

Land Based

Agriculture/Weights and Measures

Planning and Building
Community Development

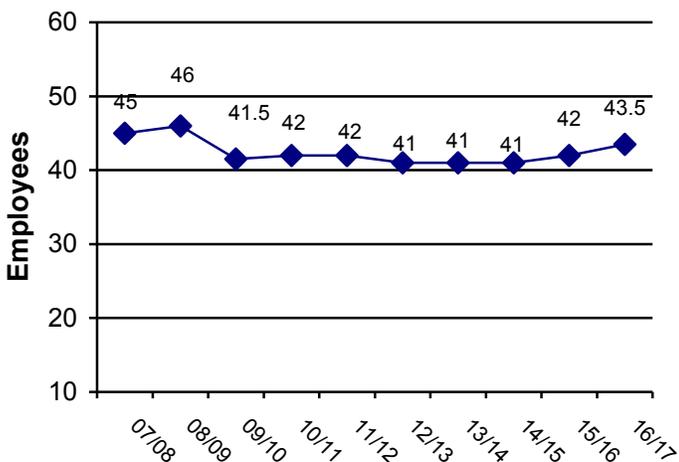
Public Works
Los Osos Wastewater System
Public Works Special Services
Roads
Road Impact Fees

MISSION STATEMENT

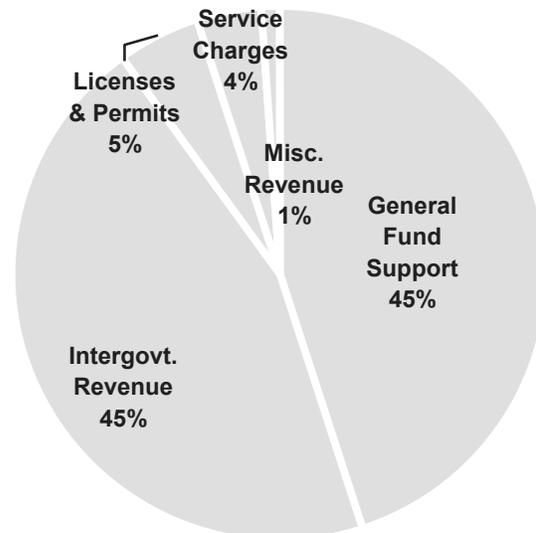
Through the effective and efficient use of resources, the Department of Agriculture/Weights and Measures is committed to serving the community by protecting agriculture, the environment, and the health and safety of its citizens, and by ensuring equity in the marketplace.

	2014-15	2015-16	2016-17	2016-17	2016-17
<u>Financial Summary</u>	<u>Actual</u>	<u>Actual</u>	<u>Requested</u>	<u>Recommended</u>	<u>Adopted</u>
Licenses and Permits	\$ 277,532	\$ 275,879	\$ 284,544	\$ 284,544	\$ 284,544
Fines, Forfeitures and Penalties	14,850	14,702	0	0	0
Intergovernmental Revenue	2,783,856	2,729,492	2,631,745	2,631,745	2,631,745
Charges for Current Services	282,852	277,765	232,050	232,050	232,050
Other Revenues	15,582	16,128	500	500	500
**Total Revenue	\$ 3,374,672	\$ 3,313,966	\$ 3,148,839	\$ 3,148,839	\$ 3,148,839
Salary and Benefits	4,689,020	4,704,152	4,848,185	4,914,211	4,914,211
Services and Supplies	730,779	774,960	822,674	824,985	824,985
Fixed Assets	12,886	4,457	0	0	0
**Gross Expenditures	\$ 5,432,685	\$ 5,483,569	\$ 5,670,859	\$ 5,739,196	\$ 5,739,196
Less Intrafund Transfers	5,003	1,750	1,750	1,750	1,750
**Net Expenditures	\$ 5,427,682	\$ 5,481,819	\$ 5,669,109	\$ 5,737,446	\$ 5,737,446
General Fund Support (G.F.S.)	<u>\$ 2,053,010</u>	<u>\$ 2,167,853</u>	<u>\$ 2,520,270</u>	<u>\$ 2,588,607</u>	<u>\$ 2,588,607</u>

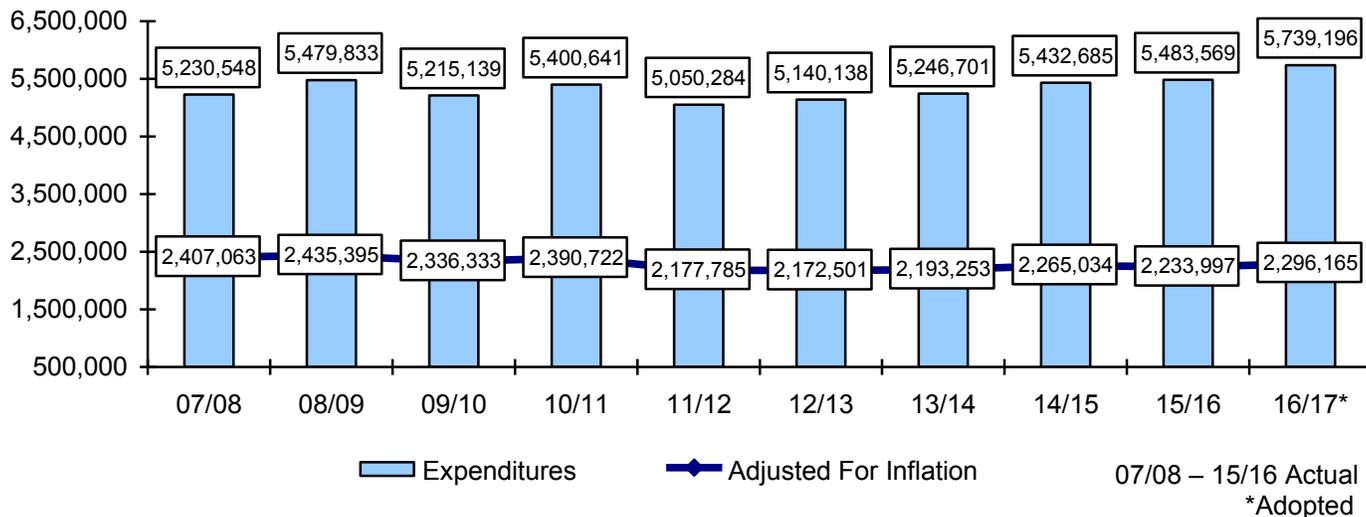
**Number of Employees
(Full Time Equivalent)**



Source of Funds



10 Year Expenditures Adjusted For Inflation



SERVICE PROGRAMS

The Department of Agriculture/Weights and Measures has a total expenditure level of \$5,739,196 and a total staffing level of 43.50 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: \$1,261,613 Total Staffing (FTE): 10.06

Agricultural Resources Management

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

Total Expenditures: \$315,093 Total Staffing (FTE): 2.50

Pest Management

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

Total Expenditures: \$220,566 Total Staffing (FTE): 0.52

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: \$3,010,811 Total Staffing (FTE): 23.13

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: \$215,642 Total Staffing (FTE): 1.70

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: \$715,471 Total Staffing (FTE): 5.59

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.

Challenges the department may face in FY 2016-17 include long-term staff retirements leading to the loss of institutional knowledge and increased recruitment and training hours; increased workload in the emergency response program due to the Fall 2016 federally evaluated nuclear power plant exercise; changes in pesticide use regulations and the need to more closely collaborate with other Agricultural Commissioners statewide on enforcement actions; increased exotic pest pressure in California and the nation leading to greater needs for local pest exclusion, detection, and eradication efforts; increased demand for greater oversight of Farmers' Markets and the necessity to provide expanded weights and measures oversight to ensure consumer protection and fair business practices.

Following are some of the department's notable accomplishments for FY 2015-16 and objectives for FY 2016-17:

FY 2015-16 Accomplishments

- Assisted producers exporting agricultural commodities in the use of the federal online export certification system and utilized a compliance agreement for the highest volume export customer. This led to a reduction in the amount of time required for staff to certify agricultural commodities for export. During the first half of FY 2015-16, staff spent 1.24 hours per certificate issued, a reduction from the 1.42 hours per certificate in FY 2013-14.
- Seven staff utilized training opportunities offered by the County's Learning and Development Center. These targeted trainings enhance the ability of staff to compete for future vacancies in supervisory and management positions within the department. This succession planning will help meet the future needs of the department. The skills, knowledge and networking opportunities staff received through the courses are assets to the department, improving communication, problem solving, productivity, morale and providing participants a greater understanding of the county organization as a whole.
- Launched a regionalization approach for inspection of routine weighing and measuring devices in the county. Additional equipment has been obtained and certified for the use in weights and measures activities. Inspectors are stationed

FY 2016-17 Objectives

- Partner in the County's emergency response plan for the Diablo Canyon Power Plant. The department will train three additional staff to fully participate in the fall 2016 extensive, large scale multiday federally evaluated nuclear power plant exercise. The department will demonstrate the ability to assist in the protection of public safety related to ingestion pathway scenarios involving local agricultural products.
- In response to new state regulations under development for the cultivation of medical marijuana, the department will collaborate with state and county agencies to establish internal policies to: define the department's role in monitoring and enforcement, train staff in preparation for potential inspection of marijuana crops, enforce pesticide use requirements and test weighing devices used for commercial commerce of medical marijuana products.
- In collaboration with the California Department of Food and Agriculture (CDFA), the department will implement AB 1871, which provides enhanced regulatory oversight of Certified Farmers' Markets and Certified Producers. The bill offers more enforcement options through collaboration with Agricultural Commissioners statewide to preserve the integrity of direct marketing activities. 100% of production and

out of the department's three regional offices, with specialized equipment and vehicles. As a result, staff was able to respond to consumer complaints and service requests from industry within 24 hours 96% of the time, compared to 63% of the time in FY 2014-15.

- New pesticide permit conditions recommended by the California Department of Pesticide Regulation for the use of fumigants containing chloropicrin were incorporated into the San Luis Obispo County's pesticide permit conditions. The regulated community was informed of these changes. During the first half of FY 2015-16 staff monitored field fumigation jobs for compliance and determined that 92.6% of jobs inspected were in compliance with all of the inspection criteria, ensuring protection of workers, the public and the environment.

market inspections requested through the CDFA Certified Farmers' Market Inspection Cooperative Agreement will be accomplished to verify products offered for sale at local Certified Farmers' Markets are grown or produced by certified sellers or producers.

- Implement the new statewide California Pesticide Enforcement Activity Tracking System and train nine Pesticide Enforcement Inspectors to use the system on mobile inspection tablets. The tracking system is designed to collect statewide standardized pesticide use enforcement data. This will provide greater access to statewide pesticide use data and enforcement actions which will help identify trends, enhance the speed and accuracy of communication with other County Agricultural Commissioners and eliminate redundancies in data entry processes.

COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS

Financial Summary

General Fund support is recommended to increase \$371,035 or 16% compared to FY 2015-16 adopted levels. Revenues are recommended to decrease by \$107,164 or 3% and expenditures are recommended to increase by \$265,621 or 5% compared to the FY 2015-16 adopted levels.

The decrease in revenue is due to the variability in both the cooperative agreements with the California Department of Food and Agriculture (CDFA) and the fluctuations in state distributions, including Unclaimed Gas Tax and Mill Fee. State priorities and available Federal pass-through funding levels are the main determinant of the continued support provided by CDFA through cooperative agreements. Additionally, statewide distributions are highly dependent on factors outside the control of the department. For example, the Unclaimed Gas Tax fluctuates with total gasoline sales in California, and the total statewide general fund support for qualifying agricultural programs. The Mill Fee is highly dependent on the total initial sales of pesticides in California.

Unclaimed Gas Tax revenue is budgeted at around \$1 million each year and makes up over 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." FY 2015-16 was the first year in the last six fiscal years that the County did not have to submit documentation of economic hardship. Based on the General Fund support provided to the Agricultural Commissioner budget over the past five years, it is expected that the County will again be eligible to receive Unclaimed Gas Tax revenue without a waiver request due to economic hardship.

Salary and benefits are increasing by \$249,208 or 5% due to a wage and benefit contribution increase for staff positions and the recommended addition of a Weights and Measures Inspector position to the department's Position Allocation List (PAL). Services and supplies are increasing by \$23,413 or 2% primarily due to minor increases within each line item. The addition of the Weights and Measures Inspector position is described in more detail under the Budget Augmentation Requests (BARs) recommended section below.

Included in the FY 2015-16 budget was a replacement copier for the Templeton field office. The FY 2016-17 budget does not include any fixed assets.

Service Level Impacts

The recommended amount of General Fund support will increase service levels. Existing service programs will be maintained and major focus areas outlined in the Department Comments will be achievable through the recommended budget. Furthermore, with the employment of temporary help, the department is able to continue meeting seasonal contract obligations in a cost effective manner while minimizing impacts to permanent staff and other program service levels. The addition of 1.00 FTE Weights and Measures Inspector position will allow for an increase in quantity control inspections throughout the county, while maintaining the mandated inspection frequency of routine weighing and measuring devices. In addition, the recommended General Fund support increase will improve the department’s unclaimed gas tax distribution the following year.

Position Allocation List (PAL) Changes

The FY 2016-17 recommended PAL for the department includes a net increase of 1.50 FTE compared to the FY 2015-16 adopted PAL.

FY 2015-16 Mid-Year PAL Changes

- +1.00 FTE Administrative Assistant position as part of the departmental restructure (Board approved 9/22/2015)
- -0.50 FTE Department Automation Specialist position as part of the departmental restructure (Board approved 9/22/2015)
- +1.00 FTE Geographic Information Systems Analyst position as part of a countywide reclassification effort to move the County’s Geographic Information Systems organizational structure toward a more centralized and coordinated model (Board approved 8/25/2015)
- -1.00 FTE Mapping/Graphics System Specialist as part of a countywide reclassification effort to move the County’s GIS organizational structure toward a more centralized and coordinated model (Board approved 8/25/2015)

FY 2016-17 Recommended PAL Changes

- +1.00 FTE Weights and Measures Inspector position to ensure the department is able to provide increased consumer protection through the Quantity Control program while maintaining mandated inspection frequency in other Weights and Measures program areas.

BOARD ADOPTED CHANGES

None.

BUDGET AUGMENTATION REQUESTS ADOPTED

Unit Amount	Description	Results
<u>Gross Annual Cost:</u> \$68,337 <u>Funding Source:</u> General Fund support	Addition of 1.00 FTE Weights and Measures Inspector	1. Staff will increase the percentage of time dedicated to quantity control inspections as a whole by 324% from FY 2014-15. In FY 2014-15, staff invested 925 hours, or 0.44 FTE on quantity control inspections. Inspection time in quantity control inspections will increase to 2,995 hours, or 1.44 FTE. 2. The total number of businesses inspected for price verification will increase by 325 inspections per year, for a total of 420 businesses inspected for price verification per year countywide. In FY 2014-15, staff conducted price verification inspections at a total of 95 businesses.

		<p>3. The increase in the number of inspections will allow for greater oversight of retail and commercial transactions on businesses operating Point of Sales systems.</p> <p>4. Staff will respond to consumer complaints as they relate to quantity control inspections by initiating the investigation process with complainants within 24 hours. This is an improvement from the FY 2014-15 average response time of 72 hours.</p>
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GOALS AND PERFORMANCE MEASURES

<p>Department Goal: 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>Communitywide Result Link: <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>1. Performance Measure: Percentage of clients that indicate they are satisfied with departmental services. (Quality measure) <i>(This measure is being deleted in FY 2016-17)</i></p>						
11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
100% overall satisfaction with services provided to local grape growers who participated in the detection of European Grapevine Moth	100% overall satisfaction with services provided to the local residents whose properties required pesticide treatments during the Glassy-winged Sharpshooter eradication project	100% overall satisfaction with registration assistance provided to local organic producers	97.8% overall satisfaction with inspection and certification services provided to local businesses that use commercial weighing and measuring devices	95% overall satisfaction with service provided to customers obtaining Restricted Materials Permits and/or Operator Identification Numbers for pesticide use	100% overall satisfaction with services provided to customers obtaining Restricted Materials Permits and/or Operator Identification Numbers for pesticide use	Deleted
<p>What: 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 www.slocounty.gov/agcomm. Surveys are solicited at various times during the year and the format is standardized to maintain comparative results.</p> <p>Why: The department is committed to providing excellent customer service. Customer feedback and suggestions help us achieve that goal.</p> <p>How are we doing? California statute requires the county Agricultural Commissioner to evaluate sites and if appropriate issue restricted material permits to businesses and individuals requesting the use of California restricted use pesticides. In addition, the Agricultural Commissioner issues operator identification numbers to businesses and individuals using pesticides to produce agricultural commodities.</p> <p>In Spring 2016, surveys were sent by mail to 633 customers who were issued 2016 Restricted Materials Permits and/or Operator Identification Numbers. Of the 633 surveys sent out, 330 (or 52%) were returned by mail. All 330 responders indicated an overall satisfaction with the service provided by staff.</p> <p>The department is continually evaluating its performance measures in order to provide the best assessment of services. This customer satisfaction measure is no longer providing a meaningful measurement that reflects the perspective of our customers and the services they most value and therefore is being eliminated in FY 2016-17. The department will strive to incorporate a more adequate measure in FY 2017-18.</p>						

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)

11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
13.7	12.2	16.9	9.4	13	6.2	10.0

What: San Luis Obispo County enjoys a relatively pristine environment, mostly free from quarantine agricultural pests and diseases. The Agricultural Commissioner/Sealer's staff intercepts and inspects incoming packages containing plant material at freight and package shipping terminals 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, 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.

Why: 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.

How are we doing: In FY 2015-16, staff inspected 1,942 packages at Federal Express and 12 were denied entry into the county for an overall rejection rate of 6.2 packages per 1,000 inspected. Of the 12 packages rejected, 7 were rejected for the presence of live pests and/or quarantine violations thus preventing a potential pest infestation; 13 different species of live pests were detected in those intercepted packages. The remaining 5 were rejected due to problems with package markings and labeling. Although the overall rejection rate was lower than anticipated and down from the previous year, it does continue with the downward trend in rejection rates seen during the past few years. Due to continued inspection efforts and regulatory action taken by departmental staff, businesses that frequently ship plant material into San Luis Obispo County are trending toward a higher regulatory compliance rate overall.

However, the target for FY 2016-17 has been held at a rejection rate of 10 packages per 1,000 inspected in anticipation of a new collaborative effort with the Santa Barbara County Agricultural Commissioner's Pest Detection Dog Team. The department will utilize Santa Barbara's dog team intermittently within the terminals of San Luis Obispo county for the first time during the upcoming fiscal year. It is expected that these highly trained detection dogs will enable us to find unmarked packages containing plant material and will result in a higher level of rejections than was found in FY 2015-16.

3. Performance Measure: The overall rate of insect specimen interceptions by pest detection staff. (Quality measure)

11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
95.7%	92.6%	92.9%	92.6%	90.0%	91.2%	90.0%

What: 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 Pest Detection Trappers. The department has determined that successfully trained Pest Detection Trappers should achieve an individual, and collective, score of at least 90%.

Why: 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.

How are we doing? The Pest Detection program continues to effectively monitor for exotic and invasive insect pests. Pest Detection Trappers have intercepted 31 of 34 planted quality control insect specimens for an interception rate of 91.2% in FY 2015-16. In order to maintain an interception rate of 90.0% or greater, training for all Pest Detection Trappers will continue to focus on target insect identification.

The target for FY 2016-17 remains at 90%.

4. Performance Measure: Percentage of overall compliance by all regulated pesticide users (agricultural, structural and governmental). (Outcome measure)						
11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
97.8%	97.8%	97.5%	98.9%	98.0%	97.9%	98.0%
<p>What: 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>Why: To protect workers, the public's health and safety, the health of the environment, and to ensure safe food.</p> <p>How are we doing? The Pesticide Use Enforcement (PUE) program continues to provide a high level of protection for the community. During FY 2015-16, staff inspected 9,437 requirements and found 9,242 to be in compliance for a 97.9% compliance rate, which is slightly below the statewide average of 98.6%. The compliance rate is based on conformance with statewide requirements applicable to each type of inspection, including pesticide use monitoring, record audits and structural pest control. Each county has a unique work plan negotiated with the California Department of Pesticide Regulations that focuses inspections on specific areas of concern. San Luis Obispo County's compliance rate is slightly lower than the state average due to the diversity our regulated industry, our focus on pesticide use in and near urban areas and the complexity of field fumigant regulations.</p> <p>The target for FY 2016-17 remains at 98.0% and takes into consideration current pesticide use trends and newly implemented regulations while maintaining oversight of traditional agricultural and structural pesticide use. The department continues to focus oversight of agricultural pesticide use adjacent to schools and for field fumigant use. During FY 2016-17 the PUE program is transitioning to the California Pesticide Enforcement Activities Tracking System (CalPEATS). This new statewide computer system may account for inspection criteria in a slightly different way, which may reflect a single year deviation of the statistics of this performance measure.</p>						
5. Performance Measure: Percentage of all tested weighing and measuring devices found to be in compliance with California laws. (Outcome measure)						
11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
SLO County 91.9%	SLO County 89.4%	SLO County 90.5%	SLO County 89.4%	To equal or exceed the statewide compliance average	SLO County 93.3%	To equal or exceed the statewide compliance average
Statewide 93.7%	Statewide 93.4%	Statewide 93.0%	Statewide 92.6%		Statewide data not currently available	
<p>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.</p> <p>Why: The use of weighing and measuring devices within tolerances outlined in regulation protects consumers and helps insure that merchants compete fairly.</p> <p>How are we doing? In FY 2015-16, staff inspected 3,163 weighing and measuring devices and found 2,953 in compliance, for a 93.3% overall compliance rate. Throughout FY 2015-16, the Weights and Measures staff continued to complete regularly scheduled annual inspections at their scheduled intervals. A higher rate of compliance was observed as compared to the prior year due to the Weights and Measures program maintaining regularly scheduled annual inspections from the previous fiscal year. The statewide compliance data for FY 2015-16 will be published in Spring 2017 for comparison.</p> <p>The standard target for FY 2016-17 to equal or exceed the statewide compliance average is retained.</p>						

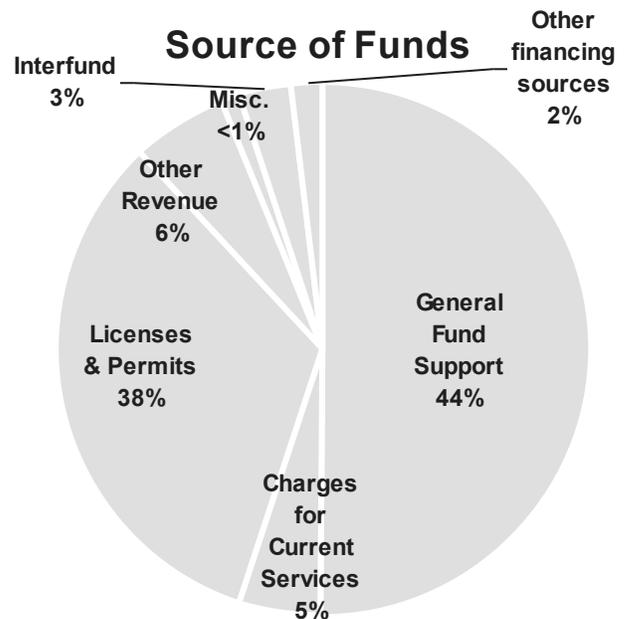
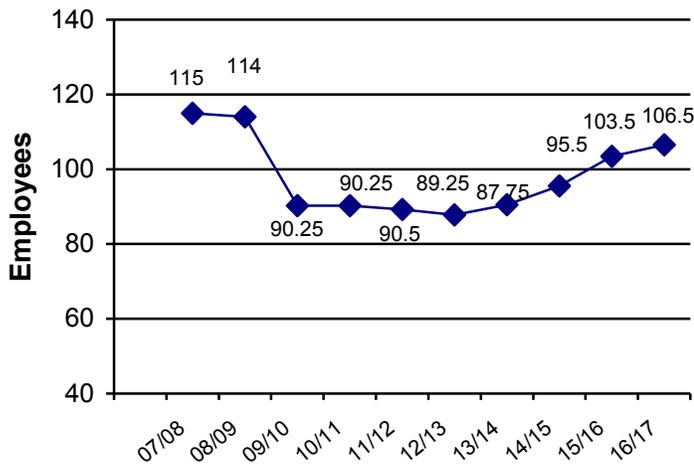
6. Performance Measure: Percentage of price scanners found to be in compliance with California laws. (Outcome measure)						
11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
SLO County 99.3%	SLO County 98.6%	SLO County 99.1%	SLO County 98.2%	To equal or exceed the statewide compliance average	SLO County 98.3%	To equal or exceed the statewide compliance average
Statewide 97.9%	Statewide 98.3%	Statewide 98.6%	Statewide 98.4%		Statewide data not currently available	
<p>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.</p> <p>Why: Accurate price scanners protect consumers and help insure that merchants compete fairly.</p> <p>How are we doing? In FY 2015-16, Staff inspected 2,851 items and found 2,804 items in compliance for a 98.3% compliance rate. Statewide compliance data for FY 2015-16 will be published in Spring 2017 for comparison.</p> <p>The standard target for FY 2016-17 to equal or exceed the statewide compliance average is retained.</p>						

MISSION STATEMENT

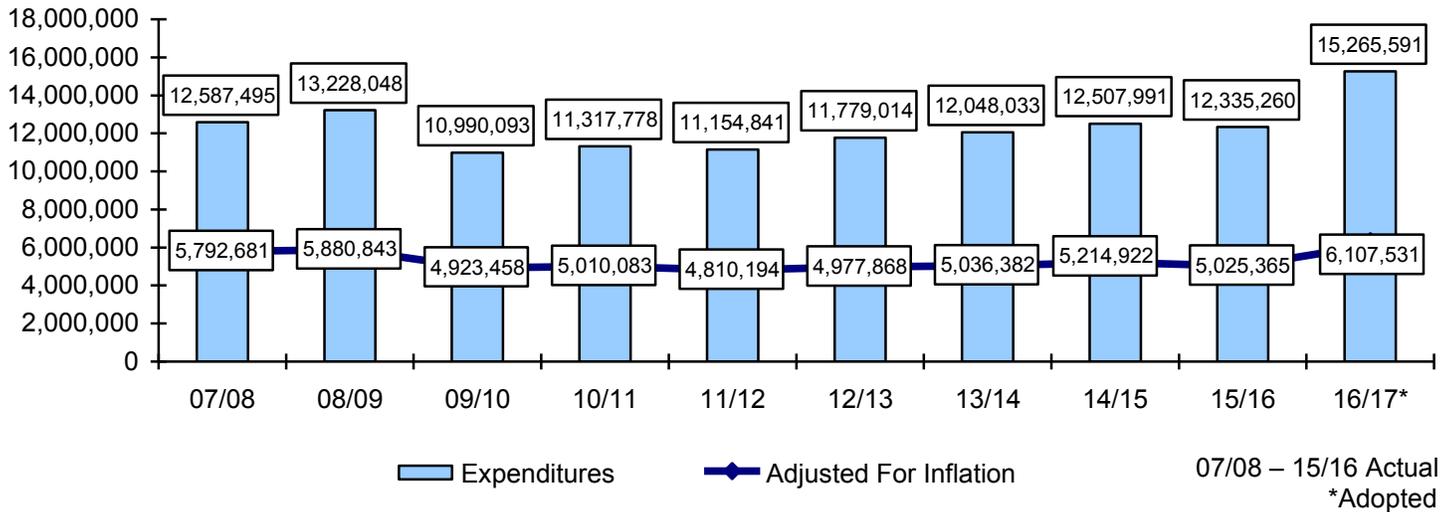
Promoting the wise use of land. Helping to build great communities.

	2014-15	2015-16	2016-17	2016-17	2016-17
<u>Financial Summary</u>	<u>Actual</u>	<u>Actual</u>	<u>Requested</u>	<u>Recommended</u>	<u>Adopted</u>
Licenses and Permits	\$ 5,539,675	\$ 5,359,068	\$ 5,067,381	\$ 5,067,381	\$ 5,067,381
Fines, Forfeitures and Penalties	41,286	44,648	86,065	86,065	86,065
Intergovernmental Revenue	464,283	2,836	5,515	20,515	20,515
Charges for Current Services	621,289	653,807	705,690	705,690	705,690
Other Revenues	687,256	710,121	950,696	950,696	950,696
Other Financing Sources	0	0	312,805	312,805	312,805
Interfund	395,410	414,193	484,929	504,981	504,981
**Total Revenue	\$ 7,749,199	\$ 7,184,673	\$ 7,613,081	\$ 7,648,133	\$ 7,648,133
Salary and Benefits	10,278,393	10,083,300	11,763,544	11,900,216	11,900,216
Services and Supplies	2,222,848	2,166,680	2,029,345	3,365,375	3,365,375
Other Charges	0	75,740	0	0	0
Fixed Assets	6,750	9,540	0	0	0
**Gross Expenditures	\$ 12,507,991	\$ 12,335,260	\$ 13,792,889	\$ 15,265,591	\$ 15,265,591
General Fund Support (G.F.S.)	<u>\$ 4,758,792</u>	<u>\$ 5,150,587</u>	<u>\$ 6,179,808</u>	<u>\$ 7,617,458</u>	<u>\$ 7,617,458</u>

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



10 Year Expenditures Adjusted For Inflation



SERVICE PROGRAMS

Planning and Building has a total expenditure level of \$15,265,591 and a total staffing level of 106.50 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: \$4,322,608 Total Staffing (FTE): 38.50

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: \$6,101,158 Total Staffing (FTE): 36.50

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: \$1,131,730 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: \$3,710,095 Total Staffing (FTE): 21.50*

*Included are 6.00 (FTE) Limited Term positions who are staff to assist in the implementation/installation of the Department's Land Based Fee Permit System.

*Staffing Fund Center 290 – Community Development is reflected in Fund Center 142 – Planning and Building.

DEPARTMENT COMMENTS

The Planning and 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, holding public hearings, 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.

In FY 2016-17, the Department anticipates several new and continuing challenges. Among these are controversial and politically sensitive projects (for example, the Phillips 66 rail spur project). Additionally, increasing Federal/State regulatory requirements necessitate constant monitoring for compliance. One illustration is the increase in administrative functions for various County programs, including the Stormwater Management Program and the Federal housing grants distributed by the department.

The department has two large projects that will consume many resources over the next fiscal year. The Los Osos Sewer Improvement Project Plan will require plan checks and inspections before completion. The department will also undergo a complete overhaul of the permit tracking system to replace the current system that has been in place for over 18 years.

The abovementioned obstacles are further compounded by the difficulty in filling staff and mid-level management positions. The department faces competition from private employers in both compensation and retirement benefits as a result of the mandates in the Public Employees Pension Reform Act. Coupled with the improved job market and several retirements, the department encounters fewer qualified candidates to fill the increasing number of vacancies.

Following are some of the department's notable accomplishments for FY 2015-16 and specific objectives for FY 2016-17 reflecting the department's Strategic Plan key priorities of: Balance, Education, Leadership and Service.

FY 2015-16 Accomplishments

- **Balance**
Updated amendments to improve readability and understanding of the Land Use Ordinance (e.g. Mini-Storage in RMF).

Worked with Federal Resource Agencies to advance the Habitat Conservation Plan for Los Osos.
- **Education**
Conducted outreach to the community for the emPower energy efficiency financing program through 47 community events.

Staff participated in 95 unique training courses and classes through the Learning and Development Center.
- **Leadership**
Completed a department restructure that balanced resources with service demands.

Increased communication through social media (Facebook "likes" have increased by 212 (from 382 to 594) and Twitter "followers" have increased by 74 (919 to 993) during FY 2015-16.
- **Service**
Created E-permit and electronic submittal for photovoltaic permits – resulting in 30 e-permits and 829 online issued permits for FY 2015-16 year to date. Each on-line transaction results in trip reductions and reductions in counter wait time for the public.

E-permit process established for sewer lateral permits for Los Osos Wastewater Treatment Plant – applications began in February 2016 – with 174 received through March 2016.

Delivered full Planning services at the North County Service Center for all service hours.

FY 2016-17 Objectives

- **Balance**
San Miguel Community Plan update will complete.

Publish a public review draft of the Los Osos Community Plan by Fall 2016.
- **Education**
Conduct outreach to the community for the Energy Watch energy efficiency audits and financing program throughout Fiscal Year 2016-17.

Revise annual Community Advisory Training to provide relevant and updated topics, by winter 2017.
- **Leadership**
Complete and coordinate department charters to align mission and strategies.

Hold quarterly Building User Group meetings to improve communication with the development community.
- **Service**
25% of Building applications will be submitted electronically.

Provide permit processing/inspections for 4,500 sewer connections to Los Osos Wastewater Treatment Plant.

COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS

Financial Summary

The level of General Fund support for Planning and Building is recommended to increase \$1,720,561 or 29% compared to the FY 2015-16 adopted budget. Revenues are recommended to increase \$212,549 or 2% and expenditures are recommended to increase \$1,933,110 or 14% compared to FY 2015-16 adopted levels.

Government and non-governmental grant funded revenue is increasing by \$150,335 or 12% primarily due to a \$111,129 increase in energy grants. There is also a \$27,000 increase in U.S. Department of Housing and Urban Development (HUD) grant funding available to offset administrative costs.

Overall, building revenue is budgeted to increase by \$201,679 or 6% to reflect current permit activity trends, which is slightly offset by a reduction in sewer hook-up permit fees for the Los Osos Sewer Improvement project. Land use application revenue is decreasing by \$150,023 or 9% primarily due to a decrease in high value Conditional Use Permits and lower value Condition Compliance permits. Additionally, code enforcement investigation revenue is increasing by \$30,929 or 42% due to an increase in caseload and activity.

As noted above, recommended expenditures are increasing \$1,933,110 or 14% compared to the FY 2015-16 adopted budget. Salaries and benefits are increasing \$573,314 or 4% due to a wage and benefit contribution increase for staff positions, mid-year Position Allocation List (PAL) changes outlined below, and the recommended budget augmentation requests to add 1.00 FTE Secretary and 1.00 FTE Senior Planner positions (see budget augmentation requests recommended below).

Services and supplies are increasing by \$1,395,796 or 70% from FY 2015-16 adopted levels. This increase is primarily in professional services – 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. Professional services are increasing by \$1,314,500 or 254% primarily due to the recommended budget augmentation requests of \$850,000 for professional services to assist the department with the Avila Beach Community Plan and \$380,000 for professional services to assist with the preparation of a Sea Level Rise Analysis (see budget augmentation requests recommended below). Other services and supplies are increasing and decreasing by smaller amounts as compared to the FY 2015-16 adopted budget.

Service Level Impacts

The recommended budget enables the Planning and Building Department to maintain the Board acknowledged priorities. Existing service programs will be maintained and major focus areas outlined in the Department Comments will be achievable through the recommended budget.

Position Allocation List (PAL) Changes

The FY 2016-17 recommended PAL for Planning and Building includes a net increase of 3.00 FTE compared to the FY 2015-16 adopted PAL.

FY 2015-16 Mid-Year PAL Changes

- -2.00 FTE Limited Term Planners due to revaluation of staffing needs for the Energy Watch Partnership program (Board approved 8/11/2015)
- +1.00 FTE Limited Term Supervising Planner position due to revaluation of staffing needs for the Energy Watch Partnership program (Board approved 8/11/2015)
- +1.00 FTE Limited Term Senior Planner due to revaluation of staffing needs for the Energy Watch Partnership program (Board approved 8/11/2015)
- -1.00 FTE Limited Term Supervising Planner due to revaluation of staffing needs for the Energy Watch Partnership program (Board approved 12/15/2015)
- +1.00 FTE Limited Term Senior Planner due to revaluation of staffing needs for the Energy Watch Partnership program (Board approved 12/15/2015)
- -1.00 FTE Limited Term Planner due to revaluation of staffing needs for the emPower program (Board approved 12/15/2015)
- +1.00 FTE Limited Term Building Inspector for the emPower program (Board approved 12/15/2015)
- -2.00 FTE Mapping/Graphics Systems Specialist I, II, or III as part of a countywide reclassification effort to move the County's GIS organizational structure toward a more centralized and coordinated model (Board approved 8/25/2015)
- +2.00 FTE Geographic Information Systems Analyst I, II, or III as part of a countywide reclassification effort to move the County's GIS organizational structure toward a more centralized and coordinated model (Board approved 8/25/2015)

- +1.00 FTE Program Manager to implement the department’s portion of the County’s Stormwater Program (Board approved 1/26/16)

FY 2015-16 Recommended PAL Changes

- -5.00 FTE Resource Protection Specialist II in order to remove the budget block for the position series.
- +5.00 Resource Protection Specialist III in order to remove the budget block for the position series.
- +1.00 FTE Secretary I/II to support Policy and Program section (see Budget Augmentation Requests recommended below)
- +1.00 FTE Senior Planner to support the implementation of the EnergyWise Plan (see Budget Augmentation Requests recommended below)
- Reclassification of 1.00 FTE Building Inspector to 1.00 FTE Building Plans Examiner

BOARD ADOPTED CHANGES

None.

BUDGET AUGMENTATION REQUESTS ADOPTED

Unit Amount	Description	Results
<p><u>Gross Annual Cost:</u> \$850,000</p> <p><u>Funding Source:</u> General Fund support</p>	<p>Professional services to assist with the Avila Beach Community Plan update</p>	<p>Approval will assist the department in the:</p> <ol style="list-style-type: none"> 1. The hiring of a consultant to assist with technical report preparation including the Environmental Impact Report and associated technical analyses 2. The development of a project management plan to ensure proper tracking of time frames, deliverables and budget, which will allow planning staff to measure and report on project progress 3. Community outreach events including event coordination and facilitation 4. The development of an updated Avila Beach Community Plan as requested by the Board of Supervisors to address traffic congestion and safety issues as well as proposed major land use changes 5. The completion of a Community Plan for review and consideration by the Board of Supervisors by the year 2020 (it is expected the updated process will take 4 to 5 years).
<p><u>Gross Annual Cost:</u> \$380,000</p> <p><u>Funding Source:</u> General Fund support</p>	<p>Professional services to assist with the FEMA Required Countywide Sea Level Rise Analysis and Flood Hazard Mapping</p>	<p>Approval will assist the department in the:</p> <ol style="list-style-type: none"> 1. The hiring of a consultant with the technical expertise to prepare a county-wide sea level rise analysis 2. The development of a project management plan to ensure proper tracking of time frames, deliverables and budget, which will allow planning staff to measure and report on project progress 3. Compliance with Federal and State requirements pertaining to flood hazards 4. Completion of the Sea Level Rise Analysis for the review and consideration of the Board of Supervisors by the year 2018.

<p>Gross Annual Cost: \$51,374</p> <p>Funding Source: General Fund support</p>	<p>Add 1.00 FTE Secretary I/II position to support Policy and Program section</p>	<ol style="list-style-type: none"> 1. An agenda management Lead Coordinator will be established and staff reports will be submitted to the Administrative Office on-time and without significant errors. 2. Document management will return to historic standards (all changes are distributed within 30 days after updates have occurred). 3. All administrative duties related to outreach activity and meetings will be appropriately conducted so that attendance, timeliness and effectiveness of meetings and overall service quality is improved (e.g. – noticing of meetings will increase to the maximum notice possible – with the goal of noticing public meetings one week earlier than required). 4. Media contacts will be centralized for a consistent and high-quality dissemination of information. This will include centralized tracking of all media contacts.
<p>Gross Annual Cost: \$90,116</p> <p>Funding Source: General Fund support</p>	<p>Add 1.00 FTE Senior Planner (EnergyWise Plan Coordinator) position to support in the implementation of the EnergyWise Plan.</p>	<p>This position will ensure that the County will effectively implement the EnergyWise Plan (EWP), which is the County of San Luis Obispo's climate action and energy reduction plan. This will allow the County to monitor, collect, analyze and report progress toward meeting the goals of the EWP, and allow the County to integrate EWP measures into County activities, policies and programs as needed to ensure that it does – ultimately resulting in the County achieving its climate action and energy reduction plan.</p>

BUDGET AUGMENTATION REQUESTS NOT ADOPTED

Unit Amount	Description	Results
<p>Gross Annual Cost: \$49,565</p> <p>Funding Source: General Fund support</p>	<p>Addition of 1.00 FTE Administrative Assistant position support for building and code enforcement</p>	<ol style="list-style-type: none"> 1. All code enforcement documents are scanned into digital files. This will be completed on a daily basis as documents enter the system rather than on a monthly basis. 2. The current back-log of approximately 500 to 550 permit files will be processed. 3. Code enforcement cases will be opened the same day complaints are received. 4. Public Records Requests and subpoenas will be responded to within 5 to 10 working days. 5. Appeals Board and Business User Group meetings will have minutes taken and distributed.
<p>Gross Annual Cost: \$71,320</p> <p>Funding Source: General Fund support</p>	<p>Purchase of two 2-WD SUV type vehicle for the Code Enforcement section.</p>	<ol style="list-style-type: none"> 1. The department will meet its performance measure for 48 hour code enforcement response. Annual demands for the code enforcement program have increased 21% from FY 2012-13 (508) to FY 2014-15 (604).

		<p>2. The department will avoid future increases in motor pool rental expense.</p> <p>3. A minimum of 100 Code Enforcement violations will be inspected annually with this vehicle.</p>
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GOALS AND PERFORMANCE MEASURES

Department Goal: Conserve natural resources to promote a healthy environment.							
Communitywide Result Link: <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							
1. Performance Measure: Acres of land protected through the agricultural preserve program.							
11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target	
795,328 acres protected	796,907 acres protected	785,609 acres protected	784,882 acres protected	786,288 acres protected	785,378 acres protected	786,675 acres protected	
<p>What: The objective of the Agricultural Preserve Program (Williamson Act) is to protect agricultural lands for continued production of food & fiber. The land is reassessed on the basis of the agricultural income producing capability of the land. 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. This assures the landowners that property valuations and taxes will remain at generally lower levels.</p> <p>Why: To protect agricultural land, strengthen the county's agricultural economy and preserve natural resources, consistent with County policy.</p> <p>How are we doing? The Agricultural Preserve Program is a voluntary program. Landowners with property meeting the program eligibility requirements may apply at any time. Landowners wishing to terminate their land conservation contracts may file a notice of nonrenewal and in typical cases terminate their contracts within 10 years of filing the notice. Most years there are more properties entering the program than exiting, but this is not always the case due to the cyclical nature of the program. Fluctuations in the real estate market, agricultural economics, drought conditions and water basin impacts influence land owner's participation in the Agricultural Preserve Program. The actual acreage that entered the program in FY 2015-16 increased from FY 2014-15 by 496 acres. This is due to a small increase in acreage from new applications and fewer contracts terminating by nonrenewal. Based on relatively high acreages in this year's applications and relatively less acreage being removed through nonrenewal and contract termination, it is anticipated that the FY 2016-17 Target of 786,675 acres could be exceeded.</p>							
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: <input checked="" 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							
2. Performance Measure: Percentage of project types processed within established time lines for representative project types.							
	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
<u>Building Permit applications</u>							
Goal: Single-family dwelling permits - 20 days to complete plan check.	94%	98%	45%	55%	95%	80%	80%
Goal: Commercial project permits - 30 days to complete plan check	95%	99%	76%	76%	95%	79%	80%

Building Inspection							
Goal: All building inspections requested by the next day	99%	99%	98%	99%	99%	99%	99%
Land Use Permit & Subdivision applications							
Goal: Exemptions from CEQA - 60 days from acceptance	70%	55%	48%	46%	75%	67%	75%
Goal: Negative Declaration - 180 days from acceptance	76%	71%	71%	63%	75%	85%	75%
Code Enforcement							
Goal: All complaints reviewed within 10 working days.	100%	100%	100%	100%	100%	75%	100%
Goal: Voluntary compliance resolved within 45 days of initial inspection	47%	60%	40%	60%	75%	60%	70%
Long Range Planning							
Goal: Complete annual reports and public review drafts within the timeframes set by their respective work programs	82%	42%	87%	79%	85%	80%	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 responds 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

Our adopted performance measure for FY 2015-16 was to complete 95% of the initial plan review for new dwellings within 20 working days and 95% of initial commercial project reviews within 30 days. The 95% performance measure was established in 2007 during the downturn in the economy and was readily achievable with the limited projects. We strive to continuously improve our processes to be efficient and keep projects moving. The State of California is known for rigorous regulations which establish our minimum codes and procedures, this coupled with a 26% increase in plan review activities (6,491 for FY 2015-16 versus 5,148 FY 2014-15), helps demonstrate our commitment to excel.

In FY 2015-16, despite the increase in workload, we reviewed 80% of the dwellings within 20 days and 79% of the commercial projects within 30 days, compared to 55% and 76% respectively for FY 2014-15. We received and processed the initial review for 337 new single family dwellings, a 56% increase from FY 2014-15 (337 FY 2015-16 compared to 216 FY 2014-15). In FY 2015-16 we received 114 new commercial projects. Considering all permit applications received, the total project valuation was over 241 million dollars of improvements FY 2015-16, a 33% increase from FY 2014-15 (\$241,160,929 compared to \$181,430,617).

We currently have 3 Building Division staff members dedicated to providing support and expertise for the implementation of the new permit tracking system. As part of this, we are analyzing our current processes to streamline into the new system. The replacement permit tracking system will provide a more efficient process and increase customer service once it's been implemented.

In addition to processing project permits, 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 local area wastewater management program (LAMP) as required by the RWQCB and (e) administering the National Storm Water Pollution Program. The FY 2016-17 target has been adjusted to more accurately reflect the recent challenges that the Department has been facing in achieving the Department's review and inspection cycle times.

Building Inspections

Nearly all inspections are completed within 24 hours of requested inspection dates. Our goal is to complete 99% of construction inspections within 24 hours of requested inspection dates. For FY 2015-16 we completed 14,668 out of 14,713 on the day requested (more than 99%), the few exceptions have occurred in remote locations within the county. The sewer connections to the Los Osos Wastewater Treatment Plant started in June and account for 350 inspections (out of approx. 4,000 connections). The FY2016-17 target reflects the confidence that the Department holds in its current staff's ability to continue to meet requested inspection schedules.

Land Use Permits/Subdivisions

The number of land use and subdivision applications processed in FY 2015-16 was 151 (as compared to 128 in FY 2014-15). This is an 18% increase in projects processed. In FY 2015-16 the percentage of projects processed within the processing time goals increased by 21% for categorical exempt projects and 22% for Negative Declaration projects. This was due to the combined effect of staff reassignments and new staff hires as well as changed procedures and increased training which has resulted in efficiencies and reduced processing times. 70 out of 105 categorical exempt projects were processed within 60 days (67%) with an average processing time of 64 days. 39 out of 46 Negative Declaration projects were processed within 180 days (85%) with an average processing time of 149 days. The processing of Negative Declaration projects within 180 days exceeded the FY 2015-16 target of 75%. The department foresees that appeals and controversial projects will continue to require significant staff time. The FY 2016-17 target for processing projects within the established timeframes is 75%. This has been achievable in the past depending on the number of large complex projects and stable staffing levels.

Code Enforcement

For six months of FY 2015-16 the code enforcement unit was short staffed 50% (3 FTEs). This resulted in slower than expected response as we had to triage our caseload giving priority to life/safety issues and irreparable environmental damage. These types of cases are very time consuming and consequently the response to less exigent cases suffered. Despite reduced staffing we conducted initial reviews on 75% of within 10 days and achieved 60% voluntary compliance within 45 days. The code enforcement unit currently has one FTE vacancy and 2 FTEs are new and in training. We anticipate a nearly complete and trained staff that is ready and able to meet our goals for FY 2016-17. The FY 2016-17 target for investigating complaints exhibits the commitment that the department continues to make in responding to public concerns. The FY 2016-17 target for voluntary compliance has been adjusted to more appropriately reflect the challenges and staff turn-over that the section has experienced.

Long Range Planning

Approximately 80% of the reports and public review drafts of long range plans within FY 2015-16 were completed within the timeframes set by their work programs. Of the 15 plans or studies either completed or in process, 12 remained on schedule, were completed, or had their schedules revised to reflect changes in circumstances as described below. Timing of these items can also be affected by the Board shifting the Department's priorities and projects can be expedited or delayed. Similarly, staff time required to meet unanticipated state or federal mandates can affect project schedules. In addition, many long range projects require substantive coordination and input from state and/or federal agencies, which can result in delay and affect project schedules. The descriptions below contain details as to the status of the projects and their schedule. 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. Our 85% target for FY 2016-17 is realistic because the majority of vacant staff positions have been filled, a new division manager and supervisor are in place, and our project management processes have been refined.

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) Avila Beach Community Plan. On October 13, 2015, the Board prioritized an update to the Avila Beach Community Plan. Staff has prepared a budget request to fund the update, which the Board has approved. Staff has initiated this work effort. The community plan update process is expected to require 3 to 5 years to complete. A formal work plan for this project is currently being developed and is expected to be complete by August 2016. Related to this effort, the Board also directed staff to evaluate existing programs and policies relative to traffic volumes in Avila Beach and research and analysis of Ordinance #2702 (1995) that created the Avila Beach Drive traffic program. This effort was coordinated with Public Works staff. Staff brought this item to the Board on July 19, 2016 as scheduled to receive direction on traffic related items to provide further direction on the Avila Beach Community Plan update process. This work effort was completed within the established time frames.

(2) Native Tree Ordinance. On June 21, 2016, the Board directed staff to prepare an Urgency Ordinance in order to protect oak woodlands and native vegetation within the unincorporated areas of the county. Staff returned to the Board on July 15, 2016 with an urgency ordinance that was approved by the Board. This work effort was completed within established time frames. Next steps to this process will involve preparation of a permanent ordinance that will be presented to the Board in summer 2017. This work effort is expected to be completed within the established time frames.

(3) 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 (currently being revised). The Public Review Draft Community Plan was released on January 20, 2015. The Draft EIR is anticipated to be released in Fall 2016. This work effort has encountered delays primarily due to the complexities of the project and the extensive coordination that is required by state and federal agencies. The project is expected to be completed within the revised timeframes based on the incorporation of the Habitat Conservation Plan and Basin Management Plan.

(4) San Miguel Community Plan Update. In November 2011, the Board authorized processing a Community Plan Update, together with a work program and schedule. The Public Review Draft plan was released in June 2013, in line with the revised work program. As of July 2016, the consultant has prepared an Administrative Draft Environmental Impact Report (EIR). Staff is working to release the Draft EIR and Public Hearing Draft Plan in Fall 2016. This work effort is expected to be completed within the revised time frames established

(5) **Safety Element Update.** Minor updates to the safety element were adopted by the Board in winter 2014. At that time, it was stated that staff would be returning with a request for authorization to comprehensively amend the Safety Element. The update is necessary to meet state and federal mandates and to better prepare the County for emergencies. Staff will be returning to the Board in fall 2016 with a request for authorization. This work effort will be coordinated with the Office of Emergency Services and other governmental agencies. A work plan for this effort will be completed upon authorization.

(6) **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. The draft ordinance was released in spring 2016. The ordinance has been presented to the Planning Commission with additional hearings expected to be completed by summer 2016. Staff is expecting to present this ordinance to the Board in fall 2016. The project is expected to meet time frames.

(7) **Countywide Water Conservation Program.** The Board of Supervisors adopted an urgency ordinance on August 27, 2013, and on October 8, 2013 extended the ordinance to August 27, 2015. Staff developed a permanent countywide water conservation program per Board direction. The Board adopted the program on October 27, 2015 and became effective November 26, 2015. This work effort was completed in the established time frames. Staff is now working on implementation of the program which will be a significant ongoing work effort.

(8) **State Model Water Landscape Efficient Ordinance.** Pursuant to state mandates, staff presented the State Model Water Landscape Efficient Ordinance to the Board on November 24, 2015. This ordinance was developed to meet state mandates by specifying new efficiency requirements for commercial and residential landscaping. The ordinance had an adoption deadline of December 1, 2015, established by the state. This work effort was completed within the established time frames.

(9) **Annual Report on the General Plan (annually).** The Annual Report for FY 2014-15 was presented to the Planning Commission on November 12, 2015 and the Board on December 8, 2015, which met expectations. The report fulfills the state requirements to measure progress in implementing our General Plan. This work effort will be completed within the time frames established.

(10) **Clean up Amendments.** The department will be bringing a "clean up" package to the Board in January, 2016, which will be bundled into the General Plan amendment cycle. The "clean up" effort was scheduled to be brought to the Board in February 2015; however, with shifting Board priorities and meeting the requirements of other state mandates, this work effort was postponed. The department will continue to bring amendments forward in small packages as needed in order to keep the department's ordinances up to date and current, as well as reflect any changes in state law. This package will be completed within the time frames established in the work program.

(11) **RMS and GMO revisions.** On May 17, 2016 the Board of Supervisors adopted amendments to the GMO to update the fiscal year references for the maximum number of new dwelling units allowed for the Nipomo Mesa area for Fiscal Year 2016-2017, and extension of the allocation waiting list for Los Osos to June 30, 2019. The Board also approved maintaining the 2.3% County wide, 0% Cambria, and 1.8% Nipomo Mesa growth rates for FY16-17. This work effort was completed within the time frames established.

(12) **Resource Management System Biennial Report.** On May 5, 2015, the Board approved the 2012-2014 Biennial Resource Summary Report of the RMS. A public draft of the 2014-2016 report is anticipated to be completed by the end of 2016 so that it can be considered by the Water Resources Advisory Committee in Winter 2016 and by the Board in Spring of FY 2016-17. This work effort expected to be completed within the revised time frames.

(13) **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. As of April 2015, the grant project has been completed. This work effort will be completed within the time frames established.

(14) **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. The Planning Commission approved the program in February 2015 and the Board of Supervisors approved the program in March 2015. This project was completed within the revised time frames.

(15) **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. On February 10, 2015, the Board approved changes to Title 8 and Title 19. The Title 8 Retrofit on Sale program was amended with only minor changes to plumbing fixture requirements. This work effort was completed within established time frames.

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.

11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
97%	95%	82%	82%	90%	88%	95%

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? The Department of Planning and Building is committed to becoming a leader in delivering exceptional service and making San Luis Obispo County Planning and Building Department a world class organization. The department will achieve this by creating a more customer-focused environment and by specifically directing staff to be more informative and helpful facilitators of our permit process. Utilizing our survey feedback responsively will lead to further improvements in customer service experience and ratings. For Fiscal Year 2015-16, 88% of our 68 survey responses rated us at above satisfactory.

The department’s primary focus for improvement has been leading staff and management through the establishment of team charters to create a path for continuous improvement in our services. This change has been successful in enabling the predictability and timeliness of the department’s services and is believed to be positively impacting our survey responses. Future positive impacts will also be realized as the department implements a replacement to the existing Permit Tracking System. The replacement project (being implemented throughout FY 2015-16 and FY 2016-17) will include enhancements to workflows and processes so that customer facing processes are completed more timely and that more information is available to our customers.

The second focus has been in reviewing how our surveys are administered. The department has determined that a more timed and focused approach will lead to more accurate and usable survey information that can then be used to further improvement.

The department intends to target customer feedback specifically in the areas of:

- Planning services
- Inspection services
- Plan Check services
- Permitting services

The Department of Planning and Building is committed to creating optimal customer service and we are confident that these changes will improve future survey responses to meet our FY 2016-17 target of 95%.

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.

11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
39 housing units	44 housing units	13 housing units	151 housing units	135 housing units	99 housing units	15 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/rehabilitated/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? The department uses Federal funds from the United States Department of Housing and Urban Development (HUD) and the County's Title 29 funds (in-lieu fees) to help nonprofit developers construct affordable housing units. In addition, a small number of affordable units are constructed privately (farm support quarters and secondary dwelling units). The actual number of units built in FY 2015-16 was 99. Federal HUD funds were used to construct the following: 20 units in Morro Bay (Morro del Mar Senior Apartments), and 42 units in San Luis Obispo (South Street Family Apartments). Title 29 funds were used to assist with construction of 23 units in Atascadero (11 units at Atascadero Triangle and 12 units at El Camino Oaks). Three units were acquired through the First Time Home Buyer program funded with State CalHome funds. In addition, 13 affordable secondary dwelling units (7 for moderate-income households and 6 for very low-and low-income households), and 6 farm support quarters and 3 mixed-use units were built in the unincorporated county.

The projected number of affordable housing units to be constructed or rehabilitated in FY 2016-17 is 15 units. For FY 2016-17, it is anticipated that 8 affordable units will be constructed privately (6 secondary dwellings and 2 farm support quarters). A total of 7 low income units will be repaired/rehabilitated (6 mobile homes through the County's minor home repair program, and 1 dwelling unit by Habitat for Humanity). The projected number for FY 2016-17 is low because the construction of affordable housing is cyclical and, for the most part, out of our control. Although it's speculative, it's possible that the number could be back up around 100 units in FY 2017-18. The County's Title 29 funds and federal HUD funds have been allocated to several housing projects that will begin construction in 2016 and 2017. It is anticipated that these development projects will be completed and ready for occupancy in 2017 and 2018. This will include the Humbert Avenue Apartments in San Luis Obispo, a 20 unit project which will have 10 studio units for homeless veterans and the Rolling Hills 2 Apartments in Templeton, a 30 unit family apartment project and Iron Works Apartments in San Luis Obispo, a 46 unit family apartment project.

Although the department coordinates different funding sources for affordable housing units, 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 and use this information to develop the target for the upcoming fiscal year.

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.

11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
93%*	93%	100%	100%	100%	100%	100%

*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 because the number of events held is solely dependent on the workload for a given year and as such, a year-to-year comparison does not reflect whether targets were met.

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.

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 audiences and stakeholders within and outside government. In FY 2015-16, the department added one new outreach activity (Countywide Water Conservation Program) thereby increasing the number of planning outreach activities to 16.

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, a weekly department communication and information provided on Facebook, Twitter and YouTube.

To continue our successful collaboration with agencies, organizations and residents, our goal for FY 2015-16 was to complete certain outreach and public education efforts. The department is proposing to continue many of the outreach and education initiatives from FY 2015-16 to FY 2016-17. The number shown in parentheses below represents the number of meetings from FY 2015-16 within the respective effort. Where a program's specific outreach was completed in FY 2015-16, it will be removed from the list for FY 2016-17. Where a measurement is noted, the department will provide a report on that measure. For FY 2016-17, the department projects a similar number of efforts for public (14 on-going and 2 new/additional efforts) outreach.

Completed in FY 2015-16 and continuing to FY 2016-17

- CDBG / HOME (and other housing grants) Outreach & Public Workshops (10 meetings in FY 2015-16)
- Homeless Services Oversight Council Meetings (20 meetings)
- Energy Retrofit Training (4 events and 1 (one) 5-week Home Performance Building Course for Contractors,
- National Pollutant Discharge Elimination System (NPDES) Training & Outreach (3 meetings)
- San Miguel Community Plan Outreach (6 meetings)
- Resource Education (Water, Oak Woodlands, Mining, GIS, etc.) (2 meetings)
- Stakeholder Outreach (Building Industry, Environmental Interests, Professional Organizations, Service Organizations, etc.) (10 meetings)
- Workforce Housing Coalition (15 meetings)
- SLO County Housing Trust Fund Commission (10 meetings)
- User Group Outreach (2 meetings)
- Energy Efficiency Financing Outreach (47 events held throughout the county)
- Proposed Countywide Water Conservation Program (25 meetings)
- Supportive Housing Consortium (11 meetings)
- HMIS User Group Outreach (2 Meetings)
- Economic Vitality Corporation Board of Directors meetings (10 meetings)

Completed in FY 2015-16 and not continuing to FY 2016-17

- Mobilehome Park Rent Stabilization Ordinance Education (10 meetings)

Identified to begin in FY 2016-17

- County Wide Water Amendment Outreach (6 events)
- San Luis Bay Area Plan Outreach (6 meetings)

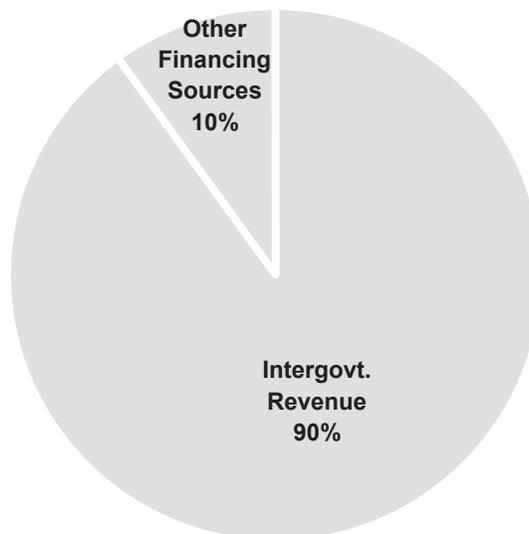
For FY 2016-17 the department met all of the outreach and public education efforts identified above.

MISSION STATEMENT

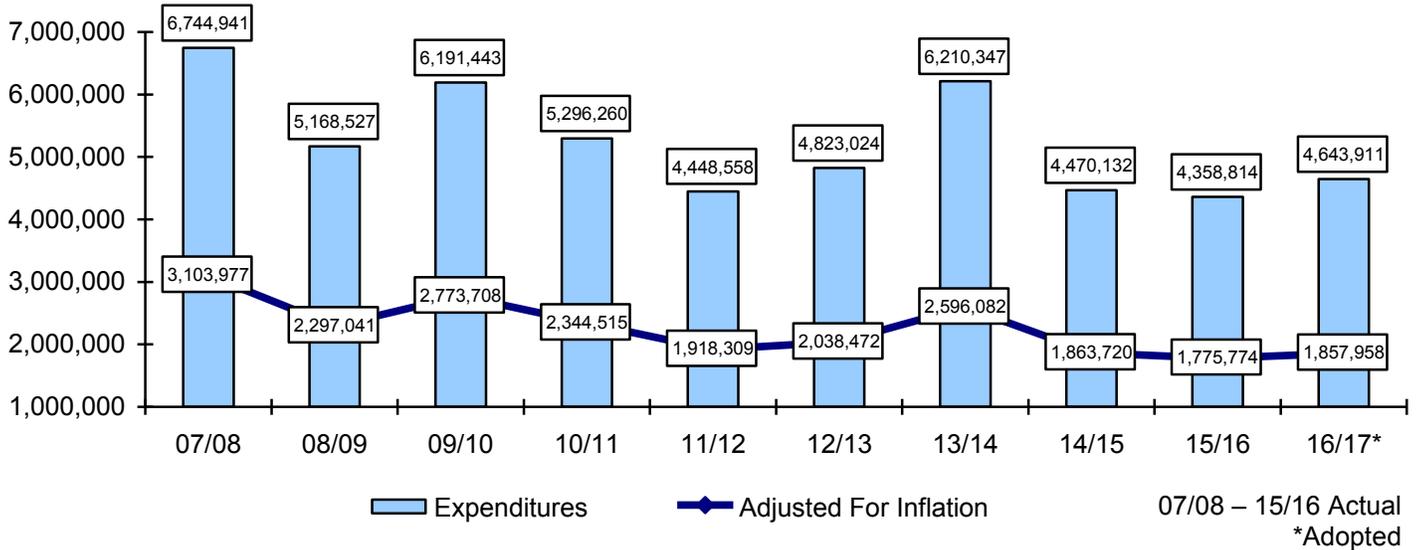
The mission of Community Development is to enhance the quality of life for San Luis Obispo County through programs that provide affordable housing, shelter and services for the homeless, economic development opportunities, and public improvements to benefit the communities that we serve.

<u>Financial Summary</u>	2014-15	2015-16	2016-17	2016-17	2016-17
	Actual	Actual	Requested	Recommended	Adopted
Revenue from Use of Money & Property	\$ 1,608	\$ 887	\$ 0	\$ 0	\$ 0
Intergovernmental Revenue	4,070,252	3,751,628	3,654,822	3,753,383	3,977,475
Other Revenues	2,143	2,143	0	0	0
Other Financing Sources	<u>391,436</u>	<u>591,436</u>	<u>591,436</u>	<u>591,436</u>	<u>666,436</u>
Total Revenue	\$ 4,465,439	\$ 4,346,094	\$ 4,246,258	\$ 4,344,819	\$ 4,643,911
Fund Balance Available	\$ 44,840	\$ 40,148	\$ 0	\$ 0	\$ 27,428
Cancelled Reserves	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Financing Sources	<u>\$ 4,510,279</u>	<u>\$ 4,386,242</u>	<u>\$ 4,246,258</u>	<u>\$ 4,344,819</u>	<u>\$ 4,671,339</u>
Salary and Benefits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Services and Supplies	823,128	784,126	787,916	1,007,968	1,087,448
Other Charges	3,647,004	3,574,688	3,458,342	3,336,851	3,556,463
Fixed Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Gross Expenditures	\$ 4,470,132	\$ 4,358,814	\$ 4,246,258	\$ 4,344,819	\$ 4,643,911
Contingencies	0	0	0	0	27,428
New Reserves	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Financing Requirements	\$ 4,470,132	\$ 4,358,814	\$ 4,246,258	\$ 4,344,819	\$ 4,671,339

Source of Funds



10 Year Expenditures Adjusted For Inflation



SERVICE PROGRAMS

Community Development functions under the Planning and Building Department. Community Development has a total expenditure level of \$4,643,911 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: \$1,667,918 Total Staffing (FTE): *

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: \$678,610 Total Staffing (FTE): *

Federal and State Emergency Solutions Grants (ESG)

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

Total Expenditures: \$372,176 Total Staffing (FTE): *

Continuum of Care (CoC) Funds

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

Total Expenditures: \$1,258,771 Total Staffing (FTE): *

General Fund Support for Programs Benefiting the Homeless

Provides funding for emergency shelter services for homeless persons.

Total Expenditures: \$277,500 Total Staffing (FTE): *

General Fund Support for Economic Development Services

Provides funding for economic development services provided through the nonprofit Economic Vitality Corporation (EVC), such as business surveys, international trade classes, assistance to businesses, and collaboration on County economic strategies and funding to support the economic development activities and job creation priorities through the SLO HotHouse.

Total Expenditures: \$348,775 Total Staffing (FTE): *

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): *

*Staff is budgeted in FC 142 – Planning and Building

DEPARTMENT COMMENTS

The Community Development Fund Center 290 obtains, administers and distributes Federal and State grant funding to assist local organizations in providing affordable housing, public facilities, public services, 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, operating costs for the San Luis Obispo County Housing Trust Fund, and provides funding for the SLO HotHouse program administered by CalPoly.

After four recent onsite monitoring visits by the U.S. Department of Housing and Urban Development (HUD), the County was directed by HUD to implement additional administrative tasks. This includes more frequent monitoring of cities and nonprofit groups receiving Federal funds through the County, the preparation of more detailed procedures for all Federal grants, and the preparation of more detailed documentation relating to Federal environmental review of funded activities. In addition, the Civil Rights Compliance Division of HUD instructed the County to create and implement a fair housing strategy for the County. In response to the direction given by HUD, the Planning and Building department shifted its staff 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.

Staffing to administer the HUD grant programs and contracts funded with General Fund support is budgeted in Fund Center 142 - Planning and Building. 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. The County and six cities ultimately approved three-year cooperation agreements which assign grant administration responsibilities to the County along with sufficient CDBG revenue to cover the County's cost to administer the cities' public services projects.

Following are some of the department's notable accomplishments for FY 2015-16 and some specific objectives for FY 2016-17:

FY 2015-16 Accomplishments

- Distributed approximately \$4 million Federal 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 Paso Robles and Morro Bay.

FY 2016-17 Objectives

- Distribute approximately \$3.7 million 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

- Provided \$175,000 of CDBG funds for the Homeless Campus Project to be constructed at 40 Prado, San Luis Obispo.
- Provided funding for shelter and other services for homeless persons countywide.
- Provided \$1.2 million of HOME Investment Partnership Program (HOME) funds to construct 20 units of rental housing for the Humbert Affordable Housing Project
- and families.
- Americans with Disabilities Act (ADA) improvements to Cities of Morro Bay for Pedestrian Accessibility project, Paso Robles Handicap Ramp improvements, and Atascadero Mall Sidewalk Infill and crosswalk.
- Provide \$401,000 to Los Osos Wastewater Program – Assistance program for disadvantaged persons in financing sewer lateral connection.
- Provide \$500,000 to Peoples Self Help Housing Corporation to acquire affordable housing for Rolling Hills and Los Robles Terrace.

COUNTY ADMINISTRATOR’S COMMENTS AND RECOMMENDATIONS

Financial Summary

Total financing sources for Community Development are recommended to increase by \$249,478 or 6% compared to the FY 2015-16 adopted budget. Contingencies in the amount of \$40,148 were included in the FY 2015-16 adopted budget due to a Fund Balance Available (FBA) of this amount at year end. The recommended FY 2016-17 budget does not include any Contingencies or FBA.

Approximately \$3.7 million of the total \$4.3 million in revenue budgeted in FY 2016-17 represents grant funding from the U.S. Department of Housing and Urban Development (HUD) and include the following:

Community Development Block Grant (CDBG)	\$1,667,918
HOME grant	\$678,610
Emergency Shelter Grant (ESG)	\$148,084
Continuum of Care grants (CoC)	\$1,258,771

The amounts reflect a 6% increase in the HOME grant and a 16% increase in CoC grant compared to the FY 2015-16 adopted budget. The County applied for two bonus program under the CoC grant, hoping to secure more funding to provide more shelter services for the homeless population in the County. If successful, approximately \$165K of additional funding will be secured.

The increase in expenditures reflects the slight increase in CoC grant funding noted above. More than \$876,000 in CDBG funds will be distributed to six incorporated cities, with the largest shares going to the City of San Luis Obispo (\$401,282) and the City of Paso Robles (\$166,684). In addition, approximately \$2.8 million in grant funds from the 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 \$591,436 compared to the FY 2015-16 adopted budget. The recommended General Fund support includes \$202,500 for Homeless Programs, \$148,775 for the Economic Vitality Commission (EVC), \$40,161 for the San Luis Obispo Housing Trust Fund, and \$200,000 for the SLO HotHouse.

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. On January 20, 2016, the HSOC met and discussed initial allocation recommendations for the FY 2016-17 County General Fund support for homeless services programs. The recommendations are shown below:

Homeless Services Programs	FY 2016-17 General Fund support Allocations
Maxine Lewis Shelter by CAPSLO	\$56,130
Prado Day Center by CAPSLO	\$22,180
ECHO Shelter Services	\$30,980
Women’s Shelter Program of SLO County	\$23,365
RISE	\$36,840
Transitional Food and Shelter	\$10,505
Total 2016 General Fund support funds	\$180,000

In addition to the \$180,000 of General Fund support shown above for programs providing emergency shelter services for homeless persons, the County has 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 2016-17, \$416,532 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 \$130,917 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 \$232,463 in FY 2016-17. This is down from \$254,518 in FY 2015-16. Staff continues to pursue options to reduce administrative workload in order to reduce the impact to the General Fund.

Service Level Impacts

The total \$249,478 increase in grant funding from FY 2015-16 is available to assist local organizations in providing affordable housing, public facilities, public services, and economic development financing and technical assistance (such as educational workshops for businesses) throughout the County.

Position Allocation List (PAL) Changes

None. Staff is budgeted in FC 142 – Planning and Building.

BOARD ADOPTED CHANGES

As part of the Supplemental Budget document, the Board approved a request to increase revenues and expenditures associated with homeless services with State of California Emergency Solutions Grant (ESG) program funds in the amount of \$224,092. After the proposed budget was finalized, the State Department approved the County of San Luis Obispo to act as the Administrative Entity for the ESG program funds in collaboration with the County of San Luis Obispo Continuum of Care. Historically the department has only received Federal ESG funds. This will result in increased ESG funding for the County. Funds from the state ESG formula grant will enable homeless persons to receive needed client services and/or rental assistance.

During the budget hearings, the Board approved \$75,000 of additional General Fund support for the following Homeless services and/or prevention programs:

Service Program	FY 2016-17 additional General Fund amount
Tenant Based Rental Assistance (TBRA)	\$25,000
5Cities Homeless Coalition Social Detox Program	\$18,000
ECHO Shelter Services	\$20,000
Mission Community Services Corporation	\$12,000
Total	\$75,000

On September 13, 2016, the Board approved an increase in the appropriation to Contingencies for FC 290 in the amount of \$27,428 due to actual Fund Balance Available from FY 2015-16 coming in higher than assumed in the FY 2016-17 Proposed Budget.

BUDGET AUGMENTATION REQUESTS ADOPTED

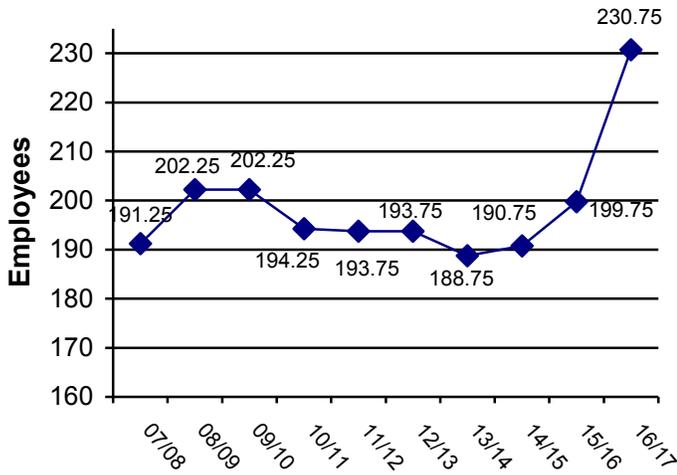
None requested.

MISSION STATEMENT

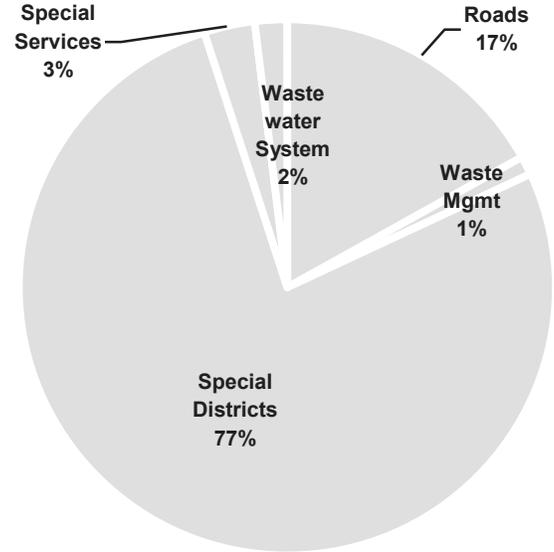
Provide public services related to the safe and efficient movement of traffic on County maintained roadways; engineering and surveying review of proposed land development; administration and operation of various water and waste water wholesale and retail facilities; long term master water planning; franchise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

OPERATING DETAIL (1)	2014-15 ACTUAL (2)	2015-16 ACTUAL (3)	2016-17 RECOMMENDED (4)	2016-17 ADOPTED BY THE BOS (5)
OPERATING REVENUES				
Charges for Services	31,019,529	31,855,336	39,260,325	39,260,325
Other Revenues	0	109,326	0	0
TOTAL OPERATING REVENUES	<u>31,019,529</u>	<u>31,964,662</u>	<u>39,260,325</u>	<u>39,260,325</u>
OPERATING EXPENSES				
Salaries and Benefits	21,959,215	21,915,072	27,005,809	27,005,809
Services and Supplies	9,199,937	6,818,627	11,034,972	11,034,972
Insurance Benefit Payment	0	0	267,745	267,745
Depreciation	807,759	885,032	877,115	877,115
Countywide Overhead Allocation	10,217	113,248	74,684	74,684
TOTAL OPERATING EXPENSES	<u>31,977,128</u>	<u>29,731,979</u>	<u>39,260,325</u>	<u>39,260,325</u>
OPERATING INCOME (LOSS)	(957,599)	2,232,683	0	0
NON-OPERATING REVENUES (EXPENSES)				
Interest	40,495	62,116	50,000	50,000
Gain (Loss) on sale of Asset	62,616	40,000	0	0
Other	0	(1,998)	0	0
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>103,111</u>	<u>100,118</u>	<u>50,000</u>	<u>50,000</u>
INCOME BEF. CAPITAL CONTRBS. & TRANSFERS	(854,488)	2,332,801	50,000	50,000
Contributions in (Out)	(808,769)	(850,524)	0	0
Prior Period Adjustment	(28,439,239)	0	0	0
CHANGE IN NET ASSETS	<u>(30,102,496)</u>	<u>1,482,277</u>	<u>50,000</u>	<u>50,000</u>
Net assets - beginning	18,013,462	(12,089,034)	(12,006,834)	(10,606,757)
Net assets - ending	(12,089,034)	(10,606,757)	(11,956,834)	(10,556,757)
FIXED ASSET EXPENDITURES				
Equipment	888,023	1,744,258	1,185,000	1,185,000
TOTAL FIXED ASSET EXPENDITURES	<u>888,023</u>	<u>1,744,258</u>	<u>1,185,000</u>	<u>1,185,000</u>

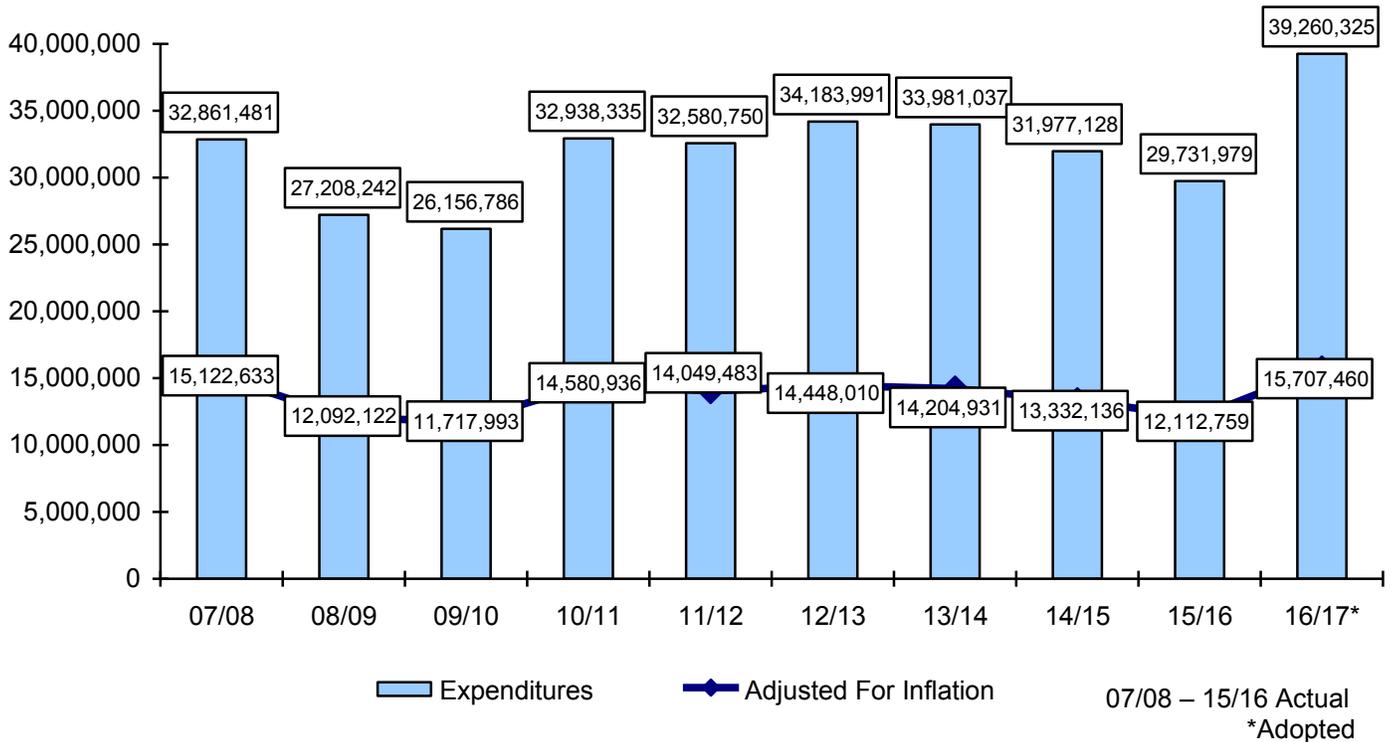
**Number of Employees
(Full Time Equivalent)**



Source of Funds



10 Year Expenditures Adjusted For Inflation



SERVICE PROGRAMS

The Public Works Internal Services Fund has a total expenditure level of \$39,260,325 and a total staffing level of 230.75 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: \$673,664 Total Staffing (FTE): 4.53

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: \$133,136 Total Staffing (FTE): 1.01

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: \$6,567,576 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: \$278,795 Total Staffing (FTE): 1.64

Special Districts

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

Total Expenditures: \$30,185,628 Total Staffing (FTE): 121.85

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: \$432,749 Total Staffing (FTE): 2.99

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: \$6,644 Total Staffing (FTE): 1.00

Los Osos Wastewater System

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

Total Expenditures: \$982,133 Total Staffing (FTE): 7.73

* Staffing for the activities of Fund Center 430 – Los Osos Wastewater System, Fund Center 201 – Special Services, Fund Center 245 – Roads, and Fund Center 130 – Waste Management, are reflected in Fund Center 405 – Public Works.

DEPARTMENT COMMENTS

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

Following are some of the department's notable accomplishments for FY 2015-16 and some specific objectives for FY 2016-17:

FY 2015-16 Accomplishments

- Delivered over \$50 million in Public Works infrastructure projects.
- Completed construction of the Los Osos Water Recycling Facility.
- Transferred and integrated architectural, maintenance, and custodial services responsibilities into the Public Works organization from the former General Services Department.
- Administered the Paso Robles Groundwater Basin Water Management District process.
- Completed emergency repairs to the Nacimiento Water Pipeline to resume critical water deliveries.
- Implemented a credit card payment system and online water payment system to better serve our customers.

FY 2016-17 Objectives

- Complete construction of the Shandon State Water Turnout.
- Continue to coordinate work efforts to meet the requirements of the newly passed Sustainable Groundwater Management Act (SGMA).
- Continue to meet regularly with advisory committees, the public, Board of Supervisors, and numerous Federal and State agencies to understand customer needs and be a valued partner enhancing quality of life for our fellow county residents through effective and transparent management of County infrastructure.

COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS

Financial Summary

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, 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 those fund centers.

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 many 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 2016-17 recommended estimated numbers to FY 2015-16 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 2016-17 operating revenue of \$39,260,325 is an increase of \$4,624,282 or 14% compared to FY 2015-16 estimated amounts. Salaries and benefits are increasing by \$3,387,738 or 14%, when compared to FY 2015-16. A significant component of this expense is from the addition of fourteen positions being transferred from Fund Center 113 as part of the General Services Department dissolution and reorganization. Additionally, funding for eight new positions is recommended to be added as part of the FY 2016-17 budget. Aside from staff additions, 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 under the umbrella of the ISF. Services and supplies are increasing by \$1,396,060 or almost 14%, compared to FY 2015-16 estimates. Most of the ISF's countywide overhead expenses are charged back to the fund centers that operate under the umbrella of the ISF and to Special Districts. When compared to FY 2015-16, the ISF's portion of the countywide overhead for Public Works is decreasing by \$40,978 or 35%.

The ISF includes budgeted amounts for Special Districts that include 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 (\$30,222,453 or 77%) is comprised of charges to Special Districts, which is an increase of about 3% compared to FY 2015-16 amounts. Although the service charges 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 (Fund Center 245), Special Services (Fund Center 201), Waste Management (Fund Center 130), and the Los Osos Wastewater System (Fund Center 430) – account for the balance of the fund's operating revenues and expenditures. Specific details about these budgets can be found in the individual fund center budget pages.

Fixed assets are recommended in the amount of \$1,185,000, which is a decrease of \$320,200, or about 21%, from FY 2015-16 recommended 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. 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 the County's budget book.

Below is a listing of the major projects to be carried out by the 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 updates, as well as other Special Districts projects. A listing of projects specific to Roads can be found in Fund Center 245, while a listing of projects carried out on behalf of Special Districts can be found in the Special Districts' budget printed under separate cover.

Project No.	Project Description	Phase of Completion at 6/30/17	Funding Requirements for FY 2016-17	Previous Years Balance to be Encumbered	New Funding to be Appropriated FY 2016-17
County Operations Center					
320072	County Operations Center - Kansas and Oklahoma Avenue waterline improvements	Construction Complete	706,547	706,547	0

Development Services					
300451	Oak Shores Track 2162 - Phase 1 Bond Claim Work	30% Construction	286,947	286,947	0
Los Osos Wastewater Project					
300448	Los Osos Wastewater Project	Construction Complete	12,650,636	12,650,636	0
Waste Management					
320071	Los Osos Landfill - Groundwater Contamination Corrective Action, Pump and Treat Remediation Project	Ready to Advertise	688,513	26,213	662,300 (in FC 230)
TOTAL			14,332,643	13,670,343	662,300

Service Level Impacts

The changes in this budget vary from year to year depending on the multi-year projects being carried out by the fund centers under the umbrella of the ISF. The department has taken on responsibility of custodial, maintenance, and architectural services and it is anticipated that the service delivery models and levels in those areas will be analyzed and adjusted as appropriate. It is not anticipated, however, that this will create significant impacts to this budget.

Position Allocation List (PAL) Changes

There were a total of 6.00 FTE net new positions that were added to the PAL mid-year. Changes in October 2015 were related to the General Services Department dissolution and reorganization, including addition of an Administrative Assistant, Engineer IV, and Deputy Director. Additional changes in December 2015, including deletion of a Civil Engineering Technician and addition of an Engineer III and Administrative Assistant were related to additional design and construction management and contract processing needs. One change in January 2016 was related to the addition of a County Stormwater Coordinator, discussed in the section for Fund Center 130 – Waste Management. An additional change in March 2016 was made to add an Engineer IV to increase capacity for management of major capital projects, including the new Airport Terminal.

FY 2015-16 Mid-Year PAL Changes

- -4.00 FTE Wastewater Systems Worker (placeholder)
- +3.00 FTE Wastewater Systems Worker Aide, I, II or III
- +1.00 FTE Wastewater Systems Worker IV
- -2.00 FTE Civil Engineering Technician Aide, I, II, or III
- +1.00 FTE Senior Geographic Information Systems Analyst
- +2.00 FTE Administrative Assistant Aide, I, II or III
- +2.00 FTE Engineer IV
- +1.00 FTE Deputy Director-Public Works
- +2.00 FTE Engineer I, II or III
- -1.00 FTE Solid Waste Coordinator III
- +1.00 FTE Principal Environmental Specialist

FY 2016-17 Recommended PAL Changes

The department submitted a budget which includes the transfer of 14.00 FTE positions from Fund Center 113 – Facilities Management. These transfers are to delineate the staff that support custodial and maintenance services from those who perform administrative, architectural, and utility coordination services. The transfers include the following:

- +1.00 FTE Administrative Services Manager
- +1.00 FTE Accounting Technician
- +1.00 FTE Utility Coordinator
- +1.00 FTE Assistant Capital Projects Coordinator
- +4.00 FTE Associate Capital Projects Coordinator
- +3.00 FTE Senior Capital Projects Coordinator
- +1.00 FTE Architectural Technician
- +1.00 FTE Capital Planning/Facility Manager
- +1.00 FTE Limited Term Associate Capital Projects Coordinator

The recommended budget includes funding for 8.00 FTE net new positions for FY 2016-17, including the following changes and as addressed in the recommended BARs listed below. Although funding for 8.00 FTE positions is provided, only 6.00 FTE positions are recommended to be added to the PAL as part of the recommended budget, since two positions do not yet exist and have classifications that must first be approved by the Civil Service Commission and salary ranges by the Board of Supervisors (Safety Coordinator and Wastewater Systems Supervisor).

- +3.00 FTE Engineer I, II, III
- +1.00 FTE Geographic Information Systems Analyst I, II, III
- +2.00 FTE Engineer IV
- +1.00 FTE Capital Projects Inspector
- -1.00 FTE Civil Engineering Tech I,II,III

BOARD ADOPTED CHANGES

As a part of the Supplemental Budget document, the Board approved the addition of 3.00 FTE personnel with an increase in total expenditures of \$207,577, with no General Fund impact. The first is an additional 1.00 FTE Engineer I/II/III to assist with capital projects management, the second is a Safety Coordinator specific to Public Works, and the third is an additional Wastewater System Worker I/II/III. The Safety Coordinator position is associated with the Budget Augmentation Request noted below. Funding for the position was included in the Proposed Budget, but the position allocation was added via the Supplemental Budget document since the job classification had yet to be created at the time of budget preparation.

BUDGET AUGMENTATION REQUESTS ADOPTED

Unit Amount	Description	Results
<p><u>Gross Annual Amount:</u> \$129,493</p> <p><u>Funding Source:</u> FC 405 – Public Works Internal Service Fund</p>	Add 1.00 FTE Engineer I, II, III	<p>Create a watershed program function of the Water Resources Division by providing the staff necessary to advance drainage studies and community efforts. Key objectives for this position include:</p> <ol style="list-style-type: none"> 1. Establish Stormwater Resource Management Plan multi-agency partnerships. 2. Complete drainage and flood control studies for Templeton and Shandon. 3. Update six existing drainage and flood control studies.

		<ol style="list-style-type: none"> 4. Develop a Meadow Creek Watershed Alternatives Study. 5. Seek grant funding to implement projects identified in drainage and flood control studies for our communities. 6. Develop a plan to fill data gaps identified in the watershed and drainage plans and studies.
<p><u>Gross Annual Amount:</u> \$105,834</p> <p><u>Funding Source:</u> FC 405 – Public Works Internal Service Fund</p>	<p>Add 1.00 FTE Geographic Information Systems Analyst I, II, III</p>	<p>Create a watershed program function of the Water Resources Division by providing the staff necessary to leverage geospatial data to complete watershed, flood management, and drainage studies. Key objectives for this position include:</p> <ol style="list-style-type: none"> 1. Collect and organize data for each groundwater basin and watershed in a way that can be mapped, queried and updated regularly as new data is produced. 2. Develop a database for calculating water balances for each basin and each watershed. 3. Develop groundwater conditions charts. 4. Provide maps and exhibits for the update to the 2014 Integrated Regional Water Management Plan (due in 2019). 5. Create annual GIS snapshots of water demand. 6. Develop a GIS-based data management system for groundwater, stream, reservoir, climatic, and rain data. 7. Map and inventory equipment for integration into a software-based preventative maintenance program.
<p><u>Gross Annual Amount:</u> \$258,986</p> <p><u>Funding Source:</u> FC 405 – Public Works Internal Service Fund</p>	<p>Add 2.00 FTE Engineer I, II, III</p>	<p>Fulfill timely operational engineering and technical assistance and support for the 12 County-operated water systems and facilities, reducing operational breakdowns. Key objectives for this position include:</p> <ol style="list-style-type: none"> 1. Update capital improvement plans for each water system. 2. Oversee development of operational plan updates for each water system. 3. Prepare an integrated emergency water supply plan for each water system. 4. Develop a tracking and reporting system to flag system component failure trends.
<p><u>Gross Annual Amount:</u> \$146,964</p> <p><u>Funding Source:</u> FC 405 – Public Works Internal Service Fund</p>	<p>Add 1.00 FTE Engineer IV</p>	<p>Provide engineering technical support for the Los Osos Wastewater Recycling Facility, Oak Shores Wastewater System, County Club Wastewater System, and Galaxy Park collection system, including operational and compliance support for State Water Resources Control Board permits and</p>

		<p>regulations. Key objectives for this position include:</p> <ol style="list-style-type: none"> 1. Update capital improvement plans for each wastewater system. 2. Oversee development of operational plan updates for each wastewater system. 3. Develop a tracking and reporting system to flag system component failure trends.
<p><u>Gross Annual Amount:</u> \$110,601</p> <p><u>Funding Source:</u> FC 405 – Public Works Internal Service Fund</p>	Add 1.00 FTE Capital Projects Inspector	Provide support to the facility Capital Improvement Projects team. This position will oversee compliance with code requirements of existing facility maintenance projects and new facility construction.
<p><u>Gross Annual Amount:</u> \$17,471</p> <p><u>Funding Source:</u> FC 405 – Public Works Internal Service Fund</p>	Add 1.00 FTE Engineer IV and Delete 1.00 FTE Engineer I, II, III	Provide support to the facility Capital Improvement Projects team. Key objectives include: <ol style="list-style-type: none"> 1. Ensure that capital improvement projects are properly managed. 2. Ensure that capital improvement projects are constructed within the requirements of the plans and specifications.
<p><u>Gross Annual Amount:</u> \$13,232</p> <p><u>Funding Source:</u> FC 405 – Public Works Internal Service Fund</p>	Add 1.00 FTE Engineer I, II, III and Delete 1.00 FTE Civil Engineering Technician I, II, III	Provide professional quality surveys and map products for the design and construction of projects.
<p><u>Gross Annual Amount:</u> \$165,000</p> <p><u>Funding Source:</u> FC 405 – Public Works Internal Service Fund (\$110,000) and General Fund (\$55,000)</p>	Add 1.00 FTE Safety Coordinator – Public Works	Provide safety training and oversight specific to the needs of Public Works’ field operations. Achieve 10% reduction in accidents per year.

BUDGET AUGMENTATION REQUESTS NOT ADOPTED

Unit Amount	Description	Results
<p><u>Gross Annual Amount:</u> \$146,411</p> <p><u>Funding Source:</u> FC 405 – Public Works Internal Service Fund</p>	Add 1.00 FTE Information Technology Supervisor	Improve the efficiency of the information technology functions in the department by providing direction and oversight of three existing Department Automation Specialist positions.
<p><u>Gross Annual Amount:</u> \$180,000</p> <p><u>Funding Source:</u> General Fund</p>	Add 1.00 FTE Division Manager – Facilities	Provide coordinated direction to achieve a comprehensive and successful facilities management program.

GOALS AND PERFORMANCE MEASURES

Additional goals and performance measures for Public Works can be found in the following Fund Centers: Roads (Fund Center 245), Special Services (Fund Center 201), Waste Management (Fund Center 130), Los Osos Wastewater System (Fund Center 430), and Facilities Management (Fund Center 113).

Department Goal: Deliver Capital Projects on time and on budget.						
Communitywide Result Link: <input checked="" type="checkbox"/> Safe <input type="checkbox"/> Healthy <input type="checkbox"/> Livable <input type="checkbox"/> Prosperous <input checked="" type="checkbox"/> Well-Governed Community						
1. Performance Measure: Percentage of capital projects that are completed on time.						
11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
78%	84%	80%	71%	85%	63%	85%
<p>What: 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. FY 2016-17 will include the addition of facilities projects formerly reported in Fund Center 113.</p> <p>Why: To determine the timeliness of capital project completion which enhances public health and safety by providing infrastructure defined in the need for each project.</p> <p>How are we doing? The Department completed FY 2015-16 with a result of 63%. In Fund Center 405, we completed 43 out of 68 project milestones on-schedule. Twenty-five projects were delayed for the following reasons:</p> <ul style="list-style-type: none"> • Seven projects required additional design time • Six projects were reassigned a lower priority • Three projects had a change in scope • Three projects had a regulatory agency delay • Two projects had a funding agency delay • Two projects had a utility and permit delay • One project had bid irregularities that led to award delay • One project had a property access delay 						
2015-16 Results						
Public Works Projects by Unit		Actual % Completed				
Facilities		New 16-17				
Transportation		67%				
Utilities		58%				
All Units		63%				
<p>Public Works' project delivery goal was not achieved due to significant disruptions in our work plan as noted above. The former Architectural Services Unit from General Services Department was integrated into our Design Division during the fiscal year and with that action, new project commitments from Airports and Parks arose which shifted project delivery priorities to these higher Countywide priorities. Staff resources shifted from our budget established Public Works' project milestones to serve other short term needs. Moreover, other staff reassignments, due to departure from County service and department reorganization, lead to decline on our delivery rate.</p> <p>Looking ahead, we continue to integrate Architectural Services staff into our formal processes, prioritizing facility projects with the other departments, and are bringing on additional staff to focus on aspects of project delivery such as construction management. Additional resource investments for staff training and project tracking are also moving forward to regain momentum on Capital Project delivery.</p> <p>There is no standardized comparable data available.</p>						
2. Performance Measure: Percentage of capital projects that are completed at or under budget.						
11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
87%	91%	93%	90%	90%	95%	90%
<p>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. FY 2016-17 will include the addition of facilities projects that were formerly reported in Fund Center 113.</p> <p>Why: To determine how accurately project costs are estimated so that funds are allocated and projects are prioritized properly.</p>						

**Public Works
Fiscal Year 2016-17 Final Budget**

Fund Center 405

How are we doing? The Department concluded FY 2015-16 with a favorable result of 95%. Of the 43 project milestones that were completed on schedule, 41 of these were completed within the allocated budget. One project exceeded their allocated budget due to higher than anticipated construction bids and the other project's construction costs were higher than anticipated.

2015-16 Results

Public Works Projects by Unit	Actual % At or Under Budget
Facilities	New 16-17
Transportation	94%
Utilities	100%
All Units	95%

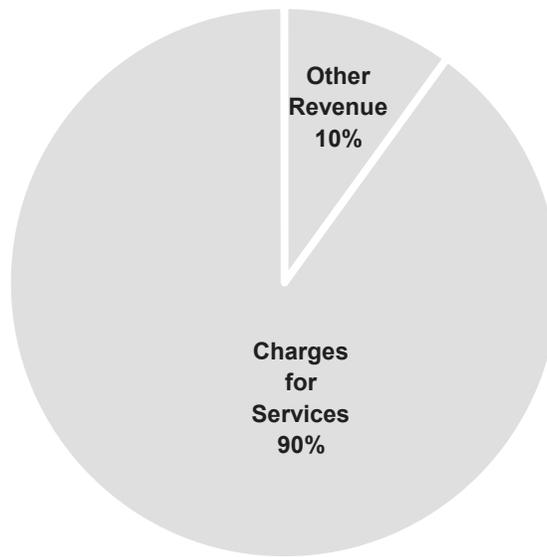
There is no standardized comparable data available.

MISSION STATEMENT

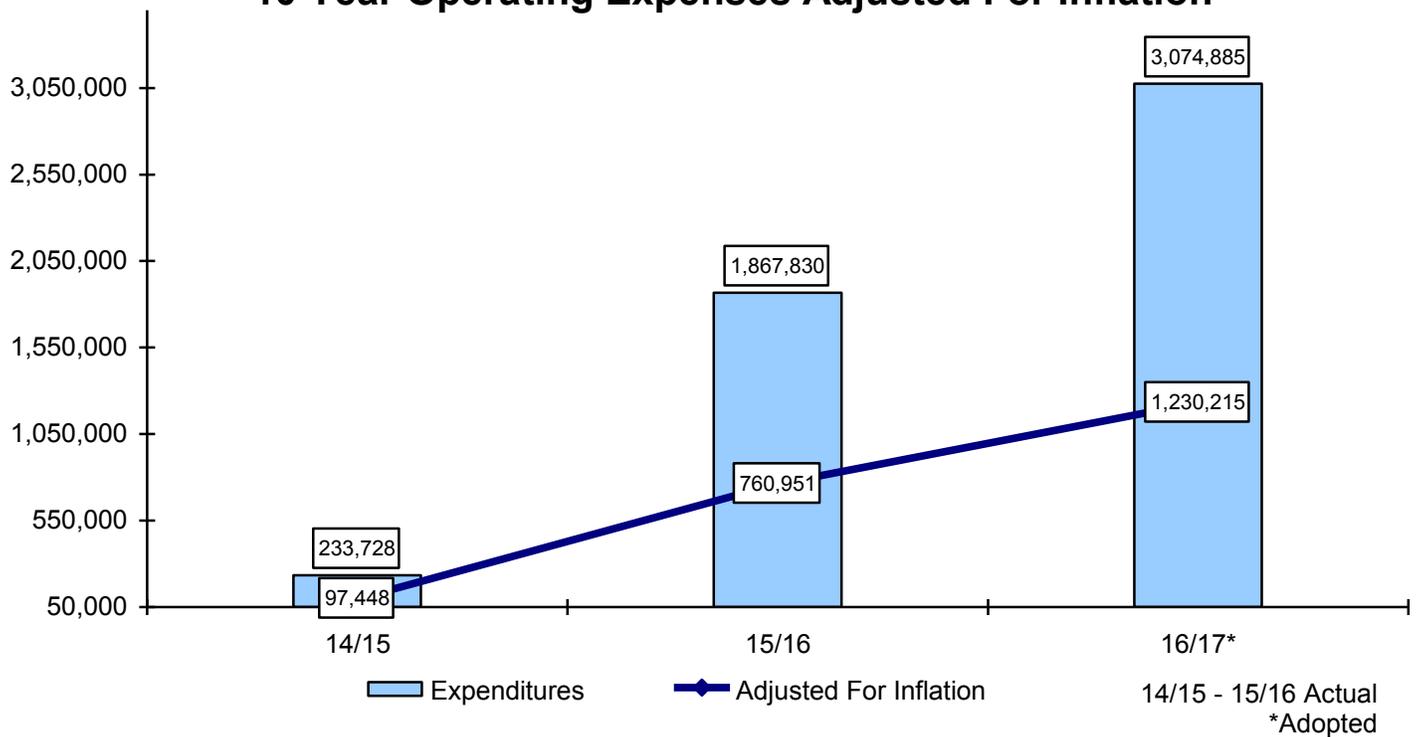
Provide the community of Los Osos the highest level of health and safety, water quality and environmental protection through effective administration and operation of wastewater and recycled water services.

OPERATING DETAIL (1)	2014-15 ACTUAL (2)	2015-16 ACTUAL (3)	2016-17 RECOMMENDED (4)	2016-17 ADOPTED BY THE BOS (5)
OPERATING REVENUES				
Charges for Current Services	0	0	2,773,000	2,773,000
Other Revenue	<u>1,459,049</u>	<u>4,179,124</u>	<u>4,988,000</u>	<u>4,988,000</u>
TOTAL OPERATING REVENUES	1,459,049	4,179,124	7,761,000	7,761,000
OPERATING EXPENSES				
Salaries and Benefits	697	103	0	0
Services and Supplies	233,031	854,846	3,074,885	3,074,885
Depreciation Expense	<u>0</u>	<u>1,012,881</u>	<u>0</u>	<u>0</u>
TOTAL OPERATING EXPENSES	<u>233,728</u>	<u>1,867,830</u>	<u>3,074,885</u>	<u>3,074,885</u>
OPERATING INCOME (LOSS)	1,225,321	2,311,294	4,686,115	4,686,115
NON-OPERATING REVENUES (EXPENSES)				
Interest Income	12,830	30,747	2,000	2,000
Interest Expense	0	(1,756,209)	(2,196,850)	(2,196,850)
Other	<u>0</u>	<u>(226,425)</u>	<u>0</u>	<u>0</u>
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>12,830</u>	<u>(1,951,887)</u>	<u>(2,194,850)</u>	<u>(2,194,850)</u>
INCOME BEF. CAPITAL CONTRBS. & TRANSFERS	1,238,151	359,407	2,491,265	2,491,265
Capital Contributions	24,926,377	2,816,620	0	0
Transfers In	2,966,203	1,488,651	0	0
Transfers Out	(382)	0	0	0
Bond Issue Costs	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
CHANGE IN NET ASSETS	29,130,349	4,664,678	2,491,265	2,491,265
Net Assets-Beginning	104,656,221	133,786,570	168,814,927	138,451,248
Net Assets-Ending	133,786,570	138,451,248	171,306,192	140,942,513
FIXED ASSET EXPENDITURES				
Capital Projects	<u>39,357,784</u>	<u>23,588,156</u>	<u>0</u>	<u>0</u>
TOTAL FIXED ASSET EXPENDITURES	<u>39,357,784</u>	<u>23,588,156</u>	<u>0</u>	<u>0</u>

Source of Funds



10 Year Operating Expenses Adjusted For Inflation



SERVICE PROGRAMS

The Los Osos Wastewater System functions under the Department of Public Works. It has a total operating expenditure level of \$3,074,885 to provide the following services:

Los Osos Wastewater System

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

Total Expenditures: \$3,074,885 Total Staffing (FTE): *

* Staffing is reflected in Fund Center 405 – Department of Public Works

DEPARTMENT COMMENTS

The Los Osos Wastewater System Operating Fund is an Enterprise Fund that was created in FY 2015-16 for the operations and maintenance of the Los Osos Wastewater System. The system is comprised of 49 miles of pipeline, 21 pump stations, and a Water Recycling Facility to provide 100% wastewater reuse. System revenues are generated from the users of the system to cover the operations and maintenance costs. The system began operations during the latter half of FY 2015-16.

Following are some of the department's notable accomplishments for FY 2015-16 and some specific objectives for FY 2016-17:

FY 2015-16 Accomplishments

- Began transitioning from the construction phase to the startup phase of operations.
- Began the process of connecting the nearly 4,700 customers according to the phased connection plan.
- Secured bridge funding in the amount of \$1,185,000 to cover operations until sufficient operating revenues are available from system users.
- Developed financial grant assistance program to qualifying low income households for connecting to the system.
- Developed a low income rate assistance program for ongoing user charges.

FY 2016-17 Objectives

- Complete transition from the construction phase to the startup phase of operations. The startup phase will take approximately six months.
- Complete the process of connecting the nearly 4,700 customers by the end of FY 2016-17 according to the phased connection plan.
- Begin collecting user charges on property tax bills.
- Begin sales of recycled water to meet permit conditions.

COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS

Financial Summary

Enterprise Funds are operated in a business-like manner, where revenues are generated by fees and expenses are contained within the fund and do not require augmentation to maintain operations. The State Controller's Office requires financial information for Enterprise Funds to be reported on an Operation of Enterprise Fund Schedule 11. The format of the Schedule 11, and some of the data it contains is different from how other County department budgets are reported. The forms and budget information for General Fund budgets compare the prior year adopted budget amount to the recommended amount in the proposed budget. The narrative, service programs, and 10-year expenditure chart for Enterprise Funds reflect the financial information from the Schedule 11, including depreciation of assets. This narrative compares FY 2016-17 recommended estimates to FY 2015-16 proposed estimated year-end numbers. As fixed assets are noted separately on the Schedule 11, they are not included as part of the comparison of total operational expense.

Fiscal Year 2015-16 was the first year of operations for the new facility. The first sewer hookup to the new system was performed in March 2016. It is important to note that the activities and associated costs prior to ongoing facility operations are borne by the project costs, which are not reflected in this budget. This budget accounts for the ongoing operations and maintenance costs now that the system is operational.

Revenue from service charges is estimated at \$2,773,000, a 100% increase over FY 2015-16, when no revenue was projected for the new system. As far as the main expenses, labor (accounted for in the Public Works Internal Service Fund – Fund Center 405) is budgeted at \$982,133, and professional services at \$1,717,771, for purchase of chemicals, electricity, and other supplies for operation of the plant. There is approximately \$5 million in revenues from grants received for construction of the facility that is listed on the Schedule 11, however, it is not part of the operating budget of this fund center. A second bridge loan is also included for this fund center (the first bridge loan was made in FY 2015-16) in the amount of \$1,580,000 from Flood Control General. This is needed to cover operating expenses until revenues are received from new sewer hook ups.

Service Level Impacts

Since the system is coming online in the current fiscal year, and hookups will be occurring through FY 2016-17, the department anticipates wastewater treatment activity to increase throughout the year. The goal is to complete nearly 4,700 hookups, possibly extending into FY 2017-18.

Position Allocation List (PAL) Changes

This fund center has no PAL.

BOARD ADOPTED CHANGES

None.

BUDGET AUGMENTATION REQUESTS ADOPTED

None requested.

GOALS AND PERFORMANCE MEASURES

Department Goal: Administer, operate and maintain the Los Osos wastewater collection, treatment, and recycling systems efficiently and effectively to provide for collection, conveyance, treatment, and recycling of the wastewater to protect public safety and environmental health, and maintain regulatory compliance in a sustainable manner.						
Communitywide Result Link: <input checked="" type="checkbox"/> Safe <input checked="" type="checkbox"/> Healthy <input type="checkbox"/> Livable <input type="checkbox"/> Prosperous <input type="checkbox"/> Well-Governed Community						
1. Performance Measure: Percentage of days per year that the system is able to meet mandated water quality standards.						
11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
N/A	N/A	N/A	N/A	N/A		100%
What: This measures the percentage of time during the year that the wastewater system meets State and Federal water quality standards.						
Why: Provision of regulatory compliant wastewater is mandatory to provide for health and safety of the community.						
How are we doing? This is a completely new wastewater system which is scheduled to begin operations in the Spring of 2016.						

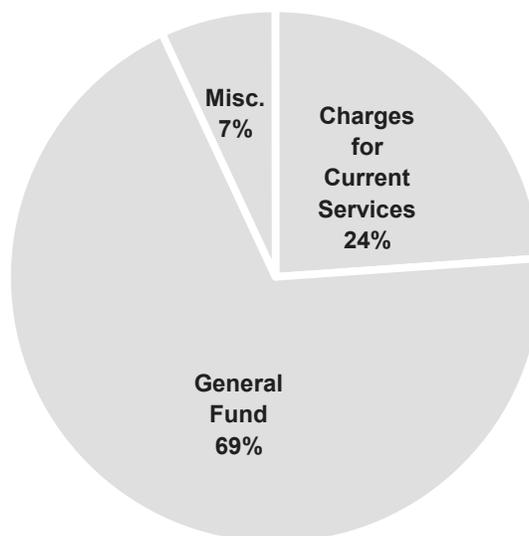
2. Performance Measure: Number of wastewater system failures per year.						
11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
N/A	N/A	N/A	N/A	N/A		0
<p>What: Occurrences of all unscheduled wastewater service failures (i.e. blockages, spills) during the year.</p> <p>Why: The number of failures per year can be a reflection of 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</p> <p>How are we doing? This is a completely new wastewater system which is scheduled to begin operations in the Spring of 2016.</p>						
3. Performance Measure: Percentage of recycled water sold for agricultural irrigation.						
11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
N/A	N/A	N/A	N/A	N/A		10%
<p>What: This measures the percentage of total recycled water produced that is sold for agricultural irrigation.</p> <p>Why: The amount of recycled water sold for agricultural irrigation purposes has the potential to offset groundwater pumping in the Los Osos Groundwater Basin. This will help achieve sustainable groundwater management.</p> <p>How are we doing? This is a completely new recycled water system which is scheduled to begin operations in the Spring of 2016. Water contracts are in place to sell recycled water for municipal and agricultural irrigation purposes. It is anticipated that some sales will commence in FY 2016-17 once water quality requirements can be consistently provided. Over the long term, minimum environmental permit conditions require 10% of the recycled water to be sold for agricultural irrigation purposes, however, the department will pursue the maximum percentage feasible for irrigation purposes.</p>						
4. Performance Measure: Percentage of recycled water returned to groundwater basin by infiltration.						
11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
N/A	N/A	N/A	N/A	N/A		50%
<p>What: This measures the percentage of total recycled water produced that is returned to the groundwater basin by infiltration at the Broderson Site.</p> <p>Why: The amount of recycled water returned to the ground water basin at the Broderson site will increase the available water supply and mitigate seawater intrusion. This will help achieve sustainable groundwater management.</p> <p>How are we doing? This is a completely new recycled water system which is scheduled to begin operations in the Spring of 2016. Environmental permit conditions require up to 448 acre-feet per year on an average annual basis be returned to the groundwater basin by infiltration at the Broderson site. Over the long-term, other irrigation reuse applications may become available that provide greater water resource benefits than infiltration. If feasible, the department may reduce ground water infiltration to supply other reuse options.</p>						

MISSION STATEMENT

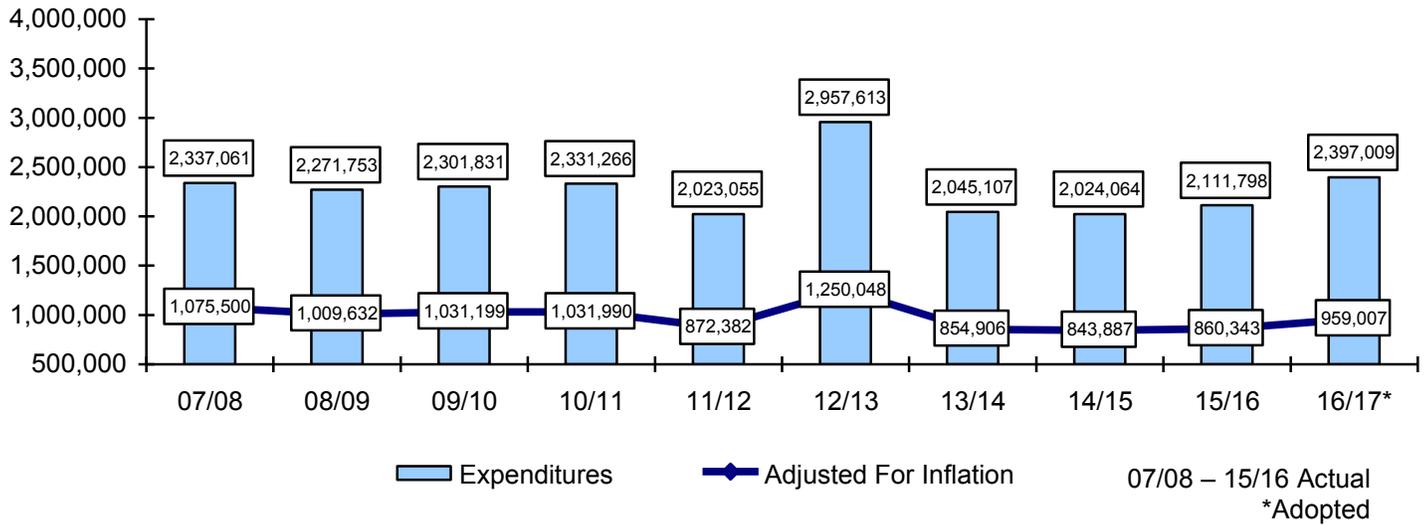
Provide public services related to engineering and surveying review of proposed land development; provide public facilities and services that ensure health and safety in the administration and operation of water and waste water service at the County Operations Center; engineering support to special districts;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

	2014-15	2015-16	2016-17	2016-17	2016-17
<u>Financial Summary</u>	<u>Actual</u>	<u>Actual</u>	<u>Requested</u>	<u>Recommended</u>	<u>Adopted</u>
Licenses and Permits	\$ 75,938	\$ 69,035	\$ 78,286	\$ 78,286	\$ 78,286
Intergovernmental Revenue	24,073	41,757	20,588	20,588	20,588
Charges for Current Services	611,521	616,828	583,290	583,290	583,290
Other Revenues	19,958	13,180	656	656	656
Interfund	46,871	39,934	50,000	50,000	50,000
**Total Revenue	\$ 778,361	\$ 780,734	\$ 732,820	\$ 732,820	\$ 732,820
Services and Supplies	2,024,064	2,111,798	2,353,927	2,371,988	2,371,988
Other Charges	0	0	0	25,021	25,021
**Gross Expenditures	\$ 2,024,064	\$ 2,111,798	\$ 2,353,927	\$ 2,397,009	\$ 2,397,009
General Fund Support (G.F.S.)	<u>\$ 1,245,703</u>	<u>\$ 1,331,064</u>	<u>\$ 1,621,107</u>	<u>\$ 1,664,189</u>	<u>\$ 1,664,189</u>

Source of Funds



10 Year Expenditures Adjusted For Inflation



SERVICE PROGRAMS

Public Works Special Services has a total expenditure level of \$2,397,009 to provide the following services:

Development Services

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

Total Expenditures: \$1,039,491 Total Staffing (FTE): *

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: \$950,675 Total Staffing (FTE): *

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: \$406,843 Total Staffing (FTE): *

* Staffing is reflected in Fund Center 405 – Department of Public Works

DEPARTMENT COMMENTS

The primary programs of the Public Works Special Services budget unit 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 some of the department's notable accomplishments for FY2015-16 and some specific objectives for FY2016-17:

FY 2015-16 Accomplishments

- Completed construction of an emergency water intertie with Atascadero Mutual Water Company to serve Garden Farms and Santa Margarita.
- Completed design of Kansas Avenue waterline improvements to provide necessary fire flow to the Juvenile Hall expansion and new Sheriff Dispatch Center.
- Achieved an average 1.1 week turnaround time for permit processing and map checking services which is well under the statutory 4 week limit.
- Updated the County's Public Improvement Standards.
- Continued to meet all water quality regulations for the County Operations Center system.
- Assisted General Services on the water audit of the County Operations Center.
- Improved fire flow at the County Operations Center by replacing a valve.

FY 2016-17 Objectives

- Complete water master plan update for the County Operations Center.
- Construct Kansas Avenue waterline improvements to provide necessary fire flow to the Juvenile Hall expansion and new Sherriff Dispatch Center.
- Engage community on infrastructure improvements required for the Oak Shores (Lake Nacimiento) development.
- Complete the franchise renewal with Phillips 66 Petroleum.
- Work to renew or transfer the San Simeon Cable franchises to a State franchise.
- Replace the outdated Special Districts Budget Preparation System in coordination with the County's Budget Preparation System replacement.

COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS

Financial Summary

This fund center functions under the umbrella of the Public Works Internal Service Fund (ISF), and as such, all staff, equipment and services are provided by the ISF and charged back to this budget. Since this fund center "purchases" labor from the ISF, labor costs are accounted for in services and supplies and not salaries and benefits, as other types of budgets. There are three divisions within the Special Services fund center: Development Services, County Operation Center, and Services to Special Districts.

General Fund support, at \$1,664,189, is recommended to increase by \$117,766 or 7% when compared to FY 2015-16 adopted levels. Revenue for fee based services, such as parcel or tract map review, are 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 decrease by \$277,869 or 27%. The bulk of the decrease is from the removal of \$250,000 for utility undergrounding projects which had been budgeted in the prior year. The decrease in revenue would be only \$27,869 without this item, primarily created by more conservative estimates being used for development-related fee revenue.

Expenses are decreasing by \$160,103 or 6% compared to FY 2015-16 adopted levels. Without the previously budgeted \$250,000 expense for utility undergrounding, there would be an increase of \$89,897 in revenue over FY 2015-16 adopted levels. Labor charges are based on 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 salaries and benefits increases, is an increase of \$53,122 or 4% in labor charges from the ISF.

Service Level Impacts

The department anticipates no major service level changes for FY 2016-17.

Position Allocation List (PAL) Changes

This fund center has no PAL.

BOARD ADOPTED CHANGES

None.

BUDGET AUGMENTATION REQUESTS ADOPTED

None requested.

GOALS AND PERFORMANCE MEASURES

<p>Department Goal: Administer, operate and maintain the water distribution and wastewater collection systems at the County Operations Center efficiently and effectively to deliver a reliable supply of safe and regulatory compliant drinking water, maintain and provide a reliable reserve for irrigation and firefighting, 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.</p>						
<p>Communitywide Result Link: <input checked="" type="checkbox"/> Safe <input checked="" type="checkbox"/> Healthy <input type="checkbox"/> Livable <input type="checkbox"/> Prosperous <input type="checkbox"/> Well-Governed Community</p>						
<p>1. Performance Measure: Percentage of days per year that the water system meets mandated water quality standards.</p>						
11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
100%	100%	100%	100%	100%	100%	100%
<p>What: This measures the percentage of time during the year that the water distribution system meets State and Federal water quality standards.</p>						
<p>Why: Provision of regulatory compliant safe and quality drinking water is mandatory to ensure constituent's health and safety.</p>						
<p>How are we doing? Public Works considers health and safety a top priority and continues to meet this performance measure. The State-certified water quality laboratory, located at the Operations Center, performs bi-weekly water quality testing of the system's water. Public Works State Certified Water Systems Workers (Operators) perform scheduled maintenance and periodically operate system components to assure the systems are in working order. Operators communicate consistently with the California Men's Colony staff as they provide State water through their system to the Operations Center. This facilitates ongoing system observation and allows staff to address issues quickly before water quality or reliability is impacted. Staff engineers evaluate and model segments of the system as requested by the funding agencies to assure adequate capacity and flows are met for all Federal, State and local safe drinking water requirements and State fire flow requirements. Staff is in the process of implementing water system improvements to provide increased capacity to the east side of the system. Construction of the water system improvements are planned to be completed by the end of FY 2016-17.</p>						
<p>Public Works is evaluating opportunities to establish drought-related contingency plans, for provision of adequate potable water supply. The Operations Center continues to communicate and develop drought scenario and solution plans in conjunction with the California Men's Colony, Camp San Luis Obispo, and the City of San Luis Obispo for water supply opportunities for those agencies in the Chorro Valley, which rely solely on State Water. Public Works is developing a contingency plan for possible future reduction of State Water deliveries to the Operations Center. This includes applying for State grant funds for drought projects for intertie pipelines in the Chorro Valley.</p>						
<p>2. Performance Measure: Number of wastewater collection system and water system failures per year.</p>						
11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
0	0	0	1	0	0	0
<p>What: Occurrences of all unscheduled wastewater service failures, i.e. blockages, spills and water system failure/interruptions during the year.</p>						
<p>Why: The number of failures per year is a reflection of a water or wastewater 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.</p>						

How are we doing? There were no water line or sewer line failures, blockages, spills or interruptions experienced. Sewer line upgrades at the Operation Center system have improved the system's reliability and reduced maintenance efforts. Routinely scheduled pipeline jetting plays a significant role in avoiding and preventing sewer system blockages and spills.

The FY 2016-17 target remains at zero (0) unscheduled wastewater failures.

Department Goal: Review and approve applications, maps, and plans for new development projects in a timely manner to ensure compliance with regulatory requirements, enhance customer service, and protect the public's safety.

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

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

11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
84	88	78	87	95	72	90

What: Total number of Improvement Plan reviews by the Plan Check Unit divided by the number of FTE employees.

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

How are we doing? Compared to the previous four fiscal years, there was an anticipated efficiency reduction in the number of plan reviews per FTE. The FY 2015-16 actual results were below the adopted target, because of planned staff turnover we experienced in early 2016. The current amount of plan check services provided is anticipated to remain fairly constant throughout FY 2016-17. No standardized comparable county data is available.

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

11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
1.3 weeks 1st submittals 1.1 weeks re-submittals	3.7 weeks 1st submittals 2.1 weeks re-submittals	5.4 weeks 1st submittals 3.2 weeks re-submittals	2.3 weeks	3.0 weeks	2.2 weeks	3.0 weeks

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 60 working days (12-weeks) of submittal. This measures accomplishment of our goal of timely service.

How are we doing? Historically, Development Services has completed all plan reviews between one and five weeks, remaining well below the 12-week statutory requirement. Our results remain well below the statutory requirement, and staff has exceeded the FY 2015-16 adopted target and customer expectations.

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

11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
1,212	1,086	1,298	1,780	1,200	1,005	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? The drop in efficiency was anticipated with the hiring and training of a new surveyor staff member and subsequent retirement of our experienced County Surveyor. For the past four years our performance has ranged from 1,086 to 1,780, averaging approximately 1,300 plan checks per FTE. Even though the FY 2015-16 adopted target was not met, efficiency is expected to improve as the new survey staff member gains experience. No standardized comparable county data available.

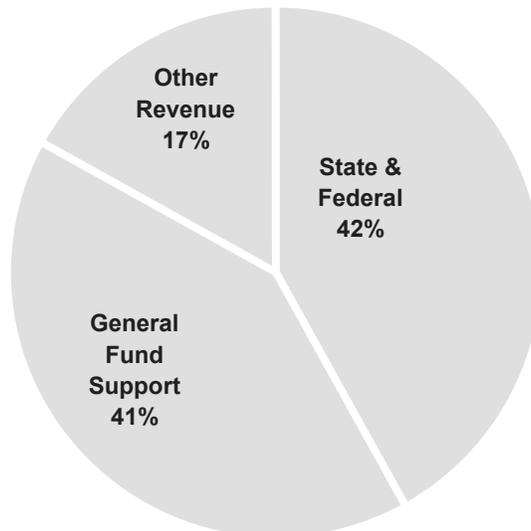
6. Performance Measure: Number of weeks to review survey maps.						
11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
1.3 weeks	1.1 weeks	1.4 weeks	1.2 weeks	1.4 weeks	1.0 weeks	1.5 weeks
<p>What: Average time from receipt 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.</p> <p>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.</p> <p>How are we doing? Historically, Development Services has taken about one to one and one-half weeks to review survey maps, which remains well below the 20 working days (4 week) statutory requirement of processing maps. Although the County Surveyor retired in March 2016, new and existing staff were able to maintain low map processing times, consistent with prior year results and exceeding the FY 2015-16 adopted target.</p>						
7. Performance Measure: Percentage of local engineering and design firms that rate the services provided by Public Works as satisfactory or better. (This measure is being deleted in FY 2016-17.)						
11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
89%	100%	100%	81%	95%	92%	Deleted
<p>What: Measures customer satisfaction with Development Services.</p> <p>Why: Information derived from this survey has historically been used to improve customer service.</p> <p>How are we doing? To increase feedback, Development Services implemented a web-based survey to poll local engineering, surveying, planning and architectural firms. These polling topics include surveying services, plan check services, inspection services, permit services and response to public inquiries. In FY 2015-16 Development Services sent out 150 email invitations to complete a web based survey, and 25 responses were received, a 17% response rate. Of the surveys received, 23 respondents (representing 92%) rated overall services as satisfactory or better.</p> <p>The customer satisfaction survey measure is to be deleted in FY 2016-17 because it is difficult to determine if the survey respondents represent accurate and objective results. Even though this measure is being deleted, Development Services still finds customer feedback important and will continue to distribute an annual survey, focusing on increasing response rates and gathering useful feedback. Development Services will continue to improve survey questions to keep them relevant, objective, and meaningful.</p>						

MISSION STATEMENT

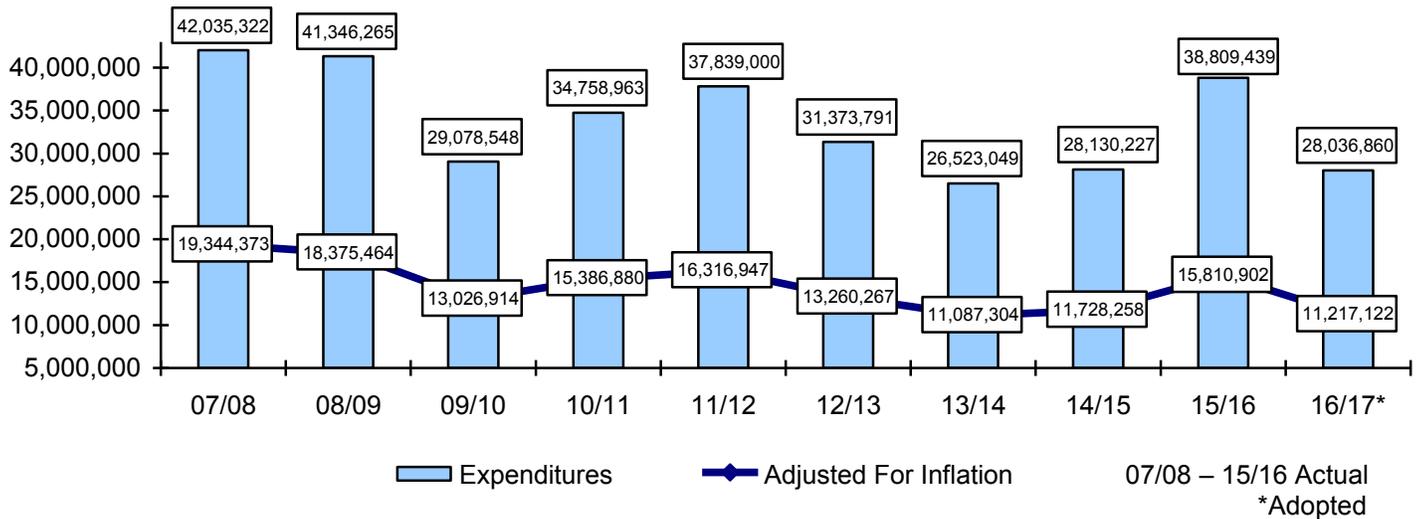
Provide public services related to the safe and efficient movement of traffic on the County maintained roadways.

<u>Financial Summary</u>	2014-15 <u>Actual</u>	2015-16 <u>Actual</u>	2016-17 <u>Requested</u>	2016-17 <u>Recommended</u>	2016-17 <u>Adopted</u>
Taxes	\$ 1,592,407	\$ 1,672,077	\$ 1,655,951	\$ 1,655,951	\$ 1,655,951
Revenue from Use of Money & Property	38,646	62,754	20,000	20,000	20,000
Intergovernmental Revenue	20,519,931	17,015,643	11,744,500	11,744,500	11,744,500
Charges for Current Services	160,195	187,628	170,500	170,500	170,500
Other Revenues	52,052	163,196	0	0	0
Other Financing Sources	8,830,840	11,851,902	10,518,397	13,862,948	13,862,948
Interfund	74,387	524,209	0	0	0
Total Revenue	\$ 31,268,458	\$ 31,477,409	\$ 24,109,348	\$ 27,453,899	\$ 27,453,899
Fund Balance Available	\$ 3,249,984	\$ 1,764,500	\$ 0	\$ 0	\$ 208,885
Cancelled Reserves	541,202	6,368,734	582,961	582,961	582,961
Total Financing Sources	<u>\$ 35,059,644</u>	<u>\$ 39,610,643</u>	<u>\$ 24,692,309</u>	<u>\$ 28,036,860</u>	<u>\$ 28,245,745</u>
Salary and Benefits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Services and Supplies	19,223,877	19,756,437	17,891,049	18,235,600	18,235,600
Other Charges	750,474	774,517	417,514	417,514	417,514
Fixed Assets	8,155,876	18,278,485	6,383,746	9,383,746	9,383,746
Gross Expenditures	\$ 28,130,227	\$ 38,809,439	\$ 24,692,309	\$ 28,036,860	\$ 28,036,860
Contingencies	0	0	0	0	0
New Reserves	3,249,984	1,764,500	0	0	208,885
Total Financing Requirements	\$ 31,380,211	\$ 40,573,939	\$ 24,692,309	\$ 28,036,860	\$ 28,245,745

Source of Funds



10 Year Expenditures Adjusted For Inflation



SERVICE PROGRAMS

Roads has a total expenditure level of \$28,036,860 to provide the following services:

Roads Construction

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

Total Expenditures: \$9,383,746 Total Staffing (FTE): *

Roads Maintenance

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

Total Expenditures: \$18,653,114 Total Staffing (FTE): *

* Staffing is reflected in Fund Center 405 – Department of Public Works

DEPARTMENT COMMENTS

The primary goals of the Roads budget, 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 department’s notable accomplishments for FY 2015-16 and some specific objectives for FY 2016-17:

FY 2015-16 Accomplishments

- Completed 90 miles of chip seal and surface treatments on arterial, collector, and local roads

FY 2016-17 Objectives

- Chip seal or surface treat approximately 60 miles of roadway to improve pavement

to improve pavement preservation with additional one-time funding from the General Fund.

- Completed 20 miles of asphalt overlay on arterial roads to improve pavement preservation with additional one-time funding from the General Fund.
- Delivered over \$23 million in capital projects to address safety, capacity and drainage concerns including:
 1. Los Osos Valley Road Rehabilitation in Los Osos
 2. North River Road Widening in San Miguel
 3. San Miguel Gateway Project in San Miguel
 4. Short Span Bridge Structure Replacement, Morretti Canyon in San Luis Obispo
 5. Branch Mill Road Bridge Replacement in Arroyo Grande
 6. Overlay Thompson & Orchard Ave, Division & Tejas St, and Mesa Rd in Nipomo
 7. Overlay El Pomar, River & Neil Springs Rd, and El Camino Real in the north county area
 8. Repaired Slope on Huasna Rd in Arroyo Grande

preservation.

- Asphalt overlay approximately five miles of high-use arterial roadway to improve pavement preservation.
- Widen Buckley Road in San Luis Obispo.
- Install left turn lane on El Camino Real at Santa Clara in Atascadero.
- Complete Price Canyon Road Widening Phase II construction.
- Complete Federally funded bridge maintenance projects on eight bridges throughout county.
- Install centerline rumblestrips on 82 miles of roadway, countywide.
- Install two new traffic signals in Nipomo.

COUNTY ADMINISTRATOR’S COMMENTS AND RECOMMENDATIONS

Financial Summary

The Roads 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 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’ adopted goal is to maintain a PCI of 65 or better. With the recommended pavement management program funding for FY 2016-17 of \$7 million, of which all is supported by the General Fund, the department estimates that the current projected PCI score of 64 at the end of FY 2015-16 will decrease to 62 by the end of FY 2016-17. In order for the PCI to achieve a score of 65, the program would require a total of \$8.4 million each year for 10 years.

The recommended FY 2016-17 budget for Roads provides for General Fund support in the amount of \$11.5 million, a 4% increase (\$407,305) when compared to FY 2015-16 adopted levels. The FY 2015-16 adopted budget included a one-time \$3 million allocation for the pavement management program, in addition to a 10% ongoing increase to the previous status quo contribution amount. Also, the department pulled out \$3.5 million from Road Fund reserves for the pavement management program in the prior fiscal year. The FY 2016-17 recommended budget includes a one-time General Fund support allocation to the pavement management program, in the amount of \$3.4 million for FY 2016-17 which will go toward improving countywide road conditions and will not be used for overhead, new positions, equipment, etc.

The overall Roads budget (both financing sources and expenditures) is recommended to decrease by \$12.8 million or 31% compared to FY 2015-16 adopted levels. This includes the one-time contribution of \$3.4 million 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 \$7.9 million or 40%, compared to FY 2015-16 levels. The difference is due to planned capital project expenses being less for FY 2016-17. Also part of the decline in intergovernmental revenue is a decrease (\$1.3 million) 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 few years, demand for fuel has declined and this has affected the amount of tax revenue brought in from the State's excise tax. Transportation Development Act revenues are also projected to decline by \$1.2 million or 32%.

Services and supplies are decreasing by \$1.4 million or 7% from FY 2015-16 adopted levels. Several factors contribute to this decrease:

- Decrease in construction contract payments for major maintenance projects by \$687,711, including microsurfacing and bridge work;
- Decrease in labor, materials, and equipment ordered from the Internal Service Fund (Fund Center 405) for labor charged to work orders, by \$695,373, and labor not billed to specific work orders by \$203,103, both due to reduced funding available;
- Decrease in countywide overhead by \$158,022. 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.

The Roads budget has budgeted \$9.4 million for fixed asset expense, which represents capital projects work including bridge replacements, traffic signals, drainage improvements, pedestrian improvements, etc. This requested funding represents a decrease of \$9.5 million or 50% compare to FY 2015-16, reflecting the fluctuation of available funding for transportation projects. The work program statement and listing of major projects being carried out by the Roads fund, below, is required by the State Budget Act.

Service Level Impacts

To the degree that activity in this budget fluctuates according to funding and expenditures for multi-year projects, FY 2016-17 includes a service level decline in construction activity. It is also anticipated that the recommended funding level for road maintenance will decrease the PCI score from 64 at the end of FY 2015-16 to 62 at the end of FY 2016-17.

Position Allocation List (PAL) Changes

This fund center has no PAL.

BOARD ADOPTED CHANGES

At year end, final Fund Balance Available was \$208,885. As part of the final budget actions, the funds were allocated to the Road Fund's Future Road Project reserve designation.

BUDGET AUGMENTATION REQUESTS ADOPTED

None requested.

FY 2016-17 - Road Fund Work Program Statement		
1	Administration	\$ 3,834,492
2	Construction	\$ 9,383,746
3	Maintenance	\$ 14,405,123
4	Aid to Other Governmental Agencies	\$ -
5	Acquisition of Equipment	\$ 413,500
6	Plant Acquisition	\$ -
7	Reimbursable Work	\$ -
8	Cost Transfers and Reimbursements	\$ -
	Total	\$ 28,036,861

FY 2016-17 - Major Road Fund Projects

Project No.	Project Description	Milestone Completion at 6/30/17	Funding Requirements for 16/17	Previous Year's Balance to be Encumbered	New Funding to be Appropriated 16/17
ROADS					
<i>New Road Construction</i>					
300129.09.04	Thompson Avenue near Rancho Road - Oak Habitat Mitigation (Willow Road Project)	3rd Year Mitigation Complete	511,830	161,294	350,536
300140	South Oakglen Operations Study - Operational Improvements	Project Execution Plan Complete	88,971	88,971	0
300142	Willow Road Interchange - Operational Improvements	3rd Year Mitigation Complete	1,609,564	1,609,564	0
300348	Nacimiento Lake Drive at Adelaida Road - Left Turn Lanes	30% Construction	454,420	129,420	325,000
300372	Halcyon Road at Route 1, Phase 1 - Intersection Realignment	Field Studies Completed	1,064,756	64,756	1,000,000
300520	El Camino Real at Santa Clara Road - Left Turn Lane	"Ready to Advertise" Checklist Complete	5,179	5,179	0
<i>Total New Road Construction</i>			3,734,720	2,059,184	1,675,536
<i>Road Reconstruction</i>					
300147	Tefft Street and US 101 - Operational Improvement	Draft Environmental Document	244,696	244,696	0
300150	Main Street Interchange, Templeton - Operational Improvements	Field Studies Completed	447,976	447,976	0
300321	Los Berros/Thompson Avenue Interchange - Operational Improvements	Scope Defined (Completion of Study)	242,224	242,224	0

**Public Works - Roads
Fiscal Year 2016-17 Final Budget**

Fund Center 245

FY 2016-17 - Major Road Fund Projects

Project No.	Project Description	Milestone Completion at 6/30/17	Funding Requirements for 16/17	Previous Year's Balance to be Encumbered	New Funding to be Appropriated 16/17
300364	San Luis Bay Drive Interchange - Operational Improvements	Scope Defined (Completion of Study)	84,414	84,414	0
300384	Los Berros Road at Dale Avenue - Left Turn Lane	Acquisitions Complete	136,878	36,878	100,000
300464	Price Canyon Road Phase II - Road Widening	Construction Complete	6,790,674	6,790,674	0
300490	Buckley Road from Thread Lane to Buttonwood - Two Way Left Turn Lane	Construction Complete	410,633	410,633	0
300506	Avila Beach Drive Interchange - Operational Improvements	Draft Environmental Document	958,495	558,495	400,000
300508	Countywide Centerline Rumble Strips - Safety Improvements	Construction Complete	833,066	833,066	0
300521	Nacimiento Lake Drive at Chimney Rock Road - Intersection Realignment	Project Execution Plan Complete	30,527	527	30,000
300523	Ontario Road Park-n-Ride Expansion, San Luis Obispo - Facility Expansion	60% Plans, Specs & Estimates	185,098	185,098	0
300552	Santa Rosa Creek slope stabilization - Slope Failure	Draft Environmental Document	3,944	3,944	0
300566	Halcyon Road Grade Widening Improvement Project	Project Execution Plan Complete	15,000	0	15,000
300576	Route 46 West/Highway 101 Interchange Analysis	Scope Defined (Completion of Study)	46,000	46,000	0
<i>Total Road Reconstruction</i>			<i>10,429,625</i>	<i>9,884,625</i>	<i>545,000</i>
<i>New Road Lights, Traffic Signals</i>					
300570	Installation of Dynamic Speed Warning Signs	"Ready to Advertise" Checklist Complete	455,300	0	455,300
300575	Nipomo St at South Bay Boulevard, Los Osos - Traffic Signal	60% Plans, Specs & Estimates	229,000	169,000	60,000
<i>Total New Road Lights, Traffic Signals</i>			<i>684,300</i>	<i>169,000</i>	<i>515,300</i>
<i>Drainage Improvement</i>					
300393	Main Street North of 1st Street, Templeton - Drainage Improvements	Construction Complete	94,417	94,417	0
300465	Highway 1 and 13th Street, Oceano - Drainage Improvements	Notice to Proceed	2,168,836	1,918,836	250,000

Land Based

C-58

**Public Works - Roads
Fiscal Year 2016-17 Final Budget**

Fund Center 245

FY 2016-17 - Major Road Fund Projects

Project No.	Project Description	Milestone Completion at 6/30/17	Funding Requirements for 16/17	Previous Year's Balance to be Encumbered	New Funding to be Appropriated 16/17
<i>Total Drainage Improvements</i>			2,263,253	2,013,253	250,000
<i>Pedestrian Ways & Bike Paths</i>					
300485	San Juan Creek Pedestrian Bridge, East Centre Street east of 5th Street - Pedestrian Improvements	On Hold	32,219	32,219	0
300526	Front Street between 4th and 19th, Oceano - Community Enhancement/Safety Improvement	Draft Environmental Document	88,076	88,076	0
300555	ADA Ramp Construction FY 2015-16 & 2016-17	Construction Complete	60,000	0	60,000
300572	Burton Drive, Cambria - Pedestrian Improvements	Project Execution Plan Complete	72,000	0	72,000
<i>Total Pedestrian Ways & Bike Paths</i>			252,295	120,295	132,000
<i>Pavement Management System</i>					
300571	Asphalt Concrete Overlay 2016-17	30% Construction	5,040,748	15,538	5,025,210
<i>Total Pavement Management System</i>			5,040,748	15,538	5,025,210
<i>Bridges</i>					
300180	Main Street Bridge at Santa Rosa Creek - Bridge Replacement	2nd Year Mitigation Complete	548,763	548,763	0
300382	River Grover Drive at Estrella River - Bridge Rehabilitation	90% Plans, Specs & Estimates	323,329	323,329	0
300385	Tar Spring Creek Bridge on Branch Mill Road - Bridge Replacement	1st Year Mitigation Complete	648,225	648,225	0
300387	Geneseo Road at Huer Huero Creek - Bridge Replacement	Final Environmental Document	708,404	435,804	272,600
300430	Air Park Drive at Oceano Lagoon - Bridge Replacement	90% Plans, Specs & Estimates	269,277	269,277	0
300432	Klau Creek Bridge on Cypress Mountain Drive - Bridge Replacement	Notice to Proceed	2,590,937	1,622,837	968,100
300434	Huasna Road at Huasna River - Bridge Replacement	Scope Defined (Completion of Study)	(329)	(329)	0
300439	El Camino Real at Santa Margarita Creek - Bridge Replacement	Draft Environmental Document	200,506	200,506	0
300452	Lopez Drive Bridge No. 2 at Lake Lopez - Bridge Seismic Retrofit	30% Plans, Specs & Estimates	892,531	892,531	0

**Public Works - Roads
Fiscal Year 2016-17 Final Budget**

Fund Center 245

FY 2016-17 - Major Road Fund Projects

Project No.	Project Description	Milestone Completion at 6/30/17	Funding Requirements for 16/17	Previous Year's Balance to be Encumbered	New Funding to be Appropriated 16/17
300455	South Bay Boulevard Bridge over Los Osos Creek - Bridge Replacement	30% Plans, Specs & Estimates	778,746	778,746	0
300456	Avila Beach Drive at San Luis Obispo Creek - Bridge Seismic Retrofit	90% Plans, Specs & Estimates	181,391	181,391	0
300514	Dover Canyon Road at Jack Creek - Bridge Replacement	30% Plans, Specs & Estimates	642,651	642,651	0
300556	Jack Creek Road at Paso Robles Creek - Bridge Replacement	Project Footprint Defined	986,243	986,243	0
300557	Toro Creek Road at Toro Creek - Bridge Replacement	Project Footprint Defined	466,359	466,359	0
<i>Total Bridges</i>			9,237,033	7,996,333	1,240,700
<i>Project Closeout Phase</i>					
300470	Mission Street, San Miguel Gateway and Pedestrian Improvements - Community Enhancement	N/A	15,913	15,913	0
300489	River Road from Magdalena to Mission Lane - Road Widening	N/A	180,452	180,452	0
300510	Willow Road Intersection at Pomeroy Road - Traffic Signal	N/A	78,786	78,786	0
300524	Thompson Avenue Intersection at Titan Way - Traffic Signal	N/A	88,664	88,664	0
300527	Eton Road, Cambria - Pedestrian Improvements	N/A	21,214	21,214	0
300550	Nipomo - Asphalt Concrete Overlay 2015-16	N/A	549,902	549,902	0
300559	South County - Asphalt Concrete Overlay 2015-16	N/A	465,827	465,827	0
300560	North County - Asphalt Concrete Overlay 2015-16	N/A	1,543,672	1,543,672	0
300567	ADA Ramp Pavement Projects 2016	N/A	(1,700)	(1,700)	0
<i>Total Project Closeout Phase</i>			2,942,730	2,942,730	0
TOTAL ROADS			34,584,704	25,200,958	9,383,746

GOALS AND PERFORMANCE MEASURES

Department Goal: Maintain a good quality county-road system.						
Communitywide Result Link: <input checked="" 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						
1. Performance Measure: Pavement Condition Index (PCI) for all county roads.						
11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
58	60	61	61	63	64	63
<p>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 81-100 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.</p> <p>Why: To better budget the maintenance requirements of the County's road system. The Board of Supervisors has established the goal of maintaining an average PCI of 65 or better, with no one road category (arterial, collector, local) falling below a PCI of 60.</p> <p>How are we doing? In 2015 the Public Works Department updated our new pavement maintenance strategy which continues to focus on surface treatment. In past years, the emphasis had been placed upon more expensive major pavement rehabilitation on primary roads, which resulted in fewer maintained miles. This newer strategy emphasizes first preserving the good roads by using more affordable surface treatments. These surface treatments include micro surfacing, chip sealing, and slurry sealing, which may cost one-tenth of a typical pavement overlay. Although these treatments will not restore heavily deteriorated roads they will help prolong the life of roads in Good to Best conditions and some roads in Fair condition. Overall, this strategy greatly reduces the life cycle cost for pavement management.</p> <p>For FY 2015-16, anticipated pavement management work included five pavement contracts. The first contract provided overlay on three miles of road in the Nipomo area. Two more overlay contracts included roads inside Oceano and Nipomo as well as roads outside of Paso Robles, Templeton and Santa Margarita; which total about 20 miles. Two other contracts provided surface treatments to about 60 miles of road throughout the County. In addition to these contracts, about 40 miles of roads within the Los Osos community were improved during and after the Los Osos Wastewater Project. Finally, about 10 miles of rural roads in various parts of the county received thin maintenance overlays. This combined effort represented a significant increase over previous years and was made possible by the one-time increase in the pavement management budget with support from the General Fund and Road Fund Reserves. At fiscal year end, the average PCI for 2015-16 per road category shows our Arterials at 75, Collector roads at 63, and Local roads at 63. The overall system wide PCI is 64 which is just short of the Board adopted goal of 65.</p> <p>Based on a "status quo" FY 2016-17 pavement management budget of \$4.7 million and one-time funding of \$3.0 million, Public Works expects to complete surface treatment on at least 60 miles and overlay about eight miles. This assumes continuing with the strategy described in our 2015 Pavement Management Report and directing our overlay efforts to the heavily used arterials: Tefft Street in Nipomo and Main Street in Templeton. The status quo, plus one-time funding budget amount is less than what is needed to keep up with pavement maintenance. Therefore, the overall system wide PCI is anticipated to decline to 63 by the end of FY 2016-17.</p> <p>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.</p>						
2. Performance Measure: Collisions per 100 million entering vehicles at non-signalized intersection.						
11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
27	22	22	20	24	22	22
<p>What: Five-year average of the number of collisions per 100 million vehicles entering a non-signalized intersection.</p> <p>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.</p> <p>How are we doing? The collision rate at non-signalized intersections decreased in FY 2015-16 over previous years and continues to be below the statewide average of 29 per 100 million vehicles entering the intersection. Public Works monitors over 100 intersections and continues to improve intersection operations, capacity, signage and markings at locations identified. The FY 2016-17 collision rate target is 22 per 100 million vehicles entering the intersection. The target is achievable based on actual and project results.</p> <p>Near-term funded, non-signalized intersection improvement projects include the 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. Public Works is also working through Caltrans on the Avila Beach Drive interchange near the community of Avila and the Main Street interchange in Templeton to address operational improvements at the ramp intersections. These projects await funding.</p>						

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

11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
27	28	31	34	27	38	30

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? The collision rate at signalized intersections increased in FY 2014-15 over previous years. During FY 2015-16, Public Works began updating the signal timing at signalized intersections for compliance with current standards. In addition, time of day plans will be implemented where beneficial. With timing changes, the collision rate is expected to decrease to previous levels. Signal timing updates will be completed in 2016.

Traffic signals were recently constructed on Willow Road at Pomeroy Road; and on Thompson Road at Titan Way (Nipomo High School). Both projects are located in the community of Nipomo. The Public Works Department also continues to work 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.

11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
164	148	145	104	140	115	125

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 rural road collision rate methodology was updated during FY 2014-15 to use a weighted average versus normal average, based on traffic volumes, of the various road segments. The revised methodology had been previously applied to suburban roads starting in FY 2012-13; however, rural roads are more complex and the methodology will continue to evolve. The collision rate continues to be below the statewide average of 200 per 100 million vehicle miles traveled. The total number of collisions reported in CY 2015 is lower than previous years and the listed performance measurement is achievable. As the methodologies for reporting safety statistics evolves, Public Works continues to improve the safety report and identifying areas of concern.

As rural roads are identified as areas of concern, the Public Works Department develops interim low-cost solutions to address locations immediately while looking for means to program funding for future capital improvement projects at targeted locations. In 2016, Public Works received \$120,000 grant from the Systemic Safety Analysis Report Program (SSARP) to prepare two (2) SSAR's, one focusing on ten rural roads which have been areas of concern over the past five (5) years and another focusing on gravel roads countywide. The two SSAR's will focus on Roadway Safety Signing and Marking Audits and also determine if additional maintenance or larger capital improvements to pave roads are recommended.

Near-term funded rural road improvement projects include constructing centerline rumble strips on various inter-regional rural roadways to minimize crossover collisions involving head-on or run-off road accidents; widening of River Road to install shoulders near the community of San Miguel; widening of Buckley Road to install a continuous center left turn lane south of the City of San Luis Obispo; and widening of Price Canyon Road northeast of the community of Pismo Beach. The centerline rumble strip and River Road projects were completed in FY 2015-16. Buckley Road and Price Canyon Road are currently under construction.

5. Performance Measure: Collisions per 100 million miles on suburban roads.

11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
263	172	159	156	170	154	172

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 collision rate on suburban roads decreased in FY 2015-16 over previous years and continues to be below the statewide average of 272 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, specifically along Safe Routes to School. Many of the County's suburban roads are included in Road Improvement Fee program and operational and safety improvements are incorporated into those individual projects. The total number of collisions reported in 2015 is lower than previous years and the roadway targets are achievable. As the methodologies for reporting safety statistics evolves, Public Works continues to improve the safety report and identifying areas of concern.

6. Performance Measure: Percentage of bridges with a State-assigned sufficiency rating over 50.

11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
92%	93%	93%	95%	93%	94%	96%

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 monitor the health of the County's bridge inventory, and the ability of the County to effectively use and manage bridge improvement funds.

How are we doing? San Luis Obispo County maintains a comprehensive bridge program that includes: bridge replacements, seismic retrofits, historic bridge preservation, and structural maintenance and rehabilitation. In addition, the County actively monitors its bridge inventory and works with state and regional transportation planners to prioritize projects and maximize the efficient use of available transportation funding.

Caltrans' Division of Structure Maintenance & Investigation inspects and reports on 136 of the County's bridges. Caltrans rates 6 of the 136 bridges as having a sufficiency rating of less than 50: four of these six bridges are active bridge projects and will be replaced or rehabilitated within the next four years.

Replacement of the Branch Mill Road at Tar Springs Creek Bridge, near Arroyo Grande, was completed in 2015. New bridge project construction is anticipated to begin in 2016 on Cypress Mountain Road at Klau Creek near Adelaida. Additional future bridge construction projects include: Air Park Drive at Ocean Beach Lagoon (2017); Geneseo Road Low Water Crossing (2017); El Camino Real at Santa Margarita Creek (2018); River Grove Drive at Estrella River (2018); South Bay Boulevard over Los Osos Creek (2020). Seismic retrofit design is underway on two bridges, Lopez Drive over Lopez Lake and Avila Beach Drive over San Luis Obispo Creek. Funding is primarily through Caltrans' Highway Bridge Program and Regional State Highway Funds directed to the County.

As a supporting performance measure, Public Works will begin tracking and reporting the number of bridges within the County maintained system with weight limitations. It is a reasonable expectation by most road users that each bridge in the County maintained system be able to carry full legal loads. While weight-limited bridges may still be adequate for passenger vehicles and light trucks, they limit access for larger delivery trucks, agricultural vehicles, fire trucks and other emergency response vehicles.

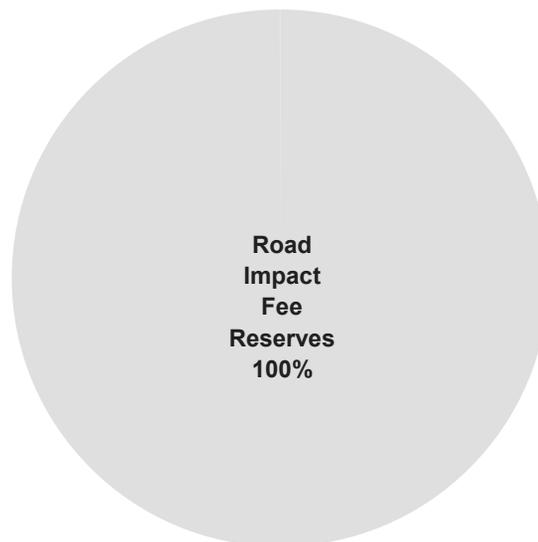
Eighteen weight-limited bridges are identified in the 2014 Bridge Maintenance Program. In FY 2015-16, two bridges were no longer needed and were removed. These two bridges were originally intended to accommodate cattle undercrossing, but are no longer needed. A third cattle undercrossing was replaced and is now sufficient for all legal loads. In FY 2016-17, two more bridges are programmed for replacement, which will bring the total number of weight limited bridges down to thirteen.

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 <u>Actual</u>	2015-16 <u>Actual</u>	2016-17 <u>Requested</u>	2016-17 <u>Recommended</u>	2016-17 <u>Adopted</u>
Revenue from Use of Money & Property	\$ 25,722	\$ 43,507	\$ 0	\$ 0	\$ 0
Charges for Current Services	1,205,879	1,527,782	0	0	0
Other Financing Sources	322,000	56,000	0	0	0
Total Revenue	\$ 1,553,601	\$ 1,627,289	\$ 0	\$ 0	\$ 0
Fund Balance Available	\$ 0	\$ 735,497	\$ 0	\$ 0	\$ 4,197,701
Cancelled Reserves	0	9,402,109	2,761,536	2,761,536	2,761,536
Total Financing Sources	\$ 1,553,601	\$ 11,764,895	\$ 2,761,536	\$ 2,761,536	\$ 6,959,237
Salary and Benefits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Services and Supplies	0	0	0	0	0
Other Charges	866,362	1,159,021	2,761,536	2,761,536	2,761,536
Fixed Assets	0	0	0	0	0
Gross Expenditures	\$ 866,362	\$ 1,159,021	\$ 2,761,536	\$ 2,761,536	\$ 2,761,536
Contingencies	0	0	0	0	0
New Reserves	0	8,590,055	0	0	4,197,701
Total Financing Requirements	\$ 866,362	\$ 9,749,076	\$ 2,761,536	\$ 2,761,536	\$ 6,959,237

Source of Funds



DEPARTMENT COMMENTS

This fund center is a Special Revenue Fund. The road impact fees are collected in eleven 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 \$2,761,536 represent 16 projects that are reflected in the department's FY 2016-17 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:

Project Name	Amount of Fees Allocated
1. Avila Traffic Study	\$5,000
2. Templeton Traffic Study	\$5,000
3. North Coast Traffic Study	\$5,000
4. Nacimiento Traffic Study	\$1,000
5. San Miguel Traffic Study	\$2,000
6. Los Osos Traffic Study	\$1,000
7. Nipomo One Traffic Study	\$5,000
8. Nipomo Two Traffic Study	\$5,000
9. Willow Road Interchange	\$350,536
10. Nacimiento Lake Drive @ Adelaide Left Turn Lane	\$325,000
11. Avila Beach/Hwy 101 Operational Improvements	\$400,000
12. Halcyon Road Widening	\$15,000
13. Halcyon Road/SR1 Arroyo Grande Creek Operational Improvements - Phase I	\$1,000,000
14. Los Berros/Thompson Channel Left Turn Lane	\$100,000
15. Nacimiento Lake Drive @ Chimney Rock Road Left Turn Lane	\$30,000
16. Signal @ Nipomo Street & South Bay Boulevard	\$60,000
Debt Service Payment Due from Templeton Area for Vineyard Drive	\$452,000
Total Fees Allocated	\$2,761,536

COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS

Financial Summary

The recommended budget for FY 2016-17 represents an increase of \$946,756 or 52% compared to FY 2015-16 adopted levels. Due to fluctuations 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. The fee revenue stream had been more stable in years past due to specific development agreements which included fixed payment schedules. However, in FY 2014-15, the department was unable to budget expenses for a number of multi-year projects since revenues did not meet project requirements. In order to ensure adequate funding and continuity of funding is available for multi-year projects, the department funds traffic and capital projects from impact fee reserves.

The debt service payment for the Vineyard Drive interchange in Templeton has been budgeted at \$452,000, the same as previous years. It is not known each year whether the fees collected in this area will be enough to meet the payment amount. Using reserves to make this payment is not permissible, 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 this area exceeds the debt service amount for a given year, the funds will be used to repay the loaned funds, with interest.

Service Level Impacts

Sixteen various traffic projects and studies are recommended for funding compared to eleven last fiscal year. As project needs are studied and improvements planned, funds are then allocated toward construction of the improvements.

Position Allocation List (PAL) Changes

This fund center has no PAL.

BOARD ADOPTED CHANGES

At year end, the final Fund Balance Available was \$4,197,701 because the department funds traffic and capital projects from reserves, revenue received is reflected as Fund Balance Available. As part of the final budget actions, the Board approved an increase in the Road Impact Fee reserves of \$4,197,701.

BUDGET AUGMENTATION REQUESTS ADOPTED

None requested.