

REAL ESTATE SERVICES

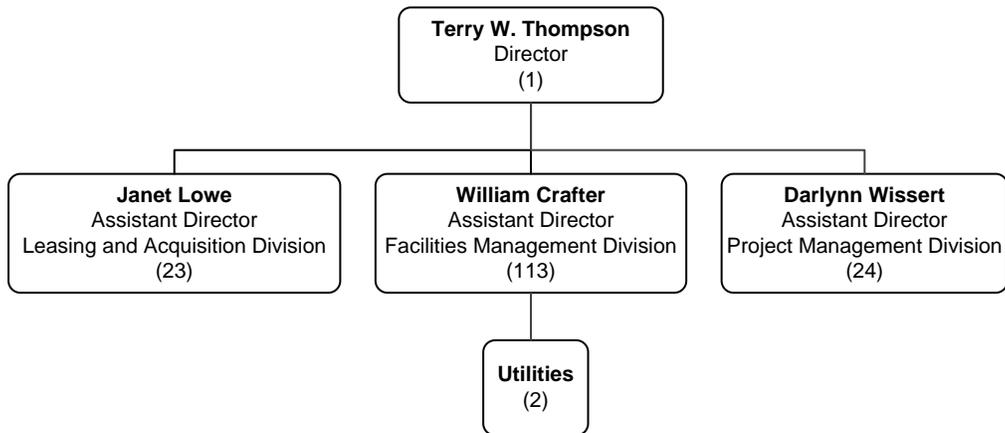
Terry W. Thompson

DEPARTMENT MISSION STATEMENT

The Real Estate Services Department is committed to providing an outstanding level of customer service to all of the County of San Bernardino departments and agencies that rely on us for their leasing, property and facilities management, acquisitions and dispositions, and project management of commercial real estate property throughout the County. We endeavor to maximize value, seek cost effective solutions, and be efficient, proactive, and responsive to the commercial real estate needs of the County.



ORGANIZATIONAL CHART



2016-17 SUMMARY OF BUDGET UNITS

	2016-17					
	Requirements	Sources	Net County Cost	Use of / (Contribution to) Fund Balance	Use of / (Contribution to) Net Position	Staffing
General Fund						
Real Estate Services	1,315,417	1,315,417	0			24
Rents and Leases	1,130,994	1,130,994	0			0
Courts Property Management	1,873,885	1,873,885	0			0
Project Management Division	0	0	0			24
Facilities Management Division	17,273,477	17,065,477	208,000			113
Utilities	19,585,889	253,268	19,332,621			2
Total General Fund	41,179,662	21,639,041	19,540,621			163
Special Revenue Funds						
Chino Agricultural Preserve	2,641,030	484,596		2,156,434		0
Total Special Revenue Funds	2,641,030	484,596		2,156,434		0
Total - All Funds	43,820,692	22,123,637	19,540,621	2,156,434	0	163



2015-16 MAJOR ACCOMPLISHMENTS

Leasing and Acquisition

- Completed a total of 37 new lease deals and 79 renewal lease deals, totaling in excess of 1.5 million square feet of space on behalf of 26 County departments.
- Completed a lease agreement for 44,190 square feet of office space for Human Services in North San Bernardino, scheduled to open in early 2017.
- Acquired four office buildings totaling 127,655 square feet for various County Departments as follows:
 - 15,768 square foot office building in Barstow and 18,869 square foot office building in San Bernardino for the Probation Department.
 - 48,440 square foot office complex in Colton for consolidation of Sheriff programs.
 - 44,578 square foot office building in downtown San Bernardino for the Public Defender and other County uses.

Project Management

- Completed 143 projects of varying size and locations, with total project budgets of approximately \$45.0 million.
- Completed projects supporting the local economy and maximizing job creation with approximately \$16.3 million in construction payroll and \$2.2 million in consultant and management fees.
- Improved the safety, health and social service needs of County residents through the completion of capital projects for Arrowhead Regional Medical Center (ARMC), Sheriff's facilities, Parks, Libraries, Museums and other County departments. Major projects completed included:
 - ARMC Sterile Processing Decontamination Plumbing, Breathing Air Systems Upgrade, and the Cath Lab Suite Replacement.
 - Sheriff's Crime Lab Expansion, Training Center Expansion, Glen Helen Rehabilitation Center Video Camera Installation.
 - Calico Ghost Town Off Highway Vehicle Campground Hook-ups.
 - Yucaipa Regional Park Restroom Rehabilitation.
 - Redlands Museum Education Center Flooring and Association Building Roof and Siding Replacement
 - 268 Hospitality Building Improvements for ATC consolidation.
 - 303 3rd Street Building Remodel for District Attorney.
 - 41 weatherization projects, which included roofing system maintenance and repair, roof replacement, exterior sealing and siding replacement, retention basin restoration, storm water pump replacements, and erosion control improvements.

Facilities Management

- Developed and implemented a formal MOU between the Facilities Management Division (FMD) and the Sheriff for FMD maintenance responsibilities, expanding the level of service for West Valley Detention Center, Central Detention Center and to include High Desert Detention Center into FMD Maintenance responsibilities.
- Improved efficiency and service through streamlining Work Request processes and processed over 25,500 Work Requests.
- Collaborated with various departments to improve building security access and lighting in view of the recent terrorist attack within the County.



DEPARTMENT PERFORMANCE MEASURES

COUNTY GOAL: IMPROVE COUNTY GOVERNMENT OPERATIONS		Measure	2014-15 Actual	2015-16 Target	2015-16 Est.	2016-17 Target
OBJECTIVE	Monitor and evaluate operations and implement strategies to continually improve efficiency, effectiveness and collaboration.	Number of Preventative Maintenance tasks completed	8,489	9,000	9,000	9,360
STRATEGY	Increase number of preventative maintenance tasks for County equipment and building systems to extend useful life					
COUNTY GOAL: IMPROVE COUNTY GOVERNMENT OPERATIONS		Measure	2014-15 Actual	2015-16 Target	2015-16 Est.	2016-17 Target
OBJECTIVE	Monitor and evaluate operations and implement strategies to continually improve efficiency, effectiveness and collaboration.	Percentage of lease renewal processes initiated not later than 6 months prior to the termination date	100%	100%	100%	100%
STRATEGY	Renew leases or relocate County departments prior to the lease termination date					
COUNTY GOAL: IMPROVE COUNTY GOVERNMENT OPERATIONS		Measure	2014-15 Actual	2015-16 Target	2015-16 Est.	2016-17 Target
OBJECTIVE	Monitor and evaluate operations and implement strategies to continually improve efficiency, effectiveness and collaboration.	Percentage of relocation processes initiated not later than 18 months prior to the termination date	100%	100%	100%	100%
STRATEGY	Renew leases or relocate County departments prior to the lease termination date					
COUNTY GOAL: OPERATE IN A FISCALLY-RESPONSIBLE AND BUSINESS-LIKE MANNER		Measure	2014-15 Actual	2015-16 Target	2015-16 Est.	2016-17 Target
OBJECTIVE	Invest County resources in ways which create more ongoing revenue to reinvest in maintaining and improving services.	Reduction in electricity usage (kilowatt hours - kWh)	493,341	970,000	624,023	600,000
STRATEGY	Continue to implement and build upon strategies developed under the County's energy partnership with SCE					
COUNTY GOAL: OPERATE IN A FISCALLY-RESPONSIBLE AND BUSINESS-LIKE MANNER		Measure	2014-15 Actual	2015-16 Target	2015-16 Est.	2016-17 Target
OBJECTIVE	Invest County resources in ways which create more ongoing revenue to reinvest in maintaining and improving services.	Reduction in electricity costs	\$70,917	\$145,000	\$93,603	\$90,000
STRATEGY	Continue to implement and build upon strategies developed under the County's energy partnership with SCE					
COUNTY GOAL: OPERATE IN A FISCALLY-RESPONSIBLE AND BUSINESS-LIKE MANNER		Measure	2014-15 Actual	2015-16 Target	2015-16 Est.	2016-17 Target
OBJECTIVE	Invest County resources in ways which create more ongoing revenue to reinvest in maintaining and improving services.	Incentives received from energy saving measures	\$364,378	\$775,000	\$422,111	\$160,000
STRATEGY	Continue to implement and build upon strategies developed under the County's energy partnership with SCE					
COUNTY GOAL: IMPROVE COUNTY GOVERNMENT OPERATIONS		Measure	2014-15 Actual	2015-16 Target	2015-16 Est.	2016-17 Target
OBJECTIVE	Monitor and evaluate operations and implement strategies to continually improve efficiency, effectiveness and collaboration.	Percentage of projects completed within one year of annual budget approval	71%	90%	90%	85%
STRATEGY	Complete capital projects on schedule					



Real Estate Services

DESCRIPTION OF MAJOR SERVICES

The Real Estate Services Department (RES D) consists of the Leasing and Acquisition Division, Project Management Division, and the Facilities Management Division.

The Leasing/Property Management section negotiates and administers revenue and expenditure leases on behalf of County departments. Revenue leases allow for the use of County-owned facilities, generally at County parks and airports, to generate revenue to offset expenses incurred to provide such facilities to residents and users. Expenditure leases provide space in leased facilities throughout the County for departments and their employees to support the delivery of services in locations convenient to the residents served. In addition, this section is responsible for the property management of court facilities within the County and the County-owned land and dairy facilities in the Chino Agricultural Preserve.

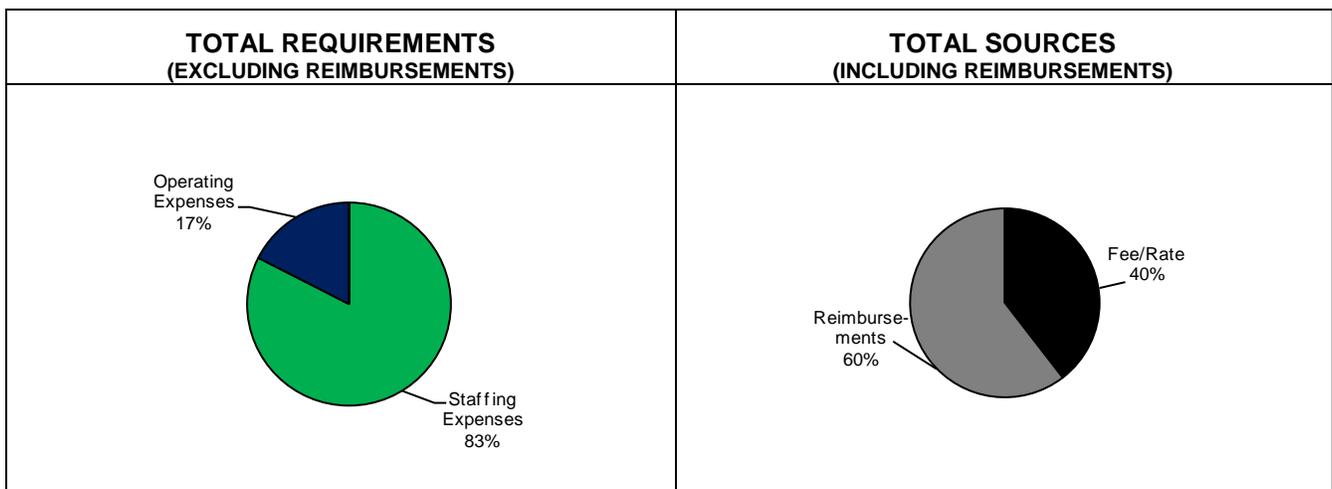
The Acquisition/Appraisal section provides appraisal, acquisition, and relocation assistance for County departments and, upon request, to other agencies including San Bernardino Associated Governments (SANBAG), the State of California, and various cities. Staff establishes values and acquires the necessary rights of-way needed to complete public safety projects, including the construction and maintenance of transportation corridors and floodways. This section also acquires land and facilities for various functions and disposes of property determined to be surplus to the County's needs.

The Project Management Division provides planning and implementation of design and construction projects for County departments. These projects are administered from conceptual design through construction to completion and close-out.

The Facilities Management Division serves the public by providing quality custodial, grounds and maintenance services that enable County departments and staff to effectively meet the expectations of their employees and customers.

Budget at a Glance	
Total Requirements (Excl. Reimb.)	\$3,326,959
Total Sources (Incl. Reimb.)	\$3,326,959
Net County Cost	\$0
Total Staff	24
Funded by Net County Cost	0%

2016-17 RECOMMENDED BUDGET



ANALYSIS OF 2016-17 RECOMMENDED BUDGET

GROUP: Operations and Community Services
DEPARTMENT: Real Estate Services
FUND: General

BUDGET UNIT: AAA RPR
FUNCTION: General
ACTIVITY: Property Management

	2012-13	2013-14	2014-15	(A) 2015-16	2015-16	(B) 2016-17	(B-A) Change From Prior Year Modified Budget
	Actual	Actual	Actual	Modified Budget	Estimate	Recommended Budget	
Requirements							
Staffing Expenses	2,456,624	2,527,520	2,361,329	2,679,149	2,526,964	2,745,389	66,240
Operating Expenses	311,174	313,709	434,530	589,496	551,914	581,570	(7,926)
Capital Expenditures	0	0	79,988	0	0	0	0
Total Exp Authority	2,767,798	2,841,229	2,875,847	3,268,645	3,078,878	3,326,959	58,314
Reimbursements	(1,612,260)	(1,639,570)	(1,876,070)	(2,030,854)	(1,896,354)	(2,011,542)	19,312
Total Appropriation	1,155,538	1,201,659	999,777	1,237,791	1,182,524	1,315,417	77,626
Operating Transfers Out	0	0	0	0	0	0	0
Total Requirements	1,155,538	1,201,659	999,777	1,237,791	1,182,524	1,315,417	77,626
Sources							
Taxes	0	0	0	0	0	0	0
Realignment	0	0	0	0	0	0	0
State/Fed/Other Government	0	0	0	0	0	0	0
Fee/Rate	1,244,450	1,214,215	1,160,426	1,237,791	1,275,613	1,315,417	77,626
Other Revenue	41,826	0	1,762	0	130	0	0
Total Revenue	1,286,276	1,214,215	1,162,188	1,237,791	1,275,743	1,315,417	77,626
Operating Transfers In	0	0	0	0	0	0	0
Total Financing Sources	1,286,276	1,214,215	1,162,188	1,237,791	1,275,743	1,315,417	77,626
Net County Cost	(130,738)	(12,556)	(162,411)	0	(93,219)	0	0
Budgeted Staffing*	23	23	26	24	24	24	0

*Data represents modified budgeted staffing

Note: Real Estate Services is classified as a central service department in the Countywide Cost Allocation Plan (COWCAP). In order to allocate full central service costs to the County's operating departments, central service departments do not pay COWCAP charges. Not included in this budget is \$81,009 which represents Real Estate Services' share of costs of other central service departments, such as Human Resources.

MAJOR REQUIREMENTS AND SOURCES IN 2016-17 RECOMMENDED BUDGET

Staffing Expenses of \$2.7 million fund 24 positions and make up a majority of Real Estate Services Department's expenditures within this budget unit. Operating Expenses of \$581,570 fund services and supplies, central services, travel, and transfers. Reimbursements of \$2.0 million are from the Project Management Division and Facilities Management Division for department overhead for shared administrative and fiscal staff, and from the Rents budget for administration of expenditure leases (based on 3% of annual lease costs in excess of \$36,000). Sources of \$1.3 million are for billable labor hours for leases with annual lease costs less than \$36,000 and for acquisition and appraisal services billed at an hourly rate.

BUDGET CHANGES AND OPERATIONAL IMPACT

Requirements are increasing by \$77,626 primarily due to increases in Staffing Expenses as a result of negotiated salary increases. This increase is offset by a decrease in Operating Expenses due to a reduction of equipment purchases. Sources are increasing by \$77,626 primarily due to additional billable labor hours charged to departments.



2016-17 POSITION SUMMARY*

Division	2015-16				2016-17		
	Modified Staffing	Adds	Deletes	Re-Orgs	Recommended	Limited	Regular
Administrative and Fiscal	8	0	0	0	8	0	8
Leasing and Acquisition Division	16	0	0	0	16	0	16
Total	24	0	0	0	24	0	24

*Detailed classification listing available in Appendix D.

STAFFING CHANGES AND OPERATIONAL IMPACT

Staffing Expenses of \$2.7 million fund 24 budgeted regular positions. There is no change to budgeted staffing.



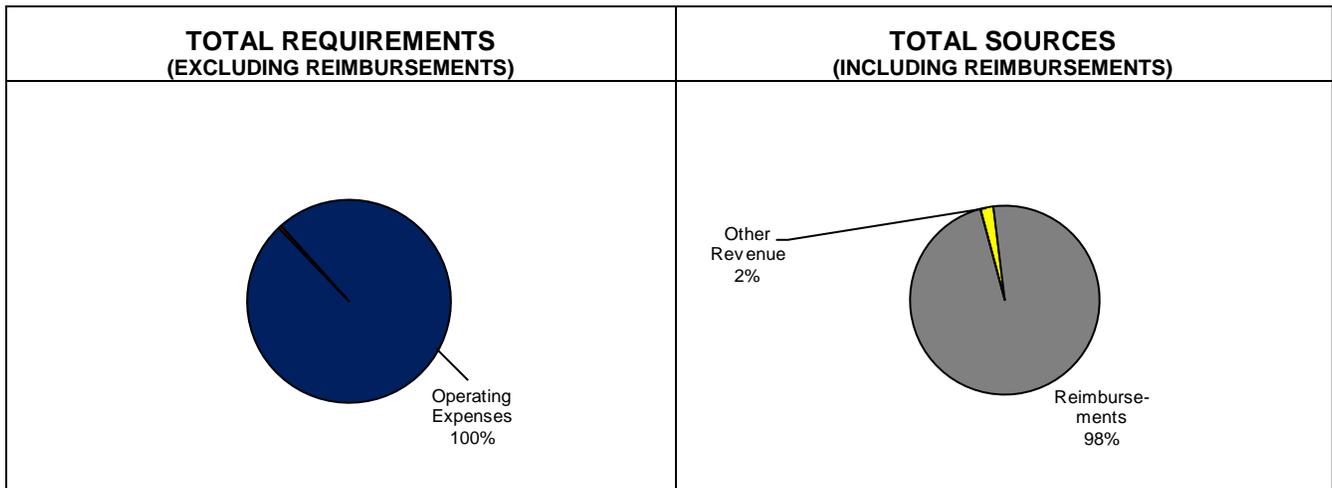
Rents and Leases

DESCRIPTION OF MAJOR SERVICES

This budget unit pays rental payments for leased space utilized by County departments. Lease payment expenses are reimbursed from various user departments. This budget unit also collects rental income for leases of County-owned property.

Budget at a Glance	
Total Requirements (Excl. Reimb.)	\$50,697,360
Total Sources (Incl. Reimb.)	\$50,697,360
Net County Cost	\$0
Total Staff	0
Funded by Net County Cost	0%

2016-17 RECOMMENDED BUDGET



ANALYSIS OF 2016-17 RECOMMENDED BUDGET

GROUP: Operations and Community Services
 DEPARTMENT: Real Estate Services - Rents and Leases
 FUND: General

BUDGET UNIT: AAA RNT
 FUNCTION: General
 ACTIVITY: Property Management

	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	(A) <u>2015-16</u>	<u>2015-16</u>	(B) <u>2016-17</u>	(B-A) Change From Prior Year Modified Budget
	Actual	Actual	Actual	Modified Budget	Estimate	Recommended Budget	
Requirements							
Staffing Expenses	0	0	0	0	0	0	0
Operating Expenses	42,928,640	44,441,205	48,712,171	50,329,249	49,874,959	50,476,360	147,111
Capital Expenditures	0	0	0	0	0	0	0
Total Exp Authority	42,928,640	44,441,205	48,712,171	50,329,249	49,874,959	50,476,360	147,111
Reimbursements	(42,022,549)	(43,406,267)	(47,833,107)	(49,436,143)	(48,910,760)	(49,566,366)	(130,223)
Total Appropriation	906,091	1,034,938	879,064	893,106	964,199	909,994	16,888
Operating Transfers Out	627,822	1,150,000	93,307	50,178	50,178	221,000	170,822
Total Requirements	1,533,913	2,184,938	972,371	943,284	1,014,377	1,130,994	187,710
Sources							
Taxes	0	0	0	0	0	0	0
Realignment	0	0	0	0	0	0	0
State/Fed/Other Government	0	0	0	0	0	0	0
Fee/Rate	75	252	76	0	225	0	0
Other Revenue	1,807,514	2,332,451	1,030,677	943,284	1,046,454	1,130,994	187,710
Total Revenue	1,807,589	2,332,703	1,030,753	943,284	1,046,679	1,130,994	187,710
Operating Transfers In	0	0	0	0	0	0	0
Total Financing Sources	1,807,589	2,332,703	1,030,753	943,284	1,046,679	1,130,994	187,710
Net County Cost	(273,676)	(147,765)	(58,382)	0	(32,302)	0	0
Budgeted Staffing*	0	0	0	0	0	0	0

*Data represents modified budgeted staffing

Note: Real Estate Services – Rents and Leases is classified as a central service department in the Countywide Cost Allocation Plan (COWCAP). In order to allocate full central service costs to the County’s operating departments, central service departments do not pay COWCAP charges. Not included in this budget is \$58,594 which represents Real Estate Services – Rents and Leases’ share of costs of other central service departments, such as Human Resources.

MAJOR REQUIREMENTS AND SOURCES IN 2016-17 RECOMMENDED BUDGET

Operating Expenses of \$50.5 million primarily include rent and lease payments paid to landlords. In addition, expenditures include transfers to Facilities Management for operating expenses of non-billable vacant and tenant space, transfers to Real Estate Services for property lease management, and transfers to the Sheriff/Coroner/Public Administrator for the 303 W. 3rd Street Office Building security costs. Reimbursements of \$49.6 million represent payments from County departments for lease payments and administrative fees. Sources of \$1.1 million are primarily from lease payments received from tenants in County-owned facilities and vending machine revenue.

BUDGET CHANGES AND OPERATIONAL IMPACT

Requirements are increasing by \$187,710 primarily due to an increase of Operating Transfers Out for a capital improvement project for tenant improvements to space leased by Loma Linda University in connection with their exercise of an option to extend the term of the lease at 268 Hospitality Lane in San Bernardino. Sources are increasing by \$187,710, primarily due to modifications to the revenue lease with Teddy Bear Tymes and a new revenue lease with Inland Empire Autism Spectrum.

STAFFING CHANGES AND OPERATIONAL IMPACT

There are no staffing costs associated with this budget unit.



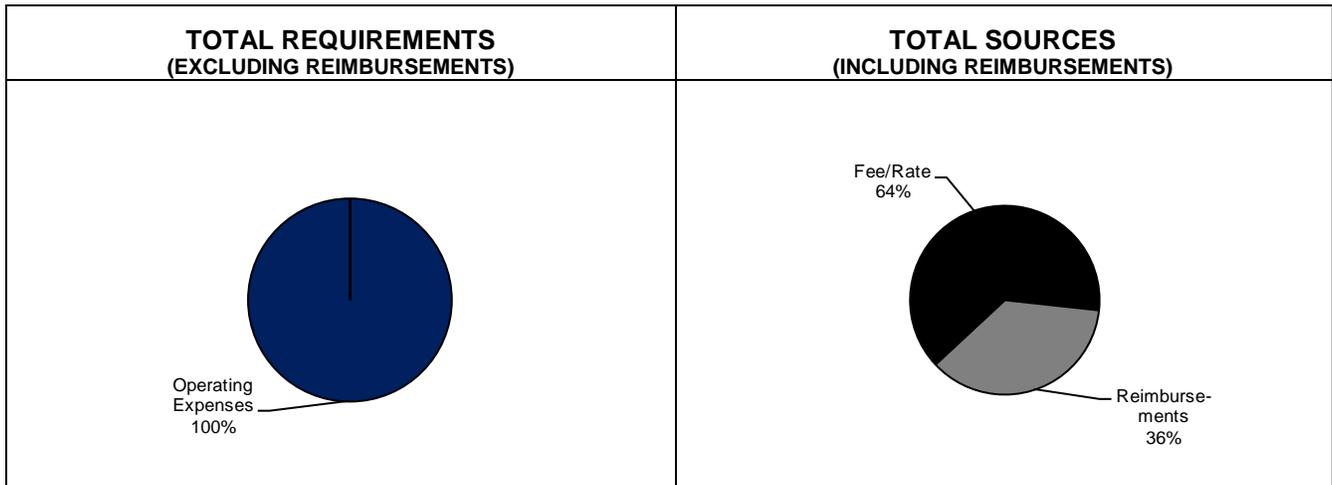
Courts Property Management

DESCRIPTION OF MAJOR SERVICES

The Trial Court Facilities Act of 2002, SB 1732, required the transfer of responsibility for funding and operation of trial court facilities from all counties to the State of California on behalf of the Judicial Council of California (JCC). In addition, as each transfer occurred, the County and JCC entered into an agreement that defined whether the County or the JCC manages the operations and maintenance of the building. This budget unit is used to manage and account for reimbursements from the JCC for maintenance, utilities, insurance, overhead expenditures and work order requests for space occupied by the local court in County-managed facilities. This budget unit is also used to manage and account for payments to the JCC for costs associated with the space occupied by County departments in JCC-managed facilities.

Budget at a Glance	
Total Requirements (Excl. Reimb.)	\$2,943,027
Total Sources (Incl. Reimb.)	\$2,943,027
Net County Cost	\$0
Total Staff	0
Funded by Net County Cost	0%

2016-17 RECOMMENDED BUDGET



ANALYSIS OF 2016-17 RECOMMENDED BUDGET

GROUP: Operations and Community Services
 DEPARTMENT: Real Estate Services - Courts Property Management
 FUND: General

BUDGET UNIT: AAA CRT
 FUNCTION: Public Protection
 ACTIVITY: Judicial

	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	(A) <u>2015-16</u>	<u>2015-16</u>	(B) <u>2016-17</u>	(B-A) Change From Prior Year Modified Budget
	Actual	Actual	Actual	Modified Budget	Estimate	Recommended Budget	
Requirements							
Staffing Expenses	0	0	0	0	0	0	0
Operating Expenses	3,526,603	3,155,526	3,452,621	2,985,952	3,250,837	2,943,027	(42,925)
Capital Expenditures	0	0	0	0	0	0	0
Total Exp Authority	3,526,603	3,155,526	3,452,621	2,985,952	3,250,837	2,943,027	(42,925)
Reimbursements	(1,106,595)	(1,050,484)	(1,217,348)	(921,011)	(1,050,129)	(1,069,142)	(148,131)
Total Appropriation	2,420,008	2,105,042	2,235,273	2,064,941	2,200,708	1,873,885	(191,056)
Operating Transfers Out	0	0	0	0	0	0	0
Total Requirements	2,420,008	2,105,042	2,235,273	2,064,941	2,200,708	1,873,885	(191,056)
Sources							
Taxes	0	0	0	0	0	0	0
Realignment	0	0	0	0	0	0	0
State/Fed/Other Government	0	0	0	0	0	0	0
Fee/Rate	2,420,008	2,102,852	2,237,942	2,064,941	2,200,708	1,873,885	(191,056)
Other Revenue	0	37,716	0	0	0	0	0
Total Revenue	2,420,008	2,140,568	2,237,942	2,064,941	2,200,708	1,873,885	(191,056)
Operating Transfers In	0	0	0	0	0	0	0
Total Financing Sources	2,420,008	2,140,568	2,237,942	2,064,941	2,200,708	1,873,885	(191,056)
Net County Cost	0	(35,526)	(2,669)	0	0	0	0
Budgeted Staffing*	0	0	0	0	0	0	0

*Data represents modified budgeted staffing

MAJOR REQUIREMENTS AND SOURCES IN 2016-17 RECOMMENDED BUDGET

This budget unit acts as a clearinghouse between County departments and the JCC for management of court facilities. Operating Expenses of \$2.9 million include maintenance and utility costs of \$1.3 million for space occupied by County departments in JCC-managed court facilities and transfers of \$1.6 million for the JCC's share of operations, maintenance, utility and administrative costs in County-managed court facilities. Reimbursements of \$1.1 million are from the Facilities Management and Utilities budgets for County maintenance and utility costs in JCC-managed court facilities. Sources of \$1.9 million represent the JCC's share of operations, maintenance, utility, administrative, and insurance costs for County-managed court facilities.

BUDGET CHANGES AND OPERATIONAL IMPACT

Requirements and Sources are decreasing by \$191,056 due to a decrease in operations and maintenance costs primarily as a result of transferring ownership of the Chino Courthouse to the City of Chino.

STAFFING CHANGES AND OPERATIONAL IMPACT

There is no staffing associated with this budget unit.



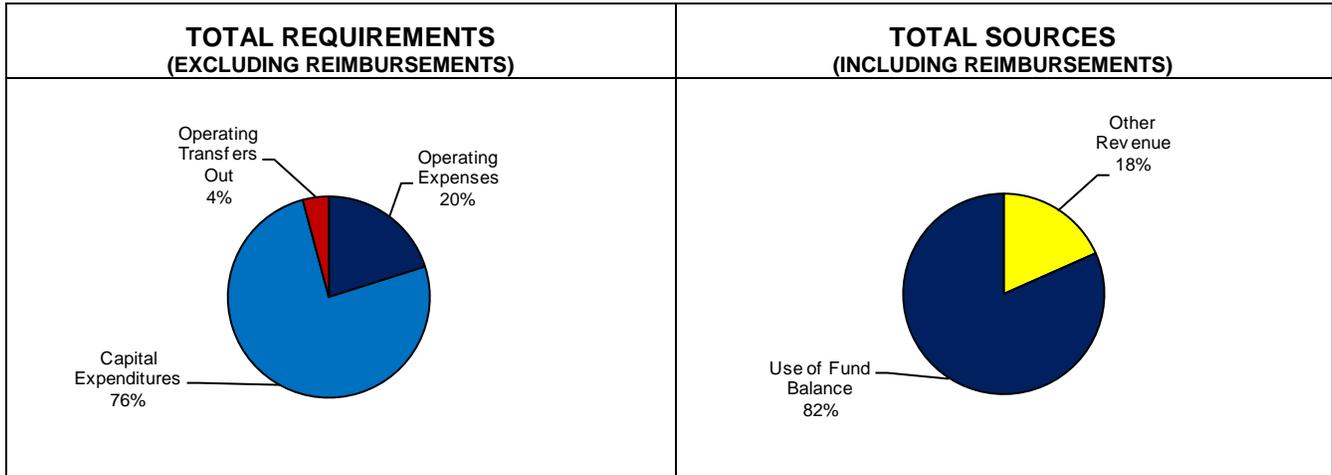
Chino Agricultural Preserve

DESCRIPTION OF MAJOR SERVICES

The Real Estate Services Department administers a special revenue fund to continue the Agricultural Land Acquisition and Preservation Program under the California Wildlife, Coastal, and Parkland Conservation Act (Proposition 70). The department is responsible for negotiating and managing leases for the properties acquired and developing recommendations for the ultimate use/disposition of these properties. Property management activities include arranging for all ordinary and emergency repairs and improvements necessary to preserve and maintain the properties in their present condition and improve operating efficiency, or altering them to enhance lease potential and/or comply with lease requirements. Expenditures are fully funded through revenues received from the lease of acquired properties.

Budget at a Glance	
Total Requirements (Excl. Reimb.)	\$2,641,030
Total Sources (Incl. Reimb.)	\$484,596
Use of/ (Contribution to) Fund Balance	\$2,156,434
Total Staff	0

2016-17 RECOMMENDED BUDGET



ANALYSIS OF 2016-17 RECOMMENDED BUDGET

GROUP: Operations and Community Services
 DEPARTMENT: Real Estate Services Department
 FUND: Chino Agricultural Preserve

BUDGET UNIT: SIF INQ
 FUNCTION: Public Ways and Facilities
 ACTIVITY: Public Ways

	2012-13	2013-14	2014-15	(A) 2015-16	2015-16	(B) 2016-17	(B-A)
	Actual	Actual	Actual	Modified Budget	Estimate	Recommended Budget	Change From Prior Year Modified Budget
Requirements							
Staffing Expenses	0	0	0	0	0	0	0
Operating Expenses	275,922	325,732	209,943	340,771	298,726	531,030	190,259
Capital Expenditures	0	0	0	1,500,000	0	2,000,000	500,000
Total Exp Authority	275,922	325,732	209,943	1,840,771	298,726	2,531,030	690,259
Reimbursements	0	0	0	0	0	0	0
Total Appropriation	275,922	325,732	209,943	1,840,771	298,726	2,531,030	690,259
Operating Transfers Out	0	0	0	89,000	80,214	110,000	21,000
Total Requirements	275,922	325,732	209,943	1,929,771	378,940	2,641,030	711,259
Sources							
Taxes	0	0	0	0	0	0	0
Realignment	0	0	0	0	0	0	0
State/Fed/Other Government	0	0	0	0	0	0	0
Fee/Rate	0	0	700	0	1,050	0	0
Other Revenue	601,734	6,879,007	526,695	501,516	12,993,774	484,596	(16,920)
Total Revenue	601,734	6,879,007	527,395	501,516	12,994,824	484,596	(16,920)
Operating Transfers In	0	0	0	0	0	0	0
Total Financing Sources	601,734	6,879,007	527,395	501,516	12,994,824	484,596	(16,920)
Fund Balance							
Use of / (Contribution to) Fund Balance**	(325,812)	(6,553,275)	(317,452)	1,428,255	(12,615,884)	2,156,434	728,179
Available Reserves				14,568,046	28,612,185	26,455,751	11,887,705
Total Fund Balance				15,996,301	15,996,301	28,612,185	12,615,884
Budgeted Staffing*	0	0	0	0	0	0	0

*Data represents modified budgeted staffing

**Contribution to Fund Balance appears as a negative number and increases Available Reserves.

MAJOR REQUIREMENTS AND SOURCES IN 2016-17 RECOMMENDED BUDGET

Operating Expenses of \$531,030 represents the cost to maintain County Dairies, such as utility costs associated with vacant properties, property management charges, County Counsel, audit fees, professional services, and maintenance charges. Capital Expenditures of \$2.0 million represent the anticipated cost to acquire easement interests over 47 acres of replacement land near Prado Regional Park in Chino planned to be improved at a later date with expanded recreational vehicle (RV) parking for Prado Regional Park using Proposition 70 funds. Operating Transfers Out of \$110,000 represent a capital improvement project to clean-up trash on dairy sites. Sources of \$484,596 include revenue anticipated from the leasing of dairy properties and interest revenue. Reserves of \$26.5 million are planned to be used at a later date for Proposition 70 approved improvements.

BUDGET CHANGES AND OPERATIONAL IMPACT

Requirements are increasing by \$711,259 primarily due to an increase in anticipated capital expenditures to acquire easement interests and the cost of an audit of this special revenue fund. Sources are decreasing by \$16,920 due to a decrease in tenant rent revenue from the sale of one of the dairies.

ANALYSIS OF FUND BALANCE

The use of Fund Balance of \$2.2 million is for one-time costs related to the acquisition of easement rights over 47 acres near Prado Regional Park in Chino.

STAFFING CHANGES AND OPERATIONAL IMPACT

There is no staffing associated with this budget unit.



Project Management Division

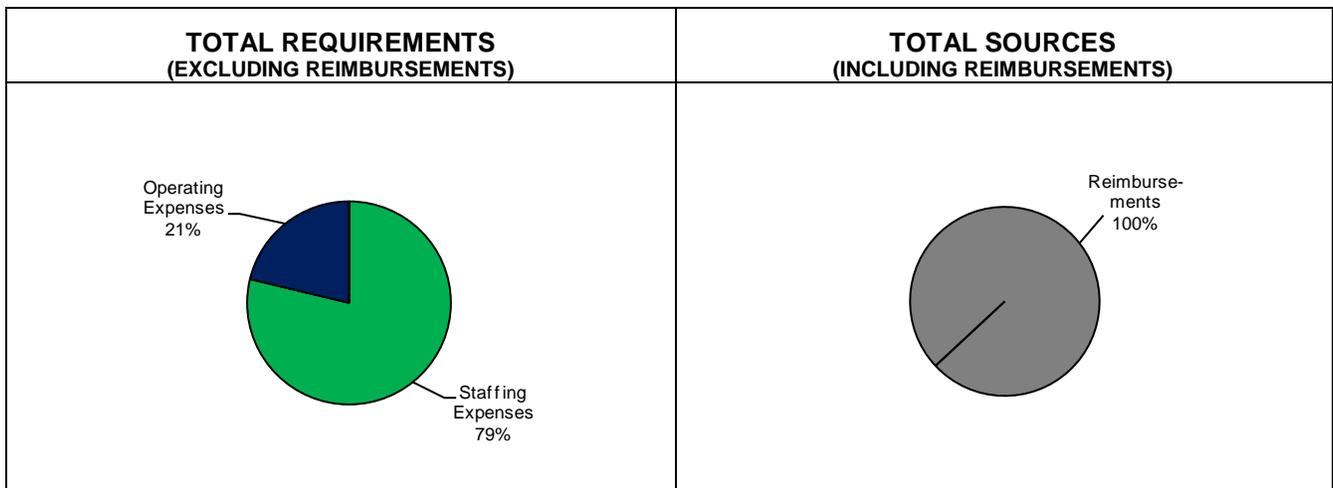
DESCRIPTION OF MAJOR SERVICES

The Project Management Division (PMD) is responsible for planning and implementing the design and construction of projects for Arrowhead Regional Medical Center, Airports, Regional Parks, Community Development and Housing, and other County departments. These projects are approved as part of the annual Capital Improvement Program (CIP), or added during the year as organizational needs and priorities change. PMD collaborates with County departments and County Finance and Administration to develop the scope, schedule and budget for these projects. Following approval of the project elements, PMD administers the projects from conceptual design through construction to completion and close-out.

Budget at a Glance	
Total Requirements (Excl. Reimb.)	\$3,092,334
Total Sources (Incl. Reimb.)	\$3,092,334
Net County Cost	\$0
Total Staff	24
Funded by Net County Cost	0%

As a competitive public service organization, PMD takes pride in its ability to respond quickly to changing organizational needs and priorities, while continuing to complete quality projects in a timely and cost effective manner for the benefit of County departments and the public they serve.

2016-17 RECOMMENDED BUDGET



ANALYSIS OF 2016-17 RECOMMENDED BUDGET

GROUP: Operations and Community Services
 DEPARTMENT: Real Estate Services
 FUND: General

BUDGET UNIT: AAA ANE
 FUNCTION: General
 ACTIVITY: Property Management

	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	(A) <u>2015-16</u>	<u>2015-16</u>	(B) <u>2016-17</u>	(B-A) Change From Prior Year Modified Budget
	Actual	Actual	Actual	Modified Budget	Estimate	Recommended Budget	
Requirements							
Staffing Expenses	2,003,957	2,106,223	2,019,315	2,237,387	2,142,291	2,435,639	198,252
Operating Expenses	378,562	243,895	377,643	594,318	588,278	656,695	62,377
Capital Expenditures	53,000	38,574	0	27,000	26,698	0	(27,000)
Total Exp Authority	2,435,519	2,388,692	2,396,958	2,858,705	2,757,267	3,092,334	233,629
Reimbursements	(2,470,129)	(2,357,756)	(2,376,077)	(2,858,705)	(2,811,435)	(3,092,334)	(233,629)
Total Appropriation	(34,610)	30,936	20,881	0	(54,168)	0	0
Operating Transfers Out	0	0	0	0	0	0	0
Total Requirements	(34,610)	30,936	20,881	0	(54,168)	0	0
Sources							
Taxes	0	0	0	0	0	0	0
Realignment	0	0	0	0	0	0	0
State/Fed/Other Government	0	0	0	0	0	0	0
Fee/Rate	1,185	0	0	0	0	0	0
Other Revenue	56,103	0	2,569	0	0	0	0
Total Revenue	57,288	0	2,569	0	0	0	0
Operating Transfers In	0	0	0	0	0	0	0
Total Financing Sources	57,288	0	2,569	0	0	0	0
Net County Cost	(91,898)	30,936	18,312	0	(54,168)	0	0
Budgeted Staffing*	19	21	22	22	22	24	2

*Data represents modified budgeted staffing

Note: Real Estate Services – Project Management is classified as a central service department in the Countywide Cost Allocation Plan (COWCAP). In order to allocate full central service costs to the County’s operating departments, central service departments do not pay COWCAP charges. Not included in this budget is \$24,938 which represents Real Estate Services – Project Management’s share of costs of other central service departments, such as Human Resources.

MAJOR REQUIREMENTS AND SOURCES IN 2016-17 RECOMMENDED BUDGET

Staffing Expenses of \$2.4 million fund 24 positions and make up a majority of PMD’s expenditures within this budget unit. Operating Expenses of \$656,695 fund services and supplies, central services, travel, and transfers to the Information Services Department for support and to the Real Estate Services Department for overhead. Reimbursements of \$3.1 million are for project management and inspection services provided by PMD staff on capital projects.

BUDGET CHANGES AND OPERATIONAL IMPACT

Requirements (excluding Reimbursements) are increasing by \$233,629 primarily due to the addition of a Staff Analyst II position and a part-time contract Project Executive. Additionally, Operating Expenses are increasing due to an adjustment of overhead charges due to the reorganization of the PMD as a division of the Real Estate Services Department. Reimbursements of \$3.1 million are increasing due to an increase in billable hours and the addition of a part-time Project Executive. The total departmental expenditure authority is fully reimbursed from services provided to the Capital Improvement Program.



2016-17 POSITION SUMMARY*

Division	2015-16				2016-17		Limited	Regular
	Modified Staffing	Adds	Deletes	Re-Orgs	Recommended			
Administration and Fiscal	8	1	0	0	9	0	9	
Project Management	11	1	0	0	12	1	11	
Project Inspection	3	0	0	0	3	0	3	
Total	22	2	0	0	24	1	23	

*Detailed classification listing available in Appendix D.

STAFFING CHANGES AND OPERATIONAL IMPACT

Staffing Expenses of \$2.4 million fund 23 budgeted regular positions and one limited term position. This includes the addition of a Staff Analyst II position to assist with contract administration and a part-time contract Project Executive to work on specific projects fully reimbursed by the CIP.



Facilities Management Division

DESCRIPTION OF MAJOR SERVICES

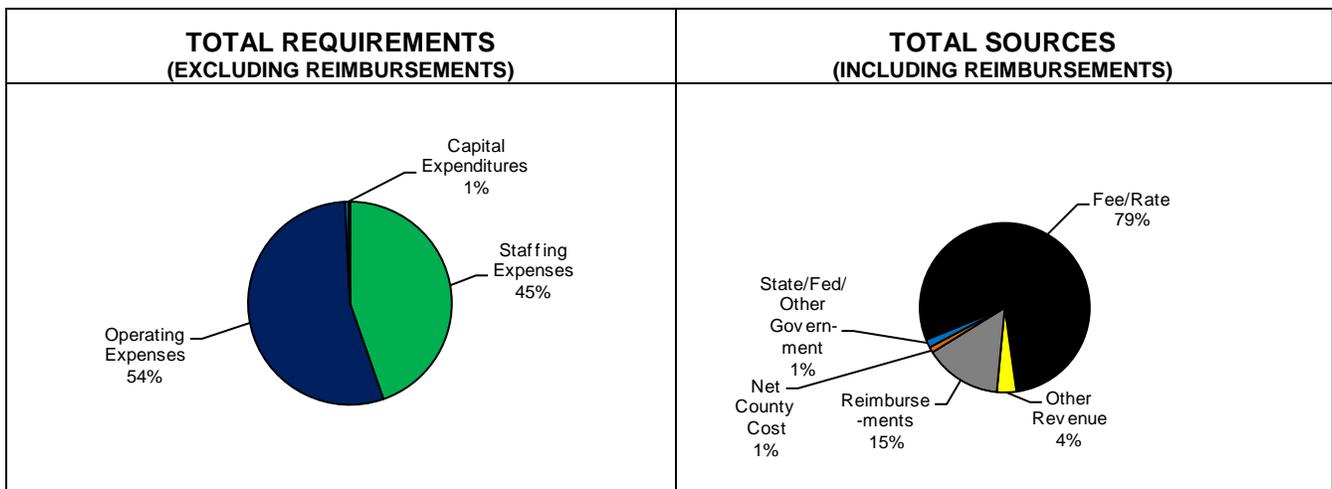
The Facilities Management Division (FMD) provides routine maintenance, grounds, and custodial services to ensure County facilities are well maintained, including 24 hours per day – seven days per week emergency building maintenance. Services also include repairing building structures, equipment, and fixtures.

Budget at a Glance

Total Requirements (Excl. Reimb.)	\$20,246,619
Total Sources (Incl. Reimb.)	\$20,038,619
Net County Cost	\$208,000
Total Staff	113
Funded by Net County Cost	1%

FMD’s focus is on asset protection. Using data and support systems, it maintains the County’s valuable facilities and equipment, preserves a high level of functionality, supports sustainability projects, and promotes responsible and efficient use of resources.

2016-17 RECOMMENDED BUDGET



ANALYSIS OF 2016-17 RECOMMENDED BUDGET

GROUP: Operations and Community Services
DEPARTMENT: Real Estate Services - Facilities Management Division
FUND: General

BUDGET UNIT: AAA FMD
FUNCTION: General
ACTIVITY: Property Management

	2012-13	2013-14	2014-15	(A) 2015-16	2015-16	(B) 2016-17	(B-A) Change From Prior Year Modified Budget
	Actual	Actual	Actual	Modified Budget	Estimate	Recommended Budget	
Requirements							
Staffing Expenses	7,743,227	8,422,233	7,687,188	8,400,721	8,247,114	9,043,849	643,128
Operating Expenses	8,061,333	9,119,159	9,526,641	10,870,386	10,663,481	11,045,470	175,084
Capital Expenditures	0	0	77,073	0	0	117,300	117,300
Total Exp Authority	15,804,560	17,541,392	17,290,902	19,271,107	18,910,595	20,206,619	935,512
Reimbursements	(2,994,605)	(3,195,967)	(3,357,483)	(3,131,064)	(3,175,184)	(2,973,142)	157,922
Total Appropriation	12,809,955	14,345,425	13,933,419	16,140,043	15,735,411	17,233,477	1,093,434
Operating Transfers Out	4,095	0	0	45,000	45,000	40,000	(5,000)
Total Requirements	12,814,050	14,345,425	13,933,419	16,185,043	15,780,411	17,273,477	1,088,434
Sources							
Taxes	0	0	0	0	0	0	0
Realignment	0	0	0	0	0	0	0
State/Fed/Other Government	1,203,715	915,695	331,768	325,000	327,888	325,000	0
Fee/Rate	11,161,422	11,562,527	12,373,972	14,840,043	14,801,082	15,988,477	1,148,434
Other Revenue	1,918,135	1,079,940	1,577,560	812,000	1,248,808	752,000	(60,000)
Total Revenue	14,283,272	13,558,162	14,283,300	15,977,043	16,377,778	17,065,477	1,088,434
Operating Transfers In	0	0	0	0	0	0	0
Total Financing Sources	14,283,272	13,558,162	14,283,300	15,977,043	16,377,778	17,065,477	1,088,434
Net County Cost	(1,469,222)	787,263	(349,881)	208,000	(597,367)	208,000	0
Budgeted Staffing*	106	110	102	111	111	113	2

*Data represents modified budgeted staffing

Note: Real Estate Services – Facilities Management is classified as a central service department in the Countywide Cost Allocation Plan (COWCAP). In order to allocate full central service costs to the County's operating departments, central service departments do not pay COWCAP charges. Not included in this budget is \$321,230 which represents Real Estate Services – Facilities Management's share of costs of other central service departments, such as Human Resources.

MAJOR REQUIREMENTS AND SOURCES IN 2016-17 RECOMMENDED BUDGET

Staffing Expenses of \$9.0 million fund 113 positions and include the majority of FMD's expenditure authority. Operating Expenses of \$11.0 million fund contracts for grounds, maintenance, and custodial services; materials for repairs and maintenance of County facilities and equipment; and vehicles, tools, supplies, systems development charges, overhead, and administrative costs. Reimbursements of \$3.0 million and Sources of \$17.1 million are from County departments, the Judicial Council of California, and local courts who are billed for services provided.

BUDGET CHANGES AND OPERATIONAL IMPACT

Requirements are increasing by \$1.1 million primarily due to the addition of two staffing positions, a capital improvement project to increase security, and fixed asset purchases consisting of three trucks and equipment.

Sources are increasing by \$1.1 million primarily due to an increase in basic service charges to County departments for grounds, custodial and maintenance services, including rate increases in each service division.



2016-17 POSITION SUMMARY*

Division	2015-16				2016-17		Limited	Regular
	Modified Staffing	Adds	Deletes	Re-Orgs	Recommended			
Administration	8	0	0	1	9	0	9	
Custodial	33	0	0	0	33	0	33	
Grounds	4	0	0	0	4	0	4	
Maintenance	66	2	0	-1	67	0	67	
Total	111	2	0	0	113	0	113	

*Detailed classification listing available in Appendix D.

STAFFING CHANGES AND OPERATIONAL IMPACT

Staffing Expenses of \$9.0 million fund 113 budgeted regular positions. This includes the addition of two positions: one Office Assistant III that will assist maintenance supervisors to allow more time in the field and one Facilities Project Manager that will manage minor capital improvement projects which were previously handled by the Project Management Division. Also, an Office Assistant II was moved from Maintenance to Administration.



Utilities

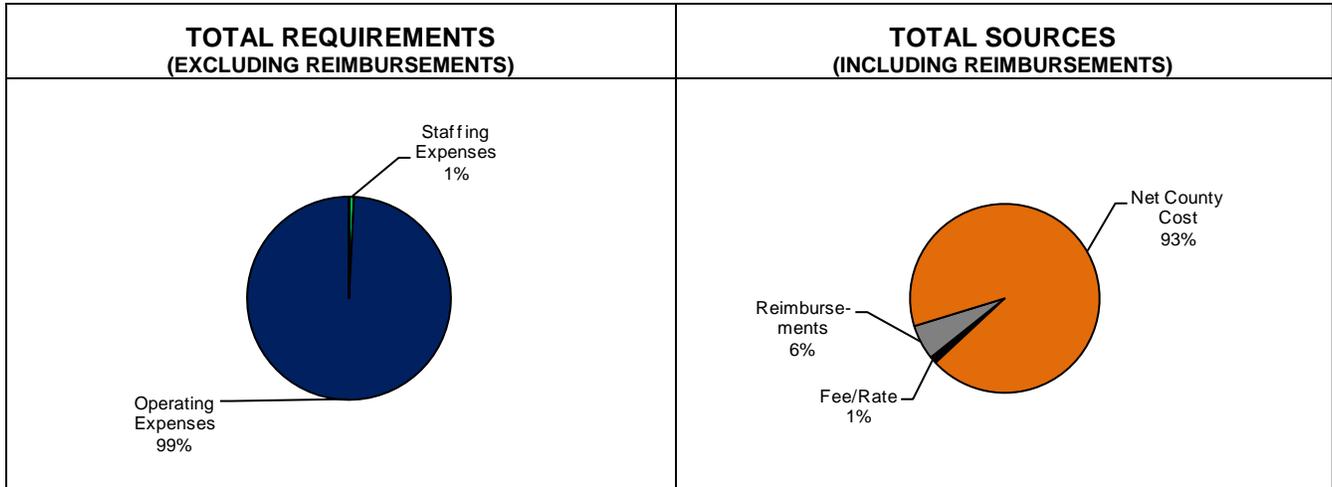
DESCRIPTION OF MAJOR SERVICES

The County's utilities budget unit funds the cost of electricity, natural and propane gas, water, sewer, refuse disposal, and other related costs for County-owned and leased facilities.

Budget at a Glance

Total Requirements (Excl. Reimb.)	\$20,832,429
Total Sources (Incl. Reimb.)	\$1,499,808
Net County Cost	\$19,332,621
Total Staff	2
Funded by Net County Cost	93%

2016-17 RECOMMENDED BUDGET



ANALYSIS OF 2016-17 RECOMMENDED BUDGET

GROUP: Operations and Community Services
 DEPARTMENT: Real Estate Services - Utilities
 FUND: General

BUDGET UNIT: AAA UTL
 FUNCTION: General
 ACTIVITY: Property Management

	2012-13	2013-14	2014-15	(A) 2015-16	2015-16	(B) 2016-17	(B-A)
	Actual	Actual	Actual	Modified Budget	Estimate	Recommended Budget	Change From Prior Year Modified Budget
Requirements							
Staffing Expenses	152,064	164,163	160,809	183,928	164,162	166,452	(17,476)
Operating Expenses	17,624,452	19,698,984	18,521,900	21,911,859	20,215,904	20,665,977	(1,245,882)
Capital Expenditures	0	126,600	166,523	50,000	50,000	0	(50,000)
Total Exp Authority	17,776,516	19,989,747	18,849,232	22,145,787	20,430,066	20,832,429	(1,313,358)
Reimbursements	(1,411,052)	(1,118,760)	(1,233,598)	(1,251,246)	(1,272,516)	(1,246,540)	4,706
Total Appropriation	16,365,464	18,870,987	17,615,634	20,894,541	19,157,550	19,585,889	(1,308,652)
Operating Transfers Out	125,543	0	0	0	0	0	0
Total Requirements	16,491,007	18,870,987	17,615,634	20,894,541	19,157,550	19,585,889	(1,308,652)
Sources							
Taxes	0	0	0	0	0	0	0
Realignment	0	0	0	0	0	0	0
State/Fed/Other Government	125,543	0	0	0	0	0	0
Fee/Rate	312,040	328,510	176,242	347,495	238,651	253,268	(94,227)
Other Revenue	30,019	40,723	55,749	0	3,272	0	0
Total Revenue	467,602	369,233	231,991	347,495	241,923	253,268	(94,227)
Operating Transfers In	0	0	0	0	0	0	0
Total Financing Sources	467,602	369,233	231,991	347,495	241,923	253,268	(94,227)
Net County Cost	16,023,405	18,501,754	17,383,643	20,547,046	18,915,627	19,332,621	(1,214,425)
Budgeted Staffing*	2	2	2	2	2	2	0

*Data represents modified budgeted staffing



MAJOR REQUIREMENTS AND SOURCES IN 2016-17 RECOMMENDED BUDGET

Operating Expenses of \$20.7 million represent utility costs for County facilities and constitute the largest portion of the expenses. Staffing Expenses of \$166,452 constitute the remainder of the expenses for this budget unit. Sources of \$253,268 are from utility costs passed on to customers and third parties that occupy County-owned space.

BUDGET CHANGES AND OPERATIONAL IMPACT

Requirements are decreasing by \$1.3 million due to excluding Glen Helen Water System’s highline cost, lower sewer costs from a new County agreement with the Inland Empire Utilities Agency, transfer of the Chino Courthouse to the City of Chino, anticipated decrease in Southern California Edison electricity rates, and lower central services cost. Capital Expenditures are decreasing by \$50,000 due to completing enhancements to the Utilities Payment System and the Archibus, Environmental and Risk Management module.

Sources are decreasing by \$94,227 for utility costs passed on to customers and third parties that occupy County-owned space. Net County Cost is decreasing by \$1.2 million due to lower utility costs for County facilities occupied by General Fund departments.

2016-17 POSITION SUMMARY*

Division	2015-16				2016-17		Limited	Regular
	Modified Staffing	Adds	Deletes	Re-Orgs	Recommended			
Utilities	2	0	0	0	2	0	2	
Total	2	0	0	0	2	0	2	

*Detailed classification listing available in Appendix D.

STAFFING CHANGES AND OPERATIONAL IMPACT

Staffing Expenses of \$166,452 fund two regular positions. There is no change in budgeted staffing.

