

Budget Hearings Board Inquiry Form

| Board Member | |
|--------------|---|
| Carbajal | X |
| Wolf | X |
| Farr | X |
| Adam | X |
| Lavagnino | X |

Inquiry Number:01

Department: Various

Date:

Page(s) of Budget Book/PowerPoint: n/a

Request/Question: Various questions from Budget Workshops

Response Prepared by: CEO Budget & Research

Response:

As follow-up to the April workshop, a list of questions and responses is provided. Most of these were answered during the workshop, but this BIF is intended to document the information. See Attached forms.

April 2014 Workshop Questions and Responses

| # | Section | Question | Response |
|----|----------------|---|---|
| 1 | BOS | Detail of 1x funds available in FY 2014-15 & 2015-16 | will be in June presentations |
| 2 | CEO | What is the cost of the Workforce Plan? | No additional cost, will be accomplished with existing staff. |
| 3 | OEM | What was the \$300k reduction in OEM from 12/13 to 13/14? | OEM budget includes Homeland Security Grants which benefit the operational area agencies. These grants are typically not budgeted until close to the end of the year as a FBA for the following year. Thus while it appears that OEM is being reduced by \$330,000, OEM is actually increasing by \$23,000. |
| 4 | County Counsel | Requests for \$25k additional Services & Supplies for training and \$44k for a 0.4 FTE Paralegal should be added to tab #3 Expansion Requests. | Requests have been entered in as an Expansion Request. |
| 5 | County Counsel | How much have we spent on outside counsel over the past few years? | See County Counsel explanation. |
| 6 | County Counsel | What is current OT for CC? | See County Counsel explanation. |
| 7 | CSD | Can Parks become more energy efficient and use more green tech (i.e. solar, wind)? | Parks will continue to seek funding to make amenities more energy efficient. |
| 8 | CSD/GS | Can Parks Expansion (Tab #3) Request #5 for staff to assist with reservations be combined with General Services Request #7 for event coordination at SB/Lompoc Vets and SB Courthouse? Several different reservation functions within County; could these be integrated into one to provide better customer service and control costs? Then plug into the tourism industry. | Departments have individual reservation methods but currently do not have the capacity to integrate. GS, Parks and CRA will work together to determine if and how systems can be merged. |
| 9 | CSD | Are the CSAs included in the Parks budget? | Yes |
| 10 | CSD | Draft D-pages show staffing is increasing from 2012-13 Actual (87) to 2013-14 Adopted (97) and 2014-15 Recommended (96) (page D-14); is this correct? | Yes staffing is increasing from 2012-13 Actual FTEs to 2013-14 Adopted level, due to turnover and salary savings which reduce FTE levels. All dept. presentations reviewed the Adopted to Recommended levels which for CSD is down one (-1) due to a reduction in Extra Help in Parks. |
| 11 | CSD | It's time to update the analysis of the financial and other goals of combining Parks and HCD; are we achieving what we wanted? HCD to review best structure this summer. | The County Executive Office plans to return to the Board with this analysis late Summer. |

April 2014 Workshop Questions and Responses

| # | Section | Question | Response |
|----|--------------|---|--|
| 12 | CSD | What is vacancy rate (or occupancy rate) for cabins and yurts at Jalama and Cachuma? | The annual (FY) occupancy rate for cabins is 90% at Jalama and 78% at Cachuma; for yurts it is 68% at Cachuma and there are currently no yurts at Jalama. The Summer occupancy rate for cabins is 98% at Jalama and 94% at Cachuma; for yurts it is 87% at Cachuma. |
| 13 | CEO | What is the plan for water conservation? | County Departments are working on Water Conservation efforts for County facilities including fixture replacement and reductions in landscape watering. The Water Agency has doubled its outreach / advertising budget next FY to \$100,000 and included an additional \$200,000 for Drought response projects and work. |
| 14 | P&D | Bring back list of projects and projected available year end funding in June. What are the grant funded projects | Handout provided at workshop. Update emailed to BOS 5/28, see attached |
| 15 | P&D | Supports current ongoing projects with ongoing staff; bring list to June Hearings with projected savings. | Handout provided at workshop. Update emailed to BOS 5/28, see attached |
| 16 | Public Works | Is the surveyor position mandated? | The surveyor position is to perform map examinations that are mandated by the California Business and Professions Code 8766 and 8773.2 to be performed within 20 working days. |
| 17 | Public Works | PW previously prepared a Ground Water Basin study; requested an update to this study for Los Alamos. | Public Works is reviewing final report documents for the Cuyama Groundwater Study. The San Antonio Groundwater Study is in the budget and staff is completing public outreach on this project and will return to the Board for direction. |

April 2014 Workshop Questions and Responses

| # | Section | Question | Response |
|----|-----------------|--|--|
| 18 | Public Works | D-pages, page D-226; Transportation Budget Program - what was the big increase (\$10,489k) from FY 2012-13 to the Adopted for FY 2013-14? | <ul style="list-style-type: none"> • Net operating expenditure increase of \$10,489,000; o +\$1,245,000 increase in Salaries and Employee Benefits consisting of: <ul style="list-style-type: none"> + \$607,000 increase in salary, retirement and health costs. + \$638,000 increase due to staffing savings in FY12-13. o +\$8,993,000 increase in Services and Supplies due to: <ul style="list-style-type: none"> + \$4,819,000 increase for capital projects in Transportation. + \$3,302,000 increase for capital maintenance in Transportation, including deferred maintenance projects and increases in overlay and scrub-micro projects. + \$872,000 increase for operations for services and supplies. o +\$251,000 increase in Other Charges due to: <ul style="list-style-type: none"> + \$168,000 increase in liability insurance. + \$83,000 increase in Internal Service Fund charges. |
| 19 | Public Defender | Add Budget expansion requests not in system (LOPs) | added to expansion requests |
| 20 | Sheriff | D5 – What are response times? [note – are shown on D pages but Sheriff didn't realize] | See Budget Book D-112 |
| 21 | ADMHS | Asked for list of contractors (in past has been provided with budget adoption). Asked about "audit" or review by ADHMS (not financial audit but more performance). | <p>ADMHS is going to the BOS on 7/1/14 with an administrative agenda item to approve all of the department's board contracts that are subject to renewal for FY 14-15 (about 40). As part of the agenda packet, ADMHS will list all of its contracts, including those that are not board contracts (under \$100K) and those board contracts that are not subject to renewal in FY 14-15 (multi-year contracts such as TBH).</p> <p>ADMHS performs continuous fiscal contract monitoring on all contracts, as well as quarterly rate reviews for all CBO board contracts. The Department's Compliance Office started performing contract compliance reviews of contracts this fiscal year. The Department's Programs and Quality Assurance staff have traditionally been part of the quarterly "Scorecard" review process lead by Fiscal and Admin Services, but as of this fiscal year they are working with CBO staff to develop a Joint Quarterly review process that will replace the scorecard process.</p> |

April 2014 Workshop Questions and Responses

| # | Section | Question | Response |
|----|-----------------|--|--|
| 22 | Public Health | Wants to understand budgeted programs, given different types of activities. Referred to "cost center" book. | CCPP books were produced as a special project several years ago. The budget now includes budget programs which are a consolidation of smaller related programs. Detail program financial information is available upon request. |
| 23 | Auditor | Need for cost analyst for New Jail construction project | will be located in GS and included in CEO Recommended Budget |
| 24 | CRA | How is inflation component of Prop. Tax computed? | Issued by Department of Finance |
| 25 | CRA | Is the department fully staffed now | CRA confirmed full staffing levels, but added he recently has 2 vacancies. |
| 26 | CEO | Requested a balance sheet as part of the budget to provide context, includes liabilities and def. maint. | Full projected balance sheet would be difficult to include with budget. Selected liability accounts, such as unfunded pension liability will be included during budget hearings. |
| 27 | GS | Asked about the security expansion request. Provide the current hours of security staff and what hours the expansion would fund. | Security services from 4:30pm to 8:00am 7 days a week at an additional annual cost of \$61k. Current services are for 5:00-8:30 on weekdays and 9:00-5:00 on weekends. An additional benefit could be a reduction in maintenance costs since facility emergencies could be identified during off hours by the security guard doing rounds of each downtown facility. |
| 28 | GS | How are deferred maint. projects prioritized? | Departments are based on Health and Safety first. Phase II of the consultants report (Asset Management Plan) will include this information, scheduled to return in August 2014. |
| 29 | GS | Further explain Purchasing Software \$250k | The current County processes including the use of paper requisitions are inefficient and not in accordance with current best practices in Purchasing. Current best practices include electronic workflow of documents, integration with other systems to enable the systems to seamlessly share data and information, availability of electronic bidding for vendors and tracking of vendor purchases. Our planned budget for this is \$100K in 14-15 and \$150K in 15-16. |
| 30 | GS | SB Conference and Visitors Bureau should be contacted with County marketing materials to help promote our services/facilities. | If the Board approves the Consolidated Management Plan Budget for our venues, we plan to hire an event manager/venue administrator who will be responsible for the production of marketing materials and the development of other marketing strategies. |
| 31 | Gen Co Programs | Show list of what is funded in this department | See Attached |
| 32 | Comments | Would like two request lists; #1 GF#2 other | See Attachments A-1 and A-3 in the Hearing Binder |
| 33 | Comments | Also show 1x vs. ongoing GF | See Attachments A-1 and A-3 in the Hearing Binder |
| 34 | Comments | Show target for strategic reserve and 6-10 year history | See Attached |

Attachment: Item #5 and #6

QUESTION BY SUPERVISOR ADAM: USE OF ATTORNEY OVERTIME IN OFFICE OF COUNTY COUNSEL

RESPONSE BY COUNTY COUNSEL:

All 25 attorneys in Office of County Counsel are exempt from overtime compensation and we expect them to perform a reasonable amount of overtime as part of their jobs.

Right now, 13 of our 25 overtime-exempt attorneys report routinely working at least 48 hours or more per week, with 6 of those 13 attorneys routinely working 54 hours or more per week.

In order to decrease this heavy use of overtime, we therefore requested at the Budget Workshop on April 7, 2014:

- Restoration of a 1.0 FTE attorney at \$130,000 (Deputy I loaded cost); and
- Expansion of another 1.0 FTE attorney at \$130,000 (Deputy I loaded cost).

Unless we hire at least one of those additional attorneys, we project that our overtime-exempt attorneys will collectively perform about 9,450 hours of overtime legal work in FY 2014-15.

The County may be reimbursed from some federal and state programs for attorney time up to 40 hours per week per attorney, but cannot be reimbursed for more than 40 hours per week per attorney.

QUESTION BY SUPERVISOR ADAM: USE OF OUTSIDE COUNSEL ATTORNEYS OVER THE PAST 5 YEARS

RESPONSE BY COUNTY COUNSEL AND CEO:

Shown below is the County's use of the General Fund for Outside Counsel attorneys, for both:

Attachment: Item #5 and #6

- Very specialized legal work, such as tax or eminent domain issues, that are infrequent or otherwise not cost-effective for us to perform “in house;” and
- Overflow “land use” and “general” litigation that County Counsel could have performed “in house” with additional attorney resources.

The County also uses Outside Counsel to defend some “Risk-funded” litigation of civil rights, torts, and medical malpractice claims. Using County Counsel attorneys generally is more economical than using Outside Counsel; however:

- The County’s excess insurer (CSAC-EIA) counts the costs of Outside Counsel towards the County’s \$500,000 self-insured “deductible” (SIR), but not the costs of County Counsel; therefore,
- Using Outside Counsel in cases where the combined costs of defense and liability (by settlement or judgment) are likely to exceed the County’s SIR may reduce the County’s net costs.

SUMMARY OF GENERAL FUND USES FOR OUTSIDE COUNSEL ATTORNEYS:

| County Counsel | | | | | | |
|---------------------------|-------------------|-------------------|-------------------|------------------|-------------------|-----------------------|
| Types of Outside Counsel | FY 0809 | FY0910 | FY1011 | FY1112 | FY1213 | FY1314 thru 3/2014 |
| ADMHS litigation | \$ 407,821 | \$ 1,444 | \$ 180 | \$ - | \$ 710 | \$ 2,717 |
| Bankruptcy | \$ - | \$ - | \$ - | \$ 11,288 | \$ 27,102 | \$ 32,150 |
| Conflict Conservatorship | \$ - | \$ - | \$ 9,918 | \$ 2,139 | \$ 520 | \$ 560 |
| Eminent Domain litigation | \$ - | \$ - | \$ - | \$ 875 | \$ 11,156 | \$ 41,434 |
| Tax | \$ 268,831 | \$ 25,805 | \$ 6,312 | \$ 2,882 | \$ 6,753 | \$ 9,585 |
| General litigation | \$ 60,397 | \$ 31,494 | | \$ 10,478 | \$ 36,493 | \$ 263,871 |
| Labor litigation | \$ - | | \$ 10,229 | \$ 7,578 | \$ 15,967 | \$ 3,560 |
| Land Use litigation | \$ - | \$ 56,092 | \$ 48,919 | \$ 9,248 | \$ 14,770 | \$ - |
| Retirement litigation | \$ 901 | \$ 24,007 | \$ 26,111 | \$ - | \$ - | \$ - |
| | | | | | | |
| Total | \$ 737,950 | \$ 138,842 | \$ 101,669 | \$ 44,488 | \$ 113,471 | \$ 353,876 |

Attachment: Item #5 and #6

SUMMARY OF “RISK-FUNDED” USES OF OUTSIDE COUNSEL ATTORNEYS:

| Risk Management | |
|-----------------|--------------|
| FY | Totals |
| 2008-09 | \$ 126,337 |
| 2009-10 | \$ 346,959 |
| 2010-11 | \$ 142,316 |
| 2011-12 | \$ 655,406 |
| 2012-13 | \$ 276,064 |
| 2013-14 | \$ 30,775 |
| | |
| Total | \$ 1,577,857 |
| | |

**Planning and Development - Requests
FY 2014-15**

(revised 5/22/14)

P&D is requesting \$310,688 in ongoing GFC for core Long-Range Planning (LRP) work for 2.3 FTE to replace the loss of CREF Funding. This is shown as a SLR for which they are requesting restoration using department savings. With the restoration, existing and new projects (15-17, 19, 21-23) could be accommodated. Any additional projects would require additional staff, and that cost has not been included here. Details of the funded and new projects are below and also on the project sheets provided in the April Workshop binder.

| EXISTING PROJECTS | Requested GF for LRP FY 14-15 |
|--|--|
| Gaviota Coast | \$ 92,444 |
| Hollister streetscape | 83,276 |
| Subtotal | \$ 175,720 |
| POTENTIAL NEW PROJECTS - GRANT-FUNDED | |
| (#15) Coastal Resiliency (grant) | 14,022 |
| (#16) Alt Fuels Readiness (grant) | 16,688 |
| (#17) Community Choice Aggregation Feasibility Study (to pursue grant) | 6,000 |
| Subtotal | \$ 36,710 |
| POTENTIAL NEW PROJECTS - NOT GRANT FUNDED | |
| (#19) Ag Permit Streamlining | 29,000 |
| (#21) Circulation Element Update | 32,000 |
| (#22) Ordinance 661 Consistency Rezoning | 14,000 |
| (#23) Outdoor lighting | 16,000 |
| Subtotal | \$ 91,000 |
| Other/Miscellaneous efforts | 7,258 |
| TOTAL | \$ 310,688 |

PROJECTS REQUIRING MORE STAFF

| | |
|--|--------|
| (#18) Montecito Design Guidelines Update (explore revenue sources) | 30,000 |
|--|--------|

STAFFED BY ENERGY AND MINERALS DIVISION

| | |
|---|----------------------|
| (#20) Green House Gas CEQA Thresholds (with APCD) | 30,000 |
| or (Independently by Department) | 50,000* |
| Subtotal | \$30,000 or \$50,000 |

*If P&D carries the GHG CEQA threshold project independently of the APCD effort, approximate cost would be \$50,000 and completed in FY 2014-15.

General County Programs
GFC Allocation
FY 2014-15 Budgeted Expenditures

| 990 GF Needs: | 2014-15 | Notes |
|---------------------------------------|-------------------|---------------------------|
| HSC Extra Help support staff | 10,000 | Human Services Commission |
| Salaries and Employee Benefits | 10,000 | |
| Homeless Coordinator | 75,000 | |
| HSC Professional Services | 108,000 | Human Services Commission |
| Children's HC Initiative | 1,000,000 | |
| Gang Support | 50,500 | |
| BOS Support | 50,000 | |
| Services and Supplies | 1,283,500 | |
| LAFCO/Montecito Fire | 109,200 | |
| HSC agency payments | 1,082,000 | Human Services Commission |
| Other, misc. | 16,224 | |
| Other Charges | 1,207,424 | |
| Fire CAP Agreement | 398,481 | Net Transfer amount |
| Northern Branch Jail | 198,853 | In lieu of GFC for CAP |
| Debt Service | 1,172,024 | |
| Other Financing Uses | 1,769,358 | |
| <i>Increase to Committed Funds:</i> | | |
| Roads Projects | 500,000 | |
| Strategic Reserve | 1,000,000 | |
| Facilities Management | 2,300,000 | |
| New Jail Operations | 4,600,000 | |
| Contingencies | 500,000 | |
| Program Restoration | 6,575,335 | |
| Total Increase to Committed | 15,475,335 | |
| Total Budgeted Expenditures | 19,745,617 | |

Strategic Reserve Balance History

Strategic Reserve

| Year | <u>6/30 Ending Balance</u> | <u>7/1 Beginning Balance</u> |
|-----------------|----------------------------|------------------------------|
| 2003 | 9,999,763 | 9,999,763 |
| 2004 | 10,999,763 | 10,999,763 |
| 2005 | 16,692,858 | 16,692,858 |
| 2006 | 20,879,012 | 20,879,012 |
| 2007 | 24,000,185 | 24,000,185 |
| 2008 | 24,223,267 | 24,223,267 |
| 2009 | 22,395,981 | 22,395,981 |
| 2010 | 21,045,713 | 21,045,713 |
| 2011 | 19,445,278 | 19,445,278 |
| 2012 | 21,830,551 | 21,830,551 |
| 2013 | 21,240,803 | 21,240,803 |
| 2014 at 5/30/14 | 24,172,108 | |

The ending fund balance at 6/30 is the same as the beginning fund balance at 7/1. The Auditor's Office increases the Strategic Reserve for the prior year ending fund balance on 7/31 so it is not in the next year's beginning fund balance but is actualized during the month of July.