

The County Fiscal Plan (five-year fiscal forecast) primarily focuses on increases in costs to maintain current services and how much discretionary revenue is available to fund these costs and/or what mitigations are needed. In addition to preparing the five-year fiscal forecast the County Administrative Office also identifies needs within the County that are not currently funded and require funding with ongoing or one-time sources.

ONGOING NEEDS

As reflected in the County Fiscal Plan the 2013-14 Recommended Budget funds \$27.2 million in increased ongoing costs (\$15.7 million to maintain current services and \$11.5 million in increased needs as detailed below).

**Ongoing Costs Identified to be Funded
(in millions)**

	Ongoing
Earned Leave Program	\$3.7
Sheriff/Coroner/Public Administrator – Federal Revenue Losses	2.9
County Fire General Fund Subsidy Increase	1.2
Trial Court Maintenance of Effort – Less Court Fine Revenues	1.2
Special Districts Operate/Maintain Water/Wastewater System at Regional Parks	1.0
Land Development Services – Maintain Current Service Levels	0.3
Surveyor – GIS Parcel Base Map and Corner Records	0.3
Purchasing Improvements	0.3
Clerk of the Board Improvements	0.2
District Attorney Cold Case Prosecution	0.2
Public Defender Caseload	0.1
High Desert Government Center Security	0.1
Additional Ongoing Costs in 2013-14 Recommended Budget	\$11.5

\$3.7 million ongoing for Earned Leave Program

In a given fiscal year an employee can have paid time off earned but not used that is carried forward to future years until taken or cashed out. The County currently has a significant existing liability created by these leave balances from prior years. In prior years, departments were required to fund payments made to employees of these existing leave balances at separation or retirement within their department allocations, which would often require departments to leave budgeted positions vacant for extended periods of time. In Fiscal Year 2011-12, the County allocated ongoing sources of \$3.5 million to begin setting aside funding for the portion of these unused leave balances that will eventually be funded by discretionary sources of the general fund. This allocation will be placed in the Earned Leave Reserve until needed. The current balance in the Earned Leave Reserve is \$3.5 million. The 2013-14 Recommended Budget includes a contribution of \$7.0 million (\$3.5 million for 2012-13 and \$3.5 million for 2013-14) to the Earned Leave Reserve to increase the funding available for these leave balances from prior years.

The County estimates that the portion of annual cost of employee paid time off earned but not taken funded by discretionary sources of the general fund is approximately \$4.4 million. This amount will be added to the existing liability balance each year. Beginning in Fiscal Year 2013-14, \$3.7 million of the \$4.4 million ongoing cost is included in the ongoing budget plan. The remaining \$0.7 million is not funded on an ongoing basis. However, the 2013-14 Recommended Budget includes the funding of the \$0.7 million on a one-time basis using one-time funds until an ongoing source becomes available.

The 2013-14 Recommended Budget appropriates this \$4.4 million (\$3.7 million ongoing and \$0.7 million one-time) in the Contingency for Uncertainties, and identifies it for the Earned Leave Program.



\$2.9 million ongoing for Sheriff/Coroner/Public Administrator - Federal Revenue Losses

Sheriff/Coroner/Public Administrator has seen reduced revenue associated with State Criminal Alien and Assistance Program (SCAAP) and U.S. Marshall funding totaling \$2.9 million.

\$1.2 million ongoing for County Fire General Fund Subsidy Increase

County Fire needs an increase in general fund subsidy to maintain needed services. In recent years declining property tax revenues and increasing costs have made it difficult for the fire district to maintain necessary service levels. County Fire has attempted to mitigate the effects of the economic down turn through budget cuts including the transitioning of full-time staffed fire stations to on-call fire stations. However, an additional subsidy is required for 2013-14 to maintain service levels.

\$1.2 million ongoing for Trial Court Maintenance of Effort – Less Court Fine Revenues

The County is required to make a capped maintenance of effort (MOE) payment to the state each year for operations of the courts. The County is allowed to retain many fines and forfeitures to help fund their MOE payments with the provision that collections that exceed the amount of the required MOE payments be shared equally between the state and the County. In the upcoming fiscal year, it is anticipated that fines and forfeitures will be reduced requiring additional discretionary general funding of \$1.2 million, bringing the total discretionary general funding used to pay the MOE to \$11.3 million.

\$1.0 million ongoing to Operate/Maintain Water/Wastewater System at Regional Parks

The Regional Parks Department is responsible for ensuring that water and wastewater system operations, maintenance, and management services are being conducted at all County Regional Park locations according to local, state, and federal regulatory requirements. The \$1.0 million in ongoing discretionary general funding will allow the Special Districts Department to continue providing water and wastewater system operations, maintenance, and management services for the Regional Parks Department's County-owned water and wastewater systems.

\$317,000 ongoing for Land Development Services

In an effort to support the Countywide Vision and streamline the process for private development projects, the Land Development Division was transferred from the Department of Public Works to Land Use Services Department. This Division provides significant public support such as front counter, telephone, research services as well as provides support to the LUSD divisions with a General Fund Subsidy for Land Development. This General Fund Subsidy increased from \$283,000 in 2012-13 to \$600,000 in 2013-14 (an increase of \$317,000) to fund overhead expenses associated with these activities.

\$284,543 ongoing for Surveyor Services

The Department of Public Works Surveyor's Division performs two activities for the General Fund: maintenance of the GIS parcel base-map, which is discretionary, and review of Corner Records, which is mandated by the State of California. This General Fund Subsidy increased from \$279,903 in 2012-13 to \$564,446 in 2013-14 (an increase of \$284,543) to charge the General Fund at the Board approved Productive Hourly Rate for staff performing these two tasks.

\$250,000 ongoing for Purchasing Improvements

Additional discretionary general funding of \$250,000 was allocated to Purchasing Department to add two Buyer IIs and one Buyer III in 2013-14. These positions will provide assistance and training to departments, decrease cycle time for purchase orders and contracts, reduce the number of retroactive contracts, and resume vendor activities.

\$196,000 ongoing for Clerk of the Board Improvements

Additional discretionary general funding of \$196,000 was allocated to Clerk of the Board to add one Staff Analyst II and one Board Services Specialist and to expand remote video conferencing in 2013-14. New staff will improve the ability of the department to meet customer service expectations as well as better manage the department's fiscal and budgetary duties. The videoconferencing program, piloted in 2010 and expanded by order of the Board of Supervisors in January 2013, will allow greater access for constituents in High Desert communities to participate in Board of Supervisors Meetings.



\$158,000 ongoing for District Attorney Cold Case Prosecution

Additional discretionary general funding of \$158,000 was allocated to the District Attorney to add one Deputy District Attorney in 2013-14 for the prosecution of cold case homicides in the County.

\$127,000 ongoing for Public Defender Caseload

Additional discretionary general funding of \$127,000 was allocated to the Public Defender to add two Investigator Technicians in 2013-14 for increased workload such as picking up court records, obtaining client signatures on releases of confidential documents, photographing evidence retained by police, and preparing photographs and diagrams for trial. The primary drivers of the workload increases are: 1) the 3-strikes law changes requiring substantial reviews of prior convictions and sentences; 2) compliance with confidentiality laws, which is requiring greater numbers of signed releases; 3) picking up more documents at court rather than having them mailed by court so as to avoid new fees adopted by the court; and 4) felony caseloads are up 13% over the last two years.

\$100,000 ongoing for High Desert Government Center Security

Discretionary general funding of \$100,000 was allocated to the Sheriff/Coroner/Public Administrator to provide security at the High Desert Government Center.

ONE-TIME NEEDS

As reflected in the County fiscal plan, the 2013-14 Recommended Budget funds \$58.0 million in increased one-time costs (\$23.5 million per Board policy or direction and \$34.5 million in increased needs as detailed below).

**One-time Costs Identified to be Funded
(in millions)**

	One-time
New Crime Lab	\$15.7
Pavement Management Program/Transportation Projects	4.5
Aviation Relocation	4.5
County Buildings Acquisition and Retrofit Project	4.5
Land Use Services Activities	3.3
Earned Leave Program	0.7
Home Ownership Protection Program	0.5
Oversight Board for dissolution of Redevelopment Agencies	0.3
County Museum Bridge Funding	0.2
Sheriff Resident Post Improvements	0.2
Inland Counties Emergency Medical Agency Bridge Funding	0.1
	\$34.5
Additional One-time Costs in 2013-14 Recommended Budget	\$34.5

\$15.7 million one-time for New Crime Lab

In 2012-13, the Board approved \$1.3 million for design to expand and remodel the existing Sheriff's Crime Lab located at 200 S. Lena Road in San Bernardino. The total estimated project cost is \$17.0 million to expand the existing facility approximately 20,000 square feet. \$15.7 million is proposed for funding in 2013-14 for the estimated cost of construction for this project.

\$4.5 million one-time for Pavement Management Program/Transportation Projects

Public Works – Transportation will sustain the County Pavement Management Program in a good to very good condition, in part by doing surface treatments on 9.4 miles and rehabilitating and overlaying 15.9 miles of roads. A one-time contribution of \$4.5 million from the General Fund will help construct the Glen Helen Parkway grade separation, Yates Road realignment, and support the department's operation activities.



\$4.5 million one-time for Aviation Relocation

This project will relocate the Sheriff's Aviation Division from Rialto Airport located at 1776 Miro Way to San Bernardino International Airport (SBIA) and will consolidate space currently leased at SBIA into a new facility. The County will construct approximately 55,000 square feet of maintenance and hangar space and approximately 10,000 square feet of office space on approximately 8 acres of land at SBIA. The total estimated cost is \$9.6 million and will be funded with \$4.1 million from the City of Rialto for relocation, \$1.0 million from the Sheriff's Asset Seizure Fund, and \$4.5 million from one-time discretionary general funding.

\$4.5 million one-time for County Buildings Acquisition and Retrofit Project

Funding of \$4.5 million is proposed to be added to the County Buildings Acquisition and Retrofit Project to acquire existing office space near the Victorville Courthouse to locate general funded departments currently in leased space. This budget will acquire and remodel space for the District Attorney and Public Defender.

\$3.3 million one-time for Land Use Services activities

\$1.6 million to Land Use Services – Planning in 2013-14 will allow the department to begin updating the General Plan, create more specific plans to better reflect the unique character of all areas of the county, and amend the development code and master plans. These revisions will ensure the most appropriate standards are being applied in all areas of the County and will be accomplished over a three year period with additional funding required estimated at \$5.4 million in future years.

\$100,000 to Land Use Services – Planning will fund the Goldline Plan Review.

\$700,000 to Land Use Services - Administration will allow the department to purchase a new permitting software. This new software will allow all of the divisions of Land Use Services, Public Works, and County Fire to interface with each other for the purposes of issuing permits. A new permitting application will also increase the efficiency of the department and help to streamline the permitting process.

\$473,147 to Land Use Services – Code Enforcement will fund legal costs of \$200,000 and provide funding of \$273,147 to the demolition and rehabilitation program. There are 400 properties in this program of which 200 meet the statutory definition of being Dangerous Buildings and the other 200 are in substandard conditions in which properties will probably be abated or repaired by existing or future owners. Since 100 of the Dangerous Buildings pose an imminent threat to public health and safety, \$273,147 of discretionary general funding has been allocated to help demolish these buildings.

\$360,000 to Land Use Services - Code Enforcement will enable the continuation of the Medical Marijuana enforcement program. This includes supporting a specialized Code Officer to address Medical Marijuana code cases and supporting County Counsel costs specific to Medical Marijuana litigation.

\$720,064 one-time for Earned Leave Program

The County estimates that the portion of annual cost of employee paid time off earned but not taken funded by discretionary sources of the general fund is approximately \$4.4 million. This amount will be added to the existing liability balance each year. Beginning in Fiscal Year 2013-14, \$3.7 million of the \$4.4 million ongoing cost is included in the ongoing budget plan (Five-Year Fiscal Forecast). The remaining \$0.7 million is not funded on an ongoing basis. However, the 2013-14 Recommended Budget includes the funding of the \$0.7 million on a one-time basis using one-time funds until an ongoing source becomes available.

\$524,276 one-time for Homeownership Protection Program

This funding will provide support staff and operational costs for the Homeownership Protection and Foreclosure Prevention Program. The support staff will identify all housing funding mechanisms and programs to help families keep their homes.



\$300,000 one-time for Oversight Board Costs

With the state’s dissolution of local redevelopment agencies in 2011-12, 26 Oversight Boards, each of which includes a County representative and a public representative appointed by the Board of Supervisors, were created within the County to ensure that ongoing redevelopment expenses and assets are managed properly. The County Economic Development Agency will serve as a resource to those appointees to ensure the County’s interests are represented on all Oversight Boards. Funding of \$0.3 million is needed in 2013-14 to continue to provide this resource.

\$200,000 one-time County Museum Bridge Funding

County Museum has major reductions in sources of revenue (\$766,000) that are being driven by a revenue downturn. As a result, 9 positions have been deleted from the budget. Historically, County Museum one-time sources have been renewed or were replaced with other one-time sources; however, these one-time sources (federal and state) are becoming more difficult to secure at the present time and are forecasted to remain lean in the near future. In response to this revenue downturn, the 2013-14 Recommended Budget was developed conservatively on the basis of a minimal reliance upon one-time sources. Discretionary general funding has been increased by \$241,000 (\$200,000 is a one-time increase only for 2013-14) as a measure to buy time for the Department to develop a sustainable revenue base and will fund 4 positions in 2013-14 which were previously slated for deletion due to the reduction in revenue sources. The staffing level reductions will create significant service level reductions in the areas of educational and live animal programs, Geological Sciences, weekend programming, and dedicated facility security. The Department will work with the County Administrative Office to collectively explore service-related solutions and more sustainable revenue sources, and will also work with other government agencies to explore opportunities to transfer the ownership/operation of the Victor Valley Museum to another entity. The remaining 6 historic sites will be open and will operate on their customary schedule.

\$150,000 one-time for Sheriff Resident Post Improvements

This project will make various improvements in the total amount of \$150,000 to the Resident Deputy Housing at various locations throughout the County. Improvements will include carpet, paint, plumbing, electrical, roofing and heating, ventilation and air conditioning upgrades as required to address deferred maintenance at remote sites.

\$100,000 one-time Inland Counties Emergency Medical Agency (ICEMA) Bridge Funding

ICEMA has major reductions in sources of revenue that are being driven by a revenue downturn. The Agency will work with the County Administrative Office to collectively explore service-related solutions and more sustainable revenue sources.

FUTURE ONE-TIME NEEDS

**One-time Needs Set-Aside in Contingencies
(in millions)**

	One-time
Jail Upgrades	\$18.0
Financial Accounting System	13.0
Animal Shelter	10.0
Rimforest Storm Drain Project	5.9
Land Use Services General Plan/Development Code Amendments	5.4
County Buildings Acquisition and Retrofit Project	4.0
Prior Years’ Board Approved Set-Asides	1.3
County Code/Charter Update	0.2
	\$57.8

Additional One-time Needs Set-Aside in Contingencies

\$18.0 million one-time set-aside for Jail Upgrades

This set-aside of \$18.0 million will provide funding for various improvements relating to the AB 109 prison population at the adult detention centers. It is anticipated that approximately \$9.0 million of the \$18.0



million will be utilized for the Adelanto Detention Center (ADC) Expansion Project. On May 21, 2013 (Item No. 8), the Board of Supervisors authorized an increase in the project budget for the ADC of which \$2.0 million represented the County's share of increased cost to be funded by this set-aside. The remaining portion of this set-aside may include the expansion of two housing units and other security improvements at Glen Helen Rehabilitation Center in Devore.

\$13.0 million one-time set-aside for Financial Accounting System (FAS)

The new FAS project is a countywide collaborative effort to replace the existing financial accounting system that was implemented over 20 years ago and does not provide either the efficiencies or information for managing County functions that modern systems provide. Currently, \$12.0 million in discretionary general funding was allocated to this project. An additional \$13.0 million may be needed to complete this project.

\$10.0 million one-time set-aside for Animal Shelter

This set-aside of \$10.0 million will fund the County's share of the cost to construct a new animal shelter in the valley area of San Bernardino County. It is anticipated that the new facility may be a joint venture with other cities who may wish to participate and contribute to the development of a new facility that will be located in a more populous area and replace the County's aging facility located in Devore.

\$5.9 million one-time set-aside for Rimforest Storm Drain Project

Due to severe erosion and land sliding in the Rimforest community a study was performed to evaluate the impact of the drainage on the stability of the slope. The study identified a potential construction project to reroute the drainage back into Little Bear Creek, which flows through Blue Jay and into Lake Arrowhead (Mojave Watershed). This would require construction of storm drain systems along Highway 18 and inside the village of Rimforest. Peak-flow regulation basins would be required to avert runoff damage to Blue Jay and structures along Little Bear Creek. This amount will fund right of way, environmental, and construction. An estimated \$400,000 is needed for the design and \$5.5 million for the construction and will be transferred to the Public Works Department when needed.

\$5.4 million one-time set-aside for Land Use Services activities

\$1.6 million to Land Use Services – Planning in 2013-14 will allow the department to begin updating the General Plan, create more specific plans to better reflect the unique character of all areas of the County, and amend the development code and master plans. These revisions will ensure the most appropriate standards are being applied in all areas of the County and will be accomplished over a three year period with additional funding required estimated at \$5.4 million in future years.

\$4.0 million one-time set-aside for County Buildings Acquisition and Retrofit Project

In 2011-12, \$30.0 million was allocated to acquire and complete tenant improvements to existing buildings and to complete the seismic retrofit and modernization of certain existing buildings in San Bernardino. Additional funding of \$10.0 million was added in 2012-13 to meet the anticipated need to acquire additional square footage and to include furniture, fixtures and equipment in the budget which were previously planned to be funded by department occupants. Approximately \$1.7 million was also transferred from existing CIP projects to this project bringing the total to \$41.7 million funded to date. The 2013-14 recommended budget includes the addition of \$4.5 million to acquire additional office space near the Victorville Courthouse to locate general funded departments currently in leased space. The estimated total cost of the project is \$49.8 million for San Bernardino and \$4.5 million for Victorville for a total of \$54.3 million. The amount that is not currently funded is approximately \$8.1 million. It is anticipated that \$4.1 million will be funded from the annual base allocation for the CIP over the next three to four years and \$4.0 million has been set-aside in the County's general fund contingencies.

\$1.3 million one-time set-aside for Prior Years Board Approved Set-Asides

In previous years the Board set-aside contingencies for County Fires' Waiver Fees/Award for Fires of \$1.3 million.

\$150,000 one-time set-aside for County Code/Charter Update

The County Code/Charter has not been updated in several years and needs to reflect the current organization.

