



# 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:** February 25, 2014

**14**

**TO:** Board of Supervisors

**SUBJECT:** FISCAL YEAR 2013-14 SECOND 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 \$203.7 million, and for all budgetary funds combined is \$235.6 million. In the General Fund, positive balances are projected for all five business groups. 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. In addition, the positive fund balance includes proceeds from the sale of the County Operations Center (COC) Annex. 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 (PSG), recommendations include: appropriations for negotiated one-time salary and benefit payments in various departments; costs associated with the County Administration Center (CAC) Waterfront Park and the Sheriff's Transfer Assessment and Release Unit (STAR) in the Sheriff's Department; appropriations for equipment and software in the Sheriff's Inmate Welfare Fund; and equipment in County Service Areas, San Diego Fire Authority.

The Health and Human Services Agency (HHSA) recommendation includes appropriations for negotiated one-time salary and benefit payments.

In the Land Use and Environment Group (LUEG), recommendations include: appropriations for negotiated one-time salary and benefit payments; appropriations for site analysis for the proposed Lakeside Equestrian Facility, easement acquisition in Blossom Valley, trail maintenance at Mt. Woodson, flood repairs at Agua Caliente campgrounds and Montezuma Valley Road, consultant services related to Stormwater Permit and Total Maximum Daily Loads (TMDL), Multiple Species Conservation Program (MSCP) one-time stewardship cost, and major maintenance projects in the Department of Parks and Recreation.

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

In the Community Services Group (CSG), recommendations include appropriations for negotiated one-time salary and benefit payments and establishing appropriations related to special elections in the Registrar of Voters.

The Finance and General Government Group (FGG) recommendation includes appropriations for negotiated one-time salary and benefit payments.

**Recommendation(s)**

**CHIEF ADMINISTRATIVE OFFICER**

1. Establish appropriations of \$25,134 in Salaries and Benefits for negotiated one-time salary and benefit payments based on available prior year General Fund fund balance (\$21,373) and available prior year Public Safety Group fund balance (\$3,761), as follows: Sheriff (\$14,853); Probation (\$2,119); District Attorney (\$2,048); and Public Safety Group Executive Office, San Diego County Fire Authority (\$6,114). **(4 VOTES)**
2. Establish appropriations of \$40,979 in the Sheriff's Department, Services and Supplies, for software licenses for the Civil Unit based on unanticipated revenue from the Sheriff's Civil Automation Trust Fund. **(4 VOTES)**
3. Establish appropriations of \$1,005,800 in the Sheriff's Inmate Welfare Fund, Services and Supplies (\$259,800) and Fixed Assets (\$746,000), for print shop equipment, laundry washers, updated information technology equipment and software for classrooms in the jails based on available prior year fund balance. **(4 VOTES)**
4. Establish appropriations of \$22,410 in the Sheriff's Department, Fixed Assets, to purchase a mobile Force Options Simulator, based on unanticipated revenue from the Board of State and Community Corrections. **(4 VOTES)**
5. Establish appropriations of \$40,513 in the Sheriff's Department, Salaries and Benefits, for overtime related to law enforcement services provided at Del Mar Fairgrounds events in 2013 based on unanticipated revenue from the 22nd District Agricultural Association. **(4 VOTES)**
6. Cancel appropriations of \$25,734 in County Service Area 107 Elfin Forest Fire Protection Fund, Services and Supplies, to align the budget with anticipated actuals.
7. Transfer appropriations of \$30,305 from the Public Safety Group Executive Office, San Diego County Fire Authority, from Services and Supplies to Operating Transfer Out, for County Service Area 107 for the purchase of mobile data computers.
8. Establish appropriations of \$30,305 in County Service Area 107 Elfin Forest Fire Protection Fund, Services and Supplies, for the purchase of mobile data computers based on an Operating Transfer In from the Public Safety Group Executive Office, San Diego County Fire Authority. **(4 VOTES)**

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

9. Establish appropriations of \$925,550 in the Sheriff's Department, Salaries and Benefits (\$643,222), Services and Supplies (\$106,656) and Fixed Assets (\$175,672) for the County Administration Center (CAC) Waterfront Park based on available prior year Public Safety Group fund balance. **(4 VOTES)**
10. Transfer appropriations of \$115,672 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.
11. Amend the Fiscal Year 2013-14 Department of General Services Fleet ISF Spending Plan by \$115,672 to provide funding for the purchase of vehicles for the Sheriff's Department based on an operating transfer from the General Fund Contributions to Fleet ISF. **(4 VOTES)**
12. Establish appropriations of \$950,965 in the Sheriff's Department, Salaries and Benefits for the Sheriff's Transfer, Assessment and Release (STAR) Unit based on available prior year Public Safety Group fund balance. **(4 VOTES)**
13. Establish appropriations of \$38,460 in the Health and Human Services Agency, Salaries and Benefits for negotiated one-time salary and benefit payments based on available prior year General Fund fund balance (\$3,846), and social services, health and mental health federal and State revenues (\$34,614). **(4 VOTES)**
14. Establish appropriations of \$58,765 in Salaries and Benefits for negotiated one-time salary and benefit payments based on available prior year General Fund fund balance (\$37,085) and available prior year Land Use and Environment Group fund balance (\$21,680) for the following General Fund departments in the Land Use and Environment Group: Parks and Recreation (\$32,943), Planning and Development Services (\$25,822). **(4 VOTES)**
15. Establish appropriations of \$180,797 in the Department of Public Works Road Fund, Salaries and Benefits, for negotiated one-time salary and benefit payments based on available prior year fund balance. **(4 VOTES)**
16. Establish appropriations of \$9,885 in the Inactive Waste Fund, Salaries and Benefits, for negotiated one-time salary and benefit payments based on available prior year fund balance. **(4 VOTES)**
17. Amend the Airport Enterprise Fund Spending Plan by establishing appropriations of \$7,417 in Salaries and Benefits, for negotiated one-time salary and benefit payments based on available prior year fund balance. **(4 VOTES)**
18. Amend the Wastewater Management Enterprise Fund Spending Plan by establishing appropriations of \$20,819 in Salaries and Benefits, for negotiated one-time salary and benefit payments based on available prior year fund balance. **(4 VOTES)**

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

19. Cancel appropriations of \$49,609.87 and related Operating Transfer from the General Fund in the Capital Outlay Fund for Capital Project 1017325, Lakeside Equestrian Acquisition, to provide funding for site analysis for the proposed Lakeside Equestrian Facility.
20. Transfer appropriations of \$49,609.87 from the Contributions to Capital Outlay Fund, Operating Transfer Out, to the Department of Parks and Recreation, Services and Supplies, to provide funding for site analysis for the proposed Lakeside Equestrian Facility.
21. Cancel appropriations of \$62,740 and related Operating Transfer from the General Fund in the Capital Multiple Species Conservation Program (MSCP) Fund, for one-time stewardship cost.
22. Transfer appropriations of \$62,740 from the Contributions from Capital Outlay Fund, Operating Transfer Out, to the Department of Parks and Recreation, Services and Supplies, for one-time stewardship costs.
23. Establish appropriations of \$161,818 in the Department of Parks and Recreation, Services and Supplies, for major maintenance projects, based on unanticipated revenue from the Coastal Impact Assistance Program (CIAP). **(4 VOTES)**
24. Establish appropriations of \$25,404 in the Department of Parks and Recreation, Services and Supplies, for trail easement acquisition in Blossom Valley, based on unanticipated revenue from the United States Forest Reserve. **(4 VOTES)**
25. Establish appropriations of \$48,700 in the Department of Parks and Recreation, Services and Supplies, for trail maintenance at Mt. Woodson, based on unanticipated revenue from the Department of Parks and Recreation Trust Fund. **(4 VOTES)**
26. Establish appropriations of \$584,655 in the Department of Parks and Recreation, Salaries and Benefits (\$35,000) and Services and Supplies (\$549,655), for Agua Caliente campground flood repairs based on available prior year Land Use and Environment Group fund balance. **(4 VOTES)**
27. Establish appropriations of \$410,694 in the Department of Public Works, Services and Supplies, for Montezuma Valley road repairs based on available prior year Land Use and Environment Group fund balance. **(4 VOTES)**
28. Establish appropriations of \$900,000 in the Department of Public Works General Fund, Services and Supplies, for consultant services to develop Water Quality Improvement Plans (WQIP) based on available prior year General Fund fund balance. **(4 VOTES)**
29. Establish appropriations of \$8,551 in the County Library, Salaries and Benefits for negotiated one-time salary and benefit payments based on available prior year Library

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

Fund fund balance. **(4 VOTES)**

30. Amend the Facilities Management Internal Service Fund (ISF) Spending Plan by establishing appropriations of \$1,849 in Salaries and Benefits for negotiated one-time salary and benefit payments based on available prior year Facilities Management ISF fund balance. **(4 VOTES)**
31. Establish appropriations of \$2,413,832 in the Registrar of Voters Department, Salaries and Benefits (\$870,000) and Services and Supplies (\$1,543,832) for the February 11, 2014 Special Consolidated Election based on unanticipated revenue from the City of San Diego and the City of Solana Beach. **(4 VOTES)**
32. Establish appropriations of \$15,000 in the Registrar of Voters Department, Fixed Assets, for the procurement of a cash register system based on election revenue. **(4 VOTES)**
33. Establish appropriations of \$4,111 in Salaries and Benefits for negotiated one-time salary and benefit payments based on available prior year General Fund fund balance, as follows: Assessor/Recorder/County Clerk (\$1,024) and Auditor and Controller (\$3,087). **(4 VOTES)**

**Fiscal Impact**

Funds for a portion of these requests are not included in the Fiscal Year 2013-14 Operational Plan. If approved, this action will establish additional appropriations of \$6,666,990 in the General Fund. Of this amount, \$126,470 is the appropriations for the negotiated one-time salary and benefit payments. The funding sources include General Fund prior year fund balance, Sheriff Civil Automation Trust Fund, Board of State and Community Corrections, 22<sup>nd</sup> District Agricultural Association, US Forest Reserve, Department of Parks and Recreation Trust Fund, and election revenue including the 2014 Special Consolidated Election.

In all other funds combined, these actions will cancel budgeted appropriations and the related funding sources in the amount of \$138,084 and will establish additional appropriations of \$1,381,095 resulting in a net increase in appropriations of \$1,243,011. The funding sources are fund balance available in: Sheriff's Inmate Welfare Fund, PSG, Department of Public Works Road Fund, Inactive Waste Fund, Airport Enterprise Fund, Facilities Management Internal Service Fund, County Library Fund and miscellaneous other sources.

**Business Impact Statement**

N/A

**Advisory Board Statement**

N/A

**Background**

For the General Fund, the second quarter projection of year-end fund balance from current year operations is \$203.7 million. This projected one-time resource is a combination of anticipated year-end General Purpose Revenue (GPR) above budget by \$50.5 million along with a net

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

positive variance of \$109.9 million from operations which includes one-time proceeds from the sale of the COC Annex and a positive variance of \$43.3 million in unspent contingency and management reserves. The projected \$50.5 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 \$31.9 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.

As shown in Schedule A, the General Fund year-end fund balance projection of \$203.7 million is based on the estimate that expenditures will be approximately \$226.7million less than the Fiscal Year 2013-14 Amended Budget and revenues will be a net \$23.0 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 when permitted.

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

- \$34.8 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 (HHSA) from lower than budgeted salaries and employee benefits costs due to staff turnover and department management of vacancies.
- \$83.6 million in net positive appropriation variance in Services and Supplies across the County, primarily in HHSA but also in PSG, LUEG, CSG and FGG.
  - In HHSA, projected positive variance of \$66.8 million in various contracted services in Administrative Support, Behavioral Health Services, County Child Welfare Services, Public 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 various other Services and Supplies.
  - In PSG, projected positive variance of \$8.0 million is due to savings in various contracted services and efforts to reduce overall costs in Department of Child Support Services, Office of Emergency Services, Probation and San Diego County Fire Authority; in Public Defender related to defense of special circumstances; in facilities management, information technology, minor equipment, and uniform allowance; and due to a project delay for the tree removal grant program.
  - In LUEG, positive variances are largely in the departments of Environmental Health related to delays in implementation of the Vector Habitat Remediation

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

Program, and Planning and Development Services due to careful management of expenditures to ensure costs do not exceed revenue.

- In CSG, positive variance is attributable largely to Housing and Community Development (HCD) due to savings in multi-year projects and various information technology costs.
- In FGG, projected positive variances are mainly in the Auditor and Controller and Human Resources due to lower than expected information technology expenditures and savings in employee benefit contract services as well as in the Chief Administrative Office resulting from savings in an external auditing contract.
- A net positive appropriation variance of \$65.3 million in other charges reflects net variances primarily in HHSA, Finance Other and in CSG. In HHSA, the positive variance of \$52.5 million is mainly the result of revised caseload levels in CalWORKs in Regional Operations; and savings in Child Welfare Services based on revised estimates of caseload levels and growth trends offset by negative variance in Behavioral Health Services resulting from increase in State Hospital costs. In PSG, a net positive variance of \$0.2 million is projected. This is comprised of positive variance in Contributions for Trial Courts (\$1.9 million) to recognize the level of expenditure required to support the revenue sharing requirements of Government Code 77205, related to Trial Court funding, and in Office of Emergency Services (\$1.2 million) due to spending delays. These savings are offset by \$2.9 million negative variance in the Sheriff's department due cost for medical support and care of persons in the detentions facilities. The positive variance in Finance Other is due to lower than budgeted tax and revenue anticipation note (TRAN) borrowing costs and various lease payment savings. In CSG, a positive variance is projected in HCD due to lower than anticipated expenditures on multi-year projects.
- \$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 under realized revenue of \$23.0 million includes negative variances totaling \$114.4 million and positive variances of \$91.4 million. The negative variance of \$114.4 million is largely in Intergovernmental Revenue (\$108.2 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 \$5.8 million; and in Miscellaneous Revenue of \$0.4 million. A positive revenue variance of \$ \$91.4 million is expected in the following categories: Other Financing Sources (\$58.2 million) mainly due to proceeds from the sale COC Annex; Taxes Current Property (\$16.3 million) and Taxes Other Than Current Secured (\$7.7 million) due to increase in assessed value; Charges For Current Services (\$5.0 million) due to increased reimbursements for Low Income Health Program cases; Licenses, Permits and Franchises (\$2.3 million) and Revenue From Use Of Money And Property (\$1.9 million).

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:

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

**Recommendation 1**

This request will establish appropriations of \$25,134 in Salaries and Benefits in various Public Safety Group departments to fund negotiated one-time salary and benefit payments based on available prior year General Fund fund balance (\$21,373) and available prior year Public Safety Group fund balance (\$3,761).

**Recommendation 2**

This request will establish appropriations of \$40,979 in the Sheriff's Department to purchase licenses for software which will enable the Civil Unit to interact with external public entities based on available revenue from the Sheriff's Civil Automation Trust Fund. Revenues received in the Sheriff's Civil Automation Trust Fund are based on assessments made pursuant to Government Code Section 26731 and are to be used to implement and maintain the civil automation system, auxiliary equipment and furnishings or other non-automated operational equipment and furnishings deemed necessary by the Sheriff's Civil Unit.

**Recommendation 3**

This request will establish appropriations of \$1,005,800 in the Sheriff's Inmate Welfare Fund for the replacement of antiquated equipment and information technology upgrades in classrooms in the jails, as approved on October 22, 2013 by the Inmate Welfare Committee. Funds in the amount of \$915,500 will replace an inkjet printer/cutter and a screen printing press for the print shop and 5 large capacity washers for central laundry. The existing equipment is more than ten years old and is either no longer repairable or increasingly more challenging to repair.

Additionally, appropriations of \$90,300 will fund hardware and software upgrades for classroom computers. The California Department of Education General Education Development (GED) testing will be computer-based beginning in 2014, and the current operating systems are not compatible with the GED testing website. This request will increase productivity and is consistent with industry standards, providing more relevant training to the inmates.

**Recommendation 4**

This request will establish appropriations of \$22,410 to purchase a mobile Force Options Simulator based on revenue from the Board of State and Community Corrections. This simulator will provide deputies with realistic, virtual scenarios to be used as part of the training process. This will enhance the Detentions Training Unit's (DTU's) ability to train deputies by taking the simulator to each facility.

**Recommendation 5**

The Sheriff's Department provided law enforcement services during 2013 events at the Del Mar Fairgrounds, including the Del Mar Thoroughbred Club races and the San Diego County Fair. The amount of overtime worked and reimbursements received exceeded the budgeted amounts. This request will establish appropriations of \$40,513 for overtime expenditures related to law enforcement services provided, based on revenue from the 22<sup>nd</sup> District Agricultural Association.

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

**Recommendation 6**

This request will cancel appropriations of \$25,734 in the County Service Area 107 Elfin Forest Fire Protection Fund as a technical adjustment to align the budget with anticipated actuals. Amounts budgeted in this account include service agreements associated with fire protection and emergency response.

**Recommendations 7 & 8**

These requests will transfer appropriations of \$30,305 from the Public Safety Group Executive Office, San Diego County Fire Authority to County Service Area 107, Elfin Forest Fire Protection Fund for the purchase of specialized equipment to support the Elfin Forest/Harmony Grove Volunteer Fire Department.

**Recommendation 9**

This request will establish appropriations of \$925,550 in the Sheriff's Department based on available prior year Public Safety Group fund balance. These funds will be used to support the mid-year start-up and implementation of law enforcement deputy costs associated with providing 24-hour coverage for the CAC Waterfront Park.

**Recommendations 10 & 11**

These requests will transfer appropriations of \$115,672 from the Sheriff's Department to the General Fund Contributions to Fleet ISF and amend the Department of General Services Fleet Services ISF to enable the purchase of vehicles for law enforcement deputies at the CAC Waterfront Park.

**Recommendation 12**

This request will establish appropriations of \$950,965 in the Sheriff's Department based on available prior year Public Safety Group fund balance. These funds will be used to support the mid-year implementation of the Pre-Arrestment Release program, Sheriff's Transfer, Assessment and Release (STAR) Unit. As outlined in the Public Safety Realignment Implementation Plan, employing evidenced-based practices in support of the recommendations for pre-arrestment release, the STAR Unit will recommend that certain offenders be released prior to case disposition per Penal Code section 1269c.

**Recommendation 13**

This request will establish appropriations of \$38,460 in Salaries and Benefits in the Health and Human Services Agency to fund negotiated one-time salary and benefit payments based on available prior year General Fund fund balance, and social services, health and mental health federal and State revenues.

**Recommendations 14–18**

These requests will establish appropriations of \$277,683 in Salaries and Benefits in various Land Use and Environment Group departments to fund negotiated one-time salary and benefit payments resulting from existing labor agreements.

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

**Recommendations 19 & 20**

On August 8, 2012 (7), the Board approved the establishment of appropriations in the amount of \$453,200 for Capital Project 1017325, Lakeside Equestrian Acquisition for the purchase of a 13.88 acre parcel from the Lakeside Unified School District for a future equestrian facility within the community of Lakeside. The acquisition is complete and these recommendations will cancel remaining appropriations of \$49,609.87 and related Operating Transfer from the General Fund in the Capital Outlay Fund in Capital Project 1017325, Lakeside Equestrian Acquisition and transfer these appropriations to the Department of Parks and Recreation to be used to perform site survey, geotechnical investigation and hydrology report for the proposed equestrian facility in Lakeside.

**Recommendations 21 & 22**

These recommendations will cancel appropriations of \$62,740 and related Operating Transfer from the General Fund in the Capital MSCP Fund and also transfer these appropriations to the Department of Parks and Recreation (DPR) for one time stewardship activities such as land protection, signage and access control to Oakoasis, Sycamore Canyon Goodan Ranch and Escondido Creek. These appropriations will be used to appropriately record non-capital expenses in the DPR pursuant to Administrative Manual policy 005-02-01, Control of Capital Assets and Minor Equipment.

**Recommendation 23**

On November 7, 2011, the DPR was awarded Coastal Impact Assistance Program (CIAP) grant funds in the amount of \$161,818. DPR's reimbursements requests for costs incurred related to the grant were delayed by the federal government and have now been received. This recommendation will establish appropriations of \$161,818 for major maintenance projects based on unanticipated revenue from the U.S. Fish and Wildlife Service.

**Recommendation 24**

On October 30, 2000, Public Law 106-33 entitled "Secure Rural Schools and Community Self-determination Act of 2000" provided rural counties funding for local schools and roads. The County received payments totaling \$100,588 between 2001 and 2007, which were deposited into the DPR Trust Fund until suitable projects and willing sellers could be identified. This recommendation will establish appropriations of \$25,404 in the DPR for Blossom Valley trails easement acquisition based on unanticipated revenue from the U.S. Forest Reserve.

**Recommendation 25**

Mt. Woodson Estates is a residential community located on the western edge of Ramona. Within the community there is a trail easement that the County is responsible for maintaining. The trail is in need of restoration, including erosion control, surface improvements, and vegetation management. This recommendation will establish appropriations of \$48,700 for the trail restoration based on unanticipated revenue from the DPR Trust Fund.

**Recommendation 26**

On August 21, 2013, a significant storm event caused extensive damage to the Agua Caliente County Park (Park). Flood waters undermined the Park's water tanks, septic system and

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

damaged electric switchboards and roads throughout the Park. In its wake, the runoff left approximately a thousand cubic yards of sediment throughout the Park that required extensive clean up. This recommendation will establish appropriations of \$584,655 in the DPR for immediate post-storm costs, and allow for the stabilization of areas around the water tanks to mitigate future flooding impacts to the Park, based on available prior year Land Use and Environment Group fund balance.

**Recommendation 27**

On August 21, 2013, a significant storm event caused extensive damage to Montezuma Valley Road west of Borrego Springs. Public Works road crews provided traffic control and extensive clean-up of sediment and debris caused by the storm runoff. Serious flood water damage to the slope surrounding the roadway was repaired through the use of contracted services. This recommendation will establish appropriations of \$410,694 in the Department of Public Works for immediate post-storm costs and for the stabilization of slope areas adjacent to Montezuma Valley Road, based on available prior year Land Use and Environment Group fund balance.

**Recommendation 28**

This recommendation establishes appropriations of \$900,000 for consultant services needed to assist the County in developing Water Quality Improvement Plans (WQIP) and associated activities to comply 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 WQIPs in the following watershed management areas: Los Peñasquitos, San Dieguito, Tijuana River, San Diego River, Carlsbad, San Diego Bay, and San Luis Rey, based on available prior year General Fund fund balance.

**Recommendation 29**

This recommendation will establish appropriations of \$8,551 in the County Library, Salaries and Benefits to fund negotiated one-time salary and benefit payments for existing labor agreements, based on available prior year Library Fund fund balance.

**Recommendation 30**

This recommendation establishes appropriations of \$1,849 in Salaries and Benefits in the Department of General Services Facilities Management ISF to fund negotiated one-time salary and benefit payments for existing labor agreements, based on available prior year fund balance.

**Recommendation 31**

This recommendation will establish appropriations of \$2,413,832 in the Registrar of Voters Department 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 run the February 11, 2014 Special Consolidated Election, based on unanticipated revenue from the City of San Diego and City of Solana Beach. Special elections are not included in the annual Operation Plan. There will be no net General Fund cost.

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

**Recommendation 32**

This recommendation will establish appropriations of \$15,000 in the Registrar of Voters Department to procure a cash register system that can accommodate the new operational requirements in their new facility.

**Recommendation 33**

This request will establish appropriations of \$4,111 in Salaries and Benefits in two Finance and General Government Departments (Assessor/Recorder/County Clerk and Auditor and Controller) to fund negotiated one-time salary and benefit payments based on available prior year General Fund fund balance.

**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 2014-2019 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)

Schedule A

Schedule B

Notes to Schedules A and B

**SUBJECT:** FISCAL YEAR 2013-14 SECOND 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:**

December 3, 2013 (31) Fiscal Year 2013-14 First Quarter Operational Plan Status Report and Budget Adjustments; 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):**

Tracy M. Sandoval, Deputy Chief  
Administrative Officer/Auditor & Controller  
\_\_\_\_\_  
Name  
(619) 531-5413  
\_\_\_\_\_  
Phone  
Tracy.Sandoval@sdcounty.ca.gov  
\_\_\_\_\_  
E-mail

Ebony N. Shelton, Director, Office of Financial  
Planning  
\_\_\_\_\_  
Name  
(619) 531-5175  
\_\_\_\_\_  
Phone  
Ebony.Shelton@sdcounty.ca.gov  
\_\_\_\_\_  
E-mail

**FY 2013-2014 2nd Quarter  
Projected Year-End Results**

(in thousands)

**COUNTY SUMMARY**

	<b>Expenditure Variance</b>	<b>Revenue Variance</b>	<b>2nd Quarter FY13-14 Projected Fund Balance</b>
	<b>Favorable/(Unfavorable)</b>		
<b>General Fund</b>			
Public Safety	\$ 24,788	\$ (13,449)	\$ 11,338
Health & Human Services Agency	147,711	(108,163)	39,548
Land Use & Environment	7,586	(1,797)	5,788
Community Services	13,864	(7,103)	6,761
Finance & General Government	5,643	82	5,725
<b>Total Agency/Group</b>	<b>199,591</b>	<b>(130,430)</b>	<b>69,161</b>
General Purpose Revenue	0	50,484	50,484
Finance Other	27,079	56,995	84,074
<b>Total General Fund</b>	<b>\$ 226,670</b>	<b>\$ (22,951)</b>	<b>\$ 203,719</b>
<b>Special Revenue Funds</b>			
Public Safety	\$ 5,522	\$ 8,661	\$ 14,184
Health & Human Services Agency	3,100	(3,100)	0
Land Use & Environment	2,975	2,034	5,009
Community Services	2,149	(368)	1,781
<b>Total Special Revenue Funds</b>	<b>\$ 13,746</b>	<b>\$ 7,227</b>	<b>\$ 20,974</b>
<b>Capital Program</b>			
Finance Other	\$ 0	\$ 0	\$ 0
<b>Internal Service Funds Departments</b>			
Public Safety Group	\$ (275)	\$ 275	\$ 0
Health & Human Services Agency	0	0	0
Land Use & Environment	0	244	244
Community Services	36,172	(32,411)	3,761
Finance & General Government	0	0	0
Finance Other	4,384	0	4,384
<b>Total Internal Service Funds</b>	<b>\$ 40,281</b>	<b>\$ (31,892)</b>	<b>\$ 8,389</b>
<b>Enterprise Fund Departments</b>			
Land Use & Environment	\$ 206	\$ 126	\$ 332
<b>Special District Funds Departments</b>			
Public Safety Group	\$ 82	\$ 0	\$ 82
Health & Human Services Agency	111	200	311
Land Use & Environment	2,006	(239)	1,767
<b>Total Special District Funds</b>	<b>\$ 2,198</b>	<b>\$ (39)</b>	<b>\$ 2,159</b>
<b>Other County Funds Departments</b>			
LUEG - Debt. Svc. Local Boards	\$ 0	\$ 0	\$ 0
Community Svcs. - Red./Redev. Successor Agency	5	0	5
Finance Other - Majestic Pines	0	0	0
<b>Total Other County Funds</b>	<b>\$ 5</b>	<b>\$ -</b>	<b>\$ 5</b>
Debt Service - Pension Obligation Bonds	\$ 5	\$ (5)	\$ 0
<b>Total County Projected Operating Balance</b>	<b>\$ 283,113</b>	<b>\$ (47,534)</b>	<b>\$ 235,579</b>

**FY 2013-2014 2nd Quarter  
Projected Year-End Results**

(in thousands)

**PUBLIC SAFETY GROUP**

Expenditure Variance	Revenue Variance	2nd Quarter FY13-14 Projected Fund Balance
Favorable/(Unfavorable)		

**General Fund Departments**

Child Support	\$ 3,275	\$ (2,485)	\$ 790
Contributions for Trial Courts	1,945	(4,219)	(2,274)
Defense Attorney Contract Admin.	0	0	0
District Attorney	5,227	0	5,227
Emergency Services	1,850	(1,601)	249
Law Enforcement Review Board	36	0	36
Medical Examiner	355	0	355
Probation	6,080	(4,035)	2,045
Public Defender	1,801	0	1,801
Public Safety Executive Office	659	2,100	2,759
San Diego County Fire Authority	3,001	(2,694)	307
Sheriff	558	(515)	43
<b>Total General Fund</b>	<b>\$ 24,788</b>	<b>\$ (13,449)</b>	<b>\$ 11,338</b>

**Special Revenue Funds Departments**

District Attorney (Asset Forfeiture - State & Federal)	\$ 0	\$ 0	\$ 0
Probation - Asset Forfeiture	1	29	30
Probation - Inmate Welfare Program	0	0	0
Sheriff - Asset Forfeiture	0	5	5
Sheriff - Inmate Welfare Program	123	655	778
Public Safety - Proposition 172	5,398	7,973	13,371
<b>Total Special Revenue Funds</b>	<b>\$ 5,522</b>	<b>\$ 8,661</b>	<b>\$ 14,184</b>

**Internal Service Funds Departments**

Probation	\$ 0	\$ 0	\$ 0
Sheriff(Jail Stores)	(275)	275	0
<b>Total Internal Service Funds</b>	<b>\$ (275)</b>	<b>\$ 275</b>	<b>\$ -</b>

**Special District Funds**

Sheriff (Regional 800 MHz)	\$ (0)	\$ 0	\$ 0
County Service Area	82	0	82
<b>Total Group Projected Fund Balance</b>	<b>\$ 30,117</b>	<b>\$ (4,513)</b>	<b>\$ 25,604</b>

**FY 2013-2014 2nd Quarter  
Projected Year-End Results**

(in thousands)

**HEALTH & HUMAN SERVICES AGENCY**

Expenditure Variance	Revenue Variance	2nd Quarter FY13-14 Projected Fund Balance
Favorable/(Unfavorable)		

**General Fund Programs**

Administrative Support	\$ 36,303	\$ (7,003)	\$ 29,300
Aging & Independence Services	19,047	(18,294)	753
Behavioral Health Services	26,230	(26,230)	0
Child Welfare Services	17,908	(15,992)	1,916
Public Administrator/Public Guardian	0	0	0
Public Health Services	2,034	(459)	1,574
Regional Operations	46,190	(40,185)	6,005
<b>Total General Fund</b>	<b>\$ 147,711</b>	<b>\$ (108,163)</b>	<b>\$ 39,548</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
---	------	------	------

**Special District Funds Departments**

Ambulance Districts	111	200	311
---------------------	-----	-----	-----

<b>Total Health &amp; Human Services Agency</b>	<b>\$ 150,922</b>	<b>\$ (111,063)</b>	<b>\$ 39,859</b>
---	-------------------	---------------------	------------------

**FY 2013-14 2nd Quarter  
Projected Year-End Results**

(in thousands)

**LAND USE & ENVIRONMENT GROUP**

Expenditure Variance	Revenue Variance	2nd Quarter FY13-14 Projected Fund Balance
Favorable/(Unfavorable)		

**General Fund Departments**

Agriculture, Weights & Measures	\$ 914	\$ (637)	\$ 276
Environmental Health	4,594	(1,443)	3,152
Land Use & Environment Group Exec Office	500	0	500
Parks & Recreation	73	(73)	0
Planning & Development Services	1,505	356	1,860
Public Works	0	0	0
<b>Total General Fund</b>	<b>\$ 7,586</b>	<b>\$ (1,797)</b>	<b>\$ 5,788</b>

**Special Revenue Funds Departments**

A,W & M (Grazing and Fish & Game Commission)	\$ 0	\$ 0	\$ 0
Parks & Recreation - PLDO	\$ 96	\$ 175	\$ 271
DPW - Aviation Funds	\$ 0	\$ 0	\$ 0
DPW - Road Funds	\$ 2,879	\$ 1,859	\$ 4,738
DPW - Inactive Waste	\$ 0	\$ (0)	\$ 0
<b>Total Special Revenue Funds</b>	<b>\$ 2,975</b>	<b>\$ 2,034</b>	<b>\$ 5,009</b>

**Internal Service Funds Departments**

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

**Enterprise Funds Departments**

Airport Enterprise Fund	\$ 103	\$ 158	\$ 261
Wastewater Management Enterprise Fund	\$ 103	\$ (32)	\$ 71
<b>Total Enterprise Funds:</b>	<b>\$ 206</b>	<b>\$ 126</b>	<b>\$ 332</b>

**Special District Funds Departments**

Air Pollution Control District	\$ 1,864	\$ (328)	\$ 1,537
Parks and Recreation	\$ 129	\$ (8)	\$ 120
Planning and Development Services - CSAs	\$ 0	\$ 0	\$ 0
DPW - SD County Sanitation District	\$ 6	\$ 51	\$ 57
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	\$ 6	\$ 46	\$ 52
<b>Total Special Districts Funds:</b>	<b>\$ 2,006</b>	<b>\$ (239)</b>	<b>\$ 1,767</b>

**Other County Funds Departments**

Debt Service-Local Boards	\$ 0	\$ 0	\$ 0
---------------------------	------	------	------

**Total Land Use & Environment Group**

<b>Total Land Use &amp; Environment Group</b>	<b>\$ 12,773</b>	<b>\$ 368</b>	<b>\$ 13,141</b>
---	------------------	---------------	------------------

**FY 2013-2014 2nd Quarter  
Projected Year-End Results**

(in thousands)

**COMMUNITY SERVICES GROUP**

Expenditure Variance	Revenue Variance	2nd Quarter FY13-14 Projected Fund Balance
Favorable/(Unfavorable)		

**General Fund Departments**

Animal Services	\$ 230	\$ (54)	\$ 176
Community Services Group Exec Office	\$ 3,250	\$ 0	\$ 3,250
General Services	\$ 0	\$ 0	\$ 0
Housing & Community Development	\$ 10,384	\$ (10,207)	\$ 177
Purchasing & Contracting	\$ 0	\$ 0	\$ 0
Library Services	\$ 0	\$ 0	\$ 0
Registrar of Voters	\$ 0	\$ 3,158	\$ 3,158
<b>Total General Fund</b>	<b>\$ 13,864</b>	<b>\$ (7,103)</b>	<b>\$ 6,761</b>

**Special Revenue Funds Departments**

Library Services	\$ 2,149	\$ (368)	\$ 1,781
<b>Total Special Revenue Funds</b>	<b>2,149</b>	<b>(368)</b>	<b>\$ 1,781</b>

**Internal Service Funds Departments**

Facilities Management	\$ 8,835	\$ (8,214)	\$ 621
Major Maintenance ISF	17,586	(17,881)	\$ (295)
Fleet Management	9,034	(6,760)	\$ 2,274
Purchasing & Contracting	717	444	\$ 1,161
<b>Total Internal Service Funds</b>	<b>36,172</b>	<b>(32,411)</b>	<b>\$ 3,761</b>

**Other County Funds Departments**

Red. Agency/Redevelopment Successor Agency	\$ 0	\$ 0	\$ 0
Housing & Community Development	5	\$	\$ 5
<b>Total Other County Funds Departments</b>	<b>5</b>	<b>0</b>	<b>\$ 5</b>

**Total Community Services Group**

<b>Total Community Services Group</b>	<b>\$ 52,190</b>	<b>\$ (39,882)</b>	<b>\$ 12,308</b>
---------------------------------------	------------------	--------------------	------------------

**FY 2013-2014 2nd Quarter  
Projected Year-End Results**

(in thousands)

**FINANCE & GENERAL GOVERNMENT  
GROUP**

Expenditure Variance	Revenue Variance	2nd Quarter FY13-14 Projected Fund Balance
Favorable/(Unfavorable)		

**General Fund Departments**

Assessor/Recorder/County Clerk	\$ 947	\$ 144	\$ 1,091
Auditor & Controller	1,745	(335)	1,410
Board of Supervisors	259	0	259
Chief Administrative Office	290	0	290
Civil Service Commission	84	0	84
Clerk of the Board of Supervisors	76	125	201
County Communications Office	163	2	165
County Counsel	83	227	310
County Technology Office	0	0	0
Finance & GG Exec Office	24	8	32
Grand Jury	85	0	85
Human Resources	1,441	(370)	1,070
Treasurer-Tax Collector	448	281	729
<b>Total General Fund</b>	<b>\$ 5,643</b>	<b>\$ 82</b>	<b>\$ 5,725</b>

**Internal Service Funds Departments**

CTO - Information Technology	\$ 0	\$ 0	\$ 0
------------------------------	------	------	------

**Total Finance & General  
Government Group**

<b>Total Finance &amp; General Government Group</b>	<b>\$ 5,643</b>	<b>\$ 82</b>	<b>\$ 5,725</b>
---	-----------------	--------------	-----------------

**FY 2013-2014 2nd Quarter  
Projected Year-End Results**

(in thousands)

**GENERAL PURPOSE REVENUE &  
FINANCE OTHER**

Expenditure Variance	Revenue Variance	2nd Quarter FY13-14 Projected Fund Balance
Favorable/(Unfavorable)		

**General Fund**

General Purpose Revenue:

All Current Property Taxes	\$ 0	\$ 16,290	\$ 16,290
All Other Taxes-Local	\$ 0	\$ 7,737	\$ 7,737
Licenses, Permits & Franchises	\$ 0	\$ (123)	\$ (123)
Fines, Forfeitures & Penalties	\$ 0	\$ (2,068)	\$ (2,068)
Revenue for Use of Money & Property	\$ 0	\$ 0	\$ 0
Intergovernmental Revenue	\$ 0	\$ 28,648	\$ 28,648
Charges for Current Services	\$ 0	\$ 0	\$ 0
Miscellaneous Revenue	\$ 0	\$ 0	\$ 0

**Total General Purpose Revenue**

<b>\$ 0</b>	<b>\$ 50,484</b>	<b>\$ 50,484</b>
-------------	------------------	------------------

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	\$ (216)	\$ 517
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)	\$ 57,211	\$ 57,211
Total Finance Other Expenses	\$ 27,079	\$ 56,995	\$ 84,074

**Total General Fund**

<b>\$ 27,079</b>	<b>\$ 107,479</b>	<b>\$ 134,558</b>
------------------	-------------------	-------------------

**Capital Program Funds**

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

**Internal Service Funds Departments**

Workers Compensation	\$ 0	\$ 0	\$ 0
Unemployment Insurance	0	0	0
Public Liability	4,384	0	4,384
<b>Total ISF Funds</b>	<b>\$ 4,384</b>	<b>\$ 0</b>	<b>\$ 4,384</b>

**Other County Funds Departments**

Majestic Pines	\$ 0	\$ 0	\$ 0
----------------	------	------	------

**Debt Service Funds Departments**

Pension Obligation Bonds	\$ 5	\$ (5)	\$ 0
--------------------------	------	--------	------

**Total General Purpose Revenue & Finance  
Other**

<b>\$ 31,469</b>	<b>\$ 107,473</b>	<b>\$ 138,942</b>
------------------	-------------------	-------------------

**FY 2013-2014 2nd Quarter  
Projected Year-End Results**  
(in thousands)

Category	Projected Management & Contingency Reserves	Projected Operating Balances	2nd Quarter FY13-14 Projected Fund Balance
	Favorable/(Unfavorable)		
<b>General Fund</b>			
Public Safety	\$ 0	\$ 11,338	\$ 11,338
Health and Human Services Agency	20,000	19,548	39,548
Land Use and Environment	0	5,788	5,788
Community Services	3,250	3,511	6,761
Finance & General Government	0	5,725	5,725
<b>Agency/Group Totals</b>	<b>\$ 23,250</b>	<b>\$ 45,911</b>	<b>\$ 69,161</b>
General Purpose Revenue	\$ 0	\$ 50,484	\$ 50,484
General County Expenses	0	64,074	64,074
Contingency Reserve	20,000	0	20,000
<b>Total Gen'l. Purpose Rev. &amp; Gen'l. County Exp.</b>	<b>\$ 20,000</b>	<b>\$ 114,558</b>	<b>\$ 134,558</b>
<b>Total General Fund</b>	<b>\$ 43,250</b>	<b>\$ 160,469</b>	<b>\$ 203,719</b>

**COUNTY OF SAN DIEGO  
NOTES TO SCHEDULES A and B  
Fiscal Year 2013-14 2nd 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 \$0.8 million is projected for the Department of Child Support Services.

A positive expenditure variance of \$3.3 million is projected due to \$2.5 million in Salaries and Benefits from vacant and modified positions and \$0.8 million in Services and Supplies primarily due to savings in contract costs.

A negative revenue variance of \$2.5 million is projected due to the expenditure variance noted above.

*Contributions for Trial Courts*

A negative variance of \$2.3 million is projected in Contributions for Trial Courts.

A positive expenditure variance of \$1.9 million is projected in Other Charges to recognize the level of expenditures required to support the revenue sharing requirements of Government Code 77205, related to Trial Court funding.

A negative revenue variance of \$4.2 million is projected. This is comprised of a negative variance of \$1.6 million in Fines, Forfeitures and Penalties due to \$0.9 million in cities arrests fines and \$0.7 million in traffic school penalties, and a negative variance of \$2.6 million in Charges for Current Services due to \$1.4 million in trial court fines and \$1.2 million in traffic school fees to recognize the anticipated levels of revenues to be received. Overall economic conditions continue to impact revenues received by the County to support the statutory payments from Contributions for Trial Courts. The Public Safety Group will continue to monitor, report on the current year impact and provide funds to mitigate the negative projection in the Third Quarter Operational Plan Status Report.

*District Attorney*

A net positive variance of \$5.2 million is projected for the District Attorney's Office.

A net positive expenditure variance of \$5.2 million is projected. This positive variance is primarily due to anticipated savings of \$6.4 million in Salaries and Benefits due to normal attrition, and vacant and modified positions. A negative expenditure variance of \$1.2 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.

*Medical Examiner*

A positive variance of \$0.4 million is projected for the Medical Examiner's Department due to savings in Salaries and Benefits from vacant positions.

*Office of Emergency Services*

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

A positive expenditure variance of \$1.9 million is projected. This is primarily due to a variance of \$1.6 million associated with Homeland Security Grant Program expenditures consisting of a positive variance of \$0.4 million in Services and Supplies due to efforts to reduce overall expenditures and \$1.2 million in Other Charges due to spending delays. An additional \$0.3 million in Salaries and Benefits is due to savings from vacant and modified positions.

A negative revenue variance of \$1.6 million in Intergovernmental Revenues is projected due to the Homeland Security Grant Program expenditures noted above.

*Probation*

A positive variance of \$2.0 million is projected for the Probation Department.

A positive expenditure variance of \$6.1 million is projected. This is comprised of anticipated savings of \$3.3 million in Salaries and Benefits due to vacant positions and reductions related to the Youthful Offender Block Grant Program. A positive expenditure variance of \$2.4 million is projected in Services and Supplies primarily due

to underspending in Assembly Bill 109 contracted housing services and efforts to reduce overall expenditures. A positive expenditure variance of \$0.4 million is projected in Expenditures Transfers and Reimbursements due to increased costs that are offset by related program revenue.

A negative revenue variance of \$4.0 million is projected. This is comprised of under-realized revenue of \$2.0 million due to projected underspending in Assembly Bill 109 contracted housing services, \$1.8 million in the Youthful Offender Block Grant Program due to a decrease in the State revenue allocation, and \$1.4 million associated with the cost of supervision. These negative variances are partially offset by over-realized revenue of \$0.8 million in Juvenile Probation and Camps Funding due to projected expenditure increases and \$0.4 million in work crew revenues. The Department of Health & Human Services, Administration for Children & Families conducted a review on two counties in November 2013 and recommended that Probation Departments cease claiming Title IV-E funds beginning October 1, 2013 until further notice. This may result in under realized revenue of \$2.5 million per quarter for Fiscal Year 2013-14. The Probation Department will continue to monitor and report on the current year impact in the Third Quarter Operational Plan Status Report.

#### *Public Defender*

A positive variance of \$1.8 million is projected for the Public Defender.

A positive expenditure variance of \$1.8 million is projected. This is comprised of anticipated savings of \$1.2 million in Salaries and Benefits due to vacant and modified positions and \$0.6 million in Services and Supplies associated with the defense of special circumstances cases which are projected to remain unspent.

No revenue variance is projected.

#### *Public Safety Group Executive Office*

A net positive variance of \$2.8 million is projected for the Public Safety Group Executive Office.

A positive expenditure variance of \$0.7 million is projected. This positive variance is primarily due to savings of \$0.1 million in Salaries and Benefits and \$0.5 million in Services and Supplies associated with facilities management and information technology cost savings.

A positive revenue variance of \$2.1 million 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 since these properties transferred to the State in December 2013.

#### *San Diego County Fire Authority*

A positive variance of \$0.3 million is projected for the San Diego County Fire Authority.

A positive expenditure variance of \$3.0 million is projected. This positive variance is due to anticipated savings of \$0.2 million in Salaries and Benefits due to vacant positions

and \$2.8 million in Services and Supplies primarily due to a project delay for the tree removal grant program, as well as minor savings in contracted services.

A negative revenue variance of \$2.7 million in Intergovernmental Revenues is projected primarily due to delayed expenditures related to tree removal grant activities noted above.

#### *Sheriff*

A net zero variance is projected for the Sheriff's Department.

A positive expenditure variance of \$0.5 million is projected. Salaries and Benefits are projected to be \$2.9 million under budget due to vacant positions. A positive expenditure variance of \$0.5 million is projected in Services and Supplies primarily due to Uniform Allowance savings due to vacant positions and minor equipment. Other Charges is projected to be \$2.9 million over budget due to the cost of medical support & care of persons in the detentions facilities.

A net negative revenue variance of \$0.5 million is projected primarily due the Warrant Automation project being pushed back to Fiscal Year 2014-15 and reduced State Criminal Alien Assistance Program (SCAAP) revenue from the State.

### **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 present economic conditions supporting a continued positive outlook for sales tax revenue receipts.

### **Internal Service Funds**

#### *Sheriff's Jail Stores*

No net variance is projected for the Jail Store Commissary Fund. A negative expenditure variance is projected in Services and Supplies to purchase items for resale

at the commissary. This is offset by a positive revenue variance of \$0.3 million based on an increase in commissary sales to inmates.

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

### **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 \$29.3 million is projected for Administrative Support.

The positive expenditure variance of \$36.3 million includes \$2.7 million in Salaries and Benefits due to vacant positions, \$13.6 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 \$7.0 million includes an increase of \$0.6 million in administrative revenue, primarily associated with the receipt of prior year realignment, and \$1.1 million in the sale of fixed assets offset by \$8.0 million of unsecuritized tobacco settlement revenue that is not projected to be recognized, and projected decreases of \$0.4 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 net positive variance of \$0.7 million is projected for Aging & Independence Services (AIS).

The positive expenditure variance of \$19.0 million includes savings of \$19.8 million in Services and Supplies and \$0.2 million in Operating Transfers Out. The \$19.8 million savings in Services and Supplies is primarily due to revised estimates of growth trends in In-Home Supportive Services (IHSS) Individual Provider costs and Community Based Care Transitions Program (CCTP). The \$0.2 million in savings in Operating Transfers Out is related to less than anticipated salary and benefit costs for IHSS-Public Authority. These savings are offset by \$1.0 million over expenditure in Salaries and Benefits in In-Home Supportive Services (IHSS).

The negative revenue variance of \$18.3 million is mainly associated with lower projected expenditures in IHSS and CCTP as discussed above.

### *Behavioral Health Services*

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

A zero variance is projected for Behavioral Health Services.

The positive expenditure variance of \$26.2 million includes savings of \$3.9 million in Salaries and Benefits throughout Behavioral Health Services due to vacant positions and \$22.4 million in Services and Supplies offset by a 0.1 million negative variance in Other Charges due to increase in State Hospital costs. The \$22.4 million of savings in Services and Supplies includes \$8.5 million in un-awarded Mental Health Services Act (MHSA) contracts, \$3.5 million savings in Alcohol and Drug Services contracts for Substance Abuse Prevention and Treatment (SAPT), \$2.0 million in Short Term Acute Residential Treatment Program, \$5.6 million savings in various other contracted services, and \$2.8 million savings in various other Services and Supplies.

The negative revenue variance of \$26.2 million is primarily associated with savings in MHSA and SAPT contracts.

### *County Child Welfare Services*

A positive variance of \$1.9 million is projected for County Child Welfare Services.

The positive expenditure variance of \$17.9 million includes savings of \$1.6 million in Salaries and Benefits due to attrition and vacant positions and \$17.6 million in Other Charges due to revised estimates of caseload levels and growth trends. The savings are offset by a \$1.3 million negative variance in Services and Supplies primarily associated with contract costs and transportation costs for clients and staff.

The negative revenue variance of \$16.0 million in under realized revenues is associated with attrition, staff vacancies, and expenditure savings due to revised caseload projections in assistance payments.

### *Public Health Services*

A positive variance of \$1.6 million is projected for Public Health Services.

The positive expenditure variance of \$2.0 million includes savings of \$0.8 million in Salaries and Benefits due to vacant positions, \$1.1 million in Services and Supplies primarily for various contracted services and \$0.1 million in fixed assets equipment. The \$1.1 million savings in Services and Supplies is primarily in the Office of AIDS Coordination due to sequestration reductions.

The negative revenue variance of \$0.4 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 \$6.0 million is projected for Regional Operations.

The positive expenditure variance of \$46.2 million includes savings of \$0.1 million in Salaries and Benefits, \$11.1 million in Services and Supplies, and \$35.0 million savings in Other Charges that is mainly the result of revised caseload levels in CalWORKs. The \$11.1 million savings in Services and Supplies is comprised of \$11.2 million savings in Eligibility Operations in eligibility program contracts, \$4.2 million savings in various non-contract Services and Supplies. These savings were offset by \$4.3 million in increased expenses in the Low Income Health Program (LIHP).

The negative revenue variance of \$40.2 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.

### **Special Districts Funds**

#### *Ambulance Districts*

A positive variance of \$0.3 million is projected for the ambulance district. This is the result of a \$0.1 million expenditure savings in contracts and \$0.2 million increase in ambulance transport revenue.

## **LAND USE AND ENVIRONMENT GROUP**

### **General Fund**

#### *Land Use and Environment Group Executive Office*

A positive variance of \$0.5 million is projected for the Land Use Executive Office.

A positive expenditure variance of \$0.5 million is projected. A savings of \$0.4 million is projected in Salaries and Benefits, mainly due to vacancies. Savings of \$0.1 million in Services and Supplies is due to projected savings in Professional & Specialized Services related to various contracts.

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

A positive variance of \$0.3 million is projected for the Department of Agriculture, Weights and Measures.

A \$0.9 million positive expenditure variance is projected. Savings of \$1.2 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 \$0.3 million in Services and Supplies primarily due to projected Business Case Management System report development costs exceeding the budgeted amount.

A \$0.6 million negative revenue variance is projected. This variance is due to a reduction of \$0.3 million in Pest Detection Asian Citrus Psyllid and Sudden Oak Death contract revenue, \$0.4 million in AWQ due to implementation of the new MS4 water permit (stormwater) not impacting AWM's workload yet, \$0.2 million in Miscellaneous Licenses and Permits coming in lower than budget, and \$0.1 million that is reflected above as an abatement of expenditures for services provided to other County departments. These reductions are offset by \$0.2 million over-realization of Unclaimed Gas Tax subvention, \$0.1 million in Petroleum and Weighmaster contracts, and \$0.1 million in Light Brown Apple Moth contracts.

#### *Environmental Health*

A positive variance of \$3.2 million is projected for the Department of Environmental Health.

A positive expenditure variance of \$4.6 million is projected. A net savings of \$1.4 million in Salaries and Benefits is related to vacancies, under-filling positions. A savings of \$3.0 million in Services and Supplies is related to delays in implementation of the Vector Habitat Remediation Program, and a saving of \$0.2 million in Cost Applied.

A negative revenue variance of \$1.4 million is projected. This variance consists of a shortfall of \$3.0 million from the Vector Control Trust Fund associated with the delays in the Vector Habitat Remediation Program and savings of \$0.5 million associated with Vector Control Salary and Benefits and Services and Supplies. Revenue is only drawn from the Vector Trust Fund for actual costs incurred. These are offset by over-realized revenue of \$1.1 million in Food and Housing Permit fees, \$0.5 million in Hazardous Materials Permit fees, \$0.3 million in Septic Tank Construction and \$0.2 million spread over various permit accounts. Over-realized permit revenue includes the cost of external overheads which are not part of budgeted revenue.

#### *Department of Parks and Recreation*

There is no overall projected variance for the Department of Parks and Recreation.

A positive expenditure variance of \$0.1 million is projected. Savings of \$0.9 million in Salaries and Benefits is due to vacant and under filled positions. This is offset by a negative variance of \$0.8 million in Services and Supplies due to additional major maintenance expenditures.

A negative revenue variance of \$0.1 million is projected spread among various revenue accounts.

### *Planning and Development Services*

A positive variance of \$1.9 million is projected for Planning and Development Services.

A positive expenditure variance of \$1.5 million is projected. Savings of \$1.0 million is projected in Salaries and Benefits, mainly due to vacancies. Savings of \$0.5 million in Services and Supplies are due to closely monitoring spending activities to ensure costs do not exceed revenue.

A positive revenue variance of \$0.4 million is projected related to \$0.6 million in over-realized revenue from building permit fees offset by \$0.2 million in under-realized revenue in code compliance fines and developer deposit charges in Current Services.

### **Special Revenue Funds**

#### *Road Fund*

A \$4.7 million variance is projected for the Road Fund.

A positive expenditure variance of \$2.9 million is projected. Projected savings of \$1.5 million in Salaries and Benefits is due to under-filling of positions and partial year vacancies. Projected savings of \$1.4 million in Services and Supplies is projected due to a reduced need for construction consultant services for projects in the Detailed Work Program.

A positive revenue variance of \$1.9 million is projected. Over-realized revenue of \$3.6 million is projected in Intergovernmental Revenue due to \$4.0 million in unanticipated Highway Users Tax Account revenue; this increase is offset by under-realized revenue of \$0.4 million in various federal and state revenue accounts due to completed projects in the Detailed Work Program. Under-realized revenue of \$0.8 million in Taxes Other Than Current (TransNet) is due to schedule revisions in the Detailed Work Program. Under-realized revenue of \$1.3 million in Charges For Current Services is primarily due to swap of gas tax for Transportation Impact Fee revenue funded improvement projects. Over-realized miscellaneous revenue of \$0.4 million is primarily due to unanticipated revenue from SDG&E for underground wiring at ECO Substation.

### **Enterprise Funds**

#### *Air Pollution Control District*

A positive variance of \$1.5 million is projected for the Air Pollution Control District (APCD).

A positive expenditure variance of \$1.8 million is projected. Salaries and benefits savings of \$1.2 million is projected due to staff turnovers, vacancies and underfilled positions. The Operating Transfer Out savings of \$0.6 million is in the Air Quality Improvement Fund and is related to the funding no longer required for Salaries and Benefits due to underfilled and vacant positions.

A negative revenue variance of \$0.3 million is projected. A negative variance of \$.6 million under Operating Transfer In is due to Salaries and Benefits savings as described above. This is partially offset by a positive variance of \$0.3 million in permit renewal fees due to better 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*

A positive variance of \$0.2 million is projected for the Housing and Community Development (HCD) Department. The department is composed of two major activities, Housing and Community Development, which contains staff and operations, and Housing and Community Development Multi-Year Projects, which are funded through inter-governmental (mainly federal) loans and grants for community development and affordable housing projects.

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

A positive variance of \$0.2 million is projected for Housing and Community Development.

A positive expenditure variance of \$1.1 million includes anticipated savings of \$0.4 million in Salaries and Benefits and \$0.7 million in Services and Supplies. The projected savings in Salaries and Benefits is due to vacancies from employee turnover and positions held vacant to mitigate federal grant funding fluctuations, partially offset by negotiated one-time and ongoing salary and benefit increases. The projected positive variance in Services and Supplies is due to the postponement of a communication equipment upgrade project (\$0.1 million), under-spending in annual IT application upgrade projects anticipated to be completed next year (\$0.2 million), savings in ongoing IT costs (\$0.1 million), under spending in one-time special departmental expense (\$0.1 million), and savings in various operating accounts as a result of managing discretionary expenses (\$0.2 million). Costs for IT application upgrade projects and one-time special departmental expense will be re-budgeted next fiscal year.

A negative revenue variance of \$0.9 million is projected and is related 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 (D7263)*

No variance is projected for HCD Multi-Year Projects. The positive expenditure variance of \$9.3 million is offset by a projected negative revenue variance of \$9.3 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 \$3.2 million is projected for the Registrar of Voters. .

A positive revenue variance of \$3.2 million is projected due to over-realized revenue from the November 19, 2013 City of San Diego Municipal Special and the February 11, 2014 Special Consolidated elections.

## **Special Revenue Funds**

### *San Diego County Library*

A positive variance of \$1.8 million is projected for the San Diego County Library.

A positive expenditure variance of \$2.1 million is projected. This variance is a result of projected savings of \$1.0 million in Salaries and Benefits from anticipated vacated positions, \$0.1 million in Services and Supplies due to savings in utilities based on year-to-date expenses, and \$1.0 million in management reserves which are appropriated for operating contingencies.

A negative revenue variance of \$0.3 million is projected. This variance is due to an anticipated shortfall of \$0.3 million in interest, public printing and other library services. The shortfall will be mitigated through decreases in expenditures in Services and Supplies and savings in Salaries and Benefits.

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

### *Facilities Management ISF*

A positive variance of \$0.6 million is projected for the Facilities Management ISF.

A positive variance of \$8.8 million in expenses is projected. The positive variance of \$1.3 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 \$7.5 million is primarily due to \$4.5 million in contracted costs as security, custodial, and trash service agreements were renegotiated for lower-than-anticipated amounts; \$1.5 million in utility charges due to energy-efficiency upgrades and lower-than-anticipated utility rates; \$1.2 million in project management costs; and \$0.3 million in mail services.

A negative revenue variance of \$8.2 million is projected. This variance consists of under-realized revenue of \$6.8 million for charges for current services is 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 \$1.0 million in Operating Transfers to reimburse for services provided to the Major Maintenance Internal Service Fund, 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, and \$0.1 million shortfall in Miscellaneous Revenues.

#### *Major Maintenance ISF*

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

A positive variance of \$17.6 million in expenses is projected. Savings of \$16.2 million in Services and Supplies and \$1.4 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 \$17.9 million. Excess revenue adjustments of \$0.3 million in charges for services were carried forward from the prior fiscal year; as a technical correction, a proposed budget adjustment will cancel the excess revenue.

#### *Fleet Management ISF*

A positive variance of \$2.3 million is projected for the Fleet Management ISF.

A positive variance of \$9.0 million in expenses is projected. A positive variance of \$1.0 million in Services and Supplies is due to lower utility charges and less than anticipated vehicle part and repair purchases; \$0.7 million savings in Other Charges is due to decreased depreciation costs; savings of \$7.2 million in Capital Assets is due to less than anticipated purchases for replacement vehicles and equipment; and \$0.1 million in savings from unspent contingency reserves.

A negative revenue variance of \$6.8 million is projected. A negative variance of \$6.9 million in Charges For Current Services is due to under-realized revenue for reimbursement of replacement vehicles, parts and repairs, and \$0.1 million for under-realized interest revenue 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 \$1.1 million is projected for the Purchasing and Contracting ISF.

A positive expenditure variance of \$0.6 million is a result of savings in Salaries and Benefits attributed to managed vacancies.

A positive revenue variance of \$0.5 million is based on a combination of over-realized Purchasing ISF and rebate revenue. The Department is projecting over-realizing Purchasing ISF revenue due to increased demand in Purchasing services.

## **FINANCE AND GENERAL GOVERNMENT GROUP**

### **General Fund**

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

A net positive variance of \$1.0 million is projected for the Assessor/Recorder/County Clerk.

A positive expenditure variance of \$0.9 million is projected in Salaries and Benefits due to attrition and departmental vacancies.

A net positive revenue variance of \$0.1 million is projected. Positive variances are projected primarily 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 (\$0.8 million), marriage ceremony and license fees (\$0.5 million), and duplicating & filing fees (\$0.3 million). These positive variances are partially offset by a negative variance of \$1.5 million in recording revenue.

#### *Auditor and Controller*

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

A positive expenditure variance of \$1.7 million includes savings of \$1.1 million in Salaries and Benefits due to staff vacancies and underfilled positions, and savings of \$0.6 million in Services and Supplies primarily due to lower than anticipated information technology expenditures.

A negative revenue variance of \$0.3 million is projected in Office of Revenue and Recovery collections due to the impact of new rulings associated with the Telephone Consumer Protection Act, which limits the use of automated dialer technology.

#### *Chief Administrative Office*

A positive expenditure variance of \$0.3 million is projected for the Chief Administrative Office. Salaries and Benefits savings of \$0.2 million are projected due to staff vacancies. Savings of \$0.1 million in Services and Supplies are primarily due to anticipated savings associated with the outside auditing contract.

#### *County Counsel*

A positive variance of \$0.3 million is projected for the Office of County Counsel.

A net positive expenditure variance of \$0.1 million is projected, including savings of \$0.2 million in Salaries and Benefits primarily due to unanticipated attrition and vacancies. A negative variance of \$0.1 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 \$0.2 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 net positive variance of \$1.0 million is projected for the Department of Human Resources.

A positive expenditure variance of \$1.4 million is projected, including \$0.6 million in Salaries and Benefits primarily due to staff turnover and vacant positions, and \$0.8 million in Services and Supplies due primarily to savings in information technology application costs and employee benefit contract services costs.

A negative revenue variance of \$0.4 million is projected due to lower than anticipated services charged to internal service funds.

#### *Treasurer-Tax Collector*

A positive variance of \$0.7 million is projected for the Treasurer-Tax Collector.

A positive expenditure variance of \$0.4 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 \$4.4 million is projected for the Public Liability ISF, due primarily to delays in several high value cases that were previously expected to reach conclusion in Fiscal Year 2013-14.

## GENERAL PURPOSE REVENUE & COUNTYWIDE EXPENSES

A positive variance of \$39.8 million is projected in General Purpose Revenue (GPR) and \$77.8 million is projected in General County Expenses.

### General Purpose Revenue

San Diego's economic recovery continues since 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 January 2013 to December 2013 was 7.4%, with a December 2013 rate of 6.4%. This compares to a State of California average unemployment rate of 8.8% for the same 12 month period, with a December 2013 rate of 7.9%.
- Unadjusted local point of sale tax revenue increased by 5.4% for the March through September 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 5.1%, in the southern California region by 5.5% and at the San Diego regional level by 4.1%. The overall increase is a sign of continuing economic recovery.
- There are positive signals in the housing market in the County:
  - Increase in median housing prices (up 14.8% in the San Diego region for December 2013 compared to December 2012);
  - Increase in the number of homes sold in January through December 2013 compared to January through December 2012 (San Diego region up 5.1%);
  - Improvement in Notices of Default (54.0% fewer for January through December 2013 compared to the same time period for 2012);
  - Improvement in foreclosure activity (the number of foreclosures has decreased 55.0% in January through December 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 \$16.3 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 \$7.7 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 have not improved and 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 \$2.1 million is projected. Penalties and Cost Delinquency Taxes are projected to be approximately \$1.0 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 \$17.9 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.

*Countywide General Expense:*

A positive variance of \$57.2 million is projected resulting from the sale of County Operations Center Annex building.



# San Diego County Sanitation District

## GOVERNING BODY

GREG COX  
First District

DIANNE JACOB  
Second District

DAVE ROBERTS  
Third District

RON ROBERTS  
Fourth District

BILL HORN  
Fifth District

## AGENDA ITEM

**DATE:** February 25, 2014

# SA01

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

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

### Overview

This report requests an increase in the Committed to Replacement - Lakeside and the Committed to Replacement - Wintergardens accounts in the San Diego County Sanitation District.

### Recommendation(s)

#### CHIEF ADMINISTRATIVE OFFICER

Authorize the Auditor and Controller to increase the Committed to Replacement - Lakeside (\$3,820,746) and increase the Committed to Replacement - Wintergardens (\$1,204,156) accounts in the San Diego County Sanitation District, based on available prior year fund balance. **(4 VOTES)**

### Fiscal Impact

Funds for this request are not budgeted in the San Diego County Sanitation District. If approved, this request will increase the Committed to Replacement - Lakeside (\$3,820,746) and the Committed to Replacement - Wintergardens (\$1,204,156) accounts within the San Diego County Sanitation District for a total increase of \$5,024,902, based on available prior year fund balance. There will be no change in net General Fund costs and no additional staff years.

### Business Impact Statement

N/A

### Advisory Board Statement

N/A

### Background

This recommendation authorizes the Auditor & Controller to increase the Committed to Replacement - Lakeside fund balance account by \$3,820,746 and the Committed to Replacement - Wintergardens fund balance account by \$1,204,156 in the San Diego County Sanitation District, the successor district, based on available fund balance. The adjustment is based on the audited fund balance and capital improvement budgets of the Lakeside Sanitation District and the Wintergardens Sewer Maintenance District and will fully fund the committed capital

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

replacement accounts created during the consolidation of sanitation districts in Fiscal Year 2011-12. These amounts are restricted for use within the Lakeside and Wintergardens service area respectively.

**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 2014-2019 Strategic Plan by fully committing to use resources to meet the highest priority needs of residents.

Respectfully submitted,



HELEN N. ROBBINS-MEYER  
Chief Administrative Officer

**ATTACHMENT(S)**

None.

**SUBJECT:** FISCAL YEAR 2013-14 SECOND 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:**  
N/A

**BOARD POLICIES APPLICABLE:**  
N/A

**BOARD POLICY STATEMENTS:**  
N/A

**MANDATORY COMPLIANCE:**  
N/A

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

**ORIGINATING DEPARTMENT:** Finance & General Government Group

**OTHER CONCURRENCES(S):** N/A

**CONTACT PERSON(S):**

Tracy M. Sandoval, Deputy Chief  
Administrative Officer/Auditor & Controller  
\_\_\_\_\_  
Name  
(619) 531-5413  
\_\_\_\_\_  
Phone  
Tracy.Sandoval@sdcounty.ca.gov  
\_\_\_\_\_  
E-mail

Ebony N. Shelton, Director, Office of Financial  
Planning  
\_\_\_\_\_  
Name  
(619) 531-5175  
\_\_\_\_\_  
Phone  
Ebony.Shelton@sdcounty.ca.gov  
\_\_\_\_\_  
E-mail