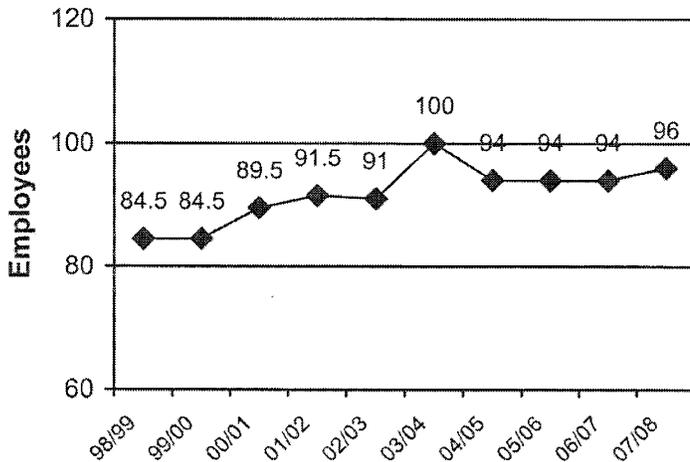


MISSION STATEMENT

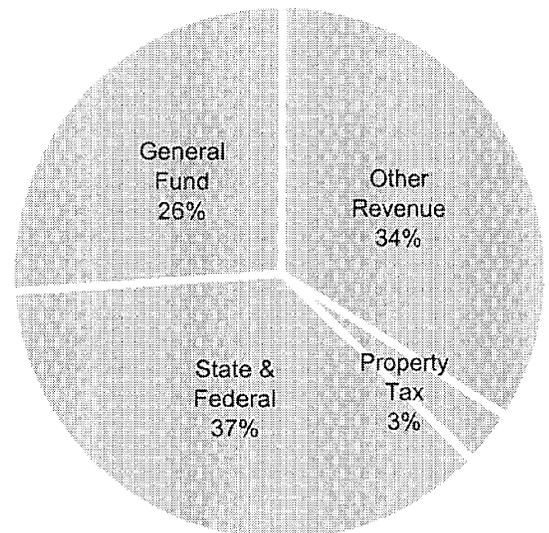
Provide public facilities and services that ensure health and safety and enhance quality of life for the community.

	2005-06	2006-07	2007-08	2007-08	2007-08
<u>Financial Summary</u>	<u>Actual</u>	<u>Actual</u>	<u>Requested</u>	<u>Recommended</u>	<u>Adopted</u>
Revenues	\$ 25,519,970	\$ 37,201,301	\$ 35,185,237	\$ 36,142,963	\$ 36,602,963
Fund Balance Available	\$ 609,125	\$ 66,062	\$ 500,000	\$ 500,000	\$ 750,998
Cancelled Reserves	1,614,391	632,252	900,000	900,000	900,000
Total Financing Sources	\$ 27,743,486	\$ 37,899,615	\$ 36,585,237	\$ 37,542,963	\$ 38,253,961
Salary and Benefits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Services and Supplies	14,868,697	14,585,962	15,076,788	15,335,300	15,335,300
Other Charges	34,654	49,963	524,000	738,214	738,214
Fixed Assets	10,607,277	18,111,586	20,864,397	21,349,397	21,809,397
Gross Expenditures	\$ 25,510,628	\$ 32,747,511	\$ 36,465,185	\$ 37,422,911	\$ 37,882,911
Contingencies	0	0	0	0	0
New Reserves	399,125	1,367,666	120,052	120,052	371,050
Total Financing Requirements	\$ 25,909,753	\$ 34,115,177	\$ 36,585,237	\$ 37,542,963	\$ 38,253,961

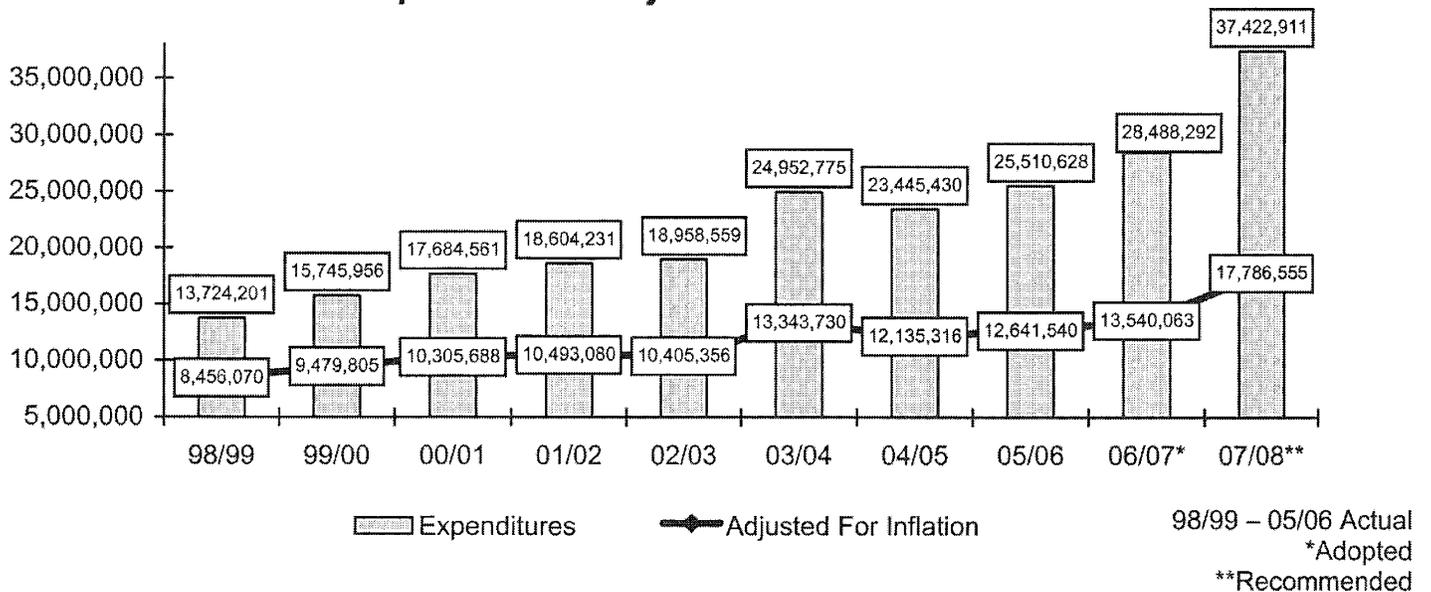
Number of Employees
(Full Time Equivalent)



Source of Funds



10 Year Expenditures Adjusted For Inflation



SERVICE PROGRAM DESCRIPTION

Roads Construction

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

Total Expenditures: \$21,349,397 Total Staffing (FTE): 19.0

Roads Maintenance

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

Total Expenditures: \$16,073,514 Total Staffing (FTE): 77.0

DEPARTMENT COMMENTS

The primary functions of the Road Fund are Construction and Maintenance. Construction related activities include new roads, road reconstruction, new lights and traffic signals, bridges, pedestrian ways and bike paths, drainage improvements, transportation planning, right of way, environmental, encroachment inspections, curb gutter and sidewalk design, and administration. Maintenance related activities include County Road Crew work to maintain these structures as well as the pavement management program on over 1,300 miles of County Roads.

Examples of key accomplishments in the past year FY 06/07

Customer Service –

- Overlaid more than 25 miles of pavement to maintain average pavement condition in the high 60 range which is considered good (61-80) by industry standards (using a 100 point scale).
- Delivered over \$12 million in capital projects to address safety and capacity concerns and began implementation of a \$3 million drainage improvement program to address roads related flooding concerns in several communities.

Internal Business Improvements –

- Implemented an encroachment permit database to improve issuance, tracking and disposition of permits.
- Enhanced maintenance activities to address more stringent environmental regulatory requirements.

Finance –

- Developed a new road impact fee area in San Miguel to mitigate increased development impacts.
- Updated existing road impact fees to match updated cost estimates for capital improvements.

Learning and Growth –

- Trained key staff on maintenance of new Geographical Information Systems (GIS), American's with Disabilities Act (ADA) requirements, and National Pollutant Discharge Elimination System (NPDES) requirements.
- Provided Capital Project Managers with financial training and quality control of consultants which led to more accurate cost figures and helped with improvement in the timeliness of project delivery.

Examples of objectives for the next year FY 07/08**Customer Service –**

- Overlay and/or Chipseal at least 40 miles of roadway to maintain the pavement condition rating in the upper 60 range.
- Deliver over \$15 million in capital projects to address safety and capacity concerns.

Internal Business Improvements –

- Make available a GIS based County road map for county-wide use.
- Improve utility coordination efforts on capital projects to help speed project delivery.

Finance –

- Develop new road impact fee areas in Arroyo Grande fringe to mitigate increased development impacts and study feasibility of fee areas for Paso Robles fringe, Nacimiento and Santa Margarita.
- Explore the conversion of Nipomo fee area into a Mello-Roos Community Facility District (CFD) in order to construct improvements sooner.

Learning and Growth –

- Develop strategies to integrate new technologies such as GIS with other databases (SAP financial system) to accomplish tasks more efficiently.
- Continue training staff on GIS platform.

Key Challenges

- Implementation of (NPDES) requirements. The department is requesting additional staff and equipment to meet the requirements of the Storm Water Management Program.
- The ability to attract and retain staff. The department is implementing succession planning strategies including hiring seasonal help and interns to develop a pool of qualified candidates.
- Long range funding of road maintenance given stagnant revenues and steeply rising construction costs. The department is working towards developing funding upfront as part of development conditions as well as regionally through SLOCOG. We need to explore new methods such as Community Finance District formation, road maintenance districts, or conditioning development to pursue work directly with Caltrans.

COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS

The almost \$9 million (31%) increase in revenue and expenses in the recommended Roads budget is largely driven by an increase in planned capital projects. This level of effort is made possible in part by the recent passage of Proposition 1B by the voters to fund a wide variety of infrastructure projects. The recommended budget proposes to use the \$3.5 million in anticipated revenue from this source to leverage approximately \$8.7 million in State and Federal funding primarily to retrofit various bridges to address safety issues.

The recommended budget includes General Fund support of \$11,476,000 which reflects a decrease of \$1,034,000 (8%) as compared to FY 2006-2007. The primary reason we are proposing a reduction is the one-time augmentation of \$3,000,000 approved by the Board in the FY 2006-2007 budget to fund specific projects to improve drainage capacity during a 25-year flood event.

This recommended General Fund support level includes \$5.9 million to fund the Pavement Management effort; \$400,000 (or 7%) above the \$5.5 million level approved by the Board in the FY 2006-2007 Adopted Budget. Also included are funds to implement storm drain maintenance efforts now required under the terms of the Stormwater Management Plan (a doubling of current efforts) as well as additional funding for critically needed drainage improvements projects including:

Roads

Fund Center 245

Project	Amount
1. Culvert on Yerba Buena from Highway 58 to Santa Margarita Creek to reduce flooding on "F" Street in Santa Margarita	\$350,000
2. Storm drain on Mission Street between 12 th and 14 th Streets in San Miguel	\$100,000
3. Storm drain on Burton Drive between Ross and Ardath in Cambria	\$350,000
4. Additional funding to complete drainage projects in Olde Town Nipomo funded in FY 2006-2007	\$200,000
5. Lower the invert of the inlet on Pomeroy in Nipomo by 2-3 feet to drain storm water runoff from Pomeroy to the County Park site.	\$150,000
Total	\$1,150,000

It is expected that these projects will be completed by late summer or early fall of 2008.

Labor costs associated with this budget total almost \$6.68 million, an increase of \$427,443 (6%) compared to FY 2006-2007. This amount includes a pension rate increase of \$140,659.

In FY 2006-2007, the County received \$1.1 million in unanticipated Proposition 42 revenue from the State as pay back for funds borrowed from the State in prior years. As approved by the Board, this money was set aside in the Pavement Management Reserve to fund the Pavement Management in 2007-2008. The Public Works department proposes to cancel \$900,000 of this amount in reserves to help fund the Pavement Management program. (The remaining \$200,000 has been canceled in FY 2006-2007 to augment the Pavement Management effort in the current year.)

No funding is budgeted from Proposition 42 in FY 2007-2008. Funding from this source is expected to resume in FY 2008-2009 at a level of approximately \$3,000,000 per year, or approximately double the funding levels received in the past.

BUDGET AUGMENTATION REQUESTS RECOMMENDED

Unit Amount	Description	Results
Gross: \$1,150,000 General Fund support: \$1,150,000	Fund major drainage projects to correct existing deficiencies in Santa Margarita, San Miguel, Cambria and Nipomo. (Note – combined with the projects funded in FY 2006-2007, this completes the list of critical drainage projects needed to address existing deficiencies.)	<ul style="list-style-type: none"> ▪ Increase flood event capacity of storm drains and culverts (listed above) from the existing 10-year flood event to 25-year flood event capacity, thus reducing the incidence of flooding in these neighborhoods. ▪ Avoid potential flood claims filed against the County.
Gross: \$378,668 General Fund support: \$378,668 (Also noted in Fund Center 405 – Public Works Internal Service Fund)	2.0 Public Works Worker I/II/III positions and a vacuum truck	<ul style="list-style-type: none"> ▪ Install and maintain 250 filters in existing storm drains. ▪ Inspect and clean all 800 storm drains within urban reserve lines of the county at least 2 times per year to comply with the recently approved Stormwater Management Plan. ▪ Avoid potential fines of up to \$10,000/day for non-compliance Stormwater Management Plan permit.

BOARD ADOPTED CHANGES

The Board adopted changes recommended in the Supplemental Document, increasing expenses and revenues by \$460,000 to reflect the addition of State Transportation Improvement Program (STIP) funds granted to complete enhancements on Mission Street, between 13th and 14th Streets, in the community of San Miguel.

GOALS AND PERFORMANCE MEASURES

Department Goal: Maintain a good quality county-road system.						
Community-wide Result Link: A livable community, a safe community.						
1. Performance Measure: Pavement Condition Rating (PCR) for ALL county roads.						
02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Actual Results	06-07 Adopted	06-07 Actual Results	07-08 Target
64	64	58	70	69	69	69
<p>What: The Board of Supervisors has established the goal of maintaining a PCR for all roads within the unincorporated area of the county at 70 or better, with no one road category falling below a PCR of 60. A 70 PCR is equivalent to a "good" on a grading basis of poor, fair, good, excellent. This rating is determined by a triennial physical review of the road system.</p> <p>Why: To document the status and determine the maintenance needs of the road system to effectively serve the traveling public.</p> <p>How are we doing? In 06/07FY, the Department completed a re-inventory of over 300 miles of field pavement conditions and has paved over 31 miles of road. The resulting overall system condition is at our target; 69. Currently, our arterial roads are doing very well (77) due to the pavement rehabilitation work of the early 2000's. The 535 miles of collector roadways are not in as good a shape (67), with roughly one third below 60 and in need of extensive repairs. We have paved a significant amount of collector roads in the past three years to improve this category. The minor roads have a rating of 68. Many of these subdivision streets in Templeton and Nipomo are at or over twenty years old and we would seek to chip seal these roads in the coming years.</p> <p>We need to maintain a minimum \$6.05 million annual overlay program (in 2007 dollars) to prevent the system rating from dropping below 60 over the next ten years. If the overall rating drops below 60, deferred maintenance will almost double over the next decade and would require infusing twice that annual figure in road rehabilitation to bring the system in to a state of good repair. By maintaining consistent funding, the 1,120 miles of paved roads can be managed cost effectively by attending to 40-50 miles of road each year with less expensive rehabilitation treatments. Prop 42 funds are not allocated this fiscal year and we are looking at a combination of General Fund and reserves to provide the necessary funding level.</p>						
2. Performance Measure: Collisions per 100 million entering vehicles at non-signalized intersection.						
02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Actual Results	06-07 Adopted	06-07 Actual Results	07-08 Target
34	35	35	36	34	34	34
<p>What: Number of collisions per 100 million entering vehicles traveled within the unincorporated area of the county (5-year average).</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? Our collision rate for these intersections has decreased to match the State Highway average of 34. The Department has completed construction of three left turn pockets at intersections of high collision concentration in the past fiscal year. In addition, we have installed a number of all-way stop controlled intersections in the past twelve months to reduce serious intersection collisions. We have identified the intersections requiring significant improvements by conducting an annual safety analysis. Other intersection improvements at these locations are planned for construction in the near term. Safety in this category should improve over the next five years.</p>						
3. Performance Measure: Collisions per 100 million entering vehicles at signalized intersections.						
02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Actual Results	06-07 Adopted	06-07 Actual Results	07-08 Target
48	43	43	42	42	38	40
<p>What: Number of signalized intersection collisions per 100 million entering vehicles within the unincorporated area of the county (5-year average).</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.</p>						

How are we doing? Our collision rate is well below the State Highway average of 50. The Department has modified two signals this fiscal year and will plan on two more in 07-08 to improve safety. These actions should continue to keep overall collision rates low. With increasing traffic volumes, eight additional traffic signals are expected to be installed over the next two fiscal years.

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

02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Actual Results	06-07 Adopted	06-07 Projected Results	07-08 Target
144	143	153	169	150	155	150

What: Number of rural road collisions per 100 million miles traveled within the unincorporated area of the county (5-year average).
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. These are arterial, collector, or local roadways that are located outside the urban reserve lines of the communities.

How are we doing? The Department concentrated on rural traffic controls improvements in the period of 1998 through 2003 and had seen a 20% decline in the collision rate in that time down to 143. While the Department continued these efforts in 2004 and 2005, there was an up swing in collision frequency, particularly along minor roads in the outlying areas in developing areas. Of greatest concern is the number of fatal and severe injury collisions. With increased development in the rural fringe, there is an increase in traffic volumes on narrow country roads which has increased collision exposure.

To counteract this trend, the Department has installed additional flashing beacons at key areas of concern, improved delineations and spot shoulder improvements. These are inexpensive improvements. The Department has also identified locations for significant improvements to road alignment and improved shoulders. The passage of the 1B Transportation Bond in November 2006 could provide over \$ 11 million to the County over the next five years. A potential use of this money could be to address rural road safety and correct existing deficiencies in identified areas of concern. There is currently not adequate funding for these types of improvements from other sources. The Department goal is to drop the collision rate to 130 over the next five years to be in line with State Highway rates.

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

02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Actual Results	06-07 Adopted	06-07 Projected Results	07-08 Target
279	259	249	237	235	230	220

What: Number of suburban road collisions per 100 million miles traveled (5-year average).
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. These roads are located within the urban reserve lines.

How are we doing? We exceeded our target in 05-06 and we expect to continue our trend downward on the collision rate and exceed our target again for 06-07. Suburban roads involve environments with many driveways and turning conflicts, which must be managed to reduce collision rates. Our department has been working on access management through updated standards adopted this past August and adoption of corridor plans on the major thoroughfares as well as working with private development to assure safety. Specific examples include installation of medians on Tefft Street in Nipomo and Los Osos Valley Road in Los Osos. These actions over the next 3-4 years should continue to move us toward the benchmark rate on State Highways of 190.

6. Performance Measure: Bridge sufficiency rating

02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Actual Results	06-07 Adopted	06-07 Projected Results	07-08 Target
90%	92%	90%	91%	92%	90%	90%

What: Percentage of bridges with State assigned sufficiency rating over 50.0 (above 50.0 indicates a bridge is in good repair.)
Why: To review maintenance and funding needs in order to keep the structures in a good state of repair.

How are we doing? Our projected results of 90% slightly miss the adopted goal of 92% for FY 06-07. The shortfall can be attributed to two structures' sufficiency ratings (SR) falling fractionally below the SR indicator of 50. The County has 8 active bridge replacement projects, and progress continues on all of them. Construction on the Turri Road (near Los Osos) bridge replacement project was completed in September 2006. The environmental phase for the two San Simeon Creek Road bridge replacement projects continues. The construction phase for the San Luis Bay Drive (near Avila) and Picachio Road (near Cayucos) bridge replacement projects should begin in the spring/summer of 2007.