



## **CITY OF ATASCADERO CITIZENS' SALES TAX OVERSIGHT COMMITTEE & FINANCE COMMITTEE SPECIAL JOINT MEETING AGENDA**

**Consistent with Executive Order N-29-20 and N-08-21 the City Council Meeting will not be physically open to the public and City Council Members will be teleconferencing into the meeting.**

### **HOW TO OBSERVE THE MEETING:**

To maximize public safety, while still maintaining transparency and public access, the meeting will be available by webinar via the following link:  
<https://us02web.zoom.us/j/83136530616?pwd=a0NETHIFS3UyVjNQQ1IyaUJTd3R0dz09>

### **HOW TO SUBMIT PUBLIC COMMENT:**

Members of the public are highly encouraged to call **(669) 900-6833** (Webinar ID: 831 3653 0616) to listen and provide public comment via phone, or submit written public comments to [cityclerk@atascadero.org](mailto:cityclerk@atascadero.org) by 12:00 pm on the day of the meeting. Such email **comments must identify the Agenda Item Number in the subject line of the email**. The comments will be forwarded to the Committee and made a part of the administrative record. If a comment is received after the deadline for submission but before the close of the meeting, the comment will still be included as a part of the administrative record of the meeting but will be forwarded to the Committee the next business day. ***Please note, email comments will not be read into the record.***

### **AMERICAN DISABILITY ACT ACCOMMODATIONS:**

Any member of the public who needs accommodations should contact the City Clerk's Office at [cityclerk@atascadero.org](mailto:cityclerk@atascadero.org) or by calling 805-470-3400 at least 48 hours prior to the meeting or time when services are needed. The City will use their best efforts to provide reasonable accommodations to afford as much accessibility as possible while also maintaining public safety in accordance with the City procedure for resolving reasonable accommodation requests.

Citizens' Sales Tax Oversight Committee agendas and minutes may be viewed on the City's website: [www.atascadero.org](http://www.atascadero.org).

Copies of the staff reports or other documentation relating to each item of business referred to on the Agenda are on file in the office of the City Clerk and are available for public inspection on our website, [www.atascadero.org](http://www.atascadero.org). All documents will be available for public inspection during City Hall business hours once City Hall is open to the public following the termination of the Shelter at Home Order.





# ***Citizens' Sales Tax Oversight Committee and Finance Committee***

## ***Staff Report – Administrative Services Department***

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### **2021 Sales Tax Measure D-20 Annual Report**

#### **RECOMMENDATION:**

Citizens' Sales Tax Oversight Committee and Finance Committee approve the 2021 Sales Tax Measure D-20 Annual Report.

#### **REPORT-IN-BRIEF:**

Atascadero has historically had one of the lowest per capita General Fund revenues in the County. The City manages resources in a fiscally responsible manner, consistently protecting and stretching taxpayer's dollars as far as possible. Unfortunately, there were many critical needs that weren't able to be met within those revenue constraints. As part of the Council's 2019 strategic priority to foster financial stability, the first action identified in the 2019 Action Plan was to consider placing a tax measure on the November 2020 ballot. Subsequently, the City: conducted a public outreach campaign to hear about priorities from the community and to educate community members about fiscal realities; conducted scientific polling to learn community thoughts on priorities, fiscal choices and receptiveness to additional taxes to fund priorities; explored different types and levels of tax measures to determine which would best be suited for the ballot measure; and held public hearings and prepared tax measure language.

Ultimately in November 2020, Atascadero voters approved Sales Tax Measure D-20. This general purpose sales tax measure adds an additional one-cent "transaction" tax. Atascadero's Measure D-20 was effective April 1, 2021, and is intended to provide funding for fire protection, paramedics, 911 emergency response, police, crime prevention and investigations, maintenance of parks, public facilities and infrastructure, graffiti removal, recreation, community services and other general city services. This is the first of the annual reports on Measure D-20 funds. This Annual Report highlights how funds will be spent. Future years' Annual Reports will include metrics and a narrative on what the funds were used for and what was accomplished with the funds. After review of the annual report and audit, the Citizens' Sales Tax Oversight Committee and Finance Committee will report their findings to the City Council.

## DISCUSSION:

The recently adopted 2021-2023 Operating and Capital Budget is the basis of the Measure D-20 spending plan, and is the result of significant team work involving the Council, the Commissions, the Community, and staff. Developing an effective budget that attempts to spend Measure D-20 in the manner the community expects, maintain the Council goals, and continue to provide the City's core services during these economic times is a difficult task. It took significant participation and cooperation from the residents, Council, committees, and staff to create a spending plan that makes the best of the City's resources.

The City has a comprehensive approach to budget development. The City has developed a Comprehensive Financial Plan and the Financial Reserve Policy. This information is used as a foundation for the Council in their policy-making role. The City Council then conducts an annual assessment of the organization and prior goals in a Strategic Planning Workshop, where the product is a new set of goals and priorities for the coming year or years. The Community has the ability to share their thoughts about the City's goals at the goal-setting session and at regularly scheduled council meetings.

Public engagement in the budget process is an important and continuous ongoing dialog between City Council, City staff and the community. The City's budget process is purposely structured to receive public input on where funds are spent. Members of the public can speak at City Council meetings, reach out to Council Members outside of the meeting setting, and talk with City staff. In preparation for the 2021-2023 budget cycle, the Council expanded public outreach even further. After commissioning a Revenue Measure Feasibility Study that took place in January 2020, Council approved a tax measure to appear on the November 2020 ballot. Atascadero voters approved the Sales Tax Measure D-20. Council understood the importance of transparency and the need to insure that the public would have multiple opportunities to provide input on the City's priorities and the expenditure of both the tax measure funds and other City funds, and planned a series of 20 public outreach meetings to discuss the funding.

The formal kickoff session for the public outreach meetings was held at the January 12, 2021, Council meeting. Staff is charged with providing services to the community on a day to day basis and has a deep understanding of the existing resource constraints that are barriers to providing services at levels that the community would like to see. In preparation for the January 12<sup>th</sup> meeting, staff identified the following key categories of existing resource deficiencies:

- Equipment Replacement and Additions
- Vehicles / Apparatus Replacement
- Fire Stations Rehabilitation
- Staffing Levels
- Employee Retention
- Concerns Related to Transients and the population of unhoused residents
- Deferred Maintenance
- Unfunded Infrastructure
- Economic Development
- Underfunded Operations
- Operational Efficiencies

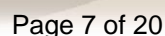
Overall, there were over 130 people that attended at least some portion of a session and about 100 separate individuals who were able to engage for an entire session. Those sessions generated 150 pages of input and were provided to Council and the public in preparation for the Council Strategic Planning Session. Below are the Questions asked of the study session participants and word cloud summaries of the responses:



## Q2. What things big and small would make Atascadero better?



## MORE URGENT





[illegible]





key focus areas were brainstormed and categorized into those actions that could be accomplished within the two-year budget time frame and those actions that would take longer to accomplish. Council adopted the Action Plan a regularly scheduled Council meeting on April 27, 2021.

Once the action plan was adopted, then began the arduous task of looking at all \$25 million in staff-generated supplemental budget requests to determine which were most effective at advancing the Key Focus areas. All of the budget requests were for much needed repairs, staffing, equipment, priorities and programs; however, there was not enough available revenue to fund all of the items on the list, nor was that list exhaustive of those items needed to serve the community. The City's executive Management team refined the list. The City's Finance Committee met at six different publicly held meetings in April and May 2021 to review and approve each section of the budget. The supplemental budget requested items were incorporated into the adopted 2021-2023 budget document and represent continued focus for implementation of the Council's goals and priorities.

### **Key Priorities**

During the Council's Goal Setting Workshop in February 2021, four categories of priorities and related key focus areas were determined for the upcoming budget cycle. The four categories are:

- 1) **Economic and Community Vibrancy:** *Creating the environment and services to nurture quality and diverse economic, recreational, and community connections that create prosperity and enrich our genuine, authentic community.*
- 2) **Fiscal and Infrastructure Efficiency and Sustainability:** *Continuing to be responsible and accountable stewards of our resources now and into the future by efficiently and effectively investing in modern and reliable infrastructure and equipment and maintaining financial stability regardless of economic conditions. Staff has the tools, technology and resources they need to do their jobs.*
- 3) **Ensuring Public Safety and Providing Exceptional City Services:** *That staff has the tools, resources, and professional staffing necessary to create and maintain an environment where our community (residents, businesses, visitors, and staff) feels safe, served, and mutually respected.*
- 4) **Quality of Life.** *We are embracing our warm, friendly atmosphere and building on our sense of community by providing attractions, open spaces, outdoor interactions, and a variety of things to do for all. Atascadero: Where everybody knows your name and is willing to lend a hand.*

The 2021-2023 budget is focused on the actions to achieve the strategic priorities related to these four focus areas.

### **Economic and Community Vibrancy**

- **Key Focus Area:** *Recreation and Events*
  - **Year 1-2 Action Items**
    - Restart events
    - Plan and execute events at the new Zoo event center
    - Design events around new plaza
    - Hold new/recurring events in Centennial plaza to ensure the space is shared by all in the community
    - Encourage events on privately owned vacant properties downtown (interim until developed)
    - Encourage more events that focus on downtown (Music, Food, Host a stage)
- **Key Focus Area:** *Downtown*
  - **Year 1-2 Action Items**
    - Pursue funding and complete construction documents for Downtown Infrastructure Enhancement Plan
    - Assist development of new restaurants
      - Explore ways to reduce start-up costs
    - Maximize utilization of the plazas (food trucks, etc.)
    - Look for funding and opportunities to fix existing street trees & sidewalks in the downtown
    - Pursue opportunities along East Mall
      - Develop land use options for the adapted re-use options of the City-owned property near Centennial Plaza
    - Explore programs such as infrastructure assistance, parking flexibility, and zoning changes to promote new desired development of underutilized space
    - Promote the preservation of the theater in Colony square
    - Pursue the Armory site as a potential location for replacement of fire station #1
    - Develop and implement a plan to increase utilization of parking in City-owned alleys
    - Communicate collaboratively with businesses to encourage a sense of pride, ownership, positive attitude, and harmony that promotes downtown vibrancy
- **Key Focus Area:** *Safe and Hospitable Business / Work Environment*
  - **Year 1-2 Action Items**
    - Work to enhance broadband infrastructure
    - Evaluate areas for restricted time parking
    - Expand the Outreach for Underrepresented Residents (OUR)Team
    - Increase pedestrian safety/access downtown through the Downtown Infrastructure Enhancement Plan
    - Commence citywide General Plan Update

- **Key Focus Area:** *Business Infrastructure, Technology and Support*
  - **Year 1-2 Action Items**
    - Creatively support development at Del Rio, Dove Creek & San Anselmo nodes
    - Implement an online payment and tracking system for City fees and tax payments
    - Discuss potential policies related to wastewater capacity charges and other development fees that may discourage desired business types
    - Look for opportunities and grants to fund infrastructure
    - Create and incentivize a new customer satisfaction survey for permit/planning processes
    - Support expansion of Bridgeworks through SB1090
    - Update City Engineering Standards to provide safe and consistent public improvements
    - Perform critical third-party review of permitting process towards essentialism
    - Explore Community Choice Energy (February 2022)

#### **Fiscal and Infrastructure Efficiency and Sustainability**

- **Key Focus Area:** *Asset Management / Replacement / Modernization*
  - **Year 1-2 Action Items**
    - Purchase and implement an asset management system
    - Prepare a detailed inventory w/condition assessment
    - Develop a sustainable replacement plan for City assets
    - Begin funding vehicle, technology, equipment, infrastructure and facility reserves
    - Replace failing/vulnerable and vital equipment and facilities and citywide apparatus
    - Begin Replacement of Fire Station #1
      - Prepare needs assessment
      - Explore use of Armory site for Fire Station #1 replacement project
      - Complete design phase and engineer's estimates
      - Prepare financing plan
    - Ensure that the resources (tools, equipment, facilities) are available to assist staff and to build staff capacity.
    - Identify and invest in equipment and facilities to increase long-term operational efficiencies
- **Key Focus Area:** *Asset Management / Replacement / Modernization (continued)*
  - **Year 1-2 Action Items (continued)**
    - Use technology where appropriate/right technology applications to save staff time
    - Expand energy infrastructure (back-up generators, redundancy)
    - Consider sidewalk repair amnesty or other limited assistance program



- **Key Focus Area: *Financial Strategies***
  - **Year 1-2 Action Items**
    - Develop responsible reserves for unfunded liabilities (non-asset)
      - Explore and consider funding Section 115 Trust for pension
      - Consider additional payments for unfunded pension liability (UAL)
      - Look for ways to fund reserve for future State and Federal mandates
    - Adopt budgets and fiscal strategies that:
      - Continue conservative Council/general fiscal strategy
      - Prepare the City for changing economic conditions
      - Consider and plan for lifecycle costs and long-term cost savings/cost-effectiveness
    - Develop balanced strategy of operational expenditures vs. capital/one-time expenditures that will accommodate future growth for Measure D-20 funds
    - Implement opportunities, strategies and plans to grow the organization as the community grows
    - Identify and modestly invest in programs to increase long-term operational efficiencies
    - Capitalize on grant opportunities to accomplish action plan goals
    - Explore public and private partnerships to achieve action plan goals
- **Key Focus Area: *Transparency and Accountability***
  - **Year 1-2 Action Items**
    - Use technology for transparency and accountability
      - Overhaul/modernize/simplify/make more efficient website
      - Develop and implement strategy to maintain website and accessibility
    - Implement records management program to facilitate access to public records
    - Prepare, publicize and widely distribute an annual report on the use of Measure D-20 funds. While the Measure D-20 annual report will not include detailed accounting of spending, it should include information on the general areas where the funding was targeted, the goals to be achieved with the Measure D-20 funding, and objective metrics for measuring the success in achieving those goals.

## **Ensuring Public Safety and Providing Exceptional City Services**

- **Key Focus Area: *Staffing***
  - **Year 1-2 Action Items**
    - Hire and retain an adequate number of staff to achieve our priorities
    - Complete an essentialism evaluation of each department
    - Provide competitive salaries/benefits and appropriate classifications for all employees
    - Provide opportunities for employee growth & succession
    - Explore other retention and attraction strategies
    - Provide training and professional development opportunities

- Hire for heart
- Encourage growth and development of local workforce
  - Expand police department explorer program
- Explore a wider City employee recognition/commendation program
- Work to insure that employees have the tools necessary to do their job
- **Key Focus Area: *Unhoused Population***
  - **Year 1-2 Action Items**
    - Train and educate staff and community members on available support resources for our unhoused population
    - Train and educate staff and community members on compassionate interactions with our underrepresented residents
    - Establish needed Outreach for Underrepresented Residents (OUR) Team (formerly known as CAT)
    - Support partner non-government organizations outreach efforts
    - Support regional combined approach related to unhoused population
    - Perform regular clean-ups of problem encampments
    - Perform vegetation management activities in the Downtown District
    - Implement strategies to encourage existing unhoused residents to reduce trash and litter in public and sensitive environmental areas
    - Implement strategies for ongoing areas of public concern including design of public spaces
    - Provide staff resources to maximize effectiveness (use technology)
    - Look for opportunities and grants to provide resources to respond to future opportunities to support underrepresented residents
- **Key Focus Area: *Community Engagement***
  - **Year 1-2 Action Items**
    - Hold more public safety outreach events
    - Ensure that all messaging is accessible and consistent across all media platforms
    - Look for more opportunities for public engagement
    - Continue online and in-person engagement in decision-making discussions
    - Improve emergency planning communications with business community through the fire inspection program

## Quality of Life

- **Key Focus Area: *Things to Do***
  - **Year 1-2 Action Items**
    - See Action Items under the “Economic and Community Vibrancy” section
    - Discuss long-term capital needs of the zoo and the viability of continuing AZA accreditation
    - Begin to address key deferred maintenance issues in parks and public spaces
    - Fund lake quality program to mitigate algae blooms

- **Key Focus Area:** *Welcoming and Inclusive*
  - **Year 1-2 Action Items**
    - Work with and support community partners and volunteers to advance diversity, inclusion, and community beautification
    - Use technology to facilitate volunteer opportunities
    - See Action Items under “Ensuring Public Safety and Providing Exceptional City Services”
- **Key Focus Area:** *Supporting Families*
  - **Year 1-2 Action Items**
    - Encourage regional organizations that bring attention to childcare needs in the community
    - Continue on-going successful partnerships with organizations such as ECHO, LINK, and AUSD
    - Remain involved in regional efforts to improve broadband access to residents and businesses
    - Educate staff and community members of availability of mental health resources that are available in the community
    - Continue to implement affordable housing policies of the General Plan Housing Element including minimum densities, objective design standards, small lot standards, ADU ordinance, and inclusionary housing ordinance
    - Explore Community Choice Energy (February 2022)
    - See “Economic and Community Vibrancy” section for other action items

Measure D-20 funds were budgeted primarily on Public Safety, city staff retention and attraction, the population of unhoused residents, and infrastructure investments.

### **Public Safety**

Historically, the community has strongly supported investing in Police and Fire services for the safety of the residents. This priority has become even more evident throughout the public outreach and budget processes, and therefore, the budget reflects this priority. The Police Department, in particular, has been experiencing exceptional difficulty in recruiting Police Officers and Public Safety Dispatchers. The nationwide negative attitude toward law enforcement has sharply reduced the number of potential candidates interested in a career in law enforcement. Agencies across the nation are having similar challenges filling vacancies due to a lack of qualified candidates. The City’s Police Department competes with other local agencies for job candidates. Because Atascadero has historically had the one of the lowest per capita General Fund revenues, the City couldn’t offer salaries as high as other, more well-funded agencies. The limited budget also restricted the number of officer positions budgeted. For example, as of fiscal year 2019, Atascadero had less than 1 officer per thousand residents. Morro Bay had over 1.5, San Luis Obispo had about 1.3, and Paso Robles had about 1.1 officers per one thousand residents. That meant that officers in Atascadero essentially had a heavier work load and lower pay than other agencies. That made it difficult to recruit and retain quality employees. In order to attract recruits, police departments across the nation have now transitioned to sponsoring police officer candidates through the Police Academy. This shifts more costs onto the City and

extends the period between hiring and getting the officer on the street. However, even finding quality recruits to sponsor has been an issue.

The passage of Measure D-20 has provided much needed funding to support public safety. The 2021-2023 budget includes the addition of four officers for general rotation, one additional officer to be part of the Outreach for Underrepresented Residents (OUR) Team (formerly known as the Community Action Team, or "CAT"), funding to contract with a mental health worker and a community outreach representative as part of the OUR Team, and an additional Public Safety Dispatcher. Revenues are also able to increase salaries to be more competitive with other agencies, to try to keep the great officers that are currently part of the department, and to attract more similar quality individuals.

Fire safety is also an important priority to the residents. Measure D-20 revenue was able to fund the cost of a Battalion Chief. The City was able to secure a three-year Staffing for Adequate Fire and Emergency Response (SAFER) grant beginning in fiscal year 2019 that would pay part of the cost of a firefighter. During the course of this grant, the City was able to add one firefighter for the three-year period, and also transition one employee up to a Battalion Chief position. Measure D-20 revenue allowed the City to keep the Battalion Chief position even after the expiration of the grant.

Additionally, the costs of public outreach and maintenance for the Zonehaven program are being funded through Measure D-20 revenues. Atascadero has a significant wildland/urban interface, meaning that there are many areas of the City with high fire potential. Zonehaven is an online program that provides rapid, accurate communication and exit paths to residents that may be threatened by various types of emergencies or natural disasters, including wildland fires.

More ongoing and one-time Police and Fire related necessities were also included in the budget such as funds for vehicle and equipment replacement, along with replacement of Fire Station #1.

Funding was also allocated for Public Works related public safety items including vehicle and equipment replacement, a trash cleanup program, vegetation management, and camp cleanups.

### **Staffing Retention and Attraction**

The City has been able to stay within its limited financial constraints with the cooperation of its employees. The employees are used to doing more with less and this often carries over into salaries and wages. As with the Police Department, there is significant competition from other agencies whom are able to offer more generous salaries than Atascadero is able to. The market for labor is tight and employers are competing, and it is difficult to match salaries to other agencies.

While there are some differences in benefit packages between jurisdictions, the City is consistently amongst the lowest total compensation for most positions at the City. While compensation is often not the only reason an employee chooses to work for an employer, when there are significant differences in pay, it is an important consideration. Because the cost of living is high in the area, and neighboring jurisdictions are able to pay more, the City's low wages are often a barrier to attracting, hiring and most importantly, retaining professional



employees. This has a large effect on City operations as vacancies lead to even lower staffing levels, inefficiencies and additional incurred costs as new employees are trained.

This challenge is not uncommon throughout the City. There have been recruitments in several departments where the City did not receive a single qualified applicant. In these cases, after sometimes two or more recruitments, the City has chosen to re-organize, find a way to contract out, or hire someone at a lower level and provide a lot of training. The inability to offer competitive salaries with neighboring agencies has resulted in the loss of many quality, experienced employees from every department in the City. Losses of key employees with institutional knowledge cause delays, inefficiencies and additional overtime costs in order to complete the work needed to provide service to the City.

Revenue from Measure D-20 has been allocated to increasing salaries citywide, in an effort to bring those salaries more in line with other comparable agencies. The intention is to increase staff efficiencies, provide improved service to the public, and to reduce long-term costs by attracting and retaining qualified professional employees.

### **Population of Residents that are Unhoused**

The human impact of the unhoused population crisis is tragic and must be addressed. People should not have to live unprotected from the elements. Solving the unhoused population crisis will take an enormous amount of resources and coordination from all sectors of the nation. While not as heartbreaking, there is also a very real impact to government services and in particular local services as cities that were never designed, nor funded to provide social services, deal with the inherent conflicts and problems of people living on the streets, creeks, riverbeds and parks.

Atascadero, like many other cities throughout California and the rest of the nation, were not intended or equipped to handle the additional workload associated with the unhoused crisis. It is important to note that individuals are not being classified because of their housing status. The reference is to those people who are engaged in behavior that precipitates a call for service for public safety or other City resources.

The influx of people who are living on the streets have impacted every department in the City. Many of those living in these areas are suffering from mental health issues and/or substance abuse problems. Many of these individuals have underlying health problems. The Fire Department is frequently called to treat and assist everything from a minor cut to shortness of breath, a stroke or mental illness. This takes one of the two on-duty engine companies out of service. When further treatment is necessary for the individual, they are transported to a local hospital, taking an ambulance out of service for an extended time.

The impact to the Police Department has also been significant. In 2018, the department received 513 calls for service related to illegal camping and 81 calls for panhandling. The Department coordinated with County Behavioral Health and partnered a County social worker with a department detective to form a part-time Community Action Team (now known as the Outreach for Underrepresented Residents Team). These teams have been highly successful in other communities. The goal of the team is to identify those individuals who would benefit from available resources and be the intermediary so those services are utilized. The program has been successful in Atascadero as well, and with the additional funding from Measure D-20, has now been expanded.

The illegal camps throughout the City have a significant impact on the environment and the general quality of life for the neighborhoods. The creeks, rivers, underpasses and other areas of encampment were never designed to be someone's home. The homeless crisis/addiction issues have led people to establish camps where there are no sanitary services, no heat, no water and no other basic necessities for life. The camps contain a large amount of trash and personal refuse. Legally, notices must be posted at the camps before cleanup and property removed must be retained for a substantial period of time before disposal. Clean-up of these camps is also a fairly time consuming job as clean-up workers must be extremely cautious as dirty needles and other bio hazards are often found amongst the camp debris. The workload involved in the cleanups and debris removal must be balanced with the workload and primary responsibilities of a Public Works Department that is already stretched thin. Measure D-20 revenue has allowed some funding to mitigate some of the issues discussed here, such as for Camp Cleanup and a community Trash Cleanup program.

### **Investments in Infrastructure**

Infrastructure includes the basic facilities and assets needed to run the City. It includes the basic underlying capital assets needed for the day-to-day operations of the City including computers, software, radios, breathing apparatus, police cars, tractors, fire engines, and other equipment and tools. It also includes public infrastructure such as roads, storm drains, street lights, traffic signals, sidewalks, bridges, wastewater collection and treatment, other large capital items needed to support households, businesses, and industries, and facilities such as fire stations, police station, parks, the Charles Paddock Zoo, the Pavilion on the Lake, City Hall and other large capital assets that are needed to provide services to the public.

Each department has specialized vehicles equipment that assists employees in performing their duties as expected. Office staff need office machines such as computers, police officers need radios and radio repeaters, fire fighters need breathing apparatuses and jaws of life, and parks employees need mowers and irrigation equipment. While Staff does their best to keep existing equipment running for the maximum amount of time, eventually equipment ceases to be effective. Often times, specific items of equipment must be replaced to comply with new regulations or safety requirements.

Additionally, Fire Station #1 is 70 years old and is showing sign of its age. Water-stained ceiling tiles, masonry cracks throughout the station flooring, driveway and exterior columns, diesel exhaust stained walls, small rooms and limited storage all speak to the underlying issues that the current budget has been unable to fix. Safety items to be addressed include the structural stability and earthquake retrofit of both the roof structure and the hose tower. Included in this budget, \$750,000 a year has been allocated toward expected financing costs for full replacement of Fire Station #1.

Park facilities are in need of replacement including parking lots, sidewalks, benches, picnic tables, playgrounds, restrooms, and athletic facilities. The shoreline retaining walls and dock on Atascadero Lake needs significant work, and the lake requires costly periodic dredging to keep it healthy.

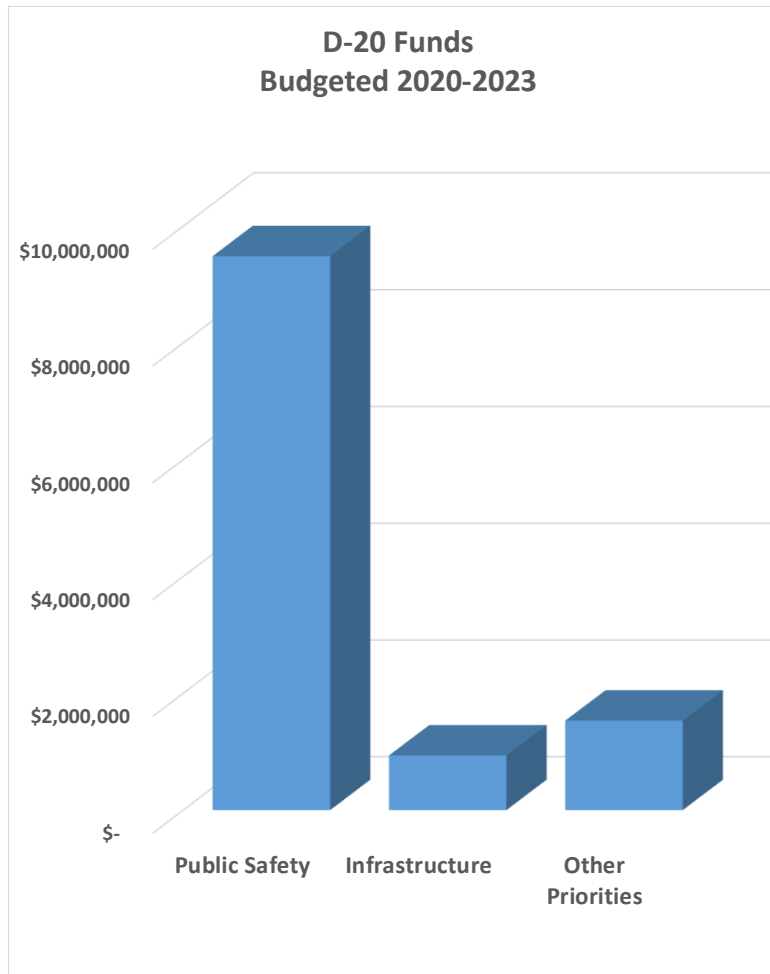
Replacing and repairing these assets has historically been put off in order to make ends meet. Revenues from Measure D-20 has been able to fund many of these infrastructure items that are so critical to effective day-to-day operations of the City.

Revenue from Measure D-20 allows the City to fund many of the community's and Council's key priorities, and was an important component of building the 2021-2023 budget. Measure D-20 revenue is expected to total just under \$12 million, for three fiscal years (beginning with the first quarter it became effective, April 1, 2021 through June 30, 2021, and for the 2021-22 and 2022-23 fiscal years.) The following chart outlines the strategic priorities that are possible to fund due to the revenues from the new Measure. Each funded item listed in the left column is linked to one or more of the Action Items as discussed in the Key Priorities section above.

**Supplemental Budget Requests- Measure D20 Tier 1**

Description	Strategic Priorities						Sorting			D-20			Other Fund
	Economic Vibrancy	Fiscal Strategies	Public Safety & Exceptional City Services	Quality of Life	Mandatory		D-20	High	Medium	2020-2021	2021-2022	2022-2023	
1 Police Staffing- 4 officers & 1 dispatcher			X				*	*		\$ -	\$ 521,850	\$ 696,760	\$ 160,000
2 OUR Team (previously known as "CAT" Team)			X				*	*		-	254,820	342,320	69,000
3 CAD/RMS System Replacement		X					*	*		-	600,000	-	-
4 Handheld Police radio replacement		X					*	*		-	227,700	-	-
5 Battalion Chief and SAFER Firefighter- Staff Laborcost			X				*	*		-	247,200	279,180	65,000
6 Fire Station #1 Rebuild		X					*	*		-	750,000	750,000	-
7 Increase Fire Operating Budget Items			X				*	*		-	30,000	30,000	-
8 Zonehaven maintenance			X				*	*		-	9,500	9,500	-
9 Emergency Planning			X				*	*		10,000	5,000	5,000	-
10 Fire Radio Repeater Replacement		X					*	*		-	180,000	-	-
11 Handheld Fire radio replacement		X					*	*		-	253,000	-	-
12 Replacement of Ambulance		X					*	*		-	60,000	-	-
13 Jaws of Life Replacement		X					*	*		-	-	-	180,000
14 Life Pak ECG Modem		X			X		*	*		4,800	-	-	-
15 Fire Equipment Replacement Deficit		X					*	*		645,010	-	-	-
16 Replace Chain Saws		X					*	*		4,910	-	-	-
17 Patch Fire Station #2 Roof		X					*	*		4,000	-	-	-
18 Vehicle Replacement Increase - Public Safety		X					*	*		-	240,020	240,020	-
19 Compensation Changes - Public Safety			X				*	*		-	760,230	1,066,010	-
20 Vehicle Reserves Deficit		X					*	*		158,120	-	-	-
21 Annual Equipment Reserve - Public Safety		X					*	*		-	225,000	225,000	-
22 Equipment Reserves- Radio Repeater equipment Deficit		X					*	*		-	-	104,230	-
23 Equipment Reserves- Other Public Safety Equipment Deficit							*	*		-	-	236,500	-
24 Generator for Templeton repeater		X					*	*		-	-	-	100,000
25 Public Works Radio Repeater Replacement		X					*	*		-	90,000	-	-
26 Vegetation Management in Downtown Creek area	X		X				*	*		-	55,000	55,000	-
27 Camp Cleanups	X		X				*	*		-	50,000	50,000	-
28 Trash community cleanup program	X		X				*	*		-	5,000	5,000	-
29 Vehicle Replacement Increase - Public Works		X					*	*		-	38,230	38,230	-
30 Building Maint and Replacement Reserves		X					*	*		-	250,000	250,000	-
31 Parks Replacements- dock, benches, sidewalk repairs, etc		X		X			*	*		-	150,000	-	-
32 Equipment Reserves- Parks Deficit		X		X			*	*		-	59,580	118,240	-
33 Compensation Changes- Other		X					*	*		-	628,530	886,690	-
34 Asset Management System		X					*	*		-	-	30,000	420,000
35 NeoGov		X					*	*		-	3,500	12,320	-
<b>Totals</b>										<b>\$ 826,840</b>	<b>\$ 5,694,160</b>	<b>\$ 5,430,000</b>	<b>\$ 994,000</b>

Of the \$12 million in projected Measure D-20 revenue, about \$9.5 million will be used for Public Safety (including items related to unhoused residents), \$1 million will be used for infrastructure investments, and \$1.5 million will go toward other priorities, including staff retention and attraction.



The 2021 Measure D-20 Annual Report includes the list of supplemental budget request items that were funded with the new transaction tax, and also has a narrative of the manner in which the residents worked with City Council, Committees, and staff to identify the key priorities for the most important areas to focus funding. Staff recommends that the Citizens' Sales Tax Oversight Committee and the Finance Committee approve the Annual Report and recommend to the City Council that it be finalized and distributed via U.S. mail to all properties in the City. The Report will also be made available at City Hall and on the City's website.

### **FISCAL IMPACT:**

Distribution of the 2021 Measure D-20 Annual Report is estimated to cost about \$5,000 in budgeted General Funds.

### **ATTACHMENT:**

2021 Sales Tax Measure D-20 Annual Report (To be posted to the website prior to the meeting.)