



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 7, 2010

TO: Board of Supervisors

SUBJECT: FISCAL YEAR 2010-11 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICT: All)

SUMMARY:

Overview

This report summarizes the status of the County's Fiscal Year 2010-11 Operational Plan, as measured by projected year-end fund balance from current year operations. The projected balance for the General Fund is \$109.2 million, and for all budgetary funds combined is \$126.2 million. In the General Fund, positive balances are projected for all five groups. In addition, the projected fund balance reflects the conservation of management and contingency reserves and projects that general purpose revenues will do better than estimated in the adopted budget.

This letter also recommends budget adjustments to make resource reallocations or to fund various one-time projects. In the Public Safety Group, adjustments include recommendations to establish appropriations in the Sheriff's Department to replace equipment in the Central Production Center that is beyond repair, purchase Mobile Data Computers for patrol vehicles, and fund depreciation charges for vehicles. Other significant adjustments would establish appropriations for the High Intensity Drug Trafficking Area (HIDTA) program and establish appropriations for the 2007 Law Enforcement Terrorism Prevention Program (LETPP). In addition, a request is submitted to cancel appropriations in the Public Defender's Office to reflect the expiration of the contract with the State of California Administrative Office of the Courts to provide Dependency Representation services.

In the Land Use and Environment Group, significant adjustments include requests to establish appropriations in the Department of Parks and Recreation to provide funding for tree removal and replanting, for equipment to perform trail maintenance to purchase and install monument entry signs at San Diego parks, and to establish appropriations in the Executive Office for one-time costs associated with developing a Public Facing Mapping Application. Another significant request is submitted to cancel appropriations in the Capital Outlay Fund for the Tijuana River Valley Trail Construction project due to grant funds not being awarded from the State of California

SUBJECT: FISCAL YEAR 2010-11 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (District: All)

Recreational Trails Program. In addition, a request is submitted to increase the fund balance designation within the General Fund for Environmental Health based on excess revenues from fees and permits over expenses in Fiscal Year 2009-10.

In the Community Services Group, recommendations would establish appropriations for the Homeless Prevention and Rapid Re-Housing Program, establish appropriations for the Neighborhood Stabilization Program, and establish appropriations for the Documentum 6.5 upgrade, the Active Directory Integration, and other Enterprise Content Management projects. In addition, a request is submitted to amend the Major Maintenance Internal Service Fund Spending Plan by canceling appropriations to correct duplicate budgeting for planned projects.

In the Finance and General Government Group, adjustments would establish appropriations for the Board of Supervisors Districts 1, 3, 4, and 5 for one-time expenses.

In the Capital Program, the Board is asked to ratify the cancellation of appropriations that were inadvertently carried forward from the prior year.

No actions are recommended at this time as a result of the budget adopted by the State. The County's Operational Plan anticipated some of the funding changes that were enacted and, in other cases, we do not yet have enough detail to determine whether budgetary action will be needed by the County. Further, the Governor has called a special session of the legislature to begin in early December to address a newly identified \$6.1 billion State budget deficit. Staff will keep your Board apprised of information that develops and make recommendations as necessary.

Recommendation(s)

CHIEF ADMINISTRATIVE OFFICER

1. Accept the Fiscal Year 2010-11 first quarter report on projected year-end results.
2. Establish appropriations of \$5,000 in the County Service Area (CSA) 135 Zone H Solana Beach 800 MHZ Fund, services and supplies, for additional operational costs based on fund balance available. (4 VOTES)
3. Cancel appropriations in fixed assets and related 2009 Forensic DNA Backlog Reduction grant revenue of \$75,117 in the Sheriff's Department due to the expenditure of the funds in the Fiscal Year 2009-10.
4. Establish appropriations of \$45,205 in the Sheriff's Department, services and supplies, for the 2009 Paul Coverdell Forensic Science Improvement Grant Program based on unanticipated revenue from the U.S. Department of Justice,

SUBJECT: FISCAL YEAR 2010-11 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (District: All) |

administered through the California Emergency Management Agency. (4 VOTES)

5. Establish appropriations of \$208,000 in the Sheriff's Department, salaries and benefits (\$65,000), services and supplies (\$103,000) and fixed assets (\$40,000), for the 2007 Law Enforcement Terrorism Prevention Program (LETPP) based on unanticipated revenue from the Department of Homeland Security, passed through the California Emergency Management Agency. (4 VOTES)
6. Establish appropriations of \$9,800 in the Sheriff's Department, services and supplies, for the Organized Crime Drug Enforcement Task Force based on unanticipated revenue from the Federal Organized Crime Drug Enforcement Task Force passed through the Federal Bureau of Investigation. (4 VOTES)
7. Establish appropriations of \$100,516 in the Sheriff's Department, salaries and benefits (\$55,500) and services and supplies (\$45,016), for the High Intensity Drug Trafficking Area (HIDTA) program based on unanticipated HIDTA revenue from the California Border Alliance Group. (4 VOTES)
8. Establish appropriations of \$1,420,000 in the Sheriff's Department, services and supplies (\$438,083) and fixed assets (\$581,917), to replace equipment in the Central Production Center, purchase Mobile Data Computers for patrol vehicles, and pay for vehicle depreciation costs (\$400,000) based on Public Safety Group's Fiscal Year 2009-10 fund balance available. (4 VOTES)
9. Cancel appropriations in salaries and benefits (\$7,950,275) and services and supplies (\$1,716,590) and related revenue of \$9,666,865 in the Public Defender's Office to reflect the expiration of the contract with the State of California Administrative Office of the Courts to provide Dependency representation services.
10. Ratify the amendment to the Fiscal Year 2009-10 Internal Service Fund – Sheriff's Jail Stores Spending Plan in the amount of \$849,000 that transferred appropriations from Operating Transfers Out (\$830,000) and Equipment Depreciation (\$19,000), to services and supplies, for costs related to the new e-commerce site.
11. Establish appropriations of \$500,000 in the Department of Public Works General Fund Watershed Protection Program, services and supplies, for stormwater permit activities based on revenue from the Stormwater Trust Fund. (4 VOTES)
12. Establish appropriations of \$13,600 in Permanent Road Division 1001 Capra Way Fund, services and supplies, to provide funding for the refund of special

SUBJECT: FISCAL YEAR 2010-11 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (District: All)

- assessments, based on fund balance available. (4 VOTES)
13. Establish appropriations of \$48,000 in Permanent Road Division 1007 Tumble Creek Fund, services and supplies, to provide funding for the refund of special assessments, based on fund balance available. (4 VOTES)
 14. Cancel appropriations and related Solid Waste tonnage fees of \$198,654 in the Department of Public Works, Solid Waste Planning and Recycling Program, due to unanticipated revenue from various state grants.
 15. Establish appropriations of \$269,720 in the Department of Public Works, Solid Waste Planning and Recycling Program, services and supplies, for recycling grant programs based on unanticipated revenue from CalRecycle's City/ County Beverage Container Recycling Grant Program (\$156,360), CalRecycle's Low Income Multifamily Beverage Container Recycling Grant Program (\$33,961), CalRecycle's Used Oil Research, Testing and Demonstration Grant Program (\$13,532), and CalRecycle's Local Government Waste Tire Cleanup (\$35,867) and Amnesty Event Grant Program (\$30,000). (4 VOTES)
 16. Amend the Fiscal Year 2010-11 Airport Enterprise Fund Spending Plan by \$148,944 to provide funding for the Palomar Airport Runway 6/24 Rehabilitation Project based on fund balance available. (4 VOTES)
 17. Cancel appropriations of \$1,000,000 in the Capital Outlay Fund for Capital Project 1014134, Tijuana River Valley Trail Construction project, due to grant funds not being awarded from the State of California Recreational Trails Program.
 18. Transfer appropriations of \$170,000 from the Department of Parks and Recreation, services and supplies, to Contributions to the Capital Outlay Fund, Operating Transfers Out, to provide funding for the County Preserve Fire Recovery project.
 19. Establish appropriations of \$170,000 in the Capital Outlay Fund for Capital Project 1012951, County Preserve Fire Recovery, based on an Operating Transfer from the General Fund. (4 VOTES)
 20. Establish appropriations of \$96,000 in the Department of Parks and Recreation, salaries and benefits, to provide funding for a Coordinator, Volunteer and Public Services position based on Fiscal Year 2009-10 General Fund fund balance available. (4 VOTES)
 21. Establish appropriations of \$45,000 in the Lakeside Park Lands Dedication Ordinance (PLDO) Fund, services and supplies, to fund design plans for the

SUBJECT: FISCAL YEAR 2010-11 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (District: All) |

proposed Lakeside Skate Park project, based on Park Lands Dedication Ordinance fund balance available. (4 VOTES)

22. Cancel appropriations of \$20,000 and related Operating Transfer from the General Fund in the Capital Outlay Fund for Capital Project 1005259, Guajome Park Playground/Restroom/Dock Improvements to provide funding for the Guajome Regional Park Restroom project.
23. Establish appropriations of \$20,000 in the Capital Outlay Fund for Capital Project 1010407, Guajome Regional Park Restrooms, based on an Operating Transfer from the General Fund. (4 VOTES)
24. Cancel appropriations of \$12,000 and related Operating Transfer from the General Fund in the Capital Outlay Fund for Capital Project 1000012, Multiple Species Conservation Program (MSCP) Acquisitions, to provide funding to vacate an easement.
25. Transfer appropriations of \$12,000 from Contributions to Capital Outlay, Operating Transfer Out, to the Department of Parks and Recreation, services and supplies, to provide funding to vacate an easement.
26. Establish appropriations of \$100,000 in the Department of Parks and Recreation, services and supplies, to provide funding for tree removal and replanting based on the Land Use and Environment Group's Fiscal Year 2009-10 fund balance available. (4 VOTES)
27. Establish appropriations of \$130,000 in the Department of Parks and Recreation, fixed assets equipment, to provide funding for equipment to perform trail maintenance based on the Land Use and Environment Group's Fiscal Year 2009-10 fund balance available. (4 VOTES)
28. Establish appropriations of \$250,000 in the Department of Parks and Recreation, services and supplies, to purchase and install monument entry signs at County of San Diego parks based on Land Use and Environment Group's Fiscal Year 2009-10 fund balance available. (4 VOTES)
29. Establish appropriations of \$450,000 in the Land Use and Environment Group – Executive Office for one-time costs associated with developing a Public Facing Mapping Application based on Land Use and Environment Group's Fiscal Year 2009-10 fund balance available. (4 VOTES)
30. Authorize the Auditor and Controller to increase the fund balance designation within the General Fund for Environmental Health by \$1,170,821 based on Land Use and Environment Group's Fiscal Year 2009-10 fund balance

SUBJECT: FISCAL YEAR 2010-11 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (District: All) |

available. (4 VOTES)

31. Ratify an increase in appropriations of \$18,752.58 to the Fiscal Year 2009-10 Capital Outlay Fund budget to provide funding for Capital Project 1011720, Trans County Trail Acquisition, based on fund balance available.
32. Establish appropriations of \$607,603 in the Department of Housing and Community Development, services and supplies, for the Homeless Prevention and Rapid Re-Housing Program based on American Recovery and Reinvestment Act (ARRA) grant revenue. (4 VOTES)
33. Establish appropriations of \$167,396 in the Department of Housing and Community Development, services and supplies, for the Neighborhood Stabilization Program based on ARRA grant revenue. (4 VOTES)
34. Approve and authorize the reallocation of up to \$200,000 within the Department of Housing and Community Development from the Downpayment and Closing Costs Assistance Program to the Emancipated Foster Youth Tenant-Based Rental Assistance Program to provide rental subsidy assistance to emancipated foster youth.
35. Approve and authorize the reallocation of up to \$50,000 within the Department of Housing and Community Development from the Downpayment and Closing Costs Assistance Program to the Family Reunification Tenant-Based Rental Assistance Program to provide rental subsidy to families participating in the Dependency Court's Substance Abuse Recovery Management System program.
36. Approve and authorize the reallocation of up to \$5,000 within the Department of Housing and Community Development from savings in Community Development Block Grant funded projects that are now complete to the Mobile Home Mediation Services project.
37. Establish appropriations of \$708,733 in the Contribution to Purchasing and Contracting Internal Service fund, Operating Transfers Out, based on the Community Services Group's Fiscal Year 2009-2010 fund balance available. (4 VOTES)
38. Amend the Fiscal Year 2010-11 Purchasing and Contracting Internal Service Fund Spending Plan by \$708,733 to provide funding for Enterprise Content Management program costs based on an Operating Transfer from the General Fund.
39. Amend the Fiscal Year 2010-11 Major Maintenance Internal Service Fund Spending Plan by cancelling appropriations of \$1,860,454 and related charges

SUBJECT: FISCAL YEAR 2010-11 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (District: All) |

for services to the General Fund to correct duplicate budgeting for planned projects.

40. Establish appropriations of \$200,000 in Board of Supervisors District 1, services and supplies, for one-time expenses based on Finance and General Government Group's Fiscal Year 2009–2010 fund balance available. (4 VOTES)
41. Establish appropriations of \$14,780 in Board of Supervisors District 3, services and supplies, for one-time expenses based on Finance and General Government Group's Fiscal Year 2009–2010 fund balance available. (4 VOTES)
42. Establish appropriations of \$200,000 in Board of Supervisors District 4, salaries and benefits, for one-time expenses based on Finance and General Government Group's Fiscal Year 2009–2010 fund balance available. (4 VOTES)
43. Establish appropriations of \$200,000 in Board of Supervisors District 5, services and supplies, for one-time expenses based on Finance and General Government Group's Fiscal Year 2009–2010 fund balance available. (4 VOTES)
44. Establish appropriations of \$2,347.92 in the Contributions to Capital Outlay Fund, Operating Transfers Out, for Capital Project #1012343, Hilton Head Park Irrigation, based on Fiscal Year 2009-10 General Fund fund balance available. (4 VOTES)
45. Ratify the technical adjustment that reduced appropriations in the net amount of \$44,933,174.13 in the Capital Program in order to correctly reflect total appropriations available for projects in Fiscal Year 2010-11. |

Fiscal Impact

The funds for a portion of these requests are not budgeted. If approved, in the General Fund, these actions will cancel budgeted appropriations and the related sources of funding in the amount of \$9,741,982 and will establish additional appropriations of \$5,410,381, resulting in a net decrease in appropriations of \$4,331,601. The funding sources include unanticipated revenue from the Department of Homeland Security passed through the California Emergency Management Agency, unanticipated High Intensity Drug Trafficking Area revenue from the California Border Alliance Group, revenue from the Stormwater Trust Fund, the General Fund Fiscal Year 2009-10 fund balance, American Recovery and Reinvestment Act (ARRA) grant revenue, and miscellaneous other revenue sources.

In all other funds combined, these actions will cancel budgeted appropriations and the related funding sources in the amount of \$3,091,108 and will establish additional appropriations of \$1,428,997 resulting in a net decrease in appropriations of

SUBJECT: FISCAL YEAR 2010-11 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (District: All) |

\$1,662,111. Funding sources include Airport Enterprise Fund fund balance, operating transfers from the General Fund, and miscellaneous other sources.

Business Impact Statement

N/A

Advisory Board Statement

N/A

BACKGROUND:

For the General Fund, the first quarter projection of year-end fund balance from current year operations is \$109.2 million. This projected one-time resource is a combination of expecting to end the year with General Purpose Revenue above budget by \$16.0 million, along with a net positive variance of \$49.9 million from departmental operations and a positive variance of \$43.3 million in unspent contingency and management reserves.

The projected balance for all other funds combined is \$17.0 million. Schedule A summarizes the fund balance projections by Group and department. The Notes to Schedules A and B explain variances from budget by department. Schedule B shows the projected General Fund fund balance by Group split between operating and reserve balances. These projections are based on actual experience through September 2010 and expected expenditures and revenues through the end of the fiscal year.

As shown in Schedule A, the General Fund year-end fund balance projection of \$109.2 million is based on the estimate that expenditures will be a net \$217.1 million less than budgeted in the Fiscal Year 2010-11 Amended Budget and revenues will be a net \$107.9 million less than budgeted in the Fiscal Year 2010-11 Amended Budget. The Amended Budget consists of the Adopted Budget plus encumbrances carried over from the prior year, plus year to date changes that have been either approved by the Board or Chief Financial Officer where permitted.

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

- \$51.5 million in appropriation savings, predominantly in the Public Safety Group (PSG) and Health and Human Services Agency (HHSA), but also in Land Use and Environment Group, Community Services Group, and Finance and General Government Group, from lower than budgeted salaries and employee benefits costs due to staff turnover and department management of vacancies. Savings in salaries and benefits in PSG are also associated with the expiration of a contract for Dependency Representation with the State of California Administrative Office of the Courts.
- \$80.1 million in appropriation savings in services and supplies across the County.
 - In the Public Safety Group, a net positive expenditure variance of \$5.3 million is a combination of additional expenditure requirements in certain categories offset by savings in others. The additional expenditures are attributed to increased costs for automotive fuel and expenses in the food services division in the Sheriff's

SUBJECT: FISCAL YEAR 2010-11 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (District: All) |

Department. Savings are anticipated in the Public Defender's Office associated with the expiration of a contract for Dependency Representation with the State of California Administrative Office of the Courts, and savings in Probation are projected as a result of efforts to reduce overall expenditures.

- In the Health and Human Services Agency, net expenditure savings of \$68.8 million are projected primarily in contracted services (e.g., in Behavioral Health Services related to un-awarded and delayed Mental Health Services Act (MHSA) contracts; in Alcohol and Drug Services due to un-awarded contracts; in Early Periodic Screening, Diagnosis and Treatment (EPSDT) services due to lower service levels than projected); as well as roll-over encumbrances that are now not needed and lower service levels than projected in Mental Health Services; in the Community Action Partnership program due to roll-over encumbrances that are now not needed; in Aging and Independence Services as a result of revised estimates of growth trends in In Home Supportive Services (IHSS) Individual Provider (IP) costs; in Public Health Services primarily due to reductions in contracts for Immunizations, Tuberculosis Control, and Bioterrorism based on State funding reductions; in emergency appropriations for bio-terrorism; and in glide slope reserves. Additional expenditure requirements are anticipated due to additional information technology activity in Administrative Support; increased costs associated with County Medical Services, the Coverage Initiative and other costs in Strategic Planning and Operational Support; and additional projected services and supplies costs at Polinsky Children's Center and the San Pasqual Academy in County Child Welfare Services.
- In the Land Use and Environment Group, a net positive expenditure variance of \$0.6 million is anticipated. Savings are in the Department of Planning and Land Use, mainly due to contracted services related to a Cal Trans grant that was budgeted but not awarded. Savings are also in Environmental Health due to efforts to reduce expenditures and ensure that costs do not exceed revenue. Additional expenditure requirements are projected in Agriculture, Weights and Measures attributable to unanticipated costs related to wireless upgrades and essential management reports.
- In the Community Services Group, savings are primarily in Housing and Community Development (HCD) due to the postponement of digitizing loan and grant documents, reduced fuel and vehicle maintenance costs, and lower than anticipated expenditures on multi-year projects.
- \$40.9 million in appropriation savings in other charges primarily reflects net variances from budgeted caseload and aid payments in Health and Human Services Agency. Spending is projected to be over budget in Public Health Services because of a requirement for additional support and care costs in the California Children's Services (CCS) program and in Behavioral Health Services associated with an increase in State support and care hospital rates. These costs are offset by savings in Regional Operations, mainly the result of revised caseload levels in Child Care Stage 1, and savings in Child Welfare Services based on revised estimates of caseload levels, growth trends, and unit

SUBJECT: FISCAL YEAR 2010-11 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (District: All) |

cost per case for Foster Care and KinGap programs. In the Community Services Group, savings are projected in Housing and Community Development due to lower than anticipated expenditures on multi-year projects. In addition, savings occur from lower than budgeted tax and revenue anticipation note (TRAN) borrowing costs in Finance Other and from savings in various lease payments from interest credits. In the Public Safety Group, additional expenditure requirements are projected related to Foster Care in the Probation Department.

- \$1.5 million in appropriation savings primarily in the Health and Human Services Agency in operating transfers out to the In-Home Supportive Services (IHSS) Public Authority are related to health benefit costs for providers being less than budgeted.
- \$20.0 million in contingency reserves that are projected to be unspent at year-end.
- \$23.3 million in management reserves in the Health and Human Services Agency (\$20.0 million) and in the Community Services Group (\$3.3 million) that are projected to be unspent at year-end.

The projected revenue under-realization to budget consists of primarily negative variances, with partially offsetting positive variances. Of the overall net negative revenue variance in the General Fund of \$107.9 million, \$132.1 million is within intergovernmental revenues and is largely the result of expenditure savings in caseload driven programs mentioned above. A positive revenue variance of \$30.9 million is expected in the following categories: taxes current property (\$7.4 million); taxes other than current secured (\$9.8 million); licenses permits and franchises (\$1.7 million); revenue from use of money and property (\$2.8 million); and miscellaneous revenue (\$9.2 million).

See the Notes to Schedule A for a description of significant variances by department.

Fiscal Year 2010-11 Budget Adjustments

The budget adjustment recommendations in this letter are explained below.

Recommendation 2

This request will establish additional appropriations of \$5,000 in the CSA 135 Zone H Solana Beach 800 MHZ Fund based on fund balance available. These funds will be used to pay for additional radios, associated network operating charges, unplanned maintenance costs and the annual year-end audit fee.

Recommendation 3

On December 8, 2009 (6), your Board authorized the Sheriff's Department to accept \$380,960 for the 2009 Forensic DNA Backlog Reduction Program from the U.S. Department of Justice, administered through California Emergency Management Agency. A portion of these grant funds was rebudgeted in Fiscal Year 2010-11 as requested in the CAO's Operational Plan Change Letter, but subsequent to the Change Letter process, \$75,117 of the amount to be rebudgeted was expended in Fiscal Year 2009-10 on fixed assets. This request will cancel appropriations and related 2009 Forensic DNA Backlog Reduction Program revenue of \$75,117 in Sheriff's Department because these funds were spent in the prior year.

SUBJECT: FISCAL YEAR 2010-11 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (District: All) |

Recommendation 4

This request will establish appropriations of \$45,205 in the Sheriff's Department based on grant revenue from the 2009 Paul Coverdell Forensic Science Improvement Grant Program. On February 9, 2010 (2), your Board authorized the Sheriff's Department to accept \$87,306 for the 2009 Paul Coverdell Forensic Science Improvement Grant Program from the U.S. Department of Justice, administered through California Emergency Management Agency and execute all related grant documents, including any extensions, amendments, and/or revisions thereof that do not materially impact or alter the services or funding level. The original expiration date of the grant was August 31, 2010. It was anticipated that the full amount of the grant would be spent before the end of the fiscal year. However, that was not the case; \$45,205 of the original amount was unspent. Further, on July 20, 2010, after the operational plan process, the Sheriff's Department was notified that the grant period had been extended until November 11, 2010. This budget adjustment corresponds to the extension of the grant period and provides for the utilization of these remaining grant funds.

Recommendation 5

This request will establish appropriations of \$208,000 in the Sheriff's Department based on unanticipated revenue from the Department of Homeland Security, passed through the California Emergency Management Agency (CALEMA). On December 11, 2007 (2), your Board authorized the Sheriff's Department to accept \$2,678,533 for the 2007 Law Enforcement Terrorism Prevention Program (LETPP). The original grant performance period was scheduled to end on March 31, 2010. Subsequent to the Fiscal Year 2010-11 budget process, the Department was notified that the 2007 LETTP was extended to December 31, 2010. These remaining funds will be used for temporary help, travel, training and computer equipment related to the Regional Terrorism Threat Assessment Center/Law Enforcement Coordination Center (RTTAC/LECC).

Recommendation 6

This is a request to establish appropriations of \$9,800 in the Sheriff's Department for the Organized Crime Drug Enforcement Task Force (OCDETF) based on unanticipated revenue from the Federal Organized Crime Drug Enforcement Task Force passed through the Federal Bureau of Investigation (FBI). During the Fiscal Year 2010-11 budget process, appropriations of \$125,000 for the Organized Crime Drug Enforcement Task Force agreement were established. Subsequent to the budget process, the agreement was increased by \$9,800. The funds will be used to purchase radios for the OCDETF.

Recommendation 7

This is a request to establish appropriations of \$100,516 in the Sheriff's Department based on unanticipated HIDTA revenue from the California Border Alliance Group (CBAG). The Sheriff's Department was authorized to serve as the fiscal agent for HIDTA funding along the southwest border and accept funding of \$9,000,000 on June 20, 2006 (3). In July 2010, the CBAG Executive Board approved additional funding for HIDTA. The funds will be used for

SUBJECT: FISCAL YEAR 2010-11 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (District: All)

overtime, travel and training and equipment to support the Sheriff's personnel assigned to the HIDTA program.

Recommendation 8

This request will establish appropriations of \$1,420,000 in the Sheriff's Department based on Fiscal Year 2009-10 fund balance available in the Public Safety Group. The funds will be used as follows: \$220,000 will be used to replace equipment that is beyond repair in the Central Production Center, \$800,000 will be used to purchase Mobile Data Computers (MDCs) for the current year vehicle order and \$400,000 will be used to pay the Department of General Services' Fleet Internal Service Fund for prior year depreciation charges for vehicles that wore out sooner than scheduled.

Recommendation 9

The Dependency Representation services were provided by the Dependency Division of the Office of the Public Defender through a contract with State of California Administrative Office of the Courts from 2005 through 2010. On June 30, 2010, that contract expired. On June 15, 2010 (2), your Board approved a workforce reduction plan to reduce the number of staff due to the loss of funding associated with the contract cancellation. In that item, it was noted that staff would return to your Board with necessary budget adjustments at a future date, following resolution of administrative items pertaining to the termination of the dependency representation services. This action proposes to cancel appropriations and related revenue associated with this loss of funding. The amount cancelled is \$9,666,865, which reflects the appropriation savings, but is less than the budgeted contract revenue amount of \$10.3 million. The budgeted contract revenue amount was to also cover overhead costs that will not go away with the termination of the contract. The Public Defender expects to over-realize revenue from other sources that will bridge the \$633,135 revenue shortfall from the loss of dependency representation services funding in the current fiscal year.

Recommendation 10

This recommendation ratifies a transfer of appropriations of \$849,000 within the Sheriff's Jail Stores Internal Service Fund Spending Plan for Fiscal Year 2009-10. The Sheriff's Jail Stores Internal Service Fund allows inmates to purchase a variety of commissary style goods, including food, snacks, stationery, personal care items and telephone calling cards. In Fiscal Year 2009-10, a new e-commerce site was implemented which provided an opportunity for friends and families to order phone time and/or commissary gift packs for inmates. This technical adjustment of \$849,000 will align appropriations with expenditures at the end of the fiscal year due to the increased demand for these items.

Recommendation 11

These appropriations are needed as a result of increased costs resulting from San Diego Regional Water Quality Control Board's recently implemented water quality regulations and for development of new compliance activities. Revenue from the Stormwater Trust fund will enable County staff to continue to develop and implement tasks necessary to comply with continuously increasing requirements of the Municipal Stormwater Permit of 2007. The Permit includes

SUBJECT: FISCAL YEAR 2010-11 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (District: All)

requirements that go into effect several years after the initial adoption date. For example, the requirement to develop and implement a comprehensive hydromodification plan is noted as three years after the Permit becomes effective. The Permit also allows for programmatic changes that were needed as a result of findings over the years. This has had a profound effect on the monitoring and the education outreach requirements. Since 2007, the Department of Public Works has been able to absorb the Permit requirements within its budget, however the new Permit commitments require additional funding from the Trust Fund. The Stormwater Trust Fund has a current balance of \$1.216 million.

Recommendation 12

If approved, this request will establish appropriations of \$13,600 in Permanent Road Division 1001 Capra Way Fund, based on fund balance available. This district dissolved on April 13, 2005; as a result, special assessments previously collected from parcel owners in the affected area that are still remaining in the fund must be returned to them.

Recommendation 13

If approved, this request will establish appropriations of \$48,000 in Permanent Road Division 1007 Tumble Creek Fund, based on fund balance available. This district dissolved on February 1, 2006; as a result, assessments previously collected from parcel owners in the affected area that are still remaining in the fund must be returned to them.

Recommendations 14 & 15

These recommendations establish appropriations based on grant funding and cancel a portion of existing appropriations originally funded by Solid Waste tonnage fee revenue. The Solid Waste Planning and Recycling Program had planned to use deferred revenue in the amount of \$198,654 to support recycling program activities. Since then, grants have been made available to be allocated as follows: \$156,360 will be used to purchase recycling equipment, provide staff labor to implement commercial and residential recycling programs, and offer public education programs on recycling; \$33,961 will allow staff to complete work on the CalRecycle Low Income Multifamily Beverage Container Recycling project and allow the completion of the recycling program at 21 low income multifamily complexes; \$13,532 will fund ten used motor oil filter exchange events in the county's unincorporated area; \$65,867, will fund four tire collection events from residents in the unincorporated area (\$30,000) and remove waste tires from the Tijuana River Valley(\$35,867).

Recommendation 16

This recommendation amends the Fiscal Year 2010-11 Airport Enterprise Fund Spending Plan in the amount of \$148,944, for the Palomar Airport Runway 6/24 Rehabilitation Project, based on fund balance available. On June 17, 2009 (15), the Board approved the advertisement and award of a construction contract for the Palomar Airport Runway 6/24 Rehabilitation Project. On August 5, 2009 (21) and on May 11, 2010 (12) the Board approved the additional funds for this project. The amount budgeted for this multi-year capital project included internal agreements and as part of year-end closing, internal agreements are carried forward from one fiscal year to the next. Unfortunately, appropriations of \$148,944 inadvertently reverted to fund balance during

SUBJECT: FISCAL YEAR 2010-11 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (District: All) |

the year-end carry forward process for some internal agreements. This request is a technical adjustment to re-establish the appropriations and this request will not change the prior Board approved project cost of \$10,775,000.

Recommendation 17

On September 23, 2009 (9), the Board adopted a resolution authorizing the Department of Parks and Recreation (DPR) to apply for and accept up to \$1,000,000 of Recreational Trails Program (RTP) grant funds for trails construction in the Tijuana River Valley Regional Park. Funds were appropriated in Capital Project 1014134, Tijuana River Valley Trail Construction pending award of the grant funds. The County was not awarded the RTP grant. Therefore, the appropriations and related budgeted revenue of \$1,000,000 must be cancelled. Upon approval of this recommendation, there will be an estimated \$674,000 remaining in the capital project. DPR will continue to seek grant funding from various sources to complete the trails construction project.

Recommendations 18 & 19

The Lusardi Creek Preserve provides passive recreational opportunities for the residents of San Diego County. This request will establish appropriations of \$170,000 in the Capital Outlay Fund for Capital Project 1012951, County Preserve Fire Recovery. This will bring the total project cost up to an estimated \$418,000. The \$170,000, along with the remaining appropriations of approximately \$141,000, will be used for environmental analysis, design, permits and construction of a creek crossing to open up access for maintenance of open space areas.

Recommendation 20

This is a request to establish appropriations of \$96,000 to restore funding for one (1) FTE - Coordinator, Volunteer and Public Services position based on General Fund fund balance. This position assists with marketing efforts to build customer relationships as well as create product awareness for the department's products and services. In turn, this increases patron participation and revenue for the department. Ongoing funding for this position will be identified and included in the CAO's Proposed Operational Plan for Fiscal Years 2011-13.

Recommendation 21

The Lakeside Community Planning Group has identified a skate park as its priority project for the Fiscal Year 2010-11 Lakeside Park Lands Dedication Ordinance (PLDO) Funded Projects list. The proposed skate park would be located at Lindo Lake, in the community of Lakeside in the unincorporated area of the county. The Lakeside Community Planning Group has also recommended allocating \$45,000 of Lakeside PLDO funds to the project. The requested action will authorize the appropriation of \$45,000 of Lakeside PLDO funds for design plans for the proposed Lakeside Skate Park project.

Recommendations 22 & 23

Capital Project 1005259, Guajome Playground/Restroom/Dock Improvement, has an estimated \$20,000 remaining in the project. Transferring these remaining funds to Capital Project 1010407, Guajome Regional Park Restroom, will supplement existing project funds and allow for completion of the restrooms project.

SUBJECT: FISCAL YEAR 2010-11 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (District: All)

Recommendations 24 & 25

As a result of bankruptcy proceedings for The Environmental Trust (TET), ownership of TET properties (APNs 517-060-17, 18, 19, 20; 517-071-09, 10; 518-050-04, 08, 10) within the Jamul-Dulzura Subregion was transferred to the U.S. Fish and Wildlife (USFWS). An adjacent open space property, APN 517-030-15, was also transferred to USFWS. The lands total approximately 400 acres. The County of San Diego currently has conservation easements on these properties. The USFWS typically does not acquire lands with encumbrances on the property and has requested that the County vacate these easements. The proposed action would transfer existing appropriations from the Capital Outlay Fund in Capital Project 1000012, MSCP Acquisitions to the Department of Parks and Recreation to cover administrative and transaction costs related to vacating the County's conservation easements on these lands now owned by USFWS.

Recommendation 26

This is a request to establish appropriations of \$100,000 in the Department of Parks and Recreation to fund the removal and replanting of trees due to diseased trees at various sites within the County Parks system. The trees have been infested by the Gold Spotted Oak Bore Beetle. Dead oaks can create potential hazards, especially near dwellings, along roadways, and in recreational areas. Oak mortality also represents a significant increase in fuel loads across the landscape, which can increase the probability and severity of wildfire. The funding source will be Land Use and Environment Group's Fiscal Year 2009-10 fund balance available.

Recommendation 27

This is a request to establish appropriations of \$130,000 in the Department of Parks and Recreation to fund the purchase of equipment to be used for the maintenance and construction of trails within the County Parks trail system. The purchase of this equipment will reduce contract costs currently performed by California Conservation Corps as well as reduce potential liability to the County due to property damage and safety concerns for park users. The funding source will be Land Use and Environment Group's Fiscal year 2009-10 fund balance available.

Recommendation 28

This is a request to establish appropriations of \$250,000 in the Department of Parks and Recreation for the purchase of monument entry signs at various County parks. The signs will replace aged, dilapidated and wooden signs. The new signs will have an extended life expectancy, be fire-resistant and will also enhance the branding of County Parks. The funding source will be Land Use and Environment Group's Fiscal Year 2009-10 fund balance available.

Recommendation 29

This is a request to establish appropriations of \$450,000 in the Land Use and Environment Group- Executive Office to upgrade the Geographic Information (GIS) system, improving the quality and quantity of available information to the public thereby allowing staff to focus on core services.

SUBJECT: FISCAL YEAR 2010-11 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (District: All)

Recommendation 30

On February 24, 2004 (23), the reserve designation for the Department of Environmental Health (DEH) was established. This designation ensures that revenues from fees and permits over costs paid by Environmental Health customers are used only to fund fee-related expenses in DEH. For Fiscal Year 2009-10, this excess revenue equaled \$1,170,821. This action does not move funds into the Department of Environmental Health. If approved, the total amount in this fund balance designation will be \$1,170,821.

Recommendation 31

In Fiscal Year 2007-2008 appropriations of \$501,138 were established for Capital Project 1011720, Trans County Trail Acquisition. The capital project incurred costs of \$38,826.21 related to project feasibility and research. The remaining appropriations of \$462,311.39 and associated grant revenue were cancelled in the Fiscal Year 2009-10 Quarterly Status Report due to no available and/or suitable land for acquisition in this area. The expenditures of \$38,826.21 did not meet the County's capitalization threshold so the expenditures were transferred to the Parks and Recreation Fiscal Year 2009-10 budget. During the year-end capitalization process it was determined that \$18,752.58 should not have been expensed in Parks and Recreation because that amount was inadvertently capitalized in the Capital Outlay Fund in a prior year. This request is to ratify the increase in appropriations of \$18,752.58 to the Fiscal Year 2009-10 Capital Outlay budget for this technical adjustment.

Recommendation 32

If approved, this request will increase appropriations by \$607,603 in the Department of Housing and Community Development to allow the department to fully utilize the remaining ARRA grant allocated for housing assistance. On March 19, 2009, the Department of Housing and Community Development was awarded a \$1.9 million Homeless Prevention and Rapid Re-Housing ARRA stimulus grant. The new housing assistance program was implemented in Fiscal Year 2009-10. Remaining ARRA grant funds were allocated to both years of the Fiscal Year 2010-12 Adopted Operational Plan. The program achieved capacity during the 1st quarter of the current fiscal year, so the funding originally allocated to Fiscal Year 2011-12 is expected to be utilized by the end of this fiscal year, which necessitates the budget adjustment.

Recommendation 33

If approved, this request will increase appropriations by \$167,396 in the Department of Housing and Community Development to allow the department to fully utilize the remaining ARRA grant allocated for this program. On October 28, 2008 (10), the Board approved the application and acceptance by the Department of Housing and Community Development of a \$5.144 million Neighborhood Stabilization Program (NSP) grant funded by ARRA. This one-time grant is being used to develop and implement a homebuyer program, as well as to provide funding to nonprofit organizations or other developers to purchase and rehabilitate single-family or multifamily affordable rental housing projects. All funds must be used in designated areas for the acquisition and rehabilitation of foreclosed properties. The new program was implemented in Fiscal Year 2009-10 after the Housing and Urban Development (HUD) Agency and the County of San Diego signed a grant agreement on March 4, 2009.

SUBJECT: FISCAL YEAR 2010-11 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (District: All) |

Recommendation 34

The requested action will authorize a reallocation of up to \$200,000 in HUD HOME Investment Partnerships Program funds from the Downpayment and Closing Costs Assistance Program to the Emancipated Foster Youth Tenant-Based Rental Assistance program. This transitional housing program provides rental subsidy assistance and case management to emancipated foster youth, aged 18-24, who have aged out of the foster care system.

Recommendation 35

The requested actions will authorize an additional reallocation of up to \$50,000 in HUD HOME Investment Partnerships program funds from the Downpayment and Closing Costs Assistance Program to the Family Reunification Tenant-Based Rental Assistance program. This transitional housing program provides rental subsidy assistance and case management to families participating in the Dependency Court's Substance Abuse Recovery Management System program.

Recommendation 36

The requested action will authorize a reallocation of up to \$5,000 in Community Development Block Grant program funds made available from savings in various prior year completed projects to the Mobile Home Mediation Services program. Funding this project will provide mediation services to residents and owners of mobile home parks located in the Urban County.

Recommendations 37 & 38

Documentum, the County's Enterprise Content Management (ECM) program, is managed by the Department of Purchasing and Contracting. These requests will amend the spending plan by \$708,733 in the Purchasing and Contracting Internal Service Fund based on Community Services Group's Fiscal Year 2009-10 fund balance available for the Documentum 6.5 upgrade, the Active Directory Integration, and other ECM projects.

Recommendation 39

This recommendation amends the Fiscal Year 2010-11 Major Maintenance Internal Service Fund Spending Plan by reducing \$1,860,454 in the Operating Transfer Out account. Amounts budgeted in this account include internal agreements associated with multi-year Major Maintenance projects that are in various stages of completion, new projects contained in the approved annual Major Maintenance Improvement Plan and projected "walk-in" projects. As part of year-end closing, internal agreements are also carried forward from one fiscal year to the next. Appropriations of \$1,860,454 were included in both the carry forward process and in the Fiscal Year 2010-11 Adopted Operational Plan. This request is a technical adjustment to correct the budget.

Recommendations 40 - 43

These recommendations allow the use of \$614,780 in Fiscal Year 2009-2010 savings to provide funding for one-time needs of Board of Supervisors' offices including various services and supplies and salaries and benefits costs.

SUBJECT: FISCAL YEAR 2010-11 FIRST QUARTER OPERATIONAL PLAN STATUS
REPORT AND BUDGET ADJUSTMENTS (District: All) |

Recommendation 44

This recommendation is a technical adjustment to re-establish appropriations of \$2,347.92 in the Contributions to Capital Outlay Fund based on Fiscal Year 2009-10 General Fund fund balance. Due to a year end closing oversight, remaining appropriations for capital project #1012343, Hilton Head Park were inadvertently cancelled. These remaining appropriations are needed to complete the capital project.

Recommendation 45

During the year end encumbrance carry forward process in the Capital Program, remaining encumbrances and remaining appropriations carry forward into the next fiscal year. Due to a technical oversight, the year end carry forward process reestablished appropriations for capital projects that were closed in prior years. Staff immediately took steps to adjust the appropriations to the correct amounts. Today's action would ratify staff's action.

Linkage to the County of San Diego Strategic Plan

The County of San Diego is fully committed to using its resources to meet the highest priority needs of its residents as identified in the Fiscal Years 2010-11 and 2011-12 Operational Plan and outlined by our three Strategic Initiatives – Kids, the Environment, and Safe and Livable Communities.

Respectfully submitted,

WALTER F. EKARD
Chief Administrative Officer

ATTACHMENT(S)

Schedule A

Schedule B

Notes to Schedules A and B

SUBJECT: FISCAL YEAR 2010-11 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (District: All) |

AGENDA ITEM INFORMATION SHEET

REQUIRES FOUR VOTES: Yes No

WRITTEN DISCLOSURE PER COUNTY CHARTER SECTION 1000.1 REQUIRED
 Yes No

PREVIOUS RELEVANT BOARD ACTIONS:

June 15, 2010 (2) Workforce Reduction Plan for the Office of Public Defender; August 3, 2010 (27) County of San Diego Fiscal Year 2010-11 Adopted Budget Resolution for Family of Funds, Enterprise Funds and Internal Services Funds, Prior Year Encumbrances and Penalty Assessment Resolution; and September 14, 2010 (2) Fire Deployment Study – Implementation Plan.

BOARD POLICIES APPLICABLE:

N/A

BOARD POLICY STATEMENTS:

N/A

MANDATORY COMPLIANCE:

N/A

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

N/A

ORIGINATING DEPARTMENT: Chief Financial Officer

OTHER CONCURRENCE(S): N/A

CONTACT PERSON(S):

Donald F. Steuer, Chief Financial Officer

Name
(619) 531-5413

Phone
(619) 531-5219

Fax
A-5

Mail Station
Donald.Steuer@sdcounty.ca.gov

E-mail

Janel Pehau, Director, Office of Financial Planning

Name
(619) 531-5175

Phone
(619) 531-6261

Fax
A-5

Mail Station
Janel.Pehau@sdcounty.ca.gov

E-mail

COUNTY OF SAN DIEGO
NOTES TO SCHEDULES A and B
FY 2010 -11 1st 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 established at the Group or department level for unanticipated needs or planned future one-time expenses. Schedule B shows a summary of the General Fund's projected fund balance by Group/Agency that distinguishes between projected contingency/management reserve balances and operating balances.

Variance Reporting

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

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 (PSG)

General Fund

District Attorney

A net positive variance of \$4.8 million is projected for the District Attorney's Office.

A net positive expenditure variance of \$6.4 million is projected. This positive variance is primarily due to anticipated savings in salaries and benefits of \$7.1 million due to normal attrition and savings from modified positions or vacant positions. This is offset by a negative variance of \$0.7 million in expenditure transfers and reimbursements due to normal attrition and delays in filling vacant positions in the Public Assistance Fraud Unit.

A net negative revenue variance of \$1.6 million is primarily attributable to the reduction of \$1.6 million in Vehicle License Fee receipts to the Local Safety Protection Account awarded through CalEMA for the High Technology Prosecution Program (\$1.3 million)

and the Vertical Prosecution Block Grant (\$0.3 million). These programs are pending the award from CalEMA and awarded funds may be higher than projected here.

Probation

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

A net positive expenditure variance of \$0.3 million is projected. This is comprised of a \$0.9 million positive variance in salaries and benefits due to staff vacancies. A \$0.6 million positive variance in services and supplies is projected from efforts to reduce overall expenditures. A negative variance of \$1.2 million in other charges is due to increased Foster Care costs.

A net negative revenue variance of \$0.2 million is projected. Due to a projected increase in Vehicle License Fee receipts to the Local Safety Protection Account, a positive variance of \$1.1 million is projected in the Juvenile Justice Crime Prevention Act program (\$0.5 million) and the Juvenile Probation Programs and Camps Funding (\$0.6 million). A positive variance of \$1.0 million is projected for the Youthful Offender Block Grant due to revised state allocations. Title IV-E revenue is projected to be \$0.4 million under budget, due to less staff time claimed to this activity. These funds support multiple programs and staff will be provided continuing training to increase Title IV-E revenue reimbursement for qualified project costs. Funds for SB618, the Prisoner Reentry Program, are projected to be \$1.5 million under budget due to revised allocations. The Cost of Supervision account for collections is projected to be under realized by \$0.3 million primarily due to the economic situation. An additional \$0.1 million will be under-realized in various other revenue sources.

Public Defender

A net positive variance of \$2.2 million is projected for the Public Defender.

A positive expenditure variance of \$11.7 million is projected. A positive variance of \$6.3 million is projected in salaries and benefits and a savings of \$5.4 million is projected in services and supplies. These variances are primarily due to the expiration of a \$9.6 million contract for Dependency Representation. Dependency Representation services were provided by the Dependency Division of the Office of the Public Defender through a contract with State of California Administrative Office of the Courts from 2005 through 2010. On June 30, 2010, that contract expired. On June 15, 2010 (2), your Board approved a workforce reduction plan to reduce the number of staff due to the loss of funding associated with the contract cancellation. In that item, it was noted that staff would return to your board with necessary budget adjustments at a future date. The First Quarter Operational Plan Status report proposes to cancel appropriations and related revenue associated with this loss of funding. A positive expenditure variance of \$2.7 million is related to a year-end expenditure accrual and reversal. The accrual resulted in an expenditure in the prior fiscal year and the reversal of the accrual (negative expenditure) in the current fiscal year, resulting in a positive expenditure variance. The expenditure accrual should not have been recorded in the prior year since the accrual was based on planned projects for which the expenditures will not occur. The error was detected after the close of the fiscal year and could not be

corrected. This is offset by a net negative expenditure variance of \$0.6 million primarily due to contract closeout expenditures for the Dependency program, including fixed employee benefit costs and costs for leases offset by projected savings in the Office of Assigned Counsel.

A net negative revenue variance of \$9.5 million is projected. This is comprised of a negative revenue variance of \$10.3 million due to the loss of the dependency representation contract as discussed above, off-set by a positive variance of \$0.8 million from a prior year dependency contract payment that was received in the current year.

Public Safety Group Executive Office

A net positive variance of \$2.2 million is projected for the Public Safety Group Executive Office. On September 14, 2010 (2), your Board transferred the operation of the San Diego County Fire Authority and the responsibility for associated County Service Areas and Fire Mitigation Funds from the Department of Planning and Land Use to the Public Safety Group Executive Office.

A positive expenditure variance of \$0.4 million is projected in services and supplies due to completed contract services (\$0.3 million) in the San Diego County Fire Authority and the remaining balance in various accounts in the Public Safety Group Executive Office (\$0.1 million).

A positive revenue variance of \$1.8 million is projected primarily due to current year receipts of revenues in rents and concessions. These funds were not included in the budget as part of a multi-year plan to reduce budgeted revenues which will no longer be received when these properties transfer to the State.

Sheriff

The Sheriff's Department projects a net positive variance of \$10.0 million.

A net positive expenditure variance of \$13.1 million is projected. Salaries and benefits are projected to be \$14.1 million under budget due to salary savings as a result of 103 vacant positions (53 sworn and 60 vacant professional staff). This projection includes expected new hires of 30 sworn staff from forthcoming academies, 33 professional staff, and 86 retirements/departures, for a net decrease of 23 staff by the end of the fiscal year. A net negative variance of \$1.0 million is projected in services and supplies primarily due to increases in household expense in the food services division and automotive fuel.

A net negative revenue variance of \$3.1 million is projected. Due to a projected increase in Vehicle License Fee receipts to the Local Safety Protection Account, a positive variance of \$0.3 million is projected in Local Detention Facility Revenue (Booking Fees), as well as a positive variance of \$0.3 million in COPS Program AB 3229 (Brulte) revenues. A positive variance of \$0.3 million is projected in Recovered Expenditures due to reimbursements from CAL FIRE for firefighting helicopter response on State land and an increase in pharmaceutical rebates for inmates in the jails. This is offset by a

projected negative variance of \$0.3 million in State Criminal Alien Assistance Program (SCAAP) due to a decrease in Federal funding available for this program. A negative variance of \$0.9 million is projected in Jail Bed Leasing due to decreased jail bookings by the City of San Diego. A negative variance of \$2.1 million is projected in Contract City Revenue due to reduced law enforcement services for contract cities. A negative variance of \$0.6 million is projected in the Institutional Care State account, due to a decrease in the number of State parolees being housed in the detention facilities. A negative variance of \$0.1 million is due to projected budget shortfalls in a number of miscellaneous revenue sources.

Special Revenue Funds

Proposition 172

A net positive variance of \$7.8 million is projected for the Proposition 172 Special Revenue Fund.

In Fiscal Year 2010-11, it appears that these revenues, which are closely tied to economic activity, have begun to stabilize. Current year revenues are projected to be \$7.8 million greater than budget due to the combination of revenues in Fiscal Year 2010-11 being budgeted below Fiscal Year 2009-10 actual amounts and a projected increase in the county's prorata share of statewide sales tax receipts.

Sheriff's Jail Stores

A net positive variance of \$0.1 million is projected for the Sheriff's Jail Stores. A negative expenditure variance of \$0.6 million is projected in services and supplies due to an increase in inmate debit phone card sales purchased for resale to the inmates. This is offset by a \$0.6 million positive variance in recovered expenditures from the sales of inmate debit phone cards. A positive variance of \$0.1 million is due to increases in miscellaneous revenue sources.

Sheriff's Inmate Welfare Fund

A net positive variance of \$1.0 million is projected for the Inmate Welfare Fund. A positive expenditure variance of \$0.4 million is projected in fixed assets due to the determination that the replacement of certain equipment can be delayed. This is augmented by a positive revenue variance of \$0.6 million in recovered expenditures from a reimbursement from the Grossmont Union High School District for contracted educational services.

HEALTH AND HUMAN SERVICES AGENCY (HHSA)

General Fund

HHSA is projecting an overall positive fund balance of \$32.1 million. The economy remains sluggish while there are continuing caseload and service pressures. The Agency is projecting Realignment revenues at Fiscal Year 2009-10 levels, which is an increase of \$5.3 million over the Fiscal Year 2010-11 budgeted amount. However, HHSA will monitor projections throughout the year. The Agency continues to manage

these financial and caseload challenges through its multi-phase “Economic Reality Plan” which holds positions vacant, and brings spending into alignment with available funding for Fiscal Year 2010-11 and to prepare for the Fiscal Year 2011-12 Operational Plan.

Administrative Support

Administrative Support consists of the following: Agency Executive Office, Agency Contract Support, Financial and Support Services Division, Human Resources, Management Support and First Five Commission.

A net positive variance of \$26.3 million is projected for Administrative Support. The variance is the result of \$31.9 million in expenditure savings and \$5.6 million in projected under-realized revenues.

The positive expenditure variance of \$31.9 million includes \$0.5 million in salaries and benefits due to vacant positions, \$11.4 million in services and supplies, and a projected year-end balance of \$20.0 million in management reserves which are held for operating contingencies during the year. The \$11.4 million savings in services and supplies is comprised of \$7.5 million budgeted for bio-terrorism emergencies and \$5.0 million budgeted as glide slope reserves that are not expected to be required, offset by \$1.1 million in additional requirements in various services and supplies categories, primarily related to higher than anticipated information technology activity.

The net negative revenue variance of \$5.6 million includes \$7.5 million of unsecuritized tobacco settlement revenue that is projected to not be recognized because the bio-terrorism appropriations are expected to be unspent, offset by \$1.4 million of additional Realignment revenue and \$0.5 million of miscellaneous revenues.

Aging and Independence Services

A net positive variance of \$2.3 million is projected for Aging & Independence Services, comprised of \$30.0 million in expenditure savings offset with \$27.7 million in projected under-realized revenues.

The positive expenditure variance of \$30.0 million includes savings of \$1.7 million in salaries and benefits due to vacant positions, \$26.8 million in savings in services and supplies, and \$1.5 million in operating transfers. The \$26.8 million savings in services and supplies is mainly the result of revised estimates of growth trends in In-Home Supportive Services (IHSS) Individual Provider (IP) costs. The \$1.5 million savings in operating transfers out for In Home Support Services-Public Authority is related to health benefit costs being less than anticipated.

The negative revenue variance of \$27.7 million is mainly due to lower projected expenditures in IHSS as discussed above.

Behavioral Health Services

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

A zero net variance is projected for Behavioral Health Services.

The net positive expenditure variance of \$31.6 million includes savings of \$1.4 million in salaries and benefits throughout Behavioral Health due to vacant positions and \$31.0 million in services and supplies, offset by a \$0.8 million negative variance in other charges and capital assets, primarily associated with an increase in State support and care hospital rates. The \$31.0 million of savings in services and supplies includes \$18.3 million in un-awarded and delayed Mental Health Services Act (MHSA) contracts, \$6.5 million in Early Periodic Screening Diagnosis and Treatment (EPSDT) / Medi-Cal services due to lower service levels than budgeted, \$3.7 million in Mental Health expenditures due to rollover encumbrances that are not needed and lower services levels than projected, and \$2.5 million in Alcohol and Drug Services due to un-awarded contracts in Short Doyle and Drug Medi-Cal services.

The net negative revenue variance of \$31.6 million is primarily associated with expenditure savings in MHSA and EPSDT/Medi-Cal services.

County Child Welfare Services

A net positive variance of \$1.2 million is projected for County Child Welfare Services (CCWS), comprised of \$24.3 million in expenditure savings offset by \$23.1 million in under-realized revenues.

The net positive expenditure variance of \$24.3 million includes savings of \$4.3 million in salaries and benefits due to vacant positions and \$21.9 million in aid payments for Foster Care and KinGap based on revised estimates of caseload levels, growth trends, and unit cost per case. The savings are offset by a \$1.9 million negative variance in services and supplies, primarily associated with costs at Polinsky Children's Center and the San Pasqual Academy.

The positive revenue variance of \$23.1 million is associated with the expenditure savings, primarily for assistance payments; the match is not required and is reflected as under-realized Realignment.

Public Health Services

A net positive variance of \$0.3 million is projected for Public Health Services. This is the result of a net increase of \$0.3 million in revenues.

A zero net expenditure variance is projected. This is the result of savings of \$0.9 million in services and supplies offset by \$0.9 million in other charges due to a requirement for additional support and care costs in the California Children's Services (CCS) program. The \$0.9 million of savings in services & supplies is primarily due to reductions in

contracts for Immunizations, Tuberculosis Control, and Bioterrorism based on State funding reductions.

The positive revenue variance of \$0.3 million is due to a \$3.0 million decrease in CCS, Medi-Cal, HIV Care & Prevention, and Immunization Action Partnership funding resulting from State budget cuts and the State cap on the amount to be contributed to CCS, offset by increases of \$3.3 million in the Communities Putting Prevention to Work (Maternal Child and Family Health) program, CHIP AB75 Health Education allocation, and other revenues and fees.

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 \$1.7 million is projected for Regional Operations. The variance is the result of \$17.3 million in expenditure savings and \$15.6 million in under-realized revenue.

The positive expenditure variance \$17.3 million includes savings of \$5.7 million in salaries and benefits due to vacant positions and \$3.4 million in services and supplies, which includes \$2.9 million in Community Action Partnership due to rollover encumbrances that are not needed and another \$0.5 million throughout Regional Operations in an effort to reduce spending to align with available revenue. An additional savings of \$8.1 million is in other charges, mainly the result of revised caseload levels in Child Care Stage 1.

The negative revenue variance of \$15.6 million is associated with the decrease of expenditures, of which a significant amount is for Child Care Stage 1.

Strategic Planning and Operational Support

A net positive variance of \$0.4 million is projected for Strategic Planning & Operational Support. The variance is the result of \$3.0 million in additional expenditure requirements and \$3.4 million in over-realized revenue.

The negative expenditure variance of \$3.0 million includes additional costs of \$0.1 million in salaries and benefits as a result of midyear position moves offset by savings due to vacant positions, and \$2.9 million in services and supplies. The \$2.9 million additional requirement in services and supplies is primarily due to increased costs associated with County Medical Services, the Coverage Initiative and for various other services. No additional appropriations are necessary: savings are available in other program areas to meet these expenditures.

The positive revenue variance of \$3.4 million includes an increase of \$2.7 million related to the increased expenditures for County Medical Services and the Coverage Initiative, and \$0.7 million in various other revenues.

Special Revenue Funds

Tobacco Securitization Fund

A net positive variance of \$3.3 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, based on an annual draw of \$27.5 million.

Land Use and Environment Group

General Fund

Agriculture, Weights & Measures (AWM).

A net positive variance of \$0.7 million is projected for the Department of Agriculture, Weights and Measures.

There is a net \$0.9 million positive expenditure variance. Projected savings of \$1.1 million in salaries and benefits is mainly due to vacancies. This is offset by a \$0.2 million negative variance in services and supplies, mainly as a result of additional costs related to the implementation of a new information technology system (\$0.1 million) to fund the mobile wireless upgrade and essential management reports and in other miscellaneous services and supplies accounts (\$0.1 million).

A negative variance of \$0.2 million in revenue is projected primarily due to a projected shortfall in state revenue for Dog Teams and Light Brown Apple Moth contracts.

Environmental Health

A net positive variance of \$2.5 million is projected for the Department of Environmental Health.

A positive expenditure variance of \$2.4 million is projected. Savings of \$1.7 million in salaries and benefits is due to vacancies and under-filling positions. Savings of \$0.7 million in services and supplies is associated with a reduction of education and outreach activity in the Vector Control Program (\$0.2 million); decreased need for emergency aerial adulticide application (\$0.1 million); decreased travel costs in support of the Government Without Walls Initiative (\$0.1 million) and the remaining variance (\$0.3 million) is spread among various accounts.

A net positive revenue variance of \$0.1 million is projected. This variance consists of over-realized revenue of \$0.3 million in Hazardous Materials Permit fees and \$0.5 million in Food Establishment Permit fees. This is offset by a shortfall of \$0.9 million in revenue from the Vector Control Trust Fund primarily associated with salaries & benefits and services and supplies savings in the Vector Control program. Revenue is only drawn from the Vector Trust Fund for actual costs incurred.

Department of Parks and Recreation

A net positive variance of \$0.3 million is projected for the Department of Parks and Recreation.

A positive expenditure variance of \$0.2 million in salaries and benefits is mainly due to vacancies.

A positive variance of \$0.1 million is projected from an agreement with SANDAG for the Cactus Habitat Restoration Project, and from insurance reimbursements for repairs at the Dos Picos and Guajome parks.

Planning and Land Use

A net positive variance of \$0.8 million is projected for the Department of Planning and Land Use.

A positive expenditure variance of \$2.5 million is projected. Savings of \$2.2 million in salaries and benefits is mainly due to positions in Project Planning that are being held vacant due a decreased workload during this economic downturn, and savings of \$0.3 million in services and supplies is primarily due to appropriations that will not be spent as a result of a Cal Trans grant that was budgeted but not awarded. The fund balance projection anticipates the re-budget of \$0.7 million for one-time only funding for the Building Division for Fire Re-Build Fee Waivers and a backlog in Code Enforcement.

A net negative revenue variance of \$1.8 million is primarily due to less than anticipated revenue from charges for current services resulting from a decreased workload in Project Planning services (\$1.3 million) and an unfunded grant from Cal Trans (\$0.5 million).

Special Revenue Funds

Park Land Dedication Ordinance

A net positive variance of \$0.4 million is projected for the Park Land Dedication Areas due to unanticipated revenue from park land dedication fees.

Public Works – Road Fund

A net positive variance of \$3.3 million is projected for the Road Fund.

A positive expenditure variance of \$4.6 million is projected. Projected savings of \$3.1 million in salaries and benefits is mainly due to vacancies, underfilling and freezing positions, eliminating temporary help and reducing cash overtime in Land Development and other Road Fund programs. Savings of \$1.5 million is projected in services and supplies primarily due to cancelled encumbrances for completed projects.

A negative revenue variance of \$1.3 million is projected. As a result of completing construction projects in the Detailed Work Program at less than the costs budgeted, corresponding revenues will be lower as well. Intergovernmental revenue is projected to

be less than budgeted by \$0.7 million and taxes other than current secured (TransNet) is projected to be less than budgeted by \$0.5 million. Charges for current services is projected to be under-realized by \$0.3 million primarily due to reduced services to property owners in Land Development (\$0.5 million) and reduced design need for projects in the Detailed Work Program (\$0.1 million), offset by over-realized revenue for Capital Outlay, General Fund and Transportation Impact Fee projects (\$0.3 million). Licenses, permits and franchises are projected to be over-realized by \$0.2 million due to a higher demand for permits than anticipated.

Public Works - Inactive Waste Site Management

A net positive variance of \$0.2 million is projected for Inactive Waste Site Management.

A positive expenditure variance of \$0.1 million is projected in salaries and benefits due to the under-filling of a manager position.

A positive revenue variance of \$0.1 million is due to unanticipated revenue for the Alpine and Jacumba capital mitigation projects.

Internal Service Funds

Public Works

A net positive variance of \$0.4 million is projected in the Public Works Equipment Acquisition Internal Service Fund.

A positive expenditure variance of \$0.6 million is projected. A projected savings of \$0.5 million in other charges is due to mandated emissions equipment for retrofitted vehicles not being fully depreciated at the time of purchase. A projected savings of \$0.1 million is primarily in services and supplies due to reduced vehicle maintenance and fuel costs (\$0.05 million) and in capital equipment due to reduced acquisition costs (\$0.02 million).

A negative revenue variance of \$0.2 million is projected. Under-realized revenue of \$0.5 million corresponds to the savings related to emissions equipment noted above. This is partially offset by a \$0.3 million over-realization of revenue in equipment rental operating fee revenue in the Equipment Operations Fund as a result of increased charges for Road Fund equipment.

Enterprise Funds – Public Works

Airports

A net positive variance of \$0.4 million is projected in the Airport Enterprise Fund.

A positive expenditure variance of \$0.4 million is projected due to projected savings of \$0.2 million in salaries and benefits resulting from vacancies and a decrease in cash overtime. Projected savings of \$0.2 million in services and supplies is due to lower than anticipated costs for inter-fund rental of equipment/vehicles.

Special District Funds

Air Pollution Control District

A net positive variance of \$1.1 million is projected for the Air Pollution Control District (APCD). APCD has nine funds: Air Pollution Control Operations Fund (Operations) and eight incentive program funds. A net positive variance of \$0.1 million is projected in Operations and a \$1.0 million positive variance is projected in the incentive program funds.

A net positive expenditure variance of \$2.4 million is projected. Savings of \$1.3 million in salaries and benefits is mainly due to staff retirements, turnover and vacancies. A savings of \$1.6 million in other charges is due to savings in the Air Quality Power General Mitigation Fund and the Air Quality School Bus Program as funds were encumbered at the end of the Fiscal Year 2009-10 fiscal year and appropriations are no longer needed. These savings are offset by a negative variance of \$0.5 million in services and supplies due to higher than anticipated costs related to improvements in system functionality and the implementation of newly available information system, which will be mitigated by the savings in salaries and benefits.

A net negative revenue variance of \$1.3 million is projected. A negative variance of \$1.1 million in licenses, permits and fees is projected due to a decline in operating permits related to the economic downturn. This negative revenue variance is partially offset by a positive variance of \$0.4 million due to increased services provided to other governmental agencies. In the Air Quality School Bus Program, a negative variance of \$0.6 million is projected as all of these incentive funds will not be received due to the cancellation of encumbrances as discussed above.

Community Services Group (CSG)

General Fund

Animal Services

A positive variance of \$0.3 million is projected for Animal Services. This is due to anticipated savings of \$0.2 million in salaries and benefits as a result of staff turnover and vacancies and savings of \$0.1 million in services and supplies based on expenditure trends. A small positive revenue variance is also projected.

Community Services Group Executive Office

A positive variance of \$3.3 million is projected for the Community Services Group Executive Office. This is due to a projected year-end balance of \$3.3 million in management reserves, which are held in the Group Executive Office for departments' operating contingencies during the year.

Housing and Community Development Department

A net positive variance of \$0.1 million is projected for the Housing and Community Development (HCD) Department. The department is composed of two major activities,

Housing and Community Development, which contains staff and operations, and Housing and Community Development Multi-Year Projects, which are funded through inter-governmental (mainly Federal) loans and grants for community development and affordable housing projects.

Housing and Community Development

A net positive variance of \$0.1 million is projected for Housing and Community Development.

A net positive expenditure variance of \$0.7 million includes anticipated savings of \$0.4 million in salaries and benefits and \$0.4 million in services and supplies offset by a \$0.1 million negative variance in cost reimbursement from other agencies. The variance in salaries and benefits is due to savings from vacancies from employee turnover and normal delays in recruiting and hiring. The positive variance in services and supplies is due to the postponement of digitizing loan and grant documents (\$0.3 million) and savings in various accounts such as fuel usage and vehicle maintenance costs. The negative expenditure variance in cost reimbursement from other agencies is due to less than anticipated Mental Health & Substance Abuse Program case referrals from HHS.

A negative revenue variance of \$0.6 million is projected and is directly tied to the expenditure savings noted above.

Housing and Community Development Multi-Year Projects

No net variance is projected for HCD Multi-Year Projects. The net positive expenditure variance of \$14.0 million is offset by a projected negative revenue variance of \$14.0 million. Community Development projects eligible to receive funding are budgeted to facilitate the multi-year project cost expenditure request process. Revenues are projected to equal expenses as project costs are 100% revenue offset.

Registrar of Voters

A net positive variance of \$5.0 million is projected for year-end.

A positive expenditure variance \$0.4 million in services and supplies is due to lower than expected expenditures for the purchase of mail ballot-processing equipment.

A net positive revenue variance of \$4.6 million is projected. This variance consists of \$5.0 million that will be recovered from the State for the May 19, 2009 Statewide Special Election, which is offset by under-realized revenue of \$0.4 million in Help America Vote Act (HAVA) grant revenue for the purchase of mail ballot-processing equipment.

Special Revenue Funds

San Diego County Library

A net positive variance of \$0.1 million is projected for the San Diego County Library.

A positive expenditure variance of \$0.8 million is projected. A \$0.4 million savings in salaries and benefits is projected based on holding vacancies to reduce costs, along with a \$0.1 million savings in various services and supplies accounts. In addition, \$0.5 million in management reserves, which are held for operating contingencies during the year, are expected to remain unspent at year end. These savings are offset by an increased requirement in fixed assets of \$0.2 million that is primarily related to the new Fallbrook and Ramona libraries.

A net negative revenue variance of \$0.7 million is projected. This decrease is due to anticipated shortfalls in current year property tax revenues (\$0.4 million) and in fees from public printing and other library services (\$0.5 million), which are offset by an anticipated increase in intergovernmental revenues (\$0.2 million), related to increased State grants and Aid from Redevelopment Areas.

Internal Service Funds (ISFs)

Facilities Management

A net negative variance of \$0.4 million is projected for the Facilities Management ISF. Staff plans to mitigate the projected unfavorable variance by managing expenses to the anticipated revenue levels.

A net positive variance of \$4.0 million in expenses is projected. Savings of \$0.8 million in salaries and benefits is primarily due to staff vacancies. Projected savings in services and supplies of \$3.2 million is due to a number of categories: contract costs as a result of the erroneous carry forward of encumbrances at year end (\$2.2 million), postage costs associated with less than anticipated mail services requirements and a shifting workload associated with Court tickets/statements being printed and mailed out from Sacramento (\$0.5 million), project management as-needed/specialty consultant contracts (\$0.2 million), energy consultant contract services for electricity/natural gas commodities procurement (\$0.1 million), real estate services specialty/appraisal consultant contracts (\$0.1 million) and vehicle maintenance services in maintenance operations (\$0.1 million).

A net negative revenue variance of \$4.4 million is projected. A projected variance of \$3.7 million in charges for current services is due to less than anticipated maintenance, utilities, contract and mail services requirements (\$7.2 million) from the General Fund, Fleet Internal Service Fund, and Road Fund, offset by anticipated over realized revenue from Trial Courts, Capital Outlay Fund and third party reimbursements (\$3.5 million) associated with contract services costs reimbursement, project management labor reimbursement and SDG&E Partnership energy project administration costs reimbursements. The variance in other financing sources of \$0.7 million is due to anticipated lower reimbursement of labor costs related to Major Maintenance projects.

Major Maintenance

No net variance is projected for the Major Maintenance ISF.

A positive variance of \$10.1 million in expenses is projected. Anticipated savings of \$7.5 million in services and supplies and \$2.6 million in operating transfers out (amounts that would have been paid for project management services) is due to delays in commencing new projects. Since costs incurred in this fund are reimbursed by operating departments, these project delays will result in a projected negative revenue variance in charges for current services of \$10.1 million.

Fleet Management

A net favorable variance of \$0.4 million is projected for the Fleet Management ISF.

A projected positive variance of \$6.3 million in expenses is the result of savings of \$0.2 million in salaries and benefits due to staff vacancies, \$2.0 million in services and supplies primarily due to less demand for vehicle fuel by Fleet customers, \$4.0 million in capital assets associated with the less than anticipated purchases of replacement vehicles and \$0.1 million in unspent reserves.

A net negative revenue variance of \$5.9 million is projected. Charges for services are projected to be \$5.7 million under budget, due to less than anticipated fuel costs, maintenance/repair requirements by clients, (\$0.1 million) and savings in equipment acquisitions which includes the General Fund (\$4.2 million) and the Facilities Management, Fleet Management, Jail Stores and Public Works Equipment Internal Service Funds (\$1.4 million). Also, interest earnings are projected to be under budget by \$0.2 million based on current interest rates and cash balances in the fund.

Purchasing and Contracting

A net negative variance of \$0.8 million is projected for the Purchasing and Contracting ISF. Purchasing and Contracting is maintaining two vacant positions and delaying the hiring for other vacancies to help mitigate the projected revenue shortfall. Any shortfall will be funded by Purchasing & Contracting ISF available Fiscal Year 2009-10 fund balance.

A positive variance of \$0.4 million in expenses is projected in salaries and benefits due to salary savings from turnover and managed vacancies.

A net negative revenue variance of \$1.2 million is projected based on the continuing reduced trend in countywide overall spending and reduced rebate revenues from the County P-Card program.

FINANCE AND GENERAL GOVERNMENT GROUP

Assessor/Recorder/County Clerk

A net positive variance of \$1.1 million is projected for the Assessor/Recorder/County Clerk.

A positive expenditure variance of \$0.7 million is projected in salaries and benefits due to departmental vacancies. A positive revenue variance of \$0.4 million is projected in SB 2557 Property Tax System Administration revenue due to greater than anticipated cost recovery associated with administering the property tax program.

Auditor and Controller

A net positive variance of \$1.1 million is projected for the Auditor and Controller.

A positive expenditure variance of \$1.2 million is projected. Salaries and benefits savings of \$1.2 million are projected due to staff vacancies and under filled positions. Savings of \$0.7 million is due to the pass through accounting for outside collection activity in Revenue and Recovery.

A net negative revenue variance of \$0.1 million is projected due to a negative revenue variance of \$0.3 million in miscellaneous revenue associated with Revenue and Recovery pass through accounting for outside collection activity which is directly attributable to the expenditure savings described above. This is offset by a positive revenue variance of \$0.2 million in SB 2557 Property Tax System Administration revenue due to greater than anticipated cost recovery associated with administering the property tax program.

County Counsel

A net positive variance of \$0.2 million is projected for County Counsel.

A positive expenditure variance of \$0.4 million is projected due to unanticipated retirements and unfilled vacancies. A negative revenue variance of \$0.2 million is projected due to a decrease in workload associated with land use projects, Road Fund and Inactive Waste projects.

Human Resources

A positive variance of \$0.3 million is projected for the Department of Human Resources due to projected savings in salaries and benefits from vacant positions.

Treasurer/Tax Collector

A positive variance of \$0.4 million is projected for the Treasurer-Tax Collector's department, primarily due to greater than anticipated cost recovery associated with administering the property tax program.

GENERAL PURPOSE REVENUE & COUNTYWIDE EXPENSES

A net positive variance of \$40.7 million is projected for these two categories combined, comprised of an estimated additional \$16.0 million in General Purpose Revenue (GPR) compared to budget (\$970.4 million projected vs. \$954.4 million budgeted) and a \$24.7 million net positive variance in General County Expense activities. While the anticipated improvement in GPR is a positive sign, it is important to note that the projected amount of \$970.4 million is still \$12.9 million below the actual GPR received in Fiscal Year

2009-10, \$50.1 million below the actual GPR received in Fiscal Year 2008-09, and \$19.5 million below the actual for Fiscal Year 2007-08.

General Purpose Revenue

The U.S. economy suffered through a very deep recession beginning in December 2007 and ending in June 2009. The national recession, 2008 credit crises, and negative trends in the financial markets, housing and construction, and consumer and business to business sales continued to impact San Diego and the rest of Southern California in 2009 and 2010. The County's GPR, particularly revenue related to property transactions, has been impacted by these conditions. Property tax revenues, including current secured, current supplemental and prior year supplemental, have felt the impact of declining assessed values and construction activity over the past two years. Sales and Use Tax revenues, although a smaller percentage of the County's GPR, have been impacted substantially by the year over year decline in retail sales activity. However, the county's diverse economic base and the area's population growth are seen as positive influences that will help stabilize locally generated general purpose revenue funding sources. For Fiscal Year 2010-11, the economic news is expected to improve slowly. The economic trends are summarized below followed by a discussion by revenue account of significant variances from budget:

- San Diego's monthly average unemployment rate for the 12 month period between October 2009 and September 2010 was 10.6%, with a September 2010 rate of 10.6%. This compares to a State of California average unemployment rate of 12.4% for the same 12 month period, with a September 2010 rate of 12.2%.
- Unadjusted local point of sales tax revenues improved by 2.6% for the April through June 2010 period in the unincorporated area compared to the same time period in 2009. For that same time period, sales tax revenues improved at the statewide level by an estimated 7.4%, southern California region by 6.5% and San Diego regional level by 7.7%. This increase is attributed to the beginning stages of recovery, which supports various economists' projections of a moderate recovery beginning in 2010.
- There are mixed signals in the housing market in the County:
 1. Decline in deeds recorded (down 2.6% for January through September 2010 compared to the same time period for 2009);
 2. Increase in median housing prices (up 1.69% in the San Diego region for September 2010 compared to September 2009);
 3. Slight decline in the number of homes sold for January through September 2010 compared to January through September 2009 (San Diego region down 1.8%);
 4. Improvement in notices of default (37.9% fewer for January through September 2010 compared to the same time period for 2009);
 5. Improvement in foreclosure activity (the number of foreclosures has decreased 6.6% for January through September 2010 compared to the same time period for 2009).

Current Property Taxes – All Categories

The three categories of Current Property Taxes combined are estimated to show a net positive variance to budget of \$7.4 million.

- *Property Taxes - Current Secured*

Current Secured Property Taxes are projected to be \$9.2 million higher than budget. The budgeted current secured property taxes assumed a local secured assessed value decline of 2.35%, but the actual assessed value (AV) declined by only 1.66%. In addition, delinquency rates are anticipated to be better than budget based on Fiscal Year 2009-10 year-end experience. Further, the annual determination of the AB8 factor for property tax apportionment for all taxing entities in the county has been finalized and it shows a marginal improvement in the share of property taxes for the County's general fund compared to the budgeted factor. The amount of roll corrections and refunds are projected at the budgeted level. (Note: The 1.66% decline stated above represents the change in the AV for only the secured roll, which is different than the countywide overall decline published by the Assessor/Recorder/County Clerk on June 28, 2010 of 1.56%, which includes all assessed value components - secured and unsecured).

- *Property Taxes - Current Supplemental*

Current Supplemental Property Taxes are projected to be \$1.3 million lower than the \$3.0 million that was budgeted. This projection is based on collections through apportionment three and estimates related to new construction and anticipated low turnover rates through Fiscal Year 2010-11. In Fiscal Year 2009-10, these revenues totaled \$1.9 million. The highest amount recorded in this account was \$31.0 million in Fiscal Year 2004-05.

- *Property Taxes - Current Unsecured*

Current Unsecured Property Taxes are projected to be \$0.5 million below budget. At the time the budget was prepared, current unsecured property tax revenues were based on the assumption that there would be no growth in the current unsecured roll. However, the current unsecured roll actually declined by 3.68%. Unlike the secured roll, the unsecured roll does not build on a prior year base.

Taxes Other Than Current Secured

Taxes Other Than Current Secured are anticipated to be \$9.8 million above budget.

- *Property Taxes Prior Secured Supplemental*

Property Taxes Prior Secured Supplemental is estimated to be \$2.2 million above the budgeted amount of \$2.0 million. This projection is based on the projected rate of collections of supplemental property taxes related to prior year activity that is due and payable in Fiscal Year 2010-11 along with corrections in Fiscal Year 2010-11 involving prior year activity. In Fiscal Year

2009-10, these revenues totaled \$4.4 million. The highest amount recorded in this account was \$17.1 million in Fiscal Year 2005-06.

- *Sales and Use Tax*

A positive revenue variance of \$0.7 million is projected for Sales and Use Tax revenue based on payments from the State through October 2010 and cautious estimates for anticipated revenue through the remainder of Fiscal Year 2010-11.
- *Other Tax Aircraft Unsecured*

A positive revenue variance of \$0.4 million is estimated for Other Tax Aircraft Unsecured based on outstanding open charges, year-to-date collections, and recent trends.
- *Real Property Transfer Taxes*

A positive revenue variance of \$1.0 million is estimated for Real Property Transfer Taxes based on realized revenues for the first three months of Fiscal Year 2010-11 as well as data regarding current year change in ownership and the anticipated level of new construction. This estimate is an increase from the conservatively budgeted figure; however, it represents only a \$0.1 million increase from Fiscal Year 2009-10 actuals.
- *Teeter Tax Reserve Excess*

The Teeter Tax Reserve Excess is estimated to be approximately \$7.0 million above budget, based on current penalty and interest collections and available data on the outstanding receivables and projections through the end of the fiscal year. This estimate is also based on a review of total reserves available to meet the Revenue and Taxation Code requirement of maintaining a reserve of not less than 25% of the total teetered delinquent secured taxes and assessments (R&C section 4703.2). The 2010 Teeter buy-out of \$88.8 million was lower than the 2009 Teeter buy-out of \$122.8 million. For Fiscal Year 2010-11, the reserve requirement is \$22.2 million, an \$8.5 million decrease from the Fiscal Year 2009-10 requirement of \$30.7 million. All penalty and interest collections in Fiscal Year 2010-11 will be in excess of the reserve requirement. The \$7.0 million positive projection is made as of apportionment three and is cautious given collection fluctuations that can occur during the rest of the year.
- *In Lieu Local Sales and Use Taxes*

A positive revenue variance of \$0.6 million is estimated for In Lieu Local Sales and Use Taxes based on a higher growth rate calculated by the California Department of Finance (DOF) for Fiscal Year 2010-11 as identified in their August 31, 2010 letter to the County of San Diego.
- *Property Tax in Lieu of VLF*

Property Tax in Lieu of Vehicle License Fees (VLF) is projected to be \$1.8 million above the budgeted amount of \$301.8 million. The actual assessed value adjustment factor of negative 1.69% (which includes unsecured, local secured, current State non-unitary, and aircraft property tax components) for Fiscal Year 2010-11 is 0.58% better than the adjustment rate used to calculate the budgeted revenue (negative 2.27%).

- *Teeter Property Tax Prior Year and Cumulative Prior Years*

A negative revenue variance of \$3.9 million is projected for collections from taxes receivable from the prior fiscal years because the delinquency rate in Fiscal Year 2009-10 was less than anticipated at the time that the Fiscal Year 2010-11 budget was developed. Moreover, collections through apportionment three are lower than what was estimated in the budget. Taxes paid after the fiscal year in which they are due are subject to both penalty and interest charges.

Licenses, Permits, and Franchises

Franchise payments are projected to be approximately \$0.2 million higher than budget. Beginning in Fiscal Year 2009-10, the restructured cable and video licenses are budgeted in General Purpose Revenue rather than in the Cable TV Media and Public Relations Special Revenue Fund, which was dissolved. Based on a review of current revenues and projected revenues through year-end, cable and video licenses are expected to exceed the budgeted figure by \$0.2 million.

Fines, Forfeitures and Penalties

A net negative variance of \$1.4 million is projected. Penalties and Cost Delinquency Taxes are projected to be approximately \$1.4 million below budget. Revenues in this account reflect the 10% penalty that is assessed on late current secured and unsecured property tax payments. A significant reason for the lower than budgeted revenues is the lower than expected delinquency rate as noted above in the paragraph regarding current secured property taxes.

General County Expenses

Cash Borrowing Program

A positive expenditure variance of \$4.4 million is projected. The savings are due to a lower TRAN borrowing cost compared to budget for Fiscal Year 2010-11. At the time the budget was prepared, the size and terms of the tax and revenue anticipation note (TRAN) borrowing had not been finalized. The current low interest rate environment and the County's strong credit rating have reduced the borrowing cost and led to projected expenditure savings for Fiscal Year 2010-11.

Contingency Reserve

The entire \$20.0 million budgeted in the Contingency Reserve in Fiscal Year 2010-11 is expected to be unspent at year-end.

Internal Service Funds

Public Liability Internal Service Fund

An overall net negative variance of \$1.2 million is projected for the Public Liability Internal Service Fund.

A net negative expenditure variance of \$1.2 million is projected for the Public Liability Internal Service Fund (PLISF), primarily due to new general liability cases including dangerous road liability claims, a negligence matter that resulted in significant injury, and the settlement of a civil rights matter. The Office of County Counsel plans to mitigate the projected negative expenditure variance by continuing its diligence with respect to the settlement values of cases and pursuing all potential legal remedies that may improve litigation and settlement positions.

**FY 2010-2011 1st Quarter
Projected Year-End Results**
(in thousands)

COUNTY SUMMARY

| | Expenditure Variance | Revenue Variance | 1st Quarter FY10-11 Projected Fund Balance |
|---|--------------------------|----------------------------|---|
| | Favorable/(Unfavorable) | | |
| General Fund | | | |
| Public Safety | \$ 32,216 | \$ (12,636) | \$ 19,580 |
| Health & Human Services Agency | 132,083 | (99,953) | 32,131 |
| Land Use & Environment | 6,265 | (1,941) | 4,324 |
| Community Services | 18,597 | (9,903) | 8,694 |
| Finance & General Government | 3,241 | 556 | 3,797 |
| Total Agency/Group | <u>192,403</u> | <u>(123,877)</u> | 68,526 |
| General Purpose Revenue | 0 | 16,038 | 16,038 |
| Finance Other | 24,663 | (11) | 24,652 |
| Total General Fund | <u>\$ 217,066</u> | <u>\$ (107,851)</u> | <u>\$ 109,215</u> |
| Special Revenue Funds | | | |
| Public Safety | \$ 451 | \$ 8,469 | \$ 8,921 |
| Health & Human Services Agency | 3,300 | 0 | 3,300 |
| Land Use & Environment | 4,650 | (834) | 3,816 |
| Community Services | 763 | (659) | 104 |
| Total Special Revenue Funds | <u>\$ 9,164</u> | <u>\$ 6,977</u> | <u>\$ 16,140</u> |
| Capital Program | | | |
| Finance Other | 92 | (92) | 0 |
| Internal Service Funds Departments | | | |
| Public Safety Group | \$ (572) | \$ 730 | \$ 158 |
| Health & Human Services Agency | 0 | 0 | 0 |
| Land Use & Environment | 590 | (188) | 402 |
| Community Services | 20,734 | (21,608) | (875) |
| Finance & General Government | 0 | 0 | 0 |
| Finance Other | (1,201) | 0 | (1,201) |
| Total Internal Service Funds | <u>\$ 19,550</u> | <u>\$ (21,066)</u> | <u>\$ (1,516)</u> |
| Enterprise Fund Departments | | | |
| Land Use & Environment | \$ 449 | \$ 35 | \$ 484 |
| Special District Funds Departments | | | |
| Public Safety Group | \$ 0 | \$ 2 | \$ 2 |
| Health & Human Services Agency | 0 | 382 | 382 |
| Land Use & Environment | 2,515 | (1,308) | 1,208 |
| Total Special District Funds | <u>\$ 2,515</u> | <u>\$ (924)</u> | <u>\$ 1,592</u> |
| Other County Funds Departments | | | |
| LUEG - Debt. Svc. Local Boards | \$ 0 | \$ 0 | \$ 0 |
| Community Svcs. - Redevelopment Agencies | 295 | (38) | 257 |
| Finance Other - Majestic Pines | 0 | 0 | 0 |
| Total Other County Funds | <u>\$ 295</u> | <u>\$ (38)</u> | <u>\$ 257</u> |
| Debt Service - Pension Obligation Bonds | \$ 0 | \$ 0 | \$ 0 |
| Total County Projected Operating Balance | <u>\$ 249,131</u> | <u>\$ (122,959)</u> | <u>\$ 126,172</u> |

**FY 2010-2011 1st Quarter
Projected Year-End Results**

(in thousands)

PUBLIC SAFETY GROUP

| Expenditure Variance | Revenue Variance | 1st Quarter FY10-11 Projected Fund Balance |
|-------------------------|---------------------|---|
| Favorable/(Unfavorable) | | |

General Fund Departments

| | | | |
|----------------------------------|------------------|--------------------|------------------|
| Child Support | \$ 0 | \$ 0 | \$ 0 |
| Contributions for Trial Courts | 0 | 0 | 0 |
| Defense Attorney Contract Admin. | 0 | 0 | 0 |
| District Attorney | 6,447 | (1,679) | 4,767 |
| Emergency Services | 0 | 55 | 55 |
| Law Enforcement Review Board | 20 | 0 | 20 |
| Medical Examiner | 189 | (29) | 160 |
| Probation | 340 | (208) | 132 |
| Public Defender | 11,704 | (9,469) | 2,235 |
| Public Safety Executive Office | 406 | 1,778 | 2,185 |
| Sheriff | 13,110 | (3,084) | 10,025 |
| Total General Fund | \$ 32,216 | \$ (12,636) | \$ 19,580 |

Special Revenue Funds Departments

| | | | |
|--|------------|--------------|--------------|
| District Attorney (Asset Forfeiture - State & Federal) | 9 | 29 | 37 |
| Probation - Asset Forfeiture | 35 | 0 | 35 |
| Probation - Inmate Welfare Program | 0 | 0 | 0 |
| Sheriff - Asset Forfeiture | 0 | 0 | 0 |
| Sheriff - Inmate Welfare Program | 407 | 627 | 1,035 |
| Public Safety - Proposition 172 | 0 | 7,814 | 7,814 |
| Total Special Revenue Funds | 451 | 8,469 | 8,921 |

Internal Service Funds Departments

| | | | |
|-------------------------------------|--------------|------------|------------|
| Probation | 0 | 0 | 0 |
| Sheriff(Jail Stores) | (572) | 730 | 158 |
| Total Internal Service Funds | (572) | 730 | 158 |

Special District Funds

| | | | |
|----------------------------|---|---|---|
| Sheriff (Regional 800 MHz) | 0 | 2 | 2 |
|----------------------------|---|---|---|

| | | | |
|---|------------------|-------------------|------------------|
| Total Group Projected Fund Balance | \$ 32,095 | \$ (3,435) | \$ 28,661 |
|---|------------------|-------------------|------------------|

**FY 2010-2011 1st Quarter
Projected Year-End Results**

(in thousands)

HEALTH & HUMAN SERVICES AGENCY

| | Expenditure Variance | Revenue Variance | 1st Quarter FY10-11 Projected Fund Balance |
|--|-------------------------|---------------------|---|
| | Favorable/(Unfavorable) | | |

General Fund Programs

| | | | |
|--|-------------------|--------------------|------------------|
| Administrative Support | \$ 31,884 | \$ (5,600) | \$ 26,284 |
| Aging & Independence Services | 30,000 | (27,719) | 2,281 |
| Behavioral Health Services | 31,602 | (31,602) | 0 |
| Child Welfare Services | 24,391 | (23,161) | 1,230 |
| Public Administrator/Public Guardian | (26) | (54) | (80) |
| Public Health Services | 34 | 314 | 348 |
| Regional Operations | 17,284 | (15,577) | 1,707 |
| Strategic Planning & Operational Support | (3,085) | 3,446 | 361 |
| Total General Fund | \$ 132,083 | \$ (99,953) | \$ 32,131 |

Special Revenue Funds

| | | | |
|------------------------------------|--------------|----------|--------------|
| Tobacco Securitization Fund | 3,300 | 0 | 3,300 |
| Total Special Revenue Funds | 3,300 | 0 | 3,300 |

Internal Service Funds

| | | | |
|---|---|---|---|
| DMI-Working Capital(Edgemoor Hospital) | 0 | 0 | 0 |
|---|---|---|---|

Special District Funds Departments

| | | | |
|---------------------|---|-----|-----|
| Ambulance Districts | 0 | 382 | 382 |
|---------------------|---|-----|-----|

| | | | |
|---|-------------------|--------------------|------------------|
| Total Health & Human Services Agency | \$ 135,383 | \$ (99,570) | \$ 35,813 |
|---|-------------------|--------------------|------------------|

**FY 2010-2011 1st Quarter
Projected Year-End Results**

(in thousands)

LAND USE & ENVIRONMENT GROUP

| Expenditure Variance | Revenue Variance | 1st Quarter FY10-11 Projected Fund Balance |
|-------------------------|---------------------|---|
| Favorable/(Unfavorable) | | |

General Fund Departments

| | | | |
|--|-----------------|-------------------|-----------------|
| Agriculture, Weights & Measures | \$ 879 | \$ (133) | \$ 746 |
| Environmental Health | 2,442 | 103 | 2,545 |
| Land Use & Environment Group Exec Office | 213 | (213) | 0 |
| Parks & Recreation | 213 | 55 | 267 |
| Planning & Land Use | 2,519 | (1,754) | 765 |
| Public Works | 0 | 0 | 0 |
| Total General Fund | \$ 6,265 | \$ (1,941) | \$ 4,324 |

Special Revenue Funds Departments

| | | | |
|---|--------------|--------------|--------------|
| A, W & M (Grazing and Fish & Game Commission) | 0 | 0 | 0 |
| Parks & Recreation - PLDO | 3 | 364 | 367 |
| DPW - Aviation Funds | 0 | 0 | 0 |
| DPW - Road Funds | 4,549 | (1,297) | 3,252 |
| DPW - Inactive Waste | 97 | 100 | 197 |
| Total Special Revenue Funds | 4,650 | (834) | 3,816 |

Internal Service Funds Departments

| | | | |
|--|-----|-------|-----|
| Public Works - DPW Equip. ISF Prg. (35525-35700) | 590 | (188) | 402 |
|--|-----|-------|-----|

Enterprise Funds Departments

| | | | |
|--------------------------------|------------|-----------|------------|
| Airport Enterprise Fund | 449 | (6) | 443 |
| Liquid Waste Enterprise Fund | 0 | 40 | 40 |
| Total Enterprise Funds: | 449 | 35 | 484 |

Special District Funds Departments

| | | | |
|--|--------------|----------------|--------------|
| Air Pollution Control District | 2,394 | (1,299) | 1,096 |
| Parks and Recreation | 65 | (9) | 56 |
| Planning and Land Use - CSAs | 56 | (1) | 54 |
| DPW - Sanitation Districts & Sewer Maintenance | 0 | 2 | 2 |
| DPW - CSAs | 0 | 0 | 0 |
| DPW - PRDs | 0 | 0 | 0 |
| DPW - Flood Control | 0 | 0 | 0 |
| DPW - Street Lighting Districts | 0 | 0 | 0 |
| Total Special Districts Funds: | 2,515 | (1,308) | 1,208 |

Other County Funds Departments

| | | | |
|---------------------------|---|---|---|
| Debt Service-Local Boards | 0 | 0 | 0 |
|---------------------------|---|---|---|

| | | | |
|---|------------------|-------------------|------------------|
| Total Land Use & Environment Group | \$ 14,470 | \$ (4,236) | \$ 10,234 |
|---|------------------|-------------------|------------------|

**FY 2010-2011 1st Quarter
Projected Year-End Results**

(in thousands)

COMMUNITY SERVICES GROUP

| Expenditure Variance | Revenue Variance | 1st Quarter FY10-11 Projected Fund Balance |
|-------------------------|---------------------|---|
| Favorable/(Unfavorable) | | |

General Fund Departments

| | | | |
|--------------------------------------|------------------|-------------------|-----------------|
| Animal Services | \$ 271 | \$ 44 | \$ 316 |
| Community Services Group Exec Office | 3,250 | 0 | 3,250 |
| General Services | 0 | 0 | 0 |
| Housing & Community Development | 14,719 | (14,632) | 87 |
| Purchasing & Contracting | 0 | 0 | 0 |
| Library Services | 0 | 0 | 0 |
| Registrar of Voters | 356 | 4,685 | 5,041 |
| Total General Fund | \$ 18,597 | \$ (9,903) | \$ 8,694 |

Special Revenue Funds Departments

| | | | |
|------------------------------------|------------|--------------|------------|
| Library Services | 763 | (659) | 104 |
| Housing & Community Development | 0 | 0 | 0 |
| Total Special Revenue Funds | 763 | (659) | 104 |

Internal Service Funds Departments

| | | | |
|-------------------------------------|---------------|-----------------|--------------|
| Facilities Management | 3,956 | (4,393) | (436) |
| Major Maintenance ISF | 10,064 | (10,064) | 0 |
| Fleet Management | 6,300 | (5,903) | 398 |
| Purchasing & Contracting | 413 | (1,249) | (836) |
| Total Internal Service Funds | 20,734 | (21,608) | (875) |

Other County Funds Departments

| | | | |
|---------------------------------------|------------------|--------------------|-----------------|
| Redevelopment Agency | 295 | (38) | 257 |
| Total Community Services Group | \$ 40,388 | \$ (32,208) | \$ 8,179 |

**FY 2010-2011 1st Quarter
Projected Year-End Results**

(in thousands)

**FINANCE & GENERAL GOVERNMENT
GROUP**

| Expenditure Variance | Revenue Variance | 1st Quarter FY10-11 Projected Fund Balance |
|-------------------------|---------------------|---|
| Favorable/(Unfavorable) | | |

General Fund Departments

| | | | |
|-----------------------------------|-----------------|---------------|-----------------|
| Assessor/Recorder/County Clerk | \$ 700 | \$ 375 | \$ 1,075 |
| Auditor & Controller | 1,217 | (113) | 1,104 |
| Board of Supervisors | 248 | 0 | 249 |
| CAC-Major Maintenance | 0 | 0 | 0 |
| Chief Administrative Officer | 53 | 0 | 53 |
| Civil Service Commission | 2 | 0 | 2 |
| Clerk of the Board of Supervisors | 114 | 80 | 194 |
| County Counsel | 366 | (153) | 212 |
| County Technology Office | 0 | 0 | 0 |
| Finance & GG Exec Office | 0 | 0 | 0 |
| Grand Jury | 8 | 0 | 8 |
| Human Resources | 316 | 0 | 316 |
| County Communications Office | 169 | 0 | 169 |
| Treasurer-Tax Collector | 49 | 366 | 415 |
| Total General Fund | \$ 3,241 | \$ 556 | \$ 3,797 |

Internal Service Funds Departments

| | | | |
|------------------------------|---|---|---|
| CTO - Information Technology | 0 | 0 | 0 |
|------------------------------|---|---|---|

**Total Finance & General
Government Group**

| | | |
|-----------------|---------------|-----------------|
| \$ 3,241 | \$ 556 | \$ 3,797 |
|-----------------|---------------|-----------------|

**FY 2010-2011 1st Quarter
Projected Year-End Results**

(in thousands)

**GENERAL PURPOSE REVENUE &
FINANCE OTHER**

| Expenditure Variance | Revenue Variance | 1st Quarter FY10-11 Projected Fund Balance |
|-------------------------|---------------------|---|
| Favorable/(Unfavorable) | | |

General Fund

| | | | |
|--------------------------------------|-------------|------------------|------------------|
| General Purpose Revenue: | | | |
| All Current Property Taxes | \$ 0 | \$ 7,401 | \$ 7,401 |
| All Other Taxes-Local | 0 | 9,759 | \$ 9,759 |
| Licenses, Permits & Franchises | 0 | 256 | \$ 256 |
| Fines, Forfeitures & Penalties | 0 | (1,347) | \$ (1,347) |
| Revenue for Use of Money & Property | 0 | 0 | \$ 0 |
| Intergovernmental Revenue | 0 | (31) | \$ (31) |
| Charges for Current Services | 0 | 0 | \$ 0 |
| Miscellaneous Revenue | 0 | (0) | \$ (0) |
| Total General Purpose Revenue | \$ 0 | \$ 16,038 | \$ 16,038 |

General County Expenses:

| | | | |
|--|------------------|------------------|------------------|
| Cash Borrowing Program | \$ 4,400 | \$ 0 | \$ 4,400 |
| Community Enhancement | 0 | 0 | 0 |
| Contingency Reserve | 20,000 | 0 | 20,000 |
| Lease Payments - Capital Projects | 0 | 0 | 0 |
| Contributions to the Capital Outlay Fund | 263 | (11) | 252 |
| Contributions to Library Fund | 0 | 0 | 0 |
| Neighborhood Reinvestment Program | 0 | 0 | 0 |
| Countywide Expenses | (0) | 0 | (0) |
| Total Finance Other Expenses | \$ 24,663 | \$ (11) | \$ 24,652 |
| Total General Fund | \$ 24,663 | \$ 16,026 | \$ 40,690 |

Capital Program Funds

| | | | |
|------------------------------------|--------------|----------------|-------------|
| Capital Program | \$ 92 | \$ (92) | \$ 0 |
| Total Capital Program Funds | \$ 92 | \$ (92) | \$ 0 |

Internal Service Funds Departments

| | | | |
|------------------------|----------------|----------|----------------|
| Workers Compensation | \$ 0 | \$ 0 | \$ 0 |
| Unemployment Insurance | 0 | 0 | 0 |
| Public Liability | (1,201) | 0 | (1,201) |
| Total ISF Funds | (1,201) | 0 | (1,201) |

Other County Funds Departments

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

Debt Service Funds Departments

| | | | |
|--------------------------|------|------|------|
| Pension Obligation Bonds | \$ 0 | \$ 0 | \$ 0 |
|--------------------------|------|------|------|

**Total General Purpose Revenue &
Finance Other**

| | | |
|------------------|------------------|------------------|
| \$ 23,554 | \$ 15,935 | \$ 39,489 |
|------------------|------------------|------------------|

**FY 2010-2011 1st Quarter
Projected Year-End Results**
(in thousands)

| Category | Projected Management & Contingency Reserves | Projected Operating Balances | 1st Quarter FY10-11 Projected Fund Balance |
|---|--|------------------------------------|---|
| | Favorable/(Unfavorable) | | |
| General Fund | | | |
| Public Safety | \$ 0 | \$ 19,580 | \$ 19,580 |
| Health and Human Services Agency | 20,000 | 12,131 | 32,131 |
| Land Use and Environment | 0 | 4,324 | 4,324 |
| Community Services | 3,250 | 5,444 | 8,694 |
| Finance & General Government | 0 | 3,797 | 3,797 |
| Agency/Group Totals | \$ 23,250 | \$ 45,276 | \$ 68,526 |
| General Purpose Revenue | 0 | 16,038 | 16,038 |
| General County Expenses | 0 | 4,652 | 4,652 |
| Contingency Reserve | 20,000 | 0 | 20,000 |
| Total Gen'l. Purpose Rev. & Gen'l. County Exp. | \$ 20,000 | \$ 20,690 | \$ 40,690 |
| Total General Fund | \$ 43,250 | \$ 65,965 | \$ 109,215 |



Air Pollution Control Board

San Diego County Air Pollution Control District

Governing Body

GREG COX
First District

DIANNE JACOB
Second District

PAM SLATER-PRICE
Third District

RON ROBERTS
Fourth District

BILL HORN
Fifth District

AGENDA ITEM

DATE: December 7, 2010

TO: Air Pollution Control Board

SUBJECT: FISCAL YEAR 2010-11 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICT: ALL)

SUMMARY:

Overview

This report recommends the ratification of an appropriation increase in the Air Pollution Control District's Fiscal Year 2010-11 budget due to a year end oversight wherein previously approved unspent appropriations were inadvertently not encumbered.

Recommendation(s)

CHIEF ADMINISTRATIVE OFFICER

1. Ratify an increase in appropriations of \$1,750,792 in Air Quality Lower-Emission School Bus (LESB) State Fund in other charges for costs related to the Lower-Emission School Bus Program.
2. Ratify an increase in appropriations of \$455,000 in the Air Quality Goods Movement Emissions Reduction Program (GMERP) Match Fund in other charges for costs related to the Goods Movement Emissions Reduction Program.

Fiscal Impact

The funds for this request are not included in the Fiscal Year 2010-11 Operational Plan. If approved, this action will ratify the increase of appropriations in the Air Pollution Control District's budget in the amount of \$2,205,792 to restore appropriations that were inadvertently not encumbered at year end.

Business Impact Statement

None

Advisory Board Statement

None

SUBJECT: FISCAL YEAR 2010- FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICT: ALL)

BACKGROUND:

During year end closing, the Air Pollution Control District staff requested a manual encumbrance in the Air Quality GMERP Match Fund (\$455,000) and Air Quality LESB State Fund (\$1,750,792). Accounting staff inadvertently overlooked the request, which resulted in an amount of \$2,205,792 to not carry forward into the new fiscal year. Staff made the appropriation adjustment in the County's financial system on August 12, 2010 in order to not impede operations. Today's recommendation is a technical adjustment to ratify the establishment of these appropriations in the Air Pollution Control District's budget.

Linkage to the County of San Diego Strategic Plan

The County of San Diego is fully committed to using its resources to meet the highest priority needs of its residents as identified in the Fiscal Year 2010-11 & 2011-2012 Operational Plan and outlined by our three Strategic Initiatives – Kids, Environment and Safe and Livable Communities

Respectfully submitted,

WALTER F. EKARD
Chief Administrative Officer

ATTACHMENT(S)

SUBJECT: FISCAL YEAR 2010- FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICT: ALL)

AGENDA ITEM INFORMATION SHEET |

REQUIRES FOUR VOTES: Yes No

WRITTEN DISCLOSURE PER COUNTY CHARTER SECTION 1000.1 REQUIRED

Yes No

PREVIOUS RELEVANT BOARD ACTIONS:

August 3, 2010 (APCD #1) Adoption of Fiscal Year 2010-11 Budget for the San Diego County Air Pollution Control District

BOARD POLICIES APPLICABLE:

N/A

BOARD POLICY STATEMENTS:

N/A

MANDATORY COMPLIANCE:

N/A

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

N/A

ORIGINATING DEPARTMENT: Chief Financial Officer

OTHER CONCURRENCE(S): Air Pollution Control District

CONTACT PERSON(S):

Donald F. Steuer, Chief Financial Officer

Name
(619) 531-5413

Phone
(619) 531-5219

Fax
A-5

Mail Station
Donald.steuer@sdcounty.ca.gov

E-mail

Janel Pehau, Director Office of Financial Planning

Name
(619) 531-5175

Phone
(619) 531-6261

Fax
A-5

Mail Station
Janel.pehau@sdcounty.ca.gov

E-mail