

County of San Diego

Finance Other

Finance Other	485
.....
Lease Payments	488
.....

Finance Other

Description

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

The funding levels for these programs are explained below and shown in the table that follows.

Cash Borrowing

These appropriations fund the cost of financing the County's short-term cash borrowing program. During the course of the fiscal year, the County could experience temporary shortfalls in available cash due to the timing of expenditures and receipt of revenues. To meet these cash flow needs, the County issues Tax and Revenue Anticipation Notes (TRANs) as needed. Typically, TRANs are issued at the beginning of the fiscal year and mature at the end of that fiscal year. See also the section of this document on Debt Management Policies and Obligations.

Community Enhancement

The Community Enhancement program provides grant funding for cultural activities, museums, visitor and convention bureaus, economic development councils and other similar institutions that promote and generate tourism and/or economic development at the regional and community levels throughout San Diego County. Per Board of Supervisors Policy B-58, Funding of the Community Enhancement Program, the amount of funding available for the Community Enhancement program approximately equals the amount of Transient Occupancy Tax (TOT) revenues estimated to be collected each fiscal year. Applications for grants are submitted to the Board of Supervisors by March 1 for the upcoming fiscal year, with approval of projects given through the budget adoption process. The funding level for Fiscal Year 2015–16 is budgeted at \$4.2 million, \$3.3 million of which reflects anticipated TOT revenues. The additional \$0.9 million is a one-time appropriation based on General Fund fund balance from over-realized TOT revenues in Fiscal Year 2014–15.

Neighborhood Reinvestment Program

The Neighborhood Reinvestment Program (formerly Community Projects) is governed by Board of Supervisors Policy B-72, Neighborhood Reinvestment Program, and provides grant funds to County departments, public agencies, and nonprofit community



organizations for one-time community, social, environmental, educational, cultural or recreational needs. Resources available for the program are subject to budget priorities as established by the Board of Supervisors. Recommendations for grant awards are made throughout the year by individual Board members subject to approval by the Board of Supervisors as a whole. The funding source is General Fund fund balance. The funding level for Fiscal Year 2015–16 is budgeted at \$10.0 million.

Contributions to County Library System

For Fiscal Years 2015–16 and 2016–17, a one-time appropriation of \$0.3 million is budgeted in Contributions to the County Library System for one-time 24/7 kiosks. The funding source is Community Services Group General Fund fund balance.

Contingency Reserve: General Fund

A Contingency Reserve of \$21.7 million is budgeted for Fiscal Year 2015–16 and \$22.2 million for Fiscal Year 2016–17. These appropriations comply with the target of 2% of General Purpose Revenue (GPR) for the Contingency Reserve as outlined in Board Policy B-71, Fund Balance and Reserves. At \$21.7 million, the Contingency Reserve represents 2.0% of the Fiscal Year 2015–16 budgeted GPR of \$1.09 billion and Fiscal Year 2016–17 estimated GPR of \$1.11 billion. These appropriations are a source of funding for unanticipated needs, events or for various uncertainties that may occur during the fiscal year. It also provides a cushion in the event of revenue shortfalls.

Contributions to Capital Program

These appropriations represent the General Fund cost for new or augmented capital development or land acquisition projects. For Fiscal Year 2015–16, \$131.5 million is budgeted in the Contributions to Capital Program. Of this total, \$54.9 million is for the Sheriff's Crime Lab, \$50.6 million is for the Regional Communica-

tions System Upgrade, \$10.0 million is for the acquisition of land under the Multiple Species Conservation Program (MSCP), \$7.1 million for Santa Ysabel Nature Center, \$2.0 million for Heise Park Electrical and Water, \$1.5 million for Steele Canyon Artificial Turf, \$1.5 million for Borrego Springs Park, \$1.5 million for the Water Quality Treatment projects, \$1.2 million for Agua Caliente Photovoltaic System, \$0.4 million for North Coastal HHS Facility, \$0.3 million for Lakeside Teen Center Photovoltaic System, \$0.3 million for Lindo Lake Improvements, and \$0.3 million for Dos Picos Camping Cabins.

For Fiscal Year 2016–17, \$64.6 million is budgeted for projects identified in the 2015–20 Capital Improvement Needs Assessment (CINA) and MSCP land acquisition.

Lease Payments: Capital Projects

The appropriations for this program are for the annual lease payments due to the San Diego County Capital Asset Leasing Corporation (SANCAL) and the San Diego Regional Building Authority (SDRBA) on the County's outstanding Certificates of Participation (COPs) and Lease Revenue Bonds, the proceeds of which were used to finance various capital projects. The budget of \$35.4 million in Fiscal Year 2015–16 is a net decrease of \$1.4 million from the Fiscal Year 2014–15 Adopted Operational Plan as a result of decreases in certain scheduled leases.

The Fiscal Year 2016–17 payments are estimated at \$35.5 million, a net increase of \$0.2 million. See the Capital Program section of this document for the detail on the lease purchase payments.

Countywide General Expenses

The primary objective of these appropriations is to fund Countywide projects and other Countywide needs. Budgeted at \$45.8 million, the major components of the Countywide General Expenses program in Fiscal Year 2015–16 are:

- ◆ A Pension Stabilization Fund in anticipation of higher payments to the County's retirement fund in future years.
- ◆ Contribution to the Information Technology (IT) Internal Service Fund to support the Countywide component of the IT outsourcing contract.
- ◆ Contribution to the Employee Benefits Internal Service Fund to support workers' compensation costs based on the transfer settlement between the County and the State for pre-calendar year 2000 workers' compensation cases for court employees.
- ◆ Pension payments required by the County Employees Retirement Law that must be paid by the County in accordance with Internal Revenue Code §415(m).
- ◆ Miscellaneous appropriations for unanticipated program needs.

Countywide Shared Major Maintenance

In Fiscal Year 2015–16, appropriations totaling \$2.0 million are budgeted for major maintenance projects at County facilities that are shared by departments from multiple groups. The funding level for Fiscal Year 2016–17 is also budgeted to be \$2.0 million. Appropriations for major maintenance projects are otherwise budgeted by the department/group that directly benefits from the improvements.

Employee Benefits Internal Service Fund

In Fiscal Year 1994–95, the County established an Employee Benefits Internal Service Fund (ISF) to report all of its employee risk management activities. The appropriations for this fund support claim payments and administrative costs of the County's self-insured workers' compensation program and unemployment insurance program expenses.

Workers' compensation rates (premiums) are charged to individual departments based on that department's ten-year experience (claim history) and the department's risk factor based on its blend of occupational groups as established by the Workers' Compensation Insurance Rating Bureau (WCIRB) of California. WCIRB has developed a classification system based on potential risk of injury. An annual actuarial assessment is prepared by an actuary to estimate the liability and capture the costs associated with all reported and unreported claims. As of June 30, 2014, the estimated liability was \$153.8 million and the cash balance was \$116.4 million. The liability is estimated to increase June 30, 2015 to \$166.9 million and the cash balance as of June 30, 2015 is \$127.1 million. Appropriations in the workers' compensation budget for Fiscal Year 2015–16 are budgeted to increase by \$1.0 million from the Fiscal Year 2014–15 Adopted Operational Plan primarily due to an increase in the Contingency Reserve to \$5.0 million. A \$5.0 million Contingency Reserve is also planned for Fiscal Year 2016–17.

The County is self-insured for unemployment benefit costs and therefore must reimburse the State for any unemployment benefit payments that are attributed to a claimant's previous employment with the County. County departments provide the funding source for these payments. Unemployment insurance rates (premiums) are charged to departments based on 80% of each department's five-year claims experience and 20% on budgeted staffing levels. Budgeted appropriations for Fiscal Year 2015–16 reflect a \$0.2 million decrease from the Fiscal Year 2014–15 Adopted Operational Plan, primarily due to decreased claims payment.





Local Agency Formation Commission Administration

These appropriations reflect the County's contribution to the San Diego Local Agency Formation Commission (LAFCo) in accordance with provisions in Government Code §56381. LAFCo is a State chartered regulatory agency with countywide authority. LAFCo performs studies and renders jurisdictional decisions affecting the boundaries and government structure of cities and special districts. Through Fiscal Year 2000–01, LAFCo was funded exclusively by the County and user fees. Beginning with Fiscal Year 2001–02, funding for LAFCo is shared by the County, the 18 cities, 61 independent special districts in San Diego County as well as user fees. Appropriations of \$0.4 million are budgeted for Fiscal Year 2015–16. There is no change projected in Fiscal Year 2016–17.

Public Liability Internal Service Fund

In Fiscal Year 1994–95, the County established the Public Liability Internal Service Fund (ISF) to report all of its public risk management activities. The County is self-insured through the ISF for premises liability at medical facilities, medical malpractice, errors and omissions, false arrest, forgery, automobile and general liability. The cost to General Fund departments, other funds

and special districts is distributed based on a weighted risk factor: 90% allocated based on the last five years' loss experience and 10% based on staff hours of exposure. The County contracts with an actuary to annually assess the long-term liability of the fund to determine an adequate level of reserves. The estimated liability for June 30, 2014 was \$30.9 million. As of June 30, 2014, the fund had a cash balance of \$40.8 million. The estimated liability for June 30, 2015 increased to \$37.9 million and the cash balance as of June 30, 2015 is \$38.2 million. Appropriations for Fiscal Year 2015–16 are budgeted to increase by \$1.0 million from the Fiscal Year 2014–15 Adopted Operational Plan primarily due to an increase in settlements.

Pension Obligation Bonds

The appropriations for this debt service fund reflect the scheduled principal and interest payments and related administrative expenses for the 2002, 2004, and the 2008 taxable Pension Obligation Bonds (POBs). With the final prepayment of eligible taxable POBs, the remaining principal and interest payments are structured as level debt service in the amount of \$81.5 million annually. See the Debt Management Policies and Obligations section of this document on page 102 for more information on the POBs, including the history, outstanding principal and scheduled payments.

Finance Other Appropriations/Expenditures

	Fiscal Year 2013-14 Actuals	Fiscal Year 2014-15 Adopted Budget	Fiscal Year 2014-15 Amended Budget	Fiscal Year 2014-15 Actuals	Fiscal Year 2015-16 Adopted Budget	Fiscal Year 2016-17 Approved Budget
Cash Borrowing	\$ 1,350,287	\$ 7,700,000	\$ 7,700,000	\$ —	\$ 2,700,000	\$ 2,700,000
Community Enhancement	2,662,000	3,540,000	3,567,528	3,557,528	4,184,390	3,300,000
Neighborhood Reinvestment Program	4,195,844	10,000,000	9,868,950	9,066,186	10,000,000	10,000,000
Contributions to County Library System	1,643,750	300,000	625,700	325,700	300,000	300,000
Contingency Reserve - General Fund	—	20,669,098	20,669,098	—	21,724,392	22,235,815
Contributions to Capital Program	148,870,459	73,215,000	308,318,639	73,760,409	131,479,000	64,624,000
Lease Payments - Capital Projects	38,050,197	36,797,565	36,797,565	36,551,480	35,350,904	35,520,271
Countywide General Expenses	6,379,918	34,380,729	34,408,472	7,057,365	45,756,284	42,699,767
Countywide Shared Major Maintenance	362,495	2,000,000	4,596,152	3,143,545	2,000,000	2,000,000
Employee Benefits ISF						
<i>Workers Compensation Employee Benefits ISF</i>	53,722,511	43,270,094	43,270,094	45,998,108	44,145,553	44,145,553
<i>Unemployment Insurance Employee Benefits ISF</i>	1,984,227	2,102,153	2,102,153	1,115,095	1,901,360	1,901,360
Local Agency Formation Commission Administration	399,269	413,245	413,245	398,581	425,642	425,642
Public Liability ISF	19,991,618	20,442,025	20,442,025	25,651,317	21,474,673	21,474,673
Pension Obligation Bonds	81,455,378	81,462,679	81,462,679	81,492,231	81,469,636	81,385,036
Total	\$361,067,953	\$336,292,588	\$574,242,300	\$288,117,546	\$402,911,834	\$332,712,117



Lease Payments

Budget by Categories of Expenditures						
	Fiscal Year 2013-14 Actuals	Fiscal Year 2014-15 Adopted Budget	Fiscal Year 2014-15 Amended Budget	Fiscal Year 2014-15 Actuals	Fiscal Year 2015-16 Adopted Budget	Fiscal Year 2016-17 Approved Budget
Lease Payments	\$ 38,050,197	\$ 36,795,565	\$ 36,795,565	\$ 36,551,480	\$ 35,348,904	\$ 35,518,271
Facilities Management (Lease Mgmt)	—	2,000	2,000	—	2,000	2,000
Total	\$ 38,050,197	\$ 36,797,565	\$ 36,797,565	\$ 35,350,904	\$ 35,350,904	\$ 35,520,271

Expenditure Detail						
	Fiscal Year 2013-14 Actuals	Fiscal Year 2014-15 Adopted Budget	Fiscal Year 2014-15 Amended Budget	Fiscal Year 2014-15 Actuals	Fiscal Year 2015-16 Adopted Budget	Fiscal Year 2016-17 Approved Budget
Lease Payments Detail						
2005 Regional Communications System*	\$ 2,899,105	\$ 1,443,400	\$ 1,443,400	\$ 1,399,347	\$ —	\$ —
2005 North & East County Justice Facility Refinance	2,705,106	2,729,113	2,729,113	2,714,424	2,732,300	2,731,125
2005 Edgemoor*	6,136,151	6,139,600	6,139,600	6,142,450	—	—
2006 Edgemoor*	3,144,782	3,145,182	3,145,182	3,155,204	—	—
2009 County Operations Center Phase 1A	9,636,460	9,489,195	9,489,195	9,604,509	9,736,254	9,887,144
2009 Justice Facilities Refunding	7,258,629	7,353,450	7,353,450	7,219,470	7,351,372	7,343,237
2011 MTS Tower Refunding	2,647,058	2,728,400	2,728,400	2,720,835	2,660,000	2,688,800
2011 CAC Waterfront Park	1,958,280	2,099,300	2,099,300	1,932,317	2,096,000	2,097,250
2012 Cedar and Kettner Development	1,664,625	1,667,925	1,667,925	1,662,925	1,670,075	1,666,625
2014 Edgemoor and RCS Refunding	—	—	—	—	9,102,903	9,104,090
Total—Lease Payments Detail	\$ 38,050,197	\$ 36,795,565	\$ 36,795,565	\$ 36,551,480	\$ 35,348,904	\$ 35,518,271
Facilities Management (Lease Mgmt) Detail						
2009 Justice Facilities Refunding	\$ —	\$ 2,000	\$ 2,000	\$ —	\$ 2,000	\$ 2,000
Total—Facilities Management (Lease Mgmt) Detail	\$ —	\$ 2,000	\$ 2,000	\$ —	\$ 2,000	\$ 2,000
Total— Expenditure Detail	\$ 38,050,197	\$ 36,797,565	\$ 36,797,565	\$ 36,551,480	\$ 35,350,904	\$ 35,520,271

* Included in the 2014 Edgemoor and RCS Refunding





Budget by Categories of Revenues						
	Fiscal Year 2013-14 Actuals	Fiscal Year 2014-15 Adopted Budget	Fiscal Year 2014-15 Amended Budget	Fiscal Year 2014-15 Actuals	Fiscal Year 2015-16 Adopted Budget	Fiscal Year 2016-17 Approved Budget
AB189	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000
Aid from Redev Successor Agency	4422905	4,567,225	4,567,225	4,395,242	4,566,075	4,563,875
Rents and Concessions	1091856	1,098,804	1,098,804	1,099,031	1,098,876	1,115,819
Operating Transfer Capital Outlay	9280933	9,284,782	9,284,782	9,297,654	8,565,150	8,564,525
General Purpose Revenue Allocation	21054078	19,646,754	19,646,754	19,559,553	18,920,803	19,076,052
Miscellaneous Revenues	424	—	—	—	—	—
Total	\$ 38,050,197	\$ 36,797,565	\$ 36,797,565	\$ 36,551,480	\$ 35,350,904	\$ 35,520,271

Revenue Detail						
	Fiscal Year 2013-14 Actuals	Fiscal Year 2014-15 Adopted Budget	Fiscal Year 2014-15 Amended Budget	Fiscal Year 2014-15 Actuals	Fiscal Year 2015-16 Adopted Budget	Fiscal Year 2016-17 Approved Budget
General Fund						
2005 Regional Communications System*	\$ 2,899,105	\$ 1,443,400	\$ 1,443,400	\$ 1,399,347	\$ —	\$ —
2005 North & East County Justice Facility Refinance	2,705,106	2,729,113	2,729,113	2,714,424	2,732,300	2,731,125
2009 County Operations Center Phase 1A	9,636,460	9,489,195	9,489,195	9,604,509	9,736,254	9,887,144
2009 Justice Facilities Refunding	3,593,724	3,691,632	3,691,632	3,557,425	3,680,684	3,663,557
2011 MTS Tower Refunding	2,219,683	2,291,414	2,291,414	2,283,849	2,231,812	2,252,661
2014 Edgemoor and RCS Refunding	—	—	—	—	537,753	539,565
Facilities Management (Lease Mgmt)	—	2,000	2,000	—	2,000	2,000
Total—General Fund	\$ 21,054,078	\$ 19,646,754	\$ 19,646,754	\$ 19,559,553	\$ 18,920,803	\$ 19,076,052
Rents and Concessions						
2009 Justice Facilities Refunding	\$ 664,481	\$ 661,818	\$ 661,818	\$ 662,045	\$ 670,688	\$ 679,680
2011 MTS Tower Refunding	427,375	436,986	436,986	436,986	428,188	436,139
Total—Rents and Concessions	\$ 1,091,856	\$ 1,098,804	\$ 1,098,804	\$ 1,099,031	\$ 1,098,876	\$ 1,115,819
AB189						
2009 Justice Facilities Refunding	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000
Total—AB189	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000
Aid from Redevelopment						
2009 Justice Facilities Refunding	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000
2011 CAC Waterfront Park	1,958,280	2,099,300	2,099,300	1,932,317	2,096,000	2,097,250
2012 Cedar and Kettner Development	1,664,625	1,667,925	1,667,925	1,662,925	1,670,075	1,666,625
Total - Aid from Redevelopment	\$ 4,422,905	\$ 4,567,225	\$ 4,567,225	\$ 4,395,242	\$ 4,566,075	\$ 4,563,875



Revenue Detail						
	Fiscal Year 2013-14 Actuals	Fiscal Year 2014-15 Adopted Budget	Fiscal Year 2014-15 Amended Budget	Fiscal Year 2014-15 Actuals	Fiscal Year 2015-16 Adopted Budget	Fiscal Year 2016-17 Approved Budget
Operating Transfer Capital Outlay						
2005 Edgemoor**	\$ 6,136,151	\$ 6,139,600	\$ 6,139,600	\$ 6,142,450	\$ —	\$ —
2006 Edgemoor**	3,144,782	3,145,182	3,145,182	3,155,204	—	—
2014 Edgemoor and RCS Refunding	—	—	—	—	8,565,150	8,564,525
Total - Operating Transfer Capital Outlay	\$ 9,280,933	\$ 9,284,782	\$ 9,284,782	\$ 9,297,654	\$ 8,565,150	\$ 8,564,525
Miscellaneous Revenues						
Recovered Expenditures	\$ 424	\$ —	\$ —	\$ —	\$ —	\$ —
Total - Miscellaneous Revenues	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Total Lease Payments Funding Sources	\$ 38,707,039	\$ 36,797,565	\$ 36,797,565	\$ 36,551,480	\$ 35,350,904	\$ 35,520,271

*Included in General Fund—2014 Edgemoor and RCS Refunding.

**Included in Operating Transfer Capital Outlay—2014 Edgemoor and RCS Refunding.

