

## **Finance-Other**

Finance-Other

.....  
**Finance-Other Summary**  
.....

# Finance-Other



## Description

This group of programs includes miscellaneous funds and programs that are predominately Countywide in nature, have no staffing associated with them, or exist for proper budgetary accounting purposes. Responsibility for these funds and programs rests primarily with departments in the Finance and General Government Group.

The following provides a brief description of the purpose of these organizational units along with supporting and explanatory information:

### Cash Borrowing

These appropriations fund the cost of financing the County's short-term cash borrowing program. In Fiscal Year 2002–03, the estimate reflects total borrowing needs of \$150 million for Tax and Revenue Anticipation Notes (TRANS) at an interest rate of approximately 4%. The estimated cost of the TRANS borrowing is \$5–\$7 million. Additionally, these appropriations include approximately \$2 million for an estimated \$60 million Teeter Borrowing Program.

### Community Enhancement

Community Enhancement funds are appropriated to fund cultural activities, museums, visitor and convention bureaus, economic development councils, and other similar institutions which promote and generate tourism and/or economic development at the regional and community levels throughout San Diego County. The amount of funding proposed by the CAO for Community Enhancement approximately equals the amount of Transient Occupancy Tax (TOT) revenues estimated to be collected each year. Applications for funding are submitted to the Board of Supervisors by March 1 preceding the new fiscal year, with approval of projects given through the budget adoption process.

### Community Projects

The Community Projects program provides funds to community organizations for furtherance of public purposes at the regional and community levels throughout San Diego County. The funding source is fund balance and the proposed appropriation is consistent with amounts available for this program in prior years. Future funding will be contingent on the availability of fund balance. Recommendations for project funding are made throughout the year by individual Board members subject to approval by the Board as a whole.

### Contributions to the County Library System

These General Fund appropriations are provided based on Board of Supervisors' policy to augment the County Library Fund.

### Contingency Reserve—General Fund

A Contingency Reserve appropriation of \$11.0 million is proposed for Fiscal Years 2002–03 and 2003–04. These appropriations are a source of funding for unanticipated needs or events that may occur during the fiscal year. Examples of potential needs include emergency repairs, projects, or Countywide appropriation and revenue shortfalls.

### Contributions to Capital Outlay

These appropriations represent the General Fund cost for the Capital Program. The bulk of the cost is for debt service payments on completed projects. No new projects are



proposed for funding from the General Fund, although the annual contribution of \$2.8 million for land acquisition for the Multiple Species Conservation Program is included in the proposed amounts for both FY 2002-03 and 2003-04. The decrease in appropriations from Fiscal Year 2001-02 to Fiscal Year 2002-03 is due to one-time funds being set aside in Fiscal Year 2001-02 for extinguishing debt. See the Capital Program section for a listing of projects and related funding sources.

**Countywide General Expenses**

The primary objective of these appropriations is to fund Countywide projects and other Countywide needs. The major components of the Countywide General Expenses are:

- Payment on Enterprise Resource Planning System Bonds.
- Reserve for periods of recession and economic slowdown.
- Contribution to the Information Technology (IT) Internal Service Fund to support the transformation services component of the IT outsourcing contract.
- Countywide General Reserve enhancement.
- Property Tax System replacement fund enhancement.

**Employee Benefits Internal Service Fund (ISF)**

In Fiscal Year 1994–1995, the County established an Employee Benefits Internal Service Fund (ISF) to report all of its uninsured employee-risk management activities. This fund accounts for claim payments and administrative costs of the County’s self-insured Workers’ Compensation program, Unemployment, and Medical and Dental benefit reserves.

The rates for Workers' Compensation are based 70% on the last five years' actual loss experience and 30% based on California Insurance Rating Bureau (CIRB) rates. A reserve

requirement for Workers' Compensation was established by an actuarial study and will be funded over a multi-year period as part of the rate structure. During Fiscal Year 2001-02 a new actuarial study revised the reserve requirement from \$47.5 million to \$72 million. The County currently has \$28.0 million in the Workers' Compensation reserve. The Proposed Operational Plan includes \$4 million in each year for augmenting the reserve. The County plans to add \$4 million each year thereafter until the total reserve requirement is met.

Unemployment rates are determined based on historical costs and apportioned based on departmental staff hours.

The medical and dental reserve requirements rates are determined by Aetna Life and Health Plans and Standard Insurance Company of Oregon, respectively, which act as paying agents for the County. The Medical and Dental reserves are held as required of a self-insured program.

**Local Agency Formation Commission Administration**

These appropriations are allocated to the San Diego Local Agency Formation Commission (LAFCo) in accordance with provisions in State Law (Government Code Section 56381). LAFCo is an independent government agency with countywide authority. LAFCo performs studies and renders jurisdictional decisions affecting the boundaries and government structure of cities and special districts. Through Fiscal Year 2000–01, LAFCo was funded exclusively by the County and user fees. Beginning with Fiscal Year 2001–02, funding for LAFCo is shared by the County, the 18 cities, and 65 independent special districts in San Diego County.

**Public Liability Insurance Internal Service Fund (ISF)**

In Fiscal Year 1994–1995, the County established the Public Liability Insurance Internal Service Fund (ISF) to report all of its uninsured public-risk management activities.



The County is self-insured through this ISF for premise liability at medical facilities, medical malpractice, errors and omissions, false arrest, forgery, and general liability.

The cost of insurance to General Fund departments, other funds, and special districts is distributed based on a weighted risk factor: 90% allocated based on the last five years loss experience, and 10% based on staff hours of exposure.

A reserve requirement was established through an actuarial study during Fiscal Year 2000–01, that set the reserve amount target at \$18.1 million. The current reserve is prudently \$19.5 million.

### Pension Obligation Bonds

The County is obligated to make annual payments to the Retirement Association for County employees and to fund accrued actuarial liabilities. On February 15, 1994 the County issued \$430.4 million of taxable bonds to satisfy this obligation. As of June 2002 bonds in the amount of \$285.9 million will be outstanding. These appropriations support bond principal and interest payments as well as administrative expenses.

### Expenditures

	Fiscal Year 2001-2002 Adopted Budget	Fiscal Year 2002-2003 Proposed Budget	% Change	Fiscal Year 2003-2004 Proposed Budget	% Change
Cash Borrowing Program	\$ 7,625,000	\$ 7,625,000	0.00	\$ 7,625,000	0.00
Community Enhancement	3,330,000	3,330,000	0.00	3,330,000	0.00
Community Projects & Services	9,870,000	10,000,000	1.32	10,000,000	0.00
Contribution to County Library	2,400,000	2,400,000	0.00	2,400,000	0.00
Contingency Reserve General Fund	11,000,000	11,000,000	0.00	11,000,000	0.00
Contributions to Capital Outlay Fund	79,680,352	59,316,475	(25.56)	57,516,967	(3.03)
Countywide General Expense	34,599,216	45,163,399	30.53	30,105,399	(33.34)
Employee Benefits ISF	25,702,723	27,882,905	8.48	29,386,068	5.39
Local Agency Formation Commission	202,346	202,346	0.00	202,346	0.00
Public Liability Insurance ISF	13,004,129	10,311,954	(20.70)	10,311,954	0.00
Pension Obligation Bonds Payments	53,757,981	61,452,504	14.31	69,275,130	12.73
Total	\$ 241,171,747	\$ 238,684,583	(1.03)	\$ 231,152,864	(3.16)