



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: County Executive
Office
Department No.: 012
For Agenda Of: 10/17/2006
Placement: Administrative
Estimate Time: 1 hour on October 24
Continued Item: YES
If Yes, date from: 6/16/06
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Director(s) Michael F. Brown, County Executive Officer, 568-3400
Contact Info: Ken A. Masuda, 568-3411
SUBJECT: Funding Requests Deferred from Budget Hearings and Capital Funding Needs

County Counsel Concurrence:

As to form: Yes No N/A

Auditor-Controller Concurrence:

As to form: Yes No N/A

Other Concurrence: N/A

As to form: Yes No N/A

Recommended Action(s):

1. Set a hearing on October 24, 2006 to consider items deferred from budget hearings and capital funding needs.
2. At the hearing:
 - a. Receive reports on the Strategic Reserve, department budget expansion items deferred from June Budget Hearings, and various capital project funding needs,
 - b. Receive a report on a proposed expansion of the Emergency Operations Center (EOC) project at the Santa Ynez Airport to include the relocation and expansion of the Fire/Sheriff aircraft hangars at the airport, and allocate \$2.5 million from the Strategic Reserve for this expanded project,
 - c. Conceptually approve moving the Clerk-Recorder-Assessor's Elections administration, processing and equipment warehousing from downtown Santa Barbara to the Calle Real Campus on a site to be determined,
 - d. Approve using an anticipated State reimbursement of \$1,075,000 for 2005 Special Election costs and \$284,000 from the Strategic Reserve, a total of \$1,359,000 as follows:
 - 1) \$100,000 to review location alternatives and develop a detailed cost estimate for a new Elections building at the Calle Real Campus,
 - 2) \$442,000 to provide the balance of local funds needed to match State Proposition 42 funding owed for fiscal years 2003-04 and 2004-05,
 - 3) \$517,000 of additional funding for the Santa Barbara Public Defender Office elevator, emergency exit and remodel,
 - 4) \$50,000 to identify beach access alternatives near Lompoc,
 - 5) \$100,000 of additional funding for Santa Claus Lane beach access,
 - 6) \$100,000 for Lompoc Veterans Building deferred maintenance, and
 - 7) earmark \$50,000

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for ongoing maintenance of 200 acres of open space near the San Marcos Foothills Park (2nd District) scheduled to be transferred to the County later this year.

- e. Select one of the following options for the \$80,500 budgeted for the deferred Spanish language translation and closed captioning of County TV broadcasts of Board meetings:
 - i. Fund these upgrades or, defer these upgrades and use the money to
 - ii. Fund the water quality assessment proposal (\$90,000 annual cost), or
 - iii. Fund both proposals with part year allocations of \$40,250 each.

Summary:

At the close of budget hearings in June, the Board deferred requests for \$1,415,900 and 10.5 FTEs to October for further review. Based on year-end results for the 2005-06 fiscal year, and Board and actions since then, we have identified \$3.86 million in available discretionary funds that we are asking the Board to allocate at their October 24 meeting.

However, with one or two exceptions, it is the CEO Office's recommendation that these funds be allocated to capital projects, rather than deferred budget hearing requests. Recommendations for use of the \$3.86 million are as follows:

1. Expand the proposed Emergency Operations Center (EOC) project at the Santa Ynez Airport to include relocation and expansion of the Fire/Sheriff aircraft hangars at the airport, and allocate \$2.5 million from the Strategic Reserve for this purpose, bringing the total project allocation to \$7.5 million,
2. Conceptually approve moving the Clerk-Recorder-Assessor's Elections administration, processing and equipment warehousing from downtown Santa Barbara to the Calle Real Campus on a site to be determined, and allocate \$100,000 for site determination and a detailed cost estimate,
3. Fund a total of \$300,000 in capital related projects, including:
 - a. \$50,000 to identify beach access alternatives near Lompoc,
 - b. \$100,000 of additional funding for Santa Claus Lane beach access,
 - c. \$100,000 for Lompoc Veterans Building work including hiring a structural engineer and initiating some deferred maintenance, and
 - d. Earmark \$50,000 for ongoing maintenance of 200 acres of open space near San Marcos Foothills Park (2nd District) scheduled to be transferred to the County later this year.
4. Approve \$442,000 to provide the balance of local funds needed to match State Proposition 42 (Public Works/Roads) payments received in August for fiscal years 2003-04 and 2004-05,
5. Approve \$517,000 of additional funding for the Santa Barbara Public Defender Office elevator, emergency exit and remodel, bringing the total to \$1.517 million,
6. Finally, as a result of both departments and Board members withdrawing requests, the total of deferred budget requests to be considered by the Board today is only \$355,000 and 1 FTE. Not included in this total is \$80,500 funded for the Spanish language and closed captioning enhancements to the County TV channel. Our recommendation is that this amount be used to:
 - a. Fund these upgrades or, defer these upgrades and instead
 - b. Fund the water quality assessment proposal (\$90,000 annual cost), or
 - c. Fund both proposals with part year allocations of \$40,250 each.

Background:

Available Funding Sources

Summary: A total of \$3.859 million, consisting of \$2.784 million in the Strategic Reserve that is currently in excess of the adopted \$25 million goal, plus a \$1.075 million State reimbursement for 2005 Special Election costs, is available to address the outstanding capital needs and deferred budget expansions contained in this letter. Available sources are addressed below, beginning with the Strategic Reserve.

The **Strategic Reserve** began the FY 06-07 fiscal year with a total of \$29,270,185. Of this amount, \$1,486,000 was spent on the Santa Maria CARES building, leaving a net of \$27,784,185. The table below provides a detailed explanation.

Table 1: Strategic Reserve Amounts

Balance at 6/1/06	\$20,879,012
Loan repayment	1,100,000
	<u>\$21,979,012</u>
New appropriations	3,000,000
From additional fund balance	4,291,173
Balance at 7/1/06	<u>\$29,270,185</u>
Less SM CARES building	-1,486,000
Current Balance	<u>\$27,784,185</u>
Current SR Goal	<u>\$25,000,000</u>
Amount "available"	<u>\$2,784,185</u>

Property Tax Estimates. The current state of the residential housing market is characterized by fewer sales and no price appreciation. If the current situation holds, we do not believe that conditions will negatively impact our **current year** discretionary revenue estimates. Current market conditions have the most immediate impact on Supplemental Property Taxes and Property Transfer Taxes. Because the County adopted FY 06-07 revenue amounts that are significantly lower than previous years, we believe that the County will meet or exceed the adopted revenue amounts from these sources. This data is shown on the following table.

Table 2: Preliminary FY 06-07 Property Tax Estimates

Property Tax Revenue Estimates (all dollar amounts in millions)					
<u>Revenue</u>	<u>04-05 Actual</u>	<u>05-06 Actual</u>	<u>06-07 Adopted</u>	<u>06-07 Estimate</u>	<u>Change</u>
Supplemental Property Tax	6.7	9.6	5.0	5.9	0.9
Property Transfer Tax (PTT)	5.0	4.4	3.5	3.5	0.0

However, looking at the current housing market, **next year's** property tax related discretionary revenues may be lower than projected in our 5-year forecast because property values are not rising and the turnover of property (which results in its reassessment) has significantly slowed. Thus, it would not be wise to commit available resources to on-going expenditures because FY 07-08 revenue may not reach projected levels.

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2005 State Special Election Cost Reimbursement. In addition to these sources, the State Legislature passed and on September 29 the Governor signed a bill reimbursing counties for the cost of the 2005 Special Election. Santa Barbara County’s reimbursement will be \$1.075 million. Because these costs were covered by a General Fund appropriation, the reimbursement may be used for any legitimate purpose.

Recommendations on Using the Available Funds

A. Deferred Budget Expansion Requests

At the close of budget hearings in June, the Board deferred requests for \$1,415,900 and 10.5 FTEs to October for further review. Included in the list of requests were Board requests, department requests, and requests from commissions and non-profit groups. The CEO’s Office has reviewed requests with departments and seven of the nine department requests have been withdrawn. Also, Supervisors Rose and Carbajal have each withdrawn one of their requests. As a result, the current deferred list totals only \$355,000 and 1 FTE. This list, divided into categories, follows. The original list of deferred projects is included as Attachment A.

Table 3: Deferred Budget Expansion Requests

#	Dprtmnt	Published Purpose	Requested GF Increase	FTE's
BOARD REQUESTED REVISIONS				
1	Parks	Req. by 2nd Dist: Project Manager in Parks to assist in Capital and Special Projects, Planning, Grant and Natural Resource Management.	\$ 101,500	1.00
2	PW	Req. by 1st and 2nd Dist: assess water quality conditions and sources of impairment in 303(d) listed water bodies in the unincorporated urbanized areas.	\$ 90,000	0.00
3	GS	Equipment to facilitate Secondary Audio channel Program (SAP) to broadcast CSBTV in Spanish (\$38,500) and equipment for subtitles and transcript services for Closed Captioning (\$42,000). Note: Currently the \$80,500 is in the Adopted Budget.	\$ -	0.00
BOARD REQUESTED REVISIONS			\$ 191,500	1.00
DEPARTMENT EXPANSION REQUESTS				
4	DA	Enhances the automated case management system by adding a module that enables electronic filing of law enforcement case reports. Case discovery can then be sent and tracked electronically for greater efficiency.	\$ 50,000	0.00
5	PD	Funding for the Public Defender to initiate a 3-year computer replacement/upgrade program. This is common practice throughout the County and is recommended by General Services, Information Technology.	\$ 28,500	0.00
DEPARTMENT EXPANSION REQUESTS			\$ 78,500	0.00
OTHER EXPANSION REQUESTS				
6	P & D	Santa Barbara County Historical Landmarks Commission to assist them with the creation of critical surveys for potential historic properties and sites.	\$ 10,000	0.00
7	CASA	Funding for 2 CASA Case Managers - Community Organization Request	\$ 75,000	0.00
OTHER EXPANSION REQUESTS			\$ 85,000	0.00
TOTAL EXPANSIONS FROM JUNE BUDGET HEARINGS			\$ 355,000	1.00

Because of the County’s on-going capital needs it is recommended that the Board consider funding only items 2 and 3 shown above. Further it is recommended that the Board either: 1) fund the County TV upgrades (item #3) or 2) use the existing appropriations to fund the water monitoring project (item #2) or 3) divide the existing appropriations equally between items #2 and #3, providing \$40,250 for each.

B. Capital Project Needs

1. Projects Funded During June 2006 Budget Hearings

- Emergency Operations Center (EOC) at Santa Ynez Airport. Partially funded at \$4.7 million, it is proposed that the project scope be expanded to include new and larger hangars for Sheriff and Fire helicopters and fixed wing aircraft located next to the EOC. The current hangars are too small to house all of the existing aircraft. In addition, currently the helicopters need to be towed each day to a separate take off and landing area. Details of the current situation and proposed project are shown in Attachments B and C.

Although proceeding with this additional scope is estimated to cost another \$2.5 million, this project is viewed as a public safety priority. Details are shown in the following table.

Table 4: Expanded EOC and Airport Hangar Project (dollars in millions)

	EOC Design & Construction	EOC Equipment	Hangars Design & Construction	Total
Estimated Cost	\$5.0	\$1.0	\$2.5	\$8.5
Current Funding	\$4.7	\$0.0	\$0.3	\$5.0
Funding Needed	\$0.3	\$1.0	\$2.2	\$3.5

The EOC itself needs between \$300,000 and \$1.3 million depending on equipment. The CEO’s Office suggests holding off on funding equipment costs while Federal and State funding sources are explored for these items. Hangars are estimated to cost another \$2.5 million with \$300,000 currently funded by the Sheriff’s Department.

- Public Defender Office Elevator and Remodel at Santa Barbara Courthouse. This project is funded at \$1 million. It is now estimated that \$2.4 million will be needed to fully fund the first phase of the project which includes an elevator for all four floors occupied by the Public Defender, new emergency exit stairs, a first floor lobby, relocation of a bathroom and information technology equipment. Funding of another \$517,000 is recommended to get the project closer to the full amount needed for phase 1.
- Parks Department New Cuyama Pool and Park. This project is funded at \$2 million. The project is still in a preliminary stage; a master plan is being drafted and all of the land necessary for the project has not yet been acquired. However, it appears that another \$800,000 will be needed to fully fund the pool, lockers, and parking, which would be the first phase of the project. Additional funding is not recommended until project scope and costs are further defined and other funding possibilities are explored.

2. Other projects

- In addition to the above funded and partially funded projects, the need for and funding of a **new Elections Building** has become very apparent. **Space needs** are described as follows:

The permanent elections staff is around 18 but balloons to over 90 during an election cycle due to requirements for bi-lingual ballots, the number of precincts, and ability to vote by absentee ballot. In addition, the Federal HAVA (Help America Vote Act) requirements for access by the blind, hearing impaired, and otherwise disabled persons, has led to a significant increase in the pieces voting equipment and the need to store this equipment in a temperature controlled environment.

These requirements have made the virtually new space in the Naomi Schwartz building inadequate for current elections needs. Options the Clerk-Recorder-Assessor (CRA), General Services, and the CEO’s Office have looked at are included in Table 5. Cost estimates, provided by General Services, assume 18,000 square feet of new or remodeled space.

Table 5: New Elections Building Options

<u>Options</u>	<u>Cost</u>	<u>Time Util Occupy</u>	<u>Comments</u>
1. Retrofit VA Clinic at Calle Real	\$4.2 million	18 mo.	
2. Build New on County Owned Land			
a. Cathedral Oaks	\$4.9 million	24 mo.	C-R-A preferred option
b. Betteravia	\$4.9 million	24 mo.	Neither options 2a or 2b are endorsed by the Clerk-Recorder-Assessor.
c. Buellton (near fire station)	\$4.9 million	24 mo.	
3. Buy land and build or Purchase existing building & remodel			
a. Santa Maria	\$4.9 million	24 mo.	
b. Buellton	\$4.9 million	24 mo.	
c. Goleta	\$6.2 million	24 mo.	
4. Stay Where They Are	\$200,000/yr		Annual cost for an inefficient operation

Recommendation: It is recommended that the Board conceptually approve moving the Clerk-Recorder-Assessor’s Elections administration, processing and warehousing functions from downtown Santa Barbara to the Calle Real Campus on a site to be determined. This action recognizes the often stated objective of moving activities out of downtown Santa Barbara while recognizing the Clerk-Recorder-Assessor’s administrative need to keep the function relatively close to his other main operations. To move the project from a conceptual stage it is recommended that \$100,000 initially be allocated to study location and design alternatives.

Potential Capital Funding: Currently the CRA has about \$1 million for this project. The County could also allocate the \$1.075 million State reimbursement for the 2005 Special Election to this project. However, costs were covered by a General Fund loan. Thus, we have recommended other uses for most of this revenue.

Should this project, at a future date, receive final approval much of the cost could be financed through issuing Certificates of Participation. Savings in current annual office rental costs, as shown in the following table, would be the financing source.

Table 6: Current and Future Rent/Other Payment Costs

Current		Future	
Building/Occupant	Rent/Other Payment	Building/Occupant	Rent/Other Payment
Elections at Chicago Title	\$195,000	Comp. Planning at Schwartz	\$143,000
Comprehensive Planning	\$178,000	Elections at Calle Real	\$200-300,000
Elections at Schwartz Bldg	\$143,000		
Total	\$516,000	Total	\$343-443,000

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According to Bank of America, assuming current interest rates and a 20 year payment schedule, annual payments of \$200,000 could finance between \$2.5 and \$3 million in COP proceeds.

If this project were to proceed, a target completion date would be early 2009. If completed, it is recommended that the Comprehensive Planning Division of the CEO's Office move into the vacated Schwartz Building space.

Other projects recommended for funding include:

- **Beach access near Lompoc.** Beach access near Lompoc is severely restricted due to birds that nest (Snowy Plover), missiles that fly (Vandenberg Air Force Base) and trains that run (Union Pacific). Funding of \$50,000 would provide for the start of a project to identify access alternatives and select the best one.
- Additional funding for **Santa Claus Lane Beach Access** project. This project would secure public beach access and open an access way to the beach from Santa Claus Lane. Funding of \$100,000 is for beach access and parking lot design and securing Public Utilities Commission approval of access over a railroad.
- **Lompoc Veterans Building Deferred Maintenance.** This 22,000 square foot building on four acres in the City of Lompoc is an underutilized county and community asset in need of repair. The Board is aware of recent discussions with the City of Lompoc as well as the proposed formation of a "Building Restoration Project Committee" to explore options regarding the future use of this property. A \$100,000 initial contribution for a structural engineer's assessment and some initial deferred maintenance would be a good first step by the County toward this building's repair and determination of its long-term use.
- **Maintenance of 200 acres of open space** near the San Marcos Foothills Park. It is anticipated that the 200 acres will be offered to the County before the end of the calendar year. It is recommended that \$50,000 be earmarked for open space maintenance should the offer be accepted.

A summary of the financial proposal is shown in Table 7.

Table 7: Proposal Summary

<u>Available one-time Funding Sources</u>	<u>millions</u>	<u>Project Needs</u>	<u>millions</u>
Strategic Reserve	\$2.78	Additional Funding for 2006 Projects	
Special Election Reimbursement	\$1.08	EOC and Sheriff/Fire Aircraft Hangars	\$2.50
Total	\$3.86	SB Public Defender Elevator/Remodel	\$0.52
			\$3.02
		Other Projects	
		New Elections Building	\$0.10
		Start Lompoc Area Beach Access	\$0.05
		Santa Claus Lane Beach Access	\$0.10
		Lompoc Vets. Building	\$0.10
		Open space maintenance	\$0.05
			\$0.40
		Roads (Prop. 42) Local Match	\$0.44
		Total	\$3.86

Fiscal and Facilities Impacts:

Budgeted: Yes No

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund	\$3.86 million		\$12.9 million
State			
Federal			
Fees			
Other:			
Total	\$3.86 million	\$ -	\$12.9 million

Unfunded amounts that contribute to the difference between the current and total project costs include: 1) \$1 million for EOC equipment, 2) \$3 million for Public Defender remodel, 3) \$4.2 million for the Elections Building, and 4) \$800,000 for the Cuyama Pool. Total beach access and Lompoc Veterans Building project costs have not been determined.

Staffing Impact(s):

Legal Positions:
0

FTEs:
0

Special Instructions: None

Attachments:

- A- Original list of Deferred Budget Expansion Items
- B- Santa Ynez Airport Overview
- C- Proposed EOC and Relocated Sheriff/Fire Hangars
- D- Powerpoint Slides (to be provided with October 24 letter)

Authored by: Ken A. Masuda

cc:

Each Department Head
Deputy/Assistant CEOs
CEO Analysts

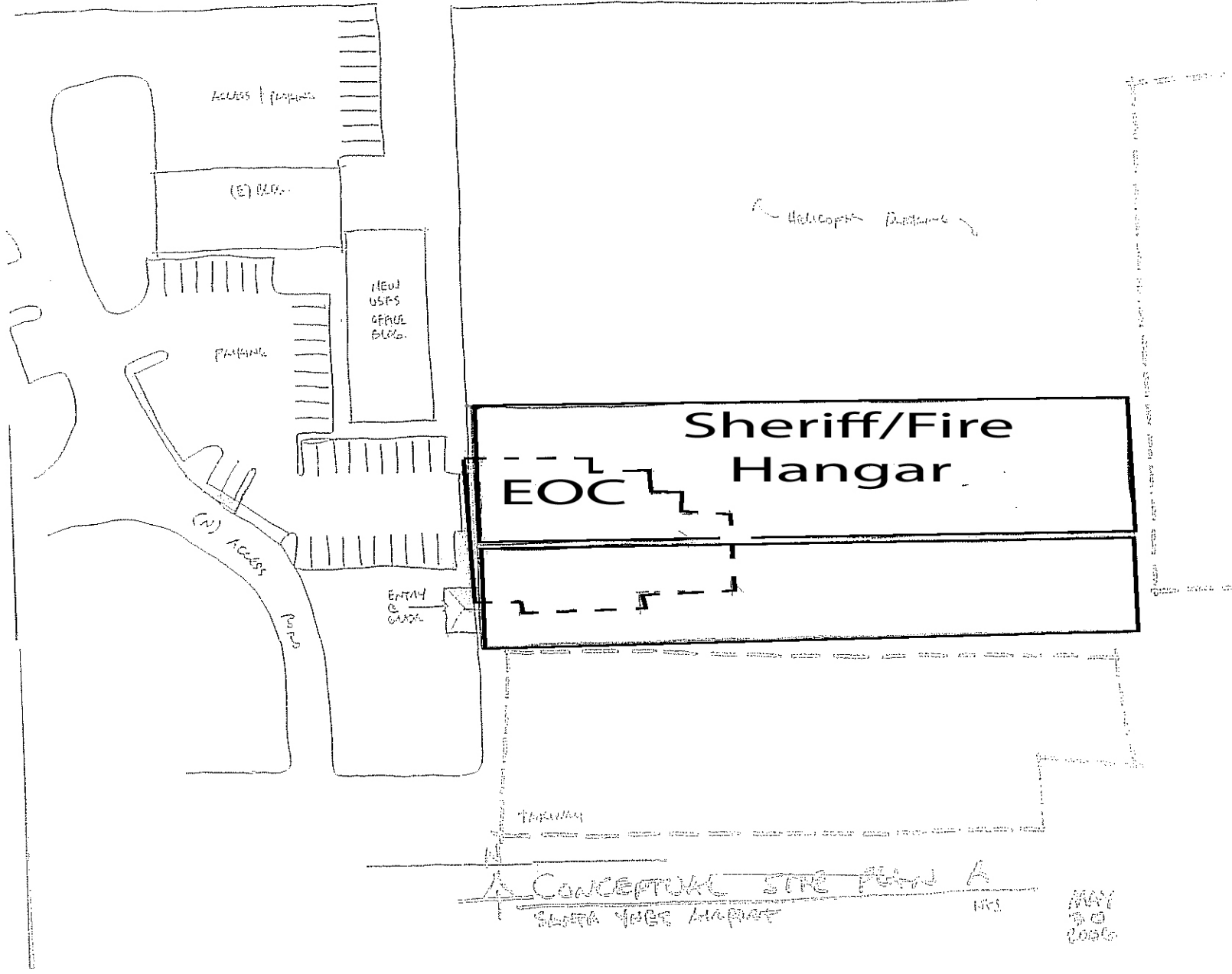
Delayed General Fund Contribution Requests-All Depts (2006-07)

Dept / Priority	Requested GFC	FTEs	Purpose
District Attorney			
4	50,000	0.00	This adjustment significantly enhances the automated case management system by adding a module that enables electronic filing of law enforcement case reports. Case discovery can then be sent and tracked electronically for greater efficiency.
Probation			
2	702,000	8.70	This adjustment adds 7 Adult and 2 Juvenile Deputy Probation Officers necessary for Probation to supervise probationers at a level acceptable to the Courts.
Public Defender			
3	53,700	0.00	This adjustment provides funds for the Public Defender to initiate a 3-year computer replacement/upgrade program. This is common practice throughout the County and is recommended by General Services, Information Technology.
Parks			
7	19,700	0.00	This adjustment would provide for installation, training, and ongoing operation and maintenance costs for eight networked and stand alone personal computers throughout the Department (required hardware has already been obtained).
8	36,000	0.00	This adjustment would restore Services & Supplies reductions that were made to the Department's South County operating budget in prior years that resulted in reduced tree and landscape maintenance services on an ongoing basis.
9	20,000	0.00	This adjustment would restore Services & Supplies reductions that were made to the Department's North County operating budget in prior years that resulted in reduced tree and landscape maintenance services on an ongoing basis.
11	26,000	0.00	This adjustment would provide for two half-time, extra help Park Ranger Trainee positions for South County Parks to help address workload requirements in various park locations.
13	50,000	0.00	This adjustment would provide funding for contractual services for ongoing operations and maintenance of San Marcos Foothills Park once this park is developed.
19	101,500	1.00	(NEW) This adjustment, requested by the 2nd Supervisorial District, would add a Project Manager position to the Parks Department to assist the Department in the areas of capital & special projects, planning, grants & natural resource management.
Dept Totals	253,200	1.00	
Planning & Development			
1	10,000	0.00	This adjustment is submitted by Santa Barbara County Historical Landmarks Commission to assist them with the creation of critical surveys for potential historic properties and sites.
Public Works			
0	90,000	0.00	(NEW) This adjustment, requested by the 1st and 2nd Supervisorial Districts, will provide revenue to assess water quality conditions and sources of impairment in 303(d) listed water bodies in the unincorporated urbanized areas of Santa Barbara County.

Delayed General Fund Contribution Requests-All Depts (2006-07)

Dept / Priority	Requested GFC	FTEs	Purpose
General Services			
4	30,000	0.00	This adjustment is to provide a funding source for identified risk-mitigation to correct safety hazards within General Services facilities for Injury Illness Prevention.
General County Programs			
5	25,000	0.00	(NEW) This adjustment, requested by the 2nd Supervisorial District, allocates funding to hire a consultant to develop a Jobs/Housing Newsletter.
16	75,000	0.00	This adjustment allocates funding to CASA for 2 Case Managers (Community Organization Request) - second 1/2 of request.
22	127,000	0.80	This adjustment, requested by the 1st Supervisorial District, adds 0.8 FTE Planner III to Comp Planning to work on the Summerland Community Plan.
Dept Totals	227,000	0.80	
Grand Totals	1,415,900	10.50	

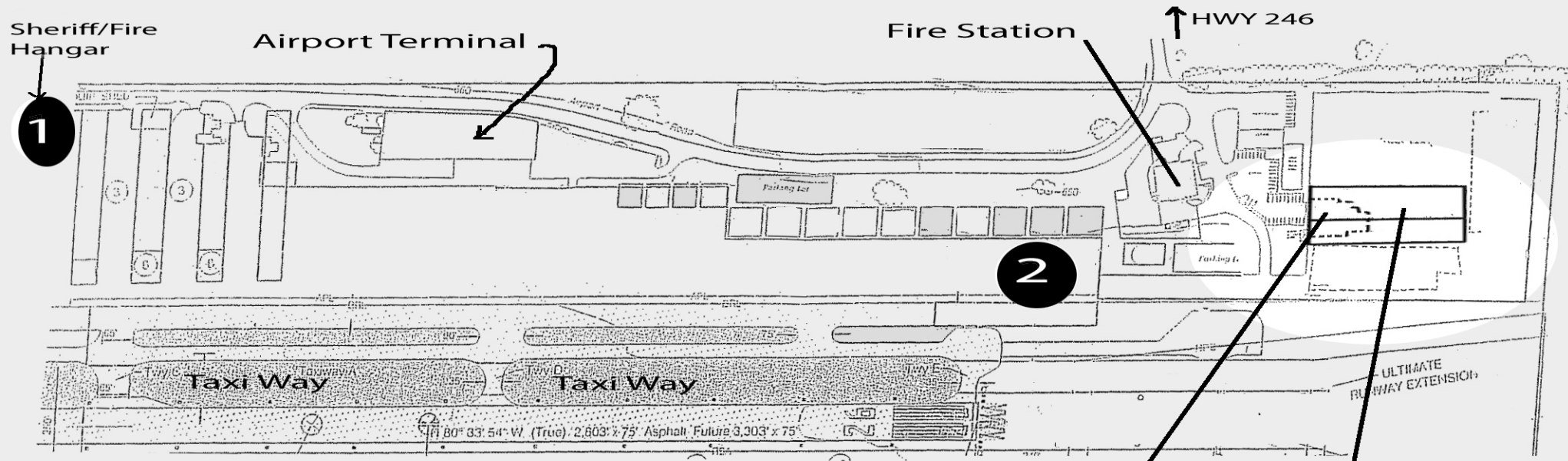
(E)
Flat
Storage



A CONCEPTUAL SITE PLAN A
SANTA YNEZ MARKET

NRJ

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Santa Ynez Airport

1. Present helicopter hangars
2. Present helicopter take off area

Proposed EOC

Proposed Sheriff/Fire Hangar