



# COUNTY OF SAN DIEGO

## AGENDA ITEM

### BOARD OF SUPERVISORS

GREG COX  
First District

DIANNE JACOB  
Second District

DAVE ROBERTS  
Third District

RON ROBERTS  
Fourth District

BILL HORN  
Fifth District

**DATE:** December 3, 2013

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**TO:** Board of Supervisors

**SUBJECT:** FISCAL YEAR 2013-14 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICTS: ALL)

### Overview

This report summarizes the status of the County's Fiscal Year 2013-14 Operational Plan, as measured by projected year-end fund balance from current year operations. The projected balance for the General Fund is \$138.4 million, and for all budgetary funds combined is \$157.9 million. In the General Fund, positive balances are projected for all five business groups. In addition, the projected fund balance reflects the conservation of management and contingency reserves and projects that general purpose revenue will perform better than estimated in the Fiscal Year 2013-14 Adopted Operational Plan. This letter also recommends budget adjustments to make resource reallocations to fund negotiated one-time salary and benefit payments, one-time projects, and various technical adjustments.

In the Public Safety Group, recommendations include the following adjustments: appropriations in the Sheriff's Department for overtime costs associated with the Juvenile Hall of Champions Camp and various investigations, procurement of a laser scanning system for the Crime Lab, purchase of equipment and supplies for the High Intensity Drug Trafficking Area program, vehicle purchases, support and equipment for the Regional Communication System (RCS) Next Generation System, support for the North County Human Trafficking Task Force, overtime related to Standards and Training for Corrections training, support costs related to the construction of an Inmate Industries Greenhouse, emergency planning in the Office of Emergency Services, appropriations for negotiated one-time salary and benefit payments in various departments, and various technical adjustments.

In the Health and Human Services Agency, an adjustment is requested for negotiated one-time salary and benefit payments.

In the Land Use and Environment Group, recommendations include the following adjustments: increasing the Environmental Health Fund Balance Commitment, appropriations for the Don Dussault Park playground improvements, Lincoln Acres Park playground surfacing, Swiss Park parking lot and trailhead improvements, Brodiaea filifolia plant restoration, Ramona Grasslands Phase I construction, education and outreach program services related to Stormwater Permit and

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Total Maximum Daily Loads (TMDL), appropriations for negotiated one-time salary and benefit payments and various technical adjustments.

In the Community Services Group, recommendations include establishing appropriations related to the acquisition of two CalTrans parcels, due diligence costs for the proposed land donation for the Borrego Springs Community Library, digital X-ray equipment in the Department of Animal Services, Registrar of Voters special election costs, appropriations for negotiated one-time salary and benefit payments and various technical adjustments.

In the Finance and General Government Group, recommendations include appropriations for the following: in the Office of County Counsel for Salaries and Benefits for a Senior Deputy County Counsel, one-time Services and Supplies for the Board of Supervisors District Offices, and negotiated one-time salary and benefit payments.

**Recommendations**

**CHIEF ADMINISTRATIVE OFFICER**

1. Accept the Fiscal Year 2013-14 first quarter report on projected year-end results.
2. Transfer appropriations of \$178,000 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 Juvenile Hall of Champions Camp (\$18,000) and various investigations (\$160,000).
3. Establish appropriations of \$178,000 in the Sheriff's Department, Salaries and Benefits, for overtime associated with the Juvenile Hall of Champions Camp (\$18,000) and various investigations (\$160,000), based on an operating transfer from the Sheriff's Asset Forfeiture Fund. **(4 VOTES)**
4. Establish appropriations of \$101,620 in the Sheriff's Department, Services and Supplies (\$14,191) and fixed assets (\$87,429), for the purchase of a laser scanning system for the Crime Lab, based on revenue from the Cal-ID Equipment Replacement/System Enhancement Trust Fund. **(4 VOTES)**
5. Re-establish appropriations of \$6,045 in the Sheriff's Department, Services and Supplies, for the Organized Crime Drug Enforcement Task Force, based on unanticipated revenue from the Federal Organized Crime Drug Enforcement Task Force passed through the Federal Bureau of Investigations. **(4 VOTES)**
6. Cancel appropriations of \$50,710 in the Sheriff's Department in Salaries and Benefits, overtime, and related Cyber Crimes Task Force revenue due to the absence of annual allocation from the Federal Bureau of Investigations.
7. Establish appropriations of \$32,788 in the Sheriff's Department, Services and Supplies, for the High Intensity Drug Trafficking Area (HIDTA) program based on unanticipated HIDTA revenue from the California Border Alliance Group. **(4 VOTES)**

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8. Transfer appropriations of \$1,073,746 from the Sheriff's Department, Fixed Assets, to the General Fund Contributions to Fleet Internal Service Fund (ISF), Operating Transfer Out, for the purchase of vehicles.
9. Amend the Fiscal Year 2013-14 Department of General Services Fleet ISF Spending Plan by \$1,073,746 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)**
10. Establish appropriations of \$800,000 in the Sheriff's Asset Forfeiture Fund, Fixed Assets, to purchase equipment, based on fund balance available. **(4 VOTES)**
11. Establish appropriations of \$350,000 in the Sheriff's Department, Services and Supplies, to fund the technical support for the Regional Communication System (RCS) Next Generation System planning, design and implementation based on available funds in the RCS Trust Fund. **(4 VOTES)**
12. Establish appropriations of \$154,293 in the Sheriff's Department, Services and Supplies, for costs associated with the Regional Communication System (RCS) based on revenue from the Fire Safety Trust Fund. **(4 VOTES)**
13. Establish appropriations of \$142,271 in the Sheriff's Department, Services and Supplies, for the Anti-Human Trafficking Task Force program grant based on unanticipated revenue from the California Office of Emergency Services. **(4 VOTES)**
14. Re-establish appropriations of \$7,418 in the Sheriff's Department, Services and Supplies, for the Avoid DUI Campaign grant based on unanticipated revenue from the California Office of Traffic Safety. **(4 VOTES)**
15. Re-establish appropriations of \$10,074 in the Sheriff's Department, Services and Supplies, for the Selective Traffic Enforcement Program grant based on unanticipated revenue from the California Office of Traffic Safety. **(4 VOTES)**
16. Cancel appropriations of \$9,795 in the Sheriff's Department in Salaries and Benefits, and related California Emergency Management Agency (CalEMA) revenue passed through the City of Vista due to the expenditure of funds in the Fiscal Year 2012-13 for the California Gang Reduction, Intervention and Prevention (CalGRIP) grant program.
17. Re-establish appropriations of \$19,103 in the Sheriff's Department, Services and Supplies, for the 2012 DNA Backlog Reduction Program grant based on unanticipated revenue from the U.S. Department of Justice, Office of Justice Programs. **(4 VOTES)**
18. Re-establish appropriations of \$17,978 in the Sheriff's Department, Salaries and Benefits (16,728) and Services and Supplies (\$1,250), for the Project Safe Neighborhood Regional Gun Violence Suppression Project based on unanticipated revenue from the U.S.

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Department of Justice passed through the San Diego Association of Governments (SANDAG). **(4 VOTES)**

19. Re-establish appropriations of \$15,181 in the Sheriff's Department, Salaries and Benefits (\$871) and Services and Supplies (\$14,310), for the Fiscal Year 2010 Community Oriented Policing Services (COPS) Sexual Predator Program based on unanticipated revenue from the U.S. Department of Justice. **(4 VOTES)**
20. Establish appropriations of \$144,700 in the Sheriff's Department, Salaries and Benefits, for overtime based on unanticipated revenue from the Board of State and Community Corrections to offset Standards and Training for Corrections (STC) training expenditures. **(4 VOTES)**
21. Establish appropriations of \$116,000 in the Sheriff's Inmate Welfare Fund, Services and Supplies, to provide funds for the additional operating costs related to the construction of an Inmate Industries Greenhouse at the George Bailey Detention Facility based on fund balance available. **(4 VOTES)**
22. Establish appropriations of \$58,990 in the Office of Emergency Services, Services and Supplies (\$11,600) and other charges (\$47,390), for expenditures associated with the Fiscal Year 2012 Emergency Management Performance Grants (EMPG) Program based on unanticipated EMPG revenue from the Federal Emergency Management Agency (FEMA). **(4 VOTES)**
23. Establish appropriations of \$8,279,831 in Salaries and Benefits for negotiated one-time salary and benefit payments based on Fiscal Year 2012-13 General Fund fund balance available (\$6,993,475) and Public Safety Group's fund balance available (\$1,286,356), as follows: Sheriff (\$2,555,770), Probation (\$2,369,376), District Attorney (\$2,156,097), Public Defender (\$1,007,300), Medical Examiner (\$123,659), Public Safety Group Executive Office (\$57,414), and the Citizens Law Enforcement Review Board (\$10,215). **(4 VOTES)**
24. Establish appropriations of \$8,510,837 in Salaries and Benefits for negotiated one-time salary and benefit payments in the Health and Human Services Agency based on Fiscal Year 2012-13 General Fund fund balance available (\$851,084), Health and Human Services Agency's Fiscal Year 2012-13 fund balance available (\$3,424,726), social services, health and mental health federal and State revenues (\$4,235,027). **(4 VOTES)**
25. Authorize the Auditor and Controller to increase the Environmental Health Fund Balance Commitment within the General Fund by \$542,438 based on Land Use and Environment Group's Fiscal Year 2012-13 fund balance available. **(4 VOTES)**
26. Establish appropriations of \$43,628 in the Capital Outlay Fund for Capital Project 1015519, Don Dussault Park Improvements, for construction of playground improvements, based on a Community Development Block Grant (CDBG). **(4 VOTES)**

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27. Cancel appropriations of \$51,315 and related revenue in the Capital Outlay Fund for Capital Project 1014733, Lincoln Acres Shade Structures, to provide funding for replacement of playground surfacing and to properly record non-capital related expenses.
28. Establish appropriations of \$51,315 in the Department of Parks and Recreation, Services and Supplies, for rubber surfacing at Lincoln Acres Park playground based on a Community Development Block Grant (CDBG). **(4 VOTES)**
29. Cancel appropriations of \$90,149.95 and related Operating Transfer from the General Fund in the Capital Outlay Fund for Capital Project 1009268, Otay Valley Regional Parks Trails, to provide funding for Swiss Park parking lot improvements and trailhead area improvements.
30. Transfer appropriations of \$90,149.95 from the Contributions to Capital Outlay Fund, Operating Transfer Out, to the Department of Parks and Recreation, Services and Supplies, to fund Swiss Park parking lot improvements and trailhead area improvements.
31. Cancel appropriations of \$50,000 and related revenue in the Capital Outlay Fund for Capital Project 1014137, Brodiaea Restoration, and to properly record non-capital related expenses.
32. Establish appropriations of \$50,000 in the Department of Parks and Recreation, Services and Supplies, for enhancement and protection of plant species Brodiaea filifolia, based on developer settlement funding. **(4 VOTES)**
33. Cancel appropriations of \$388,250.57 and related Operating Transfer from the General Fund in the Capital Outlay Fund for Capital Project 1015188, Tijuana River Valley (TJRV) Trails Habitat Construction, to allocate and properly record design costs to various TJRV capital projects.
34. Establish appropriations of \$388,250.57 in the Capital Outlay Fund for Capital Projects, 1017611 TJRV North East Trail Connection (\$25,876.50), 1018182 TJRV Interpretive Trail Loop (\$35,741.88), 1018196 TJRV Regional Trails Construction (\$102,427.81), 1018372 TJRV South West Trails (\$106,740.55), and 1018373 TJRV Mesa Trails Construction (\$117,463.83), to correctly record design costs, based on an Operating Transfer from the General Fund. **(4 VOTES)**
35. Transfer appropriations of \$9,021.16 from the Department of Parks and Recreation, Services and Supplies, to the Contributions to Capital Outlay Fund, Operating Transfer Out, to return remaining funds related to due diligence costs related to the acquisition of donated open space easement on Palomar Mountain.
36. Establish appropriation of \$9,021.16 in the Capital Multiple Species Conservation Program (MSCP) Acquisition Fund, to provide funding for future land acquisition and improvements, based on an Operating Transfer from the General Fund. **(4 VOTES)**

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37. Cancel appropriations of \$177,179.52 and related Operating Transfer from the General Fund (\$166,828.45) and related revenue (\$10,351.70) in the Capital Multiple Species Conservation Program (MSCP) Acquisition Fund to properly record non-capital related expenses.
38. Transfer appropriations of \$166,828.45 from the Contributions to Capital Outlay Fund, Operating Transfer Out, to the Department of Parks and Recreation, Services and Supplies, to properly record non-capital related expenses for due diligence costs.
39. Establish appropriations of \$385,000 in the Contributions to Capital Outlay Fund, Operating Transfer Out, for Ramona Grasslands Phase I construction improvements, based on Fiscal Year 2012-13 General Fund fund balance available. **(4 VOTES)**
40. Establish appropriations of \$385,000 in the Capital Outlay Fund for Capital Project 1018665, Ramona Grasslands Phase I, for construction improvements, based on an Operating Transfer from the General Fund. **(4 VOTES)**
41. Establish appropriations of \$878,000 in the Department of Public Works General Fund, Services and Supplies, for consultant services to develop education, outreach, and compliance programs resulting from the new 2013 State Municipal Stormwater Permit requirements and Total Maximum Daily Loads (TMDL) for bacteria in county watersheds based on Fiscal Year 2012-13 General Fund fund balance available. **(4 VOTES)**
42. Establish appropriations of \$1,536,597 in Salaries and Benefits for negotiated one-time salary and benefit payments based on Fiscal Year 2012-13 General Fund fund balance available (\$866,255) and Land Use and Environment Group's Fiscal Year 2012-13 fund balance available (\$670,341) as follows: Agriculture, Weights and Measure (\$268,008), Environmental Health (\$533,864), Department of Public Works (\$69,390), Land Use and Environment Group (\$33,267), Parks and Recreation (\$265,766), Planning and Development Services (\$366,302). **(4 VOTES)**
43. Establish appropriations of \$630,239 in the Department of Public Works Road Fund, Salaries and Benefits, for negotiated one-time salary and benefit payments based on fund balance available. **(4 VOTES)**
44. Amend the Airport Enterprise Fund Spending Plan by establishing appropriations of \$63,365 in Salaries and Benefits for negotiated one-time salary and benefit payments based on fund balance available. **(4 VOTES)**
45. Establish appropriations of \$24,864 in the Inactive Waste Fund, Salaries and Benefits for negotiated one-time salary and benefit payments based on fund balance available. **(4 VOTES)**

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46. Amend the Wastewater Management Enterprise Fund Spending Plan by establishing appropriations of \$54,129 in Salaries and Benefits for negotiated one-time salary and benefit payments based on fund balance available. **(4 VOTES)**
47. Establish appropriations of \$313,869 in Salaries and Benefits for negotiated one-time salary and benefit payments based on Fiscal Year 2012-13 General Fund fund balance available (\$205,458) as follows: Department of Animal Services (\$178,835), Community Services Group Executive Office (\$26,623) and for the Registrar of Voters (\$108,411) based on election revenue. **(4 VOTES)**.
48. Establish appropriations of \$467,140 in the County Library, Salaries and Benefits, for negotiated salary and benefit payments based on Fiscal Year 2012-13 Library Fund fund balance available. **(4 VOTES)**
49. Amend the Fiscal Year 2013-14 Facilities Management ISF Spending Plan by establishing appropriations of \$570,100 in Salaries and Benefits to fund one-time negotiated salary and benefit payments based on Fiscal Year 2012-13 Facilities Management ISF fund balance available. **(4 VOTES)**
50. Amend the Fiscal Year 2013-14 Purchasing and Contracting ISF Spending Plan by establishing appropriations of \$147,428 in Salaries and Benefits for negotiated salary and benefit payments based on Fiscal Year 2012-13 Purchasing and Contracting ISF fund balance available. **(4 VOTES)**
51. Re-establish appropriations of \$151,843 in the Department of Animal Services, fixed assets, to purchase digital medical x-ray equipment based on Community Services Group Fiscal Year 2012-13 fund balance available. **(4 VOTES)**
52. Amend the Fiscal Year 2013-14 Major Maintenance ISF Spending Plan by cancelling appropriations of \$1,349,470 and related charges for services to the General Fund to correct duplicate budgeting for planned projects.
53. Cancel appropriations of \$796,272 and related Operating Transfer from the General Fund in the Capital Outlay Fund for Capital Project 1006566, Medical Examiner and Forensic Center to properly record non-capital related major maintenance project costs.
54. Transfer appropriations of \$796,272 from the Contribution to Capital Outlay Fund, Operating Transfer Out, to the Contributions to General Services Major Maintenance ISF, Operating Transfer Out, to properly account for major maintenance project costs.
55. Amend the Fiscal Year 2013-14 Major Maintenance ISF Spending Plan by \$796,272 to provide funding for mechanical upgrades for the Medical Examiner and Forensic Center project based on an operating transfer from the General Fund. **(4 VOTES)**
56. Establish appropriations of \$75,000 in the Contributions to Capital Outlay Fund,

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Operating Transfer Out, for staff costs, appraisal costs and option consideration payments related to the transfer of the two Caltrans parcels, based on Fiscal Year 2012-13 Community Services Group fund balance available. **(4 VOTES)**

57. Establish appropriations of \$37,500 in the Capital Outlay Fund for Capital Project 1018659, RICC Caltrans Replacement Property Julian Acquisition, based on an operating transfer from the General Fund. **(4 VOTES)**
58. Establish appropriations of \$37,500 in the Capital Outlay Fund for Capital Project 1018658, RICC Caltrans Replacement Property Ramona Acquisition, based on an operating transfer from the General Fund. **(4 VOTES)**
59. Establish appropriations of \$200,000 in the Contributions to Capital Outlay Fund, Operating Transfer Out, for staff costs and due diligence costs related to the Borrego Springs Community Library, based on Fiscal Year 2012-13 General Fund fund balance available. **(4 VOTES)**
60. Establish appropriations of \$200,000 in the Capital Outlay Fund for Capital Project 1018705, Borrego Springs Community Library, based on an operating transfer from the General Fund. **(4 VOTES)**
61. Establish appropriations of \$80,813.86 in the Purchasing Issues Buyouts ISF, Operating Transfers Out, to repay the General Fund for a loan established in Fiscal Year 1999-2000, based on fund balance available. **(4 VOTES)**.
62. Establish appropriations of \$2,920,016 in the Registrar of Voters Department, Salaries and Benefits (\$1,624,789) and Services and Supplies (\$1,295,227) based on unanticipated revenue from the City of San Diego for the Municipal Special Election. **(4 VOTES)**
63. Establish appropriations of \$2,424,789 in Salaries and Benefits for negotiated one-time salary and benefit payments based on Fiscal Year 2012-13 General Fund fund balance available of \$2,020,334 and on Fiscal Year 2012-13 Finance and General Government Group fund balance available of \$404,455 appropriated as follows: Assessor/Recorder/County Clerk (\$678,304), Auditor and Controller (\$460,827), Board of Supervisors District 1 (\$24,312), Board of Supervisors District 2 (\$26,875), Board of Supervisors District 3 (\$23,653), Board of Supervisors District 4 (\$22,868), Board of Supervisors District 5 (\$29,849), Board of Supervisors General Office (\$4,076), Chief Administrative Office (\$49,602), Civil Service Commission (\$10,729), Clerk of the Board (\$55,761), County Communications Office (\$50,333), County Counsel (\$422,638), County Technology Office (\$58,268), Finance and General Government Group Executive Office (\$24,234), Grand Jury (\$2,086), Human Resources (\$279,633), and Treasurer-Tax Collector (\$200,741). **(4 VOTES)**
64. Establish appropriations of \$96,720 in the Office of County Counsel for Salaries and Benefits for a Senior Deputy County Counsel position (1.0 staff year), based on charges for current services to client departments. **(4 VOTES)**

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65. Establish appropriations of \$200,000 in Board of Supervisors District 1 for one-time expenses in Services and Supplies based on Finance and General Government Group's Fiscal Year 2012–13 fund balance available. **(4 VOTES)**
66. Establish appropriations of \$119,948 in Board of Supervisors District 2 for one-time expenses in Services and Supplies based on Finance and General Government Group's Fiscal Year 2012–13 fund balance available. **(4 VOTES)**
67. Establish appropriations of \$200,000 in Board of Supervisors District 3 for one-time expenses in Services and Supplies based on Finance and General Government Group's Fiscal Year 2012–13 fund balance available. **(4 VOTES)**
68. Establish appropriations of \$200,000 in Board of Supervisors District 4 for one-time expenses in Services and Supplies based on Finance and General Government Group's Fiscal Year 2012–13 fund balance available. **(4 VOTES)**
69. Establish appropriations of \$181,999 in Board of Supervisors District 5 for one-time expenses in Services and Supplies based on Finance and General Government Group's Fiscal Year 2012-13 fund balance available. **(4 VOTES)**

**Fiscal Impact**

Funds for a portion of these requests are not included in the Fiscal Year 2013-14 Operational Plan. If approved, in the General Fund, this action will establish additional appropriations of \$28,014,225 and cancel budgeted appropriations of \$60,505 resulting in a net increase in appropriations of \$27,953,720. Of this amount, \$21,065,923 is the appropriations for the negotiated one-time salary and benefit payments. The funding sources include General Fund Fiscal Year 2012-13 fund balance, unanticipated revenue from the Cal-ID Equipment Replacement/System Enhancement Trust Fund, unanticipated revenue from the California Office of Traffic Safety, unanticipated revenue from the Federal Organized Crime Drug Enforcement Task Force, unanticipated revenue from the High Intensity Drug Trafficking Area (HIDTA) revenue from the California Boarder Alliance Group, unanticipated revenue from the Regional Communication System Trust Fund, unanticipated revenue from the California Emergency Management Agency, unanticipated revenue from the California Office of Emergency Services, unanticipated revenue from the U.S. Department of Justice, Office of Justice Programs, unanticipated revenue from the Fiscal Year 2012 Emergency Management Performance Grants, unanticipated revenue from the City of San Diego Municipal Special Election and miscellaneous other sources. An additional 1.0 staff year is also requested for the Office of the County Counsel.

In all other funds combined, these actions will cancel budgeted appropriations and the related funding sources in the amount of \$2,514,387 and will establish additional appropriations of \$5,536,747 resulting in a net increase in appropriations of \$3,022,360. The funding sources include the Airport Enterprise Fund fund balance, Road Fund fund balance, Facilities Management Internal Service Fund fund balance, Sheriff's Asset Forfeiture Fund fund balance, County Library Fund fund balance, Purchasing and Contracting Fund fund balance, unanticipated revenue from the Community Development Block Grant, and miscellaneous other

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sources.

**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 \$138.4 million. This projected one-time resource is a combination of anticipated year-end General Purpose Revenue (GPR) above budget by \$48.7 million along with a net positive variance of \$46.4 million from operations and a positive variance of \$43.3 million in unspent contingency and management reserves. The projected \$48.7 million in anticipated GPR is primarily due to increases in estimated pass-through and residual distributions in Aid from Redevelopment Successor Agencies as well as better than expected property tax revenue resulting from an increase in assessed value (AV).

The projected balance for all other funds combined is \$19.5 million, of which \$13.4 million is projected for the Proposition 172 Special Revenue Fund as a result of a positive outlook for sales tax revenue receipts and operational savings in Services and Supplies. Schedule A summarizes the fund balance projection by business 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 business group split between operating and reserve balances. These projections are based on actual results through September 2013 and expected expenditures and revenues through the end of the fiscal year.

As shown in Schedule A, the General Fund year-end fund balance projection of \$138.4 million is based on the estimate that expenditures will be approximately \$205.2 million less than the Fiscal Year 2013-14 Amended Budget and revenues will be a net \$66.8 million less than the Fiscal Year 2013-14 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 your Board or the Deputy Chief Administrative Officer/Auditor and Controller where permitted.

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

- \$17.5 million in net positive salary and benefit appropriation variance, predominantly in the Public Safety Group (PSG) , but also in Land Use and Environment Group (LUEG), Finance and General Government Group (FGG) and Health and Human Services Agency (HHS) from lower than budgeted salaries and employee benefits costs due to staff turnover and department management of vacancies.
- \$82.3 million in net positive appropriation variance in Services and Supplies across the County, primarily in HHS but also in PSG, LUEG, CSG and FGG.
  - In HHS, projected positive variance of \$75.0 million in various contracted

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services in Administrative Support, Behavioral Health Services, and Regional Operations; lower than estimated growth in In-Home Supportive Services (IHSS) Individual Provider costs and in the Community Based Care Transitions Program (CCTP); and savings in other Services and Supplies in Inpatient Health Services expenses primarily for temporary contract help.

- In PSG, a positive variance is anticipated in the Public Defender's Office due to efforts to reduce costs.
- In LUEG, positive variances are largely in the departments of Environmental Health, and Planning and Development Services due to careful management of expenditures to ensure costs do not exceed revenue.
- In CSG, a negative variance in Registrar of Voters is anticipated due to increases in Services and Supplies for election-related materials and services. These negative impacts are proposed to be offset by revenue from the upcoming special election.
- In FG, projected positive variances are spread across several departments, including the Auditor and Controller, Human Resources and County Counsel due to lower than expected information technology expenditures and savings in employee benefit contract services.
- A net positive appropriation variance of \$61.6 million in other charges reflects net variances in HHSA, Finance Other and in CSG. In HHSA, the positive variance is mainly the result of revised caseload levels in CalWORKs and Child Care Stage 1 in Regional Operations; 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. The positive variance in Finance Other is due to lower than budgeted tax and revenue anticipation note borrowing costs and various lease payment savings. In CSG, a positive variance is projected in Housing and Community Development due to lower than anticipated expenditures on multi-year projects.
- \$0.3 million in savings for expenditure transfer and reimbursement in HHSA due to higher than projected expenditures related to the AB 109 program in Behavioral Health Services.
- \$0.3 million in appropriation savings for operating transfers out in HHSA for the IHSS Public Authority related to salary and benefit costs anticipated to be less than budgeted.
- \$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.

The projected revenue under-realization compared to budget of \$66.8 million includes negative variances totaling \$108.6 million and positive variances of \$41.8 million. The negative variance of \$108.6 million is largely in intergovernmental revenue (\$106.7 million), as a result of expenditure savings in caseload-driven programs, multi-year projects and contracted services as mentioned above; in Fines, Forfeitures and Penalties of \$1.4 million; and in Miscellaneous Revenue of \$0.5 million. A positive revenue variance of \$ \$41.8 million is expected in the following categories: Taxes Current Property (\$16.2 million); Charges For Current Services (\$12.2 million); Taxes Other Than Current Secured (\$7.9 million); Revenue From Use Of Money And Property (\$3.5 million); and in Licenses, Permits And Franchises (\$1.9 million).

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

**Fiscal Year 2013-14 Budget Adjustments**

The recommendations for budget adjustments are explained as follows:

**Recommendations 2 & 3**

These requests will establish appropriations of \$178,000 in the Sheriff's Department based on an operating transfer from the Sheriff's Asset Forfeiture Fund. The Asset Forfeiture Fund provided funding for the overtime costs associated with the Family Protection Detail Juvenile Hall of Champions Camp (\$18,000) which was held on July 26 and 27, 2013, and for various investigations (\$160,000).

**Recommendation 4**

This is a request to establish appropriations of \$101,620 in the Sheriff's Department based on funding from the Cal-ID Equipment Replacement/System Enhancement Trust Fund for the Crime Lab to purchase a laser scanning system to produce three-dimensional images of crime scenes.

**Recommendation 5**

On March 19, 2013 (1), your Board authorized the acceptance of \$92,670 in Organized Crime Drug Enforcement Task Force (OCDETF) funds from the Federal OCDETF through the Federal Bureau of Investigations (FBI). 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 is a request to re-establish appropriations of \$6,045 in the Sheriff's Department to purchase computers and printers.

**Recommendation 6**

On September 28, 2010 (3), your Board approved the acceptance of Congressional funds allocated to the Sheriff from the FBI to fund overtime costs associated with the investigation and apprehension of high technology criminals. In July 2013, the FBI notified the Sheriff's Department that there was no Fiscal Year 2013-14 allocation for the Cyber Crimes Task Force. This is a request to cancel appropriations in Salaries and Benefits, overtime, and related revenue of \$50,710 in the Sheriff's Department, associated with the Cyber Crimes Task Force.

**Recommendation 7**

On June 20, 2006 (3), the 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 to accept funding of \$9,000,000. In August and September 2013, the California Border Alliance Group (CBAG) Executive Board approved additional funding for the Sheriff based on unanticipated HIDTA revenue from the CBAG. This is a request to establish appropriations of \$32,788 in the Sheriff's Department, which will be used to purchase equipment and supplies.

**Recommendations 8 & 9**

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

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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 \$1,073,746 from the Sheriff's Department to the General Fund Contributions to Fleet ISF and amend the Department of General Services Fleet Services ISF to purchase vehicles.

**Recommendation 10**

This request will establish appropriations of \$800,000 in the Sheriff's Asset Forfeiture Fund for the purchase of scanners in detention facilities to prevent contraband from entering detention facilities.

**Recommendation 11**

On August 1, 2013, the Regional Communication System (RCS) Board approved the use of funds from the RCS Trust fund in an amount not to exceed \$350,000 for technical support in Fiscal Year 2013-14. This is a request to establish appropriations of \$350,000 in the Sheriff's department to fund the technical support for the RCS Next Generation System planning, design and implementation.

**Recommendation 12**

On April 3, 2012 (2), the Board authorized the issuance of a Request for Proposal for conventional radio system replacements. This was based on the establishment of the Fire Safety Trust Fund in the amount of \$5,900,000 resulting from the settlement with San Diego Gas & Electric. This request will establish appropriations of \$154,293 based on the Fire Safety Trust Fund, to resolve radio system integration and interference problems for the County conventional radio system technology refresh.

**Recommendation 13**

On March 19, 2013 (1), your Board authorized the acceptance and appropriations of \$200,000 in Anti-Human Trafficking Task Force Program grant funds from the U.S. Department of Justice 2011 Edward Byrne Memorial Justice Assistance Grant through the California Office of Emergency Services (Cal OES). Agreements with allied agencies were signed in July 2013. This request will establish appropriations of \$142,271 in the Sheriff's Department to continue the work of the North County Human Trafficking Task Force in investigating, dismantling human trafficking organizations and arresting human traffickers.

**Recommendation 14**

On December 4, 2012 (1), the Board authorized the acceptance of funds and established appropriations of \$300,000 in the Avoid DUI Campaign grant funds from the California Office of Traffic Safety. 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 \$7,418 in the Sheriff's Department for increased DUI enforcement to reduce the number of persons killed and injured in alcohol-involved crashes.

**Recommendation 15**

On December 4, 2012 (1), the Board authorized the acceptance and appropriations of \$201,375 in Selective Traffic Enforcement Program grant funds from the California Office of Traffic

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Safety. 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 \$10,074 in the Sheriff's Department which will be used for increased DUI enforcement to reduce the number of persons killed and injured in alcohol-involved crashes.

**Recommendation 16**

On July 10, 2012 (4), the Board authorized the acceptance and appropriation of \$36,540 in overtime funds from the California Emergency Management Agency (CalEMA) through the City of Vista for the California Gang Reduction, Intervention and Prevention (CalGRIP) grant program. This request will cancel appropriations and related revenue of \$9,795 in the Sheriff's Department due to the expenditure of funds in Fiscal Year 2012-13 to accurately reflect the amount available from the grant.

**Recommendation 17**

On October 9, 2012 (1), the Board authorized the acceptance and appropriations of \$201,576 in 2012 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 \$19,103 in the Sheriff's Department which will be used to reduce DNA forensic casework backlogs.

**Recommendation 18**

On January 29, 2013 (3), your Board authorized the acceptance and appropriations of \$17,978 in Project Safe Neighborhoods Regional Gun Violence Suppression Project from the USDOJ through San Diego Association of Governments (SANDAG). 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 \$17,978 in the Sheriff's Department to support the reduction of gun and gang crime.

**Recommendation 19**

On December 7, 2010 (1), the Board authorized the acceptance and appropriations of \$425,050 in Fiscal Year 2010 Community Oriented Policing Services (COPS) Sexual Predator Program from the U.S. Department of Justice, Office of Community Oriented Policing Services (USDOJ COPS). 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 \$15,181 in the Sheriff's Department to acquire and deploy a regional server to host the official San Diego Regional Sex Offender Management System.

**Recommendation 20**

The Sheriff's Department received an additional \$145,000 in reimbursement from the Board of State and Community Corrections (BCSS). This request will establish appropriations of \$144,700 for overtime expenditures related to Standards and Training for Corrections (STC) training, based on the approved Annual Training Plan for the Sheriff's Department.

**Recommendation 21**

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This recommendation will establish appropriations of \$116,000 in the Inmate Welfare Fund based on fund balance to provide funds for additional operating costs related to the construction of an Inmate Industries Greenhouse. This facility will be used to expand the current Nursery Vocational Program in order to better meet the needs of the realigned and longer-termed custody population. The Sheriff's Inmate Industry programs address inmate needs and facilitate the successful reintegration of inmates into society through vocational training.

**Recommendation 22**

On July 10, 2012 (6), the Board authorized the Office of Emergency Services (OES) to accept Emergency Management Performance Grants (EMPG) Program funds for emergency planning, equipment purchases, regional projects and grants administration. This request will establish appropriations of \$58,990 in the Office of Emergency Services for contributions to other agencies, which are pass-through funds managed by OES and distributed to other agencies and jurisdictions (\$47,390) for: Emergency Operations Center (EOC) Section Specific Training and EOC organizational expenditures, a Public Service Announcement (\$10,000), and sand bags (\$1,600) based on unanticipated EMPG revenue from the Federal Emergency Management Agency (FEMA).

**Recommendation 23**

This request will establish appropriations of \$8,279,831 in Salaries and Benefits in various Public Safety Group departments to fund negotiated one-time salary and benefit payments based on the General Fund fund balance available (\$6,993,475) and Public Safety Group fund balance available (\$1,286,356).

**Recommendation 24**

This request will establish appropriations of \$8,510,837 in Salaries and Benefits in the Health and Human Services Agency to fund negotiated one-time salary and benefit payments based on the General Fund fund balance available, HHSA fund balance, and social services, health and mental health federal and State revenues.

**Recommendation 25**

On February 24, 2004 (23), the Fund Balance Commitment (previously known as Fund Balance Designation) for the Department of Environmental Health (DEH) was established within the General Fund by the Board. This Commitment ensures that revenue from fees and permits over costs paid by Environmental Health customers are used only to fund fee-related expenses in DEH. For Fiscal Year 2012-13, this excess revenue equaled \$542,438. This action does not move funds into the Department of Environmental Health. If approved, the total amount in the DEH Fund Balance Commitment will be \$3,005,276.

**Recommendation 26**

On August 2, 2011 (17), the Board established appropriations of \$80,000 for design costs for Capital Project 1015519, Don Dussault Park Improvements located in Fallbrook. During Fiscal Year 2012-13, the Department of Parks and Recreation applied for a \$250,000 Community Development Block Grant (CDBG) to fund construction costs at the Don Dussault Park. At that time, \$206,372 was awarded and appropriations were established. The Department of Parks and Recreation received notice that the remaining grant amount requested of \$43,628 is being

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awarded by CDBG for the Don Dussault Improvement project. Today's recommendation will establish appropriations of \$43,628 based on CDBG grant funding.

**Recommendations 27 & 28**

On September 15, 2010 (15), the Board established appropriations of \$180,000 to advertise and award construction of Capital Project 1014733, Lincoln Acres Shade Structures located in National City. The project is complete and remaining CDBG funds of \$51,315 will be used for the replacement of existing playground rubber surfacing at Lincoln Acres Park. If approved, these recommendations will cancel appropriations in Lincoln Acres Shade Structures capital project and establish appropriations in the Department of Parks and Recreation of \$51,315 based on CDBG funding. Pursuant to the County of San Diego Administrative Manual 0050-02-01, Control of Capital Assets and Minor Equipment, these costs will be appropriately recorded as a non-capital expense.

**Recommendations 29 & 30**

These recommendations will cancel appropriations of \$90,149.95 and related Operating Transfer from the General Fund in the Capital Outlay Fund for completed Capital Project 1009268, Otay Valley Regional Parks Trail and also transfer appropriations of \$90,149.95 to the Department of Parks and Recreation to be used for the Swiss Park parking lot improvement. On May 9, 2012 (10), the Board approved the purchase of an easement from the San Diego County Swiss Club, Inc. in exchange for providing improvements to the adjacent parking lot via the execution of a maintenance agreement. These additional appropriations will be used pursuant to the Swiss Park maintenance agreement for the Swiss Park parking lot improvement.

**Recommendations 31 & 32**

On July 31, 2007 (16), the Board established appropriations of \$50,000 in the Fiscal Year 2007-08 Operational Plan for Capital Project, 1014137 Brodiaea Restoration based on developer settlement funding. Funding is restricted for the protection, enhancement and/or restoration of the Lusardi Creek habitat for plant species Brodiaea filifolia. This recommendation will cancel appropriations of \$50,000 in Capital Project, 1014137 Brodiaea Restoration and will establish appropriations in the Department of Parks and Recreation for surveys and habitat monitoring of Brodiaea filifolia based on settlement funding. Pursuant to the County of San Diego Administrative Manual 0050-02-01, Control of Capital Assets and Minor Equipment, these costs will be appropriately recorded as a non-capital expense.

**Recommendations 33 & 34**

Appropriations of \$470,000 were established by the Board in the Fiscal Year 2006-07 Operational Plan for Capital Project, 1015188 Tijuana River Valley (TJRV) Trails Habitat Construction for preparation of construction documents and implementation plans for the TJRV trails and habitat restoration. On September 26, 2012 (12), the Board approved the transfer of \$30,000 of appropriations to Capital Project 1017611, TJRV North East Trail Connection to provide funding for construction costs. On April 24, 2013 (3), your Board approved the transfer of \$51,749.43 to Capital Project 1018182, TJRV Interpretive Trail Loop. Remaining funding of \$388,250.57 was recorded under Capital Project 1015188, Tijuana River Valley Trails Habitat Construction for design costs related to TJRV Capital Improvement Projects. To comply with County of San Diego Administrative Manual 0050-02-01, Control of Capital Assets and Minor

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Equipment, design costs will be allocated to the following capital projects for which these design costs apply: Capital Projects, 1017611 TJRV North East Trail Connection (\$25,876.50), 1018182 TJRV Interpretive Trail Loop (\$35,741.88), 1018196 TJRV Regional Trails Construction (\$102,427.81), 1018372 TJRV South West Trails (\$106,740.55), and 1018373 TJRV Mesa Trails Construction (\$117,463.83).

**Recommendations 35 & 36**

On December 4, 2012 (24), the Board approved the transfer of appropriations of \$25,000 from the Capital Multiple Species Conservation Program (MSCP) Acquisition Fund to the Department of Parks and Recreation for due diligence costs related to acquisition of donated open space easement on Palomar Mountain. Due diligence has been completed. If approved, remaining funds of \$9,021.16 will be returned to the MSCP Acquisition Fund for future land acquisitions and improvements.

**Recommendations 37 & 38**

These recommendations will cancel a total of \$177,179.52 in appropriations in the Capital Multiple Species Conservation Program (MSCP) Acquisition Fund for due diligence costs related to properties that were not acquired, residual project costs, and/or projects not meeting capitalization threshold guidelines. These activities do not meet the criteria for capitalization pursuant to County of San Diego Administrative Manual 0050-02-01, Control of Capital Assets and Minor Equipment. Costs of \$166,828.45 will be correctly recorded in the Department of Parks and Recreation. Remaining funds of \$10,351.70 for one stewardship project costs, completed under budget will be returned to SANDAG with interest.

**Recommendations 39 & 40**

On August 7, 2013 (3), your Board adopted a Mitigated Negative Declaration for the Ramona Grasslands Preserve project. The Ramona Grasslands Preserve project will create a 5.5-mile multi-use trail system that will connect to an existing 3.8 miles of trail within the Ramona Grasslands Preserve, providing the public with access to a total trail system of 9.3 miles. If approved, this recommendation will establish appropriations of \$385,000 for Ramona Grasslands Phase I construction which includes a maintenance building, visitor kiosk and two volunteer pads. The funding source is Fiscal Year 2012-13 General Fund fund balance available.

**Recommendation 41**

This recommendation establishes appropriations of \$878,000 for consultant services needed to assist the County in developing education, outreach, and programs complying with new Stormwater Permit requirements. State law established the need for the Stormwater Permit as compliance under the authorization given to the State in enforcing the National Pollutant Discharge Eliminations System (NPDES) requirements under the Federal Clean Water Act. The County began operating under a new Municipal Stormwater Permit in May 2013. The new permit includes attainment of Total Daily Maximum Daily Loads (TMDL) for bacteria in six of the eight affected watersheds in the county, originally adopted in 2011. The additional appropriations are needed to develop and conduct increased public education and outreach programs focused on behavioral changes as well as to develop a comprehensive compliance program for county residences and businesses aimed at eliminating non-stormwater discharges including over-irrigation.

**SUBJECT: FISCAL YEAR 2013-14 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICTS: ALL)**

**Recommendations 42–46**

These requests will establish appropriations of \$2,309,194 in Salaries and Benefits in various Land Use and Environment Group departments to fund negotiated one-time salary and benefit payments resulting from labor agreements.

**Recommendation 47**

This recommendation will establish appropriations of \$205,458 in Salaries and Benefits in various Community Services Group departments to fund negotiated one-time salary and benefit payments as follows: the Department of Animal Services (\$178,835) and Community Services Group Executive Office (\$26,623), based on General Fund Fiscal Year 2012-13 fund balance available, and the Registrar of Voters (\$108,411), based on election revenue.

**Recommendation 48**

This recommendation establishes appropriations of \$467,140 in Salaries and Benefits to fund negotiated salary and benefit payments from labor agreements in the County Library Fund based on Fiscal Year 2012-13 Library Fund fund balance available.

**Recommendation 49**

This recommendation will establish appropriations of \$570,100 in Salaries and Benefits to fund one-time negotiated salary and benefit payments based on the Facilities Management ISF fund balance available.

**Recommendation 50**

This recommendation establishes appropriations of \$147,428 in Salaries and Benefits in the Purchasing & Contracting ISF to fund negotiated salary and benefit payments resulting from labor agreements based on Fiscal Year 2012-13 Purchasing & Contracting ISF fund balance available.

**Recommendation 51**

This recommendation will appropriate \$151,843 in the Department of Animal Services to rebudget funding for the purchase and installation of two digital x-ray units. One unit will be installed at the shelter in Bonita and another unit will be installed at the shelter in Carlsbad. The Department was unable to complete and submit for approval the technical requirements for the digital x-ray units prior to the end of Fiscal Year 2012-13 and funds for this project did not carry forward into the current fiscal year.

**Recommendation 52**

This recommendation amends the Fiscal Year 2013-14 Major Maintenance ISF Spending Plan by reducing appropriations of \$1,349,469 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 carried forward from one fiscal year to the next. Appropriations of \$1,349,470 were included in both the carryforward process and in the Fiscal Year 2013-14 Adopted Operational Plan. This request is a technical adjustment to correct the

**SUBJECT: FISCAL YEAR 2013-14 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICTS: ALL)**

budget.

**Recommendations 53–55**

These recommendations will cancel appropriations of \$796,272 in the Capital Outlay Fund for Capital Project 1006566, Medical Examiner and Forensic Center; and transfer and establish appropriations in the Major Maintenance ISF, Services and Supplies to properly record non-capital expenditures pursuant to County of San Diego Administrative Manual 0050-020-01, Control of Capital Assets and Minor Equipment.

**Recommendations 56–58**

These recommendations will establish appropriations of \$75,000 in the Capital Outlay Fund for Capital Project 1018658, RICC CalTrans Replacement Property Ramona Acquisition (\$37,500) and Capital Project 1018659, RICC CalTrans Replacement Property Julian Acquisition (\$37,500) based on an operating transfer from the General Fund. The funding will be used for predevelopment activities, including staff time, appraisal fees and options consideration payments for the two parcels owned by the State of California, Department of Transportation (CalTrans) in accordance with the Memorandum of Understanding between CalTrans and the County of San Diego as approved by your Board on November 5, 2013 (12).

**Recommendations 59 & 60**

These recommendations will establish appropriations of \$200,000 in the Capital Outlay Fund for due diligence costs related to the Borrego Springs Community Library project. In consideration of a proposed land donation, staff will engage engineering consultants for environmental, geologic and other engineering studies to assure the ability to construct the library and to refine the cost estimate.

**Recommendation 61**

The Purchasing Issues Buyouts ISF was established in Fiscal Year 1999-00, and is no longer in use. This request is to establish appropriations in the Fiscal Year 2013-14 Operational Plan to close out and transfer funds from the Purchasing Issues Buyouts ISF to repay the General Fund, which provided startup funding to meet cash-flow needs.

**Recommendation 62**

This recommendation will establish appropriations of \$2,920,016 and related revenue in the Registrar of Voters to hire temporary workers and poll workers; purchase translation services, prepare and print sample ballot pamphlets and ballots, prepare and mail vote-by-mail ballots, postage and other election related material to conduct the November 19, 2013 City of San Diego Municipal Special Election. Special elections are not included in the annual Operational Plan and are 100% reimbursable so there will be no net cost to the County.

**Recommendation 63**

This request will establish appropriations of \$2,424,789 in Salaries and Benefits in various Finance and General Government Group departments to fund negotiated one-time salary and benefit payments based on the General Fund fund balance available (\$2,020,334) and on the Finance and General Government Group's fund balance available (\$404,455).

**SUBJECT: FISCAL YEAR 2013-14 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICTS: ALL)**

**Recommendation 64**

The Office of County Counsel has experienced significant legal services workload increases in the areas of planning, development, and public works. County Counsel staff provides legal services such as contract review and drafting of required notices and ordinances. This recommendation will provide for the reinstatement of a previously defunded Senior Deputy County Counsel position (1.0 staff year) based on charges for current services to client departments, including Planning & Development Services, Department of Public Works, and Department of General Services.

**Recommendations 65–69**

These recommendations will establish appropriations of \$901,947 based on Fiscal Year 2012-13 savings to provide funding for one-time needs in the Board of Supervisors’ offices for various Services and Supplies costs.

**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 2013-18 Strategic Plan by fully committing to use County resources to meet the highest priority needs of residents.

Respectfully submitted,



HELEN N. ROBBINS-MEYER  
Chief Administrative Officer

ATTACHMENT(S)

Schedules A and B

Notes to Schedules A and B

**SUBJECT:** FISCAL YEAR 2013-14 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICTS: 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 6, 2013 (16), County of San Diego Fiscal Year 2013-14 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:** Finance & General Government Group

**OTHER CONCURRENCES(S):**    N/A

**CONTACT PERSON(S):**

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**FY 2013-2014 1st Quarter  
Projected Year-End Results**

(in thousands)

**COUNTY SUMMARY**

	<b>Expenditure Variance</b>	<b>Revenue Variance</b>	<b>1st Quarter FY13-14 Projected Fund Balance</b>
	<b>Favorable/(Unfavorable)</b>		
<b>General Fund</b>			
Public Safety	\$ 12,713	\$ 591	\$ 13,304
Health & Human Services Agency	148,552	(111,647)	36,906
Land Use & Environment	3,232	99	3,331
Community Services	10,917	(6,080)	4,837
Finance & General Government	2,669	1,770	4,439
<b>Total Agency/Group</b>	<b>178,083</b>	<b>(115,267)</b>	<b>62,817</b>
General Purpose Revenue	0	48,680	48,680
Finance Other	27,079	(217)	26,862
<b>Total General Fund</b>	<b>\$ 205,162</b>	<b>\$ (66,804)</b>	<b>\$ 138,359</b>
<b>Special Revenue Funds</b>			
Public Safety	\$ 5,399	\$ 8,701	\$ 14,101
Health & Human Services Agency	3,100	(3,100)	0
Land Use & Environment	791	(648)	143
Community Services	1,632	(163)	1,470
<b>Total Special Revenue Funds</b>	<b>\$ 10,922</b>	<b>\$ 4,791</b>	<b>\$ 15,713</b>
<b>Capital Program</b>			
Finance Other	\$ 0	\$ 0	\$ 0
<b>Internal Service Funds Departments</b>			
Public Safety Group	\$ 1	\$ 0	\$ 1
Health & Human Services Agency	0	0	0
Land Use & Environment	0	244	244
Community Services	26,542	(25,415)	1,127
Finance & General Government	0	0	0
Finance Other	816	0	816
<b>Total Internal Service Funds</b>	<b>\$ 27,359</b>	<b>\$ (25,171)</b>	<b>\$ 2,188</b>
<b>Enterprise Fund Departments</b>			
Land Use & Environment	\$ 58	\$ 68	\$ 125
<b>Special District Funds Departments</b>			
Public Safety Group	\$ (0)	\$ 0	\$ (0)
Health & Human Services Agency	111	(111)	0
Land Use & Environment	867	624	1,491
<b>Total Special District Funds</b>	<b>\$ 978</b>	<b>\$ 513</b>	<b>\$ 1,491</b>
<b>Other County Funds Departments</b>			
LUEG - Debt. Svc. Local Boards	\$ 0	\$ 0	\$ 0
Community Svcs. - Red./Redev. Successor Agency	18	0	18
Finance Other - Majestic Pines	0	0	0
<b>Total Other County Funds</b>	<b>\$ 18</b>	<b>\$ -</b>	<b>\$ 18</b>
Debt Service - Pension Obligation Bonds	\$ 10	\$ (10)	\$ 0
<b>Total County Projected Operating Balance</b>	<b>\$ 244,508</b>	<b>\$ (86,614)</b>	<b>\$ 157,894</b>

**FY 2013-2014 1st Quarter  
Projected Year-End Results**

(in thousands)

**PUBLIC SAFETY GROUP**

Expenditure Variance	Revenue Variance	1st Quarter FY13-14 Projected Fund Balance
Favorable/(Unfavorable)		

**General Fund Departments**

Child Support	\$ 2,106	\$ (1,543)	\$ 563
Contributions for Trial Courts	0	0	0
Defense Attorney Contract Admin.	0	0	0
District Attorney	4,336	0	4,336
Emergency Services	174	78	252
Law Enforcement Review Board	0	0	0
Medical Examiner	51	0	51
Probation	1,800	(1,800)	0
Public Defender	3,521	115	3,636
Public Safety Executive Office	50	3,490	3,540
San Diego County Fire Authority	36	(0)	36
Sheriff	638	252	890
<b>Total General Fund</b>	<b>\$ 12,713</b>	<b>\$ 591</b>	<b>\$ 13,304</b>

**Special Revenue Funds Departments**

District Attorney (Asset Forfeiture - State & Federal)	\$ 0	\$ 57	\$ 57
Probation - Asset Forfeiture	1	16	17
Probation - Inmate Welfare Program	0	0	0
Sheriff - Asset Forfeiture	0	0	0
Sheriff - Inmate Welfare Program	0	655	655
Public Safety - Proposition 172	5,398	7,973	13,371
<b>Total Special Revenue Funds</b>	<b>\$ 5,399</b>	<b>\$ 8,701</b>	<b>\$ 14,101</b>

**Internal Service Funds Departments**

Probation	\$ 0	\$ 0	\$ 0
Sheriff(Jail Stores)	1	0	1
<b>Total Internal Service Funds</b>	<b>\$ 1</b>	<b>\$ 0</b>	<b>\$ 1</b>

**Special District Funds**

Sheriff (Regional 800 MHz)	\$ (0)	\$ 0	\$ (0)
County Service Area	0	0	0
<b>Total Group Projected Fund Balance</b>	<b>\$ 18,113</b>	<b>\$ 9,293</b>	<b>\$ 27,406</b>

**FY 2013-2014 1st Quarter  
Projected Year-End Results**

(in thousands)

**HEALTH & HUMAN SERVICES AGENCY**

Expenditure Variance	Revenue Variance	1st Quarter FY13-14 Projected Fund Balance
Favorable/(Unfavorable)		

**General Fund Programs**

Administrative Support	\$ 35,157	\$ (6,198)	\$ 28,959
Aging & Independence Services	18,230	(17,919)	312
Behavioral Health Services	25,089	(25,089)	0
Child Welfare Services	18,693	(17,099)	1,595
Public Administrator/Public Guardian	0	0	0
Public Health Services	2,750	(996)	1,753
Regional Operations	48,634	(44,346)	4,287
<b>Total General Fund</b>	<b>\$ 148,552</b>	<b>\$ (111,647)</b>	<b>\$ 36,906</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	111	(111)	0
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<b>Total Health &amp; Human Services Agency</b>	<b>\$ 151,763</b>	<b>\$ (114,857)</b>	<b>\$ 36,906</b>
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**FY 2013-14 1st Quarter  
Projected Year-End Results**

(in thousands)

**LAND USE & ENVIRONMENT GROUP**

Expenditure Variance	Revenue Variance	1st Quarter FY13-14 Projected Fund Balance
Favorable/(Unfavorable)		

**General Fund Departments**

Agriculture, Weights & Measures	\$ 809	\$ (677)	\$ 131
Environmental Health	1,245	1,087	2,332
Land Use & Environment Group Exec Office			0
Parks & Recreation	13	(13)	0
Planning & Development Services	1,165	(298)	868
Public Works			0
<b>Total General Fund</b>	<b>\$ 3,232</b>	<b>\$ 99</b>	<b>\$ 3,331</b>

**Special Revenue Funds Departments**

A,W & M (Grazing and Fish & Game Commission)	\$ 0	\$ 0	\$ 0
Parks & Recreation - PLDO	66	77	143
DPW - Aviation Funds	0	0	0
DPW - Road Funds	578	(578)	0
DPW - Inactive Waste	147	(147)	0
<b>Total Special Revenue Funds</b>	<b>\$ 791</b>	<b>\$ (648)</b>	<b>\$ 143</b>

**Internal Service Funds Departments**

Public Works - DPW Equip. ISF Prg. (35525-35700)	\$ 0	\$ 244	\$ 244
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**Enterprise Funds Departments**

Airport Enterprise Fund	\$ 58	\$ 60	\$ 118
Wastewater Management Enterprise Fund	0	7	7
<b>Total Enterprise Funds:</b>	<b>\$ 58</b>	<b>\$ 68</b>	<b>\$ 125</b>

**Special District Funds Departments**

Air Pollution Control District	\$ 857	\$ 548	\$ 1,406
Parks and Recreation	10	12	22
Planning and Development Services - CSAs	0	0	0
DPW - SD County Sanitation District	0	31	31
DPW - Campo Water Sewer Maint District	0	0	0
DPW - CSAs	0	0	0
DPW - PRDs	0	0	0
DPW - Flood Control	0	0	0
DPW - Street Lighting Districts	0	33	33
<b>Total Special Districts Funds:</b>	<b>\$ 867</b>	<b>\$ 624</b>	<b>\$ 1,491</b>

**Other County Funds Departments**

Debt Service-Local Boards	\$ 0	\$ 0	\$ 0
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**Total Land Use & Environment Group**

<b>Total Land Use &amp; Environment Group</b>	<b>\$ 4,948</b>	<b>\$ 387</b>	<b>\$ 5,335</b>
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**FY 2013-2014 1st Quarter  
Projected Year-End Results**

(in thousands)

**COMMUNITY SERVICES GROUP**

Expenditure Variance	Revenue Variance	1st Quarter FY13-14 Projected Fund Balance
Favorable/(Unfavorable)		

**General Fund Departments**

Animal Services	\$ 58	\$ (10)	\$ 48
Community Services Group Exec Office	3,250	0	3,250
General Services	0	0	0
Housing & Community Development	10,673	(10,671)	2
Purchasing & Contracting	0	0	0
Library Services	0	0	0
Registrar of Voters	(3,064)	4,600	1,537
<b>Total General Fund</b>	<b>\$ 10,917</b>	<b>\$ (6,080)</b>	<b>\$ 4,837</b>

**Special Revenue Funds Departments**

Library Services	\$ 1,632	\$ (163)	\$ 1,470
<b>Total Special Revenue Funds</b>	<b>1,632</b>	<b>(163)</b>	<b>1,470</b>

**Internal Service Funds Departments**

Facilities Management	\$ 7,488	\$ (7,748)	\$ (260)
Major Maintenance ISF	12,306	(12,601)	(295)
Fleet Management	6,685	(5,468)	1,217
Purchasing & Contracting	63	402	464
<b>Total Internal Service Funds</b>	<b>26,542</b>	<b>(25,415)</b>	<b>1,127</b>

**Other County Funds Departments**

Red. Agency/Redevelopment Successor Agency	\$ 0	\$ 0	\$ 0
Housing & Community Development	18		18
<b>Total Other County Funds Departments</b>	<b>18</b>	<b>0</b>	<b>18</b>

**Total Community Services Group**

<b>Total Community Services Group</b>	<b>\$ 39,110</b>	<b>\$ (31,659)</b>	<b>\$ 7,451</b>
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**FY 2013-2014 1st Quarter  
Projected Year-End Results**

(in thousands)

**FINANCE & GENERAL GOVERNMENT  
GROUP**

Expenditure Variance	Revenue Variance	1st Quarter FY13-14 Projected Fund Balance
Favorable/(Unfavorable)		

**General Fund Departments**

Assessor/Recorder/County Clerk	\$ 9	\$ 800	\$ 809
Auditor & Controller	1,375	27	1,402
Board of Supervisors	243	0	243
Chief Administrative Office	199	0	199
Civil Service Commission	42	0	42
Clerk of the Board of Supervisors	42	200	242
County Communications Office	60	2	62
County Counsel	83	311	394
County Technology Office	0	0	0
Finance & GG Exec Office	0	6	6
Grand Jury	18	0	18
Human Resources	287	144	431
Treasurer-Tax Collector	312	281	593
<b>Total General Fund</b>	<b>\$ 2,669</b>	<b>\$ 1,770</b>	<b>\$ 4,439</b>

**Internal Service Funds Departments**

CTO - Information Technology	\$ 0	\$ 0	\$ 0
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**Total Finance & General  
Government Group**

<b>\$ 2,669</b>	<b>\$ 1,770</b>	<b>\$ 4,439</b>
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**FY 2013-2014 1st Quarter  
Projected Year-End Results**

(in thousands)

**GENERAL PURPOSE REVENUE &  
FINANCE OTHER**

Expenditure Variance	Revenue Variance	1st Quarter FY13-14 Projected Fund Balance
Favorable/(Unfavorable)		

**General Fund**

General Purpose Revenue:

All Current Property Taxes	\$ 0	\$ 16,233	\$ 16,233
All Other Taxes-Local	0	7,937	\$ 7,937
Licenses, Permits & Franchises	0	(123)	\$ (123)
Fines, Forfeitures & Penalties	0	(1,083)	\$ (1,083)
Revenue for Use of Money & Property	0	0	\$ 0
Intergovernmental Revenue	0	25,716	\$ 25,716
Charges for Current Services	0	0	\$ 0
Miscellaneous Revenue	0	0	\$ 0

**Total General Purpose Revenue**

<b>\$ 0</b>	<b>\$ 48,680</b>	<b>\$ 48,680</b>
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General County Expenses:

Cash Borrowing Program	\$ 6,346	\$ 0	\$ 6,346
Community Enhancement	0	0	0
Contingency Reserve	20,000	0	20,000
Lease Payments - Capital Projects	733	(217)	516
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

\$ 27,079	\$ (217)	\$ 26,862
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**Total General Fund**

<b>\$ 27,079</b>	<b>\$ 48,463</b>	<b>\$ 75,542</b>
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**Capital Program Funds**

Capital Program	\$ 0	\$ 0	\$ 0
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**Total Capital Program Funds**

<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
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**Internal Service Funds Departments**

Workers Compensation	\$ 0	\$ 0	\$ 0
Unemployment Insurance	0	0	0
Public Liability	816	0	816

**Total ISF Funds**

<b>\$ 816</b>	<b>\$ 0</b>	<b>\$ 816</b>
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**Other County Funds Departments**

Majestic Pines	\$ 0	\$ 0	\$ 0
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**Debt Service Funds Departments**

Pension Obligation Bonds	\$ 10	\$ (10)	\$ 0
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**Total General Purpose Revenue & Finance**

<b>Other</b>	<b>\$ 27,905</b>	<b>\$ 48,453</b>	<b>\$ 76,358</b>
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**FY 2013-2014 1st Quarter  
Projected Year-End Results**  
(in thousands)

Category	Projected Management & Contingency Reserves	Projected Operating Balances	1st Quarter FY13-14 Projected Fund Balance
Favorable/(Unfavorable)			
<b>General Fund</b>			
Public Safety	\$ 0	\$ 13,304	\$ 13,304
Health and Human Services Agency	20,000	16,906	36,906
Land Use and Environment	0	3,331	3,331
Community Services	3,250	1,587	4,837
Finance & General Government	0	4,439	4,439
<b>Agency/Group Totals</b>	<b>\$ 23,250</b>	<b>\$ 39,567</b>	<b>\$ 62,817</b>
General Purpose Revenue	\$ 0	\$ 48,680	\$ 48,680
General County Expenses	0	6,862	6,862
Contingency Reserve	20,000	0	20,000
<b>Total Gen'l. Purpose Rev. &amp; Gen'l. County Exp.</b>	<b>\$ 20,000</b>	<b>\$ 55,542</b>	<b>\$ 75,542</b>
<b>Total General Fund</b>	<b>\$ 43,250</b>	<b>\$ 95,109</b>	<b>\$ 138,359</b>

**COUNTY OF SAN DIEGO  
NOTES TO SCHEDULES A and B  
Fiscal Year 2013-14 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 business 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 the Operational Plan based either on revised expectations or on actual revenues/expenditures to date. The significant variances (greater than \$300,000) in total expenditures, 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 positive variance of \$0.6 million is projected for the Department of Child Support Services.

A positive variance of \$2.1 million is projected in Salaries and Benefits due to savings from vacant and modified positions.

A negative revenue variance of \$1.5 million is projected due to the expenditure variance noted above.

*District Attorney*

A positive variance of \$4.3 million is projected for the District Attorney's Office.

A positive expenditure variance of \$4.3 million is projected. This positive variance is primarily due to anticipated savings of \$5.3 million in Salaries and Benefits due to normal attrition, vacant, and modified positions. A negative expenditure variance of \$1.0 million is projected in Expenditure Transfers and Reimbursements due to normal attrition and delays in filling vacant positions in the Public Assistance Fraud Unit.

No revenue variance is projected.

*Office of Emergency Services*

A positive variance of \$0.3 million is projected for the Office of Emergency Services.

A positive expenditure variance of \$0.2 million is projected. This is comprised of a positive variance of \$0.3 million in Salaries and Benefits due to savings from vacant and modified positions which are supported with grant funding, \$0.4 million in Services and Supplies as a result of projected savings in the Call When Needed program, costs related to contracted services and savings due to efforts to reduce overall expenditures, which are partially offset by a negative expenditure variance of \$0.5 million associated with the Homeland Security Grant Program for additional costs which will be offset by related grant revenue.

A positive revenue variance of \$0.1 million is projected in Intergovernmental Revenue due to the Emergency Management Performance Grant and the Homeland Security Grant Program expenditures noted above.

*Probation*

A zero variance is projected for the Probation Department.

A positive expenditure variance of \$1.8 million is projected in Salaries and Benefits primarily due to a reduction related to the Youthful Offender Block Grant Program.

A negative revenue variance of \$1.8 million is projected in the Youthful Offender Block Grant Program due to a decrease in the State revenue allocation.

*Public Defender*

A positive variance of \$3.6 million is projected for the Public Defender.

A positive expenditure variance of \$3.5 million is projected. This is comprised of anticipated savings of \$1.8 million in Salaries and Benefits due to vacant and modified positions and \$1.7 million in Services and Supplies due to efforts to reduce overall expenditures.

A positive revenue variance of \$0.1 million is projected in Intergovernmental Revenue due to over-realized revenue for activities related to the Sexually Violent Predators State mandate reimbursement claim.

*Public Safety Group Executive Office*

A positive variance of \$3.5 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 the final year of a multi-year plan to reduce budgeted revenues which will no longer be received when these properties transfer to the State in December 2013.

### *Sheriff*

A positive variance of \$0.9 million is projected for the Sheriff's Department.

A positive expenditure variance of \$0.6 million is projected. Salaries and Benefits are projected to be \$1.1 million under budget due to vacant positions. A negative expenditure variance of \$0.5 million is projected in Services and Supplies primarily due to an increase in Internal Service Fund (ISF) fees for contracting grant-related Internal Agreements and an increase in Professional & Specialized Services associated with phlebotomy and toxicology services.

A positive revenue variance of \$0.3 million is projected primarily due to unanticipated revenue from the Board of State and Community Corrections to offset Standards and Training for Corrections (STC) training expenditures.

### **Special Revenue Funds**

#### *Sheriff's Inmate Welfare Fund*

A positive variance of \$0.7 million is projected for the Inmate Welfare Fund. This positive revenue variance is due to recovered expenditures from a reimbursement from the Grossmont Union High School District for contracted educational services.

#### *Proposition 172*

A positive variance of \$13.4 million is projected for the Proposition 172 Special Revenue Fund.

A positive expenditure variance of \$5.4 million is projected due to operational cost savings in Services and Supplies.

A positive revenue variance of \$8.0 million is projected. Current year revenues are projected to be \$8.0 million greater than budget due to the combination of Fiscal Year 2012-13 actual revenue receipts exceeding the budget estimate for the current fiscal year and current economic conditions supporting a continued positive outlook for sales tax revenue receipts.

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

#### **General Fund**

##### *Administrative Support*

Administrative Support consists of the following: Agency Executive Office, Agency Contract Support, Financial Services and Support Division, Human Resources, Management Information Support, First Five Commission, Office of Strategy and Innovation, and Community Action Partnership.

A positive variance of \$29.0 million is projected for Administrative Support.

The positive expenditure variance of \$35.2 million includes \$1.7 million in Salaries and Benefits due to vacant positions, \$13.5 million in Services and Supplies primarily in contracted services that are not anticipated to be spent, and a projected year-end balance of \$20.0 million in management reserves which are held for operating contingencies during the year.

The negative revenue variance of \$6.2 million includes an increase of \$2.3 million in administrative revenue, primarily associated with the receipt of prior year realignment, offset by \$8.0 million of unsecuritized tobacco settlement revenue that is not projected to be recognized, and projected decreases of \$0.2 million in Charges in Other Funds/Special Districts, \$0.2 million in Community Services Block Grant, and \$0.1 million in donations from private parties.

#### *Aging and Independence Services*

A positive variance of \$0.3 million is projected for Aging & Independence Services (AIS).

The positive expenditure variance of \$18.2 million includes savings of \$18.5 million in Services and Supplies, and \$0.3 million in Operating Transfers Out. The \$18.5 million savings in Services and Supplies is mainly the result of revised estimates of growth trends in In-Home Supportive Services (IHSS) Individual Provider costs and Community Based Care Transitions Program (CCTP), and reductions in services due to sequestration. The \$0.3 million savings in Operating Transfers Out for In-Home Support Services—Public Authority is related to less than anticipated salary and benefit costs. These savings are offset by \$0.6 million over expenditure in Salaries and Benefits due to the addition of positions in AIS Administrations and IHSS.

The negative revenue variance of \$17.9 million is mainly due to lower projected expenditures in IHSS, Community Based Care Transitions Program and sequestration 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 the Edgemoor Skilled Nursing Facility.

A zero variance is projected for Behavioral Health Services.

The positive expenditure variance of \$25.1 million includes savings of \$1.9 million in Salaries and Benefits throughout Behavioral Health Services due to vacant positions, \$21.9 million in Services and Supplies, and \$1.3 million positive variance in Expenditure Transfer & Reimbursements due to higher projected expenditures related to the AB 109 program. The \$21.9 million of savings in Services and Supplies includes \$8.7 million in un-awarded Mental Health Services Act (MHSA) contracts, \$4.0 million savings in Alcohol and Drug Services in contracts for Substance Abuse Prevention and Treatment (SAPT), \$3.2 million in Short Term Acute Residential Treatment Program, and \$5.3

million savings in other Services and Supplies including \$0.7 million for Inpatient Health Services expenses primarily for temporary contract help.

The negative revenue variance of \$25.1 million is primarily associated with savings in MHSA and SAPT contracts listed above.

#### *County Child Welfare Services*

A positive variance of \$1.6 million is projected for County Child Welfare Services.

The positive expenditure variance of \$18.7 million includes savings of \$0.5 million in Salaries and Benefits due to attrition and vacant positions and \$18.3 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 \$0.1 million negative variance in Services and Supplies primarily associated with contract costs and transportation costs for clients and staff.

The negative revenue variance of \$17.1 million in under-realized revenue is associated with attrition, staff vacancies and expenditure savings due to revised caseload projections in assistance payments.

#### *Public Health Services*

A positive variance of \$1.7 million is projected for Public Health Services.

The positive expenditure variance of \$2.7 million includes savings of \$0.9 million in Salaries and Benefits due to vacant positions, \$1.8 million in Services and Supplies savings primarily for various contracted services. The \$1.8 million savings in Services and Supplies includes \$1.4 million savings in contracts primarily in the Office of AIDS Coordination due to sequestration reductions.

The negative revenue variance of \$1.0 million is associated with the projected expenditure savings as discussed above.

#### *Regional Operations*

Regional Operations consist of the following: Central, East, North Central, North Coastal, North Inland, and South regions, Regional Self-Sufficiency, Eligibility Operations Administration, Health Care Policy Administration and Regional Child Welfare Services.

A positive variance of \$4.3 million is projected for Regional Operations.

The positive expenditure variance of \$48.6 million includes savings of \$19.3 million in Services and Supplies, savings of \$32.4 million in other charges that is mainly the result of revised caseload levels in CalWORKs. This is offset by a \$3.1 million negative variance in Salaries and Benefits associated with the Affordable Care Act (ACA) implementation and service needs at the Family Resource Centers (FRCs). The \$19.3 million savings in Services and Supplies is comprised of \$8.7 million in the Low Income

Health Program (LIHP) due to ACA implementation, \$6.7 million in eligibility program contracts and \$3.9 million in various non-contract Services and Supplies.

The negative revenue variance of \$44.3 million is associated with the projected expenditure savings as discussed above.

### **Special Revenue Funds**

#### *Tobacco Securitization Fund*

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

### **LAND USE AND ENVIRONMENTAL GROUP**

#### **General Fund**

##### *Agriculture, Weights & Measures (AWM)*

A positive variance of \$0.1 million is projected for the Department of Agriculture, Weights and Measures.

A \$0.8 million positive expenditure variance is projected. Savings of \$0.9 million in Salaries and Benefits is mainly due to maintaining vacancies in the Agricultural Water Quality (AWQ) program and under-filling positions to help mitigate the reduction of State and federal contract revenue. This is offset by a negative variance of \$0.1 million in Services and Supplies primarily due to projected Business Case Management System report development costs exceeding the budgeted amount.

A negative variance of \$0.7 million in revenue is primarily due to an overall reduction of \$0.3 million in Pest Detection Asian Citrus Psyllid and Sudden Oak Death contract revenue, \$0.3 million in AWQ due to implementation of the new MS4 water permit (stormwater) not impacting AWM's workload yet, and \$0.2 million that is reflected above as an abatement of expenditures for services provided to other County departments. These reductions are offset by \$0.1 million in other miscellaneous revenue increases.

##### *Environmental Health*

A positive variance of \$2.3 million is projected for the Department of Environmental Health.

A positive expenditure variance of \$1.2 million is projected. A savings of \$0.8 million in Salaries and Benefits is due to vacancies, under-filling positions and freezing of positions. A savings of \$0.4 million in Services and Supplies is related to closely monitoring spending activities to ensure costs do not exceed revenue.

A positive revenue variance of \$1.1 million is projected. This variance consists of over-realized revenue of \$0.8 million in Hazardous Materials Permit fees and \$0.9 million in Food and Housing Permit fees which include the cost of external overheads and are not part of budgeted revenue. This is offset by a shortfall of \$0.5 million from the Vector

Control Trust Fund primarily associated with salary and benefit and Services and Supplies savings in the Vector Control program. Revenue is only drawn from the Vector Trust Fund for actual costs incurred. The remaining shortfall of \$0.1 million is spread over various accounts.

#### *Parks and Recreation*

A zero variance is projected variance for the Department of Parks and Recreation.

A positive expenditure variance of \$0.5 million in Salaries and Benefits is due to vacant and under-filled positions. This is offset by a negative expenditure variance of \$0.5 million in Services and Supplies due to unanticipated emergency costs at Agua Caliente.

#### *Planning and Development Services*

A positive variance of \$0.9 million is projected for Planning and Development Services.

A positive expenditure variance of \$1.2 million is projected. Savings of \$0.6 million is projected in Salaries and Benefits, mainly due to vacancies. Savings of \$0.6 million in Services and Supplies are due to closely monitoring spending activities to ensure costs do not exceed revenue.

A negative revenue variance of \$0.3 million is projected related to expenditure savings of \$0.5 million due to staff vacancies offset by \$0.2 million in over-realized revenue from building permit fees.

### **Special Revenue Funds**

#### **Road Fund**

A zero variance is projected for the Road Fund.

A positive expenditure variance of \$0.6 million is projected. Projected savings of \$0.3 million in Salaries and Benefits is due to under-filling of positions and partial year vacancies. Savings of \$0.3 million is projected in Services and Supplies due to a reduced need for construction consultant services for projects in the Detailed Work Program.

A negative revenue variance of \$0.6 million is projected primarily attributed to under-realized revenue of \$0.6 million in taxes other than current (TransNet) due to schedule revisions in the Detailed Work Program.

### **Special District Funds**

#### *Air Pollution Control District*

A positive variance of \$1.4 million is projected for the Air Pollution Control District (APCD).

A positive expenditure variance of \$0.9 million is projected. Salaries and Benefits savings of \$0.9 million is projected due to staff vacancies and under-filled positions.

A positive revenue variance of \$0.5 million is projected. A positive variance of \$0.5 million in permit renewal fees due to a greater than anticipated number of renewal permits issued.

## **COMMUNITY SERVICES GROUP**

### **General Fund**

#### *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 unspent management reserves, which are maintained in the Group Executive Office for departmental operating contingencies during the year.

#### *Housing and Community Development Department*

No variance is projected for the Housing and Community Development (HCD) Department. The Department is composed of two major activities, Housing and Community Development operations, which contains staff and operations, and Housing and Community Development Multi-Year Projects, which are funded through intergovernmental (mainly federal) loans and grants for community development and affordable housing projects.

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

No variance is projected for Housing and Community Development (HCD) operations.

A positive expenditure variance of \$0.9 million includes anticipated savings of \$0.4 million in Salaries and Benefits and \$0.5 million in Services and Supplies. The projected savings from Salaries and Benefits is due to vacancies from employee turnover, positions held vacant to mitigate federal grant funding fluctuations offset with negotiated one-time and ongoing salary increases that were not included in the Fiscal Year 2013-14 Operational Plan. The projected positive variance in Services and Supplies is due to the postponement of a communication equipment upgrade project (\$0.1 million) and under-spending in annual information technology (IT) application upgrade projects (\$0.2 million) to be rebudgeted for next fiscal year, savings in ongoing IT costs (\$0.1 million), and savings in various accounts (\$0.1 million) as a result of managing discretionary expenses.

A negative revenue variance of \$0.9 million is projected 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.

### *Registrar of Voters*

A positive variance of \$1.5 million is projected for the Registrar of Voters.

A negative expenditure variance of \$3.1 million is projected. This variance is due to an increase of \$1.8 million in Salaries and Benefits as a result of negotiated salary and benefit increases that were not included in the Fiscal Year 2013-14 Operational Plan and the November 19, 2013 City of San Diego Municipal Special Election, and \$1.3 million increase in election-related Services and Supplies.

A positive revenue variance of \$4.6 million is projected due to the reimbursement for the special election. Proposed budget adjustments will appropriate election revenue to offset the negative expenditure variances.

## **Special Revenue Funds**

### *San Diego County Library*

A positive variance of \$1.5 million is projected for the San Diego County Library.

A positive expenditure variance of \$1.6 million is projected. This variance is a result of savings of \$0.6 million in Salaries and Benefits from anticipated vacated positions, net of the negotiated salary and benefit increases that were not included in the Fiscal Year 2013-14 Operational Plan. Projected savings of \$1.0 million in management reserves are appropriated for operating contingencies.

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

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

### *Facilities Management ISF*

A negative variance of \$0.3 million is projected for the Facilities Management ISF, which incurred \$0.6 million in negotiated salary and benefit increases that were not included in the Fiscal Year 2013-14 Operational Plan. A proposed budget adjustment will appropriate fund balance for the negotiated one-time salary and benefit increases to mitigate this shortfall.

A positive variance of \$7.5 million in expenses is projected. The positive variance of \$0.4 million in Salaries and Benefits is due savings to modified positions and staff vacancies offset by negotiated salary and benefit increases that were not included in the Fiscal Year 2013-14 Operational Plan. The projected savings in Services and Supplies

of \$7.1 million is primarily due to \$4.4 million in contracted costs as security, custodial, and trash service agreements were renegotiated for lower than anticipated amounts; \$1.3 million in utility charges due to energy efficiency upgrades and lower than anticipated utility rates; \$1.0 million in project management costs; and \$0.4 million in mail services.

A negative revenue variance of \$7.8 million is projected. This variance consists of under-realized revenue of \$5.8 million for Charges for Current Services due to lower than anticipated costs related to contracted services, utilities, and mail which are reimbursed on a pass-through basis by client departments; a reduction of \$1.7 million in operating transfers to reimburse for services provided to the Major Maintenance ISF, and a projected shortfall of \$0.3 million in Rents and Concessions due primarily to the loss of lease revenue related to current construction projects including the previously leased Hillcrest Receiving Home.

#### *Major Maintenance ISF*

A negative variance of \$0.3 million is projected in the Major Maintenance ISF.

A positive variance of \$12.3 million in expenses is projected. Savings of \$10.2 million in Services and Supplies and \$2.1 million in Operating Transfers 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 \$12.3 million. This negative revenue variance is the result of excess revenue adjustments of \$0.3 million in Charges for Services carried forward from the prior fiscal year.

#### *Fleet Management ISF*

A positive variance of \$1.2 million is projected for the Fleet Management ISF.

A positive variance of \$6.7 million in expenses is projected. A positive variance of \$0.1 million in Salaries and Benefits is primarily due to modified and vacant positions, net of negotiated salary and benefit increases that were not included in the Fiscal Year 2013-14 Operational Plan; \$0.4 million in Services and Supplies due to lower utility charges and fewer than anticipated purchases of vehicle parts; \$0.1 million in Other Charges due to depreciation costs; \$6.0 million in Capital Assets due to less than anticipated purchases for replacement vehicles and equipment; and \$0.1 million in unspent reserves.

A negative variance of \$5.5 million in revenue is projected. A negative variance of \$5.7 million in Charges for Current Services is due to under-realized revenue for reimbursement of replacement vehicles purchased, offset by a positive variance of \$0.2 million for the gain on sale of vehicles and equipment.

#### *Purchasing and Contracting*

A positive variance of \$0.5 million is projected for the Purchasing and Contracting ISF.

A positive expenditure variance of \$0.1 million is a net result of savings in Salaries and Benefits attributed to managed vacancies offset by increase in expenditures based on negotiated salary and benefits costs that were not included in the Fiscal Year 2013-14 Operational Plan.

A positive revenue variance of \$0.4 million is based on \$0.1 million in over-realized charges for services due to increased demand for procurement services and \$0.3 million in rebate revenue.

## **FINANCE AND GENERAL GOVERNMENT GROUP**

### **General Fund**

#### *Assessor/Recorder/County Clerk*

A positive revenue variance of \$0.8 million is projected in AB 2890 Recovered Cost revenues, which are collected as a portion of supplemental property tax revenues in order to offset the costs of administering the tax roll to reflect reassessments. The projected variance is a result of current real estate market conditions, specifically a slight increase in housing sales and an increase in median home prices.

#### *Auditor and Controller*

A positive variance of \$1.4 million is projected for the Auditor and Controller.

A positive expenditure variance of \$1.3 million includes savings of \$1.1 million in Salaries and Benefits due to staff vacancies and underfilled positions, and savings of \$0.3 million in Services and Supplies primarily due to lower than anticipated information technology expenditures.

#### *County Counsel*

A positive variance of \$0.4 million is projected for the Office of County Counsel.

A positive expenditure variance of \$0.1 million is projected, including \$0.3 million in Salaries and Benefits primarily due to attrition and vacancies. A negative variance of \$0.2 million is projected in Costs Applied to Other Departments for exclusive legal support services. These services are being funded through Charges for Current Services instead.

A positive revenue variance of \$0.3 million is projected in Charges for Current Services primarily due to significant workload increases in HHSA and wastewater litigation matters, as well as increases in workloads resulting from an increased volume of environmental impact reports (EIRs) and airport expansion review assignments.

#### *Human Resources*

A positive variance of \$0.4 million is projected for the Department of Human Resources.

A positive expenditure variance of \$0.3 million is projected, including \$0.2 million in Salaries and Benefits primarily due to staff turnover and vacant positions, and \$0.1

million in Services and Supplies due primarily to savings in employee benefit contract services costs.

A positive revenue variance of \$0.1 million is projected due to higher than anticipated services charged to ISFs.

#### *Treasurer-Tax Collector*

A positive variance of \$0.6 million is projected for the Treasurer-Tax Collector

A positive expenditure variance of \$0.3 million in Salaries and Benefits is due to staff turnover and vacant positions.

A positive revenue variance of \$0.3 million is projected in AB 2890 Recovered Cost revenues, which are collected as a portion of supplemental property tax revenues in order to offset the costs of administering the tax roll to reflect reassessments. The projected variance is a result of current real estate market conditions, specifically a slight increase in housing sales and an increase in median home prices.

### **INTERNAL SERVICE FUNDS**

#### *Public Liability Internal Service Fund*

A positive variance of \$0.8 million is projected for the Public Liability ISF, due primarily to a favorable ruling in an excessive force matter and projected savings in a pending matter involving allegations of wrongful removal and denial of due process.

### **GENERAL PURPOSE REVENUE & COUNTYWIDE EXPENSES**

A positive variance of \$48.7 million is projected in General Purpose Revenue (GPR) and no variance is projected in General County Expenses.

#### General Purpose Revenue

The pace of San Diego's economic growth has been moderately improving after the December 2007 to June 2009 recession. The County's GPR related to property tax revenues, including current secured, current supplemental and prior year supplemental has been impacted as evident by the increase in assessed values and gradual increase in construction activity. The county's diverse economic base and the area's population growth are seen as positive influences that will help stabilize locally-generated GPR funding sources. For Fiscal Year 2013-14, 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 2013 and July 2013 was 8.1%, with a July 2013 rate of 7.8%. This compares to a State of California average unemployment rate of 9.6% for the same 12 month period, with a July 2013 rate of 9.3%.

- Unadjusted local point of sale tax revenue decreased by 10.1% for the January through June 2013 period in the unincorporated area compared to the same time period in 2012. For that same time period, sales tax revenue improved at the Statewide level by an estimated 5.0%, in the southern California region by 4.9% and at the San Diego regional level by 2.8%. The overall the increase is a sign of continuing economic recovery.
- There are positive signals in the housing market in the County:
  - Improvement in the number of deeds recorded (up 3.95% for January through September 2013 compared to the same time period for 2012);
  - Increase in median housing prices (up 20.6% in the San Diego region for September 2013 compared to September 2012);
  - Increase in the number of homes sold in January through September 2013 compared to January through September 2012 (San Diego region up 10.7%);
  - Improvement in Notices of Default (55.4% fewer for January through September 2013 compared to the same time period for 2012);
  - Improvement in foreclosure activity (the number of foreclosures has decreased 52.7% in January through September 2013 compared to the same time period for 2012).

#### *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 \$16.2 million.

- *Property Taxes Current Secured*  
Current Secured Property Taxes are projected to be a net \$14.8 million higher than budget. This mainly resulted from the fact that the 2013 local secured assessed value is greater than anticipated in the budget as well as a forecasted improvement in the delinquency rate.

As mentioned above, in the 2013 local secured assessed value increased more than anticipated in the budget. The budgeted current secured property taxes assumed a local secured assessed value increase of 1.0%, but the actual assessed value (AV) increased by 3.4% (gross less regular exemptions). (Note: The 3.4% increase represents the change in the assessed value for only the secured roll. This is different than the countywide overall increase published by the Assessor/Recorder/County Clerk on June 27, 2013 of 3.46%, which includes all assessed value components, secured and unsecured). In addition, delinquency rates are anticipated to be better than budget based on Fiscal Year 2012-13 year-end experience and year-to-date trends.

- *Property Taxes Current Supplemental*  
Current Supplemental Property Taxes are projected to be \$0.8 million higher than the \$3.5 million that was budgeted. This projection is based on charges and collections trend estimates related to new construction and anticipated low turnover rates through Fiscal Year 2013-14. In Fiscal Year 2012-13, these

revenues totaled \$4.4 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 \$7.9 million above budget.

- *Real Property Transfer Taxes*

A positive revenue variance of \$1.6 million is estimated for Real Property Transfer Taxes based on realized revenues for the first three months of Fiscal Year 2013-14 as well as data regarding current year change in ownership and the anticipated level of new construction.

- *Teeter Tax Reserve Excess*

The Teeter Tax Reserve Excess is estimated to be approximately \$0.7 million above the \$15.1 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 2013 Teeter buy-out of \$34.2 million was lower than the 2012 Teeter buy-out of \$47.5. The 2011 Teeter buy-out amount was \$58.4. For Fiscal Year 2013-14, the reserve requirement is \$8.6 million, a \$3.3 million decrease from the Fiscal Year 2012-13 requirement of \$11.9 million. All penalty and interest collections in Fiscal Year 2013-14 will be in excess of the reserve requirement resulting in a one-time revenue surplus.

- *Property Tax in Lieu of Vehicle License Fees*

Property Tax in Lieu of Vehicle License Fees (VLF) is projected to be \$7.6 million above the budgeted amount of \$306.6 million. The actual assessed value adjustment factor of 3.47% (which includes unsecured, local secured, current State non-unitary, and aircraft property tax components) for Fiscal Year 2013-14 is 3.76% higher than the adjustment rate of negative 0.29% used to calculate the budgeted revenue.

- *Teeter Property Tax Prior Year and Cumulative Prior Years*

A negative revenue variance of \$2.2 million is projected for collections from taxes receivable from the prior fiscal years because the delinquency rate in Fiscal Year 2012-13 was less than what was anticipated at the time the Fiscal Year 2013-14 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 based on actual revenues received in prior year in franchise payments related to 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 \$0.8 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 is the lower than expected delinquency rate as noted above in the Current Secured Property Taxes section.

### *Intergovernmental Revenue*

A positive variance of \$25.7 million is projected in Intergovernmental Revenue primarily due to pass-through distributions and residual balance estimates in Aid from Redevelopment Successor Agencies.

### General County Expenses

#### *Cash Borrowing Program*

A positive expenditure variance of \$6.3 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 2013-14 which resulted in a lower than anticipated size of the TRAN. At the time the Fiscal Year 2013-14 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 2013-14 is projected to be unspent at year-end.

#### *Lease Payments*

A positive variance of \$0.5 million is projected for lease payments.

A positive expenditure variance of \$0.7 million is projected primarily due to credits being higher than anticipated.

A negative revenue variance of \$0.2 million is projected due to lower than expected intergovernmental revenue.