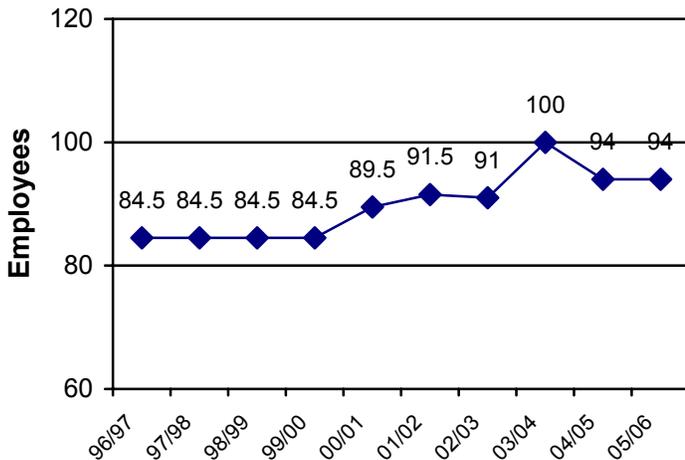


MISSION STATEMENT

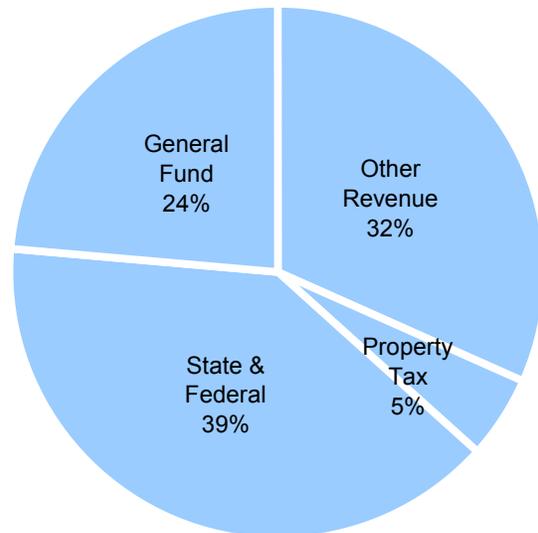
Provide public facilities and services that ensure health and safety and enhance quality of life for the community.

	2003-04	2004-05	2005-06	2005-06	2005-06
<u>Financial Summary</u>	<u>Actual</u>	<u>Actual</u>	<u>Requested</u>	<u>Recommended</u>	<u>Adopted</u>
Revenues	\$ 24,843,535	\$ 21,326,064	\$ 16,927,751	\$ 18,466,921	\$ 17,687,421
Fund Balance Available	\$ 1,277,226	\$ 1,891,294	\$ 300,000	\$ 300,000	\$ 609,125
Cancelled Reserves	197,018	569,076	1,416,623	1,312,453	1,135,953
Total Financing Sources	\$ 26,317,779	\$ 23,786,434	\$ 18,644,374	\$ 20,079,374	\$ 19,432,499
Salary and Benefits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Services and Supplies	11,300,269	15,079,099	18,595,374	20,030,374	14,051,263
Other Charges	111,372	16,940	49,000	49,000	49,000
Fixed Assets	13,541,134	8,349,391	0	0	5,023,111
Gross Expenditures	\$ 24,952,775	\$ 23,445,430	\$ 18,644,374	\$ 20,079,374	\$ 19,123,374
Contingencies	0	0	0	0	0
New Reserves	1,454,036	1,441,294	0	0	309,125
Total Financing Requirements	\$ 26,406,811	\$ 24,886,724	\$ 18,644,374	\$ 20,079,374	\$ 19,432,499

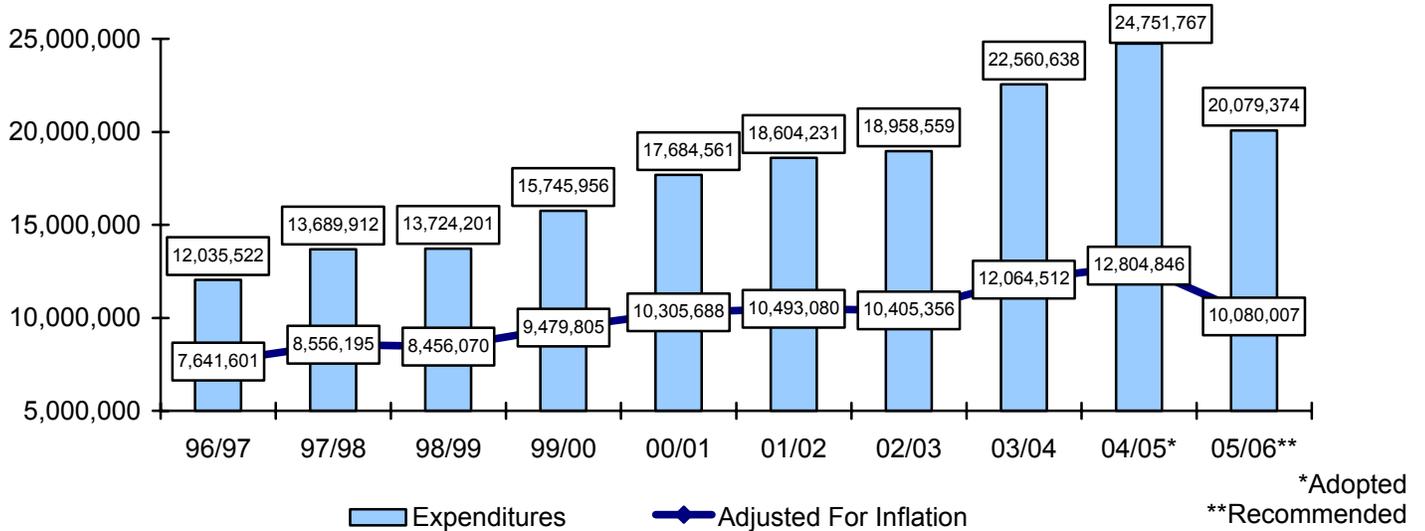
Number of Employees
(Full Time Equivalent)



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: \$5,979,111 Total Staffing (FTE): 19

Roads Maintenance

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

Total Expenditures: \$14,100,263 Total Staffing (FTE): 75

DEPARTMENT COMMENTS

The Roads Budget contains two major expenditure programs: Construction and Maintenance. Construction related activities include new roads, road reconstruction, new lights and 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 road crew work (county forces) and the pavement management program.

The following table summarizes the changes from last year's budget:

Description	Prior Year Budget	Proposed Budget	Dollar Change	Percent Change
APPROPRIATION				
Construction Program Costs:				
Road Construction	11,031,627	3,979,111	(7,052,516)	(63.93)%
County Reimbursements	1,264,050	1,206,263	(57,787)	(4.57)%
Transportation Planning and Other Programs	1,550,556	1,774,000	223,444	14.41%
Total Construction	13,846,233	6,959,374	(6,886,859)	(49.74)%
Maintenance Program Costs:				
Pavement Management	0	2,000,000	2,000,000	100%
County Forces	11,161,144	11,120,000	(41,144)	(0.37)%
Total Maintenance	11,161,144	13,120,000	1,958,856	17.55%
Total Uses	25,007,377	20,079,374	(4,928,003)	(19.71)%
FUNDING				
Construction Funding	9,101,220	3,226,361	(5,874,859)	(64.55)%
Program Specific Revenues	1,090,225	66,000	(1,024,225)	(93.95)%
Discretionary Revenues	9,701,309	9,335,390	(365,919)	(3.77)%
Reserves	814,623	1,716,623	902,000	110.73%
General Fund	4,300,000	5,735,000	1,435,000	33.38%
Total Funding	25,007,377	20,079,374	(4,928,003)	(19.71)%

Appropriation

The overall 2005-06 Road Budget request is 19.71% less than the adopted 2004-05 budget. The request includes provisions for prevailing wage increases on labor, equipment usage and vendor costs. A \$2 million pavement management program is being added back to the budget this year which is one-half the program of previous years. A reduction in the overall pavement condition rating, below the current rating of 58 (fair), will still occur at this funding level, however, the pavement condition will deteriorate at twice the rate if no pavement management program is implemented. The Board adopted pavement condition rating target level is 70. With Board approval of the proposed \$2 million pavement management program and the same level of pavement management expenditures in future years, the pavement condition rating is expected to drop to about 40 (poor) within eight years. Without the annual \$2 million pavement management program, the pavement condition rating will drop to approximately 20 (bad) within the same eight year period. This will result in several miles of currently good road deteriorating beyond the ability to maintain. A complete repair of these roads would be required at over five times the cost. With the proposed pavement management program, the County's goal for the pavement condition rating should be reduced from 70 to 40. Without the program, it should be reduced to 20.

The overall reduction of this budget request is related to the reduction in the construction program. This is due in part to reduced funding sources from the State, in particular the elimination of STIP funding. This program contains multi-year projects in which budget requests from prior years carry over to fund current year efforts.

Funding

The FY 05-06 funding request includes an increase in General Fund support of \$1,435,000 to fund the pavement management program. Approximately \$535,000 of the program will be performed by County Forces maintenance. No

additional General Fund support is requested to fund the inflationary increases to the budget as well as the reduction to discretionary revenues. This results in more cancellation of reserves than prior years to cover these items. While it will be necessary for additional General Fund Support to finance the pavement management program for the next few years, it is anticipated that Proposition 42 revenue will help to offset this need by 2008/09.

RECOMMENDED BUDGET AUGMENTATION REQUEST AND RELATED RESULT

Unit Amount	Description	Results
Gross: \$1,435,000 General Fund Support: \$1,435,000	Reinstate the Pavement Management Program at a \$2 million level.	<ol style="list-style-type: none"> 1. Reduce the degradation of the pavement condition by 50% over an 8-year period. 2. Reduce the cost of deferred maintenance by \$45 million

COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS

The recommended budget includes a \$1,435,000 increase in General Fund Support as compared to the FY 2004/05 Adopted Budget. This brings the total General Fund contribution to \$5,735,000 for the Roads budget. This increase will be used to fund a \$2 million pavement management program in order to slow the deterioration of our county roads. The pavement management program was deferred in the FY 2004-05. The department plans to shift \$565,000 in labor costs from other Maintenance Program efforts to support the pavement management program. No additional positions were requested, however. This increase in General Fund Support also will allow the department to fund the depreciation of equipment (which was put on hold in FY 2004/05).

It is important to note that this increase in General Fund Support is expected to merely slow the deterioration of the condition of county roads, and is not sufficient to improve the current pavement condition rating of 58. The department estimates that a pavement management program of \$10 million per year would be required to achieve the Board's target pavement condition rating of 70.

As the department presented to your Board earlier this year, critical revenue sources that had been used for roads maintenance and construction have declined in recent years. The State Traffic Congestion Relief funds from Proposition 42 continue to be deferred in FY 2004/05 to help the State address its budget crisis. This represents a loss of approximately \$1.3 million to the County, based on past funding levels. This funding could be restored by the State by FY 2008/09 (at the earliest) in the estimated amount of \$3.2 million. State Transportation Improvement Funds (funds that are allocated for specific construction projects) have been eliminated as well. Restoration of this funding is not anticipated in the foreseeable future. The Federal Transportation Efficiency Act funding level appears to be 50% less than the amount budgeted in FY 2004/05, but this is because the County received both the allocation for FY 2003-04 and FY 2004-05 in this past year. The amount reflected for FY 2005-06 (\$578,060) is the annual allocation to the County. Projected Federal revenues for construction are more than \$4,329,000 less than the amount budgeted in FY 2004-05. This is due to the mix of new bridge construction projects proposed for next year, and is not a result of federal funding reductions.

BOARD ADOPTED CHANGES

None.

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.						
00-01 Actual Results	01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04-05 Adopted	04-05 Actual Results	05-06 Target
68	65	64	64	65	58	57
<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? The County has over 1000 miles of paved roads which requires seal coating or overlay of approximately 50 miles each year at an investment of \$6 to \$7 million annually to keep the roads at or above a PCR of 60. The Pavement Management program was suspended in 04/05 due to insufficient funding delaying the needed mileage of overlay to keep the roadways in a good state of repair. While our arterial roadways are in good condition, there are several hundred miles of collector roads in the North County and local residential streets in communities such as Nipomo, Templeton, and Cambria that will need overlay in the next five years. Many of these roads have not been overlaid for the past twenty years and the life cycle of these roadways is reaching their end. In 05/06 we have budgeted \$ 2 million for Pavement Management which will slow the deterioration in pavement condition, not prevent it. We expect the PCR to decline further below 60.</p>						
2. Performance Measure: Collisions per 100 million entering vehicles at non-signalized intersection.						
00-01 Actual Results	01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04-05 Adopted	04-05 Actual Results	05-06 Target
31	33	34	35	32	35	32
<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 is slightly above our adopted target and the state highway average of 34. We have identified the intersections requiring significant improvements and are working on either capital projects or minor improvements to reduce collisions. We expect a slight decrease in this rate next year with the improvements.</p>						
3. Performance Measure: Collisions per 100 million entering vehicles at signalized intersections.						
00-01 Actual Results	01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04-05 Adopted	04-05 Actual Results	05-06 Target
39	43	48	43	45	43	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> <p>How are we doing? Our collision rate is below both our target and the state highway average of 50. With increased travel on our County roads, we will see an increased number of signalized intersections and we continue to monitor operations to ensure safe and efficient operations.</p>						

4. Performance Measure: Collisions per 100 million miles on rural roads.						
00-01 Actual Results	01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04-05 Adopted	04-05 Actual Results	05-06 Target
176	162	144	143	135	153	135
<p>What: Number of rural road collisions per 100 million miles 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. These roads can be arterial, collector, or local described above, but are located outside the urban reserve lines of the communities.</p> <p>How are we doing? After five years of declining collision rates on rural roads and approaching the state highway average of 130, the trend has gone up significantly over the past year. Moreover, the County had 11 fatal collisions which is twice the number seen over the previous five years. Our department is seeking to improve roadside conditions to reduce severity, trim vegetation to provide additional sight distance, and provide more marking of the edge of the roadways as cost effective measures towards moving this rate below 150.</p>						
5. Performance Measure: Collisions per 100 million miles on suburban roads						
00-01 Actual Results	01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04-05 Adopted	04-05 Actual Results	05-06 Target
257	284	279	259	250	249	245
<p>What: Number of suburban road collisions per 100 million miles traveled (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. These roads are located within the urban reserve lines.</p> <p>How are we doing? We continue to trend downward on the collision rate and meet our target, however, the rate still exceeds the state highway average of 190. Suburban roads involve environments with many driveways and turning conflicts which must be managed to reduce collision rates. Our department seeks to work on access management through updated standards and adoption of corridor plans on the major thoroughfares as well as working with private development to assure safety.</p>						
6. Performance Measure: Bridge sufficiency rating						
00-01 Actual Results	01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04-05 Adopted	04-05 Actual Results	05-06 Target
79%	89%	90%	92%	88%	90%	90%
<p>What: Percentage of bridges with State assigned sufficiency rating over 50.0 (above 50.0 indicates a bridge is in good repair.)</p> <p>Why: To review maintenance and funding needs in order to keep the structures in a good state of repair.</p> <p>How are we doing? We have exceeded our adopted target of 88%. The County has 11 active bridge replacement projects and progress continues on all of them. The new River Road bridge in San Miguel became operational in February 2005. Construction began on the Las Pilitas Road bridge in June 2005. We are scheduled to begin construction on the Turri Road and San Luis Bay Drive bridge replacement projects the spring of 2006, pending receipt of the required environmental permits.</p>						