



PISMO BEACH COUNCIL AGENDA REPORT

SUBJECT/TITLE:

A RESOLUTION APPROVING AND APPROPRIATING CHANGES TO REVENUES AND EXPENDITURES FOR FISCAL YEAR 2014 AND FISCAL YEAR 2015 AND ESTABLISH A TECHNOLOGY SERVICE FUND TO CAPTURE INFORMATION TECHNOLOGY COSTS.

RECOMMENDATION:

By motion, adopt a **Resolution** approving and appropriating changes to revenues and expenditures for FY 2014 and FY 2015 and establish a new Technology Service Fund to capture information technology costs.

EXECUTIVE SUMMARY:

The City of Pismo Beach operates on a two-year budget cycle, which has many advantages including: improved long-term planning, coordination of multi-year capital projects, and efficiency of staff time as budget preparation only occurs every other year. However, to maintain accuracy of the budget and maintain the City's financial plan, it is important to update it periodically (e.g., every six months) to ensure the budget reflects current revenues received and operating costs and trends. The purpose of this agenda item is to provide an opportunity for the City Council to review, approve and/or make changes to the City staff's recommended FY 2013-14 and FY 2014-15 Mid-Year Budget Adjustments.

The recommended adjustments are items that were not included in the FY 2013-14 and FY 2014-15 Adopted Budget, but are important to include now to reflect current revenues, expenses, operations, and investment opportunities. Key adjustments include:

- Appropriating additional projected General Fund revenues
- The implementation of the recently approved Five-Year Information Technology (IT) Strategic Plan
- Appropriating funds for staffing changes in areas where there are deficiencies (technology, recreation services, and special events)
- Reallocating existing project budgets that are completed and have excess funds remaining for other priorities
- Investing additional resources that are available (Half-Cent Sales Tax funds) in our community to improve streets, sidewalks, and drainage projects
- Setting aside funds for a building depreciation reserve and debt or pension liability reduction reserve

The total fiscal impact of these budget adjustments is a net additional appropriation across all funds of \$1,329,604 in FY 2014 and \$2,994,203 in FY 2015. The "fiscal impact" is a positive number if there are net additional revenues or a net reduction in expenditures. The fiscal impact is a negative number if there is a decrease in revenues or a net increase in expenditures. If all the proposed Mid-Year Budget Adjustments are

approved, the General Fund ending unassigned fund balance is projected to be \$3,219 thousand at the end of FY 2014 and \$3,027 thousand at the end of FY 2015, which is still a healthy fund balance. These ending balances represent approximately 18% of General Fund operating expenditures. All other funds have sufficient revenues or fund balance to cover any additional costs. The following table summarizes the fiscal impact by fund and fiscal year.

Mid-Year Adjustments Financial Impact by Fund and Fiscal Year

Fund	Fund Title	FY 2014 Impact	FY 2015 Impact
100	General Fund	\$ 20,910	\$ (344,281)
	Gen Fund Bldg & Debt/Pension Reduction Reserves	(1,000,000)	(500,000)
	Subtotal General Fund	(979,090)	(844,281)
105	1/2 Cent Sales Tax Fund	(359,190)	(2,033,000)
208	Local Transportation	17,231	-
222	PEG Access Fund	(12,000)	15,000
301	Capital Projects	(13,586)	-
302	Public Facilities Fund	(3,000)	-
305	Park Development Fund	39,240	-
512	Water Fund	(8,858)	(14,790)
521	Wastewater Treatment	(7,162)	(87,505)
551	Parking Enterprise	(3,190)	(29,627)
601	Technology Service Fund	-	-
619	Motor Vehicle Fund	-	-
	Total Impact All Funds	\$ (1,329,604)	\$ (2,994,203)

DESCRIPTION OF PROPOSED BUDGET ADJUSTMENTS BY CATEGORY

This report looks at revenues and expenditures by category and provides explanations as to why the adjustments are recommended. The following table provides a summary of the financial impact of all the recommended changes by category. A positive number is an increase in revenue appropriation or decrease in expenditure appropriation. A negative number is a decrease in revenue appropriation or increase in expenditure appropriation. Expenditures are largely offset by revenues or cost savings and are explained in greater detail below. Descriptions of each category are provided after the table.

Category	FY 2014 Impact	FY 2015 Impact
New Revenue	\$ 474,980	\$ 102,766
IT Strategic Plan Years 1 & 2	(132,200)	(440,000)
Staffing Changes	(92,305)	(129,889)
Prior Project Savings	712,701	-
Capital Projects	(1,277,900)	(2,033,000)
Other	(14,880)	5,920
Reserves	(1,000,000)	(500,000)
Total Financial Impact All Funds	\$(1,329,604)	\$(2,994,203)

New Revenue

Based on the FY 2013-14 First Quarter Financial Update, General Fund revenues are projected to be \$443,980 better than budget. Details of these projections are provided in that report. City staff recommends that Council appropriate the additional projected revenues to make the budget more in line with projected actuals. A list of these revenues, a new special events fee revenue that was recently approved by Council, and additional recreation class fee revenues is provided below, followed by a brief description of each revenue source.

Description	FY 2014 Impact	FY 2015 Impact
Property Tax Revenues	\$ 213,262	
Sales Tax Revenues	116,952	
TOT Revenues	92,000	
Business Tax Revenues	21,766	21,766
Special Event Fees	25,000	75,000
Recreation Class Revenues	6,000	6,000
New Revenue Total	\$ 474,980	\$ 102,766

- Property Tax Revenues: The San Luis Obispo County Auditor Controller estimates that property tax revenues based on assessed value growth will be \$209,118 better than budget and property tax in lieu of vehicle license fee revenues will be \$4,144 better than budget. These increases are based on a projected 2.0% Consumer Price Index (CPI) growth of assessed FY 2012-13 assessed values. As such, staff recommends appropriating these additional amounts in the FY 2014 General Fund budget.
- Sales Tax Revenues: Based on the first three months of Bradley Burns sales tax receipts and historic projections, and on data from the San Luis Obispo County Auditor Controller regarding sales tax in lieu of property tax, staff recommends appropriating an additional \$116,952 of additional sales tax revenues in the General Fund.
- Transient Occupancy Tax (TOT) Revenues: Based on the first two months of FY 2014, staff recommends appropriating \$92,000 of additional TOT revenues in FY 2014 in the General Fund.
- Business Tax Revenues: Staff recommends appropriating \$21,766 of additional business license tax revenues in FY 2014 and FY 2015 in the General Fund. The FY 2014 and FY 2015 budgets are \$160,000 for each year. In FY 2013, business tax receipts were \$181,766. Staff recommends increasing the revenue budget equal to last year's actual receipts, receipts received so far for FY 2014, pending business license applications, and historical special event business license fee revenues.
- Special Event Fees: Staff recommends appropriating \$25,000 of Special Event fee revenues in FY 2014 and \$75,000 in FY 2015 to reflect additional fees collected for special events. The City has not been charging all special events for City's

resources and will begin this process beginning in early 2014. The FY 2014 revenue budget is a partial year and the FY 2015 revenue budget is a full year. This estimate is based on the 2013 calendar of 20 events at approximately \$3,750 per event.

- Recreation Class Fees: Staff recommends appropriating \$6,000 per year of additional recreation class fee revenues in the FY 2014 and FY 2015 General Fund Recreation budget. These additional revenues are due to more recreation class offerings and increased recreation class attendance based on past attendance.

IT Strategic Plan

On November 5, 2013, the City Council approved the Five-Year IT Strategic Plan. The Plan will serve as a blueprint for all IT investments and will make the organization more efficient and productive as it embraces new technologies, and will provide better customer service. The following budget adjustments fund the first two years of the projects. The recommended projects will be funded by a new Technology Service Fund. The fund will charge out its costs to other funds to recover expenses. This is similar to the Motor Vehicle Operations Fund. This will allow technology expenses to be allocated across departments and funds based on the technology use. The following table provides a summary of the components of implementing the IT Strategic Plan and their financial impact, followed by a description of the project.

<u>Description</u>	<u>FY 2014 Impact</u>	<u>FY 2015 Impact</u>
IT Security Assessment, Disaster Recovery Plan, Server Needs Assessment	\$ (45,000)	\$ -
City Hall Computer Room Improvements	(50,000)	-
Website Refreshment	(30,000)	-
Financial System	-	(415,000)
Facility Reservation Implementation	(7,200)	-
Parking System Assessment	-	(25,000)
IT Strategic Plan Years 1 & 2 Total	\$ (132,200)	\$ (440,000)

- *IT Security Assessment, Disaster Recovery Plan, and Server Needs Assessment:* One of the top priorities in the Council-approved IT Strategic Plan is to conduct a thorough IT security assessment, develop an appropriate server framework, and a disaster recovery and file backup strategy. The assessment should include network penetration testing, system accessibility and protections, existing infrastructure configuration and physical security, and data backup and storage protocols, and should provide a comprehensive report of findings and recommendations.

This project will also develop, test, and implement a disaster recovery plan to ensure the City's technology infrastructure can respond during and after an adverse event. Additionally the project will also include completion of a business impact assessment to determine recovery requirements by the departments, assessment of the options and cost to meet those requirements, and the implementation of an IT disaster recovery plan to support established requirements.

Finally, the City currently utilizes several servers for data storage, operations and backup. Some servers are at the end of their life, and others are at or near capacity. This project would include a comprehensive assessment of the current server environment with a resulting go-forward strategy that may include server replacement, virtualization and/or a combination of solutions.

Should the Council approve the City-hired consultant recommendation of hiring an IT Manager, it is anticipated that much of this work would be performed by an in-house staff member (discussed in the Staffing Changes section). Without an in-house staff member, it is anticipated that this work will exceed \$100,000. However, assuming Council approves the IT Manager position, staff recommends appropriating only \$45,000 in FY 2014 for highly technical components of this work and independent validation.

- *City Hall Server Room Improvements:* The City Hall server room requires improvements in order to assure uninterrupted service to internal and external customers as a result of disaster, system failure, or unauthorized tampering with equipment. Improvements include a redundant cooling system, removal of non-IT related items currently stored in the room, bracing and enclosing servers and related equipment correctly, alternative fire suppression systems, and securing the room from entry by other than IT personnel. This project would evaluate, make recommendations, and implement improvements to the City's main server room. Based on all of the components of this project, staff recommends appropriating \$50,000 in FY 2014 for City Hall server room improvements. Once the room is secure and functioning properly, staff will move towards implementation of virtual and redundant server technology.
- *Financial Management System:* The City's current financial software, Harris wIntegrate, is dated technology (MS-DOS) and Microsoft will no longer continue to support the operating system beyond March 31, 2014. The software cannot run on newer versions of the operating system. Therefore, if the system needs repair or breaks it cannot be fixed and will not be updated. The current financial software has limited reporting capability that adds time-consuming processes to create standard reports necessary for daily, weekly, monthly, and ad hoc analysis and reconciliation. Any new financial system would be a dramatic improvement in the capability of reporting for financial analysis for City department managers. There will likely be a cost savings in printing paper bills and paper costs through online financial workflow transactions for timesheets and purchase orders. A new financial system will also provide better customer service through online utility payment options and other online portals available for the public.

The project scope of this Council mid-term goal would include supporting finance, payroll, utility billing, budget, human resources, and business license system business functions, and many other financial components. The project would also include costs for data conversion, set up, implementation, and training. Staff recommends appropriating \$415,000 for the replacement of the existing financial system with a commercial off-the-shelf solution proven for municipalities. Council

already appropriated \$85,000 from the Water Enterprise Fund. For this budget amendment, staff recommends appropriating \$65,000 from the Wastewater Enterprise Fund and \$350,000 from the General Fund.

- *City Website:* Installed in 2007, the City website is outdated and needs an upgrade. The current site is difficult to direct the public where to find information because the site is hard to navigate. There are more robust packages available through the City's current website vendor. This project would improve and increase communication with the public, creating a foundation to allow business to be performed on the web site, and provide the ability for use of social media through the City's website. An improved website would also provide compatibility with mobile devices so that information is more easily accessible for the public. Staff recommends appropriating \$30,000 in FY 2014 to refresh the City's web site.
- *Facility Reservation System:* The City uses Microsoft Office Outlook as a facility reservation system. If members of the public want to reserve a facility, they must contact someone in the Recreation Division to determine which facilities are available for select dates and times, then conduct a transaction over the phone. This is time consuming for Recreation Division staff and cumbersome for the public. If the City used an online reservation system, members of the public could see availability of existing facilities, review existing reservations, and reservation history. This would save time for themselves and Recreation Division staff. Active Network, the City's software for recreation classes, has the capability of a facility reservations system. For a one-time cost, Active Network staff would spend 40 hours with City staff setting up the software for system users, add the facilities and each financial account, train staff on how to use the system, and provide a fully useable Facility Reservations online system. Staff recommends appropriating \$7,200 to set up the Active Network facility reservations system.
- *Parking System Assessment:* The City has 12 parking kiosks in its downtown area. Digital Payment Technologies, the City's parking kiosk vendor, provides a digital online office to manage the kiosks and provide reporting on revenue intake. The data download / revenue reporting does not consistently operate properly, causing problems with reconciliation. There is a separate company that provides citation issuance and processing with handheld devices; however the performance of this equipment is lacking. This project would entail an evaluation of current systems in place for management of the parking kiosks and citation issuance and processing, followed by recommendations for improvements to the current systems or replacement of portions or all of the current systems. Staff recommends appropriating \$25,000 of Parking Enterprise Funds in FY 2015 to complete a parking system assessment.

Staffing Changes

Since the budget was adopted in June 2013, there are three areas in the City's organization that have been identified that require immediate changes to staffing, either through additional resources or reorganization. The City Manager has reviewed each of these recommendations and discussed options in detail with the respective department heads to ensure that the proposed changes are necessary and would improve service to the public. This section of the report addresses the appropriations required to fund these staffing changes. There is a separate staff report and corresponding resolution that contains the job description of the IT Manager and the Administration Department reorganization. The following table provides a summary of the components of the staffing changes and their financial impact, followed by a description of the changes.

Description	FY 2014 Impact	FY 2015 Impact
IT Manager	\$ (48,305)	\$ (128,900)
Deappropriation from contract savings	-	13,500
Recreation Coordinators	(37,000)	(37,000)
Recreation Special Event part-time staff	(7,000)	(7,000)
Administration Department Reorganization	-	-
Staff cost savings	-	29,511
Staffing Changes Total	\$ (92,305)	\$ (129,889)

Technology

- *IT Manager additional position:* Council's approval of the City's Five-Year IT Strategic Plan sets forth a plan for the effective implementation of technology in a cost effective and responsible manner. As part of the plan, the City's consultant recommended a new full-time staff person to manage, coordinate, and implement the IT initiatives outlined in the plan.

The IT Manager would add value to the City by completing IT projects more efficiently and effectively through a greater understanding of the City's business functions. If the work was being done by an in house staff person, they would be between City Hall and safety facilities every day and would become intimately familiar with the City's operations. They would be privy to conversations and planning meetings with staff and would see how services are provided to residents day in and day out. This familiarity with the City's business practices would place them in a position to customize IT solutions, recommend workflow alternatives, and purchase the best and only the most necessary technologies. Over time, the IT Manager would be able to analyze trends and anticipate needs.

The current model of contracting out for IT help desk support works well, but the department-specific projects and major network infrastructure improvements have been delayed and have cost the City more to train a contracted employee who is not familiar with the City's business applications and functions. A City-employed IT Manager would come with local government experience and understand the City's

business functions to offer expertise in implementing and designing solutions to best fit our City. Additionally, if the City hires a full-time staff person, there is more control over the work performed, there is more ownership over the network design and architecture, and far greater accountability for functionality and security of data.

For these reasons, of the seven cities in the county, all use an internal IT manager except Grover Beach and Pismo Beach.

Staff recommends appropriating \$48,305 in FY 2014-15 and \$128,900 in FY 2015 for a new IT Manager position to manage the City's technology resources and implement the Five-Year IT Strategic Plan. This position would report to the Administrative Services Director and is expected to start in March 2014. This cost would be budgeted in a new Technology Service Fund. If the Council decided to utilize the services of a contractor instead of hiring a full-time employee, it would be anticipated that the contract employee would work 25-30 hours per week in increments of several months for a period of several years. This would be more expensive than an employee but there would be greater flexibility if work needed to be suspended.

The salary of the IT Manager was developed from a compensation study commensurate to the mid-manager position for an IT Manager for nine other local cities. Based on this study, staff recommends a range 42 mid-manager position salary and corresponding benefits. This salary is being set at the average of these survey cities.

Cost Analysis of Alternatives

The Council asked for alternatives such as contracting out the work with a private firm or another City. It is financially prudent to evaluate these options and staff has performed a comparative analysis. The following table provides the hourly rate and projected annual cost of contracting out a position with a City or private firm that would perform the functions of an IT Manager at only 25 hours per week (minimum required). Based on this analysis, the hourly rates are more expensive than the City's hourly rate (salary, benefits, and overhead) of approximately \$61.97/hour employing a full-time staff person.

Hourly Rates of Contracting Out the IT Manager Functions

Organization	Position Title	Hourly rate with benefits and overhead	25 hrs/ week/ year	Comments
Pismo Beach	IT Manager	\$ 61.97	\$ 80,561	Annual cost is \$128,900, which includes \$7,500 of training and other overhead
Arroyo Grande	IT Manager	\$ 69.98	\$ 90,972	
San Luis Obispo County	IT Project Manager III	\$ 72.02	\$ 93,628	
TechXpress	Project Manager	\$ 75.00	\$ 97,500	TechXpress would only be able to provide a technician for 20 hours/week, or \$78,000 per year. TechXpress does not currently employ a technician with the experience that the City desires
Atascadero	IT Manager	\$ 75.82	\$ 98,566	
San Luis Obispo County	IT Manager	\$ 87.68	\$ 113,983	
SLO City	IT Manager	\$ 98.89	\$ 128,557	
iTech Solutions	Project Manager	\$ 100.00	\$ 130,000	iTech does not currently employ a technician with the experience that the City desires. iTech recommends that the City hire 1 or 2 City staff.
CIO Solutions	IT Project Manager	\$ 150.00	\$ 187,200	Can provide 1 staff person for 2 or 3 days per week. Annual cost assumes 3 days per week, or 24 hrs/week

Note: These rates are approximate rates and do not represent the final cost, which if Council recommends, would be negotiated at that time.

IT Manager Reduces Unnecessary Staff Time, Provides Cost Savings and Expertise

Whether contracted out or hiring an in-house staff person, the hours paid for IT services for project work would reduce other non-IT trained City staff time from managing department-specific IT projects rather than performing their traditional work assignments, and would create efficiencies by identifying common problems and creating a proactive response rather than a reactive help desk response.

For example, the Police Department Technology upgrade has added a project management role to the two Police Commanders' duties. They have spent hours coordinating the project, understanding the system, working with vendors, managing the project budget, updating management on the progress of the project, and researching and consulting with other municipalities on experience with the vendors' products and implementation success. These hours were spent focusing on the technology upgrade and not on other Police work. Working with contracted staff that is paid by the hour has resulted in delays in the project from not having the expertise to move forward with key decisions and reluctance to use the contracted staff to avoid going over budget. Staff estimates that over the course of a year, a conservative estimate would be 300 hours spent on this project for the two Commanders and the Police Chief.

If this person is approved, staff recommends a \$13,500 decrease in the FY 2015 budget for contracted IT costs for 100 project hours at \$135/hour. Additional cost savings not yet quantified could be achieved through proactive technology planning and competitive pricing of technology equipment.

Recreation

- *Recreation Coordinators' additional hours:* Recreation programs are growing quickly and continue to be a huge success. Larger events such as the Spring Easter Egg Hunt and Fall's Pumpkins on the Pier event are growing in attendance and continue to gain in popularity. The success of these events and numbers of participants are reaching a point where staff's ability to provide the expected amenities and oversight are being stretched beyond their capacity.

As demand for recreation services has increased, it has been a challenge to retain part-time help. Part-time help is essential for carrying out these events as there is only one full-time staff person to oversee all these events, activities, and classes. There has been continuous turnover in the part-time Recreation Coordinator positions the last three years. Staff believes this turnover is a direct result of less than competitive wages and reduced hours. It is anticipated that an increase in hours and more competitive wages for these positions will allow us to retain qualified and productive employees and address the growing needs of the activities and classes that are being offered for City Sponsored Special Events. Staff recommends appropriating \$37,000 in FY 2014 and in FY 2015 in the General Fund. This additional appropriation will partially be covered through increased recreation class revenues through more class offerings and increased attendance, as evidenced by the past fiscal year's activities and class revenues and the current revenue trend for this fiscal year. The New Revenues section includes a recommended \$6,000 per year increase in the FY 2014 and FY 2015 General Fund Recreation budget for class fees.

- *Recreation special event part-time staff:* Funds are necessary to cover the additional time that is needed of current Facility Attendants, who are present at facilities like the Pismo Beach or Shell Beach Veterans' Halls, when these facilities are rented for private events. The attendees are present to address needs during these private events and confirm the facilities are properly closed up following these events. Staff recommends appropriating \$7,000 in FY 2014 and in FY 2015 in the General Fund. These costs would be offset by additional revenues from the Special Events Fees collected for such events.

City Manager / City Clerk reorganization

This recommendation reorganizes the Administration Department with the goal of providing more efficient service and support to the organization and community. Administration will be broken into the City Manager's Office, the City Clerk's Office, and the Conference and Visitor's Bureau. The Conference and Visitor's Bureau will remain unchanged.

The City Manager's Office will consist of the City Manager, Human Resources Officer, and the Executive Assistant. The Executive Assistant will support the City Manager, Human Resources Officer, City Council, and will manage the City's public information/website. The Human Resources Officer will continue to manage human resources and risk management, but the additional support from the Executive Assistant will allow for additional special projects and complex analysis. The City Clerk's Office will consist of the City Clerk and a full-time Administrative Assistant. A part-time Office Assistant has been hired to help with agenda, general administrative support, and customer service.

With the additional responsibilities for agenda preparation, minutes, and records management, a recommendation of the reorganization is to reclassify the existing Office Assistant position to an Administrative Assistant through this budget process.

The current classification of Executive Assistant/Deputy City Clerk will no longer report to both the City Manager and the City Clerk, but instead will report directly to the City Manager. In addition, the classification will no longer have direct supervisory responsibilities. With the change in requirements under the reorganization, it is recommended that the existing classification be modified with a decrease to the salary range.

The result of this realignment will allow the Administration staff to respond more efficiently and provide greater support to the organization. This recommended reorganization has a net zero cost and will be done within existing budget, with no additional funds or full-time positions required. If approved, Resolutions to update the Executive Assistant job description and amend the City's classification plan, as well as salary, will follow.

Staff cost savings

Resolution numbers R-2013-045 and R-2013-050 included a FY 2015 budget estimate by fund for the recently negotiated labor costs. After allocating these costs across all accounts, there is an excess of \$29,511 which will not be used, and should go back to the various funds' unassigned fund balance or working capital. Staff's recommendation is to reduce labor related appropriations across all funds by \$29,511 in FY 2015 to accurately reflect the negotiated rates.

Applying Prior Project Savings to New Projects

In general, capital projects are budgeted based on the estimate at the time, using vendor quotes, past experience, cost trends, and other data if possible. Some of these projects may have cost overruns with unanticipated circumstances, while some projects may have cost savings through various efficiencies or other reasons. Unspent project balances get carried over each year and inflate the fund balance and expenditure budget so that it is not clear how much the City will be spending each year on projects.

The following table includes a list of prior project savings that have balances that we can reallocate to new projects or reappropriate when the project is ready to proceed, followed by a description of the project status.

Description	FY 2014 Impact	FY 2015 Impact
Irrigation Telemetry	\$ 51,067	\$ -
Boeker Street Overlook	15,000	-
Highland/James Way Study	5,000	-
FY 2012-13 Paving Project	546,156	-
Franklin Storm Drain	17,231	-
Ocean Outfall-Montecito	50,000	-
Dinosaur Caves Park	23,667	-
Metering Pump Redundancy	4,579	-
Prior Project Savings Total	\$ 712,701	\$ -

General Fund

- Irrigation Telemetry – Since the City installed its irrigation controllers, telemetry technology has drastically changed. This amount is no longer sufficient to fund this project and staff needs time to evaluate the current technologies to determine which technology will best suit our needs now and into the future. Staff anticipates requesting funds for this project in a future two-year budget cycle. As such, staff recommends deappropriating \$51,067 from this project.

Half-Cent Sales Tax Fund

- Boeker Street Overlook - This project was appropriated several years ago, however, there is no design for any improvements. Staff recommends that there be a public process to come up with a design the community will embrace and then reappropriate the funds needed to construct this project as part of a potentially larger project in the future. Staff recommends deappropriating \$15,000 from this project.
- Highland / James Way Study - Staff recommends deappropriating \$5,000 from this project because this project was completed using FY 2012-13 Paving Project funds.
- FY 12-13 Paving Project – The City spent \$2,054,595 on the FY 2012-13 Paving Project, leaving \$546,156. Staff recommends deappropriating this amount as this project is complete. Staff recommends that these remaining funds be allocated to the FY 2013-14 Paving Project which currently only has a budget of \$300,000 in FY 2015.

Local Transportation Fund:

- Franklin Storm Drain - Staff recommends deappropriating \$17,231 from this project as this project is complete.

Public Facilities Fund:

- Ocean Outfall-Montecito - Staff recommends deappropriating \$50,000 from this project as this project is complete and reallocating these funds towards the Wadsworth Storm Drain and outfall project.

Park Development Fund:

- Dinosaur Caves Park - Staff recommends deappropriating \$23,667 from this project as this project is complete.

Wastewater Enterprise Fund:

- Metering Pump Redundancy - Staff recommends deappropriating \$4,579 from this completed project.

Capital Projects

The following table provides a summary of the recommended capital project appropriations and their financial impact, followed by a description of the projects.

Description	FY 2014 Impact	FY 2015 Impact
Bluffs Fence	\$ (33,000)	\$ (33,000)
FY 2014-15 Paving Project	-	(1,000,000)
Infrastructure Assessment	(100,000)	-
Sidewalks	(325,000)	(350,000)
Wadsworth Storm Drain and Outfall	(395,000)	-
Coastal Beach Access Improvements	(275,000)	-
Generators	(47,000)	-
Government Building Improvements	(102,900)	-
Capital Projects Total	\$(1,277,900)	\$(1,383,000)

- *Bluffs Fence* – This project includes reconstruction of the second phase of the Bluffs Fence. The fence along this public walkway is constructed of concrete and is showing signs of failure in many locations. The first phase of this project was completed in 2012. Staff recommends appropriating \$33,000 in FY 2014 and in FY 2015 for the second phase of this project.
- *FY 2014-15 Paving Project* – The FY 2014-15 Paving Project is the third phase of the Pavement Management System, which includes Price Canyon Road, Solar, Dell, a portion of Bello, Mattie Road, Seacliff, Ruby, Paddock, Baker, Naomi and Coburn to name a few of the streets. The current budget for this project is \$300,000, which is not sufficient to complete the third phase. Staff recommends appropriating \$1,000,000 for the FY 2014-15 Paving project using Half-Cent Sales Tax funds. Of this amount \$546,156 is from the deappropriation of the completed FY 2012-13 Paving Project.
- *Infrastructure Assessment* - The City needs an infrastructure assessment of its public facilities. This assessment would include a City infrastructure audit to provide the basis for identification, prioritizing, budgeting, and implementation of a plan

which will assist the City in its continuing efforts to maintain City public facilities. Areas of review will include: facilities, parks, recreational facilities, buildings owned by the public agency and public rights-of-way (sidewalks, intersections, bus shelters, and street furniture). Staff recommends appropriating \$100,000 in FY 2014 from the General Fund for an infrastructure assessment of public facilities.

- *Sidewalks* – Staff recommends appropriating \$325,000 in FY 2014 and \$350,000 in FY 2015 using Half-Cent Sales Tax funds for sidewalk repairs in various locations by the City’s sidewalk assessment program, including improving safety for school access.
- *Wadsworth Storm Drain and Outfall* – Staff recommends appropriating \$395,000 for this project in FY 2014, using \$50,000 from the Ocean Outfall-Montecito project in the Public Facilities Fund, \$53,000 from the General Fund liability developer mitigation funds (rather than unassigned fund balance), and \$292,346 from Half-Cent Sales Tax funds. This project is consistent with the City’s Master Drainage Plan and will provide the back bone of a drainage system that will help prevent flooding downtown, particularly along Price Street.
- *Coastal Beach Access Infrastructure Improvements* - Staff recommends appropriating \$275,000 in FY 2014 from Half-Cent Sales Tax funds for various coastal beach access infrastructure improvements that aim to improve access to the beach.
- *Generators* – The City has \$51,000 budgeted for the three generators at Grover Beach, Bello Street, and Ontario Ridge. These generators are critical for maintaining communication during an emergency. As the design process progressed, staff found out that the small size of the required generators did not have adequate fuel storage or an autostate/power transfer feature. In addition, mobilization, accessing the remote site, and installation of a fence around the site for security is necessary since the building and antennas are currently vulnerable to vandalism and theft. Staff recommends appropriating \$47,000 in FY 2014 from the General Fund to cover these necessary features.
- *Government Building Improvements – Carpeting*: The carpet for both upstairs and downstairs at City Hall, the Police Department, and the Fire Station 64 are showing signs of failure. There are many rips that have been mended with duct tape. There is also at least one workers’ compensation case that has resulted in a trip/fall from a rip in the carpet. Staff recommends appropriating \$85,000 in FY 2014 from the General Fund to replace the carpet in City Hall, \$15,000 to replace the carpet at the Police Department, and \$2,900 to replace the carpet in the Firefighters living quarters at Station 64. Repairing all the carpet in the same bid will result in cost savings.

Total project appropriations cost \$1,277,900 in FY 2014 and \$1,383,000 in FY 2015. The majority of these funds come from the Half-Cent Sales Tax Fund, either from prior project balances reallocated to new projects or available fund balance.

Other Operational Costs

The following table provides a summary of the recommended operational cost appropriations and their financial impact, followed by a description of the items.

<u>Description</u>	<u>FY 2014 Impact</u>	<u>FY 2015 Impact</u>
Public Meeting Video Accessibility	\$ (1,200)	\$ (2,400)
Recreation Vehicle	-	(5,000)
Public Education Grant	(12,000)	15,000
Wolosz Parking Lot Lease	(1,680)	(1,680)
Other Operational Costs Total	\$ (14,880)	\$ 5,920

Council Meeting Video Compatibility and paperless agenda

Apple product (Apple computers, iPads, iPhones, etc.) are currently unable to view Council and Planning Commission meeting videos because the video files are wmv. files (windows media video). These types of files are not supported by Apple. The fix for this would be to upgrade the Encoder Software. With the software upgrade, the video files will be converted to H.264 files, and readable by all devices.

The City has gone paperless with its Council meetings and the City Clerk and Council members are managing the agendas through an iPad application. With the cost of the compatibility feature, Granicus, the City's agenda management solution, provides a tool called iLegislate. This solution provides a more robust tool for modifying agendas and comes with the Encoder Software fix.

Staff recommends that Council appropriate \$2,400 per year in FY 2014 and FY 2015 from the General Fund for this item as an ongoing cost. This cost will cover meeting video streaming to all mobile devices, software upgrades, licensing, updates, and support, including iLegislate.

Recreation Vehicle

Staff from the Recreation Division currently borrows vehicles from other departments or divisions, like the Public Works or Building Division, for transporting and storing goods and supplies needed at City-sponsored events such as the Pumpkins on the Pier event in the fall. This can create a conflict and difficulty setting up for events. A vehicle will provide the Recreation Division the flexibility to move and store goods and supplies needed for events without disrupting the work needs of other Departments or Divisions, which rely on their vehicles to accomplish their various work assignments. There are several vehicles that will be replaced this year. One of these will suffice to assist the Recreation Division. Operating costs for maintenance and repairs requires additional appropriation of \$5,000 in FY 2015, paid for by the General Fund and transferred to the Motor Vehicle Fund.

Public Education Government (PEG) Access Fee Fund

Appropriate \$15,000 in FY 2015 the Public Education Government (PEG) Access Fees, which is collected from cable television operators (Charter Communications) in the City

limits and is set aside for Government cable access and related equipment. These costs were not budgeted in FY 2015 because it was unclear if the Charter franchise agreement would be renewed after expiration of the local franchise agreement.

In compliance with the Americans with Disabilities Act, hearing devices must be made available for those that need special assistance to participate in a public meeting. Staff recommends appropriating \$3,000 of PEG funds to fund hearing devices for Council and other public meetings.

The two computers in the Council Chambers broadcast room are Windows XP computers that will no longer be supported by Microsoft beyond March 31, 2014. One of these computers controls the graphic overlays for City Council and Planning Commission Meeting broadcasts. The replacement price is estimated at \$8,000 for a rack-mounted unit. The unit would be strictly for a standard definition broadcast and not compatible with high definition when and if Charter decides to upgrade Channel 20. The other computer is a standard computer and could be replaced at a cost of \$1,000. Staff recommends that Council appropriate \$9,000 for two computer replacements using PEG funds.

Wolosz Parking Lot Lease

This increase in expenditures reflects the negotiated lease rate for use of the Wolosz lot, which is used to provide off-street paid parking. This parking lot is heavily used in the summer season and during special events and provides additional parking capacity for the downtown. Appropriate \$1,680 in FY 2014 and in FY 2015 in the Parking Enterprise Fund.

Reserves

Description	FY 2014 Impact	FY 2015 Impact
Building Depreciation Reserve	\$ -	\$ (500,000)
Debt/Pension Liability Reduction Reserve	(1,000,000)	-
Reserves Total	\$(1,000,000)	\$ (500,000)

- Building Depreciation Reserve – The current book value for City Buildings is \$3.1 million. The annual depreciation amount is \$110,000 for the City Buildings that have not fully depreciated. Setting aside the \$500,000 for a Building Reserve would be enough to cover the past five years of depreciation dollars which could be used for maintenance and upkeep for City Buildings, particularly if funds were not available. As such, staff recommends setting aside \$500,000 for a Building Depreciation Reserve in FY 2015 to begin building fund improvements to City facilities and buildings.
- Debt/Pension Reduction reserve – The City typically pays for its costs by saving up funds and then incurring the cost. However, for certain expenses, the City financed these costs for various reasons, including equitable cost across generations instead of sharing the burden or not having sufficient funds for a long-term cost. Currently, the City’s General Fund has outstanding liabilities. These include CalPERS pension

costs that we are paying at a 7.5% interest rate and debt service on the Dinosaur Caves Park and Civic Center lease revenue bonds that we are paying interest of up to 5.0%. Conversely, the City's investments are earning around 1.0% based on the types of investments that the City is allowed to pursue. Staff recommends that Council set aside \$1 million in FY 2014 as staff evaluates the best option to reduce the City's liability for pension costs and debt service. This will result in an ongoing cost savings as annual payments decrease.

FISCAL IMPACT:

The proposed changes are supported by additional revenue, fund balance, and reallocated prior project budget balances to other projects. These changes require additional revenue appropriation of \$1,499,433 in FY 2014 and \$1,434,141 in FY 2015, and additional expenditure appropriations of \$2,829,038 in FY 2014 and \$3,778,344 in FY 2015. The net impact is a cost of \$1,329,604 in FY 2014 and \$2,344,203 in FY 2015. The following table provides the financial impact by fund and fiscal year of the proposed budget adjustments.

Financial Impact of Budget Adjustments by Fund

- Positive amounts are additional revenues or cost savings.
- Negative amounts are additional costs or decreases in revenues.

Fund	Fund Title	Rev/ Exp	FY 2014 Impact	FY 2015 Impact
100	General Fund	Rev	474,980	102,766
		Exp	(1,454,070)	(947,047)
	General Fund Total		(979,090)	(844,281)
105	Half-Cent Sales Tax Fund	Exp	(359,190)	(1,383,000)
	Half-Cent Sales Tax Fund Total		(359,190)	(1,383,000)
208	Local Transportation	Exp	17,231	-
	Local Transportation Total		17,231	-
222	PEG Access Fund	Rev	-	15,000
		Exp	(12,000)	-
	PEG Access Fund Total		(12,000)	15,000
301	Capital Projects	Rev	306,292	1,383,000
		Exp	(319,878)	(1,383,000)
	Capital Projects Total		(13,586)	-
302	Public Facilities Fund	Exp	(3,000)	-
	Public Facilities Fund Total		(3,000)	-
305	Park Development Fund	Exp	39,240	-
	Park Development Fund Total		39,240	-
512	Water Fund	Exp	(8,858)	(14,790)
	Water Fund Total		(8,858)	(14,790)
521	Wastewater Treatment	Exp	(7,162)	(87,505)
	Wastewater Treatment Total		(7,162)	(87,505)
551	Parking Enterprise	Exp	(3,190)	(29,627)
	Parking Enterprise Total		(3,190)	(29,627)
601	Technology Service Fund	Rev	172,005	626,900
		Exp	(172,005)	(626,900)
	Technology Service Fund Total		-	-
619	Motor Vehicle Fund	Rev	-	6,475
		Exp	-	(6,475)
	Motor Vehicle Fund Total		-	-
	Total Impact All Funds		\$ (1,329,604)	\$ (2,344,203)

Notes: Rev = Revenues, Exp = Expenditures

General Fund Impact

For FY 2013-14, as shown in the following table, if the proposed Mid-Year Budget Adjustments are approved, the General Fund would have a projected sound net operating surplus of \$222 thousand and a \$3,219 thousand ending fund balance.

	A	B	C = A + B
	FY 2014	FY 2014 Mid-	FY 2014
	Revised	Year	January
(\$ thousands)	Budget	Adjustments	Revised
			Budget
Unassigned Fund Balance	\$ 3,365	\$ -	\$ 3,365
Assigned Fund Balance	2,331	-	2,331
a Beginning Fund Balance	5,695	-	5,695
b Operating Revenues	16,806	475	17,281
c Operating Expenditures	16,977	82	17,059
Net Operating			
d = b - c Surplus/(Deficit)	(170)	393	222
e One-time/Capital Expenditures	1,244	1,454	2,698
f = a+d-e Ending Fund Balance	\$ 4,281	\$ (1,062)	\$ 3,219

For FY 2014-15, as shown in the following table, if the proposed Mid-Year Budget Adjustments are approved, the General Fund would have a projected sound net operating surplus of \$1,155 thousand and a \$3,027 thousand ending fund balance.

	A	B	C = A + B
	FY 2015	FY 2015 Mid-	FY 2015
	Revised	Year	January
(\$ thousands)	Budget	Adjustments	Revised
			Budget
Unassigned Fund Balance	\$ 3,219	\$ -	\$ 3,219
Assigned Fund Balance	-	-	-
a Beginning Fund Balance	3,219	-	3,219
b Operating Revenues	17,986	103	18,089
c Operating Expenditures	16,841	93	16,934
Net Operating			
d = b - c Surplus/(Deficit)	1,145	10	1,155
e One-time/Capital Expenditures	405	942	1,347
f = a+d-e Ending Fund Balance	\$ 3,959	\$ (932)	\$ 3,027

Half-Cent Sales Tax Fund Impact

Based on projected half-cent sales and use transaction tax revenues and budgeted expenditures, there are projected to be funds available of \$2,006 thousand at the end of FY 2015. Staff recommends appropriating a net \$359,190 in FY 2014 and \$1,383,000 in FY 2015. There is sufficient fund balance and projected revenues to support these important infrastructure projects. The following table provides the impact of the projects deappropriated and appropriated in the Half-Cent Sales Tax Fund, and the ending projected fund balance.

Category	Description	FY 2014 Impact	FY 2015 Impact
Fund Balance		\$ 622,739	\$ 1,383,049
Prior Project Savings	Boeker Street Overlook	\$ 15,000	\$ -
	Highland/James Way Study	5,000	-
	FY 2012-13 Paving Project	546,156	-
Deappropriation of project completed Total		\$ 566,156	\$ -
Capital Project	Bluffs Fence	\$ (33,000)	\$ (33,000)
	FY 2014-15 Paving Project	-	(1,000,000)
	Sidewalks	(325,000)	(350,000)
	Wadsworth Storm Drain and Outfall	(292,346)	-
	Coastal Beach Access Improvements	(275,000)	-
Capital Project Total		\$ (925,346)	\$ (1,383,000)
Total Net Impact		\$ (359,190)	\$ (1,383,000)
Ending Fund Balance		\$ 263,549	\$ 49

Technology Services Fund

A new Technology Services Fund is proposed to capture information technology costs that benefit multiple funds. This fund is an internal service fund where IT projects that benefit multiple funds will reside. For FY 2014 and FY 2015, the IT Manager, the IT Security Assessment, Disaster Recovery Plan, Server Needs Assessment; the City Hall Computer Room Improvements; the Financial System, the Website Refreshment; and the Wide Area Network & WiFi Connectivity projects reside in this fund and are funded 85% from the General Fund, 8% by the Wastewater Fund, 6% by the Water Fund, and 1% by the Parking Fund.

Other Funds

All other funds have sufficient fund balance to support the proposed budget adjustments.

ALTERNATIVES:

1. Approve some of the budget adjustments
2. Do not approve any of the budget adjustments
3. Modify the budget adjustments
4. Do not establish a new Technology Service Fund

ATTACHMENTS:

1. List of FY 2014 and FY 2015 Budget Adjustments by Category
2. Resolution

Prepared by:

Jim Lewis, City Manager
Nadia Feeser, Administrative Services Director
Susan West-Jones, Finance Manager
Jeff Norton, Police Chief
Jon Biggs, Community Development Director
Paul Lee, Fire Battalion Chief
Ben Fine, Public Works Director/City Engineer

Meeting Date: January 7, 2014

City Manager Approval:



List of FY 2014 and FY 2015 Budget Adjustments by Category

- Positive amounts are additional revenues or cost savings.
- Negative amounts are additional costs or decreases in revenues.

Category	Description	FY 2014 Impact	FY 2015 Impact
New Revenue	Property Tax Revenues	\$ 213,262	
	Sales Tax Revenues	116,952	
	TOT Revenues	92,000	
	Business Tax Revenues	21,766	21,766
	Special Event Fees	25,000	75,000
	Recreation Class Revenues	6,000	6,000
New Revenue Total		\$ 474,980	\$ 102,766
IT Strategic Plan Years 1 & 2	IT Security Assessment, Disaster Recovery Plan, Server Needs Assessment	\$ (45,000)	\$ -
	City Hall Computer Room Improvements	(50,000)	-
	Website Refreshment	(30,000)	-
	Financial System	-	(415,000)
	Facility Reservation Implementation	(7,200)	-
	Parking System Assessment	-	(25,000)
IT Strategic Plan Years 1 & 2 Total		\$ (132,200)	\$ (440,000)
Staffing Changes	IT Manager	\$ (48,305)	\$ (128,900)
	Deappropriation from contract savings	-	13,500
	Recreation Coordinators	(37,000)	(37,000)
	Recreation Special Event part-time staff	(7,000)	(7,000)
	Administration Department Reorganization	-	-
	Staff cost savings	-	29,511
Staffing Changes Total		\$ (92,305)	\$ (129,889)
Prior Project Savings	Irrigation Telemetry	\$ 51,067	\$ -
	Boeker Street Overlook	15,000	-
	Highland/James Way Study	5,000	-
	FY 2012-13 Paving Project	546,156	-
	Franklin Storm Drain	17,231	-
	Ocean Outfall-Montecito	50,000	-
	Dinosaur Caves Park	23,667	-
	Metering Pump Redundancy	4,579	-
Prior Project Savings Total		\$ 712,701	\$ -
Capital Projects	Bluffs Fence	\$ (33,000)	\$ (33,000)
	FY 2014-15 Paving Project	-	(1,000,000)
	Infrastructure Assessment	(100,000)	-
	Sidewalks	(325,000)	(350,000)
	Wadsworth Storm Drain and Outfall	(395,000)	-
	Coastal Beach Access Improvements	(275,000)	-
	Generators	(47,000)	-
	Government Building Improvements	(102,900)	-
Capital Projects Total		\$(1,277,900)	\$(1,383,000)

Category	Description	FY 2014 Impact	FY 2015 Impact
Other Operational Costs	Public Meeting Video Accessibility	\$ (1,200)	\$ (2,400)
	Recreation Vehicle	-	(5,000)
	Public Education Government Grant	(12,000)	15,000
	Wolosz Parking Lot Lease	(1,680)	(1,680)
Other Operational Costs Total		\$ (14,880)	\$ 5,920
Reserves	Building Depreciation Reserve	\$ -	\$ (500,000)
	Debt/Pension Liability Reduction Reserve	(1,000,000)	-
Reserves Total		\$(1,000,000)	\$ (500,000)
		\$(1,329,604)	\$(2,344,203)

RESOLUTION NO. R-2014-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PISMO BEACH APPROVING AND APPROPRIATING CHANGES IN REVENUES AND EXPENDITURES FOR FY 2014 AND FY 2015 AND ESTABLISH A TECHNOLOGY SERVICE FUND TO CAPTURE INFORMATION TECHNOLOGY COSTS.

WHEREAS, on June 6, 2013, the City Council of Pismo Beach approved and adopted a two-year Budget for Fiscal Years FY 2014 and FY 2015; and

WHEREAS, on November 5, 2013, the City Council reviewed updated information on FY 2014 based on the first quarter financial results and received updated estimates for revenues and expenditures in key funds for FY 2014; and the City Council received a preliminary long-term financial outlook for the General Fund to FY 2019; and

WHEREAS, on January 7, 2014, the City Council reviewed funding requests from City Departments, and inputs from the public regarding proposed adjustments and appropriations for FY 2014 and FY 2015.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Pismo Beach as follows:

1. Hereby establish a new Technology Service Fund to capture information technology costs that benefit multiple funds and budget revenues and expenditures in the fund as outlined in Exhibit A. This fund is an internal service fund where IT projects that benefit multiple funds will reside.
2. There are hereby appropriated changes in revenues and expenditures for FY 2014 as summarized in the table below, and detailed in attached Exhibits A, which by this reference are made a part hereof. This table and attached exhibits include \$953,277 and \$2,282,882 of net additional appropriations for revenues and expenditures, respectively, in FY 2014 and \$2,134,141 and \$4,478,344 of net additional appropriations for revenues and expenditures, respectively, in FY 2015 to reflect the Council approved budget adjustments. After excluding transfer appropriations, net additional appropriations for revenues and expenditures in FY 2014 are \$474,980 and \$1,804,584, respectively. After excluding transfer appropriations, net additional appropriations for revenues and expenditures in FY 2015 are \$124,241 and \$2,468,444, respectively.

FY 2014 and FY 2015 Mid-Year Budget Appropriation Adjustments

Fund	Fund Title	FY 2014		FY 2015	
		Revenue	Expenditure	Revenue	Expenditure
100	General Fund	\$ 474,980	\$ 1,454,070	\$ 102,766	\$ 947,047
105	Half-Cent Sales Tax Fund		359,190		1,383,000
208	Local Transportation		(17,231)		
222	PEG Access Fund		12,000	15,000	
301	Capital Projects	306,292	319,878	1,383,000	1,383,000
302	Public Facilities Fund		3,000		
305	Park Development Fund		(39,240)		
512	Water Fund		8,858		14,790
521	Wastewater Treatment		7,162		87,505
551	Parking Enterprise		3,190		29,627
601	Technology Service Fund	172,005	172,005	626,900	626,900
619	Motor Vehicle Fund			6,475	6,475
All Funds Total		\$ 953,277	\$ 2,282,882	\$ 2,134,141	\$ 4,478,344
Less Transfers		\$ (478,297)	\$ (478,297)	\$ (2,009,900)	\$ (2,009,900)
Net Appropriations		\$ 474,980	\$ 1,804,584	\$ 124,241	\$ 2,468,444

- Any necessary transfer appropriations between funds necessary to implement these approved Council approved adjustments for FY 2014 and FY 2015.
- There are hereby set aside previously appropriated funds for projects not yet completed, or encumbrances carried forward from previous years.

UPON MOTION OF Council Member _____ seconded by Council Member _____ the foregoing resolution was passed, approved, and adopted by the City Council of the City of Pismo Beach this 7th day of January 2014, by the following roll call vote:

AYES: Council Members:
NOES: Council Members:
ABSENT: Council Members:
ABSTAIN: Council Members:

Approved:

Attest:

Shelly Higginbotham
Mayor

Elaina Cano, CMC
City Clerk

Exhibit A: Mid-Year Appropriations by Fund

Fund	Fund Title	Item	FY 2014		FY 2015		One-time/ Ongoing
			Revenue	Expenditure	Revenue	Expenditure	
100	General Fund						
		Business Tax Revenues	21,766		21,766		Ongoing
		Property Tax Revenues	213,262				One-time
		Sales Tax Revenues	116,952				One-time
		Special Event Fees	25,000		75,000		Ongoing
		TOT Revenues	92,000				One-time
		Recreation Class Revenues	6,000		6,000		Ongoing
		IT Security Assessment, Disaster Recovery Plan, Server Needs Assessment		36,846			One-time
		City Hall Computer Room Improvements		50,000			One-time
		Facility Reservation Implementation		7,200			One-time
		Financial System				348,679	One-time
		Website Refreshment		24,564		-	One-time
		IT Manager		39,786		105,906	Ongoing
		Recreation Coordinators		37,000		37,000	Ongoing
		Recreation Special Event part- time staff		7,000		7,000	Ongoing
		Deappropriation from contract savings				(13,500)	Ongoing
		Administration Department Reorganization		2,556			One-time
		Administration Department Reorganization		(2,556)		-	Ongoing
		Staff Cost Savings				(45,438)	Ongoing
		Irrigation Telemetry		(49,080)			One-time
		Generators		47,000			One-time
		Government Building Improvements		102,900			One-time
		Infrastructure Assessment		100,000			One-time
		Wadsworth Storm Drain and Outfall		49,654			One-time
		Recreation Vehicle				5,000	Ongoing
		Public Meeting Video Accessibility		1,200		2,400	Ongoing
		Building Depreciation Reserve				500,000	One-time
		Debt/Pension Liability Reduction Reserve		1,000,000			One-time
	General Fund Total		474,980	1,454,070	102,766	947,047	
105	Half-Cent Sales Tax Fund						
		Boeker Street Overlook		(15,000)			One-time
		Highland/James Way Study		(5,000)			One-time
		FY 2012-13 Paving Project		(546,156)			One-time
		Beach Access Stairs		275,000			One-time
		Bluffs Fence		33,000		33,000	One-time
		FY 2014-15 Paving Project				1,000,000	One-time
		Sidewalks		325,000		350,000	One-time
		Wadsworth Storm Drain and Outfall		292,346			One-time
	Half-Cent Sales Tax Fund Total		-	359,190	-	1,383,000	

Fund	Fund Title	Item	FY 2014		FY 2015		One-time/ Ongoing
			Revenue	Expenditure	Revenue	Expenditure	
208	Local Transportation						
		Franklin Storm Drain		(17,231)			One-time
		Local Transportation Total	-	(17,231)	-	-	
222	PEG Access Fund						
		Public Education Government Grant		12,000			One-time
		Public Education Government Grant			15,000		Ongoing
		PEG Access Fund Total	-	12,000	15,000	-	
301	Capital Projects						
		Boeker Street Overlook	(15,000)	(15,000)			One-time
		Highland/James Way Study	(5,000)	(5,000)			One-time
		Dinosaur Caves Park	(39,240)	(23,667)			One-time
		Franklin Storm Drain	(17,231)	(17,231)			One-time
		FY 2012-13 Paving Project	(546,156)	(546,156)			One-time
		Irrigation Telemetry	(49,080)	(51,067)			One-time
		Ocean Outfall-Montecito	(50,000)	(50,000)			One-time
		Beach Access Stairs	275,000	275,000			One-time
		Bluffs Fence	33,000	33,000	33,000	33,000	One-time
		FY 2014-15 Paving Project			1,000,000	1,000,000	One-time
		Sidewalks	325,000	325,000	350,000	350,000	One-time
		Wadsworth Storm Drain and Outfall	395,000	395,000			
		Capital Projects Total	306,292	319,878	1,383,000	1,383,000	
302	Public Facilities Fund						
		Ocean Outfall-Montecito		(50,000)			One-time
		Wadsworth Storm Drain and Outfall		53,000			One-time
		Public Facilities Fund Total	-	3,000	-	-	
305	Park Development Fund						
		Dinosaur Caves Park		(39,240)			One-time
		Park Development Fund Total	-	(39,240)	-	-	
512	Water Fund						
		IT Security Assessment, Disaster Recovery Plan, Server Needs Assessment		3,267			One-time
		Financial System				-	One-time
		Website Refreshment		2,178		-	One-time
		IT Manager		3,413		9,212	Ongoing
		Staff Cost Savings				5,578	Ongoing
		Water Fund Total	-	8,858	-	14,790	

Fund	Fund Title	Item	FY 2014		FY 2015		One-time/ Ongoing
			Revenue	Expenditure	Revenue	Expenditure	
521	Wastewater Treatment						
		IT Security Assessment, Disaster Recovery Plan, Server Needs Assessment		4,330			One-time
		Financial System			65,000		One-time
		Website Refreshment		2,887	-		One-time
		IT Manager		4,524	12,211		Ongoing
		Staff Cost Savings			10,294		Ongoing
		Metering Pump Redudancy		(4,579)			One-time
		Wastewater Treatment Total	-	7,162	-	87,505	
551	Parking Enterprise						
		IT Security Assessment, Disaster Recovery Plan, Server Needs Assessment		557			One-time
		Financial System			1,321		One-time
		Parking System Assessment			25,000		One-time
		Website Refreshment		371	-		One-time
		IT Manager		582	1,571		Ongoing
		Staff Cost Savings			55		Ongoing
		Wolosz Parking Lot Lease		1,680	1,680		Ongoing
		Parking Enterprise Total	-	3,190	-	29,627	
601	Technology Service Fund						
		IT Security Assessment, Disaster Recovery Plan, Server Needs Assessment	45,000	45,000			One-time
		City Hall Computer Room Improvements	50,000	50,000			One-time
		Financial System			500,000	500,000	One-time
		Website Refreshment	30,000	30,000	-		One-time
		IT Manager		5,000			One-time
		IT Manager	47,005	42,005	126,900	126,900	Ongoing
		Technology Service Fund Total	172,005	172,005	626,900	626,900	
619	Motor Vehicle Fund						
		Staff cost savings			1,475	1,475	Ongoing
		Recreation Vehicle			5,000	5,000	Ongoing
		Motor Vehicle Fund Total	-	-	6,475	6,475	
All Funds Total			\$ 953,277	\$ 2,282,882	\$2,134,141	\$ 4,478,344	