

City of Arroyo Grande
Fiscal Year 2023-24
Year-End Financial Status Report

INTRODUCTION

The following report is an overview of the City's fiscal position at the end of the Fiscal Year (FY) 2023-24. The purpose of this report is to update the public and the City Council on the City's financial position at year-end and compare actual results to the prior year and the Adjusted Budget to determine the City's performance. The timeframe of this report is July 1, 2023 through June 30, 2024.

The financial report is organized in the following sections:

Section 1 – an overview of City's financial position after the end of FY 2023-24. As part of the analysis, brief explanations of significant revenue and expenditure variances are included.

Section 2 – a listing of any personnel changes occurring during the year and a summary of headcount by department. This section also includes the City's calculated vacancy rate.

Section 3 – an update on the Capital Improvement Projects (CIP) managed by the Public Works and Community Development Departments. This section includes CIP that were completed along with their final costs.

Section 4 – a listing of Budget Amendment Requests previously approved by Council and completed in the fourth quarter of the fiscal year.

Section 5 – an update on the Goal Status Reports to Council that includes progress towards completing Major City Goals and Capital Improvement Plan.

ENSURING FISCAL STABILITY:

In Fall 2020, the City Council established a goal to ensure financial stability for the organization throughout the planning, budgeting, and expenditure process, including preparation and presentation of year-end and quarterly financial reports.

SECTION 1: OVERVIEW OF FINANCIAL POSITION

CITY FUND STRUCTURE

The overall City budget is comprised of many individual funds, which are categorized below. This financial report will focus primarily on the Consolidated General Fund but will also report on all Governmental Funds.

Consolidated General Fund – The Consolidated General Fund is the primary operating fund of the City, which accounts for resources and services traditionally associated with government. The Consolidated General Fund provides administrative, financial, police protection, community development, public works, fire, and recreation services to the community and other funds. The Consolidated 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 Consolidated General Fund separately from the Measure O 2006 Sales Tax Fund, although the City's auditors traditionally combine this information in the Annual Comprehensive Financial Report (ACFR). The Measure O 2006 Sales Tax Fund accounts for the revenues derived from Measure O 2006, a local 1/2% sales tax approved by the City's voters in November 2006. Measure O 2006 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. This report will present information for the Consolidated General Fund that includes Measure O 2006 Sales Tax Fund revenues and expenditures.

Special Revenue Funds – Special revenue funds are used to account and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Debt Service Funds – This fund is used to account for the accumulation of resources and payment of long-term debt principal interest. This includes the USDA loan issued by the City to finance the relocation of City Hall.

Enterprise Funds - An enterprise fund is a separate accounting and financial reporting mechanism for which revenues and expenditures are segregated into a fund with financial statements separate from all other governmental activities. These funds include Water and Sewer services provided to City residents.

Private Purpose Fund – The private-purpose fund was created to hold the assets of the former Redevelopment Agency of the City of Arroyo Grande until they are distributed.

Agency Funds – Agency funds are funds that the City holds on behalf of another entity. Currently, there are three Agency funds. One is the Sanitation District fund, which accounts for the receipt and remittance of wastewater processing fees on behalf of the South San Luis Obispo County Sanitation District. The second is the Downtown Parking Fund, which collects assessments from Arroyo Grande Village merchants within the boundaries of the Parking and Business Improvement Area for maintenance of the Village parking lots. The third is the San Luis Obispo Tourism Marketing District (SLOTMD) Fund, which accounts for the receipt and remittance of assessments collected from lodging operators on behalf of the SLOTMD.

The chart below shows an overview of the City’s fund structure.

ALL FUNDS										
GOVERNMENTAL FUNDS			PROPRIETARY FUNDS		FIDUCIARY FUNDS					
General Fund	Legislative & Information Services	Fire Protection Impact Fees	Debt Service Funds	City Hall Debt Service	Enterprise Funds	Sewer	Private Purpose Fund	Successor Agency to RDA	Agency Funds	Downtown Parking
	Administrative Services	Public Access Television				Sewer Facility				Sanitation Distribution
	Community Development	Police Protection Impact		Water			San Luis Obispo Tourism			
	Police Department	Park Development		Water Facility			Marketing District			
	Recreation Services	Park Improvement		Lopez Water		(SLOTMD)				
	Public Works	Recreation Community Center								
	Local Sales Tax Fund	Grace Lane Assessment District								
		Parkside Assessment District								
		Street (Gas Tax)								
		Traffic Signalization								
		Traffic Circulation								
		Transportation Facility Impact								
		Transportation								
		In-Lieu Water Neutralization								
		In-Lieu Affordable Housing								
	Tourism Business Improvement Dist.									
	Water Availability									
	CDBG Grant Fund									
	American Rescue Plan Act (ARPA)									
	State COPS Block Grant									

CURRENT YEAR ACTUALS COMPARED TO PRIOR YEAR

Table 1 below reflects revenue and expenditure patterns of FY 2023-24 and compares results against the FY 2022-23 results for all Governmental Funds as well as the City’s Consolidated General Fund. The totals in the table reflect the year-end actuals for both revenue and expenditures.

Table 1

Governmental Funds			
	Year-End FY 2023-24	Year-End FY 2022-23	Variance
Revenue	\$ 30,352,133	\$ 29,333,353	\$ 1,018,780
Expenditures	\$ 33,047,468	\$ 27,439,298	\$ 5,608,170

Consolidated General Fund			
	Year-End FY 2023-24	Year-End FY 2022-23	Variance
Revenue	\$ 25,734,267	\$ 25,499,631	\$ 234,636
Expenditures	\$ 29,196,236	\$ 23,065,400	\$ 6,130,836

The following discussion focuses on both the City’s Governmental Funds and the Consolidated General Fund and provides a comparison between FY 2023-24 and FY 2022-23 results for both revenue and expenditures. Governmental Funds and Consolidated General Fund revenue and expenditures for FY 2023-24 are generally higher than the prior year. The Governmental Funds category includes Special Revenue Funds, Debt Service Funds, as well as the Consolidated General Fund.

Governmental Funds – At the end of FY 2023-24, Governmental Fund revenue was – 3.5%, or \$1 million higher than prior year, and expenditures were higher by 20.4% or \$5.6 million.

The majority of the revenue and expenditure variances in Governmental Funds were attributed to variances within the Consolidated General Fund and the American Rescue Plan Act (ARPA) Fund,

which is separate from the Consolidated General Fund and not otherwise addressed in this report. The Governmental Funds category includes the Consolidated General Fund as well as other Special Revenue Funds. The Consolidated General Fund and ARPA Fund variances are explained as follows:

Consolidated General Fund - The Consolidated General Fund is the primary operating fund of the City and accounts for resources and services traditionally associated with government. Consolidated General Fund revenues through the end of FY 2023-24 were 1%, or \$234,636 higher than the prior year. Expenditures increased by 26.6%, or \$6.1 million higher through the end of this year compared to the prior year. The majority of the variance between the two fiscal years is related to increased costs of one-time payments for Liability and Property Insurance, CalPERS Unfunded Accrued Liability, and Workers Compensation.

ARPA Fund – The ARPA Fund was created to help separately track funding provided pursuant to the American Rescue Plan Act. This Act is intended to provide financial aid to families, governments, businesses, schools, non-profits, and others impacted by the COVID-19 public health crisis. To date, the City has received the full amount allocated, totaling \$4,300,241. In FY 2021-22, expenditures incurred totaled \$604,246. In FY 2022-23, expenditures incurred totaled \$745,837. In FY 2023-24, expenditures incurred totaled \$1,121,731. The remaining \$1,828,427 is currently recognized as revenue in FY 2024-25.

CONSOLIDATED GENERAL FUND IMPACTS

The following discussion focuses on the City’s Consolidated General Fund performance. Chart 1 starts off with a simple overview of Consolidated General Fund performance compared to the Adjusted Budget. Next are expenditures by category (Table 2). This is followed by a summarized look at FY 2023-24 actual expenditures compared to the Adjusted Budget (Table 3). Lastly, a discussion of Consolidated General Fund revenue is included, which compares actual results to the Adjusted Budget (Table 4).

Chart 1

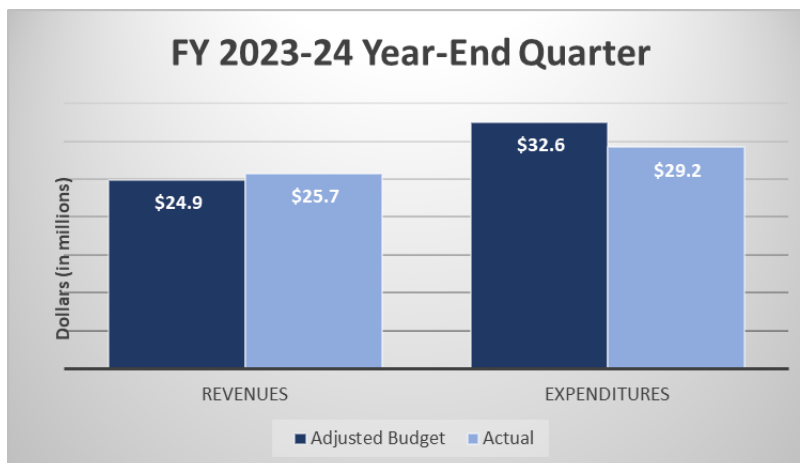


Chart 1 shows a simple comparison of actual revenue and expenditures to the Adjusted Budget. Consolidated General Fund revenue exceeded the Adjusted Budget by \$839,649. Property Tax, Measure O-2006 Sales Tax, User Fees, and Franchise Fees revenues exceeded the Adjusted Budget. The actual expenditures totaled \$29.2 million, or 90% of the full year’s Budget, and are under the budget by \$3.4

million. A more detailed discussion on Consolidated General Fund revenue and expenditure variances is included later in this report.

Table 2

Expenditure Category	FY 2023-24	% of
	Year-End Actuals	Actuals
Personnel Costs	\$ 12,790,046	43.8%
Operating Costs	9,997,641	34.2%
Debt Service	310,018	1.1%
Capital Outlay	135,275	0.5%
Transfers Out	5,963,255	20.4%
Total	\$ 29,196,235	

Table 2 reflects major expenditure cost categories within the Consolidated General Fund. This chart is intended to explain where the City’s resources were spent during the fiscal year. Within the total expenditures of \$29.2 million, 43.8% of the City’s costs are associated with personnel, 34.2% with operating and maintenance, 1.1% for the City’s debt

service, 0.5% for Capital Outlay, and 20.4% with transfers to other funds.

Table 3 reflects the year-end status of all Consolidated General Fund operating departments. Some departments include multiple divisions. The divisions are consolidated under their respective department, rather than reflected individually within the table.

Table 3 – Consolidated General Fund Expenditures by Department

Consolidated General Fund Department Variances - Year-End				
Consolidated General Fund Department	FY 2023-24	FY 2023-24	Dollar	%
	Adjusted Budget	Actuals	Fav/(Unfav)	Fav/(Unfav)
City Administration	\$ 1,751,100	\$ 1,731,651	\$ 19,449	1%
Legislative & Information Services	449,460	422,012	27,448	6%
Measure O 2006 Sales Tax Fund	1,269,800	1,234,861	34,939	3%
Measure O 2006 CIP Allocation	7,715,691	4,917,827	2,797,864	36%
Administration Services	5,297,212	5,810,091	(512,879)	-10%
Non-Departmental Annual Payments	2,836,525	2,756,790	79,735	3%
Community Development	1,996,822	1,680,784	316,038	16%
Police Department	6,905,599	6,702,366	203,233	3%
Recreation Services	901,370	916,482	(15,112)	-2%
Public Works	3,430,898	3,023,372	407,526	12%
TOTAL EXPEDITURES	32,554,477	29,196,236	3,358,241	10%

Overall, the City was under the Adjusted Budget by 10%, or \$3.4 million. The majority of City departments were under spent, except for Administrative Services and Recreation Services. Some of the more significant savings occurred in the Measure O 2006 Sales CIP Allocation, Administrative Services, Public Works, Community Development, and Police Departments. A more detailed explanation of key expenditure variances by individual department/division is provided below.

KEY EXPENDITURE VARIANCES FOR INDIVIDUAL DIVISIONS/DEPARTMENTS FOR FISCAL YEAR 2023-24

Department: Measure O-06 Sales & Use Tax Fund CIP Allocations	This 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. This budget included \$7.7 million allocated to ongoing CIP projects. A large amount of progress was made but with timing of project completion there is a significant amount of savings that will be carried over in FY 2024-25.
Division: Fund 218	
Issue: Overall savings in Transfers Out to CIP Projects and debt service	
Impact to Consolidated General Fund: \$2,762,925 savings	

Department: Administrative Services	The Administrative Services Department includes the City's Fiscal and Information Technology functions, as well as Non-Departmental expenditures. This budget included a line item reflecting budgeted salary savings for the entire Consolidated General Fund instead of budgeting these savings within each specific department. This creates an overage at year-end due to
Division: Various (4120, 4140, 4145)	
Issue: Overall savings in Transfers Out to CIP Projects and debt service	
Impact to Consolidated General Fund: \$512,879 overage	

the salary savings actually happening in specific departments and discussed there due to the fluctuation of salary savings moving between different departments because of vacancies.

Department: Public Works	The Public Works Department includes the functions of Government Buildings, Engineering, Auto Shop, Administration, Park Maintenance, and Soto Sports Complex Divisions within the Consolidated General Fund. The majority of the favorable variance in this department can be attributed to salary savings. For simplicity. Some of the more significant variances
Division: Various (4213, 4301, 4305, 4307, 4420, 4430)	
Issue: Overall savings in salaries and contractual services	
Impact to Consolidated General Fund: \$407,526 savings	

include:

- The Public Works Administration Division had a vacant Public Works Director/Assistant City Manager position and had a vacant Assistant Capital Projects Manager the first half of the fiscal year. Additionally, one employee was on medical leave resulting in labor savings of approximately \$229,600.
- The Parks Division has savings of approximately \$160,000 related to the replacement of a bucket truck that has not yet been purchased.

Department: Community Development	The Community Development Department includes the functions of Planning and Building & Safety Divisions. The majority of the favorable variance in this department can be attributed to salary savings and lower spending in contractual services. Some of the more significant variances include:
Division: Various (4130, 4212)	
Issue: Overall savings in salaries and contractual services	
Impact to Consolidated General Fund: \$316,038 savings	

- The vacancy of the Building Permit Technician position during the first half of the fiscal year resulted in a portion of the Division's overall labor savings totaling approximately \$82,400.

- Contractual services for the Planning Division had savings of approximately \$227,600 related to the Comprehensive General Plan Update, this is an ongoing update that is anticipated to be carried over in FY 2024-25.

Department: Police Services
Division: Various (4201, 4203, 4204, 4209)
Issue: Overall savings in salaries and benefits and contractual services
Impact to Consolidated General Fund: \$203,233 savings

Police Services includes the functions of Administration, Patrol Services, Support Services, and the Office of Traffic Safety (OTS) Grant for Traffic/DUI Enforcement Program. For simplicity, Police Services will be analyzed in total rather than by individual divisions. Some of the more significant variances include:

- The Police Department has had vacancies throughout the fiscal year and one medical leave, resulting in labor savings of approximately \$107,700.
- The Police Department administers the ABC Grant and OTS Traffic Enforcement program that operate on the federal fiscal year from October 1, 2023, to September 30, 2024, these programs had savings totaling \$72,300 that is anticipated to be carried over in FY 2024-25.

KEY REVENUE VARIANCES BY ACCOUNT FOR THE THIRD QUARTER

Table 4 – Consolidated General Fund Revenue

Consolidated General Fund Revenue Variances - Year-End					
REVENUE BY CATEGORY	FY 2023-24	FY 2023-24	Dollar		
	Adjusted Budget	Actuals	(Unfav)/Fav	%	Fav/(Unfav)
Property Tax	\$ 6,327,486	\$ 6,822,920	\$ 495,434		8%
Sales Tax	5,268,158	5,158,345	(109,813)		-2%
Measure O-06 Sales & Use Tax	2,962,000	3,283,349	321,349		11%
Transient Occ. Tax	1,545,000	1,407,882	(137,118)		-9%
Property Tax in Lieu of VLF	2,001,300	2,129,113	127,813		6%
Franchise Fees	795,600	960,744	165,144		21%
License & Permit Fees	579,500	549,661	(29,839)		-5%
User Fees	521,500	916,310	394,810		76%
Planning Fees	371,500	485,561	114,061		31%
Recreation Fees	415,867	574,162	158,295		38%
Transfers In	3,114,066	2,755,008	(359,058)		-12%
Other Revenue	992,640	691,211	(301,429)		-30%
TOTAL	24,894,617	25,734,266	839,649		3%

As reflected in Table 4, actual revenue exceeded the Adjusted Budget by \$839,649. Property Tax, Measure O-2006 Sales Tax, User Fees, and Franchise Fees revenues are all showing positive results while Transfers in and Other Revenue reflect an unfavorable variance. A more detailed discussion is included below to help explain actual revenue variances.

Property Tax – The majority of the City’s property tax revenue comes from Secured Property Taxes. Property tax revenues ended the year in a favorable position by \$495,434, or 8% above the Adjusted Budget. Property tax collected grew 4.8% over the previous fiscal year, as the housing market continues to rise. Property tax represents 26.5% of the City’s annual revenue.

Sales Tax and Measure O 2006 Sales Tax Fund – Actual Sales tax is lower than anticipated, while Measure O 2006 Sales Tax exceeded the Adjusted Budget by \$321,349, or 11%. Certain business categories like building and construction, online shopping, general consumer goods, fuel and service stations, and food and drugs continued to show strong sales tax receipts and exceeded expectations.

Transient Occupancy Tax (TOT) – TOT revenue is reflecting a \$137,118 unfavorable variance to the Adjusted Budget. TOT revenues appear to have hit a steady rate of increase compared to the large increase experienced in FY 2022-23.

Property Tax in Lieu of Vehicle License Fees (VLF) – Actual Property tax in lieu of VLF revenue exceeded the Adjusted Budget by \$127,813, or 6% above the Adjusted Budget.

Franchise Fees – The City received Franchise Fees from Charter Communication, Waste Connections, College Towing, Southern California Gas, PG& E, and Phillips 66. Franchise Fee revenues ended the year in a favorable position by \$165,144, or 6% above the Adjusted Budget.

License & Permit Fees, User Fees, and Planning Fees – License and permit revenue is below the Adjusted Budget by \$29,839. Planning revenue exceeded the Adjusted Budget by \$114,061. Revenue in this category is customer driven and fluctuates over the course of a year as well as year over year based on demand.

Recreation Fees – Recreation revenue is above the Adjusted Budget by \$158,295.

Other Revenues – This revenue category includes business license tax, fines, revenue from other government agencies, charges for services and any other revenues accounts received in the consolidated general fund. The largest variance in this category is related to three revenue accounts. The expense recovery for police vehicles revenue related to the sale of surplus Police Patrol vehicles has not taken place since the new leased vehicles have not yet been received. This results in a revenue shortfall of approximately \$301,429. The revenue from other government agencies accounts for the SB 1090 funds earmarked for use of the general plan update totaling \$227,600 and Retraining Scholarship Program totaling \$21,500. Once these funds are spent for these projects, the revenue will be recognized at that time. The remainder of the variance is related to the Expense Recovery budget for the sale of the Police Fleet vehicles. The City has not yet sold these vehicles due to the long lead time of receiving the new fleet vehicles.

SECTION 2: POSITION CHANGES AND HEADCOUNT NUMBERS

POSITION ALLOCATION CHANGES MADE BY THE CITY COUNCIL (Year-End)

None made during this quarter.

FULL TIME EQUIVALENT (FTE) BY DEPARTMENT – PERMANENT STAFF ONLY

The following table reflects FTE staffing by department. The table only includes permanent staff and does not include part-time or temporary staffing. While departments may hire part-time staff on a regular or seasonal basis, they are not included in the analysis below.

Department	Adopted Budget Headcount (FTE's)	Vacancies (Year-End)	% of Total Staffing	Vacant Positions
City Manager & Human Resources	3	-	4%	
Administrative Services	7	-	9%	
Community Development	10	-	13%	
Legislative & Info Services	2	-	3%	
Police Services	29	3	37%	Police Officer (3)
Public Works	24	1	31%	Engineering Inspector
Recreation Services	3	-	4%	
Total	78	4	100%	

EMPLOYEE VACANCY RATE

The City's employee vacancy rate at the end of the FY 2023-24 was 5.1%. This equates to four (4) vacant positions. The vacancy rate tracks the number of permanent vacant positions at the end of the quarter in comparison to the total number of permanent positions available. Unlike a turnover rate, which tracks employees that separated during the period, the vacancy rate only looks at vacancies at the end of the period. The costs associated with turnover include the cost of advertising new positions, training, overtime, lowered productivity, and workload balance.

SECTION 3: UPDATE ON COMPLETED CAPITAL PROJECTS

This information is provided to keep the Council apprised of the status of the City’s Capital Improvement Projects (CIP).

Project	Fund	Budget FY 2023-24	Current Status	Project Budget Expended
191 Tally Ho	Sales Tax	\$ 110,000	Complete	\$ 86,826
Lift Station 3	FEMA/CalOES/Sales Tax	\$ 850,000	Complete	\$ 67,475
Financial Management Software	Sewer/Water/Sales Tax	\$ 413,000	In Progress	\$ 89,238
Women's Club Lighting Project	Donations	\$ 821	In Progress	\$ -
Public Safety Video Cameras	COPS/Sales Tax	\$ 1,125,000	In Progress	\$ 162,076
Replacement Generator at Fire Station 1	Other Gov Agencies/General/Sales Tax	\$ 610,714	Complete	\$ 474,788
Arroyo Grande Creek Remediation	Sales Tax, FEMA, CalOES	\$ 400,000	In Progress	\$ 188,638
Active Transportation Plan	ATP/Sales Tax	\$ 250,000	In Progress	\$ 105,783
Bridge Street Bridge Habitat	HBP	\$ 100,290	In Progress	\$ 102,799
Swinging Bridge Rehabilitation	Sales Tax	\$ 1,100,292	Complete	\$ 727,213
Arroyo Grande Creek Pavement Management Program	Sales Tax	\$ 6,300	In Progress	\$ 21,299
Sidewalk Repairs and Traffic Way Bridge Replacement	USHA/General/SB1/Sales Tax/General Fund	\$ 6,825,153	In Progress	\$ 5,264,820
Trenchless Sewer Rehabilitation - El Camino Real to West Branch	Sales Tax/CDBG	\$ 586,644	In Progress	\$ 486,776
Phased Mains Replacement - South Halcyon Road, Cornwall Street to Fair Oaks Avenue	HBP/Sales Tax	\$ 1,165,593	In Progress	\$ 560,802
Phased Main Replacement - Highway 101 Crossing Upgrade, El	ARPA	\$ 282,000	Complete	\$ 188,378
Fire Station 1 Apparatus Bay Doors	Water Facility/ARPA	\$ 785,892	In Progress	\$ 705,531
Galvanized Service				
Fair Oaks Ave Active Transportation Improvements, Valley Road to Traffic Way	ARPA/Water Fund	\$ 335,000	In Progress	\$ -
Virginia Drive and S. Halcyon Road Curb Ramp and Sidewalk	Sales Tax	\$ 115,000	In Progress	\$ -
Public Works Office Space	Water	\$ 63,655	In Progress	\$ -
City Hall Front Door ADA	Developer/Other Gov Agencies/Sales Tax	\$ 125,000	Not started	\$ -
Recreation Services / Community Center Building	CDBG	\$ 56,749	Not Started	\$ -
Halcyon Road Complete Streets	Sales Tax	\$ 100,000	In Progress	\$ 1,006
Water Well #11 Facilities	CDBG	\$ 53,341	Not Started	\$ -
	Sales Tax	\$ 44,745	In Progress	\$ -
	HSIP/RSHA/USHA/Safe Routes to School/General/Sales Tax/ATP	\$ 1,304,000	In progress	\$ 2,764
	Water Availability	\$ 42,771	Not Started	\$ -

SECTION 4: APPROPRIATION TRANSFERS AND BUDGET ADJUSTMENTS**Administrative and Previously-Approved Year-End Budget Adjustments**

The following year-end budget adjustments were previously approved by the City Council or are classified as administrative and not requiring City Council approval.

Administrative Services Department: Appropriated funds for two budget adjustments reviewed in the Third Quarter Financial Status Report. Reallocating funds for two CIP Projects:

- \$10,000 from the 2022 Pavement Management Program to the Corrugated Metal Pipe (CMP) project this fiscal year will enable the City to capitalize on the presence of a contractor with video equipment completing work on the sewer trenchless repair project to gather information necessary for FY 2024-25 CMP lining scheduled for next fiscal year.
- \$291,200 from the Phased Main Replacement under Highway 101 to Crossing Upgrade project that has not yet started to the other two Phased Main Replacement projects that are near completion or expected to be completed in the ARPA deadline timeframe.

Approved at the May 14, 2024, City Council meeting, Item 9.c.

Administrative Services Department: Approved a budget adjustment request in the amount of \$58,800 to amend the Agreement with A-Town AV to upgrade the Audio/Video system in the Council Chamber. Approved on April 9, 2024, Council meeting, Item 9.d.

Capital Improvement Program: Approved a budget adjustment request in the amount \$130,000 of ARPA Funds to fully fund the FCFA Apparatus Bay Doors Replacement Project that was originally budgeted with Measure O-2006 Local Sales Tax Fund. Approved on April 9, 2024, Council meeting, Item 9.g.

Water Fund: Approved budget adjustment totaling \$514,200 from the Water Enterprise Fund Balance is needed to fund the City's share of the CCB project preconstruction costs for FY 2023-24. Approved on April 9, 2024, Council meeting, Item 11.a.

SECTION 5: UPDATE ON MAJOR CITY GOALS AND CAPITAL IMPROVEMENT PLAN

This information is provided to keep the City Council apprised of the status of the Goal Status Reports to Council that includes progress towards completing Major City Goals and Capital Improvement Plan. These reports present updates and communications about the status of City projects, goals, and performance measures. The four major goals are:



Funding

Support a thriving community through fiscal responsibility, economic development efforts, and additional and alternative revenue streams.



Fire Services

Implement operational and fire and emergency service delivery improvements through the Five Cities Fire Authority, and complete the transition of services to Oceano due to its exit from the Authority.



Infrastructure

Invest in and complete critical infrastructure projects throughout the City through the strategic prioritization of projects based on available resources.




General Plan Update

Prioritize and complete major work efforts for the comprehensive General Plan update to provide a vision and framework for future development within the City.


The following tables provide a breakdown of the Council Goal’s Work Plan by goal. Here is a key for purposes of defining each department.

Key	
CMO	City Manager's Office
AS	Administrative Services
LIS	Legislative and Information Services
PD	Police Department
PW	Public Works
Rec	Recreation Services
Fire	Five Cities Fire Authority
CD	Community Development

Goal	Strategy	Task/Action	Carryover Action or New	Responsible Department	Anticipated to Start	Completion Target	Update
Funding 	1.1 Economic Development	1.1a Evaluate Economic Development Management Services	New	CMO	1Q FY2023-24	3Q FY 2024-25	In Progress
		1.1b Obtain Economic Development Management Services	New	CMO	3Q FY 2023-24	4Q FY 2024-25	Not started
		1.1c Support Modifications to the AGTBID	New	CMO/CA/Rec/LIS	In Progress	2Q FY 2023-24	Completed
		1.1c.i. Transition Administration to City staff	New	CMO/Rec/PW	In Progress	1Q FY 2023-24	Completed
		1.1c.ii. Complete Modifications to AGTBID Bylaws and Advisory Board Structure	New	CMO/CA/LIS	In Progress	2Q FY 2023-24	Completed
		1.1d 400 W. Branch Disposition and Development Agreement	New	CMO/CA/CD	In Progress	2Q FY 2024-25	In Progress
		1.1e Complete Transition of Temporary Parklets to Permanent Parklets	Carryover	CD/PW	In Progress	1Q FY2023-24	Completed
	1.1f Develop 1-3 Special Events that drive visitation during shoulder and winter months and build destination awareness	New	Rec	In Progress	2Q FY 2024-25	In Progress	
	1.2 Pursue Revenue Measure	1.2a Issue an RFP for a consultant to develop a survey and outreach strategy to community	New	CMO/LIS	1Q FY2023-24	1Q FY2023-24	Completed
		1.2b Award contract with consultant to develop a survey and outreach strategy to community	New	CMO/LIS	1Q FY2023-24	1Q FY2023-24	Completed
		1.2c Conduct public outreach to the community to communicate need for additional revenue, including facilitation of a Citizen Committee	Carryover	CMO/LIS	1Q FY2023-24	1Q FY 2024-25	In Progress
		1.2d Bring Revenue ballot measure to Council for consideration	Carryover	CMO/AS/LIS	3Q FY 2023-24	4Q FY 2023-24	In Progress
	1.3 Evaluate Potential to Enable Cannabis Businesses within City	1.3a Conduct study session with the City Council regarding potential cannabis ordinance	Carryover	CD/CA/CMO	3Q FY 2023-24	4Q FY 2024-25	Not started
		1.3b Prepare and adopt cannabis ordinance, if directed by the City Council	New	CD/CA/CMO	3Q FY 2023-24	4Q FY 2024-25	Not started
		1.3c Evaluate feasibility of a Cannabis Tax	New	CD/AS/CA/CMO	3Q FY 2023-24	4Q FY 2024-25	In Progress
Fire Services 	2.1 Work with Regional Partners on Fire Services in 5 Cities	2.1a Pursue potential contract with the County to serve Oceano	New	Fire/CMO	3Q FY 2023-24	4Q FY 2023-24	In Progress
	2.2 Funding for Fire Services	2.2a Consider including Public Safety in proposed Revenue measure	New	CMO/AS/LIS	3Q FY 2023-24	4Q FY 2023-24	Completed

<p>Infrastructure</p> 	<p>3.1 Pursue Alternative Funding Sources for Infrastructure Needs</p>	<p>3.1a Consider Community partnership for Mark M. Millis Community Center construction</p>	<p>Carryover</p>	<p>CMO/Rec/PW</p>	<p>In progress</p>	<p>4Q FY 2024-25</p>	<p>In Progress</p>
		<p>3.1b Include infrastructure in new Revenue Measure plans and outreach</p>	<p>Carryover</p>	<p>AS/CMO/LIS/ PW/CD</p>	<p>1Q FY 2023-24</p>	<p>4Q FY 2024-25</p>	<p>Completed</p>
		<p>3.1c Collect FEMA reimbursement for January - March 2023 storm damage</p>	<p>New</p>	<p>AS</p>	<p>In progress</p>	<p>3Q FY 2024-25</p>	<p>In Progress</p>
		<p>3.1d Pursue Grant applications and administration for infrastructure projects</p>	<p>Carryover</p>	<p>PW/CD/AS</p>	<p>In progress</p>	<p>Ongoing</p>	<p>In Progress</p>
	<p>3.2 Work with Regional Partners on Infrastructure Projects</p>	<p>3.2a Support ongoing development and financing of Central Coast Blue project</p>	<p>Carryover</p>	<p>CMO/AS/PW</p>	<p>In Progress</p>	<p>2Q FY 2024-25</p>	<p>In Progress</p>
		<p>3.2b NCMA Management Agreement Amendments</p>	<p>New</p>	<p>PW</p>	<p>3Q FY 2023-24</p>	<p>Ongoing</p>	<p>In Progress</p>
	<p>3.3 Prioritize Key Infrastructure Projects</p>	<p>3.3a Traffic Way Bridge</p>	<p>Carryover</p>	<p>CD/PW</p>	<p>In progress</p>	<p>2Q FY 2025-26</p>	<p>In Progress</p>
		<p>3.3a.i. Traffic Way Bridge Design</p>	<p>Carryover</p>	<p>CD/PW</p>	<p>In progress</p>	<p>4Q FY 2023-24</p>	<p>In Progress</p>
		<p>3.3a.ii. Traffic Way Bridge ROW</p>	<p>Carryover</p>	<p>CD/PW</p>	<p>Completed</p>	<p>1Q FY 2024-25</p>	<p>Completed</p>
		<p>3.3a.iii. Traffic Way Bridge Construction</p>	<p>Carryover</p>	<p>CD/PW</p>	<p>3Q FY 2024-25</p>	<p>2Q FY 2025-26</p>	<p>Not started</p>
		<p>3.3b Swinging Bridge Rehabilitation</p>	<p>Carryover</p>	<p>CD/PW</p>	<p>Completed</p>	<p>2Q FY 2024-25</p>	<p>Completed</p>
		<p>3.3b.i. Swinging Bridge Rehabilitation NEPA</p>	<p>Carryover</p>	<p>CD/PW</p>	<p>Completed</p>	<p>3Q FY 2023-24</p>	<p>Completed</p>
		<p>3.3bii Swinging Bridge Rehabilitation Bid for Construction</p>	<p>Carryover</p>	<p>CD/PW</p>	<p>Completed</p>	<p>3Q FY 2023-24</p>	<p>Completed</p>
<p>3.3b.iii. Swinging Bridge Construction</p>	<p>New</p>	<p>CD/PW</p>	<p>Completed</p>	<p>2Q FY 2024-25</p>	<p>Completed</p>		

Infrastructure (continued) 	3.3c Halcyon Complete Streets	New	CD/PW			In Progress
	3.3c.i. Halcyon Complete Streets Design	New	CD/PW	1Q FY 2024-25	1Q FY 2024-25	In Progress
	3.3c.ii. Halcyon Complete Streets ROW acquisition	New	CD/PW	1Q FY 2023-24	1Q FY 2024-25	Not started
	3.3c.iii. Halcyon Complete Streets Construction	New	CD/PW	1Q FY 2024-25	2Q FY 2025-26	Not started
	3.3d ATP Development	New	CD/PW	In Progress	3Q FY 2024-25	In Progress
	3.3d.i. Award ATP Contract to Consultant	New	CD/PW	Completed	4Q FY 2022-23	Completed
	3.3d.ii. Final Approval of ATP by Council	New	CD/PW	3Q FY 2024-25	3Q FY 2024-25	Not started
	3.3e 2022 Pavement Management Program Construction	New	CD/PW	1Q FY 2023-24	2Q FY 2023-24	In Progress
	3.3f 2024 Pavement Management Program Design	New	CD/PW	2Q FY 2023-24	1Q FY 2024-25	In Progress
	3.3g 2024 Pavement Management Program Construction	New	CD/PW	4Q FY 2023-24	3Q FY 2024-25	Not started
	3.3h Community Safety Camera Network	Carryover	Police/CD	In Progress	4Q FY 2023-24	In Progress
	3.3i Replacement Generator at Station 1	New	CD/PW/Fire	Completed	4Q FY 2023-24	Completed
	3.3j Lift Station 3	New	CD/PW	Completed	1Q FY 2024-25	Completed
	3.3k AG Creek Remediation (Debris removal and bank stabilization)	New	CD/PW	4Q FY 2022-23	4Q FY 2023-24	In Progress
	3.3l Concrete Repair Program	New	CD/PW	1Q FY 2024-25	4Q FY 2024-25	In Progress
	3.3m Concept plan/design for new Mark M. Millis Community Center Building	New	CD/PW/Rec	1Q FY 2023-24	3Q FY 2024-25	In Progress
	3.3n CMP Lining	New	CD/PW	1Q FY 2024-25	Ongoing	Not started

General Plan Update 	4.1 Public Outreach	4.1a Plan and Host a Kick-Off Meeting with Community	New	CD/LIS	1Q FY 2023-24	1Q FY 2023-24	Completed
	4.2 Diversity Equity Inclusivity Justice Lens	4.2a Management of DEIJ consultant	New	CD	In Progress	Ongoing	In Progress
	4.3 General Plan Elements		New	CD	2Q FY 2023-24	3Q FY 2024-25	Not started
	4.4 Baseline Analysis of Existing and Future Business Needs	4.4a Survey Local Businesses	Carryover Action	CD	1Q FY 2023-24	4Q FY 2023-24	In Progress
		4.4b Conduct a Retail Market Analysis	New	CD	1Q FY 2023-24	4Q FY 2023-24	Not started
	4.5 Climate Action Plan		New	CD	2Q FY 2023-24	3Q FY 2025-26	In Progress
	4.6 Code Update	4.6a Bring code changes to Planning Commission for approval	New	CD	3Q FY 2025-26	3Q FY 2025-26	Not started
		4.6b Bring draft Ordinance of code revision update to Council	New	CD	4Q FY 2025-26	4Q FY 2025-26	Not started
	4.7 EIR	4.7a Complete draft EIR	New	CD	1Q FY 2024-25	3Q FY 2024-25	Not started
		4.7b Complete final EIR	New	CD	3Q FY 2024-25	4Q FY 2024-25	Not started
4.8 Objective Design Standards		Carryover	CD/CA	1Q FY 2023-24	1Q FY 2023-24	In Progress	