



# 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 6, 2011

**TO:** Board of Supervisors

**SUBJECT:** FISCAL YEAR 2011-12 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICT: ALL)

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### SUMMARY:

#### Overview

This report summarizes the status of the County's Fiscal Year 2011-12 Operational Plan, as measured by projected year-end fund balance from current year operations. The projected balance for the General Fund is \$112.0 million, and for all budgetary funds combined is \$136.5 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 revenue will do better than estimated in the adopted budget.

This letter also recommends budget adjustments to make resource reallocations and to fund various one-time projects. In the Public Safety Group, recommendations include the following: adjustments to grant funding levels for the High Intensity Drug Trafficking and ARRA Firearm Trafficking grants, training costs for the Special Enforcement Detail unit, acquisition of new vehicles in the Sheriff's Department, uninterruptable power supplies and improved radio communication for the Regional Communication System, ratification of year-end appropriation adjustment, and appropriation adjustments to realign the budget with anticipated actuals.

In the Health and Human Services Agency, a recommendation is proposed to increase the fund balance commitment within the General Fund for the Health and Human Services Agency based on the sale of 2440 Grand Avenue property.

In the Land Use and Environment Group, requests include the following appropriation and other adjustments: system-wide Pavement Condition Survey/Photo Log project, habitat restoration in the Tijuana River Valley, Multiple Species Conservation Program land, appropriations to provide funding for the Sweetwater Lane Artificial Turf project, refund special assessments in Permanent Road Divisions, appropriations for the

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McClellan-Palomar Airport Layout Plan project, ratification of year-end appropriations and amendments, cancellation of appropriations due to grants funds not being awarded, and for an increase in the fund balance commitment within the General Fund for Environmental Health.

In the Community Services Group, recommendations include the following: an upgrade to the County's procurement system and funding for web-based paperless contract publishing, completion of the work to construct the Lincoln Acres Branch Library and Community Center project, ratification of year-end appropriation and amendment adjustments, addition of one staff year to support the Registrar of Voters for a Chinese Language Coordinator position, cancellation of duplicated Major Maintenance appropriations, and an appropriation adjustment for the Homeless Prevention Rapid Rehousing program.

The Finance and General Government Group recommendations include the following: Assessor/Recorder/County Clerk's integrated Recording/Vital Records System appropriation support, Board of Supervisors Districts 1, 3, 4, and 5 one-time expenses, ratification of year-end appropriation adjustments, and appropriation adjustments to realign the budget with anticipated actuals.

**Recommendation(s)**

**CHIEF ADMINISTRATIVE OFFICER**

1. Accept the Fiscal Year 2011-12 first quarter report on projected year-end results.
2. Establish appropriations of \$121,128 in the Sheriff's Department, services and supplies (\$106,128) and fixed assets (\$15,000), for the High Intensity Drug Trafficking Area (HIDTA) program based on unanticipated HIDTA revenue from the California Border Alliance Group. **(4 VOTES)**
3. Transfer appropriations of \$142,000 within the Sheriff's Asset Forfeiture Fund, from services and supplies to Operating Transfer Out, to fund overtime in the Sheriff's Department associated with the Special Enforcement Detail training.
4. Establish appropriations of \$142,000 in the Sheriff's Department, salaries and benefits, for overtime associated with the Special Enforcement Detail training based on an operating transfer from the Sheriff's Asset Forfeiture fund. **(4 VOTES)**
5. Cancel appropriations of \$447,186 in services and supplies (\$118,076) and fixed asset (\$329,110), and related revenue for Fiscal Year 2008-09 (\$399,732) and 2009-10 (\$47,454) Homeland Security Grant Program in the Sheriff's Department, due to funds being encumbered subsequent to the Fiscal Year 2011-12 Change Letter process where the grant funds were rebudgeted.

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6. Cancel appropriations of \$1,650,996 in services and supplies (\$1,540,996) and fixed asset (\$110,000), and related Fiscal Year 2009 (\$110,000) and 2010 (\$1,540,996) Operation Stonegarden Grant Program revenue in the Sheriff's Department, due to funds being encumbered subsequent to the Fiscal Year 2011-12 Change Letter process where the grant funds were rebudgeted.
7. Cancel appropriations of \$76,507 in salaries and benefits and related 2009 American Recovery and Reinvestment Act (ARRA) Firearms Trafficking Grant revenue in the Sheriff's Department, due to the Department of Justice's realignment of grant funds.
8. Cancel appropriations of \$241,048 in services and supplies and related Community Oriented Policing Services (COPS) Technology 2010 Grant revenue in the Sheriff's Department, due to funds being expended in Fiscal Year 2010-11.
9. Cancel appropriations of \$20,311 in services and supplies and related revenue from the City of Poway County Service Area (CSA) 135F in the Sheriff's Department, due to revised Fiscal Year 11-12 revenue projections.
10. Transfer appropriations of \$569,605 within County Service Area (CSA) 135 Regional 800MHz Fund, from services and supplies to Operating Transfer Out, to fund infrastructure costs in the Sheriff's Department associated with the Regional Communication System (RCS).
11. Establish appropriations of \$569,605 in the Sheriff's Department, fixed assets, for infrastructure costs associated with the Regional Communication System (RCS) based on an operating transfer from the County Service Area (CSA) 135 Regional 800MHz Fund. **(4 VOTES)**
12. Establish appropriations of \$295,734 in the Sheriff's Department, services and supplies, for the Regional Communication System (RCS) based on revenue from the City of Chula Vista. **(4 VOTES)**
13. Transfer appropriations of \$232,200 from the Sheriff's Department, fixed assets to the General Fund Contributions to Fleet Internal Service Fund (ISF), Operating Transfer Out, for the Department of General Services Fleet Services Fund ISF to purchase vehicles.
14. Amend the Fiscal Year 2011-12 Department of General Services Fleet ISF Spending Plan by \$232,200 to provide funding for the purchase of various vehicles for the Sheriff's Department based on an operating transfer from the General Fund Contributions to Fleet ISF.
15. Ratify the amendment to the Fiscal Year 2010-11 Internal Service Fund – Sheriff's Jail Stores Spending Plan in the amount of \$425,000 that transferred appropriations

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from Operating Transfers Out to services and supplies, for costs related to the increased demand of commissary items resulting from the implementation of the new e-Commerce site. **(4 VOTES)**

16. Establish appropriations of \$880,000 in the Courthouse Construction Fund, other charges, for the Hall of Justice lease payment based on revenue from fines and forfeitures. **(4 VOTES)**
17. Authorize the Auditor and Controller to increase the Sale Proceeds from Grand Ave Clinic fund balance commitment within the General Fund for Health and Human Services Agency (HHS) by \$255,000 based on HHS Fiscal Year 2010-11 fund balance available. **(4 VOTES)**
18. Ratify the amendment to the Fiscal Year 2010-11 Department of Public Works Internal Service Fund - Equipment Operations Spending Plan in the amount of \$343,008, services and supplies, for higher than expected vehicle operation and maintenance costs based on fund balance available. **(4 VOTES)**
19. Ratify an increase in appropriations of \$375,858 to the Fiscal Year 2010-11 Department of Public Works Inactive Waste Fund budget, services and supplies, to provide funding for Groundwater Operations and Maintenance and Bonsall Landfill Slope Repair and Drainage contracts based on fund balance available. **(4 VOTES)**
20. Establish appropriations of \$500,000 in the Department of Public Works Fiscal Year 2011-12 Road Fund Detailed Work Program, services and supplies, for a system-wide Pavement Condition Survey/Photo Log project based on Road Fund fund balance available. **(4 VOTES)**
21. Ratify the amendment to the Fiscal Year 2010-11 Airport Enterprise Fund Spending Plan in the amount of \$1,206,276.68 due to the reclassification of prior year capital project expenses to major maintenance expenses based on fund balance available. **(4 VOTES)**
22. Ratify the amendment to the Fiscal Year 2010-11 Airport Enterprise Fund Spending Plan in the amount of \$1,298,147.65 for consolidation of the Cajon Air Center Projects and for consolidation of the Fallbrook Airpark Runway Safety Area Improvement Projects based on fund balance available. **(4 VOTES)**
23. Ratify the amendment to the Fiscal Year 2010-11 Airport Enterprise Fund Spending Plan in the amount of \$2.47, for various capital projects based on fund balance available. **(4 VOTES)**
24. Amend the Fiscal Year 2011-12 Airport Enterprise Fund Spending Plan by transferring \$89,663 from the Fallbrook Airport Modular Terminal Building and

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Transient Aircraft Parking Apron Project to the Fallbrook Airpark Runway Safety Area Improvement Project.

25. Amend the Fiscal Year 2011-12 Airport Enterprise Fund Spending Plan by transferring \$80,000 from services and supplies to the Borrego Valley Airport Buffer Zone Land Acquisition Project.
26. Amend the Fiscal Year 2011-12 Airport Enterprise Fund Spending Plan in the amount of \$198,663, consultant contracts, to provide funds for the McClellan-Palomar Airport Layout Plan project based on unanticipated revenue from the Federal Aviation Administration. **(4 VOTES)**
27. Establish appropriations of \$1,800 in Permanent Road Division 1001 Capra Way Fund, services and supplies, to provide funding for the refund of special assessments, based on fund balance available. **(4 VOTES)**
28. Establish appropriations of \$5,500 in Permanent Road Division 1007 Tumble Creek Fund, services and supplies, to provide funding for the refund special assessments, based on fund balance available. **(4 VOTES)**
29. Transfer appropriations of \$200,000 within the Department of Public Works Fiscal Year 2011-12 Detailed Work Program from other charges to services and supplies to provide funding for consultant support on the Alpine Boulevard project based on savings from the San Vicente Right-of-Way project.
30. Establish appropriations of \$161,849 in the Department of Parks and Recreation, services and supplies, to provide funding for the Tijuana River Valley habitat restoration project based on a grant from the Minerals Management Service for the Coastal Impact Assistance Program. **(4 VOTES)**
31. Cancel appropriations of \$2,000,000 and related revenue in the Capital Outlay Fund for Capital Project 1000036, San Luis Rey River Park Planning due to grant funds not awarded from the State of California Environmental Enhancement and Mitigation Program.
32. Cancel appropriations of \$75,000 in services and supplies and related State revenue in the Department of Parks and Recreation due to grant funds not awarded by the State of California for the Habitat Conservation Fund Program for Outdoor Adventures Programs at San Pasqual Academy.
33. Cancel appropriations of \$200,000 and related revenue in the Capital MSCP Acquisition Fund for Multiple Species Conservation Plan Acquisitions due to grant funds not awarded from the State of California for the Habitat Conservation Fund Program for a land acquisition in Pine Valley.
- ~~34. Cancel appropriations of \$396,000 and related revenue in the Capital Outlay Fund~~

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~~for Capital Project 1014849, Sweetwater Regional Park Equestrian Trail Phase III due to grant funds not awarded from the State of California for the Recreational Trails Program.~~ *The cancellation of appropriations was not approved by the Board of Supervisors. LUEG pulled this recommendation because notification was received that the County has been granted this award. See Minute Order.*

35. Cancel appropriations of \$350,000 and related revenue in the Capital Outlay Fund for Capital Project 1014134, Tijuana River Valley Trail Construction, due to funds not awarded from the State of California for the Recreational Trails Program.
36. Establish appropriations of \$29,075 in the Capital MSCP Acquisition Fund for the Multiple Species Conservation Program based on unanticipated revenue from the sale of mitigation credits. **(4 VOTES)**
37. Establish appropriations of \$600,000 in County Service Area 128 San Miguel Park (CSA 128), operating transfer out, to provide funds for the Sweetwater Lane Artificial Turf project based on fund balance available. **(4 VOTES)**
38. Authorize the Auditor and Controller to increase the Environmental Health fund balance commitment within the General Fund by \$1,633,054 based on Land Use and Environment Group's Fiscal Year 2010-11 fund balance available. **(4 VOTES)**
39. Amend the Fiscal Year 2011-12 Purchasing and Contracting Internal Service Fund Spending Plan by \$84,070 to provide funding for an upgrade to the County's procurement system, Buynet, based on Charges in the General Fund. **(4 VOTES)**
40. Amend the Fiscal Year 2011-12 Purchasing and Contracting Internal Service Fund Spending Plan in the amount of \$236,428 for the Contract Publishing project based on an Operating Transfer from the General Fund. **(4 VOTES)**
41. Ratify the transfer of appropriations of \$250,000 within the Fiscal Year 2010-11 Community Services Group Executive Office budget from services and supplies to Operating Transfer Out to the Purchasing and Contracting Internal Service Fund for the Contract Publishing project.
42. Ratify the transfer of appropriations of \$633,637 within the Fiscal Year 2010-11 Library Fund budget from contracted services to an Operating Transfer Out, to the Contributions to Capital Outlay Fund for construction costs for the new libraries at Fallbrook and Ramona.
43. Ratify an increase of appropriations of \$633,637 to the Fiscal Year 2010-11 Capital Outlay Fund budget for capital costs for the new libraries at Fallbrook (Project 1000178 - \$546,526) and Ramona (Project 1000286 - \$87,111), based on an Operating transfer from the Library Fund. **(4 VOTES)**
44. Ratify the transfer of appropriations of \$4,833.37 within the Fiscal Year 2010-11

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Facilities Management Internal Service Fund from services and supplies to Operating Transfer Out, to the Major Maintenance Internal Service Fund for energy conservation and efficiency project costs.

45. Ratify an amendment to the Fiscal Year 2010-11 Major Maintenance Internal Service Fund Spending Plan in the amount of \$4,833.37 for energy conservation and efficiency project costs, based on an Operating transfer from the Facilities Management Internal Service Fund. **(4 VOTES)**
46. Approve the request to add one (1) staff year to support the Registrar of Voters and direct the Department of Human Resources to classify the position at the appropriate level.
47. Amend the Fiscal Year 2011-12 Major Maintenance Internal Service Fund Spending Plan by canceling appropriations of \$1,577,465.84 and related Charges in the General Fund to correct duplicate budgeting for planned projects.
48. Cancel appropriations of \$65,298 in services and supplies and related revenue in the Housing and Community Development Department due to lower than anticipated Housing and Urban Development grant awarded for the Emergency Shelter Grant program.
49. Establish appropriations of \$21,365 in services and supplies and related revenue in the Housing and Community Development Department for the Homeless Prevention Rapid Rehousing program based on available Fiscal Year 2010-11 Federal ARRA grant funds **(4 VOTES)**.
50. Establish appropriations of \$368,669.60 in the Capital Outlay Fund for Capital Project 1015200 Lincoln Acres Library and Community Center project based on unanticipated revenue from a third party Performance Bond settlement. **(4 VOTES)**
51. Establish appropriations of \$1,150,000 in the Assessor/Recorder/County Clerk's Office, salaries and benefits (\$750,000) and services and supplies (\$400,000), for one-time expenditures associated with implementation of the department's integrated Recording/Vital Records System, based on unanticipated revenue from the Recorder/County Clerk Modernization Trust Fund. **(4 VOTES)**
52. 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 2010-2011 fund balance available. **(4 VOTES)**
53. Establish appropriations of \$55,288 in Board of Supervisors District 3, services and supplies, for one-time expenses based on Finance and General Government Group's Fiscal Year 2010-2011 fund balance available. **(4 VOTES)**

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54. Establish appropriations of \$164,208 in Board of Supervisors District 4, services and supplies, for one-time expenses based on Finance and General Government Group's Fiscal Year 2010–2011 fund balance available. **(4 VOTES)**
55. Establish appropriations of \$200,000 in Board of Supervisors District 5, salaries and benefits, for one-time expenses based on Finance and General Government Group's Fiscal Year 2010–2011 fund balance available. **(4 VOTES)**
56. Ratify the transfer of appropriations of \$9,503,181 within the Fiscal Year 2010-11 Capital Outlay Fund budget, from Capital Project 1011214 County Operations Center Phase 1A to Minor Equipment (\$9,067,781) and Fixed Assets Equipment Other (\$435,400), to correctly reflect the of purchase furniture, fixtures, and equipment related to County Operations Center Phase 1A. **(4 VOTES)**
57. Ratify the cancellation of appropriations of \$1 to the Fiscal Year 2010-11 Capital Outlay Fund budget, to accurately reflect the year end cancellation of appropriations related to completed Capital Project 1010432, Otay Valley Regional Park Active Recreation Area. **(4 VOTES)**
58. Ratify an increase in appropriations of \$20,643.67 to the Fiscal Year 2010-11 Pension Obligation Bonds budget, other charges, for the Fiscal Year 2010-11 loan repayment to the General Fund based on POB Charges in Other Special Districts. **(4 VOTES)**
59. Establish appropriations of \$29,695 in the Pension Obligation Bonds (POB), other charges, for the Fiscal Year 2011-12 loan repayment to General Fund based on POB Charges in Other Government Agency. **(4 VOTES)**
60. Establish appropriations of \$759,625 in the Lease Payment Bonds, other charges, for the Fiscal Year 2011-12 lease payment related to the issuance of the 2011 County Administration Center Waterfront Park Certificates of Participation on August 1, 2011, based on restricted revenue received under a tax sharing agreement with the Redevelopment Agency of the City of San Diego. **(4 VOTES)**

**Fiscal Impact**

The funds for a portion of these requests are not included in the Fiscal Year 2011-12 Operational Plan. If approved, in the General Fund, this action will cancel budgeted appropriations and the related sources of funding in the amount of \$2,576,346 and will establish additional appropriations of \$3,081,177, resulting in a net increase in appropriations of \$504,831. The funding sources include General Fund Fiscal Year 2010-11 fund balance, Minerals Management Service for the Coastal Impact Assistance Program revenue, Recorder/County Clerk Modernization Trust Fund unanticipated revenue, and miscellaneous other revenue sources.

In all other funds combined, these actions will cancel budgeted appropriations and the



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related funding sources in the amount of \$4,523,466 and will establish additional appropriations of \$3,925,727 resulting in a net decrease in appropriations of \$597,739. Funding sources include unanticipated revenue from Penalty Assessments, Road Fund available fund balance, Federal Aviation Administration grant revenue, 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 \$112.0 million. This projected one-time resource is a combination of expecting to end the year with General Purpose Revenue (GPR) above budget by \$10.4 million which includes \$6.8 million in back payments from the State of California for Vehicle License Fee Collection in Excess, along with a net positive variance of \$58.3 million from operations and a positive variance of \$43.3 million in unspent contingency and management reserves.

The projected balance for all other funds combined is \$24.5 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 2011 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 \$112.0 million is based on the estimate that expenditures will be approximately \$210.2 million less than the Fiscal Year 2011-12 Amended Budget and revenues will be a net \$98.2 million less than the Fiscal Year 2011-12 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:

- \$39.6 million in net positive salary and benefit appropriation variance, predominantly in the Public Safety Group (PSG) and Health and Human Services Agency (HHS), but also in Land Use and Environment Group (LUEG), Community Services Group (CSG), and Finance and General Government Group (FGG), from lower than budgeted salaries and employee benefits costs due to staff turnover and department management of vacancies.
- \$78.9 million in net positive appropriation variance in services and supplies across the County, primarily in HHS and CSG but also in PSG, LUEG and FGG.

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- In HHSA, projected positive variance of \$56.4 million are primarily in various contracted services (e.g., in Behavioral Health Services related to un-awarded Mental Health Services Act and Alcohol and Drug Services contracts); lower than anticipated service levels in Early Periodic Screening, Diagnosis and Treatment and Medi-Cal; lower than estimated growth in In-Home Supportive Services (IHSS) Individual Provider costs; anticipated savings in emergency appropriations for bio-terrorism and appropriations to mitigate unanticipated State reductions. Offsetting these projected positive variances are negative variances anticipated due to information technology activity.
- In CSG, a positive variance in the Registrar of Voters is due to anticipated savings from the consolidation of the February 7, 2012 Presidential Primary Election with the June 5, 2012 Direct Primary Election. A positive variance in Housing and Community Development is anticipated due to the postponement of the data automation project of Section 8 active participant files, reduced vehicle maintenance and environmental study services costs as well as from lower than anticipated expenditures on multi-year projects.
- In PSG, a positive variance is anticipated in the Public Defender's Office primarily associated with the defense of special circumstances cases. Savings are also anticipated in the San Diego County Fire Authority due to a spending delay for the tree removal grant while an Environmental Impact Report (EIR) is prepared, savings from a countywide vegetation management EIR that is pending completion of the CAL FIRE statewide EIR, and savings in the Volunteer Firefighter Program. Additionally, in Probation savings is a result of efforts to reduce overall expenditures.
- In LUEG, a positive variance in the Department of Planning and Land Use is primarily due to contracted services savings related to the Fire Re-Build waivers, Zoning Ordinance Update, and Purchase of Agriculture Conservation Easements (PACE) program. Environmental Health savings are due to delays in the completion of the Business Case Management System. In Agriculture, Weights and Measures a negative variance is projected primarily due to costs required to implement a mobile wireless upgrade.
- In FGG, positive variances are largely in the Auditor and Controller Department due to anticipated savings in contracted services and in the Department of Human Resources due to cancelled encumbrances.
- A net positive appropriation variance of \$47.9 million in other charges reflects net variances from budgeted caseload and aid payments. 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 program. This negative variance is offset by a positive variance in Regional Operations, mainly the result of revised caseload levels in CalWORKS and Child Care Stage 1, and savings in Child Welfare Services based on revised estimates of caseload levels, growth trends, and unit cost per case for Foster Care and KinGap programs. In CSG, a positive variance is projected in Housing and Community Development due to lower than anticipated expenditures on multi-year

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projects. In addition, positive variances are due to lower than budgeted tax and revenue anticipation note borrowing costs in Finance Other and various lease payment savings.

- \$1.1 million in appropriation savings for operating transfers out in HHSA for the IHSS Public Authority 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 HHSA (\$20.0 million) and in CSG (\$3.3 million) that are projected to be unspent at year-end.

The projected revenue under-realization to budget of \$98.2 million includes negative variances totaling \$114.7 million in various funding sources, with partially offsetting positive variances of \$16.5 million. Of the \$114.7 million in negative variances, \$104.6 million is within intergovernmental revenues and is largely the result of expenditure savings in caseload driven programs and contracted services mentioned above. An additional contributing factor to the negative revenue variance is a projected shortfall of \$2.8 million in current property taxes. The projection reflects an estimated \$19.0 million in roll corrections and refund adjustments, partially offset by growth in current secured property taxes based on growth in local secured assessed value, an improved delinquency rate, and by projected growth in current supplemental property taxes compared to budget. The remaining negative variances reflect the combination of unrealized revenue due to operational savings and various revenue shortfalls in charges for current services and fines, forfeitures and penalties and revenue from use of money and property.

A positive revenue variance of \$16.5 million is expected in the following categories: taxes other than current secured (\$9.8 million) which includes an increase in Property Tax In Lieu of VLF due to an improvement in the Vehicle License Fee Adjustment Amount calculation, an increase in Teeter Tax Reserve Excess primarily from a lower than anticipated 2011 Teeter buy-out, partially offset by a decrease in Teeter Property Tax prior year collections; licenses permits and franchises (\$1.3 million); and miscellaneous revenue (\$5.4 million) in the Seriously Emotionally Disturbed Children's Program in Behavioral Health Service due to an operational adjustment.

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

**Fiscal Year 2011-12 Budget Adjustments**

The budget adjustments recommendations in this letter are explained below.

**Recommendation 2**

This is a request to establish appropriations of \$121,128 in the Sheriff's Department based on unanticipated High Intensity Drug Trafficking Area (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 June 2011, the CBAG Executive Board approved additional funding of \$121,128 for HIDTA. The funds will be used for minor equipment, software purchases and surveillance devices to support the operations of Sheriff's personnel assigned to the HIDTA program.

**Recommendations 3 & 4**

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These requests will establish appropriations of \$142,000 in the Sheriff's Department based on an operating transfer from the Sheriff's Asset Forfeiture Fund. The Asset Forfeiture Fund will provide funding for the overtime costs associated with the Special Enforcement Detail training required to maintain perishable skills.

**Recommendation 5**

On December 8, 2009 (10), your Board authorized the acceptance and appropriation of \$4,858,255 in Fiscal Year 2008-09 Homeland Security Grant funds and on February 8, 2011 (2), your Board authorized the acceptance and appropriation of \$3,269,221 in Fiscal Year 2009-10 Homeland Security Grant funds from the federal Department of Homeland Security, passed through the California Emergency Management Agency. This request will cancel appropriations and related revenue of \$447,186 (\$399,732 from Fiscal Year 2008-09 and \$47,454 from Fiscal Year 2009-10) in the Sheriff's Department due to funds being encumbered subsequent to the Fiscal Year 2011-12 Change Letter process where the grant funds were rebudgeted.

**Recommendation 6**

On September 22, 2009 (1), and November 30, 2009 (3), your Board authorized the acceptance and appropriation of \$13,836,693 in Fiscal Year 2008-09 Operation Stonegarden Grant funds, and on November 9, 2010 (2), your Board authorized the acceptance and appropriation of \$8,844,033 in Fiscal Year 2009-10 Operation Stonegarden Grant funds from the federal Department of Homeland Security, passed through the California Emergency Management Agency. This request will cancel appropriations and related revenue of \$1,650,996 (\$110,000 from Fiscal Year 2008-09 and \$1,540,996 from Fiscal Year 2009-10) in the Sheriff's Department due to funds being encumbered subsequent to the Fiscal Year 2011-12 Change Letter process where the grant funds were rebudgeted.

**Recommendation 7**

On May 18, 2010 (2), your Board authorized the acceptance and appropriation of \$417,886 in 2009 ARRA Firearms Trafficking Grant funds. A new agreement was signed and took effect July 1, 2011, that reduced appropriations and revenue to \$341,379. This request will cancel appropriations and related revenue of \$76,507 in the Sheriff's Department due to the Department of Justice's realignment of grants funds to reflect actual spending.

**Recommendation 8**

On December 7, 2011 (1), your Board authorized the Sheriff's Department to accept \$1,200,000 for the Community Oriented Policing Services (COPS) Technology 2010 Grant from the U.S. Department of Justice, Office of Community Oriented Policing Services (USDOJ COPS). Subsequent to the Fiscal Year 2011-12 Change Letter process \$241,048 was expended due to the accelerated timeline requested by the vendor. This action will cancel \$241,048 in grant funds to accurately reflect the amount available from the COPS Technology 2010 grant.

**Recommendation 9**

This request will cancel appropriations and related revenue of \$20,311 from the County Service Area (CSA) 135 Zone F - Poway due to revised Fiscal Year 2011-12 revenue projections. The

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Sheriff expects to receive \$135,191 in special assessment fees from property owners in the City of Poway, which is \$20,311 less than the budgeted amount of \$155,502. In previous years, there was fund balance available for funding should expenditures exceed the special assessment fees. As of June 30, 2011, fund balance in this fund has been depleted. Due to the revised revenue projection and fund balance status subsequent to the Change Letter process, we are requesting a reduction to appropriations and budgeted revenue to realign the budget.

**Recommendations 10 & 11**

These requests will establish appropriations of \$569,605 in the Sheriff's Department based on an operating transfer from the County Service Area (CSA) 135 Regional 800MHz Fund. The Sheriff's Department will purchase Uninterruptible Power Supplies (UPS) for communication tower sites. These UPSs are an important infrastructure communications component to ensure that emergency services and critical communications remain operational when disasters or power outages strike.

**Recommendation 12**

This is a request to establish appropriations of \$295,734 in the Sheriff's Department based on revenue from the City of Chula Vista. As a participating agency of the Regional Communication System, the City of Chula Vista entered into an agreement with the County of San Diego to make annual payments that would be applied toward the annual lease payment on the 2002 Motorola Refunding System Certificates of Participation (COPS). The final payment on the COPS was February 1, 2011. The City of Chula Vista through its repayment agreement continues to make through January 1, 2014. These excess funds will be used for equipment and services to improve radio coverage within the RCS.

**Recommendations 13 & 14**

These requests will transfer appropriations of \$232,200 from the Sheriff's Departments to the General Fund Contributions to Fleet ISF and amend the Department of General Services Fleet Services Internal Service Fund (ISF) to purchase vehicles. These additional vehicles are needed for new staff. All funds for the purchase of new vehicles should be reflected in the Fleet ISF budget. While the vehicle purchases are budgeted in the Fleet ISF budget unit routinely, all new vehicles are first budgeted, justified and approved by your Board in individual department's budget. Subsequently, the appropriations are transferred to the Fleet ISF in order to facilitate the procurement, standardization, maintenance and overall quality control.

**Recommendation 15**

This recommendation ratifies a transfer of appropriations of \$425,000 within the Sheriff's Jail Stores Internal Service Fund Spending Plan for Fiscal Year 2010-11. The Sheriff's Jail Stores Internal Service Fund allows inmates to purchase a variety of commissary style goods, including food, snacks, stationary, 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 \$425,000 aligned the appropriations with expenditures at the end of the fiscal year to the increased demand for these items.

**SUBJECT: FISCAL YEAR 2011-12 FIRST QUARTER OPERATIONAL PLAN STATUS  
REPORT AND BUDGET ADJUSTMENTS (DISTRICT: ALL )**

**Recommendation 16**

Government Code Section 76000 (b), stipulates that Parking Penalty Assessments shall be deposited directly into the Criminal Justice Facilities Construction Fund and County Courthouse Construction Funds (CCF) designated parking penalty accounts. In addition, Penal Code 420007 allows for the deposit of traffic violator school or court-supervised program fees to also be deposited into the CCF. A portion of these funds are used to partially reimburse the General Fund for the 2009 Hall of Justice (HOJ) Certificates of Participation annual lease payment through October 1, 2022. These funds were previously appropriated in the Criminal Justice Construction Fund. This request will establish appropriations of \$880,000 in the Courthouse Construction Fund (CCF) pursuant to Government Code 76000 (b) and will continue to be used towards the payment of the outstanding debt service for the HOJ.

**Recommendation 17**

On November 9, 2010 (11), your Board authorized the Chief Financial Officer, Auditor and Controller to deposit all proceeds of 2440 Grand Avenue sale into the General Fund to be used towards HHS Public Health. This request will authorize the Auditor and Controller to increase the Sale Proceeds from Grand Ave Clinic fund balance commitment within the HHS by \$255,000 based on the down payment received in Fiscal Year 2010-11 from the sale of the property. If approved, the total amount in the Sale Proceeds from Grand Ave Clinic fund balance commitment will be \$274,600.

**Recommendation 18**

This recommendation ratifies the amendment to the Fiscal Year 2010-11 Department of Public Works Internal Service Fund Equipment Operations spending plan in the amount of \$343,008 based on fund balance available, for unanticipated costs incurred in June 2010. Expenditures charged at year-end related to vehicle operation and maintenance, and fuel exceeded the amount budgeted for the fiscal year due to higher than anticipated needs. This is a technical adjustment to align appropriations with expenditures in Fiscal Year 2010-11.

**Recommendation 19**

This recommendation ratifies an increase to the Fiscal Year 2010-11 Department of Public Works Inactive Waste Fund, services and supplies, in the amount of \$375,858 to provide funding for routine and non-routine gas, stormwater, and groundwater operation and maintenance contracts based on available fund balance. This is a technical adjustment to align appropriations with contract encumbrances for Groundwater Operations and Maintenance and Bonsall Landfill Slope Repair and Drainage contracts that were inadvertently encumbered in Fiscal Year 2010-11 instead of Fiscal Year 2011-12.

**Recommendation 20**

This recommendation will establish appropriations of \$500,000 in the Department of Public Works for system-wide Pavement Condition Survey / Photo Log project based on available Road Fund fund balance. This project, using a photographic collection of paved surface data and

**SUBJECT:** FISCAL YEAR 2011-12 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICT: ALL )

subsequent analysis will enable the County to use MicroPAVER (developed by the United States Army Corps of Engineers and an American Society for Testing and Materials International (ASTM) Standard) software and methodology to objectively determine the physical condition of our county maintained road system. In addition, this project will also collect Geographical Information Systems (GIS) information for all roadway assets, and will produce GIS reports for signs, guardrails, curb/gutter/sidewalk, striping and legends.

**Recommendation 21**

This recommendation ratifies the amendment to the Fiscal Year 2010-11 Airport Enterprise Fund Spending Plan in the amount of \$1,206,276.68 for the following projects based on fund balance available: McClellan-Palomar Airport Pro Pavement (\$367,303.01), Borrego Valley Airport Taxiway Slurry Seal (\$324,896.92), Ocotillo Airstrip Erosion Control (\$30,941.13), and McClellan-Palomar Airport Landfill Unit (\$483,135.62). During fiscal year-end closing it was determined that these projects are major maintenance projects, not capital projects which are subject to capitalization.

**Recommendation 22**

This action ratifies the amendment to the Fiscal Year 2010-11 Airport Enterprise Fund Spending Plan in the amount of \$1,298,147.65 for consolidation of the Cajon Air Center Projects (\$1,067,026.22) and for consolidation of the Fallbrook Airpark Runway Safety Area Improvement Projects (\$231,121.43) based on fund balance available. The Cajon Air Center Project (1010625) originally began as the Gillespie Field Cajon Air Center Project (1006174). The Fallbrook Airpark Runway Safety Area Improvement Project (1013345) originally began as the Fallbrook Airport Modular Terminal Building and Transient Aircraft Parking Apron Project (1008820). The scopes of the original projects expanded which resulted in the need for these projects to be consolidated in order to accurately capture full costs for future capitalization purposes.

**Recommendation 23**

This recommendation ratifies the amendment to the Fiscal Year 2010-11 Airport Enterprise Fund Spending Plan in the amount of \$2.47 for various capital projects based on fund balance available. This is a technical adjustment to clear negative appropriations due to rounding during the fiscal year-end closing process.

**Recommendation 24**

This recommendation amends the Fiscal Year 2011-12 Airport Enterprise Fund Spending Plan by transferring remaining appropriations of \$89,663 for the completed Fallbrook Airport Modular Terminal Building and Transient Aircraft Parking Apron Project, to the Fallbrook Airpark Runway Safety Area Improvement Project for design and environmental work. The Fallbrook Airpark Runway Safety Area Improvement Project (1013345) originally began as the Fallbrook Airport Modular Terminal Building and Transient Aircraft Parking Apron Project (1008820). The scope of the original project expanded which resulted in the need for these projects to be consolidated in order to accurately capture full costs for future capitalization purposes.

**SUBJECT:** FISCAL YEAR 2011-12 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICT: ALL )

**Recommendation 25**

This request is to amend the Fiscal Year 2011-12 Airport Enterprise Fund Spending Plan by transferring \$80,000 from services and supplies to the Borrego Valley Airport Runway Protection Zone Land Acquisition Project. This request is necessary to realign the project budget for unanticipated costs that will be expended in the current fiscal year for environmental work.

**Recommendation 26**

This request amends the Fiscal Year 2011-12 Airport Enterprise Fund Spending Plan in the amount of \$198,663 based on unanticipated revenue from a Federal Aviation Administration (FAA) grant. On July 13, 2011 (10), the Board approved the application and acceptance of FAA grant funds. This project involves the preparation of a new airport layout plan and associated drawings for McClellan-Palomar Airport in accordance with current FAA standards. Total project cost is estimated to be \$338,663.

**Recommendation 27**

This request will establish appropriations of \$1,800 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 must be returned to them.

**Recommendation 28**

This request will establish appropriations of \$5,500 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 must be returned to them.

**Recommendation 29**

This recommendation transfers appropriations of \$200,000 within the Department of Public Works from the San Vicente Right-of-Way project to Alpine Boulevard project to provide funding for as-needed consultants for design work that cannot be completed in-house due to the complexity of drainage design and drainage software needed.

**Recommendation 30**

On September 19, 2007 (12), the Board adopted a resolution authorizing the Department of Parks and Recreation (DPR) to apply for and accept grant funds from the Minerals Management Service for the Coastal Impact Assistance Program. Recently, DPR was awarded a two year contract totaling \$270,346 for a habitat restoration project in the Tijuana River Valley. At the time the department submitted the board letter for approval, the allocation amount for this project was unknown and appropriations were not established. This request will establish appropriations in the amount of \$161,849 for the first year project costs in the Department of Parks and Recreation based upon a grant award for the Coastal Impact Assistance Program. The department



**SUBJECT: FISCAL YEAR 2011-12 FIRST QUARTER OPERATIONAL PLAN STATUS  
REPORT AND BUDGET ADJUSTMENTS (DISTRICT: ALL )**

will include appropriations in the amount \$108,497 for the second year project costs in the Operational Plan for Fiscal Year 2012-13.

**Recommendation 31**

On September 23, 2009 (9), the Board adopted a resolution authorizing the Department of Parks and Recreation (DPR) to apply for, accept and appropriate funds up to \$2,000,000 for the State of California Environmental Enhancement and Mitigation Program (EEMP) for the land acquisition in the San Luis Rey River Park (SLRP). The grant funds for the EEMP were not awarded to the department. Therefore, the appropriation and related revenue and encumbrance totaling \$2,000,000 for SLRP grant applications must be cancelled.

**Recommendations 32 - 35**

On September 29, 2010 (4), the Board adopted resolutions authorizing the Department of Parks and Recreation (DPR) to apply for, accept and appropriate funds up to \$475,000 based on a Habitat Conservation Fund (HCF) grant for the acquisition of approximately 43 acres in Pine Valley (\$200,000), 113 acres in the Sycamore Canyon Preserve (\$200,000) and Outdoor Adventure Program at San Pasqual Academy (\$75,000). On September 29, 2010 (4), the Board also adopted resolutions authorizing DPR to apply for, accept and appropriate up to \$746,000 of Recreational Trails Program grant funds to be used for trails construction projects at Tijuana River Valley Regional Park (TJRV) (\$350,000) and Sweetwater Regional Park (SRP) (\$396,000). Since the County only was awarded \$200,000 of Habitat Conservation Fund Program grant funding for the Sycamore Canyon Preserve, the appropriations and related Habitat Conservation Fund grant revenue and Recreational Trails Program grant revenue totaling \$1,021,000 for the Pine Valley land acquisition (\$200,000), Outdoor Adventure Program at San Pasqual (\$75,000), TJRV trails (\$350,000) and SRP trails (\$396,000) must be cancelled.

**Recommendation 36**

On January 13, 2010 (6), the Board of Supervisors adopted a new policy for mitigation on County-owned land. Pursuant to the conservation agreement, revenue obtained through sale of mitigation credits will be used to purchase additional lands within the county that meet the criteria set forth in the Mitigation Policy. Recent transactions generating such revenue include: the Dictionary Hill Developers, L.P. which purchased 0.31 acres of coastal sage scrub habitat mitigation credits (\$7,225) and established an endowment (\$1,240) totaling \$8,465 for the Santa Maria Avenue Rezone pursuant to a Purchase Agreement; the Tuscan Ridge Group LLC purchased 0.89 acres of non-native grasslands habitat mitigation credits (\$13,350) and 0.18 acre of chaparral habitat mitigation credits (\$2,700) and established an endowment (\$4,060) totaling \$20,110 for the Boyer 3 lot TPM. In addition, on May 24, 2011 (23), the Board of Supervisors approved the establishment of \$36,500 for the sale of mitigation credits for mitigation purposes in connection with the Department of Public Works Lake Rancho Viejo Restoration Project to protect sensitive biological resources. The actual cost of the mitigation credits was \$37,000, therefore, requiring an appropriation increase adjustment of \$500. The requested action will establish appropriations of \$29,075 from these sales of multiple mitigation credit transactions in Capital MSCP Acquisition Fund for the Multiple Species Conservation Program.

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**Recommendation 37**

During the Fiscal Year 2011-12 Change Letter process, appropriations of \$600,000 were established for Capital Project 1013258, Sweetwater Lane Artificial Turf project based upon an operating transfer from the County Service Area 128 San Miguel Park (CSA128). However, the establishment of the appropriations in the CSA128, operating transfer out, was inadvertently excluded from the Fiscal Year 2011-12 Change Letter Process. Today's requested action will establish appropriations of \$600,000 in the CSA128, operating transfer out, to fund the Sweetwater Lane Artificial Turf project.

**Recommendation 38**

On February 24, 2004 (23), the Fund Balance Commitment (previously known as Fund Balance Designation) for the Department of Environmental Health (DEH) was established. This commitment ensures that revenue from fees and permits in excess of costs are used only to fund fee-related expenses. For Fiscal Year 2010-11, this excess revenue equaled \$1,633,054. This action does not move funds into the Department of Environmental Health. If approved, the total amount in the Environmental Health fund balance commitment will be \$2,803,875.

**Recommendation 39**

This request relates to the rebudget of Fiscal Year 2010-11 appropriations of \$84,070 for enhancements to Buynet, the County's online procurement system, which will allow acceptance of bid documents electronically. This is a multi-year information technology project that was originally funded in Fiscal Year 2010-11 with General Fund fund balance.

**Recommendation 40**

This request relates to the rebudget of Fiscal Year 2010-11 appropriations of \$236,428 for Contract Publishing, which will create an electronic repository for County contracts (including standard Purchase Orders and Blanket Purchase Agreements) and related documents, so that they may be viewed online by County departments. This is a multi-year information technology project that was originally funded in Fiscal Year 2010-11. The amount was inadvertently excluded from the Fiscal Year 2011-12 Adopted Operational Plan and is funded by an Operating Transfer from the General Fund.

**Recommendation 41**

This recommendation ratifies the reclassification of appropriations of \$250,000 in the Community Services Group Office budget from services and supplies to Operating Transfer Out to provide funding for the Contract Publishing Project.

**Recommendations 42 & 43**

The Friends of the Fallbrook Library and the Friends of the Ramona Library made generous donations of \$1,558,811 and \$969,041, respectively, to the Library Fund for furniture, fixtures, equipment, and enhancements for the new Fallbrook and Ramona Libraries. These libraries opened in Fiscal Year 2010-11. During year end capitalization process it was determined that expenditures made by the Library Fund for these two libraries in the amount of \$633,637 (\$546,526 for Fallbrook and \$87,111 for Ramona) are capital costs. In order to be capitalized,

**SUBJECT:** FISCAL YEAR 2011-12 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICT: ALL )

the costs were transferred from the Library Fund to the Capital Outlay Fund-Library Projects. This request will ratify the transfer of corresponding appropriations.

**Recommendations 44 & 45**

On February 26, 2007, the California Energy Commission approved a loan in the amount of \$3.0 to the County for energy conservation and efficiency projects. The loan will be repaid with utility savings achieved by tenant departments from the implementation of the energy conservation and efficiency projects. Funds will be drawn as available for eligible these projects. In Fiscal Year 2010-11, the County received disbursements from this loan in the amount of \$4,833.37. These loan receipts were recorded as revenue in the Facilities Management Internal Service Fund and the projects costs were recorded in the Major Maintenance Internal Service Fund (ISF). Ratification is requested for the Operating Transfer Out to the Major Maintenance ISF to match expenditures with revenue.

**Recommendation 46**

On October 12, 2011, the U.S. Census Bureau released a list of counties and the languages for which they are required to provide election material and services under Section 203 of the Federal Voting Rights Act. The County of San Diego is now required to provide these services and outreach to the Chinese-speaking community, in addition to communities whose languages are Spanish, Filipino and Vietnamese.

The Registrar of Voters will need to work with the Chinese community to determine the appropriate dialects needed and how best to serve the needs of this community's voters. In order to proof translated materials and effectively reach out to the Chinese community, the Registrar is requesting a new Chinese Language Coordinator position within the Language Services Division. The new Coordinator will be required to be proficient in the language, both written and spoken, and will be required to have effective ties with the Chinese community. Existing departmental appropriations are proposed to be used for the new position; the funding source is General Purpose Revenues.

**Recommendation 47**

This recommendation amends the Fiscal Year 2011-12 Major Maintenance Internal Service Fund Spending Plan by reducing \$1,577,465.84 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 \$1,577,465.84 were included in both the carry forward process and in the Fiscal Year 2011-12 Adopted Operational Plan. This request is a technical adjustment to correct the budget.

**Recommendation 48**

This recommendation will cancel appropriations of \$65,298 and related grant revenue in the Housing and Community Development Department to align program appropriations to grant

**SUBJECT: FISCAL YEAR 2011-12 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICT: ALL )**

revenue. The actual grant allocation for Fiscal Year 2011-12 for the Emergency Shelter Grant (ESG) program from the U.S. Department of Housing and Urban Development was reduced to \$205,712. On April 5, 2011, the Board approved the Housing and Community Development Department Fiscal Year 2011-12 Annual Plan for community development and housing programs funded with federal grants. The funding plan is based on the prior year's approved program funding entitlement allocations from the U.S. Department of Housing and Urban Development and known proposed allocations. This fiscal year, due to the delay in approval of federal budget allocations, the actual funding awarded for the ESG project was not published until June 2011, after the Operational Plan had been developed.

**Recommendation 49**

This recommendation is requested to appropriate unspent prior year's grant funding. On March 19, 2009, the Federal ARRA Homeless Prevention Rapid Rehousing program grant was awarded to the County to provide homelessness prevention assistance to households who would otherwise become homeless, many due to the economic crisis, and to rapidly assist persons who are homeless and was approved by the Board on 3/03/09 (12). Since July 2009 funds have been obligated to various contracts through the end of Fiscal Year 2010-11. Some contracts at the end of Fiscal Year 2010-11 were amended, resulting in funds of \$21,365 unobligated and available for Fiscal Year 2011-12.

**Recommendation 50**

On August 2, 2010, the County of San Diego entered into Contract No. 534618 with HAR Construction, Inc. (HAR) for construction of the Lincoln Acres Branch Library and Community Center project. Effective April 15, 2011, the County of San Diego terminated the contract with HAR under the termination for default provisions of the construction contract. In order to fulfill its Performance Bond obligations, HAR's surety company agreed to pay the County of San Diego \$368,669.60 to complete the project as specified in the contract. The surety company also identified RSM2 Contractors, Inc. (RSM2) as the completion contractor to perform the remaining work as required to be performed under the contract. This action will establish appropriations of \$368,669.60 to fulfill the surety's and contractor's obligation to complete the work to construct the Lincoln Acres Branch Library and Community Center project.

**Recommendation 51**

This request will establish appropriations of \$1,150,000 in the Assessor/Recorder/ County Clerk's (ARCC) Office based on Modernization Trust Funds. These funds will be used for one-time expenditures relating to implementation of the ARCC's new integrated Recording/Vital Records System. Costs include \$750,000 for temporary staffing and overtime required to configure and test the new system and \$400,000 for the purchase of required system hardware such as printers and scanners.

**Recommendation 52-55**

These recommendations allow the use of \$619,496 in Fiscal Year 2010-2011 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 2011-12 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICT: ALL )**

**Recommendation 56**

The Fiscal Year 2009-10 Operational Plan included appropriations of approximately \$188.5 million for the construction of two office buildings, an energy efficient central plant, one parking structure and, furniture and equipment for Capital Project 1011214, County Operations Center (COC) and Annex Redevelopment - Phase 1A. During the year-end capitalization process it was determined that costs of \$9,503,181 related to the purchase of furniture, fixtures and equipment (FF&E) accumulated in the capital project are not capital costs and were re-categorized to the correct expenditure accounts. This recommendation will ratify a transfer of appropriations in Fiscal Year 2010-11 of \$9,503,181 from the capital project to Minor Equipment (\$9,067,781) and Fixed Assets Equipment Other (\$435,400).

**Recommendation 57**

Total appropriations of \$420,000 were established in Fiscal Year 2006-07 (\$250,000) and 2007-08 (\$170,000) for Capital Project 1010432, Otay Valley Regional Park Active Recreation Area. The project was completed during Fiscal Year 2010-11. In anticipation of this, your Board authorized cancellation of appropriations related to the project of up to \$1,164.12 on March 31, 2011 (23). The total of actual appropriations that needed to be cancelled was \$1,165.12, one dollar more than what was authorized by your board. This recommendation will ratify the cancellation of appropriations of \$1.00 and related revenue in the Capital Outlay fund for the completion of Capital Project 1010432, Otay Valley Regional Park Active Recreation Area.

**Recommendations 58 & 59**

The ratification of these funds will repay the General Fund for a loan by the General Fund to the Local Agency Formation Commission (LAFCO) and the San Dieguito River Valley Joint Powers Authority (SDRVJPA) associated with the 2004 Pension Obligation Bonds This is a technical adjustment to establish appropriations that was inadvertently not budgeted for Fiscal Year 2010-11 and Fiscal Year 2011-12.

**Recommendation 60**

The County of San Diego sold \$32,665,000 of Certificates of Participation on August 1, 2011 (2011 COPs). The proceeds of this sale were used to finance a portion of the County's \$44.2 million County Administration Center Waterfront Park project. The issuance of the COPS did not include capitalized interest which represents additional bond proceeds which are reserved to pay interest to the certificate holders for a period of time, usually during the construction period. As a result the first interest payment to the certificate holders of \$759,625 is due on February 1, 2012. The funding source for the lease payments on the 2011 COPS will be the restricted revenue received under a tax sharing agreement with the Redevelopment Agency of the City of San Diego administered by the Centre City Development Corporation.

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

**SUBJECT:** FISCAL YEAR 2011-12 FIRST QUARTER OPERATIONAL PLAN STATUS  
REPORT AND BUDGET ADJUSTMENTS (DISTRICT: ALL )

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 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 2011-12 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 2, 2011 (17) County of San Diego Fiscal Year 2011-12 Adopted Budget Resolution for Family of Funds, Enterprise Funds and Internal Services Funds, Prior Year Encumbrances and Penalty Assessment Resolution

**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

Ebony N. Shelton, Director, Office of Financial Planning

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COUNTY OF SAN DIEGO  
NOTES TO SCHEDULES A and B  
Fiscal Year 2011-12 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**

**General Fund**

*Child Support Services*

A net positive variance of \$0.2 million is projected for the Department of Child Support Services.

A positive expenditure variance of \$1.4 million is projected in salaries and benefits due to salary savings from vacant and under-filled positions.

A negative revenue variance of \$1.2 million is projected in intergovernmental revenues due to the salary and benefit savings noted above.



*District Attorney*

A net positive variance of \$3.9 million is projected for the District Attorney's Office.

A net positive expenditure variance of \$4.8 million is projected. This positive variance is primarily due to anticipated savings in salaries and benefits of \$5.7 million due to normal attrition, savings from modified positions, and savings from vacant positions. A negative expenditure variance of \$0.9 million is projected 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 \$0.9 million is projected. A negative variance of \$1.0 million is attributable to the reduction in the High Technology Prosecution Program of \$0.7 million, the Vertical Prosecution Block Grant of \$0.2 million and a reduction in the operating transfer from Asset Forfeiture due to a projected reduction in overtime expenditures of \$0.1 million. This is offset by a positive variance of \$0.1 million due to unanticipated revenue from the Citizen's Option for Public Safety (COPS) Program.

*Office of Emergency Services*

A positive variance of \$0.4 million is projected for the Office of Emergency Services primarily due to savings in salaries and benefits associated with vacant positions.

*Probation*

A net positive variance of \$0.2 million is projected for the Probation Department.

A positive expenditure variance of \$1.3 million is projected. This is comprised of a \$0.7 million savings in salaries and benefits due to staff vacancies, \$0.4 million savings in services and supplies as a result of efforts made to reduce overall expenditures, and \$0.2 million savings in expenditures transfers & reimbursements primarily due to increased reimbursement of services to other departments.

A net negative revenue variance of \$1.1 million is projected. This is comprised of a decrease of \$0.3 million in Foster Care revenue due to reduced rates and reduced staff time being claimed to this activity; \$0.6 million decrease in SB618, the Prisoner Reentry Program due to revised state allocations; and \$1.2 million decrease in the cost of supervision account for collections primarily due to the economic situation; offset by a \$0.3 million increase in Juvenile Accountability Block Grant and various American Recovery and Reinvestment Act programs due to program performance periods that extend over multiple years; increase of \$0.5 million in Work Crew revenues; and \$0.2 million increase in various miscellaneous revenues.

*Public Defender*

A positive variance of \$2.4 million is projected for the Public Defender.

A positive expenditure variance of \$1.5 million is projected in services and supplies due to \$1.0 million associated with the defense of special circumstances cases which is

projected to remain unspent and \$0.5 million due to efforts to reduce overall expenditures.

A positive revenue variance of \$0.9 million is projected due to over-realized revenue for the Fiscal Year 2009-10 Sexually Violent Predators state mandate reimbursement claim, prison case reimbursement from the State and court collections exceeding the budgeted amount.

*Public Safety Group Executive Office*

A net positive variance of \$2.0 million is projected for the Public Safety Group Executive Office.

A positive expenditure variance of \$0.2 million is comprised of a \$0.1 million savings in salaries and benefits due to a vacant position and \$0.1 million savings in services and supplies as a result of efforts to reduce overall expenditures.

A positive revenue variance of \$1.8 million is projected primarily due to additional 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.

*San Diego County Fire Authority*

A net positive variance of \$1.0 million is projected for the San Diego County Fire Authority.

A positive expenditure variance of \$4.8 million is projected in services and supplies. This is comprised of a \$3.8 million spending delay for the tree removal grant while an Environmental Impact Report (EIR) is prepared, \$0.6 million savings from a Countywide vegetation management EIR that is currently on hold pending completion of the CAL FIRE Statewide EIR, and a \$0.4 million savings in the Volunteer Firefighter Program.

A net negative revenue variance of \$3.8 million in intergovernmental revenue is projected due to delayed expenditures related to the tree removal grant noted above.

*Sheriff*

The Sheriff's Department projects a net positive variance of \$2.5 million.

A positive expenditure variance of \$4.3 million is projected. Salaries and benefits are projected to be \$4.3 million under budget due to vacant positions.

A net negative revenue variance of \$1.8 million is projected. Due to an increased allocation in the 2011 Budget Act and residual Vehicle License Fee Receipts from Fiscal Year 2010-11, a positive variance of \$1.0 million is projected in Citizens Options for Public Safety (COPS). A negative variance of \$0.9 million is projected in State Criminal Alien Assistance Program (SCAAP) due to a decrease in Federal funding available for this program. A negative variance of \$1.5 million is projected in the Institutional Care

State account, due to the implementation of the Public Safety Realignment 2011 and the shift of responsibility of low level offenders from the state to counties, the cost of housing certain parole violators are now county responsibility. A negative variance of \$0.7 million is projected in Trial Court Security due to decreased funding levels from the allocation provided as part of the Public Safety Realignment of 2011. A positive variance of \$0.3 million is due to a number of miscellaneous revenue sources.

## **Special Revenue Funds**

### *Sheriff's Inmate Welfare Fund*

A net positive variance of \$1.3 million is projected for the Inmate Welfare Fund. A positive expenditure variance of \$0.6 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 \$0.7 million primarily due to Recovered Expenditures from a reimbursement from the Grossmont Union High School District for contracted educational services.

### *Proposition 172*

The Proposition 172 Special Revenue Fund finished Fiscal Year 2010-11 with a \$16.5 million year-end fund balance. Pursuant to Board of Supervisor's Policy A-126, any positive variance at year end will be disbursed according to a public safety program plan agreed to by the Sheriff, the District Attorney and the Probation Department. A total of \$6.6 million of that amount has been appropriated to date through the adoption of the Fiscal Year 2011-12 Operational Plan.

A positive variance of \$10.5 million is projected for the Proposition 172 Special Revenue Fund. Current year revenues are projected to be \$10.5 million greater than budget due to the combination of the current positive economic performance, Fiscal Year 2010-11 revenue exceeding the budgeted estimate for Fiscal Year 2011-12 supporting a positive Fiscal Year 2011-12 projection and an anticipated upcoming increase in the county's prorata share of statewide sales tax receipts.

## **HEALTH AND HUMAN SERVICES AGENCY (HHSA)**

### **General Fund**

HHSA is projecting an overall positive fund balance of \$39.0 million. However, there continue to be challenges and various unknowns based on the economy and changes at the State.

The 2011 State Budget realigned various programs and the revenue to support them to the counties. Under "Realignment 2011", the State replaced State General Funds with a portion of sales tax revenues to local governments to fund various criminal justice, mental health, and social services programs. This is a significant shift to the county from having a known and committed amount of State funding to an estimated variable amount of sales tax which is remitted based on economic activity. With only a couple

months of tax receipts received it is unclear how much Realignment 2011 will be realized by year-end. HHSa will continue to monitor and revise projections as the year continues.

#### *Administrative Support*

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

A net positive variance of \$30.6 million is projected for Administrative Support. The variance is the result of \$33.1 million in expenditure savings and \$2.5 million in projected under-realized revenues.

The positive expenditure variance of \$33.1 million includes \$0.4 million in salaries and benefits due to vacant positions, \$12.7 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 \$12.7 million net savings in services and supplies is comprised of \$8.0 million budgeted for bio-terrorism emergencies and \$5.0 million budgeted as glide slope reserves that are not expected to be required, offset by \$0.3 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 \$2.5 million includes a net increase of \$5.7 million in administrative revenue, primarily associated with the receipt of prior year realignment which has yet to be allocated to the divisions/regions, offset by \$8.0 million of unsecuritized tobacco settlement revenue that is not projected to be recognized because the bio-terrorism appropriations are expected to be unspent, and \$0.2 million of under realized revenue in charges in other funds/special districts.

#### *Aging and Independence Services*

A net positive variance of \$1.9 million is projected for Aging & Independence Services, comprised of \$9.0 million in expenditure savings offset with \$7.1 million in projected under-realized revenues.

The positive expenditure variance of \$9.0 million includes savings of \$1.2 million in salaries and benefits due to vacant positions, \$6.7 million savings in services and supplies, and \$1.1 million in operating transfers out. The \$6.7 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 \$1.1 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 \$7.1 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 Inpatient 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 positive expenditure variance of \$40.9 million includes savings of \$4.5 million in salaries and benefits throughout Behavioral Health Services due to vacant positions and \$36.4 million in services and supplies. The \$36.4 million of net savings in services and supplies includes \$25.6 million in un-awarded Mental Health Services Act (MHSA) contracts, \$5.7 million in Alcohol and Drug Services due to un-awarded contracts in Substance Abuse Prevention and Treatment and Parolee Reentry Program, \$4.9 million in Early Periodic Screening Diagnosis and Treatment (EPSDT)/Medi-Cal services due to lower service levels than budgeted, and \$1.4 million in fee-for-service provider services due to lower service levels than budgeted, offset by a \$1.2 million negative variance for Inpatient Health Services expenses for temporary contract help.

The negative revenue variance of \$40.9 million is primarily associated with expenditure savings in MHSA and EPSDT/Medi-Cal services. The balance is due to under realized revenue resulting from savings as discussed above.

### *County Child Welfare Services*

A net positive variance of \$4.2 million is projected for County Child Welfare Services (CCWS), comprised of \$26.1 million in expenditure savings offset by \$21.9 million in under-realized revenues.

The net positive expenditure variance of \$26.1 million includes savings of \$2.1 million in salaries and benefits due to attrition and vacant positions and \$24.5 million in other charges due to revised estimates of caseload levels, growth trends, and unit cost per case in aid payments for Foster Care and KinGap. The savings are offset by a \$0.5 million negative variance in services and supplies.

The negative revenue variance of \$21.9 million is associated with the expenditure savings for assistance payments, attrition and staff vacancies.

### *Public Administrator/Public Guardian*

A positive variance of \$0.1 million is projected for Public Administrator/Public Guardian in salaries and benefits and in indigent burial.

### *Public Health Services*

A net positive variance of \$0.1 million is projected for Public Health Services. This is the result of a net expenditure savings of \$0.2 million offset by \$0.1 million in under-realized revenues.

The net positive expenditure variance of \$0.2 million includes savings of \$0.8 million in salaries and benefits due to vacant positions, \$0.6 million in services and supplies savings for various contracted services offset by an increase of \$1.2 million in other charges due to a requirement for additional support and care costs in California Children's Services (CCS).

The net negative revenue variance of \$0.1 million is due to \$1.7 million increase in various grants offset by decreases of \$1.8 million in MAA/TCM administrative fees, Bioterrorism grant and various allocations.

### *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 \$2.1 million is projected for Regional Operations. The variance is the result of \$19.2 million in expenditure savings offset with \$17.1 million in under-realized revenue.

The positive expenditure variance of \$19.2 million includes savings of \$4.7 million in salaries and benefits due to vacant positions and \$0.3 million in miscellaneous services and supplies. Additional savings of \$14.2 million in other charges is mainly the result of revised caseload levels in CalWORKs and Child Care Stage 1.

The negative revenue variance of \$17.1 million is associated with the projected expenditure savings as discussed above.

### *Strategic Planning and Operational Support*

A zero net variance is projected for Strategic Planning & Operational Support.

The positive expenditure variance of \$0.9 million includes \$0.7 million in salary savings due to vacant positions, and \$0.2 million savings in services and supplies.

The negative revenue variance of \$0.9 million is administrative revenue associated with the projected expenditure savings as discussed above.

## **Special Revenue Funds**

### *Tobacco Securitization Fund*

A net positive variance of \$3.1 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.

## **Special Districts Funds**

### *Ambulance Districts*

A positive revenue variance of \$0.4 million is projected for the ambulance special district. This is due to additional revenue to be received as a result of an increase in ambulance transport fees and the implementation of new resident user fees.

## **LAND USE AND ENVIRONMENT GROUP (LUEG)**

### **General Fund**

#### *Agriculture, Weights & Measures*

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

A positive expenditure variance of \$0.6 million is projected. Projected savings of \$0.9 million in salaries and benefits is mainly due to vacancies and under-filled positions. This is offset by a \$0.3 million negative variance in services and supplies mainly due to \$0.2 million in additional costs related to the implementation of a mobile wireless upgrade as part of the Business Case Management System (BCMS) and \$0.1 million in miscellaneous services and supplies accounts.

A positive revenue variance of \$0.1 million in revenue is projected primarily due to unanticipated Fines and Forfeitures.

#### *Environmental Health*

A net positive variance of \$3.1 million is projected for the Department of Environmental Health.

A positive expenditure variance of \$3.4 million is projected. Savings of \$2.5 million in salaries and benefits is due to vacancies, under-filling positions and freezing of positions. Savings of \$0.9 million in services and supplies is due to \$0.4 million in delays in completing the Business Case Management System and \$0.5 million related to closely monitoring spending activities to ensure costs do not exceed revenue.

A net negative revenue variance of \$0.3 million is projected. This variance consists of over-realized revenue of \$0.7 million in Hazardous Materials Permit fees and \$0.8 million in Food and Housing Permit fees. This is offset by a shortfall of \$0.2 million in State funding due to fringe benefit and indirect cost limitations in the Radiological Health Program Revenue Agreement. A shortfall of \$1.3 million from the Vector Control Trust Fund is primarily associated with salary and benefit and services and supplies savings in the Vector Control program. Revenue is only drawn from the Vector Trust Fund for actual costs incurred. The remaining shortfall of \$0.3 million is spread over various accounts that do not exceed \$0.3 million in any single account.

### *Planning and Land Use*

A net positive variance of \$3.5 million is projected for the Department of Planning and Land Use.

A positive expenditure variance of \$5.7 million is projected. A savings of \$1.8 million is projected in salaries and benefits, mainly due to vacancies. Savings of \$3.5 million in services and supplies are due to projected savings in contracted services related to Fire Re-Build Waivers (\$0.6 million), Zoning Ordinance Update (\$1.4 million), and the PACE program (\$1.5 million), all of which will be re-budgeted for Fiscal Year 2012-13, since the former is as a result of continuing need and delays in fire rebuild and the latter due to delays in public hearings and implementation. The remaining \$0.4 million is spread over various accounts and programs.

A negative revenue variance of \$2.2 million is projected related to expenditure savings of \$1.2 million due to staff vacancies and \$0.6 million in reduced building plan checks and permit fees as discussed above. The remaining \$0.4 million shortfall is spread over other programs.

## **Special Revenue Funds**

### *Public Works*

#### *Road Fund*

A net positive variance of \$2.1 million is projected for the Road Fund.

A positive expenditure variance of \$2.4 million is projected. Projected savings of \$2.3 million in salaries and benefits is due to under-filling of positions, vacancies, and a reduction in cash overtime and temporary help. Savings of \$0.1 million is projected in services and supplies due to consultant contract savings and completed projects.

A negative revenue variance of \$0.3 million is projected. Under-realized revenue of \$0.1 million in intergovernmental revenues is primarily due to a cancelled project and less work than anticipated on state and federally funded projects in the Detailed Work Program. Under-realized revenue of \$0.1 million in use of money and property is projected due to lower than anticipated interest on developer deposits. Under-realized revenue of \$0.3 million in charges for current services is primarily due to reduced services to property owners in Land Development (\$1.1 million) and reduced work for Airport projects (\$0.1 million) partially offset by \$0.9 million over-realized revenue for Flood Control District, Future Improvement, and Transportation Impact Fee projects and service to property owners. Over-realized revenue of \$0.2 million in taxes other than current (TransNet) is projected from increased in-house construction inspection work for major projects in the Detailed Work Program.

#### *Inactive Waste*

No net variance is projected for Inactive Waste.



A positive expenditure variance of \$1.0 million is projected. A projected savings of \$0.1 million in salaries and benefits is due to the under-filling of positions and vacancies. Savings of \$0.9 million in services and supplies is projected due to a groundwater contract that is not needed in the current year.

A negative revenue variance of \$1.0 million is projected due to decreased contributions from the Environmental Trust Fund resulting from the reduced expenditures noted above and deferred revenue for Landfill and Recycling expenditures respectively.

### **Internal Service Funds**

#### *Public Works*

No net variance is projected in the Public Works Equipment Acquisition Internal Service Funds (ISF).

A positive expenditure variance of \$0.8 million is projected in other charges, depreciation expense in the ISF Acquisition Funds, due to the removal of vehicles from fixed asset inventory in Fiscal Year 2010-11.

A negative revenue variance of \$0.8 million is projected from use of money and property in the equipment rental original cost replacement accounts in the ISF Acquisition Funds, and corresponds to reduced depreciation expense in these funds.

### **Special District Funds**

#### *Air Pollution Control District*

A net positive variance of \$1.3 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 \$0.7 million is projected in Operations and a \$0.6 million positive variance is projected in the incentive program funds.

A net positive expenditure variance of \$1.3 million is projected. Savings of \$0.8 million in salaries and benefits is mainly due to staff retirements, turnover and vacancies. Projected savings of \$0.6 million in other charges are due to the Air Quality Improvement Trust Fund, as appropriations for matching grants are no longer needed. These savings are offset by a negative variance of \$0.1 million in services and supplies due to additional temporary help and increased expenditures related to higher than anticipated grant revenues.

A zero net revenue variance is projected. A negative variance of \$0.2 million in licenses, permits and fees is projected due to a lower than anticipated fee increase. This negative revenue variance is offset by a positive variance of \$0.2 million due to an increase of grant revenues.

## **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 \$0.1 million in salaries and benefits as a result of staff turnover and vacancies and savings of \$0.2 million in services and supplies based on expenditure trends.

#### *Community Services Group Executive Office*

A positive variance of \$3.4 million is projected for the Community Services Group Executive Office. A favorable variance of \$0.1 million in salaries and benefits is due to staff vacancy. In addition, a year-end balance of \$3.3 million in Management Reserves is expected, 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 \$0.4 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 (Operations)*

A net positive variance of \$0.4 million is projected for Housing and Community Development.

A positive expenditure variance of \$1.1 million includes anticipated savings of \$0.5 million in salaries and benefits and \$0.6 million in services and supplies. The positive variance in salaries and benefits is due to vacancies from employee turnover and normal delays in recruiting and hiring. The positive variance in services and supplies is due to the postponement of data automation project such as paper file conversion of Section 8 active participant paper files currently stored in Iron Mountain (\$0.2 million), IT application upgrades (\$0.2 million) and savings in various accounts such as vehicle maintenance costs and environmental study services cost (\$0.2 million).

A negative revenue variance of \$0.7 million is projected and is directly tied to the salaries and benefit expenditure savings noted above.

#### *Housing and Community Development Multi-Year Projects (D7263)*

No net variance is projected for HCD Multi-Year Projects. The net positive expenditure variance of \$8.8 million is offset by a projected negative revenue variance of \$8.8 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 positive variance of \$6.6 million is due to savings of \$2.0 million in salaries and benefits and \$4.6 million in services and supplies as a result of the consolidation of the February 7, 2012 Presidential Primary Election with the June 5, 2012 Direct Primary Election.

### **Special Revenue Funds**

#### *San Diego County Library*

A net positive variance of \$1.7 million is projected for the San Diego County Library.

A positive expenditure variance of \$2.2 million is projected. This variance is a result of savings of \$0.7 million in salaries and benefits from anticipated vacated positions and holding vacancies. Projected savings in services and supplies of \$0.5 million is due to savings in utilities (\$0.2 million) and interdepartmental expense (\$0.3 million) based on 1st quarter spending and past history, and \$1.0 million is anticipated in Management Reserves, which is held for operating contingencies that may occur during the year..

A negative revenue variance of \$0.5 million is projected. This variance is due to anticipated shortfalls of \$0.5 million in current year property tax revenues and \$0.4 million in public printing and other library services. This is offset by an over-realized donation from a private party of \$0.4 million for the Vista renovation project. The shortfalls will be mitigated through continued decreases in expenditures in services and supplies.

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

#### *Facilities Management ISF*

A net positive variance of \$0.4 million is projected for the Facilities Management ISF.

A positive variance of \$4.1 million in expenses is projected. Savings of \$1.3 million in salaries and benefits is primarily due to modified positions and staff vacancies. Projected savings in services and supplies of \$2.8 million is due to a number of categories: reduction in anticipated contract costs (\$1.0 million), anticipated savings in utilities costs due to energy efficiency upgrades and lower than anticipated utility rates (\$1.5 million), project management costs (\$0.2 million) and real estate service contracts (\$0.1 million).

A negative revenue variance of \$3.7 million is projected. A projected variance in charges for current services is due to less than anticipated maintenance, utilities, and contracted services (\$3.5 million) from the General Fund and charges for services from the Capital Outlay Fund (\$0.2 million).

### *Major Maintenance ISF*

No net variance projected for the Major Maintenance ISF.

A positive variance of \$11.9 million in expenses is projected. Anticipated savings of \$10.3 million in services and supplies and \$1.6 million in operating transfer out 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 projected negative revenue variance primarily in charges for current services.

### *Fleet Management ISF*

A net positive variance of \$0.9 million is projected for Fleet Management ISF.

A net positive variance of \$6.3 million in expenses is due to anticipated savings of \$0.4 million in salaries and benefits associated with modified and vacant positions, \$0.5 million is projected in other charges, \$6.5 million in capital assets due to less than anticipated purchases for replacement vehicles and \$0.1 million in unspent reserves offset by a negative variance of \$1.0 million in services and supplies due to projected increases for fuel costs and \$0.2 million operating transfer out.

A net negative revenue variance of \$5.4 million is due primarily to unrealized revenue of \$5.0 million for current services due to lower than anticipated maintenance and repair of vehicles and \$0.5 million in lower interest earnings based on current interest rates and cash balances in the Fleet Management Internal Service Fund offset by \$0.1 million of over-realized revenue for the sale of fixed assets.

### *Purchasing and Contracting*

A net negative variance of \$0.2 million is projected for the Purchasing and Contracting ISF. Purchasing and Contracting is delaying the hiring for vacancies to help mitigate the projected revenue shortfall as well as projecting services and supplies savings from the outsourcing of warehouse and auctioneering services and saving efforts within programs. Any shortfall will be funded by Purchasing & Contracting ISF available Fiscal Year 2010-11 fund balance.

A positive variance of \$0.5 million in expenses is projected in salaries and benefits (\$3.0 million) due to salary savings from turnover and managed vacancies and in services and supplies (\$2.0 million) savings mainly due to outsourcing of warehouse and auctioneering service.

A net negative revenue variance of \$0.7 million is projected. A negative revenue variance of \$1.2 million in charges in current services is based on the continuing reduced trend in countywide overall spending, offset by an increase of rebate revenues of \$5.0 million.

## **Other County Funds**

### *County of San Diego Redevelopment Agency*

A net positive variance of \$0.9 million is projected. Positive variances are projected for services and supplies (\$0.1 million) in the Upper San Diego River Improvement Project (USDRIP) area Capital Fund and in other charges (\$0.8 million) in both the USDRIP and Gillespie Field housing funds. Redevelopment agencies were eliminated in the Fiscal Year 2011-12 State budget but are permitted to continue in existence if the County elects to make special payments to the State of California. A court challenge has stayed the substantive measures of the legislation but no new commitments or expenditures are permitted until the court's decision. The projected expenditures are consistent with the legislation.

## **FINANCE AND GENERAL GOVERNMENT GROUP**

### **General Fund**

#### *Assessor/Recorder/County Clerk*

A positive variance of \$0.7 million is projected for the Assessor/Recorder/County Clerk in salaries and benefits due to departmental vacancies.

#### *Auditor and Controller*

A positive variance of \$1.7 million is projected for the Auditor and Controller.

A positive expenditure variance of \$1.7 million is projected. Salaries and benefits savings of \$1.4 million is projected due to staff vacancies and under-filled positions. Savings of \$0.3 million in services and supplies is primarily due to anticipated savings in contracted services based on current expenditure trends.

#### *County Counsel*

A net positive variance of \$0.4 million is projected for the Office of County Counsel.

A net positive expenditure variance of \$0.4 million is projected in salaries and benefits due to unanticipated retirements and unfilled vacancies, offset by a negative expenditure variance of \$0.1 million in costs applied to other departments due to lower than anticipated legal support staff services.

A positive revenue variance of \$0.1 million is projected in charges for current services due to increased workloads associated with the Air Pollution Control District, Department of General Services, and the Integrated Property Tax Services project. Partially offsetting revenue shortfalls are projected for Road Fund and Wastewater Management clients, and in advisory services for several other County departments.

#### *Human Resources*

A positive variance of \$0.5 million is projected for the Department of Human Resources.

The positive variance of \$0.3 million in salaries and benefits is primarily due to staff turnover and vacant positions. A positive variance of \$0.2 million in services and supplies is due to cancelled encumbrances.

#### *Treasurer/Tax Collector*

A positive variance of \$0.6 million is projected for the Treasurer-Tax Collector.

A positive expenditure variance of \$0.8 million is projected, including \$0.7 million in salaries and benefits due to vacancies and anticipated turnover and \$0.1 million in services and supplies due to departmental cost savings and improved efficiencies.

A negative revenue variance of \$0.2 million is projected primarily due to unrealized revenue for Other Assessments/Tax Collection. There has been a delay in the implementation of a fee ordinance passed in the prior fiscal year due to challenges in system development.

### **GENERAL PURPOSE REVENUE & COUNTYWIDE EXPENSES**

A net positive variance of \$37.2 million is projected for these two categories combined, comprised of an estimated additional \$10.4 million in General Purpose Revenue (GPR) compared to budget (\$974.8 million projected vs. \$964.4 million budgeted) and a \$26.8 million net positive variance in General County Expense activities. Moreover, it is important to note that while the projected amount of \$974.8 million is \$0.2 million above the actual GPR received in Fiscal Year 2010-11 (\$974.6 million), it is still \$8.5 million below the actual GPR received in Fiscal Year 2009-10 (\$983.3 million), \$45.6 million below the actual GPR received in Fiscal Year 2008-09 (\$1.02 billion), and \$15.1 million below the actual for Fiscal Year 2007-08 (\$989.9 million).

#### General Purpose Revenue

The U.S. economy is still recovering from the deep recession that began in December 2007 and ended 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, 2010 and 2011. 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, felt the impact of declining assessed values and weak construction activity. Fiscal Year 2010-11 showed marginal improvement in supplemental activity. Sales and Use Tax revenue, although a smaller percentage of the County's GPR, was impacted substantially by the year over year decline in retail sales activity. In 2010, sales and use tax revenue showed signs of recovery with year-over-year quarterly increases in all four quarters. This improvement has continued through the first two quarters of 2011. Further, 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 2011-12, the economic news continues to improve gradually slowly. Several

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 2010 and September 2011 was 10.2%, with a September 2011 rate of 9.7%. This compares to a State of California average unemployment rate of 12.1% for the same 12 month period, with a September 2011 rate of 11.4%.
- Unadjusted local point of sales tax revenues improved by 8.7% for the January through June 2011 period in the unincorporated area compared to the same time period in 2010. For that same time period, sales tax revenues improved at the statewide level by an estimated 9.0%, southern California region by 8.1% and San Diego regional level by 7.6%. This increase is attributed to the continuing overall recovery, which supports various economists' projections of a gradual recovery beginning in 2010 and continuing in 2011 and 2012.
- There are mixed signals in the housing market in the County:
  1. Minimal improvement in deeds recorded (up 0.1% for January through September 2011 compared to the same time period for 2010);
  2. Decline in median housing prices (down 4.7% in the San Diego region for September 2011 compared to September 2010);
  3. Decline in the number of homes sold for January through September 2011 compared to January through September 2010 (San Diego region down 5.3%);
  4. Improvement in notices of default (14.6% fewer for January through September 2011 compared to the same time period for 2010);
  5. Improvement in foreclosure activity (the number of foreclosures has decreased 10.5% for January through September 2011 compared to the same time period for 2010).

#### *Current Property Taxes – All Categories*

The three categories of Current Property Taxes combined are estimated to show a net negative variance to budget of \$2.8 million.

- *Property Taxes - Current Secured*

Current Secured Property Taxes are projected to be a net \$3.9 million lower than budget. Several factors play a part in the overall projection. The largest component leading to the lower than budgeted projection is due to roll corrections and refunds in the first quarter being projected to be significantly higher than the assumption used in preparing the budget. This change is based on an assessment of year-end activity and information available through apportionment three leading to the projection of refunds and corrections close to the Fiscal Year 2010-11 level with an estimated \$19.0 million in adjustments compared to a budgeted amount of \$5.8 million.

Offsetting a portion of the negative adjustment is the actual improvement in local secured assessed value. The budgeted current secured property taxes assumed a local secured assessed value decline of 0.5%, but the actual

assessed value (AV) actually improved by 0.46%. In addition, delinquency rates are anticipated to be better than budget based on Fiscal Year 2010-11 year-end experience and year-to-date trends. (Note: The 0.46% growth rate 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 29, 2011 of 0.51%, which includes all assessed value components - secured and unsecured).

- *Property Taxes - Current Supplemental*

Current Supplemental Property Taxes are projected to be \$1.4 million higher than the \$1.9 million that was budgeted. This projection is based on charges and collections through apportionment three and estimates related to new construction and anticipated low turnover rates through Fiscal Year 2011-12. In Fiscal Year 2010-11, these revenues totaled \$3.9 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 \$0.3 million below budget. At the time the budget was prepared, current unsecured property tax revenues were calculated using the assumption that the current unsecured roll would be flat. However, the current unsecured roll actually declined by 2.1%. 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.

- *Sales and Use Tax*

A positive revenue variance of \$1.2 million is projected for Sales and Use Tax revenue based on better than expected Fiscal Year 2010-11 year-end actuals, payments from the State through October 2011, and cautious estimates for anticipated revenue growth through the balance of Fiscal Year 2011-12.

- *Other Tax Aircraft Unsecured*

A negative revenue variance of \$0.9 million is estimated for Other Tax Aircraft Unsecured based on outstanding open charges, year-to-date collections, and recent trends.

- *Teeter Tax Reserve Excess*

The Teeter Tax Reserve Excess is estimated to be approximately \$9.6 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&T section 4703.2). The 2011 Teeter buy-out of \$58.4 million was lower than the 2010 Teeter buy-out of \$88.8. The 2009 Teeter buy-out amount was \$122.8 million. For Fiscal Year 2011-12, the reserve requirement is \$14.6 million, a \$7.6 million decrease from the Fiscal Year 2010-11 requirement of \$22.2 million. All penalty and interest collections in Fiscal Year 2011-12 will be in excess of the reserve requirement resulting in a one-time revenue surplus. The \$9.6 million positive projection is made as of apportionment three and is cautious given collection fluctuations that can occur during the rest of the year.

- *Property Tax in Lieu of VLF*  
Property Tax in Lieu of Vehicle License Fees (VLF) is projected to be \$2.4 million above the budgeted amount of \$302.2 million. The actual assessed value adjustment factor of 0.33% (which includes unsecured, local secured, current State non-unitary, and aircraft property tax components) for Fiscal Year 2011-12 is 0.81% better than the adjustment rate used to calculate the budgeted revenue (negative 0.48%).
- *Teeter Property Tax Prior Year and Cumulative Prior Years*  
A negative revenue variance of \$2.5 million is projected for collections from taxes receivable from the prior fiscal years because the delinquency rate in Fiscal Year 2010-11 was less than what was anticipated at the time the Fiscal Year 2011-12 budget was developed. The delinquency rate changes have led to continued declines in the Teeter buyout outlined in the Teeter Tax Reserve Excess above. 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 \$0.3 million higher than budget. Beginning in Fiscal Year 2009-10, the restructured cable and video licenses have been 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 \$0.3 million.

#### *Fines, Forfeitures and Penalties*

A net negative variance of \$0.2 million is projected. Penalties and Cost Delinquency Taxes are projected to be approximately \$0.3 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. In addition, other fees and fines are anticipated to be approximately \$0.1 million above budget based on current receipts and anticipated collections through year-end.

### *Revenue from Use of Money and Property*

A net negative variance of approximately \$3.5 million is projected. The first quarter interest rate was lower than what was estimated in the budget and the projected interest rate outlook for the balance of the fiscal year is anticipated to remain lower than what was budgeted. In addition, the premium amount received on the 2011 TRAN borrowing was \$1.4 million lower than what was received on the larger 2010 TRAN borrowing.

### *Intergovernmental Revenues*

A net positive variance of \$6.8 million is projected for intergovernmental revenues.

In July 2011, the State Controller's Office issued back payments for Vehicle License Fee Collection in Excess per R&T section 11001.5 2 b 1 for Fiscal Years 2006-07, 2007-08, 2008-09, and 2009-10. The County's share was \$5.5 million. Then in September 2011, the State Controller's Office issued the payment for Fiscal Year 2010-11, and the County's share was \$1.3 million. These payments were not budgeted. Although the funds had been on deposit in the State Treasury, no information had been provided as to the annual amounts in excess or timing of when these outstanding payments would be made.

### General County Expenses

#### *Cash Borrowing Program*

A positive expenditure variance of \$6.5 million is projected. The one-time savings is due lower borrowing costs associated with the issuance of the Tax and Revenue Anticipation Note (TRAN). The current low interest rate environment and the County's strong credit rating contributed to the lower cost of borrowing. The County's higher than expected year-end cash balance resulted in lower than anticipated amount to be borrowed for Fiscal Year 2011-12 which resulted in a lower than anticipated size of the TRAN. At the time the Fiscal Year 2011-12 budget was prepared, the size and terms of the TRAN borrowing had not been finalized.

#### *Contingency Reserve*

The entire \$20.0 million budgeted in the Contingency Reserve in Fiscal Year 2011-12 is expected to be unspent at year-end.

#### *Lease Payments*

A positive variance of \$0.3 million is projected from savings in lease payments made for the following financings; 1993 Master Refunding, 2005 North and East County Justice Facilities Refunding, 2009 Justice Facilities Refunding, and 2011 MTS Tower Refunding. Total lease payments were lower than budgeted for these financings due to interest credits being higher than anticipated, thereby reducing the net expense.

## **Internal Service Fund**

### *Public Liability Internal Service Fund*

A net positive variance of \$1.3 million is projected for the Public Liability Internal Service Fund.

A positive expenditure variance of \$2.0 million is projected primarily due to savings in settlements resulting from litigation delays of some high value cases that will be continued into the following fiscal year. The projected savings in settlements are partially offset by a negative expenditure variance of \$0.7 million made to defend several high profile litigation cases, including construction design, federal condemnation, and wildfire cases.

**FY 2011-2012 1st Quarter  
Projected Year-End Results**

(in thousands)

**COUNTY SUMMARY**

	Expenditure Variance	Revenue Variance	1st Quarter FY11-12 Projected Fund Balance
	Favorable/(Unfavorable)		
<b>General Fund</b>			
Public Safety	\$ 18,951	\$ (6,044)	\$ 12,907
Health & Human Services Agency	129,638	(90,606)	39,031
Land Use & Environment	10,019	(2,422)	7,597
Community Services	20,157	(9,491)	10,666
Finance & General Government	4,590	(38)	4,552
<b>Total Agency/Group</b>	<b>183,354</b>	<b>(108,601)</b>	<b>74,753</b>
General Purpose Revenue	0	10,435	10,435
Finance Other	26,787	(22)	26,765
<b>Total General Fund</b>	<b>\$ 210,141</b>	<b>\$ (98,188)</b>	<b>\$ 111,953</b>
<b>Special Revenue Funds</b>			
Public Safety	\$ 609	\$ 11,236	\$ 11,845
Health & Human Services Agency	3,120	0	3,120
Land Use & Environment	3,475	(1,092)	2,383
Community Services	2,176	(466)	1,710
<b>Total Special Revenue Funds</b>	<b>\$ 9,381</b>	<b>\$ 9,677</b>	<b>\$ 19,058</b>
<b>Capital Program</b>			
Finance Other	\$ 218	\$ (31)	\$ 187
<b>Internal Service Funds Departments</b>			
Public Safety Group	\$ 10	\$ 0	\$ 10
Health & Human Services Agency	0	0	0
Land Use & Environment	790	(777)	14
Community Services	22,784	(21,642)	1,142
Finance & General Government	0	0	0
Finance Other	1,260	0	1,260
<b>Total Internal Service Funds</b>	<b>\$ 24,845</b>	<b>\$ (22,418)</b>	<b>\$ 2,426</b>
<b>Enterprise Fund Departments</b>			
Land Use & Environment	\$ 260	\$ (22)	\$ 238
<b>Special District Funds Departments</b>			
Public Safety Group	\$ 0	\$ 0	\$ 0
Health & Human Services Agency	0	398	398
Land Use & Environment	1,336	15	1,351
<b>Total Special District Funds</b>	<b>\$ 1,336</b>	<b>\$ 413</b>	<b>\$ 1,749</b>
<b>Other County Funds Departments</b>			
LUEG - Debt. Svc. Local Boards	\$ 0	\$ 0	\$ 0
Community Svcs. - Redevelopment Agencies	881	(35)	846
Finance Other - Majestic Pines	0	0	0
<b>Total Other County Funds</b>	<b>\$ 881</b>	<b>\$ (35)</b>	<b>\$ 846</b>
Debt Service - Pension Obligation Bonds	\$ 2	\$ 0	\$ 2
<b>Total County Projected Operating Balance</b>	<b>\$ 247,063</b>	<b>\$ (110,604)</b>	<b>\$ 136,459</b>

**FY 2011-2012 1st Quarter  
Projected Year-End Results**

(in thousands)

**PUBLIC SAFETY GROUP**

Expenditure Variance	Revenue Variance	1st Quarter FY11-12 Projected Fund Balance
Favorable/(Unfavorable)		

**General Fund Departments**

Child Support	\$ 1,373	\$ (1,163)	\$ 210
Contributions for Trial Courts	0	0	0
Defense Attorney Contract Admin.	0	0	0
District Attorney	4,859	(926)	3,933
Emergency Services	372	32	404
Law Enforcement Review Board	59	0	59
Medical Examiner	159	0	159
Probation	1,278	(1,080)	198
Public Defender	1,555	860	2,415
Public Safety Executive Office	155	1,847	2,002
San Diego County Fire Authority	4,815	(3,799)	1,015
Sheriff	4,326	(1,815)	2,511
<b>Total General Fund</b>	<b>\$ 18,951</b>	<b>\$ (6,044)</b>	<b>\$ 12,907</b>

**Special Revenue Funds Departments**

District Attorney (Asset Forfeiture - State & Federal)	0	0	0
Probation - Asset Forfeiture	0	0	0
Probation - Inmate Welfare Program	0	0	0
Sheriff - Asset Forfeiture	0	0	0
Sheriff - Inmate Welfare Program	609	731	1,341
Public Safety - Proposition 172	0	10,504	10,504
<b>Total Special Revenue Funds</b>	<b>609</b>	<b>11,236</b>	<b>11,845</b>

**Internal Service Funds Departments**

Probation	0	0	0
Sheriff(Jail Stores)	10	0	10
<b>Total Internal Service Funds</b>	<b>10</b>	<b>0</b>	<b>10</b>

**Special District Funds**

Sheriff (Regional 800 MHz)	0	0	0
County Service Area	0	0	0
<b>Total Group Projected Fund Balance</b>	<b>\$ 19,571</b>	<b>\$ 5,192</b>	<b>\$ 24,762</b>

**FY 2011-2012 1st Quarter  
Projected Year-End Results**

(in thousands)

**HEALTH & HUMAN SERVICES AGENCY**

Expenditure Variance	Revenue Variance	1st Quarter FY11-12 Projected Fund Balance
Favorable/(Unfavorable)		

**General Fund Programs**

Administrative Support	\$ 33,141	\$ (2,501)	\$ 30,639
Aging & Independence Services	9,035	(7,093)	1,942
Behavioral Health Services	40,948	(40,948)	0
Child Welfare Services	26,026	(21,850)	4,176
Public Administrator/Public Guardian	118	0	118
Public Health Services	238	(154)	85
Regional Operations	19,178	(17,106)	2,072
Strategic Planning & Operational Support	954	(954)	0
<b>Total General Fund</b>	<b>\$ 129,638</b>	<b>\$ (90,606)</b>	<b>\$ 39,031</b>

**Special Revenue Funds**

Tobacco Securitization Fund	<u>3,120</u>	<u>0</u>	<u>3,120</u>
<b>Total Special Revenue Funds</b>	<b><u>3,120</u></b>	<b><u>0</u></b>	<b><u>3,120</u></b>

**Internal Service Funds**

DMI-Working Capital( Edgemoor Hospital)	0	0	0
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**Special District Funds Departments**

Ambulance Districts	0	398	398
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<b>Total Health &amp; Human Services Agency</b>	<b><u>\$ 132,758</u></b>	<b><u>\$ (90,208)</u></b>	<b><u>\$ 42,549</u></b>
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**FY 2011-2012 1st Quarter  
Projected Year-End Results**

(in thousands)

**LAND USE & ENVIRONMENT GROUP**

Expenditure Variance	Revenue Variance	1st Quarter FY11-12 Projected Fund Balance
Favorable/(Unfavorable)		

**General Fund Departments**

Agriculture, Weights & Measures	\$ 636	\$ 80	\$ 716
Environmental Health	3,444	(341)	3,103
Land Use & Environment Group Exec Office	256	0	256
Parks & Recreation	(3)	3	0
Planning & Land Use	5,684	(2,163)	3,521
Public Works	\$ 0	\$ 0	\$ 0
<b>Total General Fund</b>	<b>\$ 10,019</b>	<b>\$ (2,422)</b>	<b>\$ 7,597</b>

**Special Revenue Funds Departments**

A, W & M (Grazing and Fish & Game Commission)	0	0	0
Parks & Recreation - PLDO	0	229	229
DPW - Aviation Funds	0	0	0
DPW - Road Funds	2,429	(279)	2,150
DPW - Inactive Waste	1,046	(1,042)	4
<b>Total Special Revenue Funds</b>	<b>3,475</b>	<b>(1,092)</b>	<b>2,383</b>

**Internal Service Funds Departments**

Public Works - DPW Equip. ISF Prg. (35525-35700)	790	(777)	14
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**Enterprise Funds Departments**

Airport Enterprise Fund	30	(22)	7
Liquid Waste Enterprise Fund	230	0	230
<b>Total Enterprise Funds:</b>	<b>260</b>	<b>(22)</b>	<b>238</b>

**Special District Funds Departments**

Air Pollution Control District	1,336	15	1,351
Parks and Recreation	0	0	0
Planning and Land Use - CSAs	0	0	0
DPW - Sanitation Districts & Sewer Maintenance	0	0	0
DPW - CSAs	0	0	0
DPW - PRDs	0	0	0
DPW - Flood Control	0	0	0
DPW - Street Lighting Districts	0	0	0
<b>Total Special Districts Funds:</b>	<b>1,336</b>	<b>15</b>	<b>1,351</b>

**Other County Funds Departments**

Debt Service-Local Boards	0	0	0
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<b>Total Land Use &amp; Environment Group</b>	<b>\$ 15,880</b>	<b>\$ (4,298)</b>	<b>\$ 11,582</b>
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**FY 2011-2012 1st Quarter  
Projected Year-End Results**

(in thousands)

**COMMUNITY SERVICES GROUP**

Expenditure Variance	Revenue Variance	1st Quarter FY11-12 Projected Fund Balance
Favorable/(Unfavorable)		

**General Fund Departments**

Animal Services	\$ 252	\$ 2	\$ 254
Community Services Group Exec Office	3,385	0	3,385
General Services	0	0	0
Housing & Community Development	9,920	(9,493)	427
Purchasing & Contracting	0	0	0
Library Services	0	0	0
Registrar of Voters	6,600	0	6,600
<b>Total General Fund</b>	<b>\$ 20,157</b>	<b>\$ (9,491)</b>	<b>\$ 10,666</b>

**Special Revenue Funds Departments**

Library Services	2,176	(466)	1,710
Housing & Community Development	0	0	0
<b>Total Special Revenue Funds</b>	<b>2,176</b>	<b>(466)</b>	<b>1,710</b>

**Internal Service Funds Departments**

Facilities Management	4,072	(3,686)	387
Major Maintenance ISF	11,911	(11,911)	0
Fleet Management	6,307	(5,370)	937
Purchasing & Contracting	493	(674)	(182)
<b>Total Internal Service Funds</b>	<b>22,784</b>	<b>(21,642)</b>	<b>1,142</b>

**Other County Funds Departments**

Redevelopment Agency	881	(35)	846
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**Total Community Services Group**

<b>\$ 45,999</b>	<b>\$ (31,635)</b>	<b>\$ 14,364</b>
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**FY 2011-2012 1st Quarter  
Projected Year-End Results**

(in thousands)

**FINANCE & GENERAL GOVERNMENT  
GROUP**

Expenditure Variance	Revenue Variance	1st Quarter FY11-12 Projected Fund Balance
Favorable/(Unfavorable)		

**General Fund Departments**

Assessor/Recorder/County Clerk	\$ 740	\$ 0	\$ 740
Auditor & Controller	1,681	(30)	1,651
Board of Supervisors	132	0	132
Chief Administrative Officer	125	0	125
Civil Service Commission	2	0	2
Clerk of the Board of Supervisors	107	138	245
County Communications Office	158	0	158
County Counsel	295	72	367
County Technology Office	0	0	0
Finance & GG Exec Office	0	0	0
Grand Jury	43	0	43
Human Resources	511	(10)	501
Treasurer-Tax Collector	796	(208)	588
<b>Total General Fund</b>	<b>\$ 4,590</b>	<b>\$ (38)</b>	<b>\$ 4,552</b>

**Internal Service Funds Departments**

CTO - Information Technology	0	0	0
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**Total Finance & General  
Government Group**

<b>\$ 4,590</b>	<b>\$ (38)</b>	<b>\$ 4,552</b>
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**FY 2011-2012 1st Quarter  
Projected Year-End Results**

(in thousands)

**GENERAL PURPOSE REVENUE &  
FINANCE OTHER**

Expenditure Variance	Revenue Variance	1st Quarter FY11-12 Projected Fund Balance
Favorable/(Unfavorable)		

**General Fund**

General Purpose Revenue:

All Current Property Taxes	\$ 0	\$ (2,814)	\$ (2,814)
All Other Taxes-Local	0	9,840	\$ 9,840
Licenses, Permits & Franchises	0	273	\$ 273
Fines, Forfeitures & Penalties	0	(237)	\$ (237)
Revenue for Use of Money & Property	0	(3,447)	\$ (3,447)
Intergovernmental Revenue	0	6,819	\$ 6,819
Charges for Current Services	0	0	\$ 0
Miscellaneous Revenue	0	0	\$ 0
<b>Total General Purpose Revenue</b>	<b>\$ 0</b>	<b>\$ 10,435</b>	<b>\$ 10,435</b>

General County Expenses:

Cash Borrowing Program	\$ 6,500	\$ 0	\$ 6,500
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	287	(22)	265
Contributions to Library Fund	0	0	0
Local Agency Formation Comm Admin	0	0	0
Neighborhood Reinvestment Program	0	0	0
Countywide Expenses	0	0	0
Total Finance Other Expenses	\$ 26,787	\$ (22)	\$ 26,765
<b>Total General Fund</b>	<b>\$ 26,787</b>	<b>\$ 10,414</b>	<b>\$ 37,200</b>

**Capital Program Funds**

Capital Program	\$ 218	\$ (31)	\$ 187
<b>Total Capital Program Funds</b>	<b>\$ 218</b>	<b>\$ (31)</b>	<b>\$ 187</b>

**Internal Service Funds Departments**

Workers Compensation	\$ 0	\$ 0	\$ 0
Unemployment Insurance	0	0	0
Public Liability	1,260	0	1,260
<b>Total ISF Funds</b>	<b>1,260</b>	<b>0</b>	<b>1,260</b>

**Other County Funds Departments**

Majestic Pines	\$ 0	\$ 0	\$ 0
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**Debt Service Funds Departments**

Pension Obligation Bonds	\$ 2	\$ 0	\$ 2
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**Total General Purpose Revenue & Finance  
Other**

<b>\$ 28,266</b>	<b>\$ 10,383</b>	<b>\$ 38,649</b>
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**FY 2011-2012 1st Quarter  
Projected Year-End Results**  
(in thousands)

Category	Projected Management & Contingency Reserves	Projected Operating Balances	1st Quarter FY11-12 Projected Fund Balance
	Favorable/(Unfavorable)		
<b>General Fund</b>			
Public Safety	\$ 0	\$ 12,907	\$ 12,907
Health and Human Services Agency	20,000	19,031	39,031
Land Use and Environment	0	7,597	7,597
Community Services	3,250	7,416	10,666
Finance & General Government	0	4,552	4,552
<b>Agency/Group Totals</b>	<b>\$ 23,250</b>	<b>\$ 51,503</b>	<b>\$ 74,753</b>
General Purpose Revenue	0	10,435	10,435
General County Expenses	0	6,765	6,765
Contingency Reserve	20,000	0	20,000
<b>Total Gen'l. Purpose Rev. &amp; Gen'l. County Exp.</b>	<b>\$ 20,000</b>	<b>\$ 17,200</b>	<b>\$ 37,200</b>
<b>Total General Fund</b>	<b>\$ 43,250</b>	<b>\$ 68,703</b>	<b>\$ 111,953</b>



# 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 6, 2011

# SA01

**TO:** Board of Directors, San Diego County Sanitation District

**SUBJECT:** FISCAL YEAR 2011-12 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICT: ALL)

### SUMMARY:

#### Overview

This letter recommends budget adjustments in the San Diego County Sanitation District for Capital Improvement Project 1015895, Rancho del Campo Water Treatment Plant Improvement project and to establish new appropriations for Capital Improvement Project 1015303, Los Coches Creek Sewer Improvements Manholes 10-17.

#### Recommendation(s)

##### **CHIEF ADMINISTRATIVE OFFICER**

1. Transfer appropriations of \$377,000 within the San Diego County Sanitation District from services and supplies to Capital Improvement Project 1015895, Rancho del Campo Water Treatment Plant Improvement project for project costs.
2. Establish appropriations of \$550,059 in the Lakeside Sanitation District, Operating Transfer Out, to provide funding for Capital Improvement Project 1015303, Los Coches Creek Sewer Improvements Manholes 10-17 based on fund balance available. **(4 VOTES)**
3. Establish appropriations of \$550,059 in the San Diego County Sanitation District for Capital Improvement Project 1015303, Los Coches Creek Sewer Improvements Manholes 10-17, based on an Operating Transfer In from the Lakeside Sanitation District. **(4 VOTES)**

#### Fiscal Impact

Funds for these requests are partially included in the Fiscal Year 2011-12 Operational Plan in the San Diego County Sanitation District. If approved, this request will result in costs and revenue of \$927,059 in Fiscal Year 2011-12. The funding sources will be \$377,000 within the San Diego County Sanitation District and \$550,059 of fund balance available in the Lakeside Sanitation District.

#### Business Impact Statement

**SUBJECT:** FISCAL YEAR 2011-12 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICT: ALL)

N/A

**Advisory Board Statement**

N/A

**BACKGROUND:**

**Recommendation 1**

This request to transfer appropriations will correct the budget for Rancho Del Campo Water Treatment Plant Improvement project. Staff support for project review and inspection and consultant costs for technical review for electrical submittal is anticipated in the current year for the Rancho del Campo Water Treatment Plant Improvement project. Savings from major maintenance were identified to keep this project on schedule.

**Recommendations 2 & 3**

This request to increase appropriations by \$550,059 is a technical adjustment. Funds were inadvertently not carried forward for the approved construction contract for the Los Coches Creek Sewer Improvements Manholes 10-17 project. This technical adjustment will align appropriations with expected expenditures by establishing appropriations in the newly formed San Diego County Sanitation District based on an Operating Transfer from the Lakeside Sanitation District.

**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 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)**

N/A

**SUBJECT:** FISCAL YEAR 2011-12 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 2, 2011 (17) County of San Diego Fiscal Year 2011-12 Adopted Budget Resolution for Family of Funds, Enterprise Funds and Internal Services Funds, Prior Year Encumbrances and Penalty Assessment Resolution

**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):**

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