

## Land Based

Agricultural Commissioner

Planning and Building  
Community Development

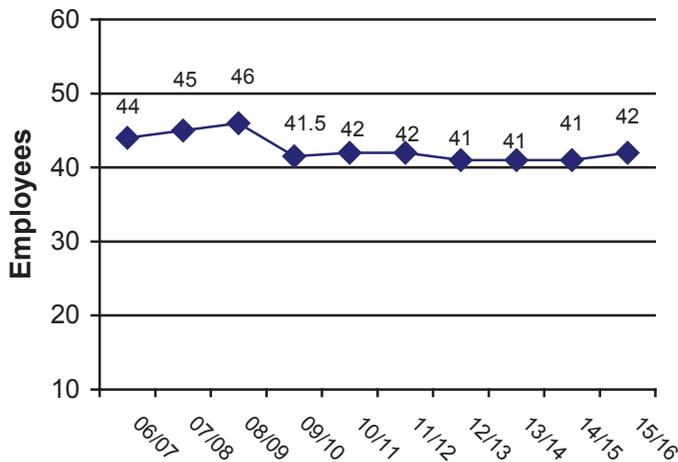
Public Works  
Los Osos Wastewater System  
Public Works Special Services  
Roads  
Road Impact Fees

**MISSION STATEMENT**

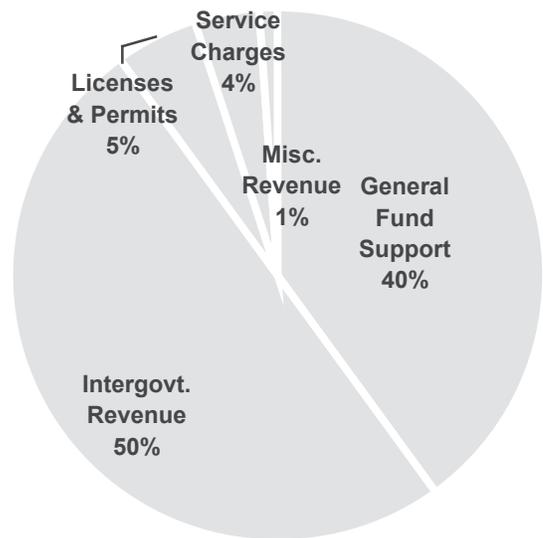
Through the effective and efficient use of resources, the Department of Agriculture/Weights and Measures is committed to serving the community by protecting agriculture, the environment, and the health and safety of its citizens, and by ensuring equity in the marketplace.

	2014-15 Budget	2014-15 Projected	2015-16 Requested	2015-16 Recommended	Change From 2014-15
<b>Financial Summary</b>					
Licenses and Permits	\$ 277,000	\$ 272,600	\$ 284,558	\$ 284,558	\$ 7,558
Fines, Forfeitures and Penalties	0	17,200	0	0	0
Intergovernmental Revenue	2,764,058	2,827,737	2,721,945	2,721,945	(42,113)
Charges for Current Services	217,000	237,050	247,250	247,250	30,250
Other Revenues	1,000	14,630	500	500	(500)
Interfund	4,250	5,750	1,750	1,750	(2,500)
<b>**Total Revenue</b>	<b>\$ 3,263,308</b>	<b>\$ 3,374,967</b>	<b>\$ 3,256,003</b>	<b>\$ 3,256,003</b>	<b>\$ (7,305)</b>
Salary and Benefits	4,559,362	4,740,527	4,635,382	4,665,003	105,641
Services and Supplies	792,721	808,981	791,415	801,572	8,851
Fixed Assets	13,000	13,000	7,000	7,000	(6,000)
<b>**Gross Expenditures</b>	<b>\$ 5,365,083</b>	<b>\$ 5,562,508</b>	<b>\$ 5,433,797</b>	<b>\$ 5,473,575</b>	<b>\$ 108,492</b>
General Fund Support (G.F.S.)	<u>\$ 2,101,775</u>	<u>\$ 2,187,541</u>	<u>\$ 2,177,794</u>	<u>\$ 2,217,572</u>	<u>\$ 115,797</u>

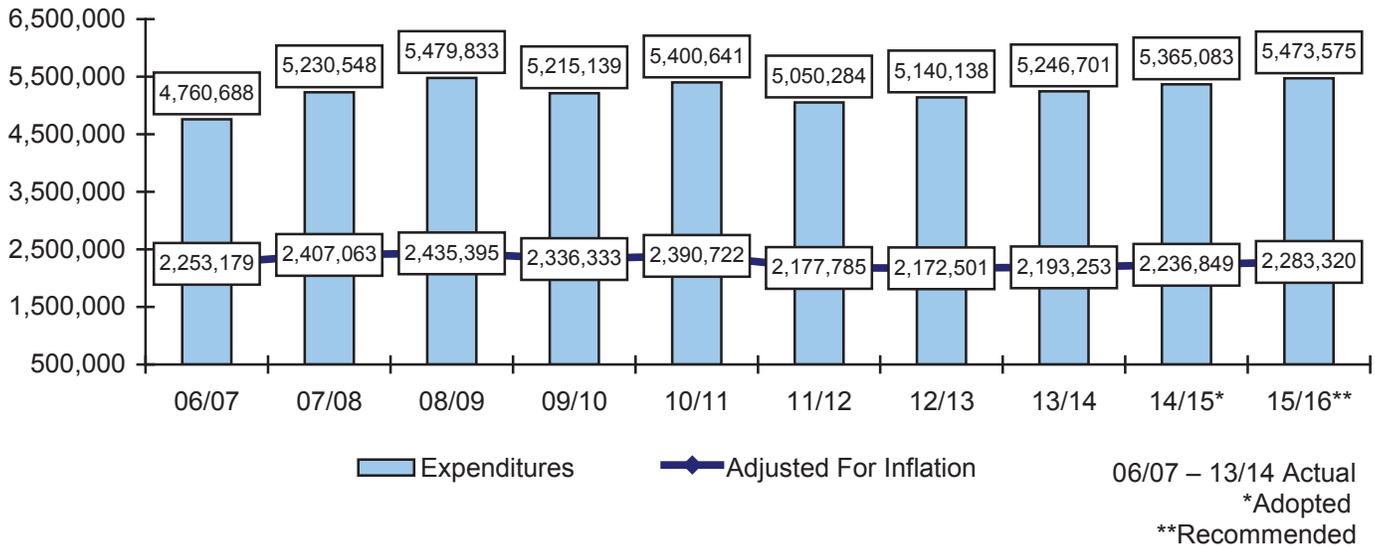
**Number of Employees  
(Full Time Equivalent)**



**Source of Funds**



**10 Year Expenditures Adjusted For Inflation**



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**SERVICE PROGRAMS**

The Department of Agriculture/Weights and Measures has a total expenditure level of \$5,473,575 and a total staffing level of 42.00 FTE to provide the following services:

**Pesticide Use Enforcement**

Enforce mandated pesticide requirements to protect workers, public health and safety, the environment, and to ensure a safe food supply.

Total Expenditures: \$1,337,688 Total Staffing (FTE): 10.79

**Agricultural Resources Management**

Provide information and make recommendations about policies and processes to protect agricultural operations and resources.

Total Expenditures: \$285,191 Total Staffing (FTE): 2.30

**Pest Management**

Promote, implement and conduct agricultural and urban integrated pest management strategies.

Total Expenditures: \$295,894 Total Staffing (FTE): 1.18

**Pest Prevention**

Conduct mandated pest exclusion programs to prevent the introduction of quarantine pests, to determine pest presence, and to eliminate infestations. These programs protect agriculture, urban environments and native habitats in the county from injurious insect and animal pests, plant diseases and noxious weeds.

Total Expenditures: \$2,812,340 Total Staffing (FTE): 21.93

**Product Quality**

Perform inspections at certified farmers' markets, nurseries, organic producers and handlers, and seed distributors to ensure quality product and compliance with mandated requirements.

Total Expenditures: \$296,151 Total Staffing (FTE): 2.41

**Weights and Measures**

Protect consumers and businesses by inspecting weighing and measuring devices and verifying advertised sales prices and business practices to ensure transaction accuracy and preserve equity in the marketplace.

Total Expenditures: \$446,311 Total Staffing (FTE): 3.39

**DEPARTMENT COMMENTS**

The Agricultural Commissioner and Sealer of Weights and Measures is the local entity mandated to enforce state laws and regulations specific to plant quarantine, pesticide use and weights and measures, and operates under the authority of the California Department of Food and Agriculture and the California Department of Pesticide Regulation. The Agricultural Commissioner/Sealer also compiles annual agricultural statistics and provides other services to the community by participating in the Diablo Canyon Nuclear Power Plant Emergency Response program, aiding in emergency declarations and providing technical information to identify land use impacts to agricultural resources and operations.

During FY 2014-15 the department successfully initiated the first phase of a multi-year reorganization of the management and support services teams. With the implementation of this restructuring, the span of control for managers will be balanced, greater financial accountability and consistency will be achieved and the immediate and future succession planning objectives of the department will be enhanced.

Following are some of the department's notable accomplishments for FY 2014-15 and specific objectives for FY 2015-16:

**FY 2014-15 Accomplishments**

- Collaborated with the University of California Cooperative Extension, California Department of Food and Agriculture and a local agricultural retail business to provide rodent control workshops to 125 attendees. Information was provided by statewide experts on the most effective and safe use of available control techniques. In addition to general control techniques, commercial agricultural producers were informed of sources of rodenticide baits for purchase. The department will provide the training again in FY 2015-16.
- Focused surveillance of pesticide use at agricultural production sites within one-quarter mile of schools and licensed day care facilities. Of the inspections performed from July through December 2014, applicators achieved 100% compliance with laws and regulations. Staff will continue to target surveillance of pesticide applications within one-quarter mile of schools and licensed day care facilities.
- Received training in new weighmaster inspection procedures pursuant to Senate Bill 485, designed to help deter metal theft. Of the six junk dealer/recycler businesses that renewed

**FY 2015-16 Objectives**

- To further assist producers that export agricultural commodities, staff will educate producers in the use of on-line certification resources. Staff will also explore means to streamline the certification process through the use of compliance agreements for qualified shippers.
- To prepare qualified staff for opportunities to promote into future vacancies in supervisory and management positions, staff members will complete training courses such as the Management Academy, Supervisor Academy and S.T.A.R.T. offered through the County's Learning and Development Center.
- The department will launch a regionalized approach for routine weights and measures inspections. There are approximately 650 business locations in the County that use weighing and measuring devices that fall into the routine inspection category, i.e. service station gas pumps, grocery and deli scales, water vending machines, and wire and cordage meters. These devices are inspected using test standards and equipment secured in fully

weighmaster licenses during the first half of FY 2014-15, all were inspected and found in compliance with statutory requirements. Additionally, all timeline and reporting aspects required of the department by the California Department of Food and Agriculture were met.

- Program manuals were created for staff and managers assigned to the Diablo Canyon Nuclear Power Plant emergency response program and the Weights and Measures program. Both manuals serve as training tools and help to preserve institutional knowledge, resulting in well trained staff and the continued delivery of high quality customer service.

equipped vehicles. As an alternative to housing equipment at a centralized location, inspectors and equipment staged at each of the three office locations will provide improved efficiencies and more responsive service to businesses and consumers countywide.

- Staff will provide outreach and education for newly implemented statewide pesticide use conditions pertaining to soil fumigants containing chloropicrin. These more stringent conditions will be added to each user's pesticide use permit and applications will be closely monitored for compliance with these new conditions. This further ensures the protection of residents, workers and bystanders in proximity to chloropicrin fumigant applications.

**COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS**

General Fund support is recommended to increase \$115,797 or 5% compared to FY 2014-15 adopted levels. Revenues are recommended to decrease by \$7,305 or less than 1% and expenditures are recommended to increase by \$108,492 or 2% as compared to the FY 2014-15 adopted levels.

The decrease in revenue is due to four main factors: (1) a \$15,901 or 2% increase in State Aid for agriculture due to contract increases for High Risk Pest Exclusion and pesticide use enforcement data entry; (2) an anticipated \$39,914 or 3% decrease in Unclaimed Gas Tax based on the reduction of General Fund support for qualifying agricultural programs in FY 2014-15; (3) a \$19,000 or 2% reduction in Federal Aid due to the recent eradication of the Glassy-Winged Sharpshooter and the anticipated reduction of Light Brown Apple Moth regulatory work; and (4) a \$30,050 or 14% increase in agricultural services revenue due to an increased demand for export certificates for local plant products.

Unclaimed Gas Tax revenue is budgeted at over a \$1 million each year and makes up approximately one-third of total revenue in this budget. The State Food and Agriculture Code, Section 224.5 (3), requires that in order to be eligible to receive Unclaimed Gas Tax revenue each county must maintain a level of General Fund support "for agricultural commissioner services at least equal to the average amount expended for the five preceding fiscal years, unless the county is facing unusual economic hardship that precludes that support." In each of the past five fiscal years, the County has submitted documentation of economic hardship and obtained a waiver of this requirement. Consequently, the County has continued receiving Unclaimed Gas Tax revenue. Based on the General Fund support provided to the Agricultural Commissioner budget over the past five years, it is expected that a waiver request will not be necessary in FY 2015-16.

Salaries and benefits are increasing by \$105,641 or 2% due to a wage and benefit contribution increase for staff positions, an increase in pest detection trapper help, and the recommended addition of an Agricultural Inspector/Biologist position to the department's Position Allocation List (PAL). Services and supplies are increasing by \$8,851 or 1% primarily due to an increase in expenditures for the recommended addition of a Weights and Measures Vehicle. The addition of an Agricultural Inspector/Biologist position and the Weights and Measures Vehicle are described in more detail under the budget augmentation requests recommended section below.

Fixed assets are recommended to decrease by \$6,000. Included in the FY 2014-15 budget were replacement copiers for the San Luis Obispo and Arroyo Grande offices. The FY 2015-16 recommended budget includes a replacement copier for the Templeton field office.

The recommended amount of General Fund support will increase service levels. The addition of 1.0 FTE Agricultural Inspector/Biologist position will partially restore efforts dedicated to the Pesticide Use Enforcement (PUE) program and the Invasive Weed Management program closer to historic levels. The addition of a ¾-ton truck will allow inspectors to be staged in both North and South County areas and will begin a regional approach

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to customer service. In addition, the recommended General Fund support increase will improve the department's unclaimed gas tax distribution the following year.

As discussed in the FY 2014-15 budget, the department is facing a multitude of retirements in the next four years, including key management positions. In order to proactively address these events and create improvements, the department has begun a succession plan through a departmental restructure. To preserve stability and coincide with imminent retirements, the complete restructure will be phased in over four fiscal years. The first step of this restructure was approved with the FY 2014-15 budget. On October 21, 2014, the Board approved the second step of the multi-year departmental restructure. The Board approved a new classification of Deputy Agricultural Commissioner and Sealer of Weights and Measures and amended the PAL by adding 1.0 FTE Deputy Agricultural Commissioner and Sealer of Weights and Measures and 1.0 FTE Administrative Service Manager. The Board item stated that subsequent to the appointments of the two new positions, the Department would request removal of the Chief Deputy Sealer and Administrative Services Officer position from the PAL. Due to timing, the removal of the two positions from the PAL is being recommended as part of the budget process (see below).

The FY 2015-16 recommended PAL for the department includes a net increase of 1.0 FTE compared to the FY 2014-15 adopted PAL.

FY 2014-15 Mid-Year PAL Changes

- +1.0 FTE Administrative Services Manager position as part of the departmental restructure (Board approved 8/21/2014)
- +1.0 FTE Deputy Agricultural Commissioner/Sealer position as part of the departmental restructure (Board approved 8/21/2014)

FY 2015-16 Recommended PAL Changes

- -1.0 FTE Administrative Services Officer position as part of the departmental restructure
- -1.0 FTE Chief Deputy-Sealer Weights and Measures position as part of the departmental restructure
- +1.0 FTE Agricultural Inspector Biologist position to partially restore efforts dedicated to the Pesticide Use Enforcement (PUE) program and the Invasive Weed Management program closer to historic levels.

**BUDGET AUGMENTATION REQUESTS RECOMMENDED**

<b>Unit Amount</b>	<b>Description</b>	<b>Results</b>
Gross: \$61,822  General Fund support: \$61,822	Addition of 1.0 FTE Agricultural Inspector/Biologist	<p>Allow the department to partially restore the staffing to two core agricultural programs: <u>Pesticide Use Enforcement (PUE) program</u></p> <ol style="list-style-type: none"> <li>1. Staff will increase the percentage of time dedicated to field surveillance of pesticide use to 9% restoring approximately 330 hours of time to field surveillance and increase our pesticide use monitoring opportunities.</li> <li>2. The total number of field inspections will increase by 40 inspections per year, for a total of 584 field inspections per year countywide.</li> </ol> <p><u>Invasive Weeds Program</u></p> <ol style="list-style-type: none"> <li>1. Staff will increase the number of net acres treated for invasive weed pests by over 100% (efforts will increase to over 50 net acres treated).</li> <li>2. Staff will increase the number of sites surveyed for potential invasive weeds by 50% (surveys will be increased to 110 distinct properties).</li> <li>3. Staff will have greater opportunity to submit grant applications that can be utilized to augment the Invasive Weeds program at minimal cost to the County.</li> </ol>

<p>Gross: \$42,120</p> <p>General Fund support: \$42,120</p>	<p>Purchase of one ¾-ton truck, equipped with a service body and securable storage compartments, to be used by weights and measures inspectors</p>	<ol style="list-style-type: none"> <li>1. Inspectors and all-purpose equipment will be staged at locations in North and South County.</li> <li>2. Shared equipment used for non-routine devices will be equally distributed between North and South County during respective inspection seasons.</li> <li>3. During Fiscal Year 2013-14, the department responded to 8 out of 20 complaints within one business day for a response rate of 40%. With the addition of this new vehicle, the department expects to improve that response rate to 80%.</li> </ol>
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**GOALS AND PERFORMANCE MEASURES**

<p><b>Department Goal:</b> Uphold the commitment to serve the community as outlined in the department's mission statement, which is in alignment with county adopted Communitywide Results.</p>						
<p><b>Communitywide Result Link:</b> <input checked="" type="checkbox"/> Safe <input checked="" type="checkbox"/> Healthy <input type="checkbox"/> Livable <input checked="" type="checkbox"/> Prosperous <input checked="" type="checkbox"/> Well-Governed Community</p>						
<p><b>1. Performance Measure: Percentage of clients that indicate they are satisfied with departmental services. (Quality measure)</b></p>						
10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
<p>94.4% overall satisfaction with services provided to local customers who receive export certification services</p>	<p>100% overall satisfaction with services provided to local grape growers who participated in the detection of European Grapevine Moth</p>	<p>100% overall satisfaction with services provided to the local residents whose properties required pesticide treatments during the Glassy-winged Sharpshooter eradication project</p>	<p>100% overall satisfaction with registration assistance provided to local organic producers</p>	<p>95% overall satisfaction with inspection and certification services provided to local businesses that use commercial weighing and measuring devices</p>	<p>95% overall satisfaction with inspection and certification services provided to local businesses that use commercial weighing and measuring devices</p>	<p>95% overall satisfaction with service provided to customers obtaining Restricted Materials Permits and/or Operator Identification Numbers for pesticide use.</p>
<p><b>What:</b> The department solicits feedback including ideas for improvement from its clients each fiscal year. Each year we choose a different program within our department to survey for customer satisfaction. Survey methods vary depending on clientele, and include direct mailings, person-to-person handouts, and through <a href="http://www.slocounty.gov/agcomm">www.slocounty.gov/agcomm</a>. Surveys are solicited at various times during the year and the format is standardized to maintain comparative results.</p>						
<p><b>Why:</b> The department is committed to excellent customer service. Customer feedback and suggestions help us achieve that goal.</p>						
<p><b>How are we doing?</b> California statute requires the county sealer to inspect most commercial weighing and measuring devices on an annual basis such as, grocery store scales, gas pumps, taximeters, livestock and vehicle scales. Periodic inspections ensure that when commodities are sold or purchased on the basis of weight or measure, that the measurements used for these transactions are accurate and reliable. Business compliance with weights and measures standards assures consumer confidence and fair competition in the marketplace.</p>						
<p>During FY 2014-15 we will solicit feedback from the approximately 950 county businesses that use commercial weighing and measuring devices to determine their level of satisfaction with the department's inspection and certification services. Survey forms will be enclosed with our April 2015 annual device registration invoices or sent by separate letter.</p>						
<p>During FY 2015-16, we will solicit feedback from customers obtaining Restricted Materials Permits and/or Operator Identification Numbers for the agricultural use of pesticides to determine their level of satisfaction with the services provided during issuance. Survey forms will be provided to customers throughout FY 2015-16.</p>						

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<b>2. Performance Measure: The number of packages denied entry into San Luis Obispo County due to violations of quarantine laws per 1,000 packages inspected at Federal Express. (Outcome measure)</b>						
10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
7.4	13.7	12.2	16.9	13	13	13
<p><b>What:</b> San Luis Obispo County enjoys a relatively pristine environment, mostly free from quarantine agricultural pests and diseases. The Agricultural Commissioner/Sealer's staff intercepts incoming packages containing plant material at freight and package shipping terminals and inspects for the presence of detrimental pests. Shipments in violation of quarantine laws are denied delivery to the receiver, and the shipment must be treated, returned to the sender or destroyed, thereby protecting the county from potential pest infestations or disease outbreaks. This measure tracks the number of Notices of Rejection issued per one thousand packages inspected at the San Luis Obispo County Federal Express terminal and reflects our effectiveness in protecting the agricultural and environmental resources of the county. Although we inspect shipments passing through other shipping terminals, such as UPS and OnTrac, we consider Federal Express to be the highest risk pathway due to the volume of shipments originating from areas with high populations of significant agricultural pests. Thorough inspections also serve as a deterrent for shippers to avoid sending infested shipments to San Luis Obispo County.</p> <p><b>Why:</b> To protect agriculture and the urban and natural ecosystems in San Luis Obispo County. Each pest found is one new infestation prevented, which eliminates eradication costs and the negative effects on the county.</p> <p><b>How are we doing:</b> From July 1, 2014 through October 25, 2014, staff inspected 502 packages at Federal Express and 3 were denied entry into the county for an overall rejection rate of 6.0 packages per 1,000 inspected. This is well below both our actual results seen in FY 2013-14 and our adopted target for FY 2014-15. However, we have not lowered our projected FY 2014-15 at this time because we are not confident that the small four-month sample size reflects an actual change in the rate of violations.</p> <p>The target for FY 2015-16 remains the same.</p>						
<b>3. Performance Measure: The overall rate of insect specimen interceptions by pest detection staff. (Quality measure)</b>						
10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
89.7%	95.7%	92.6%	92.9%	90.0%	92.0%	90.0%
<p><b>What:</b> San Luis Obispo County is predominantly free from exotic and invasive insect pests. To help ensure that this remains true, the department conducts several state-mandated insect detection programs, each implemented and maintained under specific state protocols. Staff place and monitor insect traps throughout the county in order to detect target insects before any infestation exceeds one square mile. Well trained and efficient Pest Detection Trappers are necessary for an effective program. To measure Pest Detection Trapper performance, staff from the California Department of Food and Agriculture, Pest Detection Emergency Projects program periodically, and unannounced, place target insect specimens in traps. The detection rate measures the ability of individual Pest Detection Trappers to intercept these planted specimens. An effective pest detection program is determined largely by the collective interception rate for all program Pest Detection Trappers. The department has determined that successfully trained Pest Detection Trappers should achieve an individual, and collective, score of at least 90%.</p> <p><b>Why:</b> Early detection of exotic and invasive pests protects agriculture, urban environments, and natural ecosystems in San Luis Obispo County, and prevents the negative ecological and economic effects caused by an established insect pest infestation.</p> <p><b>How are we doing?</b> The target for FY 2014-15 is 90% of quality control insect specimens intercepted. From July 1, 2014 through October 31, 2014, Pest Detection Trappers intercepted 18 of 19 planted insect specimens for an interception rate of 94.7%. We will continue to focus on target insect identification training for all Pest Detection Trappers.</p> <p>The target for FY 2015-16 remains at 90%.</p>						
<b>4. Performance Measure: Percentage of overall compliance by all regulated pesticide users (agricultural, structural and governmental). (Outcome measure)</b>						
10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
96.9%	97.8%	97.8%	97.5%	98.0%	98.0%	98.0%
<p><b>What:</b> Laws require pesticide users to comply with mandated requirements such as, but not limited to: following pesticide labels, training workers, operating equipment and applying pesticides in a safe manner, and keeping records of usage. This measure reflects the effectiveness of the Agricultural Commissioner/Sealer's staff in educating pesticide users and, through strict enforcement, insuring that users are in compliance with California's pesticide laws. This measure excludes home use by the public, which currently is not monitored.</p> <p><b>Why:</b> To protect workers, the public's health and safety, the health of the environment, and to ensure safe food.</p>						

**How are we doing?** The Pesticide Use Enforcement Program continues to provide a high level of protection for the community. During FY 2014-15, July through October, staff inspected 2,299 requirements and found 2,256 to be in compliance for a 98.1% compliance rate. The compliance rate is based on conformance with standardized statewide requirements applicable to each type of inspection, including agricultural pesticide use monitoring, records audits and structural pest control. The overall statewide compliance rate for 2013 was 98.5% (the most current data available from the California Department of Pesticide Regulation); however, each county has a unique work plan negotiated with the state that focuses inspections on specific areas of concern. San Luis Obispo County's compliance rate is slightly lower than the state average due to our focus on pesticide use in areas where compliance rates have been historically low.

The target for FY 2015-16 remains at 98.0% and takes into consideration current pesticide use trends and added requirements for the field fumigants while maintaining oversight of traditional agricultural and structural pesticide use.

**5. Performance Measure: Number of pesticide use report records processed per hour. (Efficiency measure)**  
*(This measure is being deleted in FY 2015-16)*

10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
79.2	68.2	54.1	71.6	70.0	90.0	Deleted

**What:** Producers of agricultural commodities and pest control businesses are required to report pesticide use to the County Agricultural Commissioner. This data is reviewed and entered into a statewide pesticide use report database. This measure demonstrates how efficiently we process pesticide use report data.

**Why:** Interested parties want prompt and efficient processing of pesticide use reports to obtain up-to-date data for identifying pesticide use in the county.

**How are we doing?** During FY 2014-15, July through October, the number of pesticide use report records processed increased to 93.9 records per hour. This improvement is primarily due to progress made after a transitional period of all users learning and adjusting to the new CalAgPermits system and an increased utilization of web based use reporting. The CalAgPermits system will be fully implemented by FY 2015-16 when all of the multi-year permit customers have renewed using the new system. The percentage of customers using web-based use reporting increased from 66% in FY 2012-13 to 73% in FY 2013-14. This trend is continuing in FY 2014-15. There is no statewide or comparable county data available for this measure.

We are eliminating this efficiency measure in FY 2015-16. The automated system has decreased the number of staff hours required to enter and correct use reporting errors.

**6. Performance Measure: Percentage of all weighing and measuring devices found to be in compliance with California laws. (Outcome measure)**

10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
SLO County 90.9%	SLO County 91.9%	SLO County 89.4%	SLO County 90.5%	To equal or exceed the statewide compliance average	SLO County 90.0%	To equal or exceed the statewide compliance average
Statewide 93.1%	Statewide 93.7%	Statewide 93.4%	Statewide data not currently available		Statewide data not currently available	

**What:** California law mandates the County Agricultural Commissioner/Sealer to inspect and test all commercial weighing and measuring devices on an annual basis, with a few exceptions. This measure represents the percentage of San Luis Obispo County weighing and measuring devices found upon initial inspection to be in compliance with laws, and our County's compliance level compared to the statewide results for the year. This measure reflects the effectiveness of the department in educating operators of commercial weighing and measuring devices and, through strict enforcement, insuring that these devices are in compliance with California weights and measures laws.

**Why:** The use of correct weighing and measuring devices protects consumers and helps insure that merchants compete fairly.

**How are we doing?** The annual statewide compliance rate for all California counties combined averaged 93.5% during the previous five years. Our results averaged 91.7% during this period. During the first four months of FY 2014-15, 1,608 weighing and measuring devices were found in compliance out of 1,832 devices inspected, for an 87.8% overall compliance rate. Statewide compliance data for FY 2013-14 will be published in Spring 2015, and statewide compliance data for FY 2014-15 will be published in Spring 2016. Thoroughness of inspections results in slightly lower local compliance rates as compared to the statewide average.

The standard target for FY 2015-16 to equal or exceed the statewide compliance average is retained.

<b>7. Performance Measure: Percentage of price scanners found to be in compliance with California laws. (Outcome measure)</b>						
<b>10-11 Actual Results</b>	<b>11-12 Actual Results</b>	<b>12-13 Actual Results</b>	<b>13-14 Actual Results</b>	<b>14-15 Adopted</b>	<b>14-15 Projected</b>	<b>15-16 Target</b>
SLO County 98.7%	SLO County 99.3%	SLO County 98.6%	SLO County 99.1%	To equal or exceed the statewide compliance average	SLO County 99.0%	To equal or exceed the statewide compliance average
Statewide 98.1%	Statewide 97.9%	Statewide 98.3%	Statewide data not currently available		Statewide data not currently available	

**What:** Price scanner inspections compare the actual prices charged for items at retail store checkout stands with the lowest advertised, posted or quoted prices for those items. All retail stores, such as supermarkets and department stores, utilizing automated price scanners are subject to inspection. This measure represents the percentage of items tested that are charged correctly at the checkout stand and our county's compliance level compared to the statewide results for the year. This measure reflects the effectiveness of the department in educating operators of price scanning systems and, through strict enforcement, insuring that pricing is in compliance with California weights and measures laws.

**Why:** Accurate price scanners protect consumers and help insure that merchants compete fairly.

**How are we doing?** The annual statewide compliance rate for all California counties combined averaged 98.1% during the previous five years. Our results averaged 98.7% during this period. During the first four months of FY 2014-15, 56 items were found in compliance out of 56 items inspected, for a 100% compliance rate. Statewide compliance data for FY 2013-14 will be published in Spring 2015, and statewide compliance data for FY 2014-15 will be published in Spring 2016.

The standard target for FY 2015-16 to equal or exceed the statewide compliance average is retained.

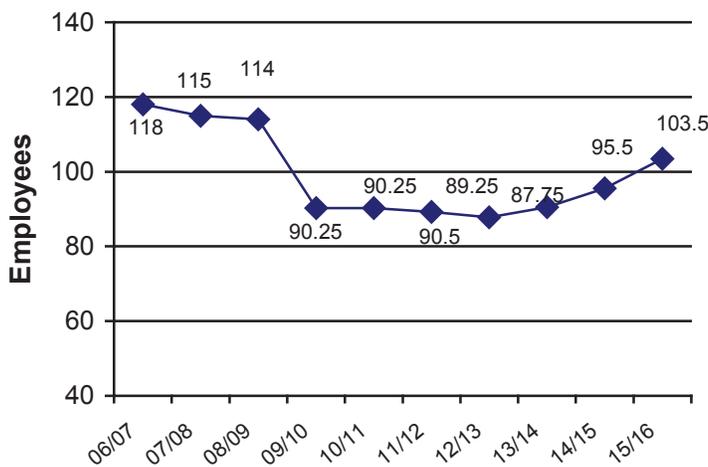
**MISSION STATEMENT**

Promoting the wise use of land. Helping to build great communities.

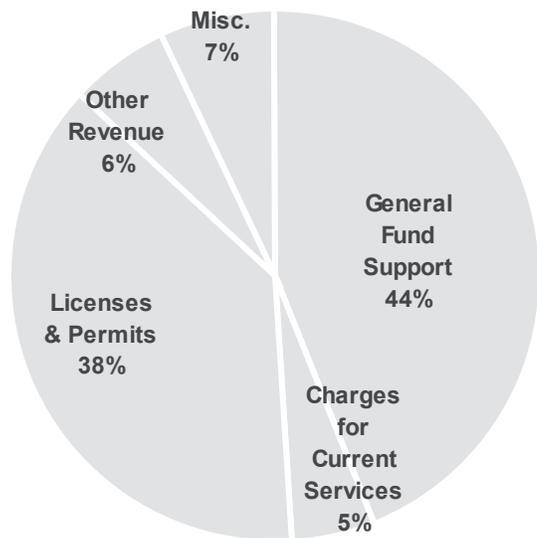
	2014-15 Budget	2014-15 Projected	2015-16 Requested	2015-16 Recommended	Change From 2014-15
<b>Financial Summary</b>					
Licenses and Permits	\$ 5,095,885	\$ 5,443,587	\$ 5,092,621	\$ 5,092,621	\$ (3,264)
Fines, Forfeitures and Penalties	70,716	25,137	56,081	56,081	(14,635)
Intergovernmental Revenue	117,527	462,301	7,371	7,371	(110,156)
Charges for Current Services	615,034	690,376	635,084	635,084	20,050
Other Revenues	789,173	967,665	852,702	852,702	63,529
Other Financing Sources	82,968	40,000	86,621	399,427	316,459
Interfund	269,569	299,545	262,350	392,298	122,729
<b>**Total Revenue</b>	<b>\$ 7,040,872</b>	<b>\$ 7,928,611</b>	<b>\$ 6,992,830</b>	<b>\$ 7,435,584</b>	<b>\$ 394,712</b>
Salary and Benefits	10,690,311	10,634,964	11,020,198	11,362,902	672,591
Services and Supplies	2,212,832	3,963,939	1,892,182	1,969,579	(243,253)
Fixed Assets	0	7,750	0	0	0
<b>**Gross Expenditures</b>	<b>\$ 12,903,143</b>	<b>\$ 14,606,653</b>	<b>\$ 12,912,380</b>	<b>\$ 13,332,481</b>	<b>\$ 429,338</b>
General Fund Support (G.F.S.)	<u>\$ 5,862,271</u>	<u>\$ 6,678,042</u>	<u>\$ 5,919,550</u>	<u>\$ 5,896,897</u>	<u>\$ 34,626</u>

Land Based

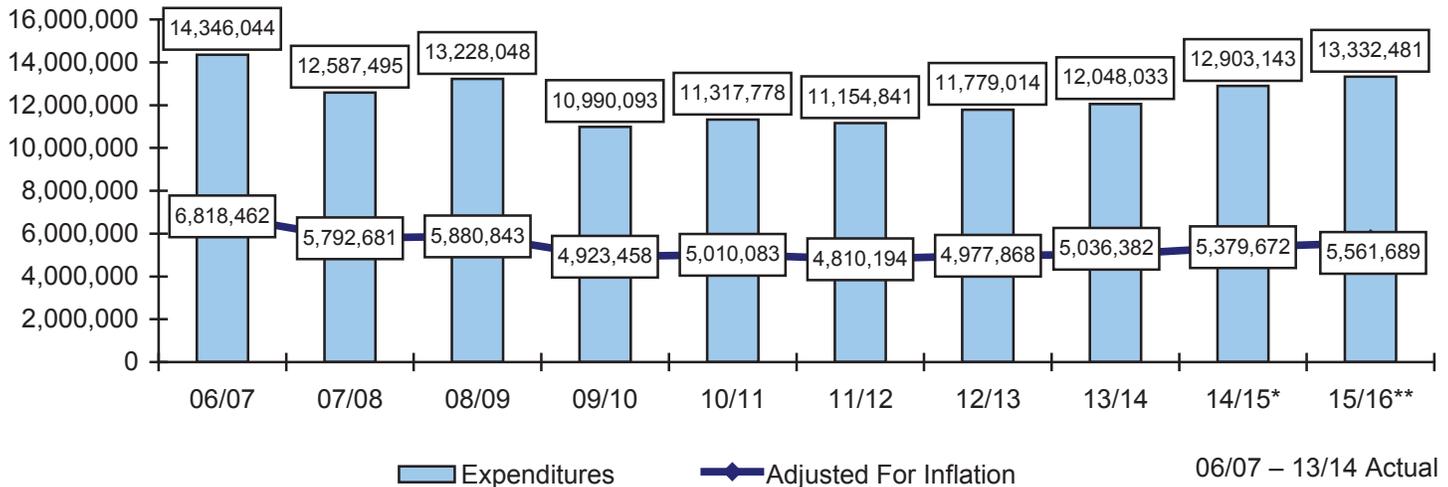
**Number of Employees  
(Full Time Equivalent)**



**Source of Funds**



### 10 Year Expenditures Adjusted For Inflation



06/07 – 13/14 Actual  
\*Adopted  
\*\*Recommended

### SERVICE PROGRAMS

Planning and Building has a total expenditure level of \$13,332,481 and a total staffing level of 103.50 FTE to provide the following services:

#### Land Use Planning

The Planning and Building Department helps plan communities and rural areas by:

- Facilitating public participation and providing opportunities to develop the County's vision for the future, through updates to the General Plan, ordinances and other planning initiatives.
- Collaborating with the public and decision makers on how best to guide future development and resource conservation.
- Addressing housing needs and economic development through public outreach, research, projections and programs to achieve identified targets.
- Maintaining and improving General Plan maps, other supporting maps, and Geographical Information System (GIS) databases that are valuable tools used for research, public information and decision making.
- Creating policies and strategies that are considered by decision-makers to implement the County vision.

Total Expenditures: \$3,710,463 Total Staffing (FTE): 32.00

#### Development and Permit Review

The department provides development and permit review services to enable the public to participate in implementing and monitoring the County's vision by:

- Guiding applicants and the public through the permit review process by explaining relevant policies, ordinances and regulations and applying these in a consistent and fair manner.
- Reviewing development, land division and building applications to assure they meet all federal, state and local requirements.
- Inspecting construction projects for compliance with codes, regulations and permit approvals.
- Administering the Mobile Home Park Rent Stabilization Ordinance.

Total Expenditures: \$5,050,898 Total Staffing (FTE): 42.00

**Resource Management and Monitoring**

The department monitors and manages the county's natural resources and environment by:

- Ensuring that development meets goals identified through local programs, policies, laws and ordinances for resource management and conservation.
- Working with other departments, agencies, applicants, and the public to administer resource conservation goals.
- Ensuring that land use and environmental policies, laws and ordinances are fulfilled.

Total Expenditures: \$1,222,175 Total Staffing (FTE): 10.00

**Supporting Services**

Administration of the department provides leadership, administrative and technical services by:

- Optimizing the procedures and processes that support land use planning, development, and construction within the county.
- Providing leadership to ensure high quality "result-oriented" services.
- Ensuring fiscally responsive and flexible management when dealing with fluctuating demands for services.
- Providing education, public outreach and training for Department staff, decision-makers, the general public and the community.

Total Expenditures: \$3,348,945 Total Staffing (FTE): 19.50\*

\* Included are 6.0 (FTE) Limited Term positions who are staff to assist in the implementation/installation of the Department's Land Based Fee Permit System.

**DEPARTMENT COMMENTS**

The Planning & Building Department's primary function is to support the County's mission by implementing programs that support a safe, healthy, livable, prosperous, and well-governed community. The department accomplishes this by issuing construction permits, completing inspections, implementing and maintaining the General Plan, evaluating development proposals for consistency with adopted plans, conducting environmental analysis of plans and projects, preparing both short- and long-term policy recommendations and assisting the Board of Supervisors as well as the County's Planning Commission in making informed decisions on land use policies. In addition, the department coordinates with local, county, state and federal agencies, and assists non-profit organizations and private parties in building affordable housing in San Luis Obispo County to the maximum extent feasible.

The department is continuing efforts to increase efficiency in order to meet customer expectations and needs arising from economic pressures to reduce land-holding costs and to quickly deliver products in an ever changing construction market. In order to increase efficiency, the management team has been focusing on project and time management efforts including reorganizing the department to mimic the two main functions of our services - "Permitting" and "Policy and Programs." The need for better tools to help manage projects and staff resources is paramount and is seen in the request to replace our aging and soon to be obsolete project tracking software. The department also faces the challenge of managing recent retirements of long serving management and supervisorial staff members.

Following are some of the department's notable accomplishments for FY 2014-15 and objectives for FY 2015-16 reflecting the department's Strategic Plan key priorities of: Balance, Education, Leadership and Service.

**FY 2014-15 Accomplishments**

- **Balance**  
Developed and implemented the residential water offset program for Urgency Ordinance 3246, an ordinance covering new development overlying the Paso Robles Groundwater Basin.  
  
Completed constraints mapping and drafted an ordinance to allow new renewable energy projects to be processed in a streamlined and cost efficient fashion.
- **Education**  
Expanded the use of the department's YouTube channel to educate the public on department services and programs.  
  
Provided training to the County's Community Advisory Councils.
- **Leadership**  
Developed electronic desk manuals to capture institutional knowledge to address succession planning and employee retirement.  
  
Worked with Federal resource agencies to further the completion of the Habitat Conservation Plan for the community of Los Osos.
- **Service**  
Expanded the types of permits that can be obtained through an "e-permit" to include roof mounted solar Photovoltaic. Additionally, we now have a program for Electronic Submittal of applications and plans for large PV projects and pre-authorized commercial and residential projects.  
  
Opened the North County Service Center on a limited schedule.

**FY 2015-16 Objectives**

- **Balance**  
Complete amendments that improve readability and understanding of the Land Use Ordinance.  
  
Continue to work with Federal resource agencies to further the completion of the Habitat Conservation Plan for the community of Los Osos.
- **Education**  
Conduct outreach to the community for the emPower energy efficiency financing program.  
  
Support staff training opportunities through the Learning and Development Center.
- **Leadership**  
Complete a department restructure that balances resources with service demands.  
  
Develop an annual report that identifies how we help to build better communities.
- **Service**  
Provide permit processing/inspections for 2,000 sewer connections to Los Osos Wastewater Treatment Plant.  
  
Deliver full Planning services at the North County Service Center.

**COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS**

The level of General Fund support for Planning and Building is recommended to increase \$34,626 or less than 1% compared to the FY 2014-15 adopted budget. Revenues are recommended to increase \$394,712 or 5% and expenditures are recommended to increase \$429,338 or 3% compared to FY 2014-15 adopted levels.

The increase in revenue is primarily due to a \$312,806 increase in reimbursement revenue from Fund Center 266 – Countywide Automation Replacement for the recommended budget augmentation request to replace the department's permit tracking system (outlined below). Government and non-governmental grant funded revenue is increasing by \$81,068 or 1% due to a \$68,495 increase in energy grants, a \$122,729 increase in U.S. Department of Housing and Urban Development (HUD) grant funding available to offset administrative costs, and a \$110,156 decrease due to the California Emergency Commission grant ending. Large project revenue is

decreasing by \$274,251 or 31% due primarily to a decrease in plan check fee revenue generated from the completion of the two solar projects on the Carrizo Plain. This decrease in revenue is offset by the increase in revenue from the department's traditional customer base (i.e. more typical projects processed) reflecting some growth in development in the County. The department's traditional customer base revenue is increasing by \$275,081 or 5% from the FY 2014-15 adopted budget.

Overall, Building revenue is budgeted to increase by \$161,144 or 5%. The most significant increase in building revenue is the increase in revenue for work beginning on the Los Osos Sewer project. As noted above, the most significant decrease in building revenue is the decrease of Plan Check Fees by \$315,237 or 18%, driven by the completion of the two solar projects. In addition, the department is recognizing a substantial increase in photovoltaic systems, which is contributing to the increase in building revenue. Land use application revenue is decreasing by \$130,278 or 6% primarily due to a decrease in large value Conditional Use Permits partially offset by increased activity within plot plans, subdivision permits, and agriculture preserves. Additionally, code enforcement investigation revenue is decreasing by \$36,681 (33%) due to a decrease in caseload and activity.

As noted above, recommended expenditures are decreasing \$429,339 or 3% compared to the FY 2014-15 adopted budget. Salaries and benefits are increasing \$672,591 (6%) due to a wage and benefit contribution increase for staff positions, the recommended budget augmentation request to add 1.0 FTE Planner position to the PAL to expand services at the North County Service Center, and the recommended budget augmentation request to add 6.0 FTE limited term positions for the replacement of the department's permit tracking system (see budget augmentation requests recommended below).

Services and supplies are decreasing by \$243,253 or 10% from FY 2014-15 adopted levels. This decrease is primarily in the professional services account – an account that fluctuates from year to year depending on the projects planned for completion by the department and the need for technical experts to assist staff on these projects. The professional services account is decreasing by \$276,572 or 34% primarily due to the elimination of \$375,000 for inspection services for the completed solar projects. In addition, the Professional Services account includes the recommended budget augmentation requests of \$25,000 for consultant services for a Fair Housing Plan and \$30,000 to retain hydrogeological services (see budget augmentation requests recommended below). Other services and supplies accounts are increasing and decreasing by smaller amounts as compared to the FY 2014-15 adopted budget.

The recommended budget enables the Planning and Building Department to maintain the Board acknowledged priorities. The recommended budget augmentation request to add 1.0 FTE Planner will allow the department to increase service levels to North County residents by expanding services at the North County Service Center. The recommended budget augmentation request to add a vehicle for the will increase the number of annual inspections completed by the Building Inspection section.

The FY 2015-16 recommended PAL for Planning & Building includes a net increase of 8.0 FTE compared to the FY 2014-15 adopted PAL.

FY 2014-15 Mid-Year PAL Changes

Departmental Reorganization (Approved 7/15/2014)

- -2.00 FTE Supervising Building Inspector
- -1.00 FTE Assistant Building Official
- -1.00 FTE Supervising Plans Examiner
- -1.00 FTE Supervising Planner
- +5.00 FTE Building Division Supervisor

Department Reorganization (Approved 4/7/2015)

- -1.0 FTE Assistant Director – Planning and Building
- -1.0 FTE Division Manager – Planning
- +2.0 FTE Deputy Director – Planning and Building

Contract change orders to the Energy Watch Partnership Contracts (Approved 12/2/2014)

- -2.0 FTE Land Use Technician – Limited Term
- +2.0 FTE Planner – Limited Term

Contract change order to the emPower Program Contract (Approved 12/9/2014)

- +1.0 FTE administrative Assistant I, III, III – Limited Term

FY 2015-16 Recommended PAL Changes

North County Service Center

- +1.0 FTE Planner to provide services at the North County Service Center

Back-fill during implementation of new permit tracking system

- +2.0 FTE Plans Examiner II – Limited Term
- +0.5 FTE Resource Protection Specialist II – Limited Term
- +2.5 FTE Planner – Limited Term
- +0.5 FTE Department Automation Specialist– Limited Term
- +0.5 FTE Land Use Technician – Limited Term

**BUDGET AUGMENTATION REQUESTS RECOMMENDED**

<b>Unit Amount</b>	<b>Description</b>	<b>Results</b>
Gross: \$67,835  General Fund support: \$67,835	Add 1.0 FTE Planner I – III for the North County Service Center	The following services would be available at the North County Service Center: <ol style="list-style-type: none"> <li>1. Discretionary Permit Application Submittal</li> <li>2. Zoning Clearance for Construction Permits</li> <li>3. Review Site Plans</li> <li>4. Calculate Planning Application Fees</li> <li>5. Review Code Enforcement Case History</li> <li>6. Provide Due Diligence research</li> <li>7. Increase reliability of being open three days per week</li> </ol>
Gross: \$25,000  General Fund support:\$25,000	Fair Housing Plan: Consultant to provide fair housing services to the public pursuant to Federal law and the requirements of the Federal HUD funding programs	The Fair Housing Plan will comply with Federal civil rights and fair housing laws, and allow the County to continue receiving an annual allotment of HUD grant funds.
Gross: \$30,000  General Fund support:\$30,000	Retain Hydrogeological Services: One-time consultant to provide assistance for water program issues and implementation of water-offset cases	A consultant would be available to provide on call assistance for water program issues, including program development, studies, and specific water-offset cases. The Department will receive 200 consultant hours of expertise necessary to implement the water program.
Gross: \$32,191  General Fund support: \$32,191	Purchase of one 2-Wheel Drive Sport Utility Vehicle for the Building Inspection section	The department will meet its performance measure goal of completing 99% of building inspections by the next day, while annual inspection requests have increased in excess of 25% from FY 2012-13 to FY 2014-15.  At least 2,000 building inspections will be made annually with this vehicle.

<p>Gross: \$1,513,605, funded through FC 266- Countywide Automation Replacement</p> <p>General Fund support: \$0</p>	<p>Permit Tracking System Replacement Project: replace the Planning and Building Department's permit tracking system (Tidemark), which no longer meets the department's business needs with a modern enterprise permit tracking system.</p> <p>The following 6.0 FTE Limited Term positions will be added for one year:</p> <ul style="list-style-type: none"> <li>• 2.0 FTE Plans Examiner II</li> <li>• 0.5 FTE Resource Protection Specialist II</li> <li>• 2.5 FTE Planner</li> <li>• 0.5 FTE Department Automation Specialist</li> <li>• 0.5 FTE Land Use Technician</li> </ul>	<p>The Tidemark Replacement project will provide the department with a modern enterprise permit tracking system that:</p> <ol style="list-style-type: none"> <li>1. Is actively supported and maintained</li> <li>2. Runs on current operating systems and database platforms</li> <li>3. Allows data to be more fully integrated with other systems and applications across departments</li> <li>4. Will include a publicly-accessible Internet portal</li> <li>5. Will improve counter services once the system is implemented by allowing new processes to be developed that are based on the new system's more efficient interface and access to more accurate and detailed information.</li> </ol>
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**BUDGET AUGMENTATION REQUESTS NOT RECOMMENDED**

Unit Amount	Description	Results
<p>Gross: \$32,191</p> <p>General Fund support: \$32,191</p>	<p>Purchase of one 2-Wheel Drive Sport Utility Vehicle for the Code Enforcement section</p>	<ol style="list-style-type: none"> <li>1. The department will meet its internal performance measure for 48 hour response to health and safety violation complaints.</li> <li>2. The department will avoid future increases in motor pool rental expense.</li> <li>3. At least 1,000 code enforcement inspections will be made annually with this vehicle.</li> </ol>

**GOALS AND PERFORMANCE MEASURES**

<p><b>Department Goal:</b> Conserve natural resources to promote a healthy environment.</p>						
<p><b>Communitywide Result Link:</b> <input type="checkbox"/> Safe <input checked="" type="checkbox"/> Healthy <input checked="" type="checkbox"/> Livable <input checked="" type="checkbox"/> Prosperous <input checked="" type="checkbox"/> Well-Governed Community</p>						
<p><b>1. Performance Measure: Acres of land protected through the agricultural preserve program.</b></p>						
10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
794,248 acres protected	795,328 acres protected	796,907 acres protected	785,609 acres protected	787,320 acres protected	784,958 acres protected	786,288 acres protected
<p><b>What:</b> The objective of the Agricultural Preserve Program (Williamson Act) is to protect agricultural lands for continued production of food &amp; fiber. The land is reassessed on the basis of the agricultural income producing capability of the land. This assures the landowners that property valuations and taxes will remain at generally lower levels.</p>						

**Why:** To protect agricultural land, strengthen the county's agricultural economy and preserve natural resources, consistent with County policy.

**How are we doing?** There was a substantial decrease in the acreage reflected in the actual results for FY 2013-14 due to the combined effect of land coming out of the program through expiring contract non-renewals and public acquisition of solar project related mitigation lands. Although approximately 1,833 acres are expected to be added by the end of calendar year 2014, a large number of contracts currently in nonrenewal will expire in January 2015. The projected number is therefore lower than the FY 2014-15 adopted number. We anticipate that these unusual acreage decreases will level off next year and we will begin to see increases to the program. Based on these changes, the target for FY 2015-16 has been increased accordingly based on earlier upward trends. Agricultural Preserve contracts are for either 10 or 20 years and are automatically extended annually for another year unless the owner files a notice of non-renewal. Consequently, some contracts expire each year after completing their 10 or 20 year contract period.

**Department Goal:** Protect public health and safety by effective and timely administration of development regulations and by fostering clean and safe communities through responsive code enforcement and preparation and implementation of the County General Plan.

**Communitywide Result Link:**  Safe  Healthy  Livable  Prosperous  Well-Governed Community

**2. Performance Measure: Percentage of project types processed within established time lines for representative project types.**

	10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
<b><u>Building Permit applications</u></b> Goal: Single-family dwelling permits - 20 days to complete plan check.	94%	94%	98%	45%	95%	61%	95%
Goal: Commercial project permits - 30 days to complete plan check	95%	95%	99%	76%	95%	67%	95%
<b><u>Building Inspection</u></b> Goal: All building inspections requested completed by the next day	100%	99%	99%	98%	99%	99%	99%
<b><u>Land Use Permit &amp; Subdivision applications</u></b> Goal: Exemptions from CEQA - 60 days from acceptance	60%	70%	55%	48%	75%	47%	75%
Goal: Negative Declaration - 180 days from acceptance	71%	76%	71%	71%	75%	68%	75%

**Code**

**Enforcement**

Goal: All complaints reviewed within 10 working days. --- 100% 100% 100% 100% 100% 100%

Goal: Voluntary compliance resolved within 45 days of initial inspection. --- 47% 60% 40% 75% 70% 70%

**Long Range Planning**

Goal: Complete annual reports and public review drafts within the timeframes set by their respective work programs. 60% 82% 42% 87% 75% 85% 85%

**What:** Timely processing of applications/permits and complaints and the timely completion of long range planning initiatives.

**Why:** To provide timely, quality service that saves applicants time and money, adds value to tax base and local economy, and meets local and state laws. Timely completion of long range plans ensures a plan produced within budget respond to the community's vision, local needs and issues before the document begins the hearing process. Timely annual reports keep the communities and decision makers current on issues affecting the County.

**How are we doing?**

**Building Permits & Permit Center**

We monitor our workload weekly to try to achieve our adopted goal of completing 95% of the initial plan review for new dwellings within 20 working days. Our current review percentage is at 61%. This is up from our FY 2013-14 rate of 44%. We are slightly below the pace of application submittal from FY 2013-14 – but this is still an increase of over 40% in the number of applications submitted as compared to FY 2012-13. Since 2007 (when this goal was developed), there has been an increase in the number of state codes and local regulations (i.e. new Residential Code, State Green Code, new Energy Code, Regional Water Quality Control Board (RWQCB) storm water regulations and a Local Green Building Ordinance) that must now be incorporated in the plan review process. With these additional code elements and the rebounding economy we are projecting that the 95% review goal will be difficult to achieve. We are achieving 93% review within 30 days. As implementation of these code changes continues to increase plan review time, the department will evaluate the feasibility of the current goal of 20 working days for initial plan check of a single family dwelling, to a goal that reflects the current complexity of plan review. For now the department is keeping this goal as our gold standard to achieve.

The percentage of plan check reviews of commercial project permits completed within 30 days decreased slightly from FY 2013-14 at 76% to 67% for FY 2014-15 to date. We are achieving 90% review within 40 days. Although the department's goal remains at 95%, achieving this goal based on increasing code requirements will be difficult. 100% of all the Business Assistance Team (BAT) projects initial plan reviews were completed within 10 working days. In addition, we have seen a 45% increase in the number of photovoltaic permits (520 to date) and are processing 85% of these permits within 5 days and 99% within 10 days.

The department is currently evaluating the responses to our Request For Proposal (RFP) for consultant assistance with plan review to facilitate surges in applications.

Due to the continued rebound in the economy and increase in Land Use and Building Permits, we anticipate another 5% increase in our customer service contacts for FY 2015-16 to a total of 34,495 customer contacts at the Planning and Building Permit Center. The most important metrics are phone calls returned and customer walk-in numbers. Yearly total for past fiscal years are as follows: FY 2013-14: 29,799, FY 2012-13: 27,038, and FY 2011-12: 27,548. Projected FY 2014-15 is 32,852 customers. Additionally we have augmented our customer availability with the opening of the North County Service Center (NCSC) in August. Currently we are providing services 3 days a week (Monday, Wednesday and Friday) and will report out on the service level at the end of FY 2014-15.

We will continue to devote time to: (a) in-house code training (b) reviewing the more complex and BAT projects in house, (c) providing consultations to customers for expired/abandoned projects and unpermitted construction due to the changing economy, (d) preparing a waste water management program as required by the RWQCB and (e) administering the National Storm Water Pollution Program.

**Building Inspections**

Most inspections are completed the day after they are requested, except in a limited number of remote areas of the County. Our goal is to complete 99% of construction inspections on the day after they are requested. For FY 2013-14 we completed 14,662 inspections out of 14,667 inspections on the date requested, or more than 99%. This was a 23% increase in the number of requested inspections compared to

FY 2012-13. Through November we have completed 5,990 inspections out of 5,996 on the date requested (more than 99%). We are on pace to match the number of inspections completed in FY 2013-14. For FY 2015-16 our target is to meet 99% while accommodating the inspections necessary for the sewer hook-ups in Los Osos (approx. 4,000).

**Land Use Permits/Subdivisions**

The number of land use and subdivision applications processed in FY 2013-14 was 127 (as compared to 117 in FY 2012-13). The number of land use and subdivision applications processed from July 1, 2014 through October 31, 2014 was 49, which projects to an estimated total of 147 for the entire FY 2014-15. This is a 25% increase since FY 2012-13. The percentages of projects processed within the processing time goals increased for Negative Declarations (60% to 68%) and decreased for exempt projects (51% to 47%) when compared to the same time period in FY 2013-14. This is due to the effects of both staff reassignments and continued training of new staff. From July 1, 2014 through October 31, 2014, 47% of exempt projects (14 out of 30) were processed within 60 days compared to 51% during the same time period in FY 2013-14. However, the average processing time for exempt projects decreased from 74 to 71 days. 68% of the projects subject to Negative Declarations (13 out of 19) were processed within 180 days compared to 60% during the same time period in FY 2013-14. The average processing time for Negative Declaration projects decreased from 197 days to 164 days, which is well below the goal of 180 days. Because we continue to have a number of large, complex and controversial projects that require a significant amount of staff time, the target for FY 2015-16 is 75%.

**Code Enforcement**

For FY 2013-14, the department reviewed 100% (target) of complaints within 10 days, and achieved 40% voluntary compliance within 45 days. The voluntary compliance target for FY 2013-14 was 40%. With 50% of FY 2014-15 behind us, we have opened 250 new cases plus a carry-over of approximately 200 from FY 2013-14. All cases are reviewed within 10 working days of initiation with approximately 90% having their first inspection within seven working days. Public safety and environmental damage cases are typically field viewed within 48 hours. Our voluntary compliance projection of 70% within 45 days is close to our target of 75%. We assigned two half-time employees to the expired permit program and were able to make headway into the backlog of cases in this program, with the majority of cases (182 of 315) resolved with new permits within 30 days. We anticipate the expired program to be fully caught up by the end of FY 2015-16.

**Long Range Planning**

For FY 2013-14, approximately 87% of the reports and public review drafts of long range plans have been completed within the timeframes set by their work programs. Approximately 85% of the reports and public review drafts of long range plans within FY 2014-15, have been completed within the timeframes set by their work programs. Of the 13 plans or studies either completed or in process, 11 are on schedule or have had their schedules revised to reflect changes in circumstances, as described below. In addition, as the Board shifts priorities in the department – this can also lead to delays in the items that are tracked here. The descriptions below contain details as to the status of the projects and their schedule. The 13 long-range plans being tracked are the (1) Annual Report on the General Plan, (2-3) Strategic Growth implementation amendments and studies (Complete Communities Survey, Infill Subdivision-Development Standards), (4) "Clean Up" Amendments, (5) Resource Management System (RMS) and Growth Management Ordinance (GMO) revisions, (6) San Miguel Community Plan, (7) Resource Management System Biennial Report (8) Paso Robles Groundwater Basin Urgency Ordinance Implementation, (9) Los Osos Community Plan, (10) Renewable Energy Streamlining Program, (11) Countywide Water Programs, (12) Revisions to Los Osos Plumbing Retrofit Programs and (13) Workforce Housing Amendments. The department provides the Board with regular updates regarding department workload and priorities. This will result in better estimates of the time needed for completion of Long Range planning initiatives, as well as allowing the department to track new or different priorities as set by the Board. For FY 2015-16, our target is 85%.

**Long Range Programs:**

The following is a description of each long range plan, including its current status, whether it is on time and the reason for or circumstance involving any delay.

(1) Annual Report on the General Plan (annually). The Annual Report for FY 2013-2014 was presented to the Planning Commission on November 6, 2014 and to the Board on December 2, 2014, which meets expectations

(2-3) Strategic Growth implementation amendments and studies. A package of amendments to encourage infill development and implement other aspects of Strategic Growth was authorized by the Board in 2009. Since then, Strategic Growth implementation efforts have been focused on several studies funded by a grant from the California Strategic Growth Council. The studies are intended to enhance unincorporated communities by encouraging infill development, planning for infrastructure, calculating the effects of strategic growth and other land use scenarios, and illustrating compatible infill development and community expansion. In November 2011, the Board approved consultant contracts, together with work programs and schedules for several strategic growth-related projects, including amendments to encourage infill development. Work began on these amendments in winter 2011. All but two of the projects have been completed. The status of the final two projects is described below

- a) *Complete Communities Survey to identify infrastructure and facility needs, costs, funding and financing for Nipomo, Oceano, San Miguel and Templeton*. The project started in December 2011 and was presented to the Board of Supervisors at the beginning of April 2014, which was longer than the time frame of 15 months from the start date that was originally established. At that time, the Board asked for some revisions, which were brought back to the Board in summer 2014. These reports were finished behind schedule due to an unexpected amount of additional research and revisions needed to the draft Funding and Financing Plan and the final work products.

b) *Infill Subdivision – Development Standards study to revise standards and remove barriers in order to encourage in-town development.* The project started in December 2011 and was largely completed in July 2014, about 12 months behind schedule. The major work products include ordinance revisions and a “Great Communities Design Toolkit.” Adjustments were made to the original scope of work by phasing the work products to result in more useful and immediately usable work products, but this added some time to the work schedule. The ordinance revisions recommended by this study are expected to be presented to decision makers in the future in a phased manner. The first such amendment to be processed is an exclusion of mini-storage warehouses in the Residential Multi-Family land use category. It is scheduled to be considered by the Planning Commission in January 2015.

(4) Clean up Amendments. On December 16, 2014, the Board approved the first set of “clean up” amendments to Titles 21 and 22. The department will continue to bring amendments forward in small packages from time to time in order to keep the department’s ordinances up to date and current, as well as reflect any changes in state law. The initial package was completed within the time frames established in the work program.

(5) RMS and GMO revisions. The previous target of completing draft RMS and GMO revisions in 2011 was moved back to fall 2012 and then to early 2013 due to workload and staff commitment to completing higher-priority projects by the end of 2012. The RMS and GMO revisions are not included in the top department priorities per Board direction. However, the draft amendments were completed in line with the revised timeframes. The Planning Commission recommended approval of the RMS amendments in September 2014. The Board approved these revisions on December 16, 2014.

(6) San Miguel Community Plan Update. In November 2011, the Board authorized processing a Community Plan Update, together with a work program and schedule. The work schedule was revised to reflect a new approach to public outreach that engaged the public up-front, rather than after release of the public draft. This responds to community sentiment and formation of a sub-committee to review the community plan and could save time in the long run. As a result, the Public Review Draft plan was released in June 2013, in line with the revised work program. The staff-prepared Public Hearing Draft Plan and Draft EIR were expected to be released in mid-2014. However, due to staff workload and a lack of expertise in some technical matters, it was decided to seek consultant assistance to complete the EIR using the draft chapters that have already been prepared in-house. This has resulted in a delay in releasing both the Draft EIR and Public Hearing Draft Plan. Staff is currently in the process of selecting an EIR consultant. The Draft EIR and Public Hearing Draft Plan are now expected to be released in late spring/early summer 2015.

(7) Resource Management System Biennial Report. Due to staff commitments to priority programs, a consultant has been hired to prepare the Biennial Report. A public draft is expected to be completed by the end of 2014 so that it can be considered by the Water Resources Advisory Committee in January and February 2015 and by the Board of Supervisors in February 2015. This is about two months beyond the expected time frame; however, the schedule had to be moved back because the contents of the report will depend upon Board of Supervisors adopting revised RMS criteria in December 2014.

(8) Paso Robles Groundwater Basin Urgency Ordinance Implementation. The Board of Supervisors adopted an urgency ordinance on August 27, 2013, and on October 8, 2013 extended the ordinance through August 2015. The Board directed staff to conduct outreach to stakeholders and gather input on procedures for vesting rights exemption. This issue was considered by the Board of Supervisors on November 26, 2013. This is in line with the established work plan. In February 2014, in order to implement the Urgency Ordinance, the Board of Supervisors approved a water conservation program for new development that began in April 2014, consistent with established time frames. In March 2014, the Board approved a contract with the Upper Salinas-Las Tablas RCD to develop and manage an agricultural water conservation program to implement the Urgency Ordinance. The draft water conservation program was prepared on schedule and was considered by the Board in October 2014 per the expected time line. However, the Board decided to continue the program off calendar.

(9) Los Osos Community Plan Update. The Board authorized preparation of this update on December 11, 2012. The update is being closely coordinated with the Basin Management Plan (draft released on August 1, 2013) and the Habitat Conservation Plan (administrative draft submitted to the U.S. Fish and Wildlife Service in June, 2014). Biweekly meetings with a subcommittee of the Los Osos Community Advisory Council began in June 2013 and continued through November 2013. The Public Review Draft Community Plan was ready to be released in September 2014, about 2-3 months behind the original work plan, but the draft is currently being reformatted. As a result, the date for release of the public review draft of the Community Plan was moved to early 2015, as presented to the Board in October 2014. The public review draft is on track to meet this time line.

(10) Renewable Energy Streamlining Program. The Board approved the grant agreement with the California Energy Commission (CEC) on July 9, 2013 and the contract was approved by the Board on August 13, 2013 for this project, which includes amendments to revise policies, combining designations and ordinances to streamline development of renewable energy projects in areas of the county that meet selected criteria. A Draft Environmental Impact Report and streamlining program were released in mid-November 2014, a little behind the original time line. However, Planning Commission hearings are scheduled to begin in early 2015 and the project is on schedule to be completed by the March 2015 grant deadline.

(11) Countywide Water Programs. On March 4, 2014, with subsequent direction in May 2014, the Board of Supervisors authorized processing of water conservation-related amendments to ordinances and policies regarding new landscape requirements and incentive programs to reduce outdoor water use, retrofit-on-sale, water waste, water neutral new development, and water supply assessments for new land divisions. On July 8, 2014, the Board gave highest priority to the amendments regarding water neutral new development and water waste and directed staff to bring those items to the Board for final action before August 26, 2015. In order to accomplish that, public review drafts of the water neutral new development ordinance and policy amendments, together with the Draft EIR, are expected to be completed by the end of 2014. A public review draft of the non-agricultural water waste prevention ordinance is also expected to be released by the end of 2014. However, as a result of continuing discussions with stakeholders, staff is reassessing the approach to avoiding agricultural water waste, and this will delay the release of agricultural water waste prevention measures until January 2015. Nevertheless, the program is still on track to be brought to the Board by August 26, 2015 as directed.

(12) Revisions to Los Osos Plumbing Retrofit Programs--Titles 8 and 19. On January 14, 2014, the Board of Supervisors authorized processing of amendments to the Title 19 retrofit-to-build ordinance and directed staff to provide options for continuation of the Title 8 retrofit-on-sale ordinance. Public review draft amendments were released ahead of schedule in October 2014. The amendments were then introduced at the Board on November 4, 2014, heard by the Board on November 25, 2014, and continued to February 10, 2015 for final action.

Housing & Economic Development Programs:

Most programs of this section are ongoing, such as grants administration and Mobilehome Park Rent Review Board support. They are “on schedule” in that deadlines set by funding sources and by the Mobilehome Park Rent Stabilization Ordinance were met, so no sanctions from the funding sources were imposed and no complaints from Mobilehome Park owners, residents or the Rent Review Board were filed.

(13) Workforce Housing Amendments. In July 2014, the Board authorized amendments to the Land Use Ordinance and General Plan to facilitate workforce housing. County staff has since been working with the Building Design and Construction cluster of the Economic Vitality Corporation to scope proposed amendments. A public review draft of the amendments is on track for release in early 2015, and will likely include two components: (1) revisions to various ordinance standards for new subdivisions providing workforce housing; and (2) increased flexibility for allowing residential development in commercial mixed use projects. Additionally, a companion guidance document will be developed, providing guidelines for the design of new workforce housing subdivisions. Staff will conduct outreach to advisory groups in Spring 2015. The amendments are expected to be considered by the Planning Commission in June 2015, with Board action following shortly thereafter.

**3. Performance Measure: Percentage of customers who rate the overall services provided by the Planning and Building Department as “above satisfactory” or higher through continuous client surveys.**

10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
95%	97%	95%	82%	95%	90%	90%

**What:** The Planning and Building Department’s customers who submit building and land use permits will be continuously surveyed to determine how well their needs were served.

**Why:** To ensure effective customer service is provided and track changing customer expectations.

**How are we doing?** During FY 2013-14, the department revised the way we complete our customer satisfaction surveys. Changes include more widely distributing the survey, allowing for anonymous responses and modifying the questions to provide better information on areas that could be improved. The department is always seeking ways to increase the number of customer feedback opportunities and make positive changes based on the feedback when appropriate. Methods for taking the survey include hard copy submittal at both Permit Centers, as well as online surveys. The department surveys customers year round with additional outreach occurring in the months of May and June.

The department’s feedback from our customers continues to be positive, just not at the levels previously seen using the old survey methods. In addition, over the past fiscal year, the department’s performance has been affected by workflow issues related to increases in activity, as well as in training and in staff turnover. This has resulted in some increases in processing time that has led to less positive responses in survey responses. Through October of FY 2014-15, 73% of the individuals who completed surveys, sent e-mails or letters rated the department above satisfactory or outstanding (31 of 43).

The department continuously seeks to improve service through direct outreach to our customers and stakeholders using the Planning User Group and the Building User Group meetings. We also track customer “wait times” at our Permit Center and these continue to remain low (average of ten minutes) even as our workload has increased. We have also improved the accessibility of our Permit Center through the opening of our North County Service Center in July of 2014. We track customer service phone calls through our “Call Guru” software that is a software program developed by our staff that allows us to keep track of and return phone calls in a timely manner - usually by the end of the next day. Through October of 2014 the Permit Center has assisted 5,462 walk-ins for general questions, 167 by appointment, and returned 2,654 general information phone calls.

**Department Goal:** Promote economic development and affordable housing opportunities countywide pursuant to the Economic and Housing Elements of the County General Plan.

**Communitywide Result Link:**  Safe  Healthy  Livable  Prosperous  Well-Governed Community

**4. Performance Measure: Number of newly constructed/purchased affordable housing units for low - and moderate - income families.**

10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
80 housing units	39 housing units	44 housing units	13 housing units	135 housing units	137 housing units	135 housing units

**What:** Affordable housing units resulting from permit requirements and incentives (including state, federal and local funds) to maximize the number of newly constructed /purchased affordable housing units provided for low and moderate-income families.

**Why:** Affordable housing enhances the health of families and improves the stability of communities and the local workforce.

**How are we doing?** Although the department coordinates funding, the number of housing units constructed is difficult to estimate because the department does not construct the housing. However, each year, we poll our nonprofit partners to determine the projected completion date of the projects they are building. The projected number of affordable units constructed in FY 2014-15 is 137 units. This includes: a 6 unit Oceano project completed in September, a 35-unit project in Arroyo Grande (Courtland Homes) completed in October, an 80-unit project in Paso Robles (Oak Park) completed in September, an estimated 3 farm support quarter units, 6 first time homebuyer loans, and 7 affordable secondary dwellings (4 for moderate income households and 3 for very low and low income households). The target number of affordable units to be constructed in FY 2015-16 is 135 units, including: 42 units in San Luis Obispo (South Street Apartments), 20 units in Morro Bay (Morro del Mar), 62 units in Paso Robles (Oak Park 2), 7 affordable secondary dwelling units (4 for moderate income households and 3 for very low and low income households), and 4 farm support quarters countywide.

**Department Goal:** Promote the values of good planning and building through education and outreach

**Communitywide Result Link:**  Safe  Healthy  Livable  Prosperous  Well-Governed Community

**5. Performance Measure: Percentage of planned public outreach and education efforts completed during the year.**

10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
465	93%	93%	100%	93%	100%	100%

**What:** To provide public information/training and gather public input through outreach on specific topics of interest that impact the land owners of the unincorporated areas of the County. Note: this measure was revised in FY 2011-12 to report the percentage of planned outreach and education efforts rather than the actual number of outreach and education events.

**Why:** To improve, strengthen and foster maximum participation in the process through listening to concerns and educating stakeholders about department processes and the benefits of good planning and building programs.

**How are we doing?** The success of our work depends on our ability to gather information from stakeholders, inform residents and property owners of our efforts, and educate the general public about planning and building. Our public outreach and education is designed to promote public awareness for a wide variety of audience and stakeholders within and outside government.

Our on-going measures include: live broadcasting and web-streaming of Planning Commission meetings, live web-streaming of Airport Land Use Commission, Subdivision Review Board and Planning Department meetings, staff reports and agendas available on the webpage, e-comment for hearing items available on the webpage, "how to" and other informational handouts available on the webpage, interactive Geographic Information System (GIS) mapping and data on the webpage, annual GIS day, Community Advisory Councils (CAC) liaison duties, yearly CAC training, quarterly CAC chair meetings, yearly California Environmental Quality Act training, resource report training as needed (i.e. geology, biology), on-going erosion control training, Agriculture Liaison Advisory Board and Water Resource Advisory Board presentations, guest lecturing at Cal Poly and Cuesta College, a quarterly newsletter, and information provided on Facebook, Twitter and YouTube.

To continue our successful collaboration with agencies, organizations and residents, our goal for FY 2014-15 was to complete certain outreach and public education efforts. The department is proposing to continue many of the outreach and education initiatives from FY 2014-15 to FY 2015-16. The number shown in parentheses represents the number of meetings from FY 2014-15. Where a program's specific outreach is completed in FY 2014-15, it will be removed from the list. Where a measurement is noted, the department will provide a report on that measure. In FY 2013-14 the department completed 100% of planned public outreach and for FY 2014-15 the department is projecting to complete 100% as well. For FY 2015-16, the department projects a similar number of events for public outreach as will be completed in FY 2014-15.

Land Based

Completed in FY 2014-15 and continuing to FY 2015-16

- CDBG / HOME (and other housing grant) Outreach & Public Workshops (10 mtgs in FY 2014-15 per the decrease noted in the revised Community Participation Plan for CDBG). This decrease will be offset by at least one other outreach instrument such as a survey, focus group, video, and/or other web-based tool.
- Homeless Services Oversight Council Meetings (20 mtgs)
- Supportive Housing Consortium (11 mtgs)
- Energy Retrofit Training and Energy Efficiency Outreach (15 events)
- National Pollutant Discharge Elimination System (NPDES) Training & Outreach (3 mtgs) (number of grading regulation violations as compared to permits issued – 3 out of 14, many of the violations are allowed alternate review and wouldn't require a permit)
- San Miguel Community Plan Outreach (5 mtgs)
- Resource Education (Water, Oak Woodlands, Mining, GIS, etc.) (2 mtgs)
- Mobilehome Park Rent Stabilization Ordinance Education (10 mtgs)
- Stakeholder Outreach (Building Industry, Environmental Interests, Professional Organizations, Service Organizations, etc.) (10 mtgs)
- Workforce Housing Coalition (15 mtgs)
- Economic Vitality Corporation Board of Directors meetings (10 mtgs)
- SLO County Housing Trust Fund Commission (10 mtgs)
- User Group Outreach (2 mtgs)
- Energy Efficiency Financing Outreach (included in the 15 events held throughout the county)
- Paso Robles Groundwater Basin Urgency Ordinance Implementation Outreach (2 mtgs)

For FY 2015-16 the department is anticipating meeting all of the outreach and public education efforts identified.

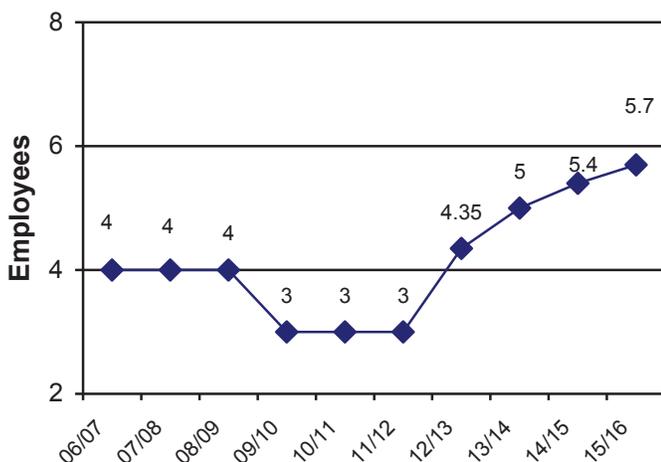
**MISSION STATEMENT**

The mission of Community Development is to enhance the quality of life for San Luis Obispo County through programs that provide affordable housing, shelter and services for the homeless, economic development opportunities, and public improvements to benefit the communities that we serve.

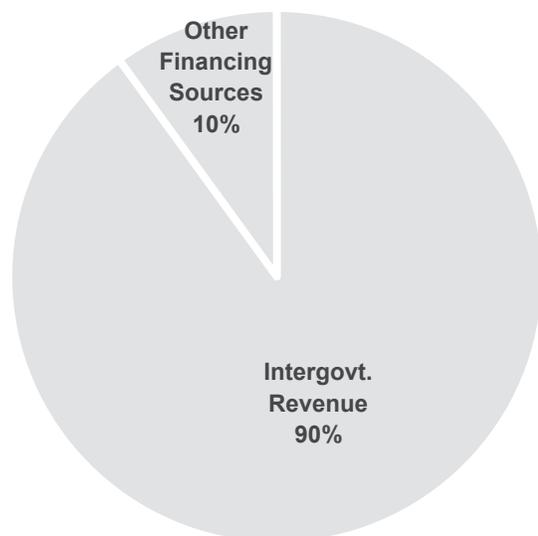
	2014-15 Budget	2014-15 Projected	2015-16 Requested	2015-16 Recommended	Change from 2014-15
<b>Financial Summary</b>					
Intergovernmental Revenue	\$ 3,520,933	\$ 4,225,083	\$ 3,396,467	\$ 3,503,905	\$ (17,028)
Other Financing Sources	391,436	391,436	391,436	391,436	0
<b>Total Revenue</b>	<b>\$ 3,912,369</b>	<b>\$ 4,616,519</b>	<b>\$ 3,787,903</b>	<b>\$ 3,895,341</b>	<b>\$ (17,028)</b>
Fund Balance Available	\$ 44,840	\$ 44,840	\$ 0	\$ 0	\$ (44,840)
Cancelled Reserves	0	0	0	0	0
<b>Total Financing Sources</b>	<b>\$ 3,957,209</b>	<b>\$ 4,661,359</b>	<b>\$ 3,787,903</b>	<b>\$ 3,895,341</b>	<b>\$ (61,868)</b>
Salary and Benefits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Services and Supplies	640,505	774,265	650,786	780,734	140,229
Other Charges	3,271,864	3,744,254	3,137,117	3,114,607	(157,257)
Fixed Assets	0	0	0	0	0
<b>Gross Expenditures</b>	<b>\$ 3,912,369</b>	<b>\$ 4,518,519</b>	<b>\$ 3,787,903</b>	<b>\$ 3,895,341</b>	<b>\$ (17,028)</b>
Contingencies	44,840	0	0	0	(44,840)
New Reserves	0	0	0	0	0
<b>Total Financing Requirements</b>	<b>\$ 3,957,209</b>	<b>\$ 4,518,519</b>	<b>\$ 3,787,903</b>	<b>\$ 3,895,341</b>	<b>\$ (61,868)</b>

Land Based

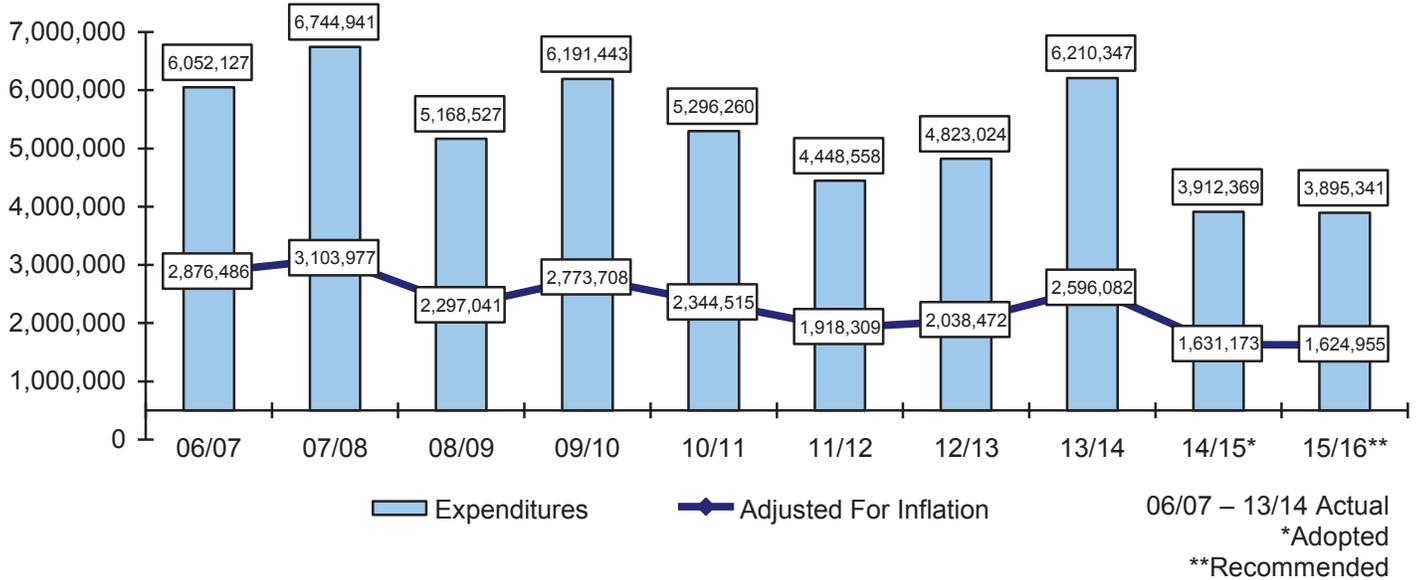
**Number of Employees  
(Full Time Equivalent)**



**Source of Funds**



10 Year Expenditures Adjusted For Inflation



**SERVICE PROGRAMS**

Community Development has a total expenditure level of \$3,895,341 and a total staffing level of 5.70\* FTE to provide the following services:

**Federal Department of Housing and Urban Development (HUD)  
Funded Community Development Block Grants (CDBG)**

Provides funding for a variety of community development activities provided they 1) benefit primarily lower-income persons, or 2) aid in the prevention of slums or blight.

Total Expenditures: \$1,645,012 Total Staffing (FTE): 2.25\*

**Home Investment Partnership Act (HOME) Funds**

Provides for a variety of affordable housing opportunities for lower-income households such as mortgage and rent assistance.

Total Expenditures: \$637,847 Total Staffing (FTE): 1.00\*

**Federal Emergency Shelter Grants (ESG)**

Provides funding for operations of one or more shelters, homeless day centers, and domestic violence shelters.

Total Expenditures: \$145,085 Total Staffing (FTE): 0.25\*

**Continuum of Care (CoC) Funds**

Provides funding for permanent housing, transitional housing and case management services for homeless persons.

Total Expenditures: \$1,075,961 Total Staffing (FTE): 1.85\*

**General Fund Support for Programs Benefiting the Homeless**

Provides funding for emergency shelter services for homeless persons.

Total Expenditures: \$202,500 Total Staffing (FTE): 0.15\*

**General Fund Support for the Economic Vitality Corporation (EVC)**

Provides funding for economic development services provided through the nonprofit EVC, such as business surveys, international trade classes, assistance to businesses, and collaboration on County economic strategies.

Total Expenditures: \$148,775 Total Staffing (FTE): 0.10\*

**General Fund Support for SLO Co Housing Trust Fund**

Provides funding for housing finance services throughout the County.

Total Expenditures: \$40,161 Total Staffing (FTE): 0.10\*

\*Staff is budgeted in FC 142 – Planning and Building; full time equivalent (FTE) shown represents staff assigned to projects within FC 290 – Community Development.

**DEPARTMENT COMMENTS**

The Community Development Fund Center obtains, administers and distributes Federal and state grant funding to assist local organizations in providing affordable housing, public facilities, public services (such as shelter and meals for the homeless), and economic development financing and technical assistance (such as educational workshops for businesses) throughout the county. This Fund Center also provides General Fund support for special community development programs such as shelter and services for homeless persons, economic development activities by the Economic Vitality Corporation and operating costs for the San Luis Obispo County Housing Trust Fund.

During and after four onsite monitoring visits by staff of the U.S. Department of Housing and Urban Development (HUD) during FY 2012-13, FY 2013-14 and FY 2014-15, HUD directed the County to implement additional administrative tasks, including more frequent monitoring of cities and nonprofit groups receiving Federal funds through the County, preparing more detailed procedures for all of the Federal grants, and preparing more detailed documentation relating to federal environmental review of funded activities. In response to this HUD direction, the Planning and Building Department shifted its staffing assignments in order to enable staff trained in HUD grants to implement the additional work. Overall, this resulted in an increase in staff commitment for Fund Center 290.

In addition, HUD strongly encouraged the County to assume grant administration responsibilities for the Community Development Block Grant (CDBG) funds which are allocated for use by the participating cities since those cities did not have staff fully trained to ensure compliance with numerous Federal requirements of the grant. The County and six cities approved three-year cooperation agreements, which assign grant administration responsibilities to the County along with CDBG revenue to cover the County's increased cost to administer the cities' CDBG funds. In order to provide the staffing needed to meet HUD requirements and administer the cities' CDBG funds for FY 2015-16, the Planning and Building Department has allocated one additional position in support of Fund Center 290.

Following are some of the Fund Center’s notable accomplishments for FY 2014-15 and objectives for FY 2015-16:

**FY 2014-15 Accomplishments**

- Distributed approximately \$5 million dollars in Federal and state grant funds for affordable housing, public facilities, public services and economic development programs to individuals, cities, unincorporated communities and local non-profit organizations.
- Constructed handicapped accessible curb/sidewalk improvements in the cities of Atascadero and Paso Robles.
- Property acquisition on 313 South St with San Luis Obispo City CDBG for 40 units of affordable rental housing.
- Provided approximately \$1.6 million dollars in funding for shelter and other services for homeless persons countywide.
- Provided \$1.5 million of HOME funds to construct the 36-unit Courtland St Apartments in Arroyo Grande.

**FY 2015-16 Objectives**

- Distribute approximately \$3.5 million dollars in Federal grant funds for affordable housing, public facilities, public services and economic development programs to individuals, cities, unincorporated communities and local non-profit organizations.
- Use General Fund support to provide shelter and other services for the homeless persons and families.
- Provide funding for the Americans with Disabilities Act (ADA) improvements to Cities of Morro Bay, Paso Robles, and Atascadero.
- Provide \$150,000 to San Lawrence Terrace well blending pipeline in San Miguel so that the water supply will meet Federal drinking water standards.
- Provide \$700,000 to acquire 20 affordable rental housing units on Humbert Ave. in San Luis Obispo through the Housing Authority of the City of San Luis Obispo. 10 of the 20 units will serve homeless veterans.

**COUNTY ADMINISTRATOR’S COMMENTS AND RECOMMENDATIONS**

Recommended funding for the Community Development budget includes a full accounting of Federal funds received and transferred to participating cities and agencies in compliance with General Accounting Standards Board rules.

Total financing sources for Community Development are recommended to decrease by \$61,868 or 1% compared to the FY 2014-15 adopted budget. Contingencies in the amount of \$44,840 were included in the FY 2014-15 adopted budget due to a Fund Balance Available (FBA) of this amount at year end. The recommended FY 2015-16 budget does not include the use of any Contingencies or FBA.

Approximately \$3.5 million of the total \$3.9 million in revenue budgeted in FY 2015-16 represents grant funding from the U.S. Department of Housing and Urban Development (HUD) and includes the following:

• Community Development Block Grant (CDBG)	\$1,645,012
• HOME grant	\$637,847
• Emergency Shelter Grant (ESG)	\$145,085
• Continuum of Care grants (CoC)	\$1,075,961

The amounts reflect a \$17,339 (1%) increase in CDBG, a \$88,316 (12%) decrease in HOME, a \$9,589 (7%) increase to ESG, and a \$44,360 (4%) increase in CoC funding compared to the FY 2014-15 adopted budget.

The reduction in expenditures reflects the reduced grant funding total noted above. More than \$863,000 in CDBG funds will be distributed to six incorporated cities, with the largest shares going to the City of San Luis Obispo (\$405,515) and the City of Paso Robles (\$166,575). In addition, approximately \$2.2 million in grant funds from CDBG, HOME, ESG and CoC programs will be distributed to various non-profit organizations.

The level of General Fund support is recommended to remain flat at \$391,436 compared to the FY 2014-15 Adopted Budget. The recommended General Fund support includes: \$202,500 for homeless programs, \$148,775 for the Economic Vitality Commission (EVC), and \$40,161 for the San Luis Obispo Housing Trust Fund.

Of the \$202,500 for Homeless Programs, \$180,000 is allocated to service providers that operate emergency shelter programs based on a competitive application process. After receiving applications for the County's General Fund support funds, a five-person ad-hoc subcommittee of the Homeless Services Oversight Council (HSOC) met to discuss and recommend funding allocations using the County CDBG Public Services funds, ESG funds, and General Fund support funds. The full HSOC advisory body made the final funding recommendations at its January 21, 2015 meeting. The HSOC recommendation for County General Fund support allocation is shown below.

<b>Homeless Services Programs</b>	<b>2015 General Fund support Allocations</b>
Prado Day Center by CAPSLO	\$18,825
Maxine Lewis Shelter by CAPSLO	\$56,025
ECHO Shelter Services	\$29,000
Women's Shelter SLO Emergency Shelter	\$22,097
Women's Shelter Prevention/Re-Housing	\$6,978
RISE	\$36,650
Transitional Food and Shelter	\$10,425
<b>Total 2015 General Fund support funds</b>	<b>\$180,000</b>

Land Based

In addition to the \$180,000 of General Fund support shown above for programs providing emergency shelter services for homeless persons, the County set aside an additional \$22,500 for other homeless related programs (i.e. safe parking, warming centers, and other unforeseen services). The funds have yet to be allocated.

Staffing to administer the HUD grant programs and contracts funded with General Fund support is included in Fund Center 142 - Planning and Building. In FY 2015-16, \$392,298 in funding will be transferred to Planning and Building to support the cost of administering these programs. As previously reported to the Board of Supervisors, funding levels for HUD grants have declined over the past few years, while the administrative requirements for these grants have expanded. After four onsite monitoring visits, HUD strongly encouraged the County to assume grant administration responsibilities for the CDBG funds, which are allocated for use by the participating cities. In FY 2014-15, the County and six cities approved three-year cooperation agreements assigning CDBG grant administration responsibilities to the County along with increased CDBG revenue to help cover the administration costs. For FY 2015-16, the County will retain \$198,540 of the cities' share of general administration funds to administer the cities' CDBG funds.

HUD also directed the County to implement additional administrative tasks making it difficult for Planning and Building to reduce costs to match the level of funding provided in these grants. This situation results in an impact to the General Fund of approximately \$254,518 in FY 2015-16. This is down from \$335,000 in FY 2014-15. In addition, in response to a compliance review by the HUD-Civil Rights Compliance Division the County has agreed to implement a fair housing strategy. Included in Fund Center 142 - Planning and Building's budget is the recommended budget augmentation request of \$25,000 to implement a Fair Housing Plan. Staff continues to pursue options to reduce administrative workload in order to reduce the impact to the General Fund.

**BUDGET AUGMENTATION REQUESTS RECOMMENDED**

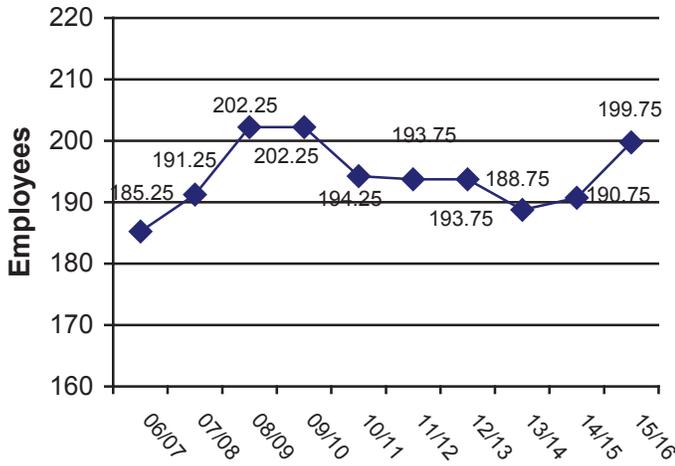
None requested.

**MISSION STATEMENT**

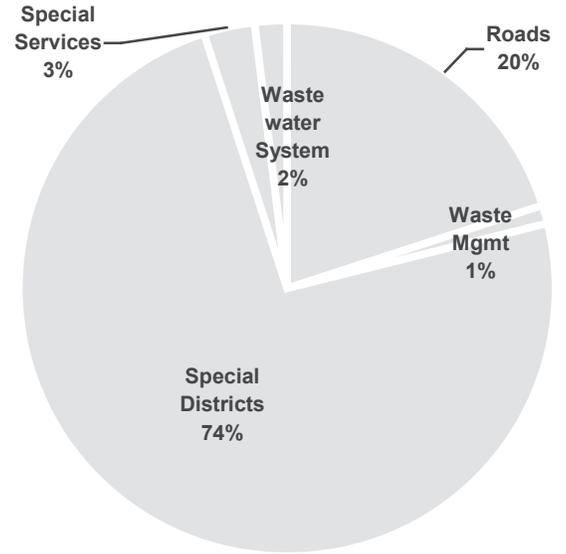
Provide public services related to the safe and efficient movement of traffic on County maintained roadways; engineering and surveying review of proposed land development; administration and operation of various water and waste water wholesale and retail facilities; long term master water planning; and franchise administration for the unincorporated areas.

OPERATING DETAIL (1)	2013-14 ACTUAL (2)	2014-15 ESTIMATED (3)	2015-16 PROPOSED ESTIMATES (4)	2015-16 RECOMMENDED ESTIMATES (5)
<b>OPERATING REVENUES</b>				
Charges for Services	28,496,602	33,651,850	33,418,681	34,265,943
Other Revenues	<u>411,033</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL OPERATING REVENUES	28,907,635	33,651,850	33,418,681	34,265,943
<b>OPERATING EXPENSES</b>				
Salaries and Benefits	19,903,925	21,912,067	22,582,909	23,430,171
Services and Supplies	7,323,582	10,686,011	9,638,912	9,638,912
Insurance Benefit Payment	0	286,023	255,317	255,317
Depreciation	764,705	762,412	825,881	825,881
Countywide Overhead Allocation	<u>60,862</u>	<u>5,337</u>	<u>115,662</u>	<u>115,662</u>
TOTAL OPERATING EXPENSES	<u>28,053,074</u>	<u>33,651,850</u>	<u>33,418,681</u>	<u>34,265,943</u>
OPERATING INCOME (LOSS)	854,561	0	0	0
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Interest	24,862	50,000	50,000	50,000
Gain (Loss) on sale of Asset	39,912	0	0	0
Other	<u>0</u>	<u>0</u>	<u>150,000</u>	<u>150,000</u>
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>64,774</u>	<u>50,000</u>	<u>200,000</u>	<u>200,000</u>
INCOME BEF. CAPITAL CONTRBS. & TRANSFERS	919,335	50,000	200,000	200,000
Contributions in (Out)	<u>(789,018)</u>	<u>0</u>	<u>(150,000)</u>	<u>(150,000)</u>
CHANGE IN NET ASSETS	130,317	50,000	50,000	50,000
Net assets - beginning	17,883,151	18,013,462	18,063,462	18,063,462
Net assets - ending	18,013,462	18,063,462	18,113,462	18,113,462
<b>FIXED ASSET EXPENDITURES</b>				
Equipment	<u>1,836,552</u>	<u>1,581,000</u>	<u>1,773,000</u>	<u>1,473,000</u>
TOTAL FIXED ASSET EXPENDITURES	<u>1,836,552</u>	<u>1,581,000</u>	<u>1,773,000</u>	<u>1,473,000</u>

**Number of Employees**  
(Full Time Equivalent)

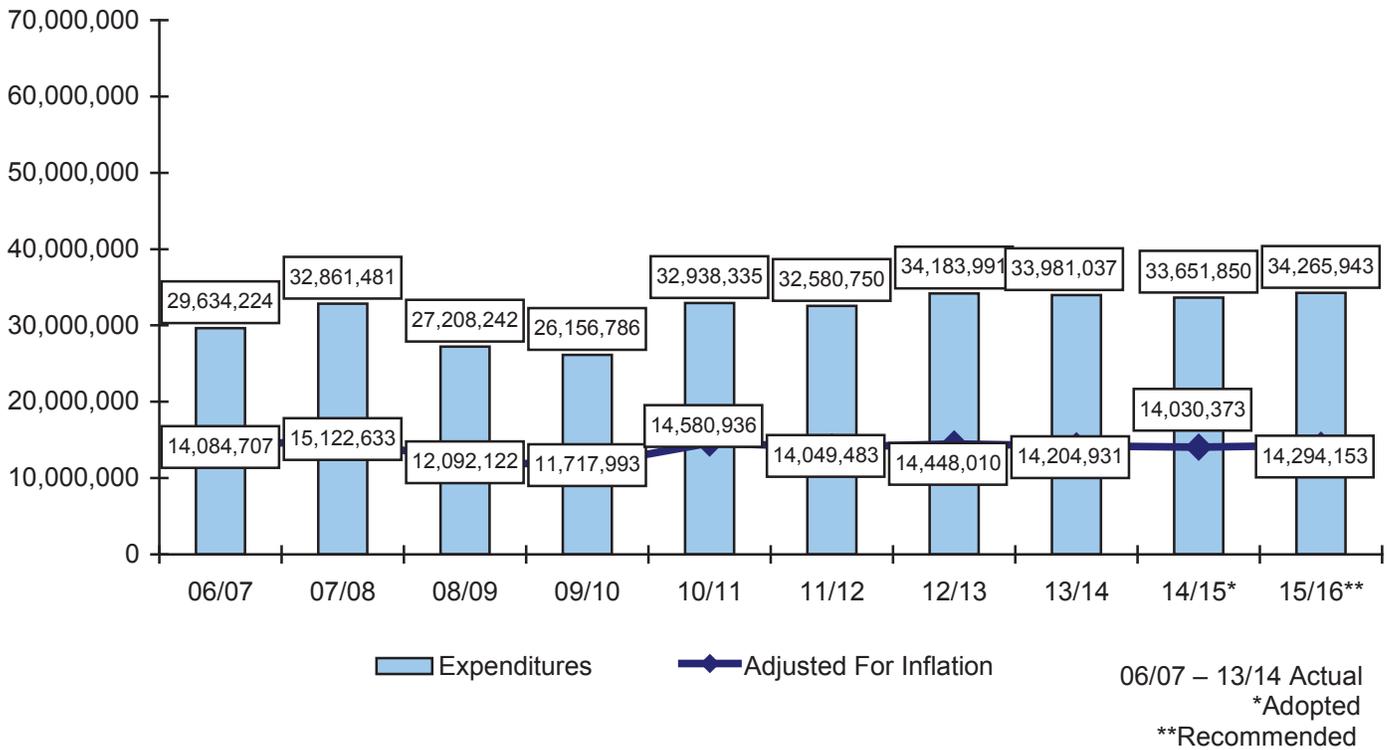


**Source of Funds**



Land Based

**10 Year Expenditures Adjusted For Inflation**



**SERVICE PROGRAMS**

The Public Works Internal Service Fund has a total expenditure level of \$34,265,943 and a total staffing level of 199.75 FTE to provide the following services:

**Development Services**

Provide engineering and surveying review of land development as mandated by State law and County ordinance to ensure that our neighborhoods are livable, safe and well integrated into the community.

Total Expenditures: \$666,537 Total Staffing (FTE): 4.60

**Operations Center - Water and Sewer**

Provide water and sewer service to County departments and other governmental agencies in and around the Kansas Avenue area off Highway 1 in San Luis Obispo.

Total Expenditures: \$109,842 Total Staffing (FTE): 0.80

**Roads**

Administer roads programs in compliance with the Streets and Highways Code, the Motor Vehicle Code and County Ordinances, and to keep in good and safe repair the County's roads, culverts, bridges and traffic signs; increase traffic safety and control right-of-way encroachments.

Total Expenditures: \$6,794,249 Total Staffing (FTE): 90.00

**Services to Special Districts**

Provide fiscal, legal and engineering support to districts in the formation process; perform general utility district planning, assessment apportionments, special studies and projects as directed by the Board of Supervisors; acquire supplemental road-purpose equipment which is not fundable through Internal Service Fund financing methods; provide administration of the County's cooperative road improvement program; provide cable TV regulation and access activities; and provide gas and electric franchise administration.

Total Expenditures: \$269,512 Total Staffing (FTE): 1.61

**Special Districts**

Operations, maintenance, capital projects and debt service of all public works related Board-governed special districts in the county.

Total Expenditures: \$25,281,984 Total Staffing (FTE): 91.86

**Waste Management Programs**

Administer and implement solid waste management activities in certain unincorporated areas, including compliance with state mandates such as the Integrated Waste Management Plan, National Pollutant Discharge Elimination System (NPDES), post-closure compliance orders regarding the Los Osos Landfill, and Board of Supervisors policies regarding County solid waste issues.

Total Expenditures: \$370,889 Total Staffing (FTE): 2.88

**Work for Outside Departments**

Provide water and sewer system maintenance at the San Luis Obispo County Airport and provide various other engineering services to other County departments and governmental agencies.

Total Expenditures: \$22,016 Total Staffing (FTE): 1.00

**Los Osos Wastewater System**

Provide wastewater collection, treatment, and recycling service to the community of Los Osos.

Total Expenditures: \$750,914 Total Staffing (FTE): 7.00

**DEPARTMENT COMMENTS**

The primary function of the Public Works Internal Service Fund (ISF) is overall accounting and reporting for the Public Works Department. The ISF includes the Position Allocation List (PAL) and funding for all of the employees in the department, and accounts for equipment and other reserves. The ISF incurs the departmental labor, direct, and indirect cost of operations that are then recovered from programs, projects and services through departmental labor charges and overhead allocations.

Following are notable accomplishments for FY 2014-2015 and some specific objectives for FY 2015-2016.

**FY 2014-15 Accomplishments**

- Achieved accreditation from the American Public Works Association, indicating that departmental policies and procedures go above and beyond nationally established management practice requirements. The department is only the 4th California county and 96th agency nationwide to receive this honor.
- Initiated efforts to form a separate Paso Robles Groundwater Basin Water Management District. This included an application to the Local Area Formation Commission (LAFCO) along with a plan for services, proposed boundary, and recommended funding plan.
- Created a new water resources division within the department to provide focused planning related to County water resources.
- Continued construction of the Los Osos Water Recycling Facility and completed construction of the collection system pump stations.
- Delivered over \$35 million in Public Works infrastructure projects.

**FY 2015-16 Objectives**

- Complete the Paso Robles Groundwater Basin Water Management District formation process.
- Continue to coordinate work efforts to meet the requirements of the newly passed Sustainable Groundwater Management Act.
- Begin startup and commissioning period for the Los Osos Wastewater System.
- Continue to meet regularly with advisory committees, the public, the Board of Supervisors, and numerous Federal and State agencies to understand customer needs and be a valued partner enhancing the quality of life for our fellow county residents.

**COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS**

The Public Works Internal Service Fund (ISF) budget reflects appropriation amounts included in other fund centers, including Fund Center 245 – Roads, Fund Center 201 – Special Services, Fund Center 130 – Waste Management, Fund Center 430 – Los Osos Wastewater System, and Special District budgets. Charges for services represent sources of revenue for the ISF. Recommended appropriations for those budgets, along with summaries for each program that purchases services from the ISF, are indicated in the service program summary.

It should be noted that the State Controller's Office requires an Operation of Internal Service Fund Schedule 10. The format of the Schedule 10, and some of the data it contains, is different from how most of the other County department budgets are reported. For consistency purposes, the data provided for in the narrative, service programs, and 10-year expenditure chart are from the Schedule 10, including depreciation. Additionally, the narrative compares FY 2015-16 recommended estimated numbers to FY 2014-15 estimated year end numbers. As fixed assets are noted separately on the Schedule 10 and are not included as part of total expenses, they are not included as part of the overall comparison.

The recommended FY 2015-16 budget of \$34,265,943 is an increase of \$614,093 or 1.8% compared to FY 2014-15 estimated amounts. Salaries and benefits are increasing by \$1,518,104 or 7% when compared to FY 2014-15 partially due to negotiated salary and benefit increases as well as routine promotion and step increases. The majority of this increase (\$847,262), is from the recommended addition of 9.00 FTE positions. Of these, 6.00 FTE positions are recommended to be added to operate the Los Osos Wastewater System when it comes on-line in the latter half of FY 2015-16. This includes 4.00 FTE Wastewater Systems Workers, 1.00 FTE Assistant Wastewater Systems Superintendent, and 1.00 FTE Administrative Assistant. The first two types of positions will be new classifications, and as of the writing of this narrative, the job specifications for these positions are being developed for hearing and consideration by the Civil Service Commission, anticipated around June of 2015. The new classifications are needed in order to recruit and retain employees with skills, qualifications, and certifications specific to wastewater operations. For the purposes of the FY 2015-16 budget, the salary cost for the Wastewater Systems Workers is based on the Water Systems Workers classification, and the Assistant Wastewater Systems Superintendent cost is based on the Assistant Water Systems Superintendent classification. As noted, the Los Osos Wastewater System is scheduled to be operational in the latter half of FY 2015-16. These positions, along with the Chief Wastewater Treatment Plant Operator that was approved in FY 2014-15 budget, will be funded through the Special Districts budget and no General Fund dollars will be used.

In addition to the positions for the Los Osos Wastewater System, the recommended budget also includes funding for 2.00 FTE Public Works Workers and 1.00 FTE Engineer. The department will be offsetting the cost of the Engineer position in the next fiscal year by postponing some equipment replacements.

The increases and decreases in this budget vary from year to year depending on the multi-year projects being carried out by the fund centers within the ISF. Services and supplies are decreasing by \$1,047,099 or almost 10%, compared to FY 2014-15 estimates.

The Public Works ISF includes budgeted amounts for Special Districts, including the Flood Control District and County Service Areas. Special Districts provide flood control, road maintenance, water, sewer and other services through the use of assessments and other sources of funding. The majority of the ISF's operating revenue and expense (\$25,304,000 or 74%) is comprised of charges to Special Districts, which is a decline of 4% when compared to FY 2014-15 estimated amounts. Although the total expense and revenue for Special Districts is included in the Public Works ISF's Schedule 10, each district has its own budget that is separate from the overall County budget. These budgets are contained in the Special Districts budget document prepared by Public Works and approved by the Board of Supervisors during the County's annual budget hearings in June. The other four functional areas in the ISF (Roads, Special Services, Waste Management, and the Los Osos Wastewater System) account for the balance of the ISF operating revenues and expenditures. Specific details about these budgets can be found in the individual fund center budget pages. When compared to the FY 2014-15 estimated amounts, Roads is increasing by \$840,485 or 14%, Special Services is increasing by \$48,651 or 5%, and Waste Management is increasing by \$7,467 or 2%.

**Public Works  
Fiscal Year 2015-16 Proposed Budget**

**Fund Center 405**

Fixed assets are recommended in the amount of \$1,473,000, which is a decrease of \$108,000 or 7%, from FY 2014-15 budgeted levels. Public Works has a program that ranks the replacement of equipment on several criteria such as useful life, maintenance cost, usage, overall condition, importance to the department, and funding available. No General Fund support will be required in the purchase of this equipment, as the majority will come from the ISF equipment replacement program as well as contributions from the Road Fund and the Los Osos Wastewater Project. The majority of fixed assets being requested are replacing vehicles and/or equipment that are at the end of their useful life. For a complete listing of the ISF's requested fixed assets, please refer to the Fixed Asset pages in this budget book.

Below is a listing of the major projects to be carried out by the Public Works ISF, as required by the State Budget Act. The major projects include those for roads (including new construction, reconstruction, repair, pavement management, and traffic light replacements), drainage improvement projects, and bridge upgrades, as well as other Special Districts projects. A listing of roads projects can be found in Fund Center 245 – Roads, while a listing of projects carried out on behalf of Special Districts can be found in the Special Districts budget book printed under separate cover.

Land Based

Project No.	Project Description	Phase Completion at 6/30/16	Funding Requirements for 15/16	Previous Years Balance to be Encumbered	New Funding to be Appropriated 15/16
<b>County Operations Center</b>					
320072	Replace Kansas/Oklahoma Ave Waterline	Final Plans, Specs, Est	\$811,736	\$811,736	\$0
Total County Operations Center			\$811,736	\$811,736	\$0
<b>Development Services</b>					
300451	Oak Shores Tract 2162 Ph 1 Road Repair	30% Construction	\$292,940	\$292,940	\$0
Total Development Services			\$292,940	\$292,940	\$0
<b>Los Osos Wastewater Project</b>					
300448	Los Osos Wastewater Project	Construction Complete	\$58,186,223	\$58,186,223	\$0
Total Los Osos Wastewater Project			\$58,186,223	\$58,186,223	\$0
<b>Waste Management</b>					
320071	Los Osos Landfill Remediation	30% Plans, Specs, Est	\$362,936	\$62,936	\$300,000
Total Waste Management			\$362,936	\$62,936	\$300,000
TOTAL			\$59,653,835	\$59,353,835	\$300,000

**BUDGET AUGMENTATION REQUESTS RECOMMENDED**

Amount	Description	Results
Gross amount: \$446,936 General Fund: \$0	Add 4.00 FTE Wastewater Systems Worker Trainee, I, II, III *	Adequately operate the new Los Osos Wastewater System (Fund Center 430), in accordance with the State Water Resources Control Board regulations and permits.

Gross amount: \$52,586 General Fund: \$0	Add 1.00 FTE Administrative Assistant	Adequately staff and provide administrative support for the new Los Osos Wastewater System (Fund Center 430), in accordance with State-mandated training and reporting requirements.
Gross amount: \$122,495 General Fund: \$0	Add 1.00 FTE Assistant Wastewater Systems Superintendent *	Adequately operate and provide supervisory and technically skilled expertise for the new Los Osos Wastewater System (Fund Center 430), in accordance with the State Water Resources Control Board regulations and permits.
Gross amount: \$126,382 General Fund: \$0	Add 2.00 FTE Public Works Worker I, II, III	Reduce backlog of maintenance work orders from 8 to 12 weeks down to 6 to 8 weeks and ensure more timely response to service requests.
Gross amount: \$98,863 General Fund: \$0	Add 1.00 FTE Engineer I, II, III	Fulfill new Federal and State mandates related to monitoring vehicle miles travelled (per Senate Bill 743) and implement a roadway sign reflectivity monitoring program which will help ensure adequate level of night-time visibility of the County's 30,000 roadway signs.

\*Note: Addition of these positions is pending approval of new classifications by the Civil Service Commission and the Board of Supervisors, expected by July 2015.

**GOALS AND PERFORMANCE MEASURES**

Additional goals and performance measures for Public Works can be found in the following Fund Centers: Roads (Fund Center 245), Public Works Special Services (Fund Center 201), and Waste Management (Fund Center 130).

<b>Department Goal:</b> Deliver Capital Projects on time and on budget.						
<b>Communitywide Result Link:</b> <input checked="" type="checkbox"/> Safe <input type="checkbox"/> Healthy <input type="checkbox"/> Livable <input type="checkbox"/> Prosperous <input checked="" type="checkbox"/> Well-Governed Community						
<b>1. Performance Measure: Percentage of capital projects that are completed on time.</b>						
10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
78%	78%	84%	80%	90%	84%	85%
<b>What:</b> This measures the percentage of Public Works Capital Project phases actually completed compared to the phase estimated to be complete as stated in each year's budget.						
<b>Why:</b> To determine the timeliness of capital project completion which enhances public health and safety by providing infrastructure defined in the need for each project.						

**How are we doing?** For FY 2014-15, the department is projecting a result of 84%. It's anticipated 49 out of 58 approved phases will be completed on-schedule. There are nine projects that are expected to be delayed for the following reasons:

- Two projects had a change in scope
- Two projects were delayed due to actual construction phase being rescheduled
- Two projects required additional design time
- Two projects had utility and permit delays
- One project was reassigned as a lower priority and not pursued at this time

There is no standardized comparable data available.

**2. Performance Measure: Percentage of capital projects that are completed at or under budget.**

10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
89%	87%	91%	93%	90%	90%	90%

**What:** This measures the percentage of Public Works Capital Projects where actual costs are at or under the budget for the particular project phase approved by the Board of Supervisors in a given fiscal year.

**Why:** To determine how accurately project costs are estimated so that funds are allocated and projects are prioritized properly.

**How are we doing?** A favorable result of 90% is projected for FY2014-15. Of the 49 project phases anticipated to be completed on schedule, it's estimated that 44 phases will be completed within the allocated budget. Five projects are expected to exceed their allocated budget for the following reasons:

- Two projects required additional design time at additional cost
- One project had a funding agency delay
- One project had a change in scope which increased project budget
- One project had not been budgeted

There is no standardized comparable data available.

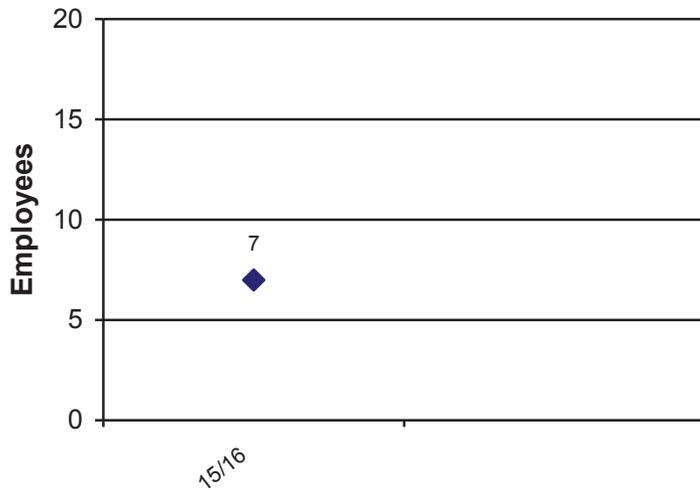
Land Based

**MISSION STATEMENT**

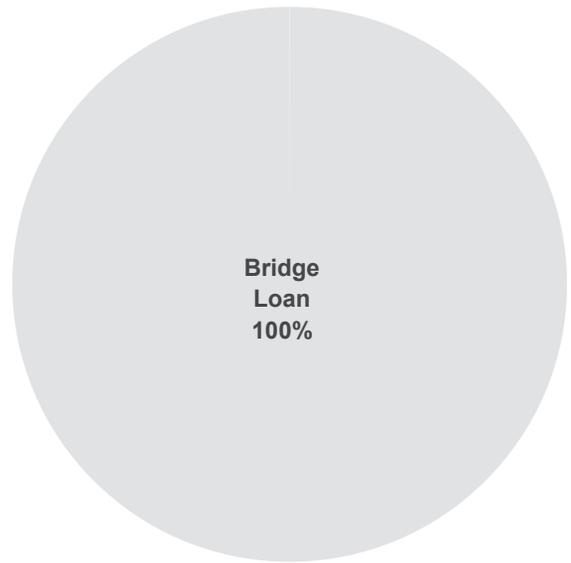
Provide the community of Los Osos the highest level of health and safety, water quality and environmental protection through effective administration and operation of wastewater and recycled water services.

OPERATING DETAIL	2013-14 ACTUAL	2014-15 ESTIMATED	2015-16 PROPOSED ESTIMATES	2015-16 RECOMMENDED ESTIMATES
(1)	(2)	(3)	(4)	(5)
<b>OPERATING REVENUES</b>				
Charges for Current Services	0	0	0	0
Other Revenue	<u>2,665</u>	<u>18,062</u>	<u>0</u>	<u>0</u>
<b>TOTAL OPERATING REVENUES</b>	<b>2,665</b>	<b>18,062</b>	<b>0</b>	<b>0</b>
<b>OPERATING EXPENSES</b>				
Salaries and Benefits	743	448	0	0
Services and Supplies	<u>232,760</u>	<u>200,000</u>	<u>1,185,000</u>	<u>1,185,000</u>
<b>TOTAL OPERATING EXPENSES</b>	<b>233,503</b>	<b>200,448</b>	<b>1,185,000</b>	<b>1,185,000</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(230,838)</b>	<b>(182,386)</b>	<b>(1,185,000)</b>	<b>(1,185,000)</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Interest Income	<u>10,200</u>	<u>10,000</u>	<u>0</u>	<u>0</u>
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>10,200</b>	<b>10,000</b>	<b>0</b>	<b>0</b>
<b>INCOME REF. CAPITAL CONTRIBS. &amp; TRANSFERS</b>	<b>(220,638)</b>	<b>(172,386)</b>	<b>(1,185,000)</b>	<b>(1,185,000)</b>
Capital Contributions	57,506,961	30,000,000	51,000,000	51,000,000
Transfers In	638,679	0	1,185,000	1,185,000
Transfers Out	(3,447)	0	0	0
Bond Issue Costs	<u>(251,784)</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>CHANGE IN NET ASSETS</b>	<b>57,669,771</b>	<b>29,827,614</b>	<b>51,000,000</b>	<b>51,000,000</b>
Net Assets-Beginning	46,986,452	104,656,223	134,483,837	134,483,837
Net Assets-Ending	104,656,223	134,483,837	185,483,837	185,483,837
<b>FIXED ASSET EXPENDITURES</b>				
Capital Projects	<u>55,175,963</u>	<u>30,000,000</u>	<u>51,000,000</u>	<u>51,000,000</u>
<b>TOTAL FIXED ASSET EXPENDITURES</b>	<b>55,175,963</b>	<b>30,000,000</b>	<b>51,000,000</b>	<b>51,000,000</b>

**Number of Employees**  
 (Full Time Equivalent)

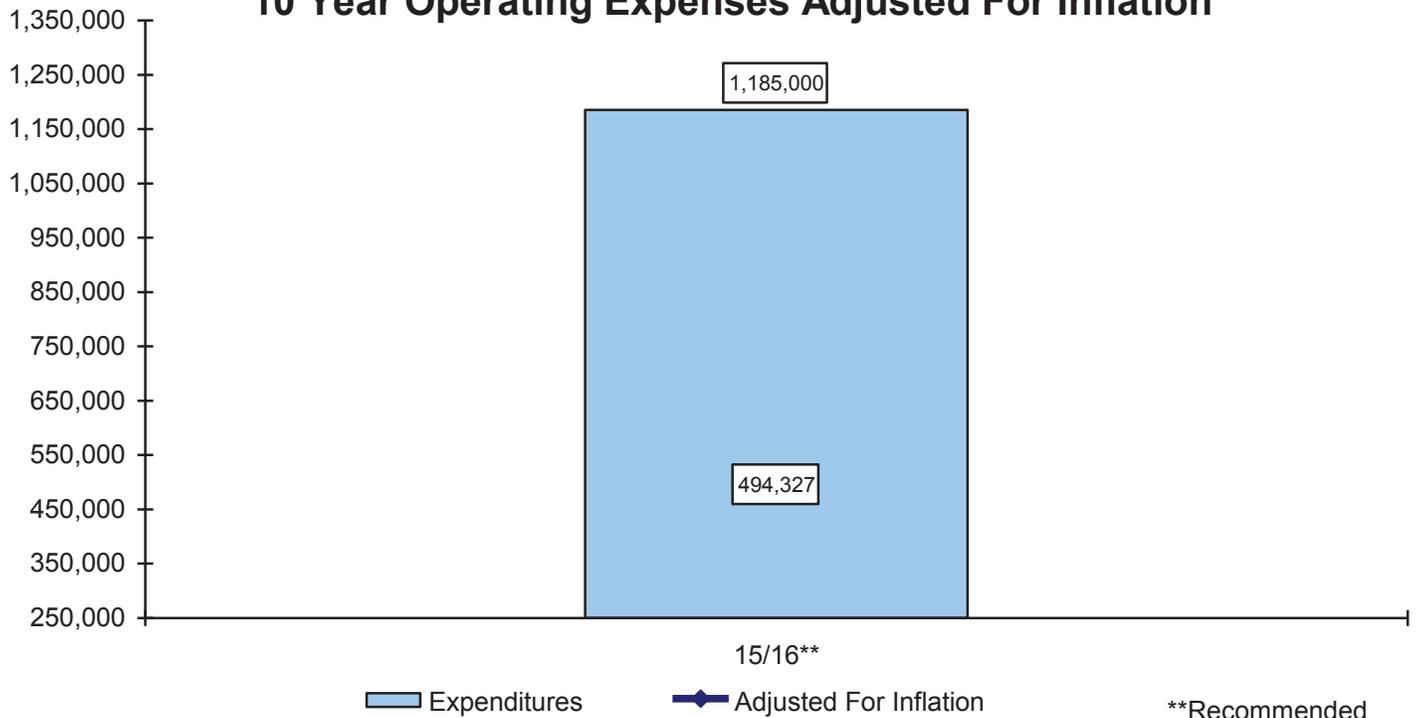


**Source of Funds**



Land Based

**10 Year Operating Expenses Adjusted For Inflation**



**SERVICE PROGRAMS**

The Los Osos Wastewater System Operating Fund has a total operating expenditure level of \$1,185,000 and a total staffing level of 7.00 FTE to provide the following services.

Note: Staff is budgeted in FC 405 – Public Works Internal Service Fund; full time equivalent (FTE) shown represents staff assigned to projects within Fund Center 430 – Los Osos Wastewater System.

**Los Osos Wastewater System**

Provide wastewater collection, treatment, and recycling service to the community of Los Osos.

Total Expenditures: \$1,185,000 Total Staffing (FTE): 7.00

**DEPARTMENT COMMENTS**

The Los Osos Wastewater System, once completed, will be comprised of 49 miles of pipeline, 21 pump stations, and a water recycling facility to provide 100% wastewater reuse for the community of Los Osos. Revenues will be generated from the users of the system to cover the operations and maintenance costs. The system is expected to begin operations during the latter half of FY 2015-16.

Following are some specific objectives for FY 2015-16. (There are no previous year's accomplishments, as this fund center is included for the first time in this year's budget.)

**FY 2014-15 Accomplishments**

- None – Fund Center 430 is new for the FY 2015-16 budget.

**FY 2015-16 Objectives**

- Secure bridge funding to cover operations for approximately six months to a year until sufficient operating revenues are available from system users.
- Hire and train staff to operate and maintain the system.
- Transition from the construction phase to the startup phase of operations.
- Begin the process of connecting the approximately 4,700 customers according to the phased connection plan.
- Identify financial grant assistance available to low income households for connecting to the system.
- Develop a low income rate assistance program for ongoing user charges.

**COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS**

The Los Osos Wastewater System is operated as an Enterprise Fund. Enterprise funds charge user fees for services. The State Controller's Office requires enterprise funds to be reported using an Operation of Enterprise Fund Schedule 11. The format of the Schedule 11, and some of the data it contains, is different from how most other County department budgets are reported. For consistency purposes, the data provided in the narrative, service programs, and 10-year expenditure chart are derived from the Schedule 11.

The system's ongoing operations are expected to begin in the latter part of FY 2015-16, using a bridge loan to cover initial operating expenses. Staffing is expected to begin in summer of 2015, with ongoing facility operations coming on-line in the summer of 2016. It is important to note that the project activities and associated costs prior to ongoing facility operations are borne by the project costs, as reflected above in the capital contributions line of the Schedule 11. As project costs wind down, this budget will account for the ongoing operations and maintenance costs once the system is operational and generating revenue. In general, the staff time and equipment used to bring the system up to an operational capacity are reflected in project costs.

Operating expenses are budgeted at \$1,185,000 for FY 2015-16. All expenses are budgeted for in services and supplies, since all services are "bought" from Fund Center 405, the Public Works Internal Service Fund. Of this amount, labor is budgeted at approximately 51% of expenses, professional services at 26%, and departmental overhead at 15%.

As referred to above under FY 2015-16 Objectives, the department will need to secure bridge loan funding to cover cash flow needs until the system is fully operational, which could take from six to twelve months. The funds that are budgeted as a "transfer in" would cover six months of expenses until the end of FY 2015-16. Therefore, bridge loan funding may also be necessary for FY 2016-17. At the time of this writing, the department is preparing an item on this matter for consideration by the Debt Advisory Committee.

**BUDGET AUGMENTATION REQUESTS RECOMMENDED**

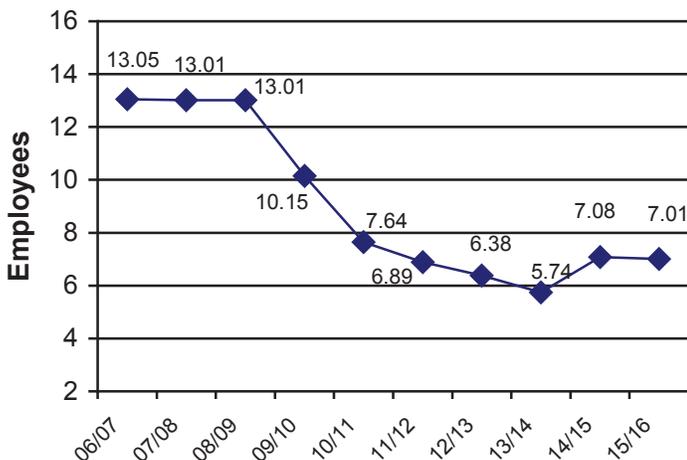
The budget augmentation requests related to this fund center are included in Fund Center 405 – Public Works Internal Service Fund.

**MISSION STATEMENT**

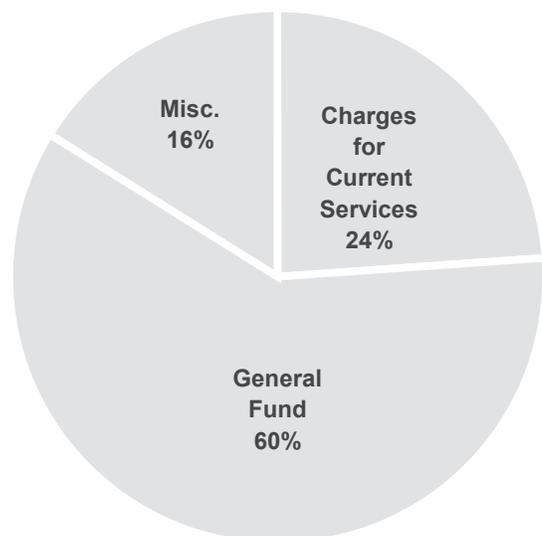
Provide public services related to engineering and surveying review of proposed land development; provide public facilities and services that ensure health and safety in the administration and operation of water and waste water service at the County Operations Center; engineering support to special districts; and franchise administration for the unincorporated areas in a manner which promotes excellence in delivery of government services to the public.

Financial Summary	2014-15 Budget	2014-15 Projected	2015-16 Requested	2015-16 Recommended	Change From 2014-15
Licenses and Permits	\$ 63,346	\$ 72,828	\$ 73,556	\$ 73,556	\$ 10,210
Intergovernmental Revenue	11,984	11,984	11,984	11,984	0
Charges for Current Services	613,833	750,827	616,952	616,952	3,119
Other Revenues	2,225	298,319	1,907	1,907	(318)
Other Financing Sources	0	0	250,000	250,000	250,000
Interfund	0	34,050	56,290	56,290	56,290
<b>**Total Revenue</b>	<b>\$ 691,388</b>	<b>\$ 1,168,008</b>	<b>\$ 1,010,689</b>	<b>\$ 1,010,689</b>	<b>\$ 319,301</b>
Services and Supplies	2,122,782	2,661,603	2,557,112	2,557,112	434,330
<b>**Gross Expenditures</b>	<b>\$ 2,122,782</b>	<b>\$ 2,661,603</b>	<b>\$ 2,557,112</b>	<b>\$ 2,557,112</b>	<b>\$ 434,330</b>
General Fund Support (G.F.S.)	<u>\$ 1,431,394</u>	<u>\$ 1,493,595</u>	<u>\$ 1,546,423</u>	<u>\$ 1,546,423</u>	<u>\$ 115,029</u>

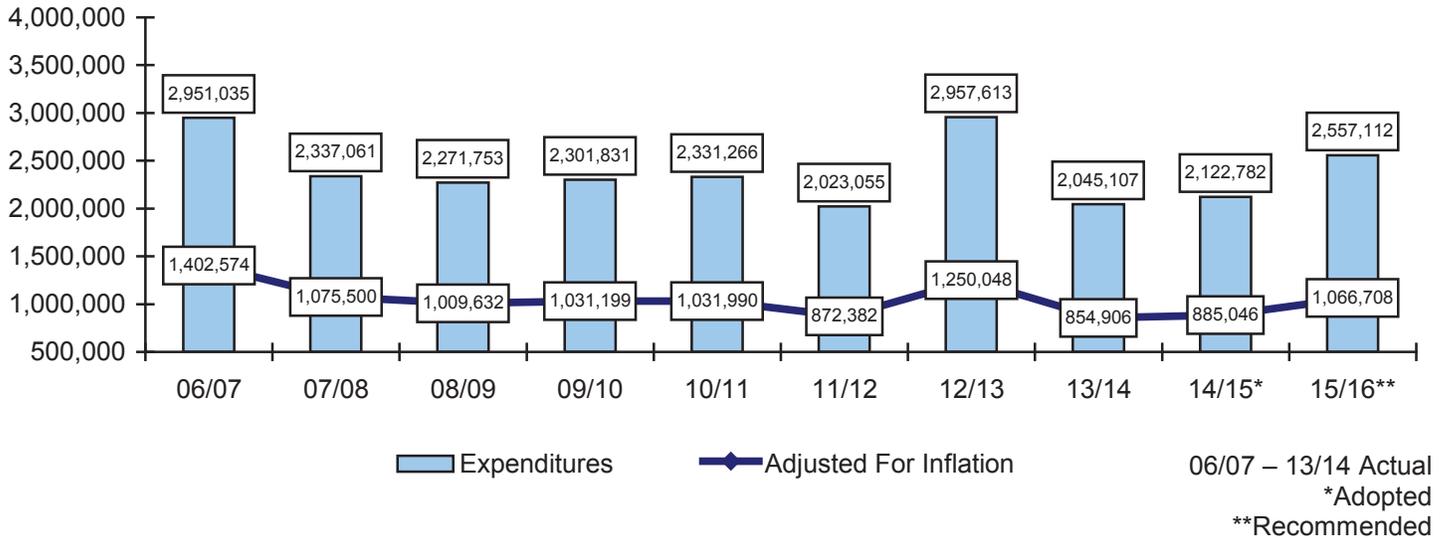
**Number of Employees  
(Full Time Equivalent)**



**Source of Funds**



**10 Year Expenditures Adjusted For Inflation**



Land Based

**SERVICE PROGRAMS**

Public Works Special Services has a total expenditure level of \$2,557,112 and a total staffing level of 7.01 FTE to provide the following services.

Note: Staff is budgeted in FC 405 – Public Works Internal Service Fund; full time equivalent (FTE) shown represents staff assigned to projects within Fund Center 201 – Public Works Special Services.

**Development Services**

Provide engineering and survey review of land development as mandated by State law and County ordinance as required to ensure that our neighborhoods are livable, safe and well integrated into the community.

Total Expenditures: \$932,095 Total Staffing (FTE): 0.80

**Operations Center - Water and Sewer**

Provide water and sewer service to County departments and other agencies in and around the Kansas Avenue area off Highway 1 in San Luis Obispo.

Total Expenditures: \$1,025,364 Total Staffing (FTE): 4.60

**Services to Special Districts**

Provide fiscal, legal and engineering support to districts in the formation process; to perform general utility district planning, assessment apportionments, special studies and projects as directed by the Board of Supervisors; to acquire supplemental road purpose equipment which is not fundable through FC 405 – Public Works Internal Service Fund financing methods; to provide administration of the County's cooperative road improvement program, cable TV regulation and access activities, and franchise administration.

Total Expenditures: \$599,653 Total Staffing (FTE): 1.61

**DEPARTMENT COMMENTS**

As a Public Works fund center, the primary programs of Special Services are Development Services, County Operations Center, and Services to Special Districts. Development Services provides engineering and surveying review of land development. The County Operations Center provides water and wastewater service to agencies around the Kansas Avenue area of San Luis Obispo. Services to Special Districts provide a wide variety of support services to special districts as directed by the Board of Supervisors.

Following are notable accomplishments for FY 2014-15 and some specific objectives for FY 2015-16.

**FY 2014-15 Accomplishments**

- Successfully obtained \$2 million in State and Federal grants to construct an emergency water intertie with Atascadero Mutual Water Company to serve Garden Farms and Santa Margarita.
- Achieved an average 1.3 week turnaround time for permit processing and map checking services, which is well under the statutory 4 week limit.
- Achieved an overall Development Services customer satisfaction rating of 4.75 out of 5 which is in the “very good” category.
- Developed a new County Code Section for State cable franchise regulations.
- Transferred the Charter cable franchise to a State franchise and added a second education channel.
- Continued to meet all water quality regulations for the Operations Center system.

**FY 2015-16 Objectives**

- Complete water and sewer master plan updates for the County Operations Center.
- Design of a water line loop to provide necessary fire flow to the Juvenile Hall expansion and new Sheriff Dispatch Center.
- Complete infrastructure improvements required for the Oak Shores (Lake Nacimiento) development including road repair.
- Complete the franchise renewal with Phillips 66 Petroleum.
- Work to renew or transfer the San Simeon cable franchises to a State franchise.

**COUNTY ADMINISTRATOR’S COMMENTS AND RECOMMENDATIONS**

The Public Works Special Services fund center functions under the umbrella of the Public Works Internal Service Fund (ISF). All staffing and necessary equipment needed to carry out the programs in this fund center are provided by the ISF and charged back as services are performed.

The recommended FY 2015-16 General Fund support, at \$1,546,423, is increasing by \$115,029 or 8% when compared to FY 2014-15 adopted amounts. Revenue for fee based services, such as parcel or tract map review, is projected based on any fee changes approved by the Board of Supervisors during the County’s annual fee schedule review as well as annualized current year actuals. Overall, revenue is estimated to increase by \$319,301, or 46%. The bulk of the increase is from an influx of funds from the prior sale of PG&E allocations for utility undergrounding projects. These allocations can either be used or sold to other jurisdictions. Sales of these allocations in 2013 produced \$250,000, which was then set aside to help cover future undergrounding projects. These revenues are budgeted so that funds are readily available for continued efforts on the four projects in progress, and if any additional undergrounding projects are approved by PG&E. The increase in revenues would be 10% without this item. Other significant changes in revenue are due to an increase in development fees (\$61,045) and a decrease in water charges from water conservation (\$7,706).

Overall, expenses are increasing by \$434,330, or 20% compared to FY 2014-15. Over half this increase is from the \$250,000 for utility undergrounding projects, discussed above. The increase in expenses would be 8.7% without this item.

Labor charges are allocated for water, sewer, water quality, hydraulic operations, and planning efforts for the upcoming year. To accommodate this, the ISF redistributes job classifications to match the skills and expertise needed. The result, in conjunction with prevailing wage adjustments approved in FY 2014-15, is an increase of \$256,151 in labor charges from the ISF. However, the majority of this includes approximately \$176,000 in division overhead that is being separated out from department overhead and included with labor.

Other significant variances include an increase in State water costs (\$23,884) and an increase in countywide overhead (\$46,691). There are no significant service level changes.

**BUDGET AUGMENTATION REQUESTS RECOMMENDED**

None requested.

**GOALS AND PERFORMANCE MEASURES**

**Department Goal:** Administer, operate and maintain the water distribution and wastewater collection systems at the County Operations Center efficiently and effectively to deliver an adequate and reliable supply of safe and regulatory compliant drinking water, maintain and provide an adequate and reliable reserve for irrigation and fire fighting, and provide for collection, conveyance and monitoring of the wastewater system to protect the public, ensure safety and environmental health, and maintain regulatory compliance. Customers of the County Operations Center are other County departments, Woods Humane Society, and one private property.

**Communitywide Result Link:**  Safe  Healthy  Livable  Prosperous  Well-Governed Community

**1. Performance Measure: Percentage of days per year that the water system is able to meet mandated water quality standards.**

10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
100%	100%	100%	100%	100%	100%	100%

**What:** This measures the percentage of time during the year that the water distribution system meets State and Federal water quality standards.

**Why:** Provision of regulatory compliant safe and quality drinking water is mandatory to ensure constituent's health and safety

**How are we doing?** Public Works continues to fully meet this goal and performance measure. Our State certified Water Systems Workers (Operators) frequently inspect and attend to any observed leaks or reported anomalies with the system's operations. Our Operators flush the system on a frequent basis to assure safe, sanitary and quality water is available. Our State certified water quality laboratory chemists and staff sample and test water samples weekly to verify water quality conformance to regulations. Our Water Quality Laboratory is located at the County Operations Center and utilizes this water supply daily. Earlier this calendar year we investigated a reported leak and determined, in conjunction with the Camp San Luis Obispo operations staff, that there was none; a historic spring was the cause. Public Works has coordinated with General Services and the County Administrative Office to provide funding for water line replacement projects to provide for adequate water for fire flow and service to existing and master planned Operation Center facilities. These completed General Fund projects for water line replacements have contributed greatly to maintaining a high degree of reliability and water quality in the system. This ensures that we meet all Federal, State and local safe drinking water requirements and meet State fire flow requirements.

One remaining water line segment connection is budgeted between Chorro Creek Bridge and the Animal Shelter to provide a looped system on the east section of the Operations Center area. This will improve fire flow requirements for future facilities in this area. This water line upgrade is estimated to cost \$820,000 and is included in the 14-15 budget and will be completed early in 15-16.

With the State of California in an extreme drought conditions, Public Works is planning for a possible future significant reduction or complete absence of State Water deliveries to the Operations Center. State water is the only formally contracted water supply entitlement for the Operations Center. The County Flood Control and Water Conservation District has adequate "carry-over " water (i.e. stored State water) available for calendar year 2015, and is pursuing grant opportunities and other available water sources for supplemental water supplies, i.e Nacimiento water and/or Whale Rock water through exchanges should the drought continue into 2016. District staff will continue its ongoing efforts to plan for and arrange emergency contracts to program and provide for water source availability to assure adequate water is available to the Operations Center for the near term in the event of an extended drought. This includes renewed applications for Integrated Regional Water Management drought project grants or other State bond funding for an intertie pipeline in the Chorro Valley. This could also provide Nacimiento water to the California Men's Colony water treatment plant to supply not only the County Operations Center but other Chorro Valley Agencies which rely solely on State Water.

Land Based

**2. Performance Measure: Number of wastewater collection system and water system failures per year.**

10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
0	0	0	0	0	0	0

**What:** Occurrences of all unscheduled wastewater service failures, i.e. blockages, spills and water system failure/interruptions during the year.

**Why:** The number of failures per year can be a reflection of a water or wastewater the system's integrity, maintenance and/or operational condition. Closely monitoring the location and frequency of failures can help to identify areas where additional resources may need to be provided for in order to assure continued system integrity and to protect the environment.

**How are we doing?** We have had no system failures to date during 14-15. Recent sewer line upgrades of the Operation Center system have improved the system's reliability. Replacement of the entire sewer collection line in Kansas Avenue, completed over the past few years, has done much to reduce the potential for infiltration and ground water intrusion into the system, and to minimize blockages in the old sewer line due to on-going concerns with several areas of line sags that historically accumulated solids and restricted flow. The sewage mains are routinely jetted on a scheduled basis to prevent future blockages.

**3. Performance Measure: Annual number of improvement plan reviews per Full Time Equivalent (FTE) employee.**

10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
90	84	88	78	95	95	95

**What:** Total number of Improvement Plan reviews by Plan Check Unit divided by the number of Full Time Equivalent (FTE) employees.

**Why:** Measures the efficiency of the Plan Check Unit in reviewing improvement plans.

**How are we doing?** The Department continues to see an increase in private development activity. This increase in activity was supported by additional assigned staff in the third quarter of 13-14. The current amount of activity and staff assigned is expected to remain fairly constant for 14-15 and 15-16. Therefore the projection and target of 95 is still reasonable.

**4. Performance Measure: Number of weeks to review improvement plans.**

10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
1.1 weeks 1st submittals	1.3 weeks 1st submittals	3.7 weeks 1st submittals	5.4 weeks 1st submittals	3.0 weeks 1st submittals	3.0 weeks 1st submittals	3.0 weeks
1.0 weeks re-submittals	1.1 weeks re-submittals	2.1 weeks re-submittals	3.2 weeks re-submittals	2.0 weeks re-submittals	2.0 weeks re-submittals	

**What:** Average time it takes to review public improvement construction plans associated with development after receipt from engineers.

**Why:** State law requires that improvement plans be acted upon within sixty working days (approximately 12 weeks) of submittal. This measures accomplishment of our goal of timely service.

**How are we doing?** The Department saw a significant increase in private development activity and assigned additional staff in the third quarter of 13-14. The increase in staffing assigned to plan checking was successful in reducing the review time from 5.4 weeks to the target of less than 3 weeks. The procedure has changed to treat new submittals and resubmittals similarly. Therefore the 15-16 Target for all submittals is 3.0 weeks or better.

**5. Performance Measure: Annual number of survey map reviews per Full Time Equivalent (FTE) employee.**

10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
1,178	1,212	1,086	1,298	1,200	1,200	1,200

**What:** Total number of survey maps (i.e. any land surveying map that falls under the Professional Land Surveyor's Act such as Records of Survey, subdivision maps and Corner Records) reviews performed by the Surveying Unit divided by the number of Full Time Equivalent (FTE) employees.

**Why:** Measures the efficiency of the Surveying Unit in reviewing survey maps.

**How are we doing?** With the recovering economy the number of survey maps submitted for review is gradually increasing. It is anticipated the number of maps submitted will remain constant or slightly increase. Therefore, maintaining the 14-15 projection and 15-16 target of 1,200 is reasonable, based upon the average result of the previous 4 years.

**6. Performance Measure: Number of weeks to review survey maps.**

10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
1.3 weeks	1.3 weeks	1.1 weeks	1.4 weeks	1.5 weeks	1.3 weeks	1.4 weeks

**What:** Average time from receipt of maps (i.e. any land surveying map that falls under the Professional Land Surveyor's Act such as Records of Survey, subdivision maps and Corner Records) from surveyors and engineers until examination (map-check) by County Surveyor staff is completed and returned.

**Why:** State law requires that survey maps be acted upon within 20 working days (approximately 4 weeks) of submittal. This measures accomplishment of our goal of timely service.

**How are we doing?** The quantity of map submittals continues to gradually increase. The adopted target of 1.5 weeks is reasonable and provides for seasonal or unusual spikes. A continued target of approximately 1.5 weeks is reasonable and is well within customer expectations.

**7. Performance Measure: Percentage of local engineering and design firms that rate the services provided by Public Works as satisfactory or better.**

10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
85%	89%	100%	100%	90%	95%	95%

**What:** Measures customer satisfaction with Development Services.

**Why:** Information derived from this survey has historically been used to improve customer service.

**How are we doing?** At the beginning of 14-15, approximately 160 surveys were distributed to local engineering, surveying, planning and architectural firms. Less than 10% responded. We will try a web-based survey in hopes of receiving increased feedback in the next cycle. Complimentary comments on our map checking services remain constant.

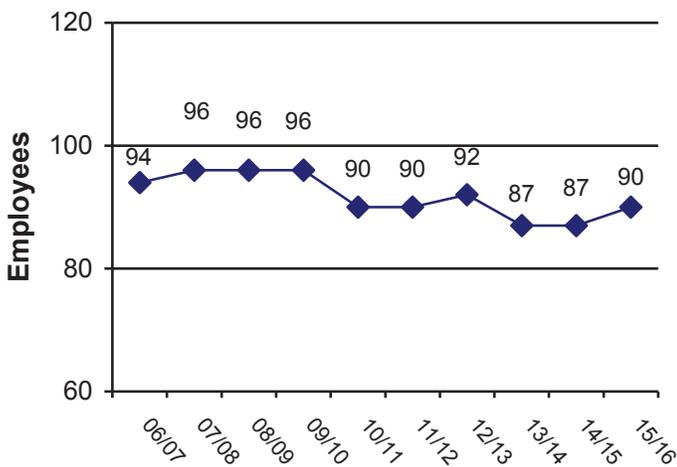
Land Based

**MISSION STATEMENT**

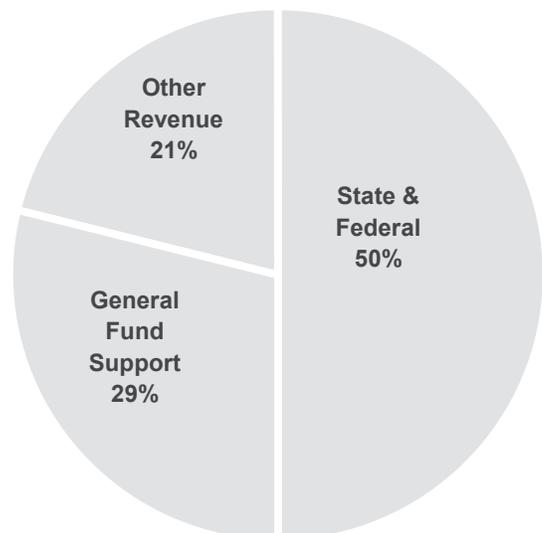
Provide public services related to the safe and efficient movement of traffic on the County maintained roadways.

<u>Financial Summary</u>	<u>2014-15 Budget</u>	<u>2014-15 Projected</u>	<u>2015-16 Requested</u>	<u>2015-16 Recommended</u>	<u>Change from 2014-15</u>
Taxes	\$ 1,504,077	\$ 1,504,077	\$ 1,578,162	\$ 1,578,162	\$ 74,085
Revenue from Use of Money & Property	15,000	15,000	20,000	20,000	5,000
Intergovernmental Revenue	27,651,885	30,195,849	19,656,386	19,656,386	(7,995,499)
Charges for Current Services	127,500	129,655	140,500	140,500	13,000
Other Revenues	26,830	28,507	8,204	8,204	(18,626)
Other Financing Sources	9,103,603	9,103,603	8,032,835	11,773,390	2,669,787
<b>Total Revenue</b>	<b>\$ 38,428,895</b>	<b>\$ 40,976,691</b>	<b>\$ 29,436,087</b>	<b>\$ 33,176,642</b>	<b>\$ (5,252,253)</b>
Fund Balance Available	\$ 3,249,984	\$ 3,249,984	\$ 0	\$ 0	\$ (3,249,984)
Cancelled Reserves	541,202	541,202	5,922,470	5,922,470	5,381,268
<b>Total Financing Sources</b>	<b>\$ 42,220,081</b>	<b>\$ 44,767,877</b>	<b>\$ 35,358,557</b>	<b>\$ 39,099,112</b>	<b>\$ (3,120,969)</b>
Salary and Benefits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Services and Supplies	17,269,295	17,269,295	19,500,428	19,650,428	2,381,133
Other Charges	1,298,958	1,298,958	711,414	561,414	(737,544)
Fixed Assets	20,401,844	20,401,844	15,146,715	18,887,270	(1,514,574)
<b>Gross Expenditures</b>	<b>\$ 38,970,097</b>	<b>\$ 38,970,097</b>	<b>\$ 35,358,557</b>	<b>\$ 39,099,112</b>	<b>\$ 129,015</b>
Contingencies	0	0	0	0	0
New Reserves	3,249,984	3,249,984	0	0	(3,249,984)
<b>Total Financing Requirements</b>	<b>\$ 42,220,081</b>	<b>\$ 42,220,081</b>	<b>\$ 35,358,557</b>	<b>\$ 39,099,112</b>	<b>\$ (3,120,969)</b>

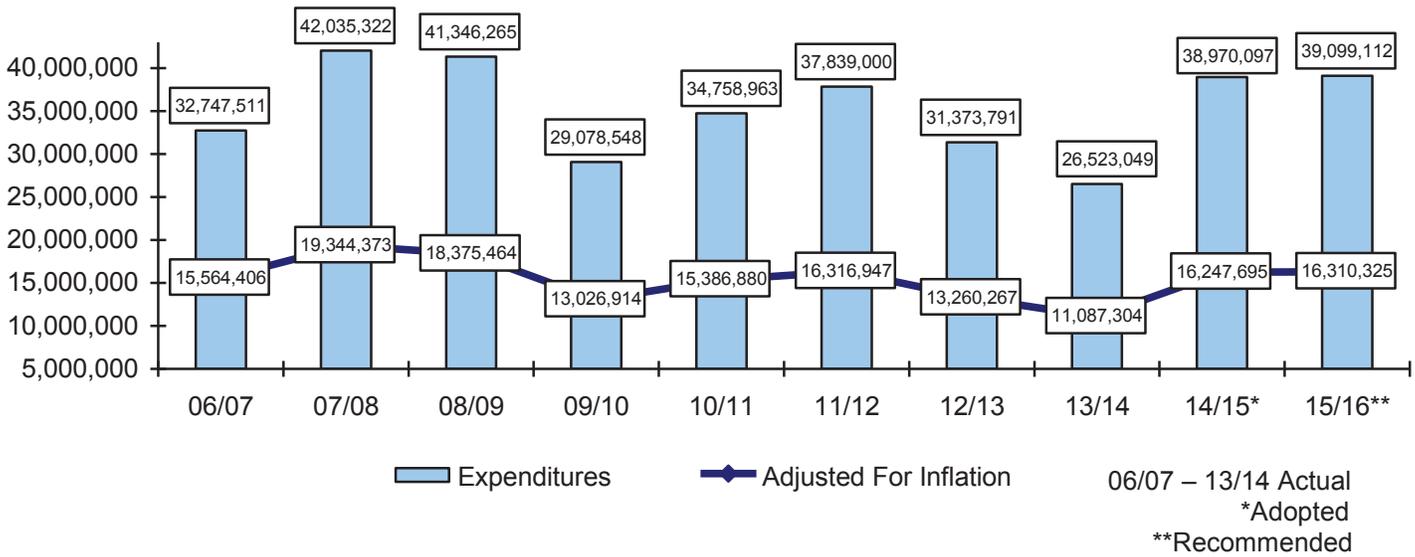
**Number of Employees**  
 (Full Time Equivalent)



**Source of Funds**



10 Year Expenditures Adjusted For Inflation



Land Based

**SERVICE PROGRAMS**

Roads have a total expenditure level of \$39,099,112 and a total staffing level of 90.00 FTE to provide the following services.

Note: Staff is budgeted in FC 405 – Public Works Internal Service Fund; full time equivalent (FTE) shown represents staff assigned to projects within Fund Center 245 – Roads.

**Roads Construction**

Construct new roads, or make major improvements to roads within the unincorporated area of the County.

Total Expenditures: \$18,887,270 Total Staffing (FTE): 20.00

**Roads Maintenance**

Maintain, or make minor improvements to, existing County roads within the unincorporated area of the County.

Total Expenditures: \$20,211,842 Total Staffing (FTE): 70.00

**DEPARTMENT COMMENTS**

The primary goals of the Public Works Road Fund, in priority order, are: 1) maintenance of existing roads and bridges; 2) safety improvements at specific locations; 3) improving road system facilities; and 4) providing transportation betterments.

Maintenance related activities include County road crew work to maintain these structures as well as administration of a pavement management program on over 1,330 miles of County roads and a bridge maintenance program on nearly 200 bridges. Construction related activities include new roads, enhancements to existing roads, road reconstruction, new lights and traffic signals, bridges, pedestrian ways and bike paths, drainage improvements, transportation planning, right of way acquisition, environmental mitigation, encroachment inspections, curb gutter and sidewalk design, and administration.

Following are some of the notable accomplishments for FY 2014-15 and some specific objectives for FY 2015-16.

**FY 2014-15 Accomplishments**

- Completed 70 miles of chip seal and surface treatments on arterial, collector, and local roads to improve pavement preservation with additional one-time funding from the General Fund.
- Completed seven miles of asphalt overlay on arterial roads to improve pavement preservation with additional one time funding from the General Fund.
- Delivered over \$10 million in capital projects to address safety, capacity and drainage concerns including:
  1. La Panza Road widening project in Creston
  2. Rehabilitation of South Higuera Street near San Luis Obispo
  3. Overlay of South Bay Boulevard in Los Osos
  4. Park and Ride lots in Nipomo and San Miguel
  5. Main Street Bridge Replacement in Cambria
- Awarded Project of the Year for the Main Street Bridge Replacement project in Cambria from the Central Coast Chapter of the American Public Works Association.
- Completed Federally funded bridge painting project on seven bridges throughout the county.

**FY 2015-16 Objectives**

- Chip seal or surface treat approximately 60 miles of roadway to improve pavement preservation.
- Asphalt overlay approximately 12 miles of high use arterial roadway to improve pavement preservation.
- Complete Los Osos road rehabilitation.
- Complete construction of San Miguel Gateway.
- Complete Price Canyon Road Widening Phase II construction.
- Complete Federally funded bridge maintenance projects on eight bridges throughout the county.

**COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS**

The Road Fund budget functions under the umbrella of the Public Works Department Internal Service Fund (ISF). All staffing and necessary equipment needed to carry out the programs in this fund center are provided by the ISF and charged back as services are performed.

The recommended FY 2015-16 budget for Roads provides for General Fund support in the amount of \$11,146,107 or 32% increase when compared to FY 2014-15 adopted amounts. The FY 2014-15 adopted budget included a one-time \$2,000,000 allocation for the pavement management program. The FY 2015-16 recommended budget includes a one-time allocation to the pavement management program in the amount of \$3,000,000. The program will also benefit from an ongoing increase of \$740,555 or 10% in General Fund support, added to the department's initial budget request. The total additional General Fund amount of \$3,740,555 for FY 2015-16 will go toward improving countywide road conditions and will not be used for overhead, new positions, equipment, etc. This additional amount will be added to the portion of General Fund support already allocated to the pavement management program of \$4,012,610, for a total of \$7,753,165 in General Fund support going to the program. This, is in addition to other funds the department will be directing toward the program including \$3,500,000 in Road Fund reserves, for a grand total of pavement management program funding in the amount of \$11,253,165.

The department uses a pavement condition index (PCI) as a measure to gauge the overall condition of the County's paved roads. As discussed in the goals and performance measures section of this Fund Center, the Board of Supervisors' goal is to maintain a PCI of 65 or better. With the recommended pavement management

program funding in FY 2015-16 of \$11,253,165 (of which \$7,753,165 is supported by the General Fund, as mentioned above), the department estimates that the current PCI score of 61 will increase to 62 by the end of FY 2015-16. Assuming that neither the one-time \$3,000,000 General Fund contribution nor the \$3,500,000 from Road Fund reserves is repeated, the PCI would dip from 62 at the end of FY 2015-16 to 59 in five years. In order for the PCI to achieve a score of 65, the program would require a total of \$10.8 million each year for ten years.

The overall Roads budget (both financing sources and financing requirements) is recommended to decrease by \$3,120,969, or 7%. This includes an influx of \$3,500,000 in cancelled reserves and the increase in General Fund support, discussed above. The majority of the revenue in the Roads budget is derived from State or Federal funding sources; this causes revenues to fluctuate from year to year depending on the multi-year projects being carried out. Accordingly, intergovernmental revenue (State and Federal) is decreasing by \$7,995,499 or 28%, compared to FY 2014-15 levels. In the previous fiscal year, a few large capital projects were budgeted (Price Canyon Road widening, Tar Springs Creek bridge replacement, etc.); therefore, planned capital project expense will be less for FY 2015-16. Also part of the decline in intergovernmental revenue is a decrease (\$1,300,000) in the Highway Users Tax (HUTA), also known as the fuel tax. Each year, the State Board of Equalization (BOE) adjusts the excise tax on fuel, based on demand forecasts and sales tax estimates. In the past couple of years, demand for fuel has declined, and this has affected the amount of tax revenue brought in from the State's excise tax. All other revenue (primarily General Fund support, property taxes, and road impact fees) is projected to increase by \$2,743,246 or 25% compared to FY 2014-15 adopted levels.

Services and supplies accounts are increasing by \$2,381,133 or 13% compared to FY 2014-15 adopted levels. Several factors contribute to this increase:

- Increase in construction contract payments for major maintenance projects by \$973,784, including microsurfacing and bridge work;
- Increase in labor and equipment ordered from the Internal Service Fund (Fund Center 405) for general labor by \$302,001, and labor billed to specific work orders by \$900,790;
- Increase in countywide overhead by \$592,248. (All the fund centers within the ISF are charged countywide overhead through the Board of Supervisors' approved cost plan as well as a portion of the ISF's countywide overhead);
- Increase in insurance charges by \$181,921.

The Road Fund has budgeted \$557,400 for the purchase and replacement of equipment and vehicles in FY 2015-16. This requested funding represents a \$20,600 or 3% decrease from FY 2014-15. A list of the specific equipment and vehicles to be replaced can be found in the Fixed Asset section of this budget book.

The work program statement and listing of major projects being carried out by the Road Fund, below, is required by the State Budget Act.

**BUDGET AUGMENTATION REQUESTS RECOMMENDED**

The budget requests related to this fund center are included in Fund Center 405 – Public Works Internal Service Fund.

<b>FY 2015-16 - Road Fund Work Program Statement</b>		
1	Administration	\$ 3,979,987
2	Construction	\$ 18,887,270
3	Maintenance	\$ 15,674,455
4	Aid to Other Governmental Agencies	\$ -
5	Acquisition of Equipment	\$ 557,400
6	Plant Acquisition	\$ -
7	Reimbursable Work	\$ -
8	Cost Transfers and Reimbursements	\$ -
	<b>Total</b>	<b>\$ 39,099,112</b>

Land Based

**Roads  
Fiscal Year 2015-16 Proposed Budget**

**Fund Center 245**

<b>Road Fund Major Projects</b>					
<b>Project No.</b>	<b>Project Description</b>	<b>Phase Completion at 6/30/16</b>	<b>Funding Requirements for FY 2015-16</b>	<b>Previous Years Balance to be Encumbered</b>	<b>New Funding to be Appropriated FY 2015-16</b>
<b>New Road Construction</b>					
300129.09.04	Willow Rd-Oak Woodland Habitat Restoration	2nd Yr Mitigation Complete	0	0	0
300140	So Oakglen Operational Study	Project Footprint Defined	71,878	71,878	0
300142	Willow Road Interchange	2nd Yr Mitigation Complete	1,580,294	1,278,307	301,987
300348	Left Turn Lane on Nacimiento Lake Dr @ Adelaide Rd	Ready to Advertise	475,518	450,518	25,000
300372	Halcyon/Route 1 Realignment Phase 1	Field Studies Complete	75,000	75,000	0
300520	El Camino Real Left Turn Lane at Santa Clara	Construction Complete	711,299	511,299	200,000
Total New Road Construction			2,913,989	2,387,002	526,987
<b>Road Reconstruction</b>					
300147	Tefft Street & Hwy 101 Ramp Relocation	Project Footprint Defined	54,770	39,770	15,000
300150	Main Street Hwy 101 PSR/PDS	Project Execution Plan Complete	439,539	439,539	0
300273	Small Safety Betterments	N/A	209,297	59,297	150,000
300321	Channel & Left Turn Lane Los Berros/Thompson	Project Footprint Defined	242,425	242,425	0
300364	San Luis Bay Dr Interchange Improvements	Scope Defined	84,414	49,414	35,000
300384	Los Berros at Dale Left Turn Lane	Final Env Doc	40,000	0	40,000
300386	Templeton Rd Safety Improvements SR 41 to S El Pomar	2nd Yr Mitigation Complete	0	0	0
300397	La Panza Road Widening	1st Yr Mitigation Complete	146,779	146,779	0
300464	Price Canyon Road Widening Phase II	30% Construction	5,571,422	5,571,422	0
300489	Widen River Rd Magdalena to Mission	30% Construction	1,100,448	1,100,448	0

**Roads**  
**Fiscal Year 2015-16 Proposed Budget**

**Fund Center 245**

<b>Road Fund Major Projects</b>					
<b>Project No.</b>	<b>Project Description</b>	<b>Phase Completion at 6/30/16</b>	<b>Funding Requirements for FY 2015-16</b>	<b>Previous Years Balance to be Encumbered</b>	<b>New Funding to be Appropriated FY 2015-16</b>
300490	Buckley Two Way Left Turn Lane Thread to Buttonwood	30% Construction	1,003,838	641,838	362,000
300506	Avila Beach Hwy 101 Operational Improvements	Project Execution Plan Complete	328,336	328,336	0
300508	Countywide Centerline Rumble Strips	30% Construction	1,542,050	1,542,050	0
300521	Realign Nacimiento Lake Dr at Chimney Rock	Scope Defined	20,000	20,000	0
300522	K Street Park-n-Ride Expansion, San Miguel	Construction Complete	60,752	60,752	0
New	Road Reconstruction Related to Los Osos Wastewater Plant	Construction Complete	891,000	0	891,000
New	Santa Rosa Creek Slope Stabilization	Project Footprint Defined	175,000	0	175,000
New	See Canyon Slipout #2	90% Plans, Specs, Est	300,000	0	300,000
<b>Total Road Reconstruction</b>			<b>12,210,070</b>	<b>10,242,070</b>	<b>1,968,000</b>
<b>New Road Lights, Traffic Signals</b>					
300510	Traffic Signal at Willow and Pomeroy	60% Construction	385,718	375,718	10,000
300524	Signalize Thompson Ave at Titan Way	60% Construction	426,852	9,852	417,000
New	Signalize Avila Beach Dr at San Miguel St	Project Execution Plan Complete	60,000	0	60,000
<b>Total New Road Lights, Traffic Signals</b>			<b>872,570</b>	<b>385,570</b>	<b>487,000</b>
<b>Drainage Improvements</b>					
300393	Main Street Storm Drain	Construction Complete	131,248	81,248	50,000
300465	Oceano Drainage	Ready to Advertise	2,012,333	1,112,333	900,000
<b>Total Drainage Improvements</b>			<b>2,143,581</b>	<b>1,193,581</b>	<b>950,000</b>
<b>Pedestrian Ways &amp; Bike Paths</b>					
300470	Mission St Phase IV Improvements	Construction Complete	351,735	351,735	0
300485	San Juan Creek Pedestrian Bridge, Shandon	Acquisitions Complete	1,696,363	46,363	1,650,000
300525	ADA Ramp Construction 2014/15	Construction Complete	16,792	16,792	0

Land Based

**Roads**  
**Fiscal Year 2015-16 Proposed Budget**

**Fund Center 245**

<b>Road Fund Major Projects</b>					
<b>Project No.</b>	<b>Project Description</b>	<b>Phase Completion at 6/30/16</b>	<b>Funding Requirements for FY 2015-16</b>	<b>Previous Years Balance to be Encumbered</b>	<b>New Funding to be Appropriated FY 2015-16</b>
300526	Front Street Revitalization Plan, Oceano	Draft Env Document	210,415	210,415	0
300527	Eton Road Pedestrian Improvements	Construction Complete	89,200	59,200	30,000
New	ADA Ramp Construction 2015/16	Construction Complete	60,000	0	60,000
Total Pedestrian Ways & Bike Paths			2,424,505	684,505	1,740,000
<b>Pavement Management System</b>					
300519	A/C Overlay 14-15 Los Osos	Construction Complete	3,857,264	3,857,264	0
New	A/C Overlay 15-16	Construction Complete	9,350,983	0	9,350,983
Total Pavement Management System			13,208,247	3,857,264	9,350,983
<b>Bridges</b>					
300180	Main Street Bridge @ Santa Rosa Ck	1st Yr Mitigation Complete	151,348	151,348	0
300382	River Grove Drive Bridge	30% Plans, Specs, Est	86,084	86,084	0
300385	Branch Mill Road Bridge	Construction Complete	3,231,589	3,231,589	0
300387	Geneseo Road Low Water Crossing	90% Plans, Specs, Est	611,254	611,254	0
300430	Air Park Drive Bridge @ Ocean Beach Lagoon	60% Plans, Specs, Est	244,094	244,094	0
300432	Cypress Mountain Rd Br @ Klau Creek	Contract Award	1,860,882	182,582	1,678,300
300434	Huasna River Bridge Replacement	Scope Defined	329	329	0
300439	El Camino Real at Santa Margarita Creek Bridge	60% Plans, Specs, Est	165,695	165,695	0
300452	Lopez Dr Bridge No 2 Seismic Retrofit	30% Plans, Specs, Est	881,671	181,671	700,000
300455	South Bay Blvd Bridge Seismic Retrofit	30% Plans, Specs, Est	544,410	544,410	0
300456	Avila Beach Dr Bridge Seismic Retrofit	60% Plans, Specs, Est	542,604	542,604	0
300514	Dover Canyon Road at Jack Creek	30% Plans, Specs, Est	686,885	686,885	0

**Roads**  
**Fiscal Year 2015-16 Proposed Budget**

**Fund Center 245**

New	Jack Creek Rd at Paso Robles Creek Bridge Replacement	Project Execution Plan Complete	1,000,000	0	1,000,000
New	Toro Creek Rd Bridge Replacement	Project Execution Plan Complete	486,000	0	486,000
Total Bridges			10,492,845	6,628,545	3,864,300
<b>Total Road Fund Major Projects</b>			<b>44,265,807</b>	<b>25,378,537</b>	<b>18,887,270</b>

**GOALS AND PERFORMANCE MEASURES**

**Department Goal:** Maintain a good quality county-road system.

**Communitywide Result Link:**  Safe  Healthy  Livable  Prosperous  Well-Governed Community

**1. Performance Measure: Pavement Condition Index (PCI) for ALL county roads.**

10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
60	58	60	61	62	63	63

**What:** Pavement Condition Index, (PCI, also called Pavement Condition Rating) is a numerical index between 0 and 100 which is used to indicate the general condition of a pavement system. A PCI of 80-100 represents a Best road; 61-80 a Good road; 41-60 a Fair road; 21-40 a Poor road and below 21 a Bad road.

**Why:** To better budget the maintenance requirements of the County's road system. The Board of Supervisors has established the goal of maintaining an overall PCI of 65 or better, with no one road category falling below a PCI of 60.

**How are we doing?** In 2012 the Public Works Department implemented a new pavement maintenance strategy focused on a variety of surface treatments. In past years most emphasis was focused on more expensive major overlays of pavement resulting in fewer maintained miles. The new strategy utilizes a variety of surface treatments that target roads for different treatment depending on the current condition resulting in a more effective use of available funds. This strategy includes micro surfacing; chip sealing; and thin pavement overlay treatments which may cost one-tenth of a typical pavement overlay. Although these treatments will not repair the most deteriorated roads they will arrest deterioration and help prolong the life of roads in Good to Best conditions.

Based on a 5-year historical funding budget of about \$3.4 million, we can expect to complete surface treatment on about 60 miles and overlay about five miles of road each year using the strategy described in our Pavement Management Report. This level of effort is anticipated to yield an overall system at a PCI level of 63. Because of funding limits the PCI will remain our target for future fiscal years although it remains short of the Board adopted goal of having at least a PCI level of 65.

For FY 2014-15 the \$3.4 million budget was augmented by \$2 million for a total budget of \$5.4 million. With the added funds our road maintenance efforts are concentrated in the community of Los Osos due to deferred maintenance while the sewer construction was completed. Work will begin in Spring of 2015. Any remaining funds will be applied to pavement maintenance outlined in our Pavement Management Report.

For FY 2015-16 pavement management efforts will be directed to the community of Nipomo. Work will begin in Fall of 2015.

There has been no significant change in the paved County maintained road mileage of 1,092 miles. The paved roads consist of 84 miles of arterial roads, 414 miles of major and minor collector roads, and 594 miles of local roads. There are 244 miles of unpaved County maintained roads.

**2. Performance Measure: Collisions per 100 million entering vehicles at non-signalized intersection.**

10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
26	27	22	22	24	24	24

**What:** Five year average of the number of collisions per 100 million vehicles entering a non-signalized intersection.

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**Why:** To determine if this component of the road system is maintaining its expected safety level. To review possible safety problem areas if the measure exceeds expectations and determine which improvements are warranted.

**How are we doing?** Overall collisions are down in the first 10 months of 2014 as compared to the same reporting period of 2013. Locally collisions at unsignalized intersections continue to be approximately 18% below the statewide average of 29 per 100 million vehicles entering the intersection. Staff monitors numerous intersections for potential improvements. The Public Works Department continues to improve intersection geometrics, capacity, signage and markings at locations identified in the department's various safety assessments. Because of this effort the unsignalized intersection collision rate is expected to remain below State of California averages

Future non-signalized intersection improvement projects include El Camino Real Left Turn Lane at Santa Clara Road, near the community of Santa Margarita, and the Nacimiento Lake Drive Left Turn Lane at Adelaida Road, west of the City of Paso Robles. The department has worked through Caltrans to initiate a project at Avila Beach Drive and Shell Beach Road near the community of Avila Beach. The unsignalized intersection of Pomeroy Road and Willow Road will become a signalized intersection. The improvements listed above are being pursued partially or wholly to address correctable traffic collisions.

**3. Performance Measure: Collisions per 100 million entering vehicles at signalized intersections.**

10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
25	27	28	31	27	27	27

**What:** Five year average of the number of collisions per 100 million vehicles entering a signalized intersection.

**Why:** To determine if this component of the road system is maintaining its expected safety level. To review possible safety problem areas if the measure exceeds expectations.

**How are we doing?** Collisions at signalized intersections continue to remain well below the statewide average of 53 per 100 million vehicles entering the intersection. The FY 2013-14 actual results were higher than recent years. However, modifications to signal timing at several intersections in 2013 has shown a benefit. Staff projects that we will return to previous rates for FY 2014-15. Much of the rates distance below the state averages is likely attributed to the County's proactive approach and Road Improvement Fee program. Under Board direction this effort identifies and establishes level of service thresholds that fund intersection improvements to maintain acceptable service levels. Statistically intersections and roadways experience higher collision rates as they reach the design capacity limits.

Future signalized intersection improvement projects include Willow Road at Pomeroy Road; and Thompson Road at Titan Way (Nipomo High School). Both projects are located in the community of Nipomo. The Public Works Department has also been working in conjunction with Caltrans to collaboratively optimize traffic signal progression through the Tefft Street corridor in the community of Nipomo.

**4. Performance Measure: Collisions per 100 million miles on rural roads.**

10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
172	164	148	145	145	145	140

**What:** Five year average of the number of rural road collisions per 100 million miles traveled within the unincorporated area of the county.

**Why:** To determine if this component of the road system is maintaining its expected safety level. To identify possible safety problem areas if the measure exceeds expectations. These are arterial, collector, or local roadways that are located outside the urban reserve lines of the communities.

**How are we doing?** The county's rate is projected to meet the FY 2014-15 target as well as being below the statewide average of 189 per 100 million vehicle miles traveled. As rural roads are identified as areas of concern, the Public Works Department develops interim low cost solutions as well as programming for future capital improvement projects. The difference between local collision rates and State of California rates may be attributed to keeping roadways in a good state of repair and closely monitoring traffic collisions on the roadway system to be able to target impacted roadway segments.

Future rural road improvement projects include constructing centerline rumble strips in various roadways to minimize crossover collisions involving head on or run off road accidents; widen River Road to install shoulders near the community of San Miguel; widen Buckley Road to install a continuous center left turn lane south of the City of San Luis Obispo; and widen Price Canyon Road northeast of the community of Pismo Beach. The department is now able to assess various curves throughout the county that may have collision concentrations. Because of previous technologic limitations these sites were extremely difficult to isolate. Due to improvements to the department's collision database coupled with our continually improving Geographic Information System (GIS) abilities, it is now possible to identify many of these isolated areas.

<b>5. Performance Measure: Collisions per 100 million miles on suburban roads.</b>						
10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
289	263	172	159	200	190	170

**What:** Five year average of the number of suburban road collisions per 100 million miles traveled. Roads that fall within the urban designation line are considered urban roads and all others are rural.

**Why:** To determine if this component of the road system is maintaining its expected safety level. To identify possible safety problems in urbanized areas if the measure exceeds expectations.

**How are we doing?** The county's rate remains lower than the statewide average of 278 per 100 million vehicle miles traveled. The Public Works Department will continue to focus attention on those individual roadways with a higher collision concentration and evaluate design and funding opportunities for improvements. Low cost solutions such as signage and striping are continuously implemented. Many of the County's suburban roads are included in Road Improvement Fee areas. These fees fund detailed community circulation models and provide funding for addressing areas of congestion caused by development. Keeping level of service in acceptable ranges limits conflicts between motorists and decreases aggressive driving behavior.

<b>6. Performance Measure: Bridge sufficiency rating.</b>						
10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
90%	92%	93%	93%	93%	93%	93%

**What:** Percentage of bridges with State assigned sufficiency rating (SR) over 50.0 (bridges below 50 are eligible for Federal grant replacement funding)

**Why:** To review maintenance and funding needs in order to keep the structures in a good state of repair.

**How are we doing?** San Luis Obispo County is one of the top counties in the State for maintaining bridge conditions at a high level. This has been the result of an on-going program for maintenance, bridge rehabilitation, and replacement. Construction on the Main Street Bridge at Santa Rosa Creek in Cambria and a project to paint seven bridges will both to be completed in 2014. New bridge project construction is scheduled to begin in 2015 on Branch Mill Road at Tar Springs Creek.

Future bridge construction projects include Cypress Mountain Drive at Klau Creek (2016); El Camino Real at Santa Margarita Creek (2016); Air Park Drive at Ocean Beach Lagoon (2016); River Grove Drive at Estrella River (2016); and Geneseo Road low water crossing (2017). In addition, seismic retrofit design is underway on three bridges including Lopez Drive over Lopez Lake; South Bay Boulevard over Los Osos Creek and Avila Beach Drive over San Luis Obispo Creek.

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**PURPOSE STATEMENT**

Collection of road improvement fees used to construct new roads, or make major improvements to existing roads within the Road Improvement Areas of the County which are funded by the fees collected in each area.

<u>Financial Summary</u>	2014-15	2014-15	2015-16	2015-16	Change from 2014-15
	<u>Budget</u>	<u>Projected</u>	<u>Requested</u>	<u>Recommended</u>	
Revenue from Use of Money & Property	\$ 6,400	\$ 6,400	\$ 0	\$ 0	\$ (6,400)
Charges for Current Services	<u>847,400</u>	<u>847,400</u>	<u>0</u>	<u>0</u>	<u>(847,400)</u>
Total Revenue	\$ 853,800	\$ 853,800	\$ 0	\$ 0	\$ (853,800)
Fund Balance Available	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Cancelled Reserves	<u>287,703</u>	<u>287,703</u>	<u>1,079,283</u>	<u>1,079,283</u>	<u>791,580</u>
Total Financing Sources	<u>\$ 1,141,503</u>	<u>\$ 1,141,503</u>	<u>\$ 1,079,283</u>	<u>\$ 1,079,283</u>	<u>\$ (62,220)</u>
Salary and Benefits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Services and Supplies	0	0	0	0	0
Other Charges	1,141,503	1,141,503	1,079,283	1,079,283	(62,220)
Fixed Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Gross Expenditures	\$ 1,141,503	\$ 1,141,503	\$ 1,079,283	\$ 1,079,283	\$ (62,220)
Contingencies	0	0	0	0	0
New Reserves	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Financing Requirements	\$ 1,141,503	\$ 1,141,503	\$ 1,079,283	\$ 1,079,283	\$ (62,220)

**Source of Funds**



**DEPARTMENT COMMENTS**

This fund center is a Special Revenue Fund. The Road Impact Fees are collected in 11 specific areas of the County to fund road projects that are needed to address the impact of new development in those areas. These fees are collected as building permits are issued. The fees are accounted for separately for each specific area.

Budgeted expenditures from this fund fluctuate from year to year reflecting the fact that most capital projects are multi-year projects completed in phases with costs varying from phase to phase. Planned new expenditures of \$1,079,283 represent 11 projects (reflected in the department's FY 2015-16 budget request for Fund Center 245 – Roads) and a debt service payment to repay debt incurred on the Vineyard Drive Project. Proposed projects and debt service payments include:

<b>Project Name</b>	<b>Amount of Fees Allocated</b>
1. Templeton Traffic Study	\$140,000
2. North Coast Traffic Study	\$15,000
3. Nacimiento Traffic Study	\$1,000
4. San Miguel Traffic Study	\$1,500
5. Los Osos Traffic Study	\$1,000
6. Willow Road Interchange	\$301,987
7. Nacimiento Lake Drive @ Adelaide Left Turn Lane	\$16,796
8. Tefft Street Hwy 101 Operational Improvements	\$15,000
9. San Luis Bay Drive Interchange Improvements	\$35,000
10. Los Berros @ Dale Left Turn Lane	\$40,000
11. Signal @ Avila Beach Drive & San Miguel	\$60,000
Debt Service Payment Due from Templeton Area for Vineyard Drive	\$452,000
<b>Total Fees Allocated</b>	<b>\$1,079,283</b>

**COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS**

The recommended budget for FY 2015-16 represents a decrease of \$62,220 or 5%, as compared to adopted FY 2014-15 levels.

This budget is funded through road impact fees and, due to the fluctuation in building permits issued, it is difficult to project actual revenues from year to year. In previous years, road impact fee revenue for this fund center was based on actual revenues received in the first six months of the current fiscal year. Starting in FY 2015-16, the department will be funding expenses by cancelling impact fee reserves. This fund center's revenue stream used to be more stable, based on a specific development agreement (the Woodlands Project), which included a fixed payment schedule. However, in FY 2014-15 the department was unable to budget expenses for a number of multi-year projects, since impact fee revenues did not meet project requirements. Therefore, in order to ensure an adequate amount and continuity of funding for multi-year projects, the department will fund traffic and capital

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projects out of impact fee reserves. The result is that the department will be able to guarantee fulfillment of multi-year phased projects regardless of shortfalls in fees for a given Road Fee Area.

The debt service payment for the Vineyard Drive interchange project has been budgeted at \$452,000, the same as in FY 2014-15. As was the case last year, it is not known if road impact fees will be sufficient to pay the FY 2014-15 debt service payments. Using reserves to make this payment would not be permitted unless the monies had been collected from the Templeton fee area. Therefore, a loan from the Road Fund – Pavement Management Program may be necessary (previously authorized by the Board of Supervisors). Once the impact fee revenue from the Templeton Fee Area exceeds the debt service in a given year, the excess funds will be used to repay the loaned funds, with interest.

**BUDGET AUGMENTATION REQUESTS RECOMMENDED**

None requested.