



# COUNTY OF SAN DIEGO

## AGENDA ITEM

### BOARD OF SUPERVISORS

GREG COX  
First District

DIANNE JACOB  
Second District

PAM SLATER-PRICE  
Third District

RON ROBERTS  
Fourth District

BILL HORN  
Fifth District

**DATE:** December 13, 2005

**TO:** Board of Supervisors

**SUBJECT:** FISCAL YEAR 2005-06 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT, BUDGET AND STAFFING ADJUSTMENTS, AND RATIFICATION OF FY 2004-05 YEAR END BUDGET ADJUSTMENTS (District: All)

### SUMMARY:

#### Overview

This report summarizes the first quarter status of the County's FY 2005-06 Operational Plan as measured by projected year-end fund balance. The projected fund balance from current year operations for the General Fund is \$131.8 million and for all budgetary funds combined is \$179.4 million.

Further, this letter recommends budget adjustments to improve various services to the public, meet contractual or other obligations, reflect changes in funding sources or amounts, fund positions for the new Fire Prevention Program, carry out capital and major maintenance projects, increase road maintenance, establish management reserves, provide more cost effective enterprise-wide staff training, and reimburse departments for Quality First payments made to employees. In addition, the Board is asked to ratify budget adjustments made by staff during Fiscal Year 2004-05 year-end closing to various county service area (CSA), park land dedication ordinance (PLDO), private road development (PRD) and internal service funds. Also recommended is the establishment of a Kearny Mesa Lease reserve designation and the net increase in the fund balance designations for the Department of Environmental Health and the Sheriff's Department.

#### Recommendation(s)

#### CHIEF ADMINISTRATIVE OFFICER

#### Recommendation(s)

#### Chief Administrative Officer

1. Accept the FY 2005-06 first quarter report on projected year-end results.
2. Waive Board Policy A-91, Mid-Year Budget Changes.
3. Establish appropriations in services and supplies of \$2,338,063 in the Defense Attorney/Contract Administration for the Private Conflict Counsel Fiscal Year

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2004-05 contract true-up based on the Public Safety Group's Fiscal Year 2004-05 fund balance available. (4 VOTES)

4. Establish appropriations in services and supplies of \$16,060 in the Public Safety Group Executive Office for the Mainframe O/S390 upgrade costs (Work Order #1864 Change Request #2) based on the Public Safety Group's Fiscal Year 2004-05 fund balance available. (4 VOTES)
5. Establish appropriations of \$900,000 in services and supplies in the Contribution for Trial Courts for Fiscal Year 2004-05 shared major maintenance projects in progress based on the Public Safety Group's Fiscal Year 2004-05 fund balance available. (4 VOTES)
6. Cancel appropriations in services and supplies and related revenues of \$975,588 in the Contribution for Trial Courts due to the transfer of revenues pursuant to Assembly Bill 139 and Assembly Bill 145.
7. Establish appropriations in services and supplies of \$975,588 in the Contribution for Trial Courts for the transfer of revenues pursuant to Assembly Bill 139 and Assembly Bill 145 based on the Public Safety Group's Fiscal Year 2004-05 fund balance available. (4 VOTES)
8. Establish appropriations in salaries and benefits of \$52,600 in the Department of Housing and Community Development for a "Special Needs Housing Coordinator" position based on the Public Safety Group's Fiscal Year 2004-05 fund balance available. (4 VOTES)
9. Establish appropriations in services and supplies of \$50,000 in the Public Safety Group Executive Office for executive coaching services based on the Public Safety Group's Fiscal Year 2004-05 fund balance available. (4 VOTES)
10. Establish appropriations of \$600,000 in the Penalty Assessment Collection Fund (Operating Transfer Out), for transfer to the Contribution for Trial Courts to fund operations and maintenance costs based on FY 04-05 Penalty Assessment Collection fund balance available. (4 VOTES)
11. Establish appropriations in services and supplies of \$600,000 in the Contribution for Trial Courts for operations and maintenance costs based on an Operating Transfer from the Penalty Assessment Collection Fund. (4 VOTES)
12. Establish appropriations in services and supplies of \$76,391 in the Public Safety Group Executive Office for Fiscal Year 2005-06 shared major maintenance projects based on overrealized Recovered Expenditure revenue. (4 VOTES)

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13. Establish appropriations of \$581,000 in the Public Safety Group Executive Office for major maintenance project MP4876, Central Jail Window Washing, based on the Public Safety Group's Fiscal Year 2004-05 fund balance available. (4 VOTES)
14. Establish appropriations of \$67,292 in the Office of Emergency Services for costs associated with the Fire Protection Trust Fund for one-time capital improvement needs based on Public Safety Group's Fiscal Year 2004-05 fund balance available. (4 VOTES)
15. Establish appropriations of \$7,000 in the Office of Emergency Services for costs associated with the San Onofre Nuclear Generating Station (SONGS) based on unanticipated revenue from the State of California Office of Emergency Services SONGS Program. (4 VOTES)
16. Establish appropriations of \$5,500 in the Office of Emergency Services for costs associated with the Countywide Community Emergency Response Team (CERT) based on Public Safety Group's Fiscal Year 2004-05 fund balance available. (4 VOTES)
17. Establish appropriations of \$2,200,000 in the Public Safety Group Proposition 172 Special Revenue Fund (Operating Transfer Out), for transfer to the District Attorney's Office, based on Fiscal Year 2004-05 fund balance available in the Proposition 172 Special Revenue Fund. (4 VOTES)
18. Cancel appropriations and related revenue of \$2,200,000 in the District Attorney's Office due to a shortfall in Federal Reimbursement Revenue for the Southwest Border Prosecution Initiative (SWBPI).
19. Establish appropriations in salaries and benefits of \$2,200,000 in the District Attorney's Office for the Southwest Border Prosecution Initiative (SWBPI) based on an Operating Transfer from the Fiscal Year 2004-05 Proposition 172 Special Revenue Fund. (4 VOTES)
20. Establish appropriations in services and supplies of \$90,000 in the District Attorney's Federal Seized Asset Forfeiture Fund for costs associated with the purchase of law enforcement ballistic vests based on Federal Seized Asset Forfeiture Fund balance available. The vests will be used by sworn peace officers of the District Attorney's Bureau of Investigations. (4 VOTES)
21. Establish appropriations of \$4,412 in the District Attorney's Federal Seized Asset Forfeiture Fund for services and supplies based on unanticipated revenue from the Jurisdictions Unified for Drug Gang Enforcement (JUDGE) Seized Asset Forfeiture Fund. (4 VOTES)

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22. Establish appropriations of \$8,340 in the District Attorney's Federal Seized Asset Forfeiture Fund for services and supplies based on Federal Seized Asset Forfeiture Fund balance available for travel and training costs to the 2005 California District Attorney Investigators' Association Annual Training Conference. (4 VOTES)
23. Establish appropriations of \$607,593 in the Public Safety Group Proposition 172 Special Revenue Fund (Operating Transfer Out), for transfer to the District Attorney's Office, based on Fiscal Year 2004-05 Fund balance available in the Proposition 172 Special Revenue Fund. (4 VOTES)
24. Establish appropriations in services and supplies of \$607,593 in the District Attorney's Office for improved security at regional court facilities based on an Operating Transfer from the Fiscal Year 2004-05 Proposition 172 Special Revenue Fund. (4 VOTES)
25. Establish appropriations of \$118,038 in the Public Safety Group Proposition 172 Special Revenue Fund (Operating Transfer Out), for transfer to the Probation Department, based on Fiscal Year 2004-05 Fund balance available in the Proposition 172 Special Revenue Fund. (4 VOTES)
26. Establish appropriations in services and supplies of \$118,038 in the Probation Department for improved security at regional court facilities based on an Operating Transfer from the Fiscal Year 2004-05 Proposition 172 Special Revenue Fund. (4 VOTES)
27. Transfer appropriations of \$3,996,587 in salaries and benefits from the Sheriff's Department, Medical Services Division to the Public Safety Group's Management Reserve for the one time costs associated with the agreement between the California State Association of Counties and the State Administrative Office of the Courts. (4 VOTES).
28. Establish appropriations of \$6,030,000 in the Proposition 172 Special Revenue Fund (Operating Transfer Out) for transfer to the Justice Facility Construction Fund or to the Sheriff's Department as outlined in recommendations 29-32 based on Fiscal Year 2004-05 fund balance available in the Proposition 172 Special Revenue Fund. (4 VOTES)
29. Establish appropriations of \$1,000,000 in the Justice Facility Construction Fund for Capital Project 1006584, Rancho San Diego Station based on an Operating Transfer from the Proposition 172 Special Revenue Fund. (4 VOTES)
30. Establish appropriations of \$1,000,000 in the Justice Facility Construction Fund for Capital Project 1006585, Alpine Station based on an Operating Transfer from the Proposition 172 Special Revenue Fund. (4 VOTES)

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31. Establish appropriations in services and supplies of \$3,030,000 in the Sheriff's Department for various facility repairs and upgrades based on an Operating Transfer from the Proposition 172 Special Revenue Fund. (4 VOTES)
32. Establish appropriations in services and supplies of \$1,000,000 in the Sheriff's Department to replace equipment in the Central Food Production Center and Crime Lab based on an Operating Transfer from the Proposition 172 Special Revenue Fund. (4 VOTES)
33. Establish appropriations of \$1,000,000 in the Proposition 172 Special Revenue Fund services and supplies for transfer to the ASTREA Trust Fund based on fund balance available in the Proposition 172 Special Revenue Fund. (4 VOTES)
34. Establish appropriations of \$32,958 in the Sheriff's Department for the Coverdell 04 Training Program, based on unanticipated grant revenue from the Federal Office of Emergency Services. (4 VOTES)
35. Ratify an increase in appropriations of \$187 in the Fiscal Year 2004-05 budget for the County Service Area 135 Regional 800 MHz for special departmental expense based on und balance available. (4 VOTES)
36. Ratify an amendment to the Fiscal Year 2004-05 Sheriff's Jail Stores Commissary Internal Service Fund Spending Plan in the amount of \$145,000 for services and supplies based on fund balance available. (4 VOTES)
37. Establish appropriations of \$65,500 in services and supplies (\$27,704) and salaries and benefits (\$37,796) in the Sheriff's Department to provide law enforcement services for marijuana eradication based on unanticipated revenue from the Drug Enforcement Administration. (4 VOTES)
38. Establish appropriations in services and supplies of \$5,000 in the Sheriff's Department for the Sheriff's Museum to re-appropriate the Fiscal Year 2004-05 Community Project Funds allocated on October 5, 2004 (6) based on Public Safety Group's Fiscal Year 2004-05 fund balance available. (4 VOTES)
39. Establish appropriations in salaries and benefits of \$115,100 in the Sheriff's Crime Lab to pay salary costs for three temporary expert professional positions based on unanticipated grant revenue from the Forensic Casework DNA Backlog Reduction Program Fiscal Year 2005. (4 VOTES)
40. Establish appropriations in services and supplies of \$130,049 in the Sheriff's Crime Lab for DNA analysis equipment and renovation of existing laboratory

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space, based on unanticipated grant revenue from the DNA Capacity Enhancement Program Fiscal Year 2005. (4 VOTES).

41. Authorize the Auditor and Controller to increase the reserve designation within the General Fund for the Sheriff by \$3,000,000 based on Public Safety Group Fiscal Year 2004-05 fund balance available. (4 VOTES)
42. Cancel appropriations in services and supplies and related revenues of \$739,540 in the Contribution for Trial Courts due to anticipated revenue variances.
43. Establish appropriations in services and supplies of \$739,540 in the Contribution for Trial Courts due to anticipated revenue variances based on the Public Safety Group's Fiscal Year 2004-05 fund balance available (\$564,819) and anticipated overrealized revenue from court reporter fees (\$174,721). (4 VOTES)
44. Establish appropriations of \$11,866,847 in salaries and benefits for Quality First payments based on the Public Safety Group's Fiscal Year 2004-05 fund balance available as follows: District Attorney, \$1,806,411; Sheriff, \$4,199,540; Probation, \$3,348,780; Department of Child Support Services, \$1,339,787; Medical Examiner, \$122,329; Public Defender, \$608,285; Public Safety Group Executive Office, \$27,728; Office of Emergency Services, \$44,560; Citizens Law Enforcement Review Board, \$14,212; and Alternate Public Defender \$355,215. (4 VOTES)
45. Establish appropriations of \$172,000 in the Department of Agriculture, Weights and Measures for equipment for the County Veterinarian based on Land Use and Environmental Group's Fiscal Year 2004-05 fund balance available. (4 VOTES)
46. Establish appropriations of \$17,941 in the Department of Agriculture, Weights and Measures, Fish and Wildlife Advisory Commission for services and supplies for payment of grant awards based on fund balance available in the Wildlife Advisory Commission Fund. (4 VOTES)
47. Authorize the Auditor and Controller to increase the reserve designation within the General Fund for Environmental Health by \$2,059,950 based on Land Use and Environment Group's Fiscal Year 2004-05 fund balance available. (4 VOTES)
48. Establish appropriations of \$230,000 in Contributions to Capital Outlay Fund (Operating Transfer Out), for the construction of the Sweetwater Trails/Bikeways project, based on unanticipated revenue from the sale of surplus property to the City of National City. (4 VOTES)

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49. Establish appropriations of \$230,000 in the Capital Outlay Fund for Capital Project 1005262, Sweetwater Trails/Bikeways Construction, based on an Operating Transfer from the General Fund. (4 VOTES)
50. Cancel appropriations and related State Legislative Appropriations of \$197,558 in the Capital Outlay Fund for Capital Project 1000207, Sweetwater Summit Campground and Local Park, due to the expiration of the grant performance period.
51. Authorize the Auditor & Controller to refund advance payment of \$213,311 to the California Department of Parks and Recreation for the Sweetwater Summit Campground and Local Park project.
52. Cancel appropriations and related Operating Transfer from the General Fund of \$25,000 in the Capital Outlay Fund for Capital Project 1000012, MSCP/Open Space Acquisitions, to provide funds for the Santa Maria Creek Acquisition (Cagney) project.
53. Establish appropriations of \$25,000 in the Capital Outlay Fund for Capital Project 1005263, Santa Maria Creek Acquisition (Cagney), based on an Operating Transfer from the General Fund. (4 VOTES)
54. Establish appropriations of \$50,745 in the Escondido Park Land Dedication Ordinance (PLDO) Fund, Operating Transfer Out, for the Felicita Trail Improvements project, based on Fund Balance available in the Escondido PLDO Fund. (4 VOTES)
55. Establish appropriations of \$50,745 in the Capital Outlay Fund for Capital Project 1008290, Felicita Trail Improvements, based on an Operating Transfer from the Escondido PLDO Fund. (4 VOTES)
56. Establish appropriations of \$47,700 in the Capital Outlay Fund for Capital Project 1008290, Felicita Trail Improvements, based on awarded Land and Water Conservation Fund grant funds. (4 VOTES)
57. Establish appropriations of \$90,000 in the Laguna/Mt. Empire Park Land Dedication Ordinance (PLDO) Fund, Operating Transfer Out, for the Mountain Empire Community Center Playground project, based on Fund Balance available in the Laguna/Mt. Empire PLDO Fund. (4 VOTES)
58. Establish appropriations of \$90,000 in the Capital Outlay Fund for Capital Project 1008291, Mountain Empire Community Center Playground, based on an Operating Transfer from the Laguna/Mt. Empire PLDO Fund. (4 VOTES)

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59. Cancel appropriations and related State Coastal Conservancy grant revenue of \$20,000 in the Capital Outlay Fund for Capital Project 1000246, Otay Valley Regional Park Acquisition, to provide funds for the Otay Valley Regional Park Habitat Restoration/Trail Development project.
60. Establish appropriations of \$20,000 in the Capital Outlay Fund for Capital Project 1000165, Otay Valley Regional Park Habitat Restoration/Trail Development, based on State Coastal Conservancy grant revenue made available by the cancellation of grant funds in Capital Project 1000246. (4 VOTES)
61. Cancel appropriations and related Operating Transfer from the General Fund of \$1,267,200 in the Capital Outlay Fund for Capital Project 1000012, MSCP/Open Space Acquisitions, due to substitution of land for reimbursement for the sale of Coastal Sage Scrub habitat.
62. Cancel appropriations and related revenue of \$1,267,200 in Contributions to Capital Outlay Fund for the MSCP/Open Space Acquisitions project.
63. Transfer appropriations of \$700,000 from Land Use and Environment Group Management Reserves to Contributions to Capital Outlay Fund (Operating Transfer Out), for the Americans with Disabilities Act Ballfield project. (4 VOTES)
64. Establish appropriations of \$700,000 in the Capital Outlay Fund for Capital Project 1008292, Americans with Disabilities Act Ballfield, based on an Operating Transfer from the General Fund. (4 VOTES)
65. Establish appropriations of \$105,000 in the Capital Outlay Fund for Capital Project 1008292, Americans with Disabilities Act Ballfield, based on awarded Proposition 12 Roberti-Z' Berg-Harris grant funds. (4 VOTES)
66. Cancel appropriations and related Nonpoint Source Pollution Control grant revenue of \$200,000 in the Capital Outlay Fund for Capital Project 1005263, Santa Maria Creek Acquisition (Cagney), to provide funds for the Santa Maria Creek Restoration (Cagney) project.
67. Establish appropriations of \$200,000 in the Capital Outlay Fund for Capital Project 1005264, Santa Maria Creek Restoration (Cagney), based on Nonpoint Source Pollution Control grant revenue made available by the cancellation of grant funds in Capital Project 1005263. (4 VOTES)
68. Transfer appropriations of \$50,000 from the Department of Parks and

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Recreation (Special Departmental Expense) to Contributions to Capital Outlay Fund (Operating Transfer Out), to provide funds for the Santa Maria Creek Restoration (Cagney) project. (4 VOTES)

69. Establish appropriations of \$50,000 in the Capital Outlay Fund for Capital Project 1005264, Santa Maria Creek Restoration (Cagney), based on an Operating Transfer from the General Fund. (4 VOTES)
70. Establish appropriations of \$164,000 in the Capital Outlay Fund for Capital Project 1008289, Lake Morena Pacific Crest Trail Staging/Camping Area, based on awarded Recreational Trails Program grant funds. (4 VOTES)
71. Ratify an increase in appropriations of \$30,000 in the Fallbrook area Park Land Dedication Ordinance (PLDO) fund, Operating Transfer Out, for the Fallbrook Sports Park project, based on Fund Balance available. (4 VOTES)
72. Ratify an increase in appropriations of \$90,000 in the Palomar-Julian Park Land Dedication Ordinance (PLDO) fund, Operating Transfer Out, for the Julian Memorial Park Picnic Area/Walkways project and the Jess Martin Phase II Ballfield Improvements project, based on Fund Balance available. (4 VOTES)
73. Establish appropriations of \$5,000,000 in the Department of Public Works Road Fund for Road Maintenance based on unanticipated revenue from State Traffic Congestion Relief (Proposition 42) program. (4 VOTES)
74. Establishment appropriations of \$350,000 in the Department of Public Works Road Fund for urgent road repair contracts based on the Road Fund's Fiscal Year 2004-2005 fund balance available. (4 VOTES)
75. Establish appropriations of \$400,000 in the Department of Public Works Road Fund for major maintenance based on Fiscal Year 2004-05 fund balance available in the Road Fund. (4 VOTES)
76. Amend the FY2005-06 Airport Enterprise Fund Spending Plan by \$221,574 for an Operating Transfer Out to the Department of Public Works Equipment Acquisition Internal Service Fund Airports based on a grant from the Federal Aviation Administration (FAA). (4 VOTES)
77. Establish appropriations of \$200,000 in the Department of Public Works Detailed Work Program for consultants for Cole Grade Road Widening project based on unanticipated revenue from TransNet. (4 VOTES)
78. Establish appropriations of \$96,000 in the Department of Planning & Land Use

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to fund improvements to the customer service counter located at the Ruffin Road Annex based on Land use and Environment Group's Fiscal Year 2004-05 fund balance available. (4 VOTES)

79. Establish appropriations \$774,000 in the Department of Planning & Land Use, to fund 7 additional staff years and the required services and supplies, to provide direct support to the newly established Fire Prevention Program based on Land Use and Environment Group's Fiscal Year 2004-05 fund balance available (4 VOTES)
80. Establish appropriations of \$228,000 in Services and Supplies for shared major maintenance in various departments, based on Land Use and Environment Group's Fiscal Year 2004-05 fund balance available as follows: Agriculture, Weights and Measures \$158,398; Farm and Home Advisor \$62,878 and the Land Use and Environment Group – Executive Office \$6,724. (4 VOTES)
81. Establish appropriations of \$283,414 in Services and Supplies for operational improvements in various departments, based on Land Use and Environment Group's Fiscal Year 2004-05 fund balance available as follows: Agriculture, Weights and Measures \$28,414; Parks and Recreation \$77,000; Planning and Land Use \$78,000; Public Works \$100,000. (4 VOTES)
82. Ratify an increase in appropriations of \$1,529 to the Fiscal Year 2004-05 budget for PRD 128 Birch Street for special department expense based on fund balance available. (4 VOTES)
83. Ratify an increase in appropriations of \$16 to the Fiscal Year 2004-05 budget for PRD 1005 Eden Valley for special department expense based on fund balance available. (4 VOTES)
84. Ratify the transfer of appropriations of \$60,000 within the Fiscal Year 2004-05 budget for CSA 26 Rancho San Diego from Operating Transfer Out to Services and Supplies for costs incurred in the Department of Parks and Recreation on behalf of the CSA which were billed through an Internal Agreement. (4 VOTES)
85. Establish appropriations of \$525,631 in the Land Use and Environment Group's Management Reserves, based on Land Use and Environment Group's Fiscal year 2004-05 fund balance available. (4 VOTES)
86. Establish appropriations of \$75,000 in the Department of Planning and Land Use for the Otay Mesa Traffic Study, based on Land Use and Environment Group's Fiscal Year 2004-05 fund balance available. (4 VOTES)

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87. Establish appropriations of \$50,000 in the Department of Parks and Recreation for the Spring Valley Critical Hours program based on unanticipated revenue from a grant funding received. (4 VOTES)
88. Establish appropriations of \$11,750 in the Department of Parks and Recreation based on awarded Habitat Conservation Fund grant funds. (4 VOTES)
89. Establish Appropriations of \$1,658,892 in salaries and benefits for Quality First payments based on Land Use and Environment Group's Fiscal Year 2004-05 fund balance available as follows: Agriculture, Weights and Measures \$226,572; Environmental Health \$567,769; Farm and Home \$11,604; Parks and Recreation \$365,982; Planning and land Use \$431,021 and Executive Office \$55,944. (4 VOTES)
90. Authorize the addition of seven new positions at the Registrar of Voters to provide management and technical support to election staff; and direct the Department of Human Resources to classify the positions.
91. Establish appropriations of \$1,650,000 in the Registrar of Voters for costs associated with the July 26, 2005, City of San Diego Special Election based on unanticipated revenue received from the City of San Diego. (4 VOTES)
92. Amend the FY 05-06 Department of General Services Major Maintenance Internal Service Fund spending plan by \$6,075,112 for an increase in expenditures for major maintenance based on charges for services received from the General Fund.
93. Establish appropriations of \$2,173,914 in the Community Services Group Executive Office for management reserves based on Community Services Group's FY 04-05 fund balance available. (4 VOTES)
94. Establish appropriations of \$720,000 in salaries and benefits for Quality First payments in the County Library Fund based on FY 04-05 Library Fund fund balance available. (4 VOTES)
95. Establish appropriations of \$5,927,229 in the County Library Fund for management reserves based on fund balance. (4 VOTES)
96. Establish appropriations of \$472,500 in salaries and benefits for Quality First payments based on Community Services Group's FY 04-05 fund balance available as follows: Registrar of Voters (\$85,000), Animal Services (\$214,000), and Housing and Community Development (\$173,500). (4 VOTES)

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97. Establish appropriations of \$444,000 in Human Resources for one-time expenses for the development of web based training and on-line help tools for the Enterprise Resource Planning (ERP) Systems based on Finance and General Government Group Fiscal Year 2004-2005 fund balance available. (4 VOTES)
98. Establish appropriations of \$850,000 in the Public Liability Insurance Fund for the investigation and defense of claims and litigation including depositions costs, photocopying, appraisals, court fees, reports, outside counsel and retention of expert consultants, based on fund balance available. (4 VOTES)
99. Authorize the Auditor and Controller to establish a HA Kearny Mesa Lease reserve designation within the General Fund in the amount of \$1,329,318, based on Fiscal Year 2004-2005 fund balance available. (4 VOTES)
100. Establish Appropriations of \$2,968,534 in Salaries and Benefits for Quality First payments based on the Finance and General Government Group's Fiscal Year 2004-2005 Fund Balance available as follows:  
Assessor/Recorder/County Clerk, \$1,194,660; Auditor and Controller, \$653,376; Chief Administrative Office, \$77,784; Civil Service Commission, \$12,076; Clerk of the Board, \$92,720; County Counsel, \$220,723; County Technology Office, \$86,012; Human Resources, \$323,903; Treasurer/Tax Collector, \$307,280. (4 VOTES)
101. Establish Appropriations of \$67,760 in Salaries and Benefits for Quality First payments based on the Media and Public Relation's Fiscal Year 2004-2005 Fund Balance available. (4 VOTES)
102. Establish appropriations of \$213,000 in Board of Supervisors District 1 for one-time expenses in services and supplies based on Finance and General Government Group's Fiscal Year 2004-2005 Fund Balance available. (4 VOTES)
103. Establish appropriations of \$180,000 in Board of Supervisors District 2 for one-time expenses in services and supplies based on Finance and General Government Group's Fiscal Year 2004-2005 Fund Balance available. (4 VOTES)
104. Establish appropriations of \$145,000 in Board of Supervisors District 3 for one-time expenses in salaries and wages based on Finance and General Government Group's Fiscal Year 2004-2005 Fund Balance available. (4 VOTES)
105. Establish appropriations of \$229,000 in Board of Supervisors District 4 for one-time expenses in services and supplies based on Finance and General

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Government Group's Fiscal Year 2004-2005 Fund Balance available. (4 VOTES)

106. Establish appropriations of \$373,000 in Board of Supervisors District 5 for one-time expenses in services and supplies based on Finance and General Government Group's Fiscal Year 2004-2005 Fund Balance available. (4 VOTES)

**Fiscal Impact**

The funds for a portion of these requests are not budgeted. These actions will cancel budgeted appropriations and the related sources of funding in the amount of \$6,892,086. If approved, these actions will establish additional appropriations of \$72,844,943 resulting in a net increase in appropriations of \$65,952,857.

**Business Impact Statement**

N/A

**Advisory Board Statement**

N/A

**BACKGROUND:**

**FY 2005-06 Fund Balance Projections**

For the General Fund, the first quarter projection of year-end fund balance from current year operations is \$131.8 million. It is made up of \$77.2 million in additional General Purpose Revenues, \$25.6 million in net savings from departmental operations, and \$29.0 million in unspent Contingency and Management Reserves. The projected balance for all other funds combined is \$47.6 million. Schedule A summarizes the fund balance projections by Group. The Notes to Schedule A explain variances from budget by department. Schedule B shows the projected General Fund fund balance by Group split between operating and reserve balances. These projections are based on actual experience through September 2005 and expected expenditures and revenues through the end of the fiscal year.

The General Fund year-end fund balance projection of \$131.8 million is based on the estimate that expenditures will be \$133.1 million less than budgeted in the Fiscal Year 2005-06 Amended Budget, and General Fund revenues will be \$1.3 million less than budgeted in the 2005-06 Amended Budget. The projected revenue under-realization to budget consists of a positive revenue variance of \$77.2 million in current property and other than current secured taxes offset by \$78.5 million under-realization in all other sources of revenue (primarily in intergovernmental revenues).

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

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- \$25.5 million in appropriation savings from lower than budgeted salaries and employee benefit costs as a result of salary savings due to turnover (including the Sheriff's Department from fewer cadets entering the Deputy Sheriff Academies, County Child Welfare Services & Agency Regional Operations from vacancies caused by attrition), controlled staffing (e.g., Child Support Services to levels sustainable by resources from the State Department of Child Support Services), and ongoing recruitment challenges in select classifications (e.g., in the Department of Planning and Land Use for code enforcement and building inspectors).
- \$11.0 million in appropriation savings in services and supplies due to projected savings in contracted services (e.g., in Medical Care Program Administration in the Agency's Regional Program Support), anticipated savings in appropriations in Agency Administration associated with emergency reserves funded from the unsecuritized tobacco settlement and reduced professional and specialized services, as well as savings due to timing issues (e.g., in the Office of Emergency Services due to the extension of Homeland Security Grants and Urban Area Security Initiative Grants through Fiscal Year 2006-07.)
- \$64.4 million in other charges appropriation savings for caseloads and aid payments (e.g., \$5.3 million for Child Care payments and \$31.4 million for CalWORKS, General Relief, Welfare to Work and Refugee Assistance payments based on projected caseloads, and \$15.8 million in County Child Welfare Services due to Severely Emotionally Disturbed (SED), Foster Care, and Aid to Adoptive Parents (AAP) expenditures that have not increased as anticipated), and due to timing issues (e.g., \$7.5 million due to the projected delayed purchase of equipment with the extension of grants in the Office of Emergency Services).
- \$15.6 million in contingency reserves set aside for unanticipated needs or events that are projected to be unspent at year-end.
- \$13.4 million in Management Reserves that are projected to be unspent across the groups at year-end.

The lower than budgeted projected program revenues are based substantially on reduced expenditure requirements as discussed above. The higher than budgeted property tax and Property Tax In Lieu of Vehicle License Fees (VLF) revenues are explained below.

Current Secured Taxes are projected to be \$12.9 million above budget. At the time the budget was prepared, the level of current secured property tax revenues was based on the assumption that assessed value growth through June 30, 2005 would be 10%. Subsequently the actual assessed value growth became known and it exceeded 13%, which will result in current secured property tax revenue collections exceeding budget by approximately \$12.9 million.

Property Tax in Lieu of Vehicle License Fees (VLF) is projected to be \$64.44 million over the budgeted amount of \$200.5 million. This revenue was budgeted conservatively because of the lack of data regarding the accuracy of the base year allocation, which was Fiscal Year 2004-05. The implementing legislation provided that the Fiscal Year 2005-06 allocation be calculated

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based on a formula that took into account adjusted actual allocations for Fiscal Year 2004-05 and growth in gross taxable assessed value in each county. Information on the adjusted actuals was released on October 14, 2005 and the County will be receiving a one-time \$17.7 million positive true-up adjustment for Fiscal Year 2004-05. In addition, the assessed value growth factor for 2005-06 is 13.3%, which establishes the County's 2005-06 property tax in lieu of vehicle license fee base at \$247.3 million, which is an ongoing revenue increase of \$46.8 million over the Fiscal Year 2005-06 budget.

Beginning in FY 2004-05, the County reclassified about one-fourth of the sales tax revenue (\$5.15 million in FY 2004-05) to "property taxes in lieu of sales tax" to comply with the State's "triple flip" legislation approved in FY2003-04. More specifically, effective July 1, 2004, provisions of AB7 X1, one of the 2003-04 State budget bills referred to as the "triple flip", took effect. It enabled the State to redirect one-quarter cent of the local sales and use tax to the State to repay up to \$15 billion in bonds authorized by Proposition 57 (March 2004) to help the State refinance its past debt. In turn, the lost revenues are replaced with countywide property tax revenues shifted back from the Educational Revenue Augmentation Fund (ERAF). When the FY 2005-06 Adopted Budget was formulated, the In Lieu Local Sales & Use Tax amounts were estimated. Based on a letter from the Department of Finance dated August 31, 2005, the County will be allocated \$0.16 million less than the estimated budget amount adjusting for the "settle-up" for Fiscal Year 2004-05.

The County is in a solid fiscal condition. Prudent management of our resources has allowed us to respond to losses of local discretionary revenues due to the State's multi-year budget crisis without impacting our reserves and while maintaining our long-term service delivery, capital project, and technology goals.

**The Economy**

During the first quarter of Fiscal Year 2005/06, the U.S. economy was hit with the economic fall out of hurricanes Katrina and Rita. Despite the economic impact of these hurricanes, the national economic expansion is not expected to be derailed. Although GDP grew by 4.4% in 2004, GDP continues to grow at a lower, but still healthy annualized rate of 3.6% through three quarters of 2005. Continuing risks to the economy include the trade deficit, inflation, uncertainty in oil prices, and weaker-than-expected growth in Europe and Japan. Consumer confidence continues to be a closely watched economic indicator with mixed signals being sent between dropping consumer confidence and sustained consumer spending.

California's economic data has continued to show that the State has been doing well – 1.5% growth in payroll and household jobs, personal income growth of 6% and taxable sales growth of 7.3% in 2004. For 2005, similar growth is forecasted – 1.8% growth in payroll and household jobs and personal income growth of 5.7%, with a drop in taxable sales growth down to 3.8%.

However, economists statewide continue to watch the housing market closely. "The California economy right now is built on housing," according to Christopher Thornberg, an economist at the University of California Los Angeles. Much of the job growth in California has been in

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professions tied to the housing market: construction workers, real estate brokers, mortgage lenders and bankers. There are signs that the market has slowed - with prices rising at a much lower rate and homes staying on the market longer. A slowdown in housing prices could severely weaken the economy.

San Diego's sustained growth rests upon its diversification of economic activity. Based on forecast data, San Diego was forecast to experience another positive year of economic growth in 2005 of approximately 4.5%. San Diego's low unemployment rate also signals continued business confidence. For the 12 month period of August 2004 through July 2005, the annual unemployment rate was calculated at 4.4%, with the July 2005 unemployment rate remaining at 4.4%. These figures continue to be lower than the State projected unemployment rate for 2005 of 5.6% and the national forecast of 5.2%. Another measure of economic activity can be seen from the San Diego Convention and Visitors Bureau (CONVIS) reports that through August 2005 total visitor spending is up 4.5% year-to-date compared to 2004. Moreover, the defense sector is expected to remain stable through 2005 due to military activities and the ongoing battle on terrorism. A related risk the County tracked closely was the 2005 Base Realignment and Closure Recommendations. The final recommendations, however, did not adversely impact San Diego.

**FY 2005-06 Budget Adjustments**

The budget adjustment recommendations in this letter include technical adjustments as well as propose the appropriation of available fund balance for high priority one-time projects for each Group, including appropriations of available fund balance to reimburse departments for Quality First, for Major Maintenance, security projects, park projects and other one-time uses of Fiscal Year 2004-05 General Fund fund balance as well as to appropriate Proposition 172 FY 2004-05 year-end fund balance for select projects. Each recommendation is explained below.

**Recommendation 2**

A waiver of Board Policy A-91, Mid-Year Budget Changes is requested for the mid-year appropriation of funds. Adjustments are for high priority or essential one-time items or to implement previous Board direction.

**Recommendation 3**

The County of San Diego contracts for certain Indigent Defense Services with the San Diego County Bar Association. This request will establish appropriations in the Defense Attorney/Contract Administration for a required payment related to San Diego County Bar Association contract. In Fiscal Year 2004-05, the total number of cases referred exceeded the contract by 697 cases. In accordance with the terms and conditions of the contract, an additional payment of \$2,338,063 is due. The request is supported by Public Safety Group Fiscal Year 2004-05 fund balance available.

**Recommendation 4**

This request will establish appropriations of \$16,060 in the Public Safety Group Executive Office to support a change to the scope of work for the law enforcement portion of the upgrade

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of the County Mainframe operating system software. During the upgrade, steps will be taken to ensure high availability of information to law enforcement agencies who require this information 24 hours a day, 365 days a year. A second mainframe will be brought in to allow most of the upgrade to be compressed during the monthly maintenance windows and planned downtime. A revised scope of work was required to provide software remediation for required applications (Work Order # 1864 Change Request #2). The request is supported by Public Safety Group Fiscal Year 2004-05 fund balance available.

**Recommendation 5**

This request will establish appropriations of \$900,000 in the Contribution for Trial Courts to continue funding of various Fiscal Year 2004-05 Major Maintenance Projects currently in progress. These projects include the Downtown Court Air Handler Units, Family Court Fire Alarm, South Bay Regional Center Replacement of Supply and Return Fans, South Bay Regional Center Tree Root Damage, East County Regional Center Elevator, and East County Regional Center Seismic Joints to name a few. The request is supported by Public Safety Group Fiscal Year 2004-05 fund balance available.

**Recommendation 6 & 7**

These requests will establish \$975,588 in Contribution for Trial Courts to mitigate the transfer of revenues for various fines, fees, and forfeitures which have been transferred to the State of California pursuant to Assembly Bill 139 and Assembly Bill 145. The request is supported by Public Safety Group Fiscal Year 2004-05 fund balance available.

**Recommendation 8**

The Health and Human Services Agency, Housing and Community Development, and Public Safety Group entered in a Memorandum of Agreement to jointly fund the position of Special Needs Housing Coordinator for Fiscal Year 2005-06. The Safe Housing Coordinator position in the Department of Housing and Community Development facilitates efforts to expand housing options for the special needs population participating in drug court programs through coordination with non-profit organizations and by aggressively pursuing state, federal, and private funding opportunities. This request will establish appropriations in the Department of Housing and Community Development for the Public Safety Group's share of the cost of this position. This request is supported by the Public Safety Group's Fiscal Year 2004-05 fund balance available.

**Recommendation 9**

The CENTRE for Organization Effectiveness and the Public Safety Group Executive Office entered into a Memorandum of Agreement for executive coaching services for 24 participants, including department heads and executive managers. This request will establish appropriations of \$50,000 in the Public Safety Group Executive Office. The CENTRE has done extensive research in identifying and updating leadership competencies required for public sector executives. The CENTRE will provide and distribute a 360-degree evaluation and self assessment to each participant. In addition, the CENTRE will create a Group Profile for all participants and coordinate a feedback meeting to discuss strengths and opportunity areas for the

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Public Safety Group. The request is supported by Public Safety Group Fiscal Year 2004-05 fund balance available.

**Recommendation 10 & 11**

These requests will establish appropriations of \$600,000 based on Penalty Assessment revenue from the Penalty Assessment Collection Fund and transfer those appropriations to the Contribution for Trial Courts for current facility operation and contract maintenance costs incurred by the Trial Courts. These costs were originally identified as an obligation for the local courts and therefore, were not included in the development of the Fiscal Year 2005-06 Operational Plan.

**Recommendation 12**

This request will also establish appropriations of \$76,391 in the Public Safety Group Executive Office for Fiscal Year 2005-06 shared major maintenance projects MP6802, South Bay Regional Center South Sidewalk Repair, MP6803, South Bay Regional Center Preventive Maintenance on High Voltage Substation, and MP6171, North County Regional Center Preventive Maintenance Main Electrical Distribution Panel Service at Jail based on overrealized recovered expenditure revenue. The recovered expenditures resulted from a San Diego Gas and Electric rebate for the installation of energy savings equipment and insurance reimbursement for defective equipment relating to Major Maintenance project MP5918, East Mesa Detention Facility Chiller.

**Recommendation 13**

This request will establish appropriations to fund major maintenance project MP4876 which will purchase window washing equipment and a related service contract at the San Diego Central Jail. The start of this project was delayed and this action reestablishes the appropriations necessary to complete the project. This request is supported by Public Safety Group Fiscal Year 2004-05 fund balance available.

**Recommendation 14**

On September 28, 1999 (19), your Board directed the allocation of \$200,000 to establish a trust fund for the capital improvement needs of fire agencies that rely heavily on volunteer firefighters. In the Fiscal Year 2004-05 Operational Plan, \$200,000 was established in the Office of Emergency Services for continued support of fire capital improvement needs. On March 22, 2005 (17), your Board approved thirteen capital improvement projects recommended by the San Diego Task Force on Fire Protection and Emergency Medical Services, eight of which were completed in Fiscal Year 2004-05. This request establishes appropriations of \$67,292 to allow the completion of the remaining five capital improvement projects.

The five capital improvement projects are as follows: 1) the purchase of a new fire shelters for the Boulevard Fire Department; 2) the purchase of new safety equipment for Elfin Forest Volunteer Fire Department; 3) the purchase of new fire shelters for Julian/Cuyamaca Fire Protection Department; 4) the purchase of Self-Contained Breathing Apparatus (SCBA) for Mount Laguna Volunteer Fire Department to replace outdated breathing apparatus with SCBAs that meet the California Division of Occupational Safety and Health standards; 5) and the construction of a Fire Training Facility for Pine Valley Fire Protection Department.

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**Recommendation 15**

This request will establish appropriations of \$7,000 for equipment purchase to support the San Onofre Nuclear Generating Station (SONGS) program. These costs will be directly offset by revenue from the State of California Office of Emergency Services.

**Recommendation 16**

On June 15, 2004 (9), your Board authorized the Office of Emergency Services to accept a \$5,500 grant from ALCOA Foundation to support costs for training citizens to assist first responders. Approval of this request will allow Office of Emergency Services to use the funds for continued support of the Countywide Community Emergency Response Team (CERT) program. This request is supported by Public Safety Group Fiscal Year 2004-05 fund balance available.

**Recommendation 17 - 19**

The Southwest Border Prosecution Initiative (SWBPI) was established to reimburse state and county prosecutorial agencies for federally initiated and declined-referred criminal cases in Arizona, New Mexico, Texas and California. The District Attorney's Fiscal Year 2005-06 Operational Plan includes \$3.2 million in anticipated Federal Reimbursement revenue for Countywide SWBPI efforts. Although appropriations for the program have been established at the federal level, the District Attorney's Office has not received funding for the program since January 2005, and is addressing the lack of reimbursement at the congressional level. The District Attorney's Office proposes to use \$2.2 million in Fiscal Year 2004-05 Proposition 172 Fund Balance to continue these specific and other felony and misdemeanor prosecution services in Fiscal Year 2005-06.

**Recommendation 20**

This is a request to establish appropriations in the amount of \$90,000 from the District Attorney's Federal Seized Asset Forfeiture Fund for costs associated with the purchase of law enforcement ballistic vests based on available Federal Seized Asset Forfeiture Fund Balance. The Department of Justice (DOJ) recently made a finding that ballistic vests containing the element Zylon are no longer certified to meet safety standards. All ballistic vests currently in use by the District Attorney's Office contain Zylon. The safety of all employees of the District Attorney's Office is the highest priority. Therefore, the District Attorney is replacing the entire inventory of ballistic vests.

**Recommendation 21**

The Jurisdictions Unified for Drug Gang Enforcement (JUDGE) program was established fifteen years ago to target, apprehend, and prosecute gang members involved in drug use and sales. Approval of this request will provide the purchase of a one laser jet printer, shredder, two chairs, and two transcribers to be used in the course of JUDGE related investigative and prosecutorial activities support by the JUDGE Asset Forfeiture Fund.

**Recommendation 22**

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This is a request to appropriate \$8,340 in the District Attorney's Federal Seized Asset Forfeiture Fund to pay for travel and training costs of thirteen District Attorney Investigators to attend the 2005 California District Attorney Investigators' Association Annual Training Conference in Pasadena.

**Recommendation 23 & 24**

In a county wide effort to improve security at the regional court facilities, all departments located in these facilities are moving to one Countywide facility access control system. The existing access control system, which includes door readers and related hardware, and computers and related software, must be replaced at three District Attorney Office locations, including the Hall of Justice, the Juvenile Court, and the East County Regional Center. Access identification cards must be replaced at all District Attorney's Office locations. The share of cost for the District Attorney, \$607,593, is supported by an Operating Transfer from the Proposition 172 Special Revenue Fund.

**Recommendation 25 & 26**

In a county wide effort to improve security at the regional court facilities, all departments located in these facilities are moving to one Countywide access control system. At the Probation Department's Hall of Justice location, 25 door readers and related hardware must be replaced and 4 control panels upgraded with additional memory capacity. The share of cost for the Probation Department \$118,038, is supported by an Operating Transfer from the Proposition 172 Special Revenue Fund.

**Recommendation 27**

This is a request to transfer appropriations of \$3,996,587 from the Sheriff's Department, Medical Services Division to the Public Safety Group's Management Reserve. These appropriations were based on an incorrect salary table and are not required to support the actual cost of positions in the Sheriff's Department. These funds will be transferred to the Public Safety Group Management Reserve for the purpose of making required one time payments in each of the next four fiscal years pursuant to the negotiated agreement between the California State Association of Counties and the State Administrative Office of the Courts as enacted in Assembly Bill 139. In Fiscal Years 2003-04 and 2004-05, counties were obligated by Government Code Section 68085.5 to make one-time payments of \$31 million in each fiscal year to the State Court representing the transfer of undesignated fees. Assembly Bill 139 continues these required payments, incrementally reducing these payments over each of the next four years and ending the required payments in Fiscal Year 2008-09. In Fiscal Year 2005-06, counties are required to pay a total of \$20 million to the State Court. The County of San Diego's share of that payment will be calculated in December, 2005. The Public Safety Group will return to your Board following the second quarter to transfer appropriations for the payment due in Fiscal Year 2005-06.

**Recommendation 28**

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This request will establish appropriations of \$6,030,000 in the Proposition 172 Special Revenue Fund based on fund balance available for various projects within the Sheriff's Department or within the Justice Facility Construction Fund as outlined in Recommendations 29-32.

**Recommendation 29**

This request will establish appropriations of \$1,000,000 in the Justice Facility Construction Fund for Capital Project 1006584 (Rancho San Diego Station), based on an Operating Transfer from the Proposition 172 Special Revenue Fund. During the Fiscal Year 2004-05 budget process, appropriations of \$2,000,000 were established in KA5485 for land acquisition. On March 1, 2005 (13), appropriations of \$5,000,000 were established in KK5485 to provide funding for construction of the station. This request will increase the construction funding in KK5485 by \$1,000,000 increasing the total funding in the Capital Project to \$8,000,000. This project has an estimated total cost of \$10,000,000 based on the last available estimate and pending the final costs of the parcel acquisition.

**Recommendation 30**

This request will establish appropriations of \$1,000,000 in the Justice Facility Construction Fund for Capital Project 1006585 (Alpine Station), based on an Operating Transfer from the Proposition 172 Special Revenue Fund. A land parcel of approximately 2.1 acres was donated to the County in 2003 for a new patrol station in Alpine. The new station will replace a small, antiquated, leased facility. On March 1, 2005 (13), appropriations of \$250,000 were established for the initial phase of construction design work. On May 17, 2005 (8), appropriations of \$4,000,000 were established to fund a portion of the construction of the station. This request will increase the construction funding in KK5302 by \$1,000,000, increasing the total funding in the Capital Project to \$5,250,000. This project has an estimated total cost of \$6,000,000 based on the last available estimate.

**Recommendation 31 & 32**

These requests establish appropriations of \$4,030,000 in the Sheriff's Department based on an Operating Transfer from the Proposition 172 Special Revenue Fund. Funds totaling \$3,030,000 will be used for projects including the repairs to the Descanso Detention Facility Water Treatment Facility (\$250,000), upgrades to the Descanso Detention Facility Reception/Visitor Center (\$150,000), repairs and maintenance of the door locks in various detention facilities (\$250,000), repairs and upgrades to the Communications Center power supply (\$700,000), creation of the North County Data Center (\$1,000,000), for the replacement of glass in various jail lobbies (\$200,000), a new target system for East Mesa firing range (\$260,000), environmental study at A-Range (\$100,000), and exterior security barricades for courthouses (\$120,000). Funds totaling \$1,000,000 appropriated to the Sheriff's Department services and supplies will be used to replace equipment in the Central Food Production Center and the Crime Lab.

**Recommendation 33**

This request will establish appropriations of \$1,000,000 in the Proposition 172 Special Revenue Fund for transfer to the ASTREA Trust Fund. The funds previously allocated to the ASTREA

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Trust Fund were utilized for the purchase and outfitting of the Fire and Life Safety helicopters. This action will begin to set aside funding for the eventual replacement of the non-fire helicopters.

**Recommendation 34**

This request will establish appropriations of \$32,958 in the Sheriff's Department based on grant funds from the Federal Office of Emergency Services for the Coverdell 04 Training Program. The grant will provide funding for continuing education and training for full-time forensic scientists to improve the quality, timeliness, and credibility of forensic science.

**Recommendation 35**

This request will ratify appropriations of \$187 made in County Service Area 135 Regional 800 MHz during Fiscal Year 2004-05. Funds from CSA 135 Regional 800 MHz were utilized to pay for a standard audit; appropriations were insufficient to pay the entire invoice.

**Recommendation 36**

This request will ratify amending the Fiscal Year 2004-05 Spending Plan by \$145,000 made in the Sheriff's Jail Stores Commissary during Fiscal Year 2004-05. Jail Stores operation allows inmates to purchase a variety of commissary style goods, to include food, snacks, stationary, personal care items and telephone calling cards. In Fiscal Year 2004-05, the demand for telephone calling cards was greater than anticipated.

**Recommendation 37**

This request will establish appropriations of \$65,500 in the Sheriff's Department based on unanticipated revenue from the Drug Enforcement Administration for costs associated with eradicating marijuana in San Diego County. These funds will increase the available amount of reimbursement to cover overtime and related services and supplies dedicated to marijuana eradication from \$110,000 to a total of \$175,500.

**Recommendation 38**

On October 5, 2004 (6), Community Project Funds of \$5,000 were allocated by Supervisor Slater-Price to the Sheriff's Department for the Sheriff's Museum and Educational Center; however, the funds were not spent in Fiscal Year 2004-05. This request will re-appropriate the Community Project Funds from Public Safety Group's Fiscal Year 2004-05 available fund balance.

**Recommendation 39**

On October 24, 2004 (9), your Board authorized the Sheriff's Department to apply for continuation of the DNA Backlog Reduction Program FY 2005 grant. This request will establish \$115,100 in appropriations in the Sheriff's Crime Lab based on grant funds from the U.S. Department of Justice's Office of Justice Program. Funds from this grant will be used to pay salary costs for three temporary expert professional positions to staff the duration of the grant through March 2006.

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**Recommendation 40**

On October 24, 2004 (9), your Board authorized the Sheriff's Department to apply for continuation of the DNA Capacity Enhancement Program FY 2005 grant program. This request will establish \$130,049 in appropriations in the Sheriff's Crime Lab based on grant funds from the U.S. Department of Justice's Office of Justice Programs. Funds will be used to purchase DNA analysis equipment at the Sheriff's Crime Laboratory facility and renovation of existing laboratory space.

**Recommendation 41**

On May 2, 2000 (23), your Board authorized the establishment of a fund balance designation of \$3,000,000 in the General Fund for the Sheriff for future department capital expenditures. The amount in this designation remains \$3,000,000. In an effort to help address future department capital needs, approval is requested to deposit an additional \$3,000,000 into this designation for future detention facility needs, based on Public Safety Group Fiscal Year 2004-05 Fund balance available.

**Recommendation 42 & 43**

These requests will establish \$739,540 in Contribution for Trial Courts to mitigate the reduction in anticipated growth in various departmental revenues. The request is supported by Public Safety Group Fiscal Year 2004-05 fund balance available and anticipated overrealized revenues from court reporter fees.

**Recommendation 44**

This request will establish appropriations in various Public Safety Group departments to fund Quality First payments in the Public Safety Group based on available Fiscal Year 2004-05 fund balance available.

**Recommendation 45**

This request will establish appropriations in the Department of Agriculture, Weights and Measures for the purchase of equipment for the County Animal Disease Diagnostic Laboratory program to enhance surveillance and diagnostic capabilities. Some of the laboratory equipment to be purchased is: replacement of the Tissue Processor and Embedding station, a Rotary microtome, Microscope, a Shorebird Mortality Toxin Analysis kit and a Real Time Polymerase Chain Reaction (PCR) analysis system.

**Recommendation 46**

In accordance with County of San Diego Administrative Code Section 286.8, the Fish and Wildlife Advisory Commission disburses State Fish and Game fines and forfeiture monies for programs and projects that demonstrate a benefit to the fish and wildlife of the County. This request will establish appropriations of \$17,941 to pay for anticipated grant awards by the Fish and Wildlife Advisory Commission in Fiscal Year 2005-06.

**Recommendation 47**

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On February 24, 2004 (23), the reserve designation for the Department of Environmental Health (DEH) was established. This reserve designation ensures that revenue from fees and permits over the cost paid by Environmental Health customers are used only to fund fee-related expenses in DEH. For Fiscal Year 2004-05, this excess revenue equaled \$2,627,719. Of this amount, \$567,769 is recommended to be used for Quality First payment with the remainder, \$2,059,950 being recommended to increase the reserve designation. This action does not move funds into the Department of Environmental Health. The current balance in the DEH Reserve Designation is \$3,378,241. The request will increase the reserve designation by \$2,059,950 bringing the balance to \$5,438,191. The board took action on May 18, 2005 to reduce fees to mitigate the growth of the designation.

**Recommendation 48 & 49**

On September 20, 2005 (4), the Board approved the sale of a 0.53-acre County-owned parcel in the vicinity of Plaza Bonita Road in National City, adjacent to Plaza Bonita Shopping Center. The purchase was requested to facilitate the south expansion of the shopping center. This property was originally purchased by the County in 1976 using County General Funds, for inclusion in Sweetwater Regional Park. In 1978, the County entered into a cooperative agreement with National City for development of the Plaza Bonita Shopping Center. The 0.53-acre parcel is included in the site development plan for the shopping center. Proceeds from the sale in the amount of \$230,000 were approved for return to the Department of Parks and Recreation. Funding will be used to supplement existing Proposition 12 Per Capita grant funds in the Sweetwater Trails/Bikeways Construction project.

**Recommendation 50 & 51**

State Legislative Appropriations in the amount of \$197,558 were received for campground construction at Sweetwater Regional Park. Determination of the final location of the SR125 freeway project caused delays in construction of the freeway and resulted in additional delays in determining the final location of the campground project. As a result, the project could not be completed by the grant performance period. Project expenditures to date of approximately \$115,000 will be offset by a previously appropriated Proposition 12 grant and other funding sources in this Capital project. These actions will cancel appropriations of \$197,558 in the project to correct the project budget and authorize the Auditor & Controller to refund advance payment of \$178,162 plus applicable interest of \$35,149 to the California Department of Parks and Recreation. The California Department of Parks and Recreation has requested interest earned from the past six years.

**Recommendation 52 & 53**

The Santa Maria Creek Acquisition project is funded by Nonpoint Source Pollution Control grant funds. This grant only pays for direct project costs and will not reimburse A-87 overhead costs. Grant Match General Funds were budgeted in Capital Project 1000012 – Open Space Acquisitions, in part, to pay project costs that are ineligible for grant reimbursement. This action will transfer \$25,000 from the Open Space Acquisitions project to pay for overhead costs that have been incurred in the Santa Maria Creek Acquisition project.

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**Recommendation 54 - 56**

In September 2004, the Department of Parks and Recreation was awarded a Land and Water Conservation Fund grant for trail improvements at Felicita Park. The proposed project will improve a trail system that is impacted by a large number of park users each month, and will help protect and improve access to significant cultural sites within Felicita Park. The project includes rehabilitation of the existing trail system, as well as installation of interpretive signage along the improved trail. Additional PLDO appropriations included in this action will provided the match required by the grant.

**Recommendation 57 & 58**

In June 2005, the Department of Parks and Recreation received authorization from the Campo/Lake Morena Planning Group to appropriate up to \$165,000 of Laguna/Mt. Empire PLDO funds for the design and construction of the Mountain Empire Community Center Playground. At this time, \$90,000 of this funding is requested to complete design of this project. Proposed improvements include a junior playground and a tot-lot, as well as Americans with Disabilities Act (ADA) compliant parking and access, landscaping, picnic tables, and a drinking fountain.

**Recommendation 59 & 60**

The requested transfer of funds between Capital projects is needed for staff costs for project administration on the Finney Overlook project. An initial detailed Geotechnical Field investigation of soils is necessary due to conditions resulting from the unusually heavy winter rains of 2005. Additional complex soils tests are also required because of extremely steep terrain surrounding the project site.

**Recommendation 61 & 62**

On July 24, 2002 (7) and August 14, 2002 (2) the Board took action to establish appropriations in the Capital Outlay Fund in the amounts of \$192,000 and \$1,075,200 respectively. Appropriations were established as compensation for the use of the County's five percent loss allotment of Coastal sage scrub resulting from development projects in the Cities of Carlsbad and San Marcos, in accordance with Board Policy I-122. This policy allows the developer to provide either land in fee title to the County or an equivalent dollar amount to fund the future purchase of habitat land. Appropriations were established based on the assumption that funding would be provided. It was later determined that the County would be compensated with land totaling 21.12 acres, instead of the equivalent funding. This action will cancel appropriations to reflect the correct project budget.

**Recommendation 63 - 65**

The County's Miracle Field project at San Dieguito Regional Park will be the first ball field of its kind in Southern California and the only one in San Diego County. Its unique accessibility will make it a regional facility used by participants with disabilities from throughout the County. In 1998, the Rockdale Youth Baseball Association formed the Miracle League to further its mission to provide opportunities for all children to play baseball regardless of their physical abilities. The Department of Parks and Recreation's partnership with the Miracle League of San Diego is

**SUBJECT: FISCAL YEAR 2005-06 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT, BUDGET AND STAFFING ADJUSTMENTS, AND RATIFICATION OF FY 2004-05 YEAR END BUDGET ADJUSTMENTS**

supported by the San Diego Padres and the San Diego Disabled Services Advisory Council. The County's Parks Advisory Committee also supports the project and has urged DPR to expand its services to those with disabilities. The Project will convert an existing ball field into a completely accessible ball field for children and families of all abilities to enjoy the experience of playing baseball. This request will provide \$805,000, consisting of \$700,000 LUEG Reserves and \$105,000 unallocated Proposition 12 funds, as seed money to go towards the future conversion of an existing ball field to a ball field that will be fully accessible for use by individuals with disabilities. The Miracle Field ball field will be a state-of-the-art facility open to all patrons, including both youths and adults during various seasons throughout the year. The project exemplifies The Department of Parks and Recreation's mission to reach all people and our vision to create a park and recreation system that is the pride of San Diego County.

**Recommendation 66- 69**

The State Water Resources Control Board extended the County's Proposition 13 grant performance period for the Santa Maria Creek Restoration project by one year to allow additional restoration and post-implementation monitoring, which will benefit the evaluation and success of the project. As a result, \$200,000 in grant funds previously awarded for acquisition of land in Santa Maria Creek is being transferred to the Restoration project to pay for this additional work. The additional \$50,000 in General Funds being requested in this action will be used to pay for A-87 overhead costs which are ineligible for grant reimbursement.

**Recommendation 70**

In July 2005, the Department of Parks and Recreation was awarded a Recreational Trails Program grant for improvements at Lake Morena Park, a popular destination for backpackers hiking the Pacific Crest Trail (PCT). The PCT extends over 2,600 miles from the Mexican border to the Canadian border and passes through the park providing a location for hikers to spend a night along the trail. Currently, two campsites in the park have been set aside for use by PCT hikers. Proposed improvements under the grant program include the installation of tent camping spaces, a shade/picnic pavilion, picnic facilities, campfire facilities, and associated vehicular parking.

**Recommendation 71 & 72**

These recommendations ratify increases in appropriations in the Fallbrook area PLDO fund and the Palomar-Julian PLDO fund. These are technical adjustments to correct the funding source for the Fallbrook Sports Park project, Julian Memorial Park Picnic Area/Walkways project, and the Jess Martin Phase II Ballfield Improvements project.

**Recommendation 73**

At the time the budget was developed, State Traffic Congestion Relief (Proposition 42) program revenue was uncertain. This state money is only for road maintenance activities. Since the initiation of this program the counties throughout the state had not received any of these funds. This is the first year that the funding has materialized. The state has already sent the first quarterly installment of funding. Action requested would increase appropriations in Road Maintenance based on unanticipated revenue from this program, which would avoid delay and

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enable the Department of Public Works to execute necessary road maintenance tasks, such as resurfacing and sealing roads, during this Fiscal Year. The Department of Public Works Road Fund has appropriated \$5,000,000 of Proposition 42 revenue. This request will add appropriations of \$5,000,000 bringing the balance to \$10,000,000.

**Recommendation 74**

This item would add \$350,000 to the appropriations available for urgent road related repairs, based on available fund balance in the Road Fund. On July 13, 2005 (6), the Board authorized the Director of Purchasing and Contracting to contract for urgent road repairs to fix damage resulting from winter rainstorms, and appropriated \$7 million in construction funds to complete it. Construction repaired slope failures, damaged and clogged culverts and road surfaces throughout the unincorporated area, which needed to be completed quickly before the next rainy season could cause more damage. Construction is nearing completion and costs approaching the total limit. This item would add \$350,000 to the appropriations available for urgent road related repairs, based on available fund balance in the Road Fund. This appropriation will ensure any contingencies that arise will be covered, and that all related contracts can be closed timely.

**Recommendation 75**

This request adds appropriations to cover cost estimates provided by the Department of General Services for FY 05-06 Major Maintenance projects in the Department of Public Works. General Services provides a major maintenance plan annually for facility maintenance projects such as air conditioning rehabilitation, roofing and painting. This item was inadvertently not included during budget development.

**Recommendation 76**

This recommendation establishes appropriations to purchase an Aircraft Rescue and Fire Fighting (ARFF) vehicle. The total cost of the ARFF vehicle will be reimbursed by Federal Aviation Administration grant funds.

**Recommendation 77**

This project would widen Cole Grade Road from Horse Creek Trail to Valley Center High School to include two travel lanes, a two-way left turn and two bike lanes. Requested funding will be used for design and environmental assessment of the project. As part of board action April 13, 2005 (5), this project was approved in the County's amendment to the Regional Transportation Improvement Program. SANDAG adopted the amendment in June 2005. Since the final approval occurred after the budget was submitted, additional appropriations are requested.

**Recommendation 78**

As part of our ongoing effort to improve customer service, the Department of Planning and Land Use is proposing the remodel of our Public Zoning Counter. This remodel will create individual intake areas for our customers, allowing them to sit with the technician as they review maps and other application documents in a quiet and professional area. A similar remodel of the Building

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Permit Public Counter took place several years ago and has improved customer service by reducing the noise level around the counter area, assisted our customers who have had to stand during the several hour period required to submit their plans and has improved efficiency by providing a professional working area for our counter technicians. The one-time only cost of the remodel is estimated to be \$96,000.

**Recommendation 79**

On September 20, 2005 the Board of Supervisors authorized the negotiation of contracts in the amount of \$5.0 million to improve fires service in the unincorporated area of the County. Additionally, the Board of Supervisors authorized the addition of seven (7) staff years in the Department of Planning and Land Use to manage and support this function. This request will appropriate \$588,000 in Salary and Benefits and \$186,000 in one-time only Services and Supplies.

**Recommendation 80**

This request is to make the necessary funds available to various departments, within the Land Use and Environment Group, for shared major maintenance projects. These monies are for departments shared major maintenance at the County's Operational Center (COC) - Farm and Home, Agriculture, Weights and Measures. These maintenance projects are for parking lot and pavement repairs, parking lot lighting, reproofing and electrical repairs.

**Recommendation 81**

This request is to provide the necessary funds to various departments for operational improvements. The operational enhancements are for: Parks & Recreation— 2 Gator Utility Carts, Robotic Pipe Camera, Amplifiers for Lakeside Community Center, Vending machines for Three Community Centers, four digital cameras, four binoculars, headsets for telephones at the Spring Valley Community Center, new office furniture for the Spring Valley Community Center. Public Works – purchase additional desktop computers for 15 road crews. Currently each of these crews only have one computer to share. Training/conference rooms improvements – computer display, chairs and tables at several work locations. Planning and Land Use – Replace existing reader/printer in San Marcos, constantly breaking down causing an inconvenience to customers, large PC monitors for plan check review (allows review of two documents at the same time, replace a noise meter that is damaged and purchase smart levels for each of the building inspectors. Agriculture, Weights and Measures – For Weights/Measures division: Three 30 lb weight kits, one scanner gun, two 1 Gallon stainless steel provers, six 5 Gallon stainless steel provers.

**Recommendation 82 & 83**

These recommendations ratify increases in appropriations to the Fiscal Year 2004-05 budgets for PRD 129 Birch Street and PRD 1005 Eden Valley to align appropriations with services provided during Fiscal Year 2004-05.

**Recommendation 84**

**SUBJECT: FISCAL YEAR 2005-06 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT, BUDGET AND STAFFING ADJUSTMENTS, AND RATIFICATION OF FY 2004-05 YEAR END BUDGET ADJUSTMENTS**

This recommendation ratifies the transfer of appropriations of \$60,000 in Fiscal Year 2004-05 budget for CSA 26 Rancho San Diego from Operating Transfer Out to Services and Supplies for costs incurred in the Department of Parks and Recreation on behalf of the CSA which were billed through an Internal Agreement.

**Recommendation 85**

This request will appropriate \$525,631 of Fiscal Year 2004-05 fund balance into the Land Use and Environment Group's management reserve.

**Recommendation 86**

The previously certified Environmental Impact Report (EIR) for the East Otay Mesa Specific Plan area includes a mitigation measure that requires that each proposed development project in East Otay Mesa prepare a project specific traffic study and mitigate all project related traffic impacts. Eventually, once SR125, SR905, and SR11 are constructed, all roads and intersections in the Specific Plan area and adjacent City should operate at acceptable levels of service. However, in the absence of these major freeways, the existing road network has become overburdened, and increasingly difficult for projects to propose adequate mitigation. It has now come to light that traffic impacts are likely to occur in the future, to both City and County roads, for which mitigation is infeasible. Given this situation, it will not be possible for the County to approve development projects in the Specific Plan and continue to rely on the previously certified EIR as the appropriate CEQA document. Rather than have each project complete a separate Supplemental EIR for traffic, it is proposed that a traffic study be completed for the entire Specific Plan and serve as the basis for a Supplemental Environmental Impact Report (SEIR) on traffic for the entire Specific Plan. If, as expected, the SEIR identifies necessary traffic mitigation measures, some of which are likely to be infeasible, the SEIR in combination with the original EIR, will become the necessary CEQA documents to serve as the basis for project approval throughout the Specific Plan.

**Recommendation 87**

On January 12, 2005 (8), the Board approved the submittal of a Department of Parks and Recreation proposal in response to a Request for Proposals for Critical Hours funding. The Department was subsequently awarded \$50,000 for implementation of the Spring Valley Critical Hours Program. This program offers opportunities for youth to grow through physical fitness, art expression, leadership roles, community service and educational activities to enhance their self-esteem, communication skills, problem solving skills, and community involvement. This action will appropriate funding received for the program which will include homework assistance and tutoring, counseling services and referrals for youth and families, career resources, nutrition workshops, arts and crafts, and special events.

**Recommendation 88**

On September 22, 2004 (4), the Board approved application for and acceptance of a grant for the San Pasqual Outdoor Adventure Program. The grant was awarded in July 2005 for a total of \$47,000 for the 4-year program. This program expands the current Teen Center based Outdoor Adventure Program to also serve the students of San Pasqual Academy. It will provide 10

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additional field trips each year for over 100 youth and will include mountain biking, rock climbing, kayaking, snowboarding, surfing, and camping. This action will appropriate awarded funding of \$11,750 for the first year of the program. Subsequent year's funding will be budgeted annually.

**Recommendation 89**

This request will establish appropriations in various departments in the Land Use and Environment Group for Quality First payouts based on available Fiscal Year 2004-05 fund balance.

**Recommendation 90**

This proposal creates seven new positions that will provide more effective and efficient supervision, development, management, and coordination of critical registration and election tasks. The new positions will be funded from existing appropriations for temporary staff. Recent administrative and legislative changes at both the State and Federal level have added new complexities and operational burdens to the administration of elections in San Diego County.

**Recommendation 91**

This proposal requests an increase in appropriations due to expenditures incurred in conducting the July 26 Special Election for the City of San Diego. The funding source for all expenditures is revenue received from the City of San Diego.

**Recommendations 92**

This proposal increases the spending plan of the Major Maintenance Internal Service Fund for new projects. These additional projects were not included in the budgeted Major Maintenance Improvement Program, but have been subsequently identified by the departments because of emergent needs, changing conditions, or funding availability. The amount requested is \$6,075,112, with approximately half of that in additions and improvements to the heating, ventilation, and air conditioning systems (HVAC) at the Health Services Complex and other locations. Other projects include security access controls at the Hall of Justice, access, parking, and facilities repairs and upgrades in parks, libraries, and senior and community centers. The revenue source is charges for services in the General Fund.

**Recommendations 93**

This request will establish appropriations to fund a management reserve in the Community Services Group Executive Office based on Community Services Group Fund Balance. The reserve will be used for future one-time expenditures and contingencies.

**Recommendations 94**

This request will establish appropriations to fund Quality First payments in the County Library Fund based on fund balance. In order to receive these payments, staff achieved both qualitative goals such as customer service and quantitative savings that resulted in the fund balance available for the payments.

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**Recommendations 95**

This request will establish appropriations to fund a management reserve for anticipated one-time automation and maintenance projects in the County Library Fund based on fund balance. The amount requested is the fund balance available in the Library Fund. The fund balance has accumulated over the last several years due to budget variances for property taxes, conservative expenditure patterns during years of revenue shortfall, and high staff vacancies.

**Recommendation 96**

This proposal increases appropriations to fund the Fiscal Year 2004-05 Quality First Program payments to three Community Services Group Departments. In order to receive these payments, staff achieved both qualitative goals such as customer service and quantitative savings that resulted in the fund balance available for the payments.

**Recommendation 97**

This action will establish appropriations in Human Resources to fund the development of web based training and on-line help tools for the Enterprise Resource Planning Systems based on available Fiscal Year 2005-2006 fund balance. The web-based training and on-line help tools are being developed to provide real time training and help functionality on the County's Enterprise Resource Planning Systems.

**Recommendation 98**

This action will establish appropriations in the Public Liability Insurance Fund. County Counsel has provided estimates and has requested that appropriations be established in the Public Liability Insurance ISF - Liability/Litigation account in order to reflect the annual estimated costs associated with litigations. This appropriation was also not included in the proposed budget for fiscal year 2005-06.

**Recommendation 99**

On June 15, 2005, the Board of Supervisors and Housing Authority Board of Commissioners approved a recommendation to reallocate \$1,740,499 from the Housing Authority Administrative Fee Reserve to the County General Fund to pay the remaining annual lease payments on the Housing Authority office building located at 3989 Ruffin Road in the Kearny Mesa Area of San Diego. The July 2005 payment of \$411,181 was included in the CAO Proposed FY 2005-07 Change Letter which was approved by the Board of Supervisors on June 15, 2005. The remaining \$1,329,318 was scheduled to be set aside in a fund balance designation in FY 2005/06. This recommendation establishes the reserve designation. The remaining payments will be made from the General Fund from FY 2006/07 through 2012/13.

**Recommendation 100**

This action will establish appropriations in various Finance and General Government Group departments to fund Quality First payments based on available Fiscal Year 2004-2005 fund balance.

**Recommendation 101**

**SUBJECT:** FISCAL YEAR 2005-06 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT, BUDGET AND STAFFING ADJUSTMENTS, AND RATIFICATION OF FY 2004-05 YEAR END BUDGET ADJUSTMENTS

This action will establish appropriations in Media and Public Relations to fund Quality First payments based on available Fiscal Year 2004-2005 fund balance.

**Recommendation 102 – 106**

These recommendations allow the use of \$1,140,000 in Fiscal Year 2004-05 prior year fund balance savings to provide funding for one-time needs in the Board of Supervisors' offices including staffing costs and various services and supplies costs.

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

The County is fully committed to using its resources to meet the highest priority needs of its residents as identified in the FY 2005-06 Budget and outlined by our three Strategic Initiatives – Kids, the Environment, and Safe and Livable Communities.

Respectfully submitted,

WALTER F. EKARD  
Chief Administrative Officer

**SUBJECT:** FISCAL YEAR 2005-06 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT, BUDGET AND STAFFING ADJUSTMENTS, AND RATIFICATION OF FY 2004-05 YEAR END BUDGET ADJUSTMENTS

**AGENDA ITEM INFORMATION SHEET**

**CONCURRENCE(S)**

<b>COUNTY COUNSEL REVIEW</b>	<input checked="" type="checkbox"/> Yes	
Written Disclosure per County Charter Section 1000.1 Required	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<b>GROUP/AGENCY FINANCE DIRECTOR</b>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> N/A
<b>CHIEF FINANCIAL OFFICER</b>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> N/A
Requires Four Votes	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<b>GROUP/AGENCY INFORMATION TECHNOLOGY DIRECTOR</b>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> N/A
<b>COUNTY TECHNOLOGY OFFICE</b>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> N/A
<b>DEPARTMENT OF HUMAN RESOURCES</b>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> N/A

**Other Concurrence(s):** N/A

**ORIGINATING DEPARTMENT:** Chief Financial Officer

**CONTACT PERSON(S):**

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Janel Pehau, Director, Office of Financial  
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**AUTHORIZED REPRESENTATIVE:**

Donald F. Steuer, Chief Financial Officer

**SUBJECT:** FISCAL YEAR 2005-06 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT, BUDGET AND STAFFING ADJUSTMENTS, AND RATIFICATION OF FY 2004-05 YEAR END BUDGET ADJUSTMENTS

**AGENDA ITEM INFORMATION SHEET**

(continued)

**PREVIOUS RELEVANT BOARD ACTIONS:**

8/02/05 (36) County of San Diego FY 2005-06 Final Budget for Family of Funds, Enterprise Funds, Internal Service Funds, State and County Budget Update, Encumbrance and Penalty Assessment.

**BOARD POLICIES APPLICABLE:**

A-91, Mid-Year Budget Changes

**BOARD POLICY STATEMENTS:**

**A-91 Mid-Year Budget Changes**

A waiver of Board Policy A-91, Mid-Year Budget Changes is requested for the mid-year appropriation of funds. Adjustments are for both high priority one-time items and certain ongoing services.

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

N/A

**FY 2005-2006 1st Quarter  
Projected Year-end Results**  
(in thousands)

**COUNTY SUMMARY**

Expenditure Variance	Revenue Variance	1st Quarter FY05-06 Projected Fund Balance
Favorable/(Unfavorable)		

**General Fund**

Public Safety	\$ 18,300	\$ (7,893)	\$ 10,406
Health & Human Services	85,293	(75,563)	9,730
Land Use & Environment	3,613	(3,103)	510
Community Services	248	1,844	2,092
Finance & General Government	9,163	(4,290)	4,874
Total Agency/Group	<u>116,616</u>	<u>(89,004)</u>	<u>27,612</u>
General Revenues	-	77,151	77,151
Finance Other	16,523	10,486	27,009
<b>Total General Fund</b>	<b><u>\$ 133,138</u></b>	<b><u>\$ (1,367)</u></b>	<b><u>\$ 131,771</u></b>

**Special Revenue Funds**

Public Safety	\$ 261	\$ 1,865	\$ 2,126
Health & Human Services	28,035	(255)	27,780
Land Use & Environment	2,403	(86)	2,317
Community Services	26,013	(19,162)	6,851
Finance & General Government	189	1	190
Finance Other	-	-	-
<b>Total Special Revenue Funds</b>	<b><u>\$ 56,902</u></b>	<b><u>\$ (17,638)</u></b>	<b><u>\$ 39,263</u></b>

**Internal Service Funds Departments**

Public Safety Group	\$ (8)	\$ 72	\$ 63
Health & Human Services	-	-	-
Land Use & Environment	22	(13)	9
Community Services	(2,708)	1,998	(711)
Finance & General Government	3	-	3
Finance Other	-	-	-
<b>Total Internal Service Funds</b>	<b><u>\$ (2,692)</u></b>	<b><u>\$ 2,056</u></b>	<b><u>\$ (636)</u></b>

**Enterprise Fund Departments**

Land Use & Environment	\$ 3,225	\$ (1,227)	\$ 1,998
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**Special District Funds Departments**

Public Safety Group	\$ 4	\$ -	\$ 4
Health & Human Services	1	67	67
Land Use & Environment	7,177	(198)	6,979
<b>Total Special District Funds</b>	<b><u>\$ 7,181</u></b>	<b><u>\$ (131)</u></b>	<b><u>\$ 7,050</u></b>

**Other County Funds Departments**

LUEG - Debt. Svc. Local Boards	-	-	-
Community Svcs. - Redevelopment Agencies	\$ 124	\$ (124)	\$ -
Finance Other - Majestic Pines	-	-	-
<b>Total Other County Funds</b>	<b><u>\$ 124</u></b>	<b><u>\$ (124)</u></b>	<b><u>\$ -</u></b>

Debt Service - Pension Obligation Bonds	\$ -	\$ -	\$ -
<b>Total County Projected Operating Balance</b>	<b><u>\$ 197,877</u></b>	<b><u>\$ (18,432)</u></b>	<b><u>\$ 179,446</u></b>

**FY 2005-2006 1st Quarter  
Projected Year-end Results**

(in thousands)

**PUBLIC SAFETY GROUP**

	Expenditure Variance	Revenue Variance	1st Quarter FY05-06 Projected Fund Balance
	Favorable/(Unfavorable)		

**General Fund Departments**

Alternate Public Defender	\$ 94	\$ 0	\$ 95
Child Support	1,536	(1,536)	-
Contributions for Trial Courts	4	(4)	-
Defense Attorney Contract Admin.	(2,328)	2,328	-
District Attorney	(691)	1,160	469
Emergency Services	10,073	(10,032)	42
Law Enforcement Review Board	-	-	-
Medical Examiner	199	-	199
Probation	281	(243)	38
Public Defender	-	-	-
Public Safety Executive Office	-	-	-
Sheriff	9,131	433	9,564
<b>Total General Fund</b>	<b>\$ 18,300</b>	<b>\$ (7,893)</b>	<b>\$ 10,406</b>

**Special Revenue Funds Departments**

District Attorney (Asset Forfeiture - State & Federal)	(1)	3	2
Probation - Asset Forfeiture	-	5	5
Probation - Inmate Welfare Program	2	-	2
Sheriff - Asset Forfeiture	-	7	7
Sheriff - Inmate Welfare Program	260	(149)	111
Public Safety - Proposition 172	-	2,000	2,000
<b>Total Special Revenue Funds</b>	<b>261</b>	<b>1,865</b>	<b>2,126</b>

**Internal Service Funds Departments**

Probation	-	-	-
Sheriff(Jail Stores)	(8)	72	63
<b>Total Internal Service Funds</b>	<b>(8)</b>	<b>72</b>	<b>63</b>

**Special District Funds**

Sheriff (Regional 800 MHz)	4	-	4
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<b>Total Group Projected Fund Balance</b>	<b>\$ 18,556</b>	<b>\$ (5,957)</b>	<b>\$ 12,599</b>
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**FY 2005-2006 1st Quarter  
Projected Year-end Results**

(in thousands)

**HEALTH & HUMAN SERVICES AGENCY**

Expenditure Variance	Revenue Variance	1st Quarter FY05-06 Projected Fund Balance
Favorable/(Unfavorable)		

**General Fund Programs**

Agency Administration	\$ 9,244	\$ (3,570)	\$ 5,674
Adult Mental Health	552	(552)	-
Aging & Independence Services	4,961	(4,513)	448
Alcohol & Drug Division	2,456	(1,779)	677
Children's Mental Health	2,248	(2,248)	-
Child Welfare Services	18,146	(18,146)	-
First Five Commission	(60)	271	211
Public Health Services	(156)	1,327	1,171
Regional Operations	43,596	(42,097)	1,499
Regional Program Support	4,003	(4,003)	-
Strategy & Planning	304	(253)	50
<b>Total General Fund</b>	<b>\$ 85,293</b>	<b>\$ (75,563)</b>	<b>\$ 9,730</b>

**Special Revenue Funds**

Social Services Realignment	17,471	640	18,110
Mental Health Realignment	1,530	448	1,978
Health Realignment	5,935	457	6,392
Tobacco Securitization Fund	3,100	(1,800)	1,300
<b>Total Special Revenue Funds</b>	<b>28,035</b>	<b>(255)</b>	<b>27,780</b>

**Internal Service Funds**

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

Ambulance Districts	1	67	67
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**Other County Funds Departments**

	-	-	-
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<b>Total Health &amp; Human Services Agency</b>	<b>\$ 113,328</b>	<b>\$ (75,751)</b>	<b>\$ 37,577</b>
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**FY 2005-2006 1st Quarter  
Projected Year-end Results**

(in thousands)

**LAND USE & ENVIRONMENT GROUP**

Expenditure Variance	Revenue Variance	1st Quarter FY05-06 Projected Fund Balance
Favorable/(Unfavorable)		

**General Fund Departments**

Agriculture, Weights & Measures	\$ (1,275)	\$ (220)	\$ (1,495)
Environmental Health	1,998	(1,998)	-
Farm Advisor	51	0	51
Land Use & Environment Group Exec Office	328	(1)	327
Parks & Recreation	317	64	380
Planning & Land Use	2,133	(947)	1,185
Public Works	61	-	61
<b>Total General Fund</b>	<b>\$ 3,613</b>	<b>\$ (3,103)</b>	<b>\$ 510</b>

**Special Revenue Funds Departments**

A, W & M (Grazing and Fish & Game Commission)	-	-	-
Parks & Recreation - PLDO	-	2	2
DPW - Aviation Funds	57	(57)	-
DPW - Road Funds	2,323	(350)	1,973
DPW - Inactive Waste	24	319	342
<b>Total Special Revenue Funds</b>	<b>2,403</b>	<b>(86)</b>	<b>2,317</b>

**Internal Service Funds Departments**

Public Works - DPW Equip. ISF Prg. (35525-35700)	22	(13)	9
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**Enterprise Funds Departments**

Airport Enterprise Fund	3,199	(1,227)	1,972
Liquid Waste Enterprise Fund	26	-	26
<b>Total Enterprise Funds:</b>	<b>3,225</b>	<b>(1,227)</b>	<b>1,998</b>

**Special District Funds Departments**

Air Pollution Control District	1,172	(286)	886
Parks and Recreation	26	3	29
DPW - Sanitation Districts & Sewer Maintenance	1,050	44	1,093
DPW - CSAs	-	16	16
DPW - PRDs	4,929	25	4,955
DPW - Flood Control	-	-	-
DPW - Street Lighting Districts	-	-	-
<b>Total Special Districts Funds:</b>	<b>7,177</b>	<b>(198)</b>	<b>6,979</b>

**Other County Funds Departments**

Debt Service-Local Boards	-	-	-
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<b>Total Land Use &amp; Environment Group</b>	<b>\$ 16,439</b>	<b>\$ (4,627)</b>	<b>\$ 11,812</b>
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**FY 2005-2006 1st Quarter  
Projected Year-end Results**

(in thousands)

**COMMUNITY SERVICES GROUP**

Expenditure Variance	Revenue Variance	1st Quarter FY05-06 Projected Fund Balance
Favorable/(Unfavorable)		

**General Fund Departments**

Animal Services	\$ 88	\$ 40	\$ 128
Community Services Group Exec Office	5,045	1	5,046
General Services	-	-	-
Purchasing & Contracting	-	-	-
Housing & Community Development	849	(1,224)	(375)
Library Services	-	-	-
Registrar of Voters	(5,735)	3,028	(2,707)
<b>Total General Fund</b>	<b>\$ 248</b>	<b>\$ 1,844</b>	<b>\$ 2,092</b>

**Special Revenue Funds Departments**

Library Services	6,866	(15)	6,851
Housing & Community Development	19,147	(19,147)	-
<b>Total Special Revenue Funds</b>	<b>26,013</b>	<b>(19,162)</b>	<b>6,851</b>

**Internal Service Funds Departments**

Facilities Management	(4,494)	4,494	-
Fleet Management	437	(437)	-
Purchasing & Contracting	1,349	(2,060)	(711)
<b>Total Internal Service Funds</b>	<b>(2,708)</b>	<b>1,998</b>	<b>(711)</b>

**Other County Funds Departments**

Redevelopment Agency	124	(124)	-
<b>Total Community Services Group</b>	<b>\$ 23,676</b>	<b>\$ (15,444)</b>	<b>\$ 8,232</b>

**FY 2005-2006 1st Quarter  
Projected Year-end Results**

(in thousands)

**FINANCE & GENERAL GOVERNMENT  
GROUP**

Expenditure Variance	Revenue Variance	1st Quarter FY05-06 Projected Fund Balance
Favorable/(Unfavorable)		

**General Fund Departments**

Assessor/Recorder/County Clerk	\$ 182	\$ (5,006)	\$ (4,824)
Auditor & Controller	1,309	249	1,558
Board of Supervisors	252	0	252
Board of Supervisors-General	-	-	-
CAC-Major Maintenance	-	9	9
Chief Administrative Officer	400	(11)	389
Civil Service Commission	13	-	13
Clerk of the Board of Supervisors	368	(157)	211
County Counsel	363	660	1,023
County Technology Office	500	-	500
Finance & GG Exec Office	3,882	-	3,882
Grand Jury	40	0	40
Human Resources	891	(34)	857
Treasurer/Tax Collector	965	-	965
<b>Total General Fund</b>	<b>9,163</b>	<b>(4,290)</b>	<b>4,874</b>

**Special Revenue Funds Departments**

Media & Public Relations	189	1	190
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**Internal Service Funds Departments**

CTO - Information Technology	3	-	3
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**Total Finance & General  
Government Group**

<b>\$ 9,355</b>	<b>\$ (4,289)</b>	<b>\$ 5,066</b>
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**FY 2005-2006 1st Quarter  
Projected Year-end Results**

(in thousands)

**GENERAL REVENUES &  
FINANCE OTHER**

Expenditure Variance	Revenue Variance	1st Quarter FY05-06 Projected Fund Balance
Favorable/(Unfavorable)		

**General Fund**

General Revenues:

All Current Property Taxes	\$ -	\$ 12,881	\$ 12,881
All Other Taxes-Local	-	64,281	64,281
Licenses, Permits & Franchises	-	-	-
Fines, Forfeitures & Penalties	-	-	-
Revenue for Use of Money & Property	-	-	-
Intergovernmental Revenue	-	(11)	(11)
Charges for Current Services	-	-	-
Miscellaneous Revenue	-	-	-
<b>Total General Revenues</b>	<b>\$ -</b>	<b>\$ 77,151</b>	<b>\$ 77,151</b>

General County Expenses:

Cash Borrowing Program	\$ -	\$ -	\$ -
Community Enhancement	-	-	-
Contingency Reserve	15,600	-	15,600
Contributions to the Capital Outlay Fund	616	(14)	602
Contributions to Library Fund	-	-	-
Community Projects & Services	-	-	-
Countywide Expenses	306	10,500	10,806
Total Finance Other Expenses	\$ 16,523	\$ 10,486	\$ 27,009
<b>Total General Fund</b>	<b>\$ 16,523</b>	<b>\$ 87,637</b>	<b>\$ 104,159</b>

**Special Revenue Funds Departments**

Capital Program	\$ -	\$ -	\$ -
<b>Total Special Revenue Funds</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Internal Service Funds Departments**

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

**Other County Funds Departments**

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

Pension Obligation Bonds	\$ -	\$ -	\$ -
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<b>Total General Revenues &amp; Finance Other</b>	<b>\$ 16,523</b>	<b>\$ 87,637</b>	<b>\$ 104,159</b>
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**FY 2005-2006 1st Quarter  
Projected Year-end Results**

Schedule B

(in thousands)

Category	Projected Management & Contingency Reserves	Projected Operating Balances	1st Quarter FY05-06 Projected Fund Balance
	Favorable/(Unfavorable)		
<b>General Fund</b>			
Public Safety	\$ -	\$ 10,406	\$ 10,406
Health and Human Services	5,000	4,730	9,730
Land Use and Environment	342	168	510
Community Services	4,700	(2,608)	2,092
Finance & General Government	3,350	1,524	4,874
<b>Agency/Group Totals</b>	<b>\$ 13,392</b>	<b>\$ 14,220</b>	<b>\$ 27,612</b>
General Revenues		77,151	77,151
General County Expenses	-	11,409	11,409
Contingency Reserve	15,600	-	15,600
<b>Total Gen'l. Revs &amp; Gen'l. County Exp.</b>	<b>\$ 15,600</b>	<b>\$ 88,559</b>	<b>\$ 104,159</b>
<b>Total General Fund</b>	<b>\$ 28,992</b>	<b>\$ 102,779</b>	<b>\$ 131,771</b>

COUNTY OF SAN DIEGO  
NOTES TO SCHEDULES A and B  
FY 2005 - 2006 1<sup>st</sup> QUARTER

**GENERAL NOTES**

*Projected Fund Balance*

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

*Contingency Reserve and Management Reserves*

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

*Variance Reporting*

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

Most County activities are carried out within the General Fund. The General Fund "fund balance" is considered to be the primary "equity" cushion of the County, authorized to be drawn upon by specific Board action and according to Board priorities and policies. Projected fund balances in all other funds are restricted to uses that are consistent with the purposes of the individual funds.

**PUBLIC SAFETY GROUP**

***General Fund:***

*Alternate Public Defender*

A net positive variance of \$0.1 million is projected for the Alternate Public Defender. This positive variance is due to anticipated savings in salaries and benefits primarily due to normal attrition and use of modified positions.

*Department of Child Support Services*

No variance is projected for the Department of Child Support Services. A positive expenditure variance of \$1.5 million is projected due to savings in salaries and benefits. Currently, there are 49 vacancies and a total of 57 positions are projected to be vacant at year end. This staffing contraction is necessary to bring the organization to a level that can be funded if the State Department of Child Support Services does not increase the Fiscal Year 2006-2007 allocation for the County Child Support Agency. A negative variance of \$1.5 million is projected in Federal Revenue Other Title IV-D Administration due to the lower level of expenditures described above and a prior year adjustment.

*Contribution for Trial Court*

No net variance is projected for the Contribution for Trial Court.

A negative expenditure variance of \$1.5 million is projected in services and supplies due to Fiscal Year 2004-05 major maintenance projects in progress (\$0.9 million) and facility operation and maintenance contract costs incurred by the Trial Court (\$0.6 million). Requests for approval of additional appropriations based on Public Safety Group Fiscal Year 2004-05 General Fund fund balance available (\$0.9 million) and over realized AB189 Criminal Justice Facility Penalty Assessment revenues (\$0.6 million) are included in the Fiscal Year 2005-06 First Quarter Operational Plan Status Report.

A positive expenditure variance of \$1.5 million is projected in other charges due to an anticipated reduction in the County's annual Maintenance of Effort (MOE) Payment made pursuant to Government Code Section 77201.1(b)(1)(2) pursuant to the implementation of Assembly Bill 139, (Stats. 2005, ch. 74). This bill transfers various fees and fines which were previously not specifically designated in legislation for deposit to the Court or County. Assembly Bill 139 grants Counties a reduction in the annual MOE payment based on the County's Fiscal Year 2003-04 share of Civil Assessment Revenue. Correspondingly, a negative revenue variance of \$1.5 million is projected in Failure to Appear PC 1214 revenue (Civil Assessment Revenue) which has been transferred to the State in accordance with the provisions of Assembly Bill 139. An additional negative variance of \$1.5 million is projected in other various fees, fines and collections which have been transferred to the State in accordance with the provisions of Assembly Bill 139 (\$0.8 million), the estimated loss of revenue from Assembly Bill 145 (\$0.2 million), and the reduction in anticipated growth of various revenues initially projected (\$0.5 million). Requests for approval of adjustments to revenue based on Public Safety Group Fiscal Year 2004-05 General Fund fund balance available are included in the Fiscal Year 2005-06 First Quarter Operational Plan Status Report.

*Defense Attorney Contract Administration*

No net variance is projected for the Defense Attorney Contract Administration. A negative variance of \$2.3 million is projected in services and supplies. The

County of San Diego contracts for certain Indigent Defense Services with the San Diego County Bar Association (Private Conflict Counsel). In Fiscal Year 2004-05, the number of cases referred to the Private Conflict Counsel exceeded the contract by 697 cases. In accordance with the contract terms and conditions, an additional payment of \$2.3 million is required. A request for approval of additional appropriations based on Public Safety Group Fiscal Year 2004-05 Fund balance available is included in the Fiscal Year 2005-06 First Quarter Operational Plan Status Report.

*District Attorney*

A net positive variance of \$0.5 million is projected for the District Attorney's Office.

A negative expenditure variance of \$0.7 million is projected in expenditure transfer and reimbursements due to do normal attrition and delays in filling vacant positions in the Public Assistance Fraud Division.

A positive revenue variance of \$1.2 million is primarily attributable to the unanticipated projected receipt of SB90 Child Abduction Mandate reimbursement based upon appropriations included in the State Budget, \$1.0 million, unanticipated revenue from adult deferred revenue, \$0.2 million, and the unanticipated reduction of Federal Southwest Border Prosecution Initiative funds, \$2.2 million, which will be mitigated by available prior year Proposition 172 funds. Requests for approval of adjustments to revenue based on Fiscal Year 2004-05 Fund balance available in the Proposition 172 Special Revenue Fund are included in the Fiscal Year 2005-06 First Quarter Operational Plan Status Report.

*Emergency Services*

A net positive variance of \$0.04 million is projected for the Office of Emergency Services.

A net positive expenditure variance of \$10.1 million is primarily due to projected savings (\$2.6 million) in services and supplies and (\$7.5 million) in other charges due to the extension of related Homeland Security Grants and Urban Area Security Initiative Grants. These grants have been extended through Fiscal Year 2006-07, which will result in \$10.1 million of planning costs, equipment purchases, and reimbursement to other government agencies being carried over to Fiscal Year 2006-07. A net negative revenue variance of \$10.1 million in Intergovernmental Revenues will directly offset these anticipated variances.

*Probation*

An overall net positive variance of \$0.1 million is projected for the Probation Department.

A net positive expenditure variance of \$0.3 million is projected. A positive expenditure variance of \$0.7 million is projected in salaries and benefits due to

attrition. A negative expenditure variance of \$0.8 million is projected in services and supplies primarily due to increased food costs in the institutions resulting from an increase in population coupled with higher costs of meals. A positive expenditure variance of \$0.4 million is projected in other charges due to anticipated savings in costs for foster care placements. Appropriations will be transferred between expenditure objects to mitigate these negative variances.

A net negative revenue variance of \$0.2 million is projected. State and federal aid foster care revenue is over-realized by \$0.4 million as a result of slightly higher commitments to residential treatment facilities. Federal revenues for the Nutritional Meals Program will exceed budget by \$0.1 million. Targeted Caseload Management revenues (TCM/MAA) will exceed budget by \$0.4 million due to additional claimable expenses in Adult Field Services division. Work Project crew revenues budgeted in other services to government, airport enterprise fund, road fund, and internal service fund accounts will generate an additional \$0.6 million in revenue due to increased use of work project crews. Other court costs and court administration fees are projected to exceed budget by \$0.3 million due to increased offender reimbursements for the cost of supervision/investigations. Social Services Realignment revenue will be under-realized by \$1.3 million due to an anticipated decrease in reimbursement from that revenue source for Foster Care expenses. Title 4-E revenues are projected to be under-realized by \$0.2 million due to vacancies within Juvenile Field Services division; this revenue is budgeted in State Admin Child Welfare, however, the revenue has been realized in Federal Admin Child Welfare Title 4-E. State Aid Emergency Assistance revenue, Juvenile Probation Funding (formerly TANF), is projected to be under realized by \$0.6 million. One variable contributing to receipt of this revenue is prior year average daily attendance within the detention camps, which experienced a reduction due to the reduction of beds during the Fiscal Year 2003-04 Operational Plan Development. Institutional Care County revenues will be below budget by \$0.2 million primarily from fewer undocumented wards detained in Juvenile Hall resulting in a lesser amount of parental reimbursement for wards detained in institutions. An additional net \$0.3 million in revenue will result from various sources including charges for sealing records, court fees, JJCPA, rent collected at a lease to own facility and collections for damages to county property.

#### *Sheriff*

A net positive variance of \$9.6 million is projected in the Sheriff's Department.

A net positive expenditure variance of \$9.2 million is projected. A positive expenditure variance of \$10.6 million is projected in salaries and benefits due to salary savings resulting from 272 vacant positions. The Sheriff's Department continues to experience staff turnover and fewer cadets entering the Deputy Sheriff Academies. This projection includes "Expected New Hires" of 117 sworn staff from forthcoming academies and 20 professional staff. Also, this projection anticipates 112 retirements/departures.

A negative expenditure variance of \$3.0 million is projected in services and supplies primarily due to increased automotive fuel costs (\$1.1 million) and increased food and household expense costs within the jails (\$2.2 million) associated with the increased daily inmate population. In addition, a positive expenditure variance of (\$0.3 million) is projected in special departmental expense.

A positive variance of \$1.6 million is projected in other charges supporting inmate medical care. Additional funds of \$5.7 million were appropriated to the inmate medical care account in Fiscal Year 2005-06 due to the shift of responsibility for inmate pharmacy costs from the Health and Human Services Agency to the Sheriff (\$3.7 million) and in anticipation of rising medical costs (\$2.0 million). The medical costs have not risen to the level anticipated during the first three months and this projection assumes that trend continuing for the remaining nine months of the fiscal year.

A net positive revenue variance of \$0.4 million is projected. A positive variance of \$0.4 million is projected in jail bed leasing due to the increase per bed rate allowable under the contract.

### ***Special Revenue Funds:***

#### *Proposition 172*

A net positive variance of \$2.0 million is projected for the Proposition 172 Special Revenue Fund. Although State sales tax receipts to the fund have shown strong performance in the last twelve months, new national economic variables including gas prices and the recent Gulf Coast hurricanes advise cautious projections. Pursuant to the Board of Supervisor's Policy A-126, any positive variance at year end will be disbursed according to a public safety program plan agreed to by the Sheriff, the District Attorney and the Probation Department.

In addition to the current year positive variance, Proposition 172 finished Fiscal Year 2004-05 with a positive \$21.7 million year-end fund balance after adjusting for year-end accruals and actual realized revenues. A total of \$4.0 million of that balance has been appropriated to date through adoption of the Fiscal Year 2005-06 Operational Plan and through other actions of the Board of Supervisors. The Public Safety Group is submitting several requests for additional appropriations for the Sheriff, the District Attorney and the Probation Department totaling \$10.0 million in the Fiscal Year 2005-06 First Quarter Operational Plan Status Report.

#### *Sheriff's Inmate Welfare*

A net positive variance of \$0.1 million is projected for the Inmate Welfare Fund. This is due to projected \$0.3 million expenditure variance with expenditures being less than budget in various services and supplies accounts. Purchase for Resale in the inmate print shop is projected to be \$0.1 million under budget; printing is projected to be \$0.1 million under budget, minor equipment and maintenance of structures are projected to be \$0.1 million under budget. The

positive expenditure variance is offset by a net negative revenue variance of \$0.2 million related to assorted miscellaneous revenue decreases.

## **HEALTH AND HUMAN SERVICES AGENCY**

### ***General Fund:***

#### *Agency Administration*

The Agency Administration consists of the following: Agency Executive Office, Agency Contract Support, Financial Services and Support Division, Human Resources and Information Services. A net positive variance of \$5.7 million is projected for Agency Administration. The variance is the result of net expenditure savings of \$9.2 million and projected under-realized revenues of \$3.5 million. The \$9.2 million expenditure savings includes \$5.0 million in anticipated year-end management reserves, \$3.0 million of emergency appropriation savings associated with unsecuritized tobacco settlement, \$0.9 million in reduced postage, professional and specialized services savings in various services and supplies costs and \$0.3 million in salary savings due to normal attrition. The \$3.5 million of under-realized revenue includes the \$3.0 million of unsecuritized tobacco settlement revenue and \$0.5 million reduced revenue associated with reduced expenditures.

#### *Adult Mental Health*

No net variance is projected in Adult Mental Health. The anticipated overall expenditure savings of \$0.6 million is principally due to savings in case management and residential services contracts as well as in special departmental expense, facilities management, and computer application services. The overall expenditure savings are offset by a net decrease in related revenue of \$0.6 million.

#### *Aging and Independence Services*

A net positive variance of \$0.5 million is projected for Aging and Independence Services. This is the result of a net expenditure savings of \$5.0 million offset by a \$4.5 million decrease in realized revenues associated with expenditure savings.

The net expenditure savings of \$5.0 million include \$1.8 million of savings in services and supplies, \$3.8 million of savings in operating transfers for the In Home Support Services (IHSS) Public Authority, and \$0.5 million of savings in fixed assets at Edgemoor. The savings are offset by \$1.1 million increase in salaries and benefits primarily due to anticipated salary savings for attrition being less than budgeted. The \$1.8 million savings in services and supplies are due to a combination of \$0.9 million in additional expense at Edgemoor, \$1.8 million of savings in IHSS due to decreased Individual Provider Services costs, \$0.5 million of savings in Adult Protective Services (APS) due to a delay of the APS marketing contract, and \$0.4 million of savings at Caregiver and Nutrition.

A projected net decrease in revenue of \$4.5 million is the result of a \$1.3 million increase at Edgemoor due to change in the Medi-Cal rate, a \$0.2 million increase at APS due to an increase in Federal APS revenue, a \$1.6 million decrease in IHSS due to federal waiver refund, a \$0.6 million decrease in Nutrition due to a decrease in federal nutrition revenue, and a \$3.8 million decrease in revenue associated with the IHSS Public Authority projected expenditure savings.

#### *Alcohol and Drug Services*

A net positive variance of \$0.7 million is projected for Alcohol and Drug Services. The anticipated overall expenditure savings of \$2.5 million is comprised of \$2.4 of savings in contracted services and Proposition 36 and \$0.1 million for computer software costs for Cal-OMS. A projected net negative revenue variance of \$1.8 million in revenues includes a projected reduction of \$2.0 million in Proposition 36 revenues associated with savings in contracted services offset by \$0.2 million in recovered expenditures.

#### *Children's Mental Health Services*

No net cost variance is projected in Children's Mental Health. The anticipated overall expenditure savings of \$2.2 million is due to net savings of \$0.5 million in salaries and benefits and \$1.7 million in services and supplies. The savings in salaries and benefits are the result of vacancies. The savings in services and supplies are due to decreased demand for contract services (specifically, case management, day treatment, and outpatient services) and savings in Institutional services costs due to a projected reduction in Inpatient utilization. A projected decrease of \$2.2 million in Early and Periodic Screening, Diagnosis and Treatment (EPSDT) and Medi-Cal revenues is associated with decreased expenditures.

#### *County Child Welfare Services*

No net cost variance is projected for Countywide Child Welfare Services (CCWS). This is the result of a net expenditure savings of \$18.1 million offset by an \$18.1 million projected reduction in realized revenues. The net expenditure savings of \$18.1 million is the result of \$3.8 million of savings in salaries and benefits caused by vacancies due to attrition and unused appropriations for overtime and temporary staffing. In addition, \$15.8 million of savings is projected in Aid Payments due to Severely Emotionally Disturbed (SED), Foster Care, and Aid to Adoptive Parents (AAP) expenditures not increasing as anticipated. The savings are offset by \$1.5 million increased costs at Polinsky Children's Center due to a higher population census. The \$18.1 million projected under-realized revenue is associated with projected expenditure savings.

#### *First Five Commission (formerly Proposition 10)*

A positive net variance of \$0.2 million is projected for the First Five Commission. This is primarily the result of over-realization of revenues to cover departmental overhead costs.

### *Public Health Services*

A net positive variance of \$1.2 million is projected for Public Health Services. This is a result of a net increase in expenditures of \$0.1 million offset by \$1.3 million in over realized revenues.

The \$0.1 million increase in expenditure is a result of \$0.5 million savings in salaries and benefits offset by increases in expenditures of \$0.5 million for services and supplies and \$0.1 million for other charges. The \$0.5 million savings in salaries and benefits consist of savings from vacancies due to turnovers and staff transferring from Patient Admin Services to the Fiscal Services Division. The \$0.5 million expenditure increase in services and supplies is primarily due to contracted services associated with Emergency Medical Services and Bio-terrorism projects to enhance preparedness. In addition, there is an increase of \$0.1 million in other charges due to adjustments in Emergency Medical Service (EMS) to reflect transfer of funds from the EMS Trust Fund to the Trauma Trust fund. The over realized revenue of \$1.3 million is associated with the increase in contracted services associated with Bio-terrorism preparedness and EMS projects.

### *Regional Operations*

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

A net positive variance of \$1.5 million is projected for Regional Operations due to net expenditure savings of \$43.6 million and \$42.1 million in under realized revenues. Savings in salaries and benefits are projected at \$4.9 million due to vacant positions resulting from staff turnover. Additional reductions in expenditures are projected to include \$2.0 million associated with services and supplies, a \$36.7 million decrease in other charges comprised of \$5.3 million for Child Care payments and \$31.4 million for CalWORKS, General Relief, Welfare to Work and Refugee Assistance payments. These decreases are based on projected caseloads. A decrease of \$42.1 million in revenues is projected as a result of the anticipated savings in expenditures.

### *Regional Program Support Division*

No net variance is projected for Regional Program Support Division. The projected expenditure savings of \$4.0 million is primarily due to contracted services in Medical Care Program Administration. The projected under-realization of revenue by \$4.0 million is associated with the projected expenditure savings.

### *Strategy and Planning Division*

A net positive variance of \$0.05 million is projected for the Strategy and Planning Division. The projected expenditure savings of \$0.3 million is due to overall

savings in services and supplies. The projected under-realization of revenue by \$0.25 million is associated with the projected expenditure savings.

***Special Revenue Funds:***

A total net positive variance of \$27.8 million is projected for the three Realignment Special Revenue Funds and the Tobacco Securitization Fund.

*Realignment Special Revenue Funds*

Expenditure savings of \$24.9 million are projected in the three Realignment Special Revenue Funds. These savings are primarily associated with budgeted un-obligated reserves to help cover costs in the future (\$17.0 million). There continues to be savings throughout the agency in realigned programs, including unanticipated savings in IHSS due to case costs being lower than projected (\$4.2 million), in child welfare (\$1.6 million) and other realigned programs (\$2.1 million).

The Realignment revenue positive variance of \$1.5 million reflects the most current projections of sales tax and VLF growth. It is projected that sales tax will grow statewide at 5%, and VLF will grow at 3%.

*Tobacco Securitization Fund*

A net positive variance of \$1.3 million is projected in the Securitized Tobacco Settlement Fund. This represents the difference between the projected annual available amount of Tobacco funds and what the Board of Supervisors has approved. Overall, appropriation savings of \$3.1 million are projected based on planned reduction in appropriations for other charges and in operating transfers out associated with the reduction in available fund balance discussed below. The negative revenue variance of \$1.8 million is based on an updated actuarial evaluation that indicates that there are less Tobacco funds available annually due to lower assumed interest earnings than previous evaluations used.

**LAND USE AND ENVIRONMENT GROUP**

***General Fund:***

*Agriculture, Weights and Measures*

A net negative variance of \$1.5 million is projected by year end for the Department of Agriculture, Weights and Measures. A negative variance of \$1.1 million is projected in salaries and benefits due to anticipated expenses for programs for which there is continuing uncertainty regarding State funding. The Department continues to work with the State and this negative variance is expected to be mitigated by year end. A negative variance of \$0.2 million in services and supplies and capital assets equipment is related to equipment expenses for the County Veterinarian and shared major maintenance expenses. The equipment and major maintenance expenses will be offset by an

appropriation of fund balance should that recommendation be approved by the Board of Supervisors in the First Quarter Operational Plan Status Report.

A negative revenue variance of \$0.2 million is projected. A \$0.1 million over-realization in revenue is projected mainly due to a \$0.1 million increase in device registration fees. A \$0.3 million under-realization in revenue is projected mainly due to: a change in reporting that instead reflects certain reimbursements as an abatement in services and supplies (\$0.146 million); and a shortfall of \$0.121 million in charges in inactive solid waste revenue due to a reduction of erosion control work performed. This is offset by an equal savings in services and supplies.

#### *Environmental Health*

No variance is projected for the Department of Environmental Health. Projected expenditure savings of \$2.0 million are due to \$0.7 million in salaries and benefits savings from 13 vacancies and under-filled positions; and \$1.3 million in services and supplies, primarily the IT contract with KIVA. Under-realized revenue of \$2.0 million is due to the ten percent fee credit (\$1.7 million) approved by the Board of Supervisors in May 2005 for eligible programs, and the remainder is due to a decrease in funding in state agreements for Radiological Health and the Local Oversight Program.

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

A net positive variance of \$0.3 million is projected. This is primarily due to a projected year-end balance of \$0.3 million in Management Reserves.

#### *Parks and Recreation*

A net positive variance of \$0.4 million is projected for Parks and Recreation. A positive variance is due to projected savings in salaries and benefits from short term position vacancies. This amount represents approximately 3 percent of budgeted salaries and benefits.

#### *Planning and Land Use*

An overall positive variance of \$1.2 million is projected by year end. A positive expenditure variance of \$2.1 million is divided between salaries and benefits (\$1.1 million) and services and supplies (\$1.0 million). Savings in salaries and benefits is the result of an average vacancy rate of 7.6% from July 2005 – September 2005. There are currently 18 vacancies. Of the 18 current vacancies, six (6) are pending reclassification or other action by DHR; six (6) are pending recruitment; one (1) offer has been made; and five (5) lists have been requested or interviews have been scheduled. Savings in services and supplies is a result of a projected savings of \$0.6 million in consultant services related to the Fire Safety and Fuels Reduction Program. Funding and expenditures span several years and will not be fully expended in FY 2005-06. The remaining projected savings of \$0.4 million is in various service and supply accounts.

The revenue shortfall of \$0.9 million is primarily in discretionary permitting (\$0.7 million). This projected revenue shortfall is due to four vacancies in the permit-processing program. Revenue is not generated if staffing is not available to process permits.

***Special Revenue Funds:***

*Department of Public Works*

- Road Fund. An overall net positive variance of \$2.0 million is projected for the Road Fund. A positive expenditure variance of \$2.3 million is projected due to salaries and benefits savings of \$0.8 million resulting from turnover and vacancies during recruitment efforts; savings of \$1.5 million in services and supplies primarily due to an anticipated \$1.4 million savings in consultant contracts and various services and supplies accounts. Revenue is projected to be under-realized by \$0.3 million in work for others primarily due to vacancies.
- Inactive Waste. A net positive variance of \$0.3 million is projected for the Inactive Waste Fund. A projected \$0.3 million over-realization of revenue consists of unanticipated revenue from the General Fund for reimbursement of staff costs for the Tree Removal Grant and over-realization of revenue from solid waste tonnage fees.

***Enterprise Funds:***

*Department of Public Works*

*Airport Enterprise Fund*

A net positive variance of \$2.0 million is projected for the Airport Enterprise Fund. A projected savings of \$0.2 million in salaries and benefits is due to vacancies and a projected savings in services and supplies of \$0.5 million is due to anticipated savings in consultant contracts. Further, a projected \$2.5 million savings in Capital Assets/Land Acquisition is related to savings from decreases in costs of the Palomar Northside Ramp Taxiway and Gillespie Field Slurry Seal 17/35 as well as anticipated savings in the Gillespie Field Overlay Runway 27R as the project is near completion. Additional savings are due to projects on hold until FY 2006-07 and will be re-budgeted. A projected under-realization of \$1.2 million in revenue is tied to these savings as revenue is earned on a cost reimbursement basis.

***Special District Funds:***

*Air Pollution Control District (APCD)*

A net favorable variance of \$0.9 million is projected by year-end. A positive expenditure variance is due to projected savings in salaries and benefits of \$0.9 million as a result of implementing the mitigation plan to help reduce the impact

of potential state budget cuts and increase in operational costs, and to minimize the effects of these risks on permitting fees. The plan includes keeping two positions vacant during the fiscal year, delaying the hiring for 7 vacant positions and continuing to under-fill some positions.

#### Department of Public Works

##### *Sanitation Districts & Sewer Maintenance*

A net positive variance of \$1.1 million is projected for the Sanitation Districts & Sewer Maintenance. The projected savings in services and supplies is \$1.1 million. Savings of \$1.0 million is due to cancellation of prior year METRO encumbrances and the remainder is due to savings in routine maintenance of structures and consultant contracts.

##### *Permanent Road Divisions*

A net positive variance of \$4.9 million is projected for Permanent Road Divisions. \$4.9 million in savings is related to funds that were budgeted for potential El Niño damage that are not expected to occur.

## **COMMUNITY SERVICES GROUP**

### ***General Fund Departments:***

#### *CSG Executive Office*

The projected favorable variance of \$5.0 million is due primarily to unspent Management Reserves expected to be \$4.7 million at year-end. Reserves are maintained at the Group level to provide resources for funding for Documentum, a records management program, and other long-term obligations and contingencies. A request for approval of Management Reserve appropriations based on prior years' fund balance is included in the Fiscal Year 2005-06 First Quarter Operational Plan Status Report. In addition expenditures for services and supplies are anticipated to be \$0.3 million under budget due to uncertainty over timing of IT and other multi-year projects.

#### *Housing and Community Development*

HCD projects an overall net negative variance of \$0.4 million. Projecting cutbacks in Federal funding to be announced in the next few months, the department has decreased planned expenditures and revenues accordingly. A positive expenditure variance of approximately \$0.8 million is the result of salary and benefit savings of \$0.4 million due to vacant and under-filled positions, and \$0.4 million in overall services and supplies expenditure savings (office, miscellaneous and professional/specialized services). The projected \$1.2 million revenue shortfall is a direct result of the projected savings, since the department's direct expenditures are 100% offset by outside revenue sources. The department is also able to claim its A-87 costs (subject to a cap on total administrative costs), typically realizing an excess of revenue over expenditures.

The department is tracking its budget carefully and it will submit a mitigation plan in the Second Quarter Budget Status Report if projections remain unchanged.

*Registrar of Voters*

The Registrar of Voters projects a net negative variance of \$2.7 million due primarily to the City of San Diego Special Election on July 26 and the Special Statewide Election on November 8<sup>th</sup>.

The expenditure variance is a negative \$5.7 million which consists of \$0.1 million for Quality First payouts related to FY 2004-05; the costs to conduct the July 26<sup>th</sup> and November 8<sup>th</sup> Special Elections including \$1.8 million in salaries for Temporary Election Workers and overtime, and \$3.5 in service/supplies for poll workers, sample ballots, postage, and election supplies; and \$0.3 million for miscellaneous other items including project costs related to the construction of warehouse loading docks, phone bank, and training rooms, and other warehouse fencing and security items completed in preparation for the June 2006 Primary Election.

The revenue variance is a positive \$3.0 million which consists of \$2.2 million for the City of San Diego July 26th election, \$0.1 million in recovered expenditures for the State Ballot Pamphlet claim and \$0.7 million for billings to jurisdictions that participate in the November 8th Special Statewide election.

The Department is compiling the actual costs and the reimbursements for the November election and is preparing a mitigation plan to address the projected shortfall. Registrar of Voters will submit the mitigation plan in the Second Quarter Budget Status Report.

***Special Revenue Funds:***

*Housing and Community Development Special Revenue Fund*

A favorable expenditure variance of \$19.0 million is expected to be offset by an unfavorable revenue variance of the same amount for a net variance of zero. The Department budgets all funds that it is eligible to receive from the funding source, to facilitate the multi-year project expenditure request process. The savings of \$19 million is based on staff's analysis of anticipated funding requests for approved projects. Revenue is projected to equal expenses as project costs are 100% offset.

*San Diego County Library*

A net positive variance of \$6.9 million is projected for the Library. Projected savings of \$0.7 million in salaries and benefits are the result of vacancies that are anticipated to be filled and the normal turnover of staff. In order to fill the vacancies, the Library is currently conducting a vigorous recruiting campaign that has included hiring halls and other outreach efforts. A net savings of \$0.3 million in services and supplies is the result of savings in a variety of accounts, offset by

higher expenditures in software, office, and vehicle costs. The expenditure variance includes a projected year-end balance of \$5.9 million in Management Reserves. A request for approval of Management Reserve appropriations based on prior years' fund balance is included in the Fiscal Year 2005-06 First Quarter Operational Plan Status Report. The funds will eventually be expended in future years for major initiatives such as facilities and IT upgrades.

No net variance is anticipated for revenues. However, revenue from property taxes is projected to be \$0.4 million more than budgeted due to ongoing increases in assessed valuation of property. Revenues from Library Services are projected to be \$0.4 million less than budget due to lower video rentals and fines as a result of on-line renewals and significantly lower revenues from copiers.

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

#### *Facilities Management ISFs*

A total unfavorable expense variance of \$4.5 million offset by a total favorable revenue variance of \$4.5 million is projected for the Facilities Management ISFs, for a net zero variance.

The expenditure variance is the result of projected expenditure savings of \$1.5 million in salaries and benefits due to staff vacancies, and \$0.3 million in other charges primarily due to a pending eminent domain case anticipated not to be resolved by year end, offset by a projected additional requirement of \$6.3 million in services and supplies primarily due to costs associated with new maintenance projects. These additional projects were not included in the budgeted Major Maintenance Improvement Program, but have subsequently been identified by the departments because of emergent needs, changing conditions, or funding availability. The unfavorable variance is being addressed by a request for approval of additional appropriations based on charges for services received from the General Fund that is included in the Fiscal Year 2005-06 First Quarter Operational Plan Status Report.

The revenue variance contains several offsetting categories.

- Revenue underrealization of \$1.4 million includes Special Districts/Local Boards (\$0.3 million) due to the revenue being realized in the General Fund, charges in internal service funds (\$0.6 million) due to less than anticipated facilities maintenance support, and various miscellaneous funding sources (\$0.5 million).
- Overrealized revenues include rents and concessions (\$0.4 million), charges in trial courts funds (\$1.3 million) associated with contract services, charges in the General Fund (\$3.6 million) primarily associated with emergent major maintenance projects and various miscellaneous funding sources (\$0.6 million).

#### *Fleet Management Internal Service Funds*

A total favorable expense variance of \$0.4 million and a total unfavorable revenue variance of \$0.4 million is projected for the Fleet Management ISFs, for a zero total variance.

The expenditure variance is the result of projected savings of \$0.5 million in salaries and benefits due to staff vacancies and \$0.1 million in unused contingency reserves offset by the combined over-expenditure of \$0.2 million in other charges and services and supplies primarily due to the higher than budget recording of depreciation.

The revenue variance is due to variances in several categories. Revenue under-realization of \$0.6 million includes \$0.3 million in charges in general fund and \$0.2 million in charges in internal service funds associated with less than anticipated vehicle maintenance requirements and \$0.1 million in loss on sale of fixed assets primarily due to the sale of less than fully depreciated vehicles at auction. Revenue under realization is offset by \$0.2 million in over realized revenues in various miscellaneous funding sources.

Note: Fuel costs are up 42.5% over last year's 1<sup>st</sup> Quarter costs and is a risk to this projection. Fleet is monitoring costs and, if required, will request a budget adjustment/increase later in the year.

#### *Purchasing and Contracting ISF*

A negative variance of approximately \$0.7 million is projected by fiscal year end. Itemizing by business unit, the projected fund balance amounts are: positive balance of \$0.3 million in Purchasing and Contracting Operations, negative balance of \$0.5 million in Records and negative balance of \$0.5 million in Print. Department operations will be significantly impacted by the outsourcing of Print and a portion of the Record functions, expected to occur by the end of January 2006, and most of the projected variance is due to those changes. The positive expenditure variance of \$1.3 million is a combination of anticipated cost savings in salaries and benefits of about \$0.7 million and \$0.6 million in services and supplies. Salary savings are due to vacant staff positions in Records and Print divisions, as well as other staff turnover. Services and supplies savings are due to decreases in materials, supplies and printing services spending in Print division and a combination of savings in various expense accounts in Purchasing operations. The negative variance in revenue of about \$2.0 million is due to a decrease in production volume in the Print and Records divisions attributable to the upcoming outsourcing. In order to reduce the Department's projected negative fund balance of \$0.7 million, intensive efforts to place staff affected by the outsourcing of Print and Records have begun. Early placement of Print and Records staff resulting in a reduction in salaries and benefits as well as services and supplies costs will decrease the negative fund balance. A possible mid-year recalculation of Internal Service Fund rates may be required.

#### ***County Redevelopment Agency Funds:***

*Upper San Diego River Improvement Project (USDRIP)*

A favorable expenditure variance of \$0.1 million offset by an unfavorable revenue variance of the same amount are projected to result in a net variance of zero. The project will not receive tax increment revenue of \$0.7 million budgeted in FY 2005-06 because of decreasing debt in relation to accumulated available resources. Over the past several years the Agency has paid off debt to the County Flood Control District (100% pay off), Lakeside Sanitation District (100% pay off) and a portion of the debt to the General Fund. Two USDRIP funds are affected, the Capital Fund and the Housing Fund. In the USDRIP Capital Fund, expenditures will decrease by \$.1 million in housing set-aside payments due directly to the non-receipt of tax increment. Requests for approval of additional appropriations in both funds for administrative expenditures based on prior years fund balance instead of tax increment revenue are included in the Fiscal Year 2005-06 First Quarter Operational Plan Status Report.

**FINANCE & GENERAL GOVERNMENT GROUP**

***General Fund:***

*Assessor/Recorder/County Clerk*

A net negative variance of \$4.8 million is projected for the Assessor/Recorder/County Clerk. A projected net positive expenditure variance of \$0.2 million is comprised of \$0.1 million of savings in salaries and benefits from vacant positions and \$0.1 million in savings in various services and supplies. The net negative revenue variance of \$5.0 million is primarily due to the suspension of the State's Property Tax Administration Grant Program.

*Auditor and Controller*

A net positive variance of \$1.6 million is projected for the Auditor and Controller. This projected expenditure variance is comprised of \$1.3 million of savings in salaries and benefits related to vacant positions, a projected negative variance of \$0.2 million in assorted services and supplies accounts, and a projected \$0.2 million year-end balance in Management Reserves. A net positive revenue variance of \$0.25 million consists of a projected revenue shortfall in service charges on collected accounts (\$0.6 million) offset by a forecasted over-realization in other miscellaneous revenues (\$0.7 million) and other charges for current services (\$0.15 million).

*Chief Administrative Office*

A net positive variance of \$0.4 million is projected for the Chief Administrative Office. This variance is primarily due to savings in salaries and benefits due to vacant positions.

Clerk of the Board of Supervisors

A net positive variance of \$0.2 million is projected for the Clerk of the Board of Supervisors. A net positive expenditure variance is due to savings in salaries and benefits of \$0.2 million and a projected \$0.2 million year-end balance in Management Reserves. A net negative revenue variance of \$0.2 million is due to the loss of revenue from the suspension of the Property Tax System Administration Grant Program.

*County Counsel*

A net positive variance of \$1.0 million is projected for County Counsel. A net positive expenditure variance of \$0.3 million is comprised of a projected \$0.1 million of savings in salaries and benefits from vacant positions and a \$0.2 million projected year-end balance in Management Reserves. A net positive revenue variance of \$0.7 million is projected due to over-realized revenue for legal services provided to various clients.

*County Technology Office*

A net positive variance of \$0.5 million is projected for the County Technology Office. The variance is the result of a projected year-end balance of \$0.5 million in Management Reserves.

*Finance and General Government Group*

A net positive variance of \$3.9 million is projected for the Finance and General Government Group. The variance is the result of savings in salaries and benefits of \$0.2 million, savings in services & supplies of \$1.9 million due to information technology expenditures savings resulting from decommissioning the legacy financial applications, and a projected year-end balance of \$1.8 million in Management Reserves.

*Human Resources*

A net positive variance of \$0.8 million is projected for Human Resources. This variance is primarily due to savings in salaries and benefits as a result of vacant positions, timing of staff hiring/staff turnover and some under filled positions.

*Treasurer-Tax Collector*

A net positive variance of \$1.0 million is projected for the Treasurer Tax Collector. This variance is primarily due to \$0.7 million of projected savings in salaries and benefits due to employee retirements and turnover. In addition, there is a savings of \$0.1 million in services and supplies and a projected year-end balance of \$0.2 million in Management Reserves.

**GENERAL REVENUES & GENERAL COUNTY EXPENSES**

***General Revenues & General County Expenses***

The General Fund fund balance for these two categories combined is projected to be \$104.2 million, comprised of an estimated additional \$77.2 million in

General Revenues and a \$27.0 million net positive variance in General County Expenses.

### General Revenues

The San Diego economy continues to fare well. Local economic indicators, including San Diego's gross regional product, employment, and personal income, show moderate growth. San Diego's unemployment rate compares favorably to both the U.S. and California unemployment rates. Local sales tax transactions are improving for the County as a whole with a 5.9% growth rate for Fiscal Year 2004/05 over Fiscal Year 2003/04. Moreover, the real estate market continues to be steady due to high demand, limited supply and continued favorable low financing costs.

### *All Current Property Taxes*

All Current Property taxes are estimated to provide a \$12.9 million favorable net variance.

- *Property Taxes Current Secured*

Current Secured Taxes are projected to be \$12.9 million above budget. At the time the budget was prepared, the level of current secured property tax revenues was based on the assumption that assessed value growth through June 30, 2005 would be 10%. Subsequently the actual assessed value growth became known and it exceeded 13%, which will result in current secured property tax revenue collections exceeding budget by approximately \$12.9 million.

Supplemental property taxes, currently projected at budget, are also expected to exceed the budgeted estimate as a result of a change in the distribution formula that shifts more supplemental taxes to the County as a result of the legislation that created the VLF Property Tax Compensation Fund. See the narrative on In Lieu Local Sales and Use Tax & Property Tax in Lieu of VLF below for more explanation on these changes. An updated projection on supplemental property taxes based on mid-year information will be included in the Fiscal Year 2005-06 Second Quarter Budget Status and Adjustment Letter. The revised projection will incorporate three more property tax apportionments in Fiscal Year 2005-06.

### *Taxes Other Than Current Secured*

Taxes Other Than Current Secured are anticipated to exceed budget by an aggregate \$64.3 million.

- *Property Tax in Lieu of VLF & In Lieu Local Sales and Use Tax*

Property Tax in Lieu of Vehicle License Fees (VLF) is projected to be \$64.44 million over the budgeted amount of \$200.5 million. This revenue was budgeted conservatively because of the lack of data regarding the accuracy of the base year allocation, which was Fiscal

Year 2004-05. The implementing legislation provided that the Fiscal Year 2005-06 allocation be calculated based on a formula that took into account adjusted actual allocations for Fiscal Year 2004-05 and growth in gross taxable assessed value in each county. Information on the adjusted actuals was released on October 14, 2005 and the County will be receiving a one-time \$17.7 million positive true-up adjustment for Fiscal Year 2004-05. In addition, the published assessed growth factor for 2005-06 is 13.3%, which establishes the County's 2005-06 property tax in lieu of vehicle license fee base at \$247.3 million, which is an ongoing revenue increase of \$46.8 million over the Fiscal Year 2005-06 budget.

Beginning in FY 2004-05, the County reclassified about one-fourth of the sales tax revenue (\$5.15 million in FY 2004-05) to "property taxes in lieu of sales tax" to comply with the State's "triple flip" legislation approved in FY2003-04. More specifically, effective July 1, 2004, provisions of AB7 X1, one of the 2003-04 State budget bills referred to as the "triple flip", took effect. It enabled the State to redirect one-quarter cent of the local sales and use tax to the State to repay up to \$15 billion in bonds authorized by Proposition 57 (March 2004) to help the State refinance its past debt. In turn, the lost revenues are replaced with countywide property tax revenues shifted back from the Educational Revenue Augmentation Fund (ERAF). When the FY 2005-06 Adopted Budget was formulated, the In Lieu Local Sales & Use Tax amounts were estimated. Based on a letter from the Department of Finance dated August 31, 2005, the County will be allocated \$0.16 million less than the estimated budget amount adjusting for the "settle-up" amount for Fiscal Year 2004-05.

### General County Expenses

#### *Contingency Reserve*

The entire \$15.6 million budgeted in the Contingency Reserve in FY 2005-06 is expected to be unspent at year-end.

#### *Facility Lease Payments*

A net positive variance of \$0.6 million is projected. The variance is the result of savings on lease payments, primarily from the MTS Tower Refunding and the Central Jail. The financings budgeted in this Org have fixed lease payment schedules – but as a result of interest earnings from funds held either with a trustee or with the County of San Diego, the actual expenditure for lease payments will be less than the budgeted payment.

#### *ERP Lease Purchase Payments*

Savings of \$0.3 million in the ERP lease purchase payment. \$6.7 million was budgeted for the Enterprise Resource Planning (ERP) system lease-purchase

payment, but only \$6.4 million was required this year for the finance and human resources components of the system because available interest earnings (\$0.2 million) offset the total due of \$6.6 million.

*Sale of Surplus Property*

A positive variance of \$10.5 million is expected based on revenue realized from the sale of surplus real property in Vista.