



COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

GREG COX
First District

DIANNE JACOB
Second District

DAVE ROBERTS
Third District

RON ROBERTS
Fourth District

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Fifth District

DATE: December 13, 2016

26

TO: Board of Supervisors

SUBJECT: FISCAL YEAR 2016-17 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENT (DISTRICTS: ALL)

Overview

This report summarizes the status of the County's Fiscal Year 2016-17 Operational Plan, as measured by projected year-end fund balance from current year operations. The projected year-end balance for the General Fund is \$120.8 million, and for all budgetary funds combined is \$129.6 million. In the General Fund, positive balances are projected for all five business groups. The projected fund balance anticipates that management and contingency reserves are not used and that General Purpose Revenue will perform better than estimated in the Fiscal Year 2016-17 Adopted Operational Plan. This letter also recommends budget adjustments to make resource reallocations to fund one-time projects and to align the budget with anticipated actuals.

In the Public Safety Group (PSG), recommendations include appropriations adjustments in the Sheriff's Department for adjustments to grant funding sources including the High Intensity Drug Trafficking Areas (HIDTA) program and Organized Crime Drug Enforcement Task Force (OCDETF), to the County Local Revenue Fund 2011, Community Corrections Subaccount to align the budget with anticipated actuals, for the purchase of Sheriff vehicles, and for radio dispatch console costs for the Regional Communication System (RCS) Upgrade; an increase to the Sheriff Capital Projects Fund Balance Commitment for helicopter services; in the Public Safety Group Executive Office for the Next Generation RCS; in the San Diego County Fire Authority for additional firefighters and major maintenance improvements for County Service Area 135, to purchase fire apparatus, and to improve information technology and emergency communication center dispatch consoles.

In the Health and Human Services Agency (HHS), there is an appropriation adjustment for North Inland Crisis Residential Facility abatement and demolition costs.

In the Land Use and Environment Group (LUEG), recommendations include appropriations adjustments in the Parks and Recreation Department for habitat restoration and environmental mitigation costs at various Tijuana River Valley trail segments, extension of utility lines for new camping cabins at Dos Picos County Park, obtaining an encroachment permit and installing fencing at San Luis Rey SR 76 Right of Way Trail Middle Portion, major maintenance

SUBJECT: FISCAL YEAR 2016-17 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENT (DISTRICTS: ALL)

improvements at San Dieguito County Park, ongoing habitat restoration activities in the Tijuana River Valley Regional Park; in the Department of Public Works for the Rancho Del Campo Water Fund, fire services within Harmony Grove Village provided by the Rancho Santa Fe Fire Protection District, the construction of sidewalks and other pedestrian-related improvements at various locations identified by the pedestrian gap analysis project, the San Vicente Road Improvement project; in the Planning and Development Services for the Building Reserve Fund Balance Commitment, and addition of 19 staff years to support Planning and Development Services.

In the Community Services Group (CSG), there is an appropriation adjustment in the Registrar of Voters Department for temporary labor and election supplies; and in the County Library Fund for the Library Services and Technology Act grant project and Imperial Beach Library capital project for information technology site installation costs.

In the Finance and General Government Group (FGG), there are appropriations adjustments in the District Offices for miscellaneous one-time expenses; in the Clerk of the Board to rebudget appropriations for a passport services queuing system; and in the Auditor and Controller to rebudget appropriations for a cashiering system.

In the Capital Program, there is an appropriation adjustment in the Justice Facility Construction Fund to properly account for radio dispatch console costs for the RCS Upgrade and in the County Health Complex Fund for North Inland Crisis Residential Facility abatement and demolition costs.

Recommendation(s)

CHIEF ADMINISTRATIVE OFFICER

1. Accept the Fiscal Year 2016-17 first quarter report on projected year-end results.
2. Authorize the Auditor & Controller to increase the Fund Balance Commitment for the Sheriff Capital Projects within the General Fund by \$270,398 based on available prior year Public Safety Group General Fund fund balance. **(4 VOTES)**
3. Establish appropriations of \$131,994 in the Sheriff's Department, Salaries & Benefits (\$25,000) for overtime, and Services & Supplies (\$106,994), for the High Intensity Drug Trafficking Areas (HIDTA) program activities based on unanticipated HIDTA revenue from the San Diego/Imperial Valley Southwest Border HIDTA. **(4 VOTES)**
4. Establish appropriations of \$120,000 in the Sheriff's Department, Services & Supplies, for the Organized Crime Drug Enforcement Task Force (OCDETF), based on unanticipated revenue from the Federal OCDETF passed through the Federal Bureau of Investigation. **(4 VOTES)**
5. Cancel appropriations of \$189,812 in the Sheriff's Department, Salaries & Benefits (\$170,105) and Services & Supplies (\$19,707), and related revenue from the State of California, Local Revenue Fund 2011 allocated to the County Local Revenue Fund 2011,

SUBJECT: FISCAL YEAR 2016-17 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENT (DISTRICTS: ALL)

Community Corrections Subaccount, to align the budget with anticipated actuals.

6. Transfer appropriations of \$443,950 from the Sheriff's Department, Capital Assets Equipment, to the General Fund Contributions to Fleet Internal Service Fund (ISF), Operating Transfer Out, for the purchase of various Sheriff's vehicles. **(4 VOTES)**
7. Amend the Fiscal Year 2016–17 Department of General Services Fleet Internal Service Fund (ISF) Spending Plan by \$443,950 to provide funding for the purchase of various vehicles for the Sheriff's Department based on an Operating Transfer In from the General Fund. **(4 VOTES)**
8. Cancel appropriations of \$2,493,053 and related Operating Transfer In from the General Fund in the Justice Facility Construction Fund for Capital Project 1019587, Regional Communications System Upgrade, to properly record non-capital related P25 compliant radio dispatch console costs.
9. Transfer appropriations of \$2,493,053 from the Contributions to Capital Outlay Fund, Operating Transfer Out, to the Sheriff's Department, Services & Supplies, to properly account for radio dispatch console costs for the Regional Communication System Upgrade.
10. Establish appropriations of \$3,670,000 in the Public Safety Group Executive Office, Services & Supplies, to transfer funds to the Regional Communication System Replacement Trust Fund from the Joint Powers Agreement with the State of California, Department of Transportation for the Next Generation Regional Communications System based on available prior year Public Safety Group General Fund fund balance. **(4 VOTES)**
11. Establish appropriations of \$3,428,173 in the San Diego County Fire Authority, Services & Supplies, for contracted services to provide additional career firefighters and fire station facility major maintenance improvements to support fire services in County Service Area 135 based on available prior year Public Safety Group General Fund fund balance. **(4 VOTES)**
12. Amend the Fiscal Year 2016-17 Department of General Services Major Maintenance ISF spending plan by \$1,628,173, Services & Supplies, based on charges to client departments for station improvements at the Descanso Fire Station and facility improvements at various fire stations. **(4 VOTES)**
13. Establish appropriations of \$570,610 in the San Diego County Fire Authority, Capital Assets Equipment, for the purchase of fire apparatus based on unanticipated revenue from the Community Development Block Grant. **(4 VOTES)**
14. Establish appropriations of \$743,750 in the San Diego County Fire Authority, Services & Supplies (\$427,350) and Fixed Assets (\$316,400), for information technology and emergency communication center dispatch consoles based on unanticipated revenue from the Jamul Indian Village agreement. **(4 VOTES)**

SUBJECT: FISCAL YEAR 2016-17 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENT (DISTRICTS: ALL)

15. Cancel appropriations of \$8,383.15 and related Operating Transfer In from General Fund in the Capital Outlay Fund for Capital Project 1017611, Tijuana River Valley Regional North East Trail Connection, to fund non-capital expenses including habitat restoration and environmental mitigation required as part of trail construction.
16. Transfer appropriations of \$8,383.15 from Contributions to Capital Outlay Fund, Operating Transfer Out, to the Department of Parks and Recreation, Services & Supplies, to fund habitat restoration and environmental mitigation required as part of trail construction.
17. Cancel appropriations of \$18,305.92 and related Operating Transfer In from General Fund in the Capital Outlay Fund for Capital Project 1018182, Tijuana River Valley Regional Park Interpretive Trail Loop, to fund non-capital expenses including habitat restoration and environmental mitigation required as part of trail construction.
18. Transfer appropriations of \$18,305.92 from Contributions to Capital Outlay Fund, Operating Transfer Out, to the Department of Parks and Recreation, Services & Supplies, to fund habitat restoration and environmental mitigation required as part of trail construction.
19. Cancel appropriations of \$916,235.38 and related revenue in the Capital Outlay Fund for Capital Project 1018196, Tijuana River Valley Regional Trail Construction, to fund non-capital expenses including habitat restoration and environmental mitigation required as part of trail construction.
20. Cancel appropriations of \$409,728.73 and related revenue in the Capital Outlay Fund for Capital Project 1018372, Tijuana River Valley South West Trail Construction, to fund non-capital expenses including habitat restoration and environmental mitigation required as part of trail construction.
21. Cancel appropriations of \$552,142.10 and related revenue in the Capital Outlay Fund for Capital Project 1018373, Tijuana River Valley Mesa Trail Construction, to fund non-capital expenses including habitat restoration and environmental mitigation required as part of trail construction.
22. Establish appropriations of \$1,878,019.22 in the Department of Parks and Recreation, Services & Supplies, to fund habitat restoration and environmental monitoring required as part of trail construction of the various Tijuana River Valley trail segments, based on unanticipated revenue from the Department of Parks and Recreation Trust Fund (\$1,206,640.94), California Coastal Conservancy (\$160,441.58), Wildlife Conservation Board (\$303,621.01) and Land and Water Conservation Fund (\$207,315.69). **(4 VOTES)**
23. Transfer appropriations of \$100,000 from the Department of Parks and Recreation, Services & Supplies, to the Contributions to Capital Outlay Fund, Operating Transfer

SUBJECT: FISCAL YEAR 2016-17 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENT (DISTRICTS: ALL)

Out, to fund the extension of utility lines for new camping cabins at Dos Picos County Park. **(4 VOTES)**

24. Establish appropriations of \$100,000 in the Capital Outlay Fund for Capital Project 1019566, Dos Picos Cabins, to fund the extension of utility lines to the new cabin locations, based on an Operating Transfer In from the General Fund. **(4 VOTES)**
25. Cancel appropriations of \$127,508.60 and related Operating Transfer In from the General Fund (\$14,512.79) and revenue in the Capital Outlay Fund (\$112,995.81) for Capital Project 1007108 San Luis Rey River Acquisition, to provide funding for development plans, specifications and construction estimates to obtain an encroachment permit and install fencing along the trail.
26. Establish appropriations of \$127,508.60 in the Capital Outlay Fund for Capital Project 1020262, San Luis Rey SR 76 Right of Way Trail Middle Portion, for development plans, specifications and construction estimates to obtain an encroachment permit and to install fencing along the trail based on unanticipated revenue from the Department of Parks and Recreation Trust Fund (\$112,995.81) and Operating Transfer In from the General Fund (\$14,512.79). **(4 VOTES)**
27. Transfer appropriations of \$80,000 within the County Service Area 83 San Dieguito Local Park Fund, Services & Supplies, to Operating Transfer Out to provide funding for major maintenance improvements to repave and restripe lower parking lot and for removal and replacement of tree and curb stops at San Dieguito County Park. **(4 VOTES)**
28. Establish appropriations of \$80,000 in the Department of Parks and Recreation, Services & Supplies, to fund major maintenance improvements to repave and restripe lower parking lot and for removal and replacement of tree and curb stops at San Dieguito County Park, based on an Operating Transfer In from the County Service Area 83 San Dieguito Local Park Fund. **(4 VOTES)**
29. Establish appropriations of \$494,920 in the Department of Parks and Recreation, Services & Supplies, to supplement ongoing habitat restoration activities in the Tijuana River Valley Regional Park, based on unanticipated revenue from California River Parkways. **(4 VOTES)**
30. Rescind the establishment of appropriations of \$35,000 in the Department of Public Works (DPW) Rancho Del Campo Water Fund for the relocation of the electrical feed for Rancho del Campo potable water well #4 as approved by your Board on July 19, 2016 (11), Recommendation 5.
31. Establish appropriations of \$35,000 in the Department of Public Works General Fund, Operating Transfer Out for the relocation of the electrical feed for Rancho del Campo water well #4 based on available prior year Land Use and Environment Group General Fund fund balance. **(4 VOTES)**

SUBJECT: FISCAL YEAR 2016-17 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENT (DISTRICTS: ALL)

32. Establish appropriations of \$35,000 in the Rancho Del Campo Water Fund, Services & Supplies, for the relocation of the electrical feed for Rancho del Campo potable water well #4 based on Operating Transfer In from the General Fund. **(4 VOTES)**
33. Establish appropriations of \$133,613 in the Fire Protection – Harmony Grove Fund, Services & Supplies, for fire services within Community Facilities District No. 2008-01 (Harmony Grove Village) provided by the Rancho Santa Fe Fire Protection District based on Special Tax B revenues. **(4 VOTES)**
34. Transfer appropriations of \$1,000,000 within the Department of Public Works General Fund, Services & Supplies, to Operating Transfer Out for the construction of sidewalks and other pedestrian-related improvements at various locations identified by the pedestrian gap analysis project. **(4 VOTES)**
35. Establish appropriations of \$1,000,000 in the Department of Public Works Road Fund, Services & Supplies, for the implementation of the pedestrian gap analysis project based on an Operating Transfer In from the General Fund. **(4 VOTES)**
36. Establish appropriations of \$452,000 in the Department of Public Works Road Fund, Services & Supplies, for the San Vicente Road Improvements project, based on unanticipated revenue from TransNet. **(4 VOTES)**
37. Authorize the Auditor and Controller to increase the Planning & Development Services Building Reserve fund balance commitment within the General Fund by \$484,760 based on available prior year Land Use and Environmental Group General Fund fund balance. **(4 VOTES)**
38. Approve the request to add 19 staff years to support increased workload for private land development activities in Planning & Development Services, and direct the Department of Human Resources to classify the positions at the appropriate level.
39. Establish appropriations of \$1,072,121 in the Department of Planning & Development Services, Salaries & Benefits, based on available prior year General Fund fund balance (\$1,015,761) and revenue from Service to Property Owners – Permit Revenue (\$56,360) to fund an additional 19 staff years to support increase workload for private land development activities in Planning & Development Services in Fiscal Year 2016-17. **(4 VOTES)**
40. Transfer appropriations of \$400,000 from the Health and Human Services Agency, Services & Supplies, to the Contributions to Capital Outlay Fund, Operating Transfer Out, for Capital Project 1019395, North Inland Crisis Residential Facility for abatement and demolition costs. **(4 VOTES)**
41. Establish appropriations of \$400,000 in the County Health Complex Fund for Capital Project 1019395, North Inland Crisis Residential Facility, based on an Operating Transfer In from the General Fund for abatement and demolition costs. **(4 VOTES)**

SUBJECT: FISCAL YEAR 2016-17 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENT (DISTRICTS: ALL)

42. Establish appropriations of \$2,700,000 in the Registrar of Voters Department, Salaries & Benefits (\$1,500,000), Services & Supplies (\$1,157,000), and Fixed Assets (\$43,000) for unanticipated temporary labor, translation, printing and mailing costs, and procurement of three sheet counters related to the two-card ballot, based on election and recovered expenditure revenue. **(4 VOTES)**
43. Establish appropriations of \$35,000 in the County Library Fund, Services & Supplies, for the Library Services and Technology Act grant project based on a grant from the California State Library. **(4 VOTES)**
44. Transfer appropriations of \$122,720 within the County Library Fund, Services & Supplies, to Operating Transfer Out, for Capital Project 1018191, Imperial Beach Library for information technology site installation costs. **(4 VOTES)**
45. Establish appropriations of \$122,720 in the Library Projects Capital Outlay Fund for Capital Project 1018191, Imperial Beach Library, based on an Operating Transfer In from the County Library Fund for information technology site installation costs. **(4 VOTES)**
46. Establish appropriations of \$200,000 in Board of Supervisors District 1, Services & Supplies, for one-time expenses based on available prior year Finance and General Government Group General Fund fund balance. **(4 VOTES)**
47. Establish appropriations of \$18,982 in Board of Supervisors District 2, Services & Supplies, for one-time expenses based on available prior year Finance and General Government Group General Fund fund balance. **(4 VOTES)**
48. Establish appropriations of \$200,000 in Board of Supervisors District 3, Services & Supplies, for one-time expenses based on available prior year Finance and General Government Group General Fund fund balance. **(4 VOTES)**
49. Establish appropriations of \$200,000 in Board of Supervisors District 4, Services & Supplies, for one-time expenses based on available prior year Finance and General Government Group General Fund fund balance. **(4 VOTES)**
50. Establish appropriations of \$200,000 in Board of Supervisors District 5, Services & Supplies, for one-time expenses based on available prior year Finance and General Government Group General Fund fund balance. **(4 VOTES)**
51. Establish appropriations of \$58,000 in the Clerk of the Board of Supervisors, Services & Supplies, to implement a new passport services customer queuing system based on available prior year Finance and General Government Group General Fund fund balance. **(4 VOTES)**
52. Establish appropriations of \$900,000 in the Auditor and Controller, Services & Supplies,

SUBJECT: FISCAL YEAR 2016-17 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENT (DISTRICTS: ALL)

for a cashiering system upgrade in the Office of Revenue and Recovery based on available prior year Finance and General Government Group General Fund fund balance.
(4 VOTES)

Fiscal Impact

Funds for a portion of these requests are not included in the Fiscal Year 2016-17 Operational Plan. If approved, these actions will result in a net increase in appropriations of \$10,128,636 in the General Fund. The funding sources include San Diego/Imperial Valley Southwest Border HIDTA, Organized Crime Drug Enforcement Task Force, Community Development Block Grant, Jamul Indian Village, Department of Parks and Recreation Trust Fund, California River Park, Recovered Expenses related to AB 120 and Election Services, Operating Transfers from the Library Fund, Operating Transfers from the General Fund based on Program Revenue, General Purpose Revenue and available prior year General Fund fund balance. These recommendations will result in 19 additional staff years, reinstating previously defunded positions in the Department of Planning & Development Services.

In all other funds combined, these actions will result in a net decrease in appropriations of \$540,792. The funding sources are Operating Transfers 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 \$120.8 million. This projected one-time resource is a combination of anticipated year-end General Purpose Revenue (GPR) greater than budget by \$29.6 million along with a net positive variance of \$46.6 million from operations and a positive variance of \$44.6 million in unspent contingency and management reserves. The projected \$29.6 million in anticipated GPR is primarily due to higher than expected property tax revenue resulting from an increase in assessed value (AV); an increase in former redevelopment project area tax increment pass-through revenues received from the cities of National City and Vista, as well as one time residual balances generated from the dissolution of redevelopment agencies.

The projected balance for all other funds combined is \$8.8 million. Schedule A summarizes the fund balance projection by business 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 business group split between operating and reserve balances.

As shown in Schedule A, the General Fund year-end fund balance projection of \$120.8 million is based on the estimate that expenditures will be approximately \$164.7 million less than the Fiscal Year 2016-17 Amended Budget and revenues will be a net \$43.9 million less than the Fiscal

SUBJECT: FISCAL YEAR 2016-17 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENT (DISTRICTS: ALL)

Year 2016-17 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 your Board or the Deputy Chief Administrative Officer/Auditor and Controller, when permitted.

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

- \$52.2 million in positive salary and benefit appropriation variance in all groups due to staff turnover and department management of vacancies.
- \$7.0 million in positive appropriation variance in Services & Supplies across the County in all groups.
 - In PSG, projected overall positive variance of \$1.5 million is associated with overall reduced operational costs in Department of Child Support Services and Public Defender. A projected negative variance in the Sheriff's Department is due to increased costs in Temporary Contract Help to offset vacancies in Detention Medical Services.
 - In HHSA, projected overall positive variance of \$2.8 million resulted from various contracted services in Child Welfare Services and Aging and Independence Services, and in Administrative Support for appropriations set-aside in case of emergency that are not anticipated to be spent and in Housing and Community Development Services due to multi-year projects. The projected negative variances are in Behavioral Health Services primarily due to a transfer of Mental Health Services Act funds to the California Housing Finance Agency to assist with permanent supportive housing efforts in the County and in Self-Sufficiency Services primarily due to the development and implementation of the Eligibility Task Management Tool contracted service.
 - In LUEG, projected positive variance of \$0.1 million is largely due to lower than expected operational expenses in Environmental Health.
 - In CSG, there is no projected variance.
 - In FGG, projected positive variance of \$2.6 million is mainly due to projected savings in contracted services and workers compensation administration costs in Department of Human Resources and in the Assessor/Recorder/County Clerk due to delays in Restoration and Preservation projects and less than anticipated contracted services.
- A projected net positive appropriation variance of \$60.3 million in Other Charges reflects variances primarily in HHSA and Finance Other. In HHSA, the projected positive variance of \$57.6 million is mainly in Self-Sufficiency Services due to revised estimates of caseload levels and growth trends in CalWORKs benefits and in Child Welfare Services due to revised caseload levels and growth trends in the adoptions and foster care assistance programs. In Finance Other, the projected positive variance of \$2.7 million is due to tax and revenue anticipation note (TRAN) borrowing costs that will not be incurred.
- \$22.7 million positive appropriation variance in contingency reserves that are projected to be unspent at year-end.

SUBJECT: FISCAL YEAR 2016-17 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENT (DISTRICTS: ALL)

- \$21.9 million positive appropriation variance in management reserves in PSG (\$0.7 million), HSA (\$20.0 million) and CSG (\$1.2 million) that are projected to be unspent at year-end.

The projected under realized revenue of \$43.9 million includes positive variances totaling \$26.8 million and negative variances of \$70.7 million. The projected positive revenue variance of \$26.8 million is expected in the following categories: Taxes Current Property (\$17.2 million); Taxes Other Than Current Secured (\$3.6 million) due to increase in assessed value; Fines, Forfeitures & Penalties (\$3.4 million); Miscellaneous Revenues (\$1.6 million); Licenses, Permits & Franchises (\$0.8 million); and Revenue From Use of Money & Property (\$0.2 million). The projected negative variance is largely in Intergovernmental Revenue (\$67.2 million) as a result of expenditure savings in caseload-driven programs, multi-year projects and contracted services as mentioned above; in Other Financing Sources (\$2.8 million) mainly due to decreased collections in Penalty Assessment revenue; and in Charges For Current Services (\$0.7 million) mainly due to projected expenditure savings that will result in less cost recovery; and less than anticipated collection of fines and fees in the Probation Department.

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

Fiscal Year 2016-17 Budget Adjustments

The recommendations for budget adjustments are explained as follows:

Recommendation 2

This request will increase the Fund Balance Commitment for the Sheriff Capital Projects by \$270,398 based on available prior year Public Safety Group General Fund fund balance due to over-realized revenue received in Fiscal Year 2015-16 from an agreement between the Sheriff Department and the California Department of Forestry and Fire Protection (CAL FIRE) for fire-fighting services provided by the Sheriff Department on State-owned land. This action will set aside funding for future needs of the aviation unit. If approved, this request will bring the total amount in the Sheriff Capital Projects commitment to \$1,668,975.

Recommendation 3

On June 20, 2006 (3), the Board of Supervisors authorized the Sheriff's Department to serve as the fiscal agent for High Intensity Drug Trafficking Areas (HIDTA) funding along the Southwest Border of the United States. In May and September 2016, the San Diego/Imperial Valley Southwest Border HIDTA Executive Board approved additional funding for the Sheriff's Department for overtime (\$25,000), training (\$16,000), investigative expenses (\$85,000) and equipment (\$5,994). This request will establish appropriations of \$131,994 in the Sheriff's Department based on unanticipated HIDTA revenue.

Recommendation 4

On March 19, 2013 (1), the Board of Supervisors authorized the Sheriff's Department to accept Organized Crime Drug Enforcement Task Force (OCDETF) funding. In July 2016, the Sheriff's Department was notified of the approval to fund \$120,000 for investigative expenses associated with the involvement of Sheriff's personnel in OCDETF cases. This request will establish

SUBJECT: FISCAL YEAR 2016-17 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENT (DISTRICTS: ALL)

appropriations of \$120,000 in the Sheriff's Department based on unanticipated OCDEF revenue passed through the Federal Bureau of Investigation.

Recommendation 5

This request will cancel appropriations and related revenue of \$189,812 in the Sheriff's Department due to updated projections, which are based on the actual expenditure of funds in Fiscal Year 2015-16, of the amount available for the Regional Realignment Response Group.

Recommendations 6 & 7

These requests will transfer appropriations of \$443,950 from the Sheriff's Department, Capital Assets Equipment, to the General Fund, Contributions to Fleet ISF, and amend the Department of General Services (DGS) Fleet Services ISF Spending Plan for the purchase of ten vehicles. The DGS Fleet ISF facilitates the procurement, standardization, maintenance, and overall quality control of County vehicles.

Recommendations 8 & 9

These recommendations will cancel appropriations of \$2,493,053 and related Operating Transfer In from the General Fund in Capital Project 1019587 Regional Communication System Upgrade to properly account for non-capital related P25 compliant radio dispatch console costs and transfer these appropriations to the Sheriff's Department, Services & Supplies. These costs do not meet the criteria for capitalization pursuant to County of San Diego Administrative Manual Policy 0050-02-01, Control of Capital Assets and Minor Equipment.

Recommendation 10

On June 24, 2014 (3), the Board of Supervisors approved a Joint Powers Agreement with the State of California Department of Transportation (Caltrans) for facilitating Caltrans participation in the Next Generation Regional Communications System and establishing a payment and financing agreement with Caltrans. Payments totaling \$3,670,000 have been received and deposited in the Public Safety Group Executive Office. These funds will be transferred to the Regional Communication Systems Replacement Trust Fund to properly account for the partner agency payments. This request will establish appropriations of \$3,670,000 in the Public Safety Group Executive Office based on available prior year Public Safety Group General Fund fund balance.

Recommendations 11 & 12

This request will establish appropriations of \$3,428,173 in the San Diego County Fire Authority based on available prior year Public Safety Group General Fund fund balance. Funds will be used for contracted services to provide additional career firefighters providing fire and emergency medical services at Palomar Mountain, Shelter Valley, and Sunshine Summit (\$1,800,000). In addition, funds will be used for station improvements at the Descanso Fire Station and facility improvements at various fire stations to support fire services in County Service Area 135 (\$1,628,173).

Recommendation 13

This request will establish appropriations of \$570,610 in the San Diego County Fire Authority based on unanticipated revenue from the Community Development Block Grant. On April 12,

SUBJECT: FISCAL YEAR 2016-17 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENT (DISTRICTS: ALL)

2016 (8), the San Diego County Fire Authority, through Housing and Community Development, was awarded \$1,495,610 from Community Development Block Grant. However, only funds in the amount of \$925,000 were included in the Fiscal Year 2016-17 Operational Plan. This request will establish appropriations of \$570,610 for additional costs to purchase a Type II Water Tender for the Palomar Mountain Fire Station (\$350,610) and an Urban Search and Rescue Vehicle for the Pine Valley Fire Station (\$220,000).

Recommendation 14

On January 26, 2016, a Service Agreement was executed between the San Diego County Fire Authority and the Jamul Indian Village (JIV) under existing authority to execute such revenue agreements granted to the Clerk of Board of Supervisors on June 18, 2013 (4). This request will establish appropriations of \$743,750, based on unanticipated revenue from the JIV agreement, in the San Diego County Fire Authority to improve information technology and emergency communication center dispatch consoles.

Recommendations 15-18

Construction of the Tijuana River Valley Trails (TJRV) 22-mile trail system has been completed. The associated projects included appropriations for required habit restoration and environmental mitigation activities that are considered non-capital expenditures and do not meet the criteria for capitalization pursuant to County of San Diego Administrative Manual Policy 0050-02-01, Control of Capital Assets and Minor Equipment. If approved, these recommendations will cancel and transfer appropriations of \$26,689.07 (\$8,383.15 from Capital Project 1017611, TJRV North East Trail Connection and \$18,305.92 from Capital Project 1018182, TJRV Interpretive Loop Trail) to the Department of Parks and Recreation (DPR) to maintain proper accounting for non-capital expenditures for required habit restoration activities that were included as part of the original project scope. The funding source for the transfer of appropriations is based on an Operating Transfer from the General Fund.

Recommendations 19-22

Together with Recommendations 15-18, these actions complete a transfer of appropriations to the DPR to properly account for non-capital expenditures for required habit restoration and environmental monitoring activities that were included as part of the original project scope for the 22-mile TJRV Trails system. These recommendations cancel appropriations in three capital projects and establishes appropriations of \$1,878,019.22 in DPR, Services & Supplies based on various funding sources, as detailed below:

- \$916,235.38 from Capital Project 1018196, TJRV Regional Trail Construction based on DPR Trust Fund
- \$409,728.73 from Capital Project 1018372, TJRV South West Trails Construction based on California Coastal Conservancy (\$160,441.58) and DPR Trust Fund (\$249,287.15)
- \$552,142.10 from Capital Project 1018373, TJRV Mesa Trails Construction based on Land & Water Conservation Fund (\$207,315.69), Wildlife Conservation Board (\$303,621.01) and DPR Trust Fund (\$41,118.40).

Recommendations 23 & 24

On August 4, 2015 (14) appropriations of \$250,000 were established for Capital Project 1019566, Dos Picos Camping Cabins. This request will establish additional appropriations of

SUBJECT: FISCAL YEAR 2016-17 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENT (DISTRICTS: ALL)

\$100,000 to fund the extension of utility lines to the new cabin locations based on an Operating Transfer In from the General Fund. The funding source is General Purpose Revenue. This will bring total project cost to \$350,000.

Recommendations 25 & 26

The land acquisition for San Luis Rey under Capital Project 1007108, San Luis Rey River Park Acquisition has been completed. This request will cancel remaining appropriations of \$127,508.60 and transfer (\$14,512.79) based on Operating Transfer from the General Fund and establish (\$112,995.81) based on unanticipated revenue from Department of Parks and Recreation Trust Fund in Capital Project 1020262, SR76 Middle Project Right of Way Trail, for the development of plans, specifications and construction estimates to obtain an encroachment permit and install fencing along the trail. Both projects are part of the County's Multiple Species Conservation Program (MSCP).

Recommendations 27 & 28

These recommendations will transfer appropriations of \$80,000 from County Service Area 83 San Dieguito Local Park to the Department of Parks and Recreation to fund major maintenance improvements to repave and restripe the lower parking lot and for removal and replacement of tree and curb stops at San Dieguito County Park.

Recommendation 29

On October 28, 2015 (4), the Board ratified and adopted a resolution to authorize the application for and acceptance of grant funds from the California River Parkways Grant Program to supplement ongoing habitat restoration activities in the Tijuana River Valley Regional Park. The Department of Parks and Recreation has subsequently received this grant award. This recommendation will establish appropriations of \$494,920 based on unanticipated revenue from California River Parkways Grant Program.

Recommendations 30-32

These recommendations revise the accounting for appropriations approved by your Board on July 19, 2016 (11), Recommendation 5, by establishing appropriations in Operating Transfer Out in the Department of Public Works General Fund based on prior year available LUEG fund balance and in Services & Supplies in the Rancho del Campo Water Fund based on Operating Transfer In from the General Fund.

Recommendation 33

On June 25, 2008 (9), the Board adopted a resolution forming Community Facilities District (CFD) No. 2008-01 (Harmony Grove Village), which authorized the levy of special taxes to fund anticipated public services within the CFD. On June 21, 2016 (4), the Board approved the establishment of the Fire Protection – Harmony Grove Fund for the financing of fire protection services provided by Rancho Santa Fe Fire Protection District. This recommendation will establish appropriations of \$133,613 in the Fire Protection – Harmony Grove Fund based on Special Tax B revenues, to reimburse the Rancho Santa Fe Fire Protection District.

SUBJECT: FISCAL YEAR 2016-17 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENT (DISTRICTS: ALL)

Recommendations 34 & 35

These recommendations will establish appropriations of \$1,000,000 in the Department of Public Works Detailed Work Program based on available prior year General Fund fund balance approved during the Fiscal Year 2016-17 Operational Plan to implement active transportation infrastructure, such as sidewalks and curb ramps, to enhance pedestrian safety at select locations that have highest priority based on the successful completion of the pedestrian gap analysis project. The sidewalks will be capitalized in the Road Fund.

Recommendation 36

On February 26, 2014 (7), the Board approved advertising and award of a construction contract for the San Vicente Road Improvement project with an estimated construction cost of \$32,790,014, including contingencies. This recommendation will establish additional appropriations of \$452,000 to fund change orders for this project based on unanticipated revenue from TransNet.

Recommendation 37

The Department of Planning & Development Services' (PDS) Building Reserve Commitment was established in 1984 to stabilize fluctuations in workload, revenue and cost for processing building permits. At the close of each fiscal year, actual cost and revenue are used to calculate the amount to be placed into or withdrawn from the commitment. For Fiscal Year 2015-16, this amount equaled \$484,760. If approved, this recommendation will authorize the Auditor and Controller to increase the Building Reserve Commitment within the General Fund by \$484,760 based on available prior year LUEG General Fund fund balance and the total amount in the PDS Building Reserve Commitment will be \$1,921,474.

Recommendations 38 & 39

The Department of Planning & Development Services has experienced an increase in workload for private land development activities. In order to meet customer needs, an additional 19 staff years are requested to balance staff workloads. These recommendations will reinstate previously defunded positions. If approved, 16 of these positions will provide planning, engineering, building inspection, code enforcement and project management duties and will be located in the Advance Planning (7 staff years), Administration (1 staff year), Project Planning (1 staff year) and Code Compliance (7 staff years) Divisions. These 16 positions are not supported by program fees. The funding source in Fiscal Year 2016-17 is available prior year General Fund fund balance. Three additional positions will provide biology and Municipal Separate Storm Sewer Systems (MS4) services in the Project Planning (1 staff year) and Land Development (2 staff years) Divisions and will be funded by available prior year General Fund fund balance and revenue from Service to Property Owners – Permit Revenue in Fiscal Year 2016-17. Funding for the additional 19 staff years will be included in future Operational Plans in the Department of Planning & Development Services, using General Purpose Revenue and revenue from Service to Property Owners – Permit Revenue as the funding sources.

Recommendations 40 & 41

On February 3, 2015 (3), the Board authorized the Director, Department of Purchasing and Contracting to advertise and award a design-build contract for the new North Inland Crisis Residential Facility and established appropriations of \$3,578,425. On December 15, 2015 (17),

SUBJECT: FISCAL YEAR 2016-17 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENT (DISTRICTS: ALL)

the Board approved the Director, Department of Purchasing and Contracting to execute one or more change orders and established appropriations of \$900,000 for the abatement and demolition of the buildings located at 600 and 620 East Valley Parkway, Escondido. These recommendations will establish appropriations of \$400,000 in Capital Project 1019395, North Inland Crisis Residential Facility, to provide additional funding for the abatement and demolition.

Recommendation 42

This recommendation will establish appropriations and revenue of \$2,700,000 in the Registrar of Voters Department. For the first time, San Diego County held a two-card ballot election due to the number of measures and offices on the ballot. Additional temporary labor was required to manage election processes and additional translation services, printing, mailing of election material and election supplies were required to administer the November 8, 2016 Presidential General Election. This recommendation will also establish appropriations and revenue of \$43,000 in the Registrar of Voters Department to procure three counters that will assist staff with managing returned ballots. The funding sources are Recovered Expenses related to AB 120 funding (\$1,357,000) and Election Services Other Government (\$1,343,000). There will be no net cost impact to the County of San Diego.

Recommendation 43

On June 9, 2015 (6), the Board of Supervisors authorized the Director, County Library, to submit grant applications, execute agreements and accept grants that support literacy, reading and education programs, and additional materials (books, DVDs, music, e-books, and educational/research databases) for the library collection through June 30, 2018. This recommendation establishes appropriations for “The Kindergarten Gear Up” project based on grant funding from the California State Library. This project will help prepare children who do not attend preschool to develop early literacy and school readiness skills as well as help their parents/caregivers learn about the skills needed when entering Kindergarten. The County Library applies for grants and awards to fund programs that support the strategic goals of the County of San Diego and the mission of the Library.

Recommendations 44 & 45

On July 29, 2014 (7), the Board approved the design/build solicitation for the Imperial Beach Library. Funds of \$8,500,000 for the construction of the Imperial Beach Library expansion project were included in the Fiscal Year 2013-14 Operational Plan for the Library Projects Fund. On March 1, 2016 (19), the Board established appropriations of \$450,000 for the installation of a photovoltaic system. These recommendations will establish appropriations of \$122,720 in Capital Project 1018191, Imperial Beach Library, to provide funding for the required information technology services site installation for total capital project cost of \$9,072,720.

Recommendations 46-50

These recommendations will establish appropriations of \$818,982 based on prior year savings to provide funding for one-time needs in the Board of Supervisors’ offices for various Services & Supplies costs. Funding is based on available prior year Finance and General Government Group General Fund fund balance.

SUBJECT: FISCAL YEAR 2016-17 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENT (DISTRICTS: ALL)

Recommendation 51

This request will establish appropriations of \$58,000 in the Clerk of the Board of Supervisors to implement a new queuing/numbering system that will be used to serve passport customers, based on available prior year Finance and General Government Group General Fund fund balance. Funds were included in the Fiscal Year 2015-16 Operational Plan but the contract was executed in Fiscal Year 2016-17. The new queuing system will improve efficiency and service management for passport acceptance processing through better management of customer flows.

Recommendation 52

This request will establish appropriations of \$900,000 in the Auditor and Controller for an upgrade to the cashiering system in the Office of Revenue and Recovery based on available prior year Finance and General Government Group General Fund fund balance. Funds were included in the Fiscal Year 2015-16 Operational Plan but the delays in contract approval have delayed this project into Fiscal Year 2016-17. This upgrade is required to leverage new technology that will result in improved efficiency and enhanced security over credit card processing.

Linkage to the County of San Diego Strategic Plan

Today's proposed actions support the Strategic Initiatives of Healthy Families, Safe Communities, Sustainable Environments and Operational Excellence in the County of San Diego's 2016-2021 Strategic Plan by fully committing to use County resources to meet the highest priority needs of residents.

Respectfully submitted,



HELEN N. ROBBINS-MEYER
Chief Administrative Officer

ATTACHMENT(S)

Schedule A

Schedule B

Notes to Schedules A and B

SUBJECT: FISCAL YEAR 2016-17 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENT (DISTRICTS: 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, 2016 (15), County of San Diego Fiscal Year 2016-17 Adopted Budget Resolution for County Family of Funds, Enterprise Funds and Internal Service Funds, and Prior Year Encumbrances

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: Finance & General Government Group

OTHER CONCURRENCES(S): N/A

CONTACT PERSON(S):

Tracy M. Sandoval, Deputy Chief
Administrative Officer/Auditor & Controller

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Planning

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**FY 2016-2017 1st Quarter
Projected Year-End Results**

(in thousands)

COUNTY SUMMARY

	Expenditure Variance	Revenue Variance	1st Quarter FY16-17 Projected Fund Balance
	Favorable/(Unfavorable)		
General Fund			
Public Safety	\$ 26,087	\$ (8,730)	\$ 17,357
Health & Human Services Agency	100,512	(62,477)	38,034
Land Use & Environment	6,436	(3,689)	2,747
Community Services	1,266	2,603	3,869
Finance & General Government	4,985	(1,219)	3,766
Total Agency/Group	139,285	(73,512)	65,774
General Purpose Revenue	0	29,645	29,645
Finance Other	25,375	0	25,375
Total General Fund	\$ 164,660	\$ (43,867)	\$ 120,793
Special Revenue Funds			
Public Safety	\$ 2,957	\$ 158	\$ 3,115
Health & Human Services Agency	105	100	205
Land Use & Environment	2,097	(35)	2,061
Community Services	2,029	(256)	1,773
Total Special Revenue Funds	\$ 7,188	\$ (33)	\$ 7,155
Capital Program			
Finance Other	\$ 0	\$ 0	\$ 0
Internal Service Funds Departments			
Land Use & Environment	\$ 25	\$ (25)	\$ 0
Community Services	24,562	(23,205)	1,358
Finance & General Government	0	0	0
Finance Other	(4,820)	0	(4,820)
Total Internal Service Funds	\$ 19,767	\$ (23,230)	\$ (3,463)
Enterprise Fund Departments			
Land Use & Environment	\$ 821	\$ (597)	\$ 225
Sheriff	1	9	10
Total Enterprise Funds	\$ 822	\$ (588)	\$ 234
Special District Funds Departments			
Public Safety Group	\$ 6	\$ (6)	\$ 0
Health & Human Services Agency	940	233	1,173
Land Use & Environment	5,096	(1,365)	3,731
Total Special District Funds	\$ 6,042	\$ (1,138)	\$ 4,904
Other County Funds Departments			
Community Svcs. - Red./Redev. Successor Agency	\$ 0	\$ 0	\$ 0
Total Other County Funds	\$ 0	\$ 0	\$ 0
Debt Service - Pension Obligation Bonds	\$ 0	\$ 0	\$ 0
Total County Projected Operating Balance	\$ 198,479	\$ (68,855)	\$ 129,624

**FY 2016-2017 1st Quarter
Projected Year-End Results**

(in thousands)

PUBLIC SAFETY GROUP

Expenditure Variance	Revenue Variance	1st Quarter FY16-17 Projected Fund Balance
Favorable/(Unfavorable)		

General Fund Departments

Child Support	\$ 5,282	\$ (3,031)	\$ 2,252
District Attorney	6,760	(1,650)	5,110
Emergency Services	308	0	308
Law Enforcement Review Board	0	0	0
Medical Examiner	318	0	318
Probation	1,316	(868)	448
Public Defender	1,431	(1,000)	431
Public Safety Executive Office	0	0	0
San Diego County Fire Authority	1,019	(696)	323
Sheriff	9,653	(1,485)	8,168
Total General Fund	\$ 26,087	\$ (8,730)	17,357

Special Revenue Funds Departments

District Attorney (Asset Forfeiture - State & Federal)	\$ 0	\$ 0	\$ 0
Probation - Asset Forfeiture	0	0	0
Probation - Inmate Welfare Program	0	2	2
Sheriff - Asset Forfeiture	0	11	11
Sheriff - Inmate Welfare Program	219	146	365
Criminal Justice Facility	2,738	0	2,738
Courthouse	0	0	0
Penalty Assessment	0	0	0
Public Safety - Proposition 172	0	0	0
Total Special Revenue Funds	\$ 2,957	\$ 158	\$ 3,115

Enterprise Funds

Sheriff	\$ 1	\$ 9	\$ 10
Total Enterprise Funds	\$ 1	\$ 9	\$ 10

Special District Funds

Sheriff (Regional 800 MHz)	\$ 6	\$ (6)	\$ 0
County Service Area	0	0	0
Total Special District Funds	\$ 6	\$ (6)	\$ 0

Total Public Safety Group

Total Public Safety Group	\$ 29,050	\$ (8,569)	\$ 20,482
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**FY 2016-2017 1st Quarter
Projected Year-End Results**

(in thousands)

HEALTH & HUMAN SERVICES AGENCY

Expenditure Variance	Revenue Variance	1st Quarter FY16-17 Projected Fund Balance
Favorable/(Unfavorable)		

General Fund Programs

Administrative Support	\$ 28,297	\$ (7,250)	\$ 21,047
Aging & Independence Services	3,131	(2,085)	1,045
Behavioral Health Services	(2,313)	2,400	87
Child Welfare Services	22,506	(15,859)	6,646
Public Health Services	6,526	(909)	5,617
Self-Sufficiency Services	40,132	(36,541)	3,592
Housing & Community Development Services	2,232	(2,232)	0
Total General Fund	\$ 100,512	\$ (62,477)	\$ 38,034

Special Revenue Funds

Tobacco Securitization Fund	\$ 105	\$ 100	\$ 205
Total Special Revenue Funds	\$ 105	\$ 100	\$ 205

Special District Funds Departments

Ambulance Districts	\$ 940	\$ 233	\$ 1,173
Total Special Districts Funds	\$ 940	\$ 233	\$ 1,173

Other County Funds Departments

Housing & Community Development	\$ 43	\$ (43)	\$ 0
Total Other County Funds Departments	\$ 43	\$ (43)	\$ 0

Total Health & Human Services Agency	\$ 101,600	\$ (62,188)	\$ 39,412
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**FY 2016-2017 1st Quarter
Projected Year-End Results**

(in thousands)

LAND USE & ENVIRONMENT GROUP

Expenditure Variance	Revenue Variance	1st Quarter FY16-17 Projected Fund Balance
Favorable/(Unfavorable)		

General Fund Departments

Agriculture, Weights & Measures	\$ 775	\$ (416)	\$ 360
Environmental Health	1,426	(100)	1,326
Land Use & Environment Group Exec Office	0	0	0
Parks & Recreation	1	95	96
Planning & Development Services	4,228	(3,278)	951
Public Works	5	10	15
Total General Fund	\$ 6,436	\$ (3,689)	\$ 2,747

Special Revenue Funds Departments

A, W & M (Grazing and Fish & Game Commission)	\$ 0	\$ 0	\$ 0
Parks & Recreation - PLDF	3	1,628	1,631
DPW - Aviation Funds	0	0	0
DPW - Road Fund	1,158	(729)	429
DPW - Inactive Waste	936	(936)	0
DPW - Waste Planning and Recycling	0	2	2
Total Special Revenue Funds	\$ 2,097	\$ (35)	\$ 2,061

Internal Service Funds Departments

Public Works - DPW Equip. ISF Prg. (35525-35700)	\$ 25	\$ (25)	\$ 0
Total Internal Service Funds	\$ 25	\$ (25)	\$ 0

Enterprise Funds Departments

Airport Enterprise Fund	\$ 225	\$ 0	\$ 225
Wastewater Management Enterprise Fund	597	(597)	0
Total Enterprise Funds	\$ 821	\$ (597)	\$ 225

Special District Funds Departments

Air Pollution Control District	\$ 4,384	\$ (2,289)	\$ 2,096
Parks and Recreation	111	66	177
DPW - SD County Sanitation District	598	0	598
DPW - Campo Water Sewer Maint District	0	0	0
DPW - CSAs	0	0	0
DPW - PRDs	0	0	0
DPW - Community Facilities Districts	0	0	0
DPW - Flood Control	0	3	3
DPW - Street Lighting Districts	3	856	858
Total Special Districts Funds	\$ 5,096	\$ (1,365)	\$ 3,731

Total Land Use & Environment Group

Total Land Use & Environment Group	\$ 14,475	\$ (5,710)	\$ 8,764
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**FY 2016-2017 1st Quarter
Projected Year-End Results**

(in thousands)

COMMUNITY SERVICES GROUP

Expenditure Variance	Revenue Variance	1st Quarter FY16-17 Projected Fund Balance
Favorable/(Unfavorable)		

General Fund Departments

Animal Services	\$ 16	\$ 0	\$ 16
Community Services Group Exec Office	1,250	0	1,250
General Services	0	0	0
Purchasing & Contracting	0	0	0
Library Services	0	0	0
Registrar of Voters	0	2,603	2,603
Total General Fund	\$ 1,266	\$ 2,603	\$ 3,869

Special Revenue Funds Departments

Library Services	\$ 2,029	\$ (256)	\$ 1,773
Total Special Revenue Funds	\$ 2,029	\$ (256)	\$ 1,773

Internal Service Funds Departments

Facilities Management	\$ 6,999	\$ (6,662)	\$ 338
Major Maintenance ISF	9,751	(9,751)	0
Fleet Management	7,455	(6,889)	565
Purchasing & Contracting	358	97	455
Total Internal Service Funds	\$ 24,562	\$ (23,205)	\$ 1,358

Other County Funds Departments

Red. Agency/Redevelopment Successor Agency	\$ 0	\$ 0	\$ 0
Total Other County Funds Departments	\$ 0	\$ 0	\$ 0

Total Community Services Group	\$ 27,857	\$ (20,857)	\$ 7,000
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**FY 2016-2017 1st Quarter
Projected Year-End Results**

(in thousands)

**FINANCE & GENERAL GOVERNMENT
GROUP**

Expenditure Variance	Revenue Variance	1st Quarter FY16-17 Projected Fund Balance
Favorable/(Unfavorable)		

General Fund Departments

Assessor/Recorder/County Clerk	\$ 2,337	\$ (1,036)	\$ 1,301
Auditor & Controller	350	(14)	336
Board of Supervisors	118	0	118
Chief Administrative Office	213	0	213
Civil Service Commission	53	0	53
Clerk of the Board of Supervisors	17	140	156
County Communications Office	17	0	17
County Counsel	127	160	287
County Technology Office	0	0	0
Finance & GG Exec Office	0	0	0
Grand Jury	15	1	17
Human Resources	1,523	(268)	1,255
Treasurer-Tax Collector	217	(201)	16
Total General Fund	\$ 4,985	\$ (1,219)	\$ 3,766

Internal Service Funds Departments

CTO - Information Technology	\$ 0	\$ 0	\$ 0
Total Internal Service Funds	\$ 0	\$ 0	\$ 0

**Total Finance & General
Government Group**

Total Finance & General Government Group	\$ 4,985	\$ (1,219)	\$ 3,766
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**FY 2016-2017 1st Quarter
Projected Year-End Results**

(in thousands)

**GENERAL PURPOSE REVENUE &
FINANCE OTHER**

Expenditure Variance	Revenue Variance	1st Quarter FY16-17 Projected Fund Balance
Favorable/(Unfavorable)		

General Fund

General Purpose Revenue:

All Current Property Taxes	\$ 0	\$ 17,197	\$ 17,197
All Other Taxes-Local	0	3,584	3,584
Licenses, Permits & Franchises	0	0	0
Fines, Forfeitures & Penalties	0	3,776	3,776
Revenue for Use of Money & Property	0	478	478
Intergovernmental Revenue	0	3,109	3,109
Charges for Current Services	0	0	0
Miscellaneous Revenue	0	1,500	1,500
Total General Purpose Revenue	\$ 0	\$ 29,645	\$ 29,645

General County Expenses:

Cash Borrowing Program	\$ 2,700	\$ 0	\$ 2,700
Community Enhancement	0	0	0
Contingency Reserve	22,675	0	22,675
Contributions to the Capital Outlay Fund	0	0	0
Contributions to the County Library	0	0	0
Lease Payments - Bonds	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	25,375	0	25,375
Total General Fund	\$ 25,375	\$ 29,645	\$ 55,019

Capital Program Funds

Capital Program	\$ 0	\$ 0	\$ 0
Total Capital Program Funds	\$ 0	\$ 0	\$ 0

Internal Service Funds Departments

Workers Compensation	\$ 0	\$ 0	\$ 0
Unemployment Insurance	0	0	0
Public Liability	(4,820)	0	(4,820)
Total ISF Funds	\$ (4,820)	\$ 0	\$ (4,820)

Debt Service Funds Departments

Pension Obligation Bonds	\$ 0	\$ 0	\$ 0
Total Debt Service Funds	\$ 0	\$ 0	\$ 0

**Total General Purpose Revenue & Finance
Other**

\$ 20,555	\$ 29,645	\$ 50,199
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**FY 2016-2017 1st Quarter
Projected Year-End Results**
(in thousands)

Category	Projected Management & Contingency Reserves	Projected Operating Balances	1st Quarter FY16-17 Projected Fund Balance
	Favorable/(Unfavorable)		
General Fund			
Public Safety	\$ 696	\$ 16,660	\$ 17,357
Health and Human Services Agency	20,000	18,034	38,034
Land Use and Environment	0	2,747	2,747
Community Services	1,250	2,619	3,869
Finance & General Government	0	3,766	3,766
Agency/Group Totals	\$ 21,946	\$ 43,827	\$ 65,774
General Purpose Revenue	\$ 0	\$ 29,645	\$ 29,645
General County Expenses	0	2,700	2,700
Contingency Reserve	22,675	0	22,675
Total Gen'l. Purpose Rev. & Gen'l. County Exp.	\$ 22,675	\$ 32,345	\$ 55,019
Total General Fund	\$ 44,621	\$ 76,172	\$ 120,793

**COUNTY OF SAN DIEGO
NOTES TO SCHEDULES A and B
Fiscal Year 2016-17 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 business 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 the Operational Plan based either on revised expectations or on actual revenues/expenditures to date. The significant variances (greater than \$500,000) in total expenditures, total revenue, net variance, or object variance from plan are discussed below and categorized by fund.

PUBLIC SAFETY GROUP

General Fund

Sheriff

A positive variance of \$8.2 million is projected for the Sheriff's Department.

A positive expenditure variance of \$9.7 million is projected. Salaries & Benefits are projected to be \$10.1 million under budget due to vacant positions. A net negative expenditure variance of \$0.5 million is projected in Services & Supplies primarily due to higher than anticipated costs in Temporary Contract Help to offset vacancies in Detention Medical Services.

A negative revenue variance of \$1.5 million is projected. A negative variance of \$2.7 million is projected in Other Financing Sources due to decreased collections in Penalty Assessment revenue. This negative variance is partially offset by a positive variance of \$1.2 million in Intergovernmental Revenues due to over-realized revenue in State funds allocated to the Trial Court Security Subaccount based on prior year growth.

District Attorney

A positive variance of \$5.1 million is projected for the District Attorney's Office.

A positive expenditure variance of \$6.8 million is projected. This positive variance is in Salaries & Benefits due to normal attrition, and vacant and modified positions.

A negative revenue variance of \$1.7 million is in Intergovernmental Revenues due to reductions in federal funding for the Southwest Border Prosecution Initiative.

Department of Child Support Services

A positive variance of \$2.3 million is projected for the Department of Child Support Services.

A positive expenditure variance of \$5.3 million is projected due to \$4.4 million in Salaries & Benefits from vacant and modified positions and \$0.9 million in Services & Supplies primarily due to lower than expected operational expenses.

A negative revenue variance of \$3.0 million is projected in Intergovernmental Revenues primarily due to lower State and federal expenditure claims resulting from lower than expected operational expenses noted above.

Probation

A positive variance of \$0.4 million is projected for the Probation Department.

A positive expenditure variance of \$1.3 million is projected. A positive variance of \$1.9 million is projected in Salaries & Benefits primarily due to normal attrition, vacant and modified positions. A negative variance of \$0.6 million is projected in Expenditure Transfers & Reimbursements due to change in Medi-Cal reimbursement methodology.

A negative revenue variance of \$0.9 million is projected. A negative variance of \$0.4 million is projected in Intergovernmental Revenues for the National School Breakfast and Lunch funding primarily due to declining youth populations. A negative variance of \$0.5 million is projected in Charges for Current Services primarily due to less than anticipated collections of fines and fees in Other Court Costs (\$0.3 million), Institutional Care fees (\$0.1 million) and other miscellaneous revenue (\$0.1 million).

Public Defender

A positive variance of \$0.4 million is projected for the Public Defender.

A positive expenditure variance of \$1.4 million is projected. This is comprised of \$0.4 million in Salaries & Benefits due to vacant and modified positions and \$1.0 million in Services & Supplies due to overall efforts to reduce expenditures.

A negative revenue variance of \$1.0 million in Intergovernmental Revenues is projected due to reductions in federal funding for the Southwest Border Prosecution Initiative.

San Diego County Fire Authority

A positive variance of \$0.3 million is projected for the San Diego County Fire Authority.

A positive expenditure variance of \$1.0 million is projected. A positive variance of \$0.3 million is projected in Salaries & Benefits due to vacant positions. A positive variance of \$0.7 million is projected in Management Reserves due to less than budgeted payoff amounts for San Diego Rural Fire Protection District (San Diego Rural) loans, as part of the Local Agency Formation Commission terms and conditions for the dissolution of San Diego Rural.

A negative revenue variance of \$0.7 million is projected in Miscellaneous Revenue due to the expenditure variance described above.

Special Revenue Funds

Criminal Justice Facility Construction Special Revenue Fund

A positive variance of \$2.7 million is projected for the Criminal Justice Facility Construction Special Revenue Fund.

A positive expenditure variance of \$2.7 million is projected in Operating Transfers Out due to lower than anticipated transfers to the General Fund department.

No revenue variance is projected.

HEALTH AND HUMAN SERVICES AGENCY (HHSA)

General Fund

Administrative Support

Administrative Support consists of the following: Agency Executive Office, Agency Contract Support, Financial & Support Services Division, Human Resources, Management Information Support, First Five Commission, Office of Strategy & Innovation, Community Action Partnership, Regional Administration, and Office of Military & Veterans Affairs.

A positive variance of \$21.0 million is projected for Administrative Support.

A positive expenditure variance of \$28.3 million includes \$1.3 million in Salaries & Benefits due to attrition and vacant positions, \$7.0 million in Services & Supplies and a projected year-end balance of \$20.0 million in Management Reserves held for operating contingencies during the year. The \$7.0 million positive variance in Services & Supplies includes savings for appropriations set aside in case of an emergency, such as bioterrorism or other health crises, that are not anticipated to be spent, partially offset by increases for information technology (IT) projects and technology relocation costs.

A negative revenue variance of \$7.3 million includes \$6.7 million in Intergovernmental Revenue and \$0.6 million in under-realized Charges for Current Services due to decreased First Five program revenue. The negative variance of \$6.7 million in Intergovernmental Revenue includes \$8.0 million in under-realized unsecuritized tobacco settlement revenue that is not projected to be recognized as it is a reserve for contingencies, offset by an increase of \$1.3 million in various federal & State revenue due to redistribution within the Agency.

Aging & Independence Services

A positive variance of \$1.0 million is projected for Aging & Independence Services (AIS).

A positive expenditure variance of \$3.1 million includes \$1.7 million in Salaries & Benefits due to attrition and vacant positions, \$1.0 million in Services & Supplies and \$0.4 million in Operating Transfers Out due to reduced funding needs for In-Home Support Services (IHSS) Public Authority related to anticipated operational savings in the program with no impact to services. The positive variance of \$1.0 million in Services & Supplies includes savings of \$1.0 million in Community Based Care Transitions Program (CCTP) associated with fewer enrollees tied to a reduction in federal funding.

A negative revenue variance of \$2.1 million includes \$0.1 million in Fines, Forfeitures & Penalties due to decreased revenue from disabled parking violation fines and \$2.0 million in Intergovernmental Revenues. The \$2.0 million in under-realized Intergovernmental Revenues consists of \$1.4 million decreased revenue for CCTP and \$1.3 million in federal and State IHSS administrative funding due to vacant positions, partially offset by increases totaling \$0.7 million in various Older Americans Act revenues.

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 (SDCPH) and Edgemoor District Part Skilled Nursing Facility.

A positive variance of \$0.1 million is projected for Behavioral Health Services (BHS).

A negative expenditure variance of \$2.3 million includes a positive variance of \$1.5 million in Salaries & Benefits due to vacant positions, a negative variance of \$4.2 million in Services & Supplies, and a positive variance of \$0.4 million in Expenditure Transfer and Reimbursements associated with AB 109 costs provided through a Memorandum of Understanding (MOU) to the Probation Department. The projected \$4.2 million negative variance in Services & Supplies includes increases of \$10.0 million for a transfer of Mental Health Services Act (MHSA) funds to the California Housing Finance Agency (CalHFA) to assist with permanent supportive housing efforts in the County, \$4.0 million in Temporary Contracted services due to a rate increase and a delay in the Medical Services Group contract execution date causing increased need for temporary staff in the San Diego Psychiatric Hospital, \$0.7 million in IT projects and \$0.4 million in

Institutional Services related to out-of-network provider costs partially offset by savings of \$10.9 million in contracted services associated with various Mental Health and Alcohol & Drug Treatment programs primarily due to procurement delays.

A positive revenue variance of \$2.4 million includes \$1.9 million in Charges for Current Services mainly due to a higher Medi-Cal rate received for the Edgemoor District Part Skilled Nursing Facility and \$0.5 million in Miscellaneous Revenues mainly due to recoument of prior year contractor overpayments.

County Child Welfare Services

A positive variance of \$6.6 million is projected for County Child Welfare Services.

A positive expenditure variance of \$22.5 million includes \$4.2 million in Salaries & Benefits due to attrition and vacant positions, \$2.0 million in Services & Supplies associated with savings in contracted services primarily in the Developmental Screening Enhancement Program, Wraparound Program and Transitional Housing Program and \$16.3 million in Other Charges primarily due to revised caseload levels and growth trends in foster care assistance and adoptions assistance.

A negative revenue variance of \$15.9 million includes \$0.2 million in Revenue From Use of Money & Property for Rents and Concessions, \$15.6 million in Intergovernmental revenues, and \$0.1 million in Charges for Current Services due to lower collection estimate for child abuse fees. The decrease of \$15.6 million in Intergovernmental Revenues is associated with the decrease in foster care and adoptions assistance payment revenues and decrease in Salaries & Benefits expenditures noted above.

Housing and Community Development Services

Housing and Community Development Services (HCDS) consists of the following: HCDS Operations Administration, HCDS Community Development Projects, and HCDS Homeless Services.

No overall variance is projected for HCDS.

The positive expenditure variance of \$2.2 million includes an increase of \$0.1 million in Salaries & Benefits due to a fiscal year-end technical adjustment related to prior year costs realized in the current fiscal year, offset by an adjustment of \$2.3 million in Services & Supplies primarily due to community development and affordable housing project implementation overlap across fiscal years in HCDS Multi-Year Projects.

The negative revenue variance of \$2.2 million in Intergovernmental Revenues is related to savings in Services & Supplies as noted above, resulting in decreased federal revenue.

Public Health Services

A positive variance of \$5.6 million is projected for Public Health Services (PHS).

A positive expenditure variance of \$6.5 million includes \$5.1 million in Salaries & Benefits due to attrition and vacant positions, \$0.2 million in Services & Supplies and \$1.2 million in Other Charges due to revised caseload for California Children's Services (CCS). The \$0.2 million savings in Services & Supplies includes \$0.3 million in non-contract services and supplies savings due to vacant positions offset by \$0.1 million increase in contract costs. The \$0.1 million negative variance in contracts is primarily due to \$1.3 million in Preventative Health programs and \$0.3 million Nutrition Education Obesity Prevention (NEOP) programs offset by savings of \$1.5 million in Ryan White/Minority AIDS Initiative and HIV funded contracts due to delays and contract savings associated with the Affordable Care Act (ACA).

A negative revenue variance of \$0.9 million includes \$0.5 million in Intergovernmental Revenues, \$0.3 million in Charges for Current Services due to a later than anticipated start in the First Five Lactation project, and \$0.1 million in Miscellaneous Revenues due to Emergency Medical Services staff vacancies resulting in less revenue realized from the CSA trust fund. The \$0.5 million in under-realized Intergovernmental Revenues consists of \$1.5 million in Ryan White/Minority AIDS Initiative and HIV grants due to contract delays and savings associated with the ACA, \$0.4 million in unanticipated AIDS Drug Assistance Program (ADAP) revenue loss due to the State paying enrollment fees directly to enrollment sites, \$0.8 million under-realized in various federal and State revenues primarily due to vacant positions, offset by increases of \$1.3 million in the Preventative Health grant, \$0.6 million in CCS revenue associated with increased federal share of cost and increased Medi-Cal eligible caseload and \$0.3 million for NEOP.

Self-Sufficiency Services

A positive variance of \$3.6 million is projected for Self-Sufficiency Services.

A positive expenditure variance of \$40.1 million includes a positive variance of \$5.5 million in Salaries & Benefits due to attrition and vacant positions, a negative variance of \$5.4 million in Services & Supplies, and a positive variance of \$40.0 million in Other Charges primarily due to revised estimates of caseload levels and growth trends in California Work Opportunity and Responsibility to Kids (CalWORKs) benefits. The negative variance of \$5.4 million in Services & Supplies consists of \$6.2 million in contracted services, partially offset by a positive variance of \$0.8 million in non-contracted services and supplies primarily in office expenses. The negative variance of \$6.2 million in contracted services includes \$3.5 million for the development and implementation of the Eligibility Task Management Tool, \$1.0 million in contracted activities related to the Housing Support Program (HSP), \$1.0 million in Welfare to Work contracts for intensive case management services, \$0.6 million in contracted activities associated with CalFresh Employment and Training (CFET), and \$0.1 million in various eligibility contracts.

A negative revenue variance of \$36.5 million includes a negative variance of \$37.2 million in Intergovernmental Revenues, partially offset by a positive variance of \$0.7 million in Miscellaneous Revenues mainly due to recoupment of payments in CalFresh

and General Relief tied to prior year adjustments. The negative variance of \$37.2 million in Intergovernmental Revenues consists of negative variances of \$38.4 million in revenue related to assistance payments due to revised caseload projections and \$0.4 million in social services administrative revenues, partially offset by positive variances of \$1.0 million in HSP and \$0.6 million in CFET revenues due to allocation increases.

Special Districts Funds

Ambulance Districts

A positive variance of \$1.2 million is projected for Ambulance Districts.

A positive expenditure variance of \$1.0 million is related to decreased expenditures in Services & Supplies for contracted services due to projected ambulance service level need.

A positive revenue variance of \$0.2 million is due to an increased collections rate for ambulance services accounts receivable and property tax collections.

LAND USE AND ENVIRONMENT GROUP

General Fund

Agriculture, Weights and Measures (AWM)

A positive variance of \$0.4 million is projected for the Department of Agriculture, Weights and Measures, including the University of California Cooperative Extension.

A positive expenditure variance of \$0.8 million is projected. Savings of \$0.4 million in Salaries & Benefits is primarily due to staff vacancies and under-filling positions. Savings of \$0.5 million in Expenditure Transfer and Reimbursements is projected due to Cost Applied in General Fund related to Integrated Pest Control and Pesticide Regulation Program charges to other General Fund departments. This is offset by a negative expenditure of \$0.1 million in various Services & Supplies accounts.

A negative revenue variance of \$0.4 million is projected. This is primarily due to a projected revenue shortfall in the Integrated Pest Control and Pesticide Regulation Program related to the cost applied revenue recorded as intrafund transfers and realized in Expenditure Transfer and Reimbursements, as noted above.

Environmental Health (DEH)

A positive variance of \$1.3 million is projected for the Department of Environmental Health.

A positive expenditure variance of \$1.4 million is projected. Projected savings of \$1.1 million in Salaries & Benefits is related to staff vacancies and modified positions. Projected savings of \$0.3 million in Services and Supplies is primarily due to lower than expected operational expenses.

A negative revenue variance of \$0.1 million is projected. This variance consists of over-realized revenue of \$0.8 million in Licenses, Permits & Franchises related to \$0.3 million in Hazardous Materials Permit fees and \$0.5 million in Food and Housing Permit fees which include the cost of external overheads and are not part of budgeted revenue. This is offset by a shortfall of \$0.7 million in Charges for Current Services, which include \$0.4 million from the Vector Control Trust Fund and \$0.3 million in the Local Oversight Program (LOP), primarily associated with Salaries & Benefits and Services & Supplies savings, and a shortfall of \$0.2 million spread over various accounts.

Planning and Development Services (PDS)

A positive variance of \$0.9 million is projected for the Department of Planning and Development Services.

A positive expenditure variance of \$4.2 million is projected. Savings of \$4.0 million is projected in Salaries & Benefits primarily due to staff vacancies, and a savings of \$0.2 million in Services & Supplies is due to savings in various accounts.

A negative revenue variance of \$3.3 million is projected. A projected negative variance of \$3.1 million in Charges for Current Services is due to staff vacancies to provide the service to property owners (\$2.2 million); reduced flat fee activities in Planning & Engineering Services (\$0.3 million); decrease in plan check fee activities (\$0.5 million), and decrease in Charges in Other Funds (\$0.1 million); Under-realized revenue of \$0.1 million in Intergovernmental Revenues is due to the timing of reimbursement claims received and \$0.1 million in Fines, Forfeitures & Penalties is due to staff vacancies in the Code Compliance division.

Special Revenue Funds

Park Land Dedication Ordinance

A positive variance of \$1.6 million is projected for the Park Land Dedication Ordinance.

No significant expenditure variance is projected.

A positive revenue variance of \$1.6 million is projected in Licenses Permits & Franchises primarily due to unanticipated revenue from Park Land Dedication fees.

Public Works - Road Fund

A positive variance of \$0.4 million is projected for the Road Fund.

A positive expenditure variance of \$1.1 million is projected in Salaries & Benefits due to partial year staff vacancies and under-filled positions.

A negative revenue variance of \$0.7 million is projected. Under-realized revenue of \$0.2 million is projected in Taxes Other Than Current Secured due to a project schedule revision for the Stage Coach/Reche Road Intersection project, which is funded by

TransNet. Under-realized revenue of \$0.1 million in Intergovernmental Revenues is projected due to schedule revisions of federally-funded projects in the Detailed Work Program. Under-realized revenue of \$0.3 million in Charges for Current Services is projected due to less work anticipated for the General Fund and Flood Control District. Under-realized revenue of \$0.1 million in Miscellaneous Revenues is projected from tribal grants due to a schedule revision of the Dehesa Road and Harbison Canyon Intersection project.

Public Works – Inactive Waste

No variance is projected for the Inactive Waste Site Management Fund.

A positive expenditure variance of \$0.9 million is projected. Savings of \$0.9 million in Services & Supplies is due to lower than anticipated non-routine groundwater-related services and flare replacement postponements.

A negative revenue variance of \$0.9 million is projected. Under-realized revenue of \$0.9 million in Charges for Current Services is due to \$0.9 million less money being transferred from the Environmental Trust Fund to the Inactive Waste Fund based on reduced operational needs, as mentioned. Funds are transferred from the Environmental Trust Fund to the Inactive Waste Fund on a quarterly basis for operations as needed, in order to maximize interest earnings in the Environmental Trust Fund.

Special District Funds

Air Pollution Control District

A positive variance of \$2.1 million is projected for the Air Pollution Control District.

A positive expenditure variance of \$4.4 million is projected. A positive variance of \$2.0 million in Salaries & Benefits and \$2.0 million in corresponding Operating Transfers Out in the Air Pollution Control Air Quality Improvement Trust Fund is due to staff vacancies and under-filling positions. A positive variance of \$0.4 million in Other Charges is due to lower than anticipated level of grant funding available for Carl Moyer incentive projects.

A negative revenue variance of \$2.3 million is projected. A negative variance of \$2.0 million in Other Financing Sources from the Air Pollution Control Air Quality Trust Fund is related to savings in Salaries & Benefits. A negative variance of \$0.4 million in Intergovernmental Revenues is associated with lower than anticipated level of grant funding in the Air Quality State Moyer Fund, partially offset by over-realized revenues of \$0.1 million in Interest on Deposits & Investments, Other Miscellaneous, Recovered Expenditures, Miscellaneous Revenue Other and Sale of Fixed Assets.

Street Lighting District

A positive variance of \$0.9 million is projected in the Street Lighting District.

No significant expenditure variance is projected.

A positive revenue variance of \$0.9 million is projected due to an increase in property tax revenues of \$0.1 million and an increase in Service to Property Owners of \$0.8 million as a result of the benefit assessment increase to provide for street lighting services.

San Diego County Sanitation District

A positive variance of \$0.6 million is projected in the San Diego County Sanitation District.

A positive expenditure variance of \$0.6 million is projected. Savings of \$0.6 million in Services and Supplies is due to staff vacancies & under-filled positions in the Wastewater Enterprise Fund which provides staffing for the Sanitation District.

No revenue variance is projected.

Enterprise Funds

Wastewater Enterprise Fund

No variance is projected for the Wastewater Enterprise Fund.

A positive expenditure variance of \$0.6 million is projected. Savings of \$0.6 million is projected in Salaries & Benefits due to staff vacancies and under-filing of positions.

A negative revenue variance of \$0.6 million is projected. Under-realized revenue in Charges for Current Services is projected due to reduced maintenance work in the San Diego County Sanitation District due to staff vacancies.

COMMUNITY SERVICES GROUP

General Fund

Community Services Group Executive Office

A positive variance of \$1.3 million is projected for the Community Services Group Executive Office.

A positive expenditure variance of \$1.3 million is projected in Management Reserves, which are appropriated for unanticipated Group-wide contingencies. Potential uses for Management Reserves include facility projects in the North and Central County Animal Shelters.

No revenue variance is projected.

Registrar of Voters

A positive variance of \$2.6 million is projected for the Registrar of Voters.

No expenditure variance is projected.

A positive revenue variance of \$2.6 million is projected due to \$2.4 million in Election Services Other Governmental (June 7, 2016 Presidential Primary Election - \$0.1 million; November 8, 2016 Presidential General Election - \$2.0 million; and signature verification of local petitions - \$0.3 million), and \$0.2 million in Help America Vote Act (HAVA) grant funding.

Special Revenue Funds

San Diego County Library

A positive variance of \$1.8 million is projected for the San Diego County Library.

A positive expenditure variance of \$2.0 million is projected. This variance is a result of savings of \$0.1 million in Salaries & Benefits from anticipated vacant positions. Projected savings in Services & Supplies of \$0.9 million is due to savings in utilities (\$0.2 million), facilities management (\$0.1 million) and IT related costs (\$0.6 million). Savings of \$1.0 million are projected in Management Reserves, which are appropriated for unanticipated operating contingencies.

A negative revenue variance of \$0.3 million is projected due to a projected shortfall in public printing fees and other library services.

Internal Service Funds

Facilities Management ISF

A positive variance of \$0.3 million is projected for the Facilities Management ISF.

A positive expenditure variance of \$7.0 million is projected due to \$2.4 million in Salaries & Benefits from vacant and modified positions and \$4.6 million in Services & Supplies primarily due to lower than anticipated pass through expenses for utility costs (\$2.9 million), project management consultant services (\$1.3 million) and various expenditure accounts (\$0.4 million).

A negative revenue variance of \$6.7 million is projected. This variance consists of anticipated under-realized revenue of \$6.2 million in Charges for Current Services primarily due to lower than anticipated reimbursement for utility and consultant charges and for costs related to facility maintenance and operations, as well as \$0.3 million in Miscellaneous Revenues, and \$0.2 million in Rents and Concessions.

Major Maintenance ISF

No overall variance is projected for the Major Maintenance ISF.

A positive expenditure variance of \$9.8 million is projected due to savings of \$9.7 million in Services & Supplies and \$0.1 million in Operating Transfers Out from delays in commencing new projects.

A negative revenue variance of \$9.8 million is projected as a result of project delays, since costs incurred in this fund are reimbursed by operating departments.

Fleet Management ISF

A positive variance of \$0.6 million is projected for the Fleet Management ISF.

A positive expenditure variance of \$7.5 million is projected. This is comprised of anticipated savings of \$0.5 million in Salaries & Benefits due to vacant and modified positions, \$6.8 million in Services & Supplies from less than anticipated fuel and vehicle parts purchases, and \$0.2 million in Capital Assets Equipment.

A negative revenue variance of \$6.9 million is projected, primarily due to under-realized revenue in Charges for Current Services related to a decrease in reimbursement for anticipated fuel and parts purchases.

FINANCE AND GENERAL GOVERNMENT GROUP

General Fund

Assessor/Recorder/County Clerk

A positive variance of \$1.3 million is projected for the Assessor/Recorder/County Clerk.

A positive expenditure variance of \$2.3 million is projected. Anticipated positive variances of \$1.3 million in Salaries & Benefits due to attrition and departmental vacancies, and \$1.0 million in Services & Supplies is projected due to delays in Restoration and Preservation projects and less than anticipated contracted services.

A negative revenue variance of \$1.0 is projected in Charges for Current Services. Decreases in trust fund reimbursements of \$0.9 million include \$0.4 million in Micrographics, \$0.3 million in e-Recording and \$0.2 million in Social Security Truncation due to projects delayed into next year and \$0.1 million in Marriage Ceremony Fees due to decrease in the number of ceremonies performed.

Department of Human Resources

A positive variance of \$1.3 million is projected for the Department of Human Resources.

A positive expenditure variance of \$1.5 million is projected. Anticipated positive variances of \$0.2 million in Salaries & Benefits is primarily due to vacant positions and \$1.3 million in Services & Supplies primarily due to savings in contracted services and workers compensation administration costs.

A negative revenue variance of \$0.2 million is projected in Miscellaneous Revenues due to reduced workers compensation administration costs.

GENERAL PURPOSE REVENUE & COUNTYWIDE EXPENSES

A positive variance of \$29.6 million is projected in General Purpose Revenue (GPR) and \$25.4 million positive variance is projected in General County Expenses.

General Purpose Revenue

The County's General Purpose Revenue is directly influenced by the state of the economy. San Diego's economy has certainly been healthier while employment showed gains across most industries except mining and logging, which was flat. The region has continued to fare better than other California metros in terms of unemployment rate which continued to decline year-over-year since November 2010 when it reached its peak of 11.1%. Median home prices in San Diego grew 6.7% in the 1st Quarter of Fiscal Year (FY) 2016-17 compare to the 1st Quarter of FY 2015-16. The outlook for San Diego is forecasted to match or exceed the state's pace of job growth and experience job gains across most of its industries. The region will continue to benefit from its role as an innovation hub for Biotechnology and Healthcare. San Diego's tourism and hospitality will continue to thrive.

The County's GPR related to property tax revenues improved, supported by the increase in assessed values. For FY 2016-17, the economic indicators discussed previously and the trends summarized below, are followed by a discussion on significant revenue account variances from budget:

- San Diego's monthly unemployment rate fell to 4.7% in September 2016, down from 4.8% one year ago. In comparison, this is below the state's rate of 5.3% in September 2016 and 5.6% in September 2015.
- Consumer spending, as measured by taxable sales will be flat mainly due to decline in fuel prices. During the 2nd Quarter of 2016, unadjusted local point of sale tax revenue decreased by 2.15% in the unincorporated area and in the Southern California Region by 0.66% compared to the same time period last year. It increased at the statewide level by 1.39% and in the San Diego regional level by 3.11%.
- The positive indicators in the housing market continues in the County.
 - Increase in median housing prices (up 6.7% in the San Diego region for 1st Quarter of FY 2016-17 compared to 1st Quarter of FY 2015-16);
 - The number of homes sold for September 2016 increased to 4.2% compared to the same time period last year.
 - Notices of Default for January-September 2016 were down 13% compared to the same period in 2015.
 - Foreclosure activity decreased 29% in January-September 2016 compared to the same period in 2015.

Current Property Taxes All Categories

The four categories of Current Property Taxes (i.e., Property Taxes Current Secured, Property Taxes Current Supplemental, Property Taxes Unsecured, and Property Taxes

Current Unsecured Supplemental) combined are estimated to show a net positive variance to budget of \$17.2 million.

- *Property Taxes Current Secured*

Current Secured Property Taxes are projected to be \$17.1 million higher than budget. This mainly resulted from the fact that the 2016 local secured assessed value is greater than anticipated in the budget.

The budgeted current secured property taxes assumed a local secured assessed value increase of 3.0%, but the actual assessed value (AV) increased by 5.6% (gross less regular exemptions). (Note: The 5.6% increase represents the change in the assessed value for only the secured roll. This is the same as the countywide overall increase published by the Assessor/Recorder/County Clerk on June 29, 2016 of 5.6%, which includes all assessed value components, secured and unsecured).

Property Taxes - Current Unsecured

Current Unsecured Property Taxes are projected to be \$0.1 million above budget. At the time the budget was prepared, current unsecured property tax revenues were based on the assumption that there would be no growth in the current unsecured roll. Unlike the secured roll, the unsecured roll does not build on a prior year base.

- *Property Taxes Current Supplemental*

No projected variance in Current Supplemental Property Taxes. The projection for this revenue is based on charges and collections trend estimates related to new construction and anticipated turnover through Fiscal Year 2016-17. The method for calculating the allocation factors changed during Fiscal Year 2015-16 per direction from the State Controller's Office, resulting in decrease of supplemental revenue for the County. This assumption was included in the projection.

Taxes Other Than Current Secured

Taxes Other Than Current Secured are anticipated to be \$3.6 million above budget.

- *Real Property Transfer Taxes*

No projected variance for Real Property Transfer Taxes based on realized revenues for Fiscal Year 2015-16 as well as data regarding current year change in ownership and the anticipated level of new construction.

- *Teeter Tax Reserve Excess*

Teeter Tax Reserve Excess is projected to be \$2.1 million below budget. The decrease is based on current penalty and interest collections where improvement in the delinquency rate have led to continued declines in the Teeter buyout and the outstanding receivables which continues to decrease year-over-year.

- *Property Tax in Lieu of Vehicle License Fees*
Property Tax in Lieu of Vehicle License Fees (VLF) is projected to be \$9.0 million above the budgeted amount of \$362.2 million. The actual assessed value adjustment factor is higher than the adjustment rate of 5.42% used to calculate the budgeted revenue.
- *Teeter Property Tax Prior Year and Cumulative Prior Years*
Teeter Property Tax Prior Year and Cumulative Prior Years are projected to be \$3.3 million below budget. The decrease is based on improvement in delinquency rate which have led to continued declines in the Teeter buyout and the outstanding receivables which continues to decrease year-over-year.

Licenses, Permits, and Franchises

No projected variance in Licenses, Permits and Franchise payments.

Revenue from Use of Money & Property

Interest on Deposits is projected to be \$0.5 million above budget. The increase is due to higher average daily cash balance and a slight increase in the interest rate.

Fines, Forfeitures and Penalties

Penalties and Cost Delinquency Taxes are projected to be \$3.8 million above budget based on trend comparing three prior year collections. Revenues in this account reflect the 10% penalty that is assessed on late current secured and unsecured property tax payments.

Intergovernmental Revenue

A positive variance of \$3.1 million is projected in Intergovernmental Revenue primarily due to pass-through distributions, and residual balance estimates in Aid from Redevelopment Successor Agencies. The pass-through distributions are continuing to go higher due to continued growth in the project areas, new pass-through payments received starting in Fiscal Year 2015-16 from National City and additional pass-through payments received from Vista from an old project which they started to receive tax increment in Fiscal Year 2015-16.

General County Expenses

Cash Borrowing

A positive variance of \$2.7 million is projected. Costs for issuance of Tax and Revenue Anticipation Notes (TRANS) were included in the development of the budget. There were no TRANS issued this fiscal year.

Contingency Reserve

The entire \$22.7 million budgeted in the Contingency Reserve in Fiscal Year 2016-17 is projected to be unspent at year-end.

Internal Service Funds (ISF)

Public Liability Internal Service Fund (PLISF)

A negative variance of \$4.8 million is projected for the Public Liability Internal Service Fund.

A negative expenditure variance of \$4.8 million is projected. Anticipated negative variance of \$5.0 million in Other Charges is due to the potential outcomes of pending legal cases partially offset by positive variance of \$0.2 million in Services & Supplies primarily due to interdepartmental salary cost savings.

No revenue variance is projected. County staff is reviewing options to address the projected negative expenditure variance.



San Diego County Flood Control District

AGENDA ITEM

GOVERNING BODY

GREG COX
First District

DIANNE JACOB
Second District

DAVE ROBERTS
Third District

RON ROBERTS
Fourth District

BILL HORN
Fifth District

DATE: December 13, 2016

FL01

TO: Flood Control Board of Directors

SUBJECT: FISCAL YEAR 2016-17 FIRST QUARTER BUDGET ADJUSTMENT
(DISTRICTS: ALL)

Overview

This report recommends a budget adjustment to the Flood Control District.

Recommendation(s)

CHIEF ADMINISTRATIVE OFFICER

Establish appropriations of \$75,000 in the Lake Rancho Viejo Stormwater Maintenance Zone 442493 Fund for the biological monitoring of the Keys Creek flood control channel based on available prior year Lake Rancho Viejo Stormwater Maintenance Zone 442493 Fund fund balance. (4 VOTES)

Fiscal Impact

If approved, this request will result in costs and revenue of \$75,000 in the Flood Control District, Lake Rancho Viejo Stormwater Maintenance Zone 442493 Fund in Fiscal Year 2016-17. The funding source is available prior year fund balance in the Lake Rancho Viejo Stormwater Maintenance Zone 442493 Fund. There will be no change in net General Fund cost and no additional staff years.

Business Impact Statement

N/A

Advisory Board Statement

N/A

Background

On August 3, 2016 (FL1), your Board, acting as the Board of Directors of the San Diego County Flood Control District, approved advertising and awarding a construction contract for access ramps for maintenance of Keys Creek flood control channel. Today's recommendation will establish appropriations of \$75,000 in the Lake Rancho Viejo Stormwater Maintenance Zone 442493 to provide additional funding for the biological and cultural monitoring of sediment removal activities based on available prior year Lake Rancho Viejo Stormwater Maintenance Zone 442493 Fund fund balance

SUBJECT: FISCAL YEAR 2016-17 FIRST QUARTER BUDGET ADJUSTMENT
(DISTRICTS: ALL)

Linkage to the County of San Diego Strategic Plan

Today's proposed actions support the Strategic Initiatives of Healthy Families, Safe Communities, Sustainable Environments and Operational Excellence in the County of San Diego's 2016–2021 Strategic Plan by fully committing to use County resources to meet the highest priority needs of residents.

Respectfully submitted,



HELEN N. ROBBINS-MEYER
Chief Administrative Officer

ATTACHMENT(S)

None

SUBJECT: FISCAL YEAR 2016-17 FIRST QUARTER BUDGET ADJUSTMENT
(DISTRICTS: ALL)

AGENDA ITEM INFORMATION SHEET

REQUIRES FOUR VOTES: Yes No

WRITTEN DISCLOSURE PER COUNTY CHARTER SECTION 1000.1 REQUIRED
 Yes No

PREVIOUS RELEVANT BOARD ACTIONS:

August 3, 2016 (FL1), approved advertising and awarding of construction contract for access ramps for maintenance of Keys Creek flood control channel.

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: Finance & General Government Group

OTHER CONCURRENCES(S): N/A

CONTACT PERSON(S):

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Administrative Officer/Auditor & Controller

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