

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Administrative Office	(2) MEETING DATE 9/18/2012	(3) CONTACT/PHONE Leslie Brown – Administrative Analyst 805-781-50155	
(4) SUBJECT Submittal of the Fiscal Year 2011-12 Year End Financial Report.			
(5) RECOMMENDED ACTION It is recommended that the Board of Supervisors: 1. Receive, review, and file the FY 2011-12 Year End Financial Report. 2. Accept cash donations in the amount of \$8,958.27 for Animal Services to fund medical care costs and increased adoption of sheltered animals; 3. Accept cash donations and approve a budget adjustment in the amount of \$66,533.65 from the Library's Gift Trust Fund to the Fund Center 377 - Library operating budget; 4. Accept cash donations in the amount of \$32,444 for Parks; 5. Approve a request from the Health Agency for relief from accountability for Public Health – Public Health Laboratory for uncollectable debt in the amount of \$15,136; 6. Approve a request from the Health Agency for relief from accountability for Public Health – Environmental Health Services for uncollectable debt in the amount of \$52,477; 7. Approve a budget adjustment in the amount of \$4,563 from the Social Services Gift Trust Fund to Fund Center 180 - Social Services Administrative operating budget to purchase special services for children and adults; 8. Approve a budget adjustment in the amount of \$29,400 from California Department of Veterans Affairs Soldier Readiness Program grant funds to Fund Center 186 - Veterans Services, for veteran outreach activities.  Recommendations 2 through 8 require a 4/5 <sup>th</sup> vote.			
(6) FUNDING SOURCE(S) Gift funds Relief of debt* (see report for details)	(7) CURRENT YEAR FINANCIAL IMPACT \$112,500 -\$82,749	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT { } Consent { } Presentation { } Hearing (Time Est. _____) { x } Board Business (Time Est. ___60___)			
(11) EXECUTED DOCUMENTS { } Resolutions { } Contracts { } Ordinances { x } N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A { } 4/5th's Vote Required { x } N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY { } N/A Date _____	
(17) ADMINISTRATIVE OFFICE REVIEW			
(18) SUPERVISOR DISTRICT(S) All Districts -			

# County of San Luis Obispo



TO: Board of Supervisors  
FROM: Administrative Office / Leslie Brown 805-781-50155  
DATE: 9/18/2012  
SUBJECT: Submittal of the Fiscal Year 2011-12 Year End Financial Report.

## Recommendation:

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8. Approve a budget adjustment in the amount of \$29,400 from California Department of Veterans Affairs Soldier Readiness Program grant funds to Fund Center 186 - Veterans Services, for veteran outreach activities.

Recommendations 2 through 8 require a 4/5<sup>th</sup> vote.

## Discussion:

### Overview

This report is intended to provide the Board of Supervisors and the public with an overview of the County's financial performance through the end of Fiscal Year 2011-12. The financial reports presented to the Board for the first three quarters of FY 2011-12 contained exception reporting only (i.e. no mention was made if the financial status of the fund center was as expected at that time). This Year End Financial Report contains an overview of the drivers behind the significant variance between budgeted and actual use of General Fund dollars, as well as a more in depth discussion of unanticipated revenue from the Proposition 172 half-cent sales tax, Roads, and the Public Defender. Also noted is information about fund centers for which significant issues were reported in the FY 2011-12 Third Quarter Financial Report.

The report is divided into eight sections as described in the following report.

### Executive Summary

The overall spending levels and revenue receipts at the end of FY 2011-12 were generally consistent with

prior years. General Fund expenditures were 91% of budget, while General Fund revenues were realized at 97% of budget.

As reported by the Auditor-Controller's Office in today's Board meeting, the actual year-end fund balance available (FBA) for the General Fund was \$31.8 million. This was \$11.1 million higher than the \$20.7 million included in the FY 2012-13 budget. Typically, the two variables that drive FBA are actual revenues compared to budgeted amounts and actual expenditures compared to budgeted amounts. However, a \$7.45 million loan repayment from the Los Osos Sewer project was made in FY 2010-11, which skewed the year-end FBA significantly. See the Auditor-Controller's report for the detailed explanation. FY 2011-12 non-departmental revenues ended the year \$4.8 million (or 3.3%) over adopted levels. Although overall departmental revenue totals fell short of the budgeted amount, the shortfall in revenue was more than offset by savings in departmental expenditures.

In October 2007, your Board implemented a hiring "chill" that limited hiring only to essential positions (i.e., those essential to public health or safety, or funded with outside revenue) as a means to reduce spending. At your Board's direction this hiring "chill" continued in FY 2011-12 and contributed to the positive fund balance at year end.

In October 2009 and again in October 2010, your Board also approved major initiatives for the County's labor program, now known as the "Three Point Plan." These initiatives included: 1) establishing second tier lower pension benefit plans for each bargaining unit, 2) employer and employee cost sharing for any pension rate increases, and 3) elimination of the contractual formulaic approaches to wage setting. Since that time, County staff has achieved these initiatives in labor contracts with all employee groups. As the Human Resources Department reported to your Board on March 6, 2012 (Item 21), the County and employee organizations will now bargain over wages rather than rely on automatic contractual formulaic wage increases and also successfully implemented pension sharing rate increases with all bargaining units. In addition, the County has since implemented a lower second tier pension benefit plan for all but one bargaining unit - the San Luis Obispo County Probation Peace Officer Association (SLOCPPOA) whose contract expires at the end of June 2013 and will open for negotiation at that time.

The implementation of the tier two pension plans will provide significant future savings to the County; estimated to be 15% of salary, or approximately \$25 million annually. In FY 2011-12 the County hired 151 employees into the two tier pension plan, which equates to current annual savings of approximately \$1.03 million. Added to this is an annual savings of approximately \$8 million resulting from the negotiated 50/50 cost share for pension rate increases and cost avoidance of approximately \$8.5 million per year due to the elimination of the contractual formulaic approaches to wage setting. Details of these initiatives and the associated cost savings can be found in the March 6<sup>th</sup> report to your Board (Item 21).

Nearly all County departments ended the year at or below their budgeted level of General Fund support. This contributed approximately \$6.6 million in savings to the General Fund. Ten County departments finished the year \$200,000 or more below their budgeted level of General Fund support. The factors contributing to this savings are described generally in Section One of this report. This report includes both positive and negative financial variances.

The County's "Results Based Decision Making" initiative is the tool used to identify performance measurements, which help to link local government activities and spending to results that benefit the community. In total, there are 221 performance measures. Of these, 46 (21%) of the targets for FY 2011-12 were met, 79 (36%) were exceeded, 86 (39%) were not met, and 10 (4%) did not have data available at the time of this report. These results are consistent with results from the prior year. There are several factors that contribute to actual performance falling short of targeted levels including the impact of the downturn in the economy on the County's staffing resources and work load (which can affect public safety response times, the turnover of the property tax assessment roll, etc.), staff turnover and delays in filling positions due to the hiring "chill", and legitimate "stretch" targets that are challenging to achieve. On the other hand, there are factors that have facilitated exceeding performance targets such as technological advances, a shift in focus of staff on different priorities and the contribution of community volunteers in organizations such as Parks, Animal Services, the Library and others. A more detailed summary of departmental performance can be found in Section 8 of this report. The performance measures for each County department and their FY 2011-12 results can be found on the County's

website:

<http://www.slocounty.ca.gov/Assets/AD/PDF/FY+11-12+Q4+Performance+Measures.pdf?method=1>

and is also available in the Clerk Recorder's Office (Clerk's Filed).

**Other Agency Involvement/Impact:**

All departments contributed to the development of this report. The Administrative Office, Human Resources, and the Auditor-Controller's Office compiled data from departments and other sources for the report.

**Financial Considerations:**

Approval of the recommendations in this report will allow for approximately \$112,500 of gift funds and donations to be accepted on behalf of County departments and transferred to the receiving departments' operating budgets, and the discharge of \$82,749 of bad debt on behalf of County departments.

**Results:**

This report provides the Board of Supervisors and the public with an overview of the County's financial position at the end of Fiscal Year 2011-12.

ATTACHMENTS

cc: Department Heads



# Fiscal Year 2011-12 Year End Financial Status Report

County of San Luis Obispo

## Introduction

In accordance with the Board's adopted policy related to Ongoing Budget Administration, this Year End Financial Report provides an overview of the County's financial position at the end of Fiscal Year 2011-12. The purpose of the Year End Financial Report is to provide the Board and public with a clear view of the County's financial position at year-end, compared to the initial budget and mid-year projections.

The Year End Financial Report begins with an overview of the approach that County staff took in preparing the FY 2011-12 budget. The remainder of the report is organized in following sections:

**Section 1** - an overview of the County's financial position at the end of the fiscal year, as well as brief summaries of noteworthy departmental fiscal and operational issues.

**Section 2** - an update on the 2011 Public Safety Realignment (AB 109).

**Section 3** - an update on the Completed Capital and Maintenance Projects managed by the General Services Agency.

**Section 4** - an update on the Completed Capital and Maintenance Projects managed by the Public Works Department.

**Section 5** - an update on all of the Federal stimulus funding received as of the end of FY 2011-12.

**Section 6** - a listing of all personnel changes approved by the Board of Supervisors during the fourth quarter.

**Section 7** - miscellaneous financial items for the Board's consideration, such as requests from departments for acceptance of gift funds and donations and discharge of bad debt.

**Section 8** - an overview of departmental goals and performance measures - results achieved in FY 2011-12.

### Board Policy: Ongoing Budget Administration

It shall be the responsibility of the County Administrative Officer to submit Quarterly Financial Status Reports to the Board of Supervisors. These reports shall provide a projection of expenditures and revenues, identifying projected variances. They may also include recommendations and proposed corrective actions which may include mid-year reductions.

## Looking Back- Fiscal Year 2011-12 Budget Development:

FY 2011-12 represented year four of the County's (now) "Seven Year Pain Plan" which began in FY 2008-09. Though less challenging than FY 2010-11, the County still faced the predicament of how to close an \$11.4 million status quo budget gap when developing the FY 2011-12 budget. The \$11.4 million gap was closed by implementing the approaches contained in the "Seven Year Pain Plan"— using a combination of short and long-term solutions in an effort to achieve structural balance at the end of seven years. In following with the plan, the FY 2011-12 budget gap was closed using almost \$2.3 million of "short-term" solutions and \$9.1 million of

ongoing expenditure reductions.

“Short-term” solutions included:

- \$1.7 use of the Tax Reduction Reserve
- \$363,450 of reduced spending for maintenance projects
- \$207,834 from the elimination of the General Fund allocation to the Organizational Development fund.

Ongoing expenditure reductions were achieved by reducing the level of General Fund support to departments in accordance with the priorities set by your Board; meeting legal mandates, paying debt service, and public safety (in that order). The General Fund support for the four public safety departments was decreased by 1% - 2% while the General Fund support for most non-public safety departments was reduced by 2% - 5%. One noteworthy exception was the Roads budget, which included a 15% reduction in General Fund support.

However, once the books were closed on the FY 2010-11 budget, the actual General Fund Balance Available was \$4.9 million higher than what had been included in the adopted FY 2011-12 budget. This allowed the Board to partially replenish reserves that had been drawn down over the past four years to balance the General Fund operation budget.

**Status Quo Budget**

A budget that takes current year staffing and program expenditures and costs them out for the next year with no material changes (i.e. inflationary increases only and no increases or decreases to staffing or program levels) and also includes the reduction of grant funded programs and positions in instances where grants are no longer available.

**Section 1: Overview of Financial Position**

The County continued to face fiscal challenges in this fourth year of the economic downturn, though not as difficult as the prior two years. Faced with a \$11.4 million gap moving into FY 2011-12, the County took steps to cut expenditures in the short term (noted above) and continued to implement longer-term solutions aimed at shrinking the structural gap. While learning to operate in the current economic environment has certainly been a challenge, spending levels at the end of FY 2011-12 clearly demonstrated that the County’s efforts to develop a long term solution to the fiscal crisis are paying off.

The table to the right shows the final percentages as compared to the adjusted budget for both expenditures and revenue for all funds and for the General Fund.

<b>Expense &amp; Revenue All Funds Comparison</b>		
	Year End FY 2010-11	Year End FY 2011-12
Expenditures	78%	82%
Revenue Realized	87%	91%
<b>Expense &amp; Revenue Gen. Fund Comparison</b>		
	Year End FY 2010-11	Year End FY 2011-12
Expenditures	91%	91%
Revenue Realized	96%	97%

The summary table on the next page shows the year-end status of all General Fund Departments. Some departments (Health Agency, Social Services, Human Resources and General Service Agency) include more than one fund center which are displayed on the summary table at the agency or departmental level, rather than individually. Internal Service Funds, Enterprise Funds and Special Revenue Funds are not shown, as these Fund Centers maintain their funding

outside of the General Fund.

The total FY 2011-12 savings contributed by General Fund departments/fund centers is more than \$6.56 million below the total adjusted budget amount for General Fund support.

A discussion of the drivers behind the significant overall favorable variance is provided following the summary table. Comments have also been included for higher

than expected Proposition 172 revenue realized, unanticipated Highway Users Tax revenue for Roads, an explanation for the Public Defender's overage, as well as a follow up on other issues that were brought to the Board's attention during third quarter.

<b>Department/Fund Center</b>	<b>2011-12 Budgeted + Adjustments General Fund support</b>	<b>2011-12 Actual + Encumbrances General Fund support</b>	<b>\$ Diff</b>	<b>% Diff</b>
PUBLIC DEFENDER	\$5,078,803	\$5,419,996	\$341,193	7%
DISTRICT ATTORNEY	\$8,692,770	\$8,757,909	\$65,139*	1%
WASTE MANAGEMNT	\$709,064	\$706,848	(\$2,216)	0%
VETERANS SERVICES	\$333,530	\$332,050	(\$1,480)	0%
CONTRIBUTIONS TO OTHER AGENCIES	\$1,492,614	\$1,482,235	(\$10,379)	-1%
MAINTENANCE PROJECTS	\$4,428,870	\$4,392,690	(\$36,180)	-1%
HEALTH AGENCY (5 Fund Centers)	\$17,482,378	\$17,312,426	(\$169,952)	-1%
TREAS-TAX COLL-PUBLIC ADMIN.	\$1,602,460	\$1,585,933	(\$16,527)	-1%
BOARD OF SUPERVISORS	\$1,661,006	\$1,614,930	(\$46,076)	-3%
PLANNING & BUILDING DEPARTMENT	\$6,624,308	\$6,424,065	(\$200,243)	-3%
SHERIFF-CORONER	\$37,442,039	\$36,222,496	(\$1,219,543)	-3%
COUNTY COUNSEL	\$3,797,609	\$3,637,960	(\$159,649)	-4%
GENERAL SERVICES AGENCY (2 Fund Centers)	\$15,817,555	\$15,148,938	(\$668,617)	-4%
COUNTY FIRE	\$11,412,391	\$10,827,626	(\$584,765)	-5%
ASSESSOR	\$8,475,655	\$7,986,023	(\$489,632)	-6%
HUMAN RESOURCES (2 Fund Centers)	\$2,746,961	\$2,584,472	(\$162,489)	-6%
FARM ADVISOR	\$462,152	\$434,146	(\$28,006)	-6%
AUDITOR-CONTROLLER	\$4,094,854	\$3,794,773	(\$300,081)	-7%
SOCIAL SERVICES (4 Fund Centers)	\$7,288,474	\$6,564,584	(\$723,890)	-10%
PROBATION DEPARTMENT	\$8,947,220	\$7,957,689	(\$989,531)	-11%
ADMINISTRATIVE OFFICE	\$1,727,075	\$1,528,582	(\$198,493)	-11%
AGRICULTURAL COMMISSIONER	\$2,121,593	\$1,870,937	(\$250,656)	-12%
GRAND JURY	\$138,038	\$121,261	(\$16,777)	-12%
PUBLIC WORKS SPECIAL SERVICES	\$1,563,990	\$1,371,601	(\$192,389)	-12%
COURT OPERATIONS**	-\$415,295	-\$518,343	(\$103,048)	-25%
CHILD SUPPORT SERVICES	\$36,512	\$25,325	(\$11,187)	-31%

CLERK/RECORDER	\$780,692	\$472,947	(\$307,745)	-39%
EMERGENCY SERVICES	\$171,377	\$93,486	(\$77,891)	-45%
<b>Subtotal</b>	\$154,714,695	\$148,153,585	(\$6,561,110)	-4%
NON-DEPARTMENTAL REVENUES	(\$144,261,909)	(\$149,073,662)	(\$4,811,753)	3%
<b>General Fund Totals</b>	\$10,452,786	(\$920,077)	(\$11,372,863)	

*\*The \$65,139 additional General Fund support required by the District Attorney was the amount needed to fund the unbudgeted overfilled position in that department, and is not considered as an overage. This position was funded from savings provided by the union as discussed below.*

*\*\*The Court Operations budget contributes to the General Fund because revenues generally exceed expenditures required to support court operations, per the Trial Court Funding Act. In FY 2011-12, actual revenue exceeded the amount projected in the budget, resulting in an additional \$103,048 in contribution to the General Fund at year end.*

As the preceding table indicates, a large number of departments were able to realize significant General Fund savings in FY 2011-12. Savings were primarily driven by savings in salaries and benefits accounts due to staff vacancies as a result of the hiring chill. Other factors that contributed to the overall reduction in General Fund support to departments include savings in departmental services and supplies, unanticipated revenue and a budgeted pension rate increase of 0.5% (of approximately \$693,200) that was not implemented. Additionally, the non-departmental revenue actually realized was more than \$4.8 million in excess of the amount included in the FY 2011-12 budget, which contributed significantly to the year-end General Fund savings of almost \$11.4 million.

Following is a discussion on issues of note including the higher than expected Proposition 172 revenue realized, unanticipated Highway Users Tax revenue for Roads, an explanation for the Public Defender's overage, as well as a follow up on other issues that were brought to the Board's attention during third quarter.

### **Unanticipated revenue received in FY 2011-12:**

#### Proposition 172 – Half-Cent Sales Tax for Public Safety

Proposition 172 revenue (the ½ cent sales tax dedicated to Public Safety) is used to partially fund the Sheriff, District Attorney, Probation and County Fire Departments. Prop 172 ended the year \$1,989,554 or 10% higher than budget due to increased spending activity statewide. This unbudgeted revenue contributed to positive year end budget outcomes for three of the four departments that receive these funds, with the biggest impact being felt in the Sheriff's Office, which is allocated two-thirds of this revenue each year. This unanticipated revenue helped offset a shortfall of other revenue sources for the District Attorney, which limited the impact to the General Fund for this budget at year end.

Department	Share	Amount
Sheriff	60%	\$1,196,518
DA	13%	\$265,406
Probation	16%	\$311,764
County Fire	11%	\$215,866
<b>TOTAL</b>	<b>100%</b>	<b>\$1,989,554</b>

Overall the unanticipated Prop 172 contributed approximately \$1.7 million to the unbudgeted Fund Balance Available at year end.

**Department:** Roads  
**Fund Center(s):** 245  
**Unbudgeted Fund Balance:** More than \$1 M  
**Impact to General Fund:** \$0

The Roads fund ended the fiscal year with an unbudgeted Fund Balance Available of \$1,056,718 as a result of unanticipated Highway User Tax (aka "gas tax") revenue. These funds were allocated to the Road

fund's reserves and designations for future Roads projects. A total of \$8,600,000 was budgeted in "gas tax" revenue for FY 11-12. At year end, \$10.2 million was received resulting in this account being 11% over realized. During the third and fourth quarters, approximately \$600,000 of this unanticipated revenue was appropriated to fund Road crews and projects in FY 2011-12, resulting in \$1.03 million in unanticipated revenue in this account.

### **Departments Exceeding the Budgeted Level of General Fund Support:**

Only the Public Defender budget exceeded budgeted General Fund support at the close of FY 2011-12. You will note in the chart above that the District Attorney also required an additional \$65,139. However this is the amount needed to fund the unbudgeted overfilled position in that department. This position would have been laid off had the San Luis Obispo County Employees Association not come forth with a solution to defer a prevailing wage increase of .4% to fund the cost of positions that would otherwise have been laid off at the beginning of the fiscal year.

**Department:** Public Defender  
**Fund Center:** 135  
**Issue:** \$385,000 Revenue shortfall  
**Impact to GF:** \$341,193

The Public Defender budget ended the year \$341,193 or 7% over its adjusted budget for General Fund support due to revenue shortfall of \$385,009 or 53%. This impact on the General Fund is less than what had been projected at the end of the third quarter.

Two funding sources were primarily responsible for this shortfall. The first is revenue from adult defendant reimbursement fees, which ended the year \$206,913 or 63% under budget. This revenue source has been declining as a result of two primary factors: (1) The revision of the fee schedule in 2009, which has resulted in a lower assessed dollar value per case; and (2) the general decline in the crime rate, which has reduced the total number of cases. The FY 2012-13 revenue has been budgeted to reflect the actual revenue trend over the last two years.

The remainder of the shortfall is due to a shortfall in budgeted reimbursement revenue from the State for the defense of crimes committed at the California Men's Colony (CMC) and the Atascadero State Hospital (ASH) and representation of Mentally Disordered Offenders paroled to ASH, which ended the year \$205,829 or 41% under budget. Fewer claims were submitted to the State for reimbursement than were assumed in the budget.

Expenditures ended the year \$43,822 under budget following a third quarter budget adjustment of \$239,440. This adjustment was needed to ensure there would be sufficient spending authority through the end of the year to cover uncontrollable expenses resulting from the major multiple-defendant murder trial currently making its way toward the trial phase.

### Follow-up – Issues Identified in the Third Quarter:

**Department:** Court Operations  
**Fund Center:** 143  
**Savings to GF:** \$103,048

In the third quarter report, staff had projected that this fund center might contribute approximately \$320,000 less to the General Fund at year end than budgeted. However, due to a combination of unanticipated revenue and expenditure savings for court facilities, this fund center ended the year contributing \$103,048 more to the General Fund than had been anticipated in the budget.

As explained in the footnote at the bottom of the table above, the Court Operations budget typically contributes to the General Fund because revenues generally exceed expenditures made to support court operations, pursuant to the Trial Court Funding Act. In FY 2011-12, revenue ended the year slightly higher than budget (approximately \$22,000 overall or 1%) due primarily to better than expected receipts from County Motor Vehicle Criminal Fines, State Penalty Assessments, and Traffic School fees. Total expenditures were \$80,975 (4%) under budget. Court facility payments came in under budget by approximately \$51,760 or 9%, and the balance of the savings (approximately \$29,200 came from lower than budgeted expenditures for blood alcohol laboratory testing.

**Department:** Social Services - Administration  
**Fund Center:** 180  
**Issue:** In Home supportive Services Cost over Budget by approximately \$565,000  
**Impact to GF:** \$0

The Department of Social Services (DSS) ended the year a total of \$723,890 (10%) below its budgeted level of General Fund support due to a combination of significant salary and benefit savings, as well as the receipt of unanticipated revenue.

Despite the significant savings, the Department's costs for In Home Supportive Services (IHSS), which provides domestic and personal care services to elderly, blind and disabled persons, ran higher than budgeted. IHSS expenditures exceeded budgeted levels by approximately \$565,000 (15%) over the budgeted \$3.7 million for the County's share of IHSS costs. The increase was driven by an increase in participant care hours over the prior year.

In the second quarter, the department reported that effective February 1, it was adding an additional step of review to the process for approving increases to authorized IHSS care hours. Under the new process, requests for increased hours now go through a two-step review, which provides an additional check to ensure that increased hours are warranted. In addition, new case authorizations must now be approved by supervisory staff. At the end of the third quarter, the department reported that this new review process had some impact-- reducing the average number of authorized hours per case from a high of 105.9 hours in January to 104.8 hours in March. In the fourth quarter, the average number of authorized hours per case continued to decline, to 104.4 hours in June. Given that the new review process has only been in effect for a few months, it is likely that the impact of these mitigation efforts has not yet been fully realized. The department will continue to provide updates in subsequent quarterly reports.

**Other Information of Note:**

**Department:** Airports  
**Fund Center:** 425  
**Issue:** Reduced revenue due to lower enplanements  
**Impact to GF:** \$0

The Airport ended the year meeting their budget even though expenditures slightly exceeding revenues. The gap between revenue and expense was \$2,234

and was covered with Airport cash balance. The FY 2011-12 adopted budget for the Airport included the plan to use approximately \$17,950 of cash balance. The Airport used \$2,234 of the cash balance, a reduction of \$15,716 from the planned amount. The number of commercial air service passenger enplanements is major driver of Airport revenues. Although commercial enplanements and related revenue decreased, the Airport was able to control expense and minimize the impact to the overall Airport fiscal situation.

The following table shows enplanement numbers from FY 2007-08 to the present along with annual percentage change in enplanements.

Enplanements	Q1	Q2	Q3	Q4	Cumulative	% Change
2007-08	51,343	48,784	38,794	43,364	182,285	
2008-09	42,697	32,566	26,866	30,619	132,748	-27%
2009-10	32,968	30,873	27,645	33,666	125,152	-6%
2010-11	36,301	36,128	30,496	36,984	139,909	12%
2011-12	35,631	34,493	30,185	33,935	134,244	-4%
2011-12 vs. 2010-11 % change	-1.8%	-4.5%	-1.0%	-8.2%	-4.0%	

Although enplanements and Airport revenues show a slight decrease, the overall fiscal health of the Airport has improved from the 2008-09 and 2010-11 fiscal years. Maintaining and expanding commercial air service is essential to improving the Airport's fiscal position. Airport Services used a conservative slow-growth model for the FY 2012-13 budget. Given this conservative forecasting approach, the current level of enplanements is not anticipated to adversely impact the FY 2012-13 budget.

**Section 2: Update on Implementation of 2011 Public Safety Realignment**

This section provides an update on the implementation of the 2011 Public Safety Realignment Plan approved by the Board of Supervisors on October 11, 2011.

**Background**

On April 4, 2011, Assembly Bill (AB) 109 was signed into law. As of October 1, 2011, this bill transferred responsibility for incarcerating or supervising certain offenders from the State to counties.

**AB 109 Offenders Received by the County**

AB 109 re-assigned three groups of offenders previously served through the state prison and parole system to local jurisdiction in three ways, beginning October 1, 2011:

1. *Post-Release Community Supervision (PRCS).* These are non-violent, non-serious, non-sex offenders who have completed their term in state prison and are released on parole. They now spend up to three years under the supervision of the County Probation Department instead of CDCR’s parole division. Offenders in this category may have had prior convictions for violent or serious crimes. PRCS offenders who violate the terms of their release and have their status revoked by Probation serve their commitments in county jail.
2. *New Convictions or “N3s.”* These are offenders convicted of non-violent, non-serious, non-sex offender (N3s) crimes. These sentences are now served in county jail instead of state prison. Offenders in this category cannot have had prior convictions for violent or serious crimes.
3. *New Commitments for State Parolees.* Parolees who were released before October 1, 2011 or who are not eligible for PRCS continue to be supervised by the CDCR. Offenders in this category who violate the terms of their release and have their parole revoked by CDCR now serve their commitments in county jail instead of state prison.

The table below compares the number of offenders received by the County through the end of June 2012 in each of these three categories to the number of offenders that were originally projected: PRCS, New Crimes (N3s), and State Parolees. The projections shown were based on numbers provided by the California Department of Corrections and Rehabilitation (CDCR) in August of 2011, and were included in the AB 109 Implementation Plan approved by the Board in October 2011.

**Post Release Community Supervision (PRCS)**

Community Supervision - PRCS							
		Q2		Q3		Q4	
		Projected	Actual	Projected	Actual	Projected	Actual
PRCS received in since Oct 2011		95	105	117	147	171	168

The number of Post Release Community Supervision (PRCS) offenders released to the County Probation Department was tracking closely at the end of the year with the estimates provided by the State last year before AB 109 went into effect last October. A total of 159 were under the Supervision of the Probation Department at the end of June 2012.

## Jail Time AB 109 Offender Population – Quarterly Snapshot (as of end of June 2012)

### Jail Time - New Crimes Sentenced

	Quarter 2		Quarter 3		Quarter 4	
	Projected	Actual	Projected	Actual	Projected	Actual
New crimes sentenced (N3s)	55	67	61	83	65	106

### Jail Time - Revocations

	Quarter 2		Quarter 3		Quarter 4	
	Projected	Actual	Projected	Actual	Projected	Actual
PRCS with revocations	NA*	9	NA	19	NA	25
State parolees with revocations	NA	52	NA	86	NA	58
TOTAL	9	61	9	105	9	83

\*Projections based on CDCR data were only available in the aggregate.

### Jail Time - TOTAL (New Crimes and Revocations)

	Quarter 2		Quarter 3		Quarter 4	
	Projected	Actual	Projected	Actual	Projected	Actual
Offenders to Jail under AB 109	64	128	70	188	74	189

As of the end of June 2012, 106 offenders were serving time in County jail for new crimes that they would have served in state prison prior to AB 109. Of these, only 4 were serving a “split sentence” in which the judge has order a portion of the time be served outside the jail under the supervision of the Probation Department, with the provision that conditions are met, such as participation in treatment or programs. Since October 2011 when AB 109 was first implemented, only 14 split sentences have been handed down. These types of sentences so far have accounted for only 8% of all AB 109 jail sentences.

PRCS or State Parole revocations continue to make up a significant portion of the AB 109 population in the jail. Of the 189 in jail at the end of the year, 25 (13%) were PRCS offenders and 58 (31%) were State Parolees. This portion of the AB 109 offender population has been the most unexpected. Projections made last year based on estimates provided by the state have proven to be far off the mark, as seen the estimated numbers for “Jail Time - TOTAL” table above.

### Program Implementation Status

The following table shows the year end status of each of the 14 programs in the 2011 Public Safety Realignment Implementation Plan approved by the Board in October, at the end of April 2011.

PROGRAM	DEPARTMENT	STATUS
<b>1. Offender Housing (Jail)</b>		
Remodel Jail Modular Housing (add 48 beds)	Sheriff	Completed
Add Jail Correctional Staff	Sheriff	Implemented
Expand Home Detention Program	Sheriff	Implemented
Add Mental Health Therapist at Jail	Health Agency	Implemented
Add Jail Medical Care Services	Health Agency	Implemented

<b>2. Offender Supervision</b>		
Post-Release Community Supervision (PRCS) Program	Probation	Implemented
Electronic Monitoring Program	Probation	Initial deployment begun in February. In use as needed
Pre-Trial Services	Probation	Not Implemented. Will be reprogrammed in updated Plan.
<b>3. Offender Treatment &amp; Programming</b>		
Collaborative Reentry Program	Health Agency	Implemented
Jail Treatment Program	Sheriff	Not Implemented. Will be reprogrammed in updated Plan.
Cognitive Behavioral Program	Probation	Began in May
Day Reporting Center	Probation	Not Implemented. Will be reprogrammed in updated Plan.
Community-Based Drug & Alcohol Treatment	Health Agency	Implemented
Sober Living Program	Health Agency	Implemented

A total of \$4 million is included in the adopted FY 2012-13 budget to continue implementation of the programs approved by the Board in the 2011 Public Safety Realignment Plan approved by the Board of Supervisors last October. The FY 2012-13 State budget includes approximately \$1.1 million in additional funding for AB 109 programs, above what was included in the adopted budget.

Through the Community Corrections Partnership (CCP) Executive Committee, the Board's advisory body for AB 109 planning, County departments are working on a revised Plan that will include allocation of this funding. The Committee plans to bring this plan to the Board sometime in October 2012. As part of this revision, the funding for three programs included in the original plan and the FY 2012-13 adopted are being reprogrammed. These programs are the Jail Treatment Program, the Day Reporting Center, and Pre-Trial Services. The intent of this change is to provide greater and more cost effective services to the AB 109 offender population, which will in turn contribute to a reduction in overall recidivism.

A total of \$1,843,957 of AB 109 revenue was received through June of FY 2011-12, plus \$150,000 of one-time startup funding, for a total of \$1,993,957. Of this, a total of \$1,966,380 or approximately 91% of the budgeted amount of \$2.2 million was expended through the end of the fiscal year. As noted above, three programs with budgeted AB 109 funding were not implemented. A portion of this expenditure savings totaling \$141,892 was shifted to the Law Enforcement Medical Care Program in the Health Agency during the year to cover jail medical expenses, which have increased substantially since AB 109 was implemented. At year end \$27,577 of unexpended revenue remained in the AB 109 trust fund.

**Budget vs. Actual:**

	Revenue	Expense	Savings
FY 11-12 Budget	2,200,000	2,200,000	-
FY 11-12 Actual	1,993,957	1,966,380	(27,577)

In order to ensure sufficient revenue would be available to meet counties' AB 109 allocation in

the first year of implementation, the State set the funding year for FY 2011-12 to include July and August of 2012. These two months normally follow the end of the fiscal year. The inclusion of these two months means that counties are expected to estimate and accrue these two additional months at the close each fiscal year, which ends June 30. Since San Luis Obispo County received revenue through June 30 that was sufficient to cover all AB 109 expenses, this funding did not need to be accrued to FY 2011-12. These two months of funding will instead be counted as part of FY 2012-13, which coincides with the actual fiscal year. The effect of not needing to accrue July and August at the end of this first year of AB 109 implementation means the County will be in the fortunate position in every future year of not needing to rely each year - in perpetuity - on the accrual of revenue that has not yet been received.

### Section 3: Update on Completed Capital and Maintenance Projects Managed by General Services

#### I. Fiscal Year 2011-12 Capital and Maintenance Projects Highlights

- The Completed Capital Projects report identifies a total of 6 capital projects being completed in FY 2011-12. The total amount budgeted to complete the 6 projects was \$9,124,237 and the actual amount expended totaled \$8,372,662, or 92% of the budgeted funding for the projects. No planned capital projects were cancelled during the year.
- The Completed Individual Maintenance Projects report identifies a total of 3 maintenance projects completed in FY 2011-12. The total amount budgeted to complete the 3 projects was \$255,833 and the actual amount expended totaled \$254,991 or just under 100% of the budgeted funding for the projects. No planned individual maintenance projects were cancelled during the year.
- The Completed Countywide Maintenance Projects report displays a total of 30 projects for FY 2011-12. The total amount budgeted to complete the 30 projects was \$642,950 and the actual amount expended totaled \$545,950 or 85% of the budgeted funding for the projects. No planned Countywide Maintenance projects were cancelled during the year.

See the tables that follow this narrative for details.

#### II. Capital Projects Fund Center 230

- Golf Courses – Morro Bay – New Modular Office

This project replaced a modular structure which was used as an office for the Morro Bay Golf Course staff. The structure had exceeded its lifespan and exhibited rotted wood framing and other potential hazards.

Final Cost - \$46,296      Funding Source - Risk Management Loss Prevention Fund.

- Probation – SLO – Construct Unisex Americans with Disabilities Act (ADA) Restroom at Casa Loma in San Luis Obispo

Construction of an ADA compliant unisex restroom and remodel of the public lobby provided public sanitary facilities, security screening into secure areas, and ballistic protection for staff at Probation's Casa Loma facility. Previously, public accommodations were only accessible through secured areas. The completion of this project provides a safe and effective means of providing necessary sanitation facilities to the public and a higher level of protection for staff.

Final Cost \$109,906      Funding Source – General Fund

- Parks – Atascadero – Construct Heilmann Park Maintenance Facility

Construction of the new Parks maintenance facility at Heilmann Park in Atascadero provided maintenance support for park and recreational areas from Atascadero, north to San Miguel and Vineyard Estates, and east to Shandon, conformed to the Americans with Disabilities Act requirements by providing accessible parking, building access, and accessibility within the facility, replaced the existing Parks facility serving the North County that consists of a mobile trailer located in the parking lot of the Atascadero Medical Clinic, with a new 2,085 square foot facility.

Final Cost \$546,807      Funding Source – Parks Public Facility Fees

- Parks – Avila – Bob Jones Trail Extension (San Miguel St to Front St) Avila Beach

This project completed another section of the Bob Jones Trail, from San Miguel Street to First Street in Avila Beach. Currently, approximately 100,000 people use the bike trail throughout the year. This phase of construction provides a signalized intersection at Avila Beach Drive and First Street, providing increased safety for the trail user.

Final Cost \$755,441      Funding Source – Parks Public Facility Fees and grant funds

- Airports – SLO – New Terminal Aircraft Parking Ramp

Construction of the Aircraft Parking Ramp completed the airside portion of our Master Planned Terminal Program, reducing the modifications to Federal Aviation Administration (FAA) standards currently in place. This project also resulted in increased margins of safety for the airlines for more efficient aircraft ground movements and more efficient passenger service for residents and visitors.

Final Cost \$6,469,691      Funding Source – Federal Aviation Administration grant funds and Airport Enterprise Funds

- Public Works – County Operational Center – Upgrade Waterline to New Women’s Jail

This project replaced approximately 1,700 feet of existing waterline with 10” pipe from the Chorro Creek utility bridge to the proposed new Women’s Jail facility. The increased waterline size will accommodate the fire flows required by the expansion of jail facilities.

Final Cost \$441,521      Funding Source – General Fund

### **III. Maintenance Projects - Fund Center 200**

- Gen Govt – American Recovery Reinvestment Act (ARRA) – Community Development Block Grant (CDBG) – Arroyo Grande Vet’s Hall Restrooms ADA

This project renovated existing men’s and women’s restrooms to comply with ADA regulations. Construction included removal of asbestos containing material and electrical work. This project was funded in large part through funding from the ARRA and CDBG funds administered by HUD.

Final Cost - \$85,005      Funding Source – ARRA and CDBG funds

- Library – SLO – Remodel Circulation Desk/Self-Checkout

Reconstruction of the Checkout area of the SLO City/County Library accommodated new self-checkout equipment modernizing the checkout process.

Final Cost \$132,894      Library funds

- Public Works – County Operational Center – Water Quality Lab Improvements

Renovation of the Public works Lab included replacement of lighting with energy efficient lamps and ballasts, replacement of aging ceiling insulation, reorganization of storage and temporary air conditioning.

Final Cost \$37,092      Funding Source – Public Works funds

### **IV Countywide Maintenance Projects**

- 30 Projects Completed

**FY 2011-12 COMPLETED CAPITAL PROJECTS**

<b>Title</b>	<b>Completed Comments</b>	<b>Amount Funded</b>	<b>Final Cost</b>	<b>% Expended</b>	<b>Funding Source</b>
Golf Courses - Morro Bay Golf Course - New Modular Office	Project replaced a seriously dilapidated modular used as an office by Morro Bay Golf Course staff. The project was funded entirely by the Risk Management Loss Prevention Fund.	\$46,700	\$46,296	99%	Risk Management Loss Prevention Funds
Probation - SLO - Construct Unisex ADA Restroom at Casa Loma Facility	Project constructed ADA compliant unisex restroom and remodel of the public lobby provided public sanitary facilities, security screening into secure areas, and ballistic protection for staff at Probation's Casa Loma facility.	\$120,900	\$109,906	91%	General Fund
Parks - Atascadero - Construct Heilmann Park Maintenance Facility	Project provided maintenance support for park and recreational areas from Atascadero, north to San Miguel and Vineyard Estates, and east to Shandon, conformed to the Americans with Disabilities Act requirements.	\$799,000	\$546,807	68%	Parks Public Facility Fees
Parks - Avila - Bob Jones Trail Extension (San Miguel/Front St) (see 320022)	Project extended approximately ¼ mile of the Bob Jones Bike Trail from existing termination at San Miguel along the Avila Bay golf Course and created a signalized intersection at Avila Bay Drive and Front St.	\$852,000	\$755,441	89%	Parks Public Facility Fees and grant funding
Airports - SLO - New Terminal Aircraft Parking Ramp	Project constructed a concrete aircraft parking ramp to accommodate larger aircraft at the location designated by the Airport Master Plan for the future Terminal.	\$6,481,637	\$6,469,691	100%	FAA Grant and Airport Enterprise Funds

Title	Completed Comments	Amount Funded	Final Cost	% Expended	Funding Source
Public Works-Operations Center-Upgrade Waterline to New Women's Jail	Project installed new 10" waterline from Chorro Creek utility bridge to the new Women's Jail facility to accommodate increased use and fire flows.	\$824,000	\$444,521	54%	General Fund
<b>TOTAL</b>		<b>\$9,124,237</b>	<b>\$8,372,662</b>	<b>92%</b>	

**FY 2011-12 COMPLETED MAINTENANCE PROJECTS**

<b>Title</b>	<b>Fund Category</b>	<b>Completed Comments</b>	<b>Allocated Funding</b>	<b>PD Final Cost</b>	<b>Difference Actual - Estimated Cost</b>	<b>% of Allocated Funding Expended</b>
General Government - ARRA - CDBG - Arroyo Grande Vets Hall Restrooms ADA (see 350010.09 & 350071.05)	COMMUNITY SERVICES - MAINT	Project renovated existing men and women's restrooms at the Arroyo Grande Veterans Hall to comply with current ADA regulations.	\$85,033	\$85,005	-\$28	100%
Library - SLO - Remodel Circulation Desk/Self Checkout	LIBRARY - MAINT	Project reconfigured circulation desk to accommodate new self-checkout equipment.	\$133,600	\$132,894	-\$706	99%
Public Works - Operations Center - Water Quality Lab Improvements	PUBLIC WORKS - MAINT	Project retrofitted lighting with energy efficient ballast and lamps, replaced aging ceiling insulation, reconfigured storage, and provided air conditioning.	\$37,200	\$37,092	-\$108	100%
<b>Total</b>			<b>\$255,833</b>	<b>\$254,991</b>	<b>-\$842</b>	<b>100%</b>

**COMPLETED COUNTYWIDE MAINTENANCE PROJECTS**

<b>Title</b>	<b>Year Funded</b>	<b>Estimated Cost</b>	<b>PD Final Cost</b>	<b>Difference Actual - Estimated Cost</b>	<b>% of Estimated Cost Expended</b>
Countywide Maintenance Projects-Sheriff - COC - HF Electrical Panel Evaluation	2011/2012	\$10,000	\$10,608	\$608	106%
Countywide Maintenance Projects-Agricultural Commissioner - SLO- Repair Sierra Way Stair Landing	2011/2012	\$23,500	\$9,161	-\$14,339	39%
Countywide Maintenance Projects-Health-SLO-Replace Health Campus Annex HVAC	2011/2012	\$29,000	\$22,418	-\$6,582	77%
Countywide Maintenance Projects-Sheriff-COC-Replace Detective Bldg. Gutters	2011/2012	\$18,900	\$6,671	-\$12,229	35%
Countywide Maintenance Projects-GSA-IT-COC-Repair Kansas Ave Fiber Optic	2011/2012	\$5,000	\$4,756	-\$244	95%
Countywide Maintenance Projects-Health-SLO-Replace Inpatient MH Patio	2011/2012	\$18,000	\$13,782	-\$4,218	77%
Countywide Maintenance Projects - General Government - SLO - Courts ADA Accessible Entry Signs	2011/2012	\$3,100	\$3,058	-\$42	99%
Countywide Maintenance Projects - GSA-IT - Cuesta Peak - Replace Communication Vault Roof	2011/2012	\$3,500	\$3,221	-\$279	92%
Countywide Energy and Water Conservation - Sheriff-COC-Install Honor Farm Water Meter	2011/2012	\$3,500	\$2,592	-\$908	74%

Title	Year Funded	Estimated Cost	PD Final Cost	Difference Actual - Estimated Cost	% of Estimated Cost Expended
Countywide Energy and Water Conservation - General Government - Templeton - Install Solar Powered LED Sign Lighting	2011/2012	\$5,000	\$3,956	-\$1,044	79%
Countywide Maintenance Projects - Gen Government - SLO - Replace NGC Rollup Parking Grille	2011/2012	\$15,000	\$11,691	-\$3,309	78%
Countywide Maintenance Projects - Sheriff - COC - Replace Intake Release Center HVAC Burner Manifold	2011/2012	\$25,000	\$8,954	-\$16,046	36%
Parks - Central County - Park Maintenance - Oceano - Community Park Playground Safety Improvements	2010/2011	\$10,000	\$1,698	-\$8,302	17%
Countywide Maintenance Projects - Paso Robles - Replace Water Service Line	2010/2011	\$25,500	\$25,080	-\$420	98%
Countywide ADA Compliance - General Government - Various Locations - ADA Transition Update	2008/2009	\$30,000	\$28,798	-\$1,202	96%
Countywide ADA Compliance - Sheriff - County Operations Center - Construct Main Jail ADA Compliant Shower	2009/2010	\$66,200	\$63,320	-\$2,880	96%
Countywide ADA Compliance - Sheriff - County Operations Center - Construct Main Jail ADA Compliant Cell	2009/2010	\$68,700	\$68,523	-\$177	100%
Countywide Energy and Water Conservation - Health - Atascadero - Install Window Tint	2011/2012	\$3,500	\$2,940	-\$560	84%
Parks - North County - Park Maintenance - San Miguel - Replace Pool Controller	2011/2012	\$6,000	\$0	-\$6,000	0%

Title	Year Funded	Estimated Cost	PD Final Cost	Difference Actual - Estimated Cost	% of Estimated Cost Expended
Countywide Department Relocations - Planning - SLO - Install Operable Conference Room Windows	2011/2012	\$6,250	\$6,207	-\$43	99%
Countywide Maintenance Projects - Nipomo - Replace Senior Center Roof	2011/2012	\$20,000	\$15,855	-\$4,145	79%
Countywide Maintenance Projects - COC - Repair Honor Farm Sewer	2011/2012	\$58,000	\$56,812	-\$1,188	98%
Countywide Maintenance Projects - Probation - Repair Juvenile Services Center Waterline	2011/2012	\$25,000	\$15,351	-\$9,649	61%
Parks - North County - Park Maintenance - Creston Pool Upgrade Contribution to Atascadero Unified School District	2009/2010	\$20,000	\$20,000	\$0	100%
Countywide ADA Compliance - Arroyo Grande - Construct Arroyo Grande Vets Hall Restrooms ADA (see 350086 & 350010.09)	2010/2011	\$35,000	\$34,557	-\$443	99%
Countywide Maintenance Projects - COC - Sheriff - Replace Honor Farm Storage Containers	2010/2011	\$60,000	\$57,388	-\$2,612	96%
Countywide Maintenance Projects - COC - General Government - Remediate Asbestos at Old Muni Court Storage	2010/2011	\$17,000	\$16,874	-\$126	99%
Countywide ADA Compliance - SLO - Library - Construct ADA Compliant Circulation Desk	2011/2012	\$14,500	\$14,175	-\$325	98%
Parks - North County - Park Maintenance - Templeton - Resurface Tot Pool	2011/2012	\$9,000	\$8,480	-\$520	94%

Title	Year Funded	Estimated Cost	PD Final Cost	Difference Actual - Estimated Cost	% of Estimated Cost Expended
Countywide Maintenance Projects - SLO - Department of Social Services - Program System wide FOBs	2011/2012	\$8,800	\$8,724	-\$76	99%
<b>TOTAL</b>		<b>\$642,950</b>	<b>\$545,650</b>	<b>-\$97,300</b>	<b>85%</b>

## Section 4: Update on Completed Capital and Maintenance Projects Managed by Public Works

### I. Fiscal Year 2011-2012 Capital & Maintenance Projects Highlights

- 20 Capital Projects were completed. Expenditures totaled \$13,581,839 or 93% of Amended Funding.
- The Department received the following awards:
  - 2012 OCEA (Outstanding Civil Engineering Achievement) Award of Merit, Nacimiento Water Project, presented by American Society of Civil Engineers
  - 2011 Outstanding Water Conveyance Project, Nacimiento Water Project, presented by American Society of Civil Engineers, Region 9
  - 2012 Project of the Year Award-Honorable Mention, Transportation Projects \$2 - \$10 Million, Willow Road Extension Phase 1, presented by American Public Works Association, California Central Coast Chapter
- 29 Major Maintenance Projects were completed. Expenditures were \$2,676,473 or 100% of Amended Funding.

### II. Innovations & Major Projects

- **San Simeon Creek Bridges**

This project provided the replacement of two bridges on San Simeon Creek Road, near Cambria. These bridges were determined by Caltrans to be structurally deficient and functionally obsolete. As these bridges provided the only access to properties along the road, it was an imperative that the bridges be replaced. Funding for these projects came from the Federal Highway Bridge Program (HBP), Federal Toll Bridge Account and the Road Fund.

- **Asphalt Concrete Overlay 2011 Pomeroy and Willow Roads, Nipomo**

The project provided for a pavement overlay on Pomeroy and Willow Roads in Nipomo for a total of approximately 3.6 miles. Both roads serve as key arterial routes in the Nipomo area. Funding for this project was provided by Proposition 1B and the Road Fund.

- **Salinas Dam Booster Pump Station Upgrade Project**

The project provided for the complete implementation of the following upgrades and improvements: replacement of existing pumps and motors with premium efficiency pumps and motors, replacement of steel piping, valves and appurtenances, replacement of the existing surge tank with a new 4,000 gallon surge tank, replacement of the existing electrical transformers, motor control center and other electrical equipment, and replacement of existing manual pump controls with a new Supervisory Control and Data Acquisition (SCADA) system to allow remote control and monitoring of the entire Salinas Dam distribution system. Construction of these improvements and upgrades will greatly prolong the life of the Booster Station and will provide for safe, reliable and efficient operations. Funding was provided by the Salinas Dam budget.

- **Water Storage Tank Replacement, Santa Margarita**

This project provided for the replacement of the old welded steel water tank with a new 500,000 gallon welded steel water tank for storage, as well as waterline and access road improvements. These improvements now provide greater efficiency and flexibility for the operational needs of County Service Area 23, Cal Fire, and Santa Margarita Fire Department. Funding provided through a United States Department of Agriculture grant and rate payers.

- **Ferrasci Road Fish Passage at Santa Rosa Creek, Cambria**

This project removed a significant existing impediment to fish habitat on Santa Rosa Creek and provided continuation of access to the existing agricultural properties. Construction funding was provided from a grant by the California Wildlife Board.

- **Santa Rosa Creek Road Slip-Out Repair**

The project provided for reconstruction of Santa Rosa Creek Road above Rocky Creek and approximately 0.9 miles north of State Highway 46. Creek flows had eroded the slope adjacent to the roadway. The road serves as a primary point of access for properties in the area. Funding for this project came from the Road Fund-Maintenance budget.

- **Waterline Improvements Along Kansas Avenue for County Jail Expansion**

The project upsized approximately 2,000 linear feet of existing 6-inch diameter steel pipeline to 10-inch, and 8-inch diameter PVC pipeline between locations of the existing Chorro Creek utility bridge to the existing jail along Kansas Avenue, in San Luis Obispo. Funding for this project came from the Facility Planning Reserves and the Building Replacement Reserves in the Capital Project Fund.

- **Mission Street Enhancements, Phase III, San Miguel**

This project installed street improvements, street lighting, benches, landscaping, and other improvements, consistent with the previously approved San Miguel Community Design Plan, along the west side of Mission Street between 11th and 12th Streets. Funding was provided through San Luis Obispo Council of Governments discretionary enhancement funds.

- **North Main Street Bicycle Enhancements, Templeton**

This project closed a significant gap in Class II Bike Lanes between the City of Paso Robles and Templeton. The completed project has provided Class II Bike Lanes on Theater Drive between the Paso Robles city limits and the Main Street interchange, reducing vehicle trips and creating a safer, greener and more livable community. This project was funded by the Energy Efficiency and Conservation Block Grant (EECBG) and the Road Fund.

- **Installation of a Traffic Signal on Avila Beach Drive at First Street in Avila Beach**

The project consisted of the installation of a traffic signal at the intersection of Avila Beach Drive and First Street in Avila Beach. The project was undertaken concurrent with the Parks Department construction of the Bob Jones Trail Extension from San Miguel Street to First Street. The two projects provide an enhanced crossing for pedestrians and bicycles as well as improved vehicle circulation. Funding was provided from Diablo Canyon Steam Generator Mitigation Account.

- **Bridge Deck Seals for Various County Bridges, 2011**

This project consisted of seal coating eleven bridge decks throughout the County with an epoxy resin and replacing joint seals at one bridge. The seal coating penetrates small cracks and lengthens the life of each bridge. Replacing the joint seals will prevent water leaking and accumulation of debris at the bridge joints and will protect the structural integrity of the bridge. Funding was authorized under the Federal Highway Bridge Program.

- **Chlorine Dioxide Generation System**

This project provided for the purchase and installation of a chlorine dioxide generation system to be used as the primary disinfectant system for the Lopez Water Treatment Plant. This project was funded by Flood Control Zone 3 Billings.

- **Nacimiento Shores Road Repairs and Chip Seal 2011**

This project provided for repair and chip seal on Nacimiento Shores Road from the south end of Bee Rock Road to the gated community of Oak Shores. This road serves as an emergency access route for the community of Oak Shores. Funding was authorized under County Service Area 7B.

- **Fiber Optic Pull Box Modification**

The project consisted of fortification of approximately 170 pull boxes that provide access to fiber optic lines utilized for control of the Nacimiento Water Project (NWP) and general County Informational Technology Department communications. Funding for this project was provided by the Nacimiento Water Operating Fund.

- **Americans with Disabilities Act (ADA) Ramp Construction 2011**

Reconstruction of various curb ramps in Cambria to bring them up to current ADA standards. This project was funded by the Road Fund.

- **Bradford Road Cooperative Road Improvements, Cambria**

The Bradford Road Cooperative Road Improvement Project is a voter approved, special benefit tax supported, public improvement project that has been financed and implemented through the County's Cooperative Road Improvement Program. The scope of this project is a portion of Bradford Road, from Richard Avenue to Pineridge Street, for a total paved distance of approximately 400 feet. The overall project directly benefits eight adjoining parcels, and includes the construction of road improvements, which includes all other ancillary construction necessary for the proper function of the roadway. Funding for this project is from a 100% Revolving Fund Appropriation (loan) from the General Fund to County Service Area 21, which is later repaid from a voter approved special tax collected from adjoining property owners.

- **Chorro Valley Pipeline Supervisory Control and Data Acquisition (SCADA) Renovation Project**

This project provided for the installation of new control, monitoring, and communication equipment and software for the Chorro Valley Pipeline's Supervisory Control and Data Acquisition (SCADA) system. Funding for this project came from Water Sales for Resale (State Water Budget).

- **Light-Emitting Diode (LED) Street Light Replacement, Various Locations, San Luis Obispo County**

This project replaced 57 existing high pressure sodium (HPS) streetlight bulbs with LED equivalents. The benefit of these LED units will be: a total annual energy savings of 6,730 kilo watt hours, savings in maintenance annual costs due to the longer operational lifespan, annual savings to the Road Budget of \$5,000, and an annual reduction of 5.3 tons of greenhouse gases. Funding was provided under the American Recovery and Reinvestment Act Energy Block Grant.

- **Templeton Road Guardrail**

Construction of guardrail along Templeton Road, approximately 0.67 miles south of Vineyard Drive in Templeton to improve roadside safety. This project was funded by the Road Fund.

- **Sample Station Relocation, Avila Beach**

This project consisted of relocating a Lopez water quality sample station away from a roadway to provide for safety of staff and the traveling public. Funding for this project came from Flood Control Zone 3 Billings.

### **Maintenance Projects**

During 2011-12, the Department completed 29 major maintenance projects. Some of the significant maintenance projects are highlighted below:

- **Chip Seal Program**

County crews, working with and through local vendors, completed over 30 miles of preventative maintenance by chip sealing existing road surfaces. This work will greatly extend pavement life and reduce the decline of our pavement conditions in lean economic times.

- **Significant Major Repair sites include:**

- Charing Road, Cambria - Overlay and Drainage
- Burton Drive s/o Ardath Drive, Cambria - Overlay and Drainage
- Lopez Drive - Culvert Lining Project
- Santa Rosa Creek Road, Cambria - Large Diameter Culvert Replacement
- Perfumo Canyon Road - Slope Repair
- Riverside Road, Nipomo - Slope Failure/Road Repair
- Hacienda Drive, Cayucos - Pavement Repair
- Cripple Creek Road, Creston - Pavement Repairs
- Donna Avenue, Los Osos - Storm Drain Installation

A table which identifies the completed Capital and Maintenance projects for Fiscal Year 2011-2012 is provided below.

### **Willow Road Project**

Willow Road Phase I is complete and open to traffic. The Willow Road Phase II construction contract was awarded to Granite Construction and work started in March 2011. The project is

the construction of Willow Road between Hetrick Avenue and Thompson Avenue and the interchange with Hwy 101. Construction of the freeway bridges and the Nipomo Creek Bridge is complete. The freeway bridges are open to traffic. The entire Willow Road base has been graded. Paving on Willow Road and the freeway ramps was completed in August 2012. The final paving on the freeway was completed in September. It is anticipated that the Project will be open to traffic in November 2012.

### **Los Osos Wastewater Project**

Construction has begun on several portions of the Los Osos Wastewater Project and there is one remaining phase, the water recycling facility, which is still in the design phase and will begin construction in 2013. The entire project is scheduled to be completed in early 2015. There are multiple contracts and programs related to this major capital project that are all progressing on parallel paths. The major components are summarized below.

- Mid Town Site Restoration: A project to restore the Mid Town Site to a natural state was completed in the summer of 2012. The restoration work prevents erosion, provides habitat and recreation trails, and percolates storm water to the aquifer. This work is a requirement of the project's Coastal Development Permit (CDP).
- Low Impact Development (LID) Drainage Improvements: Approximately 20 drainage projects are being completed throughout Los Osos to improve storm water drainage through LID methods. This work is part of the scope of work in the project's CDP, but is being completed by County work crews with money from the Roads Fund.
- Collection System: The collection system is divided into three construction contracts which include 42 miles of sewer mains, seven miles of recycled water mains, leachfields, fiber optic communications system, and 21 pump stations to serve the Los Osos community. Contractors have recently mobilized and begun the work. The overall construction schedule is 30 months, with completion planned in early 2015. An important component of the construction phase is a public outreach program to keep residents informed of construction progress and potential neighborhood and traffic impacts. The outreach program includes flyers, door hangers, signage, a website with regularly updated maps and schedules, Twitter social media notifications, an informational telephone hotline, and a dedicated public liaison.
- Water Conservation Program: The implementation of a water conservation program is a condition of the project's CDP. The CDP requires a goal of reducing indoor consumption to 50 gallons per person per day and a \$5 million budget. A major component of the program is the retrofit of all toilets, showerheads, and faucet fixtures to water efficient standards. Rebates are structured to cover the costs of all fixtures, and as an incentive for early participation, rebates will also cover the cost of installation for the first year of the program. Other conservation measures include water efficiency surveys for each property, washing machine rebates, and public education. The conservation program will begin in 2012 and continue through the first several years of project operations.
- Water Recycling Facility: The planned water recycling facility will treat all wastewater flows to meet California Title 22 recycled water standards for reuse at multiple sites within the Los Osos community. The facility will have a capacity of 1.2 million gallons per day and storage ponds for up to 50 acre-feet of recycled water. Design-build contracting is planned for the construction, whereby engineers and contractors team to submit price proposals for a final facility design and construction. The preliminary design and contract

documents are currently being prepared, with the contract procurement process planned to be completed in early 2013. Construction is planned for completion in early 2015.

- **On-lot Lateral Connections:** Upon completion of the collection system and water recycling facility in 2015, the project will be ready for wastewater flows and the connection of individual properties. Each property owner will be responsible for connecting their sewer lateral and abandoning, or re-purposing, their septic system. The connection of the entire community is expected to take one year, prior to and during which, staff will be providing education and technical assistance with construction planning and with securing individual financial assistance. Financial assistance with on-lot costs is expected to include coordination of applications for eligible State and Federal grants and low interest loans for the cost of connection.

The project budget, totaling \$173.4 million, was established in May 2011. A project Budget Status Report is provided below. The costs are being financed by a combination of State and Federal low interest loans and grants, and the loans will be repaid by Los Osos property owners. To date, the project has secured almost \$18 million in grant funds and is actively seeking several million dollars in additional grants. With the completion of the bidding process for the collection system, this portion of the project is expected to cost approximately \$17.5 million less than the budgeted amount. As a result of the low interest loans, grants, and bid prices, the estimated monthly project costs for a typical single family residence has been reduced from early estimates of \$200 to a current estimate of \$140 per month.

LOS OSOS WASTEWATER PROJECT  
BUDGET STATUS REPORT AS OF JULY 31, 2012

	Item Description	Budget	Costs to Date	Remaining Budget
1	County Financed Pre-Due Diligence costs (through 4/30/2011)	\$ 8,137,210	\$ 8,137,210	\$ -
2	<b>Administration/Preliminary Engineering</b>			
3	Carollo Engineers	\$ 174,562	\$ 155,767	\$ 18,795
4	Meyers Nave...	\$ 26,590	\$ 1,590	\$ 25,000
5	County Staff/Other Direct Costs	\$ 850,000	\$ 631,613	\$ 218,387
6	<b>Subtotal</b>	<b>\$ 1,051,152</b>	<b>\$ 788,970</b>	<b>\$ 262,182</b>
7	Unallocated	\$ -	\$ -	\$ -
8	<b>Total of Administration/Preliminary Engineering</b>	<b>\$ 1,051,152</b>	<b>\$ 788,970</b>	<b>\$ 262,182</b>
9	<b>Environmental Permits/Mitigation</b>			
10	Coastal San Luis RCD	\$ 30,361	\$ 6,790	\$ 23,571
11	Brownstein Hyatt Farber Schreck	\$ 25,000	\$ 19,272	\$ 5,728
12	Far Western Anthropological	\$ 921,606	\$ 22,317	\$ 899,289
13	Mid Town Restoration (R. Burke Construction, Inc)	\$ 414,833	\$ 180,442	\$ 234,391
14	Rick Engineering	\$ 89,055	\$ 89,055	\$ -
15	SLO Green Build	\$ 97,075	\$ 15,741	\$ 81,335
16	SLO Starts Plant Propagation	\$ 49,871	\$ 9,870	\$ 40,001
17	SWCA	\$ 46,095	\$ 46,091	\$ 4
18	Maddaus Water Management	\$ 28,175	\$ 28,159	\$ 16
19	Wallace Group	\$ 67,657	\$ 36,538	\$ 31,119
20	County Staff/Other Direct Costs	\$ 1,700,000	\$ 576,822	\$ 1,123,178
21	<b>Subtotal</b>	<b>\$ 3,469,728</b>	<b>\$ 1,031,096</b>	<b>\$ 2,438,632</b>
22	Unallocated	\$ 1,630,272	\$ -	\$ 1,630,272
23	<b>Total of Environmental Permits/Mitigation</b>	<b>\$ 5,100,000</b>	<b>\$ 1,031,096</b>	<b>\$ 4,068,904</b>
24	<b>Collection and Recycled Water - Design and Construction</b>			
25	Camp Dresser & McKee	\$ 4,902,430	\$ 3,438,853	\$ 1,463,577
26	Cardno TBE	\$ 25,000	\$ 20,659	\$ 4,341
27	Collection System Contract - Areas A & D	\$ 28,846,240	\$ -	\$ 28,846,240

28	Collection System Contract - Areas B & C	\$ 32,367,500	\$ -	\$ 32,367,500
29	Collection System Contract - Pump Stations	\$ 9,544,550	\$ -	\$ 9,544,550
30	HDR Engineering	\$ 7,686,295	\$ 294,554	\$ 7,391,741
31	County Staff/Other Direct Costs	\$ 2,600,000	\$ 715,470	\$ 1,884,530
32	<b>Subtotal</b>	<b>\$ 85,972,015</b>	<b>\$ 4,469,537</b>	<b>\$ 81,502,478</b>
33	Unallocated	\$ 17,469,985	\$ -	\$ 17,469,985
34	<b>Total of Collection and Recycled Water - Design and Construction</b>	<b>\$ 103,442,000</b>	<b>\$ 4,469,537</b>	<b>\$ 98,972,463</b>
35	<b>Treatment Facility - Design and Construction</b>			
36	Carollo Engineers	\$ 942,669	\$ -	\$ 942,669
37	County Staff/Other Direct Costs	\$ 750,000	\$ 43,732	\$ 706,268
38	<b>Subtotal</b>	<b>\$ 1,692,669</b>	<b>\$ 43,732</b>	<b>\$ 1,648,937</b>
39	Unallocated	\$ 34,417,491	\$ -	\$ 34,417,491
40	<b>Total of Treatment Facility - Design and Construction</b>	<b>\$ 36,110,160</b>	<b>\$ 43,732</b>	<b>\$ 36,066,428</b>
41	<b>Right of Way</b>			
42	Hamner Jewell & Associates	\$ 65,634	\$ 50,520	\$ 15,114
43	Schenberger Taylor...	\$ 66,363	\$ 50,000	\$ 16,363
44	Real Property Acquisition	\$ 2,000,000	\$ 628,495	\$ 1,371,505
45	Price Postal Parma	\$ 25,000	\$ 11,568	\$ 13,432
46	County Staff/Other Direct Costs	\$ 300,000	\$ 239,267	\$ 60,733
47	<b>Subtotal</b>	<b>\$ 2,456,996</b>	<b>\$ 979,850</b>	<b>\$ 1,477,146</b>
48	Unallocated	\$ 343,004	\$ -	\$ 343,004
49	<b>Total of Right of Way</b>	<b>\$ 2,800,000</b>	<b>\$ 979,850</b>	<b>\$ 1,820,150</b>
50	<b>Subtotal of Project Costs</b>	<b>\$ 156,640,522</b>	<b>\$ 15,450,395</b>	<b>\$ 141,190,127</b>
51	<b>Contingency</b>	\$ 9,359,478	\$ -	\$ 9,359,478
52	<b>SRF Refinance</b>	\$ 6,288,416	\$ 6,288,416	\$ -
53	<b>Interest/Finance Charges</b>	\$ 1,110,000	\$ 1,058,044	\$ 51,956
54	<b>Approved Project Budget (May 17, 2011)</b>	<b>\$ 173,398,416</b>	<b>\$ 22,796,855</b>	<b>\$ 150,601,561</b>

Yr Funded	Description	Original Funding	Amended Funding	Final Project Cost	Actual%
<b>CAPTIAL PROJECTS</b>					
<b>FUND 1200000000 - ROADS</b>					
2002/2003	San Simeon Creek Bridges <i>This project provided the replacement of two bridges on San Simeon Creek Road, near Cambria. These bridges were determined by Caltrans to be structurally deficient and functionally obsolete, making them eligible for funding authorized by the Federal Highway Administration for local bridge replacement.</i>	369,890	5,009,013	4,651,580	92.9%
<b>FUND 1200000000 - ROADS</b>					
2010/2011	Asphalt Concrete Overlay 2011 Pomeroy and Willow Roads, Nipomo <i>The project provided for a pavement overlay on Pomeroy and Willow Roads in Nipomo for a total of approximately 3.6 miles. Both roads serve as key arterial routes in the Nipomo area.</i>	1,000,000	1,639,000	1,616,650	98.6%

**FUND 2300000000 - SLO FLOOD CONTROL - SALINAS DAM**

2009/2010	Salinas Dam Booster Pump Station Upgrade Project	180,875	1,380,465	1,383,066	100.2%
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*The project provided for the complete implementation of the following upgrades and improvements: replacement of existing pumps and motors with premium efficiency pumps and motors, replacement of steel piping, valves and appurtenances, replacement of the existing surge tank with a new 4,000 gallon surge tank, replacement of the existing electrical transformers, motor control center and other electrical equipment, and replacement of existing manual pump controls with a new Supervisory Control and Data Acquisition (SCADA) system to allow remote control and monitoring of the entire Salinas Dam distribution system. Construction of these improvements and upgrades will greatly prolong the life of the Booster Station and will provide for safe, reliable and efficient operations.*

**FUND 2503501000 - COUNTY SERVICE AREA 23 - WATER**

2008/2009	Water Storage Tank Replacement, Santa Margarita	1,498,000	1,465,571	1,403,000	95.7%
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*This project provided for the replacement of the old welded steel water tank with a new 500,000 gallon welded steel water tank for storage, waterline and access road improvements. These improvements now provide greater efficiency and flexibility for the operational needs of County Service Area 23, Cal Fire, and Santa Margarita Fire Department.*

**FUND 1200000000 - ROADS**

2010/2011	Ferrasci Road Fish Passage at Santa Rosa Creek, Cambria	1,224,277	1,440,412	1,355,000	94.1%
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*This project removed a significant existing impediment to fish habitat on Santa Rosa Creek and provided continuation of access to the existing agricultural properties.*

**FUND 1200000000 - ROADS**

2009/2010	Santa Rosa Creek Road Slip-Out Repair	88,017	488,100	463,968	95.1%
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*The project provided for reconstruction of Santa Rosa Creek Road above Rocky Creek and approximately 0.9 miles north of State Highway 46. Creek flows had eroded the slope adjacent to the roadway. The road serves as a primary point of access for properties in the area.*

**FUND 1100000000 - CAPITAL PROJECTS**

2009/2010	Waterline Improvements Along Kansas Avenue for County Jail Expansion <i>The project upsized approximately 2,000 linear feet of existing 6-inch diameter steel pipeline to 10-inch, and 8-inch diameter PVC pipeline between locations of the existing Chorro Creek utility bridge to the existing jail along Kansas Avenue, in San Luis Obispo.</i>	817,613	824,900	443,000	53.7%
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**FUND 1200000000 - ROADS**

2008/2009	Mission Street Enhancements, Phase III, San Miguel <i>This project installed street improvements, street lighting, benches, landscaping, and other improvements, consistent with the previously approved San Miguel Community Design Plan, along the west side of Mission Street between 11th and 12th Streets.</i>	134,144	380,749	406,259	106.7%
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**FUND 1200000000 - ROADS**

2010/2011	North Main Street Bicycle Enhancements, Templeton <i>This project closed a significant gap in Class II Bike Lanes between the City of Paso Robles and Templeton. The completed project has provided Class II Bike Lanes on Theater Drive between the Paso Robles city limits and the Main Street interchange, reducing vehicle trips and creating a safer, greener and more livable community.</i>	192,000	278,897	297,000	106.5%
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**FUND 1200000000 - ROADS**

2006/2007	Installation of a Traffic Signal on Avila Beach Drive at First Street in Avila Beach <i>The project consisted of the installation of a traffic signal at the intersection of Avila Beach Drive and First Street in Avila Beach. The project was undertaken concurrent with the Parks Department construction of the Bob Jones Trail Extension from San Miguel Street to First Street. The two projects provide an enhanced crossing for pedestrians and bicycles as well as improved vehicle circulation.</i>	286,607	290,000	252,000	86.9%
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**FUND 1200000000 - ROADS**

2010/2011	Bridge Deck Seals for Various County Bridges, 2011 <i>This project consisted of seal coating eleven bridge decks throughout the County with an epoxy resin and replacing joint seals at one bridge. The seal coating penetrates small cracks and lengthens the life of each bridge. Replacing the joint seals will prevent water leaking and accumulation of debris at the bridge joints and will protect the structural integrity of the bridge.</i>	26,939	309,580	275,770	89.1%
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**FUND 2200500000 - FLOOD CONTROL ZONE 3**

2011/2012	Chlorine Dioxide Generation System <i>This project provided for the purchase and installation of a chlorine dioxide generation system to be used as the primary disinfectant system for the Lopez Water Treatment Plant.</i>	192,932	192,932	193,896	100.5%
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**FUND 1501000000 - COUNTY SERVICE AREA 7-B**

2010/2011	Nacimientto Shores Road Repairs and Chip Seal 2011 <i>This project provided for repair and chip seal on Nacimientto Shores Road from the south end of Bee Rock Road to the gated community of Oak Shores. This road serves as an emergency access route for the community of Oak Shores.</i>	30,000	177,395	175,314	98.8%
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**FUND 2200002000 - NACIMIENTO WATER OPERATIONS**

2011/2012	Fiber Optic Pull Box Modification <i>The project consisted of fortification of approximately 170 pull boxes that provide access to fiber optic lines utilized for control of the Nacimientto Water Project (NWP) and general County Informational Technology Department communications.</i>	183,018	183,018	150,000	82.0%
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**FUND 1200000000 - ROADS**

2010/2011	Americans with Disabilities Act (ADA) Ramp Construction 2011 <i>Reconstruction of various curb ramps in Cambria to bring them up to current ADA standards.</i>	120,000	135,000	129,196	95.7%
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**FUND 1504500000 - COUNTY SERVICE AREA 21**

2010/2011	Bradford Road Cooperative Road Improvements, Cambria	116,200	116,200	116,200	100.0%
	<i>The Bradford Road Cooperative Road Improvement Project is a voter approved, special benefit tax supported, public improvement project that has been financed and implemented through the County's Cooperative Road Improvement Program. The scope of this project is a portion of Bradford Road, from Richard Avenue to Pineridge Street, for a total paved distance of approximately 400 feet. The overall project directly benefits eight (8) adjoining parcels, and includes the construction of road improvements, which included all other ancillary construction necessary for the proper function of the roadway.</i>				

**FUND 2300501000 - STATE WATER PROJECT**

2009/2010	Chorro Valley Pipeline Supervisory Control and Data Acquisition (SCADA) Renovation Project	45,100	110,000	114,184	103.8%
	<i>This project provided for the installation of new control, monitoring, and communication equipment and software for the Chorro Valley Pipeline's Supervisory Control and Data Acquisition (SCADA) system.</i>				

**FUND 1200000000 - ROADS**

2010/2011	Light-Emitting Diode (LED) Street Light Replacement, Various Locations, San Luis Obispo County	137,252	137,252	74,926	54.6%
	<i>This project replaced 57 existing high pressure sodium (HPS) streetlight bulbs with LED equivalents. The benefit of these LED units will be: a total annual energy savings of 6,730 kilo watt hours, savings in maintenance annual costs due to the longer operational lifespan, annual savings to the Road Budget of \$5,000, and an annual reduction of 5.3 tons of greenhouse gases.</i>				

**FUND 1200000000 - ROADS**

2010/2011	Templeton Road Guardrail	60,000	60,000	71,062	118.4%
	<i>Construction of guardrail along Templeton Road, approximately 0.67 miles south of Vineyard Drive in Templeton to improve roadside safety.</i>				

**FUND 2200500000 - FLOOD CONTROL ZONE 3**

2011/2012	Sample Station Relocation, Avila Beach <i>This project consisted of relocating a Lopez water quality sample station away from a roadway to provide for safety of staff and the traveling public.</i>	15,000	15,000	9,768	65.1%
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**CAPITAL PROJECT TOTALS: 6,717,864 14,633,484 13,581,839 92.8%**

**MAINTENANCE PROJECTS**

**FUND 1200000000 - ROADS**

2011/2012	Major roadway grinding, paving, patching and chip seal prep work on Little Morro Creek Road.	314,192	314,192	314,192	100.0%
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**FUND 1200000000 - ROADS**

2011/2012	Major roadway paving on Charing Lane.	277,626	277,626	277,626	100.0%
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**FUND 1200000000 - ROADS**

2011/2012	Major graveling and shoulder work on Lynch Canyon Road.	237,363	237,363	237,363	100.0%
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**FUND 1200000000 - ROADS**

2011/2012	Major paving on Cripple Creek Road.	196,758	196,758	196,758	100.0%
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**FUND 1200000000 - ROADS**

2011/2012	Chip seal prep work on San Marcos Road.	155,714	155,714	155,714	100.0%
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**FUND 1200000000 - ROADS**

2011/2012	Major roadway paving, patching and chip seal prep work on Estrella Road.	150,138	150,138	150,138	100.0%
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**FUND 1200000000 - ROADS**

2011/2012	Major roadway patch work and shoulder work on San Bernardo Creek Road.	138,008	138,008	138,008	100.0%
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**FUND 1200000000 - ROADS**

2011/2012	Major roadway grinding, paving and chip seal prep work on O'Connor Way.	136,885	136,885	136,885	100.0%
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**FUND 1200000000 - ROADS**

2011/2012	Chip seal prep work and shoulder grading on South El Pomar Road.	118,708	118,708	118,708	100.0%
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**FUND 1200000000 - ROADS**

2011/2012	Chip seal prep work on Cross Canyon Road.	112,278	112,278	112,278	100.0%
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**FUND 1200000000 - ROADS**

2011/2012	Major roadway paving and chip seal prep on Pleasant Road.	82,847	82,847	82,847	100.0%
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**FUND 1200000000 - ROADS**

2011/2012	Major patching and installation of underground leach system in roadway on Burton Drive.	64,252	64,252	64,252	100.0%
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**FUND 1200000000 - ROADS**

2011/2012	Shoulder work on Orcutt Road.	58,546	58,546	58,546	100.0%
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**FUND 1200000000 - ROADS**

2011/2012 Culvert repair on Lopez Drive. 54,773 54,773 54,773 100.0%

**FUND 1200000000 - ROADS**

2011/2012 Installed new culvert on Donna Avenue to resolve flooding issue. 53,567 53,567 53,567 100.0%

**FUND 1200000000 - ROADS**

2011/2012 Major shoulder work on River Road. 47,484 47,484 47,484 100.0%

**FUND 2500500000 - COUNTY SERVICE AREA 7-A**

2011/2012 Repaired low shoulders on Chimney Rock Road. 46,352 46,352 46,352 100.0%

**FUND 1200000000 - ROADS**

2011/2012 Major tree trimming work on Santa Rosa Creek Road. 45,651 45,651 45,651 100.0%

**FUND 1200000000 - ROADS**

2011/2012 Crack seal work on La Panza Road. 42,930 42,930 42,930 100.0%

**FUND 1200000000 - ROADS**

2011/2012 Major roadway grinding and paving on El Moro Avenue. 39,860 39,860 39,860 100.0%

**FUND 1200000000 - ROADS**

2011/2012 Shoulder work on Lupine Lane. 39,041 39,041 39,041 100.0%

**FUND 1200000000 - ROADS**

2011/2012 Culvert repair caused by road cavitation on Old Oak Park Road. 37,567 37,567 37,567 100.0%

**FUND 1200000000 - ROADS**

2011/2012 Overlay prep work on Pozo Road. 35,516 35,516 35,516 100.0%

**FUND 1200000000 - ROADS**

2011/2012 Major graveling on Arbor Road. 33,948 33,948 33,948 100.0%

**FUND 1200000000 - ROADS**

2011/2012 Culvert replacement on Ross Road. 33,472 33,472 33,472 100.0%

**FUND 1200000000 - ROADS**

2011/2012 Major patching on Old Creek Road. 31,110 31,110 31,110 100.0%

**FUND 1200000000 - ROADS**

2011/2012 Shoulder work on Ontario Road. 31,023 31,023 31,023 100.0%

**FUND 1200000000 - ROADS**

2011/2012 Shoulder grading on Klau Mine Road. 30,437 30,437 30,437 100.0%

**FUND 1200000000 - ROADS**

2011/2012 Repaired road cavitation on Bitterwater Road. 30,427 30,427 30,427 100.0%

<b>MAINTENANCE PROJECT TOTALS:</b>	<b>2,676,473</b>	<b>2,676,473</b>	<b>2,676,473</b>	<b>100.0%</b>
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## Section 5: Federal Stimulus Update

### Purpose

The purpose of this report is to provide a status update on the County's projects and programs funded with the American Reinvestment and Recovery Act (ARRA) funds through the end of the fourth quarter of FY 2011-12.

### History

On Tuesday, February 17, 2009, President Barack Obama signed into law H.R. 1, the American Economic Recovery and Reinvestment Act (ARRA). This \$787.2 billion measure was to be the largest single infusion of spending (\$575.3 billion) and tax cuts (\$211.9 billion) into the economy in American history. In an effort to stimulate economic growth and create jobs, the measure contained funding for more than 75 federal programs, many of which were intended to benefit programs and services provided by local governments. Certain programs were to provide funding directly to local governments through already established formulas or procedures, whereas with other programs, the federal funds were allocated using a competitive grant process.

As reported in the FY 2009-10 year end status report to the Board, at the start of the federal stimulus program, the County applied for funding totaling \$102,403,588 through either the ARRA competitive grant process or by an established formula. Details pertaining to ARRA funding by department are noted below.

Total amount of funding applied for (competitive and formula based)	\$102,403,588
Amount of competitive grant funds <u>not</u> awarded	\$ 2,655,586
Public Works Department – Los Osos Sewer	\$ 87,000,000
Amount of ARRA funds granted to County to all other programs/projects (non-Los Osos Sewer)	\$ 12,748,002

The County applied for approximately \$95.2 million in competitive grants and loans. A total of \$92.56 million in grants and loans has been awarded to the County—approximately \$85 million on a competitive basis and \$7.01 million on a formula basis. This enabled various County departments to increase and/or maintain levels of services currently being provided. At the end of the first quarter of FY 2010-11, the County's ARRA funding had increased to \$99,894,745.

### Status at the end of the Fourth Quarter:

At the end of the fourth quarter, \$2,682,523.51 has been invoiced against or received bringing the actual amount of ARRA funding received through the end the fourth quarter of FY 2011-12 to \$28,321,027.

One of the major objectives of ARRA was the saving and creation of jobs. At the end of the fourth quarter, ARRA funding received by the County enabled approximately 53.54 jobs to be maintained or added:

- 29.87 were specifically related to ARRA funded contracts;
- 23.67 were related to County staff

Following is a summary of the competitive and formula grants that were awarded to various County departments:

### Competitive Grants

- The Public Works Department received \$87 million (\$4 million in grants and an \$83 million low interest loan) from the United States Department of Agriculture (USDA) for the Los Osos Sewer project; during the fourth quarter of FY 2011-12, \$2,409,865 was spent on activities associated with the Los Osos Sewer bringing the total funding expended for the project in FY 2011-12 to date to \$15,363,998. Activities in the fourth quarter included Board approval of the Mid-Town restoration contract and advertisement of bids for the three project collection systems with one collection system contract being awarded. Additionally, work continues on the preliminary design of the project's treatment facility. This project has created or maintained a reported 27.36 jobs (9.50 – County; 17.86 – contractor).
- The Planning Department received Energy Efficiency and Conservation Block Grant funds which created/maintained a reported 21.72 (12.17-County, 9.55-Contractor) jobs. A total of \$134,541.89 was spent through the fourth quarter bringing the cumulative funding total for the projects to \$1,804,882. These funds were used for the following:
  - The Planning Department: 1) the draft Green Building ordinance was released in the fourth quarter and was discussed by the Board of Supervisors in August 2012; 2) the informational EnergyWise implementation plan was reviewed by the Board in August 2012; and 3) the specialized tools lending library at Cuesta College offers 15 categories of equipment with several types of individual pieces of equipment available to be lent. The grant assisted portion of these activities is complete;
  - The General Services Agency: the HVAC retrofit project's final building, the County's computer room, is nearly completed. All the equipment has been installed and the final testing is in process. The yearly savings for these projects is estimated to be 5.23 MWH of electricity consumption, \$1,377 savings in energy costs, and 7.8 metric tons CO<sup>2</sup>e savings in greenhouse gases.

### Formula grants

- The Probation Department continues to hold "Thinking for Change" sessions; a total of \$74,389 was expended in the fourth quarter for expenses associated with holding the sessions; this funding allows the department to retain two existing Deputy Probation Officer positions.
- The Planning Department:
  - Community Development Block Grants: \$1,523 in ARRA funds were expended in the fourth quarter. The funds were used for case management for items such as referrals for affordable housing, utility and rental assistance, guidance for navigation of various agencies and systems. In addition, referrals were provided for substance abuse, medical, transportation, income/benefits issues among others; a total of 0.1 jobs for a non-profit organization was reported;
  - Homeless Prevention and Rapid Re-housing Program: \$61,805 in ARRA funds was expended in the fourth quarter; quarterly activities include case management, outreach and engagement, rental assistance for households at risk of becoming homeless and homeless households. A total of 42 persons (21 households) received financial assistance during the quarter and 31 persons (15 households) received housing relocation and stabilization services; a total of 2.36 nonprofit jobs were reported as created or maintained.

Additional details pertaining to the fourth quarter results for the County's various federal stimulus programs can be found on the County's website ([www.slcoounty.ca.gov](http://www.slcoounty.ca.gov)).

## Section 6: Position Changes

During the Fourth Quarter, April 1, 2012 through June 30, 2012, the following reclass/reorganization changes were approved by the Board of Supervisors. This report also includes a list of all administrative changes approved by the Personnel Director under the authority of the BOS and the Administrative Office, and the current vacancy statistics.

### **Position Allocation Changes Made by the Board of Supervisors:**

#### Fund Center 180 - Social Services Allocation change approved 04/24/2012

Add 1.00 FTE-01584 Program Manager I/II

#### Fund Center 136 - Sheriff Coroner Allocation change approved 05/08/2012

Delete .50 FTE -02230 Administrative Assistant Series or Legal Clerk- ½ time  
Add 1.00 FTE- 02230 Administrative Assistant Series or Legal Clerk

#### Fund Center 113 - General Services Allocation change approved 05/08/2012

Add 1.00 FTE-00615 Associate Capital Projects Coordinator-Limited Term

### **Administrative Changes Made by the Personnel Department:**

None this quarter.

### **Employee Vacancy Rate:**

The County employee vacancy rate as of 06/29/2012 is 5.09%. This equates to 123.50 vacant positions.

## Section 7: Miscellaneous Financial Issues

### **Acceptance of Donated Gift Funds:**

Donations made by individuals and community organizations are accepted by the County and appropriated into the proper departmental budgets on an as needed basis. These donations are used to enhance programs and meet special needs throughout the County. It is recommended that the Board accept donations totaling \$112,498.92 on behalf of the following County Departments, as noted below:

- Cash donations in the amount of \$8,958.27 made to the FC 137- Animal Services gift funds (no budget adjustment is needed).
- An appropriation transfer in the amount of \$66,533.65 from the Library Gift Trust Fund to the FC 377 - Library operating budget.
- An appropriation transfer in the amount of \$32,444 from the Park's Gift Trust Fund to the FC 305 - parks operating budget.
- An appropriation transfer in the amount of \$4,563 from the Social Services Gift Trust Fund to the FC 180 - Social Services Administrative operating budget.

The Board is asked to approve corresponding appropriation adjustments to transfer gift funds into the operating budgets of the Library and Social Services. Memos from each of the requesting departments are included in Attachment 1.

### **Discharge of Bad Debt:**

Requests to discharge bad debt are presented to the Board in accordance with Government Code requirements. The action relieves the requesting department from active pursuit of receivables, but does not release the responsible parties from the debt owed. Requests to discharge bad debt are only submitted to the Board for action after an extensive investigation has taken place and the department has reached the conclusion that the debt will not be collected. If a department's collection efforts are unsuccessful, cases are often turned over to the County's contract collection agency.

The Board is requested to discharge \$67,613 on behalf of the Health Agency – Public Health Department (Fund Center 160) for client payments owed that have been deemed non-collectible including: \$15,136 in Public Health Laboratory charges and \$52,477 for fees owed for Environmental Health Services. Memos from the Health Agency are included in Attachment 1.

### **Miscellaneous:**

In addition to the items listed above, Veterans Services is requesting a transfer of \$29,400 from California Department of Veterans Affairs Soldier Readiness Program grant funds to Fund Center 186 - Veterans Services, for veteran outreach activities. A memos from Veterans Services is included in Attachment 1.

**Section 8: Goals and performance measures**

The County's "Results Based Decision Making" initiative is the tool used to identify performance measurements that help to link local government activities and spending to results that benefit the community. Below is a summary of the performance measure results achieved by departments. A complete listing of final Goals and Performance Measures achieved by departments at the conclusion of FY 2011-12 is available in the Clerk-Recorder's Office and on the County's website at <http://www.slocounty.ca.gov/Assets/AD/PDF/FY+11-12+Q4+Performance+Measures.pdf?method=1>.

**FY 2011-12 Performance Measure Results by Department**

<b>FC #</b>	<b>Department</b>	<b>Total # of FY 11-12 Performance Measures</b>	<b># of Measures Met</b>	<b># of Measures Exceeded</b>	<b># of Measures Not Met</b>	<b># of Measures for which data is not available</b>
100	Board of Supervisors	2	0	0	0	2
104	Administrative Office	6	2	2	1	1
105	Risk Management	10	6	0	4	0
107	Auditor-Controller	6	1	4	1	0
108	Treasurer/Tax Collector	10	7	2	1	0
109	Assessor	4	0	2	2	0
110	Clerk Recorder	5	2	0	3	0
111	County Counsel	7	1	5	1	0
112	Human Resources	5	1	1	3	0
113	General Services	11	1	4	6	0
114	Information Technology	7	2	3	2	0
130	Waste Management	1	0	0	1	0
132	District Attorney	10	1	4	4	1
134	Child Support Services	4	0	3	0	1
135	Public Defender	2	1	0	1	0
136	Sheriff	10	1	3	6	0
137	Animal Services	5	1	2	2	0
138	Emergency Services	5	1	1	3	0
139	Probation	4	0	0	4	0
140	County Fire/CalFire	6	1	0	5	0
141	Ag Commissioner	7	0	3	2	2
142	Planning & Building*	12	3	4	5	0
160	Public Health	11	1	6	2	2
166	Behavioral Health	8	2	5	0	1
180	Social Services - Administration	10	1	3	6	0
184	LEMC	1	0	1	0	0
186	Veteran Services	4	0	2	2	0
201	Public Works- Special Services	7	2	2	3	0
215	Farm Advisor	4	1	0	3	0
245	Public Works- Roads	6	3	1	2	0

FC #	Department	Total # of FY 11-12 Performance Measures	# of Measures Met	# of Measures Exceeded	# of Measures Not Met	# of Measures for which data is not available
275	Organizational Development	1	1	0	0	0
305	Parks	4	0	2	2	0
350	CMSP	3	0	2	1	0
375	DUI	3	0	2	1	0
377	Library	6	1	4	1	0
405	Public Works	2	0	0	2	0
406	Reprographics	2	1	1	0	0
407	Fleet Services	3	1	1	1	0
425	Airports	3	0	2	1	0
427	Golf Courses	4	0	2	2	0

\* Note - Planning and Building has one performance measure (measure #2) which has multiple sub measures.

<b>Total</b>	221	46	79	86	10
<b>Percent of Total</b>		20.81%	35.75%	38.91%	4.52%

Out of a total of 221 measures, 21% (46) were met, 36% (79) exceeded their targets, 39% (86) did not meet their targets, and there is no data available to report on 5% (10) of the measures. The performance measure results listed on the table above were determined precisely—measures were listed as ‘met’ only if actual results matched the target exactly and measures were listed as ‘exceeded’ or ‘not met’ even if there was very slight (i.e. 0.10%) variation from the adopted target. This method of evaluation and determination allows for no variation from very specific targets and explains why only 21% of measures were “met.”

Although the performance measure summary results are generally consistent with results from the prior year, the percentage of measures not meeting their targets is significant enough to warrant some discussion. It is important to note that there are several factors which impact County departments’ ability to meet performance measures targets:

### **Decline in the Economy**

As has been heavily documented, the downward trend in the economy has had a significant impact on the County’s budget and available resources. In recognizing that a tough economy has the propensity to increase the need for County services, the Board and County staff have made significant efforts to minimize service level impacts when trying to close the budget gap. Despite those efforts, some departments have reported that staff turnover and vacancies have had an impact on the ability to meet performance measure targets. In addition, the County’s hiring “chill” has resulted in more budgeted positions being held vacant for longer periods of time, which places more pressure on staff in filled positions to achieve department goals and targets. Staffing reductions have had an impact on a variety of measures—from public safety response times to the ability to clean and maintain County facilities.

In addition to impacts to the County’s ability to provide services, the decline in the economy has also had impacts on the demand for services. In many cases, demand for service has increased as residents are increasingly looking to the County to provide them with economic assistance and relief. This increased workload has both forced the County to find ways to operate more efficiently, and has also required a prioritization of work which has meant that non-essential duties are not being completed in as timely a manner as departments had projected they would. On the flip side, the economic decline has also decreased the demand for services in some areas such as the processing of building permits, building inspections, recreational opportunities such as golf and parks (although the number golf rounds and visitors to County parks visitation are beginning increase as the economy slowly recovers).

### **Use of Legitimate Stretch Targets**

The use of legitimate stretch targets also impacts departments’ ability to meet targeted performance measure levels. Stretch targets are targets that are generally unattainable given existing resources. In the County, stretch targets are used much like they are in other sectors - to motivate employees and encourage creative problem-solving. Several departments use stretch targets to reflect the best possible outcome of a measure that isn’t entirely controllable by County performance. Examples include Risk Management, which targets zero serious work-related injuries or County Fire, which targets zero fire-related deaths. While departments can take actions to try to prevent fire-related deaths or serious work-related injuries, there are many outside factors that impact a department’s ability to meet these types of targets.

### **Use of Automation**

Although the decline in the economy has had an impact on the resources available to carry out County programs and services, several departments have indicated that the use of new technologies and automation has enabled them to meet or exceed their performance measure targets. Examples include the Assessor’s Office, which has utilized the Assessment Evaluation Services system to address additional workload associated with Prop 8 (decline in value) requests and complete property assessments in a timely manner; and

the Clerk-Recorder's Office which has utilized automated signature scanning and envelope opening machines to process vote-by-mail ballots more efficiently.

Despite the fact that more than a third of departmental performance measures weren't met in FY 2011-12, it should be noted that generally, performance measure results indicate that the County's performance results are still higher than the results in comparable counties and either meet or exceed industry standards.