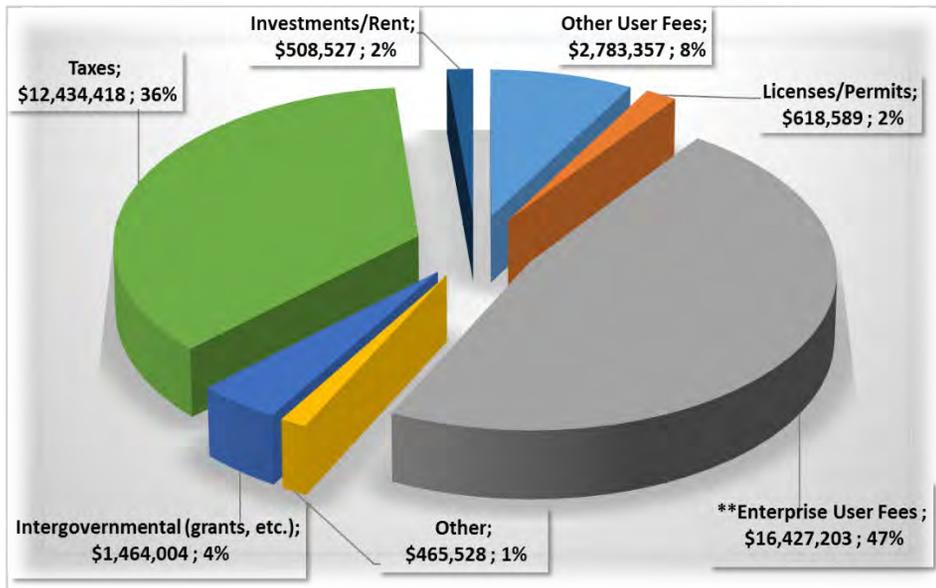


Budget Overview for Fiscal Year (FY) 2017-18

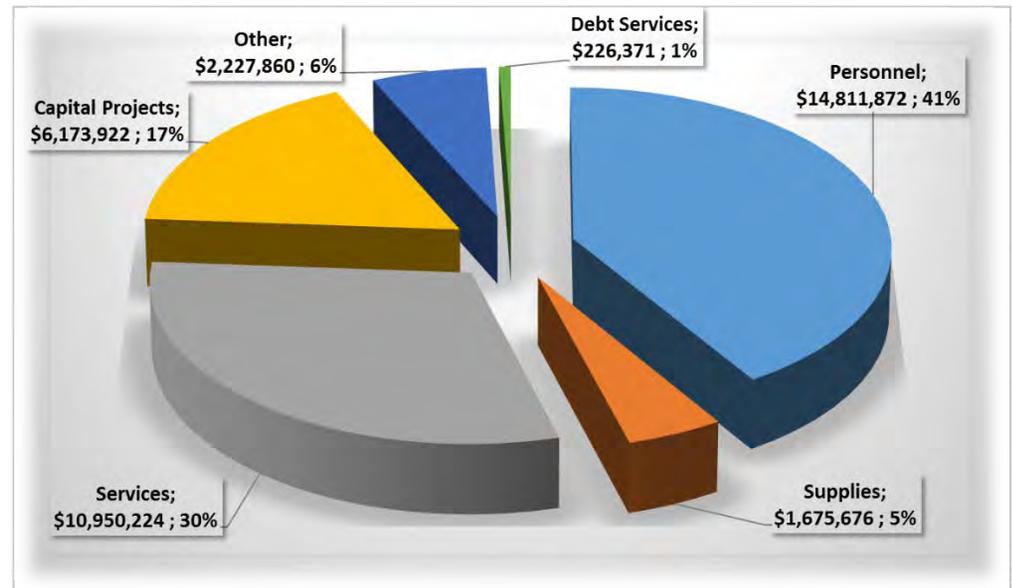
The City of Morro Bay's annual budget is more than just pages of numbers and data. It also communicates the priorities and strategic direction of our community based on goals and objectives established by the Mayor and City Council Members after input from our community. The purpose of this document is to provide citizens of Morro Bay with basic information about the City of Morro Bay's revenues and expenditures.

The FY 2017-18 Consolidated Annual Budget (\$34,701,626)*

Where Does the Money Come From? (Revenues)



How is the Money Spent? (Expenditures)



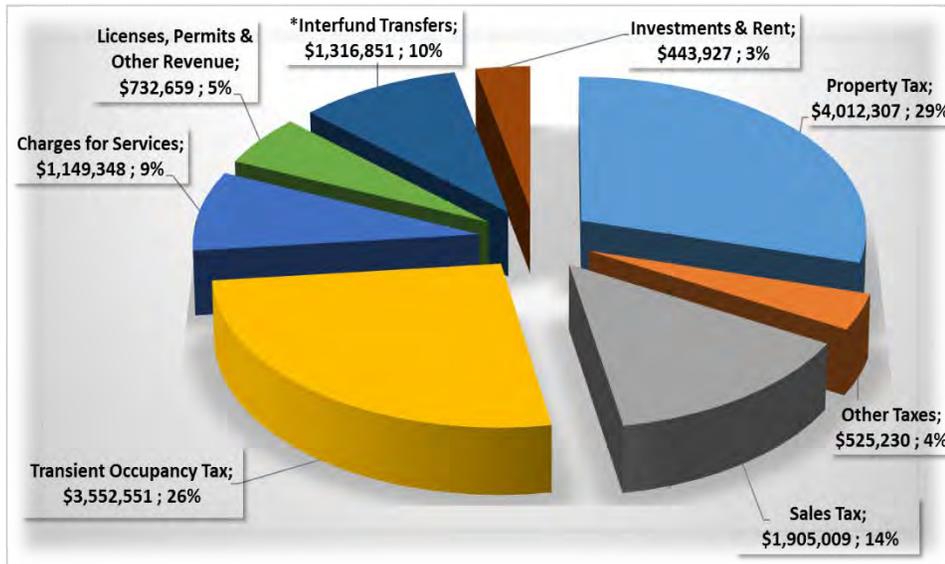
* For Details, see City Budget Document, pp. 43-45

**Includes Water, Sewer, Harbor and Transit Enterprise Funds. See page 3 of this document for a breakdown of the various enterprise funds.

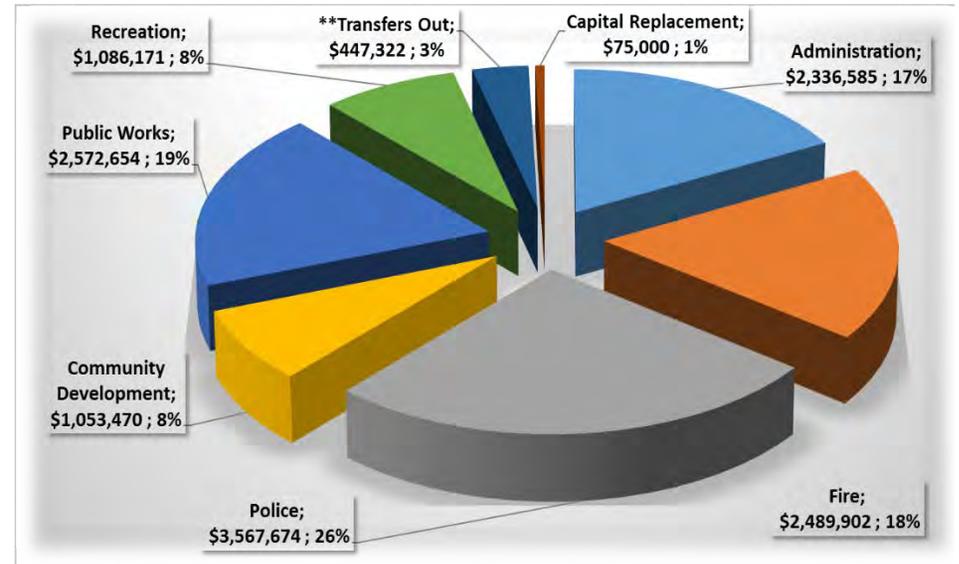
What is the General Fund?

The General Fund is the main operating fund for the City of Morro Bay and provides core services including Public Safety (Police/Fire), Public Infrastructure Services, Recreation, Legal Services, Planning and Code Enforcement and Administration. The General Fund is supported primarily through taxes (sales, property, transient occupancy, business licenses and franchise taxes), various fees and charges for services collected from the City's Enterprise Funds. It is one of many city funds that make up the consolidated annual budget shown on the previous page.

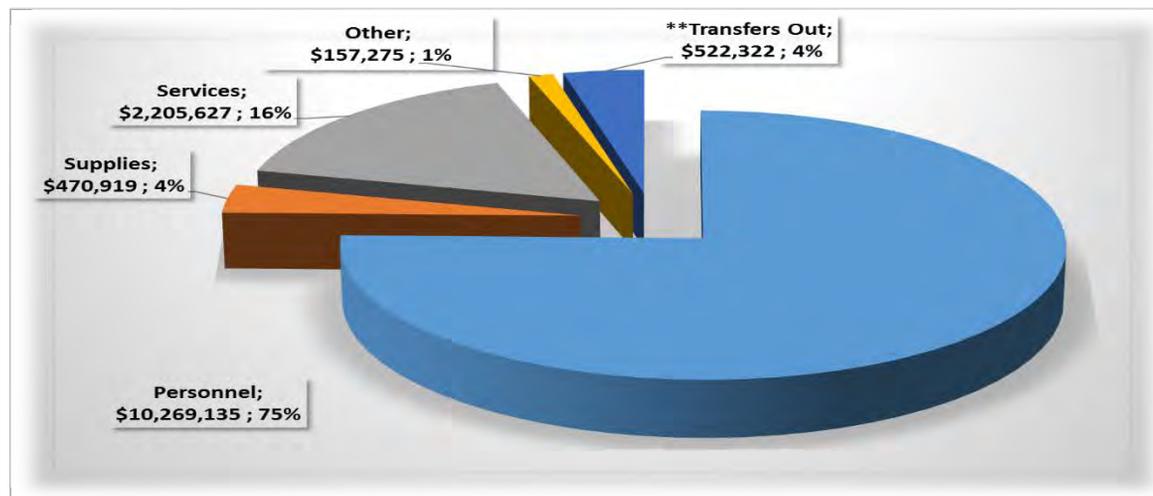
FY 2017-18 General Fund Projected Revenue: \$13,637,882



FY2017-18 General Fund Expenditures: \$13,628,778



What do General Fund monies pay for?



*Interfund Transfers reflect payments from the Enterprise Funds to reimburse the General Fund for staff time and services used by those projects.

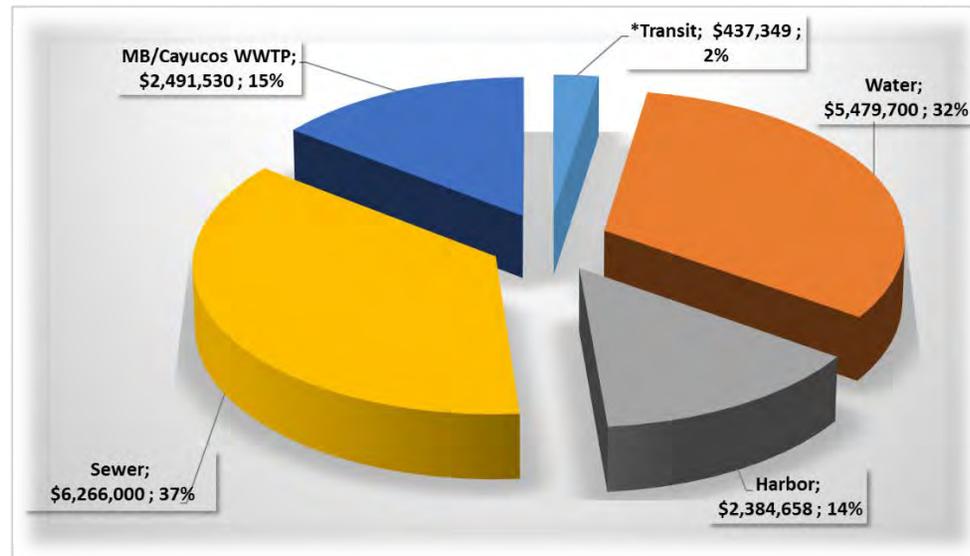
** General Fund Transfers Out include information technology, economic development, and vehicle replacement.

What are the Enterprise Funds?

The Enterprise Funds capture revenues and expenses necessary to provide water, sewer, harbor and local transit services. These are operated as separate and distinct not-for-profit businesses and the revenue received by each enterprise may only be used to operate, maintain and improve those services being provided. For example: Revenues from water and sewer fees may only be used to maintain and improve the water and wastewater utility systems – not to fix the streets or hire additional police officers and firefighters.

***Transit operating budget includes state and local transportation funding and grants in addition to farebox revenues, trolley rental and advertising income.**

FY 2017-18 Enterprise Funds:



What is Measure Q and how is the Money Spent?

In November 2006, the citizens of Morro Bay voted for a ½ cent district sales tax commonly known as “Measure Q”. The text of Measure Q states that its purpose is “To preserve Morro Bay’s safety and character by funding essential services including upgrading firefighter/paramedic equipment, fire stations, police, street and pothole repairs, improving storm drains and to protect the bay from pollution and other general city services.” Measure Q also established a Citizens Oversight Advisory Committee whose purpose is to conduct a semi-annual review of tax revenues and expenditures and report its findings to City Council. The annual estimated revenue from Measure Q is divided between departments based on the language in the Measure and department requests.

FY 2017-18 Measure Q Projected Revenues: \$1,019,199

