



# COUNTY OF SAN DIEGO

## AGENDA ITEM

### BOARD OF SUPERVISORS

GREG COX  
First District

DIANNE JACOB  
Second District

PAM SLATER-PRICE  
Third District

RON ROBERTS  
Fourth District

BILL HORN  
Fifth District

**DATE:** December 4, 2012 ##

**TO:** Board of Supervisors

**SUBJECT:** FISCAL YEAR 2012-13 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICT: ALL)

### SUMMARY:

#### Overview

This report summarizes the status of the County's Fiscal Year 2012-13 Operational Plan, as measured by projected year-end fund balance from current year operations. The projected balance for the General Fund is \$106.6 million, and for all budgetary funds combined is \$127.1 million. In the General Fund, positive balances are projected for all five groups. In addition, the projected fund balance reflects the conservation of management and contingency reserves and projects that general purpose revenue will do better than estimated in the adopted budget. This letter also recommends budget adjustments to make resource reallocations to fund one-time projects and various technical adjustments.

In the Public Safety Group, recommendations include: support in the Sheriff's Department for the High Intensity Drug Trafficking Area, funding to conduct Bench Warrant Service Sweeps, North County Gang Task Force violent crime and narcotics investigations, County Service Area (CSA) 135 800 MHz radio purchases for the City of Del Mar and the City of Solana Beach and to expand the City of Solana Beach radio coverage, funding to construct ten separate recreational yard areas at the George Bailey Detention Facility, fixed asset equipment in the Sheriff's Department, funding for three vehicle radios for the County Parole and Alternate Custody (CPAC) unit, Sheriff Department training, Sheriff's Crime Lab analytical staff support, additional DNA testing, violent crime and gang-related crime operations, ratification of year-end appropriation transfer, and appropriation adjustments to align the budget with anticipated actuals.

In the Health and Human Services Agency (HHSA), an adjustment is requested to transfer one staff year from the Health and Human Services Agency to the Office of County Counsel for a Senior Deputy County Counsel to increase services being provided to HHSA.

**SUBJECT: FISCAL YEAR 2012-13 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICT: ALL)**

In the Land Use and Environment Group, requests include the following appropriation and other adjustments: cancel appropriations for Sweetwater Lane Artificial Turf project to provide funding for the 4S Ranch Sports Park Artificial Turf project for unanticipated recycled water irrigation system costs, cancel appropriations for San Luis Rey River Acquisition due to grant funds not awarded, cancel appropriations for Sweetwater Regional Park Equestrian Trail Phase III due to lower grant award, support stewardship activities at Sage Hill, provide support for the Multiple Species Conservation Program, transfer appropriations in Permanent Road Division (PRDs) 1002 Capra Way and 1007 Tumble Creek to the General Fund and establish appropriations in Permanent Road Division (PRD) 129 Birch Street in order to transfer appropriations to the General Fund due to the dissolution of the three funds and authorize Director, Department of Public Works and the Auditor and Controller to take action necessary to close out PRD 1002 Capra Way, 1007 Tumble Creek, and 129 Birch Street, appropriation adjustments to align the budget with anticipated actuals, and for an increase to the Environmental Health fund balance commitment.

In the Community Services Group, recommendations include the following: establishing appropriations at the animal shelter in Bonita for the electrical supply system upgrade, reallocate the Housing Opportunities for Persons with AIDS (HOPWA) program funds to support Fiscal Year 2012-13 contracts, reallocate in Fiscal Year 2012-13 Emergency Solutions Grant (ESG) funds for the North County Serenity House-outreach activities and North County Interfaith Council-CASA Works for Families for Homelessness Prevention activities, reallocate HOME Investment Partnerships (HOME) funds from prior years for a HOME consortium city, an amendment to the Facilities Management Internal Service Fund for the Smart Building Energy Efficiency project, an amendment to the Department of Purchasing and Contracting Internal Service Fund to transfer the management of Documentum to the County Technology Office, an amendment to the Department of Purchasing and Contracting Internal Service Fund to rebudget appropriations for the version 6.5 Documentum upgrade, and appropriation adjustments to realign the budget with anticipated actuals.

In the Finance and General Government Group recommendations include the following: establish appropriations for the first interest payment on the Cedar and Kettner Development Project Certificates of Participation, establish appropriations for data entry automation and tracking of annual Statement of Economic Interest (Form 700) data in the Clerk of the Board of Supervisors, Board of Supervisors one-time expenses, ratification of year-end appropriation transfer and appropriation adjustments to align the budget with anticipated actuals.

**Recommendation(s)**

**CHIEF ADMINISTRATIVE OFFICER**

1. Accept the Fiscal Year 2012-13 first quarter report on projected year-end results.

**SUBJECT: FISCAL YEAR 2012-13 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICT: ALL)**

2. Approve the request to transfer 1.0 staff year (1 position) from the Health and Human Services Agency to the Office of County Counsel.
3. Establish appropriations of \$21,000 in the Sheriff's Department, salaries and benefits (\$15,000) and services and supplies (\$6,000), for the High Intensity Drug Trafficking Area (HIDTA) program based on unanticipated HIDTA revenue from the California Border Alliance Group. **(4 VOTES)**
4. Establish appropriations of \$150,000 in the Sheriff's Department, salaries and benefits, for service of bench warrants based on unanticipated revenue from the Sheriff's Warrant Automation Trust Fund. **(4 VOTES)**
5. Transfer appropriations of \$1,246,590 from the Sheriff's Department, fixed assets, to the General Fund Contributions to Fleet Internal Service Fund (ISF), Operating Transfer Out, for the Department of General Services Fleet Services Fund ISF to purchase vehicles.
6. Amend the Fiscal Year 2012-13 Department of General Services Fleet ISF Spending Plan by \$1,246,590 to provide funding for the purchase of various vehicles for the Sheriff's Department based on an operating transfer from the General Fund Contributions to Fleet ISF. **(4 VOTES)**
7. Transfer appropriations of \$64,000 within the Sheriff's Asset Forfeiture Fund, from services and supplies to Operating Transfer Out, to fund overtime in the Sheriff's Department associated with the North County Gang Task Force.
8. Establish appropriations of \$64,000 in the Sheriff's Department, salaries and benefits, for overtime associated with the North County Gang Task Force based on an operating transfer from the Sheriff's Asset Forfeiture Fund. **(4 VOTES)**
9. Establish appropriations of \$384,000 in the Sheriff's Inmate Welfare Fund, services and supplies, for the construction of 10 separate recreational yard areas at the George Bailey Detention facility based on fund balance available. **(4 VOTES)**
10. Re-establish appropriations of \$31,000 in the Sheriff's Department, fixed assets, for the purchase of purchase information technology hardware and software and related information technology services, based on unanticipated revenue from the Department of Homeland Security, passed through the California Emergency Management Agency. **(4 VOTES)**
11. Re-establish appropriations of \$14,000 in the Sheriff's Department, services and supplies, for vehicle radios based on unanticipated revenue from the State of California, Local Revenue Fund 2011 allocated to County Local Revenue Fund 2011, Local Community Corrections Account. **(4 VOTES)**
12. Re-establish appropriations of \$15,241 in the Sheriff's Department, services and

**SUBJECT: FISCAL YEAR 2012-13 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICT: ALL)**

supplies, for training in the Sheriff's department based on unanticipated revenue from the California Emergency Management Agency, CA Anti-Terrorism fund. **(4 VOTES)**

13. Re-establish appropriations of \$39,595 in the Sheriff's Department, services and supplies, for continuing educational opportunities for the Sheriff's Crime Lab analytical staff based on unanticipated revenue from the California Emergency Management Agency, 2011 Paul Coverdell Forensic Science Improvement Program **(4 VOTES)**
14. Re-establish appropriations of \$48,860 in the Sheriff's Department, salaries and benefits (\$4,123) and services and supplies (\$44,737), for costs related to process, record, screen and analyze forensic DNA to reduce DNA sample turnaround time and reduce DNA forensic casework backlogs based on unanticipated revenue from the U.S. Department of Justice, Office of Justice Programs. **(4 VOTES)**
15. Re-establish appropriations of \$28,614 in the Sheriff's Department, salaries and benefits (\$10,154) and services and supplies (\$18,460), for Sheriff's personnel and participating agencies to reduce violent crime in the North and East County regions of the County with an emphasis on gang-related crime based on unanticipated revenue from the U.S. Department of Justice, Office of Justice Programs. **(4 VOTES)**
16. Re-establish appropriations of \$118,650 in the Sheriff's Department, services and supplies, to fund costs related to the expansion of the City of Solana Beach radio coverage and to build a new tower at Alpine Heights for the Regional Communication System (RCS) based on Public Safety Group's Fiscal Year 2011-12 fund balance available. **(4 VOTES)**
17. Re-establish appropriations of \$312,901 in the County Service Area (CSA) 135 Regional MHz Fund, Operating Transfer Out, to fund infrastructure costs in the Sheriff's Department associated with the Regional Communication System (RCS) based on fund balance available. **(4 VOTES)**
18. Establish appropriations of \$76,097 in the County Service Area (CSA) 135 Zone H Solana Beach 800 MHz Fund, services and supplies, for radios associated with the Regional Communication System (RCS) based on fund balance available. **(4 VOTES)**
19. Establish appropriations of \$9,342 in the County Service Area (CSA) 135 Zone B Del Mar 800 MHz Fund, services and supplies, for radios associated with the Regional Communication System (RCS) based on fund balance available. **(4 VOTES)**
20. Cancel appropriations of \$566,646 and related revenue in the County Service Area

**SUBJECT:** FISCAL YEAR 2012-13 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICT: ALL)

(CSA) 135 Regional 800 MHz fund due to revised Fiscal Year 2012-13 revenue projections.

21. Ratify the transfer of appropriations of \$250,000 within the Fiscal Year 2011-12 Sheriff's Jail Stores Internal Service Fund Spending Plan from Operating Transfers Out to services and supplies, for costs related to the increased demand of commissary items resulting from the implementation of the new e-Commerce site.
22. Cancel appropriations of \$70,000 and related Operating Transfer from the General Fund in the Capital Outlay Fund for Capital Project 1014253, Sweetwater Lane Artificial Turf, to provide additional funding for construction at 4S Ranch Sports Park Artificial Turf.
23. Establish appropriations of \$70,000 in the Capital Outlay Fund for Capital Project 1016576, 4S Ranch Sports Park Artificial Turf, to fund unanticipated construction costs associated with the modification of the existing recycled water irrigation system, based on an Operating Transfer from the General Fund. **(4 VOTES)**
24. Cancel appropriations of \$350,000 and related revenue in the Capital Outlay Fund for Capital Project 1007108, San Luis Rey River Acquisition due to grant funds not awarded by the Environmental Enhancement and Mitigation Program.
25. Cancel appropriations of \$346,000 and related revenue in the Capital Outlay Fund for Capital Project 1014849, Sweetwater Regional Park Equestrian Trail Phase III, due to lower grant award from the California State Coastal Conservancy.
26. Cancel appropriations of \$26,514.80 and related revenue in the Capital Outlay Fund for Capital Project 1000121, Trail Easement Acquisitions to comply with Governmental Accounting Standards Board Statement 51 (GASB 51) rules on trail easement acquisitions.
27. Establish appropriations of \$26,514.80 in the Department of Parks and Recreation, services and supplies, for trail easement acquisition based on unanticipated revenue from the United States Forest Reserve. **(4 VOTES)**
28. Cancel appropriations of \$18,133.16 and related Operating Transfer from the General Fund in the Capital Outlay Fund for Capital Project 1000246, Otay Valley Regional Park Phase II Acquisitions (\$1,320.56), Capital Project 1000249, Escondido Creek Acquisitions (\$7,404), and Capital Project 1009548, Lakeside Soccer Fields Acquisitions (\$9,408.60) to properly record residual costs related to capitalized land acquisition projects.
29. Transfer appropriations of \$18,133.16 from the Contribution to Capital Outlay Fund, Operating Transfer Out, to the Department of Parks and Recreation, services and supplies, due to accounting thresholds for the capitalization of fixed assets.

**SUBJECT: FISCAL YEAR 2012-13 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICT: ALL)**

30. Establish appropriations of \$49,354.88 in the Department of Parks and Recreation services and supplies, for one-time stewardship activities at Sage Hill, based on an endowment from SANDAG. **(4 VOTES)**
31. Establish appropriations of \$76,302.12 in the Capital MSCP Acquisition Fund for the Multiple Species Conservation Program, for Sage Hill Land Improvement, based on an endowment from SANDAG. **(4 VOTES)**
32. Establish appropriations of \$4,846 in the Contributions to Capital Outlay Fund, Operating Transfer Out, for the Multiple Species Conservation Program based on Fiscal Year 2011-12 General Fund Fund Balance available. **(4 VOTES)**
33. Establish appropriations of \$4,846 in the Capital MSCP Acquisition Fund for the Multiple Species Conservation Program based on an Operating Transfer from the General Fund. **(4 VOTES)**
34. Establish appropriations of \$98,000 in the Capital MSCP Acquisition Fund for the Multiple Species Conservation Program, based on unanticipated revenue from the sale of mitigation credits. **(4 VOTES)**
35. Cancel appropriations of \$25,000 and related Operating Transfer from the General Fund in the Capital Multiple Species Conservation Program (MCSP) Acquisition Fund, to comply with GASB 51 for due diligence costs related to the acquisition of a donated open space easement on Palomar Mountain.
36. Transfer appropriations of \$25,000 from the Contributions from Capital Outlay Fund, Operating Transfer Out, to the Department of Parks and Recreation, services and supplies, for due diligence costs related to acquisition of a donated open space easement on Palomar Mountain.
37. Cancel appropriations of \$5,300 and related revenue in the Capital Multiple Species Conservation Program (MCSP) Acquisition Fund, to correct the capital project budget from the sale of mitigation credits.
38. Cancel appropriations of \$38,569.07 and related Operating Transfer from the Parkland Dedication Fund 41 in the Capital Outlay Fund for Capital Project 1014260, Mountain Empire Community Center Playground, to provide funds for Capital Project 1016992, Mountain Empire Campo Playground Phase II.
39. Establish appropriations of \$38,569.07 in the Capital Outlay Fund for Capital Project 1014260, Mountain Empire Community Center Playground, based on an Operating Transfer from the General Fund. **(4 VOTES)**
40. Cancel appropriations of \$38,569.07 and related Operating Transfer from the General Fund in the Capital Outlay Fund for Capital Project 1016992, Mountain Empire Campo Playground Phase II, to provide funding for Capital Project

**SUBJECT: FISCAL YEAR 2012-13 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICT: ALL)**

1014260, Mountain Empire Community Center Playground.

41. Establish appropriations of \$38,569.07 in the Capital Outlay Fund for Capital Project 1016992, Mountain Empire Playground Phase II, based on an Operating Transfer from Parkland Dedication Fund 41. **(4 VOTES)**
42. Authorize the Auditor and Controller to increase the Environmental Health fund balance commitment within the General Fund by \$1,605,765 based on Land Use and Environment Group's Fiscal Year 2011-12 fund balance available. **(4 VOTES)**
43. Transfer appropriations of \$656.28 within Permanent Road Division (PRD) 1001 Capra Way, from services and supplies to Operating Transfer Out, to transfer remaining balances in PRD 1001 Capra Way to the General Fund due to the dissolution of the fund.
44. Transfer appropriations of \$3,033.87 within Permanent Road Division (PRD) 1007 Tumble Creek, from services and supplies to Operating Transfer Out, to transfer remaining balances in PRD 1007 Tumble Creek to the General Fund due to the dissolution of the fund.
45. Establish appropriations of \$6,465.83 in Permanent Road Division (PRD) 129 Birch Street, Operating Transfer Out, to transfer remaining balances in PRD 129 Birch Street to the General Fund due to the dissolution of the fund, based on fund balance available. **(4 VOTES)**
46. Authorize the Director, Department of Public Works and the Auditor & Controller to take any action necessary to close out Permanent Road Divisions (PRDs) 1001 Capra Way, 1007 Tumble Creek, and 129 Birch Street.
47. Establish appropriations of \$68,500 in the Department of Public Works Fiscal Year 2012-13 Road Fund Detailed Work Program, services and supplies, for the Live Oak Repair project based on Road Fund fund balance available. **(4 VOTES)**
48. Establish appropriations of \$187,000 in the Department of Animal Services services and supplies, for a major maintenance project at the Bonita animal shelter based on Community Services Group Fiscal Year 2011-2012 fund balance available. **(4 VOTES)**
49. Authorize the reallocation of up to \$275,000 in prior year's Housing Opportunities for Persons with AIDS (HOPWA) grant funds for contracts that assist with affordable housing and service needs of clients.
50. Authorize the reallocation of up to \$9,375 in Fiscal Year 2012-13 Emergency Solutions Grant (ESG) funds from North County Interfaith Council-CASA Works for Families to North County Serenity House-Serenity Village for Shelter and

**SUBJECT: FISCAL YEAR 2012-13 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICT: ALL)**

Street Outreach activities.

51. Authorize the reallocation of up to \$9,375 in Fiscal Year 2012-13 Emergency Solutions Grant (ESG) funds from Homelessness Prevention and Rapid Re-Housing Activities to North County Interfaith Council-CASA Works for Families for Homelessness Prevention activities.
52. Authorize the reallocation of up to \$195,002 in Fiscal Year 2009-10 HOME funds from City of San Marcos First Time Homebuyer Program to the Fiscal Year 2012-13 HOME Program City of San Marcos Residential Rehabilitation Program.
53. Amend the Fiscal Year 2012-13 Major Maintenance Internal Service Fund Spending Plan by cancelling appropriations of \$1,554,014 in Operating Transfers Out, and related Charges in the General Fund to correct duplicate budgeting for planned projects.
54. Amend the Fiscal Year 2012-13 Facilities Management Internal Service Fund Spending Plan by cancelling appropriations of \$1,188,498 in services and supplies and related Charges in the General Fund to correct duplicate budgeting.
55. Amend the Fiscal Year 2012-13 Facilities Management Internal Service Fund Spending Plan by \$437,217 to provide funds for the completion of the Smart Building Energy Efficiency project, based on Charges in the General Fund. **(4 VOTES)**
56. Amend the Fiscal Year 2012-13 Department of Purchasing and Contracting Internal Service Fund Spending Plan by cancelling appropriations of \$3,790,956 and related Operating Transfer from the General Fund, to transfer the management of Documentum to the County Technology Office.
57. Transfer appropriations of \$3,790,956 from Contributions to Purchasing Internal Service Fund, Operating Transfer Out, to the County Technology Office, services and supplies, to fund the management of Documentum.
58. Amend the Fiscal Year 2012-13 Department of Purchasing and Contracting Internal Service Fund Spending Plan by \$582,388 to rebudget appropriations from Fiscal Year 2011-12 for the version 6.5 Documentum upgrade based on an Operating Transfer from the General Fund. **(4 VOTES)**
59. Establish appropriations of \$582,388 in the General Fund Contributions to Purchasing Internal Service Fund, Operating Transfer Out, for rebudget of version 6.5 Documentum upgrade based on Community Services Group Fiscal Year 2011-12 fund balance available. **(4 VOTES)**
60. Establish appropriations of \$200,000 in Board of Supervisors District 1, salaries and benefits, for one-time expenses based on Finance and General Government

**SUBJECT: FISCAL YEAR 2012-13 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICT: ALL)**

Group's Fiscal Year 2011–2012 fund balance available. **(4 VOTES)**

61. Establish appropriations of \$75,124 in Board of Supervisors District 2, services and supplies, for one-time expenses based on Finance and General Government Group's Fiscal Year 2011–2012 fund balance available. **(4 VOTES)**
62. Establish appropriations of \$159,006 in Board of Supervisors District 3, services and supplies, for one-time expenses based on Finance and General Government Group's Fiscal Year 2011–2012 fund balance available. **(4 VOTES)**
63. Establish appropriations of \$200,000 in Board of Supervisors District 4, services and supplies, for one-time expenses based on Finance and General Government Group's Fiscal Year 2011–2012 fund balance available. **(4 VOTES)**
64. Establish appropriations of \$151,735 in Board of Supervisors District 5, services and supplies, for one-time expenses based on Finance and General Government Group's Fiscal Year 2011–2012 fund balance available. **(4 VOTES)**
65. Establish appropriations of \$124,946 in the Clerk of the Board of Supervisors, services and supplies, for the purchase and installation of an automated data entry and tracking system of the annual Statement of Economic Interest (Form 700), based on Finance and General Government Group's Fiscal Year 2011–2012 fund balance available. **(4 VOTES)**
66. Re-establish appropriations of \$40,500 in the Neighborhood Reinvestment Program, other charges, to provide funding for the purchase of trees and electrical work at Bonita Civic Complex (\$10,500), for the development of a resource guide by Aging and Independence Services (\$25,000), and for the purchase of giveaways for library patrons at the County Library (\$5,000), based on Fiscal Year 2011-12 General Fund Fund Balance available. **(4 VOTES)**
67. Transfer appropriations of \$10,500 from the Neighborhood Reinvestment Program, to the General Fund Contributions to Facilities Management Internal Service Fund, Operating Transfer Out, to provide funding for the purchase, installation and relocation of community trees in Bonita Civic Complex and related electrical work.
68. Amend the Department of General Services Facilities Management Internal Service Fund Spending Plan by establishing appropriations of \$10,500 to provide funding for the purchase, installation and relocation of community trees and related electrical work in Bonita Civic Complex based on an Operating Transfer from the General Fund. **(4 VOTES)**
69. Transfer appropriations of \$25,000 from the Neighborhood Reinvestment Program, to Aging and Independence Services, services and supplies, to provide funding for the production of resource toolkits for the Grandparents Raising Grandchildren

**SUBJECT: FISCAL YEAR 2012-13 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICT: ALL)**

initiative based on an Operating Transfer from the General Fund.

70. Transfer appropriations of \$5,000 from Neighborhood Reinvestment Program, to the Contributions to County Library, Operating Transfer Out, to provide funding for the purchase of mugs, backpacks, food and other giveaways to be given to library patrons to mark and celebrate the grand opening of the new Lincoln Acres library.
71. Establish appropriations of \$5,000 in the County Library Fund services and supplies, for the purchase of mugs, backpacks, food and other giveaways based on an Operating Transfer from the General Fund. **(4 VOTES)**
72. Ratify the transfer of appropriations in the amount of \$223,974 from the Contributions to Capital Outlay Fund to the Neighborhood Reinvestment Program due to the cancellation of appropriations for Capital Project 1010977 OVRP Local Staging Area.
73. Establish appropriations of \$290,898.96 in Lease Payments Bonds, other charges, for the Fiscal Year 2012-13 lease payment due February 2013 for the 2012 Cedar and Kettner Development Project Certificates of Participation issued on October 24, 2012, based on tax sharing agreement revenue. **(4 VOTES)**.

**Fiscal Impact**

The funds for a portion of these requests are not included in the Fiscal Year 2012-13 Operational Plan. If approved, in the General Fund, this action will establish additional appropriations of \$2,623,274. The funding sources include unanticipated High Intensity Drug Trafficking Area (HIDTA) revenue from the California Borderer Alliance Group, unanticipated revenue from the Sheriff's Warrant Automation Trust Fund, unanticipated revenue from the Department of Homeland Security passed through the California Emergency Management Agency, unanticipated revenue from the State of California, Local Revenue Fund 2011, unanticipated revenue from the California Emergency Management Agency CA Anti-Terrorism fund, unanticipated revenue from the U.S. Department of Justice, Office of Justice Programs, an endowment from SANDAG, unanticipated revenue from the United States Forest Reserve, revenue from Successor Agency, General Fund Fiscal Year 2011-12 fund balance, and miscellaneous other sources.

In all other funds combined, these actions will cancel budgeted appropriations and the related funding sources in the amount of \$8,018,200 and will establish additional appropriations of \$3,465,287 resulting in a net decrease in appropriations of \$4,552,913. The funding sources include County Service Area (CSA) 135 800 MHz Fund fund balance, Sheriff's Inmate Welfare Fund fund balance, Permanent Road Division (PRD) 129 Birch Street fund balance, Road Fund fund balance, unanticipated revenue from the sale of mitigation credits, and miscellaneous other sources.

**SUBJECT: FISCAL YEAR 2012-13 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICT: ALL)**

**Business Impact Statement**

N/A

**Advisory Board Statement**

N/A

**BACKGROUND:**

For the General Fund, the first quarter projection of year-end fund balance from current year operations is \$106.6 million. This projected one-time resource is a combination of expecting to end the year with General Purpose Revenue (GPR) above budget by \$0.9 million along with a net positive variance of \$62.4 million from operations and a positive variance of \$43.3 million in unspent contingency and management reserves.

The projected balance for all other funds combined is \$20.5 million, of which \$10.5 million is projected for the Proposition 172 Special Revenue Fund. Schedule A summarizes the fund balance projection by Group and department. The Notes to Schedules A and B explain variances from budget by department. Schedule B shows the projected General Fund fund balance by Group split between operating and reserve balances. These projections are based on actual experience through September 2012 and expected expenditure and revenues through the end of the fiscal year.

As shown in Schedule A, the General Fund year-end fund balance projection of \$106.6 million is based on the estimate that expenditures will be approximately \$199.2 million less than the Fiscal Year 2012-13 Amended Budget and revenues will be a net \$92.6 million less than the Fiscal Year 2012-13 Amended Budget. The Amended Budget consists of the Adopted Budget plus encumbrances carried over from the prior year, plus year to date changes that have been either approved by the Board or Chief Financial Officer where permitted.

The lower than budgeted projected expenditures in the General Fund are primarily attributable to the following:

- \$45.8 million in net positive salary and benefit appropriation variance, predominantly in the Public Safety Group (PSG) and Health and Human Services Agency (HHSA), but also in Land Use and Environment Group (LUEG), Community Services Group (CSG), and Finance and General Government Group (FGG), from lower than budgeted salaries and employee benefits costs due to staff turnover and department management of vacancies.
- \$55.5 million in net positive appropriation variance in services and supplies across the County, primarily in HHSA but also in PSG, LUEG, CSG and FGG.
  - In HHSA, projected positive variance of \$46.3 million are in various contracted services (e.g., in Behavioral Health Services related to un-awarded Mental Health Services Act, Alcohol and Drug Services contracts, Medi-Cal and San Diego County Office of Education contracts, AB109, California Department of Corrections and Rehabilitation (CDCR) and Evidence Based Probation Supervision Program (EBPSP) services); lower than estimated growth in In-Home

**SUBJECT:** FISCAL YEAR 2012-13 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICT: ALL)

Supportive Services (IHSS) Individual Provider costs; anticipated savings in emergency appropriations for bio-terrorism and appropriations to mitigate unanticipated State reductions. Offsetting these projected positive variances are anticipated negative variances associated with contract costs to reduce the risk of recidivism among youth detainees with mental health concerns in Child Welfare Services and additional Inpatient Health Services expenses in Behavioral Health Services.

- In PSG, a positive variance is anticipated in the San Diego County Fire Authority due to a spending delay for the tree removal grant. Savings in the Public Defender's Office is primarily associated with the current year requirements for the defense of special circumstances cases and savings generated by the Office of Assigned Counsel efforts to reduce expenditures. Offsetting a portion of these projected positive variances are negative variances anticipated in the Sheriff's Department due to increases in household expenses and automotive fuel.
  - In LUEG, positive variances are largely in the Department of Planning and Land Use and Department of Environmental Health due to closely monitoring spending activities to ensure costs do not exceed revenue.
  - In CSG, a positive variance in Housing and Community Development is anticipated due to the postponement of the data automation projects and managing discretionary expenses as well as from lower than anticipated expenditures on multi-year projects.
  - In FGG, projected positive variances are spread across several departments, including the County Communication Office, Treasurer-Tax Collector, Human Resources, and County Counsel due to departmental cost savings and improved efficiencies.
- A net positive appropriation variance of \$57.7 million in other charges reflects net variances from budgeted caseload and aid payments. Spending is projected to be over budget in Public Health Services because of a requirement for additional support and care costs in the California Children's Services program. This negative variance is offset by a positive variance in Regional Operations, mainly the result of revised caseload levels in CalWORKS and Child Care Stage 1, and savings in Child Welfare Services based on revised estimates of caseload levels, growth trends, and unit cost per case for Foster Care and Aid to Adoptive Parents. In CSG, a positive variance is projected in Housing and Community Development due to lower than anticipated expenditures on multi-year projects. In addition, positive variances are due to lower than budgeted tax and revenue anticipation note borrowing costs in Finance Other and various lease payment savings.
  - \$1.3 million in appropriation savings for operating transfers out in HHSA for the IHSS Public Authority related to salary and benefit costs being less than budgeted and savings in Purchasing and Contracting due to a delay in IT projects implementation.
  - \$20.0 million in contingency reserves that are projected to be unspent at year-end.
  - \$23.3 million in management reserves in HHSA (\$20.0 million) and in CSG (\$3.3 million) that are projected to be unspent at year-end.

**SUBJECT: FISCAL YEAR 2012-13 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICT: ALL)**

The projected revenue under-realization to budget of \$92.6 million includes negative variances totaling \$100.2 million in various funding sources, with partially offsetting positive variances of \$7.6 million. Of the \$100.2 million in negative variances, \$95.1 million is within intergovernmental revenues and is largely the result of expenditure savings in caseload driven programs and contracted services mentioned above. The remaining negative variances reflect the combination of unrealized revenue due to operational savings and various revenue shortfalls in fines, forfeitures and penalties (\$1.5 million) largely in General Purpose Revenue related to current year penalties on late current secured and unsecured property tax payments, miscellaneous revenues (\$1.8 million), and taxes other than current secured (\$1.8 million) including a projected decrease in Teeter revenue.

A positive revenue variance of \$7.6 million is expected in the following categories: taxes current property (\$3.9 million) which includes an increase in projected Property Taxes Current Secured revenue (\$3.7 million) and an increase in Property Tax Current Supplemental revenue (\$0.2 million); revenue from use of money and property (\$1.9 million); licenses permits and franchises (\$1.4 million); and charges for current services and other financing sources (\$0.4 million).

See the Notes to Schedule A for a description of significant variances by department.

**Fiscal Year 2012-13 Budget Adjustments**

The budget adjustments recommendations in this letter are explained below.

**Recommendation 2**

The Office of County Counsel provides oversight of legal services to support all HHSA programs. By transferring 1.0 staff year (1 position) from Health and Human Services Agency (HHSA) to the Office of County Counsel for a Senior Deputy County Counsel will provide for more efficient supervision and increase the value of services currently being provided to HHSA. HHSA will reimburse County Counsel for costs associated with this 1 position.

**Recommendation 3**

On June 20, 2006 (3), your Board authorized the Sheriff's Department to serve as the fiscal agent for High Intensity Drug Trafficking Area (HIDTA) funding along the southwest border and accept funding of \$9,000,000. In May 2012 and on September 19, 2012, the California Border Alliance Group (CBAG) Executive Board approved additional funding for the Sheriff, which will be used for overtime (\$15,000) for Sheriff's personnel assigned to the HIDTA program and for investigative expenses (\$6,000). This is a request to establish appropriations of \$21,000 in the Sheriff's Department based on unanticipated HIDTA revenue from the California Border Alliance Group.

**Recommendation 4**

Revenues received in the Sheriff's Warrant Automation Trust Fund are based on assessments made pursuant to Penal Code Section 853 and Vehicle Code Section 40508 and are to be used to modernize and maintain the automated warrant system. If sufficient funds are available after

**SUBJECT: FISCAL YEAR 2012-13 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICT: ALL)**

appropriate expenditures to develop, modernize, and maintain the automated warrant system, a county may use the balance to fund a warrant service task force for the purpose of serving all bench warrants within the county. This is a request to establish appropriations of \$150,000 in the Sheriff's Department based on revenue from the Sheriff's Warrant Automation Trust Fund. The funds will be used for overtime to conduct Bench Warrant Service Sweeps to serve bench warrants within the County

**Recommendations 5 & 6**

All funds for the purchase of new vehicles should be reflected in the Contributions to Fleet Internal Service Fund (ISF) budget. Vehicle purchases are routinely budgeted in the Fleet ISF for replacement purposes. As necessary, appropriations are transferred from departmental budgets to the Fleet ISF in order to facilitate the procurement, standardization, maintenance, and overall quality control. These requests will transfer appropriations of \$1,246,590 from the Sheriff's Department to the General Fund Contributions to Fleet ISF and amend the Department of General Services Fleet Services to purchase vehicles.

**Recommendations 7 & 8**

These requests will establish appropriations of \$64,000 in the Sheriff's Department based on an operating transfer from the Sheriff's Asset Forfeiture Fund. The Asset Forfeiture Fund will provide funding for the overtime costs associated with the North County Gang Task Force for ongoing violent crime and narcotics investigations.

**Recommendation 9**

This request will establish appropriations of \$384,000 in the Sheriff's Inmate Welfare Fund for additional operating cost related to the construction of 10 separate recreational yard areas. These areas would be for use by administrative segregated inmates housed at the George Bailey Detention Facility. The additional recreational areas and lighting support compliance of Title 15 recreational yard mandates.

**Recommendation 10**

On May 1, 2012 (2), your Board authorized the acceptance and appropriation of \$1,000,185 in 2011 Urban Area Security Initiative (UASI) grant funds from the California Emergency Management Agency (Cal EMA). Due to the timing of deadlines and volume of claims associated with year-end and fourth quarter claiming processes, the funds were not included in the carryforward budget. This request will re-establish appropriations of \$31,000 in the Sheriff's Department which will be used for the purchase of fixed asset equipment.

**Recommendation 11**

On December 6, 2011 (1), your Board authorized the appropriation of funds based on revenue from the State of California, Local Revenue Fund 2011 allocated to County Local Revenue Fund 2011, Local Community Corrections Account for the implementation of the Alternate Custody Unit to include positions and necessary equipment and vehicles for the unit. The funds were not spent in Fiscal Year 2011-12 and not included in the carryforward process. This request will re-

**SUBJECT: FISCAL YEAR 2012-13 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICT: ALL)**

establish appropriations of \$14,000 in the Sheriff's Department to purchase three vehicle radios for the County Parole and Alternate Custody (CPAC) Unit.

**Recommendation 12**

On September 13, 2011 (4), your Board authorized the acceptance and appropriation of \$200,000 in CA Anti-Terrorism funds from the Cal EMA. Due to the timing of deadlines and volume of claims associated with year-end and fourth quarter claiming processes, the funds were not included in the carryforward budget. This request will re-establish appropriations of \$15,241 in the Sheriff's Department which will be used for training.

**Recommendation 13**

On November 8, 2011 (5), your Board authorized the acceptance and appropriation of \$103,966 in 2011 Paul Coverdell Forensic Science Improvement Program grant funds from Cal EMA. Due to the timing of deadlines and volume of claims associated with year-end and fourth quarter claiming processes, the funds were not included in the carryforward budget. This request will re-establish appropriations of \$39,595 in the Sheriff's Department which will be used for continuing educational opportunities for Sheriff's Crime Lab analytical staff.

**Recommendation 14**

On October 25, 2011 (1), your Board authorized the acceptance and appropriations of \$309,000 in 2011 DNA Backlog Reduction Program grant funds from the U.S. Department of Justice, Office of Justice Programs (USDOJ). Due to the timing of deadlines and volume of claims associated with year-end and fourth quarter claiming processes, the funds were not included in the carryforward budget. This request will re-establish appropriations of \$48,860 in the Sheriff's Department which will be used to process, record, screen and analyze forensic DNA to reduce DNA sample turnaround time and reduce DNA forensic casework backlogs.

**Recommendation 15**

On December 7, 2010 (1), your Board authorized the acceptance and appropriations of \$350,000 in San Diego County Regional Gang Enforcement Collaborative grant funds from the USDOJ. Due to the timing of deadlines and volume of claims associated with year-end and fourth quarter claiming processes, the funds were not included in the carryforward budget. This request will re-establish appropriations of \$28,614 in the Sheriff's Department which will be used for Sheriff's personnel overtime and overtime for participating agencies to reduce violent crime in the North and East County regions of the County with an emphasis on gang-related crime.

**Recommendation 16**

On December 6, 2011 (20), your Board authorized a request to establish appropriations of \$295,734 in the Sheriff's Department based on revenue from the City of Chula Vista. The funds were to be used for equipment and services to improve radio coverage within the RCS. A portion of these funds were not spent in Fiscal Year 2011-12 and this request will re-establish appropriations of \$118,650 in the Sheriff's Department, for the Regional Communication System (RCS) based on Public Safety Group's Fiscal Year 2011-12 fund balance available. The funds

**SUBJECT: FISCAL YEAR 2012-13 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICT: ALL)**

will be used to support additional expenditures as part of a project to expand the City of Solana Beach radio coverage and to build a new tower at Alpine Heights.

**Recommendation 17**

On December 6, 2011 (20), your Board authorized a request to establish appropriations of \$569,605 in the Sheriff's Department based on an operating transfer from the County Service Area (CSA) 135 Regional 800 MHz Fund. The funds were to be used to purchase Uninterruptible Power Supplies (UPS) for communication tower sites. The funds were encumbered in the Regional Communication System (RCS) organization and during the year-end process the encumbrance and the Operating Transfer In from the General Fund carried forward into Fiscal Year 2012-13; however, the other side of this transaction to encumber the funds in the CSA was inadvertently left out of the carryforward process. This is a technical adjustment to appropriate \$312,901 in the CSA 135 Regional 800 MHz Fund, Operating Transfers Out, based on fund balance available.

**Recommendation 18**

This request will establish appropriations of \$76,097 in the County Service Area (CSA) 135 Zone H Solana Beach 800 MHz Fund based on fund balance available. The funds will be used to purchase additional radios for the City of Solana Beach.

**Recommendation 19**

This request will establish appropriations of \$9,342 in the County Service Area (CSA) 135 Zone B Del Mar 800 MHz Fund based on fund balance available. The funds will be used to purchase additional radios for the City of Del Mar.

**Recommendation 20**

The County Service Area (CSA) 135 Regional 800 MHz fund accounts for amounts received from cities and agencies participating in the Regional Communication System 800 MHz system based on a repayment schedule. These funds are then used to pay a portion of the lease payment on the 2002 Motorola Certificates of Participation (COPs). Final payment was made on the COPs in Fiscal Year 2011-12. The repayment schedule for the City of Lemon Grove continues beyond the final lease payment on the COPs. This request will cancel appropriations of \$566,646 and related revenue in the County Service Area (CSA) 135 Regional 800 MHz fund to correctly reflect revenue from the City of Lemon Grove.

**Recommendation 21**

The Sheriff's Jail Stores Internal Service Fund allows inmates to purchase a variety of commissary style goods, including food, snacks, stationery, personal care items and telephone calling cards. In Fiscal Year 2009-10, a new e-Commerce site was implemented which provided an opportunity for friends and families to order phone time and/or commissary gift packs for inmates. This recommendation ratifies a transfer of appropriations of \$250,000 within the Sheriff's Jail Stores Internal Service Fund Spending Plan for Fiscal Year 2011-12. This technical adjustment of \$250,000 aligned the appropriations with expenditures at the end of the fiscal year reflecting the increased demand for these items.

**SUBJECT: FISCAL YEAR 2012-13 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICT: ALL)**

**Recommendations 22 & 23**

The construction of Capital Project 1016576, 4S Ranch Sports Park Artificial Turf requires modification of the existing recycled water irrigation system. This request will transfer appropriations of \$70,000 in Capital Project 1014253 Sweetwater Lane Artificial Turf to Capital Project 1016576, 4S Ranch Sports Park Artificial Turf for these unanticipated costs. In the Fiscal Year 2010-11 Operational Plan funding of \$2.5 million was received for Capital Project 1014253, Sweetwater Lane Artificial Turf conversions based on General Fund fund balance. Sufficient funding remains in Capital Project 1014253, Sweetwater Lane Artificial Turf to complete the project which is anticipated to be completed in December 2012.

**Recommendation 24**

On September 14, 2011 (5), the Board adopted a resolution authorizing the Department of Parks and Recreation to apply for, accept and appropriate funds up to \$350,000 based on the federal Environmental and Enhancement and Mitigation (EEMP) grant for land acquisition at San Luis Rey River Park. Since grant funds were not awarded, today's request will cancel appropriations and related EEMP revenue that will not be received.

**Recommendation 25**

On October 12, 2011 (8), the Board ratified application and adopted a resolution authorizing the Department of Parks and Recreation to apply for, accept and appropriate funds up to \$450,000 based on Coastal Conservancy grant to design and construct the final 1.5 mile connection in a trail network within the Sweetwater Valley Regional Park. This request will reduce appropriations and related Coastal Conservancy grant revenue by \$346,000 to reflect amount awarded of \$104,000.

**Recommendations 26 & 27**

This recommendation will cancel appropriations of \$26,514.80 and related revenue from the United States Forest Reserve in the Capital Outlay Fund for Capital Project 1000121, Trail Easement Acquisitions. In order to comply with Governmental Accounting Standards Board Statement 51 (GASB 51) which provides guidance for the capitalization of intangible assets such as easement acquisitions these appropriations will be established in the Department of Parks and Recreation to be appropriately expensed.

**Recommendations 28 & 29**

These recommendations will cancel a total of \$18,133.16 in appropriations from Capital Projects 1000246, Otay Valley Regional Park Phase II Acquisition (\$1,320.56), 1000249, Escondido Creek Acquisition (\$7,404) and 1009548, Lakeside Soccer Fields Acquisition (\$9,408.60) in the Capital Outlay Fund and related Operating Transfer from the General Fund. This technical adjustment will establish appropriations of \$18,133.16 in the Department of Parks and Recreation to appropriately record expenditures that cannot be capitalized due to accounting thresholds for the capitalization of fixed assets pursuant to County of San Diego Administrative Manual 0050-02-01, Control of Capital Assets and Minor Equipment

**SUBJECT: FISCAL YEAR 2012-13 FIRST QUARTER OPERATIONAL PLAN STATUS  
REPORT AND BUDGET ADJUSTMENTS (DISTRICT: ALL)**

**Recommendations 30 & 31**

On September 17, 2008 (2), the Board approved purchase of the 234-acre Sage Hill property. An endowment account based on a funding from San Diego Association of Governments (SANDAG) was established for \$261,000 towards the property's one-time stewardship activities such as installing fencing and signage, removing invasive vegetation and preparation of a resource management. These recommendations establish appropriations of in the Department of Parks and Recreation (\$49,354.88) and in the Capital MSCP Acquisition Fund (\$76,302.12) for the Multiple Species Conservation Program for one-time stewardship activities at Sage Hill based on an endowment from SANDAG. Stewardship activities totaling \$135,343.00 were completed in prior years.

**Recommendations 32 & 33**

On May 14, 2008 (5), the Board approved purchase of the Gildred Ranch and Highland Valley-Oak Country II properties from the Nature Conservancy. The funding sources were the General Fund and a grant from the Department of Water Resources. Receipt of the grant funds was delayed; however the County proceeded with the acquisition of the land utilizing existing General fund funding in Capital Project 1000012, MSCP Acquisitions with the intent of reimbursing the County and reestablishing appropriations in Capital Project 1000012, MSCP Acquisitions when the grant funds were received. On May 8, 2012 (16), the Board approved establishment of appropriations of \$704,154 based on anticipated receipt of the grant funds. Actual funds received during Fiscal Year 2011-12 were \$708,308, due to an amendment to the grant. These recommendations will establish additional appropriations of \$4,846 to return funds to the MSCP Acquisitions Fund.

**Recommendation 34**

On October 2, 2012 the Department of Parks and Recreation and the Department of Public Works entered into an agreement to purchase 2.45 acres of mitigation credits of southern riparian woodland habitat valued at \$98,000. Based on this agreement and Board Policy I-138, Mitigation On County-Owned Land Managed By The Department Of Parks And Recreation, revenue obtained through sale of mitigation credits will be deposited in the Land Stewardship – MSCP Mitigation Trust Fund and used to purchase additional lands within the county that meet the criteria set forth in the policy. This request will establish appropriations of \$98,000 in the Capital MSCP Acquisition Fund for the Multiple Species Conservation Program based on the sale of mitigation credits.

**Recommendations 35 & 36**

This recommendation is a technical adjustment to cancel \$25,000 in appropriations and related revenue in the Capital MSCP Acquisition Fund for the Multiple Species Conservation Program, and transfer the appropriations to the Department of Parks and Recreation. The due diligence costs of \$25,000 related to acquisition of a donated open space easement on Palomar Mountain does not meet the criteria for capitalization under the Governmental Accounting Standards Board Statement 51 (GASB 51).

**SUBJECT: FISCAL YEAR 2012-13 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICT: ALL)**

**Recommendation 37**

On December 6, 2011 (20), the Board approved the sale of mitigation credits for various projects including mitigation credits from the Dictionary Hill Developers L.P and Tuscan Ridge Group LLC. A portion of these sales was to be used for establishing a Land Stewardship – MSCP Mitigation Trust Fund (\$5,300) instead the full amount of mitigation credit funding was applied to the MSCP Capital Project Acquisition Fund. This is a request to cancel the over budgeted appropriations and related revenue of \$5,300 in the Capital MSCP Acquisition Fund.

**Recommendations 38 - 41**

On September 26, 2012 (11), the Board approved the cancellation of appropriations in the amount of \$128,757.03 and related revenue in Capital Project 1014260, Mountain Empire Community Center Playground (Phase I) to provide funding for Capital Project 1016992, Mountain Empire Community Playground Phase II (Phase II). The Phase I capital project had two funding sources, Operating Transfer from the General Fund (\$90,187.96) and an Operating Transfer from Parkland Dedication Fund (\$38,569.07). The recommendations approved by the Board on September 26, 2012, only included one of the two funding sources (Operating Transfer from the General Fund) and with an incorrect amount (\$128,757.03). After approval of today's technical adjustments the Phase II capital project will contain two funding sources as originally intended and for the correct amount.

**Recommendation 42**

On February 24, 2004 (23), the Fund Balance Commitment (previously known as Fund Balance Designation) for the Department of Environmental Health (DEH) was established. This commitment ensures that revenue from fees and permits in excess of costs are used only to fund fee-related expenses. For Fiscal Year 2011-12, this excess revenue equaled \$1,605,765. This action does not move funds into the Department of Environmental Health. If approved, the total amount in the Environmental Health fund balance commitment will be \$3,273,340.

**Recommendation 43**

This recommendation will establish appropriations of \$656.28 for the transfer of remaining balances in Permanent Road Division 1001 Capra Way, which dissolved on April 20, 2005, to the General Fund pursuant to Item Number 0030-18 of the San Diego County Administrative Manual and Section 1197 of the California Streets and Highway Code.

**Recommendation 44**

This recommendation will establish appropriations of \$3,033.87 for the transfer of remaining balances in Permanent Road Division 1007 Tumble Creek, which dissolved on March 1, 2006, to the General Fund pursuant to Item Number 0030-18 of the San Diego County Administrative Manual and Section 1197 of the California Streets and Highway Code.

**Recommendation 45**

This recommendation will establish appropriations of \$6,465.83 for the transfer of remaining balances in Permanent Road Division 129 Birch Street, formerly known as County Service Area 129, which dissolved on September 22, 2004, to the General Fund pursuant to Item Number

**SUBJECT: FISCAL YEAR 2012-13 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICT: ALL) |**

0030-18 of the San Diego County Administrative Manual and Section 1197 of the California Streets and Highway Code.

**Recommendation 46**

This recommendation allows the Director, Department of Public Works and the Auditor & Controller to take any necessary action in order to close out these Permanent Road Divisions.

**Recommendation 47**

This recommendation increases appropriations by \$68,500 in the Department of Public Works for Live Oak Repair project based on available Road Fund fund balance. This became an emergency project when staff inspected the Live Oak Park Road bridge culverts for a scheduled bridge replacement project and discovered one pipe was failing. These appropriations are needed to replace the failing pipe.

**Recommendation 48**

This recommendation will appropriate \$187,000 to fund major maintenance project MX12777 at the Bonita animal shelter. The Department was informed at the end of Fiscal Year 2011-2012 that the main electrical supply system had to be upgraded at the shelter. Due to a technical error the funds for this project did not carryforward into the current year.

**Recommendation 49**

The Housing Opportunities for Persons with AIDS (HOPWA) Program is a federal entitlement program established to assist with the affordable housing and service needs of persons with HIV and AIDS. In order to fully fund existing and new HOPWA contract providers, it is requested that up to \$275,000 in HOPWA funds from prior year's HOPWA projects be reallocated to support Fiscal Year 2012-13 and/or future fiscal years HOPWA contracts that assist with affordable housing and service needs of persons living with HIV and AIDS and their families.

**Recommendations 50 & 51**

Emergency Solutions Grant (ESG) is used to provide shelter for homeless families and aid in the transition of this population to permanent homes. In order to fully fund existing ESG service providers and comply with the new Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH), it is requested that up to \$9,375 in Fiscal Year 2012-13 ESG funds be reallocated from North County Interfaith Council-CASA Works for Families to North County Serenity House-Serenity Village for Shelter and Street Outreach activities. In addition, it is requested that up to \$9,375 in Fiscal Year 2012-13 ESG funds be reallocated from Homelessness Prevention and Rapid Re-Housing Activities to North County Interfaith Council-CASA Works for Families for Homelessness Prevention activities.

**Recommendation 52**

The Board is requested to reallocate HOME Investment Partnerships (HOME) funds from prior years' HOME projects for a HOME Consortium city. The City of San Marcos has requested up to \$195,002 in Fiscal Year 2009-10 City of San Marcos HOME First Time Homebuyer Program funds be reallocated to the Fiscal Year 2012-13 City of San Marcos Residential Rehabilitation

**SUBJECT: FISCAL YEAR 2012-13 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICT: ALL)**

Program. This funding would supplement existing City of San Marcos' HOME First-Time Homebuyer Program funding. The City of San Marcos City Council approved the requested reallocation of HOME funds on October 9, 2012.

**Recommendation 53**

This recommendation amends the Fiscal Year 2012-13 Major Maintenance Internal Service Fund Spending Plan by reducing appropriations of \$1,554,014 in the Operating Transfer Out account. Amounts budgeted in this account include internal agreements associated with multi-year Major Maintenance projects that are in various stages of completion, new projects contained in the approved annual Major Maintenance Improvement Plan and projected "walk-in" projects. As part of year end closing, internal agreements are also carried forward from one fiscal year to the next. Appropriations of \$1,554,014 were included in both the carry forward process and in the Fiscal Year 2012-13 Adopted Operational Plan. This request is a technical adjustment to correct the budget.

**Recommendation 54**

This recommendation amends the Fiscal Year 2012-13 Facilities Management Internal Service Fund Spending Plan by reducing appropriations of \$1,188,498 in the Services and Supplies accounts. Purchase orders of that amount for contracted facilities services were established in Fiscal Year 2011-12 but should have been cancelled prior to year end closing. This request is a technical adjustment to correct the budget.

**Recommendation 55**

The recommendation amends the Fiscal Year 2012-13 Facilities Management Internal Service Fund Spending Plan in the amount of \$437,217 for the Smart Building pilot project. This project enables the central monitoring and control of utility and mechanical systems, such as lighting, HVAC, water meters, onsite distributed energy systems (photovoltaic, fuel cells and alternative energy) and building access control to provide energy savings to the County. Funds to complete the project were included in the Fiscal Year 2011-12 Operational Plan but were not expended by year end and inadvertently were not carried forward into the current year. This request is a technical adjustment to correct the budget.

**Recommendations 56 & 57**

This recommendation will transfer funding of \$3,790,956 for management of the Documentum (the County's electronic document management tool) application platform from the Department of Purchasing and Contracting Internal Service Fund to the County Technology Office. The program management change has been made for consolidation and consistency of platform management and governance. The funds will be used for information technology costs associated with the implementation of the Enterprise Document Processing Platform and ongoing operational and maintenance costs of Documentum.

**Recommendations 58 & 59**

These requests will rebudget the Fiscal Year 2011-12 appropriations for the version 6.5 upgrade of Documentum, a multi-year information technology project that allows a single supported

**SUBJECT: FISCAL YEAR 2012-13 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICT: ALL)**

version of the software in compliance with the vendor and provides the functionality required by departments to meet their business needs. This project was funded and initiated in Fiscal Year 2011-12 and will be completed in Fiscal Year 2012-13.

**Recommendations 60 - 64**

These recommendations will establish appropriations of \$785,865 based on Fiscal Year 2011-2012 savings to provide funding for one-time needs in the Board of Supervisors' offices including various services and supplies and salaries and benefits costs.

**Recommendation 65**

This recommendation will establish appropriations of \$124,946 in the Clerk of the Board of Supervisors for the purchase and installation of a system to automate data entry and tracking of annual Statement of Economic Interest (Form 700) data for up to 3,100 users. The system will assist the County in complying with the Political Reform Act (Government Code Sections 81000-91015), which requires most state and local government officials and employees to publicly disclose their personal assets and income. The system will also help ensure adherence to CAO Administrative Policy Item Number 0010-02, CAO Rules Regarding Conflict of Interest, which includes specific rules for Form 700 data review and availability. The funding source will be Finance and General Government Group's Fiscal Year 2011-2012 fund balance available.

**Recommendations 66 - 71**

Appropriations associated with three Neighborhood Reinvestment Program grants awarded to County departments during Fiscal Year 2011-12 were not encumbered prior to year end close resulting in the funding to fall to General Fund Fund Balance. Today's action is a technical adjustment which will re-establish appropriations of \$40,500 based on Fiscal Year 2011-12 General Fund Fund Balance and disburse these funds to these three departments as previously authorized by the Board. The grants include \$25,000 to the Department of Aging and Independence Services to fund the development of a resource guide to assist Grandparents Raising Grandchildren (March 26, 2012 (16)), \$10,500 to the Department of General Services to fund the purchase of trees at the Bonita Civic Complex (October 25, 2011 (13)) and \$5,000 to the San Diego County Library to purchase mugs, backpacks, food and other giveaways to be given to library patrons to mark and celebrate the grand opening of the new Lincoln Acres library (June 19, 2012 (19)).

**Recommendation 72**

On March 27, 2012 (16), the Board approved the cancellation of appropriations of \$223,974 for Capital Project 1010977 OVRP Local Staging Area so that those funds could be reallocated to other projects. The reallocation of funding requires action to transfer appropriations from the Contributions to Capital to the Neighborhood Reinvestment Project. This recommendation was inadvertently excluded from the March 27, 2012 board letter. Today's technical recommendation will ratify the transfer of appropriations from the Contributions to Capital Outlay to the Neighborhood Reinvestment Program.

**SUBJECT:** FISCAL YEAR 2012-13 FIRST QUARTER OPERATIONAL PLAN STATUS  
REPORT AND BUDGET ADJUSTMENTS (DISTRICT: ALL)

**Recommendation 73**

The County of San Diego issued \$29,335,000 of Certificates of Participation on October 24, 2012 (2012 COPs). The proceeds of the 2012 COPs will be used to finance a portion of the parking structure of the Cedar and Kettner Development Project. Although the 2012 COPs were delivered after the formation of the Fiscal Year 2012-13 Operational Plan, the first interest payment to certificate holders of \$290,898.96 is due on February 1, 2013. Today's action will establish appropriations of \$290,898.96 in the Lease Payments Bonds based on tax sharing agreement revenue.

**Linkage to the County of San Diego Strategic Plan**

Today's proposed actions support the Strategic Initiatives of Safe Communities, Sustainable Environments, and Healthy Families in the County of San Diego's 2012-2017 Strategic Plan by fully committing to utilize County resources to meet the highest priority needs of its residents.

Respectfully submitted,

HELEN N. ROBBINS-MEYER  
Chief Administrative Officer

**ATTACHMENT(S)**

Schedule A

Schedule B

Notes to Schedules A and B

**SUBJECT:** FISCAL YEAR 2012-13 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICT: ALL)

**AGENDA ITEM INFORMATION SHEET**

**REQUIRES FOUR VOTES:**       Yes     No

**WRITTEN DISCLOSURE PER COUNTY CHARTER SECTION 1000.1 REQUIRED**  
 Yes     No

**PREVIOUS RELEVANT BOARD ACTIONS:**

August 7, 2012 (18), County of San Diego Fiscal Year 2012-13 Adopted Budget Resolution for Family of Funds, Enterprise Funds and Internal Service Funds, Prior Year Encumbrances and Penalty Assessment Resolution

**BOARD POLICIES APPLICABLE:**

N/A

**BOARD POLICY STATEMENTS:**

N/A

**MANDATORY COMPLIANCE:**

N/A

**ORACLE AWARD NUMBER(S) AND CONTRACT AND/OR REQUISITION NUMBER(S):**

N/A

**ORIGINATING DEPARTMENT:** Chief Financial Officer

**OTHER CONCURRENCE(S):**    N/A

Donald F. Steuer, Chief Financial Officer

Ebony N. Shelton, Director, Office of  
Financial Planning

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**FY 2012-2013 1st Quarter  
Projected Year-End Results**  
(in thousands)

**COUNTY SUMMARY**

	Expenditure Variance	Revenue Variance	1st Quarter FY12-13 Projected Fund Balance
	Favorable/(Unfavorable)		
<b>General Fund</b>			
Public Safety	\$ 23,904	\$ (186)	\$ 23,718
Health & Human Services Agency	123,868	(81,831)	42,037
Land Use & Environment	5,064	(1,290)	3,774
Community Services	15,294	(10,804)	4,490
Finance & General Government	3,759	555	4,314
Total Agency/Group	<u>171,889</u>	<u>(93,557)</u>	<u>78,332</u>
General Purpose Revenue	0	932	932
Finance Other	27,301	0	27,301
<b>Total General Fund</b>	<b><u>\$ 199,190</u></b>	<b><u>\$ (92,625)</u></b>	<b><u>\$ 106,565</u></b>
<b>Special Revenue Funds</b>			
Public Safety	\$ 1,501	\$ 9,905	\$ 11,405
Health & Human Services Agency	3,100	(3,100)	0
Land Use & Environment	5,084	(1,728)	3,356
Community Services	2,073	(52)	2,021
<b>Total Special Revenue Funds</b>	<b><u>\$ 11,758</u></b>	<b><u>\$ 5,024</u></b>	<b><u>\$ 16,782</u></b>
<b>Capital Program</b>			
Finance Other	\$ 0	\$ 0	\$ 0
<b>Internal Service Funds Departments</b>			
Public Safety Group	\$ 10	\$ 0	\$ 10
Health & Human Services Agency	0	0	0
Land Use & Environment	0	0	0
Community Services	28,702	(27,337)	1,365
Finance & General Government	341	375	716
Finance Other	30	0	30
<b>Total Internal Service Funds</b>	<b><u>\$ 29,083</u></b>	<b><u>\$ (26,962)</u></b>	<b><u>\$ 2,121</u></b>
<b>Enterprise Fund Departments</b>			
Land Use & Environment	\$ 1,053	\$ (451)	\$ 602
<b>Special District Funds Departments</b>			
Public Safety Group	\$ (15)	\$ 0	\$ (15)
Health & Human Services Agency	0	0	0
Land Use & Environment	928	72	1,000
<b>Total Special District Funds</b>	<b><u>\$ 913</u></b>	<b><u>\$ 72</u></b>	<b><u>\$ 984</u></b>
<b>Other County Funds Departments</b>			
LUEG - Debt. Svc. Local Boards	\$ 0	\$ 0	\$ 0
Community Svcs. - Red./Redev. Successor Agency	0	0	0
<b>Total Other County Funds</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>
Debt Service - Pension Obligation Bonds	\$ 1	\$ 0	\$ 1
<b>Total County Projected Operating Balance</b>	<b><u>\$ 241,998</u></b>	<b><u>\$ (114,943)</u></b>	<b><u>\$ 127,055</u></b>

Prepared: 11/02/12

Numbers may not total due to rounding.

**FY 2012-2013 1st Quarter  
Projected Year-End Results**

(in thousands)

**PUBLIC SAFETY GROUP**

Expenditure Variance	Revenue Variance	1st Quarter FY12-13 Projected Fund Balance
Favorable/(Unfavorable)		

**General Fund Departments**

Child Support	\$ 2,767	\$ (2,715)	\$ 52
Contributions for Trial Courts	0	0	0
Defense Attorney Contract Admin.	0	0	0
District Attorney	5,900	0	5,900
Emergency Services	556	(528)	28
Law Enforcement Review Board	12	0	12
Medical Examiner	245	0	245
Probation	4,277	588	4,865
Public Defender	3,368	42	3,410
Public Safety Executive Office	56	1,723	1,779
San Diego County Fire Authority	1,000	(1,000)	0
Sheriff	5,723	1,704	7,427
<b>Total General Fund</b>	<b>\$ 23,904</b>	<b>\$ (186)</b>	<b>\$ 23,718</b>

**Special Revenue Funds Departments**

District Attorney (Asset Forfeiture - State & Federal)	0	0	0
Probation - Asset Forfeiture	0	10	10
Probation - Inmate Welfare Program	0	0	0
Sheriff - Asset Forfeiture	0	0	0
Sheriff - Inmate Welfare Program	1	931	932
Public Safety - Proposition 172	1,500	8,963	10,463
<b>Total Special Revenue Funds</b>	<b>1,501</b>	<b>9,905</b>	<b>11,405</b>

**Internal Service Funds Departments**

Probation	0	0	0
Sheriff(Jail Stores)	10	0	10
<b>Total Internal Service Funds</b>	<b>10</b>	<b>0</b>	<b>10</b>

**Special District Funds**

Sheriff (Regional 800 MHz)	0	0	0
County Service Area	(15)	0	(15)
<b>Total Group Projected Fund Balance</b>	<b>\$ 25,400</b>	<b>\$ 9,718</b>	<b>\$ 35,118</b>

**FY 2012-2013 1st Quarter  
Projected Year-End Results**

(in thousands)

**HEALTH & HUMAN SERVICES AGENCY**

Expenditure Variance	Revenue Variance	1st Quarter FY12-13 Projected Fund Balance
Favorable/(Unfavorable)		

**General Fund Programs**

Administrative Support	\$ 33,977	\$ 4,995	\$ 38,972
Aging & Independence Services	7,345	(6,634)	711
Behavioral Health Services	28,046	(28,046)	(0)
Child Welfare Services	18,012	(16,931)	1,081
Public Administrator/Public Guardian	93	0	93
Public Health Services	2,773	(1,850)	924
Regional Operations	33,454	(33,198)	256
Strategic Planning & Operational Support	168	(168)	0
<b>Total General Fund</b>	<b>\$ 123,868</b>	<b>\$ (81,831)</b>	<b>\$ 42,037</b>

**Special Revenue Funds**

Tobacco Securitization Fund	3,100	(3,100)	0
<b>Total Special Revenue Funds</b>	<b>3,100</b>	<b>(3,100)</b>	<b>0</b>

**Internal Service Funds**

DMI-Working Capital( Edgemoor Hospital)	0	0	0
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**Special District Funds Departments**

Ambulance Districts	0	0	0
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<b>Total Health &amp; Human Services Agency</b>	<b>\$ 126,968</b>	<b>\$ (84,931)</b>	<b>\$ 42,037</b>
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**FY 2012-2013 1st Quarter  
Projected Year-End Results**

(in thousands)

**LAND USE & ENVIRONMENT GROUP**

Expenditure Variance	Revenue Variance	1st Quarter FY12-13 Projected Fund Balance
Favorable/(Unfavorable)		

**General Fund Departments**

Agriculture, Weights & Measures	\$ 795	\$ (560)	\$ 236
Environmental Health	2,671	256	2,927
Land Use & Environment Group Exec Office	0	0	0
Parks & Recreation	0	86	86
Planning & Land Use	1,597	(1,072)	525
Public Works	0	0	0
<b>Total General Fund</b>	<b>\$ 5,064</b>	<b>\$ (1,290)</b>	<b>\$ 3,774</b>

**Special Revenue Funds Departments**

A, W & M (Grazing and Fish & Game Commission)	0	0	0
Parks & Recreation - PLDO	39	32	71
DPW - Aviation Funds	0	0	0
DPW - Road Funds	4,878	(1,593)	3,285
DPW - Inactive Waste	167	(167)	0
<b>Total Special Revenue Funds</b>	<b>5,084</b>	<b>(1,728)</b>	<b>3,356</b>

**Internal Service Funds Departments**

Public Works - DPW Equip. ISF Prg. (35525-35700)	0	0	0
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**Enterprise Funds Departments**

Airport Enterprise Fund	629	(28)	602
Wastewater Management Enterprise Fund	424	(424)	0
<b>Total Enterprise Funds:</b>	<b>1,053</b>	<b>(451)</b>	<b>602</b>

**Special District Funds Departments**

Air Pollution Control District	422	91	513
Parks and Recreation	36	(24)	12
Planning and Land Use - CSAs	0	0	0
DPW - Sanitation Districts & Sewer Maintenance	376	0	376
DPW - CSAs	0	0	0
DPW - PRDs	0	0	0
DPW - Flood Control	0	0	0
DPW - Street Lighting Districts	95	4	99
<b>Total Special Districts Funds:</b>	<b>928</b>	<b>72</b>	<b>1,000</b>

**Other County Funds Departments**

Debt Service-Local Boards	0	0	0
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<b>Total Land Use &amp; Environment Group</b>	<b>\$ 12,129</b>	<b>\$ (3,398)</b>	<b>\$ 8,731</b>
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**FY 2012-2013 1st Quarter  
Projected Year-End Results**

(in thousands)

**COMMUNITY SERVICES GROUP**

Expenditure Variance	Revenue Variance	1st Quarter FY12-13 Projected Fund Balance
Favorable/(Unfavorable)		

**General Fund Departments**

Animal Services	\$ 410	\$ (87)	\$ 323
Community Services Group Exec Office	3,343	0	3,343
General Services	0	0	0
Housing & Community Development	11,333	(10,717)	615
Purchasing & Contracting	208	0	208
Library Services	0	0	0
Registrar of Voters	0	0	0
<b>Total General Fund</b>	<b>\$ 15,294</b>	<b>\$ (10,804)</b>	<b>\$ 4,490</b>

**Special Revenue Funds Departments**

Library Services	2,073	(52)	2,021
<b>Total Special Revenue Funds</b>	<b>2,073</b>	<b>(52)</b>	<b>2,021</b>

**Internal Service Funds Departments**

Facilities Management	5,883	(5,364)	520
Major Maintenance ISF	17,163	(17,163)	0
Fleet Management	4,715	(4,288)	426
Purchasing & Contracting	942	(523)	419
<b>Total Internal Service Funds</b>	<b>28,702</b>	<b>(27,337)</b>	<b>1,365</b>

**Other County Funds Departments**

Red. Agency/Redevelopment Successor Agency	0	0	0
Housing & Community Development	0	0	0
<b>Total Other County Funds Departments</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Total Community Services Group**

<b>\$ 46,069</b>	<b>\$ (38,194)</b>	<b>\$ 7,875</b>
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**FY 2012-2013 1st Quarter  
Projected Year-End Results**

(in thousands)

**FINANCE & GENERAL GOVERNMENT  
GROUP**

Expenditure Variance	Revenue Variance	1st Quarter FY12-13 Projected Fund Balance
Favorable/(Unfavorable)		

**General Fund Departments**

Assessor/Recorder/County Clerk	\$ 688	\$ 0	\$ 688
Auditor & Controller	1,365	64	1,430
Board of Supervisors	233	0	233
Chief Administrative Officer	27	0	27
Civil Service Commission	3	0	3
Clerk of the Board of Supervisors	112	100	212
County Communications Office	183	0	183
County Counsel	310	235	545
County Technology Office	0	0	0
Finance & GG Exec Office	0	0	0
Grand Jury	54	0	55
Human Resources	400	155	555
Treasurer-Tax Collector	385	0	385
<b>Total General Fund</b>	<b>\$ 3,759</b>	<b>\$ 555</b>	<b>\$ 4,314</b>

**Internal Service Funds Departments**

CTO - Information Technology	341	375	716
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**Total Finance & General  
Government Group**

<b>\$ 4,101</b>	<b>\$ 930</b>	<b>\$ 5,031</b>
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**FY 2012-2013 1st Quarter  
Projected Year-End Results**

(in thousands)

**GENERAL PURPOSE REVENUE &  
FINANCE OTHER**

Expenditure Variance	Revenue Variance	1st Quarter FY12-13 Projected Fund Balance
Favorable/(Unfavorable)		

**General Fund**

General Purpose Revenue:			
All Current Property Taxes	\$ 0	\$ 3,910	\$ 3,910
All Other Taxes-Local	0	(1,763)	\$ (1,763)
Licenses, Permits & Franchises	0	(125)	\$ (125)
Fines, Forfeitures & Penalties	0	(1,144)	\$ (1,144)
Revenue for Use of Money & Property	0	0	\$ 0
Intergovernmental Revenue	0	54	\$ 54
Charges for Current Services	0	0	\$ 0
Miscellaneous Revenue	0	0	\$ 0
<b>Total General Purpose Revenue</b>	<b>\$ 0</b>	<b>\$ 932</b>	<b>\$ 932</b>

General County Expenses:

Cash Borrowing Program	\$ 6,500	\$ 0	\$ 6,500
Community Enhancement	0	0	0
Contingency Reserve	20,000	0	20,000
Lease Payments - Capital Projects	801	0	801
Contributions to the Capital Outlay Fund	0	0	0
Local Agency Formation Comm Admin	0	0	0
Neighborhood Reinvestment Program	0	0	0
Countywide Expenses	0	0	0
Total Finance Other Expenses	\$ 27,301	\$ 0	\$ 27,301
<b>Total General Fund</b>	<b>\$ 27,301</b>	<b>\$ 932</b>	<b>\$ 28,233</b>

**Capital Program Funds**

Capital Program	\$ 0	\$ 0	\$ 0
<b>Total Capital Program Funds</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

**Internal Service Funds Departments**

Workers Compensation	\$ 0	\$ 0	\$ 0
Unemployment Insurance	0	0	0
Public Liability	30	0	30
<b>Total ISF Funds</b>	<b>30</b>	<b>0</b>	<b>30</b>

**Debt Service Funds Departments**

Pension Obligation Bonds	\$ 1	\$ 0	\$ 1
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**Total General Purpose Revenue & Finance  
Other**

	\$ 27,332	\$ 932	\$ 28,264
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**FY 2012-2013 1st Quarter  
Projected Year-End Results**  
(in thousands)

Category	Projected Management & Contingency Reserves	Projected Operating Balances	1st Quarter FY12-13 Projected Fund Balance
	Favorable/(Unfavorable)		
<b>General Fund</b>			
Public Safety	\$ 0	\$ 23,718	\$ 23,718
Health and Human Services Agency	20,000	22,037	42,037
Land Use and Environment	0	3,774	3,774
Community Services	3,250	1,240	4,490
Finance & General Government	0	4,314	4,314
<b>Agency/Group Totals</b>	<b>\$ 23,250</b>	<b>\$ 55,082</b>	<b>\$ 78,332</b>
General Purpose Revenue	0	932	932
General County Expenses	0	7,301	7,301
Contingency Reserve	20,000	0	20,000
<b>Total Gen'l. Purpose Rev. &amp; Gen'l. County Exp.</b>	<b>\$ 20,000</b>	<b>\$ 8,233</b>	<b>\$ 28,233</b>
<b>Total General Fund</b>	<b>\$ 43,250</b>	<b>\$ 63,315</b>	<b>\$ 106,565</b>

COUNTY OF SAN DIEGO  
NOTES TO SCHEDULES A and B  
Fiscal Year 2012-13 1st Quarter

**GENERAL NOTES**

*Projected Fund Balance*

Projected fund balance as presented in this report is defined as the projected excess of revenues over expenditures as a result of current fiscal year operations. Schedule A presents projections by Group and Department by fund or fund type.

*Contingency Reserve and Management Reserves*

The County's General Fund budget contains a Contingency Reserve each year to be used in the event of unforeseen expenses or to offset revenue shortfalls. Management Reserves are appropriations that are established at the Group or department level for unanticipated needs or planned future one-time expenses. Schedule B shows a summary of the General Fund's projected fund balance by Group/Agency that distinguishes between projected contingency/management reserve balances and operating balances.

*Variance Reporting*

Departments project variances from their operational plans based either on revised expectations or on actual revenues or expenditures to date. The significant variances (greater than \$300,000) in total expenditure, total revenue, or net variances from plan are discussed below and categorized by fund.

**PUBLIC SAFETY GROUP**

**General Fund**

*Department of Child Support Services*

A net positive variance of \$0.1 million is projected for the Department of Child Support Services.

A positive variance of \$2.8 million is projected in salaries and benefits due to salary savings from vacant and under-filled positions.

A net negative revenue variance of \$2.7 million is projected in intergovernmental revenues due to the salary and benefit savings noted above.

*Contributions for Trial Courts*

No overall variance is projected for Contributions for Trial Courts. In Fiscal Year 2011-12, fine and penalty revenues for this function declined by four percent. These revenues support County payments to the State as required by statute. Based on information available for the first two months of the fiscal year, no net variance is projected. The Public Safety Group Executive Office will continue to monitor and report on the projected impact of revenue changes in the Second Quarter Operational Plan Status Report.

*District Attorney*

A net positive variance of \$5.9 million is projected for the District Attorney's Office.

A net positive expenditure variance of \$5.9 million is projected. This positive variance is primarily due to anticipated savings in salaries and benefits of \$7.4 million due to normal attrition, savings from modified positions, and savings from vacant positions. A negative expenditure variance of \$1.5 million is projected in expenditure transfers and reimbursements due to normal attrition and delays in filling vacant positions in the Public Assistance Fraud Unit.

*Office of Emergency Services*

A net zero variance is projected for the Office of Emergency Services.

A positive expenditure variance of \$0.5 million is projected in salaries and benefits primarily due to vacant positions.

A negative revenue variance of \$0.5 million is projected in intergovernmental revenue for the Homeland Security Grant due expenditures noted above.

*Probation*

A positive variance of \$4.9 million is projected for the Probation Department.

A positive expenditure variance of \$4.3 million is projected. This is comprised of a \$3.8 million positive variance in salaries and benefits due to staff vacancies, \$0.3 million positive variance in services and supplies as a result of efforts made to reduce overall expenditure, and \$0.2 million positive variance in other charges due to a projected decrease in youth offenders' expenses.

A net positive revenue variance of \$0.6 million is projected. This is comprised of over-realized revenue of \$1.2 million in Juvenile Justice Crime Prevention Act (JJCPA) and \$0.3 million in the Youth Offender Block Grant (YOBG). This is offset by a \$0.9 million decrease in the cost of supervision account for collections primarily due to the economic conditions.

*Public Defender*

A positive variance of \$3.4 million is projected for the Public Defender.

A positive variance of \$1.5 million is projected in salaries and benefits due to vacant and modified positions. A positive variance of \$1.9 million is projected in services and supplies due to \$1.0 million associated with the defense of special circumstances cases which is projected to remain unspent due to current case requirement and \$0.9 million due to savings generated by the Office of Assigned Counsel efforts to reduce expenditures.

*Public Safety Group Executive Office*

A net positive variance of \$1.8 million is projected for the Public Safety Group Executive Office. This is primarily due to additional revenues in rents and concessions. These funds were not included in the budget as part of a multi-year plan to reduce budgeted revenues which will no longer be received when these properties transfer to the State in the next fiscal year.

*San Diego County Fire Authority*

A net zero variance is projected for the San Diego County Fire Authority.

A positive expenditure variance of \$1.0 million is projected in services and supplies due to spending delays for the tree removal grant.

A negative revenue variance of \$1.0 million in intergovernmental revenue is projected due to delayed expenditures related to the grant for tree removal noted above.

*Sheriff*

A positive variance of \$7.4 million is projected for the Sheriff's Department.

A net positive expenditure variance of \$5.7 million is projected. Salaries and benefits are projected to be \$7.1 million under budget due to vacant positions. A net negative expenditure variance of \$1.4 million is projected in services and supplies primarily due to increases in household expense and automotive fuel.

A net positive revenue variance of \$1.7 million is projected. A net positive variance of \$2.1 million is projected due to over-realized revenue of \$1.6 million in Booking Fees based on projected state allocations through 2011 Realignment, \$0.3 million in state mandate reimbursement claims, and \$0.2 million in recovered expenditures due to reimbursements from CAL FIRE for firefighting helicopter response on State lands. A negative variance of \$0.4 million is projected in State Criminal Alien Assistance Program (SCAAP) due to a decrease in the Federal allocation in this program.

**Special Revenue Funds**

*Sheriff's Inmate Welfare Fund*

A positive variance of \$0.9 million is projected for the Inmate Welfare Fund. A positive variance of \$0.5 million is projected in recovered expenditures from a reimbursement from the Grossmont Union High School District for contracted educational services. A positive variance of \$0.4 million is projected in rents and concessions due to the negotiated rates included in the new inmate telephone system contract.

*Proposition 172*

The Proposition 172 Special Revenue Fund finished Fiscal Year 2011-12 with a \$37.7 million year-end fund balance. Pursuant to Board of Supervisor's Policy A-126, any positive variance at year end will be disbursed according to a public safety program plan agreed to by the Sheriff, the District Attorney and the Probation Department. A total of

\$6.3 million of that amount has been appropriated to date through the adoption of the Fiscal Year 2012-13 Operational Plan.

A positive variance of \$10.5 million is projected for the Proposition 172 Special Revenue Fund.

A positive expenditure variance of \$1.5 million is projected due to operational cost savings in services and supplies

A positive revenue variance of \$9.0 million is projected. Current year revenues are projected to be \$9.0 million greater than budget due to the combination of Fiscal Year 2011-12 revenue exceeding the budgeted estimate for Fiscal Year 2012-13 supporting a positive Fiscal Year 2012-13 projection and the current positive economic performance of sales tax revenues.

## **HEALTH AND HUMAN SERVICES AGENCY (HHS)**

### **General Fund**

#### *Administrative Support*

Administrative Support consists of the following: Agency Executive Office, Agency Contract Support, Financial and Support Services Division, Human Resources, Management Support and First Five Commission.

A net positive variance of \$39.0 million is projected for Administrative Support. The variance is the result of \$34.0 million in expenditure savings and \$5.0 million in projected over-realized revenues.

The positive expenditure variance of \$34.0 million includes \$0.3 million in salaries and benefits due to vacant positions, \$13.7 million in services and supplies, and a projected year-end balance of \$20.0 million in management reserves which are held for operating contingencies during the year. The \$13.7 million savings in services and supplies is comprised of \$8.0 million budgeted for bio-terrorism emergencies, \$5.0 million budgeted as glide slope reserves that are not expected to be required and \$0.7 million in various services and supplies categories.

The net positive revenue variance of \$5.0 million includes an increase of \$11.1 million in administrative revenue, primarily associated with the receipt of prior year realignment, \$1.7 million unanticipated prior year institutional care revenue and \$0.2 million in charges in other funds/special districts, offset by \$8.0 million of unsecuritized tobacco settlement revenue that is not projected to be recognized because the bio-terrorism appropriations are expected to be unspent.

### *Aging and Independence Services*

A net positive variance of \$0.7 million is projected for Aging & Independence Services, comprised of \$7.3 million in expenditure savings offset with \$6.6 million in projected under-realized revenues.

The positive expenditure variance of \$7.3 million includes savings of \$0.1 million in salaries and benefits due to vacant positions, \$6.1 million savings in services and supplies, and \$1.1 million in operating transfers out. The \$6.1 million savings in services and supplies is mainly the result of revised estimates of growth trends in In-Home Supportive Services (IHSS) Individual Provider (IP) costs. The \$1.1 million savings in operating transfers out for In Home Support Services-Public Authority is related to salary and benefit costs being less than anticipated.

The negative revenue variance of \$6.6 million is mainly due to lower projected expenditures in IHSS as discussed above.

### *Behavioral Health Services*

Behavioral Health Services consists of the following: Mental Health Services, Alcohol and Drug Services, and Inpatient Health Services comprised of the San Diego County Psychiatric Hospital and Edgemoor Skilled Nursing Facility.

A net zero variance is projected for Behavioral Health Services.

The positive expenditure variance of \$28.0 million includes savings of \$6.2 million in salaries and benefits throughout Behavioral Health Services due to vacant positions and \$24.8 million in services and supplies offset by a \$3.0 million negative variance in Expenditure Transfer & Reimbursements due to lower projected expenditures related to the AB 109 program. The \$24.8 million of net savings in services and supplies includes \$11.6 million in un-awarded Mental Health Services Act (MHSA) contracts, \$7.9 million in Alcohol and Drug Services contracts for Substance Abuse Prevention and Treatment (SAPT), AB109, California Department of Corrections and Rehabilitation (CDCR) and Evidence Based Probation Supervision Program (EBPSP) services, \$4.7 million in Medi-Cal and San Diego County Office of Education contracts, and \$1.2 million savings in other services and supplies, offset by a \$0.6 million negative variance for Inpatient Health Services expenses for temporary contract help.

The negative revenue variance of \$28.0 million is primarily associated with expenditure savings in MHSA, Medi-Cal, and SAPT services. The balance is due to under-realized revenue resulting from savings as discussed above.

### *County Child Welfare Services*

A net positive variance of \$1.1 million is projected for County Child Welfare Services (CCWS), comprised of \$18.0 million in expenditure savings offset by \$16.9 million in under-realized revenues.

The net positive expenditure variance of \$18.0 million includes savings of \$2.4 million in salaries and benefits due to attrition and vacant positions and \$16.1 million in other charges due to revised estimates of caseload levels, growth trends and unit cost per case in aid payments for Foster Care and Aid to Adoptive Parents. The savings are offset by a \$0.5 million negative variance in services and supplies primarily associated with contract costs to reduce the risk of recidivism among youth detainees with mental health concerns.

The negative revenue variance of \$16.9 million is associated with the expenditure savings for assistance payments, attrition and staff vacancies.

#### *Public Health Services*

A net positive variance of \$0.9 million is projected for Public Health Services. This is the result of a net expenditure savings of \$2.8 million offset by \$1.9 million in under-realized revenues.

The net positive expenditure variance of \$2.8 million includes savings of \$1.3 million in salaries and benefits due to vacant positions, \$2.2 million in services and supplies savings primarily for various contracted services, offset by an increase of \$0.7 million in support and care costs in the California Children's Services (CCS) program. The \$2.2 million net savings in services and supplies is primarily related to the delayed start of contracts related to the Community Transformation Grant (CTG), and projected savings in other contracts.

The negative revenue variance of \$1.9 million is due to \$1.0 million increase in various grants and federal revenues including Ryan White Care Act and HIV Prevention funding, Bioterrorism allocations, CDC Infrastructure grant and increased Medi-Cal funding, offset by decreases of \$2.4 million related to the Community Transformation Grant, fewer Early Periodic Screening, Diagnosis and Treatment Program allowable costs, Bioterrorism Public Health Emergency Preparedness grant, and \$0.5 million in State revenues supporting the CCS allocation and Childhood Lead Poisoning Prevention Programs.

#### *Regional Operations*

Regional Operations consist of the following: Central, East, North Central, North Coastal, North Inland, and South regions, Community Action Partnership, Regional Self-Sufficiency and Regional Child Welfare Services.

A net positive variance of \$0.3 million is projected for Regional Operations. The variance is the result of \$33.5 million in expenditure savings offset with \$33.2 million in under-realized revenue.

The positive expenditure variance of \$33.5 million includes savings of \$3.7 million in salaries and benefits due to vacant positions and savings of \$29.8 million in other charges that is mainly the result of revised caseload levels in CalWORKs and Child Care Stage 1.

The negative revenue variance of \$33.2 million is associated with the projected expenditure savings as discussed above.

*Strategic Planning and Operational Support*

A net zero variance is projected for Strategic Planning & Operational Support.

The net positive expenditure variance of \$0.2 million is in services and supplies throughout the various orgs.

The negative revenue variance of \$0.2 million includes reduced revenue of \$2.1 million primarily associated with expenditure savings in assistance and welfare to work payments offset by \$2.0 million increase in LIHP revenue.

**Special Revenue Funds**

*Tobacco Securitization Fund*

A net zero variance is projected in the Securitized Tobacco Settlement Fund. This aligns projected expenditures to anticipated revenue.

**LAND USE AND ENVIRONMENT GROUP**

**General Fund**

*Agriculture, Weights & Measures (AWM)*

A net positive variance of \$0.2 million is projected for the Department of Agriculture, Weights and Measures.

A positive expenditure variance of \$0.8 million is projected. Savings of \$0.7 million in salaries and benefits is mainly due to maintaining vacancies and underfilling positions to help mitigate a reduction in State and federal contract revenue. A savings of \$0.1 million in services and supplies is due to an abatement of expenditures that were budgeted as revenue.

A negative revenue variance of \$0.6 million is primarily due to an overall reduction of \$0.5 million in Pest Detection and Pest Exclusion contract revenue and \$0.1 million in services and supplies that is reflected above.

*Environmental Health*

A positive variance of \$2.9 million is projected for the Department of Environmental Health.

A positive expenditure variance of \$2.7 million is projected. A savings of \$2.0 million in salaries and benefits is due to vacancies, under-filling positions and freezing of positions. A savings of \$0.7 million in services and supplies is related to closely monitoring spending activities to ensure costs do not exceed revenue.

A positive revenue variance of \$0.2 million is projected. This variance consists of over-realized revenue of \$0.5 million in Hazardous Materials Permit fees and \$0.9 million in Food and Housing Permit fees. This is offset by a shortfall of \$0.2 million in State funding due to fringe benefit and indirect cost limitations in the Radiological Health Program Revenue Agreement; a shortfall of \$0.5 million from the Vector Control Trust Fund primarily associated with salaries and benefits and services and supplies savings in the Vector Control program. Revenue is only drawn from the Vector Trust Fund for actual costs incurred. A shortfall of \$0.3 million in recovered expenditures is related to savings from leasing equipment through Hewlett Packard as opposed to purchasing it, which reduced up-front costs and corresponding one-time funding. The remaining shortfall of \$0.2 million is spread over various accounts that do not exceed \$0.2 million in any single account.

#### *Planning and Development Services*

A positive variance of \$0.5 million is projected for the Department of Planning and Development Services.

A positive expenditure variance of \$1.6 million is projected. Savings of \$1.3 million is projected in salaries and benefits, mainly due to vacancies. Savings of \$0.3 million in services and supplies are due to closely monitoring spending activities to ensure costs do not exceed revenue.

A negative revenue variance of \$1.1 million is projected related to expenditure savings of \$1.3 million due to staff vacancies offset by \$0.2 million in over-realized revenue for building permit fees.

## **SPECIAL REVENUE FUNDS**

### **Road Fund**

A net positive variance of \$3.3 million is projected for the Road Fund.

A positive expenditure variance of \$4.9 million is projected. Projected savings of \$2.9 million in salaries and benefits is due to under-filling of positions, vacancies, and a reduction in cash overtime and temporary help. Savings of \$2.0 million is projected in services and supplies due to schedule revisions in the Detailed Work Program, resulting in consultant and construction contract savings, as well as a project completed under budget.

A negative revenue variance of \$1.6 million is projected. Under-realized revenue of \$0.3 million in intergovernmental revenues is due to schedule revisions in the Detailed Work Program. Under-realized revenue of \$0.9 million in charges for current services is due to reduced services to property owners in Land Development (\$0.6 million), and reduced work for Special Districts, Flood Control, Airport, Liquid Waste, Inactive Waste, and TIF projects (\$0.4 million) partially offset by \$0.1 million over-realized revenue for

increased work for Capital Outlay, Internal Service Funds and General Fund projects. Under-realized revenue of \$0.2 million in taxes other than current secured (TransNet) is projected and is due to savings from a completed project in the Detailed Work Program. Under-realized revenue of \$0.2 million in miscellaneous revenue is spread over various accounts.

## **Enterprise Funds**

### **Public Works**

#### *Airports*

A positive variance of \$0.6 million is projected for the Airport Enterprise Fund.

A positive expenditure variance of \$0.6 million is projected. Savings of \$0.2 million in salaries and benefits is due to partial year vacancies and under filling positions. Savings of \$0.2 million in other charges, is related to depreciation due to completed projects capitalized later than anticipated. Capital Assets/Land Acquisition savings of \$0.2 million is due to various capital projects completed under budget.

#### *Wastewater*

A zero net variance is projected in the Wastewater Management Enterprise Fund.

A positive expenditure variance of \$0.4 million is projected. Savings of \$0.4 million in salaries and benefits is due to staff vacancies, under-filled positions, and reduction in overtime.

A negative revenue variance of \$0.4 million is projected and is due primarily to reduced work and cost for maintenance in the San Diego County Sanitation District.

## **Special District Funds**

#### *Air Pollution Control District*

A positive variance of \$0.5 million is projected for the Air Pollution Control District (APCD).

A positive expenditure variance of \$0.4 million is projected. Salaries and benefits savings of \$0.4 million is projected due to staff vacancies and under-filled positions.

A positive revenue variance of \$0.1 million is projected. A positive variance of \$0.1 million in licenses, permits and fees is projected due to a better than anticipated number of permits being issued.

#### *Public Works*

#### *Sanitation Districts*

A positive variance of \$0.4 million is projected in the Sanitation Districts.

A positive expenditure variance of \$0.4 million is projected. Savings of \$0.4 million in services and supplies is related to staff vacancies and under-filled positions in

Wastewater Enterprise Fund which provides staffing for the operation and maintenance of the Sanitation Districts.

## **COMMUNITY SERVICES GROUP**

### **General Fund**

#### *Animal Services*

A positive variance of \$0.3 million is projected for Animal Services.

A net positive expenditure variance of \$0.4 million is due to anticipated savings of \$0.1 million in salaries and benefits as a result of staff turnover and vacancies and savings of \$0.3 million in services and supplies based on expenditure trends. This is offset by a negative revenue variance of \$0.1 is projected for shelter fees and licenses.

#### *Community Services Group Executive Office*

A positive variance of \$3.3 million is projected for the Community Services Group Executive Office. The positive expenditure variance of \$3.3 million is due to \$0.1 million in salaries and benefits as a result of staff vacancy, and a year-end balance of \$0.2 million in Management Reserves, which are held in the Group Executive Office for departments' operating contingencies during the year. *Housing and Community*

#### *Development Department*

A positive variance of \$0.6 million is projected for the Housing and Community Development (HCD) Department. The department is composed of two major activities, Housing and Community Development, which contains staff and operations, and Housing and Community Development Multi-Year Projects, which are funded through inter-governmental (mainly Federal) loans and grants for community development and affordable housing projects.

#### *Housing and Community Development (Operations)*

A positive variance of \$0.6 million is projected for Housing and Community Development.

A positive expenditure variance of \$1.6 million includes anticipated savings of \$0.6 million in salaries and benefits due to vacancies from employee turnover and three positions held vacant to mitigate reductions in grant funding this year, and \$1.0 million in services and supplies. The positive variance in services and supplies is due to the postponement of data automation projects such as the Community Development division Documentum project (\$0.3 million), paper file conversion of Section 8 active participant files currently stored in Iron Mountain (\$0.1 million), under-spending in IT application upgrades (\$0.3 million) for projects anticipated to be completed next year, and savings in various accounts (\$0.3 million) as a result of managing discretionary expenses.

A negative revenue variance of \$1.0 million is projected at the end of the year, and is tied to the expenditure savings in salaries and benefits and various services and supplies as noted above, resulting in decreased costs recovered.

### *Housing and Community Development Multi-Year Projects*

No variance is projected for HCD Multi-Year Projects. The positive expenditure variance of \$9.7 million is offset by a projected negative revenue variance of \$9.7 million. Community Development projects eligible to receive funding are budgeted to facilitate the multi-year project cost expenditure request process. Revenues are projected to equal expenses as project costs are 100% revenue offset.

## **Special Revenue Funds**

### *San Diego County Library*

A positive variance of \$2.0 million is projected for the San Diego County Library.

A net positive expenditure variance of \$2.1 million is projected. This variance is comprised of savings of \$1.3 million in salaries and benefits from anticipated vacated positions, \$0.3 million is projected in major maintenance based on first quarter spending trends and a projected year-end balance of \$1.0 million in management reserves which are held for operating contingencies during the year. This is offset by a negative variance in services and supplies of \$0.2 million due to an increase in books & library materials (\$0.5 million).

A negative revenue variance of \$0.1 million is projected. This variance is due to anticipated shortfalls of \$0.1 million in interest and public printing and other library services.

## **Internal Service Funds (ISFs)**

### *Facilities Management ISF*

A net positive variance of \$0.5 million is projected for the Facilities Management ISF.

A positive variance of \$5.9 million in expenses is projected. Savings of \$1.4 million in salaries and benefits is primarily due to modified positions and staff vacancies. Projected savings in services and supplies of \$2.1 million is due to a reduction in anticipated contract costs. Savings of \$2.4 million in Operating Transfers Out is due to fewer than anticipated qualified projects for On-Bill financing and California Energy Commission (CEC) financing which will also result in lower than anticipated expenditures.

A negative revenue variance of \$5.4 million is projected. A projected negative variance in rents and concessions of \$0.7 million is due primarily to the loss of lease revenue related to current construction projects including the previously leased Chesapeake properties and the Cedar-Kettner parking lot. A projected negative variance of \$1.6 million for charges for current services is due to lower than anticipated costs related to contracted services, which are reimbursed on a pass-through basis by client departments. A projected negative variance of \$3.1 million in other financing is related to the On-Bill financing and CEC financing for energy related projects (\$2.4 million) and

a reduction in operating transfers to reimburse for services provided to the Major Maintenance Internal Service Fund (\$0.7 million).

*Major Maintenance ISF*

A zero net variance is projected in the Major Maintenance ISF.

A positive variance of \$17.2 million in expenses is projected. Savings of \$14.9 million in services and supplies and \$2.3 million in Operating Transfer Out is due to delays in commencing new projects. Since costs incurred in this fund are reimbursed by operating departments, these project delays will result in projected negative revenue variance of \$17.2 million in charges for current services.

*Fleet Management ISF*

A net positive variance of \$0.4 million is projected for Fleet Management ISF.

A positive variance of \$4.7 million in expenses is projected. Savings of \$0.5 million in salaries and benefits is primarily due to modified and vacant positions; \$0.2 million is projected in services and supplies; \$0.1 million in other charges due to depreciation costs; \$3.8 million in capital assets due to less than anticipated purchases for replacement vehicles, and \$0.1 million in unspent reserves.

A negative revenue variance of \$4.3 million is due primarily to unrealized revenue of \$0.5 million due to lower interest earnings and \$3.8 million decrease for current services due to lower than anticipated acquisition of vehicles as noted above.

*Purchasing and Contracting ISF*

A net positive variance of \$0.4 million is projected for the Purchasing and Contracting ISF.

A positive expenditure variance of \$0.9 million is projected due to savings of \$0.4 million in salaries and benefits from vacancies and \$0.5 million in services and supplies is due to the delay of information technology (IT) projects implementation.

A net negative revenue variance of \$0.5 million is projected based on \$0.4 million countywide spending and contracting hours projections slightly below the budgeted level and the delay of \$0.4 million for IT projects implementation, offset by an increase of \$0.3 million in rebate revenues.

**FINANCE AND GENERAL GOVERNMENT GROUP**

**General Fund**

*Assessor/Recorder/County Clerk*

A positive variance of \$0.7 million is projected for the Assessor/Recorder/County Clerk in salaries and benefits due to departmental vacancies.

*Auditor and Controller*

A positive variance of \$1.4 million is projected for the Auditor and Controller in salaries and benefits due to staff vacancies and under-filled positions.

*County Counsel*

A positive variance of \$0.5 million is projected for the Office of County Counsel.

A positive expenditure variance of \$0.3 million is projected, including \$0.2 million in salaries and benefits due to unanticipated retirements and unfilled vacancies, and \$0.1 million in costs applied to other departments for higher than anticipated legal support staff services.

A positive revenue variance of \$0.2 million is projected in charges for current services primarily due to higher than anticipated reimbursements for services provided to internal service funds.

*Human Resources*

A positive variance of \$0.6 million is projected for the Department of Human Resources.

A positive expenditure variance of \$0.4 million is projected, including \$0.3 million in salaries and benefits primarily due to staff turnover and vacant positions. A positive variance of \$0.1 million in services and supplies is due to potential changes in information technology projects.

A positive revenue variance of \$0.2 million is projected primarily due to higher than anticipated reimbursements for services provided to internal service funds.

*Treasurer/Tax Collector*

A positive expenditure variance of \$0.4 million is projected for the Treasurer-Tax Collector, including \$0.3 million in salaries and benefits due to vacancies and anticipated turnover and \$0.1 million in services and supplies due to departmental cost savings and improved efficiencies.

**INTERNAL SERVICE FUNDS**

*Information Technology Internal Service Fund*

A positive variance of \$0.7 million is projected for the Information Technology Internal Service Fund.

A positive expenditure variance of \$0.3 million is due to software maintenance expenditure appropriations carried forward from the prior fiscal year that will not be expended.

A positive revenue variance of \$0.4 million is due to the timing of departmental reimbursements for a software maintenance payment made in the prior fiscal year.

## GENERAL PURPOSE REVENUE & COUNTYWIDE EXPENSES

A positive variance of \$28.2 million is projected for these two categories combined, comprised of an estimated additional \$0.9 million in General Purpose Revenue (GPR) compared to budget (\$968.0 million projected vs. \$967.1 million budgeted) and a \$27.3 million net positive variance in General County Expense activities. Moreover, it is important to note that the projected amount of \$968.0 million is \$12.1 million below the actual GPR received in Fiscal Year 2011-12 (\$980.1 million), \$6.6 million below the actual GPR received in 2010-11 (\$974.6 million), \$15.3 million below the actual GPR received in Fiscal Year 2009-10 (\$983.3 million), \$52.5 million below the actual GPR received in Fiscal Year 2008-09 (\$1.02 billion), and \$21.9 million below the actual for Fiscal Year 2007-08 (\$989.9 million).

### General Purpose Revenue

The U.S. economy is still continuing to recover from the deep recession that began in December 2007 and ended in June 2009. The national recession, 2008 credit crises, and negative trends in the financial markets have had far reaching and long-term impacts on San Diego and the rest of Southern California. The County's GPR, particularly revenue related to property transactions, has been impacted by these conditions. Property tax revenues, including current secured, current supplemental and prior year supplemental, felt the impact of declining assessed values and weak construction activity. Sales and Use Tax revenue, although a smaller percentage of the County's GPR, was impacted substantially by the year over year decline in retail sales activity. In 2010, sales and use tax revenue showed signs of recovery with year-over-year quarterly increases in all four quarters. This improvement continued through all of 2011 and up through the second quarter of 2012 (the latest quarter with available data). Further, the county's diverse economic base and the area's population growth are seen as positive influences that will help stabilize locally generated general purpose revenue funding sources. For Fiscal Year 2012-13, the economic news continues to improve. Several economic trends are summarized below followed by a discussion by revenue account of significant variances from budget:

- San Diego's monthly average unemployment rate for the 12 month period between August 2011 and July 2012 was 9.4%, with a July 2012 rate of 9.2%. This compares to a State of California average unemployment rate of 11.1% for the same 12 month period, with a July 2012 rate of 10.9%.
- Unadjusted local point of sales tax revenues improved by 12.5% for the January through June 2012 period in the unincorporated area compared to the same time period in 2011. For that same time period, sales tax revenues improved at the statewide level by an estimated 8.0%, southern California region by 7.7% and San Diego regional level by 7.0%. Overall, the increase is attributed to the continuing recovery.
- There are positive signals in the housing market in the County:
  1. Improvement in deeds recorded (up 21.8% for January through September 2012 compared to the same time period for 2011);

2. Increase in median housing prices (up 11.1% in the San Diego region for September 2012 compared to September 2011);
3. Increase in the number of homes sold for January through September 2012 compared to January through September 2011 (San Diego region up 12.3%);
4. Improvement in notices of default (17.5% fewer for January through September 2012 compared to the same time period for 2011);
5. Improvement in foreclosure activity (the number of foreclosures has decreased 41.7% for January through September 2012 compared to the same time period for 2011).

#### *Current Property Taxes – All Categories*

The four categories of Current Property Taxes (i.e., Property Taxes Current Secured, Property Taxes Current Supplemental, Property Taxes Unsecured, and Property Taxes Current Unsecured Supplemental combined are estimated to show a net positive variance to budget of \$3.9 million.

- *Property Taxes - Current Secured*

Current Secured Property Taxes are projected to be a net \$3.7 million higher than budget. Several factors play a part in the overall projection, including the fact that the 2012 local secured assessed value declined less than anticipated in the budget, a forecasted improvement in the delinquency rate, an improvement in the State Unitary roll compared to the estimated amount used in the budget, partially offset by an anticipated increase in roll corrections and refunds in the first quarter. This change in refunds and corrections is based on an assessment of year-end activity (Fiscal Year 2011-12 - \$16.6 million) and information available through apportionment three leading to the projection of refunds and corrections close to \$12.7 million compared to a budgeted amount of \$7.5 million.

As mentioned above, in the 2012 local secured assessed value declined less than anticipated in the budget. The budgeted current secured property taxes assumed a local secured assessed value decline of 1.0%, but the actual assessed value (AV) actually declined by 0.31% (gross less regular exemptions). (Note: The 0.31% decline stated above represents the change in the AV for only the secured roll. This is different than the countywide overall decline published by the Assessor/Recorder/County Clerk on June 29, 2012 of 0.14%, which includes all assessed value components - secured and unsecured). In addition, delinquency rates are anticipated to be better than budget based on Fiscal Year 2011-12 year-end experience and year-to-date trends.

- *Property Taxes - Current Supplemental*

Current Supplemental Property Taxes are projected to be \$0.2 million higher than the \$3.3 million that was budgeted. This projection is based on charges and collections through apportionment three and estimates related to new construction and anticipated low turnover rates through Fiscal Year 2012-13. In Fiscal Year 2011-12, these revenues totaled \$3.5 million. The highest amount recorded in this account was \$31.0 million in Fiscal Year 2004-05.

### *Taxes Other Than Current Secured*

Taxes Other Than Current Secured are anticipated to be \$1.8 million below budget.

- *Real Property Transfer Taxes*

A positive revenue variance of \$0.7 million is estimated for Real Property Transfer Taxes based on realized revenues for the first three months of Fiscal Year 2012-13 as well as data regarding current year change in ownership and the anticipated level of new construction.

- *Sales and Use Tax*

A positive revenue variance of \$1.6 million is projected for Sales and Use Tax revenue based on better than expected Fiscal Year 2011-12 year-end actuals compared to Fiscal Year 2012-13 budgeted revenues, payments from the State through October 2012, and cautious estimates for anticipated revenue growth through the balance of Fiscal Year 2012-13.

- *Teeter Tax Reserve Excess*

The Teeter Tax Reserve Excess is estimated to be approximately \$3.2 million below the \$21.0 million budgeted, based on current penalty and interest collections and available data on the outstanding receivables and projections through the end of the fiscal year.

This estimate is also based on a review of total reserves available to meet the Revenue and Taxation Code requirement of maintaining a reserve of not less than 25% of the total teetered delinquent secured taxes and assessments (R&T section 4703.2). The 2012 Teeter buy-out of \$47.5 million was lower than the 2011 Teeter buy-out of \$58.4. The 2010 Teeter buy-out amount was \$88.8. For Fiscal Year 2012-13, the reserve requirement is \$11.9 million, a \$2.7 million decrease from the Fiscal Year 2011-12 requirement of \$14.6 million. This represents additional revenue not previously anticipated in the budget. Moreover, all penalty and interest collections in Fiscal Year 2012-13 will be in excess of the reserve requirement resulting in a one-time revenue surplus.

However, projections for the first quarter include a substantial negative adjustment in collections based on the trends experienced in Fiscal Year 2011-12 and anticipated to continue in Fiscal Year 2012-13. Further, knowing that the Teeter buy-out has dropped the last four years and outstanding Teeter receivables have dropped substantially the last three years, and factoring in data through apportionment three, it is anticipated that collections will continue to decline. The negative projection of \$3.2 million therefore anticipates collections coming in below budget partially offset by a one-time positive adjustment of \$2.7 million related to the decrease in the reserve requirement in Fiscal Year 2012-13.

- *Property Tax in Lieu of VLF*  
Property Tax in Lieu of Vehicle License Fees (VLF) is projected to be \$2.0 million above the budgeted amount of \$301.7 million. The actual assessed value adjustment factor of negative 0.32% (which includes unsecured, local secured, current State non-unitary, and aircraft property tax components) for Fiscal Year 2012-13 is 0.68% better than the adjustment rate used to calculate the budgeted revenue (negative 1.0%).
- *Teeter Property Tax Prior Year and Cumulative Prior Years*  
A negative revenue variance of \$2.9 million is projected for collections from taxes receivable from the prior fiscal years because the delinquency rate in Fiscal Year 2011-12 was less than what was anticipated at the time the Fiscal Year 2012-13 budget was developed. The delinquency rate changes have led to continued declines in the Teeter buyout outlined in the Teeter Tax Reserve Excess above. Moreover, collection trends through apportionment three have not improved and are lower than what was estimated in the budget. These trends are anticipated to continue through the end of the fiscal year. Taxes paid after the fiscal year in which they are due are subject to both penalty and interest charges.

#### *Licenses, Permits, and Franchises*

Licenses, Permits and Franchise payments are projected to be approximately \$0.1 million below budget.

Beginning in Fiscal Year 2009-10, the restructured cable and video licenses have been budgeted in General Purpose Revenue rather than in the Cable TV Media and Public Relations Special Revenue Fund, which was dissolved. Based on a review of current revenues and projected revenues through year-end, cable and video licenses are expected to exceed the budgeted figure by \$0.2 million.

This increase is offset by an approximately \$0.3 million decrease in franchise payments related to a drop in revenue from municipal surcharges.

#### *Fines, Forfeitures and Penalties*

A negative variance of \$1.1 million is projected. Penalties and Cost Delinquency Taxes are projected to be approximately \$1.1 million below budget. Revenues in this account reflect the 10% penalty that is assessed on late current secured and unsecured property tax payments. A significant reason for the lower than budgeted revenue is the lower than expected delinquency rate as noted above in the paragraph regarding current secured property taxes. The lower than budgeted projection is also based on the current outstanding open charges and current collection trends through apportionment three.

#### General County Expenses

##### *Cash Borrowing Program*

A positive expenditure variance of \$6.5 million is projected. The one-time savings is due to lower borrowing costs associated with the issuance of the Tax and Revenue

Anticipation Note (TRAN). The current low interest rate environment and the County's strong credit rating contributed to the lower cost of borrowing. The County's higher than expected year-end cash balance resulted in lower than anticipated amount to be borrowed for Fiscal Year 2012-13 which resulted in a lower than anticipated size of the TRAN. At the time the Fiscal Year 2012-13 budget was prepared, the size and terms of the TRAN borrowing had not been finalized.

*Contingency Reserve*

The entire \$20.0 million budgeted in the Contingency Reserve in Fiscal Year 2012-13 is expected to be unspent at year-end.

*Lease Payments*

A positive variance of \$0.8 million is projected. Total lease payments were lower than budgeted due to interest credits being higher than anticipated, thereby reducing the net expense.



**Air Pollution Control Board**  
San Diego County Air Pollution Control  
District

**Governing Body**

GREG COX  
First District

DIANNE JACOB  
Second District

PAM SLATER-PRICE  
Third District

RON ROBERTS  
Fourth District

BILL HORN  
Fifth District

**AGENDA ITEM**

**DATE:** December 4, 2012

##

**TO:** Air Pollution Control Board

**SUBJECT:** FISCAL YEAR 2012-13 FIRST QUARTER OPERATIONAL PLAN  
STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICT: ALL)

**SUMMARY:**

**Overview**

[This report recommends budget adjustments to the Air Pollution Control District Funds.]

**Recommendation(s)**

**CHIEF ADMINISTRATIVE OFFICER**

1. Cancel appropriations of \$472,383 in other charges and related revenue in the Air Pollution Control District due to funds being encumbered subsequent to the Fiscal Year 2012-13 Change Letter process where the grant funds were re-budgeted.
2. Cancel appropriations of \$250,000 in other charges and related revenue in the Air Quality GMERP Match Fund due to funds being encumbered subsequent to the Fiscal Year 2012-13 Change Letter process where the grant funds were re-budgeted. |

**Fiscal Impact**

If approved, this request will cancel appropriations of \$722,383 and related revenue. There will be no change in net General Fund cost and no additional staff years.

**Business Impact Statement**

N/A

**Advisory Board Statement**

N/A

**BACKGROUND:**

**Recommendation 1**

This is a technical adjustment. This request will cancel appropriations and related revenue of \$472,383 in the Air Pollution Control District Fund due to funds being encumbered subsequent

**SUBJECT: FISCAL YEAR 2012-13 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICT: ALL)**

to the Fiscal Year 2012-13 Change Letter process where the funds were rebudgeted. This action will accurately reflect the amount available to the grant.

**Recommendation 2**

This is a technical adjustment. This request will cancel appropriations and related revenue of \$250,000 in the Air Quality GMERP Match Fund due to funds being encumbered subsequent to the Fiscal Year 2012-13 Change Letter process where the funds were rebudgeted. This action will accurately reflect the amount available to the grant.

**Linkage to the County of San Diego Strategic Plan**

Today's proposed actions support the Strategic Initiatives of Safe Communities, Sustainable Environments, and Healthy Families in the County of San Diego's 2012-2017 Strategic Plan by fully committing to utilize County resources to meet the highest priority needs of its residents.

Respectfully submitted,

HELEN N. ROBBINS-MEYER  
Chief Administrative Officer

**ATTACHMENT(S)**

None

**SUBJECT:** FISCAL YEAR 2012-13 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICT: ALL)

**AGENDA ITEM INFORMATION SHEET** |

**REQUIRES FOUR VOTES:**          Yes        No

**WRITTEN DISCLOSURE PER COUNTY CHARTER SECTION 1000.1 REQUIRED**  
    Yes        No

**PREVIOUS RELEVANT BOARD ACTIONS:**  
N/A

**BOARD POLICIES APPLICABLE:**  
N/A

**BOARD POLICY STATEMENTS:**  
N/A

**MANDATORY COMPLIANCE:**  
N/A

**ORACLE AWARD NUMBER(S) AND CONTRACT AND/OR REQUISITION NUMBER(S):**  
N/A

**ORIGINATING DEPARTMENT:** Chief Financial Officer

**OTHER CONCURRENCE(S):**    N/A

**CONTACT PERSON(S):**

Donald F. Steuer, Chief Financial Officer

Ebony N. Shelton, Director, Office of  
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# COUNTY OF SAN DIEGO

## AGENDA ITEM

### BOARD OF SUPERVISORS

GREG COX  
First District

DIANNE JACOB  
Second District

PAM SLATER-PRICE  
Third District

RON ROBERTS  
Fourth District

BILL HORN  
Fifth District

**DATE:** December 4, 2012

##

**TO:** Board of Directors, San Diego County Sanitation District

**SUBJECT:** FISCAL YEAR 2012-13 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICT: ALL)

### SUMMARY:

#### Overview

This report requests the ratification of a Fiscal Year 2011-12 appropriation transfer in the San Diego County Sanitation District Spending Plan.

#### Recommendation(s)

##### CHIEF ADMINISTRATIVE OFFICER

Ratify the transfer of appropriations in the amount of \$20,200.60 to the Fiscal Year 2011-12 San Diego County Sanitation District Spending Plan from the Capital Project Trunk B Improvement to services and supplies due to unanticipated costs in the Division 1 Signal Entrance project. **(4 VOTES)**

#### Fiscal Impact

Funds for this request were included in the Fiscal Year 2011-12 Operational Plan for the San Diego County Sanitation District. There will be no change in net General Fund cost and no new staff years as a result of this action.

#### Business Impact Statement

N/A

#### Advisory Board Statement

N/A

### BACKGROUND:

This recommendation ratifies a technical adjustment to the Fiscal Year 2011-12 San Diego County Sanitation District Fund Spending Plan in the amount of \$20,200.60. At year-end staff transferred appropriations within the San Diego County Sanitation District Fund from Capital Project Trunk B Improvements to services and supplies to offset Division 1 Signal Entrance project costs that exceeded the anticipated amount.

### Linkage to the County of San Diego Strategic Plan

**SUBJECT:** FISCAL YEAR 2012-13 FIRST QUARTER OPERATIONAL PLAN STATUS  
REPORT AND BUDGET ADJUSTMENTS (DISTRICT: ALL)

Today's proposed actions support the Strategic Initiatives of Safe Communities, Sustainable Environments, and Healthy Families in the County of San Diego's 2012-2017 Strategic Plan by fully committing to utilize County resources to meet the highest priority needs of its residents.

Respectfully submitted,

HELEN N. ROBBINS-MEYER  
Chief Administrative Officer

**ATTACHMENT(S)**

None

**SUBJECT:** FISCAL YEAR 2012-13 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICT: ALL)

**AGENDA ITEM INFORMATION SHEET**

**REQUIRES FOUR VOTES:**       Yes     No

**WRITTEN DISCLOSURE PER COUNTY CHARTER SECTION 1000.1 REQUIRED**  
 Yes     No

**PREVIOUS RELEVANT BOARD ACTIONS:**  
N/A

**BOARD POLICIES APPLICABLE:**  
N/A

**BOARD POLICY STATEMENTS:**  
N/A

**MANDATORY COMPLIANCE:**  
N/A

**ORACLE AWARD NUMBER(S) AND CONTRACT AND/OR REQUISITION NUMBER(S):**  
N/A

**ORIGINATING DEPARTMENT:** Chief Financial Officer

**OTHER CONCURRENCE(S):**    N/A

**CONTACT PERSON(S):**

Donald F. Steuer, Chief Financial Officer

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