City of Pismo Beach

ADOPTED BUDGET / FY2014 & FY2015















Investing in Our Community – Investing in Our Team – Investing in Our Future

Cover photographs reflect several Pismo Beach City funded projects or events from the previous two-year budget.

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- "Project funded by Your 1/2 Cent Sales Tax Measure C" sign at work, photo courtesy of Public Works staff
- Police DUI stop, photo courtesy of Police Department
- New Dinosaur Caves Park restroom, photo courtesy of Public Works staff
- Heights water project construction, photo courtesy of Public Works staff
- Joint Police Department and CalFire cliff and ocean rescue
- Dinosaur Caves Park entrance picture, photo courtesy of Public Works staff

Cover page artwork and design by Kathy Schwartz, Community Development Department

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City Council

Mayor	Shelly Higginbotham
Mayor Pro Tem	Edward Waage
Council Member	Erik Howell
Council Member	Mary Ann Reiss
Council Member	Kris Vardas

Executive Management Team

City Manager	James Lewis
City Clerk	Elaina Cano
Administrative Services Director	Nadia Feeser
Community Development Director	Jon Biggs
Fire Battalion Chief	Paul Lee
Police Chief	Jeff Norton
Public Works Director/City Engineer	Benjamin Fine
Conference & Visitors Bureau	Suzen Brasile
Human Resources	Debra Garcia

Budget Development Team

Administrative Services Director	Nadia Feeser
Finance Manager	Susan West-Jones
Accountant	Sue Towne
Accounting Technician	Becky Robertson
Accounting Technician	Kristin Bennet
Office Assistant II	Karin Roda

Our Vision for Pismo Beach

Provide a safe place; maintain its small beach town character; manage growth effectively; and enhance a vibrant tourist-based economy, while becoming a world-renowned tourist destination.

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CITY MANAGER'S BUDGET MESSAGE

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CITY MANAGER'S BUDGET MESSAGE

July 1, 2013

Honorable Mayor and Council Members:

I am pleased to present the Fiscal Year (FY) 2013-2014 (FY 2014) and FY 2014-15 (FY 2015) budget for the City of Pismo Beach. This is the first budget I have had the privilege to submit as City Manager and I strongly believe it lays a solid foundation for our City's social, cultural, and economic growth. This budget provides investments into our community, our city team, and our future. The Adopted Budget document includes all City funds plus funds of the Public Finance Authority and the Public Facilities Corporation. I am looking forward to working with our exceptional staff to implement the Council's goals and vision for our wonderful community.

Unlike most cities in California, our City is very fortunate. Over the past several years, the City Council has made difficult choices and prudent decisions to keep the City financially healthy. Additionally, while the economies of other cities have suffered, tourists have come to Pismo Beach, many for the first time, growing our revenues from hotel occupancy and restaurant and retail sales. As a result, over the past few years the City has accumulated a healthy General Fund unassigned fund balance. The General Fund unassigned fund balance is fund balance that is not allocated or assigned for any particular project or use. To put it in more familiar terms, at the end of the year, our City's "checking account" had significant funds left over after all of our bills were paid.

Like most California cities, when the previous two-year budget was being developed, the City was experiencing revenue declines in all key revenues. These included historically low permit levels, decreases in Transient Occupancy Tax (TOT) revenues, property-related tax revenues, and sales tax revenues. Being unsure of when the economy would recover and uncertain of how stable such a recovery would be, the City budgeted revenues and expenditures conservatively with the then current circumstances in mind.

Fortunately, due to the City's Conference and Visitors Bureau promotion efforts, the focus and investment of our hoteliers and business community, and a variety of external factors, tourism in our City has flourished during the past budget cycle; revenues were much higher than expected. Additionally, during this period, operating costs were maintained at or below budgeted levels. These unanticipated revenues combined with tightened expenditures have allowed the General Fund unassigned fund balance to grow even healthier. Despite these unanticipated revenues, we believe economic recovery, specifically in the area of discretionary tourism spending, is still fragile. There are many threats that remain in the economy that could damper tourism and travel spending. Additionally, competition for tourism dollars continues to increase. The City

must compete with other beach resort communities to the north and south. Keeping these factors in mind, we believe it is too early to assume that the increased revenue trends will continue and as a result the increased revenues are being treated as one-time revenues and cannot yet be relied on each year to balance the budget. We sincerely hope these trends are permanent but it would be risky to make that determination as of today.

The adopted budget assumes moderate increases in revenues and invests in operational enhancements and new programs. Consistent however with the previous philosophy that it is too early to tell if these increased revenue streams will remain strong, the budget treats these as one-time revenues and sets aside some of the increased fund balance into reserves, and towards accomplishing several Council Goals.

While conservative in our assumptions, this budget will still make significant investment in our community over the next two years. The future is very bright for the City of Pismo Beach, its residents, and its visitors. Throughout 2013-15 we will be making investments in our community, in our team, and in our future.

Investing in Our Community

The adopted budget invests heavily in our community. Pismo Beach prides itself on its parks, facilities, paths of travel, community appearance, and our preparedness in case of disaster. This budget continues to invest in the community by:

- Investing over $1 million in infrastructure by continuing road paving and rehabilitation projects throughout the community, planning for modernized storm drain systems to more efficiently move water off of streets and improving sidewalks
- Rehabilitating and improving several public facilities including the Pismo Beach Veterans' Hall, Shell Beach Veterans' Hall and City Hall
- Providing bluff protection and stabilization in key areas of Price Street and Shell Beach; to protect water and sewer infrastructure
- Increasing safety in the downtown area by adding an extra police officer position on bike patrol Thursday-Sunday
- Enhancing emergency preparedness efforts by completing the installation of generators at the City's radio/communication sites and at City Hall and purchasing an above ground fuel tank to ensure fuel is always available for the City's fleet
- Purchasing new community engagement programs that are web based allowing residents to become more aware and involved in the City's decision making process whether from home or on the go
- Increasing funding for popular community events such as Pumpkins on the Pier, the Fourth of July Celebration, and Holiday Harmony including the purchase of a new and brighter community holiday tree
- Repairing the Price Canyon Road slope failure
- Investing in the complete design of the Shell Beach streetscape phase 1

Investing in Our Team

The adopted budget also invests in the City team, the staff. The City Council acknowledges its hardworking, experienced, and dedicated staff team, and I recommend several investments in our team including:

- Improving opportunities for employee education and training that result in more efficient, resourceful and entrepreneurial operations
- Enhancing the environment and culture at City facilities to improve employee morale, development, and creativity
- Implementing new technology in police vehicles and throughout the City organization that allows quicker access to information, provides greater efficiency in service to the public and develops a more secure and reliable computing environment
- Continuing vehicle replacement of mission critical public safety and public works vehicles to ensure the City's fleet is in good working order, maintenance costs remain low, and there is pride in the appearance of the City's fleet
- Maintaining competitive salaries and benefits while at the same time ensuring that the City's pension and benefit programs are sustainable into the future
- Incorporating paperless agendas and other digital technologies making it easier to access and query City information

Investing in Our Future

Finally, we are not only investing in the people and assets we enjoy today, but we will also make strategic investments into our future. The adopted budget invests in the future by:

- Increasing the General Fund Reserve by 1% each year over 5 years from 20% to 25%. This will provide greater financial security and stability for the community should an economic crisis or disaster strike
- Fully funding the 1% operating contingency in the budget allowing for operating flexibility and opportunity during the year
- Establishing a Risk Management Reserve at $50 thousand per year
- Implementing a comprehensive downtown revitalization and planning process looking at land use, parking, circulation, retail uses, streetscape and public amenities aimed at transforming downtown into the cultural, social and economic center of the community
- Involving the public in a planning process to discuss ways that the former City Hall building on Bello Street can be used and identifying what elements are historically significant to the community
- Revising the General Plan Circulation Element to ensure efficient access throughout the community via a variety of transportation types
- Rebuilding the Bello Street Bridge to connect the north and south sections of the community. Once completed, the bridge will provide better access to and from the junior high, baseball fields and will provide route alternatives in the event of evacuation either to or from the coastal area
- Giving the opportunity for the community to consider renewing the Half-Cent Sales Tax measure. 100% of funds raised by the measure have been reinvested into the community's

roads, sidewalks and storm drains. The adopted budget assumes the renewal of the tax measure.

Financial Overview

The overall goals for the FY 2014 and FY 2015 budget period are to have a fiscally sound two-year budget, strengthen reserves, enhance current service levels, and address critical capital projects. The FY 2014 and FY 2015 adopted budget presents a balanced budget, with excess revenues sufficient to cover "above base" level budget expenditures.

The FY 2014 adopted budget is balanced, where total revenues of $28.9 million exceed the $28.1 million operating and capital budget.

The FY 2015 adopted budget is balanced, where total revenues of $29.1 million exceed the $26.6 million operating and capital budget.

The adopted budget includes above base level expenditures for improving services, supporting capital improvements, building reserves, and supporting the community.

- The amount of above base budget items that include enhancing service levels and address Council priorities are $1,044,790 in FY 2014 and $418,990 in FY 2015.
- The amount of capital improvement projects that address critical infrastructure needs and other Council goals are $2,168,511 in FY 2014 and $1,225,000 in FY 2015.
- The adopted budget contributes an additional 2%, or $236 thousand of General Fund reserves as the City moves from 20% to 25% over 5 years.
- The General Fund contingency budget is fully funded with an additional $21 thousand in FY 2014 and $25 thousand in FY 2015 to support unanticipated items that may occur during the budget years.
- The adopted budget establishes a risk management reserve at $50 thousand each year of the budget for unanticipated risk management costs.
- Finally, the budget includes contributing $263,161 of City funds in FY 2014 to non-profits in the community.

This budget document is a comprehensive financial document that accounts for historical transactions and events, and compares the previous year's budgeted expenditures and the adopted budgets for FY 2014 and FY 2015. The FY 2013 revised budget, as presented in the ensuing departmental pages, reflects budget amendments approved since July 2012, as well as open encumbrances rolled-over from the preceding fiscal year.

All relevant financial information is outlined in the budget summary on the following pages. The summary includes several charts, graphs, and commentary on the budget and items included within it. Following the budget summary, there are details of the budget organized by function and department.

Acknowledgements

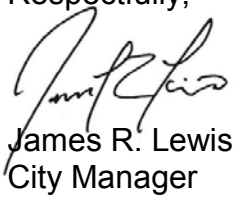
I would like to thank the management, mid-management, and supervisory staff from all City departments who provided invaluable input into the preparation of the FY 2014 and FY 2015

budget in a spirit of interdepartmental cooperation. In each instance the staff always worked with the best interest of the entire community and the City's fiscal integrity in mind. I thank the staff of the Administrative Services Department who provided exceptional assistance to all departments in providing training, calculations, advice, and reminders of critical deadlines throughout the budget preparation process. I offer thanks to the City Council for their leadership, guidance and direction. Finally, I would also like to thank all other individuals who contributed in making this budget a reality. This document is a team effort.

Closing

Our future is bright. We are financially stable, we are making prudent investments into the community and we are enhancing the quality of life for our residents and visitors. These are great days for the City of Pismo Beach and I am excited about our future. Additionally, I am encouraged by the people coming together to work hard to take our community to the next level. All of the pieces are in place to make Pismo Beach even more exceptional than it already is and I am privileged to work with an outstanding staff, volunteers, business owners, non-profit leaders and elected officials.

Respectfully,



James R. Lewis
City Manager

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COMPREHENSIVE BUDGET SUMMARY

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COMPREHENSIVE BUDGET SUMMARY

The following narrative presents a summary of the budget document including discussions about revenues, expenditures, projections, staffing, changes to service levels, and assumptions. The summary also includes several charts and graphs.

The FY 2014 and FY 2015 adopted budget presents a balanced budget, with revenues sufficient to cover base level and "above base" level budget expenditures. The base budget is simply a continuance of all current services and contracts without any increases to staffing, contract costs, program enhancements, or capital projects. The above base level expenditures are all expenditures over the base budget. These above base items include accomplishments of the City Council's goals, and major investments in the City's community, team, and future. These include several capital projects, program enhancements, and increased contributions to contingency funds, replacement funds, and the General Fund reserve. The following table depicts the FY 2014 and FY 2015 adopted budgets, in comparison to the FY 2013 revised budget. The 2013 revised budget is the FY 2013 adopted budget plus Council approved changes and multi-year capital project budgets that were not completed in prior years.

	FY 2013 Revised Budget	FY 2014 Adopted Budget	Change from Prior Year	FY 2015 Adopted Budget	Change from Prior Year
Revenues	$ 31,121,719	$ 28,942,073	$ (2,179,646)	$ 29,078,150	$ 136,077
Expenditures	43,702,491	28,088,247	(15,614,244)	26,608,241	(1,480,006)
Net	$ (12,580,772)	$ 853,826		$ 2,469,909	

FY 2014 Adopted Budget vs FY 2013 Revised Budget

The FY 2014 adopted budget includes $2.1 million fewer revenues compared to the FY 2013 revised budget. This is largely attributed to $1.0 million more in state government grants budgeted in the FY 2013 revised budget for the California Department of Boating and Waterways Grant and the California Environment Enhancement Grant. The other factor is $1.0 million more budgeted in FY 2013 for the Rule 20A Funds from PG&E Underground Utility Credits. The FY 2014 adopted budget also includes $15.6 million fewer budgeted expenditures, primarily due to multi-year capital projects and contracts budgeted in prior years carried forward to FY 2013.

FY 2015 Adopted Budget vs FY 2014 Adopted Budget

The FY 2015 adopted budget includes $136 thousand in additional revenues compared to the FY 2014 adopted budget, largely due to additional water and wastewater utility revenues and additional TOT revenues, offset by a reduction in one-time grant revenues received in FY 2014 but not in FY 2015. The FY 2015 adopted budget includes $1,480 thousand fewer expenditures compared to the FY 2014 adopted budget, primarily due to more one-time capital projects budgeted in FY 2014 than in FY 2015.

The Adopted Two-Year Budget is Balanced

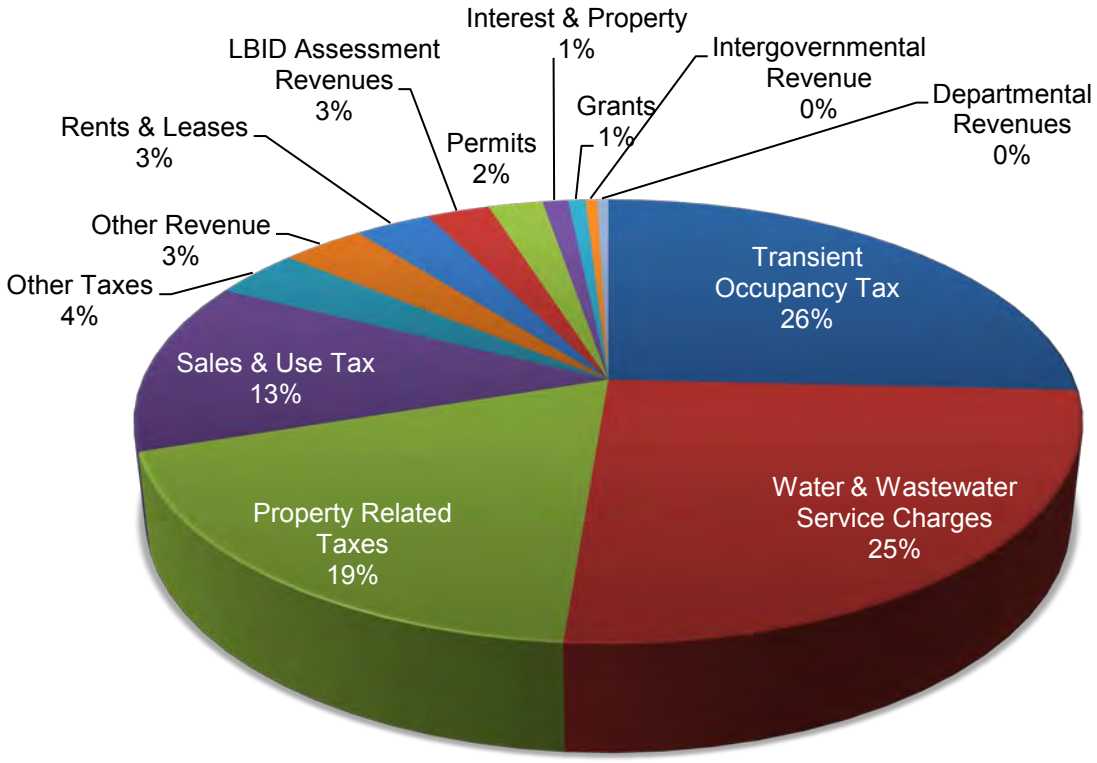
- The FY 2014 adopted budget is balanced, where total revenues of $28.9 million exceed the $28.1 million operating and capital budget.

- The FY 2015 adopted budget is balanced, where total revenues of $29.1 million exceed the $26.6 million operating and capital budget.

Revenue and Expenditure Components of the Two-Year Budget

The following pie charts illustrate the categories of revenues and expenditures that make up the City's FY 2015 base operating budget. The components of the FY 2014 and FY 2015 base operating budgets are similar and the percentages in FY 2014 are almost identical.

FY 2015 All Fund Revenue Categories



Revenue Categories

- The largest component, or 26%, of the City's revenues is from Transient Occupancy Tax (TOT) revenues, budgeted at $7.49 million. These revenues are equal to 10% of the rent charged by all lodging business for a person exercising occupancy for 30 consecutive calendar days or less.

- The second largest component, or 25%, of the City's revenues is from Water & Wastewater Service Charges from residential and non-residential customers, which is about $7.41 million.
- Property Related taxes make up 19% of the City's revenues, or $5.41 million, and include property taxes from assessed property values, property tax in lieu of vehicle license fees, property tax that was formerly allocated to the now dissolved Redevelopment Agency, and a special water tax on property owners.
- Sales and Use tax revenues make up 13% of the City's revenues, or $3.67 million, and include the 0.75% Bradley Burns sales tax, the sales tax in lieu of property tax, public safety sales tax, and the Half-Cent Transaction sales tax. Note that the Half-Cent Transaction sales tax is set to expire on March 31, 2015, but this budget assumes that voters will renew this tax measure in November 2014.
- The remaining components contribute 18%, or $5.10 million, of the City's revenues and include other taxes, other revenue, rents and leases, LBID assessment revenues, permits, interest and property, grants, and intergovernmental revenue.

The four largest revenue categories (TOT, Water & Wastewater Service Charges, Property Related taxes, and Sales & Use tax revenues) make up 83% of the City's revenues. TOT revenues and the majority of property and sales tax revenues are deposited in the General Fund. An in-depth description of these General Fund sources are provided on pages 29 through 32. The Water and Wastewater service charges are described below.

Water & Wastewater Service Charges are deposited in the Water and Wastewater Enterprise Funds and are used exclusively for water and wastewater operations, maintenance, and utility related capital projects. The City hired a consultant to conduct a water and wastewater rate study to determine water and wastewater rates for the next five years. The City has evaluated this data and used historical actual revenue growth to project revenues for FY 2014 and FY 2015. The additional revenues assumed as part of the potential rate structure and amount changes are not incorporated, pending final approval. The water and wastewater revenues and basis for estimates are described below:

Water Service Charges

Water service charges are the primary source of revenue received by the City's Water Enterprise Fund. These service charges have a fixed and variable component. The fixed charge is based on meter size and currently recovers 39% of all water costs. The variable component is based on water consumption and recovers 61% of all water costs. Other sources of revenue include account set-up fees, turn on/off fees, penalties and late fees, and interest income.

Historical actual water service charge revenues fluctuate based on customer growth, water sales volume, and includes rate increases. As such, reviewing these historical actual revenue changes alone does not project water service charge revenues for the future. Instead, water service charges are estimated through projections of customer growth and water sales volume.

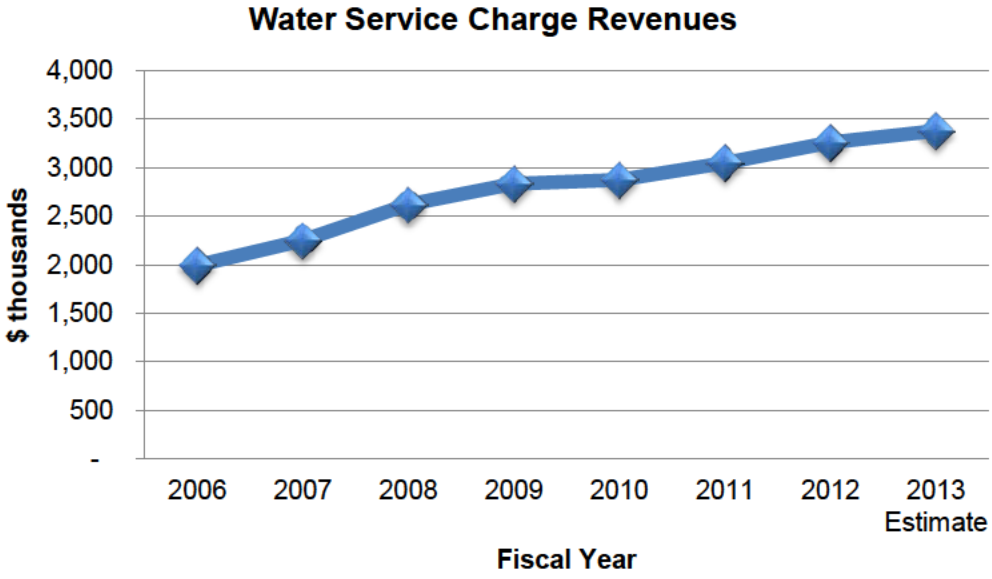
Customer growth: The City currently has eight classifications of water customers. These include Single-family Residential (SFR), Multi-family Residential (MFR), Mobile Home, Commercial,

Irrigation, Construction, Hydrant, and Municipal. Future customer growth in these classifications includes the assumption that there will be some customer growth in FY 2015.

Water Sales Volume: Future water sales volume for the City was estimated by multiplying the projected number of customers by future estimates of water use per customer by classification.

The basis for the budgeted water service charge revenues for FY 2014 is equal to a projected FY 2013 actual estimate of $3.30 million. This assumes no rate change, no customer growth, and no change in water sales volume compared to FY 2013. For FY 2015, the budget was increased by 3% to $3.40 million, in anticipation of additional commercial and housing development, offset by water consumption declines.

The following table illustrates the change in water service charge revenues that reflect increased rates and customer growth, offset by reduced water consumption. Rate increases of 4.65% for water fixed charges and about 8.5% for variable rate charges were in effect during FY 2008 through FY 2012, and both charges were increased by 2.09% CPI in FY 2013. During this period, customer growth increased slightly by 1.2% while overall consumption decreased by 1.3%.



Wastewater Service Charges

Wastewater service charges are the primary source of revenue received by the City's Wastewater Enterprise Fund. These service charges have a fixed and variable component. The fixed charge is based on meter size and currently recovers 18% of all wastewater costs. The variable component is based on water consumption and recovers 82% of all wastewater costs. Other revenue sources include penalties, interest income, and miscellaneous sources.

Historical actual wastewater service charge revenues fluctuate based on customer growth, waste sales volume, and includes rate increases. As such, reviewing these historical actual revenue changes alone does not project wastewater service charge revenues for the future.

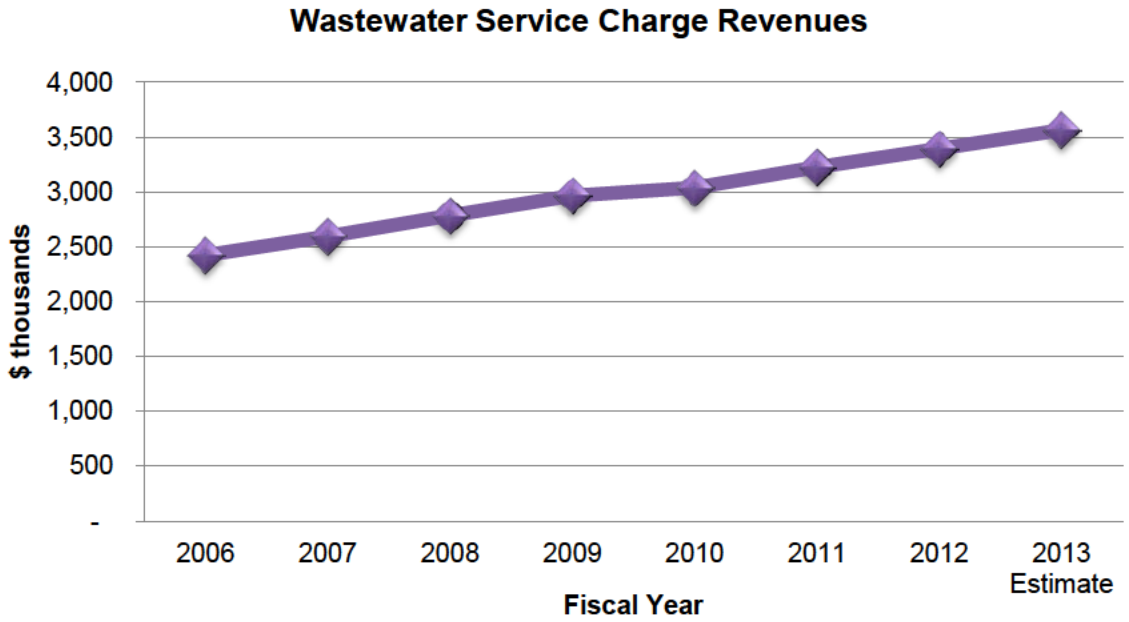
Instead, wastewater service charges are estimated through projections of customer growth and water sales volume.

Customer growth: The City classifies wastewater customers into 17 classifications. These include Single-family Residential (SFR), Multi-family Residential (MFR), Mobile Home, and various Commercial customers grouped by the cost to treat those businesses. For example, a school is charged a different rate than a school with a cafeteria since the cafeteria would increase the cost to treat the wastewater.

Water Sales Volume: Future water sales volume from wastewater customers is projected by multiplying the projected number of customers by future estimates of water use per customer by classification.

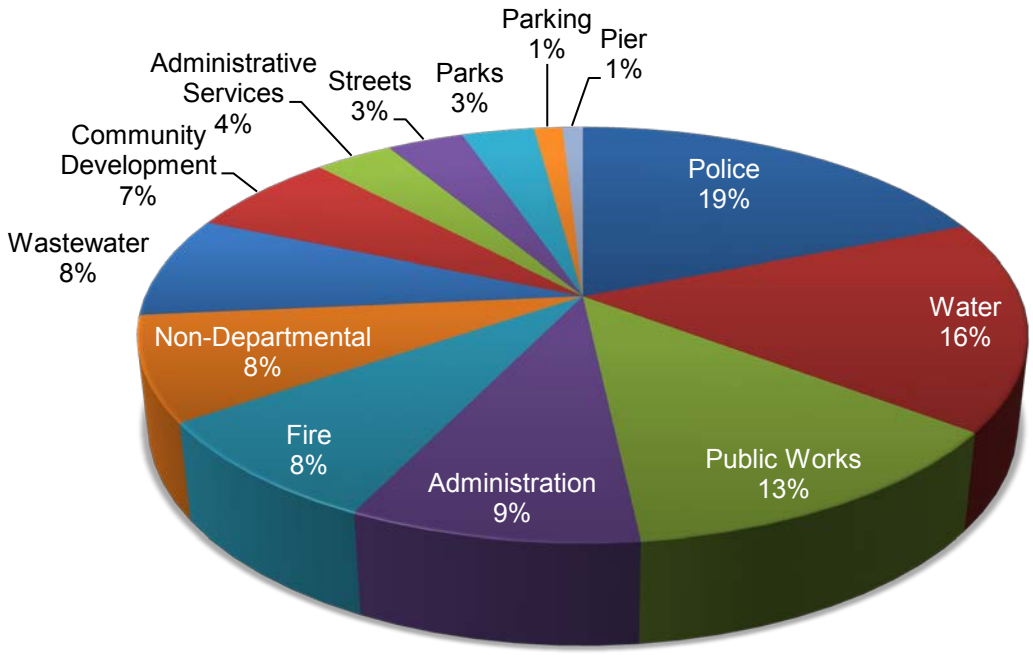
The basis for the budgeted wastewater service charge revenues for FY 2014 is equal to a projected FY 2013 actual estimate of $3.40 million. This assumes no rate change, no customer growth, and no change in water sales volume compared to FY 2013. For FY 2015, the budget was increased by 4% to $3.55 million, in anticipation of additional commercial and housing development, offset by water consumption declines.

The following table illustrates the change in wastewater service charge revenues that reflect increased rates and customer growth, offset by reduced water consumption. Rate increases depending on meter size for wastewater fixed charges and variable rate charges were in effect during FY 2008 through FY 2012, and both charges were increased by 2.09% CPI in FY 2013. During this period, customer growth increased slightly by 1.2% while overall consumption decreased by 1.3%.



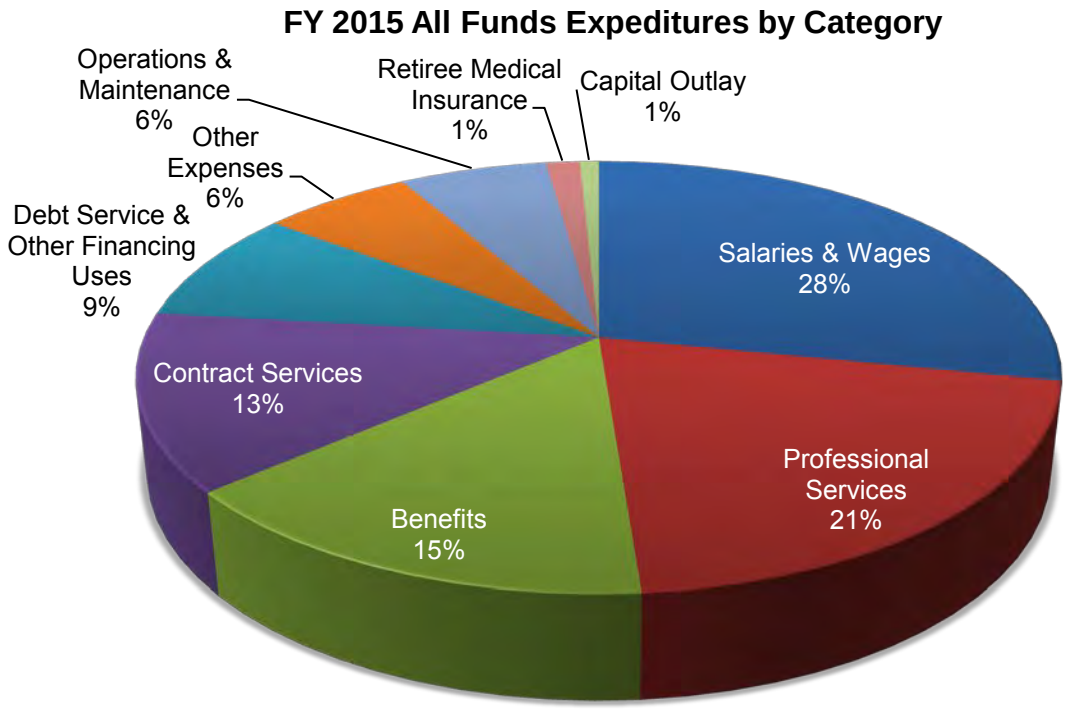
The following pie charts show two ways to view how the City's funds are spent: by department/ division or by expenditure category.

FY 2015 All Funds Expenditures by Department / Division



Expenditures by Department/Division

- The largest component of the City's budget at 19%, or $5.05 million, is spent on police protection to keep the City's residents and visitors safe. The Police Department is nationally accredited by the Commission on Accreditation for Law Enforcement Agencies.
- The second largest component of the City's budget at 16%, or $4.36 million, is for water operations, construction, and consumption.
- The third largest component of the City's budget at 13%, or $3.44 million of the City's budget or $3.81 million, is spent on Public Works/Engineering for maintenance and operations, engineering, and capital improvement projects spent on City buildings and facilities, shoreline protection, stormwater management, and motor vehicle operations and replacement.
- Administration makes up 9%, or $2.37 million, of the budget and includes LBID funds for promoting lodging business, funds to promote the City as a tourist destination, as well as other Administration costs.
- Fire protection and prevention, lifeguards, and weed abatement make up 8%, or $2.19 million, of the City's budget. The City contracts out fire protection and prevention services to CalFire.
- Non-Departmental costs, or costs that are used by all departments, make up 8%, or $2.16 million, of the budget and includes insurance costs and contributions to reserves and the Other Post Employment Benefit fund.
- Wastewater operations and construction consume 8%, or $2.05 million, of the City's budget.
- The remaining components include Community Development, Administrative Services, Parks, Streets, Parking, and Pier costs, using 19%, or $4.95 million, of the City's funds.



Expenditures by Category

- The largest components of the City's budget are for salaries & wages and benefits, totaling $10.85 million, or 43% of all expenditures. Salaries & wages make up 28% and benefits make up 15% of total expenditures.

  Number of City FTE Positions: Staffing resources are an integral part of the City's two-year budget. The current number of budgeted permanent full time equivalent (FTE) positions in FY 2014 and FY 2015 is 88.00. This is an increase of 1.00 FTE from FY 2013 to reflect the additional Police Officer COPS grant funded position. This position was authorized in FY 2013, but not funded. In Public Works, there are 4.00 FTE Maintenance Worker I positions authorized, and 3.00 FTE of these positions are funded. This remains unchanged from FY 2013 to FY 2014 and FY 2015. A summary of FTEs by Department are provided in the Financial Summaries section of this document and can also be found in the Operating Budget Detail section for each Department.

  Personnel costs: Salary and Benefit summaries are provided in the Financial Summaries section of this document and can also be found in the Operating Budget Detail section for each Department.

  Employee Compensation and Benefits: There are two union-represented groups in the City: the Police Officers Association (POA) for sworn and non-sworn employees; and Service Employees International Union (SEIU), Local 620, for miscellaneous employees. The remaining non-represented employees include City Manager, management employees, mid-management/professional employees, and supervisory/technical employees. Employees may receive a wide range of benefits, including CalPERS retirement; medical, dental, vision, and life insurance; vacation, holiday, sick, and administrative leave; deferred compensation,

employee assistance program, flexible benefits, and tuition reimbursement. Each Memorandum of Understanding with the bargaining unit defines the benefit details for each job classification and can be found on the City's website.

- The second largest component of the City's budget is for professional services, totaling 21% of all expenditures, or $5.18 million. This category includes interagency contracts for state water and water from the Lopez Reservoir totaling approximately $1.78 million per year, the City's CalFire contract of approximately $1.70 million per year, and contracts with other professional services such as legal services, auditors, and planners.
- The third largest category is contract services, totaling 13% of all expenditures, or $3.34 million. This category includes risk management and insurance costs of $644 thousand, advertising and promotion contracts of $599 thousand, power and utility costs, training costs, memberships, and other contract services.
- Debt service & other financing uses make up 9% of the City's expenditures, or $2.14 million.
- Operations & maintenance makes up 6% of the City's expenditures, or $1.56 million.
- Other expenses, retiree medical insurance, and capital outlay make up the remaining 8% of the City's expenditures, or $2.13 million.

Key Assumptions

In general, the adopted two-year budget includes several key assumptions.

Revenue Assumptions

- Operating revenues are projected based on historical revenue collections and other economic factors, assuming no rate or fee increases. To the extent that there is a rate change or fee change, actual revenues will change.
- This budget assumes that the voters will renew the Half Cent Sales Tax measure in November 2014 to provide vital funding for streets, sidewalks, and storm drains. The expiration date of the Half-Cent Transaction Sales tax collections is March 31, 2015.
- This budget assumes conservative increases in the City's major revenue sources; water and wastewater rates, transient occupancy tax, property tax, and sales tax. In total these revenues are expected to increase 4.3% in FY 2014 and another 2.0% in FY 2015. This is in line with historical trends and based on expert information and economic projections.

Expenditure Assumptions

- The adopted budget does not include expenditure changes based on the Affordable Care Act that will impact the City beginning in 2014 as City staff is still analyzing the impact.
- The Budget includes the following personnel cost assumptions:
  - Salaries and wages
    - No cost of living adjustment for employees
    - Increases to reflect projected merit increases
    - Certain positions will decrease to bottom step for new hires assuming projected retirements based on known retirements and/or assuming retirements after 5 years of service and age 57.
  - Benefit increases:
    - Medical insurance increase of 5% in December of each year based on historical actual increases.
    - Dental insurance increase of 5% in January of each year based on historical actual increases.
    - CalPERS (California Public Employees' Retirement System) rates increase based on data provided by PERS Actuarial Reports dated October 2012. The City has 3 tiers of retirement benefits it offers to its employees. The following two tables provides the rates as of June 30th of each fiscal year as projected by CalPERS and are included in this two year budget. These rates are then multiplied by the employee's salary and equal the employee's contribution towards their retirement benefits.

The first table is for Tier 1 miscellaneous and non-sworn employees that received a benefit of 2.5%@55 and for police officers association (POA) employees that receive a benefit of 3%@50.

CalPERS Tier 1 Rates as % of Salary	FY 2013	FY 2014	FY 2015
Employer Share			
Miscellaneous	**17.50%**	**18.04%**	**19.10%**
POA Non-Sworn	**17.50%**	**18.04%**	**19.10%**
POA Sworn	**43.76%**	**45.66%**	**47.50%**
Employee Share			
Miscellaneous (Employer pick-up)	**3.00%**	**3.00%**	**3.00%**
Miscellaneous (Employee pays)	**5.00%**	**5.00%**	**5.00%**
POA Non-Sworn (Employer pick-up)	**5.85%**	**3.00%**	**3.00%**
POA Non-Sworn (Employee pays)	**2.15%**	**5.00%**	**5.00%**
POA Sworn (Employee pays all)	**9.00%**	**9.00%**	**9.00%**
Total Employer + Employee			
Miscellaneous	**25.50%**	**26.04%**	**27.10%**
POA Non-Sworn	**23.35%**	**26.04%**	**27.10%**
POA Sworn	**52.76%**	**54.66%**	**56.50%**

The second table is for Tiers 2 and 3 for FY 2013 through FY 2015. New hires are assumed to enter the City with different CalPERS benefits per the City's negotiated Memorandum of Understandings (MOU) and based on the 2013 California Pension Reform Act.

- Tier 2 pension benefits are for existing CalPERS members that receive a benefit of 2%@60 for miscellaneous and non-sworn employees and 3%@55 for POA employees.
- Tier 3 pension benefits are for employees new to CalPERS. Under Tier 3, miscellaneous and non-sworn employees receive 2%@62 and POA receives 2.7@57. The following table provides their rates as a percentage of salary.

CalPERS Tier 2 & 3 Rates as % of Salary	Tier 2	Tier 3
Employer Share		
Misc & Non-Sworn	**7.85%**	**6.25%**
POA Sworn	**20.06%**	**11.50%**
Employee Share (Employee pays all)		
Misc & Non-Sworn	**7.00%**	**6.25%**
POA Sworn	**9.00%**	**11.50%**
Total Employer + Employee		
Misc & Non-Sworn	**14.85%**	**12.50%**
POA Sworn	**29.06%**	**23.00%**

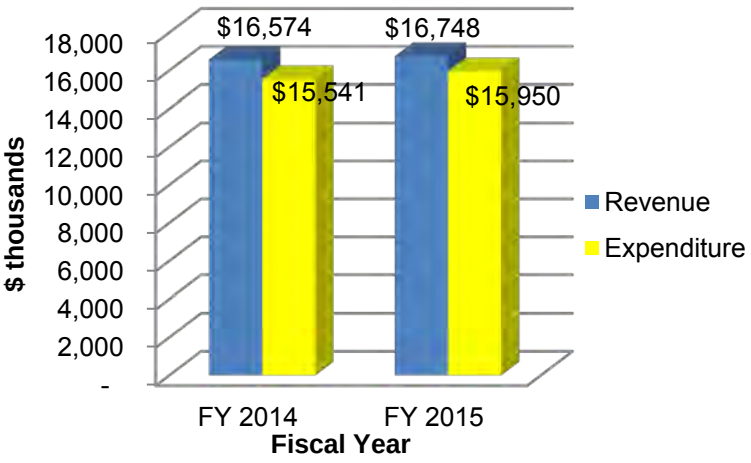
GENERAL FUND OVERVIEW

The General Fund is the City's largest and most discretionary fund. General Fund dollars are used for a variety of services including police and fire protection and for several important maintenance and capital projects. At the time of budget preparation, staff's estimate was that the General Fund would close FY 2013 with an unassigned balance of $3.71 million to be carried forward as the beginning fund balance for FY 2014. This unassigned fund balance represents uncommitted amounts carried over from FY 2012 plus the estimated excess of revenues over expenditures for fiscal year FY 2013.

Base Operating Budget is Structurally Balanced

The General Fund base operating budget is structurally balanced, meaning that base operating revenues meet or slightly exceed base operating expenditures. The base operating budget includes current staffing levels and operating costs. It accounts for known cost increases for salary step or merit increases, benefits, contracts, materials and supplies, and other operating costs. It does not include one-time capital and special projects, above base items, or Council Goals.

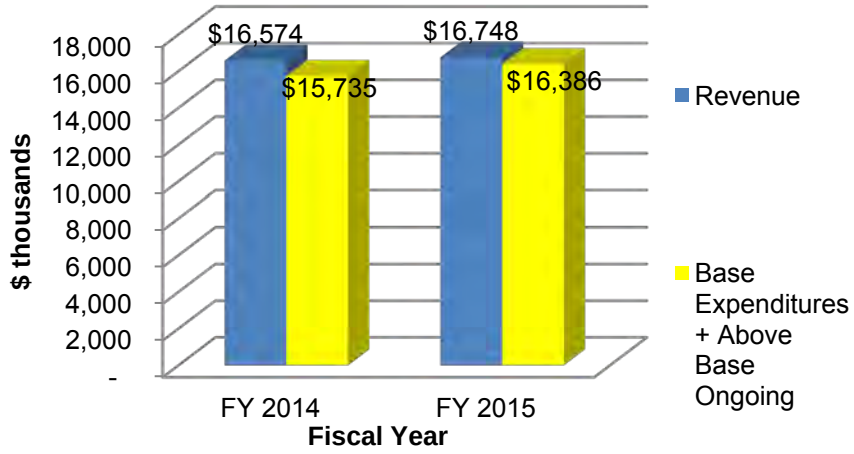
FY 2014 and FY 2015
General Fund Base Operating Budget



Adopted Operating Budget is Structurally Balanced

The General Fund adopted budget with recommended ongoing above base expenditures is balanced. This represents the ongoing operating budget. In FY 2014, revenues are greater than expenditures by about $839 thousand. In FY 2015, revenues are greater than expenditures by about $362 thousand. The adopted budget includes the base operating budget, plus ongoing above base items. These above base items include on-going enhancements that increase services to the public, funding additional reserves and depreciation, and ongoing Council Goals.

FY 2014 and FY 2015
Adopted General Fund Operating Budget

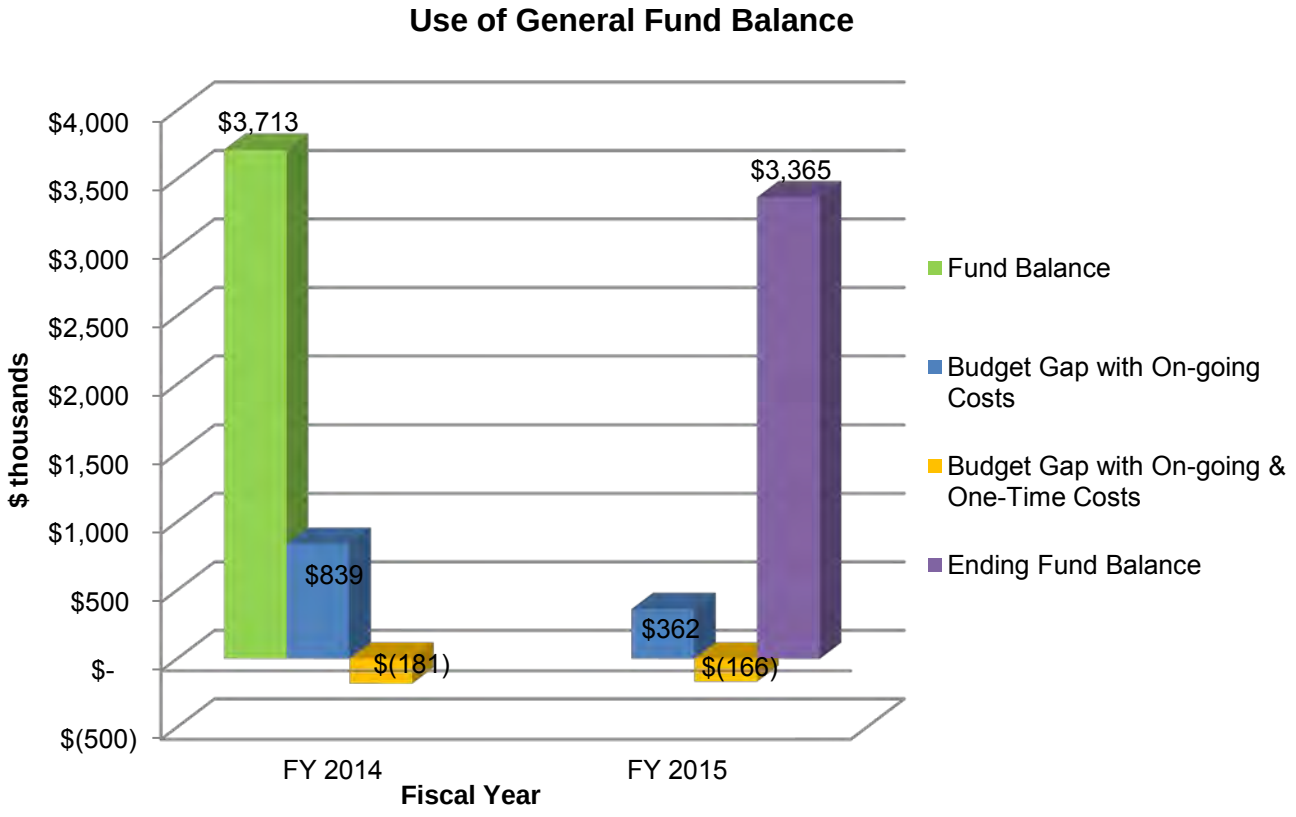


Use of General Fund Unassigned Fund Balance

The following chart shows the use of the General Fund's unassigned fund balance over the two fiscal years. The tall green bar is the projected fund balance at the beginning of the FY 2014, at about $3.71 million. The blue bars represent the budget surplus/deficit (the "gap") between revenues less adopted ongoing costs. As mentioned in the previous section, the operating budget surplus is $839 thousand in FY 2014 and $362 thousand in FY 2015. This means that the green fund balance bar would grow by $839 thousand in the first year and grow by another $362 thousand in the second year.

The orange bars reflect the budget gap between revenues less the adopted budget for all base operating costs, recommended ongoing costs, one-time investments, contributions to reserves, and outside agency funding. Both of these bars are negative as they reflect the use of fund balance for one-time projects in each year. For FY 2014, the fund balance would decrease by $181 thousand dollars and another $166 thousand in FY 2015.

The final purple bar is the ending fund balance, which is the projected ending fund balance assuming actual revenues and expenditures are on budget. The amount is about $3.37 million, which is a healthy fund balance, and includes the majority of Council's short-term goals, enhances services, fully funds the 1% general fund contingency budget, adds more to the General Fund Reserve, establishes a Risk Management Reserve, provides funding to outside agencies, and funds other items as described later in the above base items. However, as this fund balance was accumulated over time and is one-time in nature, we cannot rely on a fund balance each year to cover future large projects.



Key changes from the base budget to the adopted budget are summarized below.

Adopted General Fund Budget Sources and Uses Summary

	FY 2014	FY 2015
Beginning Fund Balance	**$ 3,712,895**	**$ 3,531,615**
Base Operating Budget		
Sources	$ 16,573,672	$ 16,748,469
Uses	15,540,929	15,950,317
Net Operating Base	1,032,743	798,152
Fund Balance-After Base	**$ 4,745,638**	**$ 4,329,767**
Contributions to Reserves		
General Fund Reserve (increase by 1% each year)*	$ -	$ 236,911
Risk Management Reserve	50,000	50,000
General Fund 1% contingency	21,386	25,289
	$ 71,386	$ 312,200
Modified Base Fund Balance	**$ 4,674,252**	**$ 4,017,567**
Above Base Budget Requests		
Sources		
Grants	$ 93,793	$ 97,489
Total Sources	$ 93,793	$ 97,489
Uses		
Council Goals-General Fund	$ 616,293	$ 339,789
Other Above Base One-time	340,400	236,300
Other Above Base Ongoing	100,476	101,476
Motor Vehicle Replacements	91,061	72,347
Outside Requests	88,200	
Total Uses	$ 1,236,430	$ 749,912
Net Above Base Requests	**$ (1,142,637)**	**$ (652,423)**
Ending Fund Balance	**$ 3,531,615**	**$ 3,365,144**

* The FY 2013 General Fund Reserve level is sufficient to cover the FY 2014 21% General Fund Reserve

Base Operating Budget

The previous summary table provides a look at the major categories of funding in the FY 2014 and FY 2015 General Fund Adopted Budget. The top half of the table reflects the beginning fund balance, base operating budget, contributions to reserves, and a modified base fund balance. This modified base fund balance is the fund balance available after base operations are funded and reserves are set aside. Above base budget items are allocated from this modified base fund balance.

Above Base Budget Items

The bottom half of the summary table includes the additional sources and uses in the adopted above base budget items. Total Council goals that are funded by the General Fund equal $522,500 in FY 2014 and $242,300 in FY 2015. Other council goals totaling $93,793 in FY 2014 and $97,489 in FY 2015 are funded by grant revenues. There are other above base budget items that are summarized on this table and detailed on pages 96 through 101. The ending fund balance of $3.53 million in FY 2014 is carried over to FY 2015 as the beginning fund balance. The ending fund balance at the end of FY 2015 is projected to be $3.37 million. This adopted two-year budget would draw down $348 thousand of the General Fund unassigned balance.

Notes on "One-time" and "Ongoing" Budget items

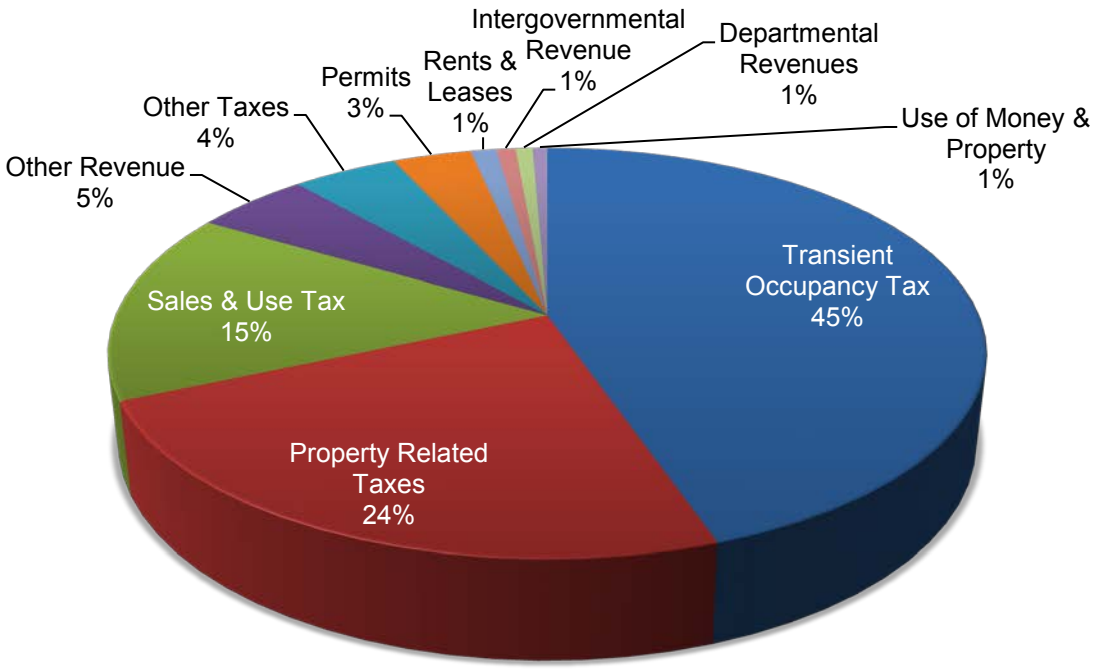
It is important to note the distinction between "one-time" budget items and "ongoing" budget items. "One-time" uses of funds do not create ongoing annual budget expenses for the City. Such expenditures are for projects or programs that are completed within the fiscal year. While there may be some future maintenance costs for some of these items, such costs are relatively minor when measured against the General Fund as a whole. "Ongoing" uses of funds, on the other hand, demand continuing, significant expenditures in future years. The most obvious example is the addition of a new employee. Salary, benefits, and support costs, such as training and equipment, will affect every future budget for as long as the new position remains in the budget.

Because there are future cost increases to which the City may be committed, extreme care needs to be exercised so that current year commitments do not overwhelm future year resources. This was a major criterion used by staff in deciding which additions would be recommended. While most of the capital improvement projects funded by the General Fund will not create new expenditure commitments, some of the projects funded from other sources will have that effect – particularly new parks (as compared to improvement of existing parks) and new public buildings. On the other hand, many of the recommended capital improvement projects, especially street maintenance and park rehabilitation projects, should help control future costs by minimizing the need for emergency repairs.

GENERAL FUND REVENUES

Overall, General Fund sources (ongoing and one-time sources) are projected to be $16,667,465 in FY 2014 and $16,845,958 in FY 2015. General Fund operating (ongoing only) sources are projected to be $16,573,672 in FY 2014 and $16,748,469 in FY 2015. The difference between the ongoing and one-time sources includes the one-time COPS grant of $93,793 in FY 2014 and $97,489 in FY 2015. General Fund sources excludes the $1.14 million projected in each year for the Half Cent Sales Tax as these funds are accounted for separately so they can be specifically measured and tracked.

FY 2015 General Fund Operating Revenue by Category



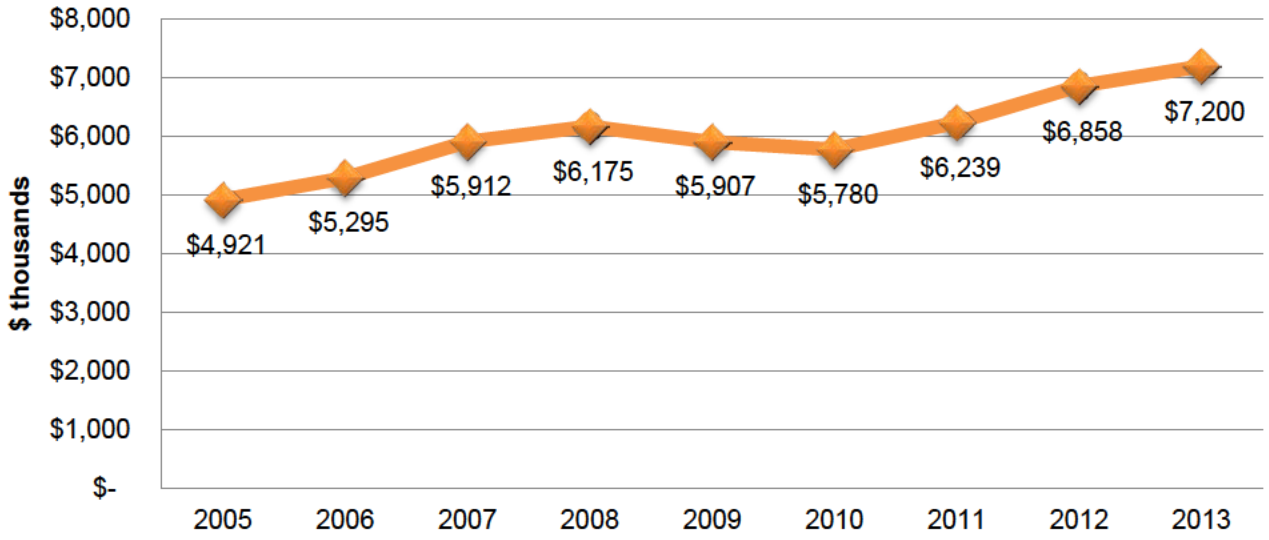
Summary of General Fund Operating Revenues

The above pie chart illustrates the revenue categories that make up General Fund operating revenues and as the two fiscal years are similar, FY 2015 is displayed. Since approximately 84% of General Fund revenues consist of Transient Occupancy Tax, Property Related Taxes, and Sales & Use Tax, this analysis focuses on these three revenue sources. Similar to past budget practices, the budget includes a conservative revenue estimate so that actual expenditures do not exceed actual revenues during the year and cause unanticipated cuts to services or projects. However, care is given to budget revenues realistically so that the City is able to achieve its goals, maintain the highest level of service for its citizens, all while realizing efficiencies.

Transient Occupancy Tax (TOT), 45% of General Fund Operating Revenues

TOT revenue is the largest source of revenue to the General Fund and accounts for 45% of total General Fund operating revenues. In general, TOT revenues are equal to 10% of the rent charged by all lodging businesses for a person exercising occupancy for 30 consecutive calendar days or less, paid monthly to the City. Estimated TOT revenue is $7.34 million in FY 2014 and $7.49 million in FY 2015. Although these revenues have grown by 5.0% per year for the past 10 years, the past 5 years shows only a 2.7% average annual growth rate. As the rate of growth appears to be slowing, the adopted budget includes a conservative 2.0% increase over the projected $7.20 million that City staff estimates to receive in the FY 2013. The following table shows the TOT revenue growth for the past 10 fiscal years, demonstrating the slowing rate of growth in the most recent years.

Transient Occupancy Tax Revenues by Fiscal Year



Property Related Taxes, 24% of General Fund Operating Revenues

Property related tax revenues are the second largest source of General Fund revenues and account for 24% of the total General Fund operating revenue budget, or a projected $3.97 million in FY 2014 and in FY 2015. There are three sources of property related tax revenues:

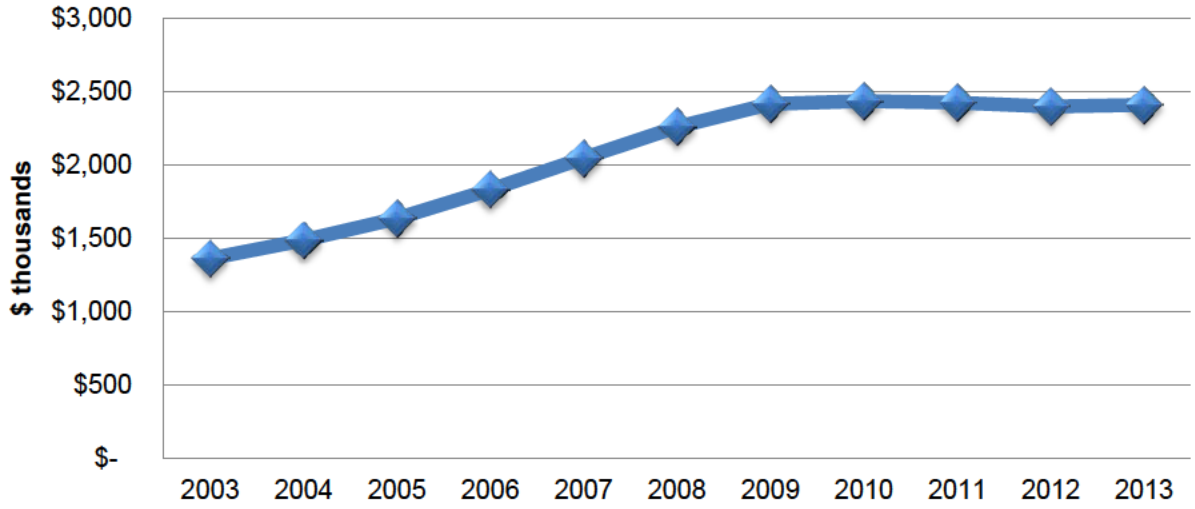
- Property Tax Assessed Value revenues: This is the largest share, or $3.08 million, and is equivalent to 1% of assessed values.
- Property Tax In Lieu of Vehicle License Fees: This is the second largest share, or $0.75 million, which is a 1% tax on the market value of a registered vehicle.
- Former Redevelopment Agency (RDA) property tax revenues: The third share is $143 thousand of the City's share of property tax revenues that were previously allocated to the former Pismo Beach RDA. This revenue was previously included in the RDA Fund and is now included in the General Fund since the RDA was dissolved in February 2012.

Property Tax Assessed Value Revenues: The FY 2014 and FY 2015 assessed value property tax revenue remains at $3.08 million per year, consistent with the FY 2013 projected actual

revenues. This does not include $351 thousand paid to the City in FY 2013 from the State borrowing 8% of the City's property tax revenues in FY 2010. The primary factors used in the projection of this revenue include historical growth in assessed valuation and projected home values. Both factors demonstrate the City's property values slightly improving compared to 2011, but still growing at a slow rate. While things are getting better, we believe home values are still soft and could fall if interest rates begin to spike. If that were the case, the number of sales transactions would likely decrease. The assumptions based on these factors are discussed in greater detail below.

- Assessed Valuation: The County Assessor provides assessed valuation information and a City-hired specialist reviews and analyzes this information to project future revenues. Over the past 10 years, assessed taxable values have increased by 6.0% on average per year. This has slowed to 1.33% average annual growth over the past 5 years. Total assessed values in 2013 are slightly lower than in 2009. The assessed value for most real property is the prior year's assessed value adjusted by the California Consumer Price Index, up to 2%. However, if there has been a change in ownership the new assessed value will be the market value of the property that changed ownership. The following table illustrates the assessed values for the City over the past 10 years. This illustrates the steep growth until 2009, then slowing and slightly declining in the most recent four years.

Property Tax Assessed Value Revenues



- Home Values: The median prices of single family residential full value sales (home values) still remain lower than in the past 10 years. Due to these low prices and low interest rates, the number of homes being sold is rising. Based on data from the San Luis Obispo County Recorder, the median price for single family residential full value sales increased by 6.47% to $535,000 in calendar year 2012 compared to 2011. Early 2013 data shows that median home values have decreased to $510,000, or 4.67%, compared to 2012. Although the median price has dropped from its all time high in 2006, the number of single family residential home property sales was up to 150 sales in 2012 compared to 140 in 2011, which represents a 7.1% increase in transactions.

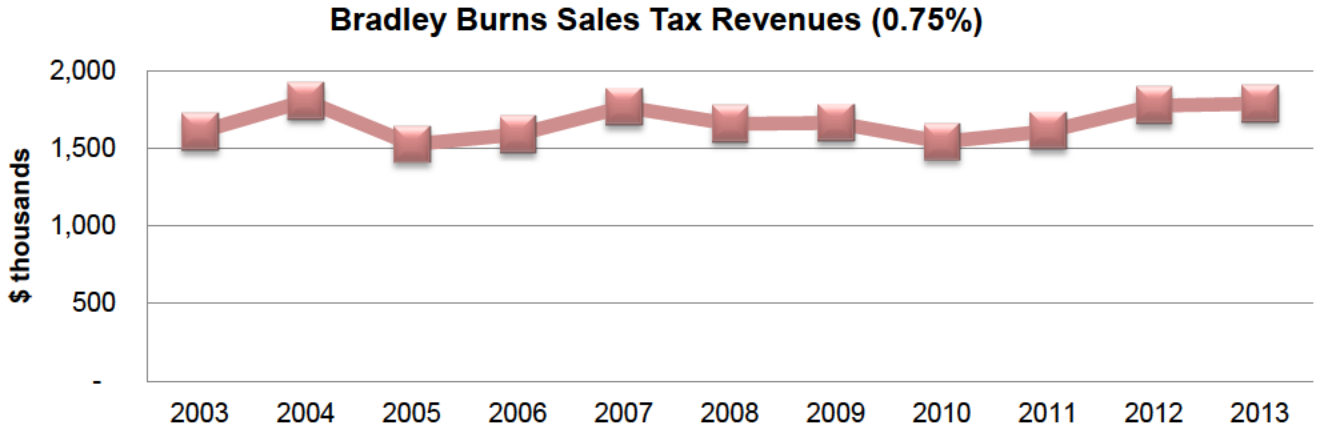
This information demonstrates the City's property values are slightly improving compared to 2011, but still growing at a slow rate. As such, the City's property tax assessed value revenues remain unchanged for FY 2014 and FY 2015 at $3.08 million. In addition to the City's analysis, HDL Company provides the City with economic and forecast data for property taxes using data from the San Luis Obispo County Assessor Recorder. HDL projects a $2.99 million property tax revenue for FY 2013 and $3.08 million in FY 2014, which is a 3.2% increase over the previous year. The FY 2014 HDL projection of $3.08 million is consistent with the City's FY 2014 adopted budget of $3.08 million.

Sales & Use Tax, 15% of General Fund Operating Revenues

Sales and Use tax revenue is the third largest source of revenue to the General Fund at 15% of total General Fund revenues. This revenue is projected at $2.49 million in FY 2014 and $2.53 million in FY 2015. There are three sources of sales tax revenues that the City receives.

- The largest share is the 0.75% Bradley Burns Uniform sales and use tax, and is projected to come in at $1.80 million in FY 2014 and at $1.84 million in FY 2015.
- The second largest share is the 0.25% sales and use tax that was confiscated by the State to guarantee State deficit bonds, and is backfilled with property tax revenues from county property taxes each January or May per the State's "triple flip" borrowing plan. This 0.25% tax represents a projected $625 thousand in FY 2014 and in FY 2015.
- The third and smallest share of sales tax revenues is the 0.5% Public Safety Tax that provides revenues on the basis of the County's share of statewide taxable sales and a formula based on the amount of property tax lost to the previous state expropriations by ERAF. These revenues can only be used for specified public safety purposes. The City receives this sales tax monthly and represents a projected $65 thousand in FY 2014 and in FY 2015.

Bradley Burns sales tax revenues fluctuate from year to year depending on the overall economy. In the past 10 years, these revenues have fluctuated between $1.5 million to $1.8 million per year. The five year historical average annual growth rate is 1.7%. As these revenues have not changed significantly in the past 10 years, the adopted budget includes $1.80 million in FY 2014, a 0.6% growth compared to $1.79 million projected for FY 2013. Over the two year period, the City could expect to achieve the five year historical average annual growth rate and thus the FY 2015 includes $1.84 million, which reflects a 2% growth rate from FY 2014.

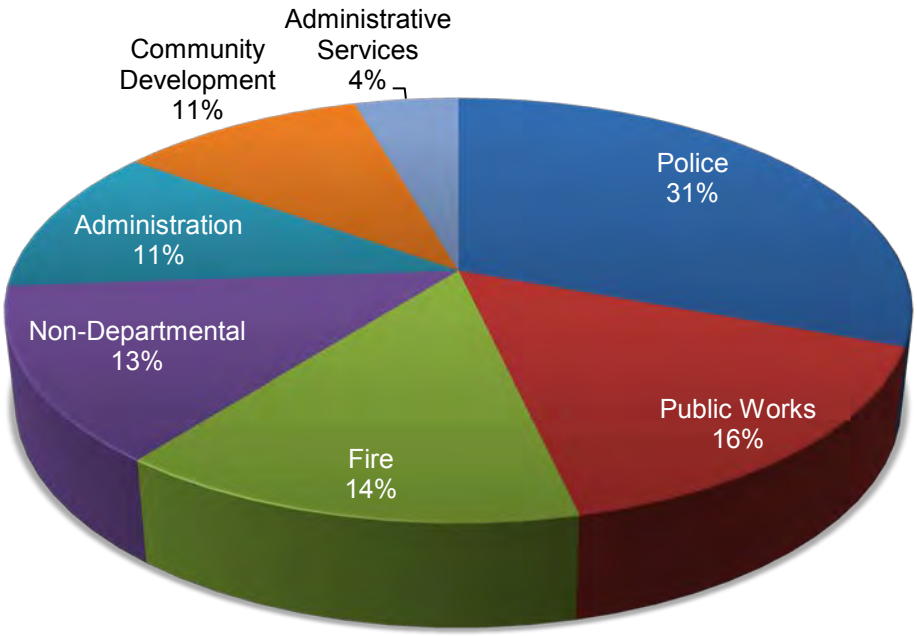


GENERAL FUND EXPENDITURES

General Fund Operating Expenditures

Overall, General Fund uses are budgeted at $16,848,745 in FY 2014 and $17,012,429 in FY 2015. This includes one-time costs of $1,025,647 in FY 2014 and $626,329 in FY 2015. The remaining General Fund operating (ongoing) budget is $15,823,098 in FY 2014 and $16,386,100 in FY 2015. To illustrate the expenditure side of the budget, two pie charts have been prepared using FY 2015 operating budget data, which identify respectively, (1) the percentage of General Fund operating expenditures by Department and (2) the percentage of General Fund operating expenditure by expenditure category.

FY 2015 General Fund Operating Expenditures by Department

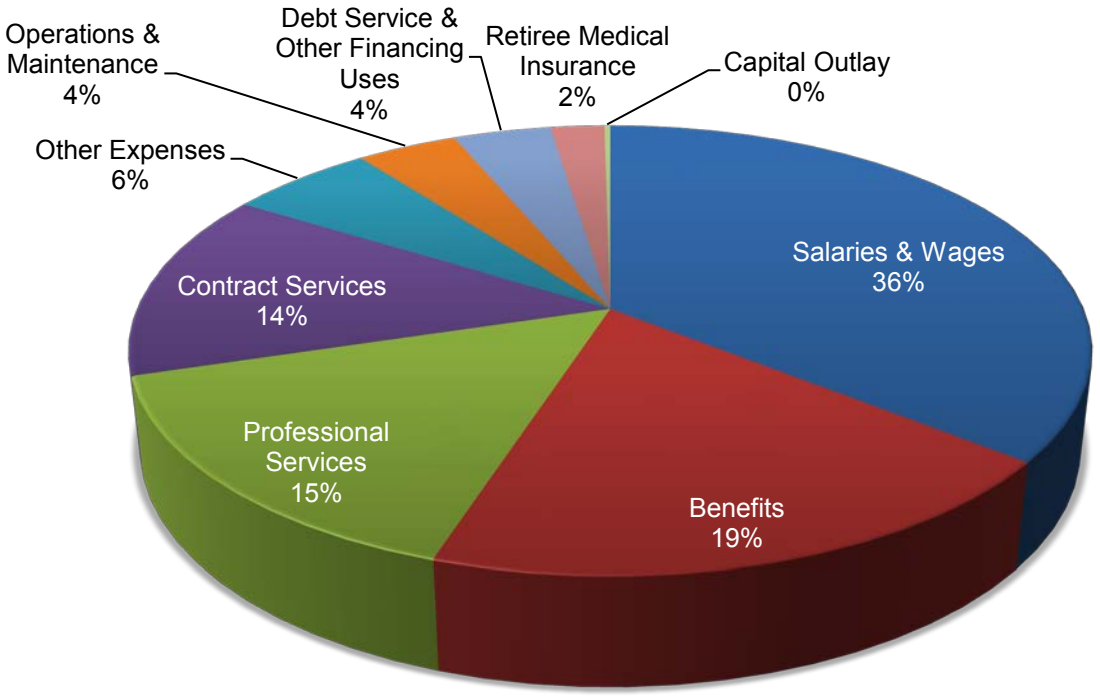


Highlights of General Fund Operating Expenditures by Department

- Public safety services (Police and Fire) represent the largest percentage of the overall General Fund budget with 45% of the General Fund budget allocated for these uses. The Police Department operating budget accounts for 31%, or $5.03 million, and Fire Protection and Prevention accounts for 14%, or $2.30 million.
- The Public Works/Engineering Department makes up 16%, or $2.58 million of General Fund operating expenditures. This includes design, construction, and maintenance of City facilities and infrastructure, including streets, public buildings, the pier, promenades, beach access stairways, beach, parks, and public parking lots.
- Non-Departmental expenditures make up 13%, or $2.18 million, of the pie, consisting of organization-wide services, supplies, materials, and equipment of a general nature.
- Administration makes up 11%, or $1.84 million of total General Fund operating expenditures. This includes the Conference and Visitors Bureau (CVB), City Clerk's office, Human Resources, and City Manager.

- Community Development makes up 11%, or $1.72 million, of the General Fund operating budget and includes the Building Division, Planning Division, Recreation, Veterans Halls, and Parks.
- Administrative Services makes up the remaining 4%, or $0.73 million, of the General Fund operating budget, and includes financial operations and information technology.

FY 2015 General Fund Operating Expenditures by Category



Highlights of General Fund Operating Expenditures by Category

- Personnel costs represent the most significant percentage of expenditures at 55%, including Salaries and Wages (36%, or $5.86 million) and Benefits (19%, or $3.15 million). This number is relatively low compared to many other cities because fire protection is provided by a contract with CalFire and is included in professional services. After including the CalFire contract, personnel costs make up 59% of the General Fund operating budget.

- Professional services makes up 15%, or $2.50 million, of the budget. The largest components of the professional services include the CalFire contract, legal services, auditor services, and other professional service contracts.

- Contract services make up 14%, or $2.22 million, of General Fund operating expenditures and includes California Joint Powers Insurance Authority costs, departmental contracts, CVB advertising and promotion costs, membership dues, electricity, phone, garbage, travel, and training.

- The remaining categories, other expenses, operations & maintenance, debt service & other financing uses, and capital outlay make up the remaining 16% and account for $2.65 million of the General Fund base operating budget.

General Fund Revenues and Expenditures Budget Year-to-Year Comparison

	FY 2013 Projected Actuals	FY 2014 Proposed Budget	FY 2015 Proposed Budget	$ Change (FY 2014 - FY 2013)	% Change (FY 2014 - FY 2013)	$ Change (FY 2015 - FY 2014)	% Change (FY 2014 - FY 2013)
Beginning Fund Balance	**$ 4,798,665**	**$ 3,712,895**	**$ 3,531,615**	**$ (1,085,771)**	**-23%**	**$ (181,280)**	**-5%**
Base Operating Budget							
Revenues							
Transient Occ.Tax	7,200,000	7,344,000	7,490,000	144,000	2%	146,000	2%
Property Related Tax	4,021,185	3,970,000	3,970,000	(51,185)	-1%	-	0%
Sales and Use Tax	2,476,959	2,490,000	2,526,000	13,041	1%	36,000	1%
Other revenues	856,863	999,801	990,770	142,938	17%	(9,031)	-1%
Permits	583,512	579,650	579,650	(3,862)	-1%	-	0%
Franchise Taxes	520,580	526,000	527,000	5,420	1%	1,000	0%
Business Tax	175,845	161,000	161,000	(14,845)	-8%	-	0%
Transfers In	140,000	140,000	140,000	-	0%	-	0%
Intergovernmental Rev	13,867	137,296	138,124	123,429	890%	828	1%
Departmental Rev	123,433	123,925	123,925	492	0%	-	0%
Other taxes	78,000	87,000	87,000	9,000	12%	-	0%
Grants	15,000	15,000	15,000	-	0%	-	0%
Total Revenues	**$ 16,205,244**	**$ 16,573,672**	**$ 16,748,469**	**$ 368,428**	**2%**	**$ 174,797**	**1%**
Operating Expenditures							
Salaries & Wages	5,671,544	5,793,771	5,857,844	122,227	2%	64,073	1%
Benefits	3,053,336	3,107,663	3,148,729	54,327	2%	41,066	1%
Professional Services	2,297,810	2,441,076	2,487,730	143,266	6%	46,654	2%
Contract Services	2,114,348	2,130,079	2,199,982	15,731	1%	69,903	3%
Operations & Maint.	623,620	608,910	609,875	(14,710)	-2%	965	0%
Debt Service	436,894	300,630	441,681	(136,264)	-31%	141,051	47%
Other Expenses	368,805	394,792	395,057	25,987	7%	265	0%
Retiree Medical Ins.	328,342	354,616	355,444	26,274	8%	828	0%
Transfers Out	272,208	216,094	254,377	(56,114)	-21%	38,283	18%
Other Financing Uses	165,000	160,298	160,298	(4,702)	-3%	-	0%
Capital Outlay	25,000	33,000	39,300	8,000	32%	6,300	19%
Total Operating Expend.	**15,356,907**	**15,540,929**	**15,950,317**	**184,022**	**1%**	**409,388**	**3%**
Net Operating Budget	**848,337**	**1,032,743**	**798,152**	**184,406**	**22%**	**(234,591)**	**-23%**
One-Time/Above Base Budget							
Sources							
One-time Revenues	1,043,543			(1,043,543)			
Grants		93,793	97,489	93,793		3,696	4%
Total Sources	1,043,543	93,793	97,489	(949,750)		3,696	4%
Uses							
One-time Costs	1,767,612						
Contributions to Reserves		71,386	312,200	71,386		240,814	337%
Above Base Items		766,430	344,912	766,430		(421,518)	-55%
Capital Projects	1,210,039	470,000	405,000	(740,039)	-61%	(65,000)	-14%
Total Uses	2,977,651	1,307,816	1,062,112	(1,669,835)	-56%	(245,704)	-19%
Net Above Base Budget	(1,934,108)	(1,214,023)	(964,623)	720,085	-37%	249,400	-21%
Ending Fund Balance	**$ 3,712,895**	**$ 3,531,615**	**$ 3,365,143**	**$ (181,280)**	**-5%**	**$ (166,471)**	**-5%**

The previous table shows the General Fund FY 2014 adopted budget compared to the FY 2013 projected actuals, and the FY 2015 adopted budget compared to the FY 2014 adopted budget.

FY 2014 Adopted Budget vs FY 2013 Projected Actuals

Base Revenues

Comparing FY 2014 to FY 2013, FY 2014 base revenues are projected to be $368 thousand, or 2%, greater than FY 2013. This is largely attributable to the following factors:

- First, there is $144 thousand greater Transient Occupancy Tax (TOT) revenues budgeted in FY 2014 as compared to FY 2013 projected actuals. The City is projected to receive $7.20 million compared to the FY 2013 adopted budget of $6.10 million. When the previous two-year budget was adopted, the City was experiencing declines in TOT revenues. Due to a variety of factors and efforts, tourism in our City has flourished and TOT revenues have increased to record levels. The FY 2014 adopted budget is a 2.0% increase over the FY 2013 projected actuals.
- Second, there are $143 thousand in additional other revenues in FY 2014 as compared to FY 2013 to reflect the appropriate level of General Fund overhead costs allocated to other funds. The overhead allocation is based on a previous cost allocation study and is updated to reflect consumer price index increases cumulative since the study was developed.
- Finally, there are $123 thousand of additional intergovernmental revenues to reflect the various intergovernmental revenue reimbursements.

Base Expenditures

FY 2014 base expenditures are $184 thousand, or 1%, greater than FY 2013 adopted actual operating expenditures. This increase is attributable to a variety of base operating increases:

- $122 thousand for salary and wage increases compared to the prior year since FY 2013 projected actuals reflect savings due to four vacancies in the Police Department which have now been filled. These positions were hired at step A (the lowest salary of the salary range) and have a reduced City cost of retirement benefits (tier 3 benefit package). This is offset by increases in salaries for step and merit increases.
- $143 thousand increase in professional services to reflect $60 thousand for the CalFire contract, $21 thousand for a Police interagency contract, and other inflationary increases in various contracts.

These increases are offset by decreases in the following areas:

- $136 thousand one-time decrease in debt service for the Dinosaur Caves Park and Civic Center. The Debt Service Fund has a $148 thousand accumulated fund balance, which is adopted to be used in FY 2014 to reduce the General Fund's contribution.
- $56 thousand decrease in transfers out to the Motor Vehicle Replacement Fund.

One-time / Above Base Budget Items

The adopted one-time and above base sources reflect a decrease of $973 thousand in the FY 2014 adopted budget compared to FY 2013 projected actuals.

- There are $1,044 thousand one-time revenues in FY 2013 from:
  - $351 thousand in property taxes paid to the City in FY 2013 from the State borrowing 8% of the City's property tax revenues in FY 2010;
  - $379 thousand in various transfers in from other funds to pay for capital projects;

  - o $156 thousand in revenues from the former Low and Moderate Income Housing Fund that was dissolved with the dissolution of the RDA;
  - o $125 thousand from property tax administration fees that were erroneously collected by the San Luis Obispo County Auditor-Controller and were returned back to the City; and
  - o $87 thousand in grants.
- There are $94 thousand of COPS grant revenues to fund a police officer position.

Adopted contributions to reserves are $71 thousand, above base budget requests (including outside agency requests) are $766 thousand, and capital projects are $470 thousand in FY 2014. Of this amount, $1,214 thousand is funded from General Fund monies and $94 thousand is funded by grants.

The adopted ending fund balance is $3,532 thousand, or $181 thousand less than the FY 2013 projected ending fund balance.

FY 2015 Adopted Budget vs FY 2014 Adopted Budget

Base Revenues

Comparing FY 2015 to FY 2014, FY 2015 base revenues are $175 thousand, or 1%, greater than FY 2014. This is attributable to the following factors:

- First, there is an additional $146 thousand more TOT budgeted in FY 2015 compared to FY 2014, which is based on a conservative 2.0% estimate over the FY 2014 projection.
- Second, there is an additional $36 thousand more sales and use tax budgeted in FY 2015 compared to FY 2014, based on a 2% increase in the Bradley Burns sales tax ($1,836 thousand in FY 2015 vs. $1,800 thousand in FY 2014) while other sales tax sources remain unchanged.

Base Expenditures

FY 2015 base expenditures are $409 thousand, or 3% greater than FY 2014 due to projected increases in various costs. These increases account for step or merit increases, projected benefit increases, inflation or known contract increases. The categories that include these increases are salaries & wages, benefits, professional services, and other purchased services as shown on the previous table. The most significant increase is in debt service of $141 thousand, which reflects the debt service going back up from FY 2014 to its scheduled amount. Another increase in base expenditures is an increase in transfers out to the Motor Vehicle Replacement of $38 thousand, or 18%, in FY 2015 over FY 2014 for motor vehicle operations and depreciation of vehicles.

Above Base Budget Items

Adopted contributions to reserves are $312 thousand, above base budget items are $345 thousand, and capital projects are $405 thousand in FY 2015, or 19% less requests than in FY 2014. Of this amount, $965 thousand is funded from General Fund monies and $97 thousand is funded by grants.

The adopted ending fund balance is $3,365 thousand, or $166 thousand less than the FY 2014 adopted ending fund balance.

GENERAL FUND RESERVES

General Fund Reserve

The General Fund Reserve fiscal policy is equal to 20% of budgeted expenditures in the General Fund. While a 20% General Fund Reserve is healthy, based on the City's dependence on the tourism industry, the large capital and cash flow intensive budget, potential major unanticipated costs from an earthquake or other major disaster, and vulnerability if the State confiscates key revenues, staff proposes that Council adopt a fiscal policy to increase the General Fund Reserve from 20% of budgeted operating expenditures to 25% over five years. A 25% Reserve would allow the City to maintain normal operations for 3 months. The General Fund Reserve would be $3.55 million at the end of FY 2015.

General Fund Contingency Budget

The City's fiscal policy maintains a contingency reserve of 1% of budgeted General Fund expenditures to be used for emergencies or other unanticipated expenditures that come up during the year at the direction of City Council. For the past few years, this amount has been held steady at $136 thousand in order to fund other services and priorities. With the accumulated General Fund unassigned fund balance, this adopted budget fully funds the 1% General Fund contingency budget, which is $157 thousand in FY 2014 and $161 thousand in FY 2015.

Risk Management Reserve

Despite efforts to manage risk, the City has seen a dramatic rise in risk management costs associated with general liability and workers' compensation costs. The California Joint Powers Insurance Authority (CJPIA) is the City's provider of Risk Management Services, including insurance for general liability, workers' compensation, and property insurance. Each year, the City makes an annual contribution to pay for this insurance coverage, which has increased substantially over the past 10 years. General liability insurance is the leading factor in the increase and is made up of both the premiums and deferred amounts. The aggregate of the general liability costs have increased by 12% per year for the past 5 years. This is largely the result of several large claims filed against CJPIA member cities, including Pismo Beach. Included in this increase is the CJPIA's annual retroactively calculated amount based on the history of actual claims activity. Members of the CJPIA were allowed to make partial payments to pay off the retroactive amount owed, while a portion of each retrospective adjustment was deferred. The total of these deferred amounts over the course of several years was equal to the City's retrospective balance of $1.2 million. The City Council recently approved the payment of this balance due to CJPIA on July 1, 2013 to avoid interest costs, using the General Fund unassigned fund balance derived from deferring this payment over 8 years.

Because these rising costs are a concern for the City, the City has a major Risk Management Program designed to reduce exposure to risk. Additionally, staff proposes to establish and fund a Risk Management Reserve to fund unanticipated general liability and workers' compensation costs in the event the City does not have resources available in the future. The reserve would

be funded each year with $50 thousand from the General Fund unassigned fund balance starting with FY 2014.

Summary of General Fund Reserves

The following table provides a summary of the three General Fund reserves, including their balances from FY 2013 projected through FY 2018 and the additional General Fund (GF) contribution for each year.

($ thousands)	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
GF Reserve Balance	**$ 3,312**	**$ 3,312**	**$ 3,548**	**$ 3,835**	**$ 4,159**	**$ 4,510**
GF Reserve as % of Op. Budget	20%	21%	22%	23%	24%	25%
Additional GF Reserve Contribution		$ -	$ 236	$ 287	$ 324	$ 352
GF Contingency Budget	**$ 136**	**$ 157**	**$ 161**	**$ 167**	**$ 173**	**$ 180**
Additional GF Contingency Contribution		21	25	31	37	44
		157				
Risk Management Reserve Balance		**$ 50**	**$ 100**	**$ 150**	**$ 200**	**$ 250**
$50K per year Risk Management Reserve Contribution		$ 50	$ 50	$ 50	$ 50	$ 50

OTHER FUNDS

Detailed budgets for funds other than the General Fund are presented in the same narrative format as for General Fund activities. Enterprise funds (Water and Wastewater Utilities, Pier Operations and Maintenance, Parking Enterprise, and Motor Vehicle Operations and Replacement) are presented on the pages immediately following the General Fund departments. The budget concludes with other City funds, primarily special revenue and capital projects funds. The following tables and narratives provide a summary of some of the City's other major funds.

Water Enterprise Fund

Water Enterprise Fund	FY 2014	FY 2015
Projected Beginning Fund Balance	$ 2,973,851	$ 3,032,722
Proposed Budget Revenues	3,355,000	3,455,000
Proposed Budget Expenditures	3,296,129	3,252,880
Net Revenues less Expenditures	58,871	202,120
Projected Ending Fund Balance	3,032,722	3,234,842

Water revenues in the Water Enterprise Fund are from water service charges and sales from water usage. Costs in the Water Enterprise Fund are from San Luis Obispo (SLO) County and the Central Coast Water Authority for the costs of providing water to the City. In addition, costs include personnel, utilities, supplies and materials. The revenues in the Water Enterprise Fund for FY 2014 and FY 2015 total $3.36 million and $3.46 million, respectively. Total expenses including above base items and transfers are $3.30 million in FY 2014 and $3.25 million in FY 2015. Of these total expenses, capital improvements budgeted are $412 thousand in FY 2014 and $480 thousand in FY 2015. The projected ending balance available at June 30, 2015 is estimated at $3.23 million. Of importance to note is that there is a pending water rate study before the City Council, which could increase the revenues and capital project expenditures.

Wastewater Enterprise Fund

Wastewater Enterprise Fund	FY 2014	FY 2015
Projected Beginning Fund Balance	$ 915,769	$ 921,406
Proposed Budget Revenues	3,406,000	3,556,000
Proposed Budget Expenditures	3,400,363	3,251,257
Net Revenues less Expenditures	5,637	304,743
Projected Ending Fund Balance	921,406	1,226,149

Revenues in the Wastewater Enterprise Fund are from service charges for providing wastewater facilities. Costs in the Wastewater Enterprise Fund include costs for running a wastewater

treatment plant, personnel costs, and debt service costs related to the funding of the wastewater treatment plant and other wastewater facilities. The revenues in the Wastewater Enterprise Fund for FY 2014 and FY 2015 total $3.41 million and $3.56 million, respectively. Total expenses including above base items, debt service, and transfers are $3.40 million in FY 2014 and $3.25 million in FY 2015. Of total expenses, capital improvements budgeted for FY 2014 and FY 2015 are $40 thousand each year. The projected ending balance available at June 30, 2015 is estimated at $1.23 million. Of importance to note is that there is a pending wastewater rate study before Council, which could increase the revenues and capital project expenditures. Incorporated in this study is a plan to strengthen the fund balance of this fund.

Parking Enterprise Fund

Parking Enterprise Funds	**FY 2014**	**FY 2015**
Projected Beginning Fund Balance	$ 1,529,166	$ 1,686,963
Proposed Budget Revenues	501,000	501,000
Proposed Budget Expenditures	343,203	328,702
Net Revenues less Expenditures	157,797	172,298
Projected Ending Fund Balance	1,686,963	1,859,261

Revenues in the Parking Enterprise Fund come from parking kiosks located in the downtown core area and from parking citations. Costs in the Parking Enterprise Fund are primarily personnel costs and the cost of supplies and materials for maintaining the parking kiosks. The revenues in the Parking Enterprise Fund for FY 2014 and FY 2015 total $501 thousand for each year. Total expenses including above base items and transfers are $343 thousand in FY 2014 and $329 thousand in FY 2015. The projected ending balance available at June 30, 2015 is estimated at $1.86 million. It is anticipated that these funds will be used to enhance parking as part of the City's focus and investment in the downtown area.

Motor Vehicle Operations and Replacement Fund

Motor Vehicle Fund	**FY 2014**	**FY 2015**
Projected Beginning Fund Balance	$ 2,796,219	$ 2,683,671
Proposed Budget Revenues	881,125	797,782
Proposed Budget Expenditures	993,673	540,545
Net Revenues less Expenditures	(112,548)	257,237
Projected Ending Fund Balance	2,683,671	2,940,908

With respect to Vehicle Maintenance and Vehicle and Equipment Replacement accounts there are no new additions to the City's vehicle fleet in the adopted budget. There are 14 vehicles and one lifeguard tower to be replaced. Budget changes for vehicle maintenance and operating costs and for contributions to the Vehicle Replacement Fund are based on actual maintenance experience and on revised replacement schedules. Vehicle maintenance expenses for all funds

remain steady at $431 thousand and $432 thousand in FY 2014 ad FY 2015, respectively. Vehicle replacement contributions are $243 thousand in FY 2014 and $279 thousand in FY 2015. Above base contributions to the Motor Vehicle Fund are $89 thousand in FY 2014 and $71 thousand in FY 2015. Vehicle replacement budgets are $448 thousand in FY 2014 as several vehicle replacements were deferred from FY 2013 to FY 2014. Vehicle replacements in FY 2015 are $87 thousand. Above base items are for motor vehicle replacements and include $39 thousand in FY 2014 and $22 thousand in FY 2015. A detailed analysis of this fund will be performed during the budget years to ensure adequate funds are being depreciated and that all vehicles are necessary and of the appropriate type.

LBID Fund

LBID Fund	**FY 2014**	**FY 2015**
Projected Beginning Fund Balance	$ 233,048	$ 257,451
Proposed Budget Revenues	734,400	749,000
Proposed Budget Expenditures	709,997	532,836
Net Revenues less Expenditures	24,403	216,164
Projected Ending Fund Balance	257,451	473,615

The Pismo Beach Local Benefit Improvement District (LBID) is an assessment district created by the Pismo Beach City Council, at the request and approval of a majority of the lodging businesses operating in the City, to raise money by assessing themselves, and then to use that money to promote Pismo Beach Lodging businesses. Pismo Beach Municipal Code Section 3.26.110 provided for a three-year sunset provision for the LBID (in early September 2012). After the passage of the LBID ordinance, California voters enacted Proposition 26, which amended the California Constitution to revise the definition of “tax”. This set in motion the fact that the LBID assessment, in order to be extended beyond the September 2012 sunset date, was subject to compliance with Proposition 26 to avoid being considered a special tax requiring a 2/3 majority vote of the electorate to pass. With the renewal of the LBID following adoption of Proposition 26, the purposes for which LBID assessments could be expended were more limited than when the LBID was initially established. As such, the improvements and activities to be provided for in FY 2014 and FY 2015 are adopted to be those services and activities permitted under Section 3.26.030 of the Pismo Beach Municipal Code, which include:

a) The general promotion of lodging operations within the LBID shall include costs of programs and physical improvements as specified in the business plan to be adopted annually;
b) The marketing of conference, group, and vacation business that benefits the local lodging industry in the district;
c) The marketing of the LBID to the travel industry in order to benefit the local lodging industry in the district;
d) Administration of the LBID, including collection and enforcement of assessments.

The LBID Ordinance provides for a LBID assessment of 1% levied on transient rents received by all Pismo Beach “Hotels”. Revenues and expenses in the FY 2014 and FY 2015 budget are estimated at $734,400 and $749,000, respectively.

Half Cent Sales Tax Fund - Measure "C" Transaction Tax

Half Cent Sales Tax Fund	FY 2014	FY 2015
Projected Beginning Fund Balance	$ 253,645	$ 497,645
Proposed Budget Revenues	1,140,000	1,140,000
Proposed Budget Expenditures	896,000	300,000
Net Revenues less Expenditures	244,000	840,000
Projected Ending Fund Balance	497,645	1,337,645

The voters in Pismo Beach approved a .50% transaction sales and use tax on June 3, 2008 that became effective on October 1, 2008. All proceeds of the tax levied and imposed are accounted for in the City of Pismo Beach General Fund, and may be used for any lawful purpose as designated by the Council. The City of Pismo Beach has set up a separate fund to track the specific revenues and expenditures that are generated by the .50% transaction sales and use tax. The local measure includes a six and one half year sunset clause, after which the tax will cease to be collected unless reauthorized by the voters. The expiration date of tax collections for this measure is March 31, 2015. To date, the Half Cent Sales Tax revenues have been used entirely to fund streets, sidewalks, and storm drains. The following table lists the projects and their funding levels.



FY 2010 - FY 2012 Projects	Actual Amount
FY 10-11 Street Paving	$ 1,207,744
Pismo Pier	209,195
Ocean Blvd Bluff Protection	149,191
Sidewalk Study	5,000
FY 10 - FY 12 Total	**$ 1,571,130**

FY 13 Budget	Budget Amount
FY 12-13 Street Paving	$ 2,569,067
Price Canyon/Dell Court	420,000
Pier Plaza Seawall	50,000
Encanto Storm Drain	40,000
Downtown Sidewalk Maintenance	35,000
Bluffs HOA Fence Repair	30,000
Boeker Street Overlook	15,000
Highland/James Way Study	50,000
Basketball Courts	2,200
FY 2013 Total	**$ 3,211,267**
Total Budget and Actuals	**$ 4,782,397**
Projected Half-Cent Sales Tax Revenues	**$ 5,036,042**
Unspent Balance	**$ 253,645**

Revenues generated in the Measure "C" Transaction Tax – Half Cent Sales Tax Fund (Half Cent) are paid each month along with the Bradley Burns Sales Tax paid by the State of California. Revenues in the FY 14 and FY 15 budget for Half Cent Sales Tax are estimated at $1,140,000 each year. The adopted two year budget assumes that the voters will renew the Half Cent Sales Tax measure to provide vital funding for streets, sidewalks, and storm drains. The adopted capital improvements to be funded out of the Half Cent Sales Tax for FY 2014 are $896,000 and for FY 2015 is $300,000.

ABOVE BASE ITEMS

As previously mentioned, the budget is built from base operations. Once the base budget is established, above base items are considered. These items include program enhancements, staffing modifications, service modifications, etc. The ability to add above base items changes from year to year and is based on the amount of funding available. A complete list of above base items for each year is included on pages 96 through 101.

In developing recommendations on which above base proposals to recommend and which to defer, staff used priority-setting guidelines. With respect to operating budget proposals, items were ranked in priority according to necessity. Total above base items approved by Council, including transfers between funds, are $1,353,132 in FY 2014 and $612,314 in FY 2015. After removing transfers between funds, above base items are $1,044,790 in FY 2014 and $418,990 in FY 2015.

Council goals account for $211,293 in FY 2014 and $184,789 in FY 2015 for all funds above base items. The following table provides the total amount of above base budget items by fund for each budget year.

Above Base Budget Items by Fund

Fund	FY 2014 Adopted Budget	FY 2015 Adopted Budget
General Fund	$ 678,230	$ 344,912
PEG Access Fee Fund	7,500	
Grants-NonCapital	93,793	97,489
Capital Projects Fund	25,000	25,000
Impact Fee Funds	25,000	25,000
Water Fund	199,670	70,409
Wastewater Treatment	170,019	2,719
Parking Enterprise	40,006	25,006
Motor Vehicle Replacement Fund	113,914	21,780
Total Above Base Items	**$ 1,353,132**	**$ 612,314**
Transfers between funds	(308,342)	(193,324)
Above Base Items Net of Transfers	**$ 1,044,790**	**$ 418,990**

CAPITAL IMPROVEMENT PROJECTS

The specific capital improvement projects included as additions to the base budget are listed on pages 171 through 185 as part of the overall capital improvements budget, including projects in all City funds. Brief project descriptions are provided on the project sheets pages.

Total new capital improvement projects, net of transfers between funds, approved for FY 2014 are $2,169 thousand and for FY 2015 are $1,225 thousand, for a total of $3,394 thousand for both years. Of this amount, $875 thousand is supported by the General Fund monies, $1,196 thousand is funded by Half Cent Sales Tax Funds, $350,750 is supported by grant revenues (budgeted in the Capital Projects Fund), $892 thousand is funded by Water Enterprise Funds, and $80 thousand is funded by Wastewater Enterprise Funds. Council goals account for $820,750 in FY 2014 and $505,000 in FY 2015 for all funds capital projects.

In calculating year-end fund balances, staff assumed that each capital improvement project budgeted in FY 2013 will either be completed by June 30, 2013 or that City funds allocated for the projects will be transferred to the appropriate construction fund or carried forward at fiscal year-end. Many projects have been completed, several have begun with contract encumbrances and expenditures recorded against them, and others have been delayed without any expenditure. By completing transfers to the construction funds for those projects that are underway, the amounts allocated from the General Fund or other funds will be secured and reserved to pay for the specific projects. Uncommitted project budget amounts for projects not yet under way will be carried forward in the fund from which the project is being financed. Ultimately, the City Council maintains control of expenditures by virtue of the requirement that all construction contracts and all professional services contracts in excess of $30,000 be approved by Council.

Capital Projects by Fund

Fund	FY 2014 Adopted Budget	FY 2015 Adopted Budget	FY 2014 and FY 2015 Combined
General Fund	$ 470,000	$ 405,000	$ 875,000
Half Cent Sales Tax	896,000	300,000	1,196,000
Capital Projects Fund	1,266,750	505,000	1,771,750
Water Fund	411,761	480,000	891,761
Wastewater Treatment	40,000	40,000	80,000
Pier Enterprise	450,000	200,000	650,000
Total Capital Projects	$ 3,534,511	$ 1,930,000	$ 5,464,511
Transfers between funds	(1,366,000)	(705,000)	(2,071,000)
Capital Projects Net of Transfers	**$ 2,168,511**	**$ 1,225,000**	**$ 3,393,511**

OUTSIDE AGENCY REQUESTS FOR FUNDING

Each year during the budget process, the City receives funding requests from outside agencies. For FY 2014, the outside agencies listed in the following table submitted requests for funding and presented their funding requests to the City Council at the June 6, 2013 meeting. In FY 2014, the adopted budget includes a funding for $200,361, including: $48,200 for various outside agency requests from the General Fund unassigned fund balance; $40,000 for Visit SLO County annual membership from the General Fund CVB Budget; $97,161 for Visit SLO County annual membership from LBID funds; and $15,000 of outside agency funding from the LBID fund. Council already approved $60,000 for Sunset Savor the Central Coast and $16,000 for the July 4th fireworks prior to the Adopted Budget. Total contributions to outside agencies for FY 2014 are $276,361.

Outside Requests FY 2014 Requests, and Prior Year Payments

Agency / Program	FY 2014 Funding Source	FY 2014 Adopted	FY 2013 Paid	FY 2012 Paid
American Red Cross	General Fund	3,500	3,500	3,500
AMPSURF	General Fund	2,000	2,000	2,000
Assistance League of SLO County	General Fund	1,500	1,500	1,500
Basin Street Regulars / Jubilee by the Sea	General Fund	-		
CAP-SLO (EOC) - Maxine Lewis Memorial Shelter	General Fund	2,200	2,200	2,200
CAP-SLO (EOC) - Adult Wellness & Prevention Screening Program	General Fund	2,000	2,000	1,500
Destination Imagination	General Fund	3,000	3,000	4,000
ECO-SLO - County Coastal Cleanup	General Fund	2,000	2,000	1,500
Economic Vitality Corp	General Fund	8,000	5,000	5,000
Five Cities Meals on Wheels	General Fund	4,000	4,000	4,000
People's Self-Help Housing	General Fund	500	500	500
Pismo Beach Chamber of Commerce - Clam Festival	General Fund	5,000	10,000	10,000
Pismo Beach Chamber of Commerce - Band Review	General Fund	7,500	5,000	5,000
SLO County 211 Hotline - United Way	General Fund	3,000	3,000	3,000
SLO County Housing Trust Fund	General Fund	2,000	2,000	2,000
SLO County YMCA	General Fund	2,000	2,000	2,000
San Luis Obispo Int'l Film Festival	General Fund	-	2,000	
Subtotal Donations from General Fund Unassigned Fund Balance	$ -	$ 48,200	$ 49,700	$ 47,700
Pismo Beach Chamber of Commerce - Clam Festival	LBID	5,000		
Basin Street Regulars / Jubilee by the Sea	LBID	7,000		
San Luis Obispo Int'l Film Festival	LBID	3,000		
Basin Street Regulars / Jubilee by the Sea	General Fund CVB Budget	0	5,000	5,000
Visit SLO membership - General Fund	General Fund CVB Budget	40,000	40,000	20,000
Visit SLO membership - LBID	LBID	97,161	60,000	70,000
Subtotal Visit SLO Donations & CVB Budget	$ -	$ 152,161	$ 105,000	$ 95,000
Adopted Budget Total		$ 200,361		
Approved Prior to Adopted Budget				
Sunset Savor Event - General Fund	General Fund	20,000	20,000	20,000
Sunset Savor Event - LBID	LBID	40,000	40,000	40,000
Pismo Beach Chamber of Commerce - July 4th Fireworks	General Fund Contingency Budget	16,000	10,000	10,000
Grand Total All Donations		$ 276,361	$ 224,700	$ 212,700

LONG-TERM FINANCIAL PLANNING

The City incorporates long-term financial planning into its budget process in three ways.

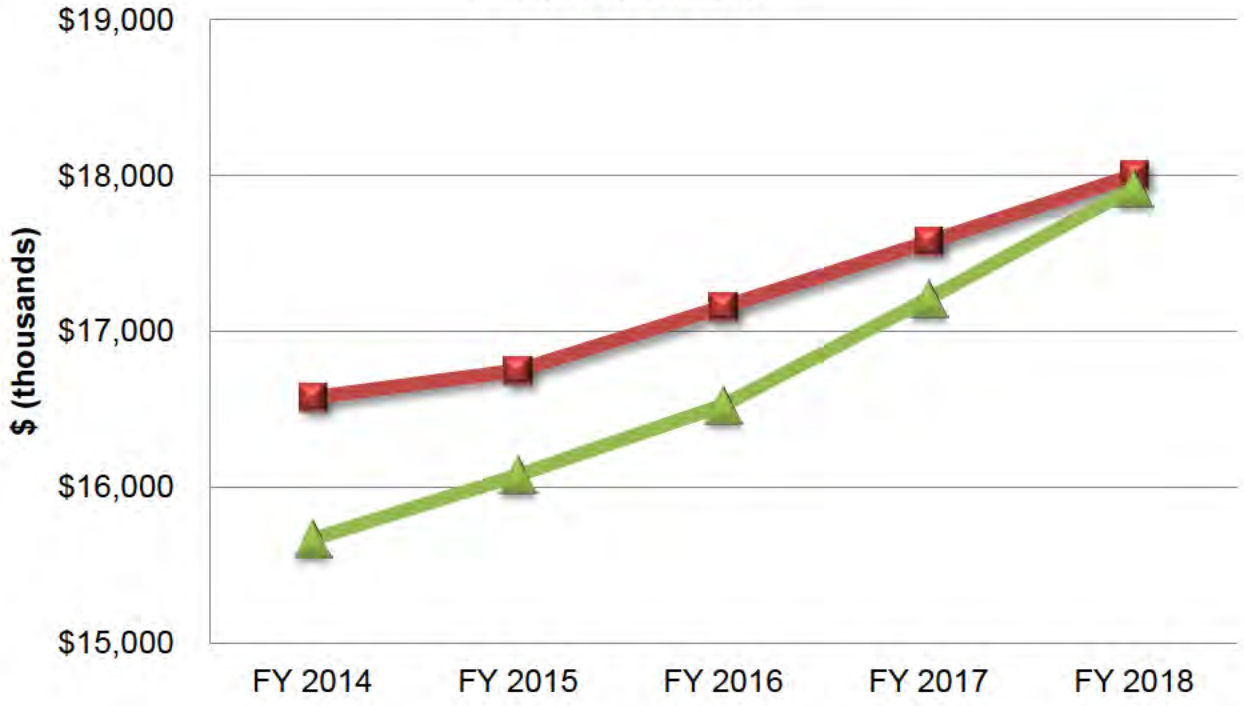
- First, the City has established a set of financial policies that were reviewed by the City Council and Executive Management Team in April 2013 during the development of the budget and updated by the Council on June 6, 2013 at the Special Budget Meeting. These policies establish goals for the allocation of public resources in the manner best suited to the efficient provision of services to citizens and visitors present within the City. Some of these policies call for maintaining adequate cash reserves and providing on-going maintenance of infrastructure and buildings, which are vital to sound fiscal management.

- Second, the Council adopts short-term (2 years), mid-term (4 years), and long-term (5 or more years) goals and priorities for the organization after taking into account public input.

- Third, the City maintains a five year operating projection for the General Fund and the Water and Wastewater Enterprise Funds. The General Fund projection is updated quarterly and shared with Council annually. These projections allow management to see what the future could look like given a set of assumptions and is evaluated in the context of whether decisions are sustainable over the long term.

The following graph shows the General Fund operating revenues (red line) and ongoing expenditures (green line) from FY 2013 projected actuals forecasted to FY 2018.

General Fund Operating Revenues vs. Expenditures from FY 2013 to FY 2018



In general, the revenues and expenditures in FY 2014 and FY 2015 reflect the adopted budgets and FY 2016 to FY 2018 are projections that reflect what the City's General Fund would look like if we continued to receive revenues based on historical growth rates and spend based on historical spending rates. The narrowing gap between projected revenues and expenditures illustrates that budgets should be developed with a long-term outlook. Given uncertainties of future revenues, expenditures, and resulting fund balances, it is prudent to continue to maintain thoughtful discipline in restraining costs.

Pismo Beach's Municipal Code requires that each year's budget be balanced. Balancing the budgets will likely require some combination of expenditure reductions and/or additional revenues. These projections assume no ongoing solutions are implemented. To the extent budgets are balanced with ongoing solutions, future shortfalls would decrease.

This projection assumes no major changes from the FY 2014 and FY 2015 adopted budget levels to policies, service levels, the number of employees, or labor contracts approved after the June 6, 2013 budget adoption. It also assumes that there are no additional capital projects and no new one-time costs.

FY 2016 and FY 2017 projection assumptions:

- Revenues and expenditures reflect known one-time changes from the prior years.
- TOT is expected to grow at 3% per year based on the five year historical growth rate.
- Property related tax revenues are projected to grow at 2% per year based on a five year historical analysis of assessed valuations and property tax revenues.
- Sales tax revenues are projected to increase by 2% per year based on a 7 year historical average of sales tax revenue growth.
- The remaining revenues are projected to increase at 2% per year based on a five year historical growth rate.
- Expenditures grow at CPI except for the following:
    - Salaries are projected to grow by 4% based on a five year historical average rate of growth starting in FY 2016.
    - Health Insurance and Social Security are projected to increase by 4% per year based on a five year historical average rate of growth.
    - California Public Employees Retirement System (CalPERS) benefit costs are projected to change based on CalPERS projected changes as to reflect the City's negotiated contracts, the State's pension reform savings, and projected retirements as described on pages 23 and 24 of this document.
    - Retiree Medical Insurance reflects projected Other Post Employment Benefit (OPEB) annual required contributions (ARC) and the City's annual contributions for current and projected retiree health insurance costs. The ARC payment reflects the potential increase to the City's annual contribution as a result of valuing the implied subsidy by FY 2016.
    - Purchased professional services are projected to grow by 6.7% per year based on a five year historical average rate of growth.
    - The California Joint Powers Insurance Authority (CJPIA) is the City's provider of risk management services, including insurance coverage for general liability, workers' compensation, and property insurance. This cost is projected to increase by 12% based

on the ten year historical average growth rate of general liability and workers compensation costs.
- Debt Service reflects the projected debt service schedule for the 2007 City Hall Refunding Bonds.

ECONOMIC/POLICY/LEGISLATIVE ISSUES FACING THE CITY

The following provides some of the major economic and legislative issues impacting our City.

Economic Issues

U.S. Economy

In the U.S., austerity measures associated with the sequestration changes are kicking in, but there are strengths that may outweigh the drag from fiscal adjustments. U.S. economic indicators point toward further expansion. Labor and housing markets are slowly healing, and improvements in business and consumer confidence can support spending and hiring in 2013. The Oxford Economics US forecast calls for growth of 2.2% in 2013 and 3.0% in 2013 in Gross Domestic Product (GDP). Global GDP is projected to expand 2.3% in 2013 and 3.3% in 2014.

State of California Fiscal Challenges

The State of California continues to be a big threat to the City's fiscal health. Over the years, the State has found ways to divert revenues previously counted on by local governments to help balance budgets. The State's sales tax and property tax triple flip allowed the State to take a portion of the City's monthly sales tax revenues and then return it back to the City as property tax revenues. There is a loss of interest income to the City (and a gain for the State) because of the cash flow difference. The State also took the City's vehicle license fees and returned them in the form of property tax revenues to the City. The State also borrowed 8% of the City's property tax revenues, or $351 thousand in FY 2010 that was returned in FY 2013. The most recent State action is the dissolution of RDA's across the State. Based on the State's track record of diverting local revenues to the State, the City is wary of the State's fiscal situation and it remains to be a threat to the City's fiscal health.

California Tourism trends

Despite the unemployment rates and stressed communities, the California travel and tourism industry is thriving. California tourism is expected to grow by 2% per year for total visitors for the adopted budget years. This includes a 2% per year growth from domestic visitors and a 5% growth from international visitors. Visitors from Asia and Latin America are driving growth in international visitation, while United Kingdom and France are the key drags in Europe. Domestic visitors to California account for 82% of total travel related expenditures while international visitors account for 18%. The key driver for California tourism is the ongoing U.S. recovery. Although restrained, near term prospects are much stronger than in Europe. Emerging markets in Asia and Latin America continue to lead California's international growth.

According to the U.S. 2010 Census, the City is made up by four primary industries:
- 28% for accommodation, food services, real estate, and rental and leasing;

- 26% for retail trade;
- 17% for finance and insurance, and professional, scientific, and technical services; and
- 14% for health care and social assistance.

This is reflected in the City's revenues where over half of the City's General Fund revenues come from tourism related activities. The City receives TOT from lodging businesses and sales tax revenues from the purchase of general consumer goods, restaurants, and fuel and service stations. The City's TOT and sales tax revenues spike during the summer months as the visitors flock to the City.

California consumer consumption

The City contracts with HDL Companies to provide economic and forecast data regarding sales tax revenues. Based on their data, they project a statewide increase of 3.0% in general consumer goods for FY 2014. General consumer goods represents 37% of the City's share of Bradley Burns sales tax (the 0.75% of sales tax). HDL bases consumers' willingness to spend on expansion in both the job and housing markets and lower prices at the pump. They project that most of the improvement will come from high-end shoppers, who account for 37% of all consumer expenditures, purchasing luxury items. However, higher tax rates on upper income earners that go into effect in 2013 could dampen future gains. This increase in general consumer goods and overall in sales tax revenues is reflected in the City's adopted budget.

Housing trends

The City has been experiencing an increase in the number of homes sold, likely the result of buyers taking advantage of low interest rates and home values that do not seem to be getting any lower. The majority of the City's single family residential home purchases are second homes that may eventually become a primary home for a retired couple, or remain a vacation spot for the warmer months. While the number of homes is rising, the median prices of these homes still remain lower than in the past 10 years. The City's property tax revenues remain stable over the adopted budget as housing prices remain low. If interest rates increase, the number of transactions would decrease and could negatively impact the City's property tax revenues.

City's Response to Economic Issues

In response to these economic issues, the City's adopted budget includes conservative revenue projections. Although there are potential areas for economic growth, the City remains wary about the City's past revenue declines in all the major General Fund categories. In addition, the City's adopted budget includes measures to maintain the City's strong financial position. The budget includes infrastructure investments and other investments in our community, provides support for our effective team, while setting aside funds for a rainy day in the event of economic challenges.

Legislative Issues

Federal Affordable Care Act

The Federal Affordable Care Act (ACA) will begin implementation in January 2014 and may prove to impact the City's budget. However, many details are still being laid out and the true impact is not yet determined. Until further information is available, the City plans to absorb any additional costs associated with the ACA in its budget.

The ACA became law in March 2010 and implementation is staged over a number of years with significant changes becoming effective January 1, 2014. In preparation for compliance with ACA, City staff has reviewed the requirements of ACA and determined the following: Under ACA, the City qualifies as a "large employer" (50+ full-time employees) and is subject to the pay or play: "Employer Shared Responsibility" provision. Under this provision, the City must provide a Health plan that offers minimum essential coverage that is affordable and provides minimum value. The City must provide coverage to substantially all (95%) of full-time employees (130+hours/mo) and their dependent children. Failure to meet these requirements will result in penalties imposed by the IRS. Two penalties may be imposed for failure to meet the requirements under ACA: The first is known as the "A" penalty. This penalty occurs if coverage is not offered to all full-time employees (as defined by ACA) OR fails to offer minimum essential coverage. The annual penalty is $2,000 x (#full-time employees less 30). The second penalty, known as the "B" penalty, is $3,000 per employee per year, for any employee that enrolls in subsidized exchange coverage if affordable, minimum value coverage is not offered. The ACA provides that a standard measurement period may be established, to average the number of hours per month over a specific time period.

The City Council approved a plan to prepare for the ACA implementation to track hours worked for all employees, direct a maximum hours worked for all temporary, part-time employees, make an offer of insurance to all employees who work 130+ hours per month, establish a rolling standard measurement period of November 1 through October 31.

State Pension Reform

Pension costs remain an on-going challenge for the City and based on recently passed pension reform legislation, there is some future relief. Cost savings based on this legislation are incorporated in the adopted budget. This legislation, the Public Employees' Pension Reform Act (PEPRA) of 2013, redefined CalPERS members, provided a reduced benefit formula and increased retirement ages for new members, capped the annual salary to calculate final compensation, provided for equal sharing of the normal cost of the current CalPERS contribution rate, required a three-year final compensation average to determine final compensation, and other cost conscious reforms.

In addition, the City recently negotiated a second tier for retirement benefits for all City employees and this legislation established a 3rd tier. The adopted budget incorporates these changes by assuming employees retire after 5 years of work and at the age of 57, and the new hires come in at either the 2nd or 3rd tier. The impact is a savings in CalPERS retirement benefits.

Unfunded Pension Liability

Despite the pension reform changes for new employees, the City expects to see rising CalPERS pension costs for its current employees. Current employees were provided benefits that were based on a 7.75% annual CalPERS investment earnings. However, in the past few years, CalPERS did not earn that amount and are forcing employers to catch up by paying more in order to fully fund this liability. Starting in FY 2016, CalPERS plans to increase the rate by 50% over a 5-year period. This still assumes that CalPERS earns 7.50% annually, so there is still risk in this approach that these costs will increase dramatically.

The City's total unfunded pension liability is $9,215 thousand based on an actuarial value of assets. Of this amount, $4,667 thousand is for Miscellaneous employees, which represents a 78.8% funded pension and $4,548 is for POA employees, which represents a 76.1% funded pension. CalPERS performs an actuarial study each year to determine the City's costs for that year, which includes an amount to pay off a portion of the unfunded liability. This amount comes in the form of a percentage of salaries that the City must contribute. This percentage assumes a certain level of salaries, investment earnings, retirements, and union contracts. To the extent that these things change and produce fewer contributions to the pension fund, there is an unfunded liability. The unfunded liability changes annually depending on changes to the above various items (CalPERS investment earnings, salary levels, etc.). The increase in pension costs to pay off a portion of the unfunded liability is included in the CalPERS retirement projections in this report.

Other Challenges

Other potential challenges that are facing our City are:

- Rising risk management costs: The California Joint Powers Insurance Authority (CJPIA) is the City's provider of risk management services, including insurance coverage for general liability, workers' compensation, and property insurance. The five year historical average rate of growth is 23%. However, after spreading out the retrospective deposit liability of $1,229 thousand that was accumulated over 10 years, the five year historical average rate of growth is 12%. This rate of growth is unsustainable. The City's adopted budget establishes a risk management reserve of $50 thousand a year to fund unanticipated risk management costs.
- Renewal of the Half Cent Sales Tax measure slated for the November 2014 election: The adopted budget assumes funding continues from this revenue source. Without the continuance of these revenues, the City's Six Year Street Paving Program, as well as other future street, sidewalk, and storm drain projects may not be funded.
- Shoreline Protection: The City continues to balance managed retreat of the City's shoreline with protecting the City's vital water and lift station infrastructure that is located close to the shorelines. Weighing the costs and benefits of protecting each shoreline continues to be a large draw on the City's financial resources.
- Motor Vehicle Fund: The City's motor vehicle replacement fund is not sufficiently funded on an on-going basis and major reforms will need to be addressed when reviewing the size of the fleet and the method of purchasing or leasing vehicles.

MAJOR CHANGES IN BUDGET

The following items are a brief description of major changes in the adopted budget as compared to the previous years' budgets.

1. All redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012. All assets and liabilities, revenues, expenditures, and funds of the former Pismo Beach Redevelopment Agency were transferred to the

Designated Local Authority in June 2012. These funds are no longer included in the adopted budget.

2. Infrastructure Maintenance and Beautification: Sustain an effective level of existing core infrastructure maintenance such as streets, sidewalks, bluff protection, parks and protection of other physical assets. The adopted budget includes:
   - Paving the area along and near Longview and Merced and includes the third year of the Six Year Street Paving Program.
   - Equipment for park and street maintenance and to inspect the City's sewer system and storm drain systems.

3. Housing, Health, and Safety: One of the City Council's top priorities continues to be public safety. This is demonstrated by the City goal to make our neighborhoods, businesses, and parks and beaches safe for all citizens. The adopted budget includes the following housing, health, and safety changes:
   - Unfreezing a police officer position to patrol the downtown area year-round.
   - Funding a 3,000 gallon fuel tank for City vehicle emergency supply and to stabilize fuel costs throughout the year.
   - Funding an emergency tower generator.
   - Funding a pier structural analysis.
   - Funding a pier plaza seawall study and repair.

4. Preservation of essential services and fiscal health: The adopted budget is a balanced budget that retains the City's fiscal health, preserves essential services, and implements long term productivity improvements and cost-reduction strategies. The budget includes:
   - Technology investments to improve staff efficiencies in Human Resources; and,
   - Adds funds to support the replacement of the City's outdated computers and servers.

5. Economic Development: The adopted budget includes additional funds to support economic development, including:
   - Community engagement and 3D computer modeling and a web based community engagement program to promote awareness and receive feedback on revitalization efforts in the downtown area.
   - Visit SLO County funding to promote local business, tourism, and events in Pismo Beach.
   - Funding the Sunset Savor event.
   - Additional funds to support community events such as Holiday Harmony, Pumpkins on the Pier, and replacing the 70 foot holiday tree at the end of the pier during December.

6. Community Awareness and Communication: The adopted budget includes additional resources to keep the citizens informed, including equipment for government access television.

ACCOMPLISHMENTS IN PRIOR TWO YEAR BUDGET

The City was able to achieve and accomplish many of the Council's FY 2012 and FY 2013 goals during the past two years. The key accomplishments, summarized by department, can be found below and also in detail within the department program sections of the budget document.

City Manager
- ✓ Recruited and hired three new excellent Department Heads
- ✓ Implemented a fiscally sound two year budget during extremely challenging economic conditions
- ✓ Continued progress on renewing and improving City infrastructure
- ✓ Maintained positive morale within the City workforce

City Clerk
- ✓ Conducted 2012 General Municipal Election
- ✓ Processed, posted and distributed 114 Regular and Special City Council Agendas and Agenda Packets
- ✓ Issued 53 Special Event Permits and 12 Film Permits
- ✓ Continued website strategy and daily maintenance
- ✓ Centralized city documents into Laserfiche
- ✓ Public Information Officer (PIO) Training

Human Resources
- ✓ Labor Negotiations and agreements including Pension Reform and lower second-tier retirement contracts
- ✓ Completion of 17 of 19 programs identified in the City's Risk Management Assessment, including 9 new or updated safety programs
- ✓ Sixteen Recruitments, staffing 23 part-time and 10 full-time employees

Conference & Visitors Bureau (CVB)
- ✓ Served as a newly-renovated City Hall Welcome Center, assisting over 500 tracked individuals yearly, via phone, walk-ins, mail and emails and responded to over 9,600 advertising-driven leads in 2011-12
- ✓ International exposure was gained by participating in Visit California organized familiarization (FAM) trips with visitors from the United Kingdom, China, France, Germany, Denmark and Japan
- ✓ Networking for additional City exposure through tourism memberships with 10 local, regional and state organizations
- ✓ Participated in tourism trade shows where we represented Pismo Beach including International Pow Wow, Go West Summit, National Tour Association Travel Exchange, LA Travel & Adventure Show, Visit California Media Events, Sunset Celebration Weekend, Sunset SAVOR the Central Coast, San Joaquin Valley Business Mixers, etc., along with our peers
- ✓ Re-designed www.ClassicCalifornia.com and www.MonarchButterfly.org websites, which are now optimized as mobile-ready websites and expanded our Social Media footprint with daily posting and monitoring to Facebook (over 85,000 fans), Instagram, Pinterest, Twitter, Pismo

Beach Travel Log, and update videos on YouTube (Monarch Butterfly Grove, Wine & Waves, & city events)

Administrative Services Department

- ✓ Fiscally sound two-year budget, maintaining General Fund 20% Reserve
- ✓ Received GFOA prestigious "Excellence in Financial Reporting Award" for FY 2011-12 for the 11th year in a row.
- ✓ Provided General Fund Five Year Financial Forecast for FY 2011-12 through FY 2017-18
- ✓ Achieved full compliance with Governmental Accounting Standards Board (GASB) 45 for Other Post Employment Benefits (OPEB) to prefund retiree health costs
- ✓ Made improvements to City's IT systems
- ✓ Security awareness training for all City staff
- ✓ Updated anti-spam protection for email
- ✓ Implemented anti-malware protection
- ✓ Acquired and implemented web filtering and web link scanners
- ✓ Continued replacement of outdated computers, laptops, and software.

Community Development Department

Building

- ✓ Issued 1,133 Permits
- ✓ Construction value of $20,443,847 in FY 2011/2012
- ✓ 19 New Single Family Residences
- ✓ 102 Commercial Tenant Improvements
- ✓ Completed 1,200 initial and recheck plan reviews
- ✓ Performed 4,298 field inspections

Parking

- ✓ Established the Parking Operations Office
- ✓ Installed New Permit Kiosks
- ✓ Began Enforcement of Timed Parking Season
- ✓ Electric Vehicle Brought Into Service

Planning

- ✓ Affordable Housing Project – 360 Park, 14 affordable units
- ✓ Bluff Protection - Vista Del Mar, Ocean Boulevard, & St. Andrews
- ✓ General Plan/Local Coastal Plan Updates - Land Use, Recreation and Design Element Amendments
- ✓ Updates to the 1983 and 1998 Sign and Amateur Radio Antennae Ordinances
- ✓ Updated the Sphere of Influence (LAFCO) to Include Godfrey Property
- ✓ Processed the Los Robles Del Mar annexation request

Recreation

- ✓ The Recreation Dept. has increased attendance for all of our Community Events, such as: Pumpkins On The Pier, Holiday Harmony, Easter Egg Hunt, Stride with the Tide, etc.
- ✓ Implemented all classes in the Recreation Software program, to include special events such as Stride with the Tide, Father Daughter Dance, etc.
- ✓ Formalized agreements with the users of the Pismo Beach Baseball Fields

- ✓ Developed the Father Daughter Dance, for the City of Pismo Beach into an annual event with over 140 fathers/daughters registering annually
- ✓ Implemented the Pacific Breeze Concert Series at Dinosaur Caves Park – these concerts are held once a month from March – May, the concerts end on Mother's Day. The average attendance for these concerts exceeded 750 people. These concerts were made available due to the generous support of the many community sponsors, who donated funds and resources
- ✓ Continued offering excursions for local residents, these excursions were offered once a month and we will continue to keep the prices reasonable so that it can be an affordable option for those who are interested
- ✓ Reservations for facility rentals for our parks and halls continue to remain steady
- ✓ Staff has reviewed the Adopt-a-Bench program during this past year. An assessment has been made to indicate what benches are currently available, those that have been adopted out, and a current list which will indicate when the benches were adopted and the possible time for renewal of those benches
- ✓ Continue to offer new recreational classes and programs
- ✓ Increased the number of activities available to the public and realized increased enrollment for activities

Public Works

Engineering
- ✓ Stormwater Management Program (SWMP) Best Management Practices
- ✓ Franklin Storm Drain
- ✓ Street Paving – Year Two
- ✓ Hollister Water Line Upgrade/Road Repair
- ✓ Bluff Protection Project at Ocean Blvd and Vista Del Mar
- ✓ Heights Water System Reconstruction

Public Facilities
- ✓ Dinosaur Caves Park Restroom and Landscape
- ✓ Spyglass Park Restrooms and Parking Lot

Water Division
- ✓ Northern Cities Management Area (NCMA) Studies
- ✓ Heights Water System waterline upgrade and new reservoir
- ✓ Telemetry System Upgrade
- ✓ Prepare Urban Water Management Plan

Wastewater Division
- ✓ Replacement of Vista Del Mar lift station sewage pumps
- ✓ Replacement of Spyglass lift station sewage pumps
- ✓ Telemetry System Upgrade

Motor Vehicle Division
- ✓ Purchase replacement vehicles as adopted by City Council
- ✓ Develop a vehicle and equipment plan for City fleet

Pier Enterprise Fund
- ✓ Develop and implement Pier Deck Replacement plan

Fire Department
- ✓ Completed purchase of new fire engine and will place into service at Station 64
- ✓ Auto Aid Agreement Five Cities Fire: Completed draft agreement for Pismo Beach Fire and SLO County Fire Battalion 2, meeting with 5 Cities Fire continue to polish draft
- ✓ Completed fuel modification projects around the Hacienda del Pismo Mobile Home Park and Chumash Park
- ✓ Helped facilitate finding grants for fuel reduction projects for the Pismo Beach section of the County Fire Safe Council. A grant was awarded to the Heights group for use of goats to maintain work already done in the Heights area

Police Department
- ✓ Primary Weapon Systems
- ✓ Closed Circuit Television Upgrade
- ✓ Records Management System Upgrade
- ✓ Technology Upgrade – Phase 1
- ✓ Department Weapon Conversion
- ✓ Emergency Response Plan - MDC Inclusion
- ✓ Emergency Preparedness Assessment
- ✓ Citizen Academy
- ✓ Start Smart Program
- ✓ Tattoo / Piercing / Social Media Policy Revision
- ✓ Tow Contract Ordinance Update
- ✓ Five-Year Strategic Succession Planning
- ✓ 2% Increase in Field Interview / Gang Cards

MAJOR DEPARTMENT WORK PLAN ITEMS IN FY 2014 & FY 2015 BUDGET

Departmental work plan items for the FY 2014 and FY 2015 budget years were presented and discussed with the City Council at a public budget workshop meeting on April 17, 2013. Major work plan items, in addition to a list of the ongoing responsibilities of each department, can be found summarized below and also in detail within the department program sections of the budget document.

City Manager – *General Fund*
- Completion of the Council's adopted goals
- Continue to reduce City's operating expenses and ensure efficient operations.
- Maintain momentum on renewing City's infrastructure.
- Enhance training and morale of all employees.
- Conduct a downtown visioning and revitalization effort.
- Implement new technologies to increase efficiencies and improve service.

City Clerk – *General Fund*
- Work towards going to a paperless agenda, using best practices.
- Conduct 2014 General Municipal Election.
- Continue to develop City Clerk Policies and Procedures.
- Continue to Upgrade Video Production Equipment for Council Chamber for better efficiency during meetings.
- Continue with daily monitoring of public requests through online Customer Service module.
- Continued effort to scan and purge City-wide records.
- Provide updated Records Retention Schedule for City-wide records.
- Continue with website strategy and daily maintenance of system.

Human Resources – *General Fund*
- Implement on-line recruitment program to improve the recruitment process
- Aggressively pursue Risk Management best practices for the City
- Promotion of professional and staff development

Conference & Visitors Bureau (CVB) – *General Fund, LBID Fund*
- Continue to maximize the marketing of the Lodging Business Improvement District by increasing our Visit San Luis Obispo County sponsorship to be fully-funded, (as all of the other cities within the County are), for maximum exposure for all of our City Lodging businesses as well as an improved working relationship to increase Countywide funds, thereby City visibility, with specific contractually requirements set
- Travel Trade Shows & Business Expos, expanding our marketing reach to San Francisco (through our new SF Travel Association membership) and the Scottsdale/Phoenix snowbird market
- Maintain presence with State Office of Tourism / State Regional Ambassadors Committee.
- Continue to have the City-hosted annual Sunset SAVOR the Central Coast Pismo Beach Dinner & display a booth at the SAVOR Main Event at Santa Margarita Ranch and continue to serve as a Group Sales & Marketing Committee Member, SAVOR Committee and County Resource Council Member
- Assist with Community Development whenever possible towards the City Council Goals, of downtown improvements, city signage, pursue a historic preservation process, improve pedestrian & bike trails systems, implement a public arts program, the feasibility of increasing population of Pismo clams, & the feasibility of a dog park (we just added www.DogFriendlyPismoBeach.com)

Administrative Services Department – *General Fund*
- Maintain financial strength and financial integrity through sound fiscal policies and appropriate uses of funds.
- Administer a fiscally sound Two-Year Budget
  - Increase the General Fund Reserves Policy from 20% to 25% over the next five years
  - Establish a Risk Management Reserve contributing $50,000 each year for future unplanned costs
  - Fully funding the 1% General Fund Contingency Budget.
- Develop and Implement a Five-Year Information Technology Strategic Plan for the City's Information Technology Systems.
- Update revenue investment practices for opportunities to improve investment earnings.

- Update Key Fee Studies: (1) Water and Sewer; (2) Development Impact Fees; and (3) General User Fees and Overhead Costs.
- Begin the process of acquiring a new integrated financial system to replace the current technologically antiquated system ←Council Mid-Term Goal

Community Development Department – *General Fund*

Building
- Adopt the 2013 California Building Standards Code by January 1, 2014, with local amendments
- Improve integrated permit tracking software
- Provide training for staff as necessary to facilitate implementation of 2013 codes
- Participate in the review and resulting implementation of changes to Permit Fees
- Continue work on improvements to the web site, including access to forms, policies, and project status

Parking - *Parking Enterprise Fund*
- Develop a Parking Management Program
- Improve operations through technology
- Upgrade cash handling procedures
- Maintain full staffing

Planning Division
- Complete General Plan/Local Coastal Plan Updates for - Land Use, Parks and Recreation, Conservation and Circulation Elements
- Accomplish Pismo Grammar School Visioning and Use Options Study
- Complete Housing Element Update
- Conduct Downtown Visioning

Recreation

Community:
- Continue Offering a wide variety of classes and activities
- Increase community involvement/sponsorships for special events
- Develop more re-occurring events like concerts in the Park, or Community Art Events

Parks & Halls:
- Improve Veterans Hall maintenance
- Renovate Veterans Halls
- Re-visit fees for Park and Hall rentals
- Continue to promote the current success of youth volleyball tournaments

Public Works

Engineering – *General Fund*
- Five Cities lift station replacement
- Design Bello Bridge replacement
- Price Canyon Road slope repairs and stabilization
- Reservoir maintenance

- Street paving – Year 3

Public Facilities – *General Fund*
- Undergrounding utilities Rule 20A
- Shell Beach/Pismo Beach Pedestrian and Bicycle Access and Streetscape
- Street paving – Year 3
- Longview paving and sidewalk
- City Hall roof and exterior painting
- Radio Tower generator installation
- Proceed with Old City Hall
- Street striping
- Caltrans EEMP grant
- Install retaining wall and re-landscape front slope areas at Shell Beach tennis courts
- Spyglass Park playground equipment replacement

Water Division – *Water Enterprise Fund*
- Bello Street and Wadsworth Ave waterline upgrade
- Price Canyon and Dell Court waterline upgrade
- Reservoir maintenance – painting, cleaning, coating, inspections and seismic retrofit
- Booster station Variable Frequency Drives (VFD's)

Wastewater Division – *Wastewater Enterprise Fund*
- Five Cities lift station replacement
- Freeway Foothills lift station upgrade
- Spyglass lift station upgrade
- PG&E lift station standby generator
- Hot spot repairs
- Bar screen replacement
- Solids handling

Motor Vehicle Division – *Motor Vehicle Replacement Fund*
- Purchase replacement vehicles and equipment as adopted by City Council
- Maintain the City's fleet to the highest standards

Fire Department – *General Fund*
- California Fire Code Adoption and amendments to the City Municipal Code
- Continue working on finding funding sources for the Ventana Fire Station
- Continue to work on Vegetation Management Projects
- Replacement of 17 Self Contained Breathing Apparatus (SCBA)
- Continue to staff and manage City Lifeguard and Junior Lifeguard Programs
- Maintain and enhance our Specialized Training and membership on Technical Teams

Police Department – *General Fund*
- Emergency Response Plan – Mobile Data Computer Inclusion
- Emergency Preparedness Assessment
- Citizen Academy
- Start Smart Program

- Tattoo / Piercing / Social Media Policy Revision
- Tow Contract Ordinance Update
- Five-Year Strategic Succession Planning
- 2% Increase in Field Interview / Gang Cards
- Evidence Room Remodel
- New Portable Radio Research and Acquisition
- Downtown Surveillance Camera Monitoring - Research and Police Development
- Tobacco Sting
- Alcohol Sting
- GREAT Program – Judkins
- Old City Hall Records Destruction Project
- Training Enhancements: Active Shooter, Child Abduction, Collateral Assignment Instructor, First Responder Training, Mobile Data Computer Training, NIMS for Supervisors, Tools for Tolerance
- Personnel Recruitment: All Vacancies Filled by End of Year

BUDGET PROCESS

The two-year budget process begins in January with a two-day City Council goal setting and strategy planning session where the public is invited to submit comments and attend. These goals and direction set a broad framework for the budget that will be developed. This year, the City Council set 17 short-term goals to be accomplished by June 30, 2015. The majority of these short-term goals are funded in this budget or prior budgets. In February, the Administrative Services Department puts together an initial projection for the current fiscal year and revenue projections for the upcoming budget years. In February, the City Manager issues budget instructions to all Departments based on the revenue projections.

By March, each department head submits budget requests to the Administrative Services Department. These requests begin with a base budget, which includes the same level of staffing, supplies, materials and services previously budgeted as base, increased only to account for known price increases and known salary and benefit improvements. The base budget also allows for replacement, in-kind, of capital equipment. Any requests over the prior year's base must include justification for the increase. In late March or early April, Department Heads meet with the City Manager to review all budget requests and to select the above base items that will be recommended to the City Council for inclusion in the budget.

In March and April, the Administrative Services Department prepares and updates revenue projections for the budget years and reviews these projections with the City Manager. Most revenues are not subject to direct City control. Sales and TOT are subject to economic cycles of businesses within the community, and are also affected by weather. Property tax revenue varies with real estate sales and building activity within the community, as do charges for services in the Public Works and Community Development Departments.

In April, the Administrative Services Department prepares the personnel salary and benefit budget estimates as determined by current bargaining units and Council adopted resolutions

which identify the current staffing levels approved for all City departments. The personnel budgets are reviewed with each Department Head to make sure the number of positions are budgeted accordingly and accounted for correctly. Also in April, the City Council holds a public budget workshop to review Departments' prior year accomplishments and budget year work plans. At this meeting, the Council reaffirms the City's fiscal policies and provides initial comment to City staff.

During May, the Administrative Services Department prepares a draft budget document, which is reviewed by all department heads and the City Manager, and then submitted to the City Council. In early June, the Council holds a public budget workshop to review the budget status and review and consider approval of the above base items. Council adopts the budget prior to July 1, the first day of the new fiscal year.

Level of Budgetary Control

After the Council approves the budget, it has been general practice that during the year, Department Heads may transfer appropriations between maintenance and operations line items within their departments. However, the number of authorized personnel cannot be increased, and appropriations for employee services and capital outlay cannot be transferred to operations except with City Council approval. The City Manager may transfer appropriations between departments so long as total appropriations within a fund are not increased. Total appropriations within a fund may be increased only with Council approval. After proper approval, any such changes would be recorded as revisions to the budget.

Budget Format

The City Council of Pismo Beach is presented with its seventh two-year budget. The primary reason the City adopts a two-year budget is to account for uncertainties in the statewide economic forecast. The two-year budget forces the City to look beyond the current year and attempt to alleviate any shortfalls that may be present in the future. The two-year budget also saves time and energy of the staff as well as money. The two-year budget, as it stands, is in reality two distinct "one-year" budgets: one for July 1, 2013 through June 30, 2014 and then one for July 1, 2014 to June 30, 2015. At the end of the first year, a mid-cycle budget review will be held to determine if any significant changes in circumstances have occurred that would warrant deviation from the budget for the next year. During the mid-cycle budget review, of particular interest will be any deviations in budget projections such as changes in the economy, new State or Federal mandates, a possible increase in revenues from Transient Occupancy Taxes, or possible increases in base expenses.

As in prior years, narrative descriptions of each budget activity are presented along with highlights of current year (FY 2013) work program accomplishments and highlights of work programs included within the base budgets for the coming two years. For each budget activity, line item information is presented in summary form by object-of-expense category, followed by work program details for the current year and for each of the next two years combined which is all preceded by a description of the activity. City staff adopted additions above the base budget are included in the expenditure line items.

Workload information for each department is provided to the City Council in monthly activity reports throughout the year. Reference to the most recent activity reports is recommended should there be workload questions.

Basis of Budgeting

The City's governmental funds are maintained on the modified accrual basis of accounting in which revenues are recognized in the accounting period they become measurable and available. Expenditures are recognized in the period in which the liability is incurred, if measurable, except non-matured principal and interest in general obligation debt which is recognized when due.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned and become measurable; expenses are recognized when they are incurred if measurable.

The budget document is presented on the same basis, with the exception of long-term assets and debts, which are shown on a cash basis.

Budget Goals

The budget goals are to maintain a balanced budget with revenues exceeding or equal to expenditures for all ongoing operations. This goal is met as the adopted budget is structurally balanced for all ongoing items for both years. Unreserved fund balances are to be used only for capital outlay or other non-recurring items. The adopted budget includes a 21% General Fund Reserve in FY 2014 and a 22% General Fund Reserve in FY 2015, to increase the Reserve by 1% per year until the City has a 25% Reserve. The Council has also adopted a policy of appropriating 1% as a contingency reserve, which is fully funded in the adopted budget. This budget also adds a $50 thousand per year contribution into a Risk Management Reserve.

Budget Approach and Options

Balanced budgets are adopted for every fund for both years. For the major operating funds, the General Fund, Water and Wastewater Enterprise Funds, and the Motor Vehicle Operations Fund, the adopted base budgets continue current operations at the same level as in FY 2013.

The City Council is presented with several recommended additions to the base operating budgets and a number of capital improvement projects. Sufficient revenues and/or uncommitted fund balances are available in each fund to cover the costs of the recommended additions to the base budget and the adopted capital improvement projects.

Because of ongoing funding limitations, the limited availability of staff time to manage and administer new programs and projects and a concern for financial stability in future years, not all adopted additions to the base budget, and not all projects identified in the Capital Improvement Plan could be included in the FY 2014 and FY 2015 budgets.

Fiscal Policies

In preparing this budget, staff took its primary direction from the guidelines established in the City of Pismo Beach Fiscal Policies that were adopted by Resolution R-98-49 and are included on pages 65 and 66 of this budget. This policy was reviewed in detail and reaffirmed by the City Council on April 17, 2013.

There are two adopted changes to the fiscal policies regarding reserves:

1. Increase the General Fund Reserve from 20% to 25%, by contributing an additional 1% per year for the next five years, and then maintain a General Fund reserve of 20% of budgeted operating expenditures in the General Fund. This reserve is to be used for emergencies and other purposes to stabilize the budget in an economic downturn.

2. Establish a Risk Management Reserve to be used for unanticipated risk management costs not already budgeted, funded with $50 thousand per year.

FISCAL POLICIES

(Resolution R-98-49, R-2007-038 and R-2013-034)

A Fiscal Policy is an adopted guideline, which establishes goals for the allocation of public resources in the manner best suited to the efficient provision of services to citizens and visitors present within the City. While not all of the goals may be achievable in the current year, the existence of such goals will serve to guide the City Council in its decision-making.

The City of Pismo Beach has forged its fiscal policy out of the experiences of the early 1990's, when expenditures grew considerably beyond the City's revenue capability. This resulted in extensive lay-offs and service reductions throughout the municipal government. It is recognized that maintaining adequate cash reserves and providing on-going maintenance of infrastructure and buildings are vital to sound fiscal management. The philosophy of this fiscal policy incorporates these goals.

RESERVES



Establish and maintain a General Fund reserve of 25% of budgeted expenditures in the General Fund.



Establish and maintain a Risk Management Reserve to be used for unanticipated risk management costs not already budgeted, funded with $50 thousand per year.

- Maintain a contingency reserve of 1% of budgeted General Fund expenditures to be used for emergencies and other unanticipated expenditures at the direction of City Council.
- Establish realistic levels of contribution to the Motor Vehicle Replacement Fund.

FISCAL MANAGEMENT

- Maintain safety and liquidity while maximizing investment revenue.
- Annually consider reduction of long-term debt as a use of revenues.
- Establish the level of cost recovery desired from various fees for services.
- Review fees annually, establish actual costs and adjust and establish new fees as needed.

INFRASTRUCTURE

- Contribute from the General Fund annually for the improvement of infrastructure.

NEW SERVICES

- Add new services only when a need has been indentified and when adequate resources for staffing and funding are demonstrably available in multi-year financial plans.

PUBLIC SAFETY

- Provide funding to maintain adequate levels of safety for citizens and visitors of Pismo Beach.

WATER AND SEWER FUNDS

- Maintain adequate reserve funds for the construction and replacement of major capital facilities of the water and sewer funds by setting rates at levels sufficient to provide the necessary funding.

FACILITIES

- Plan for new facilities only if operating and maintenance costs for those facilities are fully recognized and taken into account in multi-year financial plans.

- Provide adequate routine maintenance each year to avoid the higher cost of deferred maintenance.

OPERATIONAL EFFICIENCIES

- Provide City services in the most cost-effective manner.

- Provide staffing levels that allow employees to respond promptly to service requests from the public.

- Utilize consultants and temporary help for special projects or peak workload periods.

- Utilize community expertise on a voluntary basis as appropriate.

- Ensure that fee-supported services are staffed appropriately to render the services for which customers have paid.

- Work through regional agencies to share costs for local programs whenever possible.

EMPLOYEE DEVELOPMENT

- Attract and retain competent employees for the City workforce by compensating employees fairly, providing adequate training opportunities, ensuring safe working conditions, and maintaining a professional work environment.

ECONOMIC DEVELOPMENT

- Achieve organized, sustainable community development for the citizens of Pismo Beach by providing a diverse economic base while preserving our scenic beauty, small town charm, and historical assets.

Use of Cost Accounting

Cost accounting is the process of tracking, recording, analyzing, and allocating costs associated with activity provided by the City, which benefits multiple funds and departments within the City. The City incurs direct and indirect costs in the provision of City services and programs. The City recovers the costs of City central administrative and support activities through the development and application of indirect cost rates. The City also uses Internal Service Funds to allocate costs for fleet services through rental rates.

A central services cost allocation plan identifies indirect costs incurred by the City to support and administer identified programs. Identifying the indirect cost of various programs is integral to determining the full cost of supporting these programs and is valuable when seeking reimbursement.

Direct and Indirect Costs

The City defines direct costs as those costs, which can be specifically or readily identified with a specific cost objective or program. Indirect costs are defined as those costs necessary for the effective and efficient operation of City programs, which cannot be readily identified to a specific cost objective or program without effort disproportionate to results achieved.

Internal Service Funds

Internal service funds are specifically designed to function as cost-reimbursement devices. Internal service funds are simply a mechanism to accumulate costs related to a particular activity on an accrual basis so that the costs can be subsequently allocated to the benefitting funds in the form of a fee. Accordingly, the City utilizes an internal service fund to collect costs associated with maintenance and replacement of the City's fleet and determines rental rates to be charged to the benefitting funds.

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CITY AND COMMUNITY INFORMATION

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CITY INFORMATION

The City of Pismo Beach was incorporated in 1946 and is a full service, general law city. The City is located on the Central Coast along six miles of the Pacific Ocean in San Luis Obispo County, midway between Los Angeles and San Francisco. The City is visited annually by a substantial number of tourists seeking to enjoy the area's moderate climate, ocean views and sunsets, fine restaurants, and the relaxing atmosphere unique to coastal communities. The City's downtown core area and hotel areas are anchored by the City-owned pier extending into the Pacific Ocean. The City is home to about 7,717 individuals, as estimated by the California Department of Finance for January 1, 2013. Most of the City is residential with a continuing trend of new homes being built with spectacular ocean views.

PISMO BEACH MAP



HISTORY OF PISMO BEACH

The history of people at Pismo Beach starts at least 9,000 years ago with the Chumash Indians, who referred to the area as a place to find pismu, or tar. The Pismo Beach region has an interesting history going back in time to 1769, when Don Gaspar de Portola and parties camped in the area. According to the diary of Costanso, a member of the Portola party, "The party continued over the sand dunes and then descended to the beach, along which they walked for several miles before camping for the night. Near their camping place was an Indian village of some forty people." Undoubtedly, the beach walked upon by the Portola party was that known today as Pismo Beach. We invite you to take a look at some our rich history.

The First Pismo Beach



KlamDigger Billie - 1904/Bennett-Loomis Archives

The City is part of the original 8,838-acre Rancho Pismo. Rancho Pismo was granted to Jose Ortega by Manuel Rinemo Goriod on November 18, 1840. Ortega is thought to have built a small adobe that later became part of the Price Adobe. The rancho was later acquired by Issac Sparks. Some folktales relate that Sparks won the land from Ortega in a game of monte, but it appears from records kept by John M. Price that the ranch was purchased for 477 head of cattle. Sparks, in 1850, appears to have given John Price El Pizmo Rancho instead of paying him wages in gold, as the deed shows a cost of $1 for the property. Upon Sparks' death, John Michael Price and Captain David Mallagh received a share of the land. Price lived and worked on the rancho until his death in 1902. Price built up sizeable horse and cattle herds, which he moved onto the rancho. Mallagh owned a section of Rancho Pismo around the cave landing area (now Pirate's Cove), where he established a wharf business. Price purchased some of the property in 1854. A portion of the southern part, which is now Grover Beach and Arroyo Grande, was sold to Francisco Branch. This left him with Shell Beach, Pismo Beach area and a large section running back into Price Canyon. In 1875, Price took the first step toward funding the community of Pismo Beach when he built a hotel on the road from Arroyo Grande to the People's Wharf in Avila Beach. The hotel was not a success and Price had the hotel moved to the beach in 1884. In 1881, Price leased oceanfront land to the Meherin brothers to build a wharf and a warehouse. This wharf at the end of Main Street was successful and the hotel's new location was next to this operation. The school district was founded in 1888, and the Post Office was also established then.

Parceling Pismo Beach

In February 1886, Price hired R.R. Harris to survey and design a map of the subdivisions of part of the Ranchos El Pismo and San Miguelito, and to also map out and draw a plan for a town to be called "El Pizmo." This was initiated in April 1886. A year later, the Pismo Beach Company again subdivided part of the community and recorded a map of the "Town El



Pizmo." It is interesting to note that the Pismo Beach Company is given credit by some for the founding of the present City of Pismo Beach.

Pismo's Pier



Back in 1881, Pismo's original wharf opened for business. Taking off from a point below the present Main Street, remnants of the pilings may still be seen at very low tides. It was not planned for recreation as such -- it was a commercial venture designed in part to save freight fees for South County products. Lumber was received as well as other commodities. Stock was issued to farmers and landowners for $20 a share and the wharf was built for $14,613. The Meherin brothers, Arroyo Grande merchants, started the venture. Most credit is given to D.J. Meherin for its inception, construction and maintenance. In 1882, a year after its completion, Meherin figured the wharf had saved the people of the county $35,000 in decreased freight rates compared with those of the steamer line they would have patronized. Thirty-eight vessels were loaded at the wharf in 1882. Two warehouses were built near the entrance where teams could move cargo in and out. A small hand car track led out to the end of the pier. The wharf was still active in 1890, but a few years later it gave way during a heavy storm. Probably contributing to the disaster was a load of heavy "bituminous rock" that had been dug in Edna and was waiting in sacks for shipment to San Francisco to be used as paving material. The new pier that replaced the original was built in 1924 and was much longer than it is today. Some can remember driving cars along its length, then backing out, or using the tight turn around at the end. It is said that it extended out far enough that Navy ships could tie up and the men could come ashore. The pier had sustained damage several times, but a major storm tore up the south side of the seawall and about 500 feet off the end of the pier early in its existence. It was never put back. After a 1983 storm washed out most of the wharf, it was rebuilt in its present configuration in 1985-86. The state, county and city all have an interest in the pier. The pier at Pismo Beach continues to be one of the community's major attractions.

Tourism



John Price realized the potential Pismo had for tourism when he built the Pismo Beach Hotel. The Pismo Beach Hotel was sold to A.E. Pomeroy and Charles Stimson in 1887. They enlarged the hotel and renamed it the El Pizmo Inn. The hotel was sold and resold many times. In early times, the area was thought of as a place to spend several months, relaxing and enjoying the surroundings. Early advertisements for the El Pizmo Inn encouraged visitors to come and enjoy the "fine duck hunting and the pleasant surroundings." The 1900s were wild times in Pismo Beach. Pismo was noted for having many saloons, along with several notorious brothels. Other amusement type businesses at the

time, besides the hotels, offered a variety of entertainment, including a skating rink, a bowling alley, and a dance hall. The property directly south of Shell Beach now known as Dinosaur Caves, was the site of an amusement park, with a giant cement dinosaur to gather attention. H. Douglas Brown started building the dinosaur in 1948 and was stopped by local opposition. The headless dinosaur remained a local landmark until it was torn down in the late 1950s. Pismo Beach was also known to be a place to find booze during the Prohibition Era. The second El Pizmo Inn was built about the turn of the century and became so popular that a "Tent City" was erected for the overflow of tourists. They were clean, well-organized 18' x 14', resting on wooden planks, which could be rented for $8 a week. Eventually, the Tent City was expanded to where the pool hall, Hot Shots, now stands. "Tent City" lasted into the late 1920s. The Southern Pacific Railroad also helped tourism in Pismo Beach. It brought people from the San Francisco Bay area to Pismo Beach in one of the first "timeshare" operations. The people paid $30 for a ride down to Pismo Beach and then stayed in the Tent City. If the tourists liked the tents, the railroad would use their fare as a down payment on a tent for the people. If the people didn't like the tent, their money was refunded and they returned to San Francisco free of charge. It was rumored that more people stayed than asked for refunds. In 1912, Highway 2, today's Highway 101, was routed through Pismo Beach, giving automobile travelers an easy route to the beach. Highway 101 was not expanded to four lanes until the late 1950s.

Shell Beach and Sunset Palisades

Shell Beach was quite different years ago, when it was nothing but pea fields. The area was the site of a Chumash village. Floyd Calvert bought and developed much of the land in 1926. He paid $45,000 for 41 acres between the ocean and the highways. When Calvert first visited Shell Beach, there were approximately 50 residents in the area. Calvert sold lots in the area for as little as $195. A resident of Hollywood, Calvert was told about the area by a friend in 1925. When he first visited Shell Beach, there was only one street, Boeker Avenue, with a few cottages on it. Calvert was struck by the beauty of Shell Beach and bought a portion of it. In January 1926, he opened offices in the area, hired seven salesmen and began selling land to people seeking summer retreats from the hot valley. When the summer selling season was over that first year, Calvert had to close his offices. The depression, which was to hit hard in 1929, was beginning to be felt. Then Calvert had to devise a new way to sell his land. He offered it for $5 a month. Even then it was hard to sell. During the Depression, Calvert, who had been a builder in Hollywood, lost all his property except for Shell Beach. He had such faith in this area he thought if he could hold onto this land, someday people would realize its worth. It took Calvert 20 years to sell the first 456 lots on the Shell Beach land he owned. But shortly before and after World War II, Calvert began to have more success selling lots. During World War II, many soldiers had trained in California. They liked the climate and wanted to live in the area. It was then that Shell Beach changed from a resort area for residents of the San Joaquin Valley to a residential community. When Calvert began to break ground for building houses, he found skeletons of Indians who had died and were buried in the area. He also found copper bracelets, arrowheads, spearheads, and stone bowls, which had been used for grinding meal. Most of the Indian artifacts were found near the ocean between Placentia and Palomar Streets. Major archaeological sites have been noted in this area and that of Sunset Palisades. It was known as Oilport and was opened in August of 1907, quite different from today's residential Sunset Palisades area. Built with investor funds, it operated for only one month. The plant, built by California Petroleum Refineries Ltd., was to be the most modern on the

West Coast. Nearly 2.25 million bricks went into the construction of the facilities. Financed primarily by investors, it cost over $2 million to build. It was to be the most complete refinery on the coast. It was set up to produce kerosene, gasoline, lubricating oil, and oil byproducts. The refinery existed until just after World War II, when it was finally torn down. The land was sold, subdivided and replaced with housing.

Incorporation

1926 saw the first incorporation attempt in Pismo Beach. Though it failed, attempts to incorporate the city were finally successful in 1939, when Pismo Beach became a sixth class city by a majority of seven votes. In 1940, worries over increased taxes led the citizens to vote to disincorporate the city. The majority was eight votes in the election. The present city government dates from 1946. Pismo Beach celebrated its 50th anniversary in 1996.

PISMO BEACH TODAY

Pismo Beach is a thriving beach city in southern San Luis Obispo County, in the Central Coast area of California. It is the last true classic California beach town. Pismo Beach offers seaside activities and a variety of accommodations for the young and the young-at-heart in a safe, relaxing environment, away from the crowds and the hustle of the big city. The City has numerous lodging options, including luxurious five-star hotels, deluxe vacation rentals, or cozy campsites on the beach. The beach is located next to downtown and has a boardwalk and a 1,200-foot pier. The City also has multiple locally owned restaurants, a Wednesday farmer's market for fresh fare, and renowned wineries. The City has plentitude of shopping throughout the City and a Pismo Beach Premium Outlets center. Residents and visitors alike enjoy the plethora of activities available year-round with the mild temperatures, including biking, hiking, surfing, kayaking, fishing, swimming, golfing, shopping, and wine tasting.

In the state legislature, Pismo Beach is located in the 17th Senate District, represented by Republican K.H. "Katcho" Achadjian, and in the 35th Assembly District, represented by Democrat Bill Monning. Federally, Pismo Beach is located in California's 24th congressional district, which is represented by Democrat Lois Capps.

For more information, please visit us at:

www.ClassicCalifornia.com
www.PismoBeach.org

Municipal Government

The City operates under a council-manager form of government. Policymaking and legislative authority are vested in the City Council consisting of the elected Mayor and four other elected Council members. The Mayor is elected to two year terms, and the Council is elected to four year staggered terms, with two members elected every two years. The Council is responsible, among other matters, for passing ordinances, adopting the City budget, appointing committees, and hiring the City Manager.

The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the daily operations of the City, and for appointing other employees and otherwise managing daily operations of the City. The City Manager is assisted by an administrative team, which includes the City Attorney (who is a contract Attorney) and department heads for Administrative Services, City Clerk, Public Works, Community Development, Police, and Fire. The City also has an active Convention and Visitors Bureau staffed by an Executive Director.

The City provides a full range of municipal services including fire and police protection, construction and maintenance of City streets, storm drains, bridges and similar infrastructure type assets; park maintenance; community recreation activities and public facilities. In terms of business-type activities, the City provides water, wastewater, parking, pier, and transit services through the operation of its enterprises. The City's public facilities corporation and public financing authority are blended component units and are reported in this report as part of the City's operations.

Contact us:

www.pismobeach.org

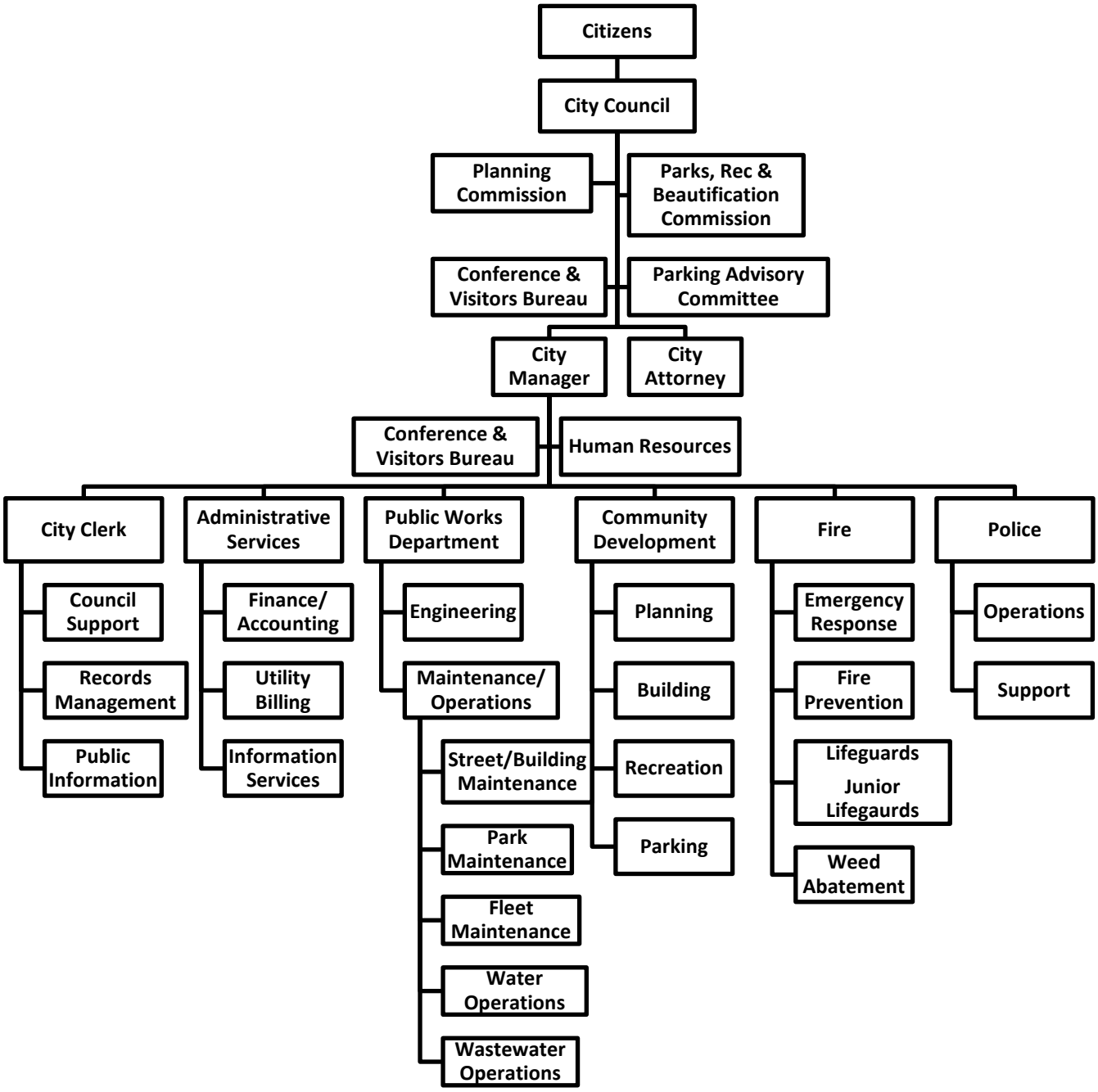
City Hall is located at:
760 Mattie Road
Pismo Beach, CA 93449
Main Phone Number is:
805-773-4657







GENERAL ORGANIZATION



CITY COUNCIL GOALS AND PRIORITIES

Every year in late January, the City Council holds a public meeting to assess the progress on previously established goals and to discuss new goals for the City. On January 24 and 25, 2013 the City Council held a day and a half long public meeting to listen to public input on future City goals and to discuss and settle upon those goals. Prior to the meeting, the Council elicited public input through an on-line survey. After deliberate discussion, the Council developed several short, mid, and long-term goals. At the City Council meeting held on February 5, 2013, the City Council unanimously approved the following goals. The City Council prioritized the suggested goals in order to help guide staff in the development of the upcoming two-year work program and budget. The adopted goals are presented below and in the department sections of this budget document.

Short-Term Goals (before June 30, 2015)

- Complete Price Historic Park Master Plan and begin implementation
- Repair Price Canyon Road slope failure
- Complete and approve the Updated Land Use Element to the General Plan
- Army Corps to build Shoreline Protection Seawall at St. Andrews Sewage Lift Station
- Acquire and install 21st century technology in the Police Department
- Complete a comprehensive Downtown Plan – definition of scope, analysis of existing infrastructure, public vision and objectives, policy actions needed to support, and available near-term actions
- Consider ballot measure for public decision whether to renew/extend half-cent sales tax
- Resolve status of Chapman House regarding inclusion in the City and, if accepted, how to manage it
- Demolish Old City Hall (retaining identified historic features, where feasible) and begin planning for future uses with public involvement
- Move to paperless agendas incorporating best practices from elsewhere
- Design and construct new Five Cities Sewage Lift Station
- Approve the Complete Streets Design Master Plan and Construct Complete Streets Phase I (Shell Beach Area)
- Complete Design of the new Bello Street Bridge
- Repair Pier Plaza Seawall (steel retaining wall and concrete abutment)
- Examine level of safety and security in Downtown area and identify potential improvements
- Facilitate cooperation with LAFCO and neighboring communities to pursue opportunities for an inland arterial
- Complete design work and identify funds to accelerate shoreline protection of Price Street

Mid-Term Goals (July 1, 2015 – June 30, 2018)

- Sustain City Street Paving Program and repair storm drains
- Complete and approve Circulation Element to General Plan (including options to connect northern and southern sections of the City)
- Maintain excellent ocean water quality

- Implement Public Art Program—(a) consider recommendation from PRBC on voluntary initiatives and (b) review recommendation from Planning Commission and dedicated funding from new public and private projects
- Continue attention to energy efficiency and explore renewable energy with a strategy for additional City actions
- Develop educational workshop to discuss privately funded options to underground utilities
- Relocate Pier restrooms
- Develop and begin implementation of a comprehensive inspection program for the bluffs with attention to the City's infrastructure
- Approve plan and seek funding sources for preferred use of Old City Hall site
- Develop strategies to satisfy downtown parking needs
- Construct Phase II (Price Street) of Shoreline Protection Plan
- Advocate for ways to reduce congestion on Hwy 101
- Build new Bello Street Bridge
- Complete construction documents for new Corporation Yard Operations Building
- Acquire and install 21st century financial management software

Long-Term Goals (July 1, 2018, and later)

- Continue to work with PG&E to underground utilities
- Improve Pedestrian and Bike Trail Systems within the City and connecting regionally through the Complete Streets Plan
- Update Parks and Recreation Element of the General Plan (including feasibility of a dog park)
- Pursue a Historic Preservation process
- Explore alternatives for streets to connect both sides of the City without using Highway 101
- Acquire funding to complete a new fire station at Ventana (with accumulation of funds during upcoming budgets, as available)
- Acquire funding to complete Corporation Yard Operations Building
- Establish a focused economic development plan
- Explore opportunities to collaborate with outside partners to assess feasibility and strategies to increase the population and concentration of Pismo Clams
- Construct reclaimed water upgrades to the Waste Water Treatment Plant

The following table provides a list of the short term goals, their estimated cost, the adopted funding source, and the status of if the goal is funded or not. The goal number provides the number of Council goals and does not indicate the Council's priority of goals.

Goal No.	Short Term Goals July 1, 2013 - June 30, 2015	Estimated Cost	Projected Funding Source	Is Goal Already Budgeted?
1	Complete Price Historic Park Master Plan and begin implementation	$ 20,000	General Fund	Yes
2	Repair Price Canyon Road slope failure	$642,500	US DOT Federal Highway grant	Partially budgeted, partial included in adopted budget
	Repair Price Canyon Road slope failure	$83,250	Impact Fees	Yes
3	Complete and approve the Updated Land Use Element to the General Plan	$ 10,000	General Fund	Yes
4	Army Corps to build Shoreline Protection Seawall at St. Andrews Sewage Lift Station	$ 1,755,000	Army Corp of Engineers funding	Yes
	Army Corps to build Shoreline Protection Seawall at St. Andrews Sewage Lift Station	$ 865,000	State Grant Boating & Waterways	Yes
	Army Corps to build Shoreline Protection Seawall at St. Andrews Sewage Lift Station	$ 80,000	Wastewater Enterprise Fund	Yes
5	Acquire and install 21st century technology in the Police Department	$ 173,000	COPS grant	Yes
6	Complete a comprehensive Downtown Plan – definition of scope, analysis of existing infrastructure, public vision and objectives, policy actions needed to support, and available near-term actions	$ 75,000	General Fund	Included in adopted budget
7	Consider ballot measure for public decision whether to renew/extend ½ cent sales tax	$ 12,000	General Fund	Yes
8	Resolve status of Chapman House regarding inclusion in the City and, if accepted, how to manage it	$ 10,000	General Fund	Included in adopted budget
9	Repurpose the Old Pismo Beach Grammar School site (retaining identified historic features, where feasible) and begin planning for future uses with public involvement	$ 225,000	General Fund	Included in adopted budget
10	Move to paperless agendas incorporating best practices from elsewhere	$ 10,000	General Fund	Included in adopted budget
11	Design and construct new Five Cities Sewage Lift Station	$232,203	Wastewater Enterprise Fund	Yes
	Design and construct new Five Cities Sewage Lift Station	$1,500,000	Wastewater Enterprise Fund	No, if Wastewater Rates Adopted, will be included

Goal No.	Short Term Goals July 1, 2013 - June 30, 2015	Estimated Cost	Projected Funding Source	Is Goal Already Budgeted?
12	Approve the Complete Streets Design Master Plan and Construct Complete Streets Phase I (Shell Beach Area)			Yes
	Construct Complete Streets Phase I (Shell Beach Area) Water Line	$1,900,000	Water Enterprise Fund	No, if Water Rates Adopted, will be included
	Construct Complete Streets Phase I (Shell Beach Area) Underground Utilities	$1,000,000	Rule 20A Credits	No
	Construct Complete Streets Phase I (Shell Beach Area) Road Construction	$4,800,000	General Fund/SLOCOG/ TBD	No
13	Complete Design of the New Bello Street Bridge	$546,000	HBP Grant	Yes
14	Repair Pier Plaza Seawall (steel retaining wall and concrete abutment)	$450,000	General Fund	Included in adopted budget
15	Examine level of safety and security in Downtown area and identify potential improvements	$ 94,000	General Fund/COPS grant	Included in adopted budget
	Examine level of safety and security in Downtown area and identify potential improvements	$ 30,000	General Fund/COPS grant	Funding included in adopted budget
16	Facilitate cooperation with LAFCO and neighboring communities to pursue opportunities for an inland arterial	$ 5,000	General Fund	Yes
17	Complete design work and identify funds to accelerate shoreline protection of Price Street	$ 399,750	State Department of Boating & Waterways Grant	Yes
	Complete design work and identify funds to accelerate shoreline protection of Price Street	$ 133,250	General Fund	Yes

CITY STATISTICS

2010 U.S. Census Data Statistics:

Persons	Percent of Persons in Pismo Beach	Percent of Persons in California
White	87.6%	61.8%
Black	0.6%	6.1%
American Indian or Alaskan Native	1.3%	0.8%
Asian	2.8%	13.1%
Native Hawaiian or Other Pacific Islander	0.0%	0.4%
Two or more races	3.3%	3.9%
Other	4.4%	13.9%

Median household income from 2007 to 2011 is $65,682
2010 U.S. Census Data

Population 7,717
Department of Finance January 2013 estimate

Median Single Family Home Sale Price $541,500 in 2012
HdL Companies

COMPARISON OF FINANCIAL STATUS TO OTHER JURISDICTIONS

City	Number of Full Time Employee	Population	Total Operating Budget (All Funds)	Total Portion of Operating Budget Related to Personnel Services	% of Budget Related To Personnel Services	Total Capital Projects
Arroyo Grande	67.00	17,395	$40,434,147	$10,309,999	25.5%	$9,910,504
Atascadero	116.10	26,687	$19,676,680	$13,780,890	70.0%	$14,710,800
Grover Beach	59.00	13,211	$14,773,523	$5,537,000	37.0%	$2,823,429
Morro Bay	100.25	10,317	$28,197,530	$11,629,989	41.25%	$558,131
Paso Robles	154.00	30,504	$54,469,200	$21,703,500	40.0%	$18,809,900
Pismo Beach	88.00	7,717	$24,841,693	$12,661,623	47%	$2,232,311
San Luis Obispo	355.30	45,541	$80,900,000	$50,600,000	62%	$5,900,000
Santa Maria	456.00	118805	$133,994,090	$52,811,910	39.0%	$12,451,210

Pismo Beach includes CalFire contract in personnel costs, but does not include FTEs from CalFire.

San Luis Obispo County City Growth Comparison
FY 2013 to FY 2012 Net taxable Assessed Value Change

City	FY 2013 Net Value	Value Change	% Change
San Luis Obispo	6,248,958,910	72,126,811	1.168%
Paso Robles	3,521,053,824	20,671,863	0.591%
Arroyo Grande	2,249,081,416	10,401,392	0.465%
Pismo Beach	**2,411,371,051**	**10,243,204**	**0.427%**
Atascadero	2,911,574,674	6,431,948	0.221%
Morro Bay	1,908,316,241	-9,672,785	-0.504%
Grover Beach	1,256,596,329	-21,665,877	-1.695%

Comparison of Single Family Residential Bi-Monthly Water Bills*

City	Amount
Avila Beach CSD	$158.10
San Luis Obispo	$147.74
Santa Maria	$119.34
Pismo Beach	**$116.03**
Cambria CSD	$109.17
Arroyo Grande	$114.60
Grover Beach	$84.62
Paso Robles	$50.00

*Selected Cities' rates in effect as of December 2012

Comparison of Single Family Residential Bi-Monthly Wastewater Bills**

City	Amount
San Luis Obispo	$129.52
Avila Beach CSD	$114.80
Cambria CSD	$101.89
Paso Robles	$90.00
Pismo Beach	**$87.79**
Grover Beach	$49.56
Arroyo Grande	$46.22
Atascadero	$40.36

**Selected Cities' rates in effect as of December 2012

FINANCIAL SUMMARIES

CHANGES IN AVAILABLE FUND BALANCES
FY 2014

RECAP OF FUNDS - FY 2014	Beginning Fund Balance Update	Projected Revenues & Other	Transfers In	Operating Expenditures	Debt Service	Capital Outlay	Capital Projects	Transfers Out	Estimated Ending Fund Balance
Governmental Fund Types									
General Fund (100)									
Primary Operating Funds:									
101 General Fund	3,712,895	16,433,672	233,793	15,656,972	300,630	58,000	20,000	813,143	3,531,615
105 1/2 Cent Sales Tax Fund	253,645	1,140,000						896,000	497,645
Total General Fund	**3,966,540**	**17,573,672**	**233,793**	**15,656,972**	**300,630**	**58,000**	**20,000**	**1,709,143**	**4,029,260**
Special Revenue Funds									
202 Gas Tax Fund	201,377	258,497						140,000	319,874
208 Local Transportation (Streets)	238,272	203,975		14,902					427,345
222 PEG Access Fund	95,684	15,000					7,500		103,184
243 Police Grant Fund	25,182	100,000						93,793	31,389
250 Housing In Lieu Fund	22,211	20,000		500					41,711
265 LBID	158,048	734,400		644,997					247,451
Total Special Revenue Funds	**740,774**	**1,331,872**	**0**	**660,399**	**0**	**0**	**7,500**	**233,793**	**1,170,954**
Capital Projects Funds									
301 Capital Project Fund	0	350,750	941,000	400,000			891,750		0
302 Bond Fund	3,697								3,697
305 Park Development Fund	118,112	25,000		4,240					138,872
322 Circulation Improvement	79,991								79,991
323 Impact Fees	807,791	3,000		1,000				25,000	784,791
325 Developer Impact Fees	57,564								57,564
326 Underground Utility	19,514								19,514
Total Capital Projects Funds	**1,086,669**	**378,750**	**941,000**	**405,240**	**0**	**0**	**891,750**	**25,000**	**1,084,429**
Debt Service Funds									
404 Public Finance Au hority	146,075	300,630		2,331	442,006				2,368
436 Freeway Foothills	91,838	0							91,838
438 Spyglass/Price St.	11,809	0							11,809
720 Indio/El Portal Assmt Dist	11,501	0							11,501
721 Visalia Street AD	8,767	0							8,767
Total Debt Service Funds	**269,990**	**300,630**	**0**	**2,331**	**442,006**	**0**	**0**	**0**	**126,283**
Total Governmental Fund Types	**6,063,973**	**19,584,924**	**1,174,793**	**16,724,942**	**742,636**	**58,000**	**919,250**	**1,967,936**	**6,410,926**
Proprietary Fund Types									
Enterprise Funds									
512 Water Operating Fund	2,973,851	3,355,000		2,163,184		1,250	518,831	612,864	3,032,722
513 Water Tax Fund	0	1,598,554	545,000	1,783,875					359,679
521 Waste Water Operating Fund	915,769	3,406,000		2,094,954	1,058,596	1,250	190,000	55,563	921,406
522 Waste Water Construction Fund	486,285	2,000							488,285
525 Waste Water Expansion Fund	382,317	22,000		707					403,610
537 Local Transit	466	8,100		8,096					470
541 Pier	554	15,440	484,500	35,800			450,000		14,694
551 Parking Fund	1,529,166	501,000		343,203					1,686,963
Total Enterprise Funds	**6,288,408**	**8,908,094**	**1,029,500**	**6,429,819**	**1,058,596**	**2,500**	**1,158,831**	**668,427**	**6,907,829**
Internal Service Fund									
619 Motor Vehicle Fund	2,796,219	449,055	432,070	431,695		486,978	75,000		2,683,671
Total Internal Service Fund	**2,796,219**	**449,055**	**432,070**	**431,695**	**0**	**486,978**	**75,000**	**0**	**2,683,671**
Total Proprietary Fund Types	**9,084,627**	**9,357,149**	**1,461,570**	**6,861,514**	**1,058,596**	**489,478**	**1,233,831**	**668,427**	**9,591,500**
Total City Funds	**15,148,600**	**28,942,073**	**2,636,363**	**23,586,456**	**1,801,232**	**547,478**	**2,153,081**	**2,636,363**	**16,002,426**

CHANGES IN AVAILABLE FUND BALANCES
FY 2015

RECAP OF FUNDS - FY 2015			Beginning Fund Balance Update	Projected Revenues & Other	Transfers In	Operating Expenditures	Debt Service	Capital Outlay	Capital Projects	Transfers Out	Estimated Ending Fund Balance
Governmental Fund Types											
General Fund (100)											
	Primary Operating Funds:										
	101	General Fund	3,531,615	16,608,469	237,489	15,771,236	441,681	53,000	16,300	730,212	3,365,144
	105	1/2 Cent Sales Tax Fund	497,645	1,140,000						300,000	1,337,645
	Total General Fund		**4,029,260**	**17,748,469**	**237,489**	**15,771,236**	**441,681**	**53,000**	**16,300**	**1,030,212**	**4,702,789**
Special Revenue Funds											
	202	Gas Tax Fund	319,874	258,497						140,000	438,371
	208	Local Transportation (Streets)	427,345	84,000		15,181					496,164
	222	PEG Access Fee Fund	103,184								103,184
	243	Police Grant Fund	31,389	100,000						97,489	33,900
	250	Housing In Lieu Fund	41,711	20,000		500					61,211
	265	LBID	247,451	749,000		532,836					463,615
	Total Special Revenue Funds		**1,170,954**	**1,211,497**	**0**	**548,517**	**0**	**0**	**0**	**237,489**	**1,596,445**
Capital Projects Funds											
	301	Capital Project Fund	0		530,000	230,000			300,000		0
	302	Bond Fund	3,697								3,697
	305	Park Development Fund	138,872	25,000		4,240					159,632
	322	Circulation Improvement	79,991								79,991
	323	Impact Fees	784,791	3,000		1,000				25,000	761,791
	325	Developer Impact Fees	57,564								57,564
	326	Underground Utility	19,514								19,514
	Total Capital Projects Funds		**1,084,429**	**28,000**	**530,000**	**235,240**	**0**	**0**	**300,000**	**25,000**	**1,082,189**
Debt Service Funds											
	404	Public Finance Authority	2,368	441,681		2,368	441,681				0
	436	Freeway Foothills	91,838								91,838
	438	Spyglass/Price St.	11,809								11,809
	720	Indio/El Portal Assmt Dist	11,501								11,501
	721	Visalia Street AD	8,767								8,767
	Total Debt Service Funds		**126,283**	**441,681**	**0**	**2,368**	**441,681**	**0**	**0**	**0**	**123,915**
Total Governmental Fund Types			**6,410,926**	**19,429,647**	**767,489**	**16,557,361**	**883,362**	**53,000**	**316,300**	**1,292,701**	**7,505,338**
Proprietary Fund Types											
Enterprise Funds											
	512	Water Operating Fund	3,032,722	3,455,000		2,169,209		2,700	513,090	567,881	3,234,842
	513	Water Tax Fund	359,679	1,640,554	545,000	1,783,875					761,358
	521	Waste Water Operating Fund	921,406	3,556,000		2,118,895	1,053,877	2,700	40,000	35,785	1,226,149
	522	Waste Water Construction Fund	488,285	2,000							490,285
	525	Waste Water Expansion Fund	403,610	22,000		721					424,889
	537	Local Transit	470	8,105		8,104					471
	541	Pier	14,694	15,440	234,500	35,800			200,000		28,834
	551	Parking Fund	1,686,963	501,000		328,702					1,859,261
	Total Enterprise Funds		**6,907,829**	**9,200,099**	**779,500**	**6,445,306**	**1,053,877**	**5,400**	**753,090**	**603,666**	**8,026,089**
Internal Service Fund											
	619	Motor Vehicle Fund	2,683,671	448,404	349,378	432,045		108,500			2,940,908
	Total Internal Service Fund		**2,683,671**	**448,404**	**349,378**	**432,045**	**0**	**108,500**	**0**	**0**	**2,940,908**
Total Proprietary Fund Types			**9,591,500**	**9,648,503**	**1,128,878**	**6,877,351**	**1,053,877**	**113,900**	**753,090**	**603,666**	**10,966,997**
Total City Funds			**16,002,426**	**29,078,150**	**1,896,367**	**23,434,712**	**1,937,239**	**166,900**	**1,069,390**	**1,896,367**	**18,472,335**

FUND BUDGET SUMMARIES – REVENUES

FUND SUMMARY
Comparative Annual Revenues By Fund

FUND DESCRIPTION	09/10 ACTUAL	10/11 ACTUAL	11/12 ACTUAL	12/13 BUDGET	13/14 ADOPTED	14/15 ADOPTED
REVENUES						
GENERAL FUND	15,115,554	15,152,814	16,516,060	16,330,030	16,667,465	16,845,958
MEASURE "C" FUND	1,031,965	1,142,924	1,140,061	1,188,000	1,140,000	1,140,000
GAS TAX FUND	154,714	229,059	255,901	241,733	258,497	258,497
LOCAL TRANSPORTATION FUND	212,455	47,207	130,209	108,770	203,975	84,000
REDEVELOPMENT AGENCY FUND	336,550	376,681	173,012	-	-	-
PEG ACCESS FEE FUND	-	94,336	31,628	30,000	15,000	-
POLICE GRANTS FUND	99,774	99,950	100,475	100,000	100,000	100,000
RDA LOW AND MOD HOUSING FUND	535,484	251,909	125,221	-	-	-
HOUSING IN LIEU FUND	98,525	(33,445)	36,404	55,000	20,000	20,000
LBID FUND	412,220	625,183	692,870	660,000	734,400	749,000
CIP FUND	1,675,678	3,296,084	3,097,443	7,091,432	1,291,750	530,000
PUBLIC FACILITIES FUND	5,749	296	(851)	-	-	-
PARKING CIP FUND	-	-	-	-	-	-
PARK DEVELOPMENT FEE FUND	33,519	33,992	80,037	30,000	25,000	25,000
CIRCULATION FEE FUND	(1,111)	43	48,714	-	-	-
IMPACT FEE FUND	182,190	9,852	124,825	5,000	3,000	3,000
DEVELOPER IMPACT FEE FUND	49,557	130	88	-	-	-
UNDERGROUND UTILITY FUND	27	11	14,425	-	-	-
PUBLIC FINANCING AUTHORITY FUND	443,934	432,803	441,516	437,894	300,630	441,681
1992-1 REASSESSMENT FUND	147	3,471	156	-	-	-
1992-4 REASSESSMENT FUND	20	27	18	-	-	-
WATER FUND	3,033,236	3,236,319	3,345,418	3,595,500	3,355,000	3,455,000
WATER TAX FUND	1,282,888	1,613,495	1,902,149	2,126,421	2,143,554	2,185,554
WASTEWATER FUND	3,078,318	3,273,182	4,010,162	5,255,000	3,406,000	3,556,000
WASTEWATER CONSTRUCTION FUND	131,414	42,313	861,591	-	2,000	2,000
WASTEWATER EXPANSION FUND	33,100	11,058	40,630	26,000	22,000	22,000
LOCAL TRANSIT FUND	3	(3)	(46)	7,700	8,100	8,105
PIER FUND	67,004	248,384	162,622	91,947	499,940	249,940
PARKING ENTERPRISE FUND	693,461	521,227	567,894	500,500	501,000	501,000
MOTOR VEHICLE FUND	739,018	809,347	803,152	739,242	881,125	797,782
INDIO/PORTAL AD FUND	(315)	24	17	-	-	-
VISALIA STREET AD FUND	155	211	143	-	-	-
LEEWARD/WINDWARD AD FUND	9	(39)	-	-	-	-
Less transfers between funds	(2,856,291)	(3,023,627)	(4,320,441)	(7,498,450)	(2,636,363)	(1,896,367)
TOTAL REVENUES	$26,588,951	$28,495,219	$30,381,503	$31,121,719	$28,942,073	$29,078,150

FUND BUDGET SUMMARIES – EXPENDITURES

FUND SUMMARY
Comparative Annual Expenses By Fund

FUND DESCRIPTION	09/10 ACTUAL	10/11 ACTUAL	11/12 ACTUAL	12/13* BUDGET	13/14 ADOPTED	14/15 ADOPTED
EXPENSES						
GENERAL FUND	15,493,532	15,477,357	15,995,936	18,807,150	16,848,745	17,012,429
MEASURE "C" FUND	25,909	1,396,030	189,035	3,166,267	896,000	300,000
GAS TAX FUND	215,000	140,000	161,788	243,212	140,000	140,000
LOCAL TRANSPORTATION FUND	198,010	331,005	167,484	73,354	14,902	15,181
REDEVELOPMENT AGENCY FUND	643,619	369,851	180,126	-	-	-
PEG ACCESS FUND	-	-	60,281	-	7,500	-
POLICE GRANTS FUND	103,680	120,478	26,769	173,231	93,793	97,489
RDA LOW AND MOD HOUSING FUND	1,604,242	255,374	719,391	-	-	-
HOUSING IN LIEU FUND	301,000	1,000	1,000	1,000	500	500
LBID FUND	325,816	551,673	681,434	758,302	644,997	532,836
CIP FUND	1,761,312	3,231,206	3,064,678	7,127,864	1,291,750	530,000
PUBLIC FACILITIES FUND	151,497	50,000	250,000	50,000	-	-
PARKING CIP FUND	-	-	-	-	-	-
PARK DEVELOPMENT FEE FUND	411,383	45,613	259,796	193,327	4,240	4,240
CIRCULATION FEE FUND	4,000	-	-	-	-	-
IMPACT FEE FUND	109,341	14,725	522,691	516,000	26,000	26,000
DEVELOPER IMPACT FEE FUND	-	-	-	-	-	-
UNDERGROUND UTILITY FUND	-	-	-	-	-	-
PUBLIC FINANCING AUTHORITY FUND	448,046	468,781	446,321	439,034	444,337	444,049
1992-1 REASSESSMENT FUND	-	-	-	-	-	-
1992-4 REASSESSMENT FUND	-	-	-	-	-	-
WATER FUND	3,049,843	2,887,776	3,026,410	7,699,793	3,296,129	3,252,880
WATER TAX FUND	1,443,674	2,009,043	1,872,667	1,791,995	1,783,875	1,783,875
WASTEWATER FUND	3,072,311	3,182,802	3,610,652	6,870,415	3,400,363	3,251,257
WASTEWATER CONSTRUCTION FUND	12,281	12,281	740,502	435,000	-	-
WASTEWATER EXPANSION FUND	633	633	633	690,633	707	721
LOCAL TRANSIT FUND	6,075	6,533	8,693	8,055	8,096	8,104
PIER FUND	107,074	287,368	111,822	89,215	485,800	235,800
PARKING ENTERPRISE FUND	265,888	304,101	314,657	342,803	343,203	328,702
MOTOR VEHICLE FUND	635,536	671,217	689,573	1,639,291	993,673	540,545
INDIO/PORTAL AD FUND	31,478	465	-	-	-	-
VISALIA STREET AD FUND	-	-	-	85,000	-	-
LEEWARD/WINDWARD AD FUND	-	5,554	-	-	-	-
Less transfers between funds	(2,856,291)	(3,023,627)	(4,320,442)	(7,498,450)	(2,636,363)	(1,896,367)
TOTAL EXPENSES	$27,564,888	$ 28,797,239	$ 28,781,897	$43,702,491	$ 28,088,247	$ 26,608,241

Note: *Budget for FY 12/13 includes carryover purchase orders and capital projects

EXPENDITURES BY FUND AND DEPARTMENT/DIVISION

Fund	Department	FY 2011 Actuals	FY 2012 Actuals	FY 2013 Revised Budget	FY 2014 Adopted Budget	FY 2015 Adopted Budget
100	**General Fund**					
110	City Council	$ 250,625	$ 229,781	$ 260,096	$ 295,652	$ 308,041
120	Administration	591,350	582,124	654,357	590,198	619,407
125	Human Resources	162,011	217,110	300,571	229,554	195,556
130	Legal	106,130	106,958	181,800	186,800	186,800
142	Conference & Visitors B	521,992	544,533	587,072	563,333	526,874
151	Finance/Accounting	680,551	724,882	707,617	709,431	727,139
180	Non-Dept	1,964,076	1,582,589	3,088,940	2,158,471	2,197,844
191	Gov't Bldgs-City Hall	544,509	591,720	967,875	430,849	572,751
210	Police	4,885,869	5,083,236	5,371,724	5,052,962	5,132,567
220	Fire	1,768,799	1,769,802	2,032,630	2,147,391	2,184,251
225	Weed Abatement	9,224	9,527	12,200	12,200	12,200
230	Lifeguards	124,341	120,860	158,946	178,015	173,020
301	Engineering	550,924	579,600	551,490	493,200	501,407
310	Building Division	575,013	554,588	591,748	599,049	596,501
320	Planning	702,413	883,674	829,420	776,680	753,806
331	Rec-City Supported	246,725	273,768	269,283	277,562	278,121
332	Rec-Fee Supported	57,230	61,140	68,408	66,596	66,596
333	Pismo Vets Hall	40,478	40,997	99,972	38,941	38,941
334	Shell Beach Vets Hall	15,161	20,417	32,831	18,946	18,946
335	Margo Dodd Park	1,922	2,039	1,893	1,893	1,893
410	Facilities Maintenance	-	88,535	116,239	117,305	117,744
421	Park Maintenance	963,523	880,176	903,742	850,451	841,380
431	Street Maintenance	650,340	552,293	720,036	583,266	555,644
499	Capital Projects	64,150	495,587	229,260	470,000	405,000
General Fund Total		**$ 15,477,357**	**$ 15,995,936**	**$ 18,738,150**	**$ 16,848,745**	**$ 17,012,429**
105	**Half Cent Sales Tax Fund**					
499	Capital Projects	1,396,030	189,035	3,166,267	896,000	300,000
Half Cent Sales Tax Fund		**1,396,030**	**189,035**	**3,166,267**	**896,000**	**300,000**
202	**Gas Tax Fund**					
431	Street Maintenance	140,000	161,788	193,212	140,000	140,000
499	Capital Projects	-	-	50,000	-	-
Gas Tax Fund Total		**$ 140,000**	**$ 161,788**	**$ 243,212**	**$ 140,000**	**$ 140,000**
208	**Local Transportation**					
432	Street Construction	331,005	167,484	73,354	14,902	15,181
Local Transportation Total		**$ 331,005**	**$ 167,484**	**$ 73,354**	**$ 14,902**	**$ 15,181**
209	**Redevelopment Agency**					
510	Redevelopment Agency	369,851	180,126	-	-	-
Redevelopment Agency Total		**$ 369,851**	**$ 180,126**	**$ -**	**$ -**	**$ -**

Fund	Department	FY 2011 Actuals	FY 2012 Actuals	FY 2013 Revised Budget	FY 2014 Adopted Budget	FY 2015 Adopted Budget
222	**Public Education Govt (PEG) Fund**					
000	General Revenues	-	10,393	-	-	-
120	Administration	-	13,077	-	7,500	-
625	PEG Fees	-	36,811	-	-	-
PEG Fund Total		**$ -**	**$ 60,281**	**$ -**	**$ 7,500**	**$ -**
243	**Grants-NonCapital**					
210	Police	120,478	26,769	173,231	93,793	97,489
Grants-NonCapital Total		**$ 120,478**	**$ 26,769**	**$ 173,231**	**$ 93,793**	**$ 97,489**
249	**RDA-Low/Mod Housing**					
520	RDA-Low/Moderate Hous	255,374	719,391	-	-	-
RDA-Low/Mod Housing Total		**$ 255,374**	**$ 719,391**	**$ -**	**$ -**	**$ -**
250	**Housing In Lieu Fee**					
320	Planning	1,000	1,000	1,000	500	500
Housing In Lieu Fee Total		**$ 1,000**	**$ 1,000**	**$ 1,000**	**$ 500**	**$ 500**
265	**Local Business Improvem**					
650	LBID-CVB	551,673	681,434	758,302	644,997	532,836
Local Business Improvem Total		**$ 551,673**	**$ 681,434**	**$ 758,302**	**$ 644,997**	**$ 532,836**
301	**Capital Projects**					
191	Gov't Bldgs-City Hall	-	16,950	260,750	20,000	205,000
310	Building Division	-	19,895	19,105	-	-
333	Pismo Vets Hall	-	(225)	-	-	-
421	Park Maintenance	32,450	3,857	149,072	-	-
427	Park Development	15,726	542,567	160,587	-	-
429	Ocean Bluffs	-	-	30,000	-	-
431	Street Maintenance	-	78,477	13,548	-	-
432	Street Construction	3,059,193	2,050,818	6,102,141	1,271,750	325,000
453	Water Quality	123,838	-	-	-	-
491	Drainage	-	352,339	392,661	-	-
Capital Projects Total		**$ 3,231,206**	**$ 3,064,678**	**$ 7,127,864**	**$ 1,291,750**	**$ 530,000**
302	**Public Facilities Fund**					
491	Drainage	-	250,000	-	-	-
499	Capital Projects	50,000	-	50,000	-	-
Public Facilities Fund Total		**$ 50,000**	**$ 250,000**	**$ 50,000**	**$ -**	**$ -**
305	**Park Development Fund**					
427	Park Development	45,613	259,796	193,327	4,240	4,240
Park Development Fund Total		**$ 45,613**	**$ 259,796**	**$ 193,327**	**$ 4,240**	**$ 4,240**

Fund	Department	FY 2011 Actuals	FY 2012 Actuals	FY 2013 Revised Budget	FY 2014 Adopted Budget	FY 2015 Adopted Budget
323	**Impact Fees**					
432	Street Construction	13,725	189,748	-	-	-
491	Drainage	-	-	375,000	-	-
499	Capital Projects	-	10,000	140,000	25,000	25,000
620	Impact Fees	1,000	322,943	1,000	1,000	1,000
Impact Fees Total		**$ 14,725**	**$ 522,691**	**$ 516,000**	**$ 26,000**	**$ 26,000**
404	**PFA Debt Service**					
630	Public Financing Author	33,625	2,140	2,140	2,331	2,368
811	2007 Bond Refund 1999	435,156	444,181	436,894	442,006	441,681
PFA Debt Service Total		**$ 468,781**	**$ 446,321**	**$ 439,034**	**$ 444,337**	**$ 444,049**
512	**Water Fund**					
000	General Revenues	-	-	-	-	-
152	Utility Billing	103,568	110,351	128,227	108,019	109,697
441	Water Operations	1,914,236	1,851,490	1,846,514	2,032,448	1,919,282
442	Water Improvement Const	-	250,000	4,941,671	411,761	480,000
443	Water-State	39,595	34,047	26,663	26,663	26,663
445	Water-Lopez	830,377	780,522	756,718	717,238	717,238
Water Fund Total		**$ 2,887,776**	**$ 3,026,410**	**$ 7,699,793**	**$ 3,296,129**	**$ 3,252,880**
513	**WATER TAX (LOPEZ/STATE)**					
443	Water-State	1,295,583	1,204,763	1,134,377	1,167,244	1,167,244
444	Water-PCH Deposit	158,228	146,431	181,421	148,554	148,554
445	Water-Lopez	555,232	521,473	476,197	468,077	468,077
WATER TAX (LOPEZ/STATE) To		**$ 2,009,043**	**$ 1,872,667**	**$ 1,791,995**	**$ 1,783,875**	**$ 1,783,875**
521	**Wastewater Treatment**					
152	Utility Billing	42,141	48,728	60,649	67,561	68,132
451	Wastewater Operations	2,439,829	2,482,198	2,026,563	2,272,206	2,127,248
452	Wastewater Construction	245,318	224,323	3,655,703	-	-
454	Stormwater	3,435	468	2,500	-	-
810	2004 WW Imp Proj	452,079	854,935	1,125,000	667,783	667,814
812	2012 WW Bond Refundin	-	-	-	392,813	388,063
Wastewater Treatment Total		**$ 3,182,802**	**$ 3,610,652**	**$ 6,870,415**	**$ 3,400,363**	**$ 3,251,257**
522	**Wastewater Capital Proj**					
000	General Revenues	-	598,746	-	-	-
452	Wastewater Construction	12,281	-	435,000	-	-
810	2004 WW Imp Proj	-	123,634	-	-	-
812	2012 WW Bond Refundin	-	18,122	-	-	-
Wastewater Capital Proj Total		**$ 12,281**	**$ 740,502**	**$ 435,000**	**$ -**	**$ -**

Fund	Department	FY 2011 Actuals	FY 2012 Actuals	FY 2013 Revised Budget	FY 2014 Adopted Budget	FY 2015 Adopted Budget
525	**Wastewater Expansion**					
	452 Wastewater Construction	633	633	690,633	707	721
	Wastewater Expansion Total	**$ 633**	**$ 633**	**$ 690,633**	**$ 707**	**$ 721**
537	**Local Trans Transit**					
	611 LTF - Dial A Ride	6,533	8,693	8,055	8,096	8,104
	Local Trans Transit Total	**$ 6,533**	**$ 8,693**	**$ 8,055**	**$ 8,096**	**$ 8,104**
541	**Pier Enterprise**					
	461 Pier Operations	287,368	85,379	32,000	35,800	35,800
	462 Pier Construction	-	26,443	57,215	450,000	200,000
	Pier Enterprise Total	**$ 287,368**	**$ 111,822**	**$ 89,215**	**$ 485,800**	**$ 235,800**
551	**Parking Enterprise**					
	481 Parking Operations	304,101	314,657	342,803	343,203	328,702
	Parking Enterprise Total	**$ 304,101**	**$ 314,657**	**$ 342,803**	**$ 343,203**	**$ 328,702**
619	**Motor Vehicle Fund**					
	471 MV Operations	422,383	441,020	416,410	506,695	432,045
	472 MV Replacement	248,834	248,553	1,222,881	486,978	108,500
	Motor Vehicle Fund Total	**$ 671,217**	**$ 689,573**	**$ 1,639,291**	**$ 993,673**	**$ 540,545**
720	**Spec Asses-Indio Portal**					
	705 1991-1 Indio/El Portal	465	-	-	-	-
	Spec Asses-Indio Portal Total	**$ 465**	**$ -**	**$ -**	**$ -**	**$ -**
721	**Visalia Street**					
	432 Street Construction	-	-	85,000	-	-
	Visalia Street Total	**$ -**	**$ -**	**$ 85,000**	**$ -**	**$ -**
744	**Leeward Windward Debt S**					
	000 General Revenues	5,554	-	-	-	-
	Leeward Windward Debt S Total	**$ 5,554**	**$ -**	**$ -**	**$ -**	**$ -**
Total		**$ 31,820,866**	**$ 33,102,339**	**$ 51,131,941**	**$ 30,724,610**	**$ 28,504,608**
Less Transfers		(3,023,627)	(4,320,442)	(7,429,450)	(2,636,363)	(1,896,367)
Total Net Expenditures		**$ 28,797,239**	**$ 28,781,897**	**$ 43,702,491**	**$ 28,088,247**	**$ 26,608,241**

GENERAL FUND BUDGET SUMMARY FY 2014 AND FY 2015

(Excludes Half-Cent Transaction Sales Tax)

	FY 2013 Projected Actuals	FY 2014 Proposed Budget	FY 2015 Proposed Budget	$ Change (FY 2014 - FY 2013)	% Change (FY 2014 - FY 2013)	$ Change (FY 2015 - FY 2014)	% Change (FY 2014 - FY 2013)
Beginning Fund Balance	**$ 4,798,665**	**$ 3,712,895**	**$ 3,531,615**	**$ (1,085,771)**	**-23%**	**$ (181,280)**	**-5%**
Base Operating Budget							
Revenues							
Transient Occ.Tax	7,200,000	7,344,000	7,490,000	144,000	2%	146,000	2%
Property Related Tax	4,021,185	3,970,000	3,970,000	(51,185)	-1%	-	0%
Sales and Use Tax	2,476,959	2,490,000	2,526,000	13,041	1%	36,000	1%
Other revenues	856,863	999,801	990,770	142,938	17%	(9,031)	-1%
Permits	583,512	579,650	579,650	(3,862)	-1%	-	0%
Franchise Taxes	520,580	526,000	527,000	5,420	1%	1,000	0%
Business Tax	175,845	161,000	161,000	(14,845)	-8%	-	0%
Transfers In	140,000	140,000	140,000	-	0%	-	0%
Intergovernmental Rev	13,867	137,296	138,124	123,429	890%	828	1%
Departmental Rev	123,433	123,925	123,925	492	0%	-	0%
Other taxes	78,000	87,000	87,000	9,000	12%	-	0%
Grants	15,000	15,000	15,000	-	0%	-	0%
Total Revenues	**$ 16,205,244**	**$ 16,573,672**	**$ 16,748,469**	**$ 368,428**	**2%**	**$ 174,797**	**1%**
Operating Expenditures							
Salaries & Wages	5,671,544	5,793,771	5,857,844	122,227	2%	64,073	1%
Benefits	3,053,336	3,107,663	3,148,729	54,327	2%	41,066	1%
Professional Services	2,297,810	2,441,076	2,487,730	143,266	6%	46,654	2%
Contract Services	2,114,348	2,130,079	2,199,982	15,731	1%	69,903	3%
Operations & Maint.	623,620	608,910	609,875	(14,710)	-2%	965	0%
Debt Service	436,894	300,630	441,681	(136,264)	-31%	141,051	47%
Other Expenses	368,805	394,792	395,057	25,987	7%	265	0%
Retiree Medical Ins.	328,342	354,616	355,444	26,274	8%	828	0%
Transfers Out	272,208	216,094	254,377	(56,114)	-21%	38,283	18%
Other Financing Uses	165,000	160,298	160,298	(4,702)	-3%	-	0%
Capital Outlay	25,000	33,000	39,300	8,000	32%	6,300	19%
Total Operating Expend.	**15,356,907**	**15,540,929**	**15,950,317**	**184,022**	**1%**	**409,388**	**3%**
Net Operating Budget	**848,337**	**1,032,743**	**798,152**	**184,406**	**22%**	**(234,591)**	**-23%**
One-Time/Above Base Budget							
Sources							
One-time Revenues	1,043,543			(1,043,543)			
Grants		93,793	97,489	93,793		3,696	4%
Total Sources	1,043,543	93,793	97,489	(949,750)		3,696	4%
Uses							
One-time Costs	1,767,612						
Contributions to Reserves		71,386	312,200	71,386		240,814	337%
Above Base Items		766,430	344,912	766,430		(421,518)	-55%
Capital Projects	1,210,039	470,000	405,000	(740,039)	-61%	(65,000)	-14%
Total Uses	2,977,651	1,307,816	1,062,112	(1,669,835)	-56%	(245,704)	-19%
Net Above Base Budget	(1,934,108)	(1,214,023)	(964,623)	720,085	-37%	249,400	-21%
Ending Fund Balance	**$ 3,712,895**	**$ 3,531,615**	**$ 3,365,143**	**$ (181,280)**	**-5%**	**$ (166,471)**	**-5%**

COMPARATIVE GENERAL FUND REVENUES AND EXPENDITURES

(Includes Half-Cent Transaction Sales Tax)

FY 2011 ACTUALS TO FY 2015 BUDGET

ACCOUNT DESCRIPTION		10/11 ACTUALS	11/12 ACTUALS	12/13 ADOPTED	13/14 ADOPTED	14/15 ADOPTED	% OF TOTAL FY 14
REVENUES							
Property Related Taxes	$	3,803,530	3,763,419	4,154,239	3,970,000	3,970,000	22.29%
Sales and Use Tax		3,379,575	3,511,091	3,535,959	3,630,000	3,666,000	20.38%
Transient Occupancy Tax		6,269,607	6,931,197	6,600,000	7,344,000	7,490,000	41.24%
Franchise Taxes		464,818	514,192	520,580	526,000	527,000	2.95%
Business Tax		167,270	166,757	161,000	161,000	161,000	0.90%
Other Taxes		75,362	97,453	78,000	87,000	87,000	0.49%
Building Permits		274,646	455,617	339,450	345,450	345,450	1.94%
Planning Permits		132,972	355,907	173,200	173,200	173,200	0.97%
Engineering Permits		69,449	72,859	40,000	45,000	45,000	0.25%
Special Events Permits		386	1,590	500	16,000	16,000	0.09%
Fines & Forfeitures		96,694	82,472	103,504	75,000	75,000	0.42%
Use of Money & Property		202,964	151,574	175,000	134,000	109,000	0.75%
Rents & Leases		148,491	157,648	157,361	185,140	188,889	1.04%
Intergovernmental Revenue		78,127	203,154	147,076	137,296	138,124	0.77%
Federal Government Grants		8,790	0	56,605	0	0	0.00%
State Government Grants		31,388	10,899	10,000	10,000	10,000	0.06%
LTF Revenue & Grants		11,939	5,596	5,000	5,000	5,000	0.03%
Police Dept Services		66,367	38,116	28,700	28,200	28,200	0.16%
Fire Dept Services		8,429	10,499	9,000	9,000	9,000	0.05%
Recreation Programs		92,087	102,356	84,725	86,725	86,725	0.49%
Public Works Services		70,349	1,932	0	0	0	0.00%
Other Services		9,028	7,113	8,650	8,650	8,650	0.05%
Other Revenue		570,607	653,515	541,228	597,011	609,231	3.35%
Transfers In		260,478	352,588	519,253	233,793	237,489	1.31%
TOTAL REVENUES	$	16,293,352	17,647,545	17,449,030	17,807,465	17,985,958	100.00%
EXPENDITURES							
City Council	$	250,625	246,596	257,096	295,652	308,041	1.75%
Administration		591,350	602,554	657,357	590,198	619,407	3.50%
Human Resources		162,011	205,082	280,571	229,554	195,556	1.36%
Legal		106,130	181,800	181,800	186,800	186,800	1.11%
Conference and Visitors Bureau		521,992	578,816	587,072	563,333	526,874	3.34%
Administrative Services		680,551	711,845	707,617	709,431	727,139	4.21%
Non-Departmental		3,104,614	1,714,567	3,179,940	2,158,471	2,197,844	12.81%
Police		4,885,869	5,165,369	5,376,723	5,052,962	5,132,567	29.99%
Fire		1,768,799	1,889,039	2,032,630	2,147,391	2,184,251	12.75%
Lifeguards		124,341	120,802	158,946	178,015	173,020	1.06%
Weed Abatement		9,224	12,200	12,200	12,200	12,200	0.07%
Building Inspection		575,013	565,466	591,749	599,049	596,501	3.56%
Planning		702,413	729,679	829,417	776,680	753,806	4.61%
Recreation - City Supported		246,725	271,315	269,283	277,562	278,121	1.65%
Recreation - Fee Supported		57,230	66,596	68,408	66,596	66,596	0.40%
Pismo Beach Veterans Hall		40,478	74,972	99,972	38,941	38,941	0.23%
Shell Beach Veterans Hall		15,161	28,946	32,831	18,946	18,946	0.11%
Margo Dodd Park		1,922	1,893	1,893	1,893	1,893	0.01%
Engineering		550,924	536,203	551,490	493,200	501,407	2.93%
Park Maintenance		963,523	922,206	1,019,984	850,451	841,380	5.05%
Street Maintenance		650,340	674,168	720,037	583,266	555,644	3.46%
Building Maintenance		544,509	555,863	960,875	548,154	690,495	3.25%
CIP		64,150	-53,201	96,010	470,000	405,000	2.79%
TOTAL EXPENDITURES	$	16,617,894	15,802,776	18,673,899	16,848,745	17,012,429	100.00%

ADOPTED ABOVE BASE ITEMS FOR FY 2014 & FY 2015
General Fund

Department	Description	FY 2014	FY 2015	Ongoing/ One-time
City Council	Visitors Information Center (VIC) open 9-5 (instead of 10-5) and add 4 hours on Sundays	$ 14,702	$ 14,702	Ongoing
City Council Total		**$ 14,702**	**$ 14,702**	
Human Resources	Lead Negotiator for Police Officer Association (POA) 2014 negotiations	$ 30,000	$ -	One-time
Human Resources	Increase Staff Development Budget to support investing in our staff morale	2,150	2,150	Ongoing
Human Resources	On-line Recruitment Software conversion and training for staff efficiencies and improved applicant communication	5,000	-	One-time
Human Resources Total		**$ 37,150**	**$ 2,150**	
Conference & Visitors Bureau	CalTravel Board Meetings	$ 3,300	$ 3,300	Ongoing
Conference & Visitors Bureau	Increase equipment rental account for Car Rentals for City employees	3	3	Ongoing
Conference & Visitors Bureau Total		**$ 3,303**	**$ 3,303**	
Non-Department	Risk Management Costs - Pay deficit on Workers' Compensation claims	$ 199,000	$ -	One-time
Non-Department	Equipment Rental	-	-	Ongoing
Non-Department	Annual Replacement of Computers & Servers	20,000	20,000	One-time
Non-Department	Mosquito Management Plan to maintain low mosquito population	11,000	12,000	Ongoing
Non-Department	Bello Radio Tower Generator	20,000	-	One-time
Non-Department Total		**$ 250,000**	**$ 32,000**	
Government Buildings	Increase equipment rental account for Car Rentals for City employees	$ 3	$ 3	Ongoing
Government Buildings Total		**$ 3**	**$ 3**	
Police	CALEA Conference: Garden Grove, CA March 2014	$ 5,000	$ -	One-time
Police	Increase equipment rental account for Car Rentals for City employees	73	73	Ongoing
Police	Retrofitting Property/Evidence Room	-	10,000	One-time
Police	Police Officer Position for downtown bicyle patrol on weekends - funded by COPS grant	93,793	97,489	One-time
Police Total		**$ 98,866**	**$ 107,561**	

General Fund

Department	Description	FY 2014	FY 2015	Ongoing/ One-time
Fire	Increase equipment rental account for Car Rentals for City employees	$ 24	$ 24	Ongoing
Fire	SCBA Maintenance for Annual Calibration Service (included with SCBA replacement schedule)	1,360	1,360	Ongoing
Fire	Increase ongoing contribution to replace the 1997 Ferrara Engine based on updated value	11,945	11,945	Ongoing
Fire	One-time contribution to replace the 1997 Ferrara Engine by 2016	38,055	38,055	One-time 3 years
Fire	Replacement of FD 07-1 Battalion Chief Vehicle, move up two years due to high mileage and use	12,819	-	One-time
Fire Total		**$ 64,203**	**$ 51,384**	
Lifeguards	Increase equipment rental account for Car Rentals for City employees	$ 3	$ 3	Ongoing
Lifeguards	Add 5th tower to replacement schedule, one-time contribution to purchase by 2034	5,000	-	One-time
Lifeguards	Add 5th tower to replacement schedule, ongoing contribution	1,250	1,250	Ongoing
Lifeguards	Add Lifeguard Rescue Water Craft to Replacement schedule, one-time contribution for 5 years to purchase by 2021	2,000	2,000	One-time 5 years
Lifeguards	Add Lifeguard Rescue Water Craft to Replacement schedule, ongoing contribution	2,000	2,000	Ongoing
Lifeguards	Additional one-time Contributions for 2 yearstowards Replacement of Lifeguard Tower 2 to purchase by 2015	10,590	10,590	One-time for 2 years
Lifeguards	Additional one-time Contributions for 4 years towards Replacement of Lifeguard Tower 3 to purchase by 2018	4,395	4,395	One-time 4 years
Lifeguards	Additional ongoing Contributions towards Replacement of Lifeguard Tower 2 based on updated value	200	200	Ongoing
Lifeguards	Additional ongoing Contributions towards Replacement of Lifeguard Tower 3 based on updated value	200	200	Ongoing
Lifeguards	Additional ongoing Contributions towards Replacement of Lifeguard Tower 4 based on updated value	200	200	Ongoing
Lifeguards Total		**$ 25,838**	**$ 20,838**	

General Fund

Department	Description	FY 2014	FY 2015	Ongoing/ One-time
Engineering	Increase equipment rental account for Car Rentals for City employees	$ 3	$ 3	Ongoing
Engineering Total		**$ 3**	**$ 3**	
Building	Building Code Books	$ 4,300	$ -	One-time
Building	Increase equipment rental account for Car Rentals for City employees	6	6	Ongoing
Building Total		**$ 4,306**	**$ 6**	
Planning	Chapman Estate Planning Facilitator Contract & Inspection Costs	$ 10,000	$ -	One-time
Planning	Community Engagement and 3D computer modeling for Downtown Visioning and Design services (General Fund portion)	32,500	32,500	One-time
Planning	Web based Community Engagement Program for downtown visioning, GP/LCP, and other uses, ongoing cost.	4,800	4,800	Ongoing
Planning	Web based Community Engagement Program, one-time cost.	5,200	-	One-time
Planning	State mandated update of GP/LCP Housing Element	10,000	-	One-time
Planning	Increase equipment rental account for Car Rentals for City employees	3	3	Ongoing
Planning Total		**$ 62,503**	**$ 37,303**	
Recreation	Overtime for Recreation Supervisor (or staff) based on numerous events	$ 4,306	$ 4,306	Ongoing
Recreation	Increase Training Budget to attend annual CPRS conferenca and training (playground certification renewal)	1,450	1,450	Ongoing
Recreation	Additional funding for Holiday Harmony based on current costs	800	800	Ongoing
Recreation	Additional funding for Pumpkins on the Pier based on current costs	2,000	2,000	Ongoing
Recreation Total		**$ 8,556**	**$ 8,556**	
Park Maintenance	Increase equipment rental account for Car Rentals for City employees	$ 18	$ 18	Ongoing
Park Maintenance	Replace 16 year old 48" walk behind mower	-	6,300	One-time
Park Maintenance	3,000 Gallon Fuel Tank for City Vehicle Emergency Supply-GF Parks portion (25%)	18,750	-	One-time
Park Maintenance	Additional amount for Replacement of PK 031 Ford F-250 in 2014	895	-	One-time
Park Maintenance Total		**$ 19,663**	**$ 6,318**	

General Fund

Department	Description	FY 2014	FY 2015	Ongoing/ One-time
Street Maintenance	Downtown sidewalk cleaning service with Achievement House	$ 12,000	$ 12,000	Ongoing
Street Maintenance	Replace 70' tree at the end of the pier, including lights	7,800	-	One-time
Street Maintenance	Increase equipment rental account for Car Rentals for City employees	16	16	Ongoing
Street Maintenance	3,000 Gallon Fuel Tank for City Vehicle Emergency Supply-GF Streets portion (25%)	18,750	-	One-time
Street Maintenance	Stormwater Management Program	42,550	42,550	Ongoing
Street Maintenance	Howard Menkins Road sign	100	-	One-time
Street Maintenance	No littering signs on beach with fine listed	1,700	-	One-time
Street Maintenance	Street Striping	6,218	6,218	Ongoing
Street Maintenance Total		**$ 89,134**	**$ 60,784**	
General Fund Total		**$ 678,230**	**$ 344,912**	

Other Funds

Fund	Department	Description	FY 2014	FY 2015	Ongoing/ One-time
PEG Access Fee Fund	Administration	Video Equipment and Monitors for Government Access	$ 7,500	$ -	One-time
PEG Access Fee Fund Total			**$ 7,500**	**$ -**	
Grants-NonCapital	Police	COPS Grant to fund Police Officer Position	$ 93,793	$ 97,489	One-time
Grants-NonCapital Total			**$ 93,793**	**$ 97,489**	
Capital Projects Fund	Street Construction	Update of GP/LCP Circulation Element, consultant to review already budgeted Traffic Study (Impact Fee Fund portion)	$ 25,000	$ 25,000	One-time
Capital Projects Fund Total			**$ 25,000**	**$ 25,000**	
Impact Fee Funds	Planning	Update of GP/LCP Circulation Element, consultant to review already budgeted Traffic Study (Impact Fee Fund portion)	$ 25,000	$ 25,000	One-time
Impact Fee Funds Total			**$ 25,000**	**$ 25,000**	
Water Fund	Water Operations	Northern Cities Management Area (NCMA) Budget	$ 40,073	$ 34,596	Ongoing
Water Fund	Water Operations	Replace Fence & Gate at Huber Well 23	2,528	-	One-time
Water Fund	Water Operations	Replace existing air tools	4,976	-	One-time
Water Fund	Water Operations	Equipment Rental - Water Portion	-	-	Ongoing
Water Fund	Water Operations	Increase equipment rental account for Car Rentals for City employees	23	23	Ongoing
Water Fund	Water Operations	Add VFD to Shell Beach & Pismo Oaks Booster Stations	54,510	-	One-time
Water Fund	Water Operations	Purchase of Power Vac and Saw Trailer	19,470	-	One-time
Water Fund	Water Operations	Replace 6 deteriorated water valves throughout the City per FY	33,090	33,090	Ongoing
Water Fund	Water Operations	3,000 Gallon Fuel Tank for City Vehicle Emergency Supply-Water Fund portion (25%)	18,750	-	One-time
Water Fund	Water Operations	Increase budget for WT994 Replacement Truck, need an additional $25,000 to purchase $35,000 vehicle in 2014	25,000	-	One-time
Water Fund	Water Operations	Replacement of Computers & Servers	1,250	2,700	One-time
Water Fund Total			**$ 199,670**	**$ 70,409**	

Other Funds

Fund	Department	Account	Description	FY 2014	FY 2015	Ongoing/ One-time
Wastewater Treatment	Wastewater Operations	521-451-52411	Equipment Rental - Wastewater Portion	$ -	$ -	Ongoing
Wastewater Treatment	Wastewater Operations		Increase equipment rental account for Car Rentals for City employees	19	19	Ongoing
Wastewater Treatment	Wastewater Operations	521-451-56011	Purchase video camera system for inspections and assessment of City's sewer system and storm drain system	150,000	-	One-time
Wastewater Treatment	Wastewater Operations	521-451-56012	Annual Replacement of Computers & Servers	1,250	2,700	One-time
Wastewater Treatment	Wastewater Operations	521-451-59619	3,000 Gallon Fuel Tank for City Vehicle Emergency Supply-Wastewater Fund portion (25%)	18,750	-	One-time
Wastewater Treatment Total				**$ 170,019**	**$ 2,719**	
Parking Enterprise	Parking Operations	551-481-52101	Community Engagement and 3D computer modeling for Downtown Visioning and Design services (Parking Fund portion	$ 15,000	$ -	One-time
Parking Enterprise	Parking Operations	551-481-52411	Equipment Rental - Parking Portion	-	-	Ongoing
Parking Enterprise	Parking Operations	551-481-52411	Increase equipment rental account for Car Rentals for City employees-Parking portion	6	6	Ongoing
Parking Enterprise	Parking Operations	551-481-52101-831	Update of GP/LCP Circulation Element, consultant to review already budgeted Traffic Study (Parking Fund portion)	25,000	25,000	One-time
Parking Enterprise Total				**$ 40,006**	**$ 25,006**	
Motor Vehicle Replacement Fund	Motor Vehicle Operations	619-471-52321	Increase equipment rental account for Car Rentals for City employees	$ 200	$ 200	Ongoing
Motor Vehicle Replacement Fund	Motor Vehicle Replacement	619-472-56021	Increase budget for WT994 Replacement Truck, need an additional $25,000 to purchase vehicle in 2014	25,000	-	One-time
Motor Vehicle Replacement Fund	Motor Vehicle Replacement	619-472-56021	Purchase FD 06-1 2006 Ford F250 4X4 total is $35K, transfer $9,688 from GF	-	-	One-time
Motor Vehicle Replacement Fund	Motor Vehicle Replacement	619-472-56021	Purchase FD 07-1 Battalion Chief Vehicle, move up two years due to high mileage and use	12,819		One-time
Motor Vehicle Replacement Fund	Motor Vehicle Replacement	619-472-56021	Purchase Lifeguard Tower 2 with additional contributions	-	21,580	One-time
Motor Vehicle Replacement Fund	Motor Vehicle Replacement	619-472-56021	Purchase PK 031 Ford F-250 Replacement, need additional amount to purchase in 2014	895	-	One-time
Motor Vehicle Replacement Fund	Motor Vehicle Replacement	619-472-56050	Emergency Fuel Tank 3,000 gallon tank	75,000	-	One-time
Motor Vehicle Replacement Fund Total				**$ 113,914**	**$ 21,780**	
All Funds Above Base Total				**$ 1,353,132**	**$ 612,314**	
Transfers between funds				(308,342)	(193,324)	
All Funds Above Base Net of Transfers				**$ 1,044,790**	**$ 418,990**	

ADOPTED CAPITAL PROJECTS FOR FY 2014 & FY 2015

Fund	Description	FY 2014	FY 2015	Ongoing/ One-time
General Fund	Repurpose the Old Pismo Beach Grammar School Site	20,000	205,000	One-time
General Fund	Pier Plaza Seawall Study and Repair	450,000	-	One-time
General Fund	Pier Structural Analysis Report Update		200,000	One-time
General Fund Total		**$ 470,000**	**$ 405,000**	
Half Cent Sales Tax	Longview and Merced Paving	541,000		One-time
Half Cent Sales Tax	Street Paving - every other year		300,000	One-time
Half Cent Sales Tax	Pismo Heights & Downtown Master Drainage Study	230,000		One-time
Half Cent Sales Tax	Shell Beach Master Drainage Study	125,000		One-time
Half Cent Sales Tax Total		**$ 896,000**	**$ 300,000**	
Capital Projects Fund	Repurpose the Old Pismo Beach Grammar School Site	20,000	205,000	One-time
Capital Projects Fund	Pismo Heights & Downtown Master Drainage Study	230,000		One-time
Capital Projects Fund	Shell Beach Master Drainage Study	125,000		One-time
Capital Projects Fund	Longview and Merced Paving	541,000		One-time
Capital Projects Fund	Street Paving - every other year		300,000	One-time
Capital Projects Fund	Price Canyon Road Slope Failure. US DOT FHWA grant fund	350,750		One-time
Capital Projects Fund Total		**$ 1,266,750**	**$ 505,000**	
Water Fund	Shell Beach 1 Reservoir Maintenance & Structural	411,761		One-time
Water Fund	Pacific Estates Reservoir Maintenance & Structural		480,000	One-time
Water Fund Total		**$ 411,761**	**$ 480,000**	
Wastewater Treatment	Pump Replacement	40,000	40,000	Ongoing
Wastewater Treatment Total		**$ 40,000**	**$ 40,000**	
Pier Enterprise	Pier Plaza Seawall Study and Repair	450,000	-	One-time
Pier Enterprise	Pier Structural Analysis Report Update		200,000	One-time
Pier Enterprise Total		**$ 450,000**	**$ 200,000**	
Capital Projects All Funds Total		**$ 3,534,511**	**$1,930,000**	
Transfers between funds		(1,366,000)	(705,000)	
Capital Projects Net of Transfers		**$ 2,168,511**	**$1,225,000**	

COMPARATIVE BUDGETED STAFFING

COMPARATIVE BUDGETED STAFFING FY 2009 THROUGH 2015 - ALL FUNDS

POSITIONS	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15
City Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00
City Clerk	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Exec Asst/Deputy City Clerk	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Office Assistant	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Human Resources Officer	1.00	1.00	1.00	1.00	1.00	1.00	1.00
CVB Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00
CVB Admin Secretary	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Admin Services Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Finance Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Account Technician	2.00	3.00	3.00	3.00	3.00	3.00	3.00
Accounting Clerk	1.00	0.00	0.00	0.00	0.00	0.00	0.00
Accountant	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Office Assistant II	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	7.00	7.00	7.00	7.00	7.00	7.00	7.00
ADMINISTRATION TOTAL:	14.00	14.00	14.00	14.00	14.00	14.00	14.00
Police Chief	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Police Commander	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Administrative Secretary	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Police Corporal	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Police Sergeant	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Police Officer	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Police Officer - Grant[1]	1.00	1.00	1.00	0.00	0.00	1.00	1.00
CSO (Grant)	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Support Services Supervisor	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Dispatcher/Records Technician	8.00	8.00	8.00	8.00	8.00	8.00	8.00
POLICE TOTAL:	34.00	34.00	34.00	33.00	33.00	34.00	34.00

COMPARATIVE BUDGETED STAFFING FY 2009 THROUGH 2015 - ALL FUNDS

POSITIONS	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15
Community Development Dir	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Building Official	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Building Inspector I	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Building Inspector II	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Building Permit Technician	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Planning Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Secretary	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Parking Supervisor	0.00	1.00	1.00	1.00	1.00	1.00	1.00
Associate/Assist/Senior Planner	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Recreation Supervisor	1.00	1.00	1.00	1.00	1.00	1.00	1.00
COMMUNITY DEV TOTAL:	10.00	11.00	11.00	11.00	11.00	11.00	11.00
Public Works Dir/City Eng	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Associate Civil Engineer	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Administrative Secretary	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Engineering Technician	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Public Works Operations Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Public Works Facilities Supervisor	0.00	0.00	0.00	0.00	1.00	1.00	1.00
Streets Maintenance Supervisor	1.00	1.00	1.00	1.00	0.00	0.00	0.00
Parks Maintenance Supervisor	1.00	1.00	1.00	1.00	0.00	0.00	0.00
Maintenance Worker II	10.00	6.00	6.00	6.00	6.00	6.00	6.00
Maintenance Worker I[2]	3.00	4.00	4.00	3.00	3.00	3.00	3.00
Water System Supervisor	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Water Operator I	0.00	2.00	2.00	3.00	3.00	2.00	2.00
Water Operator II	0.00	2.00	2.00	1.00	1.00	2.00	2.00
Wastewater Ops Supervisor	1.00	1.00	1.00	1.00	1.00	1.00	1.00
WWTP Mechanic	1.00	1.00	1.00	1.00	1.00	0.00	0.00
Treatment Plant Operator II	3.00	3.00	3.00	3.00	3.00	5.00	5.00
Treatment Plant Operator I	1.00	1.00	1.00	1.00	1.00	0.00	0.00
Regulatory Compliance	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Fleet Mechanic	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Building Maintenance Worker	1.00	0.00	0.00	0.00	0.00	0.00	0.00
PUBLIC WORKS TOTAL:	31.00	31.00	31.00	30.00	29.00	29.00	29.00
TOTAL ALL CITY:	**89.00**	**90.00**	**90.00**	**88.00**	**87.00**	**88.00**	**88.00**

Notes:

1. Police Officer-Grant Position, 1.0 FTE is authorized, but not budgeted in FY 12 & FY 13 budgets. FY 13 and FY 14 adopted budget adds 1.0 FTE.
2. Maintenance Worker I, 4.0 FTEs are authorized, 1.0 FTE is not budgeted starting with the FY 2011-12 budget.

PERSONNEL BUDGET DETAIL

City of Pismo Beach
Personnel Budget Expenditure Detail
2013-2014

Funds	General Fund	LBID Fund	Water Fund	Sewer Fund	Parking Fund	MVR Fund	Total Costs
Gross Wages							
Salaries-Full Time	$ 5,319,171	$ 20,000	$ 397,154	$ 530,013	$ 82,883	$ 63,024	$ 6,412,245
Salaries-Temp Part Time	411,155	30,000	6,680	6,680	36,792	0	$ 491,307
Salaries-Overtime	161,544	0	16,000	36,000	1,600	2,000	$ 217,144
Total Gross Wages	5,891,870	50,000	419,834	572,693	121,275	65,024	7,120,696
Retirement							
PERS Retirement	1,535,216	0	82,472	101,517	17,531	13,261	$ 1,749,997
Social Security	443,625	2,295	33,516	45,629	9,360	5,568	$ 539,993
Deferred Compensation	51,258	0	3,128	3,128	2,452	100	$ 60,066
Total Retirement	2,030,099	2,295	119,116	150,274	29,343	18,929	2,350,056
Insurances							
Health Insurance	547,834	0	41,597	71,280	13,076	692	$ 674,479
Dental Insurance	70,384	0	4,030	7,194	1,198	1,470	$ 84,276
Vision Insurance	12,948	0	905	1,241	334	300	$ 15,728
Life Insurance	10,076	0	826	1,098	142	136	$ 12,278
Unemployment Insurance	51,481	0	3,822	5,259	839	637	$ 62,038
Workers Compensation	215,848	177	28,639	36,768	5,352	5,924	$ 292,708
Flexible Benefit Allowance	113,500	0	13,958	8,248	0	6,958	$ 142,664
Total Insurances	1,022,071	177	93,777	131,088	20,941	16,117	1,284,171
Other Benefits							
Uniform Allowance	30,000	0	0	0	0	0	$ 30,000
Section 125 Admin Fee	1,300	0	51	150	0	0	$ 1,501
Expense Allowance	19,800	0	450	450	300	0	$ 21,000
E.A.P.	4,393	0	387	509	66	63	$ 5,418
Retiree Medical Insurance	354,616	0	0	0	0	0	$ 354,616
Sick Leave Payback	0	0	700	1,200	0	0	$ 1,900
Total Other Benefits	410,109	0	1,588	2,309	366	63	414,435
TOTAL COSTS TO CITY	$ 9,354,149	$ 52,472	$ 634,315	$ 856,364	$ 171,925	$ 100,133	$ 11,169,358

PERSONNEL BUDGET DETAIL

City of Pismo Beach
Personnel Budget Expenditure Detail
2014-2015

Funds	General Fund	LBID Fund	Water Fund	Sewer Fund	Parking Fund	MVR Fund	Total Costs
Gross Wages							
Salaries-Full Time	$ 5,386,940	$ 20,000	$ 402,782	$ 538,883	$ 82,883	$ 63,024	$ 6,494,512
Salaries-Temp Part Time	411,155	30,000	6,680	6,680	36,792	0	$ 491,307
Salaries-Overtime	161,544	0	16,000	36,000	1,600	2,000	$ 217,144
Total Gross Wages	5,959,639	50,000	425,462	581,563	121,275	65,024	7,202,963
Retirement							
PERS Retirement	1,605,336	0	87,072	107,100	18,414	13,929	$ 1,831,851
Social Security	446,059	2,295	33,636	45,759	9,360	5,568	$ 542,677
Deferred Compensation	54,408	0	3,803	3,803	2,452	100	$ 64,566
Total Retirement	2,105,803	2,295	124,511	156,662	30,226	19,597	2,439,094
Insurances							
Health Insurance	541,940	0	40,852	70,535	13,076	692	$ 667,095
Dental Insurance	70,431	0	4,124	7,362	1,226	1,470	$ 84,613
Vision Insurance	12,540	0	875	1,213	336	300	$ 15,264
Life Insurance	10,027	0	825	1,097	142	136	$ 12,227
Unemployment Insurance	26,349	0	2,019	2,738	420	319	$ 31,845
Workers Compensation	213,447	177	28,237	36,367	5,352	5,924	$ 289,504
Flexible Benefit Allowance	112,528	0	13,958	8,248	0	6,958	$ 141,692
Total Insurances	987,262	177	90,890	127,560	20,552	15,799	1,242,240
Other Benefits							
Uniform Allowance	30,000	0	0	0	0	0	$ 30,000
Section 125 Admin Fee	1,272	0	66	164	0	0	$ 1,502
Expense Allowance	19,800	0	450	450	300	0	$ 21,000
E.A.P.	4,592	0	393	503	60	63	$ 5,611
Retiree Medical Insurance	355,444	0	0	0	0	0	$ 355,444
Sick Leave Payback	0	0	700	1,200	0	0	$ 1,900
Total Other Benefits	411,108	0	1,609	2,317	360	63	415,457
TOTAL COSTS TO CITY	$ 9,463,812	$ 52,472	$ 642,472	$ 868,102	$ 172,413	$ 100,483	$ 11,299,754

CONSTITUTIONAL SPENDING LIMITS GANN LIMIT

Article XIII (B) of the California Constitution, adopted by the voters on June 6, 1979, provides that the City's annual appropriations from State and local taxes be subject to certain State limitations. Under its provisions, no local agency can appropriate proceeds of taxes in excess of its "appropriations limit." Excess funds may be carried over into the next year. However, any excess funds remaining after the second year must be returned to taxpayers by reducing tax rates or fees; or a majority of the voters may approve an override to increase the limit. This appropriations limit is often referred to as the Gann Limit, which is calculated each year, and established by a resolution of the City Council.

The purpose of this law is to limit government spending by putting a cap on the total proceeds of taxes that may be appropriated each year. The original Article XIII(B) was modified by Proposition 111 and SB 88 approved by California voters in June of 1990. Proposition 111 allows cities more flexibility in choosing certain inflation and population factors to calculate the limit.

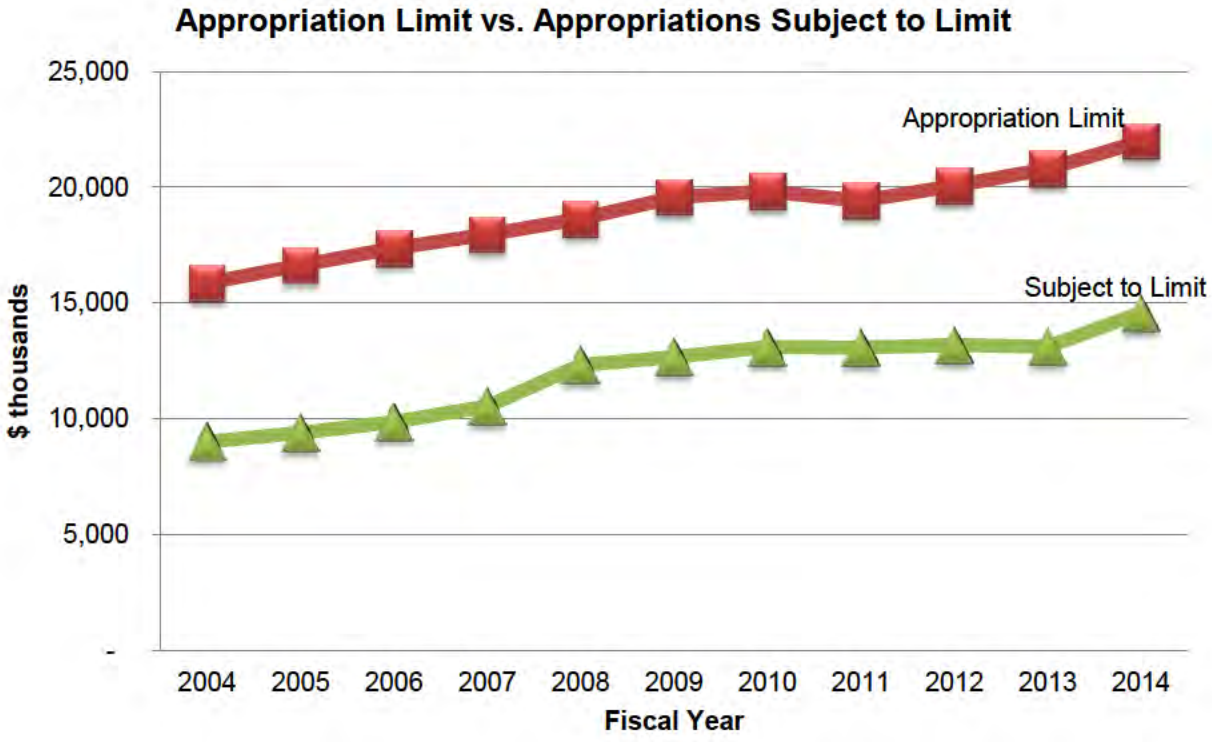
Each year's limit is based on the amount of tax proceeds that were authorized to be spent in fiscal year 1978-79 in each agency, modified for changes in inflation and population in each subsequent year. Proposition 111 allows cities to choose either the growth in California per capita income or the growth in non-residential assessed valuation due to new construction in the City. To calculate the Gann spending limit, the prior year's limit ($20,797,826) is adjusted by the growth factor of the California Per Capita Personal Income, and by the change in the population within the City of Pismo Beach. The City's tax-based revenues for FY 2014 have been estimated to be $15,324,995, which is $7,403,868 less than the new appropriation limit. Therefore, the adopted budget for FY 2014 is comfortably in compliance with Article XIII (B) of the California Constitution.

As shown on the table below, the result of applying these adjustments to the $20,797,826 Gann Limit for FY 2013 is a new Gann Limit of $21,982,314 for FY 2014.

FISCAL YEAR FY 2014

APPROPRIATION LIMIT		
FY 13 Appropriation Limit	$	20,797,826
Population Factor - Pismo Beach	X	1.0054723
SUBTOTAL	$	20,911,638
Per Capita Personal Income Factor	X	1.0512
FY 14 APPROPRIATION LIMIT	$	21,982,314
FY 14 Approprations Subject to Limit		14,578,446

The following table illustrates the calculated appropriation limit compared to the appropriations subject to the limit over a ten year period. The City's appropriations subject to the limit are consistently well below the appropriation limit, averaging about 63% under the limit over this period.



DEBT SERVICE

General Obligation Debt: The City presently has no general obligation debt.

Lease Revenue Refunding Bonds: The City has two outstanding debt issues with a principal amount outstanding as of July 1, 2013 of $9,475,000. Both issuances are lease revenue refunding bonds that are a special or limited obligation of the Pismo Beach Public Financing Authority.

The 2007 Series Bonds refund a 1993A Series that originally funded Dinosaur Caves Park and a 1994 Series that funded Civic Center projects. As of July 1, 2013, the outstanding principal balance of the 2007 Series is $3,940,000. These bonds mature in 2024. The City is obligated to budget and appropriate General Fund revenues for the debt service payments. Debt service payments in FY 2014 and FY 2015 are approximately $444 thousand per year and shown the table "Debt Service Funds Adopted Budget" on page 113.

The 2012 Series Bonds refund a 2004 Series that originally funded the Wastewater Treatment Plant Facility upgrade and State Revolving Fund Loan Match. As of July 1, 2013, the outstanding principal balance of the 2012 Series is $5,535,000. These bonds mature in 2033. The City makes debt service payments from Wastewater Enterprise Fund revenues.

State Revolving Fund Loans: The City has three State Revolving Fund (SRF) loans for various wastewater capital improvement projects. SRF loans are low-interest loans for investments in water and sanitation infrastructure. The City's SRF loans include a principal outstanding loan amount of $7,004,739 for the Wastewater Treatment Plant, $157,497 for the Park and Cypress Interceptor project, and $578,380 for the Pismo Oaks lift station project, as of July 1, 2013. Wastewater Funds support the annual payments on these loans.

ANNUAL DEBT SERVICE PAYMENT INFORMATION AND MATURITY DATES

City of Pismo Beach
Outstanding Debt Service Table
Annual Payment Information and Maturity Dates
As of June 30, 2013

Fund	Description	Principal Balance June 30, 2013	Annual P&I* Debt Service Payment	Date Matured	No. of Pmts Remaining
General	2007 Series Bonds (Dinosaur Caves & Civic Center Project Refunding)	$ 3,940,000	$ 442,007	12/1/2024	12
Wastewater	2012 Series Bonds (Wastewater Treatment Facilities & Loan Match Refunding)	$ 5,535,000	$ 392,812	1/1/2033	20
	SRF Loan 2004 (New Wastewater Treatment Plant)	7,004,739	609,259	2/26/2026	13
	SRF Loan 2006 (Park/Cypress Interceptor Project)	157,497	14,647	2/26/2026	13
	SRF Loan 2009 (Pismo Oaks Lift Station Project)	578,380	41,907	1/1/2029	16
	Total Wastewater Fund	$ 13,275,616	$ 1,058,625		
	Total	$ 17,215,616	$ 1,500,632		

*P&I represents Principal and Interest payments for future year

** Excludes Compensated Absences $397,548

OUTSTANDING DEBT SERVICE AND LIABILITY BY FUND

City of Pismo Beach
Outstanding Debt Service and Liability By Fund
As of June 30, 2013

		July 1, 2012 Beginning Balance	Additions	Retirements	June 30, 2013 Ending Balance
General	2007 Series Bonds (Dinosaur Caves & Civic Center Project Refunding)	$ 4,215,000		(275,000)	$ 3,940,000
	Compensated Absences (Employee Leave Balances)	329,932	-	-	329,932
	Total General Fund	$ 4,544,932	-	(275,000)	$ 4,269,932
Water	Compensated Absences (Employee Leave Balances)	20,006	-	-	20,006
	Total Water Fund	$ 20,006	-	-	$ 20,006
Wastewater	2012 Series Bonds (Wastewater Facilities & SRF Loan Match Refunding)	5,710,000		(175,000)	5,535,000
	SRF Loan (New Wastewater Treatment Plant)	$ 7,479,149		$ (474,410)	7,004,739
	SRF Loan (Park/Cypress Interceptor Project)	$ 168,768		$ (11,271)	157,497
	SRF Loan (Pismo Oaks Lift Station Project)	$ 609,308		$ (30,928)	578,380
	Compensated Absences (Employee Leave Balances)	32,265	-	-	32,265
	Total Wastewater Fund	$ 13,999,490	-	(691,609)	$ 13,307,881
Parking	Compensated Absences (Employee Leave Balances	$ 9,026	-		$ 9,026
	Total Parking Fund	$ 9,026	$ -	$ -	$ 9,026
MVR	Compensated Absences (Employee Leave Balances)	$ 6,318	-		$ 6,318
	Total	$ 18,579,773	$ -	$ (966,609)	$ 17,613,164

OUTSTANDING DEBT SERVICE BY FUND

City of Pismo Beach
Outstanding Debt Service By Fund
As of June 30, 2013

Fund	Description	July 1, 2012 Beginning Balance	Additions	Retirements	June 30, 2013 Ending Balance
General	2007 Series Bonds (Dinosaur Caves & Civic Center Project Refunding)	$ 4,215,000		(275,000)	$ 3,940,000
Wastewater	2012 Series Bonds (Wastewater Facilities & SRF Loan Match Refunding)	5,710,000		(175,000)	5,535,000
	SRF Loan (New Wastewater Treatment Plant)	$ 7,479,149		$ (474,410)	7,004,739
	SRF Loan (Park/Cypress Interceptor Project)	$ 168,768		$ (11,271)	157,497
	SRF Loan (Pismo Oaks Lift Station Project)	$ 609,308		$ (30,928)	578,380
	Total Debt	$ 18,182,225	$ -	$ (966,609)	$ 17,215,616

DEBT SERVICE FUNDS ADOPTED BUDGET

FY 2014

Description	Public Financing Authority	Indio/ El Portal	Leeward/ Windward	Freeway Foothills	Visalia St. District	Spyglass/ Price St.
BEGINNING AVAILABLE BALANCE JULY 1, 2013	$ 146,075	$ 11,501	$ -	$ 91,838	$ 8,767	$ 11,809
REVENUES						
Assessments	-	-	-	-	-	-
PFA Lease payments for City Properties	148,624	-	-	-	-	-
Interest Earnings	152,006	-	-	-	-	-
Total Funding Sources Available	300,630	-	-	-	-	-
EXPENSES						
Debt Service	444,337	-	-	-	-	-
Professional Services	-	-	-	-	-	-
Transfer out to other Funds	-	-	-	-	-	-
Total Funding Appropriated for Debt Service	444,337	-	-	-	-	-
ENDING AVAILABLE BALANCE JUNE 30, 2014	$ 2,368	$ 11,501	$ -	$ 91,838	$ 8,767	$ 11,809

FY 2015

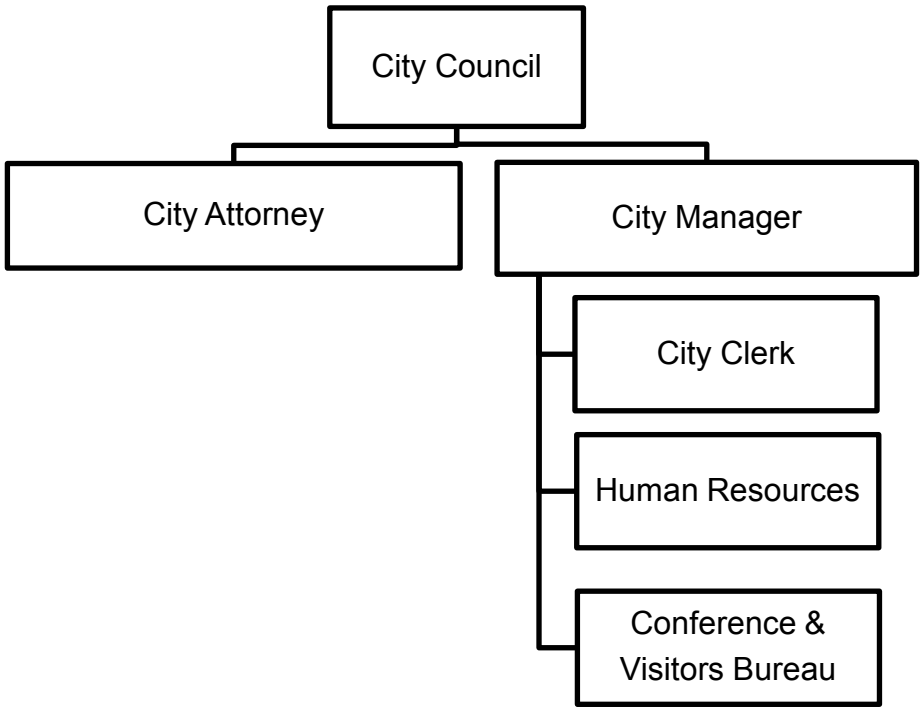
Description	Public Financing Authority	Indio/ El Portal	Leeward/ Windward	Freeway Foothills	Visalia St. District	Spyglass/ Price St.
BEGINNING AVAILABLE BALANCE JULY 1, 2014	$ 2,368	$ 11,501	$ -	$ 91,838	$ 8,767	$ 11,809
REVENUES						
Assessments						
PFA Lease payments for City Properties	300,000	-	-	-	-	-
Interest Earnings	141,681	-	-	-	-	-
Total Funding Sources Available	441,681	-	-	-	-	-
EXPENSES						
Debt Service	444,049	-	-	-	-	-
Professional Services	-	-	-	-	-	-
Total Funding Appropriated for Debt Service	444,049	-	-	-	-	-
ENDING AVAILABLE BALANCE JUNE 30, 2015	$ 0	$ 11,501	$ -	$ 91,838	$ 8,767	$ 11,809

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OPERATING BUDGET DETAIL

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ADMINISTRATION



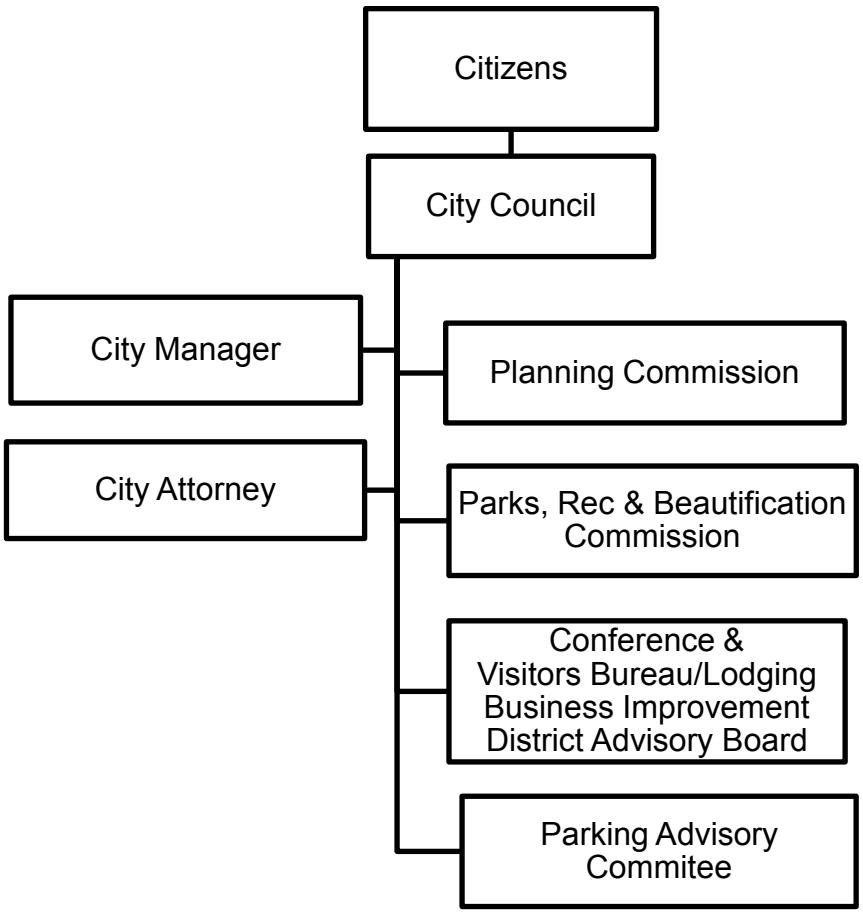
Activity Description

Administration includes the City Council, City Attorney, and the City Manager, with City Clerk operations, CVB (Convention and Visitor's Bureau), and Human Resources reporting directly to the City Manager. These operations work closely together in their direct support to the City Council. This includes assisting the City Council with the initiation, review and implementation of policies and programs that are responsive to the needs of the community, and the preparation, dissemination and maintenance of all official documents approved by the City Council.

GENERAL FUND EXPENDITURES:

	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
City Council	250,625	229,781	260,096	295,652	308,040	7%
Administration	591,350	582,126	654,357	590,198	619,406	15%
Human Resources	162,011	217,112	300,571	229,554	195,556	6%
Legal	106,130	106,957	181,800	186,800	186,800	5%
Conference & Visitors Bureau	521,992	544,532	587,072	563,333	526,874	14%
Non-Dept	1,964,077	1,582,588	3,088,940	2,158,471	2,197,844	54%
Totals	**$3,596,186**	**$3,263,096**	**$5,072,836**	**$4,024,008**	**$4,034,520**	**100%**

CITY COUNCIL



CITY COUNCIL

Activity Description

The City Council is the five-member legislative body of the City of Pismo Beach. Members of the City Council are elected at-large to staggered four-year terms, with the exception of the Mayor who is elected and has a term of two years. The City Council establishes policies for the City, which are implemented by staff under the direction of the City Manager. Various advisory commissions, committees and boards comprised of citizens appointed by the City Council, also advise the City Council. The Council appoints directly the City Manager and the City Attorney, and approves the hiring of department heads as recommended by the City Manager.

GENERAL FUND EXPENDITURES:

	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Salaries & Benefits	77,146	79,027	79,610	94,266	94,654	32%
Operations & Maintenance	170,821	148,291	175,486	196,386	208,386	66%
Other Expenses	2,659	2,462	5,000	5,000	5,000	2%
Totals	**$250,625**	**$229,781**	**$260,096**	**$295,652**	**$308,040**	**100%**

Accomplishments Prior Two-Year Budget:

- Volunteer Banquet
- Maintained General Fund reserves at 20%
- Implemented short, mid-term and long term goals
- Continued League of California Cities involvement
- Disciplined and continuous investment in City infrastructure

Work Program Highlights for Next Two-Year Budget:

- Volunteer Banquet
- Implement short, mid-term and Long-term goals
- Continue League of California Cities involvement
- Disciplined and continuous investment in city infrastructure
- Represent the City effectively on various regional boards and committees

LEGAL SERVICES

Activity Description

The City Attorney is the chief legal advisor for the City and provides legal services to the City through a contractual arrangement approved by the City Council. The City Attorney's Office manages all aspects of the City's legal affairs; researches, drafts and/or reviews ordinances, resolutions, contracts, bonds and other legal documents supporting the actions of the City Council; advises the Council, City Manager and departments on the legality of various procedural and substantive matters; represents the City in administrative proceedings and court trials; and manages all litigation and oversees outside counsel as appropriate.

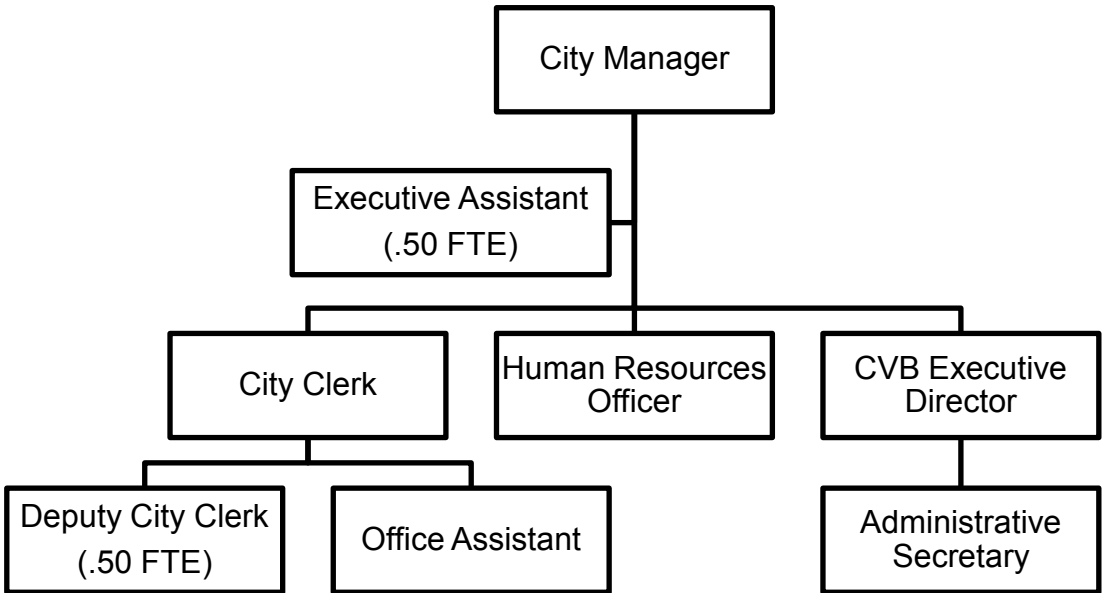
GENERAL FUND EXPENDITURES:

	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Council & Administration	62,793	60,392	72,000	72,000	72,000	39%
Finance	5,394	10,840	9,000	9,000	9,000	5%
Community Development	8,967	8,263	21,000	21,000	21,000	11%
Public Works	2,680	2,165	21,000	21,000	21,000	11%
Police	1,485	1,952	21,000	21,000	21,000	11%
Fire	0	171	1,800	1,800	1,800	1%
Civil Litigation	24,810	22,735	35,000	40,000	40,000	21%
Other Legal	0	440	0	0	0	0%
Subscriptions	0	0	1,000	1,000	1,000	1%
Totals	**$106,130**	**$106,958**	**$181,800**	**$186,800**	**$186,800**	**100%**

**Note: Legal services are contracted. Actual hours expended per year dependent on legal service needs of Council, City Manager and Department Heads.

ADMINISTRATION

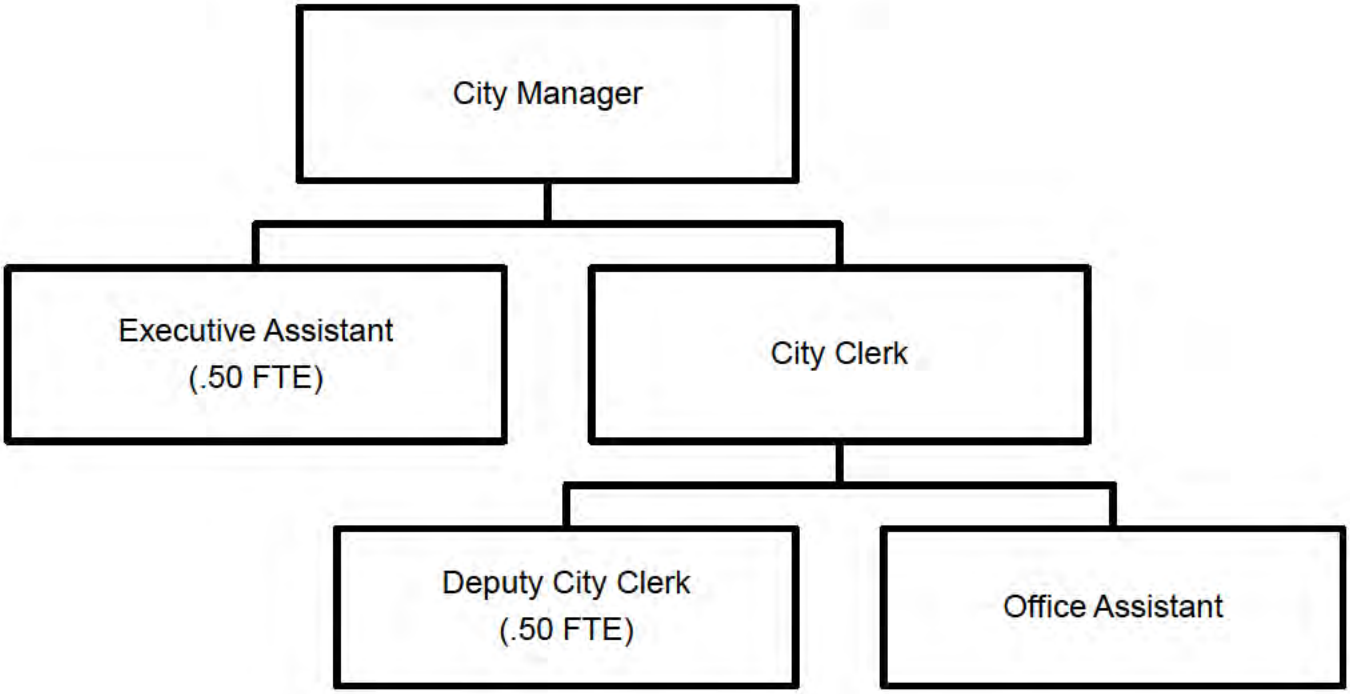
CITY MANAGER, CITY CLERK, HUMAN RESOURCES & CVB



	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15
City Manager	1	1	1	1	1
City Clerk	1	1	1	1	1
Human Resources Officer	1	1	1	1	1
Exec. Asst./Deputy City Clerk	1	1	1	1	1
Office Assistant I	1	1	1	1	1
CVB Director	1	1	1	1	1
CVB Administrative Secretary	1	1	1	1	1
Total Department Staff	**7**	**7**	**7**	**7**	**7**

	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Administration	591,350	582,126	654,357	590,198	619,406	43%
Human Resources	162,011	217,112	300,571	229,554	195,556	17%
Conference & Visitors Bureau	521,992	544,532	587,072	563,333	526,874	41%
Totals	**$1,275,354**	**$1,343,770**	**$1,542,000**	**$1,383,085**	**$1,341,836**	**100%**

CITY MANAGER & CITY CLERK DEPARTMENTS



CLASSIFICATION	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15
City Manager	1	1	1	1	1
City Clerk	1	1	1	1	1
Exec. Asst./Deputy City Clerk	1	1	1	1	1
Office Assistant I	1	1	1	1	1
Total Department Staff	**4**	**4**	**4**	**4**	**4**

CITY MANAGER & CITY CLERK DEPARTMENTS

Activity Description

The City Manager's Office is the management and administrative arm of the City. With responsibility for implementing the policy direction of the City Council, the City Manager coordinates and directs the work efforts of the various departments of the City; submits for Council review and consideration the two-year budget and implements the same; interfaces with the public on behalf of the City Council; undertakes special projects of high importance to the City Council; and serves as the City's personnel and purchasing officer. Supporting the City Clerk's functions, the Clerk's Department serves as a coordinating link between agencies and individuals in the public and private sectors. The Clerk's Department manages and maintains all legislative and official records of the City including ordinances, resolutions, minutes, deeds and contracts; maintains the Municipal Code; administers municipal elections and State FPPC filings; serves as a Passport Acceptance Agent; serves as the Special Event Committee Chairperson; provides public information regarding City meetings and events through a quarterly newsletter and other means, and maintains the City's web page.

GENERAL FUND EXPENDITURES:

	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Salaries & Benefits	503,214	508,017	529,271	486,698	514,106	82%
Operations & Maintenance	88,136	74,109	125,086	103,500	105,300	18%
Totals	**$591,350**	**$582,126**	**$654,357**	**$590,198**	**$619,406**	**100%**

Accomplishments Prior Two-Year Budget:

- Implemented a fiscally sound two-year budget during extremely challenging economic conditions.
- Maintained positive morale within the City workforce.
- City Council adoption of a Housing Element as part of the City's General Plan.
- Recruited and hired three new excellent Department Heads.
    - Administrative Services Director
    - City Clerk
    - Director of Public Works
- Teamed with San Luis Obispo Resource Conservation District in cleaning up debris in Pismo Creek.

City Manager

Accomplishments Prior Two-Year Budget continued:

- Organized two successful Annual Goal Setting sessions for the City Council.
- Continued progress on renewing and improving City infrastructure
    - Street Paving Program – Year 3
    - Five Cities Lift Station Replacement Design (Construction to follow but might flow into following budget cycle)
    - Price Canyon Road Slope Repair/Stabilization
    - Reservoir Maintenance
    - Design New Bello Bridge (Construction expected the following budget cycle)
- Emphasized the need to respond to citizen complaints/concerns in a timely manner. Returned all citizen calls within 12 hours.
- Provided for professional training of City employees.

Work Program Highlights for Next Two-Year Budget:

- Accomplish the Council's adopted short-, mid-, and long-term Goals.

Plus

- Continue to reduce City's operating expenses and ensure efficient operations.
- Maintain momentum on renewing City's infrastructure.
- Enhance training and morale of all employees.
- Conduct a Downtown Visioning and Revitalization Effort.
- Implement new technologies to increase efficiencies and improve service.

City Clerk

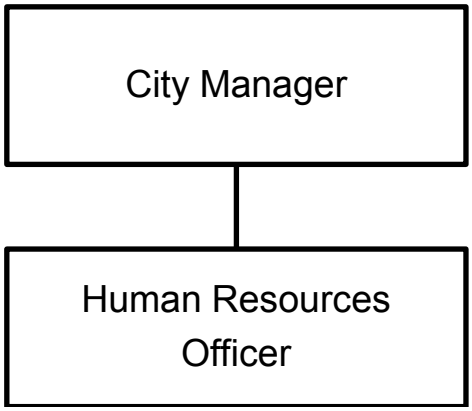
Accomplishments Prior Two-Year Budget:

- Conducted 2012 General Municipal Election.
- Processed, posted and distributed 114 Regular and Special City Council Agendas and Agenda Packets.
- Issued 53 Special Event Permits.
- Continued website strategy and daily maintenance of system in an effort to provide the public with the most current information.
- Centralized city documents in Laserfiche; to include projects, resolutions, agendas, minutes of all Advisory boards; determine disposition and recovery of records at Old City Hall.
- Public Information Officer (PIO) Training.

Work Program Highlights for Next Two-Year Budget:

- Work towards going to a paperless agenda, using best practices.
- Conduct 2014 General Municipal Election.
- Continue to develop City Clerk Policies and Procedures.
- Continue to Upgrade Video Production Equipment for Council Chamber for better efficiency during meetings.
- Continue with website strategy and daily maintenance of system.
- Continue with daily monitoring of public requests through online Customer Service module.
- Continued effort to scan and purge City-wide records.
- Provide updated Records Retention Schedule for City-wide records.

HUMAN RESOURCES



CLASSIFICATION	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15
Human Resources Officer	1	1	1	1	1
Total Department Staff	**1**	**1**	**1**	**1**	**1**

Activity Description

The Human Resources Division provides support to the City and staff by performing the City's human resource activities including: recruitment and selection, classification, training, benefit administration, policy updates and compliance, and employee relations. A function of the HR division is oversight of the City's Risk Management Program. The focus of the program is to minimize the City's risk exposure through multiple areas of effort, including safety policies and programs, adequate insurance coverage and worker's compensation and general liability claims management.

GENERAL FUND EXPENDITURES:

	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Salaries & Benefits	124,881	133,703	139,025	137,523	138,110	60%
Operations & Maintenance	37,130	83,408	161,546	87,031	57,446	38%
Capital Outlay	0	0	0	5,000	0	2%
Totals	**$162,011**	**$217,112**	**$300,571**	**$229,554**	**$195,556**	**100%**

Human Resources

Accomplishments Prior Two-Year Budget:

- Labor Negotiations and agreements with the City's bargaining units, including Pension Reform to lower second-tier retirement contracts.

- Completion of seventeen of the nineteen programs identified in the City's Risk Management Assessment from the California Joint Powers Insurance Authority ("CJPIA"), including nine new or updated safety programs and policies.

- Sixteen recruitments completed; staffing twenty-three part-time and seasonal employees and ten full-time employees, including three new Department Heads.

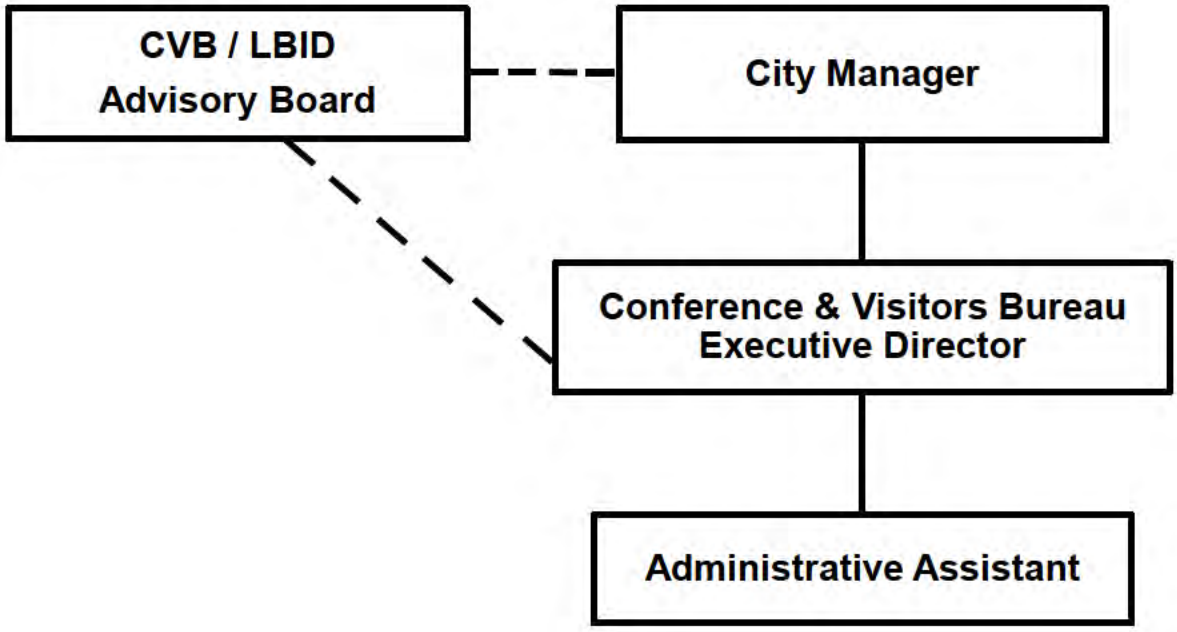
Work Program Highlights for Next Two-Year Budget:

- Implement on-line recruitment program to improve the recruitment process; including applicant tracking, reporting and analysis, candidate communication, and reduction in time to hire. Additionally, staff time saved through this program will be allocated for other projects.

- Continue to work very closely with the CJPIA, to aggressively pursue Risk Management best practices for the City and to identify solutions to reduce the City's liability for both General Liability and Worker's Compensation.

- Promotion of professional and staff development programs, including professional training opportunities, employee recognition, and motivational events. Incorporate ideas from an Employee Development Advisory Committee (EDAC).

CONFERENCE & VISITORS BUREAU



CLASSIFICATION	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15
CVB Executive Director	1	1	1	1	1
CVB Administrative Assistant	1	1	1	1	1
Total Department Staff	**2**	**2**	**2**	**2**	**2**

Conference & Visitors Bureau

Activity Description

The Conference & Visitors Bureau (CVB) promotes tourism to Pismo Beach, thereby enhancing the City's General Fund Revenue through increased transient occupancy taxes and, to a lesser, but significant extent, sales tax revenues. With advice from the five-member Conference & Visitors Bureau Advisory Board, program efforts include social media, periodical and electronic media advertising in both core market regions and new market areas; participation in consumer and industry trade shows; solicitation of groups; administration of the contract under which the Visitors Information Center is operated through the Chamber of Commerce; development and maintenance of ongoing relations with travel writers, tour operators and media representatives; and development of print and website collateral materials (visitor guides and brochures) for distribution through the Visitors Information Centers, at trade shows and other channels.

GENERAL FUND EXPENDITURES:

	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Salaries & Benefits	215,084	197,703	202,147	196,911	200,447	35%
Operations & Maintenance	272,761	314,133	357,925	339,422	299,427	60%
Capital Outlay	0	3,696	0	0	0	0%
Other Expenses	34,147	29,000	27,000	27,000	27,000	5%
Totals	**$521,992**	**$544,532**	**$587,072**	**$563,333**	**$526,874**	**100%**

Conference & Visitors Bureau

Accomplishments Prior Two-Year Budget:

- Served as a newly-renovated City Hall Welcome Center, assisting over 500 tracked-individuals yearly, via phone, walk-ins, mail and emails
- Provided support & collateral information to our other three City Welcome Centers & Chamber of Commerce
- Responded to over 9,600 advertising-driven leads in FY 2011-12
- Designed group itineraries, gift bags, and Pismo Beach information tailored to 100 groups annually, including conferences, meetings and mainstream & luxury tour operators
- International exposure was gained by participating in Visit California organized familiarization (FAM) trips with visitors from the United Kingdom, China, France, Germany, Denmark and Japan
- Worked with Film Scouts for the SLO International Film Festival & Southern California Travel Writers Association and several pre-qualified domestic freelance travel writers
- Networking for additional City exposure through tourism memberships with ten local, regional and state organizations
- Participated in tourism trade shows where we represented Pismo Beach including International Pow Wow, Go West Summit, National Tour Association Travel Exchange, LA Travel & Adventure Show, Visit California Media Events, Sunset Celebration Weekend, Sunset SAVOR the Central Coast, San Joaquin Valley Business Mixers, etc., along with our peers
- Continued with a newly-revised Event Criteria Application and subsidized six promotional City events utilizing the PB Lodging Business Improvement District funds
- Re-designed www.ClassicCalifornia.com and www.MonarchButterfly.org websites, which are now optimized as mobile-ready websites
- Expanded our Social Media footprint with daily posting and monitoring to Facebook (over 91,000 fans), Instagram, Pinterest, Twitter, Pismo Beach Travel Log, and update videos on You Tube (Monarch Butterfly Grove, Wine & Waves, & city events)
- Continue all areas to build our Brand Awareness and Public Relations
- Continue to update and print Parks, Trails & Beaches Guide and online Pismo Beach Visitors Guide

Work Program Highlights for Next Two-Year Budget:

- Continue to maximize the marketing of the Pismo Beach Lodging Improvement District by increasing our Visit San Luis Obispo County sponsorship to be fully-funded, (as all of the other cities within the County are), for maximum exposure for all of our City Lodging businesses as well as an improved working relationship to increase Countywide funds, thereby City visibility, with specific contractually requirements set

- Travel Trade Shows & Business Expos, expanding our marketing reach to San Francisco (through our new SF Travel Association membership) and the Scottsdale/Phoenix snowbird market

- Maintain presence with State Office of Tourism / State Regional Ambassadors Committee

- Continue to have the City-hosted annual Sunset SAVOR the Central Coast Pismo Beach Dinner & display a booth at the SAVOR Main Event at Santa Margarita Ranch

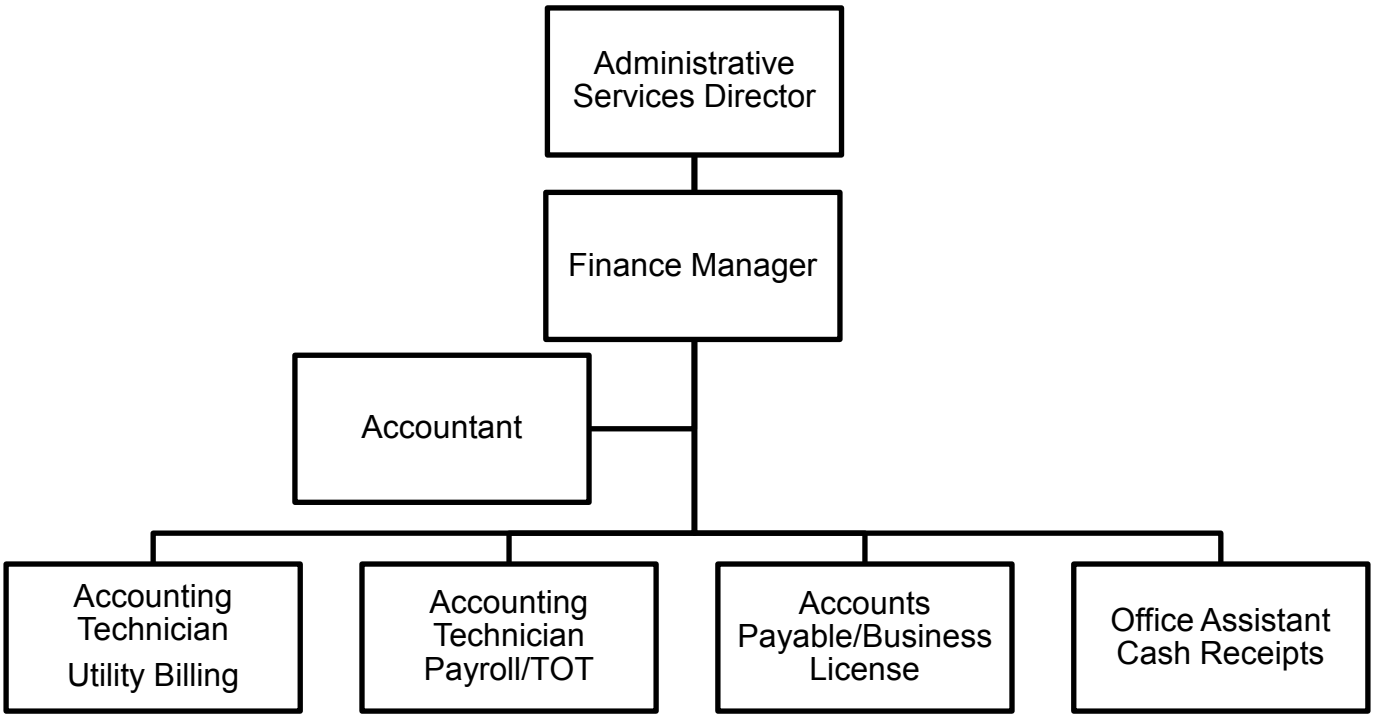
- Continue to serve as a Group Sales & Marketing Committee Member, Savor Committee and County Resource Council Member

- Maximize networking benefits from working with the State Office of Tourism, the California Travel Association & Western Association of Convention & Visitors Bureaus

- Continue funding and supporting the Pismo Beach Official California Welcome Center, which continues to be the top-visited center out of 20 in the state, as we contracted with the CA Tourism & Travel Commission in 2006

- Assist with Community Development whenever possible towards the City Council goals of downtown improvements, city signage, pursue a historic preservation process, improve pedestrian & bike trails systems, implement a public arts program, feasibility of increasing population of Pismo clams, & feasibility of a dog park (we just added www.DogFriendlyPismoBeach.com)

ADMINISTRATIVE SERVICES



CLASSIFICATION	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15
Administrative Services Director	1	1	1	1	1
Finance Manager	1	1	1	1	1
Accountant	1	1	1	1	1
Accounting Technician	3	3	3	3	3
Office Assistant II	1	1	1	1	1
Total Department Staff	**7**	**7**	**7**	**7**	**7**

Administrative Services Department

Activity Description

The Administrative Services Department provides reliable and accurate fiscal information to the citizens, City Council, and management of the City of Pismo Beach in an efficient, cost effective, and courteous manner. Specific services include Accounts Receivable, Accounts Payable, Payroll, Utility Billing, Business Licenses, Investment and Debt Management, timely Financial Management and Reporting, administration and preparation of the City budget, and Information Systems Implementation and Management.

GENERAL FUND EXPENDITURES:

	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Salaries & Benefits	607,562	632,033	634,039	629,697	645,635	89%
Operations & Maintenance	72,989	90,377	73,578	79,736	81,504	11%
Capital Outlay	0	2,470	0	0	0	0%
Totals	**$680,551**	**$724,880**	**$707,617**	**$709,433**	**$727,139**	**100%**

Administrative Services Department Functions

The Administrative Services Department performs and manages the City's Financial, Accounting, and Information Technology services. Activities and functions include:

- Budgeting, and Long-range financial planning – including securing cost-effective financing for large capital projects and programs, and administering related debt service.
- Revenue Forecasting, including reviewing, updating and implementing City Fees.
- Revenue Collections and recording, including taxes, grants, and Water & Sewer Utility Billing.
- Administering Revenue-related programs such as Transient Occupancy Tax (TOT), Business Licenses & Taxes, Franchises, and Assessment Districts.
- Maintaining the City's General Ledger system and Chart of Accounts, including monthly accounting reconciliation and analysis.
- Purchasing, processing Accounts Payable, and issuing checks to Vendors: also, protecting the City's cash assets by assuring that purchases, commitments, and payments are consistent with Budget and Council authorizations; filing monthly & annual reports with regulatory agencies.

Administrative Services Department

- Preparing the Comprehensive Annual Financial Report (CAFR), and interim financial reports for City, Public Financing Authority (PFA), and Public Facilities Corporation (PFC).
- Processing the City's payroll; filing monthly, quarterly, and annual reports with taxing agencies.
- Managing the City's investment portfolio in accordance with adopted policies, allocating interest earnings among funds, and providing timely reports.
- Providing Information Technology (IT) Systems support including purchasing, installing, and maintaining computers, software and related equipment, and providing IT security for all City Departments.
- Administering the City's Telecommunication systems including landlines, cellular phones and voicemail lines. Serving as liaison to phone company representatives.
- Provide Capital Asset Accounting for all City Fixed Assets/Capital Projects.
- Monitor the City facility leases for annual increases and updates.
- Process, maintain and track all City financial contracts that are approved by City Council and/or City Manager.

Accomplishments Prior Two-Year Budget:

- City Council and City Staff achieved a fiscally sound two-year Budget for Fiscal Years (FY) 2011-12 and FY 2012-13, maintaining the City's General Fund reserves at more than 20% of General Fund operating budget expenses.

- The Administrative Services Department received the prestigious "Certificate of Achievement for Excellence in Financial Reporting" by the Government Finance Officers Association (GFOA) of the United States and Canada to government units whose Comprehensive Annual Financial Reports (CAFRs) achieved the highest standards in government accounting and financial reporting for FY 2011-12.

- The Department provided the City Council and the public with an updated General Fund Five Year Financial Forecast for FY 2011-12 through FY 2016-17. This report was published on the City's website and will be updated annually to serve as a long-range financial planning tool.

- Improved Transient Occupancy Tax (TOT) reporting with a new report form for the lodging businesses that includes occupancy rate information. Further, the City contracted to have compliance reviews / audits of lodging businesses, which led to improved TOT reporting and compliance.

Administrative Services Department

Accomplishments Prior Two-Year Budget continued:

- The City is in the process of achieving full compliance with Governmental Accounting Standards Board (GASB) 45 for Other Post Employment Benefits (OPEB), to pre-fund retiree health costs for retirees and their beneficiaries. The City has an actuarial study performed every other year to determine how much to set aside each year to partially or completely fund our future obligations for retiree health costs. The earnings on this investment will reduce the City's employer contributions. This now appears as an asset for the City's future retiree health costs instead of a significant liability on the City's balance sheet.

- Improvements in the City's Information Technology Systems include increased security through security awareness training for all City staff, additional anti-spam and anti-malware protection, web filtering and web link scanners, and replacing outdated computers, laptops, and software.

Work Program Highlights for Next Two-Year Budget – for FY 14 and FY 15:

- Administer a fiscally sound Two-Year Budget increasing the General Fund Reserves Policy from 20% to 25% over the next five years, establishing a Litigation Reserve contributing $50,000 each year for unplanned litigation costs, and fully funding the 1% General Fund Contingency Budget.

- Develop and Implement a Five-Year Information Technology Strategic Plan for the City's Information Technology Systems.

- Update Key Fee Studies: (1) Water and Sewer; (2) Development Impact Fees; and (3) General User Fees and Overhead Costs.

- Begin the process of acquiring a new integrated financial system to replace the current technologically antiquated system.

- Update revenue investment practices for opportunities to improve investment earnings.

NON-DEPARTMENTAL

Activity Description

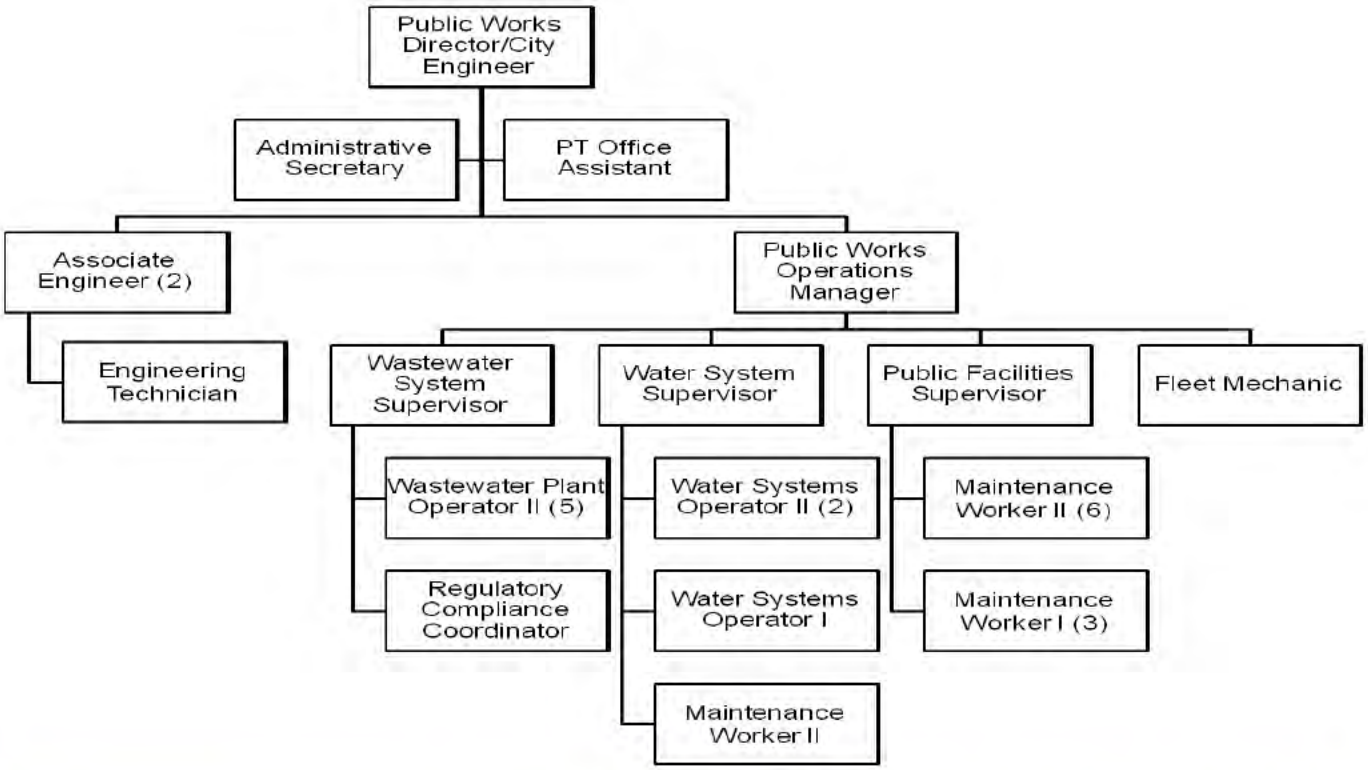
The purpose of the non-departmental budget is to account for those services, supplies, materials and equipment of a general, organization-wide nature, which do not lend themselves to distribution among the operating departments of the City. Bulk items and others that are used by all departments within the General Fund are included in the Non-Departmental activity budget, as are liability and property insurance expenses, debt service payments and other miscellaneous operating transfers. Expenses for the City's computer network are likewise budgeted in this account. Historically, this account has also included the General Fund contingency, which is set at 1% of current budget as established in the City's Fiscal Policy.

GENERAL FUND EXPENDITURES:

	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Salaries & Benefits	305,420	225,048	328,342	354,616	355,444	16%
Operations & Maintenance	842,931	954,296	2,359,676	1,279,026	1,382,021	59%
Capital Outlay	390,532	89,723	91,126	70,000	50,000	3%
Debt Service	203,231	207,473	205,340	207,743	207,590	10%
Other Exps.& Fin. Use	86,503	74,513	84,720	212,586	168,289	10%
Operating Transfers	135,460	31,536	19,736	34,500	34,500	2%
Totals	**$1,964,077**	**$1,582,588**	**$3,088,940**	**$2,158,471**	**$2,197,844**	**100%**

PUBLIC WORKS

Public Works Base Budget Personnel Allocation by Activity



CLASSIFICATION	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15
Public Works Dir/City Engineer	1	1	1	1	1
Associate Civil Engineer	2	2	2	2	2
Administrative Secretary	1	1	1	1	1
Engineering Technician	1	1	1	1	1
Public Works Operations Manager	1	1	1	1	1
Public Works Facilities Supervisor	0	0	1	1	1
Street Maintenance Supervisor	1	1	0	0	0
Parks Maintenance Supervisor	1	1	0	0	0
Maintenance Worker II	6	6	6	6	6
Maintenance Worker I	4	3	3	3	3
Water System Supervisor	1	1	1	1	1
Water System Operator I	2	3	3	2	2
Water System Operator II	2	1	1	2	2
Wastewater Ops Supervisor	1	1	1	1	1
WWTP Mechanic	1	1	1	0	0
Treatment Plant Operator II	3	3	3	5	5
Treatment Plant Operator I	1	1	1	0	0
Regulatory Compliance	1	1	1	1	1
Fleet Mechanic	1	1	1	1	1
Total Department Staff	**31**	**30**	**29**	**29**	**29**

Maintenance Worker I, 4.0 FTEs are authorized, 1.0 FTE is not budgeted starting with the FY 2011-12 budget

PUBLIC WORKS DEPARTMENT

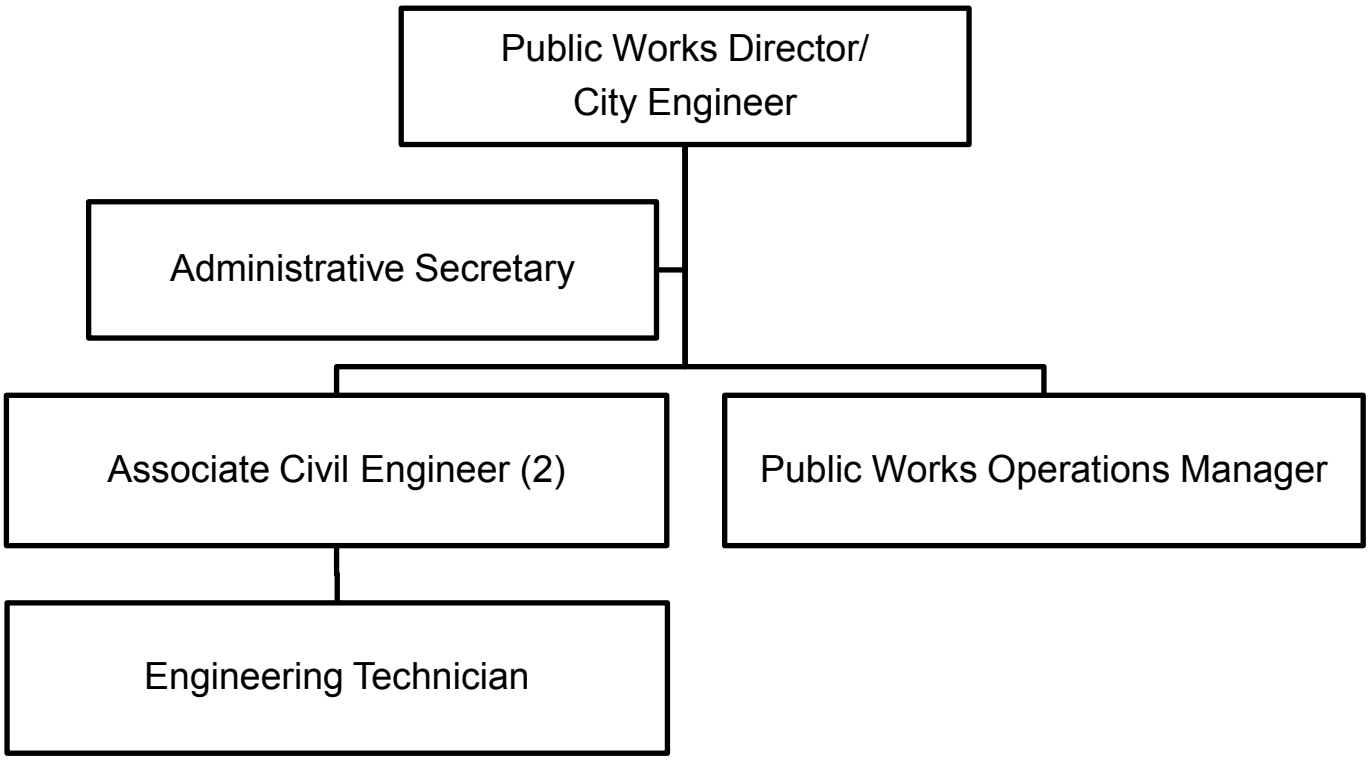
Activity Description

The Public Works Department is responsible for the design, construction and maintenance of City facilities and infrastructure including streets, public buildings, the pier, promenades, beach access stairways, beach, parks, public parking lots, vehicles, water system and wastewater system. These services are provided through two main operating divisions – engineering and public works. These service areas are funded through the General Fund and a series of enterprise funds.

GENERAL FUND EXPENDITURES:

	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Gov't Bldgs-City Hall	544,509	591,719	967,875	430,850	572,752	17%
Engineering	550,924	579,602	551,490	493,200	501,408	19%
Pismo Vets Hall	40,478	40,998	99,972	38,941	38,941	2%
Shell Beach Vets Hall	15,161	20,418	32,831	18,946	18,946	1%
Margo Dodd Park	1,922	2,039	1,893	1,893	1,893	0%
Facilities Maintenance	0	88,534	116,240	117,305	117,744	5%
Park Maintenance	963,523	880,179	903,744	850,451	841,381	34%
Street Maintenance	650,340	552,293	720,037	583,265	555,644	23%
Totals	**$2,766,857**	**$2,755,780**	**$3,394,082**	**$2,534,851**	**$2,648,709**	**100%**

ENGINEERING SERVICES



CLASSIFICATION	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15
Public Works/City Engineer	1	1	1	1	1
Associate Civil Engineer	2	2	2	2	2
Administrative Secretary	1	1	1	1	1
Engineering Technician	1	1	1	1	1
Public Works Operation Mgr	1	1	1	1	1
Total Department Staff	**6**	**6**	**6**	**6**	**6**

Engineering Services

Activity Description

The principal responsibility of the Engineering Division is protection of the public. This is accomplished by assuring that properly registered professional engineers design and oversee construction of facilities that are built and maintained for public usage. The primary areas of activity are project management, design and construction of capital improvements by the City, and review and inspection of improvements constructed as conditions of private development by developers. Ancillary services include keeping records of infrastructure improvements for use by the public works division and by the general public, and representing the City on several regional technical advisory committees.

GENERAL FUND EXPENDITURES:

	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Salaries & Benefits	443,242	487,451	457,892	420,872	428,919	85%
Operations & Maintenance	107,682	92,150	93,598	72,328	72,489	15%
Totals	**$550,924**	**$579,602**	**$551,490**	**$493,200**	**$501,408**	**100%**

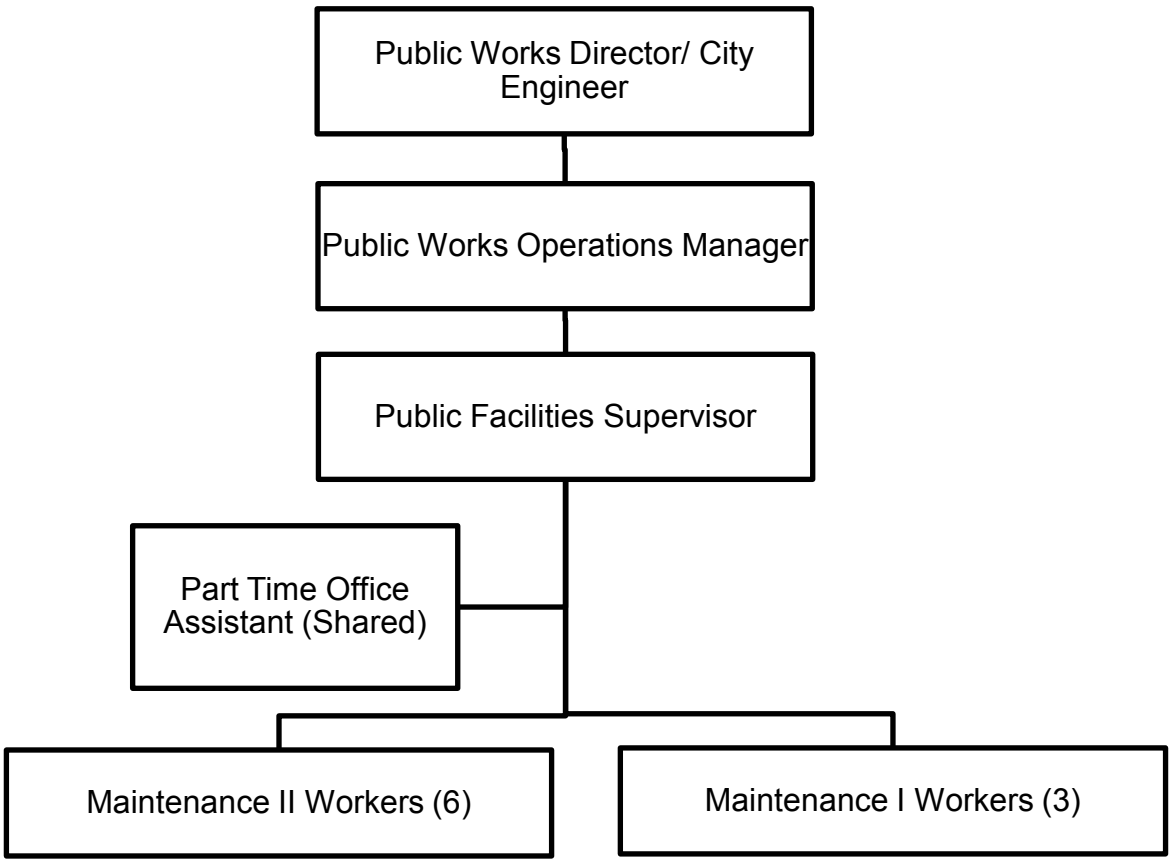
Accomplishments Prior Two-Year Budget:

- Stormwater Management Program (SWMP) Best Management Practices
- Franklin Storm Drain
- Street Paving – Year Two
- Hollister Water Line Upgrade/Road Repair
- Bluff Protection Project at Ocean Blvd and Vista Del Mar
- Heights Water System Reconstruction

Work Program Highlights for Next Two-Year Budget:

- Five Cities Lift Station Replacement
- Design Bello Bridge Replacement
- Price Canyon Road Slope Repairs and Stablization
- Reservoir Maintenance
- Street Paving – Year 3

PUBLIC FACILITIES



CLASSIFICATION	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15
Public Facilities Supervisor	1	1	1	1	1
Maintenance Worker II	6	6	6	6	6
Maintenance Worker I	4	3	3	3	3
Total Department Staff	**11**	**10**	**10**	**10**	**10**

Maintenance Worker I, 4.0 FTEs are authorized, 1.0 FTE is not budgeted starting with the FY 2011-12 budget

Public Facilities

Activity Description

The Public Facilities Division oversees streets, government buildings and parks. The division is responsible for inspecting, repairing and maintaining the City's streets, parking lots, sidewalks and beaches, as well as public buildings and maintaining all City owned parks, rights-of-way, medians, playground equipment, irrigation and other landscaped areas for public use. Activities include overseeing the street-sweeping contract, pothole patching, installation and maintenance of street signs and markings to ensure safe driving and walking conditions. This division also maintains all City stairways and ramps to the beach, monitors all City trees for disease and public safety, oversees the cleaning and maintenance of City restrooms and portable toilets, and maintains the mutt mitt program throughout the City. Public buildings that the division is responsible for operating and maintaining include City Hall, the Veterans' Halls, the Police Facility, the Chamber of Commerce building, two Fire Stations, ten public restrooms and the Public Works Maintenance buildings.

GENERAL FUND EXPENDITURES:

	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Salaries & Benefits	1,031,879	920,524	903,991	912,485	922,799	45%
Operations & Maintenance	896,421	981,426	1,192,220	974,901	958,477	48%
Capital Outlay	3,824	0	291,500	0	6,300	0%
Debt Service	229,175	233,959	231,554	92,887	234,091	5%
Operating Transfers	54,633	40,270	223,327	61,378	25,634	3%
Totals	**$2,215,933**	**$2,176,179**	**$2,842,592**	**$2,041,651**	**$2,147,301**	**100%**

Public Facilities

Accomplishments Prior Two-Year Budget:

- Dinosaur Caves Park Restroom and Landscape
- Spyglass Park Restrooms and Parking Lot
- Completed construction of Ira Lease Park
- Replacement of Boosinger Park play equipment and installed rubberized fall protection
- Installed safety barriers and re-landscaped slope areas at Highland Park
- Prepared inventory of parks, trails and public areas maintained by the City
- Relocated safety bollards and re-graded Margo Dodd Park to prevent further erosion of bluff

Work Program Highlights for Next Two-Year Budget:

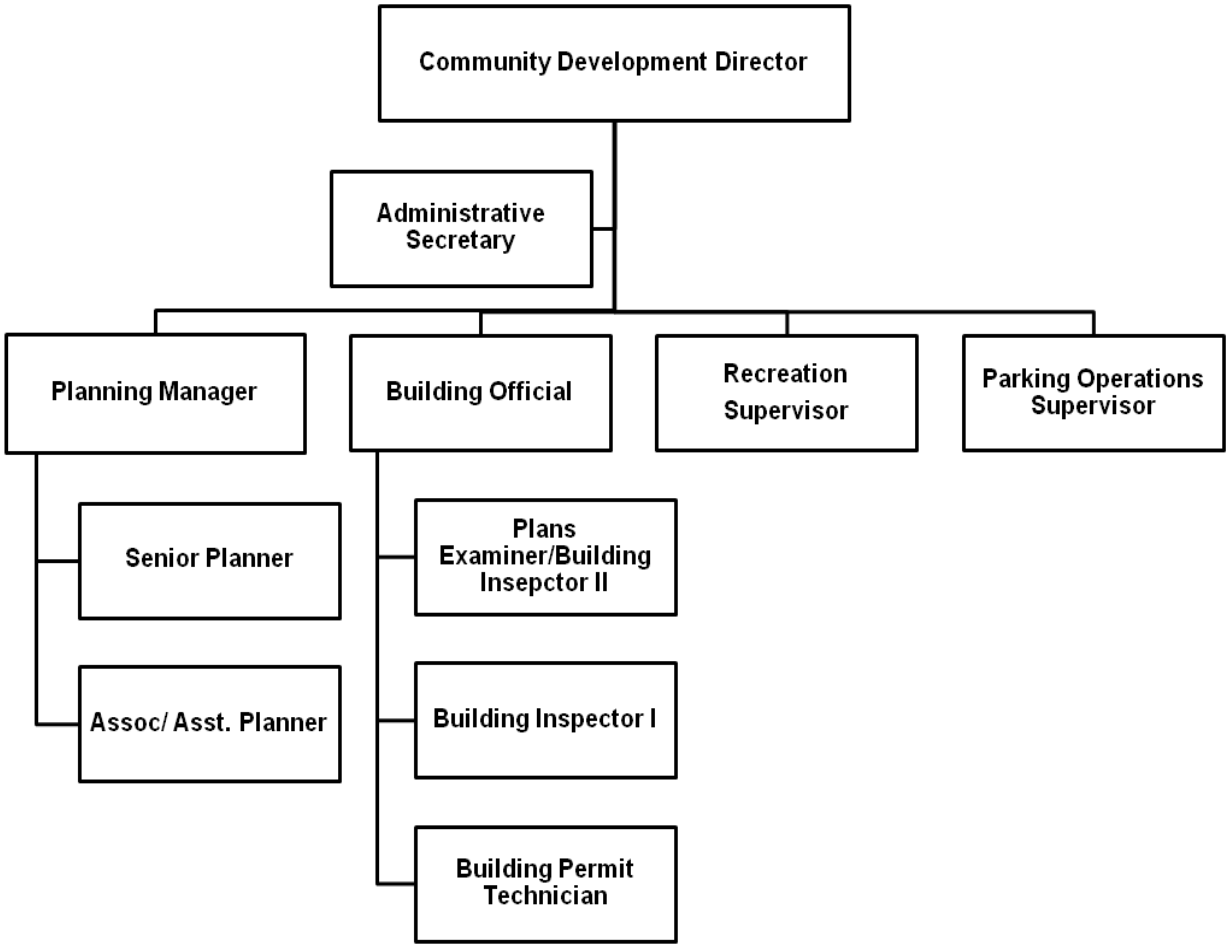
- Undergrounding Utilities Rule 20A
- Shell Beach/Pismo Beach Pedestrian and Bicycle Access and Streetscape
- Street Paving – Year 3
- Longview Paving and Sidewalk
- City Hall and Bello Veterans' Hall HVAC Replacement
- City Hall Generator Installation
- Old City Hall Demolition
- Street Striping
- Caltrans EEMP Grant
- Install Retaining Wall and Re-Landscape Front Slope Areas at Shell Beach Tennis Courts
- Spyglass Park Playground Equipment Replacement
- Entrance Signs into the City

Public Facilities

Work Program Highlights for Next Two-Year Budget:

- Install Drain inlet at Chumash Park
- Complete Irrigation Telemetry

COMMUNITY DEVELOPMENT



CLASSIFICATION	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15
Community Development Director	1	1	1	1	1
Building Official	1	1	1	1	1
Building Inspector I	1	1	1	1	1
Building Inspector II	1	1	1	1	1
Building Permit Technician	1	1	1	1	1
Planning Manager	1	1	1	1	1
Administrative Secretary	1	1	1	1	1
Senior Planner	1	1	1	1	1
Associate/Assistant Planner	1	1	1	1	1
Recreation Supervisor	1	1	1	1	1
Parking Supervisor	1	1	1	1	1
Total Department Staff	**11**	**11**	**11**	**11**	**11**

*Additional staffing includes part-time temporary Asst., Volleyball Coordinator, Code Enforcement Officer, & Cal Poly volunteers

COMMUNITY DEVELOPMENT DEPARTMENT

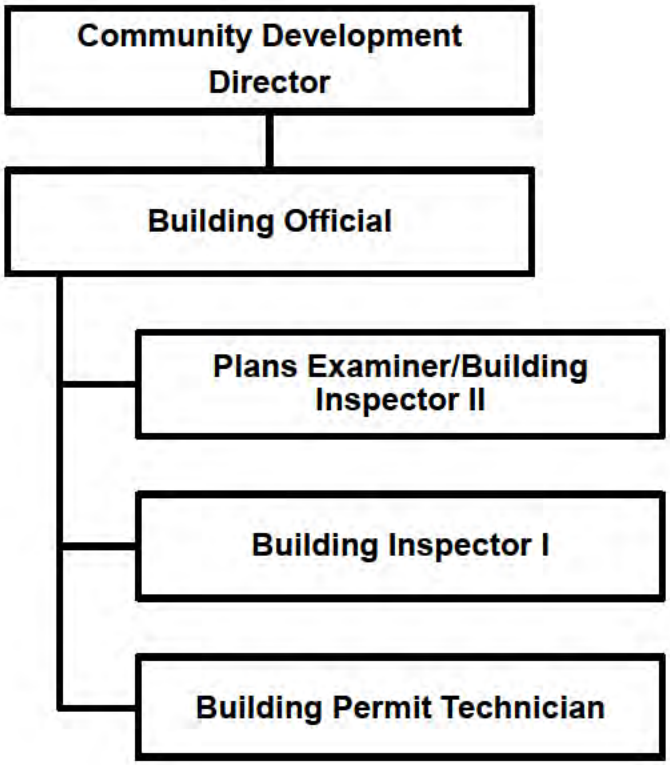
Activity Description

The Community Development Department is dedicated to ensuring a safe and enjoyable living environment for residents and visitors. Services are provided through four main operating divisions – planning, building inspection, recreation, and parking. Planning facilitates the creation and implementation of plans and programs designed to protect the natural environment while guiding residential, commercial and open space development/preservation. Building Inspection protects life, health and property by assuring safety in the construction, alternation and repair of buildings. Recreation serves residents and visitors by providing opportunities for play and relaxation.

GENERAL FUND EXPENDITURES:

	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Building Division	575,013	554,588	591,749	599,050	596,502	35%
Planning Division	702,413	883,674	829,418	776,679	753,805	45%
Recreation City Supported	246,725	273,768	269,283	277,564	278,120	16%
Recreation Fee Supported	57,230	61,139	68,408	66,596	66,596	4%
Totals	**$1,581,380**	**$1,773,169**	**$1,758,858**	**$1,719,889**	**$1,695,023**	**100%**

BUILDING INSPECTION



CLASSIFICATION	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15
Building Official	1	1	1	1	1
Building Inspector	1	1	1	1	1
Plans Examiner/Bldg Inspector	1	1	1	1	1
Building Permit Technician	1	1	1	1	1
Total Department Staff	**4**	**4**	**4**	**4**	**4**

Building Inspection

Activity Description

The Building Inspection Division is responsible for the protection of life, health and property through the promotion of public safety in the construction, alteration and repair of buildings. This responsibility is accomplished by accurate and efficient plan reviewing; permit issuance, construction inspection, and conflict resolution involving contractors, homeowners, and the general public. The Building Inspection Division likewise assumes responsibility for some of the City's code enforcement program.

GENERAL FUND EXPENDITURES:

	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Salaries & Benefits	427,871	432,472	432,404	431,757	433,495	72%
Operations & Maintenance	144,364	121,989	159,067	167,015	162,729	28%
Capital Outlay	2,778	128	278	278	278	0%
Totals	**$575,013**	**$554,588**	**$591,749**	**$599,050**	**$596,502**	**100%**

Accomplishments Prior Two-Year Budget:

- Negotiated a contract with California Code Check for plan review inspection services to meet the requirements of State law.
- We were successful in rolling unspent funds from the mid-year budget review to maintain the in-house plan review with California Code Check which carried us several months into the current budget cycle. We requested $120,000 for the current fiscal year.
- Updated the website to reflect all current adopted regulations. Provided many interactive forms for use by the public online.
- Maintained prompt plan check turnarounds and one day inspection requests.

Building Inspection

Accomplishments Prior Two-Year Budget continued:

- Continued to update special inspector qualifications and approvals for work in Pismo Beach. The City still remains the only jurisdiction on the Central Coast to have this full program in effect.

- Initiated comprehensive pre-construction meetings program on projects to bring all of the City's inspection staff, design professionals and contractors together to outline all requirements for efficient and profitable development while providing minimal impact on the surrounding community. This has been greatly successful.

- Took advantage of many free training opportunities provided by the Central Coast Chapter of the International Code Council and various other groups like PG&E this year.

- Continued to update and maintain the automated permit and code enforcement tracking systems.

- Maintained support to the California Association of Building Officials in code development and attendance at annual business meetings.

Work Program Highlights for Next Two-Year Budget:

- Continue to develop an auto text plan review checklist for Building, Planning, Engineering and Fire to use when performing plan reviews on construction permit applications. This will be a very useful tool to help facilitate the process in a more effective and informative manner.

- Continue Code Enforcement efforts.

- Continue on-going staff education with cross training in building permit processing, building inspection, and code enforcement.

- Continue to encourage Building Division staff to obtain additional certifications from the ICC Certification Program.

- Continue work on improvements to the web site, including public access to forms, policies, and project status.

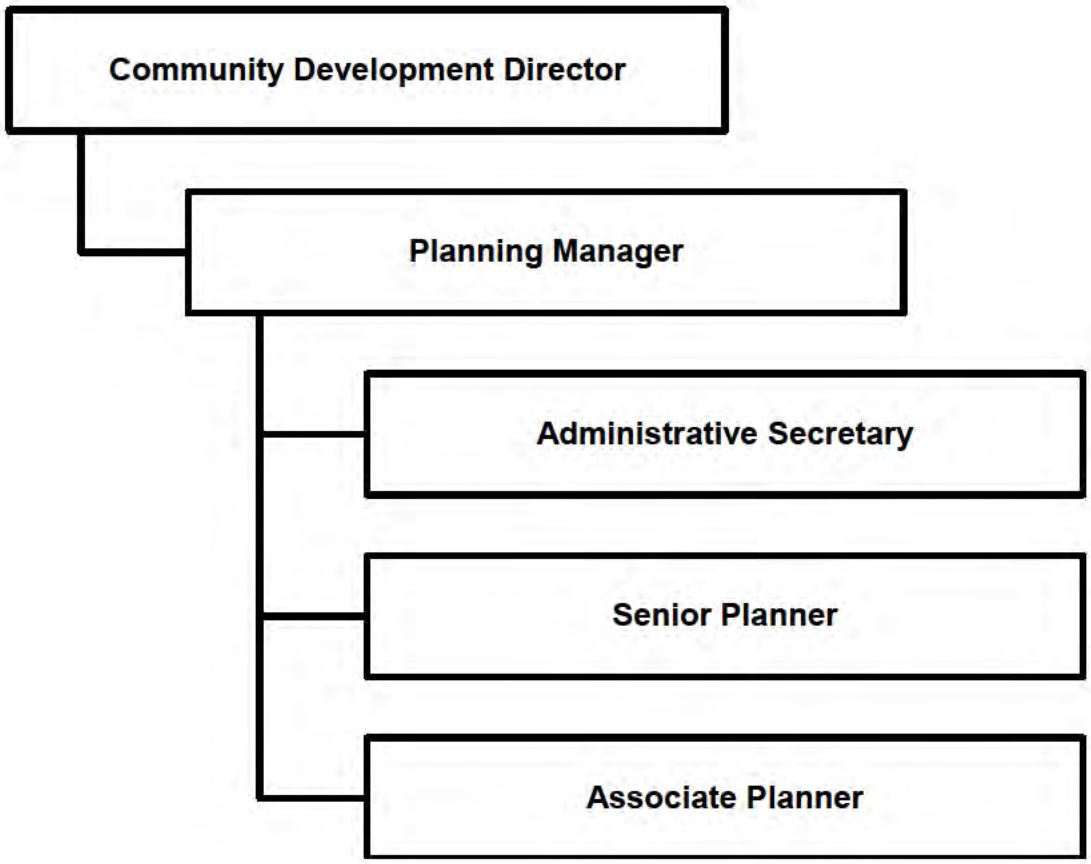
- Continue to develop CitizenServe permit tracking software program that allows improved GIS functions and citizen access to enhance staff coordination in permit processing functions.

Building Inspection

Work Program Highlights for Next Two-Year Budget continued:

- Continue to support the International Code Council with the Building Official serving as a Class A government-voting member.
- Continue to support California Association of Building Officials with the Building Official serving as an active member.
- Continue to support the Central Coast Chapter of the International Code Council.
- Provide training and encouragement to all Building Division staff to obtain certification as Certified Access Specialist Program (CASp) as required by State mandate.

PLANNING



CLASSIFICATION	ACTUAL FY 11	ADOPTED FY 12	ADOPTED FY 13	ADOPTED FY 14	ADOPTED FY 15
Community Development Director	1	1	1	1	1
Planning Manager	1	1	1	1	1
Administrative Secretary	1	1	1	1	1
Senior Planner	1	1	1	1	1
Associate Planner	1	1	1	1	1
Total Department Staff	**5**	**5**	**5**	**5**	**5**

Planning

Activity Description

The primary responsibility of the Planning Division is to protect the natural environment while guiding residential, commercial and open space development/preservation. In achieving this objective, the Planning Division is responsible for the creation and implementation of long range plans consistent with approved planning principles and state law for the City's future growth and development. The Division likewise is responsible for the current planning function involving the processing and review of development projects to ensure consistency with City policies and local, state and federal law, including project environmental review. Additionally, the Division is charged with special projects that are related to the City's planning function including oversight of parks and open space planning, and grant writing.

GENERAL FUND EXPENDITURES:

	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Salaries & Benefits	566,197	570,370	575,842	578,034	580,355	74%
Operations & Maintenance	136,216	313,304	253,576	198,645	173,450	26%
Totals	**$702,413**	**$883,674**	**$829,418**	**$776,679**	**$753,805**	**100%**

Accomplishments Prior Two-Year Budget:

Public Projects:

- 360 Park Avenue completed (People's Self Help Housing 14 unit family project housing)
- Complete streets project collaboration with the Engineering Department
- Vista Del Mar, Ocean Blvd and St. Andrews lift station bluff protection emergency permit issuance and interface with multiple agencies
- Facilitated the development and adoption of a Memorandum of Agreement between the City of Pismo Beach and County of San Luis Obispo
- Participated in the update of the Pismo Beach Sphere of Influence and Municipal Services Review, Approved by the Local Agency Formation Commission in 2011

Major Development Projects:

- 153 Stimson, 67 room oceanfront Beachwalk Inn – Ongoing assistance to owner in reaching compliance with California Coastal Commission action on project

Planning

Accomplishments Prior Two-Year Budget continued:

- Sunset Beach Estates, Shell Beach Road adjacent to the Cliffs Hotel - 20 unit subdivision final map approval via collaboration with the Engineering Department
- Price Canyon development of 24 single-family homes
- Shafer/Hanford lot development (5 lots) planning permit was inaugurated
- Tract 2554 single-family home processing

Legislative Projects:

- Los Robles Del Mar Annexation processing
- Complete Streets Plan implementation collaboration with Engineering Department
- 1983 and 1998 Sign ordinance(s) update completed
- 1983 and 1998 Amateur Radio Antennae ordinance update completed
- Housing element directives to amend multiple sections of the Land Use element to accommodate affordable housing and increased density

Administrative and Others:

- Ongoing RDA home improvement program administration until dissolution of the RDA
- Successfully acquired $56,250 CALFEMA Pre-Disaster Mitigation Grant application
- Commencement of update of the 2007 Hazards Mitigation Plan funded by grant
- Greenhouse Gas emissions interface with APCD for preparation of future Climate Action Plan
- Vacation rental regulations – review and conclusion on CCC determination
- Bicycle Transportation Account grant award - Preparation of a successful $400,000 California Bicycle Transportation Account (BTA) grant application for engineering studies and construction of the Pismo Beach multi-use trail (ultimately called the Complete Streets Plan)
- Upgrade to Geographic Information System software implemented and use expanded to develop maps

Planning

Work Program Highlights for Next Two-Year Budget:

Public Projects:

- Home Improvement Program revival with previous program revisions
- Vista Del Mar and Terrace Avenues public access easement - Connection with second of the two property owners across private properties located between Vista Del Mar and Terrace Avenues to secure public access easements
- Boeker Street overlook Coastal Development Permit processing

Major Private Projects:

- 601 Cypress (former Benson property) – application for development concept reviewed and responded to
- Sunset Beach Estates (20 unit subdivision) build out
- Beachwalker Inn construction
- Tract 2554 single-family home continued development
- Price Canyon Road single family-home development

Legislative Projects:

- General Plan Land use, Parks and Recreation, Conservation, Design amendments
- Circulation Element update
- Complete the Price Historic Park Master Plan
- Update of the Pismo Creek Trail Plan
- Downtown Design public outreach/visioning efforts
- Complete Climate Action Plan in collaboration with APCD and other agencies
- Processing of the Spanish Springs annexation application
- Processing of the Pismo Ranch annexation application
- Housing element directives to amend multiple sections of the Land Use element to accommodate affordable housing and increased density

Planning

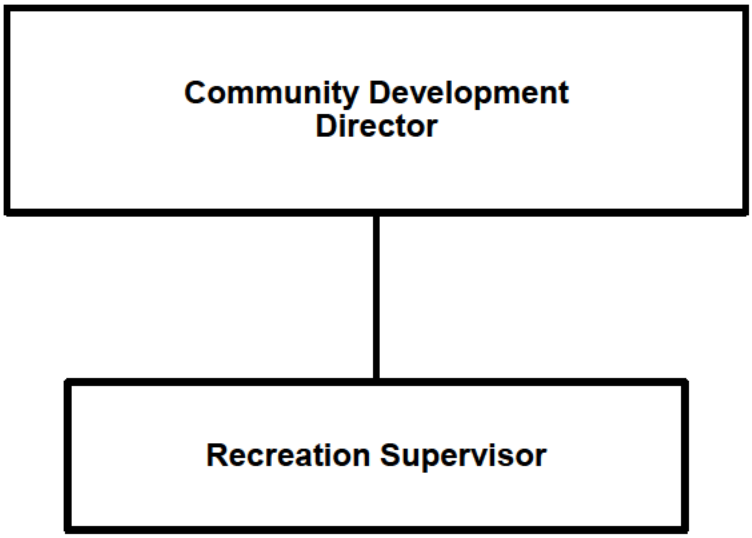
Work Program Highlights for Next Two-Year Budget continued:

- Housing element update preparation (current element is good until June 30, 2014)

Administrative and Other:

- Pismo Grammar School Plan public outreach/visioning/options
- Develop public art program
- Develop Historic Preservation policy
- Community outreach and plan development for the Chapman estate
- Collaboration with State Parks to develop a Pismo Lake Plan
- Bicycle/Pedestrian Plan update
- Evaluation of alternative planning permit tracking software to include public access to information
- Property owner information service for public outreach and notification
- Coordination of a comprehensive downtown planning process and implementation of initiatives

RECREATION – CITY & FEE SUPPORTED



CLASSIFICATION	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15
Recreation Supervisor	1	1	1	1	1
Total Department Staff	**1**	**1**	**1**	**1**	**1**

* Additional staffing includes part-time Recreation Coordinators., Volleyball Coordinator & Cal Poly volunteers

Recreation – City & Fee Supported

Activity Description

The Recreation Division is responsible for the administration of recreation classes offered by private instructors and coordination of a number of City-sponsored special events including the Easter Egg Hunt and Pumpkins On the Pier, among others. The Division is also responsible for the highly regarded and acclaimed beach volleyball program. This program is supported, in large measure, by participant registration fees and is represented in the budget under "fee supported" programs. Another responsibility of this Division is the coordination of facility rentals including the Veteran's Memorial Building, Shell Beach Veterans' Hall, Margo Dodd Park and Dinosaur Caves Park.

GENERAL FUND EXPENDITURES:

Recreation - City Supported Operating Budget	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Salaries & Benefits	185,703	199,982	210,891	214,472	215,028	62%
Operations & Maintenance	61,022	73,786	58,392	63,092	63,092	18%
Total Rec-City Supported Operating Budget	**$246,725**	**$273,768**	**$269,283**	**$277,564**	**$278,120**	**81%**

Recreation - FeeSupported Operating Budget	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Salaries & Benefits	39,567	39,003	42,196	42,196	42,196	12%
Operations & Maintenance	17,663	22,136	26,212	24,400	24,400	7%
Total Rec-Fee Supported Operating Budget	**$57,230**	**$61,139**	**$68,408**	**$66,596**	**$66,596**	**19%**

Total Operating Budget for Recreation Functions	**$303,955**	**$334,907**	**$337,691**	**$344,160**	**$344,716**	**100%**

Accomplishments Prior two-year budget:

- The Recreation Division has increased attendance for all of our Community Events, such as: Pumpkins On The Pier, Holiday Harmony, Easter Egg Hunt, Stride with the Tide, etc.
- Implemented all classes in the Recreation Software program, to include special events such as Stride with the Tide, and the Father Daughter Dance.
- Formalized agreements with the users of the Pismo Beach Baseball Fields.
- Developed the Father-Daughter Dance, for the City of Pismo Beach into an annual event with over 140 fathers/daughters registering annually.

Recreation – City & Fee Supported

Accomplishments Prior two-year budget continued:

- Implemented the Pacific Breeze Concert Series at Dinosaur Caves Park – these concerts are held once a month from March – May, the concerts end on Mother's Day. The average attendance for these concerts exceeded 750 people. These concerts were made available due to the generous support of the many community sponsors, who donated funds and resources

- Continued offering excursions for local residents. These excursions were offered once a month and we will continue to keep the prices reasonable so that it can be an affordable option for those who are interested

- Reservations for facility rentals for our parks and halls continue to remain steady

- Reviewed the Adopt-a-Bench program during this past year. An assessment has been made to indicate what benches are currently available, those that have been adopted out, and a current list which will indicate when the benches were adopted and the possible time for renewal of those benches. Additional bench sites may be considered

- Continue to offer new recreational classes and programs

- Increased the number of activities available to the public and realized increased enrollment for activities

Work Program Highlights for Next Two-Year Budget:

- Continue to offer the special events at Dinosaur Caves Park

- Look into developing a kid's day in the park, focusing on youth of all ages

- Continue to offer a variety of Senior programming classes - such as exercise/dance

- Fee assessment for special event and parks

- Create a new facility reservation form for the athletic facilities

- Improve marketing for special events

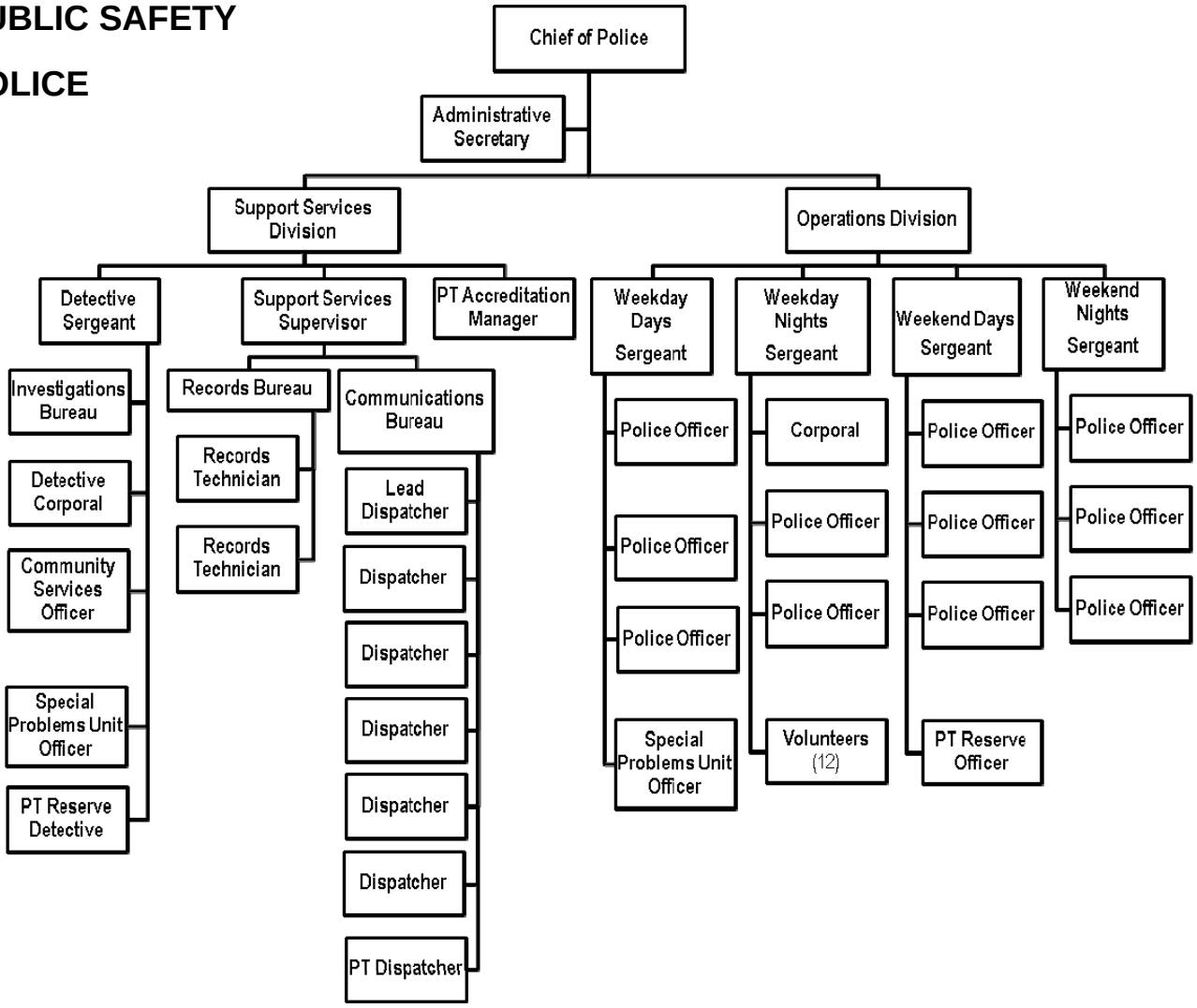
- Conduct playground inspections

- Develop needs assessment for Volleyball courts

- Shell Beach and Pismo Beach Veterans' Hall Assessment

PUBLIC SAFETY

POLICE



CLASSIFICATION	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15
Police Chief	1	1	1	1	1
Police Commander	2	2	2	2	2
Administrative Secretary	1	1	1	1	1
Police Corporal	2	2	2	2	2
Police Sergeant	5	5	5	5	5
Police Officer	12	12	12	12	12
Police Officer (Grant)[1]	1	0	0	1	1
CSO (Grant)	1	1	1	1	1
Support Services Supervisor	1	1	1	1	1
Records Technician	2	2	2	2	2
Dispatcher	6	6	6	6	6
Total Department Staff	**34**	**33**	**33**	**34**	**34**

1. Police Officer-Grant Position, 1.0 FTE is authorized, but not budgeted in FY 12 & FY 13 budget. FY 14 & FY 15 adopted budget adds 1.0 FTE.

* Additional staffing includes 14 citizen volunteers

Police Department

Activity Description

The Police Department provides a multifaceted public safety service that creates an atmosphere and environment of social order and safety. The department places a high value on providing public safety services that significantly contribute to the high quality of life enjoyed by both residents and guests of the City. Supporting this objective, the Department's policing efforts function under a philosophy of collaboration and partnership with our community. Organizationally, the Department consists of two major divisions – Operations and Support. The Operations Division consists of patrol, reserve officers, citizen volunteer patrol, and the downtown/special problems unit. The Support Division oversees records, dispatch services, investigations, and DARE/crime prevention.

GENERAL FUND EXPENDITURES

	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Salaries & Benefits	4,343,332	4,542,494	4,607,210	4,561,111	4,599,111	90%
Operations & Maintenance	430,035	390,920	455,297	442,652	437,521	9%
Capital Outlay	0	52,614	235,786	0	10,000	0%
Other Expenses	112,503	97,204	73,430	49,197	85,935	1%
Totals	**$4,885,869**	**$5,083,232**	**$5,371,723**	**$5,052,960**	**$5,132,567**	**100%**

Accomplishments Prior Two-Year Budget:

- Records Management System Upgrade. The current version of EIS PsNet Records Management System has been utilized by the police department for 14 years. This software manages all records in the police department from report entry, case management to archives. The newest version of the system was introduced in April 2012 which has enhanced productivity. This version is capable of integrating all other components of the system such as, property management, asset management, mobile data, and jail management, without user prompt. All employees in the department have been trained on how to use this latest upgrade by EIS. Currently there are six agencies that have contracted with EIS for their records management system which is vital to the sharing of information between agencies. In addition, EIS provides the in-field reporting software needed for our future goals of using mobile data computers in the patrol vehicles.

Police Department

Accomplishments Prior Two-Year Budget continued:

- Closed Circuit Television Upgrade. The department's surveillance system was over 14 years old and in need of replacement. The older system's cameras recorded both exterior and interior locations at the police department with obsolete black and white VHS tapes. During this past budget cycle, the department upgraded this system to one that is digital. This allows for user friendly transfer ability and reviewable data. The system was a fraction of the cost of the older system due to the digital technology.

- Primary Weapons System. The department began a search for the replacement of its primary weapons system during 2012. After much consideration, the Chief of Police has followed the recommendation of the Firearm Selection Committee, comprised of range staff and management, and has chosen the Glock M22 Gen4 .40 cal as the replacement primary duty weapon system for the aging Sig Sauer P226 40.cal. This new acquisition provides for a more efficient weapons system for all sworn officers.

- Technology Upgrade Phase I. In 2012/13 the department completed the first of three phases of an overall technology upgrade that will eventually equip six (6) patrol vehicles with the latest technological equipment to include mobile data computers, in-car digital video, and license plate readers. All of the equipment is capable and must be able to communicate and access the department's network and records management system. This requires a sophisticated software module added to the network designed and installed by Executive Information Systems (EIS) at the time the equipment is installed. As with the equipment itself, there will be training conducted on the utilization of the in-field reporting system.

Work Program Highlights for Next Two-Year Budget:

- Technology Upgrade Phase II and III. Phase II of the technology upgrade involving the mobile data computers will include the purchasing and installation of the software and hardware for the system. Phase III will be the training and initial use of the system which will provide officers more time in the field for essential tasks of report writing, DOJ information, DMV information, and CLETS information which may be performed from the vehicle rather than from inside the station. Use of mobile data computers will increase available patrol time. Wireless download from capable video systems reduces officer's time in station downloading, viewing and booking video as it automatically downloads all video to data storage.

- Reallocate COPS Grant Funding. In the 2011 budget, staff reallocated COPS State Grant monies to equipment rather than fund a police officer position. That police officer grant position was frozen as a result and state grant funding was accumulated over the two years to assist and fund the department's police technology upgrade. As the Police Technology Upgrade project nears completion, as far as purchasing and funding, it is staff's belief the State Cops Grant funding can return to the allocation of funds for a

Police Department

Work Program Highlights for Next Two-Year Budget continued:

police officer position and would cover the total cost of the officer with benefits for the first two years in this adopted budget. This position results in patrol shifts being fully staffed. The new position will be assigned to patrol on bicycle in downtown on weekends.

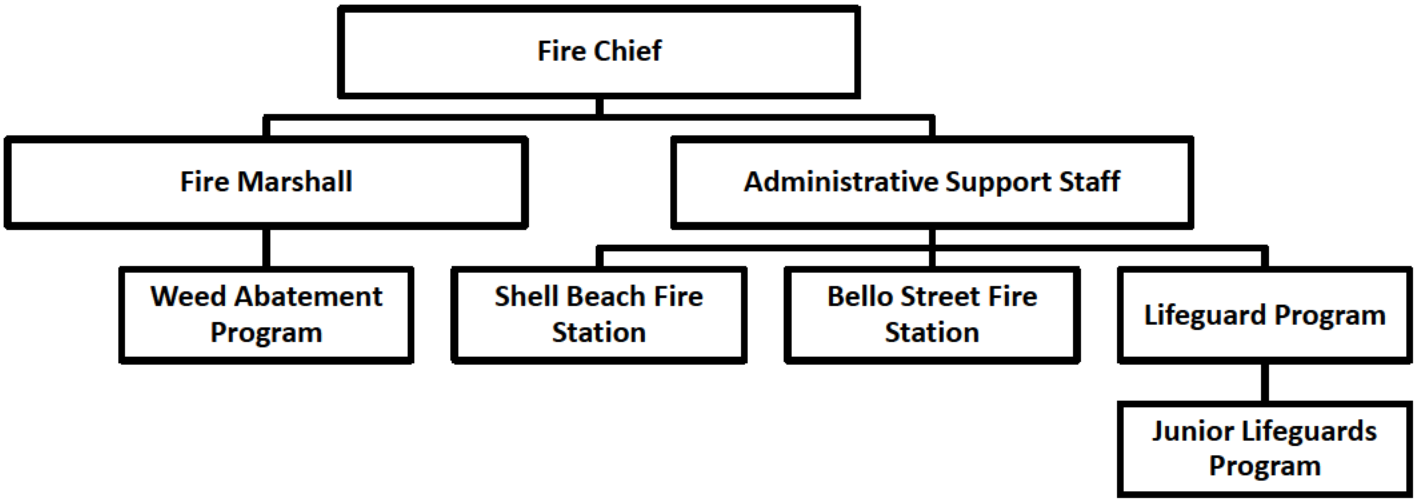
- Property Room Renovation. The original design for the property room was sufficient 15 years ago when implemented. Since then, state mandates for property retention and storage have made it necessary to redesign the room to accommodate a new larger evidence refrigerator, weapons storage, secured fireproof monetary storage etc. These items require the room be retrofitted for the equipment that will be purchased.

- CALEA Re-Accreditation. The department is currently maintaining over 480 CALEA standard files that were successfully audited in 2010 for the departments 1st re-accreditation in November 2010. The department will continue its accreditation endeavor and will prepare for its 2nd reaccreditation in August 2013.

- MyCop Program Enhancement. The MyCop program has demonstrated relationship building between individual citizens and the police department. Currently the PD uses an outlook based program for registration and communication. Research and design into web-based registration and communication will enhance the MyCop experience, create more efficiency with statistics, and expedite communication.

- New Hand Held Radio Acquisition. Currently, the PD utilizes handheld radios that receive and transmit in analog. P25 capable radios allow for digital transmission which is static free and completely encrypted. In addition, it would allow the PD to utilize the new Radio Relay equipment to its full potential. The digital handhelds allow for tracking of officers and provide greater safety, and are completely interoperable with analog systems that may still be in use in the city and dominantly throughout the county. The current radio inventory could then be available for the citizen volunteer patrol.

FIRE



CLASSIFICATION	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15
Fire Captain	3.17	3.17	3.17	4.17	4.17
Fire Engineer	3.00	3.00	3.00	3.00	3.00
Firefighter I	1.17	1.17	1.17	1.17	1.17
Firefighter II	1.50	1.50	1.50	1.50	1.50
Fire Prevention Specialist	1.00	1.00	1.00	0.00	0.00
Communications Operator	1.00	1.00	1.00	1.00	1.00
Administrative Assistant/Office Technician	1.00	1.00	1.00	1.00	1.00
Total Department Staff	**11.83**	**11.83**	**11.83**	**11.83**	**11.83**

* Additional staffing includes part-time temporary fire reserves and seasonal lifeguards
* Fire services are contracted with Cal Fire

Fire Department

Activity Description

The Fire Department is responsible for protecting life, property and the environment. This is accomplished through the delivery of a wide variety of emergency response services including fire suppression, emergency medical response, fire prevention, extrication and rescue, public education as well as the enforcement of fire and life safety standards. Seasonally, the Department is likewise responsible for the provision of lifeguard services along the beach and weed abatement as a wildfire safety precaution. Fire services are currently provided through a contract with CALFIRE (California Department of Forestry and Fire), with paid staff and reserves operating out of both the Bello Street and Shell Beach fire stations.

GENERAL FUND EXPENDITURES:

	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Fire Operations	1,768,799	1,769,803	2,032,630	2,147,391	2,184,251	92%
Weed Abatement	9,224	9,527	12,200	12,200	12,200	1%
Lifeguards	124,341	120,861	158,946	178,015	173,020	8%
Totals	**$1,902,364**	**$1,900,191**	**$2,203,776**	**$2,337,606**	**$2,369,471**	**100%**

Accomplishments Prior Two-Year Budget:

- Completed purchase of new fire engine and placed into service at Station 64.
- Auto Aid Agreement Five Cities Fire: Completed draft agreement for Pismo Beach Fire and SLO County Fire Battalion 2, meeting with 5 Cities Fire continue to polish draft.
- Completed fuel modification projects around the Hacienda del Pismo Mobile Home Park and Chumash Park.
- Helped facilitate finding grants for fuel reduction projects for the Pismo Beach section of the County Fire Safe Council. A grant was awarded to the Heights group for use of goats to maintain work already done in the Heights area.

Work Program Highlights for Next Two-Year Budget:

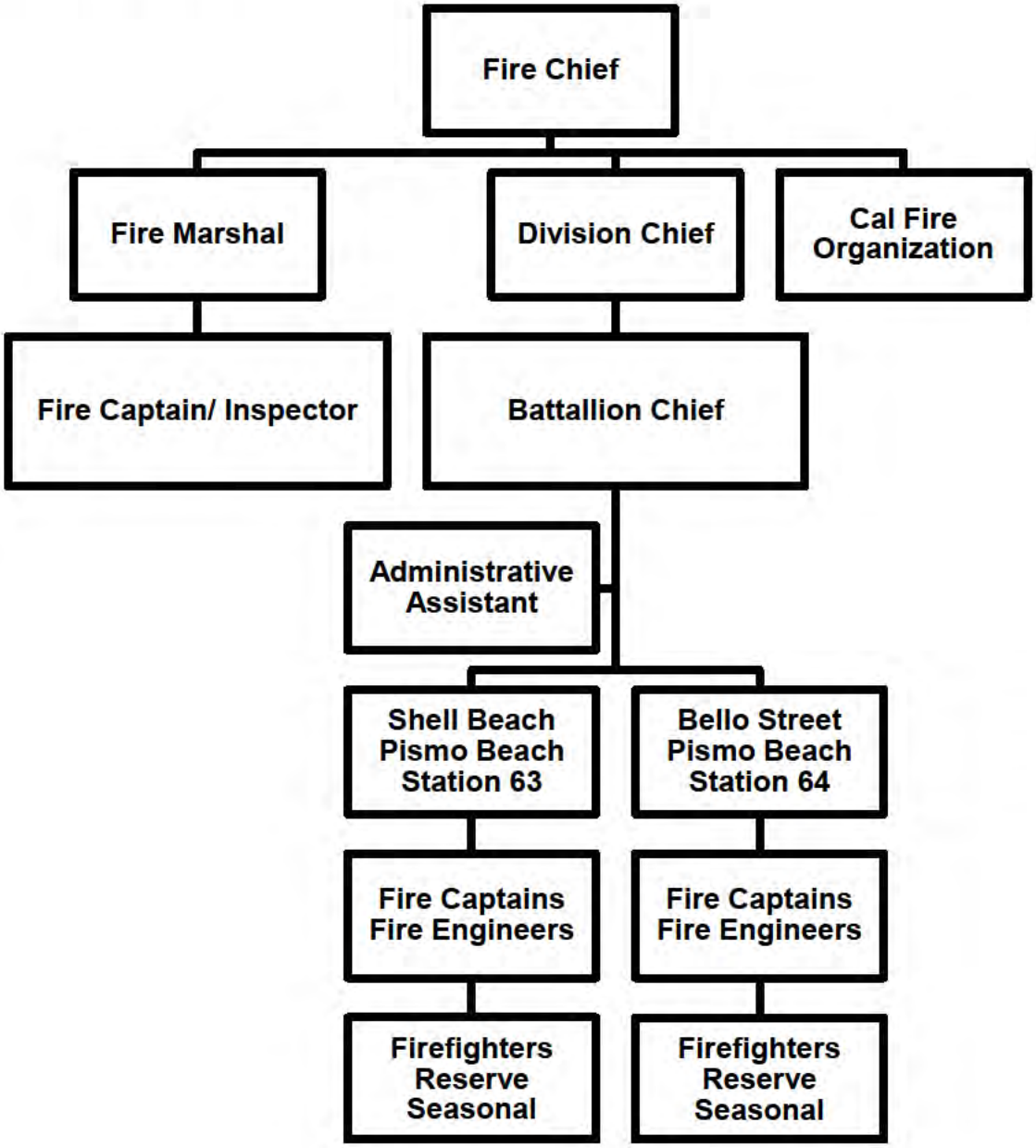
- California Fire Code Adoption and amendments to the City Municipal Code.
- Continue working on finding funding sources for the Ventana Fire Station.
- Continue to work on Vegetation Management Projects.

Fire Department

Work Program Highlights for Next Two-Year Budget continued:

- Replacement of 17 Self Contained Breathing Apparatus (SCBA).
- Continue to staff and manage City Lifeguard and Junior Lifeguard Programs.
- Maintain and enhance our Specialized Training and membership on Technical Teams.

FIRE OPERATIONS



Fire Operations

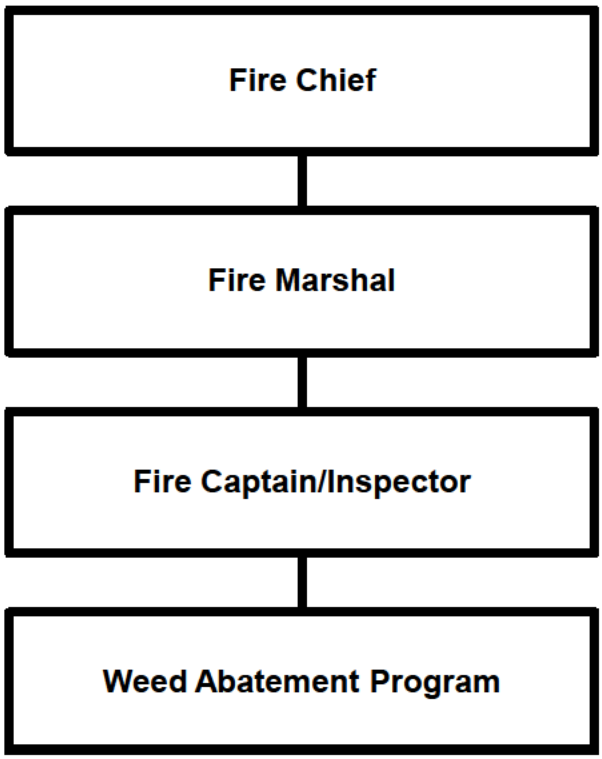
Activity Description

The Fire Operations Division is responsible for the staffing and operation of two fire stations within the City – the Bello Street Fire Station (#64) and the Shell Beach Fire Station (#63). The primary services provided include responding to emergency medical needs, traffic collisions, extrication, rescue and fire suppression calls for service. Staff likewise provides fire inspection, enforcement and public education services.

GENERAL FUND EXPENDITURES:

	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Salaries & Benefits	168,690	169,227	172,652	172,652	172,652	8%
Operations & Maintenance	1,506,192	1,520,607	1,750,095	1,812,337	1,863,122	84%
Capital Outlay	0	7,340	10,300	0	0	0%
Operating Transfers	93,917	72,629	99,583	162,402	148,477	8%
Totals	**$1,768,799**	**$1,769,803**	**$2,032,630**	**$2,147,391**	**$2,184,251**	**100%**

WEED ABATEMENT



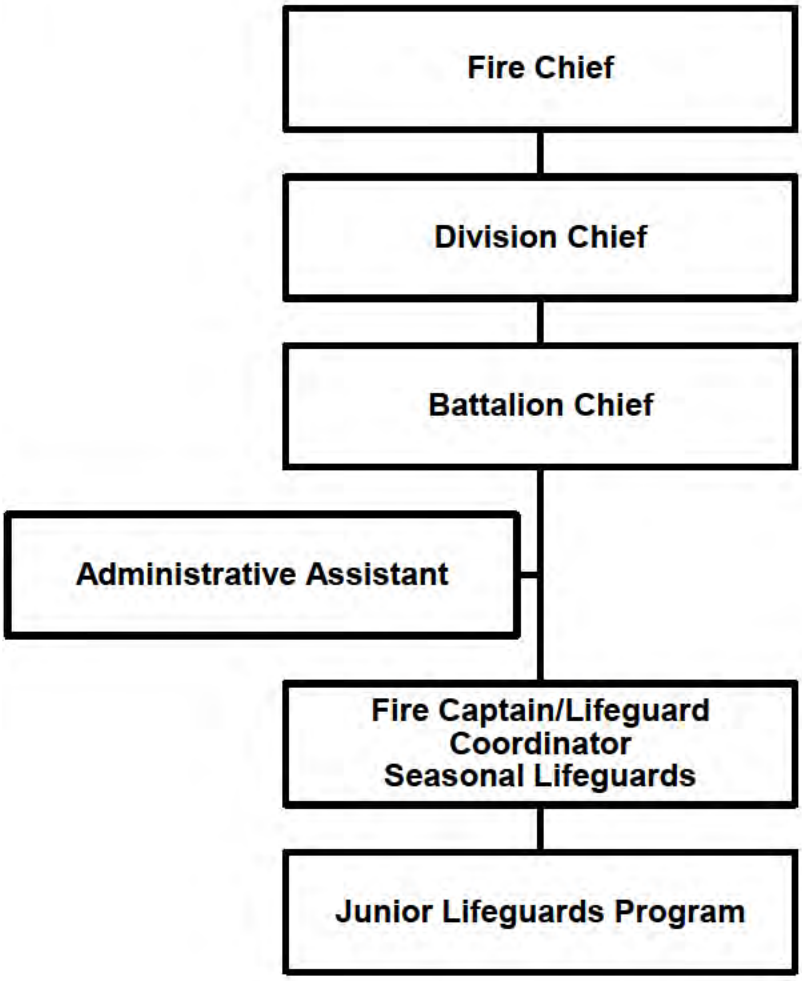
Activity Description

The Weed Abatement program is responsible for managing vegetation in order to assist in mitigating fire hazards in the interface between urban and wild land areas. To achieve this goal, specific responsibilities include: inspecting the entire City each Spring for designated fire hazards; notifying affected property owners and giving them the opportunity to remove the hazards on their own; administering the bid process to hire a contractor to remove hazards on City property and on private property where the property owner does not mitigate hazards by the established deadline; and preparing and submitting property tax bill liens for reimbursement of City's costs of removing fire hazards on private property.

GENERAL FUND EXPENDITURES:

	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Operations & Maintenance	9,224	9,527	12,200	12,200	12,200	100%
Totals	**$9,224**	**$9,527**	**$12,200**	**$12,200**	**$12,200**	**100%**

LIFEGUARDS



*Additional Staffing includes temporary Seasonal Lifeguards

Lifeguards

Activity Description

The Lifeguard Program is responsible for providing an elevated intensity of life and beach safety to the residents and visitors of Pismo Beach. To meet this responsibility, five lifeguard stations are staffed throughout the tourist season from Memorial Day through Labor Day. Staff within this seasonal program are likewise actively involved in supervising the Junior Lifeguard program.

GENERAL FUND EXPENDITURES:

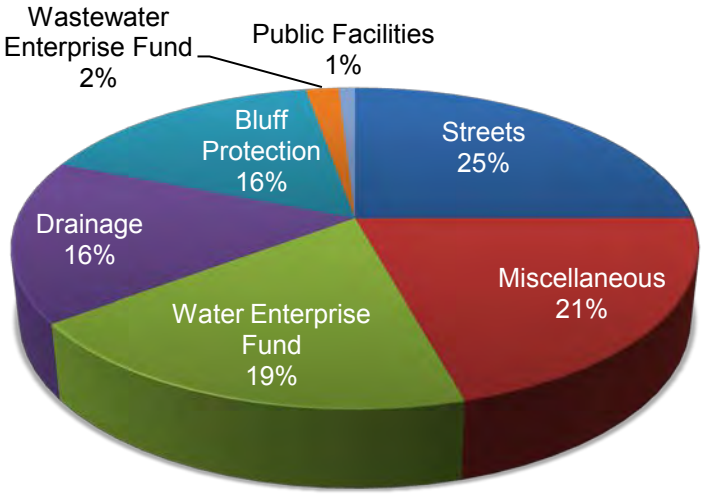
	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Salaries & Benefits	99,304	80,295	116,024	120,861	120,861	68%
Operations & Maintenance	17,134	15,511	18,656	18,766	18,771	11%
Capital Outlay	0	3,289	2,500	3,000	3,000	2%
Operating Transfers	7,903	21,766	21,766	35,388	30,388	20%
Totals	**$124,341**	**$120,861**	**$158,946**	**$178,015**	**$173,020**	**100%**

CAPITAL IMPROVEMENT PROJECTS

Activity Description

The purpose of the Capital Improvement Projects budget is to account for those resources utilized to design and construct the City's capital projects. City Council appropriates all capital projects in the Capital Projects Fund except for the Water and Wastewater Enterprise projects. There are many funding sources including, but not limited to: General Fund, grants, federal and state highway funding, enterprise funds and development fees.

FY 14 & FY15 Capital Improvement Programs



GENERAL & OTHER FUND EXPENDITURES:	BUDGET FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Parks	100,000	100,000	0	0	0%
Streets	1,205,000	0	541,000	300,000	25%
Parking	30,000	0	0	0	0%
Promenade/Beach Access	1,500,000	200,000	0	0	0%
Miscellaneous	0	0	450,000	200,000	21%
Public Facilities	605,000	145,000	20,000	205,000	1%
Drainage	100,000	40,000	355,000	0	16%
Bluff Protection	128,000	0	350,750	0	16%
TOTAL GENERAL & OTHER FUND EXPENDITURES:	**$3,668,000**	**$485,000**	**$1,716,750**	**$705,000**	**79%**

ENTERPRISE FUND EXPENDITURES:	BUDGET FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Parking Enterprise Fund	5,000	0	0	0	0%
Water Enterprise Fund	80,000	1,086,000	411,761	480,000	19%
Wastewater Enterprise Fund	925,000	205,000	40,000	40,000	2%
TOTAL ENTERPRISE FUND EXPENDITURES:	**$1,010,000**	**$1,291,000**	**$451,761**	**$520,000**	**21%**

TOTAL GEN/OTHER & ENTERPRISE FUND EXPENDITURES:	**$4,678,000**	**$1,776,000**	**$2,168,511**	**$1,225,000**	**100%**

CAPITAL IMPROVEMENT PROJECTS DETAIL

CAPITAL IMPROVEMENT PROJECTS
ADOPTED CIP
FY 2013-2014

		Fiscal Year 2013-14				
	Project Totals	General Fund	Half Cent Sales Tax	Grants/ Other Funds	Water Ent Fund	WW Ent Fund
STREETS AND TRANSPORTATION						
Longview and Merced Paving	541,000		541,000			
Street Paving	0					
Subtotal Streets	**541,000**	0	541,000	0	0	0
PUBLIC BLDS & SUPPORT FACILITIES						
Repurpose Old Pismo Beach Grammar School Site	20,000	20,000				
Subtotal Public Facilities	**20,000**	20,000	0	0	0	0
DRAINAGE						
Shell Beach Master Drainage Study	125,000		125,000			
Heights & Downtown Master Drainage Study	230,000		230,000			
Subtotal Drainage	**355,000**	0	355,000	0	0	0
BLUFF PROTECTION						
Price Canyon Road Slope Failure	350,750			350,750		
Subtotal Bluff Protection	**350,750**	0	0	350,750	0	0
WATER ENTERPRISE FUND						
Shell Beach 1 Reservoir Maintenance Project	411,761				411,761	
Pacific Estates Reservoir Maintenance Project	0					
Subtotal Water Enterprise Fund	**411,761**	0	0	0	411,761	0
WASTEWATER ENTERPRISE FUND						
Pump Replacement Project	40,000					40,000
Subtotal Wastewater Enterprise Fund	**40,000**	0	0	0	0	40,000
PARKS						
	0					
Subtotal Parks	**0**	0	0	0	0	0
MISCELLANEOUS PROJECTS						
Pier Plaza Seawall Study and Repair	450,000	450,000				
Pier Structural Analysis Report Update	0					
Subtotal Misc	**450,000**	450,000	0	0	0	0
GRAND TOTAL:	2,168,511	470,000	896,000	350,750	411,761	40,000

CAPITAL IMPROVEMENT PROJECTS DETAIL CONTINUED

CAPITAL IMPROVEMENT PROJECTS
ADOPTED CIP
FY 2014-2015

		Fiscal Year 2014-15				
	Project Totals	General Fund	Half Cent Sales Tax	Grants/ Other Funds	Water Ent Fund	WW Ent Fund
STREETS AND TRANSPORTATION						
Longview and Merced Paving	0					
Street Paving	300,000		300,000			
Subtotal Streets	**300,000**	0	300,000	0	0	0
PUBLIC BLDS & SUPPORT FACILITIES						
Repurpose Old Pismo Beach Grammar School Site	205,000	205,000				
Subtotal Public Facilities	**205,000**	205,000	0	0	0	0
DRAINAGE						
Shell Beach Master Drainage Study	0		0			
Heights & Downtown Master Drainage Study	0		0			
Subtotal Drainage	**0**	0	0	0	0	0
BLUFF PROTECTION						
Price Canyon Road Slope Failure	0					
Subtotal Bluff Protection	**0**	0	0	0	0	0
WATER ENTERPRISE FUND						
Shell Beach 1 Reservoir Maintenance Project	0					
Pacific Estates Reservoir Maintenance Project	480,000				480,000	
Subtotal Water Enterprise Fund	**480,000**	0	0	0	480,000	0
WASTEWATER ENTERPRISE FUND						
Pump Replacement Project	40,000					40,000
Subtotal Wastewater Enterprise Fund	**40,000**	0	0	0	0	40,000
PARKS						
	0					
Subtotal Parks	**0**	0	0	0	0	0
MISCELLANEOUS PROJECTS						
Pier Plaza Seawall Study and Repair	0					
Pier Structural Analysis Report Update	200,000	200,000				
Subtotal Misc	**200,000**	200,000	0	0	0	0
GRAND TOTAL:	1,225,000	405,000	300,000	0	480,000	40,000

Capital Improvement Projects

Accomplishments Prior Two-Year Budget:

- Street Paving – Year Two
- Heights Water System
- Telemetry System Upgrade
- Lift Station Upgrades
- Caltrans EEMP Grant
- Wildlife Management Plan
- Reallocation of previously approved projects

Work Program Highlights for Next Two-Year Budget:

- Longview and Merced Paving and Sidewalk
- Street Paving – Year 3
- Repurpose Old Pismo Beach Grammar School Site
- Shell Beach Master Drainage Study
- Heights & Downtown Master Drainage Study
- Design Bello Bridge Replacement
- Price Canyon Road Slope Failure
- Shell Beach 1 Reservoir Maintenance
- Pacific Estates Reservoir Maintenance
- Pump Replacement
- Pier Plaza Seawall Study and Repair
- Pier Structural Analysis Report Update

Capital Improvement Project Detail

Project: Price Canyon Road Slope Failure			**Category:**	**Streets/Water**
Department/Division:	**Public Works / Engineering**		**Project No.**	

DESCRIPTION:

Repair Price Canyon Road slope failure. U.S. Department of Transportation Federal Highway Administration California Division funds have allocated $725,800 for this project and will come in through CalEMA funds.

JUSTIFICATION:

OPERATING IMPACT:

CONCURRENCY (Included with another project):

301-432-56065-428

EXPENDITURES/ACTIVITY	FY 13/14	FY 14/15	FY 15/16	FY 16/17
Project Cost Estimate	$ 350,750			
Total Expenditures:	$ 350,750	0	0	0

FUNDING SOURCES	FY 13/14	FY 14/15	FY 15/16	FY 16/17
Federal Highway Administration Grant	$ 350,750			
Total Funding:	$ 350,750	$ -	$ -	$ -

Capital Improvement Project Detail

Project: Longview and Merced Paving		**Category:**	**Streets**
Department/Division:	**Public Works / Engineering**	**Project No.**	

DESCRIPTION:

Street paving on Longview and Merced Ave to follow the Heights Waterline Project. New 6' wide sidewalk from Wadsworth to Tulare. New cross gutter on Visalia running parallel to Longview. New cross gutter and 18" storm drain at Taft and Longview. New cross gutter and 18" storm drain at Bakersfield and Longview.

JUSTIFICATION:

Continue moving forward in the six-year pavement maintenance plan for pavement rehabilitation throughout the City. This project would replace the streets impacted by the waterline installation. Install sidewalk per the sidewalk study report and drainage improvements to protect new road.

OPERATING IMPACT:

CONCURRENCY (Included with another project):

EXPENDITURES/ACTIVITY	FY 13/14	FY 14/15	FY 15/16	FY 16/17
Longview and Merced Paving	$ 541,000			
Total Expenditures:	$ 541,000	0	0	0

FUNDING SOURCES	FY 13/14	FY 14/15	FY 15/16	FY 16/17
Measure C - 1/2 Cent Sales Tax	$ 541,000			
Total Funding:	$ 541,000	$ -	$ -	$ -

Capital Improvement Project Detail

Project: Street Paving Second Year - Six Year Program		**Category:**	**STREETS**
Department/Division:	**Public Works / Engineering**	**Project No.**	

DESCRIPTION: This project would continue the paving program established by the City Council.

JUSTIFICATION: Continue moving forward in the six-year pavement maintenance plan for pavement rehabilitation throughout the City.

OPERATING IMPACT: There is no operating impact.

EXPENDITURES/ACTIVITY	FY 13/14	FY 14/15	FY 15/16	FY 16/17
Project Cost Estimate		$ 300,000		
Total Expenditures:	$ -	$ 300,000	$ -	$ -

FUNDING SOURCES	FY 13/14	FY 14/15	FY 15/16	FY 16/17
Half Cent Sales Tax		$ 300,000	$ -	
Total Funding:	$ -	$ 300,000	$ -	$ -

Capital Improvement Project Detail

Project: Repurpose the Old Pismo Beach Grammar School Site		**Category:**	**Public Bldgs.**
Department/Division:	**Public Works / Engineering**	**Project No.**	

DESCRIPTION: Repurpose the Old Pismo Beach Grammer School Site

In September 2011, the City Council adopted resolution R-2011-096 directing staff to pursue demolition of the old City Hall Building with retention of the brick façade and mosaics above the door entrances.

JUSTIFICATION:

The current Old City Hall/Grammar School site building, as identified in the Feasibility Assessment report prepared by Hamrick and Associates, describes a building that is in very poor condition and should be demolished prior to structural failure.The City has potential for increased liability due to potential unauthorized entry. The proposed project would fund a $20K historical review process, then repurpose the building for possible development in the future.

OPERATING IMPACT:

CONCURRENCY (Included with another project):

EXPENDITURES/ACTIVITY	FY 13/14	FY 14/15	FY 15/16	FY 16/17
Project Cost Estimate	$ 20,000	$ 205,000		
Total Expenditures:	$ 20,000	$ 205,000	0	0

FUNDING SOURCES	FY 13/14	FY 14/15	FY 15/16	FY 16/17
General Fund	$ 20,000	$ 205,000		
Total Funding:	$ 20,000	$ 205,000	$ -	$ -

Capital Improvement Project Detail

Project: Shell Beach Master Drainage Study		**Category:**	**Drainage**
Department/Division:	**Public Works / Engineering**	**Project No.**	

DESCRIPTION:

Master drainage study for Shell Beach. The fundamental goal of this study is to address current and future drainage needs within the Shell Beach Village neighborhood and develop a capital improvement program (CIP) to address the findings and analysis.

JUSTIFICATION:

There is currently very few drainage improvements in the Shell Beach core and no infrastructure to convey stormwater off the streets other that surface flow. A Master Drainage Study is the first step in providing the Shell Beach area with the much needed storm drain infrastructure and will help to eliminate current drainage problems.

OPERATING IMPACT:

CONCURRENCY (Included with another project):

EXPENDITURES/ACTIVITY	FY 13/14	FY 14/15	FY 15/16	FY 16/17
Drainage Study	$ 125,000			
Total Expenditures:	$ 125,000	0	0	0

FUNDING SOURCES	FY 13/14	FY 14/15	FY 15/16	FY 16/17
Half Cent Sales Tax Fund	$ 125,000			
Total Funding:	$ 125,000	$ -	$ -	$ -

Capital Improvement Project Detail

Project: Pismo Heights & Downtown Master Drainage Study & Wadsworth Ave. Storm Drain		**Category:**	**Drainage**
Department/Division:	**Public Works / Engineering**	**Project No.**	

DESCRIPTION:

Update the 2005 Master Drainage Plan for Pismo Heights and Downtown. Study existing drainage patterns and sources of erosion on Price Canyon. Design Phase 1, 2, 3 and 4 of the Wadsworth Culvert System. Design of Phase 1 will require environmental processing. Construct Phase 1 of the Wadsworth Culvert System. Phases 2, 3 and 4 will be shovel ready project when funds become available.

JUSTIFICATION:

Stormwater runoff from the Heights area has been causing significant damage to the roadway on Price Canyon Road. Currently there are several areas east of the Heights development that drain in a somewhat uncontrolled manner to the west of Price Canyon Rd. These flows have been causing erosion and are a source of stormwater pollution. Studying and conveying these flows in a non-erosive manner is in line with the stormwater pollution prevention program adopted by Council. Downtown has very few drainage improvements and no infrastructure to convey stormwater off the streets other than surface flow. Constructing a storm drain system on Wadsworth is the first step in providing the downtown core with the much needed storm drain infrastructure and will help to eliminate current drainage problems.

OPERATING IMPACT:

CONCURRENCY (Included with another project):

EXPENDITURES/ACTIVITY	FY 13/14	FY 14/15	FY 15/16	FY 16/17
Drainage Study Update	$ 60,000			
Design Phase 1,2,3 and 4	$ 140,000			
Construct Phase 1				
Contingency 15%	$ 30,000			
Total Expenditures:	$ 230,000	0		0

FUNDING SOURCES	FY 13/14	FY 14/15	FY 15/16	FY 16/17
Measure "C" Half Cent Sales Tax	$ 230,000			
Total Funding:	$ 230,000	$ -		$ -

Capital Improvement Project Detail

Project: Shell Beach 1 Reservoir Maintenance and Structural Project		**Category:**	**Water**
Department/Division:	**Public Works / Water**	**Project No.**	

DESCRIPTION: Shell Beach 1 Reservoir Maintenance and Structural Project

JUSTIFICATION:

Performing the required maintenance will safeguard our domestic water supply and prevent the need for more costly repairs and possibly tank failure in the future.

OPERATING IMPACT:

CONCURRENCY (Included with another project):

EXPENDITURES/ACTIVITY	FY 13/14	FY 14/15	FY 15/16	FY 16/17
Project Cost Estimate	$ 411,761			
Total Expenditures:	$ 411,761	0	0	0

FUNDING SOURCES	FY 13/14	FY 14/15	FY 15/16	FY 16/17
Water Enterprise Fund	$ 411,761			
Total Funding:	$ 411,761	$ -	$ -	$ -

Capital Improvement Project Detail

Project: Pacific Estates Reservoir Maintenance and Structural Project		**Category:**	**Water**
Department/Division:	**Public Works / Water**	**Project No.**	

DESCRIPTION: Pacific Estates Reservoir Maintenance and Structural Project

JUSTIFICATION:

Performing the required maintenance will safeguard our domestic water supply and prevent the need for more costly repairs in the future.

OPERATING IMPACT:

CONCURRENCY (Included with another project):

EXPENDITURES/ACTIVITY	FY 13/14	FY 14/15	FY 15/16	FY 16/17
Project Cost Estimate		$480,000		
Total Expenditures:	0	$ 480,000	0	0

FUNDING SOURCES	FY 13/14	FY 14/15	FY 15/16	FY 16/17
Water Enterprise Fund		$ 480,000		
Total Funding:	$ -	$ 480,000	$ -	$ -

Capital Improvement Project Detail

Project Title: Pump Repacement Project		**Category:**	**Wastewater**
Department/Division:	**Public Works / Wastewater**	**Project No.**	

DESCRIPTION: Pump Repacement Project

JUSTIFICATION: Replace old and outdated pumps.

OPERATING IMPACT:

CONCURRENCY (Included with another project):

EXPENDITURES/ACTIVITY	FY 13/14	FY 14/15	FY 15/16	FY 16/17
Project Cost Estimate	$ 40,000	$40,000		
Total Expenditures:	$ 40,000	$ 40,000	0	0

FUNDING SOURCES	FY 13/14	FY 14/15	FY 15/16	FY 16/17
Wastewater Enterprise Funds	$ 40,000	$ 40,000		
Total Funding:	$ 40,000	$ 40,000	$ -	$ -

Capital Improvement Project Detail

Project: Pier Plaza Seawall Study and Repair		**Category:**	**Miscellaneous**
Department/Division:	**Public Works / Engineering**	**Project No.**	

DESCRIPTION:

Project would provided structural repairs and rust protection to the existing sheet pile wall. The exposed rebar would be covered in new concrete.

Study/Design in FY13/14

Construction in FY 14/15

JUSTIFICATION:

The seawall provides protection to the Pier Plaza area. Deferred maintenance could compromise the structural integrity of the wall over time. This project is a City Council goal.

OPERATING IMPACT:

CONCURRENCY (Included with another project):

EXPENDITURES/ACTIVITY	FY 13/14	FY 14/15	FY 15/16	FY 16/17
Project Cost Estimate	$ 450,000			
Total Expenditures:	$ 450,000	0	0	0

FUNDING SOURCES	FY 13/14	FY 14/15	FY 15/16	FY 16/17
General Fund	$ 450,000			
Total Funding:	$ 450,000	$ -	$ -	$ -

Capital Improvement Project Detail

Project: Pismo Pier Structural Analysis Report Update		**Category:**	**Miscellaneous**
Department/Division:	**Public Works / Pier**	**Project No.**	

DESCRIPTION:

Bringing the pier up to structural safety ratings. The comprehensive inspection of the pier will provide a base line that can be used to predict future maintenance activities. The report will be prepared in conformance with American Society of Civil Engineers (ASCE) standards. The inspection will include both above and below water inspections of both the older and newer section of the pier.

JUSTIFICATION:

A structural analysis/report update of the pier will be an ongoing effort (every 4 years) will be . The previous inspection performed in 2009. ASCE recommends that the maximum interval between routine inspections for a wood structure in an aggressive environment (saltwater with currents≥.75 knots) with a CAR is 3 years. If all recommended repairs to the structure are completed, the engineer states that the inspected portions of the pier will be deemed CAR 5. Therefore, ASCE recommendation for inspection interval will be increased to 4 years.

OPERATING IMPACT:

CONCURRENCY (Included with another project):

EXPENDITURES/ACTIVITY	FY 13/14	FY 14/15	FY 15/16	FY 16/17
Structural Analysis Report		$ 200,000		
Total Expenditures:		$ 200,000	0	0

FUNDING SOURCES	FY 13/14	FY 14/15	FY 15/16	FY 16/17
General Fund		$ 200,000		
Total Funding:	$ -	$ 200,000	$ -	$ -

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ENTERPRISE AND RELATED FUNDS

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WATER ENTERPRISE

COMBINING WATER FUNDS

Water Funds
Adopted Budget

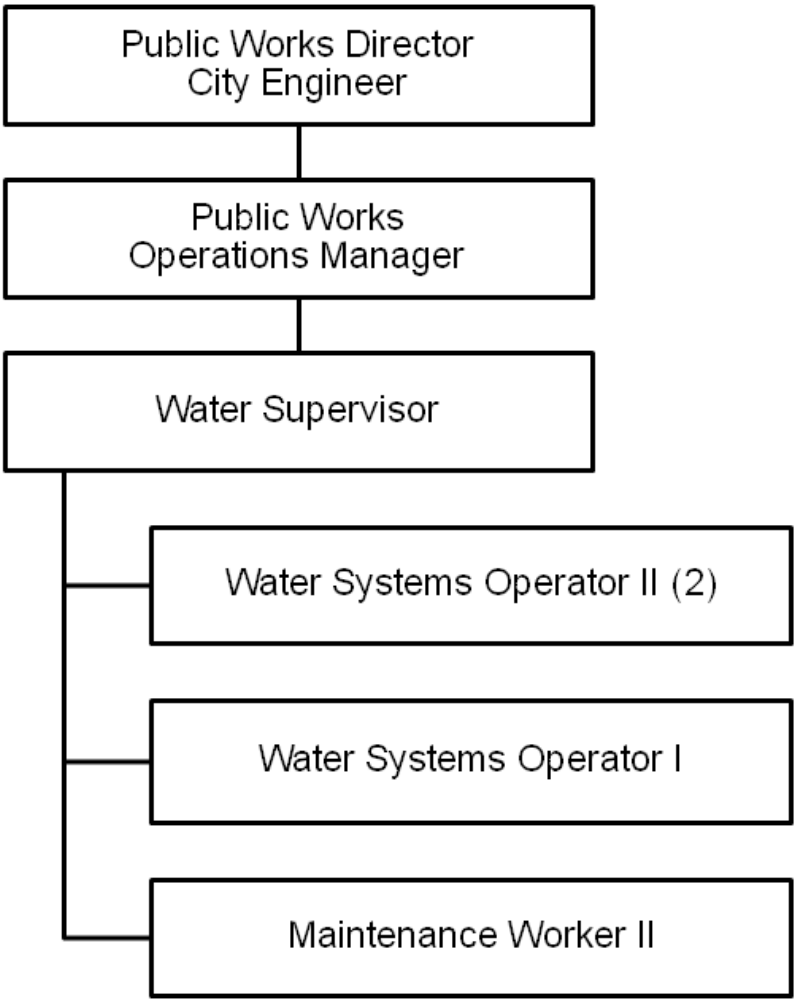
FY 2013-14

	Water Operations & Billing	Special Water Tax	Total
Net working capital 07/01/13	$ 2,973,851	$ -	$ 2,973,851
Revenues			
Water Sales & Service Charges	3,300,000		$ 3,300,000
Special Tax Fund/Interest		1,400,000	$ 1,400,000
Gragg Valley Ranch Contribution		148,554	$ 148,554
Transfer In From Water Fund		545,000	$ 545,000
Other Revenues	55,000	50,000	$ 105,000
TOTAL REVENUE	3,355,000	2,143,554	5,498,554
Expenditures			
Billing	108,020		$ 108,020
Operations	1,287,778		$ 1,287,778
State Water	26,663	1,315,798	$ 1,342,461
Lopez Water	717,238	468,077	$ 1,185,315
Capital Projects	411,761		$ 411,761
Above Base Items	199,670		$ 199,670
Transfer Out to Water Tax Fund	545,000		$ 545,000
TOTAL EXPENDITURES	3,296,130	1,783,875	5,080,005
Net Income/(Loss) from Operations	58,870	359,679	418,549
Estimated Net working capital 6/30/2014	$ 3,032,721	$ 359,679	$ 3,392,400

FY 2014-15

	Water Operations & Billing	Special Water Tax	Total
Net working capital 07/01/2014	$ 3,032,721	$ 359,679	$ 3,392,400
Revenues			
Water Sales & Service Charges	3,400,000		$ 3,400,000
Special Tax Fund/Interest		1,442,000	$ 1,442,000
Gragg Valley Ranch Contribution		148,554	$ 148,554
Transfer In From Water Fund		545,000	$ 545,000
Other Revenues	55,000	50,000	$ 105,000
TOTAL REVENUE	3,455,000	2,185,554	5,640,554
Expenditures			
Billing	109,697		$ 109,697
Operations	1,303,873		$ 1,303,873
State Water	26,663	1,315,798	$ 1,342,461
Lopez Water	717,238	468,077	$ 1,185,315
Capital Projects	480,000		$ 480,000
Above Base Items	70,409		$ 70,409
Transfer Out to Water Tax Fund	545,000		$ 545,000
TOTAL EXPENDITURES	3,252,880	1,783,875	5,036,755
Net Income/(Loss) from Operations	202,120	401,679	603,799
Esitmated Net working capital 06/30/2015	$ 3,234,841	$ 761,358	$ 3,996,199

Water Enterprise Fund



CLASSIFICATION	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15
Water Supervisor	1	1	1	1	1
Water Systems Operator II	2	2	2	3	3
Water Systems Operator I	2	2	2	1	1
Total Department Staff	**5**	**5**	**5**	**5**	**5**

WATER ENTERPRISE FUND – OPERATIONS

Activity Description

The Water Operations division is responsible for ensuring that a safe, drinkable supply of water is provided to Pismo Beach. This responsibility is accomplished through on-going inspection, repair and maintenance of the City's wells, tanks, booster stations, hydro-pneumatic system, and water distribution system components. The City's water distribution system and supply are sampled in accordance with State Health Department regulations and guidelines. Tasks also include educating water customers on water quality, cost and conservation issues.

WATER ENTERPRISE FUND EXPENDITURES:

WATER OPERATIONS	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Salaries & Benefits	530,206	554,138	581,598	593,536	601,526	29%
Operations & Maintenance	1,199,498	994,472	699,135	717,728	714,085	35%
Capital Outlay	0	0	0	108,320	35,790	5%
Other Exps. & Fin. Use	9,945	0	0	0	0	0%
Operating Transfers	174,587	302,882	565,781	612,864	567,881	30%
Total City Water Expenditures	**$1,914,236**	**$1,851,491**	**$1,846,514**	**$2,032,448**	**$1,919,282**	**100%**

	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Water - Lopez	830,377	780,523	756,718	717,238	717,238	96%
Water - State	39,595	34,047	26,663	26,663	26,663	4%
	$869,972	**$814,570**	**$783,381**	**$743,901**	**$743,901**	**100%**

Total Water Enterprise Fund Expenditures	**$2,784,208**	**$2,666,061**	**$2,629,895**	**$2,776,349**	**$2,663,183**

Water Division

Accomplishments Prior Two-Year Budget:

- Northern Cities Management Area (NCMA) Studies
- Heights Water System waterline upgrade and new reservoir
- Telemetry System Upgrade
- Prepare Urban Water Management Plan

Work Program Highlights for Next Two-Year Budget:

- Bello Street and Wadsworth Avenue waterline upgrade
- Price Canyon and Dell Court waterline upgrade
- Reservoir Maintenance – painting, cleaning, coating, inspections and seismic retrofit
- Booster Station Variable Frequency Drives (VFD's)

WATER ENTERPRISE FUND – BILLING

Activity Description

The Water Billing activity accounts for staff, contract meter reading and direct services and supplies related to water billings. Bills are sent to approximately half of the City each month. This unit of the Administrative Services Department also handles public requests for new service and service shutoff.

WATER BILLING ACTIVITY EXPENDITURES:

WATER BILLING	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Salaries & Benefits	48,558	51,753	51,793	40,780	40,946	38%
Operations & Maintenance	55,010	58,601	76,434	67,240	68,751	62%
Totals	**$103,568**	**$110,353**	**$128,227**	**$108,020**	**$109,697**	**100%**

WATER BILLING STAFF:

CLASSIFICATION	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15
Accounting Technician	0.67	0.67	0.67	0.50	0.50
Total Department Staff	**0.67**	**0.67**	**0.67**	**0.50**	**0.50**

WATER TAX FUND

Activity Description

This activity accounts for the expenditure of the special water tax, adopted by Pismo Beach voters in 1997. Proceeds of the tax can be used only for fixed costs of State water and/or Lopez water. The voters set the maximum tax rate at $178.16 per EDU (Equivalent Dwelling Unit) for fiscal year 2013-2014. The tax rate rises annually at the same rate as the consumer price index, up to a maximum of 3%. The actual tax rate set in any year must take into account the amount of State water impact fee revenues actually received by the City in the prior year, as a way of minimizing the tax rate level. Reserves can be accrued but cannot exceed 25% of the annual fixed costs of the State and Lopez water systems.

WATER TAX FUND EXPENDITURES:	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Water-Lopez	555,232	521,473	476,197	468,077	468,077	26%
Water-State	1,295,583	1,204,763	1,134,377	1,167,244	1,167,244	65%
Water - Gragg Portion	158,228	146,431	181,421	148,554	148,554	8%
Total Water Tax Fund Expenditures	**$2,009,043**	**$1,872,668**	**$1,791,995**	**$1,783,875**	**$1,783,875**	**100%**

WASTEWATER ENTERPRISE

COMBINING WASTEWATER FUNDS

Wastewater Funds
Adopted Budget

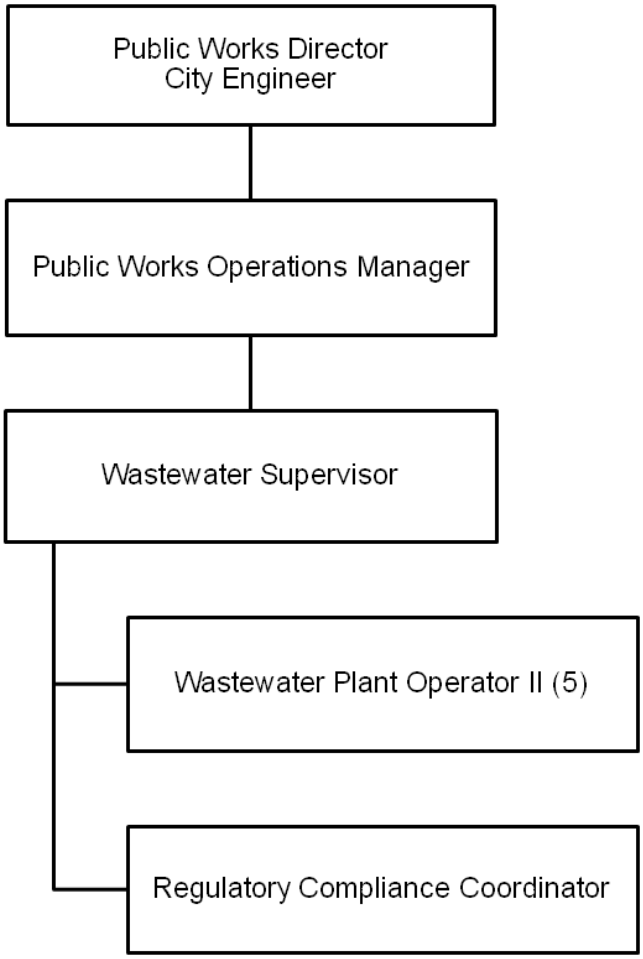
FY 2013-14

	Wastewater Operations & Billing	Wastewater Construction	Wastewater Expansion	Total
Net working capital 7/1/13	$ 915,769	$ 486,285	$ 382,317	$ 1,784,371
Revenues				
Wastewater Charges/Reimbursements	3,400,000			3,400,000
Interest Earnings	6,000	2,000	2,000	10,000
Building Permits			20,000	20,000
TOTAL REVENUE	3,406,000	2,000	22,000	3,430,000
Expenditures				
Billing	67,561			67,561
Operations	2,062,187		707	2,062,894
Debt Service	1,060,596			1,060,596
Capital Projects	40,000			40,000
Above Base Requests	170,019			170,019
Set Aside for Reserve	111,000			111,000
TOTAL EXPENDITURES	3,511,363	-	707	3,512,070
Net Income/(Loss) from Operations	(105,363)	2,000	21,293	(82,070)
Estimated Net working capital 6/30/2014	$ 810,406	$ 488,285	$ 403,610	$ 1,702,301

FY 2014-15

	Wastewater Operations & Billing	Wastewater Construction	Wastewater Expansion	Total
Net working capital 7/1/14	$ 810,406	$ 488,285	$ 403,610	$ 1,702,301
Revenues				
Wastewater Charges/Reimbursements	3,550,000			3,550,000
Interest Earnings	6,000	2,000	2,000	10,000
Building Permits			20,000	20,000
TOTAL REVENUE	3,556,000	2,000	22,000	3,580,000
Expenditures				
Billing	68,132			68,132
Operations	2,084,529		721	2,085,250
Debt Service	1,055,877			1,055,877
Capital Projects	40,000			40,000
Above Base Requests	2,719			2,719
Set Aside for Reserve	111,000			111,000
TOTAL EXPENDITURES	3,362,257	-	721	3,362,978
Net Income/(Loss) from Operations	193,743	2,000	21,279	217,022
Estimated Net working capital 6/30/2015	$ 1,004,149	$ 490,285	$ 424,889	$ 1,919,323

Wastewater



CLASSIFICATION	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15
Wastewater Supervisor	1	1	1	1	1
Wastewater Plant Operator/Mechanic	1	1	1	0	0
Wastewater II Operators	3	3	3	5	5
Wastewater I Operators	1	1	1	0	0
Regulatory Compliance	1	1	1	1	1
Total Department Staff	**7**	**7**	**7**	**7**	**7**

WASTEWATER ENTERPRISE FUND - OPERATIONS

Activity Description

The Wastewater Operations Division is responsible for protecting public health and the environment by insuring that the City's treatment and collection system operations meet all City, Federal and State laws and requirements. This responsibility is accomplished by operation and maintenance of the City's wastewater treatment plant, located on Frady Lane at the City corporation yard, and by operation and maintenance of the wastewater collection facilities including pumps and pipelines.

WASTEWATER ENTERPRISE FUND EXPENDITURES:

WASTEWATER OPERATIONS	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Salaries & Benefits	820,047	843,424	840,310	815,924	827,507	24%
Operations & Maintenance	1,589,107	1,614,948	1,132,878	1,209,470	1,221,257	36%
Capital Outlay	0	2,813	27,006	191,250	42,700	6%
Operating Transfers	34,111	21,480	28,869	55,563	35,785	2%
Debt Service	452,079	854,935	1,125,000	1,060,596	1,055,877	32%
Totals - Wastewater Operations	**$2,895,343**	**$3,337,600**	**$3,154,063**	**$3,332,803**	**$3,183,126**	**100%**

	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Wastewater Construction	245,318	224,323	3,655,703	0	0	0%
Total Wastewater Constuction	**$245,318**	**$224,323**	**$3,655,703**	**$0**	**$0**	**0%**

Total Wastewater Operations and Construction	**$3,140,661**	**$3,561,923**	**$6,809,766**	**$3,332,803**	**$3,183,126**	**0%**

Wastewater Enterprise Fund

Accomplishments Prior Two-Year Budget:

- Telemetry System Upgrade
- Replacement of Vista Del Mar lift station sewage pumps
- Replacement of Spyglass lift station sewage pumps

Work Program Highlights for Next Two-Year Budget:

- Five Cities Lift Station Replacement
- Freeway Foothills Lift Station Upgrade
- Spyglass Lift Station Upgrade
- PG&E Lift Station Standby Generator
- Hot Spot Repairs
- Bar Screen Replacement
- Solids Handling

WASTEWATER ENTERPRISE FUND – BILLING

Activity Description

The Wastewater Billing activity accounts for staff, direct services and supplies related to wastewater billings. Bills are sent to approximately half of the City each month.

WASTEWATER BILLING ACITIVITY EXPENDITURES:

WASTEWATER BILLING	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Salaries & Benefits	23,786	25,482	25,612	40,442	40,596	60%
Operations & Maintenance	18,355	23,248	35,038	27,120	27,536	40%
Totals	**$42,141**	**$48,730**	**$60,650**	**$67,562**	**$68,132**	**100%**

WASTEWATER BILLING STAFF:

CLASSIFICATION	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15
Accounting Technician	0.33	0.33	0.33	0.50	0.50
Total Department Staff	**0.33**	**0.33**	**0.33**	**0.50**	**0.50**

WASTEWATER EXPANSION FUND

Activity Description

The Wastewater Expansion Fund was established to provide for additional facilities needed to serve the additional population. Revenues for this fund consist of development fees on new construction.

WASTEWATER EXPANSION FUND EXPENDITURES:

WASTEWATER EXPANSION	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Operations & Maintenance	633	633	633	707	721	100%
Operating Transfers	0	0	690,000	0	0	0%
Totals	**$633**	**$633**	**$690,633**	**$707**	**$721**	**100%**

WASTEWATER CONSTRUCTION FUND

Activity Description

The Wastewater Construction Fund was created per Resolution No. 2002-62, in accordance with the State Water Resources Control Board requirements of the State Revolving Fund Loan Program. The State Water Resources Control Board requires, as a condition of approval of the loan, the establishment of a Wastewater Capital Reserve Fund for future expansion, major repair or replacement costs. The City created the fund in October 2002. All construction costs for the Wastewater Treatment Plant Project were accounted for in this fund. In addition, beginning in 2008, the City sets aside $111,000 per year from the Wastewater Enterprise Fund, a reserve as required by the State Water Resources Control Board.

WASTEWATER CONSTRUCTION FUND EXPENDITURES:

WASTEWATER CONSTRUCTION	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Wastewater Construction	12,281	0	435,000	0	0	0%
Totals - Wastewater Construction	**$12,281**	**$0**	**$435,000**	**$0**	**$0**	**0%**

PIER ENTERPRISE FUND

Activity Description

The Pier Maintenance activity accounts for expenditures for repair and maintenance of the pier, promenade and nearby facilities. This is established as an enterprise fund because income derived from the City's leases of tidelands properties must be spent solely for maintenance and improvement of such properties. Currently, the City receives lease revenue from the Bait Shack on the pier and from the coin-operated telescopes on the pier. Since this revenue is much too low to support annual maintenance expenses the General Fund must make annual transfers to the Pier Enterprise Fund for these expenses.

PIER FUND EXPENDITURES:

PIER ENTERPRISE FUND	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Operations & Maintenance	287,368	111,822	82,000	35,800	35,800	7%
Capital Outlay	0	0	7,215	450,000	200,000	93%
Totals	**$287,368**	**$111,822**	**$89,215**	**$485,800**	**$235,800**	**100%**

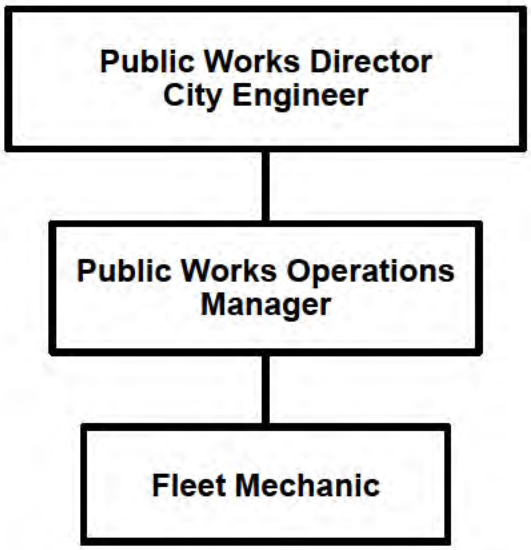
Accomplishments Prior Two-Year Budget:

- Wildlife Management Plan
- Structural repairs to the Pier restrooms

Work Program Highlights for Next Two-Year Budget:

- Develop and implement Pier Deck Replacement Plan

MOTOR VEHICLE OPERATIONS & REPLACEMENT FUND



CLASSIFICATION	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15
Fleet Mechanic	1	1	1	1	1
Total Department Staff	**1**	**1**	**1**	**1**	**1**

Motor Vehicle Operations and Replacement Fund

Activity Description

The Motor Vehicle Operations & Replacement Fund is an internal service fund. This Division is responsible for assuring that City vehicles and equipment are maintained in a safe and reliable condition. Responsibilities include inspecting, servicing and maintaining vehicles, heavy equipment, and generators, while obtaining the highest rating on all State Inspections. Service records are established and maintained for each vehicle, piece of heavy equipment, trailer and generator that is owned by the City of Pismo Beach.

MOTOR VEHICLE FUND EXPENSES:

MOTOR VEHICLE OPERATIONS	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Salaries & Benefits	94,408	101,063	101,157	100,133	100,482	10%
Operations & Maintenance	327,445	339,657	315,253	331,562	331,562	33%
Capital Outlay	0	0	0	75,000	0	8%
Other Exps.& Fin. Use	530	0	0	0	0	0%
Total Motor Vehicle Operations	**$422,383**	**$440,720**	**$416,410**	**$506,695**	**$432,044**	**51%**

MOTOR VEHICLE REPLACEMENTS	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Operations & Maintenance	248,724	218,528	0	0	0	0%
Capital Outlay	110	25	1,105,071	486,978	108,500	49%
Operating Transfers	0	30,000	117,810	0	0	0%
Total Motor Vehicle Replacement	**$248,834**	**$248,552**	**$1,222,881**	**$486,978**	**$108,500**	**49%**

Total MV Operations & Replacement	**$671,217**	**$689,272**	**$1,639,291**	**$993,673**	**$540,544**	**100%**

Motor Vehicle Repairs Division

Accomplishments Prior Two-Year Budget:

- Purchased replacement vehicles as adopted by City Council
- Developed a vehicle and equipment plan for City fleet, including new equipment required by regulations and additions to meet build-out requirements

Work Program Highlights for Next Two-Year Budget:

- Purchase replacement vehicles and equipment as adopted by City Council
- Maintain the City's fleet to the highest standards

Parking Enterprise Fund Balance

Parking Enterprise Fund
Adopted Budget

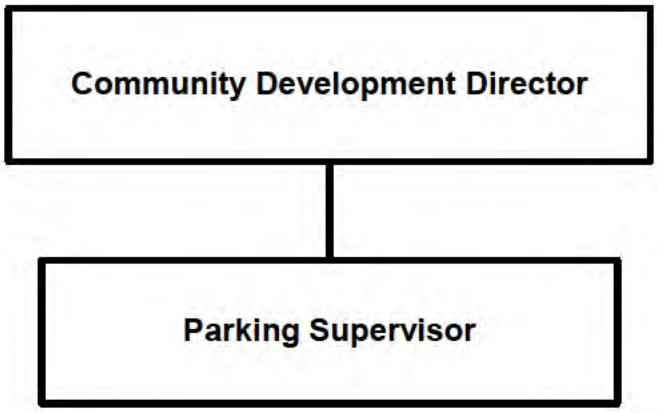
FY 2013-14

		Parking Enterprise Fund
Net Working Capital 7/1/2013	$	1,529,166
Revenues		
Kiosk Revenues		400,000
Parking Citations		100,000
Parking Permits		1,000
Total Revenue		501,000
Expenditures		
Salaries & Benefits		171,925
Materials & Services		131,272
Above Base Requests		40,006
Total Expenditures		343,203
Net Income/(Loss) from Operations		157,797
Estimated ending Net Working Capital 06/30/14	$	1,686,963

FY 2014-15

Net Working Capital 7/1/2014	$	1,686,963
Revenues		
Kiosk Revenues		400,000
Parking Citations		100,000
Parking Permits		1,000
Total Revenue		501,000
Expenditures		
Salaries & Benefits		172,413
Materials & Services		131,283
Above Base Requests		25,006
Total Expenditures		328,702
Net Income/(Loss) from Operations		172,298
Estimated ending Net Working Capital 06/30/15	$	1,859,261

PARKING ENTERPRISE FUND



CLASSIFICATION	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15
Parking Supervisor	1	1	1	1	1
Total Department Staff	**1**	**1**	**1**	**1**	**1**

Parking Enterprise Fund

Activity Description

The Parking Division is responsible for implementing the goals of the Pismo Beach Parking Management Plan as follows:

- Administer existing parking more efficiently
- Provide more parking to support future demand and downtown businesses
- Improve enforcement and parking management
- Improve financial operations related to parking
- Establish a strong future parking structure financing program
- Implement Phase I of the Parking Management Plan, modified over time to address changes.

PARKING ENTERPISE FUND EXPENDITURES:

PARKING ENTERPRISE FUND EXPENSES	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Salaries & Benefits	152,301	148,214	173,715	171,926	172,413	50%
Operations & Maintenance	146,605	136,444	124,889	171,278	156,289	50%
Capital Outlay	0	0	44,200	0	0	0%
Debt Service	195	0	0	0	0	0%
Operating Transfers	5,000	30,000	0	0	0	0%
Totals	**$304,101**	**$314,659**	**$342,804**	**$343,204**	**$328,702**	**100%**

Parking Division

Accomplishments Prior Two-Year Budget:

- Acquired and installed new parking permit machines through-out the paid parking district.
- Started an enforcement program for timed parking areas in downtown.
- Achieved full staffing.
- Implemented residential and employee parking permits.

Work Program Highlights for Next Two-Year Budget:

- Evaluate expansion of paid parking boundary in the downtown.
- Evaluate parking on Price Street for paid parking.
- Evaluate and identify sites for paid parking.
- Develop a Parking Management Plan for Downtown.

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OTHER FUNDS

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HALF CENT SALES TAX FUND

Half Cent Sales Tax Fund Balance

Half Cent Sales Tax Fund
Adopted Budget

FY 2013-14

		Half Cent Sales Tax Fund
Net Working Capital 7/1/2013	$	253,645
Revenues		
Transfers from Other Funds		1,140,000
Total Revenue		1,140,000
Expenditures		
Operating Transfers		896,000
Total Expenditures		896,000
Net Income/(Loss) from Operations		244,000
Estimated ending Net Working Capital 06/30/14	$	497,645

FY 2014-15

Net Working Capital 7/1/2014	$	497,645
Revenues		
Transfers from Other Funds		1,140,000
Total Revenue		1,140,000
Expenditures		
Operating Transfers		300,000
Total Expenditures		300,000
Net Income/(Loss) from Operations		840,000
Estimated ending Net Working Capital 06/30/15	$	1,337,645

Half Cent Sales Tax Fund

Activity Description

The voters in Pismo Beach approved a .50% (half-cent) transactions sales and use tax on June 3, 2008 that was effective October 1, 2008. All proceeds of the tax levied and imposed shall be accounted for in the City of Pismo Beach General Fund, and may be used for any lawful purpose as designated by the Council. The local measure will include a six and one half year sunset clause, after which the tax will cease to be collected unless reauthorized by the voters. The expiration date of tax collections for this measure is March 31, 2015. The adopted two year budget assumes that the voters will renew the Half Cent Sales Tax measure to provide vital funding for streets, sidewalks, and storm drains. The City of Pismo Beach has set up a separate fund to track the specific revenues and expenditures that are generated by the .50% transaction sales and use tax.

FUND REVENUE HALF CENT SALES TAX FUND:	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Interest	6,583	6,479	0	0	0	0%
Mark to Mkt Gain/Loss	(4,197)	2,091	0	0	0	0%
Transfers In From Gen	1,140,537	1,131,492	1,119,000	1,140,000	1,140,000	100%
Total Fund Revenue	**$1,142,924**	**$1,140,061**	**$1,119,000**	**$1,140,000**	**$1,140,000**	**100%**

FUND EXPENSES HALF CENT SALES TAX FUND:	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Operating Transfers	1,396,030	189,035	3,166,267	896,000	300,000	0%
Total Fund Expenses	**$1,396,030**	**$189,035**	**$3,166,267**	**$896,000**	**$300,000**	**0%**

GAS TAX FUND

Activity Description

This activity accounts for State gas tax funds received by the City according to the State's allocation formula. Pursuant to current City policy, these funds are used for 100% of City street light costs; 100% of City traffic signal maintenance costs; all street sweeping costs, except for parking lots which are not eligible to use gas tax funds; with the balance of annual revenues, if any, used for street repairs and/or capital improvements. Beginning in 2000-2001, gas tax revenues were transferred to the General Fund and the appropriations for streetlights, signal maintenance and street sweeping expenses were included in the General Fund street maintenance budget.

FUND REVENUE GAS TAX FUND:	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Gas Tax 2103	82,522	117,206	87,233	123,367	123,367	48%
Gas Tax 2105	44,717	39,658	47,000	40,717	40,717	16%
Gas Tax 2106	39,995	39,189	42,000	31,792	31,792	12%
Gas Tax 2107	59,722	56,923	63,000	60,621	60,621	23%
Gas Tax 2107.5	2,000	2,000	2,000	2,000	2,000	1%
Interest	203	600	500	0	0	0%
Mark to Mkt Gain/Loss	(99)	325	0	0	0	0%
Total Fund Revenue	**$229,060**	**$255,901**	**$241,733**	**$258,497**	**$258,497**	**100%**

FUND EXPENSES GAS TAX FUND:	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Operating Transfers	140,000	161,788	243,212	140,000	140,000	100%
Total Fund Expenses	**$140,000**	**$161,788**	**$243,212**	**$140,000**	**$140,000**	**100%**

LOCAL TRANSIT FUND

Activity Description

This activity accounts for transit funds allocated to the City through SLOCOG (San Luis Obispo County Council of Governments). Funds are allocated, in part, on a formula basis and may be used only for local and regional public transit expenses as determined through the transit needs assessment process. The Ride-On program provides a subsidized shuttle service to qualifying seniors and handicapped persons. The City's share of funds for the SCAT transit system serving the Five Cities area and for SLORTA regional transit operations is allocated directly to SCAT and SLORTA without passing through City coffers. Only the Ride-On expenses are budgeted in this fund.

FUND REVENUE LOCAL TRANSIT FUND:	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Interest	61	23	0	0	0	0%
TDA Subsidized Tax	0	0	7,700	8,100	8,105	100%
Dial A Ride	0	(15)	0	0	0	0%
Mark to Mkt Gain/Loss	(64)	(54)	0	0	0	0%
Total Fund Revenue	**($3)**	**($46)**	**$7,700**	**$8,100**	**$8,105**	**0%**

FUND EXPENSES LOCAL TRANSIT FUND:	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Operations & Maintenance	6,533	8,693	8,055	8,096	8,104	100%
Total Fund Expenses	**$6,533**	**$8,693**	**$8,055**	**$8,096**	**$8,104**	**100%**

LOCAL TRANSPORTATION FUND – STREET CONSTRUCTION

Activity Description

The Local Transportation Fund-Street Construction is used for the construction and maintenance of streets, bluff protection, and beach access. Revenues for this fund consist of State Transportation Development Act funds, which remain after funds are allocated for regional transit (SLORTA), local transit (SCAT) and Dial-a-Ride services.

FUND REVENUE LTF FUND:	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Interest	1,284	841	1,000	0	0	0%
State Government Grants	0	47,919	24,081	0	0	0%
Local Transportation Tax	42,682	74,190	77,689	195,705	78,000	96%
LTF - Bikepaths	4,615	5,187	5,000	7,270	5,000	4%
Misc Revenue	1,000	2,500	1,000	1,000	1,000	0%
Mark to Mkt Gain/Loss	(2,374)	(428)	0	0	0	0%
Total Fund Revenue	**$47,207**	**$130,209**	**$108,770**	**$203,975**	**$84,000**	**100%**

FUND EXPENSES LTF FUND:	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Operations & Maintenance	13,449	61,368	54,470	14,902	15,181	100%
Operating Transfers	317,556	106,116	18,884	0	0	0%
Total Fund Expenses	**$331,005**	**$167,484**	**$73,354**	**$14,902**	**$15,181**	**100%**

CIRCULATION FUND – STREET CONSTRUCTION

Activity Description

The Circulation Improvement Fund was set up to provide for specific street construction projects including improvements to Oak Park Boulevard and Fourth Street, relocation of the off ramps at Highway 101 and Fourth Street, the third freeway lane between Fourth Street and Price Street, and the Price Street Extension.

FUND REVENUE CIRCULATION FUND:	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Interest	133	200	0	0	0	0%
Mark to Mkt Gain/Lossoss	(90)	93	0	0	0	0%
Transfer In-Impact	0	48,421	0	0	0	0%
Total Fund Revenue	**$43**	**$48,714**	**$0**	**$0**	**$0**	**0%**

FUND EXPENSES CIRCULATION FUND:	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Operating Transfers	0	0	0	0	0	0%
Total Fund Expenses	**$0**	**$0**	**$0**	**$0**	**$0**	**0%**

IMPACT FEE FUND

Activity Description

The Impact Fee Fund was established to provide for additional facilities needed to serve the population of newly constructed homes. Revenues for this fund consist of development fees which are collected under Government Code, Section 66001, the Mitigation Fee Act, for the specific improvements adopted by the City Council in Ordinance #O-93-01.

In FY 2004-05, the City updated and restructured the previous Impact Fees. The fees were approved by Resolution No. 2004-62 and became effective February 1, 2005. The fees will be increased by CPI on January 1st of each year unless changed otherwise by City Council.

FUND REVENUE IMPACT FEE FUND:	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Interest	7,400	5,083	5,000	3,000	3,000	100%
Mark to Mkt Gain/Loss	(3,079)	(4,455)	0	0	0	0%
Impact Fee Districts	5,531	124,197	0	0	0	0%
Transfers In	0	0	0	0	0	0%
Total Fund Revenue	**$9,852**	**$124,825**	**$5,000**	**$3,000**	**$3,000**	**100%**

FUND EXPENSES IMPACT FEE FUND:	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Operating Transfers	13,725	521,691	515,000	25,000	25,000	0%
Operations & Maintenance	1,000	1,000	1,000	1,000	1,000	4%
Total Fund Expenses	**$14,725**	**$522,691**	**$516,000**	**$26,000**	**$26,000**	**4%**

DEVELOPER IMPACT FEE FUND

Activity Description

The Developer Impact Fee Fund was established to provide for additional facilities needed to serve the population of newly constructed homes within the specified development areas. Revenues for this fund consist of development fees, which are collected under Government Code, Section 66001, the Mitigation Fee Act, for the specific improvements adopted by the City Council in Ordinance 86-14, South Palisades Public Improvements and Resolution 96-39, establishing a Mattie Road/Spyglass Drive/Shell Beach Road Traffic Signal and Intersection Improvement Fee. In FY 2005-06 all Impact fees received for the Shell Beach Road traffic signal were refunded to developers. The remaining funds were used to construct the Beachcomber Stairway Project, which was completed in FY 2008-09.

FUND REVENUE DEVELOPER IMPACT FEE FUND:	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Interest	244	192	0	0	0	0%
Mark to Mkt Gain/Loss	(115)	(104)	0	0	0	0%
Total Fund Revenue	**$129**	**$88**	**$0**	**$0**	**$0**	**0%**

FUND EXPENSES DEVELOPER IMPACT FEE FUND:	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
						0%
Total Fund Expenses	**$0**	**$0**	**$0**	**$0**	**$0**	**0%**

PARK DEVELOPMENT FUND

Activity Description

The Park Development Fund was set up to provide for the construction of new parks and the enhancement of existing parks to serve new development. Funding sources include Quimby Act fees and Impact fees under Government Code, Section 66001. The Quimby Act Fees were updated in fiscal year 2004-05 by Resolution.

FUND REVENUE PARK DEVELOPMENT FUND:	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Subdivision Fees	29,240	40,712	25,000	25,000	25,000	100%
Interest	1,932	1,650	5,000	0	0	0%
Park Development Fee	42	38,557	0	0	0	0%
Mark to Mkt Gain/Loss	(1,416)	(882)	0	0	0	0%
Donations - Miscel	2,000	0	0	0	0	0%
Total Fund Revenue	**$31,798**	**$80,037**	**$30,000**	**$25,000**	**$25,000**	**100%**

FUND EXPENSES PARK DEVELOPMENT FUND:	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Operations & Maintenance	1,000	1,000	1,000	1,000	1,000	24%
Capital Outlay	26,757	0	6,345	0	0	0%
Other Exps.& Fin. Use	6,592	15,595	40,543	3,240	3,240	76%
Operating Transfers	11,264	243,201	145,439	0	0	0%
Total Fund Expenses	**$45,613**	**$259,795**	**$193,327**	**$4,240**	**$4,240**	**100%**

POLICE GRANT FUND

Activity Description

The Police Grant Fund is a Special Revenue Fund that tracks the activity of grants awarded to the Police Department for various items including grants for the following: Traffic programs, equipment, personnel, and miscellaneous operating expenses.

FUND REVENUE POLICE GRANT FUND:	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Use of Money & Property	169	238	0	0	0	0%
State Government Grant	100,054	100,000	100,000	100,000	100,000	100%
Other Revenue	(273)	238	0	0	0	0%
Total Fund Revenue	**$99,950**	**$100,475**	**$100,000**	**$100,000**	**$100,000**	**100%**

FUND EXPENSES POLICE GRANT FUND:	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Operating Transfers	120,478	26,769	173,231	93,793	97,489	0%
Total Fund Expenses	**$120,478**	**$26,769**	**$173,231**	**$93,793**	**$97,489**	**0%**

LODGING BUSINESS IMPROVEMENT DISTRICT ("LBID") FUND

LBID Fund Balance

LBID Fund
Adopted Budget

FY 2013-14

		LBID Fund
Net Working Capital 7/1/2013	$	158,048
Revenues		
LBID Assessment		734,400
Total Revenue		734,400
Expenditures		
Salaries & Benefits		52,472
Operations & Maintenance		480,364
Above Base Items		112,161
Total Expenditures		644,997
Net Income/(Loss) from Operations		89,403
Estimated ending Net Working Capital 06/30/14	$	247,451

FY 2014-15

Net Working Capital 7/1/2014	$	247,451
Revenues		
LBID Assessment		749,000
Total Revenue		749,000
Expenditures		
Salaries & Benefits		52,472
Operations & Maintenance		480,364
Total Expenditures		532,836
Net Income/(Loss) from Operations		216,164
Estimated ending Net Working Capital 06/30/15	$	463,615

Lodging Business Improvement District

Activity Description

The Pismo Beach Lodging Business Improvement District (LBID) is an assessment district created by the Pismo Beach City Council, at the request and approval of a majority of the Lodging businesses operating in the City, to raise money by assessing themselves, and then to use that money to promote Pismo Beach lodging businesses. The LBID was renewed in FY 2012-13 and the purposes for which LBID assessments could be expended are more limited than when the LBID was initially established. The improvements and activities to be provided for in FY 2014 and FY 2015 are those services and activities permitted under Section 3.26.030 of the Pismo Beach Municipal Code, which include:

a) The general promotion of lodging operations within the LBID shall include costs of programs and physical improvements as specified in the business plan to be adopted annually;
b) The marketing of conference, group, and vacation business that benefits the local lodging industry in the district;
c) The marketing of the LBID to the travel industry in order to benefit the local lodging industry in the district;
d) Administration of the LBID, including collection and enforcement of assessments.

The LBID Ordinance provides for a LBID assessment of 1% levied on transient rents received by all Pismo Beach lodging.

FUND REVENUE LBID FUND:	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
LBID Assessment	623,861	685,802	660,000	734,400	749,000	100%
Interest	825	692	0	0	0	0%
Mark to Mkt Gain/Loss	497	(333)	0	0	0	0%
Misc-Prior Period	0	6,709	0	0	0	0%
Total Fund Revenue	**$625,183**	**$692,870**	**$660,000**	**$734,400**	**$749,000**	**100%**

FUND EXPENSES LBID FUND:	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Salaries & Benefits	9,316	19,473	52,538	52,472	52,472	8%
Operations & Maintenance	522,357	661,960	705,764	577,525	480,364	90%
Other Exps.& Fin. Use	20,000	0	0	15,000	0	2%
Total Fund Expenses	**$551,673**	**$681,433**	**$758,302**	**$644,997**	**$532,836**	**100%**

HOUSING IN LIEU FUND

Activity Description

The Housing In-Lieu Fund was established on May 2, 2000 by Ordinance 2000-03. The Housing In-Lieu Fee is a development impact fee paid to the City as an alternative to the production of affordable housing and is to be used in the acquisition, construction or rehabilitation of affordable housing. The purpose and intent of the fee is to create inclusionary housing requirements and affordable housing units, which assists in implementing the Housing Element of the City's General Plan. The regulation established by ordinance 2000-03 offers density bonuses and certain development standard concessions (building setback, coverage and/or parking requirements) or other regulatory incentives or concessions. Designed to provide cost reductions for affordable housing construction, lower project costs can be passed on to low to moderate income households and qualifying residents.

FUND REVENUE HOUSING IN LIEU FUND:	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Housing In Lieu Fe	0	40,715	50,000	20,000	20,000	100%
Interest	7,128	3,222	5,000	0	0	0%
Misc Revenue	1,000	0	0	0	0	0%
Mark to Mkt Gain/Loss	(4,735)	(7,534)	0	0	0	0%
Misc-Prior Period	(36,838)	0	0	0	0	0%
Total Fund Revenue	**($33,445)**	**$36,404**	**$55,000**	**$20,000**	**$20,000**	**100%**

FUND EXPENSES HOUSING IN LIEU FUND:	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Operations & Maintenance	1,000	1,000	1,000	500	500	100%
Total Fund Expenses	**$1,000**	**$1,000**	**$1,000**	**$500**	**$500**	**100%**

PUBLIC EDUCATIONAL AND GOVERNMENTAL (PEG) ACCESS FEE FUND

Activity Description

The Public Educational and Governmental (PEG) Access Fee Fund was established in FY 2010-11 to track revenues and expenditures separately from other funds. The PEG Access Fee is a fee collected from cable television operators (Charter Communications) in the City limits that is set aside for Government cable access and related equipment.

FUND REVENUE PEG FUND:	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
PEG Fees - Charter Comm	61	31,188	30,000	15,000	0	100%
Interest	0	251	0	0	0	0%
Mark to Mkt Gain/Loss	0	190	0	0	0	0%
Trans In From Gen Fnd	94,336		0	0	0	0%
Total Fund Revenue	**$94,397**	**$31,629**	**$30,000**	**$15,000**	**$0**	**100%**

FUND EXPENSES PEG FUND:	ACTUAL FY 11	ACTUAL FY 12	BUDGET FY 13	ADOPTED FY 14	ADOPTED FY 15	% OF TOTAL FY 14
Contract Services	0	10,393	0	0	0	0%
Cap Outlay-Mach & Equip	0	0	0	7,500	0	100%
Capital Outlay-Software	0	13,077	0	0	0	0%
Capital Outlay-Building	0	36,811	0	0	0	0%
Total Fund Expenses	**$0**	**$60,281**	**$0**	**$7,500**	**$0**	**0%**

APPENDICES

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RESOLUTIONS

RESOLUTION NO. R-2013-034

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PISMO BEACH, ADOPTING THE BIANNUAL BUDGET FOR FISCAL YEARS FY 2014 AND FY 2015: JULY 1, 2013 THROUGH JUNE 30, 2015

WHEREAS, on June 6, 2013, the City Council of the City of Pismo Beach conducted workshops and public hearings on the proposed biannual budget for Fiscal Years FY 2014 and FY 2015.

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

Effective July 1, 2013, the Fiscal Policy of the City Council regarding General Fund Reserves shall be as follows: The General Fund Reserve amount will be set, maintained, and updated each year at 25% of Annual Operating Budgeted Expenditures (excluding Capital Projects) approved for the Fiscal Year, effective at the beginning of the Fiscal Year, or as soon thereafter as practical. Interest or other earnings on the Reserve Funds shall be credited to the General Fund.

Effective July 1, 2013, the Fiscal Policy of the City Council shall include: Establish and maintain a Risk Management Reserve to be used for unanticipated risk management costs not already budgeted, funded with $50 thousand per year.

There is hereby appropriated from the specified City Funds, the amounts set forth for the departments, activities, programs, and projects as listed on "Schedule A" which is attached hereto, and by this reference made a part hereof.

In addition, there is hereby set aside previously appropriated funds for projects and encumbrances carried forward from previous years, and not yet completed.

UPON MOTION OF Council Member Vardas seconded by Mayor Pro Tem Waage, the foregoing resolution was adopted by the City Council of the City of Pismo Beach this 6th day of June 2013, by the following vote:

AYES:	**3**	**Council Members: Vardas, Waage, Higginbotham**
NOES:	**1**	**Council Member Howell**
ABSENT:	**1**	**Council Member Reiss**
ABSTAIN:	**0**	

Approved:

Shelly Higginbotham

Shelly Higginbotham
Mayor

Attest:

Elaina Cano, CMC
City Clerk

Schedule A
City of Pismo Beach
General Fund Budget and Appropriations
FY 2014 and FY 2015

General Fund	FY 2014	FY 2015
City Council	$ 295,652	$ 308,041
Administration	590,198	619,407
Human Resources	229,554	195,556
Legal	186,800	186,800
Conference & Visitors Bureau	523,333	526,874
Administrative Services	709,431	727,139
Non-Departmental	2,038,885	1,885,644
Total Administrative	$ 4,573,853	$ 4,449,461
Police	$ 5,052,962	$ 5,132,565
Fire	2,147,391	2,184,251
Weed Abatement	12,200	12,200
Lifeguards	178,015	173,020
Total Public Safety	$ 7,390,568	$ 7,502,037
Building Division	$ 599,049	$ 596,501
Planning	776,680	753,806
Rec-City Supported	277,562	278,121
Rec-Fee Supported	66,596	66,596
Community Facilities-Veterans Halls	59,780	59,780
Total Community Development	$ 1,779,667	$ 1,754,804
Engineering	$ 493,200	$ 501,407
Facilities Maintenance	117,305	117,744
Park Maintenance	850,451	841,380
Street Maintenance	583,266	555,644
Building Maintenance	430,849	572,751
Total Public Works	$ 2,475,071	$ 2,588,926
Subtotal General Fund Operations	$ 16,219,159	$ 16,295,228
Transfers to Capital Projects Fund	470,000	405,000
Risk Management Reserve	$ 50,000	$ 50,000
1% General Fund Contingency	21,386	25,289
General Fund Reserve	-	236,912
Total Contributions to Reserves	$ 71,386	$ 312,202
Outside Agency Funding	$ 88,200	$ -
Total General Fund	**$ 16,848,744**	**$ 17,012,429**
Less Transfers	(813,143)	(730,212)
Total General Fund less Transfers	**$ 16,035,601**	**$ 16,282,217**

Schedule A
City of Pismo Beach
Other Funds Budget and Appropriations
FY 2014 and FY 2015

Other Funds	FY 2014	FY 2015
Half-Cent Sales Tax		
Capital Projects	$ 896,000	$ 300,000
Total Half-Cent Sales Tax	$ 896,000	$ 300,000
Gas Tax Fund		
Operating Transfer to General Fund	$ 140,000	$ 140,000
Total Gas Tax Fund	$ 140,000	$ 140,000
Local Transportation		
Audit	$ 1,000	$ 1,000
Other Expenses	13,902	14,181
Total Local Transportation Fund	$ 14,902	$ 15,181
Local Transit		
Contract Services - Dial-a-Ride	$ 7,700	$ 7,700
Other Expenses	396	404
Total Local Transit Fund	$ 8,096	$ 8,104
PEG Fund		
Capital Outlay-Machine & Equipment	$ 7,500	$ -
Total PEG Fund	$ 7,500	$ -
Grants-Non-Capital Fund		
Transfer to General Fund	$ 93,793	$ 97,489
Total Grants-Non-Capital Fund	$ 93,793	$ 97,489
Housing In Lieu Fee		
Other Expenses	$ 500	$ 500
Total Housing In Lieu Fee	$ 500	$ 500
LBID Fund		
Salaries & Benefits	$ 52,472	$ 52,472
Operations & Maintenance	480,364	480,364
Outside Agency Funding	112,161	
Total LBID Fund	$ 644,997	$ 532,836
Capital Projects Fund		
Capital Projects	$ 1,291,750	$ 530,000
Total Capital Projects Fund	$ 1,291,750	$ 530,000

Schedule A
City of Pismo Beach
Other Funds Budget and Appropriations continued
FY 2014 and FY 2015

Other Funds	**FY 2014**	**FY 2015**
Park Development Fund		
Other Expenses & Financing Uses	$ 4,240	$ 4,240
Total Park Development Fund	$ 4,240	$ 4,240
Impact Fee Fund		
Other Expenses	$ 1,000	$ 1,000
Professional Services	25,000	25,000
Total Impact Fee Fund	$ 26,000	$ 26,000
Other Funds Total	$ 3,127,778	$ 1,654,350
Less Transfers	(1,154,793)	(562,489)
Total Other Funds less Transfers	**$ 1,972,985**	**$ 1,091,861**

Schedule A
City of Pismo Beach
Enterprise Funds Budget and Appropriations
FY 2014 and FY 2015

Enterprise Funds	FY 2014	FY 2015
Water Enterprise Fund		
Operations	$ 1,832,778	$ 1,848,873
Billing	108,019	109,697
State Water O & M	26,663	26,663
Lopez Reservoir O & M	717,238	717,238
Above Base Requests	199,670	70,409
Capital Projects	411,761	480,000
Total Water Enterprise Fund	$ 3,296,129	$ 3,252,880
Wastewater Operations		
Operations	$ 2,062,187	$ 2,084,529
Billing	67,561	68,132
Debt Service	1,060,596	1,055,877
Above Base Requests	170,019	2,719
Capital Projects	40,000	40,000
Total Waterwater Operating Fund	$ 3,400,363	$ 3,251,257
Wastewater Expansion Fund		
Other Expenses	$ 707	$ 721
Total Wastewater Expansion Fund	$ 707	$ 721
Special Water Tax		
Contract Payments-State Water	$ 1,167,244	$ 1,167,244
Contract Payments-Gragg Canyon	148,554	148,554
Contract Payments-Lopez Reservoir	468,077	468,077
Total Special Water Tax	$ 1,783,875	$ 1,783,875
Pier Enterprise		
Operations	$ 35,800	$ 35,800
Capital Projects	450,000	200,000
Total Pier Enterprise Fund	$ 485,800	$ 235,800
Parking Enterprise		
Operations	$ 303,197	$ 303,696
Above Base Requests	40,006	25,006
Total Parking Enterprise Fund	$ 343,203	$ 328,702
Total Enterprise Funds	$ 9,310,077	$ 8,853,235
Less Transfers	(668,427)	(603,666)
Total Entrprs Fnds less Transfers	**$ 8,641,650**	**$ 8,249,569**

Schedule A
City of Pismo Beach
Internal Service Fund and Debt Service Fund Budget and Appropriations
FY 2014 and FY 2015

Internal Service Fund	**FY 2014**	**FY 2015**
Motor Vehicle Fund		
Operations	$ 431,495	$ 431,845
Replacement	448,264	86,920
Above Base Requests	113,914	21,780
Total Motor Vehicle Fund	$ 993,673	$ 540,545

Debt Service Fund	**FY 2014**	**FY 2015**
Public Financing Authority (PFA)		
Debt Service on 2007 Bonds	$ 444,337	$ 444,049
Total PFA Debt Service Funds	$ 444,337	$ 444,049
Total all appropriations	**$ 28,088,246**	**$ 26,608,241**

Schedule A
City of Pismo Beach
Capital Projects Budget Appropriations
FY 2014 and FY 2015

Capital Projects by Category	FY 2014	FY 2015
Bluff Protection		
Price Canyon Road Slope Failure	$ 350,750	$ -
Pier Plaza and Pier		
Pier Plaza Seawall Study and Repair	450,000	-
Pier Structural Analysis Report Update	-	200,000
Public Buildings		
Repurpose the Old Pismo Beach Grammer School Site	20,000	205,000
Public Safety		
Bello Radio Tower Generator		
Streets, Sidewalks, Storm Drains		
Longview and Merced Paving	541,000	-
Pismo Heights & Downtown Master Drainage Study	230,000	-
Shell Beach Master Drainage Study	125,000	-
Six Year Street Paving Program	-	300,000
Stormwater Management Program		
Water System		
Pacific Estates Reservoir Maintenance & Structural	-	480,000
Shell Beach 1 Reservoir Maintenance & Structural	411,761	-
Wastewater System		
Pump Replacement	40,000	40,000
	$ 2,168,511	$ 1,225,000

The Capital Projects in this table are also included in the previous Schedule A fund appropriation tables. These capital project amounts are not in addition to the Schedule A fund appropriation tables.

Schedule A
City of Pismo Beach
Revenue Budget and Appropriations
FY 2014 and FY 2015

All Funds Revenues	**FY 2014**	**FY 2015**
General Fund	$ 16,667,465	$ 16,845,958
Half Cent Sales Tax Fund	1,140,000	1,140,000
Gas Tax Fund	258,497	258,497
Local Transportation	203,975	84,000
PEG Fund	15,000	-
Grants-NonCapital	100,000	100,000
Housing In Lieu Fee	20,000	20,000
LBID Fund	734,400	749,000
Capital Projects	1,291,750	530,000
Park Development Fund	25,000	25,000
Impact Fees	3,000	3,000
PFA Debt Service	300,630	441,681
Water Fund	3,355,000	3,455,000
Water Tax Fund	2,143,554	2,185,554
Wastewater Treatment	3,406,000	3,556,000
Wastewater Capital Projects	2,000	2,000
Wastewater Expansion Fund	22,000	22,000
Local Transit Fund	8,100	8,105
Pier Enterprise	499,940	249,940
Parking Enterprise	501,000	501,000
Motor Vehicle Fund	881,125	797,782
	$ 31,578,436	**$ 30,974,517**
Less Transfers	(2,636,363)	(1,896,367)
Total Revenues less Transfers	**$ 28,942,073**	**$ 29,078,150**

RESOLUTION NO. PFA-R-2013-002

A RESOLUTION OF THE PISMO BEACH PUBLIC FINANCING AUTHORITY ADOPTING THE BIANNUAL BUDGET FOR FISCAL YEARS (FY) 2014 AND FY 2015: JULY 1, 2013 THROUGH JUNE 30, 2015

WHEREAS, on June 6, 2013 the Board of Directors of the City of Pismo Beach Public Financing Authority conducted public workshops and hearings on the proposed biannual budget for Fiscal Years (FY) 2014 and FY 2015.

NOW, THEREFORE, BE IT RESOLVED by the Pismo Beach Public Financing Authority as follows:

There is hereby appropriated from the Public Financing Authority General Fund the following amounts for Fiscal Years FY 2014 and FY 2015:

PFA Fund	FY 2014	FY 2015
PFA Revenues (General Fund Transfer)	$ 300,630	$ 441,681
PFA Expenditures (Debt Service)	$ 444,337	$ 444,049

UPON MOTION OF Vice Chairperson Waage seconded by Board Member Vardas, the foregoing resolution was adopted by the Pismo Beach Public Financing Authority Board this 6th day of June 2013, by the following vote, to wit:

AYES: 4 Board Members: Waage, Vardas, Howell, Higginbotham
NOES: 0
ABSENT: 1 Board Member Reiss
ABSTAIN: 0

Approved:

Shelly Higginbotham

Shelly Higginbotham
Chairperson

Attest:

Elaina Cano, CMC
Secretary

RESOLUTION NO. PFC-R-2013-002

A RESOLUTION OF THE PISMO BEACH PUBLIC FACILITIES CORPORATION ADOPTING THE BIANNUAL BUDGET FOR FISCAL YEARS (FY) 2014 AND FY 2015: JULY 1, 2013 THROUGH JUNE 30, 2015

WHEREAS, on June 6, 2013, the Board of Directors of the City of Pismo Beach Public Facilities Corporation conducted public workshops and hearings on the proposed biannual budget for Fiscal Years (FY) 2014 and FY 2015.

NOW, THEREFORE, BE IT RESOLVED by the Pismo Beach Public Facilities Corporation as follows:

There is hereby appropriated from the Public Facilities Corporation General Fund and Pier Enterprise Funds the following amounts for FY 2014 and FY 2015:

Pier Enterprise Fund (PFC)	**FY 2014**	**FY 2015**
PFC Revenues (General Fund Transfer, Pier Revenue, Misc. Revenues)	$ 499,940	$ 249,940
PFC Expenditures (Materials, Supplies, Water & Wastewater costs)	$ 485,800	$ 235,800

UPON MOTION OF Board member Vardas seconded by Vice President Waage the foregoing resolution was adopted by the Pismo Beach Public Facilities Corporation this 6th day of June, 2013 on the following roll call vote, to wit:

AYES: 4 Board Members: Vardas, Waage, Howell, Higginbotham
NOES: 0
ABSENT: 1 Board Member Reiss
ABSTAIN: 0

Approved:

Shelly Higginbotham

Shelly Higginbotham
President

Attest:

Elaina Cano

Elaina Cano, CMC
Secretary/Clerk

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GLOSSARY OF ACRONYMS

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Acronym	Description
ACA	Affordable Care Act
APCD	Air Pollution Control District
ARC	Other Post Employment Benefit Annual Retired Contributions
BTA	California Bicycle Transportation Account
CAFR	Comprehensive Annual Financial Report
CALEA	Commission on Accreditation for Law Enforcement Agencies
CALFEMA	California Federal Emergency Management Agency
CalPERS	California Public Employees' Retirement System
CASp	Certified Access Specialist Program
CCC	California Coastal Commission
CIP	Capital Improvement Program
CJPIA	California Joint Powers Insurance Authority
CLETS	California Law Enforcement Telecommunication System
COPS	Community Oriented Policing Services
CPI	Consumer Price Index
CVB	Conference and Visitors Bureau
DMV	Department of Motor Vehicles
EDAC	Employee Development Advisory Committee
EDU	Equivalent Dwelling Unit
EIS	Executive Information Systems
FAM	Familiarization trip
FTE	Full-time Equivalent Position
FY	Fiscal Year

GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GDP	Gross Domestic Product
GFOA	Government Finance Officers Association
LAFCO	Local Agency Formation Committee
LBID	Lodging Business Improvement District
MOU	Memorandum of Understanding
NCMA	Northern Cities Management Area
OPEB	Other Post Employment Benefits
PB	Pismo Beach
PD	Police Department
PEPRA	Public Employees' Pension Reform Act of 2013
PERS	Public Employees Retirement System
PFA	Public Financing Authority
PFC	Public Facilities Corporation
PIO	Public Information Officer
POA	Police Officers' Association
RDA	Redevelopment Agency
SCAT	South County Area Transit
SCBA	Self Contained Breathing Apparatus
SEIU	Service Employees International Union, Local 620
SLO	San Luis Obispo
SLOCOG	San Luis Obispo County Council of Governments
SLORTA	San Luis Obispo Regional Transit Authority

SWMP	Storm Water Management Plan
TOT	Transient Occupancy Tax
VFD	Variable Frequency Drive

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BUDGET GLOSSARY

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BUDGET GLOSSARY

Fiscal Years 2014 & 2015

Above Base Items: Programs and services which departments would like to have added (in priority order) over their base budget.

Account: A subdivision within a fund for the purpose of classifying transactions.

Account Number: A numeric identification of the account, typically, a unique number or series of numbers. The City of Pismo Beach's number structure is comprised of three (3) fields of characters. The first field is three (3) characters long and identifies the various unique FUNDS within the account system. The next field contains three (3) characters and identifies the Departments within the City. The final field contains five (5) characters and identifies the OBJECT CODE of the account number. The combination of the three fields makes up the account number.

Accrual Basis or Accrual Method: Accounting method whereby income and expense items are recognized as they are earned or incurred, even though they may not have been received or actually paid in cash. The alternative is Cash Basis. The City of Pismo Beach uses the widely recognized method of Modified Accrual Basis of accounting.

Actual: The recorded expenditure for a specific account number. The actual columns, referenced in this document, report the expenditures as audited by an independent auditor.

Adopted Budget: A budget which typically has been reviewed by the public and adopted (approved) by the City Council prior to the start of the fiscal year. The adopted budget is the legal authority to expend money for specified purposes in the fiscal year time period.

Appropriate: Set apart for, or assign to, a particular purpose or use.

Appropriate Expenditure: A budget amount set-aside for a specific acquisition or purpose.

Appropriation: An authorization by the City Council to make expenditures and to incur obligation for specific amounts and purposes. For most local governments, the adopted budget document is the source for all or most appropriations. All annual appropriations lapse at the end of the fiscal year.

Assessed Valuation: An official value established for real estate or other property as a basis for levying property taxes.

Assessments: Charges made to parties for actual services or benefits received.

Authority: A government or public agency created to perform a single function or a restricted group of related activities.

Authorized Positions: Employee positions, which are authorized in the adopted budget, to be filled during the year.

Available (Unassigned) Fund Balance: Funds remaining from prior years that are available appropriation and expenditure in the current year.

Base Budget: Cost of continuing the existing levels of service in the current budget year.

Budget: A plan of financial operation, for a set time period, which identifies specific types and levels of services to be provided, adopted appropriations or expenses, and the recommended means of financing them.

Budget Amendments/ Revisions: The City Council has the sole responsibility for adopting the City's budget, and may amend or supplement the budget at any time after adoption by majority vote. The City Manager and Administrative Services Director have joint authority to approve line item budgetary transfers between expenditure objects of the budget, as long as transfers occur in the same fund and within the same division.

Budgetary Basis: The basis of accounting used to estimate financing sources and uses in the budget. The budgetary basis generally takes one of three forms: GAAP, cash, or modified accrual.

Budget Message: The opening section of the budget that provides the City Council and the public with a general summary of the most important aspect of the budget, changes from previous years, and presents recommendations made by the City Manager.

Budget Year: Is the fiscal year for which the budget is being considered.

Budgetary Unit: An organizational component budgeted separately, usually a department or a division.

Capital Expenditures: An acquisition or improvement (as distinguished from a repair) that will have a life of more than one year.

Capital Improvement Budget: Financial plans or authorized expenditures for tangible, long-term construction of, or improvement to, public physical facilities.

Capital Improvement Program (CIP): A long-term plan for multi-year projects such as street or park improvements, building construction, and various kinds of major facility maintenance. The projects set out in the plan usually require funding beyond the one-year period of the annual budget and the plan details funding sources and expenditure amounts.

Capitalization Policy: The criteria used by a government to determine which outlays should be reported as fixed assets.

Capital Outlay: Expenditures that result in the acquisition of, or addition to, fixed assets. A capital item is tangible, durable, and non-consumable, costs $2,500 or more, and has a useful life of more than one year.

Carryover: Process of carrying a budgeted and encumbered item from the current fiscal year to the next fiscal year. For example, a purchase order for a budgeted computer purchase is placed in FY 1999-00. However due to backlog at the computer factory, the computer is

shipped in the 2000-01 Fiscal Year. The budget for FY 2000-01 did not include a purchase of a computer. The unspent FY 1999-00 budget for this item is carried over to the next fiscal year and the FY 2000-01 budget is adjusted (increased) for this purchase.

Cash Basis: A basis of accounting in which transactions are recognized only when cash is increased or decreased.

Consumer Price Index (CPI): Measure of change in consumer prices as determined by a monthly survey of the U.S. Bureau of Labor Statistics. Many pension and employment contracts are tied to changes in consumer prices as protection against inflation and reduced purchasing power. Among the CPI components are the costs of housing, transportation, and electricity. Also known as the Cost-of-Living Index.

Contingency: A budgetary reserve set-aside for emergencies or unforeseen expenditures not otherwise budgeted.

Contract Services: Services rendered to a government by private firms, individuals, or other governmental agencies. Examples include maintenance agreements, professional contracts, and tree trimming agreements.

Debt Service: The City's obligation to pay the principal and interest of all bonds and other debt instruments according to a predetermined payment schedule.

Deficit: The excess of an entity's liabilities over its assets or the excess of expenditures or expenses over revenues during a single accounting period.

Department: A basic organizational unit of government that is functionally unique in its delivery of services. The components are hierarchically arranged as follows: Department (such as Public Works), and Division (such as Sewer Maintenance).

Depreciation: The loss in value of an asset over time due to physical changes, obsolescence, or factors outside of the asset.

Designated Fund Balance: A portion of unreserved fund balance designed by City policy for a specific future use.

Development-related Fees: Fees and charges generated by building, development, and growth in a community. Included in development-related fees are building permits, development review fees, and zoning and subdivision fees.

Disbursement: The expenditure of monies from an account.

Division: An organizational component of a department.

Encumbrance: The commitment of appropriated funds to purchase goods or services. An encumbrance is not expenditure. An encumbrance reserves funds to be expended.

Enterprise Fund: A proprietary fund used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent of enterprise funds is to

have the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The rate schedule for these services is established to ensure that revenues are adequate to meet all necessary expenditures.

Expenditure/Expense: The outflow of funds paid or to be paid for an asset obtained or goods and services obtained regardless of when the expenditure is actually paid. The term expenditure applies to Governmental Funds, while the term expense is used for Enterprise and Internal Service Funds.

Expenditure Object Code: Unique identification number and title for a minor expenditure category. Represents the most detailed level of budgeting and recording of expenditures, referred to as a line item.

Fiscal Policy: A government's policies with respect to revenues, spending, and debt management as these relate to government services, programs and capital investment. Fiscal policy provides an agreed-upon set of principles for the planning and programming of government budgets and their funding.

Fiscal Year (FY): The 12-month period for recording financial transaction specified by the City of Pismo Beach as beginning July 1st and ending June 30th.

Fixed Assets: Assets of long-term character such as land, buildings, machinery, equipment, and furniture.

Franchise Fee: A franchise fee is charged for the privilege of using public rights-of way and property within the City for public or private purposes. The City currently assesses franchise fees on cable television and utilities.

Full-time Equivalent Position (FTE): Position or fractions thereof based on full-time definition of forty hours of work per week.

Fund: A separate accounting entity with a self-balancing set of accounts to record all financial transactions (revenues and expenditures) for specific activities or government functions. Funds are classified into three categories: governmental, proprietary, and fiduciary. Commonly used funds in governmental accounting are General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds, Enterprise Funds, Internal Service Funds, Agency Funds, and Special Assessment Funds.

Fund Accounting: System used by nonprofit organization, particularly governments. Since there is no profit motive, accountability is measured instead of profitability. The main purpose is stewardship of financial resources received and expended in compliance with legal requirements. Financial reporting is directed at the public rather than investors.

Fund Balance: The excess of assets of a fund over liabilities, reserves and carry-overs.

Gas Tax Fund: A fund to account for receipts and expenditures of money apportioned under Street and Highway Code section 2105, 2106, 2107, and 2107.5 of the State of California.

General Fund: A governmental fund used to account for resources traditionally associated with government that is not required legally or by sound financial management to be accounted for in another fund.

Generally Accepted Accounting Principles (GAAP): Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules, and procedures that define accepted accounting principles.

General Obligation Bond: Bonds that are usually limited by state law as to the amount as well as the length of indebtedness that a government can have. These A-Full Faith and Credit@ bonds are secured by all of the financial assets of the local government, including property taxes.

Goal: A general statement of broad direction, purpose, or intent that describes the essential reason for existence and which is not limited to a one-year time frame. Generally, a goal does not change from year to year.

Grant: Contributions of gifts or cash or other assets from another governmental entity to be used or expended for a specific purpose, activity, or facility. An example is the Community Development Block Grant awarded by the federal government.

Indirect Cost: Costs that cannot be easily seen in the product or service. Electricity, hazard insurance on a building, and data processing costs are examples of indirect costs.

Infrastructure: The physical assets of the City, i.e. streets, water, sewer, public buildings, and parks, and the support structures within a development.

Interfund Transfers: The movement of monies between funds of the same governmental entity.

Intergovernmental Revenue: Funds received from federal, state, and other local government sources in the form of grants, shared revenues, and payments in lieu of taxes.

Internal Service Charges: The charges to user departments for internal services provided by one department or another government agency, such as data processing, motor vehicles, or insurance funded from a central pool.

Jurisdiction: A geographic or political entity governed by a particular legal system or body of laws.

Long-term Debt: Debt with a maturity of more than one year after the date of issuance.

Modified Accrual Basis or Modified Accrual Method: Accounting method whereby income and expense items are recognized as they are available and measurable.

Object Code: A specific numerical classification that identifies which amount is allocated for disbursements. The City of Pismo Beach uses object codes as the last five characters of the account number and represents the lowest level of classification within the General Ledger accounting system.

Objective: Measurable statement of the intended beneficial and tangible effects of a program's activities. An objective is a specific target toward which a manager can plan, schedule work activities, and make staff assignments. An objective is stated in quantifiable terms such that it is possible to know when it has been achieved. Examples are, increase an activity by a specific amount by a certain date; maintain a service level; reduce the incidence of something by a specific amount by a given date, or eliminate a problem by a set date. The emphasis is on performance and its measurability.

Operating expense: A series of object codes that include expenditures for items which primarily benefit the current period and not defined as personnel services, contractual services, or capital outlays.

Operating Revenues: Funds that the government receives as income to pay for ongoing operations. It includes such items as taxes, fees from specific services, interest earning, and grant revenues. Operating revenues are used to pay for day-to-day services.

Organizations Chart: A chart showing the interrelationships of positions within an organization in terms of authority and responsibilities. There are basically three patterns of organization: line organization, functional organization, and line and staff organization.

PERS: Public Employees Retirement System, a mandatory fringe benefit for City employees.

Program: A group of related activities performed by one or more organizational units for the purpose of accomplishing a function for which the government is responsible.

Proprietary Funds: These funds account for records of operations similar to those found in a business, such as Enterprise funds and Internal Service funds.

Purchase Order: An order issued which authorized the delivery of specific goods or services, and incurrence of a debt for them.

Redevelopment Agency (RDA): A separate legal entity governed by the California Community Redevelopment Law.

Redevelopment Fund: A fund to account for transactions related to proceeds from bonds and other resources and their use to perform redevelopment activities within specific project areas.

Reserve: That portion of a fund's balance legally restricted for a specific purpose and, therefore, not available for general appropriations.

Resolution: A special or temporary order of a legislative body; an order of a legislative body requiring less legal formality than an ordinance or statute.

Revenues: Funds received from various sources and treated as income to the City that are used to finance expenditures. Examples are tax payments, fees for services, receipts from other governments, fines, grants, licenses, permits, shared revenue, and interest income.

Special Assessment Fund: Contain monies received from special charges levied on property owners who benefit from a particular capital improvement or service.

Special Revenue Fund: A governmental fund type used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Supplemental Appropriation: An additional appropriation made by the governing body after the budget year has started.

Taxes: Compulsory charges levied by a government for the purpose of financing services performed for the common benefit to the people. This term does not include specific charges made against particular persons or property for current or permanent benefit, such as special assessments.

Transfers In/Out: Amounts transferred from one fund to another to assist in financing the services for the recipient fund.

Transient Occupancy Tax: A tax collected by the operators of hotels and motels located within the City, on behalf of the City. This tax is then remitted to the City.