County of San Diego

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To the honorable members of the Board of Supervisors and the Citizens of San Diego County:

The Comprehensive Annual Financial Report (CAFR) of the County of San Diego (County) for the fiscal year ended June 30, 2018, is hereby submitted in compliance with Sections 25250 and 25253 of the Government Code of the State of California.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive internal control framework it established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Vavrinek, Trine, Day & Co., LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the County of San Diego's financial statements for the year ended June 30, 2018. The independent auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

County Profile

San Diego County covers 4,261 square miles, approximately the size of the state of Connecticut, extending 70 miles along the Pacific Coast from Mexico to Orange County and inland 75 miles to Imperial County along the international border shared with Mexico. Riverside and Orange counties form the northern border. It is the most southwestern county in the contiguous 48 states.

San Diego County enjoys a wide variety of climate and terrain, from coastal plains and fertile inland valleys to mountain ranges and the Anza-Borrego Desert. The Cleveland National Forest occupies much of the interior portion of the county. The climate is mild in the coastal and valley regions, where most resources and population are located. The average annual rainfall is less than 12 inches for the coastal regions.

According to the State of California Department of Finance (DOF) in December 2017, the County's population estimate for July 1, 2016 was 3.30 million, which grew 0.7 percent to 3.32 million as of the July 1, 2017 preliminary estimate. San Diego is the second largest county by population in California according to the DOF and the fifth largest county by population in the nation, as measured by the U.S. Census Bureau based on 2017 population estimates. There are 18 incorporated cities in the County; the City of San Diego being the largest, with a population of approximately 1.42 million; and the City of Del Mar the smallest, at approximately 4,322 people, according to DOF population estimates as of January 1, 2018.

The racial and ethnic composition of the County is as diverse as its geography. The San Diego Association of Governments (SANDAG) projects that in 2050, the San Diego region's population breakdown will be: 46.3 percent Hispanic; 30.2 percent White; 14.2 percent Asian; 3.7 percent Black; and 5.6 percent all other groups including American Indian, Hawaiian/Pacific Islander and those who identify as two or more races. Significant growth in the region's Non-White and Non-American Indian populations are seen in this projection.

County Government, Economy and Outlook

County Government

San Diego became one of California's original 27 counties on February 18, 1850, shortly after California became the 31st State in the Union. The County functions under a charter adopted in 1933, as subsequently amended. A five-member Board of Supervisors elected to four-year terms in district, nonpartisan elections governs the County. Each board member is limited to no more than two terms and must reside in the district from which he or she is elected.

The Board of Supervisors sets priorities and approves the County's two-year budget. Per California Government Code Section 23005, the County may exercise its powers only through the Board of Supervisors or through agents and officers acting under the authority of the Board or authority conferred by law. The Board of Supervisors appoints the following officers: the Chief Administrative Officer (CAO), the County Counsel, the Probation Officer and the Clerk of the Board of Supervisors. The CAO appoints the Assistant CAO/Chief Operating Officer, the Deputy CAO/Auditor and Controller and all other appointive officers. The CAO assists the Board of Supervisors in coordinating the functions and operations of the County; is responsible for carrying out all of the Board's policy decisions that pertain to the functions assigned to that officer; and supervises the expenditures of all departments. Elected officials head the offices of the Assessor/Recorder/County Clerk, District Attorney, Sheriff and Treasurer-Tax Collector.

The State Legislature has granted each county the power necessary to provide for the health and well-being of its residents. The County provides a full range of public services to residents, including law enforcement, detention and correction, emergency response services, health and human services, parks and recreation, libraries and roads. The County also serves as a delivery channel for many State services, such as foster care, public health care and elections. These services are provided by five business Groups (Public Safety, the Health and Human Services Agency, Land Use and Environment, Community Services and Finance and General Government), each headed by a General Manager who reports to the CAO.

Economy and Outlook

U.S. Economy

Gross domestic product (GDP) is one of the main indicators of the health of the nation's economy, representing the net total dollar value of all goods and services produced in the U.S. over a given time period. GDP growth is driven by a variety of economic sectors, including personal consumption expenditures, gross private domestic investment, net exports of goods and services, and government consumption expenditures and gross investment.

Calendar year 2017 saw some growth in real GDP, closing the year with 2.3 percent annual growth over the previous year, compared to a mediocre increase of 1.5 percent seen in 2016, according to the U.S. Department of Commerce Bureau of Economic Analysis (BEA). According to the BEA, "The acceleration in real GDP from 2016 to 2017 reflected upturns in nonresidential fixed investment and in exports and a smaller decrease in private inventory investment. These movements were partly offset by decelerations in residential fixed investment and in state and local government spending. Imports, which are a subtraction in the calculation of GDP, accelerated."

According to the minutes of the July 31-August 1, 2018 meeting of the Federal Open Market Committee (FOMC) of the Federal Reserve Board ("the Fed"), "real gross domestic product (GDP) rose at a strong rate in the first half of [2018]." Further, "the economy [would] expand at an above-trend pace. Real GDP [was] forecast to increase in the second half of [2018] at a pace that was just a little slower than in the first half of the year. Over the 2018-20 period, output was projected to rise further above the staff's estimate of potential output," projected the FOMC.

Looking at 2017, "consumption of domestic goods and services [was] the driver of current growth," explained the Institute for Applied Economics, Los Angeles County Economic Development Corporation (LAEDC). "Cautious optimism" was urged by the LAEDC, stating "Though not likely to get to the bullish 3.0 percent real GDP growth threshold some policymakers predict, the U.S. economy [was] predicted to grow steadily over the next two years" with 2.3 percent growth projected in 2018 and 2.1 percent in 2019.

The UCLA Anderson Forecast June 2018 Report concluded, "...we expect real GDP growth to pick up to 3%+ for the balance of [2018], up from the first quarter's 2.3% pace," and continued, "we expect growth to fade in 2019 and 2020 as higher interest rates take their toll. In round numbers on a fourth quarter-to-fourth quarter basis, think of the economy growing at 3% in 2018, 2% in 2019 and 1% in 2020."

Based on the continued strength of the U.S. economy, the Fed began to raise interest rates in 2018. According to the LAEDC, the Fed, "...[was] liable to continue the recent 'tightening' cycle, which began in December 2016, of increasing interest rates as consumer spending and inflation continue to rise. The era of basement-level interest rates and cheap credit appear[ed] to be over." At their meetings in March, June and September 2018, the Fed raised interest rates, citing "realized and expected market conditions and inflation." UCLA Anderson commented in June, "The U.S. economy [was] leaving behind a very long period of ultra-low interest rates. Interest rates [were] in the process of normalizing with 10-year U.S. Treasury yields reaching 4% and the Fed Funds rate surpassing 3% as economic growth accelerate[d] and inflation exceed[ed] the Fed's magic 2% level. High fiscal deficits and the Fed's quantitative tightening policy will [continue to] put upward pressure on interest rates." Kiplinger added, "The timing of those [rate] increases affects everything from yields on savings accounts to the interest rates that borrowers can expect to pay."

In terms of jobs, "U.S. unemployment continues to dive lower than the 'golden' 5.0 percent level, which conventional economic wisdom touts as so-called 'full employment' (essentially an economy in which all eligible people who want work can find employment at current wage rates)" explained the LAEDC. The LAEDC projected that unemployment would drop to 4.0 and 3.9 percent in 2018 and 2019, respectively, but cautions that, "the diminution of unemployment indicate[d] a continued contraction of the U.S. labor supply, meaning real wages should continue to increase and drive up inflation through consumer spending." Noting similar trends, UCLA Anderson projected that, "As the economy bumps against its full employment ceiling, job growth [would] noticeably decelerate," and projected, "the unemployment rate [would] decline... to 3.4% in mid-2019 and then gradually return to 3.9% by the end of 2020."

Nationally, total housing construction starts were anticipated to slow. The LAEDC commented, "The boom in housing construction between 2012 and 2016 appear[ed] to have ended in 2017 with a mere 0.017 percent growth..." The LAEDC attributed the predicted "anemic" growth in new housing to lower demand and fewer Americans who can afford a home loan as a result of long-term employment effects of the Great Recession. Similarly, UCLA Anderson commented, "housing affordability [was] a major issue in the metropolitan areas where job growth [was] booming." "In 2017 housing starts amounted to 1.21 million units and we are forecasting moderate increases to 1.34 million and 1.40 in 2018 and 2019, respectively and a modest decline to 1.36 million units in 2020," continued UCLA Anderson.

The UCLA Anderson Forecast described the nation's housing market as, "muddling through with very mediocre levels of housing starts and home sales."

UCLA Anderson continued, "Despite easier mortgage terms, consumers [were] being held back by high prices in areas where job growth [had] been strong. Meantime, lower income renters [were] struggling with high rent burdens where rents [had] risen well above the overall price index and income growth. The pricing problem [was] being aggravated by strict zoning controls that limit increases in supply."

However, some economists were projecting beneficial impacts to the nation's housing market from the passage of the Tax Cuts and Jobs Act of 2017. "Tax reform will be an overall positive for the housing market," stated the economists at Kiplinger in January 2018. "Consumers [would] have more disposable income to purchase a home, driving up demand. Home builders, especially larger ones, [would] benefit from the lower corporate tax rate, leading to fatter profits that [would] likely help spur increased residential construction."

Of some concern was the length of the current recovery period following the Great Recession, and the possibility of an economic downturn. "The vast majority of economists predict this expansion will break the record for the longest one," wrote the Washington Post, which continued buoyantly, "There are few signs of a recession coming soon." Nonetheless, UCLA Anderson concluded soberingly, "growth will slow as the economy bumps against its full employment ceiling and high interest rates work to slow housing in late 2019 and 2020."

California Economy

California's economy is large and diverse, with global leadership in innovation-based industries including information technology, aerospace, entertainment and biosciences. A global destination for millions of visitors, California supports a robust tourism industry, and its farmers and ranchers provide for the world. California accounts for more than 14 percent of the nation's GDP in current dollars which is, by far, the largest of any state according to the BEA.

In 2017, California's economy grew an estimated rate of 2.5 percent according to the LAEDC, faster than the nation as a whole, which grew at 2.3 percent. While impressive, California's economy continued to slow from the 3.3 percent year-over-year growth achieved in 2016, and from the more than 4 percent year-over-year percentage growth seen in 2014 and 2015. When proposing his $131.7 billion budget for Fiscal Year 2018-19, which included a total transfer of $5.0 billion to the State's Rainy Day Fund, Governor Brown stated, "California has faced ten recessions since World War II and we must prepare for the eleventh."

Nonetheless, State GDP was expected to grow by 2.7 percent in 2018 and 2.6 percent in 2019. Nearly all major industry sectors in the State added jobs in 2017, with the exceptions of manufacturing and natural resources, while the largest job gains were seen in the private sector industries of health care and social assistance; leisure and hospitality; and construction; and in the public sector. California's job growth was anticipated to rise modestly to 1.8 percent in 2018 and 1.7 percent in 2019.

Along with the State's job growth, California's unemployment rate averaged 4.8 percent in 2017, the lowest since 2000. The LAEDC predicted that, "Unemployment [was] expected to decline further, though slowly over the next two years, reaching 4.2 percent in 2019." UCLA Anderson noted that, "California employment hit an all-time record high in April 2018" and projected that the unemployment rate in California would fall to 4.1 percent in 2018 and 3.8 percent in 2019.

California residents also have seen modest real personal income gains, up 3.9 percent in 2017, "due to tight labor markets exerting upward pressure on wages," according to the LAEDC. "Over the next two years, additional wage gains of 2.9 percent in 2018 and 2.8 percent in 2019 [were] expected," by the LAEDC. UCLA Anderson projected an increase in real personal income in the State of 5.4 percent in 2018 and 6.2 percent in 2019.

The projected job growth and wage gains may have been positive news for some California residents. Even with ongoing growth in the California economy, many residents faced challenges from the State's cost of living. "Two key factors help[ed to] explain the economic challenges faced by many California families and individuals. First, the cost of living has been rising, particularly the cost of housing. Second, earnings generally have not kept pace with this increase in living expenses" stated the California Budget & Policy Center. Speaking about the State's challenges in 2018, State Controller Betty T. Yee noted that, "...14 percent of Californians live in poverty and lack basic resources. According to federal guidelines, a family of four is considered living in poverty if its income is below $24,000. While many communities in north San Diego are more affluent... there are several areas that have double digit poverty rates." Yee continued, "...30 percent of full-time workers are supplementing their income via a second source and now 1-in-5 jobs are held by contract or freelance workers. In the future that could grow to half the workforce."

A strong employment sector can support continued consumer spending and taxable sales, with positive results for sales tax revenue. UCLA Anderson projected real taxable sales in California would grow by 1.3 percent in 2018 and 1.8 percent in 2019.

In terms of housing in California, "Construction activity and employment in 2017 posted another increase after struggling in the years during and immediately following the recession," concluded the LAEDC. "The value of nonresidential construction permits in 2017 rose by 8.5 percent to $29.9 billion. The strongest gains by sector were retail and new industrial buildings, while office and hotels and motels declined over the year. New residential construction also showed a moderate gain in 2017 but, for a variety of reasons, remains at historically low levels, significantly outpaced by population growth, which has become a major economic development and social issue." UCLA Anderson estimated California's, "Homebuilding [would] accelerate to about 140,000 units per year by the end of the forecast horizon 2020." Nonresidential building permit valuation as calculated in real 2009 dollars declined 0.3 percent in 2017 but was expected to grow 14.5 percent in 2018, and 1.2 percent in 2019.

It remained to be seen what impacts California would face as a result of the shift in federal leadership on trade, immigration, taxes, regulation and economic stimulus spending. Gains in some industries could be offset by reductions in others, and because federal programs generally have an effect on the economy after about 18 months, the results may not be immediately felt.

San Diego Economy

As of 2017, the San Diego region was home to more than 3.3 million residents, the second largest county in California in terms of population according to the U.S. Census Bureau. In 2017 the San Diego metropolitan region accounted for more than 8.4 percent of the State's population, based on U.S. Census Bureau data, and nearly $202.0 billion, or 8.5 percent of California's real GDP, based on data from the BEA. The San Diego region includes the largest concentration of military in the world, making the military presence an important driver of the region's economy. In addition, San Diego is a thriving hub for the life sciences/biomedical and technology-oriented industries and a popular travel destination. The region's quality of life attracts a well-educated, talented workforce and well-off retirees which contribute to local consumer spending.

Overall, San Diego's "outlook for the local economy remain[ed] positive for now," according to the University of San Diego (USD) Burnham-Moores Center for Real Estate's Index of Leading Economic Indicators for San Diego County Synopsis from May 2018. Dr. Lynn Reaser, chief economist of Point Loma Nazarene University's Fermanian Business & Economic Institute saw regional gains in a number of areas in the San Diego forecast, including, "The Navy's presence will be increasing here. We will see the benefits of the overall biotech as that field continues to expand. More consumer spending will fuel travel, tourism, and entertainment. Exports will be growing. These tax cuts will basically benefit San Diego as well as the rest of the nation."

However, the region's growth could trail that of years past. Commenting on 2017's results, Economist Kelly Cunningham with the National University System Institute for Policy Research stated, "San Diego's economy slowed from 3 percent in 2013 to only 0.4 percent in 2015 and 0.3 percent in 2016... Based on lagging job growth in 2017, the local economy [was] estimated to have further slowed to just 0.2 percent, nearly falling into recession and decidedly trailing California and the U.S." Likewise, local economist W. Erik Bruvold, "compared San Diego's 'slow and steady' economy to that of a tortoise, which [was] unlikely to change in 2018."

Slower growth could result in a slowdown of sales tax collection. According to State Controller Yee, while "The state [was] poised to have 15.8 percent revenue robust growth this year, and took in $75 billion - more than 4 percent than projected for the first seven months of the [2017-18] fiscal year... sales tax revenues [were] lower than anticipated." Nonetheless, Bruvold's regional forecast for 2018 projected, "taxable sales up 2.4 percent." First quarter 2018 results showed "Net of aberrations [largely due to the implementation of new taxpayer reporting software by the State of California], taxable sales for all of San Diego County grew 4.7% over the comparable time period" in 2017 according to sales tax analysts, HdL companies.

The region's employment showed positive results in 2017 with an unemployment rate of 3.3 percent in the fourth quarter, "the lowest the region [had] seen in the last 17 years and down from 4.1 percent in Q3," according to the San Diego Regional Economic Development Corporation (EDC). In fact, as of summer 2018, "San Diego [had] one of the lowest unemployment rates in the broader Southern California region," according to Beacon Economics. Looking toward the future, "Beacon Economics [was] projecting employment in San Diego County to expand slightly through the end of [2018], with growth expected to land in the 1% range. As a result, the region's unemployment rate should also edge down slightly."

Coupled with the region's low unemployment, local residents have experienced some growth in personal income, although the distribution across income levels has changed. Economist Bruvold commented that, "...not that many science/tech jobs were lost during the Great Recession, and there [had] been a recovery in low-wage jobs. But there [were] 10,220 fewer middle-wage jobs than before the recession hit and only nominal gains in hourly wages."

Inflation can have a dampening effect on the region's wage gains. Price inflation in the San Diego region, as measured by the U.S. Bureau of Labor Statistics' Consumer Price Index for All Urban Consumers (CPI-U), increased 3.0 percent from 2016 to 2017 and 2.1 percent from May 2018 to July 2018. UCLA Anderson projected that California's consumer prices would grow by 3.4 percent in 2018 and 2.3 percent in 2019.

San Diego housing is among the least affordable. The median price of a single family detached home in the region reached $645,000 in the second quarter of 2018, keeping San Diego's housing market as the second most expensive in the nation according to the San Diego Regional EDC. The region's "Median home price appreciation has been strong and consistent since 2015, with a compound annual growth rate of 4.4 percent," reports the San Diego Regional EDC, which continued, "Despite a small drop early in the quarter, price growth accelerated in Q2, up 6.1 percent compared to [2017]. As of August 2018, it was estimated that a salary of more than $130,900 would be needed to afford the principal, interest, taxes and insurance payments on a local median priced single family detached home of $645,000 in the San Diego-Carlsbad metropolitan region.

S&P CoreLogic Case-Shiller Home Price Index managing director David Blitzer discussed rising home prices and the impact on affordability for the region's renters, stating "some areas [were] seeing prices race ahead of wages, salaries and inflation and are prompting would-be buyers to rent instead." Citing a study of the, "'rental gap' between what it costs to buy versus rent the median-price home," Blitzer continued, "For San Diego households, the cost to own required 47 percent of household income versus 40 percent to rent."

While home sale prices had increased, overall sales activity had slowed. According to Beacon Economics, "Due to limited supply and higher prices, San Diego home sales declined by 1.8% from the second quarter of 2017 to the second quarter of 2018." Yet, "Residential building permits...increased by 66.5% during the same period, potentially providing some relief to the tight supply conditions" according to Beacon.

Dr. Reaser projected the region, "[would] see more building [in 2018]. We really dropped back to only about 9,000 units last year as multifamily took a tumble. We need at least 12,000 just to be keeping up with our population growth." She continued, "...home prices [would] continue to rise. After an 8-percent jump last year, prices [would] probably rise an additional 5 percent." The National Association of Realtors projected a 2.51 percent increase in sales and

3.19 percent increase in prices in the San Diego metropolitan area in 2018.

Outside of the single-family home sector, according to the *first tuesday Journal*, a resource for California real estate professionals, "Thus far, multi-family construction has experienced a quicker recovery than single family residential (SFR) construction," and continued with the expectation that, "the demand shift from SFRs to rentals [would] continue, injecting growth into multi-family construction in upcoming years, peaking around 2019-2020." Beacon Economics reported that "Multi-family housing permits also increased, from roughly 1,100 in the second quarter of 2017 to over 2,200 in the second quarter of 2018," and further commented, "These additions to San Diego's housing stock should help alleviate problems associated with lack of supply and declining affordability."

Another measure of the housing market is the rate of foreclosures, as well as the companion indices of notices of loan default and deeds recorded (changes in ownership). According to the Assessor/Recorder/ County Clerk, foreclosures compared to total deeds recorded averaged 0.3 percent over the three-year period of 2003 through 2005, then rose significantly reaching 16.9 percent in 2008 and has declined to 0.7 percent in 2017. Total deeds recorded in 2017 were 123,561, a decrease of 7.4 percent from the previous year. Notices from lenders to property owners that they were in default on their mortgage loans peaked at 38,308 in 2009, and foreclosures reached a high of 19,577 in 2008. In comparison, San Diego County saw 3,494 Notices of Default in 2017, down 19.7 percent from the 2016 level of 4,352. The percentage of properties with delinquent mortgage loans that went into foreclosure averaged at approximately 11.6 percent from 2003 through 2005. During the recession this indicator peaked at 57.5 percent in 2008 but since had declined to 23.2 percent in 2017, a decrease of 4.2 percent from 2016.

The visitor industry is the region's second largest export industry and, "employs 194,000 residents in fields directly related to the hospitality industry, including lodging, food service, attractions, and transportation," according to the San Diego Tourism Authority. San Diego welcomes more than 35 million visitors annually who spend more than $10.8 billion at local businesses. The San Diego Travel Forecast indicated that total visits to the region were anticipated to grow 1.1 percent in 2018 and 1.6 percent in 2019 and attributed the sustained industry growth to, "Solid employment growth, gradually firming wage growth, and high confidence levels...along with positive growth in San Diego's convention attendance and room nights..." Nonetheless, total spending by visitors to the region was projected to grow by 4.1 percent and 4.0 percent in 2018 and 2019, respectively however, "uncertainty persists in both domestic and international markets, weighing on U.S. hotel sector performance."

On balance, based on trends noted, the region's economic performance was expected to maintain slow but steady growth. Yet this conclusion could be impacted by the economic effects of changing economic conditions. As the USD Index of Leading Economic Indicators Synopsis for May 2018 explained, "any number of things could adversely affect San Diego's economy, including rising gas prices, rising interest rates, high housing prices making it difficult for companies to attract and retain workers, a trade war leading to barriers against San Diego companies, local government budget problems, increased taxes on some San Diegans due to the 2017 tax reforms, and turmoil in the health care markets as elements of the Affordable Care Act are eliminated. Each of these [would] have a negative impact on the local economy; whether collectively they are enough to derail the strong growth that has been experienced remains to be seen." Changing economic conditions impact the County's revenue and workload, along with the strategies used to manage the public's resources.

County's Economic Base

The County's economic stability is based on significant manufacturing presence and innovation clusters (e.g. energy storage, cyber-security, and clean tech), a large tourist industry attracted by the favorable climate of the region, a considerable defense-related presence from federal spending, and a thriving hub of biotech and telecommunications industries. Highlights of seasonally unadjusted County employment as of August 2018 data from the California Employment Development Department Labor Market Information

Division are listed below:

- Non-farm industry employment totals 1.5 million jobs. This represents a gain of more than 24,000 jobs from August 2017. Agriculture includes 9,100 jobs, or 0.6 percent of all industries in the region.
- Goods-producing industries make up 13.4 percent of non-farm employment or 197,900 jobs. The most significant sectors include manufacturing, which accounted for 7.7 percent of non-farm employment or 113,900 jobs; and construction, which accounted for 5.7 percent of total non-farm employment or 83,600 jobs.
- Private (non-government) services industries constitute the largest share of employment in the region and accounted for 70.2 percent of total non-farm employment, with more than 1.0 million employed.
- Of these, professional and business services make up the largest non-government sector, comprising 16.8 percent of total non-farm employment, totaling 248,600 jobs. Other large non-government sectors in the private services industry category include: trade, transportation and utilities (226,100 jobs); educational and health services (209,100 jobs); and leisure and hospitality (197,500 jobs).
- Government accounted for 16.3 percent of total non-farm employment, or 241,200 jobs. San Diego's local governments, including education, contribute significantly to this sector.

County revenues that are affected by the state of the local economy include property taxes, sales taxes, and charges for services. Key factors impacting these revenues include real estate activity and consumer spending which are in turn greatly influenced by interest rates and employment levels. Short and long-term interest rates remain low by historical standards.

General Management System

The General Management System (GMS) is the County of San Diego's ("County") foundation that guides operations and service delivery to residents, businesses and visitors. The GMS outlines the County's strategic intent, prioritizes its goals and use of resources, describes how it monitors progress on performance, ensures collaboration and recognizes accomplishments in a structured, coordinated way. By communicating and adhering to this business model, the County of San Diego is able to maintain an organizational culture that values transparency, accountability, innovation, and fiscal discipline and that provides focused, meaningful public services.

At the heart of the GMS are five overlapping components which ensure that the County asks and answers crucial questions, as well as completes required deliverables:

- Strategic Planning
- Operational Planning
- Monitoring and Control
- Functional Threading
- Motivation, Rewards and Recognition

These five GMS components form an annual cycle that is renewed each fiscal year with review of the Strategic Plan and development of a new Operational Plan. More information about the GMS and the Strategic Plan is available online at: www.sdcounty.ca.gov/cao/.

Context for Strategic and Operational Planning

To be effective, the goals that the County sets and the resources that are allocated must be consistent with the purpose of the organization. The context for all strategic and operational planning is provided by the County's vision; a vision that can only be realized through strong regional partnerships with the community, stakeholders and employees.

Vision:

A region that is Building Better Health, Living Safely and Thriving - Live Well San Diego

Mission:

To efficiently provide public services that build strong and sustainable communities

Values:

The County recognizes that "The noblest motive is the public good." As such, there is an ethical obligation for employees to uphold basic standards as we conduct operations. The County is dedicated to:

- Integrity - Character First
  - We maintain the public's trust through honest and fair behavior
  - We exhibit the courage to do the right thing for the right reason
  - We are dedicated to the highest ethical standards

- Stewardship - Service Before Self
  - We are accountable to each other and the public for providing service and value
  - We uphold the law and effectively manage the County's public facilities, resources and natural environment
  - We accept personal responsibility for our conduct and obligations
  - We will ensure responsible stewardship of all that is entrusted to us
- Commitment - Excellence in all that we do
  - We work with professionalism and purpose
  - We make a positive difference in the lives of the residents we serve
  - We support a diverse workforce and inclusive culture by embracing our differences
  - We practice civility by fostering an environment of courteous and appropriate treatment of all employees and the residents we serve
  - We promote innovation and open communication

Strategic and Operational Planning (Budgetary) Process

The County ensures operations are strategically aligned across the organization by developing a five year Strategic Plan that sets forth priorities the County will accomplish with public resources. The Strategic Plan is developed by the Chief Administrative Officer (CAO) and the County Executive Team, based on the policies and initiatives set by the Board of Supervisors, an enterprise review of the issues, risks and opportunities facing the region and reflects the changing environment, economy and community needs. All County programs support at least one of these four Strategic Initiatives through Audacious Visions, Enterprise-Wide Goals and departmental objectives that make achievement of the initiatives possible. The Strategic Initiatives include:

- Building Better Health
- Living Safely
- Sustainable Environments/Thriving
- Operational Excellence

The Operational Plan provides the County's detailed financial plan for the next two fiscal years. However, pursuant to Government Code Section 29000 et seq., State law allows the Board of Supervisors to formally adopt only the first year of the Operational Plan as the County's budget. The Board approves the second year of the plan in principle for planning purposes. To demonstrate that resources are allocated to support the County's Strategic Plan, all program objectives in the Operational Plan and department performance measures are aligned with the County's Strategic Initiatives, Audacious Visions and/or Enterprise-Wide Goals. State law permits modifications to the adopted budget during the year with approval by the Board of Supervisors, or in certain instances, by the Deputy Chief Administrative Officer/Auditor and Controller. The Chief Administrative Officer reviews the status of the County's performance against the budget, and requests adjustments as needed, in a quarterly status report to the Board of Supervisors.

Financial (Budgetary) Policies

California Government Code (GC) Sections 29000 through 29144 provide the statutory requirements pertaining to the form and content of the County's budget. Government Code Section 29009 requires a balanced budget in the recommended, adopted and final budgets, defined as "funding sources shall equal the financing uses."

County Charter Section 703 establishes the Chief Administrative Officer as responsible for all Groups/Agencies and their departments (except departments with elected officials as department heads), for supervising the expenditures of all departments and for reporting to the Board of Supervisors whether specific expenditures are necessary.

County Code of Administrative Ordinances Article VII establishes the components and timeline for the budget process and establishes the Chief Administrative Officer as responsible for budget estimates and submitting recommendations to the Board of Supervisors. This article also establishes guidelines for the use of fund balance and the maintenance of reserves in order to protect the fiscal health and stability of the County. Expenditures for services are subject to fluctuations in demand and revenues are influenced by changes in the economy and State and federal regulations. This section ensures the County is prepared for unforeseen events by establishing, maintaining and replenishing prudent levels of fund balance and reserves, and by ensuring that all one-time resources generated by the County are appropriated for one-time expenditures only.

The County has the following financial policies that serve as guidelines for the budget process:

Board of Supervisors Policies

A-136 Use of County of San Diego General Management System for Administration of County Operations: Establishes the General Management System (GMS) as the formal guide for the administration of County departments, programs and services, and ensures that all County departments and offices operate in compliance with the GMS.

B-29 Fees, Grants, Revenue Contracts - Department Responsibility for Cost Recovery: Provides a methodology and procedure to encourage County departments to recover full cost for services whenever possible.

B-37 Use of the Capital Program Funds: Establishes funding methods, administration and control, and allowable uses of the Capital Program Funds.

B-58 Funding of the Community Enhancement Program: Establishes guidelines and criteria for allocating the appropriations for the Community Enhancement Program.

B-63 Competitive Determination of Optimum Service Delivery Method: Provides that selected departments analyze services, either County-operated or contracted, to determine if the quality, economy and productivity are equal to that of an alternative delivery method, including other government agencies, and to determine how the revenues can be maximized so the highest level or volume of services can be provided.

B-65 Long-Term Financial Management Policy: Governs the management and planning for the long-term financial outlook and obligations that bear the County of San Diego's name or name of any subordinate Agency for the County.

B-72 Neighborhood Reinvestment Program: Establishes guidelines and criteria for allocating the appropriations for the Neighborhood Reinvestment Program.

E-14 Expenditure of Tobacco Settlement Revenue in San Diego County: Establishes that revenue received from the Tobacco Master Settlement Agreement (1998) shall be allocated to support a comprehensive tobacco control strategy, to increase funding for health care-based programs, and to supplement, but not replace, existing health care revenue.

M-13 Legislative Policy: State-Mandated Local Program Costs: Calls on the State and Federal Legislatures to encourage equitable reimbursement of mandated program costs.

Administrative Manual

0030-01 Procedure for Fees, Grants and Revenue Contracts for Services Provided to Agencies or Individuals Outside the County of San Diego Organization: Establishes a procedure within the framework of Board of Supervisors Policy B-29, to serve as guidance in the process of recovering full costs for services provided to agencies or individuals outside the County of San Diego organization under grants or contracts or for which fees may be charged.

0030-06 State Mandated Cost Recovery: Establishes guidelines to attempt full recovery of all State-mandated costs resulting from chaptered legislation and executive orders.

0030-10 Transfers of Appropriations Between Objects within a Budget Unit: Establishes a procedure authorizing the Auditor and Controller, under the direction of the CAO, to transfer appropriations between objects within a budget unit (department).

0030-14 Use of One-Time Revenues: Establishes that one-time revenue will be appropriated only for one-time expenditures such as capital projects or equipment, not for ongoing programs.

0030-18 Establishing Funds and Transfer of Excess Cash Balances to the General Fund: Establishes the procedure for approval and establishment of funds and a policy to transfer cash balances into the General Fund, as authorized by California Government Code Section 25252.

0030-22 Revenue Management - Auditor and Controller Responsibilities: The Auditor and Controller is responsible for reviewing and evaluating revenues from all sources in order to maximize these revenues within legal provisions and to institute internal controls and systems to be used by departments to estimate, claim, and collect revenues.

0030-23 Use of the Capital Program Funds (CPFs), Capital Project Development and Budget Procedures: Establishes procedures for developing the scope of capital projects, monitoring the expenditure of funds for capital projects, timely capitalization of assets and closure of capital projects within the CPFs.

Strategic Initiatives and Achievements

Strategic planning communicates the County's strategic direction for the next five years. The Strategic Plan explains the County's four strategic initiatives, in addition to its vision, mission and values. The four strategic initiatives focus on how the County achieves the vision of a region that is Building Better Health, Living Safely and Thriving.

The five-year Strategic Plan is developed by the Chief Administrative Officer, the Assistant CAO/Chief Operating Officer, the five General Managers and the Strategic Planning Support Team based on the policies and initiatives set by the Board of Supervisors and a countywide review of the risks and opportunities facing the region.

The four strategic initiatives are:

- **Building Better Health** - ensure every resident has the opportunity to make positive healthy choices, that San Diego County has fully optimized its health and social service delivery system and makes health, safety and thriving a focus of all policies and programs.
- **Living Safely** - make San Diego the safest and most resilient community in the nation, where youth are protected and the criminal justice system is balanced between accountability and rehabilitation.
- **Sustainable Environments/Thriving** - strengthen the local economy through planning, development and infrastructure, protect San Diego's natural and agricultural resources and promote opportunities for residents to engage in community life and civic activities.
- **Operational Excellence** - promote continuous improvement in the organization through problem solving, teamwork and leadership, focus on customers' needs and keep employees positive and empowered.

Strategic planning starts with audacious visions, which are bold statements detailing the impact the County wants to make in the community. Enterprise-wide goals (EWGs) support the audacious visions by focusing on collaborative efforts that inspire greater results than any one department could accomplish alone. Audacious visions and EWGs are developed to support each of the strategic initiatives.

County EWGs for each Initiative include:

Building Better Health

- Promote the implementation of a service delivery system that is sensitive to individuals' needs
- Strengthen the local food system and support the availability of healthy foods, nutrition education and nutrition assistance for those who need it

Living Safely

- Encourage and promote residents to take important and meaningful steps to protect themselves and their families for the first 72 hours during a disaster
- Plan, build and maintain safe communities to improve the quality of life for all residents
- Expand data-driven crime prevention strategies and utilize current technologies to reduce crime at the local and regional level
- Strengthen our prevention and enforcement strategies to protect our children, youth and older adults from neglect and abuse
- Fully implement a balanced-approach model that reduces crime by holding offenders accountable while providing them access to rehabilitation
- Use evidence-based prevention and intervention strategies to prevent youth from entering the juvenile justice system or progressing in delinquency or crime

Sustainable Environments/Thriving

- Provide and promote services that increase the well-being of our residents and increase consumer and business confidence
- Enhance the quality of the environment by focusing on sustainability, pollution prevention and strategic planning
- Foster an environment where residents engage in recreational interests by enjoying parks, open spaces and outdoor experiences

- Create and promote diverse opportunities for residents to exercise their right to be civically engaged and find solutions to current and future challenges

Operational Excellence

- Promote a culture of ethical leadership and decision making across the enterprise
- Align services to available resources to maintain fiscal stability
- Provide modern infrastructure, innovative technology and appropriate resources to ensure superior service delivery to our customers
- Strengthen our customer service culture to ensure a positive customer experience
- Develop, maintain and attract a skilled, adaptable and diverse workforce by providing opportunities for our employees to feel valued, engaged and trusted
- Pursue policy and program change for healthy, safe and thriving environments to positively impact residents
- Leverage internal communication resources, resource groups and social media to enhance employee understanding of the County's vision, *Live Well San Diego*.

Within the structure of the two-year operational planning process, the County plans for and attains interim progress toward achievement of the Strategic Initiatives. Some of the highlights over the last year include:

Building Better Health

- The Health and Human Services Agency (HHSA) developed an HHSA Onboarding Program to ensure all new HHSA employees understand the County's values, culture and structure, and become engaged and integrated into the shared vision of *Live Well San Diego*. This is achieved through a one day training that focuses on enhancing the service delivery system by exploring the following areas: the *Live Well San Diego* vision and motivation to contribute to the vision; a trauma-informed system of care; their role in maintaining a culture of ethics and compliance within the workplace; the importance of safety and proper ergonomics in the workplace; and their role in the department and how they contribute. This new program provides employees the opportunity to feel valued, retain more knowledge, and an increased appreciation towards their contributions in the lives of our customers.

Living Safely

- The Office of the District Attorney collaborated with the Sheriff and the Superior Court to develop protocols for the PROGRESS Program for men in jail with mild to moderate mental health and co-occurring disorders. The program will help the clients engage in an intensive treatment regimen of 12-step meetings, outpatient therapy and neighborhood support to assist them to transition back into community life and to reduce recidivism.
- The Office of Emergency Services conducted four regional exercises focused on working with external partners. These exercises centered on improving overall coordination, collaboration and response capability. Partner agency-focused exercises included an operational area tabletop exercise focused on a complex coordinated terror attack; a Risk Communication Partner Relay exercise that practiced the translation of emergency response information into multiple languages; a hands-on shelter training exercise that tested shelter procedures and policies with emphasis on the care and shelter of residents with access and functional needs; and a Business Alliance public/private partnership exercise which improved emergency coordination with small, medium and large corporations throughout the region.
- In Fiscal Year 2017-2018, the Department of Animal Services continued and achieved its mission of "Getting to Zero" where no healthy or treatable animal is euthanized. The department ensured that 87.7% of an estimated 20,000 sheltered dogs and cats were reunited with their owner, adopted into a new home, or transferred to a rescue partner. This achievement exceeded last fiscal year's accomplishment by 5% and therefore demonstrates the Department of Animal Services' commitment to maintaining safe communities and quality of life for all residents, including pets.
- HHSA Child Welfare Services implemented Justice Electronic Library System (JELS) a user-friendly shared site developed to efficiently distribute electronic juvenile court reports to staff and stakeholders. This system eliminates the need for paper-based distribution and reduces the cost and

staff time to print and distribute court documents to the Juvenile Court, attorneys, parents and Court Appointed Special Advocates (CASAs). County departments and juvenile justice partners that use JELS include the Probation Department, the District Attorney's Office, the Public Defender, the Alternative Public Defender, Optum Health and the County of San Diego Office of County Counsel. Timely court report distribution may reduce the number of court continuances, improving outcomes such as timely reunification for children and families involved in the Juvenile Court system. JELS received a CSAC Merit Award.

Sustainable Environments/Thriving

- A Climate Action Plan approved by the Board of Supervisors on February 14, 2018 lays out how the County will reduce greenhouse gas emissions for the unincorporated areas of the region. The plan encourages installing solar photovoltaic panels on existing homes and on County facilities; increasing renewable energy overall; diverting more trash away from landfills; and installing electric vehicle charging stations throughout the region. As part of a $2 million tree-planting program, the County planted more than 4,000 trees on public lands to replace those lost to drought and invasive pests. County inspectors found 224 pests last year that could have damaged our $1.7 billion agriculture industry. Four additional water-sampling locations monitor health standards at the region's beaches. In addition, County programs are in place to remove high-polluting electric vehicle charging stations throughout the region.
- During the June 2018 Gubernatorial Primary Election, the Registrar of Voters managed a 5% increase (53,070) in the number of permanent vote-by-mail voters, for a total of 1,114,471, based on the number of permanent vote-by-mail voters from the November 6, 2016 Presidential General Election. In order to provide more convenient mail ballot drop-offs, the Registrar of Voters, with support from the San Diego County Library (as well as other library jurisdictions), expanded the Mail Ballot Drop Off Program from 25 to 42 locations (41 libraries across the county and the Registrar of Voters Office). Drop-off sites are designed to be convenient for the voter, assist with the timely return of mail ballots and decrease the high volume of voters dropping off mail ballots at polling places on Election Day.
- Improved access to fresh, healthy and affordable food by engaging small to medium-sized food retailers and residents in low-income communities through the *Live Well Community Market Program*. The *Live Well Community Market Program* helps neighborhood markets in underserved communities to adopt business models that encourages families to choose fruits and vegetables every time they shop. This program works at no cost with each individual market owner to create a set of achievable goals to help them: attract new shoppers and increase loyalty, successfully sell fresh and healthy foods, improve market layout and design, and increase profit margin. Examples of support include: redesigning spaces to promote healthy foods, connecting retailers to community stakeholders (such as local produce growers and distributors), promoting CalFresh EBT & WIC, providing training on produce handling and storage, and connecting retailers to local financing, grant opportunities and rebate programs for market improvements.

Operational Excellence

- This year the County enhanced its budget website with an option for citizens to provide public comment via video. More than 30 videos received during the public comment period were posted to YouTube and embedded on the County's website for viewing. This earned the County the Most Innovative Use of Social Media/Citizen Engagement Award from the Center for Digital Government's Best of California.
- The County received GFOA's Award for Excellence in Government Finance for Leveraging GFOA Best Practices in the Strategic Management of Liabilities: Pension, OPEB, and Renewal of Aged Infrastructure.
- The County of San Diego won Government Experience Awards from the Center for Digital Government, which honors U.S. governments who are offering citizens more integrated, anticipatory and personalized electronic services. The County of San Diego won 2nd place in the "Overall County Government Experience" category. The County also won a "Government Experience Innovation Award" for our implementation of Digital Rights

Management. "San Diego County's Digital Rights Management initiative also received special recognition for taking a hard look at what CDG Chief Innovation Officer Dustin Haisler called an increasingly gray area. Though the tool is not public-facing, Haisler said it sets the stage for more responsible and appropriate data use within county government."

- HHSA Self Sufficiency Services Access & Access2Health (A2H) Customer Service Center leveraged technology and innovation to deliver enhanced customer services by implementing a telephonic signature tool to efficiently process CalFresh Semi-Annual Reports (SAR). This new option allows San Diego County residents the option of completing their reports via telephone so that they can maintain ongoing CalFresh benefits without having to go to a Family Resource Center (FRC), furthering the *Live Well San Diego's* vision of healthy, safe and thriving communities. HHSA telephonic signature tool received both NACo recognition and CSAC Merit Award.
- Developed and implemented ConnectWellSD, a leading-edge secure data platform used to efficiently share data and link service providers across disciplines to deliver effective services. ConnectWellSD creates an electronic comprehensive customer record that promotes person-centered services (PCS) by linking community and County service providers (such as housing, mental health, public assistance, public health, alcohol/drug services, child welfare, probation, and aging) - a holistic view of each customer's history and needs to improve outcomes. PCS is a holistic service delivery approach that connects residents to the resources they need and promotes collaboration across disciplines to achieve positive customer outcomes. HHSA received NACo recognition for ConectWellSD.
- The County's land use and environment departments also introduced a new, online tool last year. "Click! to Schedule" lets customers make appointments for roughly 30 different types of land use consultations and inspections. In addition, County Parks and Recreation teamed up with Google to collect trail data and hikers can now visit any of the 10 County parks and preserves on Google Street View.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2017. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Other Awards and Recognitions

The County of San Diego workforce continually plans to cut costs, streamline processes, incorporate the newest technology and expand services to improve the lives of residents and save taxpayer dollars. While the goal is to improve communities, it is gratifying to be recognized for those efforts. The following is a sample of the recognition the County received during the past fiscal year for its leadership and excellence in operations:

- The County earned 41 Achievement Awards from the National Association of Counties (NACo) for its innovative programs. Some of the award-winning programs include:
  - The Department of General Services Energy Leaders of the Future. The department was able to plan and take action to support its Energy Efficiency Program in order to allow the County to meet the State's 2030 zero-net energy goals in an effective and cost-efficient manner.
  - Planning and Development Services Parcel Analysis Research Tool. All discretionary land development projects require an Environmental Initial Study, which researches hundreds of data sets for environmental impacts. Planning & Development Services developed the Parcel Analysis Research tool that automates the formerly manual process. Members of the public (and County staff) simply enter an Assessor's

Parcel Number into the online tool, which compiles data and maps to create a comprehensive parcel report within minutes. Access to the automated reports significantly reduces billable project time, which not only saves applicants money, but enables County staff to focus on other priority projects. Approximately 24,000 reports have been run to date using this automated tool, resulting in approximately $1.5 million in savings to the public.

- The Department of Environmental Health Camp Resource Program. The Department of Environmental Health's (DEH) Organized Camp Resource Program improves safety at the approximately 35 organized camps serving 250,000 people a year. DEH inspects camps to ensure the physical settings of camps are maintained and operating safely so that campers have a positive and safe experience. The program helps camp operators better prepare for inspections and understand the requirements and documentation camp operators need to have available during the camp season. Through the program, a free camp seminar is offered that also covers health and safety topics such as Norovirus and bed bugs. The seminar has now become a biennial event typically attended by every permitted camp in the County.
- The Land Use Environment Group Customer Experience Initiative. The County's Customer Experience Initiative aims to create a culture that involves all employees in creating a positive customer experience that focus on a customer's total interactions with the County. Departments have deployed various surveys to gauge the customer experience, improved business processes based on customer feedback, developed meaningful and timely employee recognition programs, and aligned departmental goals to support the initiative. Additionally, customer feedback is shared Countywide through an intranet feature called Positive Experiences, which has become one of the site's most popular pages. This keeps the customer focus a constant presence for all employees.
- The Public Defender's Office Defense Transition Unit (DTU). The DTU assists with criminal cases in urgent need of mental health management. The DTU is built around two licensed mental health clinicians who work as part of the department's criminal defense team, accepting referrals directly from attorneys. The clinicians assess the mental health needs of clients in custody within five days of a referral, with attorney supervision and support from paralegals. The clinicians then use their knowledge of community resources to arrange comprehensive mental health treatment, and prepare a treatment plan for use by attorneys, judges and the Probation Department. Finally, the DTU ensures that clients are transported directly from custody to mental health service providers.
- The Department of Child Support Services' Military and Veteran's Outreach program. This program was created after learning from a Department of Veteran Affairs homelessness survey that child support assistance is among the top contributing factors to veteran homelessness and one of the highest unmet veteran needs. A military and veteran liaison serves as an in-house expert on the familial, legal, financial and career intricacies of the armed forces.
- Diversity & Inclusion Training Series: The Diversity & Inclusion (D&I) Training Series is featured during the months of September and February. The training series is comprised of a collection of courses that focus on the County's commitment to valuing diversity and practicing inclusion. The trainings are open for all County employees to enroll in all or any of the classes including Embracing D&I, Promoting an Inclusive Workplace, Generations in the Workplace, Serving Diverse Customers, Cultural Competency Overview and D&I for Supervisors.
- The Treasurer-Tax Collector’s Office Online Electronic Tax Sale Notification Program: This program is in response to state law that mandates tax sale notices are mailed within a certain timeframe. This program addressed the need to handle a large volume of data in a way that could be leveraged all the way through the process pipeline, and drastically cut down on the time to meet those requirements all while saving money.

- For 18 consecutive years ,the Department of Purchasing and Contracting received the National Procurement Institute's Achievement of Excellence in Procurement award which recognizes organizational excellence in public procurement. This prestigious award was earned by the Department of Purchasing and Contracting for its innovation, professionalism, productivity, e-procurement, and leadership attributes within the procurement industry.

- The County Communications Office (CCO) was named Crisis Communications Leader of the Year by the California Association of Public Information Officers (CAPIO). The award honors a professional or team who has demonstrated extraordinary success in providing leadership during a natural disaster, act of terrorism or a reputational crisis. The Communications Office coordinated with many departments and our regional partners to manage communications strategies for both the hepatitis A outbreak and Lilac Fire.
- The Health and Human Services Agency's (HHSA) 24-hour skilled nursing facility, Edgemoor, received the American Health Care Association and National Center for Assisted Living (AHCA/NCAL) Gold Quality Service Excellence Award, the highest national honor bestowed for providing top-quality treatment and services. Edgemoor, which offers long-term care for patients with complex medical needs, joins a group of 31 long-term and post-acute care providers that have earned this recognition since the inception of the National Quality Award Program in 1996 and one of only three facilities nationwide in 2017 to receive this award, demonstrating performance in areas of leadership, strategic planning, and customer and staff satisfaction.
- The HHSA's Journey to Excellence is focused on improving processes and achieving results to help all residents build better health, live safely and thrive. As part of this journey, HHSA continues to provide high-level services through unrelenting continuous self-evaluation and improvement, and the cultivation of leadership and workforce beliefs, as demonstrated by receiving the California Award for Performance Excellence-Eureka Silver Level. In addition, HHSA was recognized nationally for its commitment to the health and well-being of residents and pursuit of community performance excellence by Communities of Excellence 2026 and was presented the Commitment to Community Excellence Award, demonstrating a commitment to continuous learning and development of effective approaches that improve community outcomes.

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Respectfully,

DONALD F. STEUER
Assistant CAO/
Chief Operating Officer

TRACY M. SANDOVAL
Deputy CAO/
Auditor and Controller