to duty.

7. The Arroyo Grande Police Department will provide the SRO with a vehicle for his/her use as appropriate.
8. The SRO will be required to appear in court and assist in prosecution and other judicial processes as reasonably necessary as a result of his/her position.
9. The SRO's duty schedule will be determined by the Chief of Police or his/her designee, in conjunction with the school administration and in compliance with the Fair Labor Standards Act, but will generally be arranged to provide coverage and visible presence throughout the school day including peak arrival and departure times before and after school. In addition, the SRO may be required to attend school-related functions during normal classroom hours and special after-school activities, e.g. school dances and sporting events. If the SRO is required to attend special after-school activities, he/she shall take reasonable measures to adjust his/her normal work schedule. This type of shift adjustment shall normally be reserved for Arroyo Grande High School events and shall not replace other security arrangements, e.g. off-duty police personnel or private security. The Arroyo Grande Police Department shall use its best efforts to provide services requested by the Lucia Mar Unified School District. The Arroyo Grande Police Department may assign another officer to act as a temporary SRO if: (a) the SRO is not available or (b) in order to avoid overtime charges to the Lucia Mar Unified School District.
10. The SRO will normally conduct their duties in full police uniform to enhance the visible presence of and interaction with a uniformed Police Officer; however, the SRO may be permitted to wear plainclothes according to any special needs and with the prior approval of the Chief of Police or his/her designee.
11. The SRO will assist with training for the school administration in law enforcement-related matters. Information about crime trends and changes in criminal law relevant to schools shall be disseminated to the school administration to assist in effectively establishing and maintaining safe school environments.
12. The SRO may become involved with the school's curriculum, via coordination with school administration, and provide instruction that will enhance the student's understanding of the police mission and the responsibilities of citizenship. However, responding to incidents or conducting investigations must, of necessity, take precedence over classroom instruction. Lesson plans for all formal, organized presentations shall be forwarded to the school administration and the Chief of Police or his/her designee prior to presentation.

13. The SRO will be responsible for monitoring the social and cultural environment to identify emerging youth problems. All information concerning these emerging issues shall be provided to the Chief of Police or his/her designee and the school administration. Prevention and early intervention strategies shall be coordinated with the Chief of Police or his/her designee in conjunction with the school administration.
14. When it is in the best interest of the Police Department and the school, the SRO may make formal presentations to, or participate in, meetings related to school-based community organizations, students, and parents such as parent-teacher organizations, School Advisory Council, and School Board meetings. The presentations provided or the educational resources made available may include, but are not limited to, alcoholic beverage and illegal substance abuse, criminal law-related education, criminal justice system orientation, juvenile delinquency prevention, gang involvement and awareness and community responsibility. Participation in other activities such as panel discussions, mentoring programs, and community coalitions or task forces must be approved in advance by the Chief of Police or his/her designee.
15. Programs conducted in schools by other Police Department members shall be coordinated with the SRO to avoid redundant services and to ensure equitable distribution of such programs and services.
16. A critical element of the SRO program is an open relationship and strong communication between the school administration and the SRO. The SRO shall meet on a weekly basis, or more frequently if necessary, with school administration for the purpose of exchanging information about current crime trends, problem areas, or other areas of concern that have the potential for disruption in the school or within the community.
17. During times when schools are in session, the SRO will devote his/her complete shift to the school calendar day, except for required duties such as court appearances or unless required to respond to emergency situations including but not limited to Regional SWAT team call-outs. During times when schools are not in session, e.g. holiday breaks, spring break, and summer vacation, and the SRO is not involved in assigned school-related activities, the SRO will be assigned to duties at the discretion of the Police Department. The SRO shall attend all in-service training required by the Police Department throughout the year, whether or not school is in session.
18. The SRO shall utilize the appropriate Police Department mechanism, e.g. the CADS or crime and incident reports, to record his/her activities in a timely manner. That record shall be made available to school administration upon request.
19. Other duties and responsibilities of the SRO include:
 - (a) Proper disposal of illegal substances recovered by the school and not needed for criminal prosecution.
 - (b) Maintaining familiarity with the Lucia Mar Unified School District Student Rules and Regulations.
 - (c) Attending and providing testimony at school disciplinary hearings upon request.

(d) Participation in other youth-related community activities as assigned by the Chief of Police or his/her designee.

D. Selection

Selection of the SRO and supervisory personnel shall be at the sole discretion of the City's Chief of Police. The Chief of Police may solicit input from the Lucia Mar Unified School District to assist in the selection of the SRO.

E. School District Responsibilities

The Lucia Mar Unified School District shall be responsible to provide to the SRO as follows:

1. Access to a climate controlled office with proper lighting and a landline telephone for general use.
2. A location for files and records that can be properly locked and secured.
3. A desk with drawers, chair, filing cabinet and basic office supplies.
4. Appropriate access to a Lucia Mar Unified School District computer and secretarial/administrative assistance when necessary.
5. Access to and encouragement of classroom participation.
6. The opportunity for the SRO to address school staff about the SRO program and its goals and objectives.
7. Seek input from the SRO regarding criminal justice issues related to the school environment.
8. Allow the SRO to wear and operate portable audio/video recording equipment (body worn camera) in accordance with Policy 451 of the Arroyo Grande PD CA Policy Manual.
9. Emergencies. In the event of emergencies, school officials or personnel shall first contact 911 before attempting to contact the SRO.
10. Lucia Mar Unified School District shall provide a district cell phone to the SRO assigned to Arroyo Grande High School.

F. Desired Outcome

1. To mutually provide for a safe and secure environment for all persons working, attending, or visiting the Lucia Mar Unified School District buildings and grounds within the City of Arroyo Grande.
2. To mutually develop and maintain an active partnership between the Arroyo Grande Police Department and the Lucia Mar Unified School District to preserve a safe and secure educational environment.

3. To communicate and cooperate regarding law enforcement-related issues occurring within the boundaries of the Lucia Mar Unified School District campuses In the City of Arroyo Grande.
4. When deemed reasonable and appropriate, to mutually apply counseling, mentoring, and/or alternative resources to conflict resolution consistent with the policies and procedures of the Arroyo Grande Police Department and the Lucia Mar Unified School District with the realization that law enforcement processes are but one of the possible solutions available as an option for intervention.
5. To mutually participate in the educational process as a resource and as an advocate for the criminal justice system.

G. Information Sharing

Consistent with the basic tenants of the relationship between the school administration and the SRO described in this Memorandum of Understanding, open communication is essential to ensure program effectiveness. The SRO should exchange information with the school administration regarding students' involvement in criminal activity in and around the school. This shall be limited to information that directly relates to and contributes to the safety of the school environment. The SRO shall not make any official document, police report, or record available to the school administration or its staff that is not legally permissible nor shall the school administration or its staff make any official document, report or record available to the SRO that is not likewise legally permissible.

H. Supervision Responsibility & Chain of Command for the SRO

As the employer of the SRO, the Arroyo Grande Police Department shall maintain primary supervision of the SRO and the SRO shall follow the chain of command set forth in the Arroyo Grande Police Department Manual. The SRO will work with the school administration to determine the most reasonable and effective use of the SRO's time and expertise, but shall not be subject to the supervision or direction by the Lucia Mar Unified School District, its officers, agents or employees. Scheduling needs outside of regularly scheduled school hours involving investigations, school-related activities and/or school-related functions shall be coordinated between the Lucia Mar Unified School District Superintendent or a designate chosen by the Superintendent, and the SRO's supervisor.

Evaluation of the SRO shall be conducted as a function of supervision consistent with the Arroyo Grande Police Department's policies and procedures. The Superintendent of the Lucia Mar Unified School District, or his/her designee, shall have the opportunity to submit supplemental evaluations of the SRO related to the fulfillment of position responsibilities to the SRO supervisor. The SRO supervisor, as a part of the SRO's evaluation, shall consider any such supplemental evaluation.

I. Decision-Making Authority Regarding Enforcement of Applicable Laws and Procedures by the SRO

The Arroyo Grande Police Department has policy and procedure in place managing chain of command, span of control, and resolution of conflicting orders. All chain of command issues involving the SRO shall be resolved through existing Police Department policy.

The SRO as a sworn police officer shall retain decision-making authority related to law enforcement issues, including, but not limited to, the use of body worn camera. Decision-making authority related to school policy, procedures, and practices shall be retained by the school administration and staff. Inconsistencies and/or conflicts between Police Department policy and Lucia Mar Unified School District policy shall be resolved through mutual cooperation and alterations or amendments to this Memorandum of Understanding.

J. Evaluation of the Program

Evaluation of the SRO program shall be conducted informally at the end of the first school semester. A formal annual program review/evaluation shall be conducted within 30 days of the end of each school year.

Evaluation of the SRO program shall be conducted as a cooperative effort between the Arroyo Grande Police Department and the Lucia Mar Unified School District.

K. Commitment to School Resource Officer Retention

Both the Arroyo Grande Police Department and the Lucia Mar Unified School District are committed to the philosophy and interaction of a SRO within the school system. The SRO functions as a pro-active Community Policing and Problem-Solving resource for the Arroyo Grande Police Department as an integrated and intensively interactive police resource with Lucia Mar Unified School District students, staff, and administration. Therefore, understanding that the SRO is mutually beneficial to the duties, responsibilities, and organizational goals of both parties to this agreement, a plan to retain this position will be considered on an annual basis by the Lucia Mar Unified School District, the School Board and the Arroyo Grande Police Department through cooperative funding arrangements proposed by the parties at that time.

L. Funding Plan

The Arroyo Grande Police Department and the Lucia Mar Unified School District will individually budget, through local municipal and district funding sources, for operational expenses necessary to comply with this agreement to fully fund the SRO position. The calendar year effected by this Memorandum of Understanding shall be immediately sequential to the school year end date to ensure that the SRO position will not be terminated within a school year.

The Lucia Mar Unified School District shall be responsible for fifty percent (50%) of the cost of the salary and benefits associated with the actual officer assigned to the SRO position. Such cost shall include salary; retirement; Social Security; medical, dental and vision insurance; Workers' Compensation; uniform allowance; life insurance, employee assistance plan, bilingual, and educational incentive pay, if applicable; and all additional costs that are or may become applicable for the assigned SRO due to the existing Memorandum of Understanding between the City of Arroyo Grande and the Arroyo Grande Police Officers Association, changes that may be negotiated in the Memorandum of Understanding between the City of Arroyo Grande and the Arroyo Grande Police Officers Association or a change in the assigned SRO during the term of this Memorandum of Understanding between the Lucia Mar Unified School District and the Arroyo Grande Police Department. The Arroyo Grande Police Department shall be responsible for the remaining fifty percent (50%) of those same costs.

The Lucia Mar Unified School District shall transmit one-half (1/2) of its share of the program costs in one payment to the City of Arroyo Grande invoiced in September of the annual term of the Memorandum of Understanding and the remaining one-half (1/2) of its share of the program costs in another payment to the City of Arroyo Grande invoiced in February of the annual term of the Memorandum of Understanding. Both payments shall be due in full no later than 30 days after invoice.

The SRO may accrue overtime when present at certain school events, including, but not limited to, home football games, Winter Formal Dance, and Prom. If the presence of the SRO at a school-related special event outside normal school hours is reasonably appropriate, the SRO should make reasonable efforts to adjust his/her work schedule to eliminate any potential overtime expense associated with the special event. The Arroyo Grande Police Department cannot guarantee that a schedule modification will eliminate a need for the SRO to accrue overtime hours, and the Arroyo Grande Police Department will prioritize safety at school functions in all cases.

M. Termination

This Memorandum of Understanding may be terminated without cause either by the Arroyo Grande Police Department or the Lucia Mar Unified School District upon ninety (90) days written notice. Upon termination, any funds provided the Lucia Mar Unified School District shall be pro-rated and returned as appropriate to the Lucia Mar Unified School District.

N. Indemnity

1. Arroyo Grande Police Department agrees to defend, indemnify and hold Lucia Mar Unified School District, its officers, employees, agents and volunteers harmless from and against any and all liability, loss, expense (including reasonable attorneys' fees) or claims for injury or damages arising out of the performance of this Memorandum of Understanding but only in proportion to and to the extent such liability, loss, expense, attorneys' fees, or claims for injury or damages are caused by or result from the negligent or intentional acts, omissions or misconduct of Arroyo Grande Police Department, its officers, employees, agents or volunteers.

2. Lucia Mar Unified School District agrees to defend, indemnify and hold Arroyo Grande Police Department, its officers, employees, agents and volunteers harmless from and against any and all liability, loss, expense (including reasonable attorneys' fees) or claims for injury or damages arising out of the performance of this Memorandum of Understanding but only in proportion to and to the extent such liability, loss, expense, attorney's fees, or claims for injury or damages are caused by or result from the negligent or intentional acts, omissions or misconduct of Lucia Mar Unified School District, its officers, employees, agents or volunteers.

O. Term

The term of this Memorandum of Understanding shall be for one year from the effective date, which shall be **July 1, 2024**.

P. Cost

The total cost of this Agreement shall be **\$81,900**, except that the Lucia Mar Unified School District shall incur additional costs for overtime work of the SRO at the rates set forth in the attached exhibit "A."

Q. Miscellaneous

1. Entire Agreement. This Memorandum of Understanding contains the entire agreement between the Arroyo Grande Police Department and the Lucia Mar Unified School District related to the SRO positions. Amendments to this Memorandum of Understanding may be made only in writing and signed by all parties to the Memorandum of Understanding.
2. Severability. If any provision of this Memorandum of Understanding is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.
3. Waiver. Any waiver by the Arroyo Grande Police Department of any breach of any one or more of the terms of this Memorandum of Understanding shall not be construed to be a waiver of any subsequent or other breach of the same or of any other term thereof. Failure on the part of Arroyo Grande Police Department to require exact, full, and complete compliance with any term of this Memorandum of Understanding shall not be construed in any manner as changing the terms hereof, or stopping the Arroyo Grande Police Department from enforcement hereof.
4. Authority. The Parties each warrant and represent to the other that they have the full legal authority to enter into this Memorandum of Understanding.

**Arroyo Grande Police Department
Representative**

Name: _____

Title: _____

Date: _____

Signature: _____

**Lucia Mar Unified School District
Representative**

Name: _____

Title: _____

Date: _____

Signature: _____

LMUSD Board Approved: _____

EXHIBIT A

Total cost of Arroyo Grande Police Department and Lucia Mar Unified School District SRO: \$163,800 – this amount split 50/50 means that each party shall be responsible for \$81,900.

Overtime will be calculated as follows:


Position	Annual Rate	Hourly Rate	Overtime Rate
School Resource Officer	163,800	78.75	118.13

Standards and Best Practices for School Resource Officer Programs

Mo Canady

NASRO Executive Director

 : mo.canady@nasro.org

 : (205) 739-6060

The Standards and Best Practices presented here are separated into two classifications: Mandatory (M) and Recommended (R) to identify the importance of each Standard and Best Practice.

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Forward

1.0 PURPOSE OF THE STANDARDS

1.1 General

This publication represents a standard for domestic and international agencies and departments. This *Standards and Best Practices for the School Resource Officer Programs* was developed and is maintained by the National Association of School Resource Officers, Inc., (NASRO) a section 501(c)(3) IRC membership association established pursuant to Chapter 617 of the laws of the State of Florida.

1.2 Applicability

This document contains professional standards and recommended best practices for law enforcement agencies both within and outside of the United States, regardless of size or level of government (federal/national, state/provincial or local).

NASRO has adopted this *Standards and Best Practices for the School Resource Officer Programs* and supports the need for the standards to be used as a guide for new and existing SRO units and for the best practices to be reviewed and adopted by all law enforcement, school safety agencies and school boards, as recommended.

NASRO has adopted these standards and best practices as the bases for future law enforcement certification or accreditation and supports the need for the standards to be used as a guide for all SRO law enforcement administrations and operations.

1.3 Intent

These standards and best practices are intended to provide a foundation of safe operating practices in the performance of the unit's mission and were formulated based on what has been identified as the two highest priorities of school-based law enforcement programs:

1. Safety first in all aspects of the operation.
2. Provide excellence in SRO services in support of the agency's mission.

1.4 Scope

The scope of this document is intended to encompass all aspects of SRO law enforcement and has been divided in four (4) major sections: Administration, Selection, Training and Collaboration. The subsections are intended to encompass the primary aspects of SRO law enforcement unit administration and operations.

2.0 THE MAJOR BENEFITS OF ADOPTING THESE STANDARDS

Agencies are strongly encouraged to adopt and implement the standards and best practices outlined in this publication. They have been designed as industry standards intended to foster a universal application of best practices throughout the SRO law enforcement community. Although adoption and implementation of these standards and best practices is strictly voluntary, agencies that choose to adhere to them set themselves apart from others, becoming exemplars of SRO safety and operational excellence.

2.1 Safe, Effective and Cost-Efficient SRO Law Enforcement Operations

Compliance with these standards and best practices provides agencies with a foundation upon which a culture of safe operating practices may be formulated and establishes a mark of excellence to further develop and enhance the SRO unit's professionalism, efficiency, and overall effectiveness.

2.2 Greater Accountability with the Agency

These standards and best practices provide the respective agency chief, sheriff, or department head sound training principles, personnel qualification requirements, clearly defined lines of authority, and examples of accepted industry standards that support informed decision-making and resource allocation.

2.3 Controlled Liability Insurance Costs

Compliance with these standards and best practices may allow for agencies to more easily purchase SRO law enforcement and liability insurance, increase the limit of their insurance coverage, and, in many cases, lower their insurance premiums and/or gain other financial incentives.

2.4 Stronger Support from Government Officials and the Community

By complying with these standards and best practices, agencies establish credibility as professional operations, which provide safe, cost-effective, and essential SRO support to law enforcement operations in a variety of missions.

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Limitation of Liability

The National Association of School Resources Officers, Inc., makes no warranty, expressed or implied, for the benefit of any person or entity with regard to any aspect of the standards and best practices contained herein. These standards were adopted for the sole purpose of developing best practices by law enforcement agencies, SRO units or division, school safety organizations, and school boards throughout the U.S., and various foreign countries to obtain and maintain certification, there being no intended third-party beneficiaries hereof, expressed or implied. Nothing herein shall be construed so as to create any right, use, property interest, or entitlement on the part of any applicant agency or third party. These standards shall in no way be construed to be an individual act of any director, employee, agency, member, individual, or a legal entity associated with NASRO or otherwise be construed so as to create any liability in an individual or official capacity on the part of any NASRO, director, employee, agency, member, individual, or legal entity associated with NASRO.

SECTION ONE | ADMINISTRATION

01.01.00	Administrative Standards	Compliance
01.01.01	<p style="text-align: center;">Definition</p> <p>A school resource officer (SRO) is a full-time law enforcement officer with sworn law enforcement authority, trained in school-based policing and crisis response, assigned by the employing law enforcement agency to work with the school using community-oriented policing concepts.</p>	(M)
01.01.02	<p style="text-align: center;">Purpose</p> <p>The purpose of a successful SRO program is to “bridge the gap” between law enforcement and youth. This purpose is best accomplished by using the TRIAD model: Law Enforcement (LEO), Teacher (Guest Speaker), and Informal Counselor (Mentor). Each element of the TRIAD will be further explained throughout this document.</p>	(R)
01.01.03	<p style="text-align: center;">Knowledge and Support from Agency Administration</p> <p>For the SRO program to be successful, the law enforcement agency head and the superintendent of the school district must understand and fully support the SRO program, including an understanding of the standards and best practices put forth in this document.</p>	(M)

Memorandum of Understanding

A Memorandum of Understanding (MOU) or a similar contractual document should be established between the operating law enforcement agency and the school district. This document will assist in developing program goals and evaluating the program to assess the success in meeting identified goals.

Example MOU topics include but are not limited to:

- **Defining the roles and responsibilities of formal school discipline (M)**
 - SROs should not be administering formal school discipline such as detentions, suspensions, or expulsions. These decisions are the sole responsibility of the school personnel.

- **SROs act in accordance with the recommended TRIAD roles (R)**
 - As a law enforcement officer, the SRO shall abide by federal, state, and local laws.
 - As an informal counselor/mentor, the SRO may address school violations in an effort to positively impact student behavior and character and may refer students to school personnel as necessary.
 - As a teacher/classroom presenter, the SRO may address school-related education law to positively impact student behavior and character to mitigate more serious behaviors.

- **Defining roles and expectations pertaining to decision to arrest (M)**
 - According to federal law, the responsibility and decision to arrest lies solely with the SRO, respective to state law, local ordinances, and the SRO's departmental standard operating procedures or standing order.
 - The SRO's continual collaboration with school personnel and his or her understanding of each student's needs may impact the decision to arrest but the responsibility is that of the SRO alone.

- **Chain of Command (M)**
 - The SRO shall abide by the law enforcement agency's policies pertaining to the chain of command.

- **Uniform Use (M)**
 - SROs must be clearly identified as law enforcement. The uniform apparel and law enforcement equipment shall be defined by the agency policy. If a “soft” uniform is agreed upon, the uniform should not detract from clearly identifying the SRO as law enforcement.

- **Weapons Storage (M)**
 - Normal duty gear is to be defined by the SRO’s agency policies.
 - In the event additional weapons or gear is to be utilized, the storage of these items shall be defined by the law enforcement agency

- **Use of Less Lethal Tools (R)**
 - The SRO should abide by agency policies pertaining to the use of less lethal devices.
 - If there is a desired deviation from the policies, the cost, storage, and use must be agreed upon.

- **Sharing of Information (M)**
 - SROs and school personnel shall share information in accordance with their respective state laws.
 - Access and use of school camera footage, body-worn cameras, student database information, and any other information sharing practices should be defined by the MOU.

- **Documentation and Reporting Requirements (M)**
 - The SRO shall be under the immediate supervision and direction of his or her law enforcement agency.
 - The agency policies shall identify the documentation and reporting procedures to be used.
 - Any documentation requested by the school personnel shall be addressed by the MOU or similar contractual document.

- **Expenses (M)**
 - The salary (including overtime), benefits, and equipment costs should be established in the MOU and/or in an agreed upon contract between the law enforcement agency and the school district.

- **Office Space and Office Supplies (R)**
 - A clearly defined location should be established for the SRO to conduct school and law enforcement business.
 - Due to the nature of law enforcement related to juveniles, a dedicated location with a closable door should be available.
 - Access to office supplies such as paper, a printer, computer, etc. should be addressed in the MOU.

- **Hours on Campus (M)**
 - Clearly defined expectations of the hours the SRO shall spend on campus should be agreed upon by the operating law enforcement agency and the school district.
 - Due to the nature of law enforcement, there may be a need for the SRO to be out of the building(s) for a period of time.
 - This should be understood and agreed upon by all parties involved.

- **Day-to-Day Duties (M)**
 - As formerly described, the SRO shall utilize the TRIAD model: Law Enforcement (LEO), Teacher (Guest Speaker) and Informal Counselor (Mentor).
 - Quality law enforcement practices should be assumed and agreed upon.
 - The SRO should not be assigned to specific locations or duties on a daily basis, but rather be available to assist teachers, administrators, and students when requested and as consistent with their roles as a law enforcement officer, informal counselor/mentor, and teacher/classroom presenter.
 - The expectations of the SRO's daily duties must be agreed upon by the law enforcement agency and the school district.

- **Extracurricular Activities (R)**
 - There is a demonstrated benefit to the SRO's involvement in extracurricular activities.
 - Expectations of attendance and compensation should be agreed upon by the law enforcement agency and the school district.

SECTION TWO | SELECTION

02.01.00	The SRO Selection Process	Compliance
02.01.01	<p style="text-align: center;">The SRO Selection Process</p> <ul style="list-style-type: none"> • There shall be a clearly defined process of selection for the SRO to be employed. • This selection process shall be agreed upon between the agency and the school administration. • The school administration shall be involved in the selection process, including but not limited to, the interviews of SRO candidates. 	(M)
02.01.02	<p style="text-align: center;">Experience</p> <ul style="list-style-type: none"> • It is recommended that the officer selected have at least three (3) years of law enforcement experience. • This level of experience will help the officer obtain credibility among the school faculty, students, and parents. • This level of experience will also allow the SRO to have a greater understanding of the local agency's policies and procedures. 	(R)
02.01.03	<p style="text-align: center;">Number of SROs Selected</p> <ul style="list-style-type: none"> • It is recommended that each school have at least one (1) SRO on campus. • It is recommended that the determination of the number of SROs needed for each school be based on but not limited to: <ul style="list-style-type: none"> ○ School enrollment ○ Discipline history ○ Number of campus buildings ○ Campus acreage ○ Calls for service ○ Location in the community ○ Number of non-sworn safety personnel in the building 	(R)

02.01.04	<p style="text-align: center;">School Climate</p> <ul style="list-style-type: none"> • Several factors pertaining to school climate should be considered when considering the best SRO fit: <ul style="list-style-type: none"> ○ Student enrollment ○ School discipline history ○ Cultural and minority representation ○ Special Education programs ○ English as a Second Language programs 	(R)
02.01.05	<p style="text-align: center;">Willingness in Developing Youth</p> <ul style="list-style-type: none"> • Effective SROs have a willingness to engage with youth. • This can be demonstrated in the candidate's previous participation in youth or community policing programs. 	(M)
02.01.06	<p style="text-align: center;">Communication Skills</p> <ul style="list-style-type: none"> • Must have excellent verbal and written communication skills. 	(M)
02.01.07	<p style="text-align: center;">Probationary Period</p> <ul style="list-style-type: none"> • The selected SRO should have a probationary period agreed upon by the operating law enforcement agency and the school district to allow all parties to best determine if the selected officer is a proper fit for the school community. 	(R)

SECTION THREE | TRAINING

03.01.00	Training Standards	Compliance
03.01.01	<p style="text-align: center;">Importance</p> <ul style="list-style-type: none"> • The SRO must be specially trained in school-based policing, as the duties and responsibilities of an SRO are inherently different than that of other law enforcement specialties. • At a minimum, the SRO should attend annual training related to school safety topics. These topics may include, but are not limited to: <ul style="list-style-type: none"> ○ Crisis Planning ○ Active Threat Response ○ Adolescent Mental Health • Such trainings enhance and maintain the relevancy of the SRO's skill set. • It is recommended that a school administrator also attend with his or her SRO to support ongoing collaboration. • Some opportunities for these training programs include SRO conferences such those offered by the National Association of School Resource Officers and its affiliated state associations. 	(M)

03.02.00	The Basic SRO Training Course	Compliance
03.02.01	<p style="text-align: center;">Basic SRO Course</p> <ul style="list-style-type: none"> • The SRO should complete a foundational school-based policing course, such as the NASRO Basic SRO Course, prior to being assigned. • If it is not practical for the new SRO to complete a foundational school-based policing course prior to the assignment, the new SRO shall complete a foundational school-based policing course within one (1) year of beginning the assignment. 	(M)

The TRIAD Approach**(M)**

- SROs must be trained to utilize a TRIAD approach to school-based policing.
- This concept includes understanding and applying the principles of each TRIAD component: Law Enforcement (LEO), Teacher (Guest Speaker) and Informal Counselor (Mentor).
- The specifics of each component include but are not limited to:
 - To be an effective law enforcement officer (LEO) in a school environment, the SRO should have a working knowledge of:
 - Constitutional and state law
 - Armed response
 - Crime prevention and mitigation
 - Interview and interrogation
 - Investigations
 - Crime Prevention Through Environmental School Design
 - Patrol operations (high visibility)
 - Advocacy within the juvenile justice system
 - Mandatory reporting
 - To be an effective teacher/guest speaker, the SRO should be capable of delivering law-related education lessons on topics such as:
 - Crime prevention
 - Social media
 - School safety
 - Victimization
 - Laws pertaining to students
 - Safe traffic stops
 - Driver safety
 - Decision making
 - Other topics requested by staff/parents
 - To be an effective informal counselor/mentor, the SRO should be properly trained in:
 - Mentoring
 - Crime prevention
 - Empowering youth
 - Resiliency and overall wellness
 - Adolescent brain development
 - Social and emotional development
 - Recognizing and supporting diversity
 - Improving youth decision-making skills
 - Trauma-informed practices

03.02.03	<p>School Administration Policies & Procedures</p> <ul style="list-style-type: none"> • Additional school-related training topics in support of an effective SRO program should be ongoing. • Examples of these include but are not limited to: <ul style="list-style-type: none"> ○ Structure of the school's discipline policy. ○ Family Educational Rights and Privacy Act (FERPA) and other school-related law issues. ○ Working with special needs students and the special education department within the school. ○ A school-utilized behavioral intervention program. 	(R)
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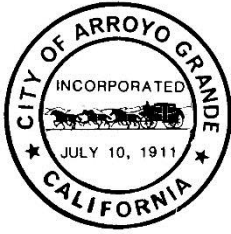
03.03.00	The Advanced SRO Training Course	Compliance
03.03.01	<p style="text-align: center;">Advanced SRO Course</p> <ul style="list-style-type: none"> • It is recommended that the SRO successfully complete an advanced level school-based policing course approximately one (1) year after successful completion of the basic foundational course. • This course will build on and further expand the SRO's foundational knowledge and skills. 	(R)

03.04.00	Single Officer Rapid Deployment Training	Compliance
03.04.01	<p style="text-align: center;">Single Officer Rapid Deployment Training</p> <ul style="list-style-type: none"> • The SRO should successfully complete bi-annual training for single officer rapid deployment. • This training should provide appropriate methods for the SRO to be able to respond to active assailants or threats in the school. 	(R)

SECTION FOUR | COLLABORATION

04.01.00	Collaboration Between Law Enforcement and the School Community	Compliance
04.01.01	<p style="text-align: center;">Definition</p> <ul style="list-style-type: none"> • A successful SRO program must have a strong collaboration between the law enforcement agency and the school community. • Although various elements of the job are defined by each party, it is important that these elements are clearly defined and communicated. 	(M)
04.01.02	<p>Defining Roles of the School Administrator and the SRO</p> <ul style="list-style-type: none"> • It is recommended that each party establish the role of the school administrator and the SRO in this partnership to ensure that all district policies, department policies, local laws, state laws, and federal laws are followed. • It is recommended that a school administrator who will be partnering with the SRO also complete Basic and other school-based policing courses with the SRO. <ul style="list-style-type: none"> ○ This strengthens the collaboration and the understanding of this partnership in support of an effective SRO program. • Effective partnerships can be supported through but are not limited to the following methods: <ul style="list-style-type: none"> ○ The MOU and its annual review for program improvements and updates. ○ Shared trainings to best understand school and law practices, policies and programs. ○ Regular meetings to review existing and potential school-related issues. ○ Teachers correctly following the school's chain of command and the SRO correctly following agency's chain of command. ○ Established sharing of information on policies and procedures. ○ Regular review of CPTED at the school. ○ Crisis management planning and practice. ○ Community education in school-related law concerns of parents. 	(R)

04.01.03	<p>The Administration’s Role in SRO Selection</p> <ul style="list-style-type: none"> • The selection process of the SRO must include both the law enforcement agency and the school administration. • Factors of selection should include, but are not limited to: <ul style="list-style-type: none"> ○ School enrollment ○ Discipline history ○ Number of campus buildings ○ Campus acreage ○ Calls for service ○ Location in the community ○ Number of non-sworn safety personnel in the building 	
04.01.04	<p>The Administration’s Role in SRO Evaluation</p> <ul style="list-style-type: none"> • The effectiveness of the individual SRO must be based on the established performance goals agreed upon by the law enforcement agency and the school district. • An evaluation tool specific to the position of the SRO must be developed and utilized. <ul style="list-style-type: none"> ○ This will include evaluating the relationship between the SRO and the school administration and the effectiveness of the SRO related to the training and expectations. ○ This tool should include language specific to the law enforcement agency’s expectations as well as the school district’s expectations. 	(M)
04.01.05	<p>The Administration’s Role During the SRO Probationary Period</p> <ul style="list-style-type: none"> • The school administration shall participate in the probationary review of the selected SRO as agreed upon by the agency and the school district to allow all parties to best determine if the selected officer is a proper fit for the school community. 	(M)



MEMORANDUM

TO: City Council

FROM: Brian Pedrotti, Community Development Director

BY: Andrew Perez, Planning Manager

SUBJECT: Temporary Use Permit 24-004; Authorization for Sale of Beer and Wine at the 2024 Summer Concert Series, an Application Fee Waiver; Location Heritage Square Park; Applicant – Arroyo Grande Rotary

DATE: June 11, 2024

RECOMMENDATION:

- 1) Adopt a Resolution approving Temporary Use Permit No. 24-004 to allow the sale of beer and wine at the 2024 Heritage Square Park Summer Concert Series and approving a waiver of fees; and
- 2) Find the action exempt from the California Environmental Quality Act pursuant to Section 15304 of the CEQA Guidelines.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

The applicant, Arroyo Grande Rotary Club (AGRC), is requesting a waiver of application fees for the Temporary Use Permit, which totals \$405.30. Due to the annual nature of the request, the staff time required to review the proposal and prepare the staff report is minimal compared to a one-time event; therefore, it is recommended that the fee waiver request be approved. Ten percent (10%) of gross revenue from beer and wine sales will be remitted to the Recreation Services Department.

BACKGROUND:

The Summer Concert Series are annual concert events in which visitors bring their own lawn chairs and blankets to congregate on the Nelson Green at Heritage Square Park, while musical performances are conducted on the Rotary Bandstand. The Summer Concert Series is a City program, which is being organized by the Recreation Services Department for a fourth year, rather than being organized by a local sponsor. While the concerts are organized by the City, the AGRC has submitted an application for a Temporary Use Permit to allow for the sale and consumption of beer and wine at the 2024 Heritage Square Park Summer Concert Series (the "Event"). The request for alcohol sales necessitates the approval of a Temporary Use Permit by the City Council. Council approved permits for beer and wine at five previous Summer Concerts Series and no

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issues associated with the alcohol sales were reported to the Police or Community Development Departments.

The AGRC is requesting that the City Council allow the sale of beer and wine for a sixth year at the Event as an additional amenity for Event patrons. The benefits identified by the applicant include increased revenue from alcohol sales beyond those realized through the sale of hot dogs, non-alcoholic drinks, and ice cream at the Event, as well as the establishment of additional promotional opportunities with new partners.

The City may approve a temporary use permit for the sale of beer and wine at the event by operation of [AGMC § 16.16.090](#). The City may authorize a fee waiver through the authority found in City Council Resolution 3760, adopted and approved July 13, 2004.

Staff Advisory Committee

In accordance with conditions of approval for last year's permit, the Staff Advisory Committee (SAC) held a debrief meeting during and at the conclusion of the Event to evaluate its success. No issues with public intoxication or public health, safety, or welfare were noted and the Event was considered a success.

The SAC reviewed this year's proposal on June 6, 2024. The SAC was in support of the project with the same conditions of approval included for the 2023 Event to ensure a safe and successful experience.

ANALYSIS OF ISSUES:

The Summer Concert Series begins July 4, 2024, and continues each Sunday through the summer, concluding on September 22, 2024, for a total of thirteen (13) events. Beer and wine sales would occur during each of the concerts, which are scheduled to occur from 1:00 PM – 3:00 PM, except for the concerts on July 4, which are scheduled from 11:00 AM to 4:00 PM. Sales and identification checks would be conducted by AGRC volunteers in accordance with the conditions of the one-day license issued by the California Department of Alcoholic Beverage Control (ABC) for each occurrence of the event. Similar to last year's Event, the applicant is proposing to not fence off the Nelson Green, opting to use the entire lawn area for alcohol consumption during the Event.

Fencing

The need for fencing was discussed during processing of permits for Events held in previous years and it was determined that safety and public welfare will be met without fencing around the Heritage Square Park lawn area to contain the consumption of alcohol. In accordance with requirements of the ABC, the public sidewalks surrounding the lawn area act as the boundary for alcohol consumption and therefore fencing is not required. This boundary will be enforced with appropriate signage and trained personnel provided by AGRC serving as security. Recreation Services staff will be on site during the events

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and will ensure the signage is posted and to help address any monitoring issues that arise.

Attendee Identification

The Event does not require the sale of entrance tickets like other events where alcohol is consumed. Therefore, the screening process to ensure lawful consumption is necessary. This will be closely monitored by AGRC volunteers to ensure only persons of legal drinking age will be able to buy and consume beer and wine. The AGRC will provide volunteers that have completed the Responsible Beverage Service Training Program from the ABC to prevent service of alcohol to underage or intoxicated individuals and monitor for proper identification.

Trash and Recycling

If authorized for the sale of beer and wine, the potential for increased trash and recyclable material increases. Therefore, the applicant will be required to add at least 5 more temporary/cardboard trash and recycling receptacles, with a trash liner, and place them at appropriate locations around the park. At the end of each event, the bags of material will be placed near the sidewalk so that City Public Works staff can more easily load them onto a truck for disposal and recycling.

Fee Waiver

The applicant has requested the application fees associated with the Temporary Use Permit application be waived. If approved, this waiver would result in the loss of \$405.30 in revenue. Revenue from application fees is used to offset the costs of processing the application. City Council approved fee waiver requests in 2019, and 2021-2023. Although the time necessary to process the application the first year was higher, subsequent years have resulted in less impact to personnel resources due to increased familiarity with the event. The Community Development Director has the authority to waive the fees for TUPs that do not require City Council approval when an event is operated solely by volunteers and one hundred percent of net revenues are donated to a charitable cause.

The Event will be staffed by AGRC volunteers and as a 501(c)3 organization, all proceeds will go towards philanthropic endeavors in the community. The Event also provides additional exposure of the City and its amenities to the public. It also brings attendees to the Village, which can have a direct economic benefit to businesses in the area, and the City through increased sales, and therefore, increased sales tax revenue. While this exposure cannot be directly quantified, it remains beneficial. Lastly, the City Council has previously established through adoption of Resolution No. 3760 (Attachment 2) the blanket waiver of application fees for similar annual events. Although this event is not identified on this list, the evolving annual nature of the event may be deemed consistent with the intent of the policy. The City Council has elected to waive the fees for this application for the previous four occurrences of the event.

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ALTERNATIVES:

The following alternatives are provided for the Council’s consideration:

1. Adopt the Resolution approving Temporary Use Permit 24-004, including an authorization to waive the application fee;
2. Modify and adopt the Resolution approving Temporary Use Permit 24-004, but do not authorize waiver of the application fee;
3. Modify as appropriate and adopt the Resolution, approving Temporary Use Permit 24-004;
4. Do not adopt the Resolution; or
5. Provide other direction to staff.

ADVANTAGES:

The Summer Concert Series is a well-attended event that holds a special place in the heart of many in the community. Beer and wine sales at the Event will generate revenue for the AGRC and the Recreation Services Department to continue their valuable contributions to the community. Additionally, the sale of beer and wine at the Event would provide attendees an additional beverage option during their time at the concerts.

DISADVANTAGES:

None identified due to the success of previous Events when beer and wine was sold.

ENVIRONMENTAL REVIEW:

In compliance with the California Environmental Quality Act (CEQA), it has been determined that this project is Categorically Exempt per Section 15304(e) of the CEQA Guidelines regarding minor temporary uses of land. Specifically, a Class 4 exemption, applies to minor public or private alterations in the condition of land, water, and/or vegetation where the project does not involve removal of healthy, mature, scenic trees except for forestry and agricultural purposes. (State CEQA Guidelines, § 15304.) Further, none of the exceptions to the Class 4 exemptions set forth in State CEQA Guidelines section 15300.2 apply.

PUBLIC NOTIFICATION AND COMMENTS:

The Agenda was posted at City Hall and on the City’s website in accordance with Government Code Section 54954.2.

ATTACHMENTS:

1. Proposed Resolution
2. City Council Resolution 3760

Item 9.h.

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE APPROVING TEMPORARY USE PERMIT NO. 24-004 TO ALLOW THE SALE OF BEER AND WINE AT THE 2024 HERITAGE SQUARE PARK SUMMER CONCERT SERIES AND APPROVING A WAIVER OF FEES; APPLIED FOR BY THE ARROYO GRANDE ROTARY CLUB

WHEREAS, the 2024 Heritage Square Park Summer Concert Series (the “Event”) is a City program organized by the Recreation Services Department; and

WHEREAS, the Arroyo Grande Rotary Club (AGRC) have requested permission for the sale of beer and wine at the Event; and

WHEREAS, beer and wine sales organized by the AGRC during the 2018, 2019, 2021-2023 Events were successfully implemented; and

WHEREAS, the AGRC submitted a request to waive the \$405.30 application fee; and

WHEREAS, the purpose of the Temporary Use Permit is to ensure the Event is conducted in a manner that is compatible with the surrounding area; and

WHEREAS, members of the AGRC will be responsible for monitoring identification and consumption of alcoholic beverages during the Event; and

WHEREAS, it has been determined that this project is Categorically Exempt per Section 15304(e) of the CEQA Guidelines regarding minor temporary uses of land. Specifically, a Class 4 exemption, applies to minor public or private alterations in the condition of land, water, and/or vegetation where the project does not involve removal of healthy, mature, scenic trees except for forestry and agricultural purposes. (State CEQA Guidelines, § 15304.) Further, none of the exceptions to the Class 4 exemptions set forth in State CEQA Guidelines section 15300.2 apply; and

WHEREAS, the City Council finds, after due study and deliberation, the following circumstances exist:

NOW, THEREFORE, BE IT RESOLVED THAT:

Section 1. Recitals. All recitals above are true, correct, and incorporated herein by reference.

Section 2. Findings. The City Council finds, in accordance with the requirements of Arroyo Grande Municipal Code section 16.16.090(E), after due study and

deliberation, the following circumstances exist:

Temporary Use Permit Findings:

1. The operation of the requested use at the location proposed and within the time period specified will not jeopardize, endanger, or otherwise constitute a menace to the public health, safety, or general welfare.

The operation of the requested use at the location proposed and within the time periods specified will not jeopardize, endanger or constitute a menace because the AGRC will have trained personnel monitoring individuals purchasing and consuming alcohol to prevent disruptions to the public health, safety, or general welfare.

2. The proposed site is adequate in size and shape to accommodate the temporary use without material detriment to the use and enjoyment of other properties located adjacent to and in the vicinity of the site.

The proposed site is adequate in size and shape to accommodate the temporary use without detriment to the use and enjoyment of other properties located adjacent to and in the vicinity of the site due to the Event being monitored by AGRC personnel.

3. The proposed site is adequately served by streets or highways having sufficient width and improvements to accommodate the kind and quantity of traffic that the temporary use will or could reasonably be expected to generate.

The proposed site is adequately served by South Mason and Nelson Streets, which are of significant width and improvements to accommodate the kind and quantity of traffic that the temporary use will generate.

4. Adequate temporary parking to accommodate vehicular traffic to be generated by the use will be available either on- site or at alternate locations acceptable to the City Council.

Adequate temporary parking to accommodate vehicular traffic to be generated is available because Heritage Park is located in a commercial district that has ample public parking for visitors.

Section 3. Temporary Permit Approval. The City Council of the City of Arroyo Grande hereby approves Temporary Use Permit 24-004, authorizing the sale of beer and wine at the 2024 Heritage Square Park Summer Concert Series as presented to the City Council on June 11, 2024, with the above findings and subject to the conditions as set forth in Exhibit "A", attached hereto and incorporated herein by this reference.

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Section 4. Fee Waiver Approval. Based on the authority found in Resolution No. 3760, adopted July 13, 2004, the City Council of the City of Arroyo Grande hereby approves the fee waiver request for the Temporary Use Permit application processing fee.

On motion of Council Member _____, seconded by Council Member _____, and on the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

The foregoing Resolution was passed and adopted this 11th day of June 2024.

CAREN RAY RUSSOM, MAYOR

ATTEST:

JESSICA MATSON, CITY CLERK

APPROVED AS TO CONTENT:

MATTHEW DOWNING, CITY MANAGER

APPROVED AS TO FORM:

ISAAC ROSEN, CITY ATTORNEY

**EXHIBIT " A "
CONDITIONS OF APPROVAL FOR
TEMPORARY USE PERMIT NO. 24-004**

This approval authorizes the sale of beer and wine from 11:00 AM – 4:00 PM on July 4, 2024, and from 1:00 – 3:00 PM for the remainder of the 2024 Heritage Square Park Summer Concert Series.

General Conditions

1. The Arroyo Grande Rotary Club (AGRC) shall ascertain and comply with all State, County and City requirements as are applicable to this project, specifically all Department of Alcoholic Beverage Control requirements.
2. The event shall occur in substantial conformance with the application and plans on file in the Community Development Department office.
3. The AGRC shall comply with all the conditions of the City Council Resolution adopted on June 11, 2024, approving temporary use permit no. 24-004.
4. To the extent permitted by law, Applicant shall defend, indemnify and hold harmless the City of Arroyo Grande, its City Council, its officers, employees and agents (the "indemnified parties") from and against any claim, action, or proceeding brought by a third party against the indemnified parties and the applicant to attack, set aside, or void any permit or approval for this project authorized by the City, including (without limitation) reimbursing the City its actual attorney's fees and costs in defense of the litigation. The City may, in its sole discretion, elect to defend any such action with attorneys of its choice. The Applicant shall reimburse the City for any court and attorney's fees which the City may be required to pay as a result of any claim or action brought against the City related to this permit or approval. Although the Applicant is the real party in interest in an action, the City may, at its sole discretion, participate at its own expense in the defense of the action, but such participation shall not relieve the Applicant of any obligation under this condition.
5. The AGRC shall monitor alcohol sales to ensure alcoholic beverages are served to responsibly behaving persons over the age of twenty-one (21). Volunteers shall be trained to check identification of all persons buying alcohol for verification that the purchaser is over the age of twenty-one (21).
6. Consumption of alcoholic beverages shall be limited to the Heritage Square Park lawn area, and AGRC shall monitor the lawn area to ensure no alcohol consumption occurs beyond the bounds. The playground area shall be excluded from the consumption area. Appropriate signage provided by the AGRC shall be posted outlining these rules and restrictions.
7. Requests to continue alcoholic beverage sales in future years shall be made through the Temporary Use Permit process.
8. The AGRC shall utilize an easily identifiable (i.e. colored or similar) glass for the sale of alcohol to help ensure attendees are not bringing their own alcoholic beverages.
9. The Staff Advisory Committee shall conduct a debriefing following the conclusion of the first few events to evaluate the success of the event.

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10. AGRC shall remit ten percent (10%) of gross revenue from beer and wine sales to the Recreation Services Department. AGRC shall remit the payment to the Recreation Services Department by December 31, 2024.

Public Works Department Conditions

11. The AGRC is responsible for providing trash bags, temporary cardboard trash receptacles, and enough restroom facilities to serve the event. Any supplies the Public Works Department may need to provide must be reimbursed by the AGRC. At the end of the event, AGRC shall place all trash bags near the sidewalk for City Public Works disposal and recycling.
12. The AGRC shall have an individual designated to periodically inspect the restrooms and areas around food vendors and waste containers. That individual shall be responsible for maintaining the cleanliness of these areas and gathering and disposing of all debris.
13. The AGRC shall reimburse the City for electrical costs associated with the event.
14. The AGRC shall reimburse the City for the costs of any Public Works staff services required for this event, including, but not limited to, restroom maintenance, trash, etc.
15. The AGRC shall remove any tape placed on streets, parking areas, and grass after the event.
16. The AGRC shall flag all sprinkler heads on turf and lawn areas to prevent damage. The AGRC shall reimburse the City for any damage to the irrigation system at the park.
17. The AGRC shall abide by all terms and conditions of the Park Use Permit issued by the Recreation Services Department.

Engineering Division Conditions

18. Restroom facilities, barricades, and signing shall be provided by the AGRC as required.
19. The AGRC shall provide a \$1,000,000 comprehensive general liability insurance policy naming the City as additional insured by June 30, 2024.
20. The AGRC shall reimburse the City for the costs of Engineering Division services and any other City services required for this event.

Building and Life Safety Division Conditions

21. All food booths must comply with the Fire Department guidelines and must have County Health Department approval. The AGRC will inform booth applicants of Fire Department guidelines and will ensure total compliance of booth operators. The AGRC will not allow non-compliant booths to operate.
22. The project shall comply with the most recent edition of the California State Fire and Building Codes and the Uniform Building and Fire Codes as adopted by the City of Arroyo Grande. Specifically, all temporary-wiring provisions of the N.E.C. must be met.
23. Emergency access must be maintained to the satisfaction of the Building Official and Fire Chief. A detailed chart or map will be provided to Building and

RESOLUTION NO.
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Life Safety Division and Fire Department for approval prior to the event, showing placement of all booths, to include actual dimensions of access pathways for fire apparatus and emergency vehicles.

24. The use of generators must be reviewed and approved by the Building Official.
25. The AGRC shall identify an individual to act as liaison with the Fire Department for the purpose of maintaining life and safety.

Police Department Conditions

26. All temporary "No Parking" signs shall be posted a minimum of 48 hours prior to event setup.

RESOLUTION NO. 3760

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE ESTABLISHING POLICIES TO WAIVE PERMIT APPLICATION FEES FOR CERTAIN ANNUAL TEMPORARY USE PERMIT EVENTS

WHEREAS, Temporary Use Permits for certain annual events are granted application fee refunds; and

WHEREAS, these Temporary Use Permit events meet the criteria established by the City Council on September 25, 2001 for application fee waivers; and

WHEREAS, staff expends a substantial amount of City time and resources submitting application fee refund requests to Administration, the City Council, and Finance;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Arroyo Grande as follows:

1. That a list of annual Temporary Use Permit events meeting the application fee waiver criteria be established to streamline the process of refunding permit application fees; and
2. That the initial list of Temporary Use Permit events eligible for fee waivers include the following events that have been granted a refund of permit application fees in the past: the Arroyo Valley Car Show, Christmas Caroling in the Village, Harvest Festival, March of Dimes Walk America, Nelson Green Book Fair, Strawberry Festival, Summer Concerts in the Village, and Watershed Education Fair; and
3. That Temporary Use Permit events will be added or removed from the fee waiver list only by action of the City Council.

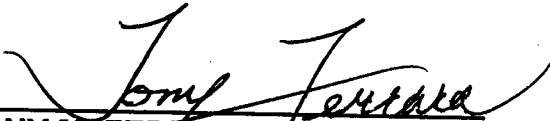
On motion of Council Member Runels, seconded by Council Member Dickens, and on the following roll call vote, to wit:

AYES: Council Members Runels, Dickens, Lubin and Mayor Ferrara

NOES: None


ABSENT: Council Member Costello

the foregoing Resolution was passed and adopted this 13th day of July 2004.



TONY M. FERRARA, MAYOR

ATTEST:



KELLY WETMORE, DIRECTOR OF ADMINISTRATIVE SERVICES/
DEPUTY CITY CLERK

APPROVED AS TO CONTENT:



STEVEN ADAMS, CITY MANAGER

APPROVED AS TO FORM:



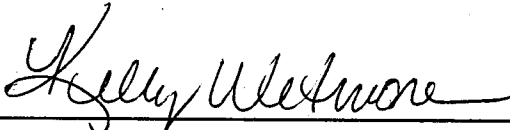
TIMOTHY J. CARMEL, CITY ATTORNEY

RESOLUTION NO. 3760

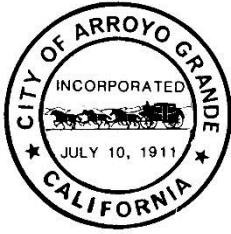
OFFICIAL CERTIFICATION

I, KELLY WETMORE, Director of Administrative Services/Deputy City Clerk of the City of Arroyo Grande, County of San Luis Obispo, State of California, do hereby certify under penalty of perjury, that Resolution No. 3760 is a true, full, and correct copy of said Resolution passed and adopted at a regular meeting of the City Council of the City of Arroyo Grande on the 13th day of July, 2004.

WITNESS my hand and the Seal of the City of Arroyo Grande affixed this 14th day of July, 2004.



**KELLY WETMORE, DIRECTOR OF ADMINISTRATIVE SERVICES/
DEPUTY CITY CLERK**



MEMORANDUM

TO: City Council

FROM: Bill Robeson, Assistant City Manager / Public Works Director

BY: Shannon Sweeney, City Engineer

SUBJECT: Consideration of Acceptance of the Five Cities Fire Authority Station #1 Emergency Generator Replacement Project, PW 2021-09

DATE: June 11, 2024

RECOMMENDATION:

1) Accept the project improvements as constructed by Electricraft, Inc. in accordance with the plans and specifications for the Five Cities Fire Authority (FCFA) Station #1 Emergency Generator Replacement Project, PW 2021-09;

2) Direct staff to file a Notice of Completion; and

3) Authorize release of retention thirty-five (35) days after the Notice of Completion has been recorded if no liens have been filed.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

The final contract and change orders resulted in a total project cost of \$462,357. The total construction costs consist of \$450,451 for the direct contract amount and \$11,906 for field change orders (contingency costs).

BACKGROUND:

On [October 12, 2021](#), the City Council approved an Agreement for Consultant Services with Salas O'Brien for design and construction phase services. This includes continuous construction inspection, the replacement of the permanent emergency generator and associated transfer switches, and installation of a properly sized connector for a portable generator as a backup to the emergency generator at Fire Station #1.

During the design phase of the project, the existing onsite emergency generator became completely non-functional, rendering the Fire Station #1 building with no back-up power. On July 8, 2022, Fire Station #1 lost power. The power failure impacted the ability to provide emergency 9-1-1 services to the community. The power outage affected:

- Apparatus Bay Doors –Crews had to climb ladders in the dark to manually disable the bay door openers to gain access to emergency response vehicles.

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City Council

Consideration of Acceptance of the Five Cities Fire Authority Station #1 Emergency Generator Replacement Project, PW 2021-09

June 11, 2024

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- Station Alerting – All communications were shut down, which impacted the crew’s ability to receive emergency calls for service.
- Lighting – There was no lighting throughout the entire facility.
- Communications/IT Server room – Without power, battery powered equipment (portable radios, thermal imaging cameras, etc.) could not be charged.

While power was restored to the station within minutes and no negative results occurred because of this specific incident, the lack of a working generator created a serious risk to the community. City staff immediately installed a portable generator to provide minimum power needs during a power outage.

On March 20, 2023, the City awarded a construction contract for the generator and other equipment to Electricraft, Inc. to complete the FCFA Emergency Generator Replacement Project, PW 2021-09 in the amount of \$462,357.

On [March 28, 2023](#), the City Council adopted a Resolution determining that award/execution of a contract for the FCFA Emergency Generator Replacement Project, PW 2021-09, has terminated the emergency action. Termination of the emergency action still allows Electricraft, Inc. to continue to operate pursuant to the terms of the executed contract.

The project was deemed substantially complete on May 1, 2024.

ANALYSIS OF ISSUES:

The FCFA Emergency Generator Replacement Project consisted of removing the existing non-working emergency generator and replacing it with a new emergency generator. The new emergency generator will start automatically after a power outage and supply power to the entire station including the server room and the station alerting system.

The FCFA Emergency Generator Replacement Project was completed to City staff’s satisfaction. The generator and transfer switches are fully operational. No deficiencies have been noted by City or FCFA staff.

ALTERNATIVES:

The following alternatives are provided for the Council’s consideration:

1. Accept the FCFA Emergency Generator Replacement Project;
2. Do not accept the project;
3. Accept the project but do not authorize the release of retention; or
4. Provide other direction to staff.

ADVANTAGES:

The project is complete and accepting the improvements allows staff to close out the project. The new generator at Fire Station #1 starts upon failure of utility power and

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City Council

Consideration of Acceptance of the Five Cities Fire Authority Station #1 Emergency Generator Replacement Project, PW 2021-09

June 11, 2024

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provides electricity to the entire station, including server room and station alerting system. Continuous power at this critical first responder location helps to protect the community in the event of a power failure.

DISADVANTAGES:

No disadvantages have been identified in accepting this project.

ENVIRONMENTAL REVIEW:

The FCFA Emergency Generator Replacement Project was previously determined to be categorically exempt from the California Environmental Quality Act (“CEQA”) under the Class 2 exemption, which applies to the replacement or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced. (State CEQA Guidelines, § 15302.)

PUBLIC NOTIFICATION AND COMMENTS:

The Agenda was posted at City Hall and on the City’s website in accordance with Government Code Section 54954.2.

ATTACHMENTS:

1. Notice of Completion - Emergency Generator Replacement Project

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:
CITY CLERK
CITY OF ARROYO GRANDE
300 EAST BRANCH STREET
ARROYO GRANDE, CA 93420

NOTICE OF COMPLETION

NOTICE IS HEREBY GIVEN THAT:

- 1. The undersigned is owner or agent of owner of the interest or estate or the property hereinafter described as stated below.
- 2. The FULL NAME of the OWNER is: The City of Arroyo Grande
- 3. The FULL ADDRESS of the OWNER is: 300 East Branch Street, Arroyo Grande, California 93420
- 4. The NATURE OF THE INTEREST or ESTATE of the undersigned is: in fee
- 5. THE FULL NAME and FULL ADDRESS of ALL PERSONS, if any, who hold such interest or estate with the undersigned as JOINT TENANTS or as TENANTS IN COMMON are:

NAMES	ADDRESSES
<u>None</u>	
- 6. THE FULL NAMES and FULL ADDRESSES of the PREDECESSOR'S in interest of the undersigned if the property was transferred subsequent to the commencement of the work of improvements herein referred to:

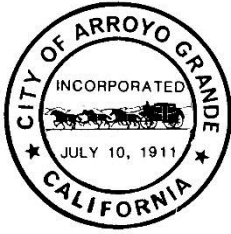
NAMES	ADDRESSES
<u>None</u>	
- 7. All work of improvement on the property hereinafter described was COMPLETED May 1, 2024
- 8. The NAME OF THE ORIGINAL CONTRACTOR, if any, for such work of improvement is:
Electricraft, Inc.
- 9. The street address of said property is: 140 Traffic Way, Arroyo Grande, CA 93420
- 10. The property on which said work of improvement was completed is in the City of Arroyo Grande, County of San Luis Obispo, State of California, and is described as follows: The Five Cities Fire Authority Fire Station 1

Verification of NON-INDIVIDUAL owner: I, the undersigned, declare under penalty of perjury under the laws of the State of California that I am the Public Works Director of the aforesaid interest or estate in the property described in the above notice; that I have read the said notice, that I know and understand the contents thereof, and the facts stated therein are true and correct.


Bill Robeson, Assistant City Manager/Public Works Director

May 29, 2023, Arroyo Grande, California

-- END OF DOCUMENT --



MEMORANDUM

TO: City Council

FROM: Bill Robeson, Assistant City Manager/Public Works Director

BY: Shannon Sweeney, City Engineer

SUBJECT: Consider Traffic Way Bridge Temporary Construction Easement Execution

DATE: June 11, 2024

RECOMMENDATION:

Authorize the City Manager to fully execute a temporary construction easement (TCE) for certain real property, more particularly described as Assessor Parcel Number 007-481-011, that is necessary for the Traffic Way Bridge Replacement Project.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

Adequate funding for right-of-way acquisition costs was appropriated in the FY 2023-25 CIP Budget. The cost associated with this TCE is \$9,900. 88.53% of the cost for securing this TCE is provided through the Highway Bridge Program, which is funding a majority of this project. Fully executing this TCE now helps to maintain the current funding and construction schedule.

BACKGROUND:

Traffic Way Bridge was first constructed over Arroyo Grande Creek in 1932. The Bridge is programmed for replacement in calendar year 2025.

On [July 24, 2018](#), the City Council approved agreements to allow the City to seek reimbursement from the Local Highway Bridge Program for the Project. This funding will cover 88.53% of the bridge replacement cost, with the balance coming from local funds.

Bridge replacement design and plans and specifications development is underway and approaching the 95% completion level. These design plans confirm that TCEs across nine properties are needed to complete Project construction.

On January 25, 2023, staff received notice from Caltrans that the Federal Highway Administration authorized right-of-way funding for the Project, which allowed the City to begin reimbursable work for the right-of-way phase of the Project.

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Consider Traffic Way Bridge Temporary Construction Easement Execution
June 11, 2024
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On [September 26, 2023](#), the City entered into an agreement with Hamner, Jewell, and Associates. Since then, the right-of-way consultant has been working diligently to procure preliminary title reports and third-party appraisals. In March 2024, the consultant presented offers based on appraisals to all nine property owners with TCE offer letters.

On [May 14, 2024](#), the City Council fully executed temporary construction easements with the six property owners that had signed agreements prior to that meeting. Negotiations continued with the remaining three property owners. As of June 5, 2024, one additional property owner has signed a TCE agreement.

Negotiations continue with the two remaining property owners.

The City Council authorized a Resolution of Necessity on [April 23, 2024](#) to pursue eminent domain if negotiations are unsuccessful.

ANALYSIS OF ISSUES:

The attached TCE has already been signed by the property owner. Authorizing staff to execute this TCE allows for access to and staging for the Traffic Way Bridge Replacement Project.

ALTERNATIVES:

The following alternatives are provided for the Council's consideration:

1. Authorize the City Manager to fully execute the attached TCE;
2. Do not authorize the City Manager to fully execute the attached TCE; or
3. Provide other direction to staff.

ADVANTAGES:

Securing this TCE allows for access to and staging for the Traffic Way Bridge Replacement Project. 88.53% of cost for securing this TCE is provided through the Highway Bridge Program, which is funding a majority of this project. Fully executing this TCE at this time helps to maintain the current funding and construction schedule.

DISADVANTAGES:

No disadvantages have been identified.

ENVIRONMENTAL REVIEW:

On September 26, 2023, the City Council adopted an MND for the Traffic Way Bridge Replacement Project (SCH No. 2022060452). The MND analyzed the environmental impacts of the Project in compliance with the California Environmental Quality Act (CEQA). Securing this TCE, which is part of an important and necessary step towards construction of the Project, will have no direct or indirect physical impacts and does not constitute a substantial change to the Project such that revisions to the previously adopted MND are required. In fact, this action is taken pursuant to, and in conformity with,

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Consider Traffic Way Bridge Temporary Construction Easement Execution
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Page 3

the analysis contained within the previously adopted MND. Thus, none of the conditions requiring subsequent environmental review called out in State CEQA Guidelines section 15162 or Public Resources Code section 21166 are present, and no further environmental review is required.

PUBLIC NOTIFICATION AND COMMENTS:

The Agenda was posted at City Hall and on the City's website in accordance with Government Code Section 54954.2.

ATTACHMENTS:

1. Temporary Deed and Easement Documents for APN 007-481-011

PARCEL NO.: 007-481-011

PROJECT: City of Arroyo Grande - Traffic Way Bridge

OWNER: Raffi and Minas Kaloosian

GRANTOR'S PROPERTY: 125/135 Traffic Way
Arroyo Grande, CA 93420

TEMPORARY CONSTRUCTION EASEMENT AGREEMENT

THIS AGREEMENT("Agreement") is made and entered into by and between

Raffi M. Kaloosian, a married man as his sole and separate property; and Minas Kaloosian, a single man, as joint tenants (hereinafter collectively called "Seller"/"Grantor"), and the

City of Arroyo Grande, a California municipal corporation (hereinafter called "Buyer"/"City").

The Parties hereto have executed this Agreement on the dates set forth below next to their respective signatures. This Agreement shall be effective as of the date, following all legally required notices and hearings, this Agreement has been approved by Buyer's governing body or its delegated representative and signed by all Parties ("Effective Date").

Seller and Buyer may collectively be referred to as the parties, and agree as follows:

An instrument in the form of a Temporary Construction Easement Deed ("Easement Deed") covering the property particularly described therein ("Easement Area"), has been executed concurrently with this Agreement and delivered to City representatives.

In consideration of which, and other considerations hereinafter set forth, it is mutually agreed as follows:

1. The parties have herein set forth the whole of their agreement. The performance of this Agreement constitutes the entire consideration for said document and shall relieve the City of all further obligation or claims on this account, or on account of the location, grade or construction of the proposed Traffic Way Bridge Replacement Project ("Project").

2. The City shall:

A. PAYMENT - Pay to the order of the Grantor the sum of Nine Thousand Nine Hundred Dollars (**\$9,900**) as consideration in full for the property interests described in the Easement Deed, for the loss, replacement and moving of any improvements, and for entering into this Agreement, which includes, without limitation, full payment of just compensation for any eminent domain related compensation claims, claims for inverse condemnation or unreasonable pre-condemnation conduct, attorneys' fees, costs and interest in complete settlement of all claims (known and unknown), causes of action and demands of Seller against the Buyer because of Buyer's purchase of the property rights conveyed by the Easement Deed, and for any and all claims (known and unknown) arising from or relating to the purchase and sale which is the subject of this Agreement.

Said sum shall be paid within thirty days of the date of City acceptance and execution of this Agreement.

B. RECORDATION OF INSTRUMENT - Accept the Easement Deed and may, at City's sole discretion, cause the same to be recorded in the office of the San Luis Obispo County Recorder.

C. MISCELLANEOUS COSTS - Pay any and all transactional closing costs and recording fees incurred in this transaction.

D. CLEARANCE OF BONDS, ASSESSMENTS, OR DELINQUENT TAXES - Have the authority to deduct and pay from the amount shown in Clause 2.A. above any amount necessary to satisfy any bond demands and delinquent taxes due in any year except the year in which the deeds record, together with penalties and interest thereon, and/or delinquent and unpaid nondelinquent assessments which have become a lien as of the date of this Agreement.

E. PROPERTY CONSTRUCTION AND RESTORATION – City shall, upon completion of construction, generally restore the Easement Area to a comparable or better condition as that which existed prior to City's project construction, to the extent reasonably practical, in accordance with the provisions of the Easement Deed and the construction plans for the Project, on file in City offices. Creek vegetation within the Easement Area will be restored with native vegetation in accordance with required Project permit conditions.

City authorizes the installation of two signs that may be erected by Grantor, at Grantor expense, on Grantor's property, which is commonly referred to as 125-135 Traffic Way, Arroyo Grande, AP# 007-481-011 ("Grantor's Property"). One sign shall be permitted for temporary installation at the Bridge Street driveway entrance of Grantor's Property, showing Grantor's business name. Said sign shall not exceed a size of 3' X 5' and shall be removed upon completion of Project construction. The second sign shall be permitted and affixed on the Bridge Street-facing side of Grantor's building on Grantor's Property, and shall not exceed a size of 4' X 6'. Grantor shall submit sign specifications for each sign to City before creating and erecting said signs, for City approval, which shall not be unreasonably withheld and shall be issued within 60 days following sign design submittal to City. City sign permits shall be issued at no cost to Grantor.

Access to Grantor's Property from Traffic Way shall be consistently maintained throughout the Project's duration. City agrees to provide Grantor with a minimum of 72 hours' advance notice prior to commencing any construction on the sidewalk conform that would temporarily affect Grantor's access to Grantor's Property. Any temporary restrictions on access through Grantor's Traffic Way driveway shall not exceed 72 hours and shall be restored at the earliest feasible opportunity.

With regard to Grantor's Traffic Way frontage that will not be improved as part of the City's Traffic Way Bridge Replacement Project, City hereby grants a waiver that shall exempt Grantor from ADA compliant modification requirements to the curb, gutter and driveway along the Traffic Way frontage of Grantor's Property that could otherwise be mandated and triggered by future modifications to Grantor's Property. This waiver will take effect upon execution of this Agreement and will remain in effect for the duration of the Grantor's ownership of Grantor's Property; provided however, that this waiver shall automatically terminate in the event 1) Grantor sells Grantor's Property; or 2) after the City completes additional Traffic Way improvements along the frontage of Grantor's Property. The waiver does not apply if Grantor makes improvements to Grantor's Property that expands buildings, adds new structures, or demolishes and reconstructs the existing structures on Grantor's Property.

F. INDEMNIFICATION - Indemnify and hold harmless the Grantor from any and all claims, damages, costs, judgments or liability proximately caused by City or its officers, employees, contractors or agents specifically arising from City's construction and restoration work within the Easement Area during the temporary easement period specified in the Easement Deed.

3. The Grantor:

A. LEASE INDEMNIFICATION - Warrants there are no oral or written leases on all or any portion of the Easement Area or if there are such leases, Grantor agrees to hold the City harmless and reimburse City for any and all of its losses and expenses occasioned by reason of any lease encumbering the Easement Area. Grantor shall provide City use of the Easement Area free of any leases that may conflict with City's rights under the Easement Deed provisions.

B. TITLE INDEMNITY AND WARRANTY - In consideration of the City waiving requirements to clear any defects and imperfections in all matters of record title, Grantor indemnifies and holds the City harmless from any and all claims that other parties may make or assert on the title to the Easement Area. Grantor's obligation to indemnify the City shall not exceed the amount paid to the Grantor under this Agreement. Grantor hereby represents and warrants that he/she/they are the sole vested owners of the Easement Area, holding all ownership and possessory rights, and are the authorized signatories to grant the easement rights referenced in this Agreement and the Easement Deed without conflict or claims from other parties.

C. SUPPLEMENTAL FORMS - Agrees to provide all required supplemental forms necessary to complete this transaction, including a W-9 Form required for payment processing.

D. GRANTOR'S KNOWLEDGE OF THE ENVIRONMENTAL CONDITIONS OF THE PROPERTY - Hereby represents and warrants that to the best of Grantor's knowledge and belief, throughout the period of ownership by Grantor, there has been no spill, discharge, release, cleanup or contamination of or by any hazardous or toxic waste or substance used, generated, treated, stored, disposed of or handled by the Grantor, its employees, and/or agents on or around the Easement Area. Further, Grantor agrees to disclose to the City of Arroyo Grande, prior to the close of escrow, all studies, reports, and investigations, known to Grantor, concerning any pollution, toxic building materials or toxic hazardous substances or wastes located at, on, or under the Easement Area.

4. The Parties agree:

A. ARTICLE HEADINGS - Article headings in this Agreement are for convenience only and are not intended to be used in interpreting or construing the terms, covenants and conditions of this Agreement.

B. COMPLETE UNDERSTANDING - This Agreement constitutes the entire understanding between the parties with respect to the subject matter hereof, superseding all negotiations, prior discussions, and preliminary agreements or understandings, written or oral. This Agreement may not be amended except in writing by the parties hereto or their successors or assigns.

C. CITY COUNCIL APPROVAL - This Agreement is subject to and conditioned upon approval by the Arroyo Grande City Council. This Agreement is not binding upon the City until executed by the appropriate City official(s) acting in their authorized capacity.

D. TITLE VI CIVIL RIGHTS ACT COMPLIANCE - The parties to this contract shall, pursuant to Section 21.7(a) of Title 49, Code of Federal Regulations, comply with all elements of Title VI of the Civil Rights Act of 1964. This requirement under Title VI and the Code of Federal Regulations is to complete the USDOT-Non-Discrimination Assurance requiring compliance with Title VI of the Civil Rights Act of 1964, 49 C.F.R. Part 21 and 28 C.F.R. Section 50.3.

No person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity that is the subject of this contract.

E. COUNTERPARTS - This Agreement may be executed in counterparts, each of which so executed shall irrespective of the date of its execution and delivery be deemed an original, and all such counterparts together shall constitute one and the same document.

F. SUCCESSORS AND ASSIGNS - This Agreement shall apply to and bind the heirs, executors, administrators, assigns and successors of the parties hereto.

G. SETTLEMENT PROPOSAL - This Agreement represents Seller’s settlement proposal and is expressly subject to and contingent upon City approval. City shall not be bound to the terms and conditions herein unless and until this Agreement has been approved and executed by the appropriate City official(s) acting in their authorized capacity.

H. ELECTRONIC AND FACSIMILE SIGNATURES – In the event that the parties hereto utilize electronic or facsimile documents which include signatures, such documents shall be accepted and deemed binding to the same extent as if they bore original signatures. Documents for recordation by the County Clerk Recorder must contain original signatures.

No Obligation Other Than Those Set Forth Herein Will Be Recognized.

SELLER/GRANTOR:

Raffi M. Kaloosian, a married man as his sole and separate property; and Minas Kaloosian, a single man, as joint tenants

DocuSigned by:
Raffi M. Kaloosian
Raffi M. Kaloosian,

Date: 5/30/2024 | 15:28 PDT

DocuSigned by:
Minas Kaloosian
Minas Kaloosian,

Date: 5/31/2024 | 20:12 PDT

GRANTOR’S MAILING ADDRESS:

Raffi M. Kaloosian
Minas Kaloosian
135 Traffic Way
Arroyo Grande, CA 93420

Signatures continue on next page...

BUYER/CITY:

City of Arroyo Grande, a California municipal corporation

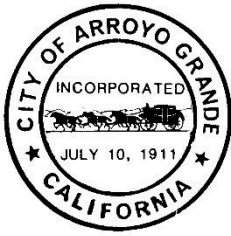
By: _____

Matthew Downing
City Manager

Date: _____

MAILING ADDRESS OF CITY:

City of Arroyo Grande
1375 Ash Street
Arroyo Grande, CA 93420



MEMORANDUM

TO: City Council

FROM: Matthew Downing, City Manager
Bill Robeson, Assistant City Manager/Public Works Director

BY: Nicole Valentine, Administrative Services Director

SUBJECT: Adopt Resolutions of Approval for the Fiscal Year (FY) 2024-25 Mid-Cycle Budget Update Report and the 5-Year Capital Improvement Program Budget FY 2024-29

DATE: June 11, 2024

RECOMMENDATION:

- 1) Adopt a Resolution approving the Fiscal Year 2024-25 Budget and Making Appropriations for the Amount Budgeted; and
- 2) Adopt a Resolution approving the Fiscal Year 2024-29 Capital Improvement Program Budget and Making Appropriations for the Amount Budgeted.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

The proposed Mid-Cycle Update for FY 2024-25 Budget recommends approximately \$48 million in expenditures, including operating costs such as salaries, benefits, services, supplies, maintenance, debt service, and capital related items. The Consolidated General Fund budget includes approximately \$30.4 million. The projected fund balance for the Consolidated General Fund at the end of FY 2024-25 is \$6,762,402 or 22.2%. The 5-year Capital Improvement Program Budget allocates \$46.7 million for projects, from various funding sources, over a 5-year period.

The budget as presented is balanced with the use of reserves, maintains adequate reserves at or above policy levels, and addresses several goals and priorities discussed previously with the City Council.

BACKGROUND:

Each year the City Council adopts a budget, which commits resources for the next fiscal year. The City Council adopted the FY 2023-24 and 2024-25 Biennial Budget on [June 27, 2023](#). The biennial budget process includes updates each quarter of the first year, a Mid-Cycle Update at the beginning of the second year that also includes appropriation of the second year budget and updates each quarter of the second year. Quarterly updates for

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City Council

Adopt Resolutions of Approval for the Fiscal Year (FY) 2024-25 Mid-Cycle Budget Update Report and the 5-Year Capital Improvement Program Budget FY 2024-29 June 11, 2024

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the FY 2023-24 were provided on [December 12, 2023](#), [February 27, 2024](#), and [May 14, 2024](#).

On February 27, 2024, the City Council approved an update on City Council Goals and Priorities for FY 2024-25. Additionally, on [April 23, 2024](#), the City Council provided direction on the 5-year Capital Improvement Program (CIP) budget and the 5-Year Local Sales Tax Fund Expenditures Program. On [May 7, 2024](#), the CIP was provided to the Planning Commission for determination of consistency with the City's General Plan. The prioritization and direction provided by the City Council at these previous meetings have been incorporated into the FY 2024-25 Mid-Cycle Budget Update.

On [May 28, 2024](#), the City Council reviewed the preliminary FY 2024-25 Mid-Cycle Budget Update Report and provided direction to staff regarding proposed staffing requests, services and supplies requests, vehicle replacement requests, the appropriation of excess available consolidated General Fund balance, and changes related to Enterprise and Special Revenue funds. This direction was used in preparation for consideration and approval of the FY 2024-25 Mid-Cycle Budget Update Report (Attachment 1).

ANALYSIS OF ISSUES:

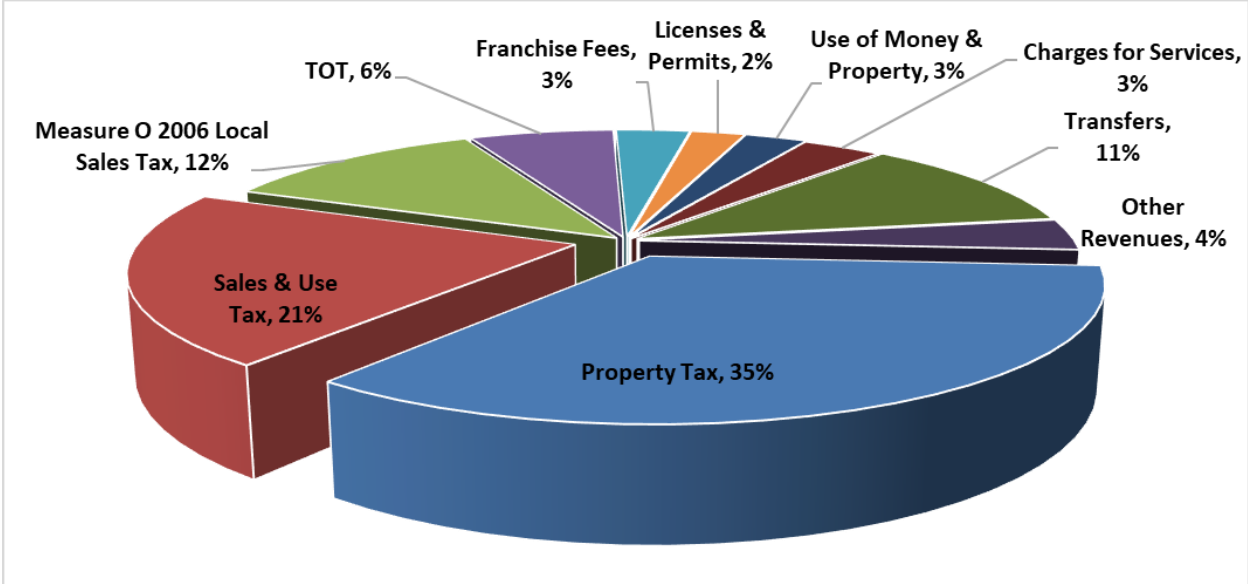
The proposed FY 2024-25 Mid-Cycle Budget Update Report presents a balanced budget, with excess revenues and fund balance sufficient to cover recommended work plan and capital project budget expenditures. The proposed budget includes a total of \$25.1 million in revenues and \$30.4 million in operating and capital budget for a net of \$5.3 million more expenditures than revenues. The operating budget is balanced, with a \$677,913 net operating surplus. The expenditures that exceed revenues are for one-time projects that the City has been anticipating. Fund balances accumulated over time offset the additional expenditures.

Consolidated General Fund Revenues

As shown in Chart 1, Sales and Property Taxes comprise the largest sources of revenue in the General Fund, together accounting for approximately 68% of revenue for that fund. Given this dependence on just two revenue sources, fluctuations in the amount of taxes received can have profound impacts on the City's ability to provide services. As long as the real estate market stays reasonably strong, property taxes are a relatively stable revenue source.

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Chart 1: FY 2024-25 Consolidated General Fund Revenues – \$25.1 Million Total

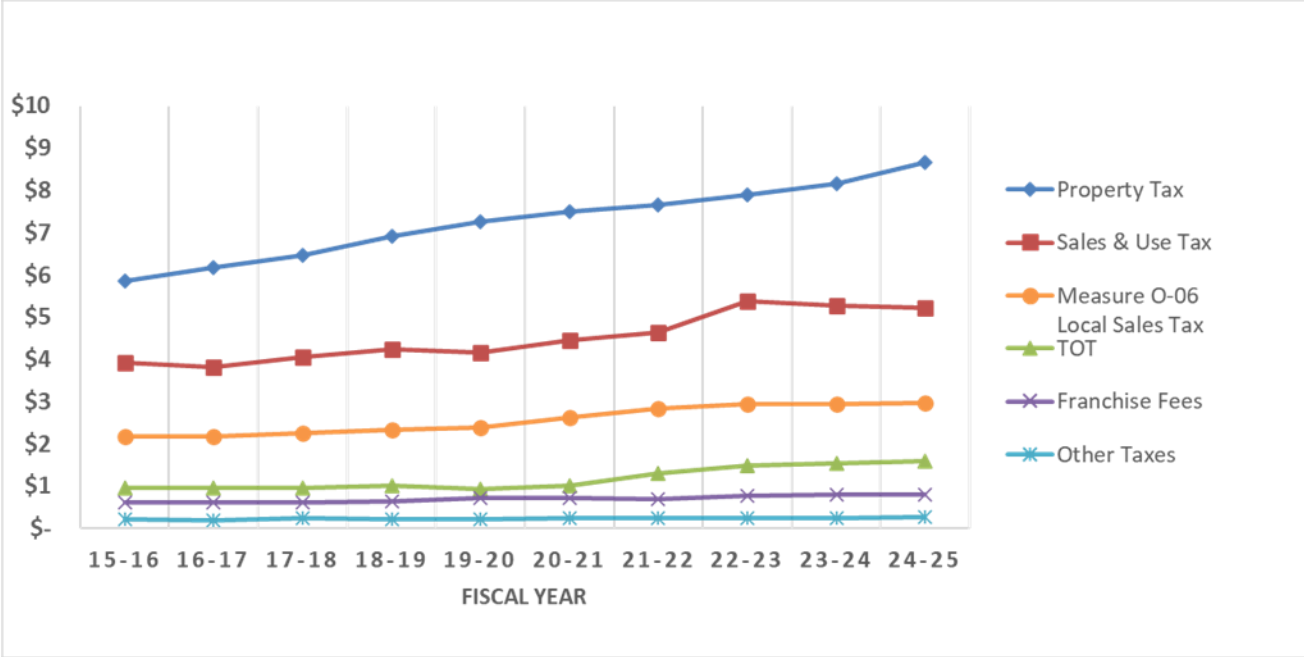


Overall, General Fund tax revenues have been trending upward over the past several years and are projected to increase in FY 2024-25. Based on the latest information provided by the County Auditor-Controller’s Office, property taxes are projected to increase 4% in FY 2024-25. This is the result of an increase in the assessed valuation of properties in Arroyo Grande and a housing market that has remained robust throughout the past year.

Sales tax receipts have remained consistent throughout the past year. The City’s sales tax consultant projected a reduction in sales tax revenues of 1.9% in FY 2023-24 due to an anticipated minor economic slowdown. These projections reflect anticipated declines in categories like automobiles and transportation, fuel and service stations, and general consumer goods. The lower projections in these categories are the result of lower expected consumer demand in the short-term. This budget is projecting a decrease in sales tax revenues of 2% in FY 2024-25, as the economy is only anticipating a minor slowdown.

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 Adopt Resolutions of Approval for the Fiscal Year (FY) 2024-25 Mid-Cycle Budget
 Update Report and the 5-Year Capital Improvement Program Budget FY 2024-29
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Chart 2: Consolidated General Fund Tax Revenues \$19.5 Million



Consolidated General Fund Expenditures

The following two charts show the proposed \$30.4 million Consolidated General Fund expenditure budget for FY 2024-25, both in terms of the relative size of each department as well as the total dollars budgeted for each department. As the charts show, the Police Department is the City’s largest function, with 25% of the budget. Fire services for the FCFA will receive 13% of the budget. Public Works and Community Development will receive 11% and 7% of FY 2024-25 budget resources, respectively. The “Non-Departmental” category represents 17% of the General Fund budget and includes items that affect all departments, such as the annual payment on the City’s Unfunded Actuarial Liability (UAL), property and general liability insurance, and transfers to the Street and Capital Improvement Project funds.

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Chart 3: FY 2023-24 Consolidated General Fund Expenditures by Department
\$30.4 Million

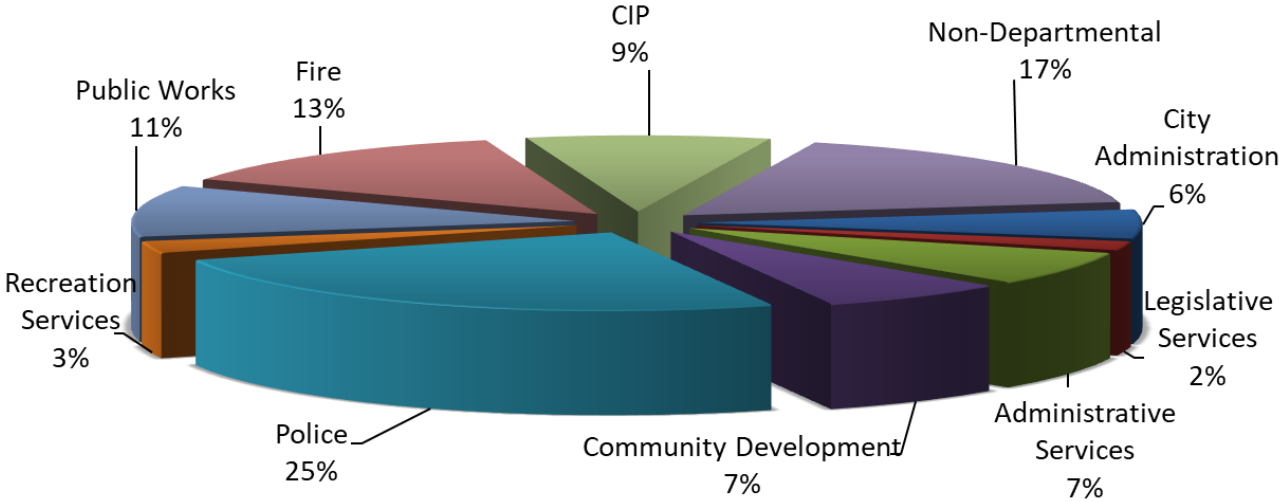
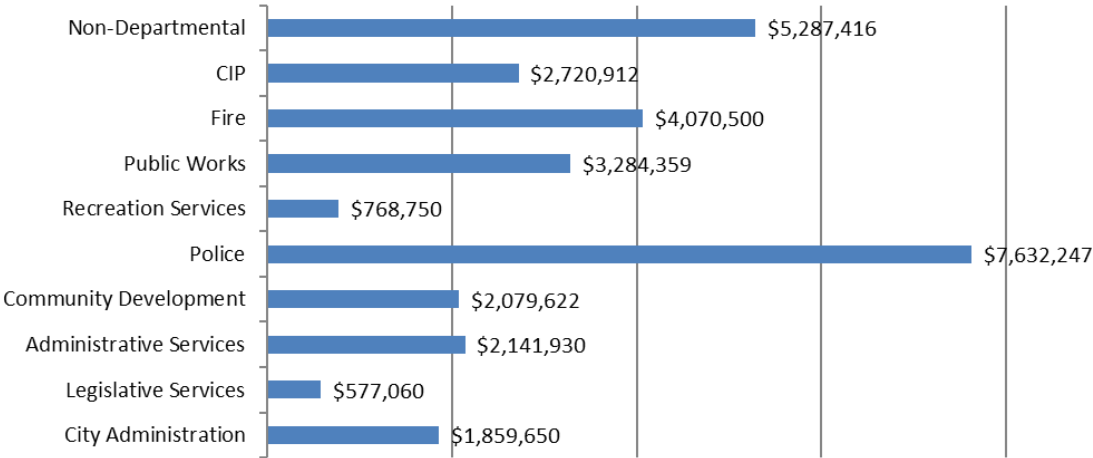


Chart 4: FY 2023-24 Consolidated General Fund Expenditures by Department
\$30.4 Million



Summary

The proposed FY 2024-25 Mid-Cycle Budget Update recommends approximately \$48 million in expenditures, including operating costs such as salaries, benefits, services, supplies, maintenance, debt service, and capital related items as shown in the consolidated fund summary Table 1 shown below:

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Adopt Resolutions of Approval for the Fiscal Year (FY) 2024-25 Mid-Cycle Budget
Update Report and the 5-Year Capital Improvement Program Budget FY 2024-29
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Table 1: FY 2024-25 All Funds Operating Budget

	General Fund	Local Sales Tax Fund	Enterprise Funds	Special Revenue	Agency Funds	Total
Beginning Fund Balance	\$ 10,274,662	\$ 1,759,416	\$ 4,535,607	\$ 10,958,995	\$ (610,413)	\$ 26,918,267
Revenues:						
Revenues	19,388,470	2,966,000	9,871,840	2,443,011	423,944	35,093,265
Transfers In	2,796,300	-	3,889,750	655,000	-	7,341,050
Total Revenues	22,184,770	2,966,000	13,761,590	3,098,011	423,944	42,434,315
Expenditures:						
Salaries and Benefits	13,538,725	-	1,278,500	600,300	-	15,417,525
Services and Supplies	9,932,023	1,087,000	5,732,850	1,025,406	7,900	17,785,179
Debt Service	294,386	-	47,500	8,369	382,944	733,199
Capital Outlay	129,500	-	530,000	140,000	-	799,500
Transfers Out	2,475,000	2,965,812	6,341,850	1,446,400	35,900	13,264,962
Total Expenditures	26,369,634	4,052,812	13,930,700	3,220,475	426,744	48,000,365
Total Operating Incr/(Dec)	(4,184,864)	(1,086,812)	(169,110)	(122,464)	(2,800)	(5,566,050)
Available Fund Balance	\$ 6,089,798	\$ 672,604	\$ 4,366,497	\$ 10,836,532	\$ (613,213)	\$ 21,352,217

Revisions to the May 28, 2024 Preliminary Budget

During the May 28, 2024, preliminary budget discussion, the City Council provided direction to appropriate \$560,000 of Excess Available Consolidated General Fund Balance to the three replacement/repairs reserves:

- Information Technology Reserve
- Fleet Replacement Reserve
- Facility Repairs Reserve

These new reserves will be established with funds appropriated as of July 1, 2024. No changes have been made to the budget that was presented to the City Council. The budget also maintains sufficient ending reserves in the General fund that exceed the City Council’s goal of at least 20% of operating expenditures to continue protecting the City’s financial position.

Staff recommends that the City Council adopt the attached Resolutions to approve final budget and personnel allocations for FY 2024-25 Mid-Cycle Budget Update and to approve the CIP Budget for FY 2024-29 (Attachment 2). After the City Council adopts the FY 2024-25 Mid-Cycle Budget Update, staff will publish a copy of the Adopted FY 2024-25 Mid-Cycle Budget Update on the City’s website.

ALTERNATIVES:

The following alternatives are provided for the Council’s consideration:

1. Adopt (1) a Resolution approving the FY 2024-25 Mid-Cycle Budget Update Report and (2) a Resolution approving the 5-Year Capital Improvement Program Budget FY 2024-29;

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City Council

**Adopt Resolutions of Approval for the Fiscal Year (FY) 2024-25 Mid-Cycle Budget Update Report and the 5-Year Capital Improvement Program Budget FY 2024-29
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2. Amend and Adopt (1) a Resolution approving the FY 2024-25 Mid-Cycle Budget Update Report and (2) a Resolution approving the 5-Year Capital Improvement Program Budget FY 2024-29; or
3. Provide other direction to staff.

ADVANTAGES:

Adoption of the FY 2024-25 Mid-Cycle Budget Update Report, and 5-year Capital Improvement Budget will allow the City to continue funding all City services after the end of the current fiscal year on June 30, 2024, and meet Council directed goals and priorities for the fiscal year. The recommendations in the proposed budget reflect revenue and expenditure strategies that will accomplish the following:

- Maintain and, in certain cases, increase key service levels;
- Maintain a substantial investment in improvements to the City’s infrastructure and facilities;
- Address operational sustainability concerns; and
- Maintain reserves at or above the City’s policy levels.

DISADVANTAGES:

The recommendations do not fully address the long-term replacement needs of all City equipment and infrastructure. Limited staffing levels continue to be a challenge in regard to accomplishing all desired City priorities in a timely manner. Significant cost increases related to pensions and insurance are still threats that will require close monitoring. The performance of the economy in general, and the impacts of specific economic development activities will also affect the financial condition and sustainability of City operations.

ENVIRONMENTAL REVIEW:

No environmental review is required for this item.

PUBLIC NOTIFICATION AND COMMENTS:

The Agenda was posted at City Hall and on the City’s website in accordance with Government Code Section 54954.2.

ATTACHMENTS:

1. FY 2024-25 Mid-Cycle Budget Update Report
2. Proposed Resolution Approving the FY 2024-25 Mid-Cycle Budget Update
3. Proposed Resolution Approving the 5-Year Capital Improvement Program Budget

Item 11.a.

CITY OF ARROYO GRANDE

State of California

Mayor Caren Ray Russom
Mayor Pro Tem Jim Guthrie
Council Member Kristen Barneich
Council Member Lan George
Council Member Kate Secrest



FY 2024-2025 Mid-Cycle Budget Update Report

*Prepared and Submitted by
Department of Administrative Services*

FUND SUMMARIES

CONSOLIDATED SUMMARY – ALL FUNDS

2024-25 BUDGET

	General Fund	Local Sales Tax Fund	Enterprise Funds	Special Revenue	Agency Funds	Total
Beginning Fund Balance	\$ 10,274,662	\$ 1,759,416	\$ 4,535,607	\$ 10,958,995	\$ (610,413)	\$ 26,918,267
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Expenditures:						
Salaries and Benefits	13,538,725	-	1,278,500	600,300	-	15,417,525
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Total Operating Incr/(Decr)	(4,184,864)	(1,086,812)	(169,110)	(122,464)	(2,800)	(5,566,050)
Available Fund Balance	\$ 6,089,798	\$ 672,604	\$ 4,366,497	\$ 10,836,532	\$ (613,213)	\$ 21,352,217

FUND SUMMARIES

FUND: 010 GENERAL FUND

This is the primary operating fund of the City, which accounts for resources and services traditionally associated with government. The General Fund provides administrative, financial, police protection, community development, public works, and recreation services to the community and other funds. The General Fund accounts for revenues that have unrestricted uses and are not required legally or by contractual agreement to be accounted for in another fund.

ITEM	2021-22 ACTUAL	2022-23 ACTUAL	2023-24			2024-25	
			ADOPTED BUDGET	AMENDED BUDGET	ESTIMATED BUDGET	CURRENT BUDGET	PROPOSED BUDGET
Beginning Fund Balance	\$ 8,088,010	\$ 10,823,192	\$ 8,992,955	\$ 11,862,259	\$ 11,862,259	\$ 10,274,662	\$ 10,274,662
Revenues:							
Revenues	18,587,624	19,689,225	18,544,027	18,818,551	19,247,076	18,999,668	19,388,470
Transfers In	2,993,204	3,068,829	3,114,066	3,114,066	2,754,600	3,185,100	2,796,300
Total Revenues	21,580,828	22,758,054	21,658,093	21,932,617	22,001,676	22,184,769	22,184,770
Expenditures:							
Salaries and Benefits	10,850,612	13,197,956	12,089,400	12,833,612	12,852,488	12,437,200	13,538,725
Services and Supplies	6,454,835	7,315,351	9,434,771	9,292,003	9,295,815	9,774,816	9,932,023
Debt Service	128,493	307,933	309,566	309,566	307,166	294,386	294,386
Capital Outlay	12,998	241,459	239,500	317,933	317,933	149,500	129,500
Transfers Out	1,398,707	656,288	115,000	815,872	815,872	2,475,000	2,475,000
Total Expenditures	18,845,646	21,718,987	22,188,237	23,568,986	23,589,274	25,130,902	26,369,634
Total Operating Increases (De	2,735,183	1,039,067	(530,144)	(1,636,369)	(1,587,598)	(2,946,133)	(4,184,864)
Available Fund Balance	\$ 10,823,192	\$ 11,862,259	\$ 8,462,811	\$ 10,225,890	\$ 10,274,662	\$ 7,328,528	\$ 6,089,798
Percent of Expenditures	57.4%	54.6%	38.1%	43.4%	43.6%	29.2%	23.1%

FUND: 218 LOCAL SALES TAX

This fund accounts for the revenues derived from Measure O 2006 Sales Tax, a local 1/2% sales tax approved by the City's voters in November 2006.

ITEM	2021-22	2022-23	2023-24			2024-25	
	FINAL ACTUAL	FINAL ACTUAL	ADOPTED BUDGET	AMENDED BUDGET	ESTIMATED BUDGET	CURRENT BUDGET	PROPOSED BUDGET
Beginning Fund Balance	\$ 4,761,492	\$ 5,967,139	\$ 3,092,620	\$ 7,625,336	\$ 7,625,336	\$ 1,759,416	\$ 1,759,416
Revenues:							
Revenues	2,840,596	3,004,610	2,962,000	2,962,000	2,906,000	3,033,000	2,955,000
Transfers In	-	-	-	-	-	-	-
Total Revenues	2,840,596	3,004,610	2,962,000	2,962,000	2,906,000	3,033,000	2,955,000
Expenditures:							
Salaries and Benefits	-	-	-	-	-	-	-
Services and Supplies	591,981	588,427	1,041,500	1,041,500	1,041,500	1,087,000	1,087,000
Capital Outlay	-	-	-	-	-	-	-
Transfers Out	1,042,968	757,986	2,109,272	7,943,991	7,730,420	3,857,579	2,965,812
Total Expenditures	1,634,949	1,346,413	3,150,772	8,985,491	8,771,920	4,944,579	4,052,812
Change in Fund Balance	1,205,647	1,658,197	(188,772)	(6,023,491)	(5,865,920)	(1,911,579)	(1,097,812)
Ending Fund Balance	\$ 5,967,139	\$ 7,625,336	\$ 2,903,848	\$ 1,601,846	\$ 1,759,416	\$ (152,163)	\$ 661,604

FUND SUMMARIES

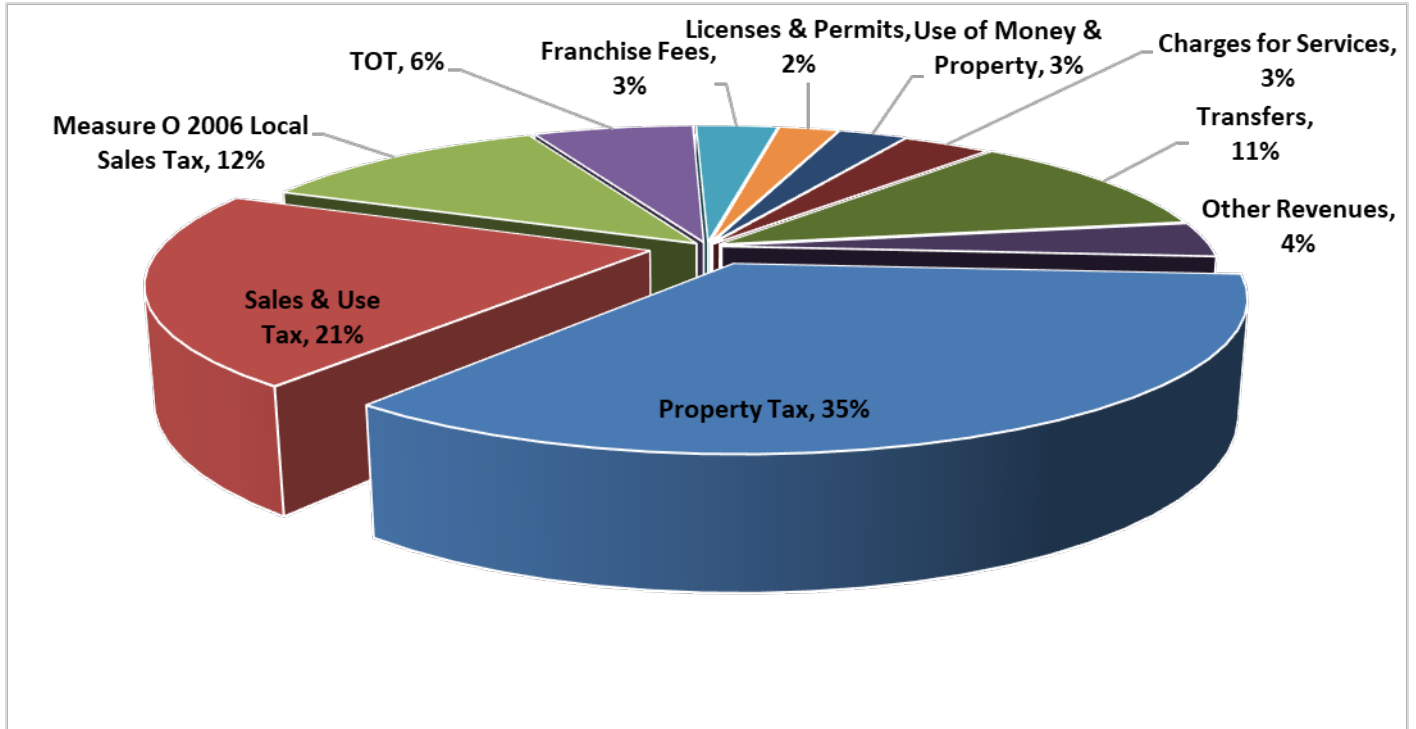
CONSOLIDATED GENERAL FUND

The General Fund is the primary operating fund of the City, which accounts for resources and services traditionally associated with government. The General Fund provides administrative, financial, police protection, community development, public works, fire, and recreation services to the community and other funds. The General Fund accounts for revenues that have unrestricted uses and are not required legally or by contractual agreement to be accounted for in another fund. The City has historically reported on the General Fund separately from the Local Sales Tax Fund, although the City’s auditors traditionally combine this information in the Annual Comprehensive Financial Report (ACFR). The Local Sales Tax Fund accounts for the revenues derived from Measure O-06, a local 1/2% sales tax approved by the City's voters in November 2006. Measure O-06 included advisory measures when passed providing direction on the uses to which the funding should be allocated. To ensure accountability, the measure included a provision requiring the City to publish and distribute an annual report to each household on the revenues and expenditures from the sales tax proceeds. To aid in the collection and reporting of this information, the City has accounted for this fund in a separate account.

	FY 2023-24 Estimated Budget			FY 2024-25 Proposed Budget		
	General Fund	Local Sales Tax	Consolidated Total	General Fund	Local Sales Tax	Consolidated Total
Beginning Fund Balance	\$11,862	\$7,625	\$19,487	\$10,275	\$1,759	\$12,034
Revenues:						
Revenues	19,247	2,906	22,153	19,388	2,966	22,354
Transfers In	2,755	-	2,755	2,796	-	2,796
Total Revenues	22,002	2,906	24,908	22,184	2,966	25,150
Expenditures:						
Salaries and Benefits	12,852	-	12,852	13,539	-	13,539
Services and Supplies	9,296	1,042	10,338	9,932	1,087	11,019
Debt Service	307	-	307	294	-	294
Capital Outlay	318	-	318	130	-	130
Transfers Out	816	7,730	8,546	2,475	2,966	5,441
Total Expenditures	23,589	8,772	32,361	26,370	4,053	30,423
Total Operating Incr/(Decr)	(1,587)	(5,866)	(7,453)	(4,186)	(1,087)	(5,273)
Available Fund Balance	\$10,275	\$1,759	\$12,034	\$6,089	\$673	\$6,761
Reserve %	43.6%	20.1%	37.2%	23.1%	16.6%	22.2%
\$ Above Reserve Policy	5,557	5	5,562	816	(138)	678
Funds Available to Allocate	4,500	-	4,500	560	-	560

FUND SUMMARIES

CONSOLIDATED GENERAL FUND REVENUES BY SOURCE



FUND SUMMARIES

CONSOLIDATED GENERAL FUND REVENUE DETAIL

ACCOUNT	LINE ITEM	2021-22	2022-23	2023-24		2024-25		
		FINAL ACTUAL	FINAL ACTUAL	ADOPTED BUDGET	AMENDED BUDGET	ESTIMATED ACTUAL	CURRENT BUDGET	PROPOSED BUDGET
<u>TAXES</u>								
4001	Current Secured	\$ 5,792,623	\$ 6,211,315	\$ 5,976,386	\$ 5,976,386	\$ 6,017,065	\$ 6,187,300	\$ 6,261,459
4002	Current Unsecured	201,742	207,888	205,000	205,000	222,500	210,000	210,000
4003	Prior Secured	(26,738)	(14,481)	(18,000)	(18,000)	(18,000)	(18,000)	(18,000)
4004	Prior Unsecured	3,638	2,638	4,600	4,600	4,600	4,600	4,600
4005	Redemptions	262	572	300	300	300	300	300
4007	Property Tax in Lieu of VLF	1,901,447	2,014,752	2,001,300	2,001,300	2,129,113	2,071,300	2,215,938
4010	Transient Occupancy Tax	1,476,939	1,519,395	1,545,000	1,545,000	1,445,000	1,591,350	1,591,350
4011	Sales & Use Tax	5,195,913	4,997,353	5,071,135	5,071,135	4,919,238	5,193,568	5,043,533
4012	Sales Tax-Safety	193,213	198,770	197,023	197,023	190,793	202,934	192,859
4013	Property Transfer Tax	147,489	100,922	159,200	159,200	159,200	162,400	162,400
4018	Measure O-06 Sales & Use Tax	2,840,596	3,004,610	2,962,000	2,962,000	2,906,000	3,033,000	2,966,000
4030	Franchise Taxes	782,494	940,060	795,600	795,600	795,600	811,500	811,500
4050	Business License Tax	97,812	103,143	100,000	100,000	100,000	100,000	100,000
Total		18,607,431	19,286,938	18,999,544	18,999,544	18,871,409	19,550,252	19,541,939
<u>LICENSES & PERMITS</u>								
4124	Fire Permits	5,505	6,416	12,300	12,300	12,300	12,500	12,500
4125	Police Permits	25,434	27,470	38,500	38,500	38,500	39,300	39,300
4126	Other Permits-Alcohol	10	110	-	-	-	-	-
4127	Other Permits-Tobacco Retailers	2,045	1,833	2,100	2,100	2,100	2,100	2,100
4128	Other Permits-Solicitation	-	50	200	200	200	200	200
4141	Other Permits-Encroachment	81,608	95,638	77,300	77,300	77,300	78,800	78,800
4161	Sign Permits	6,870	8,805	7,000	7,000	7,000	7,100	7,100
4162	Use Permits	10,273	61,984	32,000	32,000	32,000	32,600	32,600
4164	Use Permits-Temporary	1,176	1,208	1,600	1,600	1,600	1,600	1,600
4181	Building Permits	178,623	168,691	173,400	297,100	297,100	176,900	303,000
4182	Plumbing Permits	5,624	5,234	5,100	5,100	5,100	5,200	5,200
4183	Electrical Permits	91,191	144,367	78,500	78,500	78,500	80,100	80,100
4185	Excav/Grade Permits	11,006	9,910	15,900	15,900	15,900	16,200	16,200
4187	Mechanical Permits	9,043	6,055	9,100	9,100	9,100	9,300	9,300
4188	Other Permits-Roof	-	-	-	-	-	-	-
4189	Other Permits-Demolition	4,380	5,210	2,800	2,800	2,800	2,800	2,800
Total		432,787	542,981	455,800	579,500	579,500	464,700	590,800
<u>FINES</u>								
4201	Vehicle Code Fines	54,830	57,424	38,000	38,000	50,000	39,000	50,000
4202	Local Ordinance	387	185	400	400	400	400	400
4203	Parking	6,102	4,898	5,500	5,500	5,500	5,500	5,500
Total		61,318	62,507	43,900	43,900	55,900	44,900	55,900

FUND SUMMARIES

ACCOUNT	LINE ITEM	2021-22	2022-23	2023-24		2024-25		
		FINAL ACTUAL	FINAL ACTUAL	ADOPTED BUDGET	AMENDED BUDGET	ESTIMATED ACTUAL	CURRENT BUDGET	PROPOSED BUDGET
<u>USE OF MONEY AND PROPERTY</u>								
4301	Interest	73,257	92,890	10,000	10,000	200,000	10,200	125,000
4350	Rent	58,905	51,939	50,000	50,000	65,000	51,000	25,740
4351	Telecommunication Site Leases	398,933	375,591	378,000	378,000	400,000	385,600	408,000
4353	Rent-Commercial Buildings	7,705	25,363	12,200	12,200	15,000	12,400	15,300
4354	Park User Fees	95,994	115,980	70,100	70,100	105,000	71,500	107,100
4355	Building Supervision	425	629	-	-	-	-	-
4356	Le Point Charging Station	1,252	-	1,000	1,000	1,200	1,000	1,200
4375	Returned Check Fees	75	125	200	200	-	200	-
4376	Collection-Credit Bureau	-	-	-	-	-	-	-
	Total	636,547	662,516	521,500	521,500	786,200	531,900	682,340
<u>AID FROM OTHER GOVERNMENTS</u>								
4411	Motor Vehicle License Fees	20,281	18,794	15,800	15,800	22,000	16,100	20,000
4413	Homeowners P.T.R.	32,595	32,483	33,000	33,000	33,000	33,700	33,700
4424	ICAC Reimbursement	140	-	-	-	-	-	-
4426	P.O.S.T. Reimbursement	19,503	-	10,600	10,600	10,600	10,800	10,800
4427	Mandated Cost Recovery	10,623	8,101	10,500	10,500	10,500	10,700	10,700
4451	Lucia Mar Reimbursement	-	78,750	80,300	80,300	80,200	81,900	81,900
4458	State Grant	13,241	94,366	-	41,500	41,500	-	51,275
4460	Department of Justice Grant	-	5,025	-	-	-	-	-
4462	Local Grant	-	34,177	-	-	73,900	-	-
4463	CDBG Grant	26,107	-	-	-	-	-	-
4479	Office of Traffic Safety Grant - Police	-	162,512	-	87,824	87,824	-	-
4499	Rev from other Govmt Agencies	-	11,494	363,416	384,916	384,916	363,416	363,416
	Total	192,739	445,702	513,616	664,440	744,440	516,616	571,791
<u>COMMUNITY DEVELOPMENT CHARGES FOR SERVICES</u>								
4501	Developer Application Fees	31,857	31,374	21,400	21,400	21,400	21,800	21,400
4502	Filing/Certificate Fees	-	-	2,100	2,100	2,100	2,100	2,100
4504	File Fees-Appeals	4,471	(477)	1,000	1,000	1,000	1,000	1,000
4505	Plan Check Fees	286,846	274,670	275,400	275,400	390,000	280,900	306,000
4506	Lot Split/Subdivision	20,990	16,303	15,000	15,000	15,000	15,300	15,000
4507	Architect Review Fees	7,591	15,717	10,000	10,000	10,000	10,200	10,000
4509	Home Occupancy Permits	10,317	6,881	8,500	8,500	8,500	8,700	8,500
4510	Miscellaneous Plan Fees	47,521	41,721	33,600	33,600	33,600	34,300	33,600
4511	Pre-application Reviews	1,228	3,789	2,800	2,800	2,800	2,800	2,800
4512	Sign Reviews	-	353	600	600	600	600	600
4514	Minor Exceptions	-	-	1,100	1,100	1,100	1,100	1,100
4518	EIR Administrative Fee	-	-	-	-	-	-	-
	Total	410,821	390,331	371,500	371,500	486,100	378,800	402,100

FUND SUMMARIES

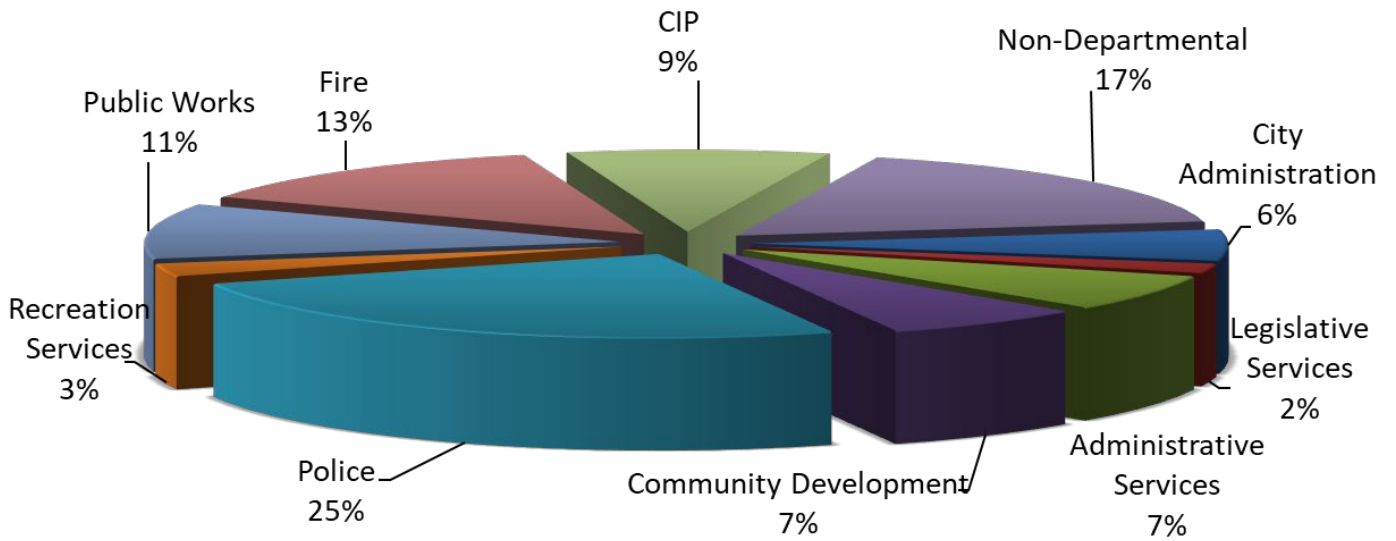
ACCOUNT	LINE ITEM	2021-22	2022-23	2023-24		2024-25		
		FINAL ACTUAL	FINAL ACTUAL	ADOPTED BUDGET	AMENDED BUDGET	ESTIMATED ACTUAL	CURRENT BUDGET	PROPOSED BUDGET
<u>RECREATION CHARGES FOR SERVICES</u>								
4602	Children in Motion	349,297	325,292	60,615	60,615	113,600	-	-
4603	Play/Learn Sessions	61,775	70,783	4,752	4,752	1,494	-	-
4604	Play/Learn-Summer	3,287	1,789	-	-	1,333	-	-
4605	Special Interest Classes	332,176	311,921	285,000	285,000	285,000	290,700	290,700
4606	Sports Leagues	8,044	23,196	22,800	22,800	22,800	23,300	23,300
4607	Special Events	24,336	44,070	19,100	19,100	50,000	19,500	45,000
4608	Softball Leagues	17,787	12,427	18,600	18,600	5,000	19,000	7,500
4609	Recreation - Other Revenue	28,122	21,726	5,000	5,000	7,800	5,100	5,100
4614	Youth Wrestling Fund Raising	-	600	-	-	-	-	-
4655	Building Supervision	2,460	12,062	-	-	7,200	-	-
Total		827,286	823,866	415,867	415,867	494,227	357,600	371,600
<u>PUBLIC WORKS CHARGES FOR SERVICES</u>								
4701	Miscellaneous Engineering Fees	-	-	700	700	700	700	700
4702	Engineering Map/Plan Check	12,614	15,847	15,200	15,200	15,200	15,500	15,500
4703	Engineering Inspection Fees	69,670	1	62,400	62,400	-	63,600	-
4704	Grading Fees	-	-	-	-	-	-	-
4706	Stormwater Permit Fees	5,607	824	-	-	-	-	-
Total		87,891	16,672	78,300	78,300	15,900	79,800	16,200
<u>OTHER CHARGES FOR SERVICES</u>								
4728	Fingerprint Fees	-	-	-	-	-	-	-
4731	Live Scan Fingerprinting	1,525	1,888	1,300	1,300	1,300	1,300	1,300
4753	Sanitation District Billing Services	27,759	22,113	21,400	21,400	21,400	21,800	21,800
4762	Sewer Facility Charge	1,049	1,606	4,800	4,800	4,800	4,900	4,900
4771	County TMD Assessment Admin Fee	4,391	4,475	3,100	3,100	3,100	3,200	3,200
4772	FCFA Admin/Support Services	46,762	51,153	34,600	34,600	48,000	35,300	49,000
Total		81,486	81,235	65,200	65,200	78,600	66,500	80,200
<u>OTHER REVENUE</u>								
4801	Other Revenue	21,058	45,629	15,300	15,300	15,300	15,600	15,600
4803	Sales-Equipment/Materials	144,346	9,150	-	-	-	-	-
4804	Sales-Publications/Reports	362	618	500	500	500	500	500
4807	Expense Recovery	1,624	28,253	8,000	8,000	8,000	8,200	8,200
4808	Expense Recovery-Police	14,552	12,329	7,000	7,000	7,000	7,100	7,100
4809	Donations	14,459	9,313	-	-	-	-	-
4817	Santa Cop Sponsorship	8,799	12,848	10,000	10,000	10,000	10,200	10,200
4818	Cash over(short)	31	(84)	-	-	-	-	-
Total		205,231	118,055	40,800	40,800	40,800	41,600	41,600

FUND SUMMARIES

ACCOUNT	LINE ITEM	2021-22	2022-23	2023-24			2024-25	
		FINAL ACTUAL	FINAL ACTUAL	ADOPTED BUDGET	AMENDED BUDGET	ESTIMATED ACTUAL	CURRENT BUDGET	PROPOSED BUDGET
<u>TRANSFERS IN</u>								
4901	Personnel Transfers	1,454,508	1,410,504	798,800	798,800	798,800	823,900	823,900
4902	Operating Transfers	-	-	-	-	-	-	-
4903	Cost Allocation	1,306,092	1,308,096	1,974,466	1,974,466	1,675,000	2,014,000	1,675,000
4907	Transfers In - CDBG Fund	-	-	-	-	-	-	-
4909	Transfers In - TBID Fund	3,000	3,000	42,500	42,500	42,500	42,500	42,500
4920	Transfers In - Streets Fund	-	-	-	-	-	-	-
4930	Transfers In - Sewer Fund	-	-	-	-	-	-	-
4940	Transfers In - Water Fund	-	-	-	-	-	-	-
4950	Transfers In - Sales Tax Fund	202,104	203,100	268,300	268,300	208,300	274,700	224,900
4952	Transfers In - RDA Successor Fund	27,500	30,000	30,000	30,000	30,000	30,000	30,000
4965	Transfers In - American Rescue Plan Act	-	114,129	-	-	-	-	-
Total		2,993,204	3,068,829	3,114,066	3,114,066	2,754,600	3,185,100	2,796,300
Grand Total		\$ 24,536,740	\$ 25,499,631	\$ 24,620,093	\$ 24,894,617	\$ 24,907,676	\$ 25,217,769	\$ 25,150,770

CONSOLIDATED GENERAL FUND EXPENDITURE

2024-25 General Fund Expenditures by Department



FUND SUMMARIES

GENERAL FUND EXPENDITURE BY OBJECT

ACCOUNT	LINE ITEM	2021-22	2022-23	FISCAL YEAR 2023-24			FISCAL YEAR 2024-25	
		FINAL ACTUAL	FINAL ACTUAL	ADOPTED BUDGET	AMENDED BUDGET	ESTIMATED ACTUAL	CURRENT BUDGET	PROPOSED BUDGET
SALARIESFRINGE BENEFITS								
5101	Salaries-Full Time	\$ 4,687,631	\$ 4,923,452	\$ 6,994,400	\$ 7,614,625	\$ 7,614,625	\$ 7,224,000	\$ 7,917,700
5102	Salaries-Part Time	120,251	114,823	113,800	113,800	113,800	116,400	125,200
5103	Salaries-Temporary Part Time	387,084	420,313	199,900	209,900	209,900	224,700	194,000
5105	Salaries-Overtime	280,201	253,872	164,800	278,787	278,787	164,800	305,725
5107	Standby/Call Back Pay	7,200	8,064	7,000	7,000	7,000	7,000	11,500
5108	Holiday Pay	283,831	295,331	129,500	129,500	129,500	134,000	147,600
5109	Sick Leave Pay	102,148	79,807	-	-	-	-	-
5110	Annual Leave Buy Back	18,839	31,908	31,800	31,800	31,800	30,800	26,500
5111	Vacation Buy Back	20,365	24,232	21,500	21,500	21,500	21,500	24,000
5112	Sick Leave Buy Back	11,867	15,711	11,800	11,800	11,800	11,800	10,100
5113	Vacation Leave Pay	153,945	176,296	-	-	-	1,000	1,000
5114	Compensation Pay	81,619	65,811	-	-	-	-	-
5115	Annual Leave	149,867	239,103	-	-	-	-	-
5116	Field Training Premium	6,234	5,832	6,000	6,000	6,000	6,000	5,000
5121	PERS Retirement	690,239	698,628	880,400	880,400	880,400	906,000	1,016,200
5122	Social Security	451,661	525,730	535,400	535,400	535,400	549,400	579,500
5123	PARS-Retirement	7,987	8,505	5,200	5,200	5,200	5,500	5,700
5126	State Disability (SDI)	20,219	20,004	18,000	18,000	18,000	18,500	21,100
5127	Deferred Compensation	16,696	16,173	18,100	18,100	18,100	18,100	18,700
5128	UAL (Unfunded Accrued Liability)	1,519,503	2,206,923	1,380,100	1,380,100	1,336,767	1,350,200	1,630,500
5131	Health Insurance	944,476	928,701	1,127,000	1,127,000	1,130,352	1,218,600	1,205,000
5132	Dental Insurance	62,216	60,153	69,300	69,300	69,300	69,300	67,300
5133	Vision Insurance	15,775	15,823	19,000	19,000	19,000	18,900	18,500
5134	Life Insurance	7,704	7,512	9,400	9,400	9,400	9,200	9,200
5135	Long Term Disability Insurance	15,040	13,495	21,700	21,700	21,700	21,700	22,700
5136	Retirees Health Insurance	142,689	139,487	235,000	235,000	235,000	235,000	235,000
5137	Leave Payouts	15,260	103,307	-	-	-	-	-
5141	Workers Compensation	558,144	672,557	660,100	660,100	717,373	659,300	581,200
5142	Unemployment Insurance	12,559	13,145	-	-	-	-	-
5143	Uniform Allowance	10,195	11,111	10,900	10,900	10,900	10,900	13,400
5144	Car Allowance	20,159	19,321	20,100	20,100	20,100	20,100	21,300
5146	Expense Allowance	-	-	-	-	-	-	-
5147	Employee Assistance Program	2,107	1,487	-	-	1,584	-	2,000
5170	Employee Retention Incentive Progra	-	1,053,976	-	-	-	-	-
5148	Boot Allowance	1,853	2,511	2,200	2,200	2,200	2,200	2,200
5149	Motor Pay	2,229	4,270	2,000	2,000	2,000	2,000	2,000
5150	Bilingual Pay	3,611	3,461	3,600	3,600	3,600	3,600	4,200
5151	Cell Phone Allowance	18,044	20,676	26,800	26,800	26,800	26,100	25,600
5199	Salary Reimbursement	1,165	(3,554)	(635,400)	(635,400)	(635,400)	(649,400)	(710,900)
Total		\$ 10,850,612	\$ 13,197,956	\$ 12,089,400	\$ 12,833,612	\$ 12,852,488	\$ 12,437,200	\$ 13,538,725

FUND SUMMARIES

ACCOUNT	LINE ITEM	2021-22	2022-23	FISCAL YEAR 2023-24			FISCAL YEAR 2024-25	
		FINAL	FINAL	ADOPTED	AMENDED	ESTIMATED	CURRENT	PROPOSED
		ACTUAL	ACTUAL	BUDGET	BUDGET	ACTUAL	BUDGET	BUDGET
SERVICES & SUPPLIES								
5201	Supplies - Office	\$ 25,319	\$ 37,410	\$ 41,100	\$ 41,100	\$ 41,100	\$ 37,000	\$ 37,000
5208	Postage/Mailing	19,889	13,305	20,200	20,200	20,200	20,200	20,200
5250	Supplies-Volunteer Program	1,050	1,199	1,850	1,850	1,850	1,850	1,850
5251	Supplies-Classes	6,029	10,726	9,000	9,000	9,000	9,000	9,000
5252	Supplies-Recreation Events	20,083	25,042	15,000	15,000	15,000	15,000	15,000
5253	Play/Learn Sessions	2,381	2,134	930	930	1,992	-	-
5254	Play/Learn-Summer	448	366	300	300	230	-	-
5255	Special Department Supplies	67,697	63,711	73,675	81,344	80,499	72,050	72,300
5257	Supplies-Leagues	7,778	15,385	27,600	27,600	27,600	27,600	27,600
5259	Children In Motion Supplies-Snacks	5,510	2,000	750	750	860	-	-
5261	Santa Cop	8,799	12,848	10,000	10,000	10,000	10,000	10,000
5272	Protective/Safety Clothing	45,894	32,232	43,500	43,500	43,500	43,500	43,500
5273	Small Tools	4,621	7,935	6,100	6,100	6,100	6,200	6,200
5274	Chemicals	3,422	4,993	3,700	3,700	3,700	3,700	3,700
5301	Advertising	5,006	4,456	12,100	12,100	12,100	12,100	12,100
5303	Contractual Services	1,541,286	2,139,391	3,459,201	3,129,596	3,089,151	3,533,288	3,391,958
5304	Professional Services	234,633	207,022	266,400	416,400	466,400	274,392	500,000
5306	Printing Services	47	185	600	600	600	600	600
5307	Disposal Fees	-	-	2,200	2,200	2,200	2,200	2,200
5308	Street Trees	156	1,765	2,100	2,100	2,100	2,100	2,100
5313	Five Cities Fire Authority	2,052,061	2,052,061	2,847,000	2,847,000	2,847,000	2,983,500	2,983,500
5315	Pre-Employment Physicals	6,074	23,975	12,780	12,780	12,780	12,780	22,780
5316	Job Recruitment Expense	1,127	1,585	5,890	5,890	5,890	5,889	5,889
5319	Services-Miscellaneous	5,738	4,198	6,800	6,800	6,800	6,800	6,800
5321	Animal Control Services	74,455	88,491	100,405	100,405	100,405	105,425	105,425
5322	Canine Program	-	-	-	-	-	-	-
5324	Forensic Mandate Services	13,135	2,388	15,500	15,500	15,500	15,500	15,500
5327	Services-Litigation Non-Insurance	24,814	112,839	25,000	25,000	25,000	25,750	25,750
5328	Task Force Services	24,600	24,600	30,000	30,000	30,000	30,000	30,000
5329	Live Scan Fingerprinting Expense	1,610	1,902	8,000	8,000	8,000	8,000	8,000
5330	Cable Casting Expense	27,896	30,463	35,000	35,000	35,000	35,000	35,000
5351	Services-Classes	185,075	216,307	150,000	150,000	150,000	150,000	150,000
5352	Services-Leagues	5,257	8,099	10,000	10,000	10,000	12,600	12,600
5353	Services-Events	4,685	5,972	41,550	41,550	41,550	42,800	42,800
5354	Building Supervision	-	20	250	250	250	250	250
5395	Community Services Grants	82,065	82,065	75,000	75,000	75,000	75,000	75,000
5396	Holiday Lights in the Village	-	-	-	-	-	-	-
5397	Business Assistance Grant	-	-	-	-	-	-	-
5398	Retraining Scholarship Program	15,000	3,500	-	21,500	21,500	-	-
5401	Utilities	230,459	221,460	245,300	245,300	245,300	255,800	255,800
5402	Power	214,529	218,433	230,000	230,000	230,000	235,000	235,000
5403	Telephone	45,599	48,304	48,700	48,700	48,700	48,700	35,000
5501	Travel/Conference/Training	105,862	88,947	135,220	140,388	134,388	133,220	163,220
5502	Tuition Reimbursement	3,940	11,099	5,300	5,300	5,300	5,300	5,300
5503	Memberships & Subscriptions	39,168	40,717	46,685	46,685	46,685	50,260	50,260
5504	Public Relations	58,937	85,405	37,500	37,500	37,500	38,000	38,000
5506	Elections	321	51,545	500	500	500	55,000	55,000
5508	Miscellaneous Expense	6,403	830	11,500	11,500	11,500	11,500	11,500
5551	Property Taxes	71	71	75	75	75	75	75
5552	Rent-Equipment	1,295	2,495	3,700	3,700	3,700	3,700	3,700

FUND SUMMARIES

ACCOUNT	LINE ITEM	2021-22	2022-23	FISCAL YEAR 2023-24			FISCAL YEAR 2024-25	
		FINAL ACTUAL	FINAL ACTUAL	ADOPTED BUDGET	AMENDED BUDGET	ESTIMATED ACTUAL	CURRENT BUDGET	PROPOSED BUDGET
<u>SERVICES & SUPPLIES (Continued)</u>								
5553	Rent-Buildings & Land	11,942	12,434	17,500	17,500	17,500	18,000	33,000
5555	Bank Charges	64,929	65,745	55,000	55,000	55,000	60,000	60,000
5556	Penalties & Interest	-	-	-	-	-	-	-
5576	Liability Insurance-JPA Share	653,220	621,631	707,270	707,270	707,270	742,634	752,518
5578	Liability Insurance-Underground Tank	1,203	1,208	1,300	1,300	1,300	1,300	1,300
5579	Property Insurance	65,572	71,591	87,455	87,455	87,455	91,828	100,323
5580	Surety Bonds	1,401	1,471	1,600	1,600	1,600	1,600	1,600
5601	Maintenance-Vehicles	94,661	71,093	73,000	73,000	73,000	73,200	73,200
5602	Maintenance-Office Equipment	14,234	17,111	19,800	19,800	19,800	19,800	19,800
5603	Maintenance-Machinery & Equipmen	8,093	14,019	17,400	17,400	17,400	17,400	17,400
5604	Maintenance-Buildings	29,067	23,856	35,300	35,300	35,300	39,100	39,100
5605	Maintenance-Grounds	52,410	65,498	57,210	57,210	57,210	57,950	57,950
5606	Maintenance-Radio Communications	16,327	17,560	22,750	22,750	22,750	22,750	22,750
5607	Maintenance-Automated Services	70,784	97,538	88,385	88,385	88,385	88,385	88,385
5608	Gas & Oil	93,132	110,145	91,400	91,400	91,400	92,200	92,200
5614	Maintenance - PD Remodel	-	-	-	-	-	-	-
5615	Janitorial Services	19,350	19,935	16,200	16,200	16,200	16,400	16,400
5701	Office Equipment and Furniture	5,794	396	5,000	5,000	5,000	5,000	5,000
5702	Data Processing Equipment	22,497	94,244	14,240	16,740	16,740	10,640	23,640
Total		\$ 6,454,835	\$ 7,315,351	\$ 9,434,771	\$ 9,292,003	\$ 9,295,815	\$ 9,774,816	\$ 9,932,023
<u>DEBT SERVICE</u>								
5801	Debt - Principal Payment	\$ 98,245	\$ 284,633	\$ 268,692	\$ 268,692	\$ 288,087	\$ 265,747	\$ 265,747
5802	Debt - Interest Payment	1,165	16,932	32,874	32,874	13,479	20,639	20,639
5803	Lease Purchase Payments	29,083	6,368	8,000	8,000	5,600	8,000	8,000
Total		\$ 128,493	\$ 307,933	\$ 309,566	\$ 309,566	\$ 307,166	\$ 294,386	\$ 294,386
<u>TRANSFERS</u>								
5904	Transfers out - CIP Fund	\$ 246,048	\$ 282,467	\$ -	\$ 610,872	\$ 610,872	\$ 2,360,000	\$ 2,360,000
5902	Transfer out - Streets Fund	1,020,352	238,311	75,000	165,000	165,000	75,000	75,000
5906	Transfers out - USDA City Hall loan	39,996	39,996	40,000	40,000	40,000	40,000	40,000
5907	Transfers out - OPEB Fund	92,311	95,513	-	-	-	-	-
5909	Transfers out - TBID Fund	-	-	-	-	-	-	-
5973	Stormwater Resource Planning Grant	-	-	-	-	-	-	-
Total		\$ 1,398,707	\$ 656,288	\$ 115,000	\$ 815,872	\$ 815,872	\$ 2,475,000	\$ 2,475,000
<u>CAPITAL OUTLAY</u>								
6001	Office Equipment & Furniture	\$ 366	\$ 17,896	\$ -	\$ -	\$ -	\$ -	\$ -
6101	Data Processing Equipment	-	-	-	-	-	-	-
6103	Computer Licensing/Software	-	-	-	-	-	-	-
6201	Machinery & Equipment	12,632	33,625	29,500	79,500	79,500	149,500	29,500
6301	Vehicles	-	189,938	210,000	238,433	238,433	-	100,000
6401	Structures & Improvements	-	-	-	-	-	-	-
Total		\$ 12,998	\$ 241,459	\$ 239,500	\$ 317,933	\$ 317,933	\$ 149,500	\$ 129,500
Grand Total		\$ 18,845,646	\$ 21,718,987	\$ 22,188,237	\$ 23,568,986	\$ 23,589,274	\$ 25,130,902	\$ 26,369,634

FUND SUMMARIES

GENERAL FUND EXPENDITURE SUMMARY BY DEPARTMENT

DEPARTMENT	2021-22	2022-23	FISCAL YEAR 2023-24			FISCAL YEAR 2024-25	
	FINAL ACTUAL	FINAL ACTUAL	ADOPTED BUDGET	AMENDED BUDGET	ESTIMATED ACTUAL	CURRENT BUDGET	PROPOSED BUDGET
<u>City Administration</u>							
4001 City Council	\$ 165,460	\$ 159,789	\$ 157,500	\$ 179,000	\$ 173,000	\$ 159,300	\$ 158,500
4099 Retirees	237,673	239,125	235,000	235,000	235,000	235,000	235,000
4101 City Manager	299,468	406,133	599,800	666,200	628,700	613,500	675,800
4110 Human Resources	161,247	221,110	206,200	226,500	226,500	213,200	261,600
4003 City Attorney	262,145	321,245	294,400	444,400	494,400	303,142	528,750
Total City Administration	1,125,993	1,347,401	1,492,900	1,751,100	1,757,600	1,524,142	1,859,650
<u>Legislative and Information Services</u>							
4002 City Clerk	346,425	419,825	411,260	419,560	419,560	486,260	547,160
4140 Information Technology	-	-	-	-	-	-	-
4102 Printing/Duplicating	18,918	23,488	29,900	29,900	29,900	29,900	29,900
Total Legislative & Information Services	365,343	443,313	441,160	449,460	449,460	516,160	577,060
<u>Administrative Services</u>							
4120 Administrative Services	689,306	778,321	799,480	898,780	898,780	825,280	897,280
4140 Information Technology	601,973	726,855	892,900	927,310	927,310	905,000	1,244,650
4145 Non-Departmental	3,989,880	5,599,056	3,501,400	3,460,647	3,479,522	5,901,637	5,267,416
4145 FCFA (Fire Service)	2,052,061	2,052,061	2,847,000	2,847,000	2,847,000	2,983,500	2,983,500
CalPERS UAL payment	-	-	-	-	-	-	-
Total Administrative Services	7,333,220	9,156,293	8,040,780	8,133,737	8,152,612	10,615,417	10,392,846
<u>Community Development</u>							
4130 Planning	460,887	656,453	1,305,982	1,373,882	1,373,882	1,334,882	1,399,382
4301 Engineering	661,724	-	-	-	-	-	-
4212 Building & Life Safety	403,052	469,974	470,640	622,940	622,940	474,140	680,240
Total Community Development	1,525,663	1,126,427	1,776,622	1,996,822	1,996,822	1,809,022	2,079,622
<u>Police Department</u>							
4201 Police	1,102,005	1,828,647	1,478,015	1,506,015	1,503,615	1,546,337	1,593,737
4203 Patrol Services	3,323,697	2,895,898	3,604,500	3,891,900	3,891,900	3,729,900	4,169,500
4204 Police Support Services	1,130,263	1,041,724	1,308,535	1,378,360	1,378,360	1,461,035	1,592,835
4207 ABC Grant	-	-	-	41,500	41,500	-	51,275
4208 DOJ Tobacco Grant	9,230	-	-	-	-	-	-
4209 OTS - Special Grant Programs	33,504	31,029	-	87,824	87,824	-	-
4210 OTS - COLLISION/CITATION E-REPORTING SYS	-	108,993	-	-	-	-	-
Total Police Department	5,598,698	5,906,291	6,391,050	6,905,599	6,903,199	6,737,272	7,407,347
<u>Recreation Department</u>							
4421 Recreation Administration	441,507	489,916	552,700	570,100	570,100	524,700	509,900
4423 Pre-School Program	108,063	58,695	16,930	16,930	17,922	-	-
4424 Recreation-Special Programs	229,957	282,730	255,000	255,000	255,000	258,850	258,850
4425 Children In Motion	292,824	263,525	59,340	59,340	55,660	-	-
Total Recreation Services	1,072,351	1,094,865	883,970	901,370	898,682	783,550	768,750
<u>Public Works</u>							
4307 Public Works Administration	865,803	896,054	1,075,175	1,138,985	1,198,985	1,109,950	1,187,570
4301 Engineering	-	742,241	711,600	688,000	628,000	681,000	757,700
4420 Park Maintenance	376,126	496,788	730,500	852,700	852,700	707,389	630,489
4430 Soto Sports Complex Maintenance	214,021	140,723	240,950	254,350	254,350	235,450	255,050
4305 Automotive Shop	175,956	176,109	181,280	190,880	190,880	172,000	190,100
4213 Government Buildings	192,470	192,481	222,250	305,983	305,983	239,550	263,450
Total Public Works	1,824,377	2,644,396	3,161,755	3,430,898	3,430,898	3,145,339	3,284,359
Grand Total	\$ 18,845,646	\$ 21,718,987	\$ 22,188,237	\$ 23,568,986	\$ 23,589,274	\$ 25,130,902	\$ 26,369,634

FUND SUMMARIES

ENTERPRISE FUNDS

FUND: 612 SEWER

This fund is used to account for maintenance of sewer lines connecting City residents to the South San Luis Obispo County Sanitation District sewer treatment plant. Money is collected from utility bills paid by customers.

	2020-21 ACTUAL	2021-22 ACTUAL	2022-23 ACTUAL	2023-24			2024-25	
				ADOPTED BUDGET	AMENDED BUDGET	ESTIMATED BUDGET	CURRENT BUDGET	PROPOSED BUDGET
Beginning Working Capital	\$ 1,524,128	\$ 1,122,337	\$ 581,859	\$ 1,122,337	\$ 30,519	\$ 30,519	\$ 65,214	\$ 65,214
Revenues:								
Revenues	973,133	915,082	946,512	1,965,850	1,965,850	1,291,427	1,272,250	1,272,250
Transfers In	-	20,423	145,111	337,250	337,250	286,875	-	-
Total Revenues	973,133	935,504	1,091,623	2,303,100	2,303,100	1,578,302	1,272,250	1,272,250
Expenses:								
Salaries and Benefits	183,733	263,499	289,991	388,700	401,400	361,400	402,100	425,000
Services and Supplies	118,488	130,755	172,269	201,900	209,200	199,200	212,900	223,300
Debt Service	519	163	-	-	-	-	-	-
Operating Equipment	641,597	595,412	570,926	49,500	49,500	53,107	2,500	2,500
Capital Improvement Program	22,483	-	145,111	1,132,000	1,132,000	357,000	282,000	100,000
Transfers Out	408,104	486,153	464,667	572,900	620,400	572,900	531,400	578,900
Total Expenditures	1,374,924	1,475,982	1,642,964	2,345,000	2,412,500	1,543,607	1,430,900	1,329,700
Ending Available Working Capital	\$ 1,122,337	\$ 581,859	\$ 30,519	\$ 1,080,437	\$ (78,881)	\$ 65,214	\$ (93,436)	\$ 7,764

FUND: 634 SEWER FACILITY

This fund is used to account for the accumulation of sewer facility revenues to be used in capital improvement projects in the City. Money is collected from development to offset the impacts new development has on the sewer collection system.

	2021-22		2022-23		2023-24			2024-25	
	FINAL ACTUAL	FINAL ACTUAL	ADOPTED BUDGET	ADOPTED BUDGET	AMENDED BUDGET	ESTIMATED BUDGET	CURRENT BUDGET	PROPOSED BUDGET	
Beginning Working Capital	\$ 324,066	\$ 328,790	\$ 324,066	\$ 324,066	\$ 346,404	\$ 346,404	\$ 383,404	\$ 383,404	
Revenues:									
Revenues	4,724	17,614	37,000	37,000	37,000	37,000	37,000	37,000	
Transfers In	-	-	-	-	-	-	-	-	
Total Revenues	4,724	17,614	37,000	37,000	37,000	37,000	37,000	37,000	
Expenses:									
Salaries and Benefits	-	-	-	-	-	-	-	-	
Services and Supplies	-	-	-	-	-	-	-	-	
Debt Service	-	-	-	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	-	-	-	
Capital Improvement Program	-	-	-	-	-	-	-	-	
Transfers Out	-	-	-	-	-	-	-	-	
Total Expenditures	-	-	-	-	-	-	-	-	
Ending Available Working Capital	\$ 328,790	\$ 346,404	\$ 361,066	\$ 361,066	\$ 383,404	\$ 383,404	\$ 420,404	\$ 420,404	

FUND SUMMARIES

FUND: 640 WATER

This fund is used to account for the activities associated with the transmission and distribution of potable water by the City to its users. Money is collected from utility bills paid by customers.

	2021-22	2022-23	2023-24			2024-25	
	FINAL ACTUAL	FINAL ACTUAL	ADOPTED BUDGET	AMENDED BUDGET	ESTIMATED BUDGET	CURRENT BUDGET	PROPOSED BUDGET
Beginning Working Capital	\$ 3,867,001	\$ 3,008,047	\$ 3,981,134	\$ 2,271,158	\$ 2,271,158	\$ 2,067,259	2,067,259
Revenues:							
Revenues	6,703,369	6,743,434	7,944,693	7,944,693	7,944,693	8,507,590	8,497,590
Transfers In	343,398	-	-	1,698,563	1,698,563	-	-
Total Revenues	7,046,767	6,743,434	7,944,693	9,643,256	9,643,256	8,507,590	8,497,590
Expenses:							
Salaries and Benefits	753,711	814,936	797,900	833,200	833,200	780,800	853,500
Services and Supplies	650,617	643,074	784,265	800,440	800,440	1,569,300	1,619,800
Debt Service	19	-	13,500	-	-	-	-
Capital Outlay	279,125	277,240	67,500	1,200	1,200	45,000	45,000
Capital Improvement Progr	323,073	366,040	2,474,888	1,362,622	2,371,687	430,000	430,000
Transfers Out	5,899,174	5,379,034	5,977,193	6,058,355	5,840,628	5,954,185	5,762,950
Total Expenditures	7,905,720	7,480,324	10,115,246	9,055,817	9,847,155	8,779,285	8,711,250
Ending Available Working Cap	\$ 3,008,047	\$ 2,271,158	\$ 1,810,581	\$ 2,858,597	\$ 2,067,259	\$ 1,795,564	1,853,599

FUND: 641 LOPEZ

This fund is responsible for the purchase of water from Lopez Dam. The City has a 50.55% share of the water and expense generated by Zone 3 – County of San Luis Obispo’s Flood Control and Water Conservation District.

	2021-22	2022-23	2023-24			2024-25	
	FINAL ACTUAL	FINAL ACTUAL	ADOPTED BUDGET	AMENDED BUDGET	ESTIMATED BUDGET	CURRENT BUDGET	PROPOSED BUDGET
Beginning Working Capital	\$ 1,706,317	\$ 1,706,778	\$ 1,706,778	\$ 1,202,662	\$ 1,202,662	\$ 1,256,189	\$ 1,256,189
Revenues:							
Revenues	461	(4,116)	-	-	-	-	-
Transfers In	3,693,150	3,214,571	3,962,121	3,962,121	3,962,121	3,962,121	3,889,750
Total Revenues	3,693,611	3,210,455	3,962,121	3,962,121	3,962,121	3,962,121	3,889,750
Expenses:							
Salaries and Benefits	-	-	-	-	-	-	-
Services and Supplies	3,693,150	3,714,571	3,962,121	3,962,121	3,908,594	3,962,121	3,889,750
Debt Service	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Capital Improvement Program	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
Total Expenditures	3,693,150	3,714,571	3,962,121	3,962,121	3,908,594	3,962,121	3,889,750
Ending Available Working Capital	\$ 1,706,778	\$ 1,202,662	\$ 1,706,778	\$ 1,202,662	\$ 1,256,189	\$ 1,256,189	\$ 1,256,189

FUND SUMMARIES

FUND: 642 WATER FACILITY

This fund is used to account for the accumulation of water facility revenues to be used in capital improvement projects in the City. Money is collected from development to offset the impacts new development has on the water distribution system.

	2021-22	2022-23	2023-24			2024-25	
	FINAL ACTUAL	FINAL ACTUAL	ADOPTED BUDGET	AMENDED BUDGET	ESTIMATED BUDGET	CURRENT BUDGET	PROPOSED BUDGET
Beginning Working Capital	1,021,269	1,013,711	1,013,711	1,040,290	1,040,290	\$ 763,542	\$ 763,542
Revenues:							
Revenues	(7,557)	26,579	65,000	65,000	65,000	65,000	65,000
Transfers In	-	-	-	-	-	-	-
Total Revenues	(7,557)	26,579	65,000	65,000	65,000	65,000	65,000
Expenses:							
Salaries and Benefits	-	-	-	-	-	-	-
Services and Supplies	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Capital Improvement Program	-	-	-	-	-	-	-
Transfers Out	-	-	-	341,748	341,748	-	-
Total Expenditures	-	-	-	341,748	341,748	-	-
Ending Available Working Capital	\$ 1,013,711	\$ 1,040,290	\$ 1,078,711	\$ 763,542	\$ 763,542	\$ 828,542	\$ 828,542

FUND SUMMARIES

SPECIAL REVENUE FUNDS

FUND: 210 FIRE PROTECTION IMPACT FEES

This fund accounts for impact fees collected from developers for the expansion of the existing fire station in order to serve future development.

ITEM	2021-22	2022-23	2023-24			2024-25	
	FINAL ACTUAL	FINAL ACTUAL	ADOPTED BUDGET	AMENDED BUDGET	ESTIMATED BUDGET	CURRENT BUDGET	PROPOSED BUDGET
Beginning Fund Balance	\$ 341,820	\$ 354,562	\$ 405,561	\$ 382,385	\$ 382,385	\$ 403,385	\$ 403,385
Revenues:							
Revenues	12,742	27,823	21,000	21,000	21,000	26,000	26,000
Transfers In	-	-	-	-	-	-	-
Total Revenues	12,742	27,823	21,000	21,000	21,000	26,000	26,000
Expenditures:							
Salaries and Benefits	-	-	-	-	-	-	-
Services and Supplies	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-
Change in Fund Balance	12,742	27,823	21,000	21,000	21,000	26,000	26,000
Ending Fund Balance	\$ 354,562	\$ 382,385	\$ 426,561	\$ 403,385	\$ 403,385	\$ 429,385	\$ 429,385

FUND: 211 PUBLIC ACCESS TELEVISION

This fund accounts for fees collected from Charter Communications that are restricted for support of public, education, and government access programming and equipment.

ITEM	2021-22	2022-23	2023-24			2024-25	
	FINAL ACTUAL	FINAL ACTUAL	ADOPTED BUDGET	AMENDED BUDGET	ESTIMATED BUDGET	CURRENT BUDGET	PROPOSED BUDGET
Beginning Fund Balance	\$ 193,039	\$ 192,064	\$ 193,515	\$ 221,070	\$ 221,070	\$ 0	\$ 0
Revenues:							
Revenues	40,646	45,194	45,200	45,200	45,200	46,200	46,200
Transfers In	-	-	-	-	-	-	-
Total Revenues	40,646	45,194	45,200	45,200	45,200	46,200	46,200
Expenditures:							
Salaries and Benefits	-	-	-	-	-	-	-
Services and Supplies	41,621	16,188	218,750	291,350	266,270	39,900	39,900
Capital Outlay	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
Total Expenditures	41,621	16,188	218,750	291,350	266,270	39,900	39,900
Change in Fund Balance	(975)	29,006	(173,550)	(246,150)	(221,070)	6,300	6,300
Ending Fund Balance	\$ 192,064	\$ 221,070	\$ 19,965	\$ (25,080)	\$ 0	\$ 6,300	\$ 6,300

FUND SUMMARIES

FUND: 212 POLICE PROTECTION IMPACT FEES

This fund accounts for impact fees collected from developers for the expansion of the existing police facility in order to serve future development.

ITEM	2021-22	2022-23	2023-24			2024-25	
	FINAL ACTUAL	FINAL ACTUAL	ADOPTED BUDGET	AMENDED BUDGET	ESTIMATED BUDGET	CURRENT BUDGET	PROPOSED BUDGET
Beginning Fund Balance	\$ 53,434	\$ 54,271	\$ 59,571	\$ 58,518	\$ 58,518	\$ 63,818	\$ 63,818
Revenues:							
Revenues	837	4,247	5,300	5,300	5,300	5,300	5,300
Transfers In	-	-	-	-	-	-	-
Total Revenues	837	4,247	5,300	5,300	5,300	5,300	5,300
Expenditures:							
Salaries and Benefits	-	-	-	-	-	-	-
Services and Supplies	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-
Change in Fund Balance	837	4,247	5,300	5,300	5,300	5,300	5,300
Ending Fund Balance	\$ 54,271	\$ 58,518	\$ 64,871	\$ 63,818	\$ 63,818	\$ 69,118	\$ 69,118

FUND: 213 PARK DEVELOPMENT

This fund accounts for the receipts of park-in-lieu fees (Quimby) and grant revenues that are used for construction, park acquisition, and development of park facilities.

ITEM	2021-22	2022-23	2023-24			2024-25	
	FINAL ACTUAL	FINAL ACTUAL	ADOPTED BUDGET	AMENDED BUDGET	ESTIMATED BUDGET	CURRENT BUDGET	PROPOSED BUDGET
Beginning Fund Balance	\$ 1,337,995	\$ 1,417,202	\$ 1,417,202	\$ 1,430,686	\$ 1,430,686	\$ 1,486,686	\$ 1,486,686
Revenues:							
Revenues	79,207	13,484	56,000	56,000	56,000	56,000	56,000
Transfers In	-	-	-	-	-	-	-
Total Revenues	79,207	13,484	56,000	56,000	56,000	56,000	56,000
Expenditures:							
Salaries and Benefits	-	-	-	-	-	-	-
Services and Supplies	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-
Change in Fund Balance	79,207	13,484	56,000	56,000	56,000	56,000	56,000
Ending Fund Balance	\$ 1,417,202	\$ 1,430,686	\$ 1,473,202	\$ 1,486,686	\$ 1,486,686	\$ 1,542,686	\$ 1,542,686

FUND SUMMARIES

FUND: 214 PARK IMPROVEMENT

Impact fees collected from developers for park improvements are to be used to maintain the adopted level of service for neighborhood and community parks of 4.0 acres per thousand population. This fund accounts for the receipt and use of these monies.

ITEM	2021-22	2022-23	2023-24			2024-25	
	FINAL ACTUAL	FINAL ACTUAL	ADOPTED BUDGET	AMENDED BUDGET	ESTIMATED BUDGET	CURRENT BUDGET	PROPOSED BUDGET
Beginning Fund Balance	\$ 308,247	\$ 215,690	\$ 206,590	\$ 189,988	\$ 189,988	\$ 165,888	\$ 165,888
Revenues:							
Revenues	23,063	32,547	50,900	50,900	50,900	50,900	50,900
Transfers In	-	-	-	-	-	-	-
Total Revenues	23,063	32,547	50,900	50,900	50,900	50,900	50,900
Expenditures:							
Salaries and Benefits	-	-	-	-	-	-	-
Services and Supplies	-	-	75,000	75,000	75,000	62,000	62,000
Capital Outlay	-	-	-	-	-	-	-
Transfers Out	115,620	58,249	-	-	-	-	-
Total Expenditures	115,620	58,249	75,000	75,000	75,000	62,000	62,000
Change in Fund Balance	(92,557)	(25,702)	(24,100)	(24,100)	(24,100)	(11,100)	(11,100)
Ending Fund Balance	\$ 215,690	\$ 189,988	\$ 182,490	\$ 165,888	\$ 165,888	\$ 154,788	\$ 154,788

FUND: 215 RECREATION COMMUNITY CENTER

This fund accounts for impact fees collected from developers and used for recreation facilities in order to maintain the adopted level of service of recreation/community center facilities of 542 square feet per thousand population.

ITEM	2021-22	2022-23	2023-24			2024-25	
	FINAL ACTUAL	FINAL ACTUAL	ADOPTED BUDGET	AMENDED BUDGET	ESTIMATED BUDGET	CURRENT BUDGET	PROPOSED BUDGET
Beginning Fund Balance	\$ 25,260	\$ 26,485	\$ 30,685	\$ 28,486	\$ 28,486	\$ 30,686	\$ 30,686
Revenues:							
Revenues	1,225	2,001	2,200	2,200	2,200	2,200	2,200
Transfers In	-	-	-	-	-	-	-
Total Revenues	1,225	2,001	2,200	2,200	2,200	2,200	2,200
Expenditures:							
Salaries and Benefits	-	-	-	-	-	-	-
Services and Supplies	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-
Change in Fund Balance	1,225	2,001	2,200	2,200	2,200	2,200	2,200
Ending Fund Balance	\$ 26,485	\$ 28,486	\$ 32,885	\$ 30,686	\$ 30,686	\$ 32,886	\$ 32,886

FUND SUMMARIES

FUND: 216 GRACE LANE ASSESSMENT DISTRICT

This fund accounts for the landscape maintenance within the Grace Lane housing tract. A special benefit assessment is levied on property owners to pay for landscape maintenance expenditures.

ITEM	2021-22	2022-23	2023-24			2024-25	
	FINAL ACTUAL	FINAL ACTUAL	ADOPTED BUDGET	AMENDED BUDGET	ESTIMATED BUDGET	CURRENT BUDGET	PROPOSED BUDGET
Beginning Fund Balance	\$ 40,543	\$ 39,231	\$ 29,221	\$ 32,872	\$ 32,872	\$ 26,737	\$ 26,737
Revenues:							
Revenues	8,767	9,668	10,000	10,000	10,000	10,000	10,000
Transfers In	-	-	-	-	-	-	-
Total Revenues	8,767	9,668	10,000	10,000	10,000	10,000	10,000
Expenditures:							
Salaries and Benefits	-	-	-	-	-	-	-
Services and Supplies	6,982	12,931	14,535	14,535	14,535	14,535	14,535
Capital Outlay	-	-	-	-	-	-	-
Transfers Out	3,096	3,096	1,600	1,600	1,600	1,600	1,600
Total Expenditures	10,078	16,027	16,135	16,135	16,135	16,135	16,135
Change in Fund Balance	(1,311)	(6,359)	(6,135)	(6,135)	(6,135)	(6,135)	(6,135)
Ending Fund Balance	\$ 39,231	\$ 32,872	\$ 23,086	\$ 26,737	\$ 26,737	\$ 20,602	\$ 20,602

FUND: 217 LANDSCAPE MAINTENANCE DISTRICTS

This fund accounts for the landscape maintenance of parkways within two housing tracts. A special benefit assessment is levied on property owners to pay for landscape maintenance expenditures.

ITEM	2021-22	2022-23	2023-24			2024-25	
	FINAL ACTUAL	FINAL ACTUAL	ADOPTED BUDGET	AMENDED BUDGET	ESTIMATED BUDGET	CURRENT BUDGET	PROPOSED BUDGET
Beginning Fund Balance	\$ 1,287	\$ 4,418	\$ 4,418	\$ 5,014	\$ 5,014	\$ 5,014	\$ 5,014
Revenues:							
Revenues	5,733	5,496	5,900	5,900	5,900	5,900	5,900
Transfers In	-	-	-	-	-	-	-
Total Revenues	5,733	5,496	5,900	5,900	5,900	5,900	5,900
Expenditures:							
Salaries and Benefits	-	-	-	-	-	-	-
Services and Supplies	2,601	2,896	5,700	5,700	5,700	5,700	5,700
Capital Outlay	-	-	-	-	-	-	-
Transfers Out	-	2,004	200	200	200	1,400	1,400
Total Expenditures	2,601	4,900	5,900	5,900	5,900	7,100	7,100
Change in Fund Balance	3,131	596	-	-	-	(1,200)	(1,200)
Ending Fund Balance	\$ 4,418	\$ 5,014	\$ 4,418	\$ 5,014	\$ 5,014	\$ 3,814	\$ 3,814

FUND SUMMARIES

FUND: 219 PARKSIDE ASSESSMENT DISTRICT

This fund accounts for revenue derived from annual assessments, which are used to pay the cost incurred by the City for landscape maintenance.

ITEM	2021-22	2022-23	2023-24			2024-25	
	FINAL ACTUAL	FINAL ACTUAL	ADOPTED BUDGET	AMENDED BUDGET	ESTIMATED BUDGET	CURRENT BUDGET	PROPOSED BUDGET
Beginning Fund Balance	\$ 463,760	\$ 475,734	\$ 483,334	\$ 489,296	\$ 489,296	\$ 501,116	\$ 501,116
Revenues:							
Revenues	37,240	48,312	46,500	46,500	46,500	46,500	46,500
Transfers In	-	-	-	-	-	-	-
Total Revenues	37,240	48,312	46,500	46,500	46,500	46,500	46,500
Expenditures:							
Salaries and Benefits	-	-	-	-	-	-	-
Services and Supplies	19,170	28,653	32,380	32,380	32,380	32,380	32,380
Capital Outlay	-	-	-	-	-	-	-
Transfers Out	6,096	6,096	2,300	2,300	2,300	252,300	252,300
Total Expenditures	25,266	34,749	34,680	34,680	34,680	284,680	284,680
Change in Fund Balance	11,974	13,563	11,820	11,820	11,820	(238,180)	(238,180)
Ending Fund Balance	\$ 475,734	\$ 489,296	\$ 495,154	\$ 501,116	\$ 501,116	\$ 262,936	\$ 262,936

FUND: 220 STREETS (GAS TAX)

This fund accounts for receipts and expenditures of money apportioned by the State under Streets and Highway Code. The use of gas tax revenues can only be used to construct and maintain streets, roads and highways.

ITEM	2021-22	2022-23	2023-24			2024-25	
	FINAL ACTUAL	FINAL ACTUAL	ADOPTED BUDGET	AMENDED BUDGET	ESTIMATED BUDGET	CURRENT BUDGET	PROPOSED BUDGET
Beginning Fund Balance	\$ 90,338	\$ 81,326	\$ 244,024	\$ 81,325	\$ 81,325	\$ 66,564	66,564
Revenues:							
Revenues	970,471	894,727	891,066	891,066	953,508	1,027,100	972,800
Transfers In	471,048	507,467	576,000	576,000	576,000	500,000	655,000
Total Revenues	1,441,519	1,402,194	1,467,066	1,467,066	1,529,508	1,527,100	1,627,800
Expenditures:							
Salaries and Benefits	504,575	507,329	547,200	558,500	558,500	565,000	600,300
Services and Supplies	263,827	326,357	310,800	415,100	415,100	382,700	382,700
Debt Service	28,545	8,369	8,369	8,369	8,369	8,369	8,369
Capital Outlay	-	41,352	22,000	22,000	22,000	140,000	140,000
Transfers Out	653,584	518,788	540,300	540,300	540,300	561,100	561,100
Total Expenditures	1,450,531	1,402,195	1,428,669	1,544,269	1,544,269	1,657,169	1,692,469
Change in Fund Balance	(9,012)	(1)	38,397	(77,203)	(14,761)	(130,069)	(64,669)
Ending Fund Balance	\$ 81,326	\$ 81,325	\$ 282,421	\$ 4,122	\$ 66,564	\$ (63,505)	1,895

FUND SUMMARIES

FUND: 222 TRAFFIC SIGNALIZATION

This fund accounts for traffic signalization assessment levied against developments for the future cost of traffic signals.

ITEM	2021-22	2022-23	2023-24			2024-25	
	FINAL ACTUAL	FINAL ACTUAL	ADOPTED BUDGET	AMENDED BUDGET	ESTIMATED BUDGET	CURRENT BUDGET	PROPOSED BUDGET
Beginning Fund Balance	\$ 1,139,198	\$ 1,130,771	\$ 1,186,771	\$ 1,136,640	\$ 1,136,640	\$ 1,172,640	1,172,640
Revenues:							
Revenues	(8,427)	36,942	36,000	36,000	36,000	36,000	36,000
Transfers In	-	-	-	-	-	-	-
Total Revenues	(8,427)	36,942	36,000	36,000	36,000	36,000	36,000
Expenditures:							
Salaries and Benefits	-	-	-	-	-	-	-
Services and Supplies	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Transfers Out	-	31,074	-	-	-	-	-
Total Expenditures	-	31,074	-	-	-	-	-
Change in Fund Balance	(8,427)	5,869	36,000	36,000	36,000	36,000	36,000
Ending Fund Balance	\$ 1,130,771	\$ 1,136,640	\$ 1,222,771	\$ 1,172,640	\$ 1,172,640	\$ 1,208,640	1,208,640

FUND: 223 TRAFFIC CIRCULATION

This fund accounts for developer traffic mitigation measure fees charged as a result of an environmental review.

ITEM	2021-22	2022-23	2023-24			2024-25	
	FINAL ACTUAL	FINAL ACTUAL	ADOPTED BUDGET	AMENDED BUDGET	ESTIMATED BUDGET	CURRENT BUDGET	PROPOSED BUDGET
Beginning Fund Balance	\$ 153,760	\$ 152,089	\$ 152,589	\$ 153,496	\$ 153,496	\$ 153,996	153,996
Revenues:							
Revenues	(1,671)	1,407	500	500	500	500	500
Transfers In	-	-	-	-	-	-	-
Total Revenues	(1,671)	1,407	500	500	500	500	500
Expenditures:							
Salaries and Benefits	-	-	-	-	-	-	-
Services and Supplies	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-
Change in Fund Balance	(1,671)	1,407	500	500	500	500	500
Ending Fund Balance	\$ 152,089	\$ 153,496	\$ 153,089	\$ 153,996	\$ 153,996	\$ 154,496	\$ 154,496

FUND SUMMARIES

FUND: 224 TRANSPORTATION FACILITY IMPACT

This fund accounts for developer impact fees (AB1600 fees) paid to protect the public health, safety, and welfare by maintaining the existing level of public services for existing and future residents within the City of Arroyo Grande.

ITEM	2021-22	2022-23	2023-24			2024-25	
	FINAL ACTUAL	FINAL ACTUAL	ADOPTED BUDGET	AMENDED BUDGET	ESTIMATED BUDGET	CURRENT BUDGET	PROPOSED BUDGET
Beginning Fund Balance	\$ 2,601,058	\$ 2,587,414	\$ 1,359,946	\$ 2,682,500	\$ 2,682,500	\$ 2,742,500	\$ 2,742,500
Revenues:							
Revenues	(13,644)	95,086	60,000	60,000	60,000	60,000	60,000
Transfers In	-	-	-	-	-	-	-
Total Revenues	(13,644)	95,086	60,000	60,000	60,000	60,000	60,000
Expenditures:							
Salaries and Benefits	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-
Change in Fund Balance	(13,644)	95,086	60,000	60,000	60,000	60,000	60,000
Ending Fund Balance	\$ 2,587,414	\$ 2,682,500	\$ 1,419,946	\$ 2,742,500	\$ 2,742,500	\$ 2,802,500	\$ 2,802,500

FUND: 225 TRANSPORTATION

This revenue source is provided by the San Luis Obispo County of Government's (SLOCOG) Local Transportation Fund (LTF). The annual appropriation is restricted to transportation systems, including transit, pedestrian, street and road maintenance.

ITEM	2021-22	2022-23	2023-24			2024-25	
	FINAL ACTUAL	FINAL ACTUAL	ADOPTED BUDGET	AMENDED BUDGET	ESTIMATED BUDGET	CURRENT BUDGET	PROPOSED BUDGET
Beginning Fund Balance	\$ 540,130	\$ 967,679	\$ 1,248,679	\$ 1,337,178	\$ 1,337,178	\$ 1,452,178	\$ 1,452,178
Revenues:							
Revenues	660,553	602,502	515,000	515,000	515,000	516,000	516,000
Transfers In	-	-	-	-	-	-	-
Total Revenues	660,553	602,502	515,000	515,000	515,000	516,000	516,000
Expenditures:							
Salaries and Benefits	-	-	-	-	-	-	-
Services and Supplies	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Transfers Out	233,004	233,004	400,000	400,000	400,000	425,000	580,000
Total Expenditures	233,004	233,004	400,000	400,000	400,000	425,000	580,000
Change in Fund Balance	427,549	369,498	115,000	115,000	115,000	91,000	(64,000)
Ending Fund Balance	\$ 967,679	\$ 1,337,178	\$ 1,363,679	\$ 1,452,178	\$ 1,452,178	\$ 1,543,178	\$ 1,388,178

FUND SUMMARIES

FUND: 226 WATER NEUTRALIZATION IMPACT

The City requires development projects that increase total water consumption in the City to “neutralize” that demand by reducing water consumption in existing development by an equivalent amount or by paying a fee in-lieu of performing water consumption reductions. This fund accounts for the amount collected from developers and is used towards the City’s water conservation efforts.

ITEM	2021-22	2022-23	2023-24			2024-25	
	FINAL ACTUAL	FINAL ACTUAL	ADOPTED BUDGET	AMENDED BUDGET	ESTIMATED BUDGET	CURRENT BUDGET	PROPOSED BUDGET
Beginning Fund Balance	\$ 369,799	\$ 270,767	\$ 204,333	\$ 218,316	\$ 218,316	\$ 108,116	\$ 108,116
Revenues:							
Revenues	13,389	45,551	52,000	52,000	52,000	52,000	52,000
Transfers In	-	-	-	-	-	-	-
Total Revenues	13,389	45,551	52,000	52,000	52,000	52,000	52,000
Expenditures:							
Salaries and Benefits	-	-	-	-	-	-	-
Services and Supplies	112,420	98,002	137,300	162,200	162,200	137,300	137,300
Debt Service	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
Total Expenditures	112,420	98,002	137,300	162,200	162,200	137,300	137,300
Change in Fund Balance	(99,032)	(52,451)	(85,300)	(110,200)	(110,200)	(85,300)	(85,300)
Ending Fund Balance	\$ 270,767	\$ 218,316	\$ 119,033	\$ 108,116	\$ 108,116	\$ 22,816	\$ 22,816

FUND: 231 DRAINAGE FACILITY

This fund accounts for impact fees paid by development and are restricted to improving drainage within the City.

ITEM	2021-22	2022-23	2023-24			2024-25	
	FINAL ACTUAL	FINAL ACTUAL	ADOPTED BUDGET	AMENDED BUDGET	ESTIMATED BUDGET	CURRENT BUDGET	PROPOSED BUDGET
Beginning Fund Balance	\$ 5,891	\$ 5,891	\$ 5,891	\$ 5,891	\$ 5,891	\$ 5,891	\$ 5,891
Revenues:							
Revenues	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-	-
Expenditures:							
Salaries and Benefits	-	-	-	-	-	-	-
Services and Supplies	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-
Change in Fund Balance	-	-	-	-	-	-	-
Ending Fund Balance	\$ 5,891	\$ 5,891	\$ 5,891	\$ 5,891	\$ 5,891	\$ 5,891	\$ 5,891

FUND SUMMARIES

FUND: 232 IN-LIEU AFFORDABLE HOUSING

This fund accounts for monies paid by developers in meeting the City's mandatory affordable housing requirements.

ITEM	2021-22	2022-23	2023-24			2024-25	
	FINAL ACTUAL	FINAL ACTUAL	ADOPTED BUDGET	AMENDED BUDGET	ESTIMATED BUDGET	CURRENT BUDGET	PROPOSED BUDGET
Beginning Fund Balance	\$ 1,099,746	\$ 1,145,827	\$ 1,172,327	\$ 1,172,609	\$ 1,172,609	\$ 750,738	\$ 750,738
Revenues:							
Revenues	46,081	26,782	26,500	26,500	26,500	26,500	26,500
Transfers In	-	-	-	-	-	-	-
Total Revenues	46,081	26,782	26,500	26,500	26,500	26,500	26,500
Expenditures:							
Salaries and Benefits	-	-	-	-	-	-	-
Services and Supplies	-	-	-	448,370	448,370	-	-
Capital Outlay	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
Total Expenditures	-	-	-	448,370	448,370	-	-
Change in Fund Balance	46,081	26,782	26,500	(421,870)	(421,870)	26,500	26,500
Ending Fund Balance	\$ 1,145,827	\$ 1,172,609	\$ 1,198,827	\$ 750,738	\$ 750,738	\$ 777,238	\$ 777,238

FUND: 233 IN-LIEU UNDERGROUND UTILITY

This fund accounts for monies paid by developers in meeting the City's underground utility requirements.

ITEM	2021-22	2022-23	2023-24			2024-25	
	FINAL ACTUAL	FINAL ACTUAL	ADOPTED BUDGET	AMENDED BUDGET	ESTIMATED BUDGET	CURRENT BUDGET	PROPOSED BUDGET
Beginning Fund Balance	\$ 19,943	\$ 19,659	\$ 19,942	\$ 19,841	\$ 19,841	\$ 19,841	\$ 19,841
Revenues:							
Revenues	(284)	182	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-
Total Revenues	(284)	182	-	-	-	-	-
Expenditures:							
Salaries and Benefits	-	-	-	-	-	-	-
Services and Supplies	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-
Change in Fund Balance	(284)	182	-	-	-	-	-
Ending Fund Balance	\$ 19,659	\$ 19,841	\$ 19,942	\$ 19,841	\$ 19,841	\$ 19,841	\$ 19,841

FUND SUMMARIES

FUND: 240 TOURISM BUSINESS IMPROVEMENT DISTRICT

The purpose of the Tourism Business Improvement District (TBID) is to provide projects, programs and activities that benefit lodging businesses located and operating within the City of Arroyo Grande. A two percent (2%) assessment is levied on all lodging businesses of the rent charged by the operator per occupied room per night for all transient occupancies. Revenue collected is used to promote the lodging industry within the City.

ITEM	2021-22	2022-23	2023-24			2024-25	
	FINAL ACTUAL	FINAL ACTUAL	ADOPTED BUDGET	AMENDED BUDGET	ESTIMATED BUDGET	CURRENT BUDGET	PROPOSED BUDGET
Beginning Fund Balance	\$ 328,350	\$ 405,833	\$ 383,583	\$ 436,489	\$ 436,489	\$ 420,739	\$ 420,739
Revenues:							
Revenues	290,014	307,704	309,500	309,500	309,750	319,050	319,020
Transfers In	-	-	-	-	-	-	-
Total Revenues	290,014	307,704	309,500	309,500	309,750	319,050	319,020
Expenditures:							
Salaries and Benefits	-	-	-	-	-	-	-
Services and Supplies	204,527	269,044	275,500	275,500	275,500	275,500	411,850
Debt Service	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Transfers Out	8,004	8,004	50,000	50,000	50,000	50,000	50,000
Total Expenditures	212,531	277,048	325,500	325,500	325,500	325,500	461,850
Change in Fund Balance	77,483	30,656	(16,000)	(16,000)	(15,750)	(6,450)	(142,830)
Ending Fund Balance	\$ 405,833	\$ 436,489	\$ 367,583	\$ 420,489	\$ 420,739	\$ 414,289	\$ 277,909

FUND: 241 WATER AVAILABILITY FUND

Pursuant to the provisions of Section 38743 of the Government Code, water availability charges is a "special charge" which is levied to each parcel of property not served with city water. These charges are restricted for the sole purpose of expanding water supply such as desalination plant, recycled water, scalping plant, etc.

ITEM	2021-22	2022-23	2023-24			2024-25	
	FINAL ACTUAL	FINAL ACTUAL	ADOPTED BUDGET	AMENDED BUDGET	ESTIMATED BUDGET	CURRENT BUDGET	PROPOSED BUDGET
Beginning Fund Balance	\$ 1,601,901	\$ 1,291,275	\$ 45,950	\$ 40,851	\$ 40,851	\$ 56,080	\$ 56,080
Revenues:							
Revenues	(13,048)	40,851	58,000	58,000	58,000	58,000	58,000
Transfers In	-	-	-	-	-	-	-
Total Revenues	(13,048)	40,851	58,000	58,000	58,000	58,000	58,000
Expenditures:							
Services and Supplies	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Transfers Out	297,578	1,291,275	-	42,771	42,771	-	-
Total Expenditures	297,578	1,291,275	-	42,771	42,771	-	-
Change in Fund Balance	(310,626)	(1,250,424)	58,000	15,229	15,229	58,000	58,000
Ending Fund Balance	\$ 1,291,275	\$ 40,851	\$ 103,950	\$ 56,080	\$ 56,080	\$ 114,080	\$ 114,080

FUND SUMMARIES

FUND: 250 CDBG GRANT FUND

This fund accounts for revenues and expenditures related to Community Development Block Grant (CDBG) Funds. The program is a flexible program that provides the City with resources to address a wide range of unique community development needs.

ITEM	2021-22	2022-23	2023-24			2024-25	
	FINAL ACTUAL	FINAL ACTUAL	ADOPTED BUDGET	AMENDED BUDGET	ESTIMATED BUDGET	CURRENT BUDGET	PROPOSED BUDGET
Beginning Fund Balance	\$ 20,923	\$ 20,923	\$ 17,242	\$ 20,923	\$ 20,923	\$ 0	0
Revenues:							
Revenues	-	-	56,749	64,707	153,458	-	12,391
Transfers In	-	-	-	-	-	-	-
Total Revenues	-	-	56,749	64,707	153,458	-	12,391
Expenditures:							
Salaries and Benefits	-	-	-	-	-	-	-
Services and Supplies	-	-	56,749	174,381	174,381	12,391	12,391
Debt Service	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
Total Expenditures	-	-	56,749	174,381	174,381	12,391	12,391
Change in Fund Balance	-	-	-	(109,674)	(20,923)	(12,391)	-
Ending Fund Balance	\$ 20,923	\$ 20,923	\$ 17,242	\$ (88,751)	\$ 0	\$ (12,391)	0

FUND: 260 AMERICAN RESCUE PLAN ACT (ARPA)

This fund accounts for American Rescue Plan Act (ARPA) funds. On March 11, 2021 President Biden signed ARPA into law. ARPA is intended to provide financial aid to families, governments, businesses, schools, non-profits and others impacted by the COVID-19 public health crisis. To support the immediate pandemic response, bring back jobs, and lay the groundwork for a strong and equitable recovery, ARPA established the Coronavirus State and Local Recovery Fund, designed to deliver \$350 billion to state, local, territorial, and Tribal governments to bolster their response to the COVID-19 emergency and recover from the economic impacts caused by the public health crisis. This legislation provided \$27 billion in federal money to the State of California. The State will allocate \$1.2 billion to non-entitlement units of local government (NEUs). As an NEU, Arroyo Grande is eligible to receive \$4,300,241.

ITEM	2021-22	2022-23	2023-24			2024-25	
	FINAL ACTUAL	FINAL ACTUAL	ADOPTED BUDGET	AMENDED BUDGET	ESTIMATED BUDGET	CURRENT BUDGET	PROPOSED BUDGET
Beginning Fund Balance	\$ -	\$ -	\$ 1,453,900	\$ (105,180)	\$ (105,180)	\$ (0)	\$ (0)
Revenues:							
Revenues	604,246	697,722	-	2,998,274	2,998,274	-	-
Transfers In	-	-	-	-	-	-	-
Total Revenues	604,246	697,722	-	2,998,274	2,998,274	-	-
Expenditures:							
Salaries and Benefits	-	-	-	-	-	-	-
Services and Supplies	31,643	137,981	-	-	300,000	-	-
Capital Outlay	-	-	-	-	-	-	-
Transfers Out	572,603	664,921	1,453,900	2,767,944	2,593,095	-	-
Total Expenditures	604,246	802,902	1,453,900	2,767,944	2,893,095	-	-
Change in Fund Balance	-	(105,180)	(1,453,900)	230,331	105,180	-	-
Ending Fund Balance	\$ -	\$ (105,180)	\$ 0	\$ 125,151	\$ (0)	\$ (0)	\$ (0)

FUND SUMMARIES

FUND: 271 STATE COPS BLOCK GRANT

This fund accounts for the receipt and use of monies from the State of California restricted to the purchase of police equipment and technology for crime prevention.

ITEM	2021-22	2022-23	2023-24			2024-25	
	FINAL ACTUAL	FINAL ACTUAL	ADOPTED BUDGET	AMENDED BUDGET	ESTIMATED BUDGET	CURRENT BUDGET	PROPOSED BUDGET
Beginning Fund Balance	\$ 397,272	\$ 533,489	\$ 377,289	\$ 683,208	\$ 683,208	\$ 558,708	\$ 558,708
Revenues:							
Revenues	158,663	191,763	140,800	140,800	140,800	140,800	140,800
Transfers In	-	-	-	-	4,000	-	-
Total Revenues	158,663	191,763	140,800	140,800	144,800	140,800	140,800
Expenditures:							
Salaries and Benefits	-	-	-	-	-	-	-
Services and Supplies	-	-	-	-	-	-	-
Capital Outlay	22,446	42,043	25,000	25,000	25,000	-	-
Transfers Out	-	-	119,300	244,300	244,300	-	-
Total Expenditures	22,446	42,043	144,300	269,300	269,300	-	-
Change in Fund Balance	136,217	149,719	(3,500)	(128,500)	(124,500)	140,800	140,800
Ending Fund Balance	\$ 533,489	\$ 683,208	\$ 373,789	\$ 554,708	\$ 558,708	\$ 699,508	\$ 699,508

FUND SUMMARIES

AGENCY FUNDS

FUND: 286 SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY

This private-purpose trust fund was created to hold the assets of the former redevelopment agency of the City of Arroyo Grande until they are distributed to other units of state and local government after the payment of enforceable obligations have been made.

ITEM	2021-22	2022-23	2023-24			2024-25	
	FINAL ACTUAL	FINAL ACTUAL	ADOPTED BUDGET	AMENDED BUDGET	ESTIMATED BUDGET	CURRENT BUDGET	PROPOSED BUDGET
Beginning Fund Balance	\$ (2,342,921)	\$ (2,167,489)	\$ (2,569,372)	\$ (2,380,831)	\$ (2,380,831)	\$ (2,366,620)	\$ (2,366,620)
Revenues:							
Revenues	403,763	-	412,944	412,944	412,944	412,944	412,944
Transfers In	-	-	-	-	-	-	-
Total Revenues	403,763	-	412,944	412,944	412,944	412,944	412,944
Expenditures:							
Salaries and Benefits	-	-	-	-	-	-	-
Services and Supplies	6,854	7,225	2,000	2,000	6,854	2,000	2,000
Debt Service	191,478	176,117	382,944	382,944	361,879	382,944	382,944
Capital Outlay	-	-	-	-	-	-	-
Transfers Out	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Total Expenditures	228,332	213,342	414,944	414,944	398,733	414,944	414,944
Change in Fund Balance	175,431	(213,342)	(2,000)	(2,000)	14,211	(2,000)	(2,000)
Ending Fund Balance	\$ (2,167,489)	\$ (2,380,831)	\$ (2,571,372)	\$ (2,382,831)	\$ (2,366,620)	\$ (2,368,620)	\$ (2,368,620)

FUND: 287 SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY - HOUSING FUNCTION

This private-purpose trust fund was created to hold the housing assets of the former redevelopment agency of the City of Arroyo Grande until they are distributed to other units of state and local government after the payment of enforceable obligations have been made.

ITEM	2021-22	2022-23	2023-24			2024-25	
	FINAL ACTUAL	FINAL ACTUAL	ADOPTED BUDGET	AMENDED BUDGET	ESTIMATED BUDGET	CURRENT BUDGET	PROPOSED BUDGET
Beginning Fund Balance	\$ 1,594,478	\$ 1,620,847	\$ 1,619,534	\$ 1,647,160	\$ 1,647,160	\$ 1,645,486	\$ 1,645,486
Revenues:							
Revenues	27,859	27,859	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-
Total Revenues	27,859	27,859	-	-	-	-	-
Expenditures:							
Salaries and Benefits	-	-	-	-	-	-	-
Services and Supplies	1,491	1,546	1,500	1,500	1,674	1,500	1,500
Debt Service	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
Total Expenditures	1,491	1,546	1,500	1,500	1,674	1,500	1,500
Ending Fund Balance	\$ 1,620,847	\$ 1,647,160	\$ 1,618,034	\$ 1,645,660	\$ 1,645,486	\$ 1,643,986	\$ 1,643,986

FUND SUMMARIES

FUND: 751 DOWNTOWN PARKING

This agency fund collects assessments from Arroyo Grande Village merchants for the maintenance of the Village parking lots for the Downtown Village Merchants Association.

ITEM	2021-22	2022-23	2023-24			2024-25	
	FINAL ACTUAL	FINAL ACTUAL	ADOPTED BUDGET	AMENDED BUDGET	ESTIMATED BUDGET	CURRENT BUDGET	PROPOSED BUDGET
Beginning Fund Balance	\$ 2,029	\$ 2,565	\$ 147,019	\$ 150,275	\$ 150,275	\$ 150,201	\$ 150,201
Revenues:							
Revenues	11,352	156,128	11,000	11,000	11,319	11,000	11,000
Transfers In	(104)	1,849	-	-	4,623	-	-
Total Revenues	11,248	157,977	11,000	11,000	15,942	11,000	11,000
Expenditures:							
Salaries and Benefits	-	-	-	-	-	-	-
Services and Supplies	4,807	4,364	4,400	4,400	10,115	4,400	4,400
Capital Outlay	-	-	-	-	-	-	-
Transfers Out	5,904	5,904	5,900	5,900	5,900	5,900	5,900
Total Expenditures	10,711	10,268	10,300	10,300	16,015	10,300	10,300
Ending Fund Balance	\$ 2,565	\$ 150,275	\$ 147,719	\$ 150,975	\$ 150,201	\$ 150,901	\$ 150,901

Capital Improvement Program

INTRODUCTION

The Capital Improvement Program (CIP) is a five year plan that addresses infrastructure maintenance and improvements throughout the City. The CIP is divided into six major project types – Miscellaneous, Parks, Streets, Drainage, Sewer and Water. The CIP is funded through a variety of sources including significant grants and transfers from other funds.

The following pages provide summary information for each project with proposed funding during the five year period as well as an overall summary of all projects.

Project Number	Request Title	Funding Source	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	5-Year Total
MISCELLANEOUS PROJECTS								
350-5468	Community Safety Camera Network	4929 - COPS	-	-	200,000	-	-	200,000
350-54XX	City Hall Second Story Water Leak Repair	4950 - Sales Tax	20,000	-	-	-	-	20,000
350-5475	ADA Transition Plan	4463 - CDBG	12,391	-	-	-	-	
		4499 - Other Gov Agencies	23,500	-	-	-	-	
		4950 - Sales Tax	75,834	-	-	-	-	111,725
350-54XX	PD EOC Upgrade	4499 - Other Gov Agencies	27,000	-	-	-	-	
		4950 - Sales Tax	73,000	-	-	-	-	100,000
350-5422	Le Point Street Parking Lot Expansion	4950 - Sales Tax	42,500	42,500	6,000	-	-	
		49XX - In-Lieu Parking Fee	-	-	144,000	-	-	235,000
350-54XX	Police Department Building Roof Repair	4950 - Sales Tax	-	20,000	-	-	-	20,000
350-54XX	Police Station Security Fencing	4950 - Sales Tax	-	40,000	-	-	-	40,000
350-54XX	Fire Station 1 HVAC	4950 - Sales Tax	-	100,000	-	-	-	100,000
350-5430	Short Street Plaza	4950 - Sales Tax	-	-	50,000	-	-	50,000
350-5470	Report Management System (RMS) Upgrade at PD	4929 - COPS	-	-	150,000	-	-	150,000
350-54XX	Property and Evidence Storage System Upgrade	4950 - Sales Tax	-	-	-	25,000	-	25,000
350-54XX	Fire Station 1 Front Lobby Security	4950 - Sales Tax	-	-	-	-	50,000	50,000
Total Miscellaneous Projects			274,225	202,500	550,000	25,000	50,000	1,101,725

Project Number	Request Title	Funding Source	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	5-Year Total
PARKS PROJECTS								
350-5556	Recreation Services / Community Center Building	4950 - Sales Tax	75,000	75,000	1,300,000	200,000	-	
		4499 - Other Gov Agencies	-	-	3,375,000	1,125,000	-	6,150,000
350-55XX	New Play Structure - Parkside Park	4915 - Parkside Assessment District	250,000	-	-	-	-	250,000
350-55XX	ADA Bathrooms Elm Street Park	4950 - Sales Tax	235,000	-	-	-	-	235,000
350-55XX	Ash Street Restroom Roof Replacement	4914 - Park Improvement	-	65,000	-	-	-	65,000
350-55XX	Foot Bridge at Entrance of James Way Open Space	4914 - Park Improvement	-	-	-	50,000	-	50,000
Total Parks Projects			560,000	140,000	4,675,000	1,375,000	-	6,750,000

Project Number	Request Title	Funding Source	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	5-Year Total
STREETS PROJECTS								
350-5601	Fair Oaks Ave Active Transportation Improvements, Valley Road to Traffic Way	4825 - Developer	-	-	-	50,000	-	
		4950 - Sales Tax	-	-	-	75,000	225,000	350,000
350-5606	Halcyon Road Complete Streets	4482 - RSHA	749,000	-	-	-	-	
		44XX - ATP	3,684,500	3,432,500	-	-	-	7,866,000
350-5614	Bridge Street Bridge Habitat Mitigation	4487 - HBP	48,628	48,628	-	-	-	97,256
350-5621	Arroyo Grande Creek Stabilization	4950 - Sales Tax	40,000	-	-	-	300,000	340,000
350-5638	Pavement Management Program	49XX - Regional SHA	390,000	-	-	-	-	
		44XX - Betterments Grant	570,000	-	-	-	-	
		4910 - General Fund	2,360,000	-	-	-	-	
		4920 - SB1	450,000	450,000	450,000	450,000	450,000	
		4950 - Sales Tax	966,833	1,046,624	-	1,250,000	1,250,000	
		4965 - ARPA	204,207	-	-	-	-	
		4463 - CDBG	58,960	-	-	-	-	10,346,624
350-5658	Sidewalk Repairs and Improvements	4950 - Sales Tax	240,000	-	200,000	-	200,000	
		44XX - Betterments Grant	423,000					1,063,000
350-5679	Traffic Way Bridge Replacement	4487 - HBP	6,118,724	6,118,724	-	-	-	
		4950 - Sales Tax	792,745	792,745	-	-	-	13,822,938
350-56XX	Wayfinding	4950 - Sales Tax	60,000	-	-	-	-	60,000
Total Streets Projects			17,156,597	11,889,221	650,000	1,825,000	2,425,000	33,945,818

Project Number	Request Title	Funding Source	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	5-Year Total
DRAINAGE PROJECTS								
350-5794	Corrugated Metal Pipe (CMP) Investigation and Repair	4950 - Sales Tax	100,000	100,000	100,000	100,000	-	400,000
350-5798	Trash Capture Devices	4950 - Sales Tax	-	-	74,000	70,000	70,000	214,000
350-57xx	Soto Basin #2 Repair	4950 - Sales Tax	-	200,000	-	-	-	200,000
Total Drainage Projects			100,000	300,000	174,000	170,000	70,000	814,000

Project Number	Request Title	Funding Source	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	5-Year Total
SEWER PROJECTS								
612- 5854	Wastewater Master Plan Update	4930 - Sewer Fund	100,000	-	-	-	-	100,000
612-5849	Maintenance Hole Rehabilitation	4930 - Sewer Fund	-	100,000	100,000	100,000	-	300,000
612-58XX	Trenchless Sewer Rehabilitation - Pilgrim Way, Orchard Avenue, West Cherry Avenue and California Street	4930 - Sewer Fund	-	-	282,000	-	-	282,000
612-5826	Trenchless Sewer Rehabilitation - Woodland Drive	4930 - Sewer Fund	-	-	132,200	-	-	132,200
612-58XX	Trenchless Sewer Rehabilitation - Alder and Cameron Court to Victorian Way	4930 - Sewer Fund	-	-	300,000	-	-	300,000
612-58XX	Trenchless Sewer Rehabilitation - Beech & Alder backyard easements	4930 - Sewer Fund	-	-	-	-	475,000	475,000
612-58XX	Trenchless Sewer Rehabilitation - Hillcrest/Sierra backyard easements	4930 - Sewer Fund	-	-	-	-	300,000	300,000
Total Sewer Projects			100,000	100,000	814,200	100,000	775,000	1,889,200

Project Number	Request Title	Funding Source	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	5-Year Total
WATER PROJECTS								
640-5953	SCADA Software/Electronics Design and Upgrade	4940 - Water Fund	330,000	-	-	-	-	330,000
640-59XX	Water Master Plan Update	4940 - Water Fund	100,000	-	-	-	-	100,000
640-59XX	Reservoir No. 5 Redundancy Interconnect	4940 - Water Fund	-	100,000	-	-	-	100,000
640-5973	Phased Main Replacement - Highway 101 Crossing Upgrade, El Camino Real to West Branch Street	4940 - Water Fund	-	-	335,000	-	-	335,000
640-5948	Reservoir No. 4 Exterior Coating	4940 - Water Fund	-	-	500,000	-	-	500,000
640-59XX	Miller Way Booster Zone Upgrade	4940 - Water Fund	-	-	-	300,000	-	300,000
640-59XX	Reservoir No. 5 booster modification & temporary storage	4940 - Water Fund	-	-	-	-	500,000	500,000
Total Water Projects			430,000	100,000	835,000	300,000	500,000	2,165,000

Grand Total, All Capital Projects			18,620,822	12,731,721	7,698,200	3,795,000	3,820,000	46,665,743
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RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE ADOPTING THE FISCAL YEAR 2024-25 BUDGET AND MAKING APPROPRIATIONS FOR THE AMOUNT BUDGETED

WHEREAS, a proposed Budget for the City of Arroyo Grande for the Fiscal Year commencing July 1, 2024, and ending June 30, 2025, was submitted to the City Council and is on file with the Director of Administrative Services; and

WHEREAS, the City Council also serves as the Board of Directors of the Successor Agency to the Dissolved Arroyo Grande Redevelopment Agency; and

WHEREAS, proceedings for adoption of said Budget have been duly taken; and

WHEREAS, total Operating Expenditures for FY 2024-25 are \$48,000,365.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The Budget is adopted for the City of Arroyo Grande for Fiscal Year commencing July 1, 2024, and ending June 30, 2025.

SECTION 2. At the close of each Fiscal Year, unexpended appropriations in the Operating Budget will be carried forward to the next fiscal year as necessary to underwrite the expense of outstanding purchase commitments. Unexpended appropriations for authorized but uncompleted projects as approved by the City Council may be carried forward to the next succeeding Budget upon recommendation by the Administrative Services Director and approval of the City Manager.

On motion of Council Member _____ , seconded by Council Member _____ , and on the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

the foregoing Resolution was passed and adopted this 11th day of June, 2024.

**RESOLUTION NO.
PAGE 2**

CAREN RAY RUSSOM, MAYOR

ATTEST:

JESSICA MATSON, CITY CLERK

APPROVED AS TO CONTENT:

MATTHEW DOWNING, CITY MANAGER

APPROVED AS TO FORM:

ISAAC ROSEN, CITY ATTORNEY

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE ADOPTING THE FISCAL YEAR 2024-2025 CAPITAL IMPROVEMENT PROGRAM BUDGET AND MAKING APPROPRIATIONS FOR THE AMOUNT BUDGETED

WHEREAS, a proposed Capital Improvement Program Budget for the City of Arroyo Grande for the Fiscal Year commencing July 1, 2024, and ending June 30, 2025, was submitted to the City Council and is on file with the Director of Administrative Services; and

WHEREAS, proceedings for adoption of said Budget have been duly taken; and

WHEREAS, total Capital Improvement Program Expenditures for FY 2024-25 are \$18,620,822.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The Capital Improvement Program Budget is adopted for the City of Arroyo Grande for the Fiscal Years commencing July 1, 2024, and ending June 30, 2025.

SECTION 2. At the close of each Fiscal Year, unexpended appropriations in the Operating Budget will be carried forward to the next fiscal year as necessary to underwrite the expense of outstanding purchase commitments. Unexpended appropriations for authorized, but uncompleted projects as approved by the City Council may be carried forward to the next succeeding Budget upon recommendation by the Administrative Services Director and approval of the City Manager.

On motion of Council Member _____, seconded by Council Member _____, and on the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

the foregoing Resolution was passed and adopted this 11th day of June, 2024.

CAREN RAY RUSSOM, MAYOR

ATTEST:

JESSICA MATSON, CITY CLERK

APPROVED AS TO CONTENT:

MATTHEW DOWNING, CITY MANAGER

APPROVED AS TO FORM:

ISAAC ROSEN, CITY ATTORNEY