CITY OF
PISMO BEACH





ADOPTED BUDGET

FISCAL YEARS 2016 & 2017

Our Time Is Now.



Cover photographs reflect Pismo Beach City projects to be funded in the two-year budget.

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- Lopez Lake, photo courtesy of Kathy Schwartz
- Pomeroy Avenue Pedestrian Enhancements, artist rendering courtesy of RRM Design Group
- Shell Beach Streetscape Phase I, photo simulation commissioned by the City and created by Tetra Tech and ALTA

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	Sheila Blake
Council Member	Erik Howell
Council Member	Mary Ann Reiss

Executive Management Team

City Manager	James R. Lewis
City Clerk	Erica Inderlied
Administrative Services Director	Nadia Feeser
Community Development Director	Jon Biggs
Management Services Director	Debra Garcia
Fire Battalion Chief	Paul Lee
Police Chief	Jake Miller
Public Works Director/City Engineer	Benjamin Fine
Conference & Visitors Bureau	Gordon Jackson

Budget Development Team

Administrative Services Director	Nadia Feeser
Finance Manager	Susan West-Jones
Accountant	Vanessa Garris
Accounting Clerk	Jana Etteddgue
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

June 2, 2015

Honorable Mayor and Council Members:

As we close out the fiscal years (FY) 2013-14 and FY 2014-15 budgets and look towards a new two year financial plan, it is hard not to step back with pride and satisfaction at the accomplishments of these past two years. During this time, we made sound investments in our community, in our employee team and in building infrastructure and programs that are the foundation of a bright future. Neighborhood streets and sidewalks have been improved, heavily used public facilities have been remodeled, recreation and special events are more popular than ever, visioning efforts for downtown are complete and investments are being made, new technologies have been implemented to make law enforcement even more effective and the staff more efficient, initiatives have begun to make City government more transparent and citizen engagement easier, and we have taken steps to protect our beautiful environment and protect our precious natural resources. While we should take a moment to celebrate these past two years and the efforts of so many who helped us be successful, it is time to look forward to FY 2015-16 and FY 2016-17.

As we look to the future, we have the strongest balance sheet and General Fund financial reserve we have ever had, our City employee culture is positive, collaborative and employee relations are excellent, we enjoy beneficial working relationships with the private sector and our community partners, the community's economy is growing healthily, and outside investment is coming in. We enjoy the trust of the citizenry as evidenced by the half-cent sales tax being renewed by over 71% of voters, the highest percentage of any sales tax measure countywide that was considered on the last ballot. Finally, the local, state, and federal economy have recovered with interest rates at historic lows, residential and commercial valuations are high, and consumer and investor confidence have improved. THE TIME IS NOW to capitalize on all of these factors and make very strategic investments in our community that will further enhance our quality of life and make us more sustainable in the future.

To guide development of this budget for the next two years, the Council engaged the community at a public hearing and by soliciting ideas and input through a variety of means. Additionally, the employees were able to collaborate by department to share their thoughts on what investments should be made. Based on this input, the City Council adopted several strategic goals and priorities that are funded in this budget, including:

- Ensuring a clean and sustainable water supply;
- Further enhancing and protecting our neighborhoods and quality of life;
- Implementing the adopted vision of a vibrant downtown with specific planning and design studies, and the installation of new amenities, lighting and beautification projects to build on the City's economic strength from our visitors and business';
- Beginning the Shell Beach Streetscape/Undergrounding project to provide a more walkable, attractive and friendly business corridor.

These multi-year projects will take huge investment and they are possible due to our City's strength in revenues, accumulated fund balances, financial conservatism, and solid credit. While this budget calls for spending many of these fund balances as planned to accomplish these projects, the City will continue to set aside funds for reserves, provide a safe environment to live and visit, produce recreation programs that add cultural enrichment and fun, maintain our beautiful parks and ocean water quality, and keep our drinking water clean.

With these goals and ideas in mind and the Council's commitment and leadership to guide us, I am pleased to present the Fiscal Year (FY) 2015-2016 (FY 2016) and FY 2016-2017 (FY 2017) budget for the City of Pismo Beach. The Adopted Budget document includes all City funds plus funds of the Public Finance Authority and the Public Facilities Corporation.

The adopted budget assumes moderate but conservative increases in revenues, both ongoing and one-time in nature. Due to the City's Conference and Visitors Bureau and Pismo Beach Hospitality Association promotional efforts as well as the Lodging Business Improvement District funds, 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; transient occupancy tax revenues continue to exceed expectations. The rate of growth in these revenues is expected to slow in the future, but the adopted budget still assumes strength in this area. As development in the downtown area and the housing market has picked up, the City is expected to see continued strength in revenues from building, planning and engineering fees, most of which are one-time in nature as the number of development areas are fixed. Property tax revenues have rebounded and sales tax revenues include moderate growth projections. Staff also anticipates an aggressive strategy of pursuing and obtaining state and federal grants for certain capital projects which could further grow revenues. Despite these increases in revenues, our forecasts remain conservative and our recommended ongoing expenditures are far less than the revenues being collected.

In the last two year budget, the City moderately increased its expenditures to fund investments in our community, in our team, and in our future. Some of these ongoing investments continue in this budget. In addition, the adopted budget funds:

- Efforts towards achieving the Council goals and priorities,
- Investments in City staff development, technology, and infrastructure to meet growing demands and to continue to enhance productivity and efficiency,
- Fire and police safety
- City beautification and economic growth,
- Continued investments in neighborhood streets, sidewalks, drainage and parking,

- Enhancements to the City's parks, and
- Maintaining and discovering more sustainable options for the City's potable water supply

As mentioned, while the time is now to make major investments, the City continues to set aside some of the savings from prior years and a portion of new revenues into reserves. Continuing to build reserves and maintain certain accumulated fund balances is critical as the City still weighs the cost of ongoing challenges, including rising risk management costs, high costs of repairing the pier, development of a sustainable water supply, and beginning construction of major capital projects including the Shell Beach Streetscape project.

The future continues to be very bright for the City of Pismo Beach, its residents, and its visitors. The Time is Now to make major investments in areas that will impact our community for many years to come. Specifically, these investments are outlined in more detail below.

The Time Is Now to Protect Our Clean Water Supply While Making it More Sustainable

The adopted budget makes significant strides towards protecting our clean water while discovering ways to make it more sustainable. Pismo Beach is being proactive to ensure clean water is available now and for the future, including:

- Updating the City's Water Master Plan
- Updating the Urban Water Management Plan
- Investing in strategic planning efforts with neighboring communities included in the Northern Cities Management Area
- Seeking funding for and beginning the planning and design of a reclaimed water system

The Time is Now to Further Enhance Our Neighborhoods and Protect Quality of Life

The adopted budget includes strategic investments into our future, including:

- Beginning implementation of the Shell Beach streetscape phase 1 to provide a more walkable community, a more attractive community and a more vibrant business environment
- Creating additional commercial and visitor serving parking opportunities in Shell Beach
- Developing standards for Shell Beach residential and commercial development that will protect the feel and character of the area
- Revising the General Plan Circulation Element to ensure efficient access throughout the community via a variety of transportation types
- 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
- Investing in new equipment and amenities for City parks

The Time is Now to Invest in Economic Development

The adopted budget includes efforts to promote our City to our residents and visitors, including:

- 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
- Implementing Pier area improvements that are sensitive to parking needs
- Working with new hotel developments to ensure they incorporate well into downtown and leverage their investment to attract additional retailers and restaurants
- Working with the Land Conservancy to ensure a successful Pismo Preserve opening that creates an accessible entry for residents and visitors while being complimentary to the neighborhood

The Time is Now to Preserve and Enhance City Resources

Finally, the adopted budget also invests in and protects City resources. I am recommending:

- Improving opportunities for employee education and training that result in more efficient, resourceful, and entrepreneurial operations
- Continuing to enhance the environment and culture at City facilities to improve employee morale, development, and creativity
- Repairing the City's landmark pier and looking at ways to provide additional options to enhance the space
- Increasing efficiency and mobility in the Police and Community Development Departments
- Implementing technology to support continuous operations for emergency operations and online payment systems and implementing the City's IT Strategic Plan for security, agenda management, and record retention
- Continuing replacement of mission critical public safety vehicles, including the replacement of the 1997 Fire Engine at Station 63, to ensure the City's fleet is in good working order and maintenance costs remain low
- Pursuing continued options to conserve water and reduce electricity use at City facilities

Financial Overview

The overall financial goals for the FY 2016 and FY 2017 budget period are to have a fiscally sound two-year budget, strengthen reserves, enhance current service levels, and address critical capital projects. The FY 2016 and FY 2017 adopted budget presents a structurally balanced budget, with excess operating revenues sufficient to cover adopted operating budget expenditures.

The FY 2016 adopted budget includes $33.9 million of revenues and $36.6 million in operating and capital budget expenditures, for a net $2.6 million more expenditures than revenues. The operating budget is balanced with a $5.5 million net operating surplus from prior fiscally

conservative budgets. The expenditures that exceed revenues are one-time capital projects. Fund balances accumulated over time offset the additional expenditures.

The FY 2017 adopted budget is balanced, where total revenues of $34.3 million exceed the $32.1 million operating and capital budget expenditures.

The adopted budget includes work plan budget expenditures for improving services, supporting capital improvements, building reserves, and supporting the community.

- The amount of recommended work plan budget items that include enhancing service levels and addressing Council priorities, net of revenues are $1,308,262 in FY 2016 and $1,030,049 in FY 2017.
- The amount of capital improvement projects that address critical infrastructure needs and other Council goals are $6,871,956 in FY 2016 and $1,648,300 in FY 2017.
- The adopted budget contributes an additional 2%, or $280 thousand of General Fund reserves as the City moves from 22% to 25% over 5 years.
- The General Fund contingency budget of 1% of General Fund operating expenditures is fully funded with an additional $12 thousand in FY 2016 and $4 thousand in FY 2017 to support unanticipated items that may occur during the budget years.
- The adopted budget continues to support an additional $50 thousand per year towards a risk management reserve for unanticipated risk management costs.
- The adopted budget maintains the $500 thousand City Facility Reserve established in FY 2015.

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 2016 and FY 2017. The FY 2015 revised budget, as presented in the ensuing departmental pages, reflects budget amendments approved through March 2015, 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.

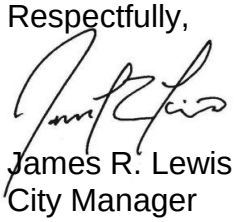
Acknowledgements

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 2016 and FY 2017 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

The time is now to make several key investments that will make our future even brighter. 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

CALIFORNIA SOCIETY OF MUNICIPAL FINANCE OFFICERS (CSMFO) BUDGET AWARD

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California Society of
Municipal Finance Officers

Certificate of Award

Operating Budget Excellence Award
Fiscal Year 2014

Presented to the

City of Pismo Beach

For meeting the criteria established to achieve the Operating Budget Excellence Award.

February 11, 2014

Pauline Marx
CSMFO President

Ken Brown, Chair
Professional Standards and
Recognition Committee

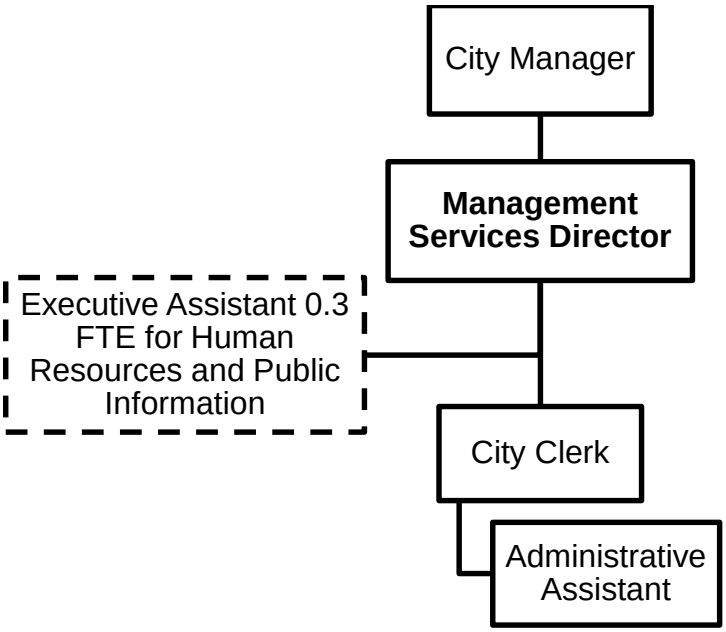
Dedicated Excellence in Municipal Financial Reporting

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ORGANIZATION CHANGE AFTER BUDGET ADOPTION

The City of Pismo Beach City Council approved a significant organization change on July 7, 2015 with Resolutions R-2015-047 and R-2015-048 that warrants noting in this budget document. The change includes the formation of a new Department of Management Services, which oversees all of the City's internal and external records, information, and communications, and provides oversight and ensures focus, consistency, and support for citywide programs including: customer service, public outreach efforts, public information including disaster communication and social media, records management and requests, City Clerk functions, personnel and risk management. The new department includes City Clerk staff and functions (eliminating it as a separate department) as well as the Human Resources, risk management and social media/public information functions.

The organization chart for this department is as follows:



This change impacts the level of budgetary control as the Management Services Department oversees the City Clerk Division. Additional information is provided in the City of Pismo Beach staff report on July 7, 2015 Item 7.C. The remainder of this document reflects the Adopted Budget as approved by the City Council on June 2, 2015.

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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 2016 and FY 2017 adopted budget presents a balanced budget, with revenues sufficient to cover normal operations (or base level) and adopted ongoing work plan budget requests (or above base level) budget expenditures. The baseline budget is a continuance of all current services and contracts without any increases to staffing, contract costs, program enhancements, or capital projects. The work plan budget requests are all expenditures over the baseline budget. These work plan budget items include accomplishments of the City Council's goals, investments in the City's future for clean and sustainable water supply, neighborhood enhancement and protecting our quality of life, economic development, and preservation and enhancement of City resources. These include several capital projects, program enhancements, and increased contributions to contingency funds, replacement funds, and General Fund reserves. The following tables depict the FY 2016 and FY 2017 adopted budget, in comparison to the FY 2015 revised budget, all net of transfers. The first table includes the operating budget, or the ongoing revenues and expenditures, the second table includes the one-time revenues and expenditures, and the third table is the total budget with ongoing and one-time revenues and expenditures. The 2015 revised budget is the FY 2015 adopted budget plus Council approved budget revisions and multi-year capital project budgets carried over from prior years. Note that the operating budget is structurally balanced and the one-time expenditures are supported by one-time revenues or fund balance.

Operating Budget

	FY 2015 Revised Budget	FY 2016 Adopted Budget	Change from Prior Year	FY 2017 Adopted Budget	Change from Prior Year
Revenues	$ 33,452,972	$ 33,908,396	$ (455,424)	$ 34,278,998	$ 370,602
Expenditures	33,421,813	28,396,577	5,025,236	29,255,979	859,402
Net	$ 31,159	$ 5,511,819		$ 5,023,019	

One-time Revenues & Expenditures, Net is supported by Fund Balance

	FY 2015 Revised Budget	FY 2016 Adopted Budget	Change from Prior Year	FY 2017 Adopted Budget	Change from Prior Year
Revenues	$ 6,841,208	$ 49,300	$ 6,791,908	$ 36,200	$ (13,100)
Expenditures	18,235,924	8,186,612	10,049,312	2,879,267	(5,307,345)
Net	$ (11,394,716)	$ (8,137,312)		$ (2,843,067)	

Total Budget

	FY 2015 Revised Budget	FY 2016 Adopted Budget	Change from Prior Year	FY 2017 Adopted Budget	Change from Prior Year
Revenues	$ 40,294,180	$ 33,957,696	$ 6,336,484	$ 34,315,198	$ 357,502
Expenditures	51,657,737	36,583,189	15,074,548	32,135,246	(4,447,943)
Net	$ (11,363,557)	$ (2,625,493)		$ 2,179,952	

FY 2016 Adopted Budget vs FY 2015 Revised Budget

The FY 2016 adopted budget includes $6.4 million fewer revenues compared to the FY 2015 revised budget. This is largely attributed to $5.3 million more in FY 2015 budgeted bond proceeds for the Wastewater Sludge Dewatering and Five Cities Lift Station projects and $1.5 million more in state government grants budgeted in the FY 2015 revised budget for the California Department of Boating and Waterways Grant and the California Environment Enhancement Grant. The FY 2016 adopted budget also includes $15.4 million fewer budgeted expenditures, primarily due to multi-year capital projects and contracts budgeted in prior years carried forward to FY 2015.

FY 2017 Adopted Budget vs FY 2016 Adopted Budget

The FY 2017 adopted budget includes $0.3 million additional revenues compared to the FY 2016 adopted budget, largely due to additional water and wastewater utility revenues, transient occupancy tax revenues, and property related tax revenues, offset by a slowdown in building permit revenues. The FY 2017 adopted budget includes $4.5 million fewer expenditures compared to the FY 2016 adopted budget, primarily due to more one-time capital projects budgeted in FY 2016 than in FY 2017.

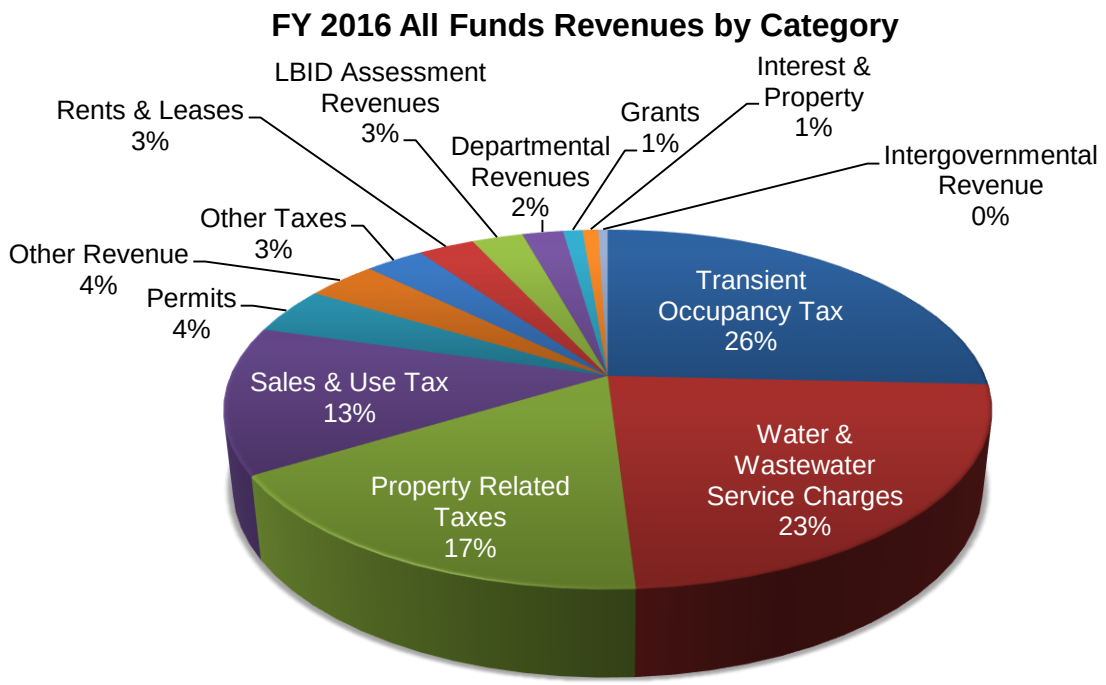
The Adopted Two-Year Budget is Balanced

- The FY 2016 adopted budget includes $33.9 million of revenues and $36.6 million in operating and capital budget for a net $2.6 million more expenditures than revenues. The operating budget is balanced with a $5.5 million net operating surplus. The expenditures that exceed revenues are one-time capital projects. Fund balances accumulated over time offset the additional expenditures.

- The FY 2017 adopted budget is balanced, where total revenues of $34.3 million exceed the $32.1 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 2016 base operating budget. The components of the FY 2016 and FY 2017 base operating budgets are similar and the percentages in FY 2017 are almost identical.



Revenue Categories

- The largest component, or 26%, of the City's revenues is from Transient Occupancy Tax (TOT) revenues, budgeted at $8.7 million. These 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.
- The second largest component, or 23%, of the City's revenues is from Water & Wastewater Service Charges from residential and non-residential customers, which is about $7.9 million.
- Property Related taxes make up 17% of the City's revenues, or $5.9 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 $4.5 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.
- The remaining components contribute 21%, or $6.6 million, of the City's revenues and include other taxes, other revenue, rents and leases, Lodging Business Improvement District (LBID) assessment revenues, permits, interest and property, departmental revenues, grants, and intergovernmental revenue.

The four largest revenue categories (TOT, Water & Wastewater Service Charges, Property Related taxes, and Sales & Use tax revenues) make up 80% 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 36 through 40. 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. Based on a comprehensive water and wastewater rate study performed by an outside consultant, the City Council approved revised water and wastewater rates in September 2013. Water and wastewater fees are set up to each have a flat rate service charge and a variable rate based on water consumption. The Council approved two changes to rates: (1) the rate structure to encourage conservation to comply with the State's goal of reducing per capita water use by 20% by December 31, 2020 and (2) rate increases to cover critical water and wastewater capital system improvements. The water rates are set to increase by 4.5% per year and wastewater rates increase by 5.5% per year from December 2013 through June 2017.

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 is structured to recover 30% of all water costs. The variable component is based on water consumption and recovers 70% of all water costs. The variable component includes an incentive to reduce per capital water use by 20% by December 31, 2020 to comply with the State's 20x2020 Water Conservation Plan. 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 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 2016 and FY 2017.

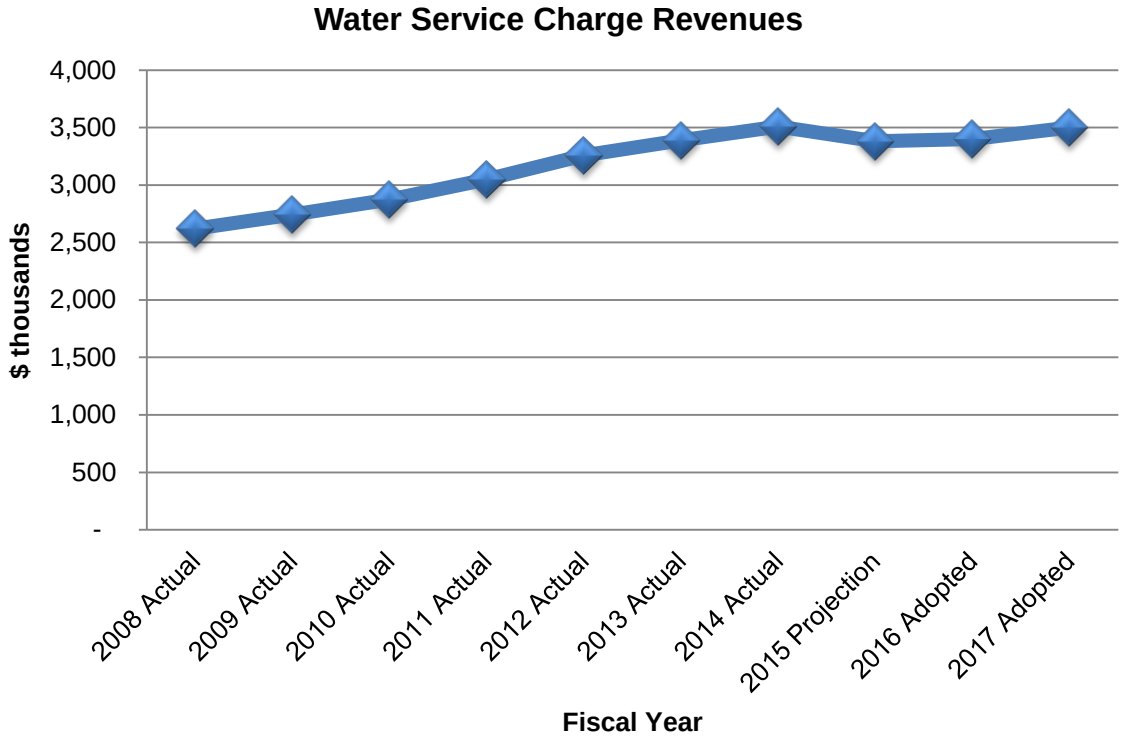
Water Sales Volume: Future water sales volume for the City is estimated by multiplying the projected number of customers by future estimates of water use per customer by classification.

The basis for the budgeted water service charge revenues for FY 2016 at $3.4 million and for FY 2017 at $3.5 million includes a 4.5% increase in water service rates rate change, 0.75% increase in residential customer growth, and 1.0% increase in commercial customer growth. This is offset by a decrease in water sales volume based on the rate structure incentive and other water conservation efforts.

Due to the limited rainfall and decreased State water supply delivery to the City, the City Council declared a Severely Restricted Water Supply on July 1, 2014, which outlines restrictions of water usage, including no outdoor use except limited irrigation, limited use of potable water, and a water conservation incentive program. During FY 2015, this measure

and other water conservation efforts has led to a 13% reduction in water usage from July 2014 through December 2014 compared to July 2013 through December 2013, which has led to a projected $3.4 million in water service charge revenues for FY 2015.

The following table illustrates the change in water service charge revenues from 2008 through a projection in FY 2017 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 is structured to recover 22% of all wastewater costs. The variable component is based on water consumption and is structured to recover 78% of all wastewater costs. Other revenue sources include penalties, interest income, and miscellaneous sources.

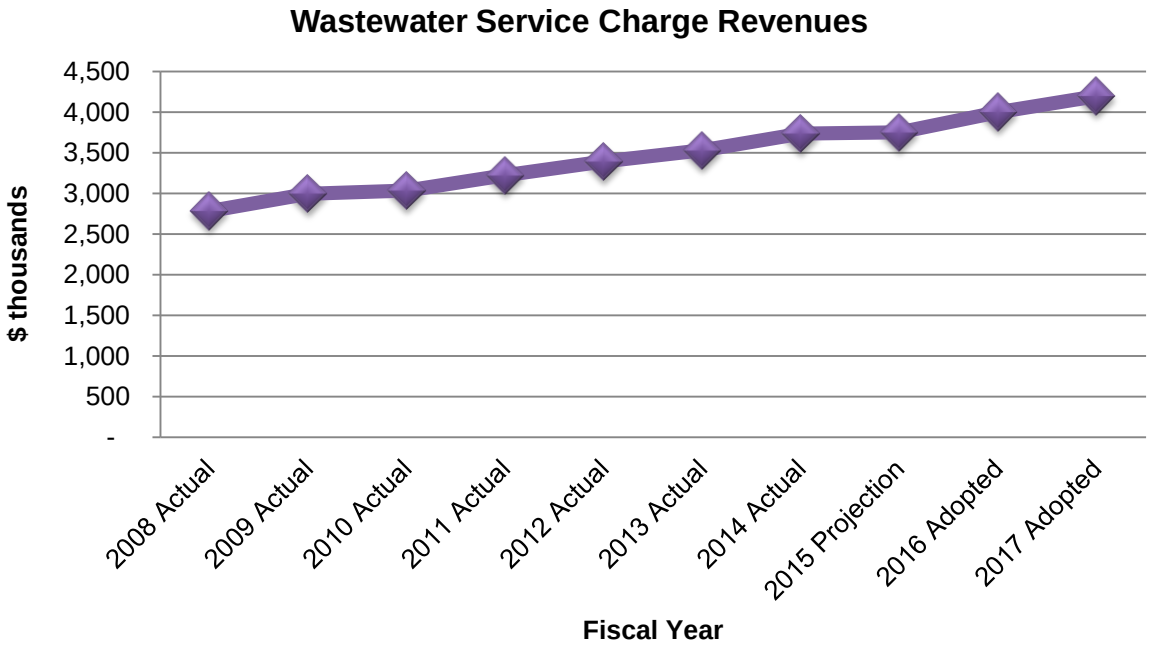
Historical actual wastewater service charge revenues fluctuate based on customer growth, waste sales volume, and includes rate increases. As such, reviewing these historical actual revenue changes alone does not project wastewater service charge revenues for the future. Instead, wastewater service charges 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 2016 is $4.0 million and $4.2 million in FY 2017. This is based on the same customer growth and water sales volume as indicated in the preceding water revenue section.

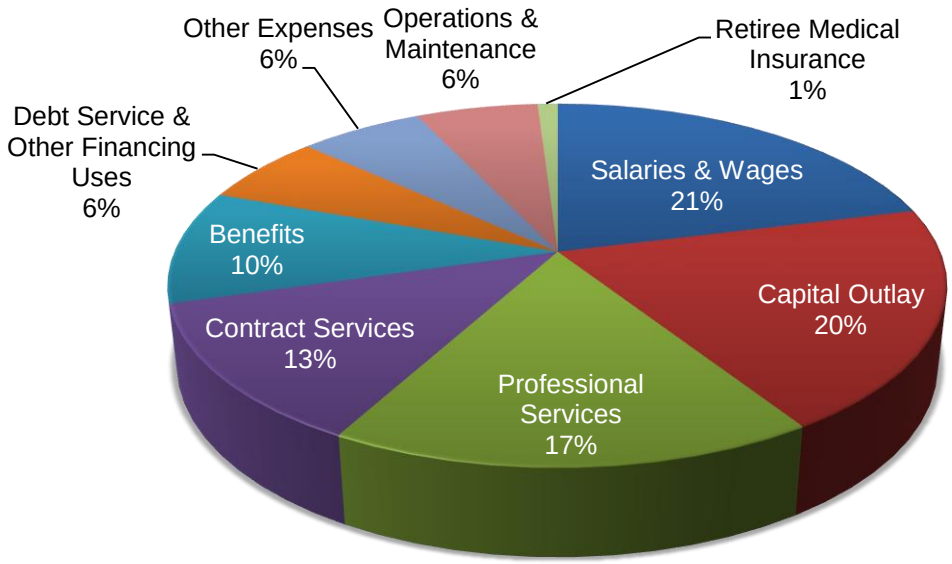
The following table illustrates the change in wastewater service charge revenues that reflect increased rates and customer growth, offset by reduced water consumption. Rate increases depending on meter size for wastewater fixed charges and variable rate charges were in effect during FY 2008 through FY 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 budgeted funds are spent: by expenditure category or by department/division.

Expenditures by Category

FY 2016 All Funds Expenditures by Category



Expenditures by Category

- The largest components of the City's budget are for salaries & wages and benefits, totaling $11.4 million, or 31% of all expenditures. Salaries & wages make up 21% and benefits make up 10% 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 2016 and FY 2017 is 89.00. This is an increase of 1.00 FTE from FY 2015 to reflect the additional IT Manager position. The IT Manager is a new position authorized by Council in FY 2014. 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.

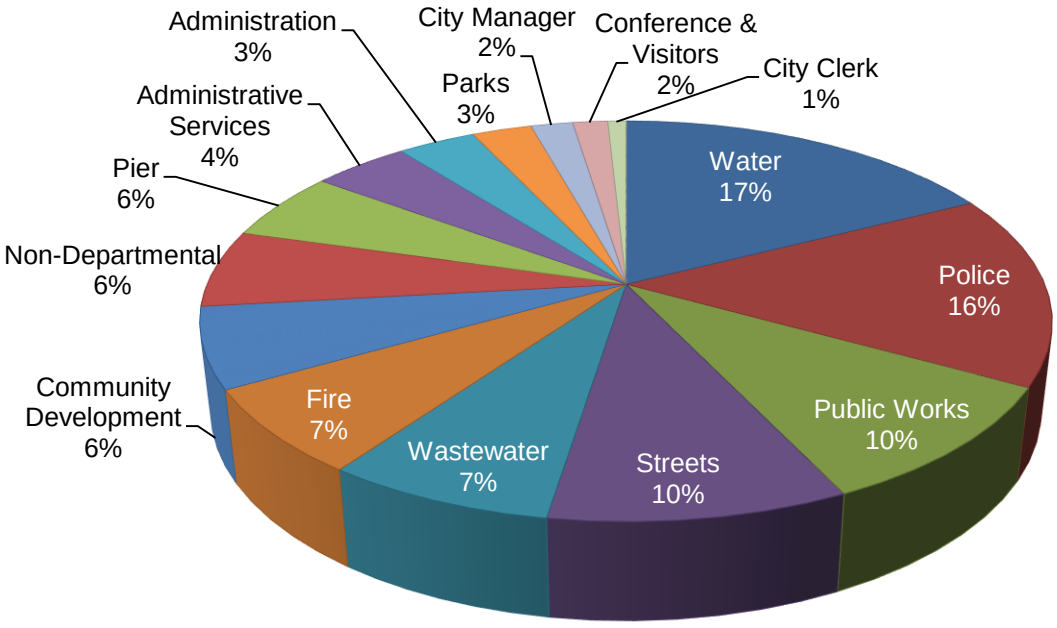
  Employee Compensation and Benefits: There are two union-represented groups in the City: the Police Officers Association (POA) for sworn and non-sworn employees; and Service Employees International Union (SEIU), Local 620, for miscellaneous employees. The remaining non-represented employees include City 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 category of the City's budget is for Capital Outlay, totaling 20% or $7.3 million. Capital Outlay includes all one-time capital projects that are budgeted for FY 2016.
- The third largest component of the City's budget is for professional services, totaling 17% of all expenditures, or $6.2 million. This category includes interagency contracts for state water and water from the Lopez Reservoir totaling approximately $1.7 million per year, the City's CalFire contract of approximately $1.7 million in FY 2016, and contracts with other professional services such as legal services, auditors, and planners.
- The fourth largest category is contract services, totaling 13% of all expenditures, or $4.6 million. This category includes risk management and insurance costs of $1.3 million, advertising and promotion contracts of $795 thousand, power and utility costs, training costs, memberships, and other contract services.
- Debt service & other financing uses make up 6% of the City's expenditures, or $2.3 million.
- Other expenses make up 6% of the City's expenditures, or $2.2 million, including overhead costs, motor vehicle operations and repairs, and technology costs.
- Operations & maintenance makes up 6% of the City's expenditures, or $2.2 million.
- Retiree medical insurance makes up the remaining 1% of the City's expenditures, or $366 thousand.

Expenditures by Department/Division

FY 2016 All Fund Expenditures by Department/Division



- The largest component of the City's budget at 17%, or $6.4 million, is spent on water operations, construction, and consumption.

- The second largest component of the City's budget at 16%, or $5.7 million, is spent on police protection to keep the City's residents and visitors safe and enforce the law. The Police Department is nationally accredited by the Commission on Accreditation for Law Enforcement Agencies.
- The third largest component of the City's budget at 10%, or $3.6 million, is for public works, which includes maintenance and operations, engineering, improvements to City buildings and facilities, and motor vehicle operations and replacement.
- The fourth largest component of the City's budget at 7%, or $2.7 million, is spent on wastewater operations and construction.
- Fire protection and prevention, lifeguards, and weed abatement make up 7%, or $2.5 million, of the City's budget. The City contracts out fire protection and prevention services to CalFire.
- Community Development makes up 6%, or $2.4 million, of the City's budget and include building, planning, and recreation costs.
- Non-Departmental costs, or costs that are used by all departments, make up 6%, or $2.3 million, of the budget and includes insurance costs and contributions to reserves and the Other Post Employment Benefit fund contributions.
- Pier operations and construction makes up 6%, or $2.1 million of the City's budget.
- Park maintenance makes up 3%, or $989,000 of the City's budget.
- The remaining components include Administrative Services at 4% of the City's budget, Administration at 3% of the City's budget, the City Manager's office at 2%, Conference and Visitors bureau at 2%, and City Clerk's office at 1%, or a total of 12%.

Key Assumptions

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

Revenue Assumptions

- Operating revenues are projected based on historical revenue collections, known rate changes, consumer price index inflation, and estimated economic factors.
- 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 5.7% in FY 2016 and another 2.3% in FY 2017. This is in line with historical trends and based on expert information and economic projections.

Expenditure Assumptions

- The Budget includes the following personnel cost assumptions:
  - Salaries and wages
    - Cost of living adjustment on July 2015, including:
      - Police Officer Association (POA) Sworn employees of 2.0%
      - POA non-Sworn employees of 2.0%, plus a 1.0% equity adjustment
      - Service Employees International Union (SEIU), Local 620, and all other employees of 2.0%
    - 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 to reflect the level of additional City contributions in December 2015, and an additional 10% in December 2016 based on historical actual increases.
  - Dental, vision, and life insurance increase to reflect the level of additional City contributions in January 2016, and an additional 5% in January 2017 based on historical actual increases.
  - CalPERS (California Public Employees' Retirement System) rate increases based on data provided by PERS Actuarial Reports dated October 2014. The City provides retirement benefits for full-time employees through CalPERS. The City has two main retirement plans, each with three benefit tiers. 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.

    Each tier within each plan calls for a different Employer and Employee cost, with the 1st tier costing the most and the 3rd tier costing the least to the employer. The employees all contribute the same amount depending on their plan (Miscellaneous employees contribute 8.0% of their salary to their retirement and Safety Police employees contribute 12.0% of their salary to their retirement).

The following tables reflect the CalPERS rates for Miscellaneous and POA employees for each fiscal year.

FY 2016 CalPERS Cost

	City Cost	Employee Cost	Total Cost	Employee Pick-up	Benefit
Miscellaneous - T1	20.40%	8.00%	28.40%	0.00%	2.0% at age 55
Miscellaneous - T2	5.71%	8.00%	13.71%	1.00%	2.0% at age 60
Miscellaneous - T3	4.49%	8.00%	12.49%	1.75%	2.0% at age 62
Police - T1	47.35%	12.00%	59.35%	3.00%	3.0% at age 50
Police - T2	12.63%	12.00%	24.63%	3.00%	3.0% at age 55
Police - T3	10.65%	12.00%	22.65%	0.50%	2.7% at age 57

FY 2017 CalPERS Cost

	City Cost	Employee Cost	Total Cost	Employee Pick-up	Benefit
Miscellaneous - T1	20.83%	8.00%	28.83%	0.00%	2.0% at age 55
Miscellaneous - T2	6.10%	8.00%	14.10%	1.00%	2.0% at age 60
Miscellaneous - T3	5.05%	8.00%	13.05%	1.75%	2.0% at age 62
Police - T1	48.42%	12.00%	60.42%	3.00%	3.0% at age 50
Police - T2	13.50%	12.00%	25.50%	3.00%	3.0% at age 55
Police - T3	11.00%	12.00%	23.00%	0.50%	2.7% at age 57

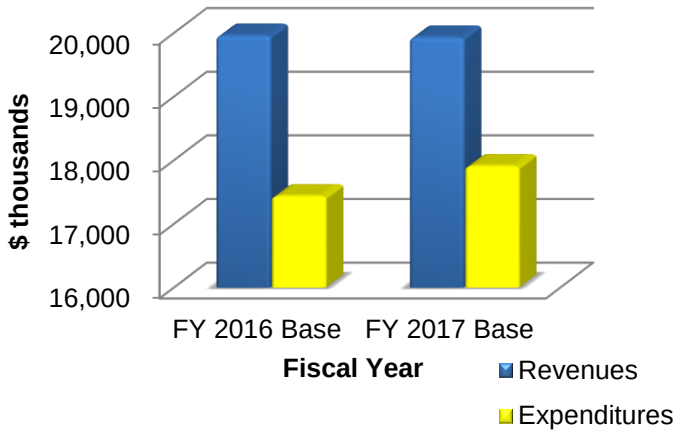
GENERAL FUND OVERVIEW

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 2015 with an unassigned fund balance of $5.07 million to be carried forward as the beginning fund balance for FY 2016. This unassigned fund balance represents uncommitted amounts carried over from FY 2014 plus the estimated excess of revenues over expenditures for FY 2015.

Base Operating Budget is Structurally Balanced

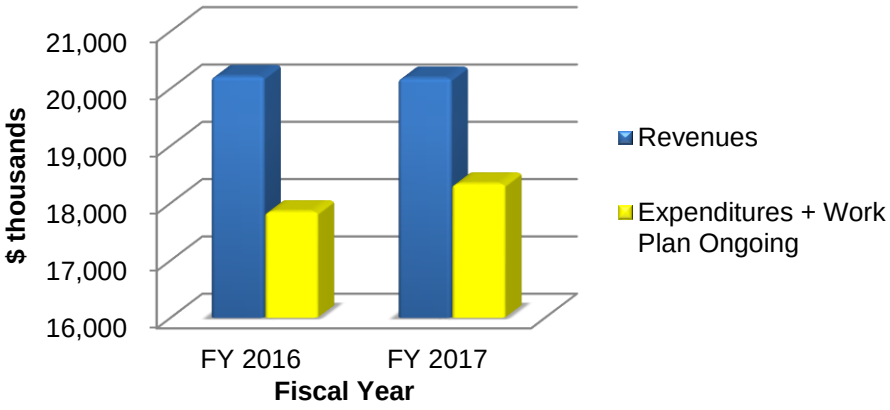
The General Fund base operating budget is structurally balanced, meaning that base operating revenues meet or exceed base operating expenditures. The base operating budget includes current staffing levels and operating costs. It accounts for known cost increases for salary step or merit increases, benefits,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

FY 2016 and FY 2017
General Fund Base Operating Budget



Adopted Operating Budget is Structurally Balanced

FY 2016 and FY 2017
Adopted General Fund Operating Budget



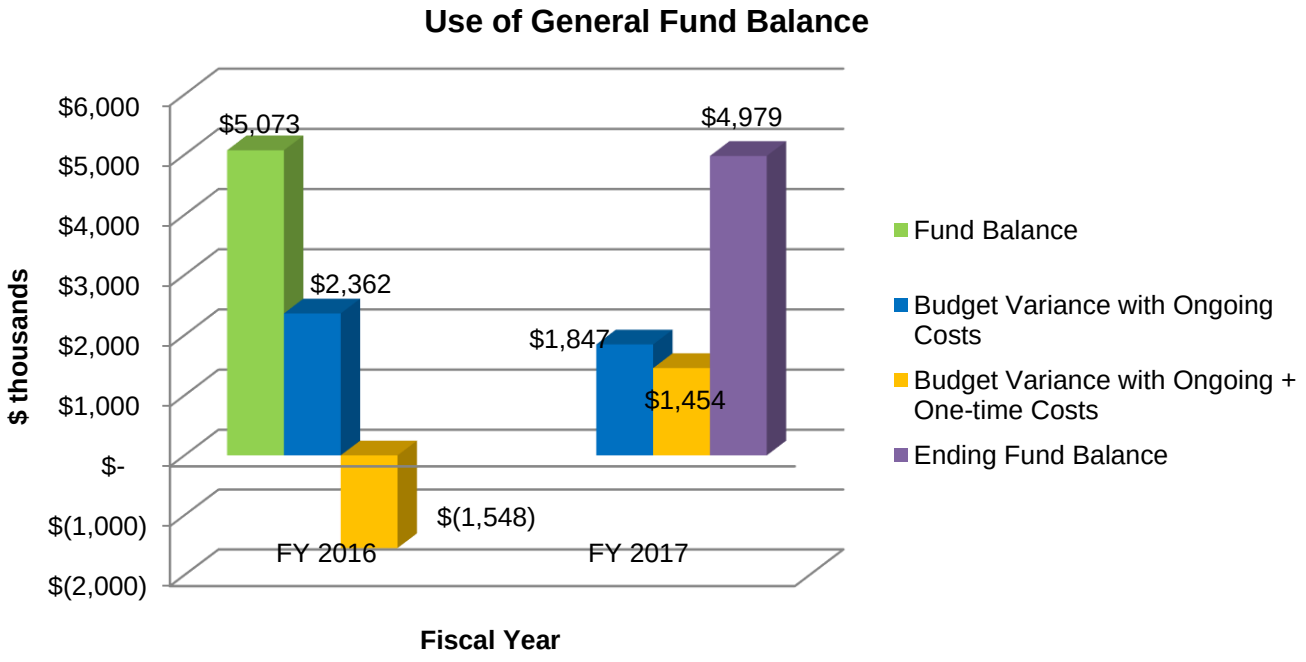
The General Fund adopted budget with ongoing work plan budget expenditures is balanced. This represents the ongoing operating budget. In FY 2016, revenues are greater than expenditures by about $2.36 million. In FY 2017, revenues are greater than expenditures by about $1.84 million. The adopted budget includes the base operating budget, plus ongoing work plan budget items. These work plan budget items include on-going enhancements that increase services to the public, funding additional reserves and depreciation, and ongoing Council Goals.

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 2016, at about $5.07 million. The blue bars represent the budget surplus between revenues less adopted ongoing costs. As mentioned in the previous section, the operating budget surplus is $2.36 million FY 2016 and $1.84 million in FY 2017. This means that the green fund balance bar would grow by $2.36 million the first year and grow by another $1.84 million in the second year.

The yellow bars reflect the budget variance between revenues less the adopted budget for all base operating costs, recommended ongoing costs, one-time investments including capital project expenditures, and contributions to reserves. For FY 2016, this bar is negative as it reflects the use of fund balance for one-time work plan items and capital projects. For FY 2017, there are sufficient ongoing revenues to cover adopted one-time expenditures without drawing from the General Fund unassigned fund balance. For FY 2016, the fund balance would decrease $1.55 million and in FY 2017, the fund balance would increase by $1.45 million after accounting for both the adopted ongoing and one-time investments.

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 $4.98 million, which is a healthy fund balance, and incorporates the Council's goals, enhances services, fully funds the 1% general fund contingency budget, adds more to the General Fund Reserve, and funds other items as described later in the work plan budget request 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 2016	FY 2017
Beginning Fund Balance	**$ 5,073,323**	**$ 3,524,566**
Base Operating Budget		
Sources	$ 19,959,382	$ 19,930,415
Uses	17,436,704	17,908,363
Net Operating Base	2,522,678	2,022,052
Fund Balance-After Base	**$ 7,596,001**	**$ 5,546,618**
Contributions to Reserves	$ 50,000	$ 330,000
Modified Base Fund Balance	**$ 7,546,001**	**$ 5,216,618**
Adopted Work Plan Budget Requests		
Sources		
Fee Study, Grant revenues, & Facility Rental Revenues	$ 278,706	$ 254,306
Uses		
Council Goals-General Fund	$ 1,375,000	$ -
Work Plan Budget One-time	221,752	58,225
Work Plan Budget Ongoing	415,240	422,317
Outside Requests	53,800	7,500
Public Works Reorg	2,349	3,484
Capital Projects	2,232,000	-
Total Uses	$ 4,300,141	$ 491,526
Net Above Base Requests	**$ (4,021,435)**	**$ (237,220)**
Ending Fund Balance	**$ 3,524,566**	**$ 4,979,398**

Base Operating Budget

The previous summary table provides a look at the major categories of funding in the FY 2016 and FY 2017 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. Work plan budget items are allocated from this modified base fund balance.

Work Plan Budget Items

Work plan budget requests are those items that request a change in funding compared to the baseline budget to reflect efforts toward achieving the Council's goals and priorities, regulations, best practices, service growth, and implementing the IT Strategic Plan.

The bottom half of the summary table includes the additional sources and uses in the adopted work plan budget items. Total adopted sources are $278,706 in FY 2016 and $254,306 in FY 2017. Total Council goals that are funded by the General Fund equal $1,375,000 in FY 2016. Adopted work plan budget items are $636,992 in FY 2016 and $480,542 in FY 2017, and are detailed on pages 114 through 116. The ending fund balance of $3.52 million in FY 2016 is carried over to FY 2017 as the beginning fund balance. The ending fund balance at the end of FY 2017 is projected to be $4.98 million. The adopted two-year budget would decrease the General Fund unassigned fund balance by a projected $94 thousand over two years.

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

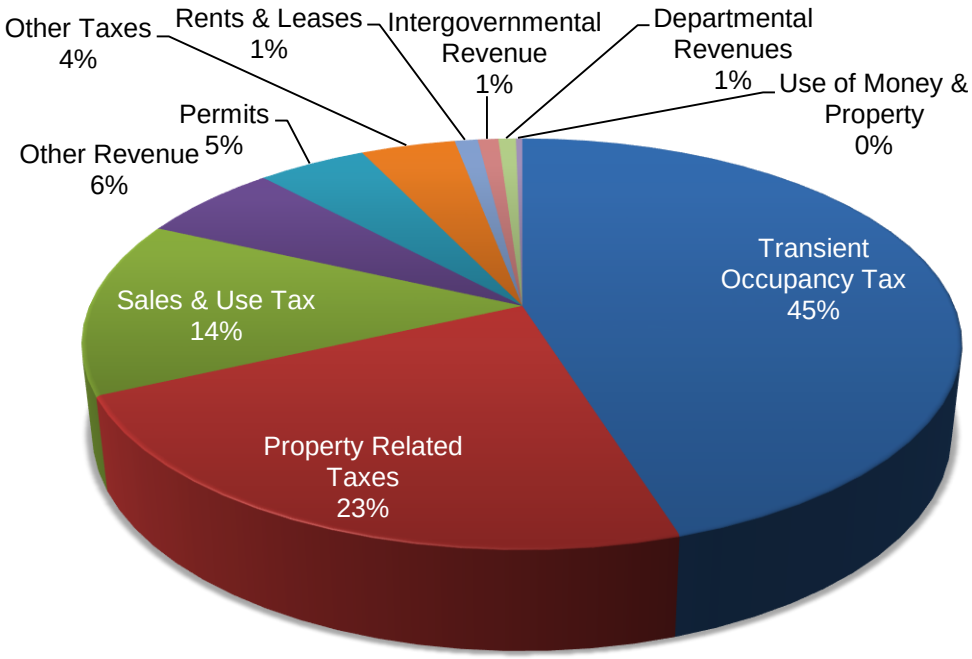
It is important to note the distinction between "one-time" budget items and "ongoing" budget items. "One-time" uses of funds do not create ongoing annual budget expenses for the City. Such expenditures are for projects or programs that are completed within the fiscal year. While there may be some future 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 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 base sources (ongoing and one-time sources) are projected to be $19,959,382 in FY 2016 and $19,930,415 in FY 2017. General Fund operating (ongoing only) sources are projected to be $19,278,382 in FY 2016 and $19,930,415 in FY 2017. The difference between the ongoing and one-time sources includes the one-time sales tax triple flip bump of $250,000 in FY 2016 and one-time permit revenues of $431,000 in FY 2016. General Fund sources excludes the $1.44 million projected in FY 2016 and $1.45 million projected in FY 2017 for the Half Cent Sales Tax as these funds are accounted for separately so they can be specifically measured and tracked.

FY 2017 General Fund Operating Revenue by Category

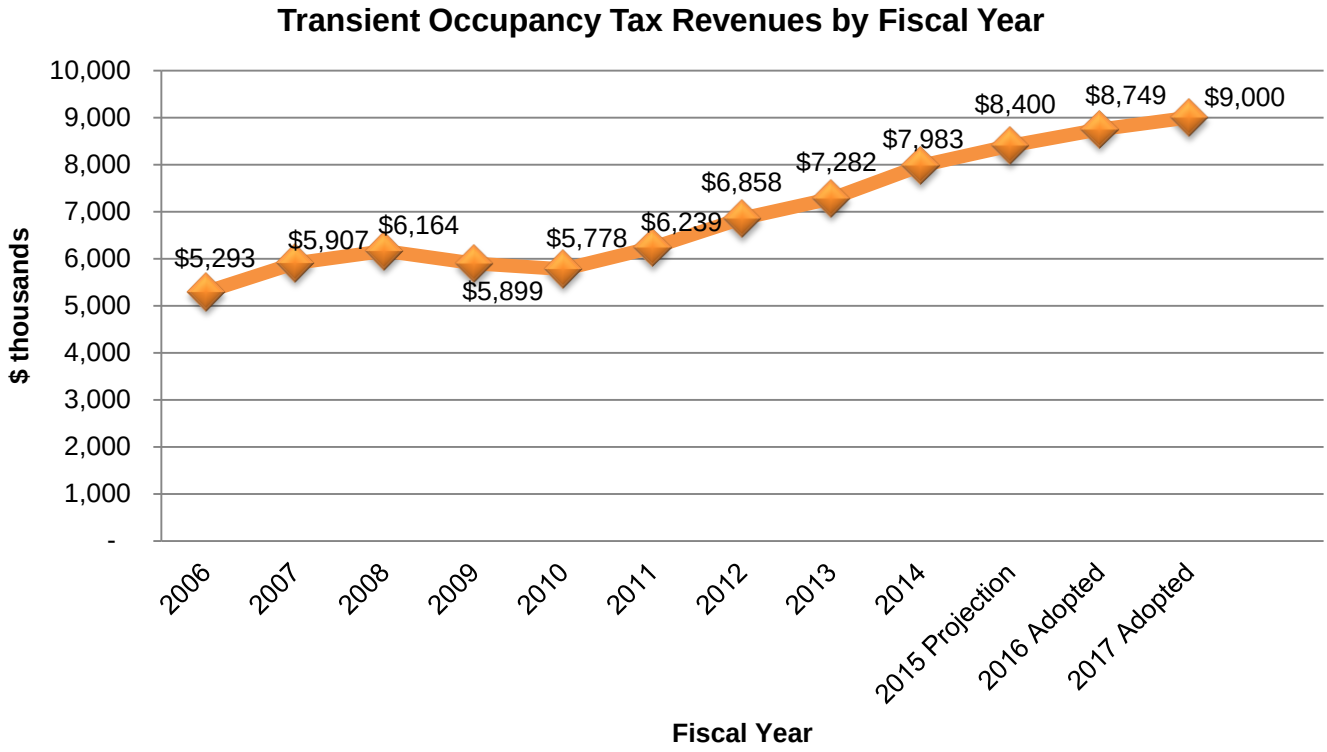


Summary of General Fund Operating Revenues

The above pie chart illustrates the revenue categories that make up General Fund base operating revenues, and as the two fiscal years are similar, FY 2017 is displayed. Since approximately 82% 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, and 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 $8.75 million in FY 2016 and $9.00 million in FY 2017. These revenues have grown by 5.6% per year for the past 10 years. The adopted budget includes $8.75 million in FY 2016, a conservative 4.1% increase over the projected $8.40 million that City staff estimates to receive in the FY 2015. The FY 2017 adopted budget includes $9.00 million, a conservative 2.9% increase over the FY 2016 budget to reflect a slowdown of these revenues in both occupancy rates and room rates. The following table shows the TOT revenue growth for the past 10 fiscal years and the projected growth for FY 2015 through FY 2017.



Property Related Taxes, 23% of General Fund Operating Revenues

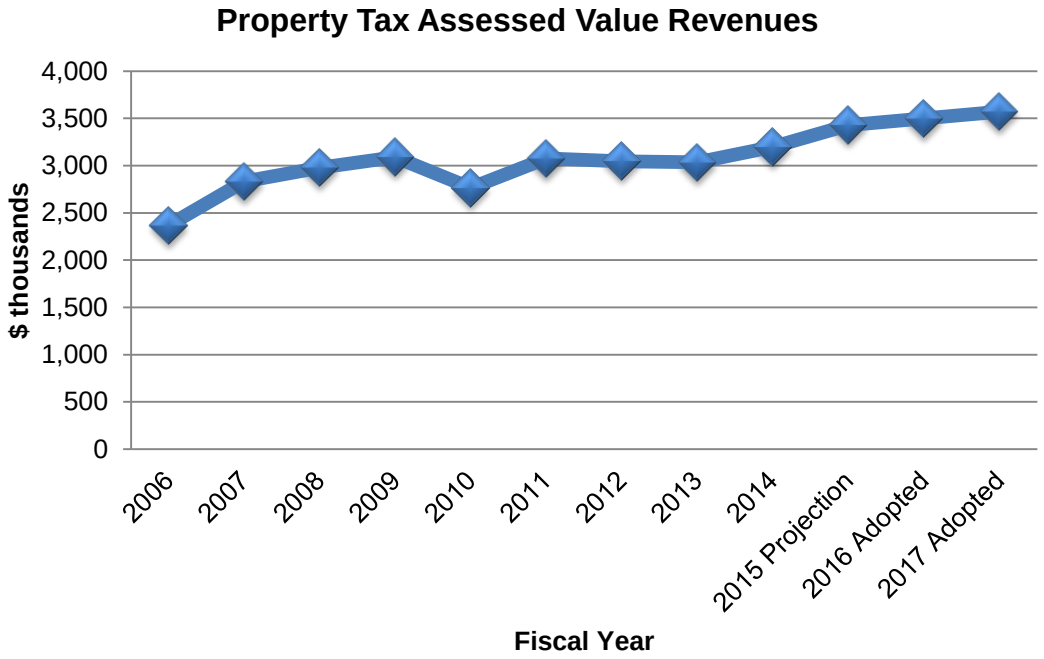
Property related tax revenues are the second largest source of General Fund revenues and account for 23% of the total General Fund operating revenue budget, or a projected $4.50 million in FY 2016 and $4.58 million in FY 2017. There are three sources of property related tax revenues:

- Property Tax Assessed Value revenues: This is the largest share, or $3.50 million in FY 2016 and $3.57 million in FY 2017, and is equivalent to 1% of assessed values.

- Property Tax In Lieu of Vehicle License Fees: This is the second largest share, or $0.80 million in FY 2016 and $0.81 million in FY 2017, which is a 1% tax on the market value of a registered vehicle.
- Former Redevelopment Agency (RDA) property tax revenues: The third share is $200 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 2016 and FY 2017 assessed value property tax revenues are $3.50 million and $3.57 million, reflecting a consumer price index growth of 2.0% and potential recapture of parcels that were previously granted a value reduction and have potential for recaptured value per Proposition 8. The primary factors used in the projection of this revenue include historical growth in assessed valuation and projected home values. The housing market is projected to continue to improve, although the pace of the improvement is projected to slow due to the increase of interest rates and tight inventories. In most areas, foreclosure levels are back at historical norms as seen in 2006, before the real estate recession. 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 4.9% on average per year. This has slowed to 0.6% average annual growth over the past 5 years. Total assessed values in 2014 are slightly lower than in 2006. 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.



- Home Values: The 2014 average price ($752 thousand) and median price ($695 thousand) of single family residential full value sales (home values) are in line with the average and median prices of homes sold in 2004. Based on data from the San Luis Obispo County Recorder, the median price for single family residential full value sales increased by 12% to $629,500 in calendar year 2013 compared to 2012. Early 2014 data shows that median home values have increased to $695,000, or 10%, compared to 2013. 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 152 sales in 2013 compared to 125 in 2012, which represents a 21.6% increase in transactions.

Sales & Use Tax, 14% of General Fund Operating Revenues

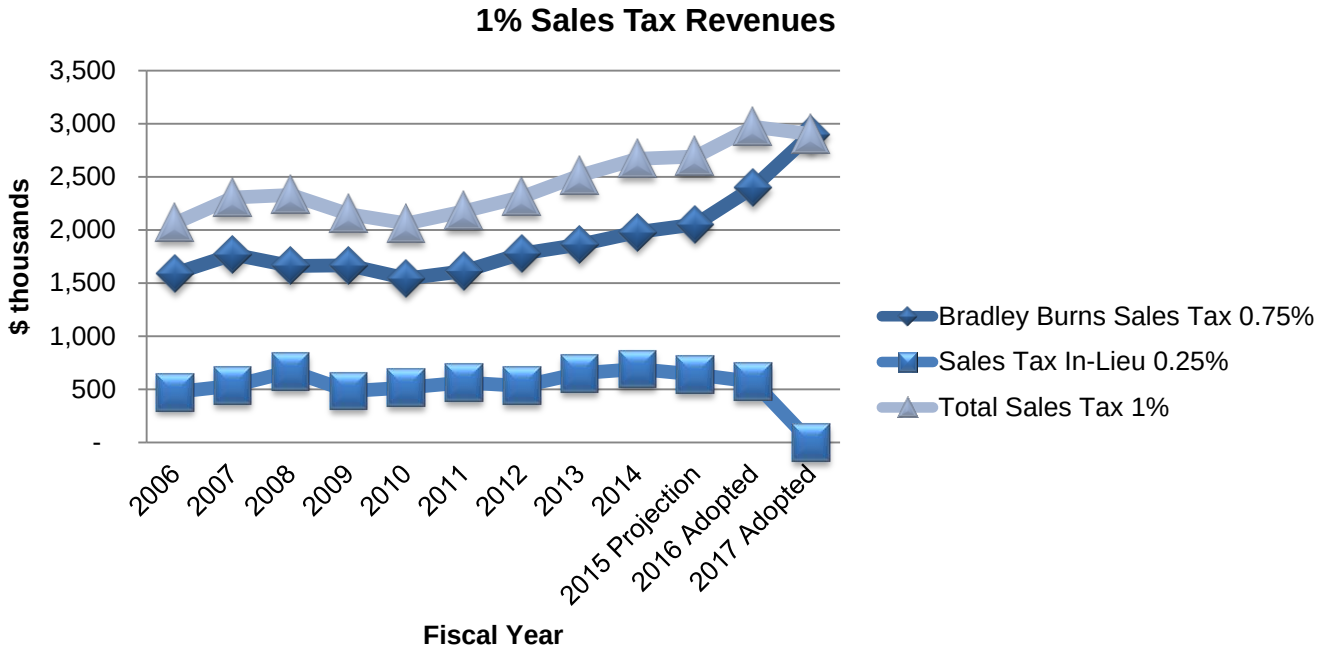
Sales and Use tax revenues are the third largest source of revenue to the General Fund at 14% of total General Fund revenues. This revenue is projected at $3.06 million in FY 2016 and $3.00 million in FY 2017. There are three sources of sales tax revenues that the City receives:

- The largest share is the Bradley Burns Uniform sales and use tax, which is 0.75% in FY 2016 and will increase to 1.00% in FY 2017 as the State's triple flip borrowing of local sales tax revenues ends, and is projected to come in at $2.40 million in FY 2016 and at $2.90 million in FY 2017. The FY 2016 budget includes a one-time $250 thousand additional amount to reflect the end of the triple flip and a true-up of prior sales tax revenues based on the timing of the receipts and the distribution of those receipts to cities.
- 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 $571 thousand in FY 2016. Because the triple flip ends, there is $0.00 in FY 2017.

- 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 revenue monthly, and it represents a projected $92 thousand in FY 2016 and $101 thousand in FY 2017.

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 $1.54 million to $1.98 million per year. The five year historical average annual growth rate is 5.9%. The adopted budget includes a one-time $250 thousand triple flip true-up payment and $2.15 million for a total of $2.40 million in FY 2016, and $2.90 million in FY 2017, which is a 5.9% increase over FY 2016.

The following chart shows the Bradley Burns sales tax revenues (0.75% of sales and use tax), the 0.25% Sales Tax In Lieu, and the total of these revenues from FY 2006 through the projected FY 2017. This chart illustrates the Sales tax in lieu ending during FY 2016, reflecting the full 1.0% sales and use tax revenues in FY 2017.

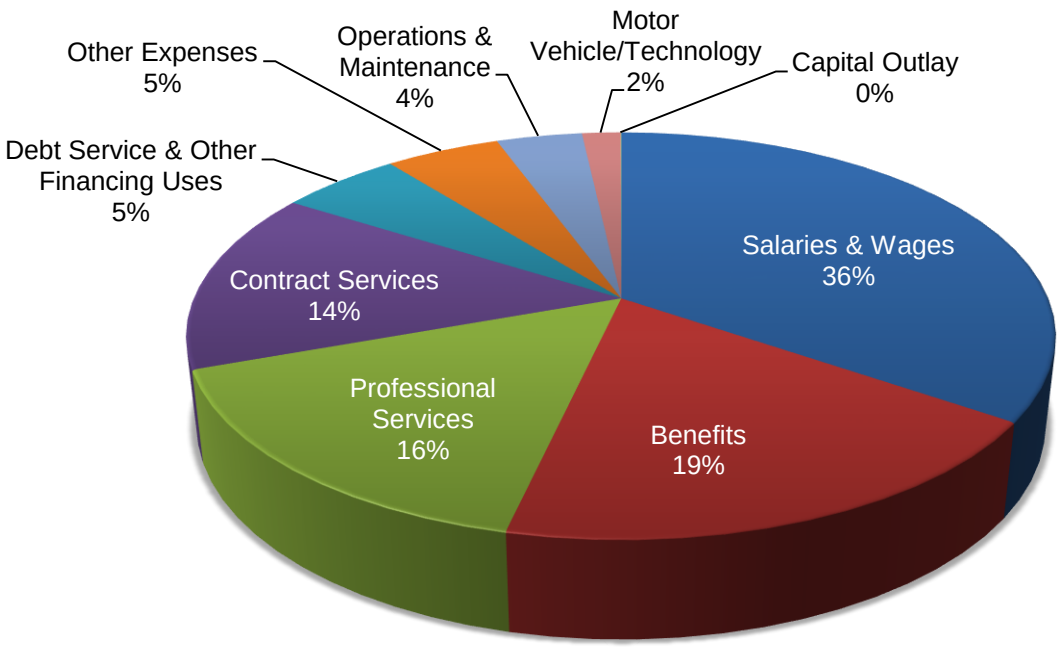


GENERAL FUND EXPENDITURES

General Fund Operating Expenditures

Overall, General Fund base uses are budgeted at $17,436,704 in FY 2016 and $17,908,363 in FY 2017. To illustrate the expenditure side of the budget, two pie charts have been prepared using FY 2017 operating budget data, which identify respectively, (1) the percentage of General Fund operating expenditure by expenditure category, and (2) the percentage of General Fund operating expenditures by Department.

FY 2017 General Fund Operating Expenditures by Category



Highlights of General Fund Operating Expenditures by Category

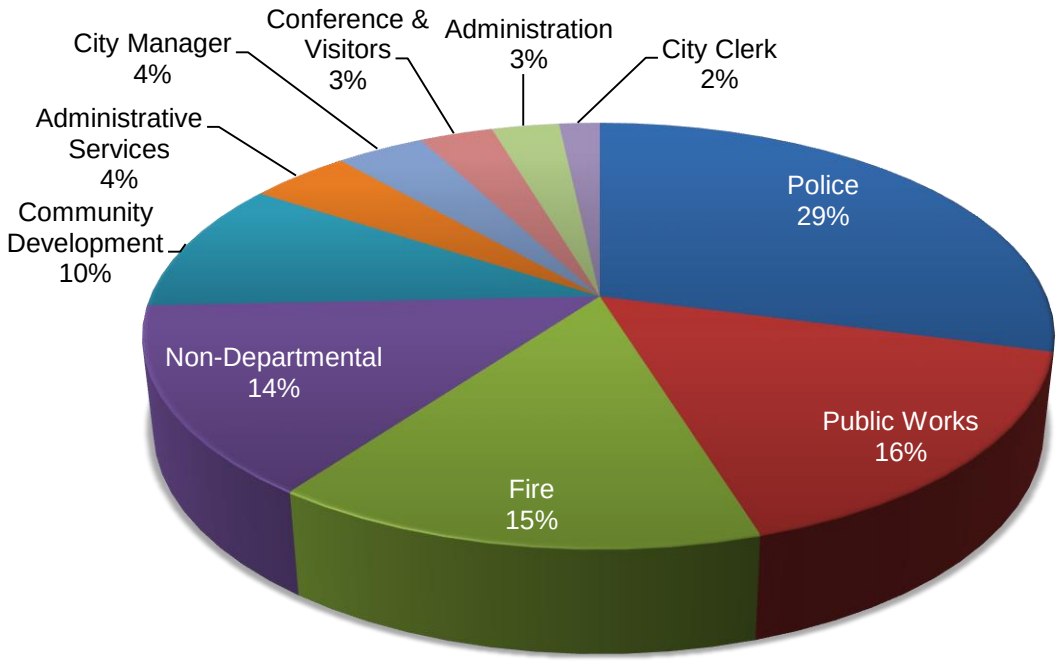
- Personnel costs represent the most significant percentage of expenditures at 55%, including Salaries and Wages (36%, or $6.47 million) and Benefits (19%, or $3.56 million). This number is relatively low compared to many other cities because fire protection is provided by a contract with CalFire and is included in professional services. After including the CalFire contract, personnel costs make up 65% of the General Fund operating budget.

- Contract services make up 14%, or $2.7 million, of General Fund operating expenditures and include California Joint Powers Insurance Authority costs, departmental contracts, CVB advertising and promotion costs, membership dues, electricity, phone, garbage, travel, and training.

- Professional services makes up 16%, or $2.98 million, of the budget. The largest components of the professional services include the CalFire contract, legal services, auditor services, and other professional service contracts.

- The remaining categories, other expenses, operations & maintenance, debt service & other financing uses, motor vehicle and technology costs, and capital outlay make up the remaining 16% and account for $3.00 million of the General Fund base operating budget.

FY 2017 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 44% of the General Fund budget allocated for these uses. The Police Department operating budget accounts for 29%, or $5.46 million, and Fire Protection and Prevention accounts for 15%, or $2.8 million.
- The Public Works/Engineering Department makes up 16%, or $3.01 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 14%, or $2.68 million, of general fund expenditures, consisting of organization-wide services, supplies, materials, and equipment of a general nature.
- Community Development makes up 10%, or $1.87 million, of the General Fund operating budget and includes the Building Division, Planning Division, Recreation, Veterans Halls, and Parks.
- Administrative Services makes up 4%, or $0.79 million, of the General Fund operating budget, and includes financial operations and information technology.
- Administration (City Council and Legal Divisions), City Manager, City Clerk, and Conference and Visitors Bureau (CVB) makes up the remaining 12%, or $2.14 million of total General Fund operating expenditures.

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

	FY 2015 Projected Actuals	FY 2016 Adopted Budget	FY 2017 Adopted Budget	$ Change (FY 2016 - FY 2015)	% Change (FY 2016 - FY 2015)	$ Change (FY 2017 - FY 2016)	% Change (FY 2017 - FY 2016)
Beginning Fund Balance	**$ 6,703,331**	**$ 5,073,323**	**$ 3,524,566**	**$ (1,630,008)**	**-24%**	**$ (1,548,757)**	**-31%**
Base Operating Budget							
Revenues							
Transient Occupancy Tax	8,400,000	8,749,331	9,000,000	349,331	4%	250,669	3%
Property Related Taxes	4,422,001	4,496,068	4,578,263	74,067	2%	82,195	2%
Sales and Use Tax	2,786,155	2,813,589	3,000,974	27,434	1%	187,385	7%
Other revenues	1,030,751	1,140,088	1,242,028	109,337	11%	101,940	9%
Permits	1,362,672	703,271	703,487	(659,401)	-48%	216	0%
Franchise Taxes	531,610	543,195	554,221	11,585	2%	11,026	2%
Transfers In	227,889	240,000	240,000	12,111	5%	-	0%
Business Tax	189,838	195,848	200,803	6,010	3%	4,955	3%
Intergovernmental Revenue	160,991	161,180	174,680	189	0%	13,500	8%
Departmental Revenues	146,042	151,892	153,092	5,850	4%	1,200	1%
Other Taxes	100,705	73,920	72,867	(26,785)	-27%	(1,053)	-1%
Grants	9,020	10,000	10,000	980	11%	-	0%
Total Revenues	**$ 19,367,675**	**$ 19,278,382**	**$ 19,930,415**	**$ (89,293)**	**0%**	**$ 652,033**	**3%**
Operating Expenditures							
Salaries & Wages	5,955,904	6,207,871	6,398,746	251,967	4%	190,875	3%
Benefits	2,927,487	3,053,790	3,176,901	126,303	4%	123,111	4%
Professional Services	3,031,239	2,668,163	2,681,380	(363,076)	-12%	13,217	0%
Contract Services	2,189,031	2,599,612	2,689,263	410,581	19%	89,651	3%
Other Expenses	785,674	879,582	850,898	93,908	12%	(28,684)	-3%
Operations & Maintenance	910,520	698,000	708,030	(212,520)	-23%	10,030	1%
Debt Service	441,681	438,681	439,919	(3,000)	-1%	1,238	0%
Retiree Medical Insurance	355,444	365,500	378,554	10,056	3%	13,054	4%
Transfers Out	337,212	360,965	355,157	23,753	7%	(5,808)	-2%
Other Financing Uses	185,782	217,689	237,500	31,907	17%	19,811	9%
Capital Outlay	-	3,000	3,000	3,000		-	0%
Total Operating Expenditures	**$ 17,119,973**	**$ 17,492,853**	**$ 17,919,348**	**$ 372,880**	**2%**	**$ 426,495**	**2%**
Net Operating Budget	**$ 2,247,702**	**$ 1,785,529**	**$ 2,011,067**	**$ (462,173)**	**-21%**	**$ 225,538**	**13%**
One-Time/Work Plan/Capital							
Sources							
One-time Revenues	-	705,400	-	705,400		(705,400)	
Ongoing Revenues		254,306	254,306	254,306			
Total Sources	-	959,706	254,306	959,706		(705,400)	
Uses							
One-time Costs	1,047,876	-	-	(1,047,876)		-	
Contributions to Reserves	917,833	50,000	330,000	(867,833)		280,000	
Work Plan Items	-	1,111,992	480,542	1,111,992		(631,450)	
Capital Projects	1,912,001	3,132,000	-	1,219,999		(3,132,000)	
Total Uses	$ 3,877,710	$ 4,293,992	$ 810,542	$ 416,282	11%	$ (3,483,450)	-81%
Net Adopted Budget	(1,630,008)	(1,548,757)	1,454,831	81,252	-5%	3,003,588	-194%
Ending Fund Balance	**$ 5,073,323**	**$ 3,524,566**	**$ 4,979,398**	**$ (1,548,757)**	**-31%**	**$ 1,454,831**	**41%**

The previous table shows the General Fund FY 2016 adopted budget compared to the FY 2015 projected actuals, and the FY 2017 adopted budget compared to the FY 2016 adopted budget.

FY 2016 Adopted Budget vs FY 2015 Projected Actuals

Base Revenues

Comparing FY 2016 to FY 2015, FY 2016 base revenues are projected to be $89 thousand, or (0.5)%, less than FY 2015. This is largely attributable to the following factors:

- First, there is a decrease of $659 thousand in permit revenues in FY 2016 as compared to FY 2015, which reflects projected development and related building, planning, and engineering permit fees.
- Second, there is $349 thousand greater Transient Occupancy Tax (TOT) revenues budgeted in FY 2016 as compared to FY 2015 projected actuals. The City is projected to receive $8.75 million compared to the FY 2015 projected actuals of $8.40 million, which is a 4% increase over FY 2015.
- Finally, there is an increase of $109 thousand of additional other revenues to reflect an increase of overhead charges to other funds based on a 2014 fee and overhead cost allocation study. The overhead cost allocation allows for a $1.1 million recovery from other funds to the General Fund for various overhead expenses that are not currently being charged. FY 2016 base budget includes $800 thousand and FY 2017 base budget includes $900 thousand. It is the intent that this amount will increase by $100 thousand each year until FY 2019 when the overhead charge to other funds will reach $1.1 million as provided by the study.

Base Expenditures

FY 2016 base expenditures are $317 thousand, or 2%, greater than FY 2015 projected actual operating expenditures. This increase is attributable to a variety of base operating increases:

- $411 thousand in contract services compared to the prior year primarily due to an increase in general liability and risk management costs.
- $376 thousand in salaries & wages and benefits due to budgeting the full salaries and benefits of budgeted employees compared to FY 2015 projected actuals. FY 2015 projected actuals reflect vacancies in the Police Department which are projected to be filled by FY 2016. Also included in these amounts are increases in salaries and variable benefits for step and merit increases.

These increases are offset by decreases in the following areas:

- $363 thousand one-time decrease in professional services for various projects that are projected to be completed in FY 2015, and professional services contracts that are expected to end in FY 2015.
- $213 thousand in operations & maintenance to reflect the completion of the City Hall and storm water projects in FY 2015.

One-time / Work Plan/ Capital Project Adopted Budget Items

The adopted sources reflect an increase of $945 thousand in the FY 2016 adopted budget compared to FY 2015 projected actuals, including:

- $250,000 of one-time sales tax triple flip revenues to reflect the end of the triple flip, and a true-up of prior sales tax revenues based on the timing of the receipts and the distribution of those receipts to cities.
- $431,000 of one-time permit fee revenues to reflect projected development and related building, planning, and engineering permit fees in FY 2016 compared to FY 2015.
- $250,000 of adopted new ongoing service fee revenues based on the most recent fee study update.
- $9 thousand of revenues from the COPS grant to fund Police equipment.
- $4 thousand of new ongoing City facility rental revenue.

There are $4.09 million of additional adopted expenditures in FY 2016 from:
- $50 thousand of contributions to reserves for the risk management reserve.
- $1.09 million for work plan budget requests.
- $2.95 million for capital project requests.

The adopted ending fund balance is $3.52 million, or $1.55 million less than the FY 2015 projected ending fund balance.

FY 2017 Adopted Budget vs FY 2016 Adopted Budget

Base Revenues

Comparing FY 2017 to FY 2016, FY 2017 base revenues are $652 thousand, or 3% greater than FY 2016. This is attributable to the following factors:
- First, there is an additional $250 thousand more TOT budgeted in FY 2017 compared to FY 2016, which is based on a conservative estimate over the FY 2016 projection.
- Second, there is an additional $187 thousand more sales and use tax budgeted in FY 2017 compared to FY 2016.

Base Expenditures

FY 2017 base expenditures are $472 thousand, or 3% greater than FY 2015 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 contract services as shown on the previous table.

One-time and Work Plan Items

The adopted sources are $254 thousand in the FY 2017 adopted budget for $250,000 of adopted new ongoing service fee revenues based on the most recent fee study update and $4 thousand of new ongoing City facility rental revenue.

Adopted contributions to reserves are $330 thousand and work plan budget items are $460 thousand in FY 2017.

The projected ending fund balance is $4.98 million, or $1.45 million greater than the FY 2016 adopted ending fund balance.

GENERAL FUND RESERVES

The City maintains various General Fund reserves currently totaling $4.63 million for emergency operations, facility improvements, and risk management. These reserves are crucial to the City in order to avoid disrupting the City's operations in the event of unanticipated events. The reserves are shown in the table below, followed by a summary of each reserve.

General Fund Reserves

Reserve	Amount ($ thousands)
General Fund 22% Reserve	$4,028
City Facility Reserve	$500
Risk Management Reserve	$100
Total	**$4,628**

General Fund Reserve

The General Fund Reserve is equal to 23% of General Fund operating budget expenditures in FY 2016 and 24% in FY 2017. The City Council adopted a General Fund Reserve policy to achieve 25% by FY 2018 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. Intended use of the reserve include emergencies, economic downturns, decreased revenues, capital acquisitions and cash flow needs, and emerging opportunities. A 25% Reserve would allow the City to maintain normal operations for 3 months. The General Fund Reserve is projected to be $4.30 million at the end of FY 2017.

City Facility Reserve

On January 7, 2014, the Council created a City Facility Reserve of $500 thousand, for improvements for City facilities and buildings, particularly if funds are not available. The intended use is for this reserve to fund improvements over $100,000 necessary for accessibility improvements, safety improvements, improvements to protect the City from exposure to general liabilities associated with use of City buildings and facilities, or other unanticipated infrastructure improvements to City buildings and facilities.

Risk Management Reserve

Despite efforts to manage risk, the City continues to see 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 8% per year for the past 10 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.

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, the City Council established and funds a Risk Management Reserve to fund unanticipated general liability and workers' compensation costs, legal costs, judgments, or costs to avoid judgments such as American Disability Act improvements over $100,000, in the event the City does not have resources available in the future. The reserve includes $50 thousand from the General Fund unassigned fund balance starting with FY 2014, up to a maximum amount of $250,000.

Summary of General Fund Reserves

The following table provides a summary of the various General Fund reserves, including their balances from FY 2015 projected through FY 2020 and the additional General Fund (GF) contribution for each year.

($ thousands)	FY 2015 Projected Actuals	FY 2016 Adopted Budget	FY 2017 Adopted Budget	FY 2018 Projection	FY 2019 Projection	FY 2020 Projection
GF Reserve	$ 3,766	$ 4,010	$ 4,298	$ 4,654	$ 4,842	$ 5,036
GF Reserve as % of Op Budget	22%	23%	24%	25%	25%	25%
City Facility Reserve	$ 500	$ 500	$ 500	$ 500	$ 500	$ 500
Risk Management Reserve	$ 100	$ 150	$ 200	$ 250	$ 250	$ 250

General Fund Contingency Budget

In addition to the above reserves, the City's fiscal policy maintains a contingency budget 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, or up to $30 thousand at the direction of the City Manager. This $30 thousand cumulative amount is based on the City's purchasing policy threshold where the City Manager has the discretion to approve expenditures in the amount of $30 thousand or less. With the accumulated General Fund unassigned fund balance, this adopted budget fully funds the 1% General Fund contingency budget, which is $174 thousand in FY 2016 and $178 thousand in FY 2017.

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 Funds

Water Enterprise Funds	**FY 2016**	**FY 2017**
Projected Beginning Fund Balance	$ 5,464,836	$ 3,920,277
Adopted Budget Revenues	7,514,899	5,855,699
Adopted Budget Expenditures	9,059,458	5,763,159
Net Revenues less Expenditures	(1,544,559)	92,540
Projected Ending Fund Balance	$ 3,920,277	$ 4,012,817

Water revenues in the Water Enterprise Funds are from water service charges, sales from water usage, and transfers in from other funds. 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, materials, and transfers to other funds. The revenues and transfers into the Water Enterprise Fund for FY 2016 and FY 2017 total $7.51 million and $5.86 million, respectively. Total expenses including work plan budget items and transfers out of the fund are $9.01 million in FY 2016 and $5.76 million in FY 2017. Of these total expenses, capital improvements budgeted are $1.90 million in FY 2016 and $265 thousand in FY 2017. The projected ending balance available at June 30, 2017 is estimated at $4.01 million.

Wastewater Enterprise Funds

Wastewater Enterprise Funds	**FY 2016**	**FY 2017**
Projected Beginning Fund Balance	$ 2,475,650	$ 2,625,412
Adopted Budget Revenues	4,138,300	4,338,300
Adopted Budget Expenditures	3,988,538	3,994,918
Net Revenues less Expenditures	149,762	343,382
Projected Ending Fund Balance	$ 2,625,412	$ 2,968,794

Revenues in the Wastewater Enterprise Funds are from service charges for providing wastewater facilities, and transfers in from other funds. Costs in the Wastewater Enterprise Fund include costs for running a wastewater treatment plant, personnel costs, transfers in from other funds, 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 2016 and FY 2017 total $4.14 million and $4.34 million, respectively. Total expenses including work plan budget items, debt service, and transfers are $4.00 million in FY 2016 and $4.02 million in FY 2017. Of total expenses, capital improvements budgeted for FY 2016 and FY 2017 are $210 thousand and $133 thousand, respectively. The projected ending balance available at June 30, 2017 is estimated at $2.97 million.

Parking Enterprise Fund

Parking Enterprise Fund	**FY 2016**	**FY 2017**
Projected Beginning Fund Balance	$ 1,778,550	$ 1,887,769
Adopted Budget Revenues	543,000	543,000
Adopted Budget Expenditures	433,781	415,588
Net Revenues less Expenditures	109,219	127,412
Projected Ending Fund Balance	$ 1,887,769	$ 2,015,181

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 2016 and FY 2017 total $543 thousand for each year. Total expenses including work plan items and transfers are $434 thousand in FY 2016 and $416 in FY 2017. The projected ending balance available at June 30, 2017 is estimated at $2.02 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 2016**	**FY 2017**
Projected Beginning Fund Balance	$ 2,904,560	$ 3,138,830
Adopted Budget Revenues	912,251	908,751
Adopted Budget Expenditures	677,981	1,344,471
Net Revenues less Expenditures	234,270	(435,720)
Projected Ending Fund Balance	$ 3,138,830	$ 2,703,110

With respect to Vehicle Maintenance and Vehicle and Equipment Replacement accounts there are no additions to the City's vehicle fleet in the adopted budget. There are 14 vehicles scheduled to be replaced over the two years. 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 $466 thousand and $468 thousand in FY 2016 and FY 2017, respectively. Adopted vehicle replacement contributions are $414 thousand in FY 2016 and $410 thousand in FY 2017. Vehicle replacement budgets are $209 thousand in FY 2016. Vehicle replacements in FY 2017 are $876 thousand.

LBID Fund

LBID Fund	FY 2016	FY 2017
Projected Beginning Fund Balance	$ 125,371	$ 211,731
Adopted Budget Revenues	874,933	900,000
Adopted Budget Expenditures	788,573	755,390
Net Revenues less Expenditures	86,360	144,610
Projected Ending Fund Balance	$ 211,731	$ 356,341

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. 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 2016 and FY 2017 are 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 in the FY 2016 and FY 2017 budget are estimated at $874,933 and $900,000, respectively.

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

Half Cent Sales Tax Fund	FY 2016	FY 2017
Projected Beginning Fund Balance	$ 213,305	$ 799,968
Adopted Budget Revenues	1,442,964	1,453,641
Adopted Budget Expenditures	856,301	1,250,000
Net Revenues less Expenditures	586,663	203,641
Projected Ending Fund Balance	$ 799,968	$ 1,003,609

The voters in Pismo Beach approved Measure "C", a .50% transaction sales and use tax on June 3, 2008 that became effective on October 1, 2008. The expiration date of tax collections for this measure was March 31, 2015. In November 2014, the Pismo Beach voters approved Measure "I", the 0.50% transaction sales and use tax set to expire in twelve years, or March 31, 2027. 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. 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 2015 Budget	Budget
Streets	$ 2,382,250
Drainage	1,240,596
Accessibility Improvements	263,699
Fence Repair	70,500
Pier	50,000
Sidewalks	50,000
Basketball Courts	2,200
FY 15 Budget Total	**$ 4,059,245**

Adopted Budget	FY 2016	FY 2017
Pier		$ 1,000,000
Shell Beach Overflow Parking	600,000	
Shell Beach Streetscape Phase I	310,000	
Accessibility Improvements	250,000	250,000
Morro Street Stair Repair	(263,699)	
Encanto Storm Drain	(40,000)	
Adopted Budget Total	**$ 856,301**	**$ 1,250,000**

Revenues generated by the 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 2016 and FY 2017 budget for Half Cent Sales Tax are estimated at $1.44 million and $1.45 million, respectively. The adopted two year budget includes that these funds are used to provide vital funding for streets, drainage, disability access, and other infrastructure projects. The adopted

capital improvements to be funded out of the Half Cent Sales Tax for FY 2016 are $856,301 and for FY 2017 is $1,250,000. The remaining fund balances in FY 2016 and FY 2017 are reserved to fund debt service in the event one of the City's capital projects needs financing.

WORK PLAN BUDGET ITEMS

As previously mentioned, the budget is built from base operations. Once the base budget is established, work plan budget items are considered. These items include program enhancements, staffing modifications, service modifications, etc., that fit within the Council's goals. The ability to add work plan items changes from year to year and is based on the amount of funding available. A complete list of work plan budget items for each year is included on pages 112 through 114.

In developing recommendations on which work plan budget 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 work plan items adopted by Council, net of revenues, are $1,308,262 in FY 2016 and $1,030,049 in FY 2017.

Council goals account for $709,000 in FY 2016 and $180,000 in FY 2017 for work plan items for all funds. The following table provides the net (revenues less expenditures) amount of adopted work plan budget items by fund for each budget year.

Adopted Work Plan Budget Items by Fund (Net, Revenues less Expenditures)

Fund	FY 2016 Adopted Budget	FY 2017 Adopted Budget
General Fund	$ 833,286	$ 226,236
Grants-NonCapital	36,400	
Housing In Lieu Fee	15,000	
Lodging Business Improvement District	25,000	-
Park Development Fund	45,000	
Circulation Fees	75,000	
Water Fund	203,939	199,724
Wastewater Treatment	3,475	3,044
Parking Enterprise	31,762	1,045
Technology Service Fund	-	-
Motor Vehicle Fund	39,400	600,000
Total Work Plan Requests	**$ 1,308,262**	**$ 1,030,049**

CAPITAL IMPROVEMENT PROJECTS

The specific capital improvement projects adopted as additions or deappropriations to the budget are listed on pages 183 through 195 as part of the overall capital improvements budget, including projects in all City funds. Brief project descriptions are provided on the capital improvement project detail pages.

Total new capital improvement projects are $7,232,000 in FY 2016 and $1,648,300 in FY 2017. Projects being deappropriated for new priority projects are $360 thousand in FY 2016. Total adopted capital projects, net of deappropriation, are $6,871,956 for FY 2016 and $1,648,300 for FY 2017, for a total of $8,520,256 for both years. Council goals account for $3.94 million in FY 2016 for all funds capital projects.

In calculating year-end fund balances, staff assumed that each capital improvement project budgeted in FY 2015 will either be completed by June 30, 2015 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 2016 Adopted Budget	FY 2017 Adopted Budget	FY 2016 and FY 2017 Combined
General Fund	$ 3,132,000		$ 3,132,000
Half-Cent Sales Tax Fund	1,160,000	1,250,000	2,410,000
Gas Tax Fund	230,000		230,000
Local Transportation	600,000		600,000
Water Fund	1,900,000	20,000	1,920,000
Water Construction Fund		245,000	245,000
Wastewater Capital Proj	210,000	133,300	343,300
Total Capital Projects	**$ 7,232,000**	**$ 1,648,300**	**$ 8,880,300**
Deappropriations			
Half-Cent Sales Tax Fund	$ (303,699)		$ (303,699)
Park Development Fund	(56,345)		(56,345)
Total Deappropritiaons	**$ (360,044)**	**$ -**	**$ (360,044)**
Net Capital Projects	**$ 6,871,956**	**$ 1,648,300**	**$ 8,520,256**

OUTSIDE AGENCY REQUESTS FOR FUNDING

Each year during the budget process, the City receives funding requests from outside agencies. For FY 2016, several outside agencies submitted requests for funding and presented their funding requests to the City Council at the May 8, 2015 Council meeting. A total of $73,000 was approved for Outside agency requests for FY 2016.

Outside Requests FY 2016 Requests, and Prior Year Payments

Agency / Program	FY 2016 Approved	FY 2016 Request	FY 2016 Funding Source	FY 2015 Paid	FY 2014 Paid	FY 2013 Paid	FY 2012 Paid
American Red Cross	3,500	3,500	General Fund	3,500	3,500	3,500	3,500
Assistance League of SLO County	1,500	2,000	General Fund	1,500	1,500	1,500	1,500
Association of Amputee Servers (AMPSURF)	2,000	5,000	General Fund	2,000	2,000	2,000	2,000
Basin Street Regulars / Jubilee by the Sea			General Fund		-		
CAP-SLO (EOC) - Maxine Lewis Memorial Shelter	2,200	3,500	General Fund	2,200	2,200	2,200	2,200
CAP-SLO (EOC) - Adult Wellness & Prevention Screening Program	2,000	3,000	General Fund	2,000	2,000	2,000	1,500
CAP-SLO (EOC) - Energy Svcs Home Repair Program	4,200	4,200	Housing In Lieu Fee Fund	4,200			
Destination Imagination	3,000	3,000	General Fund	3,000	3,000	3,000	4,000
ECO-SLO - County Coastal Cleanup	2,000	2,000	General Fund	2,000	2,000	2,000	1,500
Economic Vitality Corp	7,500	7,500	General Fund	8,000	8,000	5,000	5,000
Five Cities Diversity	1,100	1,100	General Fund		1,000		
Five Cities Meals on Wheels	4,000	6,000	General Fund	4,000	4,000	4,000	4,000
NOOR Foundation **NEW REQ**	4,000	5,000	General Fund				
People's Self-Help Housing	500	500	General Fund	500	500	500	500
Pismo Beach Chamber of Commerce - Clam Festival	5,000	5,000	General Fund	5,000	5,000	10,000	10,000
Pismo Beach Chamber of Commerce - Band Review	7,500	7,500	General Fund	7,500	7,500	5,000	5,000
SLO County Housing Trust Fund	2,000	2,000	General Fund	2,000	2,000	2,000	2,000
SLO County YMCA	2,000	2,000	General Fund	2,000	2,000	2,000	2,000
San Luis Obispo Int'l Film Festival	0	0	General Fund	0	-	2,000	
SLO SCORE	1,000	2,500	General Fund	1,000			
United Way - SLO County 211 Hotline	3,000	5,000	General Fund	3,000	3,000	3,000	3,000
Subtotal Donations from General Fund Unassigned Fund Balance	$ 53,800	$ 66,100		$ 49,200	$ 49,200	$ 49,700	$ 47,700
Housing In Lieu Fee Fund Balance	$ 4,200	$ 4,200		$ 4,200			
Pismo Beach Chamber of Commerce - Clam Festival	5,000	5,000	LBID	5,000	5,000		
Basin Street Regulars / Jubilee by the Sea	7,000	10,000	LBID	7,000	7,000		
San Luis Obispo Int'l Film Festival	3,000	4,000	LBID	3,000	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	40,000	20,000
Visit SLO membership - LBID	-	-	LBID	105,673	97,161	60,000	70,000
Subtotal Visit SLO Donations & CVB, LBID Budget	$ 15,000	$ 19,000		$ 160,673	$ 152,161	$ 105,000	$ 95,000
General Fund Total (excluding Visit SLO Membership)	*$ 53,800*	*$66,100*		*$ 49,200*	*$ 49,200*	*$ 54,700*	*$ 52,700*
General Fund Visit SLO Budget				*$ 40,000*	*$ 40,000*	*$ 40,000*	*$ 20,000*
Housing In Lieu Fee Fund	*$ 4,200*	*$ 4,200*		*$ 4,200*			
LBID Fund Total	*$ 15,000*	*$19,000*		*$ 120,673*	*$ 112,161*	*$ 60,000*	*$ 70,000*
All Fund Budget Total	$ 73,000	$ 89,300		$ 209,873	$ 201,361	$ 154,700	$ 142,700

LONG-TERM FINANCIAL PLANNING

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

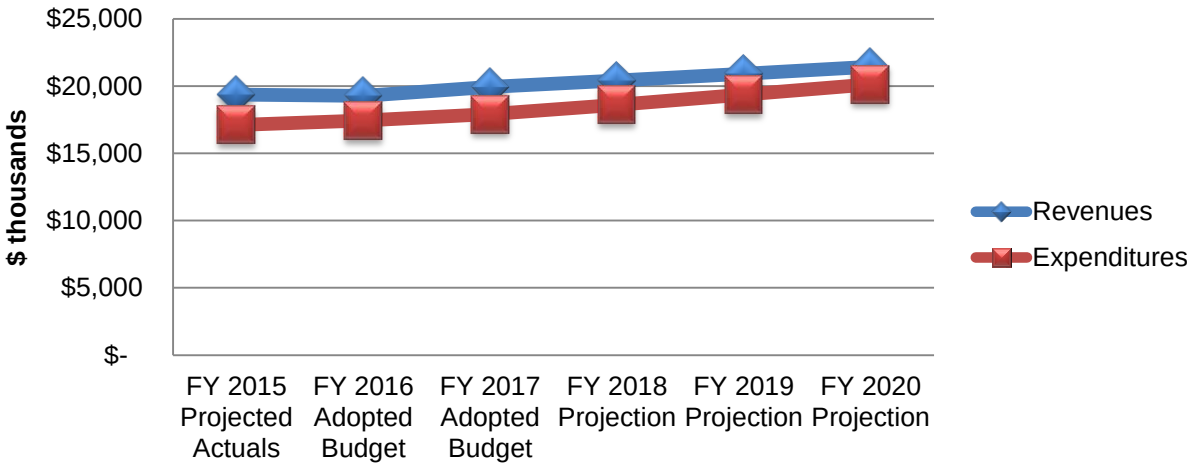
- First, the City has established a set of financial policies that were reviewed by the City Council and Executive Management Team in April 2015 during the development of the budget and updated by the Council on May 8, 2015 at the Special Budget Meeting. These policies establish goals for the allocation 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 ongoing maintenance of infrastructure and buildings, which are vital to sound fiscal management.

- Second, the Council adopts goals and priorities for the organization that take into account a long-term vision of the City and incorporating 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 (blue line) and ongoing expenditures (red line) from FY 2015 projected actuals forecasted to FY 2020.

General Fund Operating Revenues vs Expenditures from FY 2015 to FY 2020



In general, the revenues and expenditures in FY 2016 and FY 2017 reflect the adopted budgets and FY 2018 to FY 2020 are projections that reflect what the City's General Fund would look like if the City continued to receive revenues based on historical growth rates and spend based on historical spending rates. The narrowing variance 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 2016 and FY 2017 adopted budget levels to policies, service levels, the number of employees, or labor contracts approved after the June 2, 2015 budget adoption. It also assumes that there are no additional capital projects and no new one-time costs.

FY 2018 through FY 2020 projection assumptions:

- Revenues and expenditures reflect known one-time changes from the prior years.
- TOT is expected to grow at 4% per year based on the six year historical growth rate.
- Property related tax revenues are projected to grow at 2% per year based on a 7 year historical average of property related tax revenue growth and the maximum amount that property taxes can increase based on assessed valuation.
- 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 at 2.1% except for the following:
    - Salaries are projected to grow by 4% based on a five year historical average rate of growth starting in FY 2018.
    - Health Insurance and Social Security are projected to increase by 5% 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 30 and 31 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 8% 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., the economy is stable with projections of 3% Gross Domestic Product (GDP) growth for the next two years, despite slow growth and currency devaluations throughout much of the rest of the developed world. Labor and housing markets are slowly healing, and improvements in business and consumer confidence can support spending and hiring in 2015. Meanwhile, inflation is temporarily suppressed by the drop in oil prices, but could be 2% as these prices gradually recover.

State of California Economy

The State of California fiscal forecast has improved in the past two years. Overall, employment is projected to grow by over 2% each year for the next two years and unemployment is projected to decrease to about 5%, close to the projected national average.

California Tourism Trends

The California travel and tourism industry continues to show solid growth. California tourism is expected to grow by 2% per year for total visitors for the adopted budget years. Domestic visitors to California account for 79% of total travel related expenditures while international visitors account for 18%. Visitors from Asia and Europe are the state's primary international visitors. The key driver for California tourism is the ongoing U.S. recovery.

Pismo Beach continues to lead the way in the County for tourism and hospitality, 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.

According to PKF Consulting, RevPAR (or hotel revenue per available room) in Pismo Beach increased by 11.1% from January–August 2013 to January– August 2014, due in equal parts to average daily room rates increasing 5.5%, to $154.45, and occupancy rates increasing 5.4%. Both the average daily rates and occupancy rates in Pismo Beach are high water marks for cities in San Luis Obispo County. According to Beacon Economics, the sustained uptick in tourism in San Luis Obispo County is accompanied by increased airport passenger traffic. After slower increases in traffic for the past couple of years, passenger traffic out of San Luis Obispo County Regional Airport has begun to edge up at an increasing rate. From January–July 2013 to January–July 2014, the total number of passengers at the airport increased by 14.0%, a noticeable improvement over the 1.6% increase from January–July 2012 to January–July 2013. The economic recession led to a steep drop in passenger traffic at the airport, and it has yet to fully recover. In the first seven months of 2007, the busiest year in the past decade, 206,000 passengers traveled through the airport. The recent growth in traffic has brought the number of passengers during the first seven months of 2014 to 173,000. Current passenger

levels remain 16% below the 2007 peak. Continued promotion of San Luis Obispo County's tourist attractions will help nudge up passenger traffic, but tourism promotion is not the only solution.

The City's Lodging Business Improvement District collects 1% of gross lodging revenues and uses those funds to promote the Pismo Beach lodging industry. The City uses these funds to open new tourism markets, focusing on getting the most use out of its funds and creating a unique experience for its visitors.

Renewal of Half-Cent Sales Tax Measure "I"

In November 2014, the Pismo Beach voters approved Measure "I", the 0.50% transaction sales and use tax set to expire in twelve years, or March 31, 2027. 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. These revenues are budgeted at $1.44 million and $1.45 million in FY 2016 and FY 2017, respectively.

Sales Tax "Triple Flip" Impact

In March 2004, the voters of California approved Proposition 57, the California Economic Recovery Bond Act. The measure authorized the issuance of $15 billion in "Economic Recovery Bonds" to close the state's operating budget deficit. Under Proposition 57, the bonds are repaid from a dedicated 0.25 % increase in the state sales and use tax. The city/county portion of the sales and use tax rate imposed Bradley-Burns Uniform Sales Tax law is reduced by 0.25%, such that there is no net impact on the total rate. Cities and counties are reimbursed for the reduced sales and use tax revenue with transfers of local property tax revenues that would otherwise have gone to schools. Schools are made whole from the state general fund and experience no negative impact. This mechanism is known as the "triple flip."

The Department of Finance expects the Economic Recovery Bonds will be fully paid ("defeased") in July 2015. According to law, the full 1% local rate will then return on January 1, 2016 and the 0.25 % state Fiscal Recovery Fund rate will end. The FY 2016 budget includes a one-time $250 thousand additional amount to reflect the end of the triple flip and a true-up of prior sales tax revenues based on the timing of the receipts and the distribution of those receipts to cities.

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 are close to 2006 levels. If interest rates increase, the number of transactions would decrease and could negatively impact the City's property tax revenues.

Fee Study

The City underwent a comprehensive service fee study and cost allocation study in FY 2015. Service fees include those fees in which there is a charge for the use of a facility or City service. These fees do not include development impact fees. Service fees cannot exceed the costs reasonably borne by the City in providing the service. These costs include City staff salary and wages, benefits, operating costs, and overhead costs. A key public policy purpose of Service Fees is to recover from the primary beneficiaries of such services at least the major portion of the cost of said services, and thereby reduce the cost burden on those who do not benefit directly. Consistent with such public policy purpose, the general fiscal impact of the new fee schedules improve both the cost recovery and the equitability of related cost burdens. The last comprehensive user fee analysis was conducted and approved by Council was in 2008 with Resolution No. R-2008-042. Since then, the City fees, if applicable, are increased each year by the Consumer Price Index (CPI) to keep up with inflation. On May 5, 2015, the City Council adopted Resolution No. R-2015-036 to approve a new fee schedule that reflects an additional $250,000 in General Fund revenues with an effective date of July 5, 2015.

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) became law in March 2010 and implementation is staged over a number of years with significant changes that became 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, and 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 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 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 State's pension reform, the City continues to see rising CalPERS pension costs for its current employees. 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, mortality rates, 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.

The City's total unfunded pension liability is about $9,371 thousand based on an actuarial value of assets. Of this amount, $7,560 thousand is for Miscellaneous employees, which represents a 71.3% funded pension and $1,810 thousand is for POA employees, which represents a 69.4% funded pension. On March 17, 2015, the City Council allocated $1 million of the General Fund to prepay part of the Miscellaneous employee unfunded liability. This is expected to reduce the City's unfunded liability and reduce the City's annual costs by $200 thousand per year from FY 2018-19 through FY 2025-26.

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 8%. This rate of growth is unsustainable. The City's adopted budget continues to contribute $50 thousand per year to the Risk Management Reserve to fund unanticipated risk management costs.

- Americans with Disabilities Act (ADA) improvements: The City is making significant strides towards upgrading disability access improvements throughout the City. The adopted budget includes $500,000 per year in various ADA improvements, about 10% of all applicable capital projects include these improvements, representing $250,000, and another $250,000 is budgeted to fund various identified projects.
- Water Supply: The City continues to be wary of the water supply due to the drought, but is taking measured actions to deal with the current situation and make strides towards building a sustainable water supply for the future. The City has a diverse water supply, pulling from three sources:

Water Source	Percentage of Water Supply	Acre Feet/Year
State Water	41%	1,100
Lopez Lake Reservoir	33%	892
Santa Maria Ground Water Basin	26%	700

In addition, this adopted budget includes studies to move towards a water reclamation plant. In response to Governor Brown issuing an official drought proclamation for California on January 17, 2014, and the last year being the driest in the state in 199 years of record keeping, on February 4, 2014, the Pismo Beach City Council declared "Moderately Restricted Water Supply Conditions." On March 4, 2014 the San Luis Obispo County Board of Supervisors declared a drought emergency. On July 1, 2014, the Pismo Beach City Council declared "Severely Restricted Water Supply Conditions." Further, on August 19, 2014, the City Council approved six water conservation incentive/rebate programs. Since then, the City Council continues to make water supply their top priority.

- 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.

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. Ensuring a Sustainable Water Supply: The adopted budget makes significant strides towards protecting our clean water while discovering ways to make it more sustainable. Pismo Beach is being proactive to ensure clean water is available now and for the future, including funding in the adopted budget for:
   - Updating the City's Water Master Plan.
   - Updating the Urban Water Management Plan.
   - Investing in strategic planning efforts with neighboring communities included in the Northern Cities Management Area.

- Seeking funding for and beginning the planning and design of a reclaimed water system.

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:
   - Beginning the first phase of the Shell Beach Streetscape project, including undergrounding of utilities, replacing the waterline, creating a separate walking and bike path, and paving along Shell Beach Road.
   - Implementing the second phase of the Council approved Downtown Strategic Plan.
   - Repairing the City's pier, including replacing the oldest section of the pier and repairing and replacing the pilings.

3. Housing, Health, and Safety: The City continues to focus on ensuring our neighborhoods, businesses, and parks and beaches safe for all citizens. The adopted budget includes the following housing, health, and safety changes:
   - Continuing the Police Department's work on achieving its 3rd Commission on Accreditation for Law Enforcement Agencies (CALEA) accreditation endeavor to ensure the best possible and most transparent policing services for our citizens and visitors.
   - Funding upgrades and replacements to the Police and Fire Departments Mobile Data Computers.
   - Replacing the City's 1997 Fire Engine and lifeguard truck.
   - Providing radio system site notifications.
   - Investment in Potential Affordable Housing Locations.

4. Preservation of essential services and fiscal health: The adopted budget is a structurally 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:
   - Supporting capital projects with existing fund balances.
   - Securing the City's information through investments in cloud and virtual servers, performing a thorough IT security test to identify weaknesses, and improving the City's records management system for better disaster recovery.
   - Contributing to the General Fund Reserves and other Water and Wastewater emergency capital reserves.

5. Economic Development: The adopted budget includes additional funds to support economic development, including:
   - 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.
   - Implementing Pier area improvements that are sensitive to parking needs.

ACCOMPLISHMENTS IN PRIOR TWO YEAR BUDGET

The City was able to achieve and accomplish many of the Council's FY 2014 and FY 2015 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

- ✓ Substantially accomplished the Council's Adopted Goals
- ✓ Developed and enhanced revenue stream
- ✓ Established reserves for high risk exposure areas, including Risk Management, Pension Liabilities, and Building Maintenance Reserves
- ✓ Completed a Downtown Visioning and Revitalization effort
- ✓ Implemented Information Technology Strategic plan to improve technologies to increase efficiencies, citizen engagement, and improve service
- ✓ Development of a City Social Media program
- ✓ Implemented programs to enhance training and promotion of morale of all employees, including establishment of employee vision and philosophies
- ✓ Continued to pursue private investment to grow the City's economy
- ✓ Continued to reduce City's operating expenses and ensure efficient operations
- ✓ Maintained momentum on renewing City's infrastructure
- ✓ Hired a New Police Chief
- ✓ Assisted in establishment of Pismo Preserve
- ✓ Organized two successful Annual Goal Setting sessions for the City Council
- ✓ Developed educational information for the half-cent sales tax program

City Clerk

- ✓ Conducted 2014 General Municipal Election in addition to certifying a referendum and initiative petitions
- ✓ Processed, posted and distributed 106 Regular and Special City Council Agendas and Agenda Packets
- ✓ Issued 108 Special Event Permits
- ✓ Moved to a paperless Council agenda
- ✓ Installed new equipment in the Council Chambers, such as hearing devices, audio box, and re-wiring of the dais
- ✓ Created a new "Guidelines, Application and Fee Schedule" for City wide Special Events
- ✓ Collaborated with the City Attorney to develop the City's Ticket and Pass Policy
- ✓ Complied with 30+ Public Records Requests
- ✓ Received 30+ Claims, Summons, Subpoenas, and/or lawsuits
- ✓ Updated the Advisory Body Handbook and Agenda Staff Report Manual

Human Resources

- ✓ Negotiations with Police Officer Association bargaining unit for new two-year agreement, including pension reform for employee cost sharing
- ✓ Implemented NeoGov program for on-line City recruitments, including development of job description database and integration to the City website

- ✓ Implemented Council policy and developed processes for Affordable Care Act requirements
- ✓ Worked with the half-cent sales tax team to develop educational information for the half-cent sales tax program accomplishments
- ✓ Worked with the City Clerk to evaluate, report and recommend updates to the Special Events program
- ✓ Risk Management focus on the Americans with Disabilities Act (ADA) including work with other City Departments to update programs, policies, notices, designation of ADA Coordinator, update to the ADA Grievance policy, and update to the City's Transition Plan
- ✓ In cooperation with the Employee Development Advisory Committee, promotion of professional and staff development programs, including training opportunities, employee recognition, and motivational events
- ✓ Worked with the Public Works and Administrative Services Director to review the Motor Vehicle Fund and developed recommendations for funding assumption changes

Conference & Visitors Bureau (CVB)

- ✓ Successful first-time host city for the Amgen Tour of California, receiving exposure as a world-class destination on both a national and international level and generating nearly 500 mid-week room nights in 2014, with more than 1,220 room nights anticipated in 2015
- ✓ Increased exposure in the Scottsdale/Phoenix snowbird market by creating a larger presence at the Scottsdale Culinary Festival, and becoming a presenting sponsor of the Epicurean Expo
- ✓ Expanded social media footprint and engagement with fans, with more than 150,000 fans on Facebook and over 415,000 lifetime views on YouTube

Administrative Services Department

- ✓ Fiscally sound two-year budget, maintaining General Fund 22% Reserve, received California Society of Municipal Finance Officers Operating Budget Excellence Award for FY 2014
- ✓ Received GFOA prestigious "Excellence in Financial Reporting Award" for FY 2012-13 for the 12th year in a row.
- ✓ Updated water and wastewater fees
- ✓ Updated service fees and cost allocation model
- ✓ Developed and began implementation of the Five Year Information Technology (IT) Strategic Plan
- ✓ Selected and contracted with Springbrook Software to replace the City's technologically antiquated financial system
- ✓ Updated the City's Investment Policy
- ✓ Updated the City's website
- ✓ Updated the City's Citizen Request tracker and implemented a City of Pismo Beach mobile app

Community Development Department

Building

- ✓ Obtained approval of the 2013 Uniform Building Code, initiated and completed training of inspectors in the administration and application of these codes.

- ✓ The Division negotiated a contract with California Code Check for Building Official and plan review and services to meet the requirements of State law
- ✓ Continued updating the Division website to reflect all currently adopted regulations.
- ✓ Provided many interactive forms for use by the public online
- ✓ Maintained prompt plan check turnarounds and one-day inspection requests, given the significant increase in development activity
- ✓ Continued to update the special inspector qualifications and approvals for work in Pismo Beach
- ✓ Continued to update and maintain the automated permit and code enforcement tracking systems

Parking

- ✓ Obtained approval for a rate reduction for the weekly Pismo Beach Chamber of Commerce Farmers Market
- ✓ Obtained approval for the suspension of Parking Enforcement in the Wolosz Parking Lot until 1:00 pm on Sundays at the request of a local church with limited on-site parking
- ✓ Continued staffing the Parking Advisory Committee Meetings
- ✓ Participated in the review of parking for the adopted hotel at 601 Cypress Street

Planning

- ✓ Downtown Visioning Strategic Plan Adopted
- ✓ Price Historical Park Plan Approved
- ✓ Arrived at decision to leave Policies and Regulations for the lands with the Open Space Designation between Shell Beach Road and Hwy 101 in Planning Areas A and B
- ✓ Achieved Land Use Element Amendments for Planning Neighborhoods C-I
- ✓ 601 Cypress, Inn at the Pier Development Applications Approved
- ✓ Acquired the Chapman Estate and implemented management of the estate – including the formation of the Chapman Estate Advisory Committee and obtaining a conditional use permit from the Planning Commission
- ✓ Updated Regulations to allow goats to be raised and kept on private property and allow them in public parks so long as they are leashed

Recreation

- ✓ Instituted a Misty May Volleyball Clinic at which youth in the area have an opportunity to learn and enhance their beach volleyball skills from an Olympic Gold Medalist
- ✓ Began offering Collette Tours amongst the many activities organized and managed by the Division which give residents access to unique travel destinations and events
- ✓ Retained a full complement of part time staff for the last fiscal year

Public Works

Engineering

- ✓ Stormwater Management Program (SWMP) Best Management Practices
- ✓ 2013 Striping Project
- ✓ Heights Water System Reconstruction
- ✓ Radio Tower Emergency Back Up Generators (3 locations)
- ✓ Pier Inspection

- ✓ City Hall, Police Dept. and Fire Dept. Carpet Project
- ✓ Halls Improvement Project
- ✓ Chapman Estate ADA Improvements
- ✓ Heights Drainage Study
- ✓ Infrastructure Assessment – ADA
- ✓ Recycled Water Facility Plan
- ✓ Old City Hall Clean Up
- ✓ Five Cities Drive Radar Speed Limit Sign (In Progress)
- ✓ Water Conservation Campaign
- ✓ Water Conservation Rebate Programs
- ✓ Solids Handling Design
- ✓ Five Cities Lift Station Design
- ✓ Traffic Study (Report in Progress)
- ✓ Chapman Estate Window Replacement (In Progress)
- ✓ Price Canyon, Dell Ct. and Tulare St. Water Line (In Progress)
- ✓ Price Canyon Slope Repair (In Progress)
- ✓ Street Paving – Year 3 (In progress)
- ✓ Downtown Streetscape (In Progress)

Public Facilities
- ✓ Halls Maintenance Project
- ✓ Chapman Estate ADA Improvements
- ✓ City Hall, Police Dept. and Fire Dept. Carpet Project
- ✓ Street Paving – Year 3 (In Progress)
- ✓ Chapman Estate Window Replacement (In Progress)
- ✓ Downtown Streetscape (In Progress)

Water Division
- ✓ Northern Cities Management Area (NCMA) Studies
- ✓ Heights Water System waterline upgrade and new reservoir
- ✓ Price Canyon, Dell Ct. and Tulare St. waterline upgrade

Wastewater Division
- ✓ Bar Screen Replacement
- ✓ Five Cities Lift Station Design
- ✓ Solids Handling Design

Motor Vehicle Division
- ✓ Purchase replacement vehicles as adopted by City Council
- ✓ Develop a vehicle and equipment plan for City fleet, including new equipment required by regulations and additions to meet build-out requirements

Pier Enterprise Fund
- ✓ Pier Inspection

Fire Department
- ✓ Replaced Battalion Chief Vehicle.
- ✓ Completed Phase 2 of the Fire Safe Council grant funded Chumash Park Vegetation Management Project.
- ✓ Awarded a communications grant from the Off-Highway Vehicle fund.
- ✓ Completed Phase 2 of the Hacienda Del Pismo/Lagoon Vegetation Management Project.
- ✓ Obtained CAL OES certification for Rescue 64.
- ✓ Successfully upgraded the City's Insurance Services Office score.

Police Department
- ✓ Technology Upgrade for Final Phases II and III.
- ✓ Reallocated COPS Grant Funding.
- ✓ Property Room Renovation.
- ✓ CALEA Re-Accreditation.
- ✓ Old City Hall Records and Evidence Consolidation.

MAJOR DEPARTMENT WORK PLAN ITEMS IN FY 2016 & FY 2017 BUDGET

Departmental work plan items for the FY 2016 and FY 2017 budget years were presented and discussed with the City Council at a public budget workshop meeting on April 2, 2015. 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*
- Continue to focus on cost effective and efficient operations
- Develop new revenue opportunities
- Increase citizen engagement
- Work to accomplish progress and completion of City Council priority goals including the Major City Goals:
  - Water Supply
  - Downtown Parking and Circulation
  - Downtown Revitalization
  - Shell Beach Streetscape
  - Re-use of old City Hall
  - Shell Beach Development Standards
- Continue to maintain relationships and seek partnerships with other local agencies
- Aggressively pursue grant opportunities
- Continue development of an entrepreneurial and service oriented staff culture.

City Clerk – *General Fund*
- Conduct 2016 General Municipal Election
- Continue to develop City Clerk Policies and Procedures
- Continue with daily monitoring of public requests through online Customer Service module – Pismo Pulse
- Update the Records Retention Schedule and Records Management Program.

Human Resources – *General Fund*

- Work with department head team to develop employee promotion assessments and succession plans
- Continue to expand staff development, professional training opportunities and employee recognition and team building programs
- Negotiate successor Memorandums of Understanding with both employee bargaining units
- Convert medical and worker's compensation records to a secure laser fiche file to reduce paper file storage requirements
- Develop a "new supervisor" training program, including an in depth review of personnel rules, MOUs, risk management and labor law
- Continued focus on Risk Management program improvements, including the ADA program, reducing liability claims through focus on Public Works infrastructure corrections, and reduction of Worker's Compensation claims through employee safety programs, training, and incentive programs.

Conference & Visitors Bureau (CVB) – *General Fund, LBID Fund*

- Full support of the countywide Tourism Marketing District to keep the county's tourism industry competitive, with the goal of deepening the pool of marketing dollars for the county identity putting SLO County's marketing efforts more in line with regional competitors.
- Participate in travel trade and consumer shows, including International Pow Wow, Go West Summit, National Tour Association Travel Exchange, Travel & Adventure Shows (Bay Area and LA), Visit California Media Events, Sunset Celebration Weekend, Sunset SAVOR the Central Coast, San Joaquin Valley Business Mixers, etc., alongside our peers and competitors.
- Increase market research through use of STR Reports and continued website analysis, per the direction of the approved PB CVB Marketing Plan.
- Maintain a presence with local, regional and state organizations and maximize networking benefits with Visit California, California Travel Association, and Western Association of CVBs.
- Expand online advertising and social media efforts while updating the media section on the website and creating a more extensive public relations campaign.

Administrative Services Department

Finance Division – *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 23% to 25% over the next three years
  - Continue to fund the Risk Management Reserve contributing $50,000 each year for future unplanned costs
  - Fully fund the $500,000 City Facility Reserve for unplanned improvements to City buildings and facilities
  - Fully funding the 1% General Fund Contingency Budget
- Update Government Accounting Standards Board Rules 67 and 68 into the City's Comprehensive Annual Financial Reports

- Update Development Impact Fees

Information Technology (IT) Division – *Technology Services Fund*

- Implement the new financial system to replace the current technologically antiquated system
- Continue to Implement the Five-Year IT Strategic Plan and IT Assessment Recommendations
- Provide City Hall and Police Department Backup Internet
- Fully fund Computer Workstation Replacements
- Provide Data Cabling Maintenance & Repair
- Provide GIS Parcel Data for Planning & Engineering
- Provide IT Security Test
- Provide Microsoft Software Standardization and Compliance
- Implement Radio System Site Notifications
- IT Trainings and Knowledge Base

Community Development Department – *General Fund*

Building

- Evaluate and update Code Compliance program
- Incorporate technology into the inspection process for more efficient record keeping and access to permit and project data
- Enhance customer service by updating the front counter and office layout with the goal of making the lobby user friendly and accessible
- Continue to support the Central Coast Chapter of the International Code Council
- Continue training efforts for all Building Division staff and have one member on staff achieve the Access Specialist Program (CASp) Certification.

Planning Division

- Implement the Downtown Vision Plan
- Complete Assessment of Downtown Parking Options, including a Parking Structure
- Develop a Pier Area Enhancements Plan
- Develop Appropriate Land Use Controls for Downtown
- Create an Old City Hall/Bello Corridor Plan
- Create a Chapman Estate Master Plan
- Update the Circulation Element, based on Data from Circulation Study
- Update Housing Element Consistent with State Law
- Revise Development Standards for Shell Beach Neighborhood and Create Design Review Guidelines.

Recreation

- Explore development of 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 and dance

- Update the agreement with Youth Baseball League for use of the Pismo Beach Baseball Fields so responsibilities are clearly defined and an approved number of tournaments is clearly agreed upon
- Improve marketing for special events
- Conduct playground inspections
- Conduct a needs assessment for the beach volleyball courts.

Public Works

Engineering – *General Fund*

- Construction of Five Cities Lift Station Replacement
- Design of Bello Bridge Replacement
- Reservoir Maintenance
- Street Paving

Public Facilities – *General Fund*

- Undergrounding Utilities Rule 20A
- Shell Beach/Pismo Beach Pedestrian and Bicycle Access and Streetscape
- City Hall Generator Installation
- Install Retaining Wall and Re-Landscape Front Slope Areas at Shell Beach Tennis Courts
- Happy Time Preschool Repairs
- ADA Improvements

Water Division – *Water Enterprise Fund*

- Shell Beach Road Waterline Upgrade (part of Shell Beach Streetscape Project)
- Bello Street and Wadsworth Ave waterline upgrade
- Reservoir replacement – Shell Beach 1, OSHA upgrades at all other reservoirs
- Booster station Variable Frequency Drives
- Shell Beach Reservoir Replacement
- Abandon Wells 9 & 10
- Cypress Upgrade
- Water Operations equipment
- Sustainable Water Supply through various studies
    - NCMA Strategic Plan
    - NCMA Support Services
    - Urban Water Management Plan
    - Water Master Plan Update

Wastewater Division – *Wastewater Enterprise Fund*

- Construction of Five Cities lift station replacement
- Freeway Foothills lift station upgrade
- Spyglass lift station upgrade
- PG&E lift station standby generator
- Hot spot repairs
- Clarifier Rehab
- Inflow/Infiltration
- Shell Beach Vets Hall Grease Trap
- Wastewater Fund System Improvements

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

Pier Division – *Pier Enterprise Fund*

- Pier Reconstruction Zone 4 (Bents 34 – 52)
- Pier Utilities Repairs

Fire Department – *General Fund*

- Replace MDC's to maintain connectivity to the County system
- Replacement of the Lifeguard Vehicle and Fire Engine 63
- Obtain a grant for a communication system that will operate consistently in the water to better protect our responders
- Amend and adopt the 2016 California Fire Code
- Explore funding options and complete a scoping study for a new fire station, and pursue development of the most appropriate facility
- Maintain grant funded Chumash Park Vegetation Management Project

Police Department – *General Fund*

- CALEA Re-Accreditation
- MyCop Program Enhancement
- 911 System Upgrade
- Communications Center Accreditation
- Police Chief's Advisory Board
- Transition Parking Operations from Community Development Department to Police Department

Parking Division- *Parking Enterprise Fund*

- Evaluate expansion of paid parking boundary in the downtown area.
- Evaluate parking on Price Street for expansion of median parking, timed parking, or paid parking
- In conjunction with Planning - Complete Assessment of Downtown Parking Options, including a Parking Structure and the Development of a Pier Plaza Plan
- Finalize a Parking Management Plan for Downtown
- Obtain a Full Complement of Parking Compliance Staff
- Evaluate role of Parking Compliance Staff and potential for Staff serving as Downtown Liaisons
- Evaluate employee parking for downtown employers

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 six Major City Goals, four Other Important Objectives, and nine priorities As Resources Permit. These Major City Goals are long term goals that may be accomplished

over several years. Key steps in moving forward with these Major City Goals are either already budgeted or are adopted to be funded in this two year budget. In January, the Administrative Services Department puts together an initial projection for the current fiscal year and revenue projections for the upcoming budget years. Also in January, the City Manager issues budget instructions to all Departments based on the revenue projections and Council Goals.

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 work plan budget request items and capital projects 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 tax 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 comments 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 May, 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.

Budget Calendar

December
- Base Budget and Employee budget built

January
- City Council Goal Setting and Strategic Planning Session open to the public
- Council sets goals and direction for budget
- City Manager issues budget instructions

February
- Departments develop budget

March
- Departments submit budget to Administrative Services Department

April
- Administrative Services Department prepares and updates revenue projections for budget years for City Manager review
- Administrative Services Department prepares personnel salary and benefit budget estimates based on current union contracts and benefit rates
- City Council holds public budget workshop to review Department budgets, review fiscal policies, and provides initial feedback to City Manager

May
- City Manager presents Proposed Budgets to City Council
- City Council holds public budget workshop to review proposed budget

June
- City Council adopts budget

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 eighth 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, 2015 through June 30, 2016 and then one for July 1, 2016 to June 30, 2017. Periodically, 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 2015) 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. Unassigned fund balances are to be used only for capital outlay or other non-recurring items. The adopted budget includes a 23% General Fund Reserve in FY 2016 and a 24% General Fund Reserve in FY 2017, 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 and maintains the $500 thousand City Facility 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 2015.

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 2016 and FY 2017 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 77 and 78 of this budget. These policies and the other fiscal policies provided in this document were reviewed in detail and reaffirmed by the City Council on April 2, 2015. These fiscal policies help to ensure that the City achieves a balanced budget, where operating revenues meet or exceed operating expenditures.

In addition, the City Council approved or adopted several other fiscal policies including:

- City's Investment Policy, most recently in January 2015
- Adopted an ordinance to amend the City's Municipal Code to add details on committed fund balances, including the General Fund Reserve, the General Fund City Facility Reserve, and the Risk Management Reserve policies in April 2015
- Capital Assets Policies and Procedures, effective on July 1, 2014 as part of the City's Purchasing Policy.

There are adopted changes to the fiscal policies regarding reserves:

1. Further define the General Fund Reserve, the General Fund City Facility Reserve, and the Risk Management Reserve policies.

2. 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, provided that up to $30,000 of this reserve may be used at the direction of the City Manager. This $30,000 level is consistent with the City Manager's authority to approve expenditures up to $30,000 in the City's Purchasing Policy.

Fiscal Policies

(Resolution R-98-49, R-2007-038, R-2013-034, and Ordinance O-2015-003)

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 ongoing maintenance of infrastructure and buildings are vital to sound fiscal management. The philosophy of this fiscal policy incorporates these goals.

RESERVE POLICIES

- Establish and maintain a General Fund Reserve of 25% of budgeted expenditures in the General Fund. Municipal Code 3.14.010 through 3.14.040
- Establish and maintain a City Facility Reserve of $500,000 for improvements to City buildings and facilities, particularly if funds are not available in a given fiscal year. Municipal Code 3.14.05 through 3.14.080
- Establish and maintain a Risk Management Reserve to be used for unanticipated risk management costs, funded with $50 thousand per year, up to $250,000. Municipal Code 3.14.090 through 3.14.120
- 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, provided that up to $30,000 of this reserve may be used at the direction of the City Manager. This $30,000 level is consistent the City Manager's authority to approve expenditures up to $30,000 in the City's Purchasing Policy
- Establish realistic levels of contribution to the Motor Vehicle Replacement Fund.

REVENUES POLICIES

- Maintain safety and liquidity while maximizing investment revenue. Refer to the City's Investment Policy for a comprehensive management of the City's financial resources.
- 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.

EXPENDITURE POLICIES

<u>Infrastructure</u>

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

<u>New Services</u>

- Add new services only when a need has been identified 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 Wastewater Funds
- Maintain adequate reserve funds for the construction and replacement of major capital facilities of the Water and Wastewater 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.

Capital/Fixed Assets
- Capital Assets as defined by GASB includes land, improvements to land, easements, building, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period. This definition and the City's Capital Assets Policy and Procedures are included in the City's Purchasing Policy.

FINANCIAL STRUCTURE AND FUNDS

The funds listed in this document and included on pages 80 and 81 are subject to appropriation. A description of the General Fund is provided starting on page 32. All other fund descriptions are provided on the detail fund pages starting with Enterprise Funds on page 197.

Fund Types Definitions

Governmental Fund Types: The City's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Governmental fund types include the General Funds, Special Revenue Funds, Capital Project Funds, and Debt Services Funds.

General Fund

The City's General Fund is the operating fund for general revenues and expenditures that are not assigned to a special purpose fund. Some of the General Fund expenditures are allocated to specific multi-year capital projects or purchase order contracts. The net of revenues less expenditures (excluding the portion for multi-year costs) is the year's operating surplus or deficit. This surplus or deficit contributes to the fund's ending unallocated fund balance, which can be used to support various one-time costs.

Special Revenue Funds

Special Revenue Funds are funds established by the City to collect certain revenues that must be used for special purposes. These funds provide an extra level of accountability and transparency to taxpayers that their tax dollars will go toward an intended purpose. The ending fund balances are not available for other purposes except for those specified for that fund.

Capital Projects Funds

Capital Project Funds are established to account for the acquisition or construction of major capital facilities and other general capital outlays. The Capital Projects Fund (301) includes all capital projects except for Water and Wastewater enterprise projects supported by various funding sources, including: General Fund, grants, federal and state highway funding, enterprise funds, and development fees. The other Capital Project Funds (302-326) include specific revenues to fund specific capital projects. The ending fund balances in this fund type are for specific capital projects and typically are not available for other purposes except for those specified for that fund.

Debt Service Funds

Debt Service Funds are established to service principal and interest payments on short and long-term debt. Sources of revenue for this fund type include loan proceeds and interest earnings. The ending fund balances are not available for other purposes except for debt service.

Corporate Entities: As part of the Debt Service Funds, the City of Pismo Beach has a Public Financing Authority (Authority) and the Public Facilities Corporation (Corporation). These are legally separate corporate entities for which the City is financially accountable and they are governed by the elected City Council. The Authority and Corporation were formed to provide a method of financial public improvements. The City has identified the Authority in Fund 404, Public Financing Authority Debt Service Fund with appropriations. The Corporation's budget is reflected in Fund 541, the Pier Enterprise Fund.

Governmental Funds

General Fund	• General Fund • Half Cent Sales Tax Fund
Special Revenue Funds	• Gas Tax Fund • Local Transportation (Streets) • PEG Access Fee Fund • Police Grant Fund • Housing In Lieu Fund • LBID • Chapman Estate Fund
Capital Project Funds	• Capital Project Fund • Park Development Fund • Circulation Improvement Fund • Impact Fees • Developer Impact Fees
Debt Service Funds	• Public Financing Authority

Proprietary Fund Types: The City's maintains two different types of proprietary funds. Enterprise Funds are used to report the same functions reported as business-type activities. Internal Service funds accumulate and allocate costs internally among the City's various functions.

Enterprise Funds

Enterprise Funds are used to account for operations similar to private business enterprises. Revenues are collected and used for a specific purpose and are self-sufficient. The ending fund balances are not available for other purposes except for those specified for that fund.

Internal Service Funds

Internal Service Funds are used to account for the financing of goods and services supplied by one City Department to other City Departments. The Motor Vehicle Fund (619) collects funds from various City Departments to fund the replacement costs of various vehicles. Once a vehicle needs to be replaced, the balance is used to purchase that vehicle. The ending fund balances are not available for other purposes except for those specified for that fund. The Technology Service Fund (601) collects funds from various City Departments to fund various ongoing and one-time technology services and projects.

Proprietary Funds

Enterprise Funds	• Water Operating Fund • Water Tax Fund • Water Construction Fund • Water Expansion Fund • Wastewater Operating Fund • Wastewater Construction Fund • Wastewater Expansion Fund • Local Transit • Pier Enterprise • Parking Fund
Internal Service Funds	• Technology Service Fund • Motor Vehicle Fund

Budgeted Funds vs Audited Financial Statements

The audited financial statements include a fiduciary fund that is a private-purpose trust fund to account for assets held in trust for retired employees' health care. This fund is not subject to appropriation and is not included in this budget document.

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 and IT 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.

For some “personal choice” services (rather than “community/tax supported” services), the City calculates and charges a fee to the public requesting the service. This is accomplished by identifying the cost of services provided to its customer and matching revenues to those costs. The City Council recently adopted new Service Fees that are effective as of July 5, 2015.

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. In addition, the City has an internal service fund to allocate technology service operations and projects based on various factors to each fund and department benefitting from the service.

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 7,705 individuals, as estimated by the California Department of Finance for January 1, 2014. 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 of 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 Conference 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

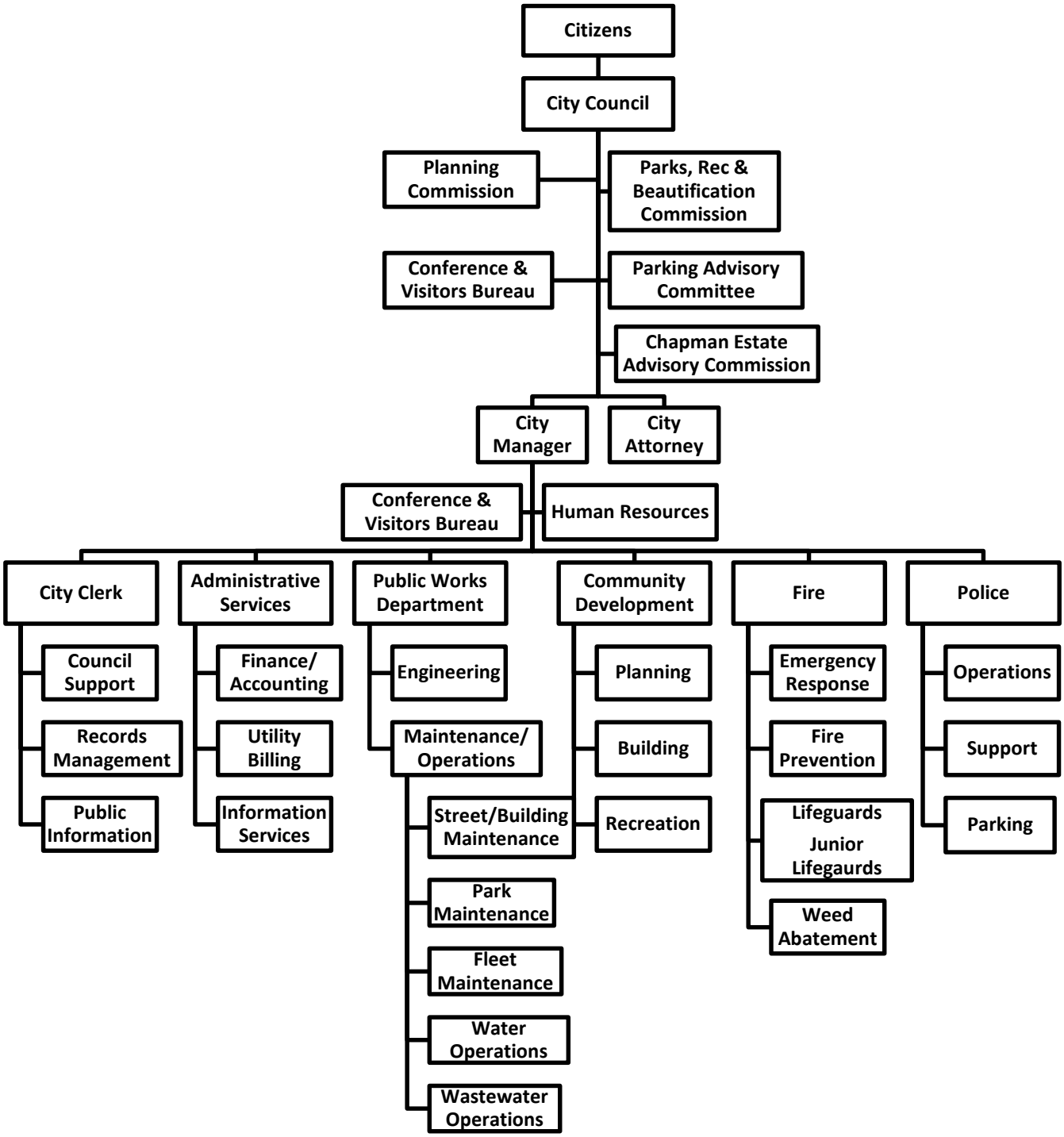
City Hall is located at:
760 Mattie Road
Pismo Beach, CA 93449
Main Phone Number is:
805-773-4657







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 22 and 23, 2015 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 six Major City Goals, four Other Important Objectives, and nine As Resources Permit items. At the City Council meeting held on February 17, 2015, 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.

FISCAL INTEGRITY IS A CORE CITY VALUE
The City Council determined that because fiscal integrity is an ongoing core City value and the highest priority in budget policy and practices, the allocation of points in this exercise was largely unnecessary.

MAJOR CITY GOALS
WATER SUPPLY. Develop a program to expand water supplies by upgrading the treatment plant, determining how best to utilize reclaimed wastewater, increasing conservation, and pursuing other potential strategies.

DOWNTOWN PARKING AND CIRCULATION. Complete an assessment of downtown parking options, including a parking structure that may incorporate other uses such as retail and housing, along with related circulation improvements, and begin implementation of the approved program.

DOWNTOWN REVITALIZATION. Complete planning for and begin implementation of Downtown revitalization efforts including such elements as a public plaza, parklets, a sidewalk maintenance program, undergrounding utilities, and appropriate land use controls.

SHELL BEACH STREETSCAPE. Implement the Shell Beach streetscape and undergrounding program and consider additional parking options.

RE-USE OF OLD CITY HALL. Evaluate possible uses for the old City Hall and develop a program for implementing the preferred option.

SHELL BEACH DEVELOPMENT STANDARDS. Revise development standards in Shell Beach to reduce the size and scale of new residential projects and commercial development designed to be more consistent with the current neighborhood and provide adequate parking.

OTHER IMPORTANT OBJECTIVES
CHAPMAN HOUSE. Develop and implement a plan to increase appropriate use of the Chapman House compatible with the neighborhood, including a strategy for its ongoing maintenance and financial sustainability.

FIRE STATION. Explore funding options and complete a scoping study for a new fire station, and pursue development of the most appropriate facility.

PISMO PRESERVE. Work with the Land Conservancy to identify and address expected infrastructure and access needs, as well as the public safety implications, related to public use of the Pismo Preserve.

CIRCULATION ELEMENT UPDATE TO GENERAL PLAN. Update the general plan circulation element to include among other goals, policies and programs, long term parking strategies for downtown, Shell Beach and Price Street; replacement of the Bello Street bridge; bicycle and pedestrian circulation improvements; and the deletion of the connecting road across the Mankins property.

The following table provides a list of the short term goals, their estimated cost, the adopted funding source, and the status of whether the goal is funded or not. The yellow highlighted amounts are included in this adopted two-year budget.

	Estimated Cost	Project Funding Source	Is Goal Budgeted?	Comments
MAJOR CITY GOALS				
WATER SUPPLY. Develop a program to expand water supplies by upgrading the treatment plant, determining how best to utilize reclaimed wastewater, increasing conservation, and pursuing other potential strategies.	$140,000	Water Fund	Recommended in Work Plan FY 17 and Capital Project Requests	Water Master Plan Update
	$40,000	Water Fund	Recommended in Work Plan Request FY 16	Salt Nutrient Plan in conjunction with the NCMA
	$69,000	Water Fund	Recommended in Work Plan Request FY 16 $29K, FY 17 $40K	ground water model in conjunction with the NCMA
	$4,030,000	Water Fund, Grant?	No	Funding not supported by existing Water Rates
DOWNTOWN PARKING AND CIRCULATION. Complete an assessment of downtown parking options -- including a parking structure that may incorporate other uses such as retail and housing -- along with related circulation improvements, and begin implementation of the approved program.	$140,000	Impact Fee Fund	Yes	In progress
	$75,000	Parking Fund	Yes	Downtown Parking Study
	$25,000	Parking Fund	Recommended in Work Plan Request FY 16	Study on Pier Parking lot, Parking structure cost, financing project ideas
DOWNTOWN REVITALIZATION. Complete planning for and begin implementation of Downtown revitalization efforts including such elements as a public plaza, parklets, a sidewalk maintenance program, undergrounding utilities and appropriate land use controls.	$400,000	General Fund	Yes	Downtown Strategic Plan Phase 1
	$300,000	General Fund	Recommended in Work Plan Request FY 16	Downtown Strategic Plan Phase 2
	$50,000	$45K Park Development Fund, $5K Parking Fund	Recommended in Work Plan Request FY 16	Pier Area Improvements/ Design parking lot
	$3,500,000	? General Fund, Half Cent Sales Tax Fund, Bond proceeds, Park Development Funds, Grant?	No	Pier Area Improvements Study & Construction

	Estimated Cost	Project Funding Source	Is Goal Budgeted?	Comments
MAJOR CITY GOALS				
SHELL BEACH STREETSCAPE. Implement the Shell Beach streetscape and undergrounding program and consider additional parking options.	$3,200,000	PG&E Credits for Shell Beach Undergrounding	Credits purchased	
	$1,900,000	Water Enterprise Fund (512)	Recommended in Capital Project Requests in FY 16 and funded with Water Rates	
	$600,000	Federal Grant, CalTrans, Bike Path (SLOCOG)	Yes	
	$2,040,000	$900K General Fund, $310K Half Cent Sales Tax Fund, $230K Gas Tax Fund, $600K Local Transportation Fund	Recommended in Capital Project Requests in FY 16	
	$3,460,000	? General Fund, Half Cent Sales Tax Fund, Bond proceeds, Active Transportation Grant?	No	
RE-USE OF OLD CITY HALL. Evaluate possible uses for the old City Hall and develop a program for implementing the preferred option.	$25,000	General Fund	Recommended in Work Plan Request FY 16	Re-Use of Old City Hall Study
	$75,000	$60K General Fund, $15K Housing In Lieu Fee Fund	Recommended in Work Plan Request FY 16	Bello Street Corridor planning study, including implementation of old City Hall
SHELL BEACH DEVELOPMENT STANDARDS. Revise development standards in Shell Beach to reduce the size and scale of new residential projects and commercial development designed to be more consistent with the current neighborhood and provide adequate parking.	$50,000	General Fund	Recommended in Work Plan Request FY 16	

	Estimated Cost	Project Funding Source	Is Goal Budgeted?	Comments
OTHER IMPORTANT OBJECTIVES				
CHAPMAN HOUSE. Develop and implement a plan to increase appropriate use of the Chapman House compatible with the neighborhood, including a strategy for its ongoing maintenance and financial sustainability.	$40,000	Chapman Estate Fund	Yes	
FIRE STATION. Explore funding options and complete a scoping study for a new fire station, and pursue development of the most appropriate facility.			Yes, staff and CalFire efforts	Pending decsion on fire station location and building plan, then CalFire and Planning to do study, then determine cost of facility, then determine funding options
PISMO PRESERVE. Work with the Land Conservancy to identify and address expected infrastructure and access needs, as well as the public safety implications, related to public use of the Pismo Preserve.			No	Pending Land Conservancy design
CIRCULATION ELEMENT UPDATE TO GENERAL PLAN. Update the general plan circulation element to include -- among other goals, policies and programs -- long term parking strategies for downtown, Shell Beach and Price Street; replacement of the Bello Street bridge; bicycle and pedestrian circulation improvements; and the deletion of the connecting road across the Mankins property.	$75,000	Circulation Fee Fund	Recommended in Work Plan Request FY 16	Circulation Element update to General Plan

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 7,705
Department of Finance January 2014 estimate

Median Single Family Home Sale Price $695,000 in 2014
HdL Companies

COMPARISON OF FINANCIAL STATUS TO OTHER JURISDICTIONS

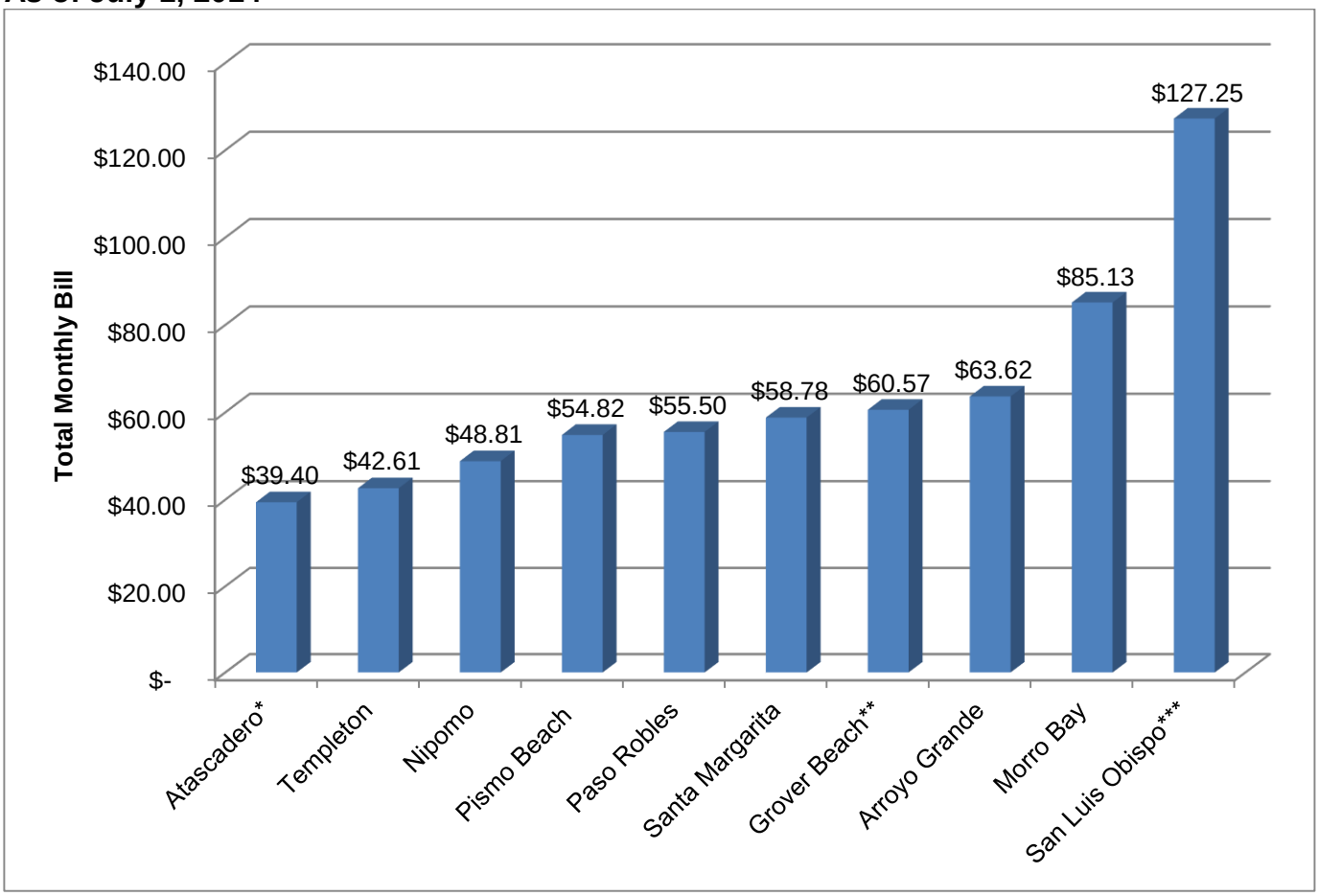
City	Number of Full Time Employee	Population	Total Operating Budget (All Funds)	Total Portion of Operating Budget Related to Personnel Services	% of Budget Related To Personnel Services	Total Capital Projects
Arroyo Grande	86.00	17,334	$35,911,640	$10,290,420	28.6%	$10,369,550
Atascadero	117.10	28,675	$21,452,920	$14,191,460	66.0%	$6,166,100
Grover Beach	51.00	13,153	$19,518,695	$6,202,400	32.0%	$5,797,573
Morro Bay	101.25	10,276	$36,204,718	$11,942,316	59.0%	$4,943,734
Paso Robles	159.00	30,450	$55,000,000	$22,100,000	40.2%	$35,822,000
Pismo Beach	89.00	7,705	$33,421,812	$13,545,344	40.5%	$18,235,924
San Luis Obispo	362.00	45,473	$84,668,377	$50,860,551	60.0%	$39,397,151
Santa Maria	480.00	101,103	$150,719,280	$57,962,240	38.5%	$29,826,060

Pismo Beach includes CalFire contract in personnel costs, but does not include FTEs from CalFire. The information is provided by Finance Department staff from each jurisdiction listed.

San Luis Obispo County City Growth Comparison
FY 2015 to FY 2014 Net taxable Assessed Value Change

City	FY 2015 Net Value	Value Change	% Change
San Luis Obispo	$6,808,524,270	360,204,619	5.59%
Paso Robles	$3,959,239,665	262,013,718	7.09%
Atascadero	$3,194,259,931	177,329,335	5.88%
Pismo Beach	**$2,600,543,087**	**106,294,734**	**4.26%**
Arroyo Grande	$2,518,319,343	172,910,179	7.37%
Morro Bay	$2,011,464,522	91,380,525	4.76%
Grover Beach	$1,392,728,774	82,982,135	6.34%

Central Coast Area Comparable Cost of Water
Based on 11,220 Gallons/month (15 Hundred Cubic Feet/month)
As of July 1, 2014



*Atascadero – includes $2.50/month Nacimiento Water surcharge
** Grover Beach – Includes a 1% utility tax applied to the water portion of the bill
***San Luis Obispo – Includes a 5% utility users tax applied to the water portion of the bill

Note: Study performed by Atascadero Mutual Water Company

City of Pismo Beach
Revenue Base Concentration Data - Principal Sales Tax Generators By Industry
Last Ten Calendar Years
(Dollar Amounts in Thousands)

2013

Industry	Retail Sales Generated	Rank	Percentage of Total City Retail Sales Dollars
Apparel Stores	$ 70,849	1	27.05%
Restaurants	65,271	2	24.92%
All Other Outlets	42,195	3	16.11%
Other Retail Stores	40,864	4	15.60%
Service Stations	35,189	5	13.44%
Food Stores	7,543	6	2.88%
Total	$ 261,911		100.00%

2012

Industry	Retail Sales Generated	Rank	Percentage of Total City Retail Sales Dollars
Apparel Stores	$ 67,119	1	27.54%
Restaurants	62,275	2	25.55%
All Other Outlets	37,372	3	15.34%
Service Stations	36,562	4	15.00%
Other Retail Stores	35,176	5	14.43%
Food Stores	5,191	6	2.13%
	-		
Total	$ 243,695		100.00%

2011

Industry	Retail Sales Generated	Rank	Percentage of Total City Retail Sales Dollars
Apparel Stores	$ 61,101	1	26.10%
Restaurants	57,789	2	24.68%
All Other Outlets	37,913	3	16.19%
Other Retail Stores	35,410	4	15.12%
Service Stations	35,319	5	15.09%
Food Stores	6,586	6	2.81%
Total	$ 234,118		100.00%

2010

Industry	Retail Sales Generated	Rank	Percentage of Total City Retail Sales Dollars
Apparel Stores	$ 55,409	1	25.94%
Eating and Drinking Places	54,681	2	25.60%
Other Retail Stores	33,842	3	15.84%
All Other Outlets	33,354	4	15.62%
Service Stations	29,592	5	13.85%
Food Stores	6,709	6	3.14%
Total	$ 213,587		100.00%

2009

Industry	Retail Sales Generated	Rank	Percentage of Total City Retail Sales Dollars
Apparel Stores	$ 53,576	1	25.49%
Restaurants	52,845	2	25.14%
Other Retail Stores	36,225	3	17.23%
All Other Outlets	34,234	4	16.29%
Service Stations	26,249	5	12.49%
Food Stores	7,072	6	3.36%
Total	$ 210,201		100.00%

2008

Industry	Retail Sales Generated	Rank	Percentage of Total City Retail Sales Dollars
Restaurants	$ 54,014	1	23.30%
Apparel Stores	49,407	2	21.31%
Other Retail Stores	47,617	3	20.54%
All Other Outlets	40,107	4	17.30%
Service Stations	33,186	5	14.32%
Food Stores	7,472	6	3.22%
Total	$ 231,803		100.00%

City of Pismo Beach
Revenue Base Concentration Data - Principal Sales Tax Generators By Industry
Last Ten Calendar Years
(Dollar Amounts in Thousands)

2007				2006			
Industry	Retail Sales Generated	Rank	Percentage of Total City Retail Sales Dollars	Industry	Retail Sales Generated	Rank	Percentage of Total City Retail Sales Dollars
Restaurants	$ 56,581	1	24.46%	Restaurants	$ 55,469	1	24.58%
Apparel Stores	48,324	2	20.89%	Other Retail Stores	47,210	2	20.92%
Other Retail Stores	45,204	3	19.54%	Apparel Stores	45,304	3	20.07%
All Other Outlets	41,341	4	17.87%	All Other Outlets	41,505	4	18.39%
Service Stations	32,011	5	13.84%	Service Stations	28,205	5	12.50%
Food Chains and Markets	7,843	6	3.39%	Food Stores	7,996	6	3.54%
Total	$ 231,304		100.00%	Total	$ 225,689		100.00%

2005				2004			
Industry	Retail Sales Generated	Rank	Percentage of Total City Retail Sales Dollars	Industry	Retail Sales Generated	Rank	Percentage of Total City Retail Sales Dollars
Restaurants	$ 53,214	1	25.59%	Restaurants	$ 48,126	1	24.83%
Other Retail Stores	45,792	2	22.02%	Other Retail Stores	44,166	2	22.79%
Apparel Stores	38,295	3	18.42%	Apparel Stores	34,715	3	17.91%
All Other Outlets	35,046	4	16.86%	All Other Outlets	31,643	4	16.33%
Service Stations	27,944	5	13.44%	Service Stations	25,312	5	13.06%
Food Stores	7,622	6	3.67%	Food Stores	9,837	6	5.08%
Total	$ 207,913		100.00%	Total	$ 193,799		100.00%

Source: HDL Reports. Changed years from fiscal to calendar in FY 2011 report. No change in information reported this year.
Amounts for CY 2012 reflect a change in reporting by HDL to reflect fewer differentiated Categories.
Amounts for CY 2013 reflect a change in reporting by HDL to reflect fewer differentiated Categories.

City of Pismo Beach
Principal Transient Occupancy Tax Payers - Top Ten
Last Ten Fiscal Years
(In Alphbetical Order)

Fiscal Year Ended June 30			
2014	**2013**	**2012**	**2011**
Cliffs Shell Beach	Cliffs of Shell Beach	Cliffs of Shell Beach	Cliffs of Shell Beach
Cottage Inn	Cottage Inn	Cottage Inn	Cottage Inn
Dolphin Bay Hotel	Dolphin Bay Hotel	Dolphin Bay Hotel	Dolphin Bay Hotel
Hilton Garden Inn	Hilton Garden Inn	Hilton Garden Inn	Kon Tiki Motel
Kon Tiki Motel	Kon Tiki Motel	Kon Tiki Motel	Oxford Suites Resort
Pismo Coast Village	Pismo Coast Village	Pismo Coast Village	Pismo Coast Village
Pismo Lighthouse Suites	Pismo Lighthouse Suites	Pismo Lighthouse Suites	Pismo Lighthouse Suites
Sandcastle -Pismo Castle LLC	Sandcastle Inn	Sandcastle Inn	Sandcastle Inn
Seacrest Motel	Seacrest Motel	Seacrest Motel	Seacrest Motel
Shorecliff Inn	Shorecliff Inn	Shorecliff Inn	Shorecliff Inn

Fiscal Year Ended June 30			
2010	**2009**	**2008**	**2007**
Cliffs of Shell Beach	Cliffs of Shell Beach	Cliffs of Shell Beach	Cliffs of Shell Beach
Cottage Inn	Cottage Inn	Cottage Inn	Cottage Inn
Dolphin Bay Hotel	Dolphin Bay Hotel	Kon Tiki Motel	Kon Tiki Motel
Kon Tiki Motel	Kon Tiki Motel	Oxford Suites Resort	Oxford Suites Resort
Oxford Suites Resort	Oxford Suites Resort	Pismo Coast Village	Pismo Coast Village
Pismo Coast Village	Pismo Coast Village	Pismo Lighthouse Suites	Pismo Lighthouse Suites
Pismo Lighthouse Suites	Pismo Lighthouse Suites	Sandcastle Inn	Sandcastle Inn
Sandcastle Inn	Sandcastle Inn	Seacrest Motel	Seacrest Motel
Seacrest Motel	Seaventure Motel	Seaventure Motel	Seaventure Motel
Shorecliff Inn	Shorecliff Inn	Shorecliff Inn	Shorecliff Inn

Fiscal Year Ended June 30	
2006	**2005**
Cliffs of Shell Beach	Cliffs of Shell Beach
Cottage Inn	Cottage Inn
Kon Tiki Motel	Kon Tiki Motel
Pismo Coast Village	Pismo Coast Village
Pismo Lighthouse Suites	Pismo Coast Village
Sandcastle Inn	Pismo Lighthouse Suites
Seacrest Motel	Sandcastle Inn
Seaventure Motel	Seacrest Motel
Shorecliff Inn	Seaventure Motel
Spyglass Inn Motel	Shorecliff Inn

Source: Principal Transient Occupancy Tax Payers provided by City of Pismo Beach records.

FINANCIAL SUMMARIES

CHANGES IN AVAILABLE FUND BALANCES

FY 2016

RECAP OF FUNDS - FY 2016			Beginning Fund Balance Update	Projected Revenues & Other Sources	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:											
	100	General Fund	5,073,323	19,973,688	264,400	17,469,467	438,681	93,682	0	3,785,015	3,524,566
	105	Half Cent Sales Tax Fund	213,305	1,442,964	0					856,301	799,968
Total General Fund			**5,286,628**	**21,416,652**	**264,400**	**17,469,467**	**438,681**	**93,682**	**0**	**4,641,316**	**4,324,534**
Special Revenue Funds											
	202	Gas Tax Fund	231,255	193,934						370,000	55,189
	208	Local Transportation (Streets)	428,438	207,544		1,443				600,000	34,539
	222	PEG Access Fund	72,183	0		0		0			72,183
	243	Police Grant Fund	36,400	100,000						136,400	0
	250	Housing In Lieu Fund	1,231,822	21,600		5,172				15,000	1,233,250
	265	LBID	125,371	874,933		788,573					211,731
	275	Chapman Estate Fund	209,688	1,200		70,180		0	0		140,708
Total Special Revenue Funds			**2,335,157**	**1,399,211**	**0**	**865,368**	**0**	**0**	**0**	**1,121,400**	**1,747,600**
Capital Projects Funds											
	301	Capital Project Fund	2,324	0	3,138,301	0		0	3,138,301	0	2,324
	302	Bond Fund	701	0						0	701
	305	Park Development Fund	553,660	30,000	0	148		0	0	(5,000)	588,512
	322	Circulation Improvement	102,848	0	0					75,000	27,848
	323	Impact Fees	955,504	3,000		933				0	957,571
	325	Developer Impact Fees	58,089	0							58,089
	326	Underground Utility	403	0						0	403
Total Capital Projects Funds			**1,673,528**	**33,000**	**3,138,301**	**1,081**	**0**	**0**	**3,138,301**	**70,000**	**1,635,447**
Debt Service Funds											
	404	Public Finance Authority	0	438,681	0	0	438,681				0
	436	Freeway Foothills	46	0						0	46
	438	Spyglass/Price St.	11,812	0							11,812
	720	Indio/El Portal Assmt Dist	483	0							483
	721	Visalia Street AD	8,632	0						0	8,632
Total Debt Service Funds			**20,973**	**438,681**	**0**	**0**	**438,681**	**0**	**0**	**0**	**20,973**
Total Governmental Fund Types			**9,316,286**	**23,287,544**	**3,402,701**	**18,335,916**	**877,362**	**93,682**	**3,138,301**	**5,832,716**	**7,728,554**
Proprietary Fund Types											
Enterprise Funds											
	512	Water Operating Fund	3,439,000	3,469,000	0	2,778,880		76,620	0	2,534,361	1,518,139
	513	Water Tax Fund	1,096,000	1,549,399	545,000	1,719,597					1,470,802
	515	Water Construction Fund	432,000	1,500	1,950,000	50,000		0	1,900,000		433,500
	516	Water Expansion Fund	497,836	0	0						497,836
	521	Waste Water Operating Fund	379,429	4,003,000	0	2,418,237	1,053,101	42,000	0	153,873	715,218
	522	Waste Water Construction Fund	676,171	3,000	111,000	121,000	0	0	200,000	0	469,171
	525	Waste Water Expansion Fund	1,420,050	21,300	0	327				0	1,441,023
	537	Local Transit	9,488	18,000		10,593					16,895
	541	Pier	14,699	15,440	2,034,500	43,800		0	2,000,000		20,839
	551	Parking Fund	1,778,550	543,000		432,958				822	1,887,769
Total Enterprise Funds			**9,743,223**	**9,623,639**	**4,640,500**	**7,575,392**	**1,053,101**	**118,620**	**4,100,000**	**2,689,056**	**8,471,193**
Internal Service Fund											
	601	Technology Service Fund	2	549,166	64,900	596,066		18,000			2
	619	Motor Vehicle Fund	2,904,560	497,347	414,904	467,348		209,400	0	1,233	3,138,830
Total Internal Service Fund			**2,904,562**	**1,046,513**	**479,804**	**1,063,414**	**0**	**227,400**	**0**	**1,233**	**3,138,832**
Total Proprietary Fund Types			**12,647,785**	**10,670,152**	**5,120,304**	**8,638,806**	**1,053,101**	**346,020**	**4,100,000**	**2,690,289**	**11,610,025**
Total City Funds			**21,964,071**	**33,957,696**	**8,523,005**	**26,974,722**	**1,930,463**	**439,702**	**7,238,301**	**8,523,005**	**19,338,578**

CHANGES IN AVAILABLE FUND BALANCES
FY 2017

RECAP OF FUNDS - FY 2017			Beginning Fund Balance Update	Projected Revenues & Other Sources	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:										
	100	General Fund	3,524,566	19,944,721	240,000	17,928,813	439,919	6,000		355,157	4,979,398
	105	Half Cent Sales Tax Fund	799,968	1,453,641						1,250,000	1,003,609
	Total General Fund		**4,324,534**	**21,398,362**	**240,000**	**17,928,813**	**439,919**	**6,000**	**0**	**1,605,157**	**5,983,007**
Special Revenue Funds											
	202	Gas Tax Fund	55,189	193,934						140,000	109,123
	208	Local Transportation (Streets)	34,539	207,544		1,499					240,584
	222	PEG Access Fee Fund	72,183	0							72,183
	243	Police Grant Fund	0	100,000						100,000	0
	250	Housing In Lieu Fund	1,233,250	21,600		1,094					1,253,756
	265	LBID	211,731	900,000		755,390					356,341
	275	Chapman Estate Fund	140,708	1,200		70,948					70,960
	Total Special Revenue Funds		**1,747,600**	**1,424,278**	**0**	**828,931**	**0**	**0**	**0**	**240,000**	**2,102,947**
Capital Projects Funds											
	301	Capital Project Fund	2,324		250,000				250,000		2,324
	302	Bond Fund	701								701
	305	Park Development Fund	588,512	30,000		6,900					611,612
	322	Circulation Improvement	27,848								27,848
	323	Impact Fees	957,571	3,000		1,050					959,521
	325	Developer Impact Fees	58,089								58,089
	326	Underground Utility	403								403
	Total Capital Projects Funds		**1,635,447**	**33,000**	**250,000**	**7,950**	**0**	**0**	**250,000**	**0**	**1,660,497**
Debt Service Funds											
	404	Public Finance Authority	0	439,919			439,919				0
	436	Freeway Foothills	46								46
	438	Spyglass/Price St.	11,812								11,812
	720	Indio/El Portal Assmt Dist	483								483
	721	Visalia Street AD	8,632								8,632
	Total Debt Service Funds		**20,973**	**439,919**	**0**	**0**	**439,919**	**0**	**0**	**0**	**20,973**
Total Governmental Fund Types			**7,728,554**	**23,295,559**	**490,000**	**18,765,694**	**879,838**	**6,000**	**250,000**	**1,845,157**	**9,767,424**
Proprietary Fund Types											
Enterprise Funds											
	512	Water Operating Fund	1,518,139	3,569,000		2,841,827		67,720	0	739,015	1,438,577
	513	Water Tax Fund	1,470,802	1,590,199	545,000	1,719,597					1,886,404
	515	Water Construction Fund	433,500	1,500	150,000	130,000			265,000		190,000
	516	Water Expansion Fund	497,836								497,836
	521	Waste Water Operating Fund	715,218	4,203,000		2,496,860	1,056,074	40,800		156,516	1,167,968
	522	Waste Water Construction Fund	469,171	3,000	111,000	111,000			133,300		338,871
	525	Waste Water Expansion Fund	1,441,023	21,300		368					1,461,955
	537	Local Transit	16,895	18,000		10,667					24,228
	541	Pier	20,839	15,440	1,034,500	43,800			1,000,000		26,979
	551	Parking Fund	1,887,769	543,000		415,588					2,015,181
	Total Enterprise Funds		**8,471,193**	**9,964,439**	**1,840,500**	**7,769,707**	**1,056,074**	**108,520**	**1,398,300**	**895,531**	**9,048,000**
Internal Service Fund											
	601	Technology Service Fund	2	556,637		538,637		18,000			2
	619	Motor Vehicle Fund	3,138,830	498,563	410,188	468,561		875,910			2,703,110
	Total Internal Service Fund		**3,138,832**	**1,055,200**	**410,188**	**1,007,198**	**0**	**893,910**	**0**	**0**	**2,703,112**
Total Proprietary Fund Types			**11,610,025**	**11,019,639**	**2,250,688**	**8,776,905**	**1,056,074**	**1,002,430**	**1,398,300**	**895,531**	**11,751,112**
Total City Funds			**19,338,578**	**34,315,198**	**2,740,688**	**27,542,599**	**1,935,912**	**1,008,430**	**1,648,300**	**2,740,688**	**21,518,535**

FUND BUDGET SUMMARIES – REVENUES

FUND SUMMARY
Comparative Annual Revenues By Fund

FUND DESCRIPTION	11/12 ACTUAL	12/13 ACTUAL	13/14 ACTUAL	14/15 BUDGET	15/16 ADOPTED	16/17 ADOPTED
REVENUES						
GENERAL FUND	16,516,060	17,620,554	18,897,092	17,981,397	20,238,088	20,184,721
HALF CENT SALES TAX FUND	1,140,061	1,316,852	1,342,910	1,567,000	1,442,964	1,453,641
GAS TAX FUND	255,901	190,585	303,888	258,497	193,934	193,934
LOCAL TRANSPORTATION FUND	130,209	115,917	205,790	84,000	207,544	207,544
REDEVELOPMENT AGENCY FUND	173,012	-	-	-	-	-
PEG ACCESS FEE FUND	31,628	31,899	13,822	15,000	-	-
POLICE GRANTS FUND	100,475	99,968	100,080	100,000	100,000	100,000
RDA LOW AND MOD HOUSING FUND	125,221	-	-	-	-	-
HOUSING IN LIEU FUND	36,404	5,235	638,950	20,000	21,600	21,600
LBID FUND	692,870	728,611	799,347	805,800	874,933	900,000
CHAPMAN HOUSE FUND	-	-	192,963	101,200	1,200	1,200
CIP FUND	3,097,443	2,484,410	362,470	8,804,839	3,138,301	250,000
PUBLIC FACILITIES FUND	(851)	9	95	-	-	-
PARK DEVELOPMENT FEE FUND	80,037	29,406	615,265	110,000	30,000	30,000
CIRCULATION FEE FUND	48,714	13	142	-	-	-
IMPACT FEE FUND	124,825	66,405	236,487	3,000	3,000	3,000
DEVELOPER IMPACT FEE FUND	88	250	275	-	-	-
UNDERGROUND UTILITY FUND	14,425	1,883	6	-	-	-
PUBLIC FINANCING AUTHORITY FUND	441,516	436,909	300,996	441,681	438,681	439,919
1992-1 REASSESSMENT FUND	156	15	163	-	-	-
1992-4 REASSESSMENT FUND	18	2	21	-	-	-
WATER FUND	3,345,418	3,459,147	3,949,538	3,731,330	3,469,000	3,569,000
WATER TAX FUND	1,902,149	1,848,494	2,262,680	2,081,540	2,094,399	2,135,199
WATER CONSTRUCTION FUND	-	-	1,747,745	530,000	1,951,500	151,500
WATER EXPANSION FUND	-	-	-	-	-	-
WASTEWATER FUND	4,010,162	3,750,489	3,968,129	5,096,700	4,003,000	4,203,000
WASTEWATER CONSTRUCTION FUND	861,591	972,077	2,445,768	5,363,000	114,000	114,000
WASTEWATER EXPANSION FUND	40,630	25,613	94,506	22,000	21,300	21,300
LOCAL TRANSIT FUND	(46)	6,495	8,103	8,105	18,000	18,000
PIER FUND	162,622	39,064	35,494	391,480	2,049,940	1,049,940
PARKING ENTERPRISE FUND	567,894	512,248	554,704	501,000	543,000	543,000
TECHNOLOGY SERVICE FUND	-	-	33,863	1,056,571	614,066	556,637
MOTOR VEHICLE FUND	803,152	769,594	864,818	884,995	912,251	908,751
INDIO/PORTAL AD FUND	17	2	20	8,861	-	-
VISALIA STREET AD FUND	143	15	166	-	-	-
LEEWARD/WINDWARD AD FUND	-	-	-	-	-	-
Less transfers between funds	(4,320,441)	(4,196,434)	(5,928,810)	(9,673,816)	(8,523,005)	(2,740,688)
TOTAL REVENUES	$30,381,503	$30,315,727	$34,047,486	$40,294,180	$33,957,696	$34,315,198

FUND BUDGET SUMMARIES – EXPENDITURES

FUND SUMMARY
Comparative Annual Expenses By Fund

FUND DESCRIPTION	11/12 ACTUAL	12/13 ACTUAL	13/14 ACTUAL	14/15* BUDGET	15/16 ADOPTED	16/17 ADOPTED
EXPENSES						
GENERAL FUND	15,995,936	16,671,322	16,153,657	20,694,850	21,786,846	18,729,890
HALF CENT SALES TAX FUND	189,035	2,040,251	216,843	4,059,245	856,301	1,250,000
GAS TAX FUND	161,788	140,000	171,052	412,159	370,000	140,000
LOCAL TRANSPORTATION FUND	167,484	54,900	14,902	216,324	601,443	1,499
REDEVELOPMENT AGENCY FUND	180,126	-	-	-	-	-
PEG ACCESS FUND	60,281	-	5,327	33,984	-	-
POLICE GRANTS FUND	26,769	143,263	124,132	100,000	136,400	100,000
RDA LOW AND MOD HOUSING FUND	719,388	-	-	-	-	-
HOUSING IN LIEU FUND	1,000	1,000	500	4,700	20,172	1,094
LBID FUND	681,434	550,671	726,659	1,101,609	788,573	755,390
CHAPMAN HOUSE FUND	-	-	53,948	271,438	70,180	70,948
CIP FUND	3,064,678	2,431,047	545,010	8,789,995	3,138,301	250,000
PUBLIC FACILITIES FUND	250,000	-	-	53,000	-	-
PARK DEVELOPMENT FEE FUND	259,796	51,545	1,650	784,372	(4,852)	6,900
CIRCULATION FEE FUND	-	-	-	-	75,000	-
IMPACT FEE FUND	522,691	1,000	1,126	565,874	933	1,050
DEVELOPER IMPACT FEE FUND	-	-	-	-	-	-
UNDERGROUND UTILITY FUND	-	-	21,000	-	-	-
PUBLIC FINANCING AUTHORITY FUND	446,321	441,284	446,587	443,864	438,681	439,919
1992-1 REASSESSMENT FUND	-	-	-	91,829	-	-
1992-4 REASSESSMENT FUND	-	-	-	-	-	-
WATER FUND	3,026,414	1,974,204	4,872,680	4,045,560	5,389,861	3,648,562
WATER TAX FUND	1,872,668	1,900,334	1,900,801	2,005,351	1,719,597	1,719,597
WATER CONSTRUCTION FUND	-	-	418,762	1,857,754	1,950,000	395,000
WATER EXPANSION FUND	-	-	-	-	-	-
WASTEWATER FUND	3,610,653	3,679,538	5,451,081	5,232,835	3,667,211	3,750,250
WASTEWATER CONSTRUCTION FUND	740,503	521,743	112,093	7,435,385	321,000	244,300
WASTEWATER EXPANSION FUND	633	93,406	590,707	721	327	368
LOCAL TRANSIT FUND	8,693	8,746	10,762	8,104	10,593	10,667
PIER FUND	111,822	91,200	80,407	377,280	2,043,800	1,043,800
PARKING ENTERPRISE FUND	314,659	360,725	330,204	624,609	433,780	415,588
TECHNOLOGY FUND	-	-	33,861	1,056,571	614,066	556,637
MOTOR VEHICLE FUND	689,572	665,458	694,994	1,030,052	677,981	1,344,471
INDIO/PORTAL AD FUND	-	-	-	19,861	-	-
VISALIA STREET AD FUND	-	-	-	85,000	-	-
LEEWARD/WINDWARD AD FUND	-	-	-	-	-	-
Less transfers between funds	(4,320,441)	(4,196,434)	(5,928,810)	(9,664,955)	(8,523,005)	(2,740,688)
TOTAL EXPENSES	$28,781,903	$ 27,625,201	$ 27,049,935	$51,737,371	$ 36,583,189	$ 32,135,242

Note: *Budget for FY 14/15 includes carryover purchase orders and capital projects

EXPENDITURES BY FUND AND DEPARTMENT/DIVISION

Fund	Department	FY 2013 Actuals	FY 2014 Actuals	FY 2015 Revised Budget	FY 2016 Adopted Budget	FY 2017 Adopted Budget
100	General Fund					
	110 City Council	$ 265,197	$ 260,873	$ 271,027	$ 285,311	$ 312,254
	120 City Manager	585,005	624,508	501,184	424,030	429,992
	122 City Clerk	-	-	303,436	306,130	321,564
	125 Human Resources	264,920	211,674	225,752	272,056	274,743
	130 Legal	127,649	384,335	186,800	222,300	222,300
	142 Conference & Visitors B	539,411	558,169	603,708	579,710	582,374
	151 Finance/Accounting	672,751	680,434	787,088	789,178	797,601
	154 Information Technology	-	4,253	455,836	41,063	-
	180 Non-Dept	2,814,707	1,926,972	2,535,111	2,325,117	2,680,945
	191 Gov't Bldgs-City Hall	572,356	441,091	1,237,564	649,024	589,799
	210 Police	5,091,280	4,882,127	5,606,009	5,333,043	5,458,510
	220 Fire	1,821,307	2,020,895	2,206,631	2,497,996	2,552,396
	225 Weed Abatement	11,958	20,491	12,200	14,500	14,500
	230 Lifeguards	125,927	146,623	175,379	206,992	197,659
	301 Engineering	484,307	576,441	611,064	622,164	639,348
	310 Building Division	595,596	568,176	552,820	590,580	611,910
	320 Planning	778,589	732,098	924,168	920,986	758,399
	331 Rec-City Supported	299,098	344,713	378,677	361,230	362,599
	332 Rec-Fee Supported	64,256	49,859	66,622	67,596	67,596
	333 Pismo Vets Hall	41,768	40,054	39,464	51,975	47,905
	334 Shell Beach Vets Hall	17,358	15,341	18,613	22,995	20,088
	335 Margo Dodd Park	2,222	2,174	1,894	2,227	2,227
	410 Facilities Maintenance	117,275	122,480	126,781	139,386	145,088
	421 Park Maintenance	886,762	936,973	999,018	1,073,251	1,027,266
	431 Street Maintenance	490,724	602,327	756,053	606,007	612,827
	499 CIP	900	573	1,111,953	3,382,000	-
	General Fund Total	**$ 16,671,322**	**$ 16,153,654**	**$ 20,694,850**	**$ 21,786,847**	**$ 18,729,890**
105	Half-Cent Sales Tax Fund					
	499 CIP	2,040,251	216,842	4,059,245	856,301	1,250,000
	Half-Cent Sales Tax Fund Total	**$ 2,040,251**	**$ 216,842**	**$ 4,059,245**	**$ 856,301**	**$ 1,250,000**
202	Gas Tax Fund					
	431 Street Maintenance	140,000	171,052	162,159	140,000	140,000
	432 Street Construction		-	200,000	230,000	-
	499 CIP	-	-	50,000	-	-
	Gas Tax Fund Total	**$ 140,000**	**$ 171,052**	**$ 412,159**	**$ 370,000**	**$ 140,000**
208	Local Transportation					
	432 Street Construction	54,900	14,902	216,324	601,443	1,499
	Local Transportation Fund	**$ 54,900**	**$ 14,902**	**$ 216,324**	**$ 601,443**	**$ 1,499**
222	PEG Fund					
	120 City Manager	-	5,327	33,984	-	-
	PEG Fund Total	**$ -**	**$ 5,327**	**$ 33,984**	**$ -**	**$ -**

243 Grants-NonCapital						
210 Police	143,263	124,132	100,000	136,400	100,000	
Grants-NonCapital Total	**$ 143,263**	**$ 124,132**	**$ 100,000**	**$ 136,400**	**$ 100,000**	
250 Housing In Lieu Fee						
320 Planning	1,000	500	500	5,172	1,094	
621 Housing In Lieu Fee		-	4,200	-	-	
640 Inclusionary Housing	-	-	-	15,000	-	
Housing In Lieu Fee Total	**$ 1,000**	**$ 500**	**$ 4,700**	**$ 20,172**	**$ 1,094**	
265 Lodging Business Improvement District						
650 LBID-CVB	550,671	726,658	1,101,609	788,573	755,390	
Lodging Business Improvement District	**$ 550,671**	**$ 726,658**	**$ 1,101,609**	**$ 788,573**	**$ 755,390**	
275 Chapman Estate Fund						
670 Chapman House	-	53,948	271,438	70,180	70,948	
Chapman Estate Fund Total	**$ -**	**$ 53,948**	**$ 271,438**	**$ 70,180**	**$ 70,948**	
301 Capital Projects						
191 Gov't Bldgs-City Hall	6,650	19,865	459,235	-	-	
310 Building Division	-	5,000	14,105	-	-	
325 Downtown Core Area		-	400,000	345,000	-	
421 Park Maintenance	3,086	5,730	94,262	-	-	
427 Park Development	76,920	-	60,000	(50,000)	-	
429 Ocean Bluffs	25,500	-	70,500	-	-	
431 Street Maintenance	15,648					
432 Street Construction	2,290,516	491,337	6,696,903	2,925,000	250,000	
491 Drainage	12,727	11,777	652,570	-	-	
499 CIP	-	11,301	313,699	(81,699)	-	
705 1991-1 Indio/El Portal		-	28,721	-	-	
Capital Projects Total	**$ 2,431,047**	**$ 545,010**	**$ 8,789,995**	**$ 3,138,301**	**$ 250,000**	
302 Public Facilities Fund						
499 CIP	-	-	53,000	-	-	
Public Facilities Fund Total	**$ -**	**$ -**	**$ 53,000**	**$ -**	**$ -**	
305 Park Development Fund						
427 Park Development	51,545	1,650	784,372	(4,852)	6,900	
Park Development Fund Total	**$ 51,545**	**$ 1,650**	**$ 784,372**	**$ (4,852)**	**$ 6,900**	
322 Circulation Fund						
432 Street Construction	-	-	-	75,000	-	
Circulation Fund Total	**$ -**	**$ -**	**$ -**	**$ 75,000**	**$ -**	
323 Impact Fees						
491 Drainage	-	-	375,000	-	-	
499 CIP	-	126	189,874	-	-	
620 Impact Fees	1,000	1,000	1,000	933	1,050	
Impact Fees Total	**$ 1,000**	**$ 1,126**	**$ 565,874**	**$ 933**	**$ 1,050**	

326 Underground Utility Fnd						
432 Street Construction	-	21,000	-	-	-	
Underground Utility Fnd Total	**$ -**	**$ 21,000**	**$ -**	**$ -**	**$ -**	
404 PFA Debt Service						
630 Public Financing Author	1,640	1,831	2,183	-	-	
811 2007 Bond Refund 1999	439,644	444,756	441,681	438,681	439,919	
PFA Debt Service Total	**$ 441,284**	**$ 446,587**	**$ 443,864**	**$ 438,681**	**$ 439,919**	
436 Reass 92-1 Fwy Fthlls						
701 1992-1 Fwy Foothills AD		-	91,829	-	-	
Reass 92-1 Fwy Fthlls Total	**$ -**	**$ -**	**$ 91,829**	**$ -**	**$ -**	
512 Water Fund						
152 Utility Billing	111,361	104,885	209,554	114,982	118,724	
441 Water Operations	1,151,879	2,218,802	2,339,152	2,405,442	2,474,882	
442 Water Improvement Const	4,559	1,801,096	777,980	1,950,000	130,000	
443 Water-State	25,773	109,479	35,717	173,632	179,150	
445 Water-Lopez	680,633	638,419	683,157	745,805	745,805	
Water Fund Total	**$ 1,974,205**	**$ 4,872,680**	**$ 4,045,559**	**$ 5,389,861**	**$ 3,648,561**	
513 Water Tax (Lopez/State)						
443 Water-State	1,180,228	1,232,766	1,341,283	1,095,310	1,095,310	
444 Water-PCH Deposit	143,547	150,243	170,704	139,399	139,399	
445 Water-Lopez	576,558	517,792	493,364	484,888	484,888	
Water Tax (Lopez/State) Total	**$ 1,900,334**	**$ 1,900,801**	**$ 2,005,351**	**$ 1,719,597**	**$ 1,719,597**	
515 Water Construction Fund						
442 Water Improvement Const	-	418,763	1,857,754	1,950,000	395,000	
Water Construction Fund Total	**$ -**	**$ 418,763**	**$ 1,857,754**	**$ 1,950,000**	**$ 395,000**	
521 Wastewater Treatment						
152 Utility Billing	48,394	60,952	148,751	75,367	77,509	
451 Wastewater Operations	2,456,932	2,503,108	2,444,553	2,425,243	2,503,167	
452 Wastewater Construction	154,851	1,870,008	1,583,654	111,000	111,000	
454 Stormwater	1,617					
810 2004 WW Imp Proj	629,602	622,275	667,814	667,813	667,811	
812 2012 WW Bond Refunding	388,139	394,738	388,063	387,788	390,763	
Wastewater Treatment Total	**$ 3,679,538**	**$ 5,451,081**	**$ 5,232,835**	**$ 3,667,211**	**$ 3,750,250**	

522 Wastewater Capital Proj					
452 Wastewater Construction	-	129,281	7,435,385	321,000	244,300
810 2004 WW Imp Proj	42,098	(2,903)	-	-	-
812 2012 WW Bond Refunding	479,645	(14,285)	-	-	-
Wastewater Capital Proj Total	**$ 521,743**	**$ 112,093**	**$ 7,435,385**	**$ 321,000**	**$ 244,300**
525 Sewer Expansion					
452 Wastewater Construction	93,406	590,707	721	327	368
Wastewater Expansion Fund Total	**$ 93,406**	**$ 590,707**	**$ 721**	**$ 327**	**$ 368**
537 Transit Fund					
611 LTF - Dial A Ride	8,746	10,762	8,104	10,593	10,667
Local Trans Transit Total	**$ 8,746**	**$ 10,762**	**$ 8,104**	**$ 10,593**	**$ 10,667**
541 Pier Enterprise Fund					
461 Pier Operations	91,200	80,407	47,800	43,800	43,800
462 Pier Construction	-	-	329,480	2,000,000	1,000,000
Pier Enterprise Total	**$ 91,200**	**$ 80,407**	**$ 377,280**	**$ 2,043,800**	**$ 1,043,800**
551 Parking Enterprise					
481 Parking Operations	360,725	330,204	624,609	433,780	415,588
Parking Enterprise Total	**$ 360,725**	**$ 330,204**	**$ 624,609**	**$ 433,780**	**$ 415,588**
601 Information Technology Fund					
154 Information Technology	-	33,861	1,056,571	614,066	556,637
Technology Service Fund Total	**$ -**	**$ 33,861**	**$ 1,056,571**	**$ 614,066**	**$ 556,637**
619 Motor Vehicle Fund					
471 MV Operations	453,916	434,155	522,981	468,581	468,561
472 MV Replacement	211,541	260,840	507,071	209,400	875,910
Motor Vehicle Fund Total	**$ 665,458**	**$ 694,995**	**$ 1,030,052**	**$ 677,981**	**$ 1,344,471**
720 Indio/El Portal Asssessment District Fund					
705 1991-1 Indio/El Portal		-	19,861	-	-
Total Indio/El Portal Fund	**$ -**	**$ -**	**$ 19,861**	**$ -**	**$ -**
721 Visalia Street Assessment District Fund					
432 Street Construction	-	-	85,000	-	-
Total Visalia Street AD Fund	**$ -**	**$ -**	**$ 85,000**	**$ -**	**$ -**
Total	**$ 31,821,634**	**$ 32,978,743**	**$ 61,402,326**	**$ 45,106,195**	**$ 34,875,929**
Less Transfers	(4,196,434)	(5,928,810)	(9,664,955)	(8,523,005)	(2,740,688)
Total Net Expenditures	**$ 27,625,200**	**$ 27,049,933**	**$ 51,737,371**	**$ 36,583,190**	**$ 32,135,241**

GENERAL FUND BUDGET SUMMARY FY 2016 AND FY 2017

(Excludes Half-Cent Transaction Sales Tax)

	FY 2015 Projected Actuals	FY 2016 Adopted Budget	FY 2017 Adopted Budget	$ Change (FY 2016 - FY 2015)	% Change (FY 2016 - FY 2015)	$ Change (FY 2017 - FY 2016)	% Change (FY 2017 - FY 2016)
Beginning Fund Balance	**$ 6,703,331**	**$ 5,073,323**	**$ 3,524,566**	**$ (1,630,008)**	**-24%**	**$ (1,548,757)**	**-31%**
Base Operating Budget							
Revenues							
Transient Occupancy Tax	8,400,000	8,749,331	9,000,000	349,331	4%	250,669	3%
Property Related Taxes	4,422,001	4,496,068	4,578,263	74,067	2%	82,195	2%
Sales and Use Tax	2,786,155	2,813,589	3,000,974	27,434	1%	187,385	7%
Other revenues	1,030,751	1,140,088	1,242,028	109,337	11%	101,940	9%
Permits	1,362,672	703,271	703,487	(659,401)	-48%	216	0%
Franchise Taxes	531,610	543,195	554,221	11,585	2%	11,026	2%
Transfers In	227,889	240,000	240,000	12,111	5%	-	0%
Business Tax	189,838	195,848	200,803	6,010	3%	4,955	3%
Intergovernmental Revenue	160,991	161,180	174,680	189	0%	13,500	8%
Departmental Revenues	146,042	151,892	153,092	5,850	4%	1,200	1%
Other Taxes	100,705	73,920	72,867	(26,785)	-27%	(1,053)	-1%
Grants	9,020	10,000	10,000	980	11%	-	0%
Total Revenues	**$ 19,367,675**	**$ 19,278,382**	**$ 19,930,415**	**$ (89,293)**	**0%**	**$ 652,033**	**3%**
Operating Expenditures							
Salaries & Wages	5,955,904	6,207,871	6,398,746	251,967	4%	190,875	3%
Benefits	2,927,487	3,053,790	3,176,901	126,303	4%	123,111	4%
Professional Services	3,031,239	2,668,163	2,681,380	(363,076)	-12%	13,217	0%
Contract Services	2,189,031	2,599,612	2,689,263	410,581	19%	89,651	3%
Other Expenses	785,674	879,582	850,898	93,908	12%	(28,684)	-3%
Operations & Maintenance	910,520	698,000	708,030	(212,520)	-23%	10,030	1%
Debt Service	441,681	438,681	439,919	(3,000)	-1%	1,238	0%
Retiree Medical Insurance	355,444	365,500	378,554	10,056	3%	13,054	4%
Transfers Out	337,212	360,965	355,157	23,753	7%	(5,808)	-2%
Other Financing Uses	185,782	217,689	237,500	31,907	17%	19,811	9%
Capital Outlay	-	3,000	3,000	3,000		-	0%
Total Operating Expenditures	**$ 17,119,973**	**$ 17,492,853**	**$ 17,919,348**	**$ 372,880**	**2%**	**$ 426,495**	**2%**
Net Operating Budget	**$ 2,247,702**	**$ 1,785,529**	**$ 2,011,067**	**$ (462,173)**	**-21%**	**$ 225,538**	**13%**
One-Time/Work Plan/Capital							
Sources							
One-time Revenues	-	705,400	-	705,400		(705,400)	
Ongoing Revenues		254,306	254,306	254,306			
Total Sources	-	959,706	254,306	959,706		(705,400)	
Uses							
One-time Costs	1,047,876	-	-	(1,047,876)		-	
Contributions to Reserves	917,833	50,000	330,000	(867,833)		280,000	
Work Plan Items	-	1,111,992	480,542	1,111,992		(631,450)	
Capital Projects	1,912,001	3,132,000	-	1,219,999		(3,132,000)	
Total Uses	$ 3,877,710	$ 4,293,992	$ 810,542	$ 416,282	11%	$ (3,483,450)	-81%
Net Adopted Budget	(1,630,008)	(1,548,757)	1,454,831	81,252	-5%	3,003,588	-194%
Ending Fund Balance	**$ 5,073,323**	**$ 3,524,566**	**$ 4,979,398**	**$ (1,548,757)**	**-31%**	**$ 1,454,831**	**41%**

COMPARATIVE GENERAL FUND REVENUES AND EXPENDITURES

(Includes Half-Cent Transaction Sales Tax)

FY 2012-13 ACTUALS TO FY 2016-17 BUDGET

ACCOUNT DESCRIPTION	12/13 ACTUALS	13/14 ACTUALS	14/15 BUDGET	15/16 ADOPTED	16/17 ADOPTED	% OF TOTAL FY 16
REVENUES						
Property Related Taxes	$ 4,367,338	4,193,186	4,170,000	4,496,068	$ 4,578,263	20.74%
Sales and Use Tax	3,905,814	4,104,284	4,093,000	4,503,053	4,451,115	20.77%
Transient Occupancy Tax	7,279,501	7,988,237	8,058,000	8,749,331	9,000,000	40.36%
Franchise Taxes	516,129	532,197	527,000	543,195	554,221	2.51%
Business Tax	182,766	191,066	182,766	195,848	200,803	0.90%
Other Taxes	117,356	126,809	87,000	73,920	72,867	0.34%
Building Permits	415,213	968,630	570,450	1,006,121	580,274	4.64%
Planning Permits	297,525	176,203	173,200	225,000	220,000	1.04%
Engineering Permits	83,574	192,043	45,000	135,000	135,000	0.62%
Special Events Permits	17,802	18,028	16,000	18,150	18,213	0.08%
Fines & Forfeitures	64,056	67,523	75,000	75,000	75,000	0.35%
Use of Money & Property	132,433	50,803	109,000	55,803	55,803	0.26%
Rents & Leases	182,643	224,583	188,889	200,991	201,931	0.93%
Intergovernmental Revenue	336,062	156,103	138,124	161,180	174,680	0.74%
Federal Government Grants	0	18,810	36,795	0	0	0.00%
State Government Grants	6,729	5,012	45,000	5,000	5,000	0.02%
LTF Revenue & Grants	0	8,835	5,000	5,000	5,000	0.02%
Police Dept Services	32,131	57,377	28,200	30,200	30,200	0.14%
Fire Dept Services	11,774	14,709	9,000	12,092	12,092	0.06%
Recreation Programs	133,843	160,343	92,725	109,600	110,800	0.51%
Public Works Services	1,008	488	0	0	0	0.00%
Other Services	7,652	6,896	8,650	8,500	8,500	0.04%
Other Revenue	549,278	646,035	611,149	804,100	905,100	3.71%
Transfers In	296,779	331,803	278,449	264,400	240,000	1.22%
TOTAL REVENUES	$18,937,406	20,240,002	19,548,397	21,677,552	$21,634,862	100.00%
EXPENDITURES						
City Council	$ 265,197	260,873	271,027	285,311	$ 312,254	1.31%
Administration	585,005	624,507	501,184	424,030	429,992	1.95%
City Clerk	0	0	303,436	306,130	321,564	1.41%
Human Resources	264,920	211,673	225,752	272,056	274,743	1.25%
Legal	127,649	384,334	186,800	222,300	222,300	1.02%
Conference and Visitors Bureau	539,411	558,170	603,708	579,710	582,374	2.66%
Administrative Services	672,751	680,434	787,088	789,178	797,601	3.62%
Information Technology	0	4,253	455,836	41,063	0	0.19%
Non-Departmental	2,814,708	1,926,973	2,535,111	2,325,117	2,680,945	10.67%
Police	5,091,280	4,882,132	5,606,009	5,333,043	5,458,510	24.48%
Fire	1,821,307	2,020,895	2,206,631	2,497,996	2,552,396	11.47%
Lifeguards	125,927	146,622	175,379	206,992	197,659	0.95%
Weed Abatement	11,958	20,491	12,200	14,500	14,500	0.07%
Building Inspection	595,596	568,175	552,820	590,580	611,910	2.71%
Planning	778,589	732,098	924,168	920,986	758,399	4.23%
Recreation - City Supported	299,098	344,711	378,677	361,230	362,599	1.66%
Recreation - Fee Supported	64,256	49,859	66,622	67,596	67,596	0.31%
Pismo Beach Veterans Hall	41,768	40,054	39,464	51,975	47,905	0.24%
Shell Beach Veterans Hall	17,358	15,340	18,613	22,995	20,088	0.11%
Margo Dodd Park	2,222	2,175	1,894	2,227	2,227	0.01%
Engineering	484,307	576,441	611,064	622,164	639,348	2.86%
Facilties Maintenance	117,275	122,480	126,781	139,386	145,088	0.64%
Park Maintenance	886,762	936,973	999,018	1,073,251	1,027,266	4.93%
Street Maintenance	490,724	602,329	756,053	606,007	612,827	2.78%
Building Maintenance	572,356	441,092	1,237,564	649,024	589,799	2.98%
CIP	900	573	1,111,953	3,382,000	0	15.52%
TOTAL EXPENDITURES	$16,671,324	16,153,657	20,694,850	21,786,847	$18,729,890	100.00%

Adopted Work Plan Budget Requests for FY 2016 & FY 2017
General Fund

Department	Description	FY 2016	FY 2017	One-time / Ongoing
City Clerk	Temporary Wages	$ 5,383	$ 5,383	Ongoing
City Clerk Total		**5,383**	**5,383**	
Human Resources	Cuz Were Pismo Training	4,000	4,000	Ongoing
Human Resources	Negotiations Contract	25,000	25,000	Ongoing
Human Resources	Outside Investigations	5,000	5,000	Ongoing
Human Resources	Recognition Program	5,000	5,000	Ongoing
Human Resources	Temporary Wages	5,383	5,383	Ongoing
Human Resources Total		**44,383**	**44,383**	
Conference & Visitors I	STR Reports	2,800	2,800	Ongoing
Conference & Visitors Bureau Total		**2,800**	**2,800**	
Non-Departmental	Grant Writing and Advocacy Services	50,000	50,000	Ongoing
Non-Departmental Total		**50,000**	**50,000**	
Gov't Bldgs-City Hall	City Hall Upstairs Blinds	6,000		One-time
Gov't Bldgs-City Hall	HVAC Maintenance City	5,000	-	One-time
Gov't Bldgs-City Hall	Roll Up Door Corp Yard	3,099	3,099	One-time
Gov't Bldgs-City Hall Total		**14,099**	**3,099**	
Police	All-Hazard Preparedness Gear	13,000	-	One-time
Police	CALEA Re-Accreditation Conference	-	5,000	One-time
Police	CALEA Communications Center Accreditation	4,775	2,795	Ongoing
Police	Upgrade 2 Police Officers to Corporals	26,994	26,994	Ongoing
Police Total	**Police Total**	**44,769**	**34,789**	
Fire	CALFire Contract Change	203,886	212,041	Ongoing
Fire	2 Mobile Data Computers Hardware and Software	6,840	6,840	Ongoing
Fire Total		**210,726**	**218,881**	
Weed Abatement	Chumash Park Vegetation Management Plan	2,300	2,300	Ongoing
Weed Abatement Total		**2,300**	**2,300**	
Engineering	Upgrade Hanging Files	3,000	3,000	One-time
Engineering Total		**3,000**	**3,000**	
Building Division	Public Works/Comm Dev. Furniture/Counter Improvements	35,000		One-time
Building Division Total		**35,000**	-	
Planning	Bello Corridor Planning Study	75,000		One-time
Planning	Planning Intern	16,148	16,148	One-time
Planning	Re-Use of Old City Hall Study	25,000		One-time
Planning	Shell Beach Development Standards	75,000		One-time
Planning Total		**191,148**	**16,148**	
Pismo Vets Hall	Increase wages for PT Facility Attendants	4,306	4,306	Ongoing
Pismo Vets Hall Total		**4,306**	**4,306**	
Shell Beach Vets Hall	Replace Kitchen Door	2,907		One-time
Shell Beach Vets Hall Total		**2,907**	-	
Park Maintenance	Holiday Tree and City Hall Lights Upgrades	6,000		One-time
Park Maintenance	Replace Sand Shower	5,000		One-time
Park Maintenance	Replace Wood Chipper	39,757		One-time
Park Maintenance	Replace Parks Barn Door	1,925		One-time
Park Maintenance	Seasonal Temporary Positions for Park	20,000	20,000	Ongoing
Park Maintenance Total		**72,682**	**20,000**	
Capital Project	Downtown Strategic Plan Phase 2	300,000	-	One-time
Capital Project Total		**300,000**	-	
General Fund Total		**983,502**	**405,088**	
Transfers Out to Other Funds		128,490	75,454	
Less Revenues		(278,706)	(254,306)	
Net General Fund		**$ 833,286**	**$ 226,236**	

Other Funds

Fund	Description	FY 2016	FY 2017	One-time / Ongoing
Grants-Non-Capital (COPS grant)	All-Hazard Preparedness Gear	$ 9,400		One-time
Grants-Non-Capital (COPS grant)	COPS Moblie Data Computer Upgrade	27,000	-	One-time
Grants-Non-Capital (COPS grant) Total		**36,400**	**-**	
Housing In Lieu Fee Fund	Bello Corridor Planning Study	15,000	-	One-time
Housing In Lieu Fee Fund Total		**15,000**	**-**	
Lodging Business Improv District	Special Event Street Banners	25,000	-	One-time
Lodging Business Improv District Total		**25,000**	**-**	
Park Development Fund	Downtown Revitalization - Pier Area Improvements Design	45,000		One-time
Park Development Fund Total		**45,000**	**-**	
Circulation Fees	Circulation Element Update to General Plan	75,000		One-time
Circulation Fees Total		**75,000**		
Water Fund	Bello Reservoir Interior	4,000	-	One-time
Water Fund	Chlorine Analyzer	6,500	-	One-time
Water Fund	Chlorine Pump	1,320	1,320	One-time
Water Fund	Cla-Val Preventative	20,000	-	One-time
Water Fund	Gas Powered Chop Saw	1,200	-	One-time
Water Fund	NCMA Strategic Plan	69,000	40,000	One-time
Water Fund	NCMA Support Services	15,360	15,360	Ongoing
Water Fund	Purchase New Compressor	25,000	-	One-time
Water Fund	Spare Portable Generator	1,200	-	One-time
Water Fund	Urban Water Management Plan Update	60,000	-	One-time
Water Fund	Water Master Plan Update	-	140,000	One-time
Water Fund	Transfers for Technology	359	3,044	One-time
Water Fund Total		**203,939**	**199,724**	
Wastewater Treatment	Purchase portable generator	1,200	-	One-time
Wastewater Treatment	Transfers for Technology	2,275	3,044	One-time
Wastewater Treatment Total		**3,475**	**3,044**	
Parking Enterprise	Develop a Parking Management Plan	25,000		One-time
Parking Enterprise	Downtown Revitalization - Pier Area Improvements Plan	5,000		One-time
Parking Enterprise	Transfers for Technology	1,762	1,045	One-time
Parking Enterprise Total		**31,762**	**1,045**	

Other Funds

Technology Service Fund	Agenda Management Project - streamline agenda creation, procedures, and archiving	14,400		One-time
Technology Service Fund	Agenda Management Project - streamline agenda creation, procedures, and archiving		(1,300)	Ongoing
Technology Service Fund	City Hall and Police Department Backup Internet	11,000		One-time
Technology Service Fund	City Hall and Police Department Backup Internet	14,400	14,400	Ongoing
Technology Service Fund	Computer Workstation Replacements	20,000	21,200	One-time
Technology Service Fund	Data Cabling Maintenance	5,000	5,000	Ongoing
Technology Service Fund	Data Cabling Repair	10,000	-	One-time
Technology Service Fund	GIS Parcel Data	12,306	12,306	Ongoing
Technology Service Fund	IT Security Test		15,000	One-time
Technology Service Fund	IT Trainings - VMware World	3,200	3,200	Ongoing
Technology Service Fund	Laserfiche System Project - Deappropriate Financial System Project	(40,000)	-	One-time
Technology Service Fund	Laserfiche System Project - Document management software - establish standard for indexing of existing documents	40,000	-	One-time
Technology Service Fund	Laserfiche System Project - Document management software - establish standard for indexing of existing documents		(1,000)	Ongoing
Technology Service Fund	Microsoft software standardization & compliance	23,500		One-time
Technology Service Fund	Microsoft software standardization & compliance	9,680	9,680	Ongoing
Technology Service Fund	MSDN Subscription	1,100	1,100	Ongoing
Technology Service Fund	Police Mobile Device Computer Improvements - replace UPS devices	27,000		One-time
Technology Service Fund	Police Mobile Device Computer Improvements - subscription for UPS devices		3,000	Ongoing
Technology Service Fund	Radio System Site Notifications	8,300		One-time
Technology Service Fund	Recovery from Other Funds	(159,886)	(82,586)	One-time
Technology Service Fund Total		**-**	**-**	
Motor Vehicle Fund	Fire Engine - 97 Ferrara Replacement		600,000	One-time
Motor Vehicle Fund	Lifeguard F250 Pickup Truck -- FD061 Repl.	39,400		One-time
Motor Vehicle Fund Total		**39,400**	**600,000**	
All Funds Total		**$ 474,976**	**$ 803,813**	

Adopted Capital Projects for FY 2016 & FY 2017

Fund	Description	FY 2016	FY 2017
General Fund	Happy Time Preschool Repairs	$ 50,000	
General Fund	Pismo Pier	2,000,000	
General Fund	Shell Beach Streetscape Phase I	900,000	
General Fund	Five Cities Drive Signal	182,000	
General Fund Total		**3,132,000**	**-**
Half-Cent Sales Tax Fund	ADA Improvements	250,000	250,000
Half-Cent Sales Tax Fund	Deappropriation Morro Beach Access	(263,699)	
Half-Cent Sales Tax Fund	Deapproriation Encanto Storm Drain	(40,000)	
Half-Cent Sales Tax Fund	Pismo Pier		1,000,000
Half-Cent Sales Tax Fund	Shell Beach Overflow Parking	600,000	
Half-Cent Sales Tax Fund	Shell Beach Streetscape Phase I	310,000	
Half-Cent Sales Tax Fund Total		**856,301**	**1,250,000**
Gas Tax Fund	Shell Beach Streetscape Phase I	230,000	
Gas Tax Fund Total		**230,000**	**-**
Local Transportation	Shell Beach Streetscape Phase I	600,000	
Local Transportation Total		**600,000**	**-**
Park Development Fund	Deappropriation Pismo Marsh Project	(50,000)	
Park Development Fund	Deapprpriation Highland Park Improvements	(6,345)	
Park Development Fund Total		**(56,345)**	**-**
Water Fund	Abandon Wells 9 & 10		20,000
Water Fund	Shell Beach Road Waterline Project	1,900,000	
Water Fund Total		**1,900,000**	**20,000**
Water Construction Fund	Water Cypress Upgrade		245,000
Water Construction Fund Total		**-**	**245,000**
Wastewater Capital Proj	Clarifier Rehab	200,000	
Wastewater Capital Proj	Inflow/Infiltration	-	100,000
Wastewater Capital Proj	Shell Beach Vets Hall Grease Trap	10,000	
Wastewater Capital Proj	Wastewater System Improvements		33,300
Wastewater Capital Proj Total		**210,000**	**133,300**
Total Capital Projects		**$ 6,871,956**	**$ 1,648,300**

COMPARATIVE BUDGETED STAFFING

COMPARATIVE BUDGETED STAFFING FY 2011 THROUGH 2017 - ALL FUNDS

POSITIONS	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17
City Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Executive Assistant	0.50	0.50	0.50	1.00	1.00	1.00	1.00
City Clerk	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Deputy City Clerk	0.50	0.50	0.50	0.00	0.00	0.00	0.00
Administrative Assistant	0.00	0.00	0.00	1.00	1.00	1.00	1.00
Office Assistant II	1.00	1.00	1.00	0.00	0.00	0.00	0.00
	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	3.00	3.00	3.00	3.00	3.00	2.00	2.00
Accounting Clerk	0.00	0.00	0.00	0.00	0.00	1.00	1.00
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
IT Manager	0.00	0.00	0.00	0.00	1.00	1.00	1.00
	7.00	7.00	7.00	7.00	8.00	8.00	8.00
ADMINISTRATION TOTAL:	14.00	14.00	14.00	14.00	15.00	15.00	15.00
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
Parking Supervisor	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
Police Corporal	2.00	2.00	2.00	2.00	2.00	4.00	4.00
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	10.00	10.00
Police Officer - Grant[1]	1.00	0.00	0.00	1.00	1.00	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:	35.00	34.00	34.00	35.00	35.00	35.00	35.00

COMPARATIVE BUDGETED STAFFING FY 2011 THROUGH 2017 - ALL FUNDS

POSITIONS	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17
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
Assist./Associate/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	10.00	10.00	10.00	10.00	10.00	10.00
Public Works Dir/City Eng	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Senior Engineer	0.00	0.00	0.00	0.00	0.00	1.00	1.00
Engineer	0.00	0.00	0.00	0.00	0.00	1.00	1.00
Associate Civil Engineer	2.00	2.00	2.00	2.00	2.00	0.00	0.00
Administrative Secretary	1.00	1.00	1.00	1.00	1.00	2.00	2.00
Engineering Technician/Asst. Eng.	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Utilities Manager	0.00	0.00	0.00	0.00	0.00	1.00	1.00
Facilities Manager	0.00	0.00	0.00	0.00	0.00	1.00	1.00
Public Works Superintendent	1.00	1.00	1.00	1.00	1.00	0.00	0.00
Public Works Facilities Supervisor	0.00	0.00	1.00	1.00	1.00	0.00	0.00
Streets Maintenance Supervisor	1.00	1.00	0.00	0.00	0.00	0.00	0.00
Parks Maintenance Supervisor	1.00	1.00	0.00	0.00	0.00	0.00	0.00
Lead Worker Streets/Govt Build.	0.00	0.00	0.00	0.00	0.00	1.00	1.00
Lead Worker Parks	0.00	0.00	0.00	0.00	0.00	1.00	1.00
Maintenance Worker II	6.00	6.00	6.00	6.00	6.00	5.00	5.00
Maintenance Worker I[2]	4.00	3.00	3.00	3.00	3.00	2.00	2.00
Water System Supervisor	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Water Operator I	2.00	3.00	3.00	1.00	1.00	1.00	1.00
Water Operator II	2.00	1.00	1.00	3.00	3.00	3.00	3.00
Wastewater Ops Supervisor	1.00	1.00	1.00	1.00	1.00	0.00	0.00
Lead Worker Wastewater	0.00	0.00	0.00	0.00	0.00	1.00	1.00
WWTP Mechanic	1.00	1.00	1.00	0.00	0.00	0.00	0.00
Treatment Plant Operator II	3.00	3.00	3.00	5.00	5.00	4.00	4.00
Treatment Plant Operator I	1.00	1.00	1.00	0.00	0.00	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
PUBLIC WORKS TOTAL:	31.00	30.00	29.00	29.00	29.00	29.00	29.00
TOTAL ALL CITY:	**90.00**	**88.00**	**87.00**	**88.00**	**89.00**	**89.00**	**89.00**

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
2015-2016

Funds	General Fund	LBID Fund	Water Fund	Sewer Fund	Parking Fund	Tech Fund	MVR Fund	Total Costs
Gross Wages								
Salaries-Full Time	$ 5,551,443	$ -	$ 466,831	$ 563,600	$ 89,707	$ 90,899	$ 67,313	$ 6,829,793
Salaries-Temp Part Time	534,396	30,000	6,788	6,788	36,792	5,000	0	$ 619,764
Salaries-Overtime	200,244	0	27,700	36,000	1,600	0	2,000	$ 267,544
Total Gross Wages	6,286,083	30,000	501,319	606,388	128,099	95,899	69,313	7,717,101
Retirement								
PERS Retirement	1,377,164	0	79,632	104,256	18,296	5,190	13,119	$ 1,597,657
Social Security	460,259	2,295	36,243	49,756	9,834	7,577	5,953	$ 571,917
Deferred Compensation	57,297	0	3,875	4,325	2,450	2,000	100	$ 70,047
Total Retirement	1,894,720	2,295	119,750	158,337	30,580	14,767	19,172	2,239,621
Insurances								
Health Insurance	668,831	0	46,757	74,547	15,800	7,085	718	$ 813,738
Dental Insurance	69,704	0	4,600	7,260	1,198	532	81	$ 83,375
Vision Insurance	13,506	0	1,025	1,287	356	115	16	$ 16,305
Life Insurance	8,796	0	735	985	127	108	121	$ 10,872
Unemployment Insurance	26,858	0	2,103	2,951	454	459	340	$ 33,165
Workers Compensation	226,425	177	29,985	39,873	5,525	688	6,397	$ 309,070
Flexible Benefit Allowance	91,722	0	19,196	20,558	0	243	7,739	$ 139,458
Total Insurances	1,105,842	177	104,401	147,461	23,460	9,230	15,412	1,405,983
Other Benefits								
Uniform Allowance	30,000	0	0	0	0	0	0	$ 30,000
Section 125 Admin Fee	1,378	0	50	265	0	0	0	$ 1,693
Expense Allowance	19,320	0	300	600	300	0	0	$ 20,520
E.A.P.	2,531	0	223	295	38	34	36	$ 3,157
Retiree Medical Insurance	365,500	0	0	0	0	0	0	$ 365,500
Sick Leave Payback	46,500	0	700	1,300	600	0	0	$ 49,100
Total Other Benefits	465,229	0	1,273	2,460	938	34	36	469,970
TOTAL COSTS TO CITY	$ 9,751,874	$ 32,472	$ 726,743	$ 914,646	$ 183,077	$ 119,930	$ 103,933	$ 11,832,675

PERSONNEL BUDGET DETAIL

City of Pismo Beach
Personnel Budget Expenditure Detail
2016-2017

Funds	General Fund	LBID Fund	Water Fund	Sewer Fund	Parking Fund	Tech Fund	MVR Fund	Total Costs
Gross Wages								
Salaries-Full Time	$ 5,742,322	$ -	$ 474,407	$ 575,113	$ 89,707	$ 99,151	$ 67,521	$ 7,048,221
Salaries-Temp Part Time	534,396	30,000	6,788	6,788	36,792	5,000	0	$ 619,764
Salaries-Overtime	200,244	0	27,700	36,000	1,600	0	2,000	$ 267,544
Total Gross Wages	6,476,962	30,000	508,895	617,901	128,099	104,151	69,521	7,935,529
Retirement								
PERS Retirement	1,432,513	0	81,405	106,666	18,685	6,266	13,290	$ 1,658,825
Social Security	470,019	2,295	36,491	50,056	9,834	8,209	5,979	$ 582,883
Deferred Compensation	59,297	0	3,875	4,325	2,450	2,000	100	$ 72,047
Total Retirement	1,961,829	2,295	121,771	161,047	30,969	16,475	19,369	2,313,755
Insurances								
Health Insurance	712,031	0	48,605	78,172	16,732	7,187	761	$ 863,488
Dental Insurance	71,994	0	4,682	7,421	1,234	535	83	$ 85,949
Vision Insurance	14,016	0	1,052	1,322	366	119	17	$ 16,892
Life Insurance	9,157	0	757	1,014	131	111	125	$ 11,295
Unemployment Insurance	27,535	0	2,116	2,967	454	500	340	$ 33,912
Workers Compensation	231,821	177	30,256	40,022	5,525	736	6,425	$ 314,962
Flexible Benefit Allowance	95,252	0	19,966	21,383	0	253	8,050	$ 144,904
Total Insurances	1,161,806	177	107,434	152,301	24,442	9,441	15,801	1,471,402
Other Benefits								
Uniform Allowance	30,000	0	0	0	0	0	0	$ 30,000
Section 125 Admin Fee	1,378	0	50	265	0	0	0	$ 1,693
Expense Allowance	19,320	0	300	600	300	0	0	$ 20,520
E.A.P.	2,565	0	223	295	38	34	36	$ 3,191
Retiree Medical Insurance	378,554	0	0	0	0	0	0	$ 378,554
Sick Leave Payback	47,400	0	700	1,300	600	0	0	$ 50,000
Total Other Benefits	479,217	0	1,273	2,460	938	34	36	483,958
TOTAL COSTS TO CITY	$ 10,079,814	$ 32,472	$ 739,373	$ 933,709	$ 184,448	$ 130,101	$ 104,727	$ 12,204,644

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.

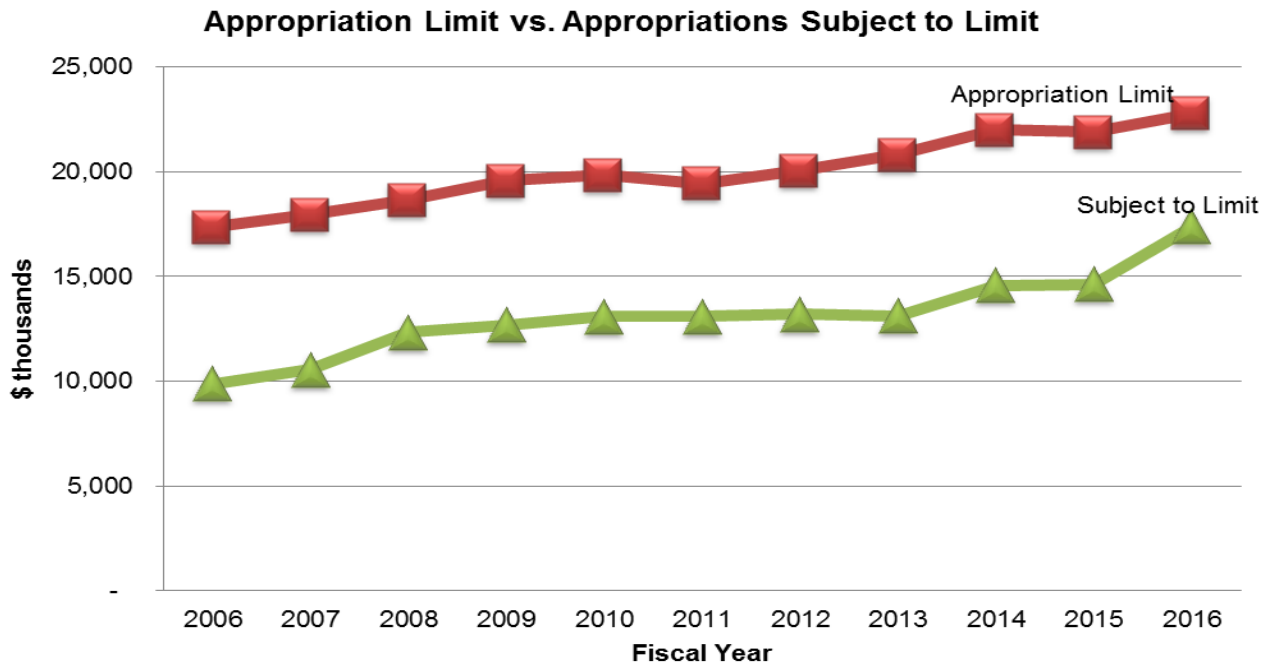
Each year's limit is based on the amount of tax proceeds that were authorized to be spent in fiscal year 1978-79 in each agency, modified for changes in inflation and population in each subsequent year. Proposition 111 allows cities to choose either the growth in California per capita income or the growth in non-residential assessed valuation due to new construction in the City. To calculate the Gann spending limit, the prior year's limit ($21,872,142) 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 2016 have been estimated to be $17,375,334, which is $5,400,258 less than the new appropriation limit. Therefore, the adopted budget for FY 2016 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 $21,872,142 Gann Limit for FY 2015 is a new Gann Limit of $22,775,592 for FY 2016.

FISCAL YEAR 2016

APPROPRIATION LIMIT		
FY 15 Appropriation Limit	$	21,872,142
Population Factor - Pismo Beach	X	1.0029917
SUBTOTAL	$	21,937,576
Per Capita Personal Income Factor	X	1.0382
FY 16 APPROPRIATION LIMIT	$	22,775,592
FY 16 Approprations Subject to Limit		17,375,334

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 65% under the limit over this period.



DEBT SERVICE

The City of Pismo Beach allocates a prudent amount each year for various capital projects for replacement, maintenance, and other capital infrastructure. This type of spending is critical to the City maintaining its vital infrastructure, maintaining safe streets, ensuring clean water quality, and providing wastewater services. The City typically uses built up unassigned fund balances or net assets to fund these capital projects on a pay as you go basis. However, there are times in which it is appropriate to consider debt financing.

Debt financing is for one-time capital improvement projects, not ongoing operating expenses. The term of the debt issuance should not exceed the useful life expectancy of the asset acquired, constructed, or improved. A funding source for the debt service payments must be identified, including project financing paid for directly by the users of the facility. It is also economical to issue debt if the benefit of the capital improvement will last over 10 years. The debt service payments would come out of payments by the current residents or visitors benefitting from the project.

The City is subject to the California Government Code, Section 43605 sets debt limit at 15 percent of the assessed value of all real and personal property of the City. This Code section was enacted prior to the change in basing assessed value to full market value when it was previously 25 percent of market value. Thus, one-fourth of the limit is adjusted and is calculated to be 3.75 percent (15%/4) to show assessed valuation at full cash value. This legal debt margin applies to General Obligation debt.

Based upon the assessed value of $2.6 billion for FY 2015 the City is limited to general obligation indebtedness of $97.5 million. As the City does not have any general obligation debt, the City is within the legal debt limit as described by the California Government Code.

FY 2014-15 Legal Debt Margin

Gross Assessed Valuation	$2,600,543,087
Debt Margin Ratio (1)	0.0375
Debt Margin	$97,520,366
Less: Outstanding General Obligations	$ 0.00
Net Debt Margin	$97,520,366

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, 2015 of $8,505,000. 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, 2015, the outstanding principal balance of the 2007 Series is $3,350,000. 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 2016 and FY 2017 are approximately $439 thousand per year and shown on the table “Debt Service Funds Adopted Budget” on page 129.

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, 2015, the outstanding principal balance of the 2012 Series is $5,155,000. 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 $6,030,103 for the Wastewater Treatment Plant, $132,299 for the Park and Cypress Interceptor project, and $514,438 for the Pismo Oaks lift station project, as of July 1, 2015. 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, 2015

Fund	Description	Principal Balance June 30, 2015	Annual P&I* Debt Service Payment	Date Matured	No. of Pmts Remaining
General	2007 Series Bonds (Dinosaur Caves & Civic Center Project Refunding)	$ 3,350,000	$ 438,681	12/1/2024	10
Wastewater	2012 Series Bonds (Wastewater Treatment Facilities & Loan Match Refunding)	$ 5,155,000	$ 387,288	1/1/2033	18
	SRF Loan 2004 (New Wastewater Treatment Plant)	$ 6,030,103	$ 609,259	2/26/2026	11
	SRF Loan 2006 (Park/Cypress Interceptor Project)	$ 132,299	$ 14,647	2/26/2026	11
	SRF Loan 2009 (Pismo Oaks Lift Station Project)	$ 514,438	$ 41,907	1/1/2029	14
	Total Wastewater Fund	$ 11,831,840	$ 1,053,100		
	Total	$ 15,181,840	$ 1,491,782		

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

** Excludes Compensated Absences

OUTSTANDING DEBT SERVICE AND LIABILITY BY FUND

City of Pismo Beach
Outstanding Debt Service By Fund
As of June 30, 2015

Fund	Description	July 1, 2014 Beginning Balance	Additions	Retirements	June 30, 2015 Ending Balance
General	2007 Series Bonds (Dinosaur Caves & Civic Center Project Refunding)	$ 3,650,000		$ (300,000)	$ 3,350,000
	Compensated Absences (Employee Leave Balances)	$ 375,913		$ -	$ 375,913
	Total General Fund	$ 4,025,913	$ -	$ (300,000)	$ 3,725,913
Water	Compensated Absences (Employee Leave Balances)	$ 21,413	$ -	$ -	$ 21,413
	Total Water Fund	$ 21,413	$ -	$ -	$ 21,413
Wastewater	2012 Series Bonds (Wastewater Facilities & SRF Loan Match Refunding)	$ 5,345,000		$ (190,000)	$ 5,155,000
	SRF Loan (New Wastewater Treatment Plant)	$ 6,521,775		$ (491,672)	$ 6,030,103
	SRF Loan (Park/Cypress Interceptor Project)	$ 144,215		$ (11,916)	$ 132,299
	SRF Loan (Pismo Oaks Lift Station Project)	$ 546,491		$ (32,054)	$ 514,438
	Compensated Absences (Employee Leave Balances)	$ 33,180		$ -	$ 33,180
	Total Wastewater Fund	$ 12,590,661	$ -	(725,641)	$ 11,865,020
Parking	Compensated Absences (Employee Leave Balances	$ 8,729		$ -	$ 8,729
	Total Parking Fund	$ 8,729	$ -	$ -	$ 8,729
MVR	Compensated Absences (Employee Leave Balances)	$ 6,474	$ -	-	$ 6,474
IT	Compensated Absences (Employee Leave Balances)	$ 477	$ -	-	$ 477
	Total	$ 16,653,668	$ -	$ (1,025,641)	$ 15,628,027

OUTSTANDING DEBT SERVICE BY FUND

City of Pismo Beach
Outstanding Debt Service By Fund
As of June 30, 2015

Fund	Description	July 1, 2014 Beginning Balance	Additions	Retirements	June 30, 2015 Ending Balance
General	2007 Series Bonds (Dinosaur Caves & Civic Center Project Refunding)	$ 3,650,000		$ (300,000)	$ 3,350,000
Wastewater	2012 Series Bonds (Wastewater Facilities & SRF Loan Match Refunding)	$ 5,345,000		$ (190,000)	$ 5,155,000
	SRF Loan (New Wastewater Treatment Plant)	$ 6,521,775		$ (491,672)	$ 6,030,103
	SRF Loan (Park/Cypress Interceptor Project)	$ 144,215		$ (11,916)	$ 132,299
	SRF Loan (Pismo Oaks Lift Station Project)	$ 546,491		$ (32,054)	$ 514,438
	Total Debt	$ 16,207,481	$ -	$ (1,025,641)	$ 15,181,840

DEBT SERVICE FUNDS ADOPTED BUDGET

FY 2016

Description	Public Financing Authority	Indio/ El Portal	Freeway Foothills	Visalia St. District	Spyglass/ Price St.
BEGINNING AVAILABLE BALANCE JULY 1, 2015	$ -	$ 483	$ 46	$ 8,632	$ 11,812
REVENUES					
Assessments	-	-	-	-	-
PFA Lease payments for City Properties	438,681	-	-	-	-
Interest Earnings	-	-	-	-	-
Total Funding Sources Available	438,681	-	-	-	-
EXPENSES					
Debt Service	438,681	-	-	-	-
Professional Services	-	-	-	-	-
Transfer out to other Funds	-	-	-	-	-
Total Funding Appropriated for Debt Service	438,681	-	-	-	-
ENDING AVAILABLE BALANCE JUNE 30, 2016	$ -	$ 483	$ 46	$ 8,632	$ 11,812

FY 2017

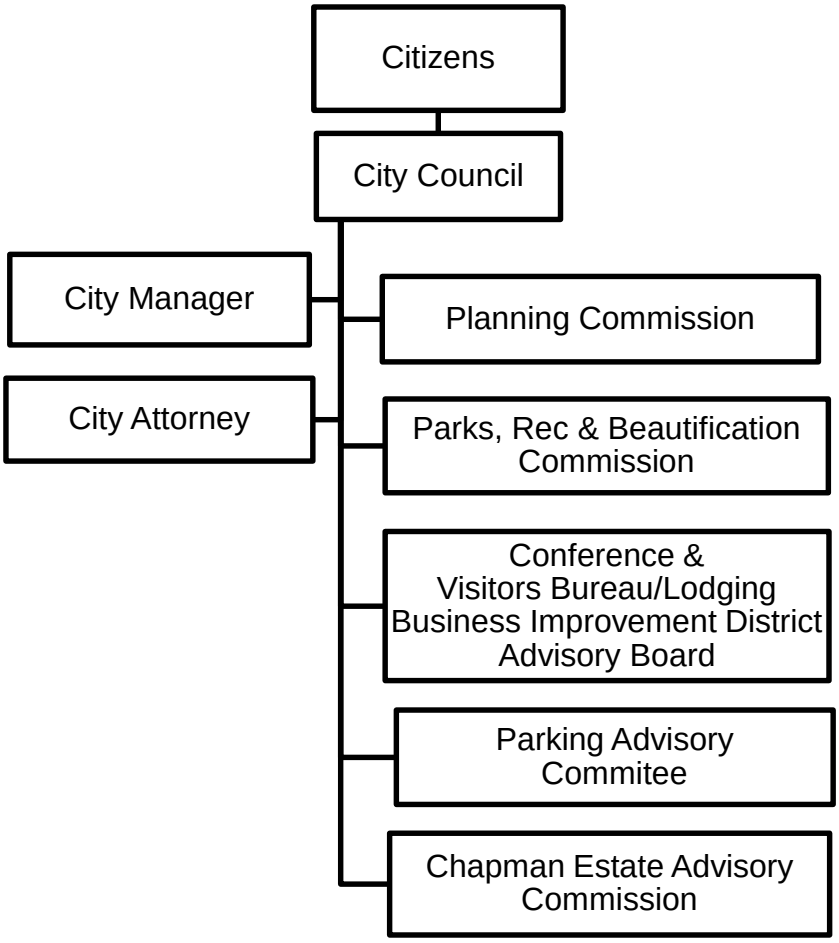
Description	Public Financing Authority	Indio/ El Portal	Freeway Foothills	Visalia St. District	Spyglass/ Price St.
BEGINNING AVAILABLE BALANCE JULY 1, 2016	$ -	$ 483	$ 46	$ 8,632	$ 11,812
REVENUES					
Assessments					
PFA Lease payments for City Properties	439,919	-	-	-	-
Interest Earnings	-	-	-	-	-
Total Funding Sources Available	439,919	-	-	-	-
EXPENSES					
Debt Service	439,919	-	-	-	-
Professional Services	-	-	-	-	-
Total Funding Appropriated for Debt Service	439,919	-	-	-	-
ENDING AVAILABLE BALANCE JUNE 30, 2017	$ -	$ 483	$ 46	$ 8,632	$ 11,812

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OPERATING BUDGET DETAIL

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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.

GENERAL FUND EXPENDITURES:

	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Salaries & Benefits	87,694	90,881	101,219	91,887	94,196	32%
Operations & Maintenance	175,399	168,767	161,308	188,424	197,058	66%
Other Expenses	2,104	1,225	8,500	5,000	21,000	2%
Totals	**$265,197**	**$260,873**	**$271,027**	**$285,311**	**$312,254**	**100%**

Accomplishments Prior Two-Year Budget:

- ✓ Volunteer Banquet
- ✓ Created Reserves for Risk Management, Debt Service/Pensions, and Building
- ✓ Implemented short, mid-term and long term goals
- ✓ Continued League of California Cities involvement
- ✓ Continuous investment in City infrastructure maintenance and improvements

Work Program Highlights for Next Two-Year Budget:

- Volunteer Banquet
- Implement Major City Goals and Priorities
- Continue League of California Cities involvement
- Continuous investment in city infrastructure
- Represent the City effectively on various regional boards and committees

CITY ATTORNEY

Activity Description

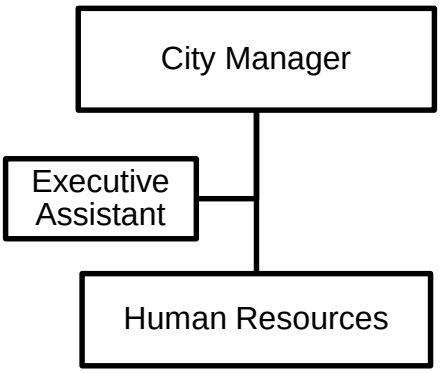
The City Attorney is the chief legal advisor for the City and provides legal services to the City through a contractual arrangement approved by the City Council. The City Attorney's Office manages all aspects of the City's legal affairs; researches, drafts and/or reviews ordinances, resolutions, contracts, 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 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Council & Administration	78,169	84,064	72,000	82,500	82,500	37%
Finance	15,358	5,682	9,000	9,900	9,900	4%
Community Development	6,255	5,520	21,000	16,500	16,500	7%
Public Works	4,181	3,348	21,000	16,500	16,500	7%
Police	4,073	3,880	21,000	16,500	16,500	7%
Fire	0	314	1,800	3,900	3,900	2%
Civil Litigation	19,612	106,527	40,000	75,500	75,500	34%
Other Legal	0	175,000	0	0	0	0%
Subscriptions	0	0	1,000	1,000	1,000	0%
Totals	**$127,648**	**$384,335**	**$186,800**	**$222,300**	**$222,300**	**100%**

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

CITY MANAGER'S OFFICE



	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17
City Manager	1	1	1	1	1
Human Resources Officer	1	1	1	1	1
Executive Assistant	0.5	1	1	1	1
Deputy City Clerk	0.5	0	0	0	0
Total Department Staff	**3**	**3**	**3**	**3**	**3**

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.

Within the City Manager's Office is the Human Resources Office which 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.

CITY MANAGER'S OFFICE

GENERAL FUND EXPENDITURES:

	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
City Manager	585,005	624,507	501,184	424,030	429,992	61%
Human Resources	264,920	211,673	225,751	272,056	274,743	39%
Totals	**$849,925**	**$836,180**	**$726,935**	**$696,086**	**$704,735**	**100%**

Accomplishments Prior Two-Year Budget:

- ✓ Continued to reduce City's operating expenses and ensure efficient operations
- ✓ Developed and enhanced revenue stream
- ✓ Established reserves for high risk exposure areas, including Risk Management, Pension Liabilities, and Building Maintenance Reserves
- ✓ Completed a Downtown Visioning and Revitalization effort
- ✓ Implemented Information Technology Strategic plan to improve technologies to increase efficiencies, citizen engagement, and improve service
- ✓ Development of a City Social Media program
- ✓ Implemented programs to enhance training and promotion of morale of all employees, including establishment of employee vision and philosophies
- ✓ Continued to pursue private investment to grow the City's economy
- ✓ Substantially accomplished the Council's adopted Goals
- ✓ Maintained momentum on renewing City's infrastructure
- ✓ Hired a New Police Chief
- ✓ Assisted in establishment of Pismo Preserve
- ✓ Organized two successful Annual Goal Setting sessions for the City Council
- ✓ Developed educational information for the half-cent sales tax program

Work Program Highlights for Next Two-Year Budget:

- Continue to focus on cost effective and efficient operations
- Develop new revenue opportunities
- Increase citizen engagement
- Work to accomplish progress and completion of City Council priority goals, including the Major City Goals:
    - Water Supply
    - Downtown Parking and Circulation
    - Downtown Revitalization
    - Shell Beach Streetscape
    - Re-use of old City Hall
    - Shell Beach Development Standards
- Continue to maintain relationships and seek partnerships with other local agencies.
- Aggressively pursue grant opportunities.
- Continue development of an entrepreneurial and service oriented staff culture.

Human Resources

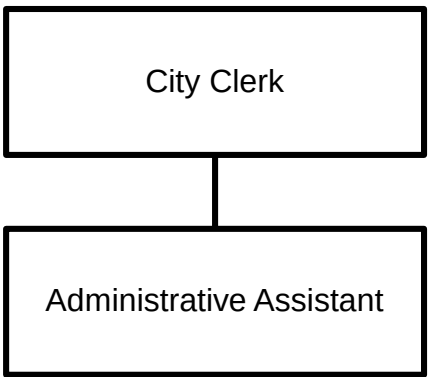
Accomplishments Prior Two-Year Budget:

- ✓ Negotiations with Police Officer Association bargaining unit for new two-year agreement, including pension reform for employee cost sharing
- ✓ Implemented NeoGov program for on-line City recruitments, including development of job description database and integration to the City website
- ✓ Implemented Council policy and developed processes for Affordable Care Act requirements
- ✓ Worked with the half-cent sales tax team to develop educational information for the half-cent sales tax program accomplishments
- ✓ Worked with the City Clerk to evaluate, report and recommend updates to the Special Events program
- ✓ Risk Management focus on the Americans with Disabilities Act (ADA) including work with other City Departments to update programs, policies, notices, designation of ADA Coordinator, update to the ADA Grievance policy, and update to the City's Transition Plan
- ✓ In cooperation with the Employee Development Advisory Committee, promotion of professional and staff development programs, including training opportunities, employee recognition, and motivational events
- ✓ Worked with the Public Works and Administrative Services Director to review the Motor Vehicle Fund and developed recommendations for funding assumption changes

Work Program Highlights for Next Two-Year Budget:

- Work with department head team to develop employee promotion assessments and succession plans
- Continue to expand staff development, professional training opportunities and employee recognition and team building programs
- Negotiate successor Memorandums of Understanding with both employee bargaining units
- Convert medical and worker's compensation records to a secure laser fiche file to reduce paper file storage requirements
- Develop a "new supervisor" training program, including an in depth review of personnel rules, MOUs, risk management and labor law
- Continued focus on Risk Management program improvements, including the ADA program, reducing liability claims and reduction of Worker's Compensation claims through employee safety programs, training, and incentive programs

CITY CLERK



	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17
City Clerk	1	1	1	1	1
Deputy City Clerk	.50	0	0	0	0
Administrative Assistant	0	1	1	1	1
Office Assistant II	1	0	0	0	0
Total Department Staff	**2.5**	**2**	**2**	**2**	**2**

Activity Description

The City Clerk reports directly to the City Manager. The City Clerk's and City Manager's 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 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Salaries & Benefits	0	0	197,424	215,418	220,526	70%
Operations & Maintenance	0	0	106,012	90,712	101,038	30%
Totals	**$0**	**$0**	**$303,436**	**$306,130**	**$321,564**	**100%**

CITY CLERK

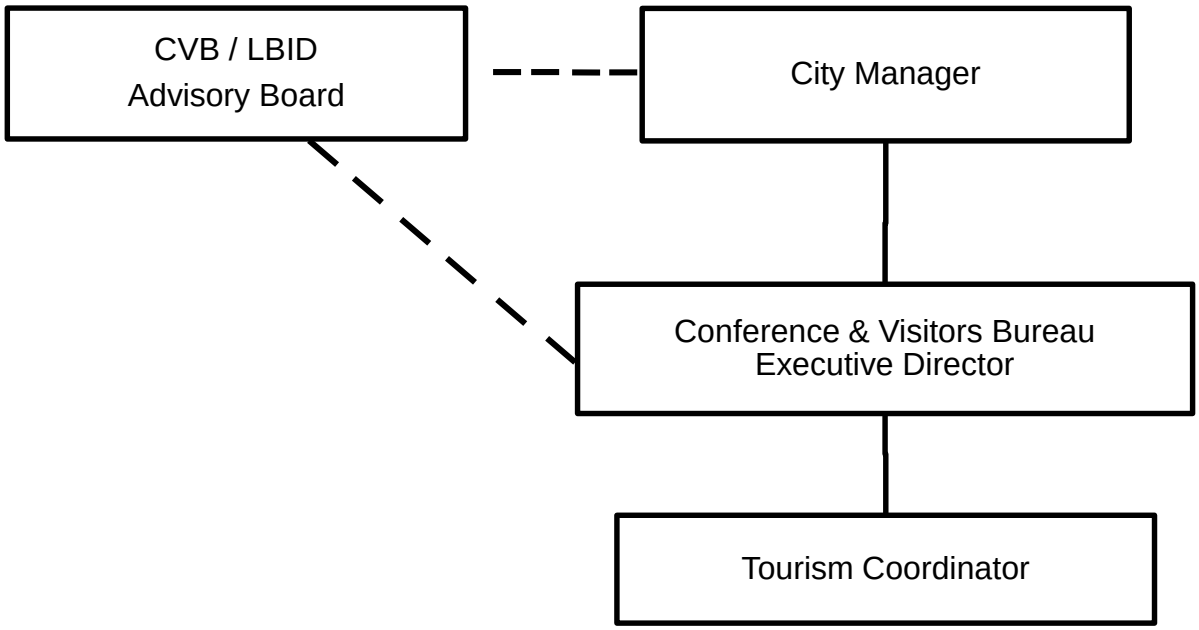
Accomplishments Prior Two-Year Budget:

- ✓ Conducted 2014 General Municipal Election in addition to certifying a referendum and initiative petitions
- ✓ Processed, posted and distributed 106 Regular and Special City Council Agendas and Agenda Packets
- ✓ Issued 108 Special Event Permits
- ✓ Moved to a paperless Council agenda
- ✓ Installed new equipment in the Council Chambers, such as hearing devices, audio box, and re-wiring of the dais
- ✓ Created a new “Guidelines, Application and Fee Schedule” for City wide Special Events
- ✓ Collaborated with the City Attorney to develop the City’s Ticket and Pass Policy
- ✓ Complied with 30+ Public Records Requests
- ✓ Received 30+ Claims, Summons, Subpoenas, and/or lawsuits
- ✓ Updated the Advisory Body Handbook and Agenda Staff Report Manual

Work Program Highlights for Next Two-Year Budget:

- Conduct 2016 General Municipal Election
- Continue to develop City Clerk Policies and Procedures
- Continue with daily monitoring of public requests through online Customer Service module – Pismo Pulse
- Update the Records Retention Schedule and Records Management Program
- Move to an automated Agenda Workflow process

CONFERENCE & VISITORS BUREAU



CLASSIFICATION	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17
CVB Executive Director	1	1	1	1	1
CVB Tourism Coordinator	0	0	0	1	1
CVB Administrative Assistant	1	1	1	0	0
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 Transient Occupancy Tax receipts and, to a lesser but significant extent, through Sales Tax revenues. The mission is to increase overnight visitorship and visitor expenditures, with emphasis on mid-week and off-season tourism. With advice from the five-member CVB Board of Directors, 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; 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 preparation 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 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Salaries & Benefits	186,107	205,181	208,100	217,308	218,701	37%
Operations & Maintenance	322,194	309,620	368,608	335,402	336,673	58%
Capital Outlay	4,110	0	0	0	0	0%
Other Expenses	27,000	43,368	27,000	27,000	27,000	5%
Totals	**$539,411**	**$558,170**	**$603,708**	**$579,710**	**$582,374**	**100%**

Accomplishments Prior Two-Year Budget:

- ✓ Successful first-time host city for the Amgen Tour of California, receiving exposure as a world-class destination on both a national and international level and generating nearly 500 mid-week room nights in 2014, with more than 1,220 room nights anticipated in 2015

- ✓ Increased exposure in the Scottsdale/Phoenix snowbird market by creating a larger presence at the Scottsdale Culinary Festival and becoming a presenting sponsor of the Epicurean Expo

- ✓ Expanded social media footprint and engagement with fans, with more than 150,000 fans on Facebook and over 415,000 lifetime views on YouTube

Conference & Visitors Bureau

Work Program Highlights for Next Two-Year Budget:

- Full support of the countywide Tourism Marketing District to keep the county's tourism industry competitive, with the goal of deepening the pool of marketing dollars for the county identity putting SLO County's marketing efforts more in line with regional competitors

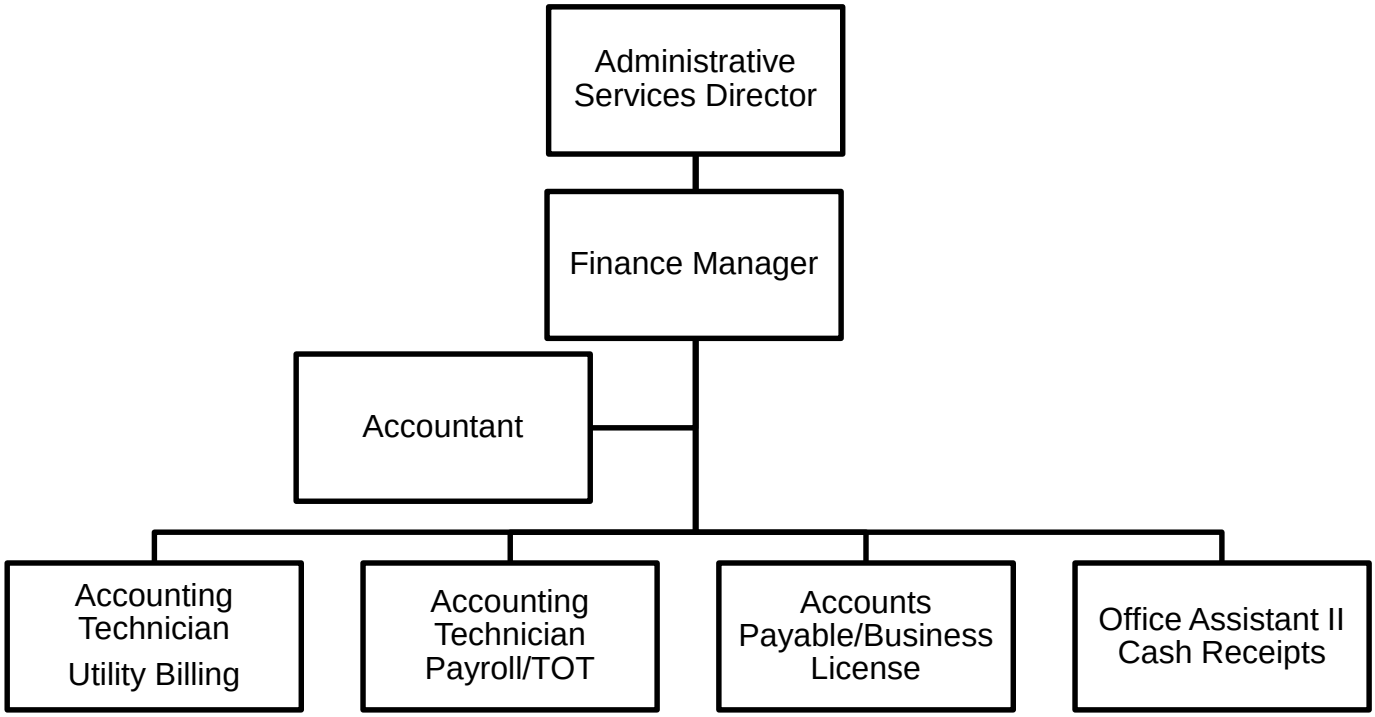
- Participate in travel trade and consumer shows, including International Pow Wow, Go West Summit, National Tour Association Travel Exchange, Travel & Adventure Shows (Bay Area and LA), Visit California Media Events, Sunset Celebration Weekend, Sunset SAVOR the Central Coast, San Joaquin Valley Business Mixers, etc., alongside our peers and competitors

- Increase market research through use of STR Reports and continued website analysis, per the direction of the approved PB CVB Marketing Plan

- Maintain a presence with local, regional and state organizations and maximize networking benefits with Visit California, California Travel Association, and Western Association of CVBs

- Expand online advertising and social media efforts while updating the media section on the website and creating a more extensive public relations campaign

ADMINISTRATIVE SERVICES
Finance Division



CLASSIFICATION	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17
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	2	2
Accounting Clerk	0	0	0	1	1
Office Assistant II	1	1	1	1	1
Total Department Staff	**7**	**7**	**7**	**7**	**7**

Administrative Services Department
Finance Division

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 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Salaries & Benefits	612,510	608,189	669,142	650,418	661,947	82%
Operations & Maintenance	60,240	72,246	117,946	138,760	135,654	18%
Capital Outlay	0	0	0	0	0	0%
Totals	**$672,751**	**$680,434**	**$787,088**	**$789,178**	**$797,601**	**100%**

Accomplishments Prior Two-Year Budget:

- ✓ City Council and City staff achieved a fiscally sound two-year Budget for Fiscal Years (FY) 2013-14 and FY 2014-15, maintaining the City's General Fund reserves at more than 21% and 22%, respectively, of General Fund operating budget expenses. This Adopted Budget marks the first time the City received the California Society of Municipal Finance Officers Operating Budget Excellence Award for FY 2014.

- ✓ 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 2013-14.

- ✓ The Administrative Services Department worked with a hired consultant, the Public Works Department, and the City Manager to successfully propose to the City Council a water and wastewater rate study. The City Council approved an ordinance approving a change to the water and wastewater rate structure and rates beginning in FY 2014.

- ✓ The Department successfully began the process of acquiring a new integrated financial system to replace the current technologically antiquated system. The City Council approved a contract with Springbrook Software in March 2015 for implementation beginning in FY 2016.

Administrative Services Department

Accomplishments Prior Two-Year Budget continued:

- ✓ The Department worked with an outside consultant and key staff City-wide to update General User Fees and Overhead Costs.

- ✓ The City Treasurer updated the City's Investment Policy and selected three new brokers for opportunities to improve investment earnings.

- ✓ Achieved 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.

Work Program Highlights for Next Two-Year Budget – for FY 16 and FY 17:

- Administer a fiscally sound Two-Year Budget increasing the General Fund Reserves Policy from 23% to 25% over the next five years, contributing $50,000 each year to the Risk Management Reserve, fully funding the City Facility Reserve of $500,000, and fully funding the 1% General Fund Contingency Budget.

- Update the Government Accounting Standards Board (GASB) 67 and 68 measures into the City's Comprehensive Annual Financial Reports.

- Implement a new integrated financial system to replace the current technologically antiquated system.

- Monitor City's cash flow with large capital project budgets

NON-DEPARTMENTAL

Activity Description

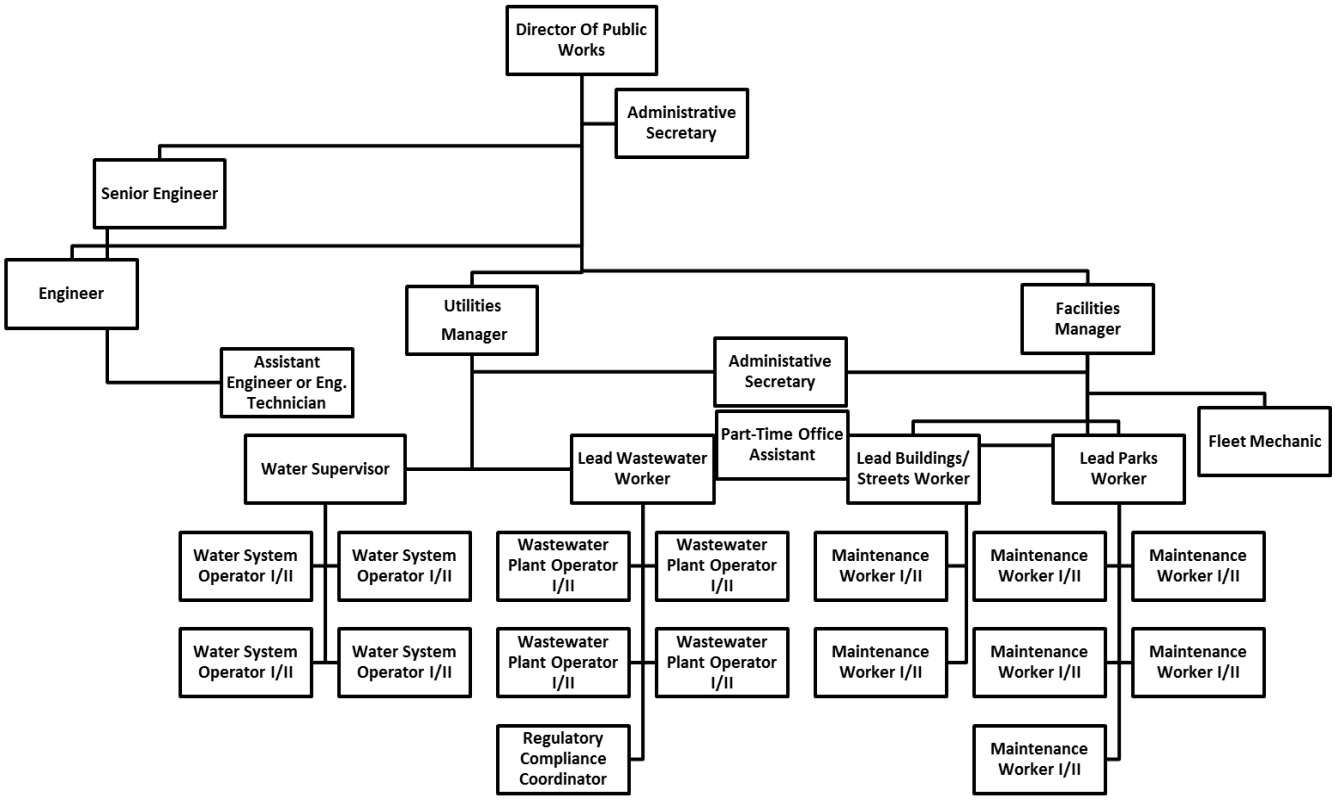
The purpose of the non-departmental budget is to account for those services, supplies, materials and equipment of a general, organization-wide nature, which do not lend themselves to distribution among the operating departments of the City. Bulk items and others that are used by all departments within 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. Outside Agency contributions, Low Income Subsidies for utility billing customers, and operating transfers to the Pier Enterprise Fund are also included in this Department. 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 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Salaries & Benefits	354,627	351,153	355,444	365,500	378,554	16%
Operations & Maintenance	2,129,726	1,192,400	1,063,841	1,429,448	1,541,629	61%
Capital Outlay	26,815	65,963	114,189	0	0	0%
Debt Service	205,340	207,743	207,590	206,180	206,762	9%
Other Exps.& Fin. Use	73,160	87,973	725,282	289,489	519,500	12%
Operating Transfers	25,040	21,740	68,765	34,500	34,500	1%
Totals	**$2,814,708**	**$1,926,973**	**$2,535,111**	**$2,325,117**	**$2,680,945**	**100%**

PUBLIC WORKS

Public Works Base Budget Personnel Allocation by Activity



CLASSIFICATION	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17
Public Works Dir/City Engineer	1	1	1	1	1
Senior Engineer	0	0	0	1	1
Engineer	0	0	0	1	1
Associate Civil Engineer	2	2	2	0	0
Administrative Secretary	1	1	1	2	2
Engineering Technician/Eng. Asst.	1	1	1	1	1
Utilities Manager	0	0	0	1	1
Facilities Manager	0	0	0	1	1
Public Works Superintendent	1	1	1	0	0
Public Works Facilities Supervisor	1	1	1	0	0
Street Maintenance Supervisor	0	0	0	0	0
Parks Maintenance Supervisor	0	0	0	0	0
Lead Worker Streets/Govt. Buildings	0	0	0	1	1
Lead Worker Parks	0	0	0	1	1
Maintenance Worker II	6	6	6	5	5
Maintenance Worker I	3	3	3	2	2
Water System Supervisor	1	1	1	1	1
Water System Operator I	2	2	1	1	1
Water System Operator II	2	2	3	3	3
Wastewater Ops Supervisor	1	1	1	1	1
WWTP Mechanic	0	0	0	0	0
Treatment Plant Operator II	5	5	5	4	4
Treatment Plant Operator I	0	0	0	0	0
Regulatory Compliance	1	1	1	1	1
Fleet Mechanic	1	1	1	1	1
Total Department Staff	**29**	**29**	**29**	**29**	**29**

PUBLIC WORKS DEPARTMENT

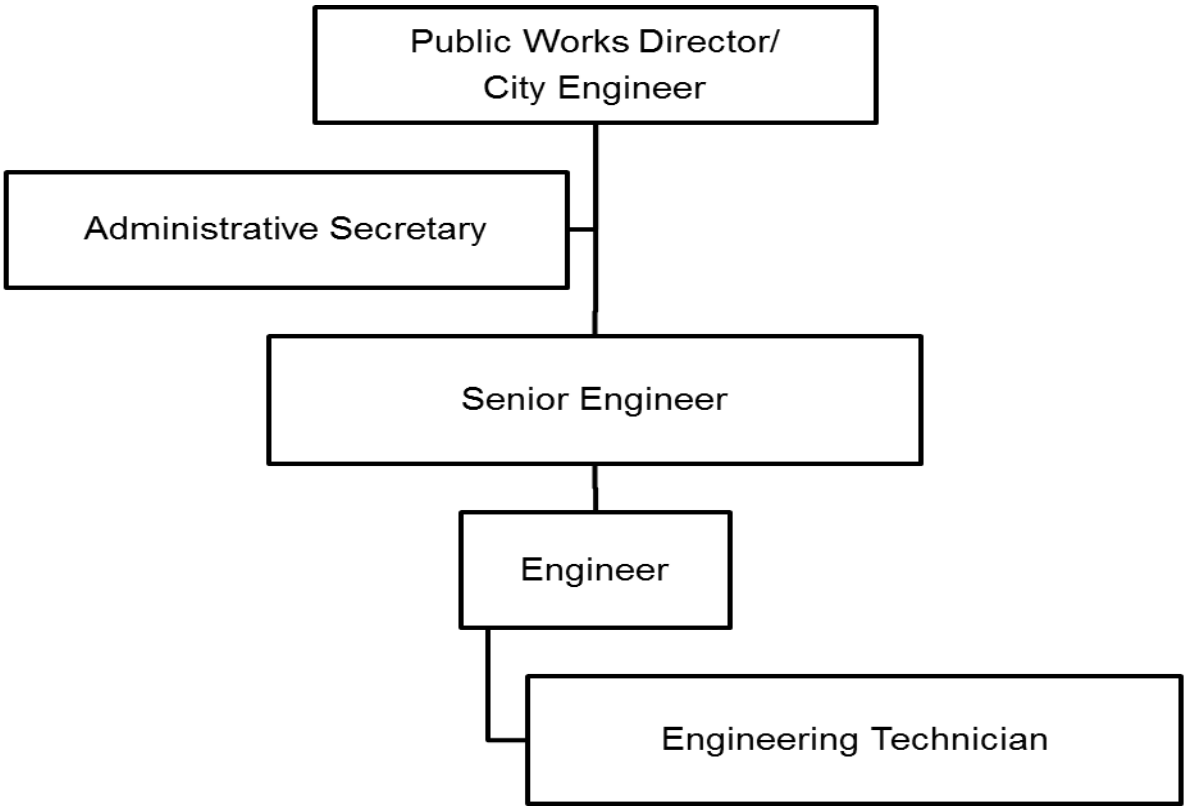
Activity Description

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 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Gov't Bldgs-City Hall	572,356	441,092	1,237,565	649,024	589,799	20%
Engineering	484,307	576,441	611,064	622,164	639,348	20%
Pismo Vets Hall	41,768	40,054	39,464	51,975	47,905	2%
Shell Beach Vets Hall	17,358	15,340	18,613	22,995	20,088	1%
Margo Dodd Park	2,222	2,175	1,894	2,227	2,227	0%
Facilities Maintenance	117,275	122,480	126,781	139,386	145,088	4%
Park Maintenance	886,762	936,973	999,018	1,073,251	1,027,266	34%
Street Maintenance	490,724	602,329	756,053	606,007	612,827	19%
Totals	**$2,612,770**	**$2,736,883**	**$3,790,452**	**$3,167,029**	**$3,084,548**	**100%**

ENGINEERING SERVICES



CLASSIFICATION	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17
Public Works/City Engineer	1	1	1	1	1
Senior Engineer	0	0	0	1	1
Engineer	0	0	0	1	1
Associate Civil Engineer	2	2	2	0	0
Administrative Secretary	1	1	1	1	1
Engineering Technician	1	1	1	1	1
Public Works Superintendent	1	1	1	1	1
Total Department Staff	**6**	**6**	**6**	**6**	**6**

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.

Engineering Services

GENERAL FUND EXPENDITURES:

	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Salaries & Benefits	411,798	381,181	444,118	466,156	481,784	75%
Operations & Maintenance	72,508	195,260	162,446	153,008	154,564	25%
Capital Outlay	0	0	4,500	3,000	3,000	0.48%
Totals	**$484,307**	**$576,441**	**$611,064**	**$622,164**	**$639,348**	**100%**

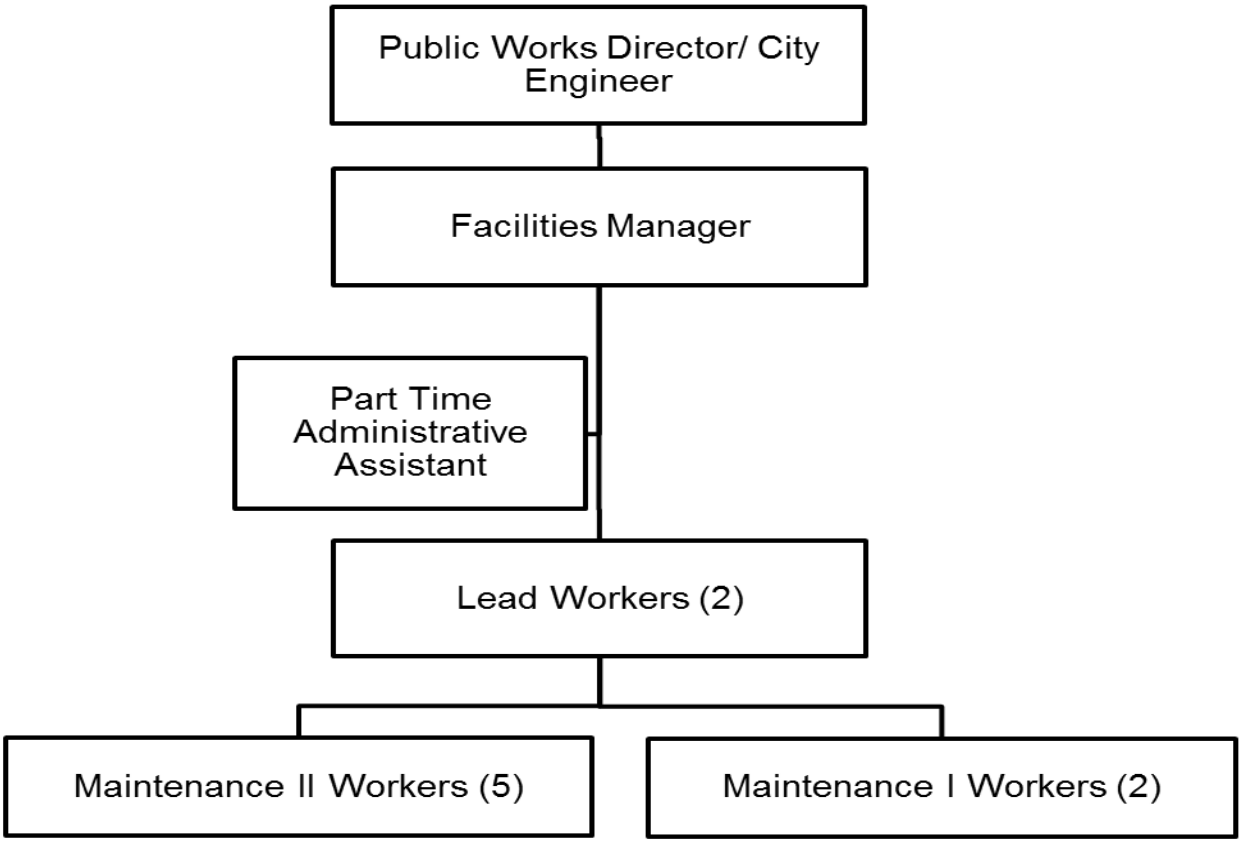
Accomplishments Prior Two-Year Budget:

- ✓ Stormwater Management Program (SWMP) Best Management Practices
- ✓ 2013 Striping Project
- ✓ Heights Water System Reconstruction
- ✓ Radio Tower Emergency Back Up Generators (3 locations)
- ✓ Pier Inspection
- ✓ City Hall, Police Dept. and Fire Dept. Carpet Project
- ✓ Halls Improvement Project
- ✓ Chapman Estate ADA Improvements
- ✓ Heights Drainage Study
- ✓ Infrastructure Assessment – ADA
- ✓ Recycled Water Facility Plan
- ✓ Old City Hall Clean Up
- ✓ Five Cities Drive Radar Speed Limit Sign (In Progress)
- ✓ Water Conservation Campaign
- ✓ Water Conservation Rebate Programs
- ✓ Solids Handling Design
- ✓ Five Cities Lift Station Design
- ✓ Traffic Study (Report in Progress)
- ✓ Chapman Estate Window Replacement (In Progress)
- ✓ Price Canyon, Dell Ct. and Tulare St. Water Line (In Progress)
- ✓ Price Canyon Slope Repair (In Progress)
- ✓ Street Paving – Year 3 (In progress)
- ✓ Downtown Streetscape (In Progress)

Work Program Highlights for Next Two-Year Budget:

- Construction of Five Cities Lift Station Replacement
- Design of Bello Bridge Replacement
- Reservoir Maintenance
- Street Paving

PUBLIC FACILITIES



CLASSIFICATION	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17
Facilities Manager	0	0	0	1	1
Public Facilities Supervisor	1	1	1	0	0
Lead Workers	0	0	0	2	2
Maintenance Worker II	6	6	6	5	5
Maintenance Worker I	3	3	3	2	2
Total Department Staff	**10**	**10**	**10**	**10**	**10**

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 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Salaries & Benefits	881,182	926,396	957,150	1,019,339	1,038,993	40%
Operations & Maintenance	958,191	1,078,360	1,229,811	1,185,729	1,117,431	47%
Capital Outlay	0	38,921	529,290	52,682	0	2%
Debt Service	231,554	92,887	234,091	232,501	233,157	9%
Operating Transfers	57,415	23,878	229,046	54,614	55,619	2%
Totals	**$2,128,342**	**$2,160,442**	**$3,179,388**	**$2,544,865**	**$2,445,200**	**100%**

Accomplishments Prior Two-Year Budget:

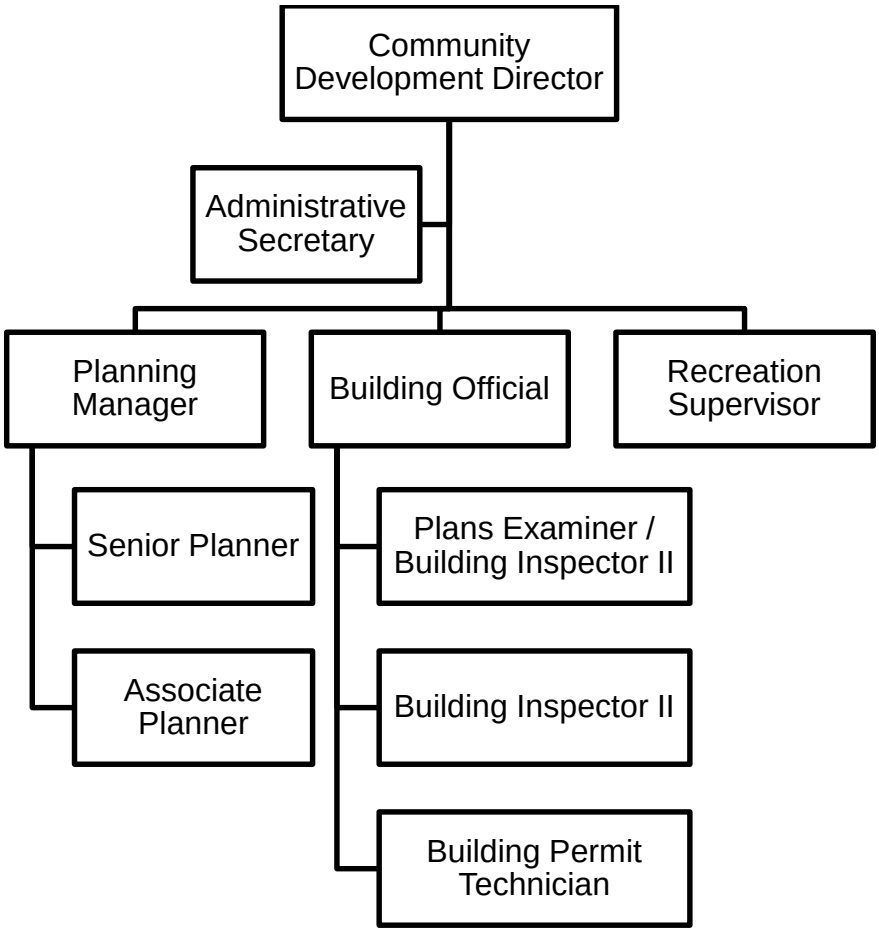
- ✓ Halls Maintenance Project
- ✓ Chapman Estate ADA Improvements
- ✓ City Hall, Police Dept. and Fire Dept. Carpet Project
- ✓ Street Paving – Year 3 (In Progress)
- ✓ Chapman Estate Window Replacement (In Progress)
- ✓ Downtown Streetscape (In Progress)

Public Facilities

Work Program Highlights for Next Two-Year Budget:

- Undergrounding Utilities Rule 20A
- Shell Beach/Pismo Beach Pedestrian and Bicycle Access and Streetscape
- City Hall Generator Installation
- Install Retaining Wall and Re-Landscape Front Slope Areas at Shell Beach Tennis Courts
- Happy Time Preschool Repairs
- ADA Improvements

COMMUNITY DEVELOPMENT DEPARTMENT



CLASSIFICATION	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17
Community Development Director	1	1	1	1	1
Building Official	1	1	1	1	1
Building Inspector I	1	1	0	0	0
Building Inspector II	1	1	2	2	2
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
Total Department Staff	**10**	**10**	**10**	**10**	**10**

COMMUNITY DEVELOPMENT

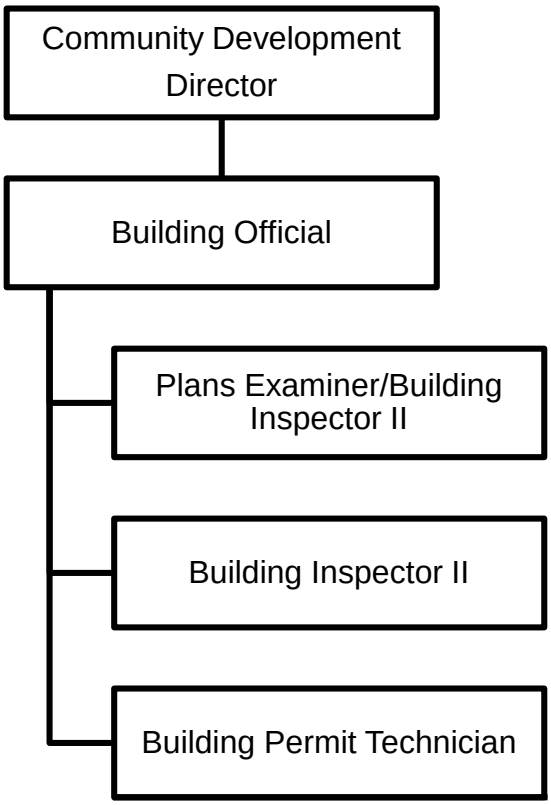
Activity Description

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, and recreation. 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, alteration and repair of buildings. Recreation serves residents and visitors by providing opportunities for play and relaxation.

GENERAL FUND EXPENDITURES:

	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Building Division	595,596	568,175	552,821	590,580	611,910	30%
Planning Division	778,589	732,098	924,168	920,986	758,399	47%
Recreation City Supported	299,098	344,711	378,677	361,230	362,599	19%
Recreation Fee Supported	64,256	49,859	66,622	67,596	67,596	3%
Totals	**$1,737,539**	**$1,694,844**	**$1,922,288**	**$1,940,392**	**$1,800,504**	**100%**

BUILDING INSPECTION



CLASSIFICATION	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17
Building Official*	1	1	1	1	1
Building Inspector I/II	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 Official position on hold and not budgeted in FY 15 and FY 16. Building Inspector I promoted to II in FY 15.

Building Inspection

Activity Description

The Building 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 review, permit issuance, construction inspection, and conflict resolution involving contractors, homeowners, and the general public. The Building Inspection Division is also responsible for some of the City's code enforcement efforts.

GENERAL FUND EXPENDITURES:

	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Salaries & Benefits	435,008	408,349	312,378	315,116	431,869	53%
Operations & Maintenance	160,310	159,548	240,165	240,464	179,963	41%
Capital Outlay	278	278	278	35,000	78	6%
Totals	**$595,596**	**$568,175**	**$552,821**	**$590,580**	**$611,910**	**100%**

Accomplishments Prior Two-Year Budget:

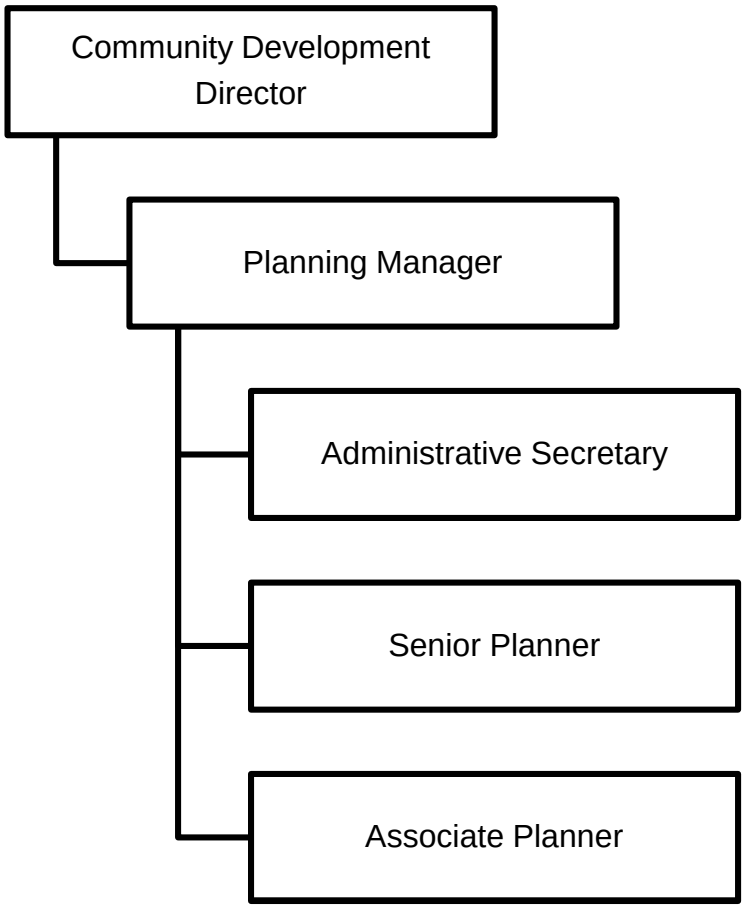
- ✓ Obtained approval of the 2013 Uniform Building Code, initiated and completed training of inspectors in the administration and application of these codes
- ✓ The Division negotiated a contract with California Code Check for Building Official and plan review and services to meet the requirements of State law
- ✓ Continued Updating the Division Website to reflect all currently adopted regulations.
- ✓ Provided many interactive forms for use by the public online
- ✓ Maintained prompt plan check turnarounds and one day inspection requests, given the significant increase in development activity
- ✓ Continued to update the special inspector qualifications and approvals for work in Pismo Beach
- ✓ Continued to update and maintain the automated permit and code enforcement tracking systems

Building Inspection

Work Program Highlights for Next Two-Year Budget:

- Evaluate and update Code Compliance program
- Incorporate technology into the inspection process for more efficient record keeping and access to permit and project data
- Enhance customer service by updating the front counter and office layout with the goal of making the lobby user friendly and accessible
- Continue to support the Central Coast Chapter of the International Code Council
- Continue training efforts for all Building Division staff and have one member on staff achieve the Access Specialist Program (CASp) Certification

PLANNING



CLASSIFICATION	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17
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 Planning Division is charged with protection and enhancement of the City's natural resources while overseeing the development and preservation of the City's residential, commercial, open space, and public areas along with other projects that are intended to enhance the City's unique character. Engaging and informing the community beyond current efforts is a growing component of the Division.

The Division provides support to most of the City Council's advisory committees and commissions and offers guidance and assistance to these groups as they evaluate and implement long range plans for the City's future growth and enhancement. Development review consistent with City, State and Federal policies and regulations is also the responsibility of the Planning Division. This includes an evaluation of each project's potential for negative impacts to the environment.

Consistent with City Council goals, the Planning Division also develops and administers a variety of projects, such as oversight of park and open space planning, development of amendments and updates to land use or development regulations, grant writing, public art, affordable housing programs, and downtown enhancement amongst others.

GENERAL FUND EXPENDITURES:

	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Salaries & Benefits	578,064	589,909	602,675	599,947	607,840	65%
Operations & Maintenance	200,525	142,189	321,493	321,039	150,559	35%
Totals	**$778,589**	**$732,098**	**$924,168**	**$920,986**	**$758,399**	**100%**

Accomplishments Prior Two-Year Budget:

- ✓ Downtown Visioning Strategic Plan Adopted
- ✓ Price Historical Park Plan Approved
- ✓ Arrived at Decision to leave Policies and Regulations for the lands with the Open Space Designation between Shell Beach Road and Hwy 101 in Planning Areas A and B
- ✓ Achieved Land Use Element Amendments for Planning Neighborhoods C-I
- ✓ 601 Cypress, Inn at the Pier Development Applications Approved

Planning

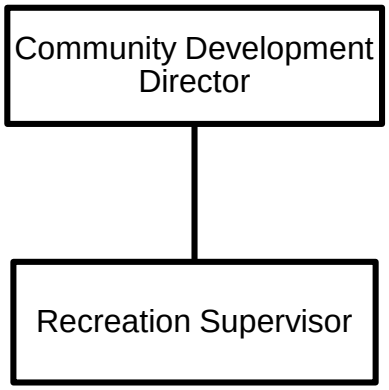
Accomplishments Prior two-year budget continued:

- ✓ Acquired the Chapman Estate and implemented management of the estate – including the formation of the Chapman Estate Advisory Committee and obtaining a conditional use permit from the Planning Commission
- ✓ Updated Regulations to allow goats to be raised and kept on private property and allow them in public parks so long as they are leashed

Work Program Highlights for Next Two-Year Budget:

- Implement the Downtown Vision Plan
- Complete Assessment of Downtown Parking Options, including a Parking Structure
- Develop a Pier Area Enhancements Plan
- Develop Appropriate Land Use Controls for Downtown
- Create an Old City Hall/Bello Corridor Plan
- Create a Chapman Estate Master Plan
- Update the Circulation Element, based on Data from Circulation Study
- Update Housing Element Consistent with State Law
- Revise Development Standards for Shell Beach Neighborhood and Create Design Review Guidelines

RECREATION – CITY & FEE SUPPORTED



CLASSIFICATION	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17
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

Activity Description

The Recreation Division is responsible for the administration of recreation classes offered by private instructors and the coordination of a number of City-sponsored special events including the Easter Egg Hunt, Pumpkins On-the-Pier, and Holiday Harmony 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.

Recreation – City & Fee Supported

GENERAL FUND EXPENDITURES:

Recreation - City Supported Operating Budget	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Salaries & Benefits	235,636	275,602	263,115	267,753	268,538	62%
Operations & Maintenance	63,462	69,110	115,562	93,477	94,061	22%
Total Rec-City Supported Operating Budget	**$299,098**	**$344,711**	**$378,677**	**$361,230**	**$362,599**	**84%**

Recreation - Fee Supported Operating Budget	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Salaries & Benefits	32,105	26,630	42,222	42,196	42,196	10%
Operations & Maintenance	32,151	23,229	24,400	25,400	25,400	6%
Total Rec-Fee Supported Operating Budget	**$64,256**	**$49,859**	**$66,622**	**$67,596**	**$67,596**	**16%**

Total Operating Budget for Recreation Functions	**$363,355**	**$394,571**	**$445,299**	**$428,826**	**$430,195**	**100%**

Accomplishments Prior two-year budget:

- ✓ Increased attendance for all of our Community Events, such as: Pumpkins on- the Pier, Holiday Harmony, Easter Egg Hunt, and Stride with the Tide
- ✓ Formalized agreements with Youth Baseball League for use of the Pismo Beach Baseball Fields
- ✓ Continued enhancements of the annual Father Daughter Dance, which has been sold out in each of the last two budget years
- ✓ Implemented a variety of Youth Camps among the Activities offered during the year – these include ocean explorers camps, cooking camps, and skateboard building camps among others
- ✓ Instituted a Misty May Volleyball Clinic at which youth in the area have an opportunity to learn and enhance their beach volleyball skills from an Olympic Gold Medalist
- ✓ Began offering Collette Tours amongst the many activities organized and managed by the Division which give residents access to unique travel destinations and events
- ✓ Retained a full complement of part time staff for the last fiscal year

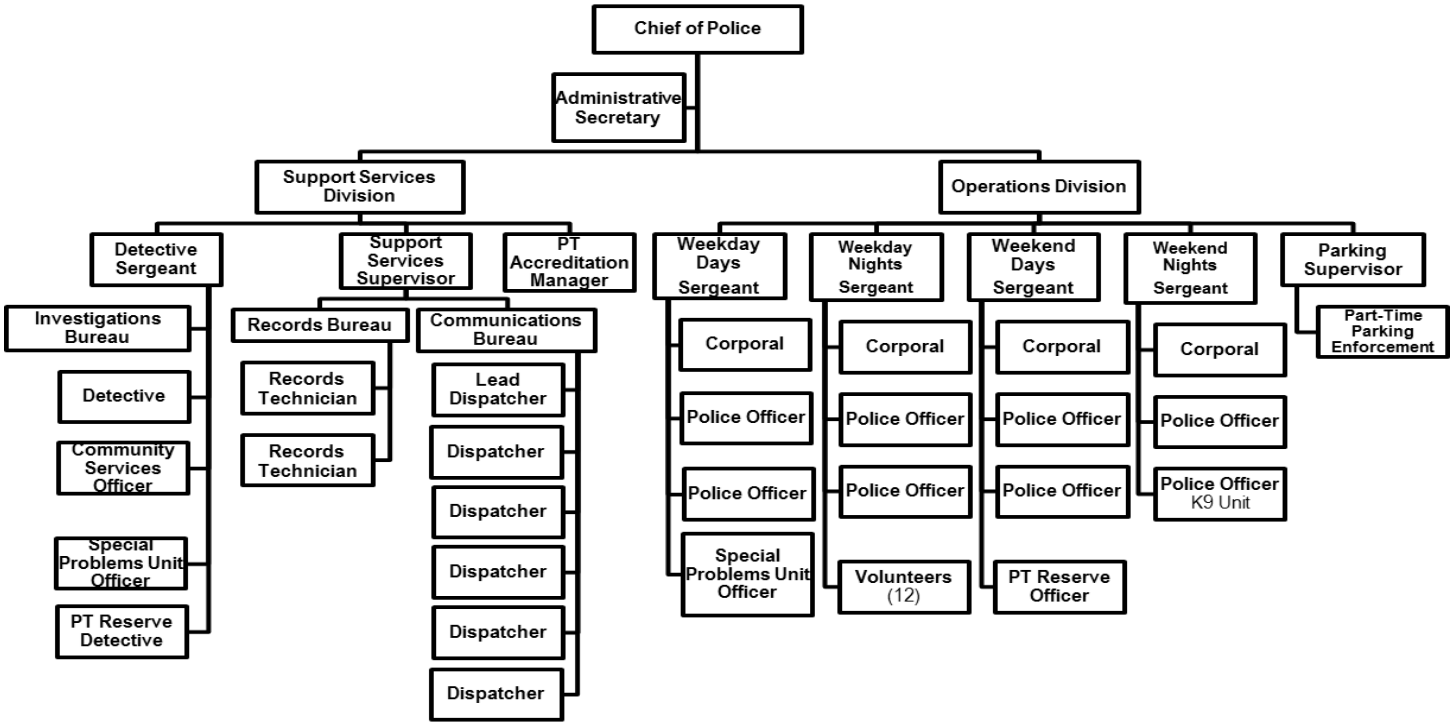
Recreation – City & Fee Supported

Work Program Highlights for Next Two-Year Budget:

- Explore development of 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 and dance
- Update the agreement with Youth Baseball League for use of the Pismo Beach Baseball Fields so responsibilities are clearly defined and an approved number of tournaments is agreed upon.
- Improve marketing for special events
- Conduct playground inspections
- Conduct a needs assessment for the beach volleyball courts

PUBLIC SAFETY

POLICE



CLASSIFICATION	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17
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	4	4
Police Sergeant	5	5	5	5	5
Police Officer	12	12	12	10	10
Police Officer (Grant)[1]	1	1	1	1	1
CSO	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
Parking Supervisor	1	1	1	1	1
Total Department Staff	**35**	**35**	**35**	**35**	**35**

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 visitors 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, traffic operations, reserve officers, K-9 Unit, citizen volunteer patrol, and the downtown/special problems unit. The Support Division oversees Records, Communication Center, Investigations Bureau, Training, Administrative Services, and DARE/crime prevention.

GENERAL FUND EXPENDITURES

	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Salaries & Benefits	4,439,676	4,400,031	4,906,076	4,669,894	4,796,711	88%
Operations & Maintenance	434,871	377,106	577,673	595,577	585,427	11%
Capital Outlay	143,303	55,798	36,325	0	0	0%
Operating Transfers	73,430	49,198	85,935	67,572	76,372	1%
Totals	**$5,091,280**	**$4,882,132**	**$5,606,009**	**$5,333,043**	**$5,458,510**	**100%**

Accomplishments Prior Two-Year Budget:

- ✓ Technology Upgrade Final Phases II and III. Phase II of the technology upgrade involving the mobile data computers included the purchasing and installation of the software and hardware for the system. Phase III included the training and initial use of the system which 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 increases 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. The Technology Upgrade also included the procurement and installation of License Plate Readers (LPR) which electronically receives data to include stolen vehicles from the California State Criminal Justice Information System and automatically compares the data to license plates read while officers are on patrol. Successful recoveries of stolen vehicles have already been realized with the use of this technology.

- ✓ Reallocated COPS Grant Funding. In the 2011 budget, staff reallocated COPS State Grant monies to equipment rather than fund a police officer position. The police officer grant position was frozen as a result and state grant funding was accumulated over the last two years to assist and fund the department's police technology upgrade. As the Police Technology Upgrade project neared completion, as far as purchasing and funding, State Cops Grant funding returned to the allocation of funds for a police officer position and covers approximately 94% of the total cost of the officer to include benefits. This position results in patrol shifts being fully staffed.

Police Department

Accomplishments Prior Two-Year Budget continued:

- ✓ 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 required the room to be retrofitted for the equipment purchased.

- ✓ CALEA Re-Accreditation. The department is currently maintaining over 480 CALEA standard files that were successfully audited in 2013 for the department's 2nd re-accreditation in March 2014 being awarded the "Gold Standard". The department will continue its accreditation endeavor and will prepare for its 3rd reaccreditation in August 2016.

- ✓ Old City Hall Records and Evidence Consolidation. Property and evidence prior to 1998 had remained in storage in the old City Hall building along with records dating from 1981 to 1994. A six month project was completed in 2014 that researched, catalogued, and documented all property. Evidence meeting criteria for destruction was purged and that needing to be retained was booked into the current department evidence room. All existing records were scanned into laserfische and permanently retained.

Work Program Highlights for Next Two-Year Budget:

- CALEA Re-Accreditation. The department is currently maintaining over 480 CALEA standard files that were successfully audited in 2013 for the departments 2nd re-accreditation. The department will continue its accreditation endeavor and will prepare for its 3rd reaccreditation in August 2016. Continuing to meet CALEA standards, show proof of compliance, and maintain cutting edge policies and procedure on an annual basis is the key to success with reaccreditation.

- 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. With the City of Pismo Beach in the middle of developing a mobile device app, it is the intention of the PD to utilize that app for this enhancement to include MyCop zone realignment.

- 911 System Upgrade. The department's current 911 system is aging and in need of an upgrade to meet compliance with current standards as the last grant funded upgrade was in 2006. The current system was originally installed and maintained by AT&T; however AT&T discontinued regular contracted maintenance for the system. The Pismo Beach Police Department is eligible for grant funding every five (5) years for the Public Safety Answering Point (PSAP) upgrade. This project will include new hardware, software, and console design.

- Transition Parking Operations from Community Development Department to Police Department

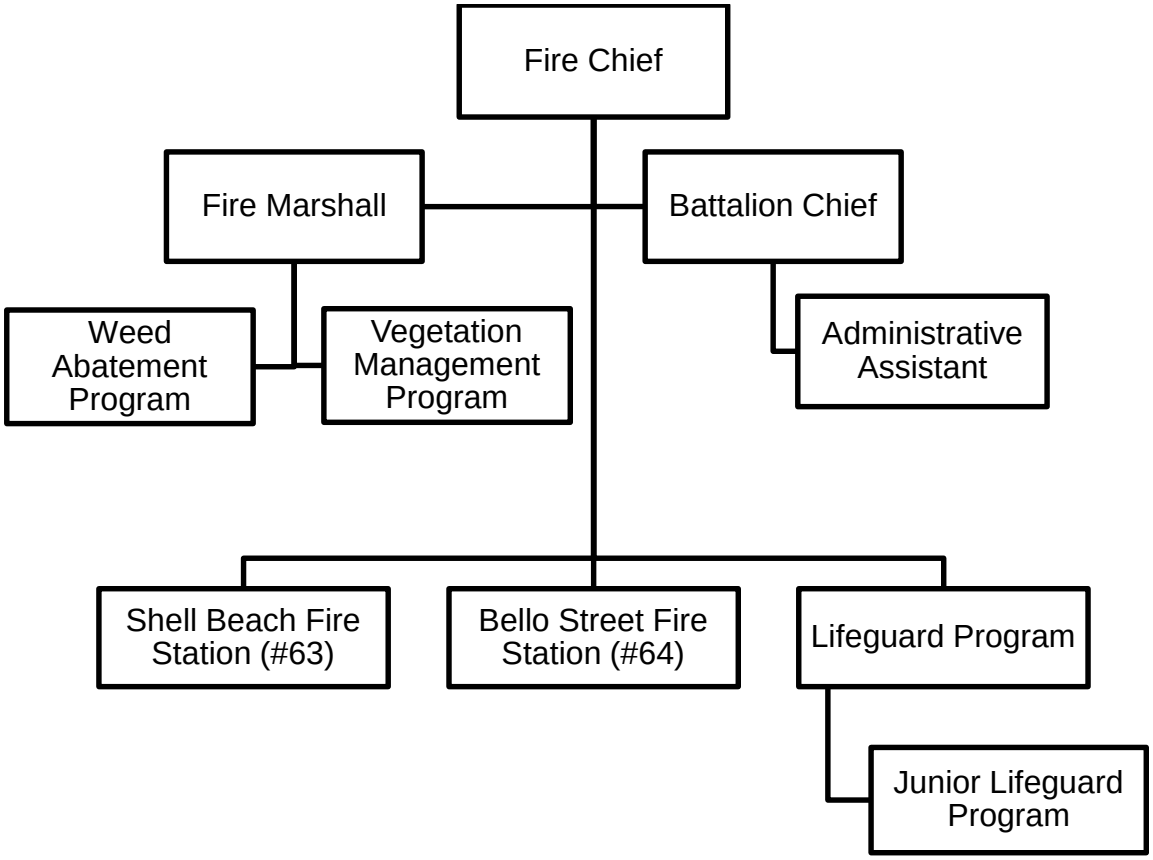
Police Department

Work Program Highlights for Next Two-Year Budget continued:

- Communications Center Accreditation. The CALEA Public Safety Communications Accreditation Program provides a communications center, or the communications unit of a public safety agency, with a process to systemically review and internally assess its operations and procedures. Our department will show compliance with up to 213 additional standards and work in conjunction with our ongoing law enforcement accreditation process. This stand-alone accreditation for our Communication Center would again set us aside from other agencies and would enhance the organization's positioning for possible contract services in the future.

- Police Chief's Advisory Board. This board will be created to act as a community resource for the Chief of Police in the formation of strategies, development of community policing concepts and increasing public awareness. The Chief's Advisory Board is not a review board of any police action, whether internal or external, but a forum for discussions concerning community concerns. The Board is driven by the imagination of its members and is intended to be a reflection of the community's viewpoints. Membership will consist of a representative from each of the twelve (12) MyCop zones.

FIRE



CLASSIFICATION	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17
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. The primary services the Fire Department provides include responding to emergency medical incidents, traffic collisions, hazardous material responses, fires, and rescues. Staff also provides fire prevention, enforcement, and public education services. Seasonally, the Department is 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 CAL FIRE (California Department of Forestry and Fire Protection), with paid staff and Reserve Firefighters operating out of both the Bello Street and Shell Beach Fire Stations.

GENERAL FUND EXPENDITURES:

	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Fire Operations	1,821,307	2,020,895	2,206,631	2,497,996	2,552,396	92%
Weed Abatement	11,958	20,491	12,200	14,500	14,500	1%
Lifeguards	125,927	146,622	175,379	206,992	197,659	8%
Totals	**$1,959,193**	**$2,188,008**	**$2,394,210**	**$2,719,488**	**$2,764,555**	**100%**

Accomplishments Prior Two-Year Budget:

- ✓ Replaced Battalion Chief Vehicle
- ✓ Completed Phase 2 of the Fire Safe Council grant funded Chumash Park Vegetation Management Project
- ✓ Awarded a communications grant from the Off-Highway Vehicle fund
- ✓ Completed Phase 2 of the Hacienda Del Pismo/Lagoon Vegetation Management Project
- ✓ Obtained CAL OES certification for Rescue 64
- ✓ Successfully upgraded the City's Insurance Services Office score

Work Program Highlights for Next Two-Year Budget:

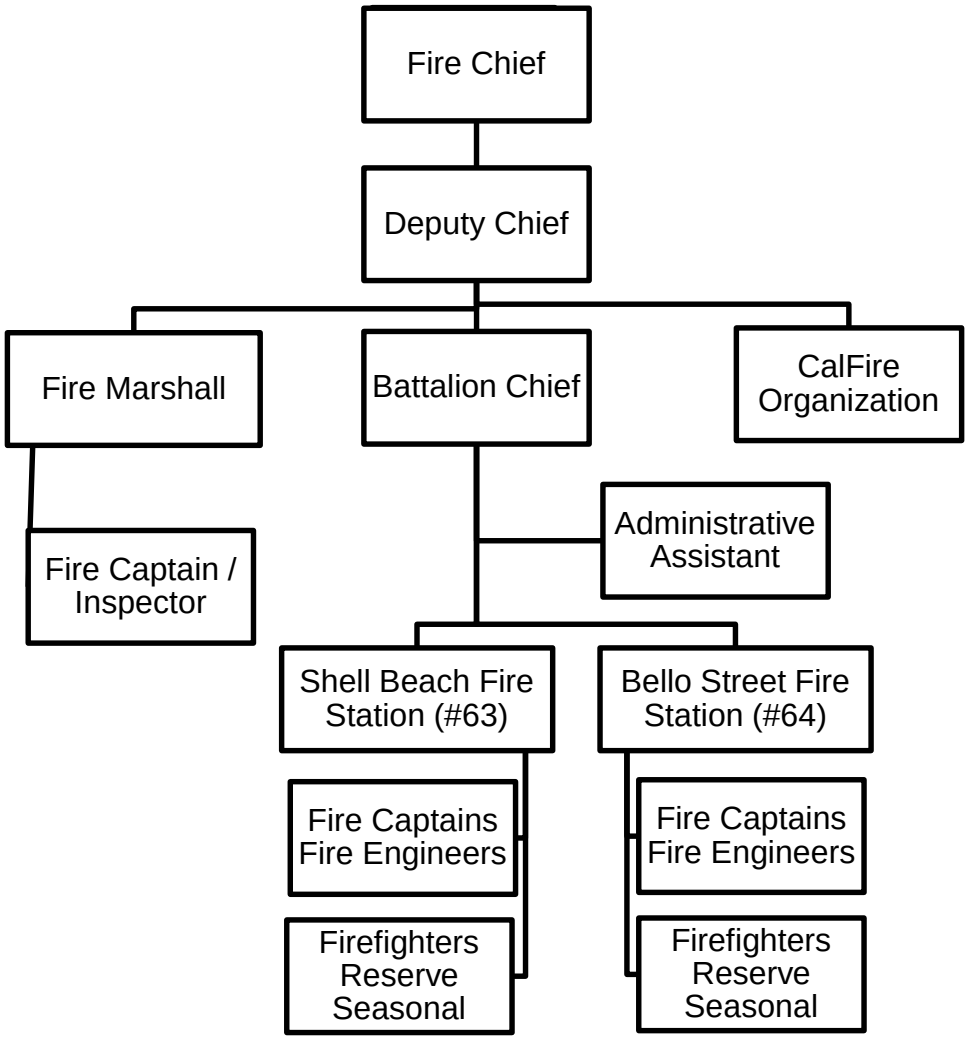
- Replace MDC's to maintain connectivity to the County system
- Replacement of the Lifeguard Vehicle and Fire Engine 63
- Obtain a grant for a communication system that will operate consistently in the water to better protect our responders

Fire Department

Work Program Highlights for Next Two-Year Budget continued:

- Amend and adopt the 2016 California Fire Code
- Adopt the amended and restated San Luis Obispo County Regional Hazardous Materials Cooperative Agreement
- Explore funding options and complete a scoping study for a new fire station, and pursue development of the most appropriate facility
- Maintain grant funded Chumash Park Vegetation Management Project

FIRE OPERATIONS



Activity Description

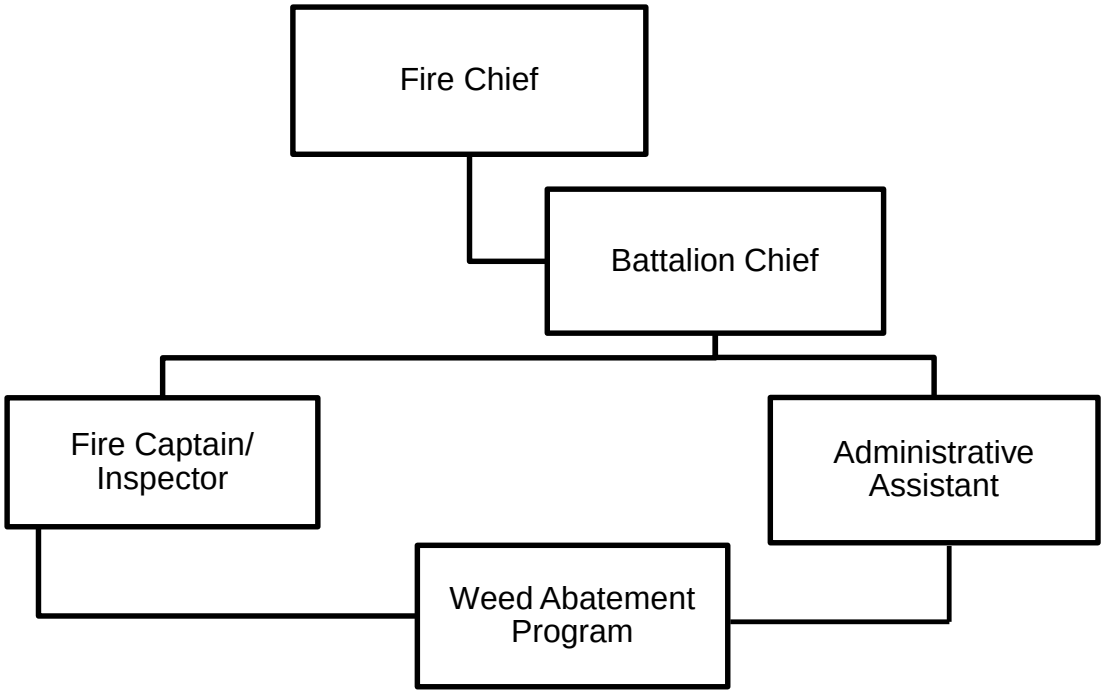
The Fire Operations Division is responsible for the staffing and operation of two fire stations within the City – the Bello Street Fire Station (#64) and the Shell Beach Fire Station (#63). The primary services provided include responding to emergency medical incidents, traffic collisions, hazardous material responses, fires, and rescues. Staff also provides fire prevention, enforcement, and public education services.

Fire Operations

GENERAL FUND EXPENDITURES:

	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Salaries & Benefits	161,416	160,870	172,324	182,652	182,652	7%
Operations & Maintenance	1,555,308	1,697,624	1,885,830	2,149,299	2,210,927	86%
Capital Outlay	5,000	0	0	0	0	0%
Operating Transfers	99,583	162,402	148,477	166,045	158,817	7%
Totals	**$1,821,307**	**$2,020,895**	**$2,206,631**	**$2,497,996**	**$2,552,396**	**100%**

WEED ABATEMENT



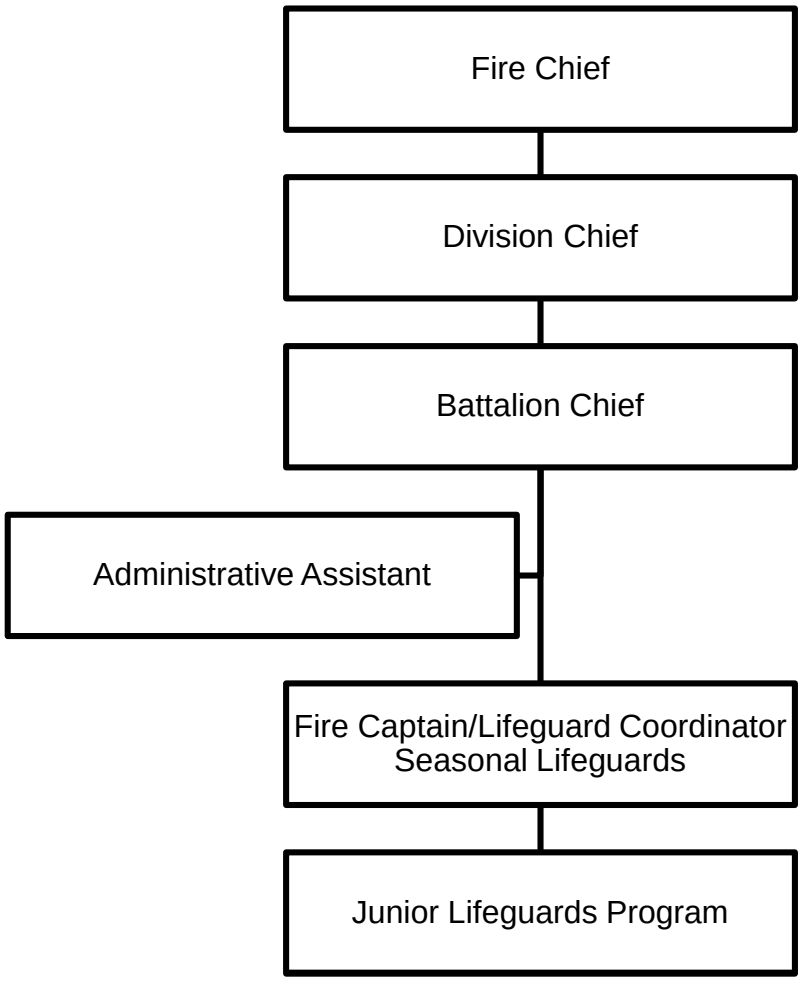
Activity Description

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 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Operations & Maintenance	11,958	20,491	12,200	14,500	14,500	100%
Totals	**$11,958**	**$20,491**	**$12,200**	**$14,500**	**$14,500**	**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 towers 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.

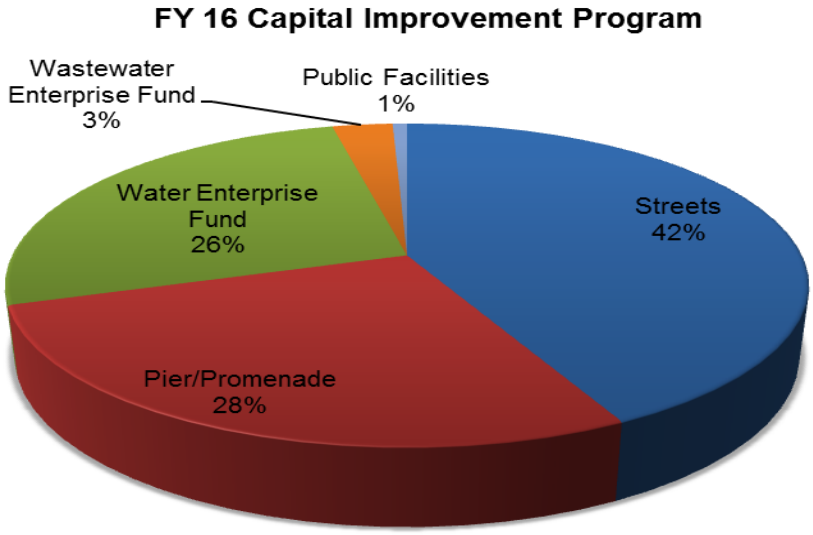
GENERAL FUND EXPENDITURES:

	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Salaries & Benefits	88,525	91,107	120,847	117,861	117,861	57%
Operations & Maintenance	15,636	17,795	21,794	46,910	47,027	23%
Capital Outlay	0	2,332	2,350	3,000	3,000	1%
Operating Transfers	21,766	35,388	30,388	39,221	29,771	19%
Totals	**$125,927**	**$146,622**	**$175,379**	**$206,992**	**$197,659**	**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.



GENERAL & OTHER FUND EXPENDITURES:	BUDGET FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Parks	0	0	0	0	0%
Streets	541,000	300,000	3,072,000	250,000	42%
Parking	0	0	0	0	0%
Promenade/Beach Access	0	0	2,000,000	1,000,000	28%
Miscellaneous	450,000	200,000	0	0	0%
Public Facilities	20,000	205,000	50,000	0	1%
Drainage	355,000	0	0	0	0%
Bluff Protection	350,750	0	0	0	0%
TOTAL GENERAL & OTHER FUND EXPENDITURES:	**$1,716,750**	**$705,000**	**$5,122,000**	**$1,250,000**	**71%**

ENTERPRISE FUND EXPENDITURES:	BUDGET FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Parking Enterprise Fund	0	0	0	0	0%
Water Enterprise Fund	411,761	480,000	1,900,000	265,000	26%
Wastewater Enterprise Fund	40,000	40,000	210,000	133,300	3%
TOTAL ENTERPRISE FUND EXPENDITURES:	**$451,761**	**$520,000**	**$2,110,000**	**$398,300**	**29%**

TOTAL GEN/OTHER & ENTERPRISE FUND EXPENDITURES:	**$2,168,511**	**$1,225,000**	**$7,232,000**	**$1,648,300**	**100%**

CAPITAL IMPROVEMENT PROJECTS DETAIL

CAPITAL IMPROVEMENT PROJECTS
CIP ADOPTED BUDGET
FY 2015-2016

	Fiscal Year 2015-16							
	Project Totals	General Fund	Half Cent Sales Tax	Grants/ Other Funds	Impact Fees	Park Dev Fund	Water Ent Fund	WW Ent Fund
STREETS AND TRANSPORTATION								
Shell Beach Streetscape Phase I	2,040,000	900,000	310,000	830,000				
Shell Beach Overflow Parking	600,000		600,000					
Other ADA Improvements	250,000		250,000					
Five Cities Drive Improvements	182,000	182,000						
Subtotal Streets	**3,072,000**	1,082,000	1,160,000	830,000	0	0	0	0
PUBLIC BLDS & SUPPORT FACILITIES								
Happy Time Preschool Repairs	50,000	50,000						
Subtotal Public Facilities	**50,000**	50,000	0	0	0	0	0	0
DRAINAGE								
None	0							
Subtotal Drainage	**0**	0	0	0	0	0	0	0
BLUFF PROTECTION								
None	0							
Subtotal Bluff Protection	**0**	0	0	0	0	0	0	0
WATER ENTERPRISE FUND								
Abandon Wells 9 & 10	0							
Shell Beach Road Waterline Project	1,900,000						1,900,000	
Cypress Upgrade	0							
Subtotal Water Enterprise Fund	**1,900,000**	0	0	0	0	0	1,900,000	0
WASTEWATER ENTERPRISE FUND								
System Improvements	0							
Clarifier Rehab	200,000							200,000
Inflow/Infiltration	0							0
Shell Beach Vets Hall Grease Trap	10,000							10,000
Subtotal Wastewater Enterprise Fund	**210,000**	0	0	0	0	0	0	210,000
PARKS								
None	0							
Subtotal Parks	**0**	0	0	0	0	0	0	0
MISCELLANEOUS PROJECTS								
Pier Maintenance - Piles and Caps	2,000,000			2,000,000				
Subtotal Misc	**2,000,000**	0	0	2,000,000	0	0	0	0
GRAND TOTAL:	7,232,000	1,132,000	1,160,000	2,830,000	0	0	1,900,000	210,000

CAPITAL IMPROVEMENT PROJECTS DETAIL CONTINUED

CAPITAL IMPROVEMENT PROJECTS
CIP ADOPTED BUDGET
FY 2016-2017

	Fiscal Year 2016-17							
	Project Totals	General Fund	Half Cent Sales Tax	Grants/ Other Funds	Impact Fees	Park Dev Fund	Water Ent Fund	WW Ent Fund
STREETS AND TRANSPORTATION								
Shell Beach Streetscape Phase I	0							
Shell Beach Overflow Parking	0							
Other ADA Improvements	250,000		250,000					
	0							
Subtotal Streets	**250,000**	0	250,000	0	0	0	0	0
PUBLIC BLDS & SUPPORT FACILITIES								
Happy Time Preschool Repairs	0							
Subtotal Public Facilities	**0**	0	0	0	0	0	0	0
DRAINAGE								
None	0							
Subtotal Drainage	**0**	0	0	0	0	0	0	0
BLUFF PROTECTION								
None	0							
Subtotal Bluff Protection	**0**	0	0	0	0	0	0	0
WATER ENTERPRISE FUND								
Abandon Wells 9 & 10	20,000						20,000	
Shell Beach Road Waterline Project	0							
Cypress Upgrade	245,000						245,000	
Subtotal Water Enterprise Fund	**265,000**	0	0	0	0	0	265,000	0
WASTEWATER ENTERPRISE FUND								
System Improvements	33,300							33,300
Clarifier Rehab	0							
Inflow/Infiltration	100,000							100,000
Shell Beach Vets Hall Grease Trap	0							
Subtotal Wastewater Enterprise Fund	**133,300**	0	0	0	0	0	0	133,300
PARKS								
None	0							
Subtotal Parks	**0**	0	0	0	0	0	0	0
MISCELLANEOUS PROJECTS								
Pier Maintenance - Piles and Caps	1,000,000		1,000,000					
Subtotal Misc	**1,000,000**	0	1,000,000	0	0	0	0	0
GRAND TOTAL:	1,648,300	0	1,250,000	0	0	0	265,000	133,300

Capital Improvement Projects

Accomplishments Prior Two-Year Budget:

- ✓ Street Paving – Phase 3 (In Progress)
- ✓ Heights Water System
- ✓ 2013 Striping Project
- ✓ Emergency Radio Tower Back Up Generators (3 locations)
- ✓ Halls Improvement Project
- ✓ City Hall, Police Dept. and Fire Dept. Carpet Project
- ✓ Chapman Estate ADA Improvements
- ✓ Price Canyon Road Slope Repair (In Progress)
- ✓ Price Canyon, Dell Ct. and Tulare St. Waterline Upgrade (In Progress)

Work Program Highlights for Next Two-Year Budget:

- Shell Beach Streetscape Phase I
- Shell Beach Overflow Parking
- Other ADA Improvements
- Five Cities Drive Improvements
- Happy Time Preschool Repairs
- Shell Beach Road Waterline Project
- Wastewater System Improvements
- Wastewater Clarifier Rehabilitation
- Wastewater Inflow/Infiltration
- Shell Beach Vets Hall Grease Trap
- Pier Maintenance and Repair

Capital Improvement Project Detail

Project Title:	**Shell Beach Streetscape**	**Category:**	**STREETS**
Account: Fund-Department/Division-Account No.	**301-432-56501-803**	**Project No.**	**803**

DESCRIPTION:

The City Council approved the Shell Beach Road Phase 1 Improvement Plan in 2009.The project area is located along Shell Beach Road between Cliff Ave (Dinosaur Caves Park) and Terrace Ave (Shell Beach Elementary). The overall project objectives are to design and construct the Shell Beach Road Streetscape– Phase 1 Project improvements that are consistent with previously prepared design concept plans (Shell Beach Road Streetscapes Phase 1 and the Pismo Beach Bicycle and Pedestrian Master Plan) approved by the City Council.

JUSTIFICATION:

The streetscape improvements shall revitalize the "village" of Shell Beach with upgrades to signage, street trees, lighting and sidewalks. In addition, the multiuse path will provide alternatives to driving, encourage health through walking and biking, create a sense of place, and generally improve social interaction.

OPERATING IMPACT:

CONCURRENCY (Included with another project):

CASH FLOW EXPENDITURES/ACTIVITY	FY 15/16	FY 16/17	FY 17/18	FY 18/19
Shell Beach Streetscape Phase I	2,040,000			
Total Expenditures:	$ 2,040,000	$ -	$ -	$ -

CASH FLOW FUNDING SOURCES	FY 15/16	FY 16/17	FY 17/18	FY 18/19
General Fund	900,000			
Half Cent Sales Tax	310,000			
Gas Tax	230,000			
Local Transportation Fund	600,000			
Total Funding:	$ 2,040,000	$ -	$ -	$ -

Capital Improvement Project Detail

Project Title:	**Shell Beach Overflow Parking**	**Category:**	**STREETS**
Account: Fund-Department/Division-Account No.	**301-432-56052-384**	**Project No.**	**384**

DESCRIPTION:

Parking lot to be acquired to assist with overflow parking.

JUSTIFICATION:

Requested by the City Manager.

OPERATING IMPACT:

CONCURRENCY (Included with another project):

CASH FLOW EXPENDITURES/ACTIVITY	FY 15/16	FY 16/17	FY 17/18	FY 18/19
Shell Beach Overflow Parking	600,000			
Total Expenditures:	$ 600,000	$ -	$ -	$ -

CASH FLOW FUNDING SOURCES	FY 15/16	FY 16/17	FY 17/18	FY 18/19
Half Cent Sales Tax	600,000			
Total Funding:	$ 600,000	$ -	$ -	$ -

Capital Improvement Project Detail

Project Title:	**Other ADA Improvements**	**Category:**	**STREETS**
Account: Fund-Department/Division-Account No.	**301-432-56051-139**	**Project No.**	**139**

DESCRIPTION:

Various improvements identified in the Disability Access Consultants Study, 2014.

JUSTIFICATION:

Pursuant to Federal Law and Council direction.

OPERATING IMPACT:

CONCURRENCY (Included with another project):

CASH FLOW EXPENDITURES/ACTIVITY	FY 15/16	FY 16/17	FY 17/18	FY 18/19
ADA Improvements	250,000			
Total Expenditures:	$ 250,000	$ -	$ -	$ -

CASH FLOW FUNDING SOURCES	FY 15/16	FY 16/17	FY 17/18	FY 18/19
Half Cent Sales Tax	250,000			
Total Funding:	$ 250,000	$ -	$ -	$ -

Capital Improvement Project Detail

Project Title:	**Five Cities Drive Signal Imp.**	**Category:**	**STREETS**
Account: Fund-Department/Division-Account No.	**301-499-56051-832**	**Project No.**	**832**

DESCRIPTION:

Making improvements to Five Cities Drive Traffic Signal. The project has been on the books. After consulting with Cal Trans, the additional costs for improvements is $182,000.

JUSTIFICATION:

Traffic safety issue at this intersection, therefore, a change in the traffic light flow is needed.

OPERATING IMPACT:

The work will be done by consultants and managed by City staff.

CONCURRENCY (Included with another project):

CASH FLOW EXPENDITURES/ACTIVITY	FY 15/16	FY 16/17	FY 17/18	FY 18/19
Five Cities Drive Signal Improvements	182,000			
Total Expenditures:	$ 182,000	$ -	$ -	$ -

CASH FLOW FUNDING SOURCES	FY 15/16	FY 16/17	FY 17/18	FY 18/19
General Fund	182,000			
Total Funding:	$ 182,000	$ -	$ -	$ -

Capital Improvement Project Detail

Project Title:	**Happy Time Preschool Repairs & Maintenance**	**Category:**	**PUBLIC BUILDINGS**
Account: Fund-Department/Division-Account No.	**100-191-52317-347**	**Project No.**	**347**

DESCRIPTION:

Repairs to Happy Time Preschool building, including structural repairs, electrical, heating, bathroom upgrades, roof, play area improvements, landscape repairs, plumbing, and other miscellaneous repairs to meet minimum state standards.

JUSTIFICATION:

Repairs are needed to maintain the building.

OPERATING IMPACT:

CONCURRENCY (Included with another project):

CASH FLOW EXPENDITURES/ACTIVITY	FY 15/16	FY 16/17	FY 17/18	FY 18/19
Happy Time Preschool Repair and Maintenance	50,000			
Total Expenditures:	$ 50,000	$ -	$ -	$ -

CASH FLOW FUNDING SOURCES	FY 15/16	FY 16/17	FY 17/18	FY 18/19
General Fund	50,000			
Total Funding:	$ 50,000	$ -	$ -	$ -

Capital Improvement Project Detail

Project Title:	**Abandon Wells No. 9 and No.10**	**Category:**	**WATER**
Account: Fund-Department/Division-Account No.	**515-442-56054-620**	**Project No.**	**620**

DESCRIPTION:

Decommisson and abandon wells No. 9 and 10 as the water pumped from these wells has become too corrosive to treat and use as a potable water source.

JUSTIFICATION:

Funding approved as part of the Water/Wastewater Rate Study (page 12), Tuckfield and Associates, 2012.

OPERATING IMPACT:

CONCURRENCY (Included with another project):

CASH FLOW EXPENDITURES/ACTIVITY	FY 15/16	FY 16/17	FY 17/18	FY 18/19
Abandon Wells No. 9 and No. 10		20,000		
Total Expenditures:	$ -	$ 20,000	$ -	$ -

CASH FLOW FUNDING SOURCES	FY 15/16	FY 16/17	FY 17/18	FY 18/19
Water Enterprise Fund		20,000		
Total Funding:	$ -	$ 20,000	$ -	$ -

Capital Improvement Project Detail

Project Title:	**Shell Beach Road Waterline**	**Category:**	**WATER**
Account: Fund-Department/Division-Account No.	**515-442-56054-515**	**Project No.**	**515**

DESCRIPTION:

Upgrade the small diameter water main in the Shell Beach Road waterline and replace with larger pipe to provide adequate fire flow .

JUSTIFICATION:

Project identified in the Water Master Plan, 2004, page 7-15. Funding approved as part of the Water/Wastewater Rate Study (page 12), Tuckfield and Associates, 2012.

CONCURRENCY (Included with another project):

CASH FLOW EXPENDITURES/ACTIVITY	FY 15/16	FY 16/17	FY 17/18	FY 18/19
Shell Beach Road Waterline Upgrade	1,900,000			
Total Expenditures:	$ 1,900,000	$ -	$ -	$ -

CASH FLOW FUNDING SOURCES	FY 15/16	FY 16/17	FY 17/18	FY 18/19
Water Enterprise Fund	1,900,000			
Total Funding:	$ 1,900,000	$ -	$ -	$ -

Capital Improvement Project Detail

Project Title:	**Cypress Water Line Upgrade**	**Category:**	**WATER**
Account: Fund-Department/Division-Account No.	**515-442-56054-956**	**Project No.**	**956**

DESCRIPTION:

Upgrade small diameter water main on Cypress between Wadsworth and San Luis.

JUSTIFICATION:

Project identified in the Water Master Plan, 2004, page 7-16. Funding approved as part of the Water/Wastewater Rate Study (page 12), Tuckfield and Associates, 2012.

OPERATING IMPACT:

CONCURRENCY (Included with another project):

CASH FLOW EXPENDITURES/ACTIVITY	FY 15/16	FY 16/17	FY 17/18	FY 18/19
Cypress Waterline Upgrade		245,000		
Total Expenditures:	$ -	$ 245,000	$ -	$ -

CASH FLOW FUNDING SOURCES	FY 15/16	FY 16/17	FY 17/18	FY 18/19
Water Construction Fund		245,000		
Total Funding:	$ -	$ 245,000	$ -	$ -

Capital Improvement Project Detail

Project Title:	**System Improvements**	**Category:**	**Wastewater**
Account: Fund-Department/Division-Account No.	**522-452-56011-706**	**Project No.**	**706**

DESCRIPTION:

The City of Pismo Beach's Wastewater treatment facility was built in 2006, and despite preventative maintenance, certain equipment needs rebuilding or replacing. Over the years, operators have identified improvements to the system.

JUSTIFICATION:

The rebuilding/replacement of existing equipment in a preventative manner minimizes downtime and avoids emergencies due to equipment failure. The improvements will not only ensure more consistent treatment, but will aid in equipment running more efficiently. Savings will mainly come in the form of reduced energy and chemical usage.

OPERATING IMPACT:

A proactive approach will assist in minimizing the impacts on City operations, as the City will be able to plan outages rather than failures dictating outages.

CONCURRENCY (Included with another project):

CASH FLOW EXPENDITURES/ACTIVITY	FY 15/16	FY 16/17	FY 17/18	FY 18/19
System Improvements		33,300	50,000	
Total Expenditures:	$ -	$ 33,300	$ 50,000	$ -

CASH FLOW FUNDING SOURCES	FY 15/16	FY 16/17	FY 17/18	FY 18/19
Wastewater Construction Fund		33,300	50,000	
Total Funding:	$ -	$ 33,300	$ 50,000	$ -

Capital Improvement Project Detail

Project Title:	**Clarifier Rehabilitation**	**Category:**	**Wastewater**
Account: Fund-Department/Division-Account No.	**522-452-56011-706**	**Project No.**	**706**

DESCRIPTION:

Clarifiers are an integral part of the wastewater process. They are exposed to the harsh environment created by wastewater and ocean air 24 hours a day 7 days a week. The center structure, walkway, motors and gear drives are all made of metal. The metal , over time, is prone to rust. If left untreated, eventually the metal will collapse and fail.

JUSTIFICATION:

In order to stop a complete failure of the clarifier portion of the process, the rust described above must be treated and the metal recoated. The fiscal impact of recoating compared to a complete rebuild is minimal.

OPERATING IMPACT:

The rehabilitation will occur in the 'off season' when flows are low and one clarifier can operate and compliance will be maintained with our NPDES permit.

CONCURRENCY (Included with another project):

CASH FLOW EXPENDITURES/ACTIVITY	FY 15/16	FY 16/17	FY 17/18	FY 18/19
Clarifier Rehabilitation	200,000			
Total Expenditures:	$ 200,000	$ -	$ -	$ -

CASH FLOW FUNDING SOURCES	FY 15/16	FY 16/17	FY 17/18	FY 18/19
Wastewater Construction Fund	200,000			
Total Funding:	$ 200,000	$ -	$ -	$ -

Capital Improvement Project Detail

Project Title:	**Inflow and Infiltration**	**Category:**	**Wastewater**
Account: Fund-Department/Division-Account No.	**522-452-56011-937**	**Project No.**	**937**

DESCRIPTION:

The oldest parts of the wastewater collection system were built in 1950. Over time, the ground shifts, vegetation grows and the pipes crack or become separated. During rain events the ground becomes saturated and the water and soil enter the collection system, increasing flow to the plant as well as bringing in unwanted grit/soil.

JUSTIFICATION:

Increasing inflow and infiltration in the system causes increased pumping in the collection system and increased flow into the plant. This leads to increased energy usage as well as a decrease in the plant's ability to treat effluent efficiently. The grit/soil causes excess wear on the pumps and can combine with other debris to cause sewer overflows.

OPERATING IMPACT:

Minimal operating impact during construction.

CONCURRENCY (Included with another project):

CASH FLOW EXPENDITURES/ACTIVITY	FY 15/16	FY 16/17	FY 17/18	FY 18/19
Inflow and Infiltration	-	100,000		
Total Expenditures:	$ -	$ 100,000	$ -	$ -

CASH FLOW FUNDING SOURCES	FY 15/16	FY 16/17	FY 17/18	FY 18/19
Wastewater Construction Fund	-	100,000		
Total Funding:	$ -	$ 100,000	$ -	$ -

Capital Improvement Project Detail

Project Title:	**Shell Beach Grease Trap**	**Category:**	**Wastewater**
Account: Fund-Department/Division-Account No.	**522-452-52317-719**	**Project No.**	**719**

DESCRIPTION:

The Shell Beach Vets Hall is used to prepare food. Currently, it does not have a grease trap, a requirement for all restaurants in the City of Pismo Beach.

JUSTIFICATION:

Grease traps are a form of pretreatment and assist in eliminating sanitary sewer overflows. Installing a grease trap at the Shell Beach Vets Hall will prevent oil and grease from the Vets Hall kitchen from entering the City of Pismo Beach's sewer system.

OPERATING IMPACT:

This work will be performed during non-use time and should have no operating impact.

CONCURRENCY (Included with another project):

CASH FLOW EXPENDITURES/ACTIVITY	FY 15/16	FY 16/17	FY 17/18	FY 18/19
Shell Beach Grease Trap	10,000			
Total Expenditures:	$ 10,000	$ -	$ -	$ -

CASH FLOW FUNDING SOURCES	FY 15/16	FY 16/17	FY 17/18	FY 18/19
Wastewater Construction Fund	10,000			
Total Funding:	$ 10,000	$ -	$ -	$ -

Capital Improvement Project Detail

Project Title:	**Pier Project**	**Category:**	**MISC.**
Account: Fund-Department/Division-Account No.	**541-462-56068-410**	**Project No.**	**410**

DESCRIPTION:

Pier Maintenance Project including reconstruction of the timber piles in zone from Bent 34 to Bent 50 and cleaning and recoating the steel pipe caps from Bent 51 to the offshore end of the pier.

JUSTIFICATION:

The piles in the area from Bent 34 to Bent 50 are the oldest and most deteriorated and there are several broken stringers. Additionally, many of the timber stringers had been flipped and reused during a previous repair cycle. Given the age and condition, a full reconstruction of this zone is recommended. The steel pile caps from Bent 51 to the offshore end are corroded with section loss of up 35% in some areas. It is a recommendation that the City clean and recoat the tops of the piles, pile caps, and associated steel structural elements. This will involve installation of scaffolding and tenting to catch the blast media and debris as well as to contain the spray from the recoating process.

OPERATING IMPACT:

Work will be done by a consultant and contractor.

CONCURRENCY (Included with another project):

CASH FLOW EXPENDITURES/ACTIVITY	FY 15/16	FY 16/17	FY 17/18	FY 18/19
Pile Reconstruction	1,450,000	500,000		
Cap Recoating	550,000	500,000		
Total Expenditures:	$ 2,000,000	$ 1,000,000	$ -	$ -

CASH FLOW FUNDING SOURCES	FY 15/16	FY 16/17	FY 17/18	FY 18/19
General Fund	2,000,000			
Half Cent Sales Tax Fund		1,000,000		
Total Funding:	$ 2,000,000	$ 1,000,000	$ -	$ -

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ENTERPRISE AND RELATED FUNDS

WATER ENTERPRISE
COMBINING WATER FUNDS

Water Funds
Adopted Budget

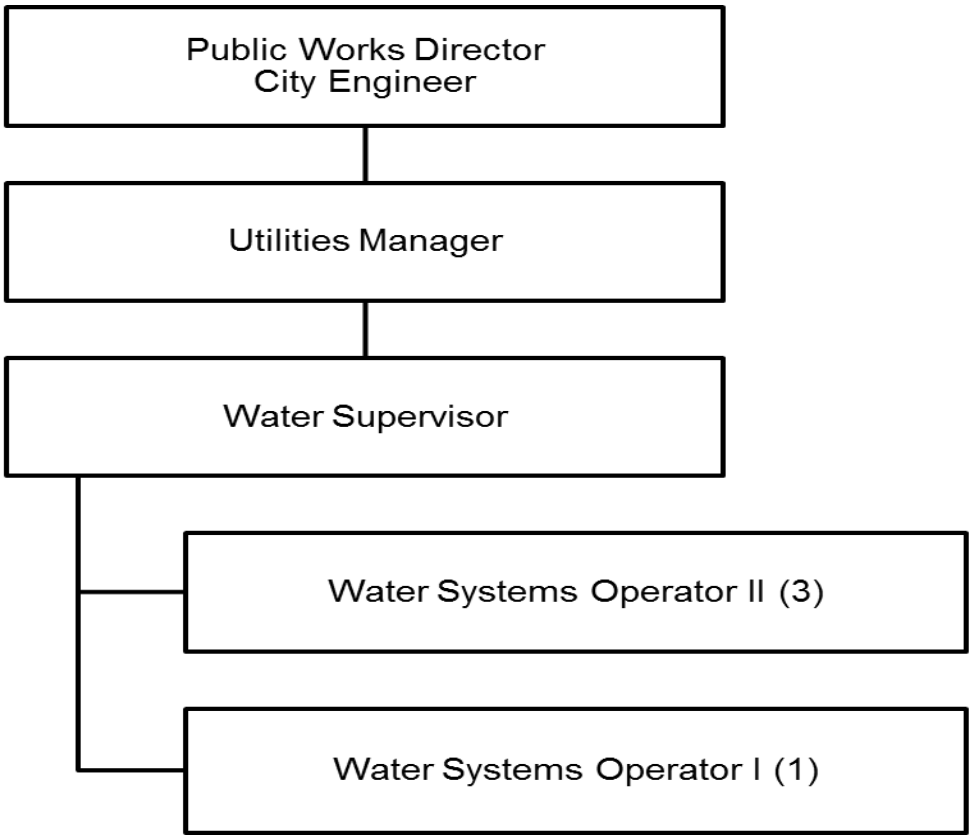
FY 2015-16

	Water Operations & Billing	Special Water Tax	Water Construction	Water Expansion	Total
Net working capital 07/01/15	$ 3,439,000	$ 1,096,000	$ 432,000	$ 497,836	$ 5,464,836
Revenues					
Water Sales & Service Charges	3,400,000				$ 3,400,000
Special Tax Fund/Interest		1,360,000	1,500		$ 1,361,500
Gragg Valley Ranch Contribution		139,399			$ 139,399
Transfer In From Water Fund		545,000	1,950,000		$ 2,495,000
Other Revenues	69,000	50,000			$ 119,000
TOTAL REVENUE	3,469,000	2,094,399	1,951,500	-	7,514,899
Expenditures					
Billing	114,982				$ 114,982
Operations	1,656,503		-		$ 1,656,503
State Water	173,632	1,234,709			$ 1,408,341
Lopez Water	745,805	484,888			$ 1,230,693
Capital Projects	1,900,000		1,900,000		$ 3,800,000
Work Plan Budget Requests	203,939				$ 203,939
Set Aside for Reserve	50,000		50,000		$ 100,000
Transfer Out to Water Tax Fund	545,000				$ 545,000
TOTAL EXPENDITURES	5,389,861	1,719,597	1,950,000	-	9,059,458
Net Income/(Loss) from Operations	(1,920,861)	374,802	1,500	-	(1,544,559)
Estimated Net working capital 6/30/2016	$ 1,518,139	$ 1,470,802	$ 433,500	$ 497,836	$ 3,920,277

FY 2016-17

	Water Operations & Billing	Special Water Tax	Water Construction	Water Expansion	Total
Net working capital 07/01/2016	$ 1,518,139	$ 1,470,802	$ 433,500	$ 497,836	$ 3,920,277
Revenues					
Water Sales & Service Charges	3,500,000				$ 3,500,000
Special Tax Fund/Interest		1,400,800	1,500		$ 1,402,300
Gragg Valley Ranch Contribution		139,399			$ 139,399
Transfer In From Water Fund		545,000	150,000		$ 695,000
Other Revenues	69,000	50,000			$ 119,000
TOTAL REVENUE	3,569,000	2,135,199	151,500	-	5,855,699
Expenditures					
Billing	118,724				$ 118,724
Operations	1,710,158		-		$ 1,710,158
State Water	179,150	1,234,709			$ 1,413,859
Lopez Water	745,805	484,888			$ 1,230,693
Capital Projects	20,000		265,000		$ 285,000
Work Plan Budget Requests	199,724				$ 199,724
Set Aside for Reserve	130,000		130,000		$ 260,000
Transfer Out to Water Tax Fund	545,000				$ 545,000
TOTAL EXPENDITURES	3,648,561	1,719,597	395,000	-	5,763,158
Net Income/(Loss) from Operations	(79,561)	415,602	(243,500)	-	92,541
Esitmated Net working capital 06/30/2017	$ 1,438,578	$ 1,886,404	$ 190,000	$ 497,836	$ 4,012,818

Water Enterprise Fund



CLASSIFICATION	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17
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 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Salaries & Benefits	591,111	583,450	620,964	679,970	692,360	20%
Operations & Maintenance	979,292	1,041,007	857,701	1,061,082	1,105,787	32%
Capital Outlay	0	231	33,855	76,620	67,720	2%
Other Exps. & Fin. Use	(744,345)	0	240,000	0	0	0%
Operating Transfers	325,803	594,114	586,631	587,770	609,015	18%
Total City Water Expenditures	**$1,151,861**	**$2,218,802**	**$2,339,151**	**$2,405,442**	**$2,474,882**	**72%**

	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Water - Lopez	680,633	638,419	683,157	745,805	745,805	22%
Water - State	25,773	109,479	35,717	173,632	179,150	5%
Total Lopez & State Water Expenditures	**$706,406**	**$747,898**	**$718,874**	**$919,437**	**$924,955**	**28%**

Total Water Enterprise Fund Expenditures	**$1,858,267**	**$2,966,700**	**$3,058,025**	**$3,324,879**	**$3,399,837**	**100%**

Water Division

Accomplishments Prior Two-Year Budget:

- ✓ Northern Cities Management Area (NCMA) Studies
- ✓ Heights Water System waterline upgrade and new reservoir
- ✓ Price Canyon, Dell Ct. and Tulare St. waterline upgrade

Work Program Highlights for Next Two-Year Budget:

- Shell Beach Road Waterline Upgrade (part of Shell Beach Streetscape Project)
- Bello Street and Wadsworth Ave waterline upgrade
- Reservoir replacement – Shell Beach 1, OSHA upgrades at all other reservoirs
- Booster station Variable Frequency Drives
- Shell Beach Reservoir Replacement
- Abandon Wells 9 & 10
- Cypress Upgrade
- Water Operations equipment
- Sustainable Water Supply through various studies
    - NCMA Strategic Plan
    - NCMA Support Services
    - Urban Water Management Plan
    - Water Master Plan Update

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 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Salaries & Benefits	52,436	45,281	42,528	46,773	47,011	41%
Operations & Maintenance	58,924	57,426	78,759	71,318	71,713	62%
Operating Transfers	0	2,178	88,267	(3,409)	0	-3%
Totals	**$111,361**	**$104,885**	**$209,554**	**$114,682**	**$118,724**	**100%**

WATER BILLING STAFF:

CLASSIFICATION	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17
Accounting Technician	0.67	0.50	0.50	0.50	0.50
Total Department Staff	**0.67**	**0.50**	**0.50**	**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 $180.00 per EDU (Equivalent Dwelling Unit) for fiscal year 2014-2015. 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 ACTIVITY EXPENDITURES:

WATER TAX FUND EXPENDITURES:	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Water-Lopez	576,558	517,792	493,364	484,888	484,888	28%
Water-State	1,180,228	1,232,766	1,341,283	1,095,310	1,095,310	64%
Water - Gragg Portion	143,547	150,243	170,704	139,399	139,399	8%
Total Water Tax Fund Expenditures	**$1,900,334**	**$1,900,801**	**$2,005,351**	**$1,719,597**	**$1,719,597**	**100%**

WATER CONSTRUCTION FUND

Activity Description

The Water Construction Fund was created per Resolution No. R-2013-060, per the 2013 Water Rate Study, to capture the sources and uses of funds related to construction of the City's water system capital improvement program, separate from the normal operations of the water system. The City created the fund in July 2014. Beginning in FY 2014-15, all water construction projects are tracked in this fund.

WATER CONSTRUCTION FUND EXPENDITURES:

WATER CONSTRUCTION	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Water Construction	0	418,762	1,857,754	1,950,000	395,000	100%
Totals - Water Construction	**$0**	**$418,762**	**$1,857,754**	**$1,950,000**	**$395,000**	**100%**

WASTEWATER ENTERPRISE

COMBINING WASTEWATER FUNDS

Wastewater Funds
Adopted Budget

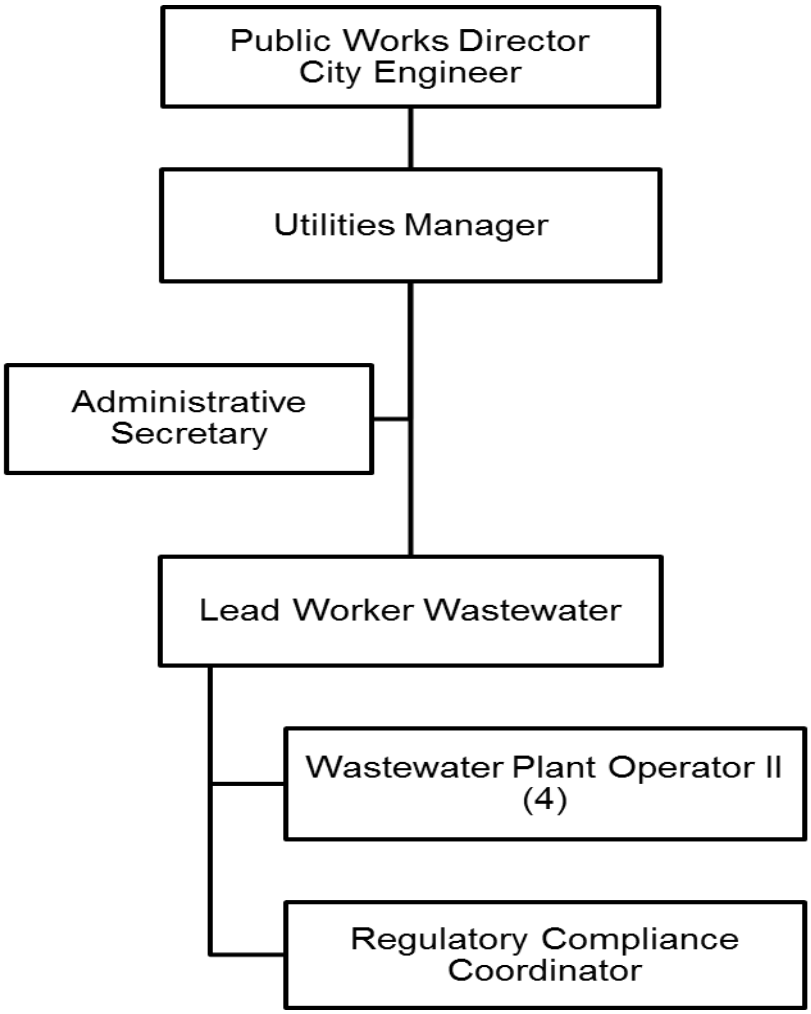
FY 2015-16

	Wastewater Operations & Billing	Wastewater Construction	Wastewater Expansion	Total
Net working capital 7/1/15	$ 379,429	$ 676,171	$ 1,420,050	$ 2,475,650
Revenues				
Wastewater Charges/Reimbursements	4,000,000			4,000,000
Interest Earnings	3,000	3,000	1,300	7,300
Building Permits			20,000	20,000
Transfers In from WW Fund		111,000	-	111,000
TOTAL REVENUE	4,003,000	114,000	21,300	4,138,300
Expenditures				
Billing	75,367			75,367
Operations	2,421,768		327	2,422,095
Debt Service	1,055,601			1,055,601
Capital Projects	-	210,000		210,000
Work Plan Budget Requests	3,475			3,475
Set Aside for Reserve	111,000	111,000		222,000
TOTAL EXPENDITURES	3,667,211	321,000	327	3,988,538
Net Income/(Loss) from Operations	335,789	(207,000)	20,973	149,762
Estimated Net working capital 6/30/2016	$ 715,218	$ 469,171	$ 1,441,023	$ 2,625,412

FY 2016-17

	Wastewater Operations & Billing	Wastewater Construction	Wastewater Expansion	Total
Net working capital 7/1/16	$ 715,218	$ 469,171	$ 1,441,023	$ 2,625,412
Revenues				
Wastewater Charges/Reimbursements	4,200,000			4,200,000
Interest Earnings	3,000	3,000	1,300	7,300
Building Permits			20,000	20,000
Transfers In from WW Fund		111,000	-	111,000
TOTAL REVENUE	4,203,000	114,000	21,300	4,338,300
Expenditures				
Billing	77,509			77,509
Operations	2,500,123		368	2,500,491
Debt Service	1,058,574			1,058,574
Capital Projects	-	133,300		133,300
Work Plan Budget Requests	3,044			3,044
Set Aside for Reserve	111,000	111,000		222,000
TOTAL EXPENDITURES	3,750,250	244,300	368	3,994,918
Net Income/(Loss) from Operations	452,750	(130,300)	20,932	343,382
Estimated Net working capital 6/30/2017	$ 1,167,968	$ 338,871	$ 1,461,955	$ 2,968,794

Wastewater



CLASSIFICATION	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17
Utilities Manager	0	0	0	1	1
Wastewater Supervisor	1	1	1	0	0
Wastewater Plant Operator/Mechanic	1	0	0	0	0
Wastewater II Operators	3	5	5	4	4
Wastewater I Operators	1	0	0	0	0
Regulatory Compliance	1	1	1	1	1
Administrative Secretary	0	0	0	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 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Salaries & Benefits	787,679	784,773	856,364	867,774	886,598	24%
Operations & Maintenance	1,697,541	1,660,669	1,247,643	1,470,787	1,530,253	41%
Capital Outlay	0	20,853	286,012	42,000	40,800	1%
Other Exps.& Fin. Use	(55,539)	0	0	0	0	0%
Operating Transfers	28,869	36,813	54,535	44,682	45,516	1%
Debt Service	1,017,742	1,017,012	1,055,877	1,055,601	1,058,574	29%
Totals - Wastewater Operations	**$3,476,292**	**$3,520,120**	**$3,500,431**	**$3,480,844**	**$3,561,741**	**97%**

	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Wastewater Construction	154,851	1,870,008	1,590,942	111,000	111,000	3%
Total Wastewater Constuction	**$154,851**	**$1,870,008**	**$1,590,942**	**$111,000**	**$111,000**	**3%**

Total Wastewater Operations and Construction	**$3,631,143**	**$5,390,129**	**$5,091,373**	**$3,591,844**	**$3,672,741**	**100%**

Wastewater Enterprise Fund

Accomplishments Prior Two-Year Budget:

- ✓ Bar Screen Replacement
- ✓ Five Cities Lift Station Design
- ✓ Solids Handling Design

Work Program Highlights for Next Two-Year Budget:

- Construction of Five Cities lift station replacement
- Freeway Foothills lift station upgrade
- Spyglass lift station upgrade
- PG&E lift station standby generator
- Hot spot repairs
- Clarifier Rehab
- Inflow/Infiltration
- Shell Beach Vets Hall Grease Trap
- Wastewater Fund System Improvements

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 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Salaries & Benefits	25,935	36,194	41,877	46,873	47,111	62%
Operations & Maintenance	22,459	21,870	37,544	30,303	30,398	40%
Operating Transfers	0	2,887	69,330	(1,809)	0	-2%
Totals	**$48,394**	**$60,952**	**$148,751**	**$75,367**	**$77,509**	**100%**

WASTEWATER BILLING STAFF:

CLASSIFICATION	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17
Accounting Technician	0.33	0.50	0.50	0.50	0.50
Total Department Staff	**0.33**	**0.50**	**0.50**	**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. In FY 2014-15, all Wastewater Impact Fees were transferred to this fund, per the recommendation of the 2013 Fee Study and the City's auditor.

WASTEWATER EXPANSION FUND EXPENDITURES:

WASTEWATER EXPANSION	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Operations and Maintenance	633	707	721	327	368	100%
Operating Transfers	92,773	590,000	0	0	0	0%
Totals	**$633**	**$707**	**$721**	**$327**	**$368**	**100%**

WASTEWATER CONSTRUCTION FUND

Activity Description

The Wastewater Construction Fund was created per Resolution No. R-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. Beginning in FY 2013-14, all wastewater construction projects are tracked in this fund.

WASTEWATER CONSTRUCTION FUND EXPENDITURES:

WASTEWATER CONSTRUCTION	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Wastewater Construction	521,743	112,093	7,435,385	321,000	244,300	100%
Totals - Wastewater Construction	**$521,743**	**$112,093**	**$7,435,385**	**$321,000**	**$244,300**	**100%**

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 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Operations & Maintenance	91,200	80,407	120,065	43,800	43,800	2%
Capital Outlay	0	0	257,215	2,000,000	1,000,000	98%
Totals	**$91,200**	**$80,407**	**$377,280**	**$2,043,800**	**$1,043,800**	**100%**

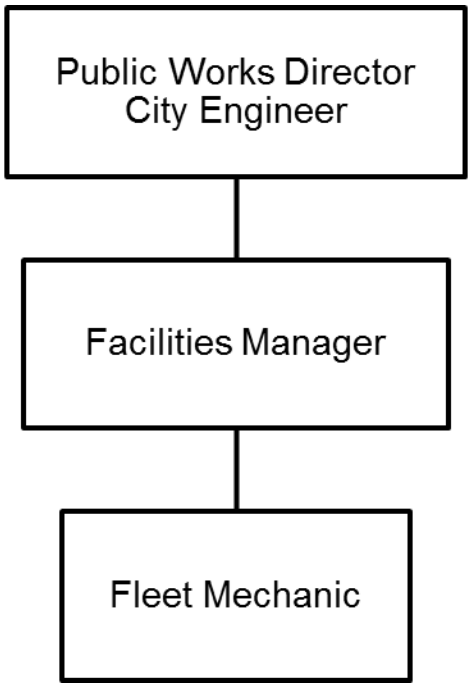
Accomplishments Prior Two-Year Budget:

- ✓ Pier Inspection

Work Program Highlights for Next Two-Year Budget:

- Pier Reconstruction Zone 4 (Bents 34 – 52)
- Pier Utilities Repairs

MOTOR VEHICLE OPERATIONS & REPLACEMENT FUND



CLASSIFICATION	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17
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 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Salaries & Benefits	98,256	101,083	102,846	103,934	104,725	15%
Operations & Maintenance	355,660	333,071	345,135	363,414	363,836	54%
Capital Outlay	0	0	75,000	0	0	0%
Other Exps.& Fin. Use	0	0	0	0	0	0%
Total Motor Vehicle Operations	**$453,916**	**$434,154**	**$522,981**	**$467,348**	**$468,561**	**69%**

MOTOR VEHICLE REPLACEMENTS	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Operations & Maintenance	205,296	260,840	0	0	0	0%
Capital Outlay	6,245	0	507,071	209,400	875,910	31%
Operating Transfers	0	0	0	0	0	0%
Total Motor Vehicle Replacement	**$211,541**	**$260,840**	**$507,071**	**$209,400**	**$875,910**	**31%**

Total MV Operations & Replacement	**$665,458**	**$694,994**	**$1,030,052**	**$676,748**	**$1,344,471**	**100%**

Motor Vehicle Repairs Division

Accomplishments Prior Two-Year Budget:

- ✓ Purchase replacement vehicles as adopted by City Council
- ✓ Develop 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

Parking Enterprise Fund
Adopted Budget

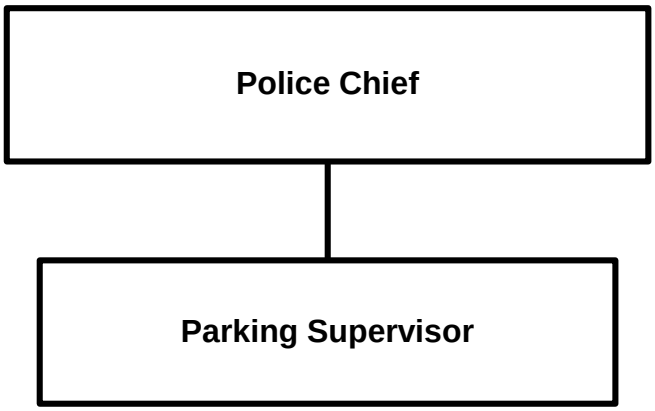
FY 2015-16

		Parking Enterprise Fund
Net Working Capital 7/1/2015	$	1,778,550
Revenues		
Kiosk Revenues		440,000
Parking Citations		100,000
Parking Permits		1,000
Interest		2,000
Total Revenue		543,000
Expenditures		
Salaries & Benefits		183,077
Materials & Services		218,942
Work Plan Budget Requests		31,762
Total Expenditures		433,781
Net Income/(Loss) from Operations		109,219
Estimated ending Net Working Capital 06/30/16	$	1,887,769

FY 2016-17

Net Working Capital 7/1/2016	$	1,887,769
Revenues		
Kiosk Revenues		440,000
Parking Citations		100,000
Parking Permits		1,000
Interest		2,000
Total Revenue		543,000
Expenditures		
Salaries & Benefits		184,448
Materials & Services		230,096
Work Plan Budget Requests		1,045
Total Expenditures		415,589
Net Income/(Loss) from Operations		127,411
Estimated ending Net Working Capital 06/30/17	$	2,015,180

PARKING ENTERPRISE FUND



CLASSIFICATION	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17
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 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Operations & Maintenance	154,439	158,949	171,619	183,076	184,447	42%
Capital Outlay	128,280	170,884	342,623	249,882	231,141	58%
Debt Service	0	0	0	0	0	0%
Other Exps.& Fin. Use	78,000	0	0	0	0	0%
Operating Transfers	6	371	18,168	822	0	0%
Totals	**$360,725**	**$330,204**	**$532,410**	**$433,780**	**$415,588**	**100%**

Parking Division

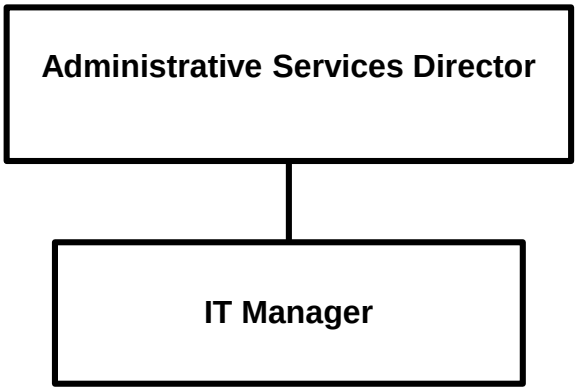
Accomplishments Prior Two-Year Budget:

- ✓ Obtained Approval for a Rate reduction for the Weekly Pismo Beach Chamber of Commerce Farmers Market
- ✓ Obtained Approval for the Suspension of Parking Enforcement in the Wolosz Parking Until 1:00 pm on Sundays at the request of a local church with limited on-site parking.
- ✓ Continued staffing the Parking Advisory Committee Meetings
- ✓ Participated in the review of parking for the adopted hotel at 601 Cypress Street

Work Program Highlights for Next Two-Year Budget:

- Evaluate expansion of paid parking boundary in the downtown.
- Evaluate parking on Price Street for expansion of median parking, timed parking, or paid parking
- In conjunction with Planning - Complete Assessment of Downtown Parking Options, including a Parking Structure and the Development of a Pier Plaza Plan
- Finalize a Parking Management Plan for Downtown
- Obtain a Full Complement of Parking Compliance Staff
- Evaluate Role of Parking Compliance Staff and Potential for Staff Serving as Downtown Liaisons
- Evaluate employee parking for downtown employers

TECHNOLOGY SERVICES FUND



CLASSIFICATION	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17
IT Manager	0	1	1	1	1
Total Department Staff	**0**	**1**	**1**	**1**	**1**

Activity Description

The Technology Service Fund is an internal service fund. This division is part of the Administrative Services Department and is responsible for Information Systems Implementation and Management. Responsibilities include information security, monitoring contracted information technology (IT) services, overseeing IT infrastructure (data, telecommunications, radio), managing technology projects and supporting all technology initiatives.

TECHNOLOGY SERVICE FUND EXPENSES:

TECHNOLOGY SERVICES	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Operations & Maintenance	0	14,874	122,400	119,930	130,101	20%
Capital Outlay	0	18,987	922,717	476,136	408,536	78%
Debt Service	0	0	11,454	18,000	18,000	3%
Other Exps.& Fin. Use	0	0	0	0	0	0%
Total Technology Services	**$0**	**$33,861**	**$1,056,571**	**$614,066**	**$556,637**	**100%**

Technology Service Fund
Information Technology Division

Accomplishments Prior Two-Year Budget:

- ✓ The Department worked with an outside consultant and key staff City-wide to develop and begin implementation of a Five-Year Information Technology Strategic Plan.
- ✓ Completed an upgrade of the City's website that includes an automatic mobile version for smart phones and tablets.
- ✓ Completed server and security assessments to ensure the reliability and integrity of the City's IT systems.
- ✓ Completed virtualization project for both City Hall and Police, providing increased uptime, reliability and resiliency to hardware failures.
- ✓ Implemented a new citizen engagement tool (PublicStuff) that increased the ability of staff to directly interact with citizens and provided a mobile app to connect with citizens.

Work Program Highlights for Next Two-Year Budget:

- Continue to implement the City's Five-Year Information Technology Strategic Plan and IT Assessment recommendations.
- Implement a new integrated financial system to replace the current technologically antiquated system.
- Move to a hosted email system to decrease costs, simplify the City's network and increase data security.
- Install additional Internet connections for City Hall and Police that will decrease the City's reliance on a single Internet provider, increase uptime and increase the reliability of IT systems.
- Provide for annual Computer Workstation Replacements
- Provide Data Cabling Maintenance & Repair
- Provide GIS Parcel Data for Planning & Engineering
- Provide IT Security Test
- Provide Microsoft Software Standardization and Compliance
- Implement Radio System Site Notifications
- IT Trainings and Knowledge Base

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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 2015-16

		Half Cent Sales Tax Fund
Net Working Capital 7/1/2015	$	213,305
Revenues		
Transfers from Other Funds		1,442,964
Total Revenue		1,442,964
Expenditures		
Operating Transfers		-
Deappropriations - CIP		(303,699)
Work Plan Requests - CIP		1,160,000
Total Expenditures		856,301
Net Income/(Loss) from Operations		586,663
Estimated ending Net Working Capital 06/30/16	$	799,968

FY 2016-17

Net Working Capital 7/1/2016	$	799,968
Revenues		
Transfers from Other Funds		1,453,641
Total Revenue		1,453,641
Expenditures		
Operating Transfers		-
Work Plan Requests		1,250,000
Total Expenditures		1,250,000
Net Income/(Loss) from Operations		203,641
Estimated ending Net Working Capital 06/30/17	$	1,003,609

Half Cent Sales Tax Fund

Activity Description

The voters in Pismo Beach approved Measure "C", 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 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 first local measure included a six and one half year sunset clause, and expired on March 31, 2015. On November 4, 2014, the voters again approved another Measure, Measure "I", the .50% transactions sales and use tax to be effective April 1, 2015. The second local measure includes a twelve year sunset clause, and will expire on March 31, 2027. The adopted two year budget provides 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 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Interest	4,769	3,481	-	3,500	3,500	0.24%
Mark to Mkt Gain/Loss	(6,688)	407	-	-	-	0%
Transfers In From Gen	1,316,852	1,342,910	1,567,000	1,439,464	1,450,141	100%
Total Fund Revenue	**$1,314,933**	**$1,346,798**	**$1,567,000**	**$1,442,964**	**$1,453,641**	**100%**

FUND EXPENSES HALF CENT SALES TAX FUND:	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Operating Transfers	2,040,251	216,843	4,059,245	856,301	1,250,000	0%
Total Fund Expenses	**$2,040,251**	**$216,843**	**$4,059,245**	**$856,301**	**$1,250,000**	**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 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Gas Tax 2103	61,889	126,918	123,367	43,240	43,240	22%
Gas Tax 2105	34,707	61,748	40,717	49,797	49,797	26%
Gas Tax 2106	36,221	43,490	31,792	30,470	30,470	16%
Gas Tax 2107	57,562	67,073	60,621	68,427	68,427	35%
Gas Tax 2107.5	-	4,000	2,000	2,000	2,000	1%
Interest	697	645	-	-	-	0%
Mark to Mkt Gain/Loss	(492)	14	-	-	-	0%
Total Fund Revenue	**$190,584**	**$303,888**	**$258,497**	**$193,934**	**193,934**	**100%**

FUND EXPENSES GAS TAX FUND:	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Operating Transfers	140,000	171,052	412,159	370,000	140,000	100%
Total Fund Expenses	**$140,000**	**$171,052**	**$412,159**	**$370,000**	**$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 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Interest	4	2	0	0	0	0%
TDA Subsidized Tax	6,500	8,100	8,105	18,000	18,000	100%
Dial A Ride	0	0	0	0	0	0%
Mark to Mkt Gain/Loss	(9)	0	0	0	0	0%
Total Fund Revenue	**$6,495**	**$8,102**	**$8,105**	**$18,000**	**$18,000**	**100%**

FUND EXPENSES LOCAL TRANSIT FUND:	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Operations & Maintenance	8,746	10,762	8,104	10,593	10,667	100%
Total Fund Expenses	**$8,746**	**$10,762**	**$8,104**	**$10,593**	**$10,667**	**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 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Interest	560	632	-	-	-	0%
State Government Grants	25,767	-	-	-	-	0%
Local Transportation Tax	78,889	192,815	78,000	197,025	197,025	95%
LTF - Bikepaths	5,688	7,270	5,000	8,019	8,019	4%
Misc Revenue	2,500	5,000	1,000	2,500	2,500	1%
Mark to Mkt Gain/Loss	(572)	73	-	-	-	0%
Total Fund Revenue	**$112,832**	**$205,790**	**$84,000**	**$207,544**	**$207,544**	**100%**

FUND EXPENSES LTF FUND:	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Operations & Maintenance	54,390	14,902	15,181	1,443	1,499	0%
Operating Transfers	510	-	201,143	600,000	0	0%
Total Fund Expenses	**$54,900**	**$14,902**	**$216,324**	**$601,443**	**$1,499**	**0%**

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 PEG FUND:	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
PEG Fees - Charter Comm	31,845	13,626	15,000	0	0	0%
Interest	194	192	0	0	0	0%
Mark to Mkt Gain/Loss	(140)	4	0	0	0	0%
Total Fund Revenue	**$31,899**	**$13,822**	**$15,000**	**$0**	**$0**	**0%**

FUND EXPENSES PEG FUND:	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Operations & Maintenance	0	2,311	20,500	0	0	0%
Capital Outlay	0	3,016	13,484	0	0	0%
Total Fund Expenses	**$0**	**$5,327**	**$33,984**	**$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. In FY 2014-15, the Water and Sewer Impact Fees for Impact Fee projects were transferred to the Water Expansion Fund and the Wastewater Expansion Fund.

FUND REVENUE IMPACT FEE FUND:	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Interest	3,585	2,706	3,000	3,000	3,000	100%
Mark to Mkt Gain/Loss	(3,261)	14	0	0	0	0%
Impact Fee Districts	66,083	233,771	0	0	0	0%
Transfers In	0	0	0	0	0	0%
Total Fund Revenue	**$66,407**	**$236,491**	**$3,000**	**$3,000**	**$3,000**	**100%**

FUND EXPENSES IMPACT FEE FUND:	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Operating Transfers	0	126	564,874	0	0	0%
Operations & Maintenance	1,000	1,000	1,000	933	1,050	100%
Total Fund Expenses	**$1,000**	**$1,126**	**$565,874**	**$933**	**$1,050**	**100%**

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 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Interest	338	285	0	0	0	0%
Mark to Mkt Gain/Loss	(88)	(10)	0	0	0	0%
Total Fund Revenue	**$250**	**$275**	**$0**	**$0**	**$0**	**0%**

FUND EXPENSES DEVELOPER IMPACT FEE FUND:	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
						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 and increase each fiscal year by 5%.

FUND REVENUE PARK DEVELOPMENT FUND:	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Subdivision Fees	8,712	538,068	25,000	10,000	10,000	33%
Interest	682	975	0	0	0	0%
Park Development Fee	21,230	75,942	85,000	20,000	20,000	67%
Mark to Mkt Gain/Loss	(1,218)	280	0	0	0	0%
Donations - Miscel	0	0	0	0	0	0%
Total Fund Revenue	**$29,406**	**$615,265**	**$110,000**	**$30,000**	**$30,000**	**100%**

FUND EXPENSES PARK DEVELOPMENT FUND:	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Operations & Maintenance	1,000	1,000	1,000	3,253	3,660	53%
Capital Outlay	0	0	356,345	(6,345)	0	0%
Other Exps.& Fin. Use	4,421	725	367,027	3,240	3,240	47%
Operating Transfers	46,199	0	60,000	(5,000)	0	0%
Total Fund Expenses	**$51,620**	**$1,725**	**$784,372**	**($4,852)**	**$6,900**	**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 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Use of Money & Property	292	120	0	0	0	0%
State Government Grant	100,000	100,000	100,000	100,000	100,000	100%
Other Revenue	(324)	(40)	0	0	0	0%
Total Fund Revenue	**$99,968**	**$100,080**	**$100,000**	**$100,000**	**$100,000**	**100%**

FUND EXPENSES POLICE GRANT FUND:	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Operating Transfers	143,263	124,132	100,000	136,400	100,000	100%
Total Fund Expenses	**$143,263**	**$124,132**	**$100,000**	**$136,400**	**$100,000**	**100%**

LODGING BUSINESS IMPROVEMENT DISTRICT ("LBID") FUND

LBID Fund Balance

LBID Fund
Adopted Budget

FY 2015-16

		LBID Fund
Net Working Capital 7/1/2015	$	125,371
Revenues		
LBID Assessment		874,933
Total Revenue		874,933
Expenditures		
Salaries & Benefits		32,472
Operations & Maintenance		731,101
Work Plan Budget Request		25,000
Total Expenditures		788,573
Net Income/(Loss) from Operations		86,360
Estimated ending Net Working Capital 06/30/16	$	211,731

FY 2016-17

Net Working Capital 7/1/2016	$	211,731
Revenues		
LBID Assessment		900,000
Total Revenue		900,000
Expenditures		
Salaries & Benefits		32,472
Operations & Maintenance		722,918
Total Expenditures		755,390
Net Income/(Loss) from Operations		144,610
Estimated ending Net Working Capital 06/30/17	$	356,341

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 2016 and FY 2017 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 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
LBID Assessment	728,223	798,309	805,800	874,933	900,000	100%
Interest	787	667	0	0	0	0%
Mark to Mkt Gain/Loss	(449)	15	0	0	0	0%
Misc-Prior Period	0	317	0	0	0	0%
Total Fund Revenue	**$728,612**	**$799,346**	**$805,800**	**$874,933**	**$900,000**	**100%**

FUND EXPENSES LBID FUND:	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Salaries & Benefits	24,960	22,893	52,472	32,472	32,472	4%
Operations & Maintenance	525,711	604,543	744,137	741,101	722,918	94%
Other Exps.& Fin. Use	0	99,223	285,000	15,000	0	2%
Total Fund Expenses	**$550,671**	**$726,659**	**$1,081,609**	**$788,573**	**$755,390**	**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 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Housing In Lieu Fee	5,507	66,410	20,000	20,000	20,000	93%
Interest	289	1,642	0	1,600	1,600	7%
Misc Revenue	0	570,409	0	0	0	0%
Mark to Mkt Gain/Loss	(561)	489	0	0	0	0%
Misc-Prior Period	0	0	0	0	0	0%
Total Fund Revenue	**$5,235**	**$638,950**	**$20,000**	**$21,600**	**$21,600**	**100%**

FUND EXPENSES HOUSING IN LIEU FUND:	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Operations & Maintenance	1,000	500	500	972	1,094	100%
Total Fund Expenses	**$1,000**	**$500**	**$500**	**$972**	**$1,094**	**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. As of December 2013, the fee is no longer being collected.

FUND REVENUE PEG FUND:	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
PEG Fees - Charter Comm	31,845	13,626	15,000	0	0	0%
Interest	194	192	0	0	0	0%
Mark to Mkt Gain/Loss	(140)	4	0	0	0	0%
Total Fund Revenue	**$31,899**	**$13,822**	**$15,000**	**$0**	**$0**	**0%**

FUND EXPENSES PEG FUND:	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Operations & Maintenance	0	2,311	20,500	0	0	0%
Capital Outlay	0	3,016	13,484	0	0	0%
Total Fund Expenses	**$0**	**$5,327**	**$33,984**	**$0**	**$0**	**0%**

CHAPMAN ESTATE FUND

Activity Description

The Chapman Estate at 1243 Ocean Boulevard in Pismo Beach was developed around 1935 by Mr. John Rogers, who worked in the oil industry in California's Central Valley. Clifford Chapman purchased the Estate in 1963 and lived there for many years until his recent passing in July 2012. Before Mr. Chapman's passing in July of 2012, Mr. Chapman expressed his desire for the City of Pismo Beach to accept the Chapman Estate. On December 3, 2013, the City Council adopted resolution no. R-2013-075 to accept the Chapman Estate and the Chapman Estate Trust was established by Mr. Chapman to provide funds for the maintenance and repairs of the Estate. The Trust authorized these funds to be used by the City of Pismo Beach for maintenance and repairs for the Chapman Estate upon the Acceptance. A nine member commission was set up to advise the City Council on uses of the Chapman Estate.

FUND REVENUE CHAPMAN ESTATE FUND:	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Interest	0	154	0	0	0	0%
Chapman House Lease	0	600	1,200	1,200	1,200	100%
Mark to Market	0	84	0	0	0	0%
Chapman House Donation	0	192,125	100,000	0	0	0%
Total Fund Revenue	**$0**	**$192,963**	**$101,200**	**$1,200**	**$1,200**	**100%**

FUND EXPENSES CHAPMAN ESTATE FUND:	ACTUAL FY 13	ACTUAL FY 14	BUDGET FY 15	ADOPTED FY 16	ADOPTED FY 17	% OF TOTAL FY 16
Operations & Maintenance	0	29,561	248,825	70,180	70,948	100%
Capital Outlay	0	24,387	22,613	0	0	0%
Total Fund Expenses	**$0**	**$53,948**	**$271,438**	**$70,180**	**$70,948**	**100%**

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APPENDICES

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RESOLUTIONS

RESOLUTION NO. R-2015-044

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PISMO BEACH ADOPTING THE BIANNUAL BUDGET FOR FISCAL YEARS FY 2016 AND FY 2017: JULY 1, 2015 THROUGH JUNE 30, 2017

WHEREAS, on May 8, 2015, the City Council of the City of Pismo Beach conducted workshops and public hearings on the adopted biannual budget for Fiscal Years (FY) 2016 and FY 2017.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Pismo Beach that 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 as **Exhibit A**, and by this reference made a part hereof.

BE IT FURTHER RESOLVED that there is hereby set aside previously appropriated funds for projects and encumbrances carried forward from previous years, and not yet completed.

UPON MOTION OF Mayor Pro Tem Waage, seconded by Council Member Reiss, the foregoing resolution was adopted by the City Council of the City of Pismo Beach this 2nd day of June 2015, by the following vote:

AYES: 5 Council Members Waage, Reiss, Blake, Howell, Higginbotham NOES: 0

ABSENT: 0
ABSTAIN: 0
RECUSED: 0

Approved:

Shelly Higginbotham

_____

Shelly Higginbotham
Mayor

Attest:

_____

Erica Inderlied
Interim City Clerk

Schedule A
City of Pismo Beach
General Fund Budget and Appropriations
FY 2016 and FY 2017

GENERAL FUND		FY 2016		FY 2017
City Council	$	285,311	$	312,254
City Manager's Office		424,030		429,992
City Clerk		306,130		321,564
Human Resources		272,056		274,743
Legal		222,300		222,300
Conference and Visitors Bureau		579,710		582,374
Administrative Services		789,178		797,601
Information Technology		41,063		0
Non-Departmental		2,208,917		2,334,734
Total Administrative	$	5,128,695	$	5,275,562
Police		5,333,043		5,458,510
Fire		2,497,996		2,552,396
Lifeguards		206,992		197,659
Weed Abatement		14,500		14,500
Total Public Safety	$	8,052,531	$	8,223,065
Building Inspection		590,580		611,910
Planning		920,986		758,399
Recreation-City Supported		361,230		362,599
Recreation-Fee Supported		67,596		67,596
Community Facilities – Veterans Halls		77,197		70,220
Total Community Development	$	2,017,589	$	1,870,724
Engineering-Public Works		622,164		639,348
Facilities		139,386		145,088
Parks Maintenance		1,073,251		1,027,266
Street Maintenance		606,007		612,827
Building Maintenance		649,024		589,799
Total Public Works	$	3,089,832	$	3,014,328
Subtotal General Fund Operations	$	18,288,647	$	18,383,679
Capital Projects		3,382,000		0
Risk Management Reserve		50,000		50,000
1% General Fund Contingency		12,400		16,211
General Fund Reserve		0		280,000
Total Contributions to Reserves	$	62,400	$	346,211
Outside Agency Funding	$	53,800	$	-
Total General Fund	**$**	**21,786,847**	**$**	**18,729,890**
Less Transfers	$	(3,785,015)	$	(355,157)
Total General Fund Less Transfers	**$**	**18,001,832**	**$**	**18,374,733**

Schedule A
City of Pismo Beach
Other Funds Budget and Appropriations
FY 2016 and FY 2017

OTHER FUNDS		**FY 2016**		**FY 2017**
HALF CENT SALES TAX				
Capital Projects		1,160,000		1,250,000
Deappropriations for Capital Projects		(303,699)		-
TOTAL HALF CENT SALES TAX FUND	$	856,301	$	1,250,000
GAS TAX				
Operating transfer to General Fund		140,000		140,000
Capital Projects		230,000		-
TOTAL GAS TAX FUND	$	370,000	$	140,000
LOCAL TRANSPORTATION				
TDA Audit		1,443		1,499
Capital Projects		600,000		-
TOTAL LOCAL TRANSPORTATION FUND	$	601,443	$	1,499
POLICE GRANTS FUND				
Operating transfers		136,400		100,000
TOTAL POLICE GRANTS FUND	$	136,400	$	100,000
HOUSING IN LIEU				
Overhead Expense		972		1,094
Outside Agency Funding		4,200		-
Capital Projects		15,000		-
TOTAL HOUSING IN LIEU FUND	$	20,172	$	1,094
LBID FUND				
Salaries & Benefits - Operations & Maintenance		773,573		755,390
Outside Agency Funding		15,000		
TOTAL LBID FUND	$	788,573	$	755,390
CHAPMAN HOUSE FUND				
Operations & Maintenance		70,180		70,948
TOTAL CHAPMAN HOUSE FUND	$	70,180	$	70,948
CAPITAL PROJECTS FUND				
Capital Projects		3,138,301		250,000
TOTAL CAPITAL PROJECTS FUND	$	3,138,301	$	250,000
PARK DEVELOPMENT				
Other Exps. & Fin. Use		6,493		6,900
Capital Projects		45,000		-
Deappropriatons for Capital Projects		(56,345)		-
TOTAL PARK DEVELOPMENT FUND	$	(4,852)	$	6,900
CIRCULATION FUND				
Capital Projects		75,000		
TOTAL CIRCULATION FUND	$	75,000	$	-
IMPACT FEE FUND				
Operating Transfer to General Fund / Overhead		933		1,050
TOTAL IMPACT FEE FUND	$	933	$	1,050
Total Other Funds	**$**	**6,052,451**	**$**	**2,576,881**
Less Transfers	$	(2,047,701)	$	(1,490,000)
Total Other Funds Less Transfers	**$**	**4,004,750**	**$**	**1,086,881**

Schedule A
City of Pismo Beach
Enterprise Funds Budget and Appropriations
FY 2016 and FY 2017

ENTERPRISE FUNDS		FY 2016		FY 2017
WATER OPERATIONS				
Operations	$	2,248,394	$	2,385,486
Billing		118,091		118,397
State Water O & M		173,632		179,150
Lopez Dam O & M		745,805		745,805
Work Plan Budget Requests		203,939		199,724
Capital Projects		1,900,000		20,000
TOTAL WATER OPERATING FUND	$	5,389,861	$	3,648,562
SPECIAL WATER TAX				
Contract Payments - State Water		1,095,310		1,095,310
Contract Payments - Gragg Canyon		139,399		139,399
Contract Payments - Lopez Dam		484,888		484,888
TOTAL SPECIAL WATER TAX	$	1,719,597	$	1,719,597
WATER CONSTRUCTION FUND				
Capital Projects		1,900,000		265,000
Reserve		50,000		130,000
TOTAL WATER CONSTRUCTION FUND	$	1,950,000	$	395,000
WASTEWATER OPERATIONS				
Operations		2,531,259		2,611,450
Billing		76,876		77,182
Debt Service		1,055,601		1,058,574
Work Plan Budget Requests		3,475		3,044
Capital Projects		-		-
TOTAL WASTEWATER OPERATING FUND	$	3,667,211	$	3,750,250
WASTEWATER CONSTRUCTION FUND				
Capital Projects		210,000		133,300
Reserve		111,000		111,000
TOTAL WASTEWATER CONSTRUCTION FUND	$	321,000	$	244,300
WASTEWATER EXPANSION FUND				
Overhead		327		368
TOTAL WASTEWATER EXPANSION FUND	$	327	$	368
LOCAL TRANSIT				
Contract Operations- Senior Taxi Service		10,593		10,667
TOTAL LOCAL TRANSIT FUND	$	10,593		10,667
PARKING				
Maintenance and Operations		402,018		414,543
Work Plan Budget Requests		31,762		1,045
TOTAL PARKING FUND	$	433,780	$	415,588
Total Enterprise Funds	**$**	**13,492,369**	**$**	**10,184,332**
Less Transfers	$	(2,689,056)	$	(895,531)
Total Enterprise Funds Less Transfers	**$**	**10,803,313**	**$**	**9,288,801**

Schedule A
City of Pismo Beach
Internal Service Fund and Debt Service Fund Budget and Total Appropriations
FY 2016 and FY 2017

INTERNAL SERVICE FUNDS		**FY 2016**		**FY 2017**
INFORMATION TECHNOLOGY FUND				
Maintenance and Operations		454,180		474,051
Work Plan Budget Requests		159,886		82,586
TOTAL INFORMATION TECHNOLOGY FUND	$	614,066	$	556,637
MOTOR VEHICLE FUND				
Maintenance and Operations		468,581		468,561
Vehicle Replacement		170,000		275,910
Work Plan Budget Requests		39,400		600,000
TOTAL MOTOR VEHICLE FUND	$	677,981	$	1,344,471
Total Internal Service Funds	**$**	**1,292,047**	**$**	**1,901,108**
Less Transfers		(1,233)		-
Total Internal Service Funds Less Transfers	**$**	**1,290,814**	**$**	**1,901,108**
DEBT SERVICE FUND				
Public Financing Authority				
Debt Service	$	438,681	$	439,919
Total 2007 Bonds	$	438,681	$	439,919
Total Debt Service Funds	**$**	**438,681**	**$**	**439,919**
TOTAL ALL APPROPRIATIONS	$	34,539,390	$	31,091,442

Schedule A
City of Pismo Beach
Capital Projects Budget Appropriations
FY 2016 and FY 2017

CAPITAL PROJECTS BY CATEGORY	FY 2016	FY 2017
Streets, Sidewalks, General Parking		
Shell Beach Streetscape Phase I	2,040,000	
Shell Beach Parking	600,000	
Other ADA Improvements	250,000	250,000
Five Cities Drive Signal	182,000	
Public Bldgs & Support Facilities		
Happy Time Preschool Repairs	50,000	-
Water Enterprise and Construction Fund		
Shell Beach Road Waterline Project	1,900,000	
Abandon Wells 9 and 10		20,000
Cypress Waterline Upgrade		245,000
Wasterwater Construction Fund		
Clarifier Rehab	200,000	
Shell Beach Vets Grease Trap	10,000	
System Improvements		33,300
Inflow/Infiltration Project		100,000
Miscellaneous Projects		
Pier Maintenance Project - Piles and Caps	2,000,000	1,000,000
Total Capital Projects	**$ 7,232,000**	**$ 1,648,300**
Capital Projects Deappropriations		
Encanto Storm Drain	(40,000)	
Highland Park Improvements	(6,345)	
Morro Beach Access	(263,699)	
Pismo Marsh Project	(50,000)	
Total Deappropriations	**$ (360,044)**	**$ -**
Net Capital Projects	**$ 6,871,956**	**$ 1,648,300**

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 2016 and FY 2017

ALL FUNDS REVENUES		FY 2016		FY 2017
General Fund	$	20,238,088	$	20,184,721
Half Cent Sales Tax Fund		1,442,964		1,453,641
Gas Tax Fund		193,934		193,934
Local Transportation		207,544		207,544
Police Grants Fund		100,000		100,000
Housing In Lieu Fee Fund		21,600		21,600
LBID Fund		874,933		900,000
Chapman House Fund		1,200		1,200
Capital Projects Fund		3,138,301		250,000
Park Development Fund		30,000		30,000
Impact Fees		3,000		3,000
Water Fund		3,469,000		3,569,000
Water Tax Fund		2,094,399		2,135,199
Water Construction Fund		1,951,500		151,500
Wastewater Treatment		4,003,000		4,203,000
Wastewater Construction Fund		114,000		114,000
Sewer Expansion Fund		21,300		21,300
Transit Fund		18,000		18,000
Parking Fund		543,000		543,000
Information Technology Fund		614,066		556,637
Motor Vehicle Fund		912,251		908,751
Total Estimated Revenues	**$**	**39,992,080**	**$**	**35,566,027**
Less Transfers	$	(8,523,005)	$	(2,740,688)
Total Revenues Less Transfers	**$**	**31,469,075**	**$**	**32,825,339**

RESOLUTION NO. PFA-R-2015-002

A RESOLUTION OF THE PISMO BEACH PUBLIC FINANCING AUTHORITY ADOPTING THE BIANNUAL BUDGET FOR FISCAL YEARS (FY) 2016 AND FY 2017: JULY 1, 2015 THROUGH JUNE 30, 2017

WHEREAS, on May 8, 2015 the Board of Directors of the City of Pismo Beach Public Financing Authority conducted public workshops and hearings on the adopted biannual budget for Fiscal Years (FY) 2016 and FY 2017.

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 2016 and FY 2017:

PUBLIC FINANCING AUTHORITY	**FY 2016**	**FY 2017**
PFA General Fund Transfer	$ 438,681	$ 439,919
PFA Expenditures - Debt Service	$ 438,681	$ 439,919

UPON MOTION OF Board Member Waage, seconded by Board Member Blake, the foregoing resolution was adopted by the Pismo Beach Public Financing Authority Board this 2nd day of June 2015, by the following vote:

AYES: 5 Board Members Waage, Blake, Howell, Reiss, Higginbotham NOES: 0

ABSENT: 0
ABSTAIN: 0
RECUSED: 0

Approved:

Shelly Higginbotham

Shelly Higginbotham
Chairperson

Attest:

Erica Inderlied
Secretary

RESOLUTION NO. PFC-R-2015-002

A RESOLUTION OF THE PISMO BEACH PUBLIC FACILITIES CORPORATION ADOPTING THE BIANNUAL BUDGET FOR FISCAL YEARS (FY) 2016 AND FY 2017: JULY 1, 2015 THROUGH JUNE 30, 2017

WHEREAS, on May 8, 2015, the Board of Directors of the City of Pismo Beach Public Facilities Corporation conducted public workshops and hearings on the adopted biannual budget for Fiscal Years (FY) 2016 and FY 2017.

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 the following amounts for Fiscal Years FY 2016 and FY 2017:

PUBLIC FACILITIES CORPORATION	**FY 2016**	**FY 2017**
Pier Enterprise (PFC) Operating Transfers	$ 2,049,940	$ 1,049,940
Materials and Supplies	$ 43,800	$ 43,800
Capital Projects	$ 2,000,000	$ 1,000,000
Total Expenditure Budget	$ 2,043,800	$ 1,043,800

UPON MOTION OF Board Member Waage, seconded by Board Member Reiss, the foregoing resolution was adopted by the Pismo Beach Public Facilities Corporation this 2nd day of June, 2015 on the following vote:

AYES: 5 Board Members Waage, Reiss, Blake, Howell, Higginbotham NOES: 0

ABSENT: 0
ABSTAIN: 0
RECUSED: 0

Approved:

Shelly Higginbotham

Shelly Higginbotham
President

Attest:

Erica Inderlied
Secretary

GLOSSARY OF ACRONYMS

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Acronym	Description
ACA	Affordable Care Act
ADA	Americans with Disabilities 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
CAL FIRE	California Department of Forestry and Fire Protection
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
CSMFO	California Society of Municipal Finance Officers
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
GF	General Fund
GFOA	Government Finance Officers Association
IT	Information Technology
LAFCO	Local Agency Formation Committee
LBID	Lodging Business Improvement District
LPR	License Plate Readers
MFR	Multi-Family Residential
MOU	Memorandum of Understanding
NCMA	Northern Cities Management Area
OPEB	Other Post Employment Benefits
PB	Pismo Beach
PD	Police Department
PEG	Public Educational and Governmental
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
PSAP	Public Safety Answering Point
RDA	Redevelopment Agency
RevPAR	Hotel Revenue Per Available Room
SCAT	South County Area Transit
SCBA	Self Contained Breathing Apparatus
SEIU	Service Employees International Union, Local 620
SFR	Single Family Residential
SLO	San Luis Obispo
SLOCOG	San Luis Obispo County Council of Governments
SLORTA	San Luis Obispo Regional Transit Authority
SRF	State Revolving Fund
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 2016 & 2017

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 for 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 $5,000 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.

Net Working Capital: Net working capital is the aggregate amount of all current assets and current liabilities. It is used to measure the short-term liquidity of a business/enterprise fund.

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.

Unassigned Fund Balance: Unassigned fund balance is the residual classification for the government‘s general fund and includes all spendable amounts not contained in the other classifications.

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