



COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

GREG COX
First District

DIANNE JACOB
Second District

KRISTIN GASPAR
Third District

RON ROBERTS
Fourth District

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Fifth District

DATE: December 5, 2017

24

TO: Board of Supervisors

**SUBJECT: FISCAL YEAR 2017-18 FIRST QUARTER OPERATIONAL PLAN
STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICTS: ALL)**

OVERVIEW

This report summarizes the status of the County's Fiscal Year 2017-18 Operational Plan, as measured by projected year-end fund balance from current year operations. The projected year-end balance for the General Fund is \$105.0 million, and \$111.1 million for all budgetary funds combined. 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 2017-18 Adopted Operational Plan. This letter also recommends budget adjustments to make resource reallocations to fund negotiated ongoing and one-time salary and benefit payments, one-time projects and to align the budget with anticipated actuals.

In the Public Safety Group (PSG), recommendations include appropriations adjustments in various departments for negotiated ongoing and one-time salary and benefit payments; in the Sheriff's Department for the Regional Communications System (RCS), for the High Intensity Drug Trafficking Areas (HIDTA) program, and for equipment and migration costs related to the Sheriff's Technology Center; in the County Service Area (CSA) 135 Zone F Poway 800 MHz fund for the NextGen RCS infrastructure; in the CSA 135 Fire Authority Fire Protection/EMS for the Pine Valley fire station maintenance and operations; and in the CSA 135 East Otay Mesa CFD 09-01 Special Tax A for lease payments for the East Otay Sheriff's substation.

In the Health and Human Services Agency (HHS), recommendations include appropriations adjustments for negotiated ongoing and one-time salary and benefit payments; in the In-Home Supportive Services (IHSS) Public Authority for health insurance benefit contributions for IHSS home care workers and in IHSS for share of costs associated with the new wage and benefit package for the United Domestic Workers of America (UDWA); and an appropriation adjustment to correct the funding source for the North Inland Crisis Residential Facility project related to demolition and abatement costs.

In the Land Use and Environment Group (LUEG), recommendations include appropriations adjustments in various departments for negotiated ongoing and one-time salary and benefit payments; in the Department of Public Works for Permanent Road Division Zone No. 117 –

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Legend Rock for road maintenance, for Permanent Road Division Zone No. 101 – Johnson Lake Road for additional storm-related maintenance, in the Airport Enterprise Fund for the Cajon Air Center Phase III Drainage Improvement project, and for the implementation of the Strategic Plan to Reduce Waste in the Waste Planning and Recycling Fund; in the Department of Environmental Health for the Environmental Health fund balance commitment and in the Vector Control Program for pesticide materials and outreach services; in Planning & Development Services for the Planning & Development Services Building Reserve fund balance commitment and Climate Action Plan program; in the Parks and Recreation Department for the Sycuan/Sloane Canyon Trail improvements, Glen Abbey Trail construction costs, Tijuana River Valley Regional Park Visitor Center Improvements Project; in the Multiple Species Conservation Fund to properly record expenses; and in various departments for activities related to the Local Health Emergency.

In the Community Services Group (CSG), recommendations include appropriations adjustments in various departments for negotiated ongoing and one-time salary and benefit payments; in the Gillespie Field Debt Service Reserve Fund to fund future debt service costs; and in the Capital Outlay Fund to fund California Environmental Quality Act (CEQA) costs for Lakeside Library Land Acquisition project.

In the Finance and General Government Group (FGG), recommendations include appropriations adjustments in various departments for negotiated ongoing and one-time salary and benefit payments and in the District Offices for miscellaneous one-time expenses.

**RECOMMENDATION(S)
CHIEF ADMINISTRATIVE OFFICER**

1. Accept the Fiscal Year 2017-18 first quarter report on projected year-end results.
2. Cancel appropriations of \$11,373,619 in Finance Other, Countywide General Expenses, Services & Supplies, for negotiated ongoing in Salaries & Benefits for Public Safety Group (\$5,897,498), Health and Human Services Agency (\$1,606,754), Land Use and Environmental Group (\$811,752), Community Services Group (\$220,876) and Finance and General Government Group (\$2,836,739).
3. Establish appropriations of \$11,942,755 in Public Safety Group, Salaries & Benefits, for negotiated ongoing payments of \$8,385,282 and one-time payments of \$3,557,473 based on available prior year General Fund fund balance (\$2,457,384), available prior year Public Safety Group General Fund fund balance (\$2,057,356), General Purpose Revenues (\$5,897,498) and Program Revenues (\$1,530,517) appropriated as follows: Child Support (\$1,714,083), Citizens Law Enforcement Review Board (\$20,455), District Attorney (\$2,040,825), Medical Examiner (\$228,655), Office of Emergency Services (\$143,160), Probation (\$951,220), Public Defender (\$559,095), Public Safety Group Executive Office (\$68,265) and Sheriff (\$6,216,997). **(4 VOTES)**
4. Establish appropriations of \$22,913,242 in Health and Human Services Agency, Salaries & Benefits, for negotiated ongoing payments of \$16,067,541 and one-time

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- payments of \$6,845,701 based on available prior year General Fund fund balance (\$684,570), available prior year Health and Human Services Agency General Fund fund balance (\$6,161,131), General Purpose Revenues (\$1,606,754) and Program Revenues (\$14,460,787). **(4 VOTES)**
5. Establish appropriations of \$4,379,182 in Land Use and Environment Group, Salaries & Benefits, for negotiated ongoing payments of \$3,117,687 and one-time payments of \$1,261,495 based on available prior year General Fund fund balance (\$1,337,435), General Purpose Revenues (\$811,752) and Program Revenues (\$2,229,995) appropriated as follows: Agriculture, Weights and Measure (\$561,034), Department of Public Works (\$1,476,290), Environmental Health (\$1,003,463), Land Use and Environment Group (\$76,853), Parks and Recreation (\$538,911) and Planning and Development Services (\$722,631). **(4 VOTES)**
 6. Establish appropriations of \$2,435,173 in Community Services Group, Salaries & Benefits, for negotiated ongoing payments of \$1,659,201 and one-time payments of \$775,972 based on available prior year General Fund fund balance (\$96,895), available prior year Community Services Group General Fund fund balance (\$384,228), General Purpose Revenues (\$220,876) and available prior year Other Funds fund balance (\$1,733,174) appropriated as follows: Community Services Group Executive Office (\$54,600), County Library (\$792,423), Department of Animal Services (\$397,615), General Services (\$709,913), Purchasing & Contracting (\$230,838) and Registrar of Voters (\$249,784). **(4 VOTES)**
 7. Establish appropriations of \$4,515,110 in Finance and General Government Group, Salaries & Benefits, for negotiated ongoing payments of \$3,220,797 and one-time payments of \$1,294,313 based on available prior year General Fund fund balance (\$1,150,425), available prior year Finance and General Government Group General Fund fund balance (\$143,888), General Purpose Revenues (\$2,836,739) and Program Revenues of (\$384,058) appropriated as follows: Assessor/Recorder/County Clerk (\$1,387,762), Auditor and Controller (\$889,298), Board of Supervisors District Offices (\$251,758), Chief Administrative Office (\$118,288), Civil Service Commission (\$18,456), Clerk of the Board of Supervisors (\$117,991), County Communications Office (\$97,853), County Counsel (\$347,496), County Technology Office (\$128,635), Finance and General Government Group Executive Office (\$129,901), Grand Jury (\$3,722), Human Resources (\$570,357) and Treasurer-Tax Collector (\$453,593). **(4 VOTES)**
 8. Cancel appropriations of \$184,000 in the Sheriff's Department, Services & Supplies, and related revenue from the Regional Communications System (RCS) Trust Fund to align the budget with anticipated actuals.
 9. Establish appropriations of \$21,155 in the County Service Area (CSA) 135 Zone F Poway 800 MHZ fund, Services & Supplies, for the NextGen RCS shared backbone infrastructure cost based on available prior year fund balance. **(4 VOTES)**

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10. Establish appropriations of \$146,723 in the Sheriff's Department, Salaries & Benefits (\$21,723), Services & Supplies (\$48,537) and Capital Assets (\$76,463), 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)**
11. Establish appropriations of \$335,000 in the CSA 135 Fire Authority Fire Protection / EMS Fund, Services & Supplies, for the Pine Valley fire station maintenance and operations costs based on available prior year fund balance from the dissolution of the Pine Valley Fire Protection District. **(4 VOTES)**
12. Establish appropriations of \$220,000 in the CSA 135 East Otay Mesa CFD 09-01 Special Tax A Fund, Services & Supplies, for lease payments for the East Otay Sheriff's substation based on available prior year fund balance. **(4 VOTES)**
13. Cancel appropriations of \$1,099,875 and related Operating Transfer In from the General Fund in the Justice Facility Construction Fund for Capital Project 1021130, Sheriff's Technology & Information Center, to properly record related non-capital equipment and migration costs.
14. Transfer appropriations of \$1,099,875 from the Contributions to Capital Outlay Fund, Operating Transfers Out, to the Sheriff's Department, Services & Supplies, to properly account for equipment and migration costs related to the Sheriff's Technology Center.
15. Establish appropriations of \$7,480,000 in the County of San Diego In-Home Supportive Services (IHSS) Public Authority, Operating Transfers Out (\$5,280,000), for additional program costs related to the increase in health insurance benefit contributions for IHSS home care workers and in IHSS, Services & Supplies (\$2,200,000), for additional costs tied to the County's share of cost associated with the new wage and benefit package to be paid through an increased IHSS Maintenance of Effort (MOE) as a result of the negotiated provisions of the Memorandum of Understanding (MOU) between the County of San Diego IHSS Public Authority and The United Domestic Workers of America (UDWA) based on federal and State revenue received by the Health and Human Services Agency (HHS) (\$5,280,000) and General Fund Committed Realignment in HHS (\$2,200,000). **(4 VOTES)**
16. Establish appropriations of \$192,632.29 in the Contributions to Capital Outlay Fund, Operating Transfers Out, to provide funding for Capital Project 1019395, North Inland Crisis Residential Facility, based on available prior year Health and Human Services Agency General Fund fund balance. **(4 VOTES)**
17. Establish appropriations of \$350,073.44 in the County Health Complex Fund for Capital Project 1019395, North Inland Crisis Residential Facility, based on an Operating Transfer In from the Contributions to Capital Outlay Fund (\$192,632.29)

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- and revenue from a California Health Facilities Financing Authority grant (\$157,441.15). **(4 VOTES)**
18. Cancel appropriations of \$350,073.44 and related Operating Transfer In from the General Fund in the County Health Complex Fund for Capital Project 1019395, North Inland Crisis Residential Facility, to correct the funding source.
 19. Transfer appropriations of \$350,073.44 from the Contributions to Capital Outlay Fund, Operating Transfers Out, to Health and Human Services Agency, Services & Supplies, to correct funding sources for Capital Project 1019395.
 20. Establish appropriations of \$152,600 in the Permanent Road Division Zone No. 117 – Legend Rock Fund, Services & Supplies (\$117,251), for road maintenance and planning services, and Operating Transfers Out (\$35,349), to reimburse the DPW General Fund for road maintenance services based on special taxes collected within Legend Rock. **(4 VOTES)**
 21. Establish appropriations of \$35,349 in the DPW General Fund, Services & Supplies, for road maintenance services based on an Operating Transfer In from the Permanent Road Division Zone No. 117 – Legend Rock Fund. **(4 VOTES)**
 22. Establish appropriations of \$22,000 in the Permanent Road Division Zone No. 101 – Johnson Lake Road Fund, Services & Supplies (\$10,950), for additional storm-related maintenance services, and Other Charges (\$11,050), for loan and interest payments to the Permanent Road Division Internal Service Fund based on increased benefit assessments collected within Johnson Lake Road Fund. **(4 VOTES)**
 23. Amend the Fiscal Year 2017-18 Airport Enterprise Fund Spending Plan by transferring \$600,000 from the Cajon Air Center Phase I Underground Detention Basin project to the Cajon Air Center Phase III Drainage Improvement project.
 24. Establish appropriations of \$850,000 in the Department of Public Works, Waste Planning and Recycling Fund, Services & Supplies, for education strategies, technical assistance and consultant services for the implementation of the Strategic Plan to Reduce Waste based on an increase in the solid waste management agreement fee. **(4 VOTES)**
 25. Authorize the Auditor and Controller to increase the Environmental Health fund balance commitment within the General Fund by \$1,100,000 based on available prior year Land Use and Environment Group General Fund fund balance. **(4 VOTES)**
 26. Establish appropriations of \$250,000 in the Department of Environmental Health, Services & Supplies (\$184,609) and Fixed Assets (\$65,391), for the Vector Control Program to purchase a truck-mounted pesticide sprayer, larvicide and adulticide products, traps and bait, and increase public outreach services to enhance invasive Aedes mosquito control based on unanticipated grant revenue from the California

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Department of Public Health passed through Public Health Foundation Enterprises.
(4 VOTES)

27. Authorize the Auditor and Controller to increase the Planning and Development Services Building Reserve fund balance commitment within the General Fund by \$530,000 based on available prior year Land Use and Environment Group General Fund fund balance, to be utilized in the future, in part, to complete work in progress for fees already paid by applicants for ongoing project reviews. **(4 VOTES)**
28. Establish appropriations of \$695,000 in the Department of Planning and Development Services, Salaries & Benefits (\$135,000), and Services & Supplies (\$560,000), for the Climate Action Plan (CAP), based on available prior year Land Use and Environment Group General Fund fund balance. **(4 VOTES)**
29. Establish appropriations of \$203,000 in the Department of Parks and Recreation, Services & Supplies, to fund Preliminary Engineering Reports for the Sycuan/Sloane Canyon Trail improvements, based on unanticipated revenue from the Sycuan Fee To Trust Agreement Trust Fund. **(4 VOTES)**
30. Establish appropriations of \$239,865 in the Capital Outlay Fund for Capital Project 1021182 Glen Abbey Trail, for increased construction contract costs based on unanticipated revenue from the Parks and Recreation Trust Fund. **(4 VOTES)**
31. Cancel appropriations of \$12,297 and related Operating Transfer In from the General Fund in the Capital Outlay Fund for Capital Project 1021103, Tijuana River Valley Regional Park Visitor Center Improvements Project, to fund related non-capital expenses including new flooring and interior improvements.
32. Transfer appropriations of \$12,297 from Contributions to Capital Outlay Fund, Operating Transfers Out, to the Department of Parks and Recreation, Services & Supplies, to fund new flooring and interior improvements. **(4 VOTES)**
33. Cancel appropriations of \$28,097.83 and related Operating Transfer In from the General Fund in the Multiple Species Conservation Program Fund to properly record related non-capital pre-acquisition expenses.
34. Transfer appropriations of \$28,097.83 from Contribution to Capital Outlay Fund, Operating Transfers Out, to the Department of Parks and Recreation, Services & Supplies, to properly record related non-capital pre-acquisition expenses. **(4 VOTES)**
35. Establish appropriations of \$1,565,749 in the Department of Parks and Recreation, Salaries & Benefits (\$258,579) and Services & Supplies (\$1,307,170), to fund staff and contract cost related to the Local Health Emergency, including site inspections, encampment cleanups, and outreach and education, based on available prior year General Fund fund balance. **(4 VOTES)**

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36. Establish appropriations of \$1,071,352 in the Department of Planning & Development Services, Salaries & Benefits (\$178,402) and Services & Supplies (\$892,950), related to the Local Health Emergency, including site inspections encampment cleanups, and outreach and education, based on available prior year General Fund fund balance. **(4 VOTES)**
37. Establish appropriations of \$3,392,571 in the Department of Public Works General Fund, Services and Supplies, for activities related to addressing the Local Health Emergency, including site inspections, encampment cleanups, and outreach and education, based on available prior year General Fund fund balance. **(4VOTES)**
38. Establish appropriations of \$93,516 in the Department of Agriculture, Weights & Measures, Salaries & Benefits (\$91,212) and Services & Supplies (\$2,304), for activities related to addressing the Local Health Emergency for Hepatitis A outbreak, including encampment cleanup, based on available prior year General Fund fund balance. **(4 VOTES)**
39. Establish appropriations of \$299,756 in the Department of Environmental Health, Salaries & Benefits (\$289,756) and Services & Supplies (\$10,000), for activities related to addressing the Local Health Emergency, including epidemiology, site inspections, encampment cleanup, and outreach and education, based on available prior year General Fund fund balance. **(4 VOTES)**
40. Ratify appropriations of \$910.76 in the Fiscal Year 2016-17 Gillespie Field Debt Service Reserve Fund, Operating Transfers Out, to fund future debt service costs based on overrealized interest revenue. **(4 VOTES)**
41. Establish appropriations of \$60,000 in the Contributions to Capital Outlay Fund, Operating Transfers Out, to provide funding for Capital Project 1020106, Lakeside Library Land Acquisition, to fund California Environmental Quality Act (CEQA) task order costs based on available prior year Community Services Group General Fund fund balance. **(4 VOTES)**
42. Establish appropriations of \$60,000 in the Library Projects Fund for Capital Project 1020106, Lakeside Library Land Acquisition, to fund California Environmental Quality Act (CEQA) task order costs based on an Operating Transfer In from the General Fund. **(4 VOTES)**
43. 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)**
44. Establish appropriations of \$70,734 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)**

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45. 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)**
46. 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)**
47. Establish appropriations of \$98,225 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)**
48. Authorize the Auditor and Controller to refund \$812,948.76 to Charter Communications for their erroneous payment of franchise fees that were inadvertently sent to the County.

FISCAL IMPACT

Funds for a portion of these requests are not included in the Fiscal Year 2017-18 Operational Plan. If approved, these actions will result in a net increase in appropriations of \$24,848,196 in the General Fund. The funding sources include San Diego/Imperial Valley Southwest Border HIDTA, federal and State revenues, Committed Realignment in HHSA, unanticipated revenue from special taxes, grant revenue from California Department of Public Health, Sycuan Fee Trust Fund, Operating Transfers, Program Revenues, General Purpose Revenue, available prior year Public Safety Group General Fund fund balance, available prior year Health and Human Services Agency General Fund fund balance, available prior year Land Use and Environment Group General Fund fund balance, available prior year Community Services Group General Fund fund balance, available prior year Finance and General Government Group General Fund fund balance and available prior year General Fund fund balance.

In all other funds combined, these actions will result in a net increase in appropriations of \$736,618. The funding sources are Operating Transfers and miscellaneous other sources.

BUSINESS IMPACT STATEMENT

N/A

ADVISORY BOARD STATEMENT

N/A

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BACKGROUND

For the General Fund, the first quarter projection of year-end fund balance from current year operations is \$105.0 million. This projected one-time resource is a combination of anticipated year-end General Purpose Revenue (GPR) greater than budget by \$30.9 million along with a net positive variance of \$46.0 million from operations and a positive variance of \$28.0 million in unspent contingency and management reserves. The projected \$30.9 million anticipated in GPR is primarily due to increase in interest revenue from higher than expected interest earnings; an increase in former redevelopment project area tax increment pass-through distributions due to continued growth in the project areas and residual balance estimates in Aid from Redevelopment Successor Agencies; and a higher Property Tax Secured Supplemental (current and prior) based on prior year receipts.

The projected balance for all other funds combined is \$6.1 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 \$104.9 million is based on the estimate that expenditures will be approximately \$132.5 million less than the Fiscal Year 2017-18 Amended Budget and revenues will be a net \$27.6 million less than the Fiscal Year 2017-18 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:

- \$35.5 million in positive salary and benefit appropriation variance in all groups due to staff turnover and department management of vacancies.
- \$24.0 million in positive appropriation variance in Services & Supplies across the County.
 - In PSG, projected overall negative variance of \$2.7 million primarily due to Medicines, Drugs & Pharmaceuticals and Temporary Contract Help costs in the Sheriff's Department partially offset by decrease in food service costs and delay of information technology projects in the Probation Department and lower than anticipated lease costs in the Department of Child Support Services.
 - In HHSA, projected overall positive variance of \$24.3 million primarily in Behavioral Health Services associated with updated procurement timeframes and trends in utilization of services across programs.
 - In LUEG, projected overall positive variance of \$0.7 million is largely due to delays in the implementation of the Vector Habitat Remediation Program in Environmental Health.
 - In CSG, projected positive variance of \$0.2 million in Animal Services is due to anticipated savings in utilities, information technology charges, and facilities maintenance costs.

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- In FGG, projected positive variance of \$1.5 million is mainly due to projected savings in contracted services and workers compensation administration costs in Department of Human Resources.
- A projected net positive appropriation variance of \$48.0 million in Other Charges reflects variances primarily in HHSA and Finance Other. In HHSA, the projected positive variance of \$45.3 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.
- \$24.0 million positive appropriation variance in contingency reserves that are projected to be unspent at year-end.
- \$4.0 million positive appropriation variance in management reserves in FGG (\$3.0 million) and CSG (\$1.0 million) that are projected to be unspent at year-end.

The projected under realized revenue of \$27.6 million includes positive variances totaling \$22.7 million and negative variances of \$50.3 million. The projected revenue variance of \$22.7 million is primarily attributable to the following categories: Revenue From Use of Money & Property (\$13.6 million) mainly due to interest revenue from higher than expected interest earnings; Taxes Current Property (\$5.6 million); Taxes Other Than Current Secured (\$2.5 million) due to higher turnover in ownership and new construction activity; Licenses, Permits & Franchises (\$1.0 million). The projected negative variance of \$50.3 million is largely in Intergovernmental Revenue (\$45.1 million) as a result of expenditure savings in caseload-driven programs, multi-year projects and contracted services as mentioned above; in Miscellaneous Revenues (\$3.7 million) mainly due to lower than anticipated disbursements to the General Fund from health savings funds; and in Charges For Current Services (\$1.5 million) mainly due to projected expenditure savings that will result in less cost recovery.

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

Fiscal Year 2017-18 Budget Adjustments

The recommendations for budget adjustments are explained as follows:

Recommendations 2-7

The Board of Supervisors approved changes to the Compensation Ordinance for non-represented employees on May 2, 2017 (7), for unclassified employees, and April 25, 2017 (27), for classified employees, and as a result of negotiated Memoranda of Agreement (MOA) between the County and the Service Employees International Union, Local 221 (SEIU) on October 10, 2017 (15). These recommendations cancel appropriations of \$11,373,619 in Finance Other and establish the necessary appropriations of \$46,185,462 in Salaries & Benefits in the Public Safety Group (\$11,942,755), Health and Human Services Agency (\$22,913,242), Land Use and Environmental Group (\$4,379,182), Community Services Group (\$2,435,173) and Finance and General Government Group (\$4,515,110) to support negotiated one-time (\$13,734,954) and ongoing (\$32,450,508) salary and benefit payments for Fiscal Year 2017-18 pursuant to the

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MOA, and. The funding sources are General Purpose Revenues, available prior year General Fund fund balance, available prior year Other Funds fund balance and Program Revenues.

Recommendation 8

This request will cancel appropriations and related revenue of \$184,000 in the Sheriff's Department to align the budget with anticipated actuals. Funds for the NextGen RCS site relocation project in Carlsbad were included both in the Fiscal Year 2017-18 Operational Plan and prior year carry forward process.

Recommendation 9

This request will establish appropriations of \$21,155 in the County Service Area (CSA) 135 Zone F Poway 800 MHZ fund based on available prior year fund balance. The funds will be used for the NextGen RCS shared backbone infrastructure cost for the City of Poway.

Recommendation 10

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 2017, the San Diego/Imperial Valley Southwest Border HIDTA Executive Board approved additional funding for the Sheriff's Department for overtime (\$21,723), investigative expenses (\$15,000), and equipment (\$110,000). This request will establish appropriations of \$146,723 in the Sheriff's Department based on unanticipated HIDTA revenue.

Recommendation 11

This request will establish appropriations of \$335,000 in the CSA 135 Fire Authority Fire Protection / EMS Fund for the Pine Valley fire station maintenance and operations costs, based on available prior year fund balance from the dissolution of Pine Valley Fire Protection District.

Recommendation 12

This request will establish appropriations of \$220,000 in the CSA 135 East Otay Mesa CFD 09-01 Special Tax A Fund, for lease payments for the East Otay Sheriff's substation, based on available prior year fund balance.

Recommendations 13 & 14

These recommendations will cancel appropriations of \$1,099,875 and related Operating Transfer In from the General Fund in the Capital Outlay Fund for Capital Project 1021130, Sheriff's Technology & Information Center, to properly account for equipment and migration costs and transfer 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 15

On October 10, 2017 (1), the Public Authority Governing Body approved the negotiated provisions of a Memorandum of Understanding (MOU) between the County of San Diego In-Home Supportive Services (IHSS) Public Authority and the United Domestic Workers of America (UDWA). This request will establish appropriations of \$5,280,000 in the County of San

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Diego IHSS Public Authority, Operating Transfers Out, based on federal and State revenue. Funds will be used to cover increased health benefit contributions for eligible IHSS workers as a result of the negotiated provisions of the MOU. The increase to health benefits is paid through the Public Authority's operating budget and reimbursed through the General Fund Health and Human Services Agency's (HHSA) budget. This request will also establish appropriations of \$2,200,000 in IHSS, Services & Supplies. Funds will be used to cover the County's share of cost associated with the new wage and benefit package to be paid through an increased IHSS Maintenance of Effort (MOE) as a result of the negotiated provisions of the MOU between the County of San Diego IHSS Public Authority and the UDWA. Costs will be invoiced to the County by the State under the IHSS MOE arrangement. The increase to the MOE will be funded by General Fund Committed Realignment funds through the HHSA budget. There is no budget adjustment requested for wages, as they are paid directly by the State to the IHSS workers.

Recommendation 16-19

These recommendations will amend the funding sources for Capital Project 1019395, North Inland Crisis Residential Facility (Project), and will replace certain operating revenue of the Health and Human Services Agency (HHSA) with prior year HHSA General Fund fund balance (\$192,632) and anticipated California Health Facilities Financing Authority (CHFFA) grant revenue (\$157,441). The aggregate of these will be used to replace \$350,073 of HHSA operating revenue as a funding source for demolition or abatement costs related to the Project, as these costs are not reimbursable by program revenue.

On February 3, 2015 (3), the Board established appropriations of \$3,578,425 based on \$2,946,512 of CHFFA grant revenue and \$631,913 of HHSA operating revenues. On December 15, 2015 (17), the Board authorized additional appropriations of \$900,000 for the abatement and demolition of the buildings located at 600 and 620 East Valley Parkway, Escondido, based on HHSA General Fund fund balance. On December 13, 2016 (26), the replaced \$311,734.56 of the HHSA operating revenue with CHFFA grant revenue. Today, \$720,178 of Project appropriations are based on HHSA operating revenue, and these recommendations will further lower this amount to \$356,653 using prior year HHSA General Fund fund balance and anticipated CHFFA grant revenue.

Recommendations 20 & 21

On May 3, 2017 (3), the Board accepted a petition from the property owners within Permanent Road Division (PRD) No. 1000, Zone No. 117 – Legend Rock requesting a Special Tax Election and adopted a resolution calling for a mail ballot election to impose a special tax for road maintenance services within the PRD. Funds for the formation of the special tax for PRD 117 were provided by the DPW General Fund and were to be reimbursed by the special taxes collected from the property owners within Legend Rock if the special tax passed. On July 19, 2017 (1) the Board certified passage of the Special Tax Election and the levying of Special Taxes within PRD 117 for Fiscal Year 2017-18. These recommendations will establish appropriations of \$152,600 in the PRD No. 1000, Zone No. 117 – Legend Rock Fund to provide for road maintenance and planning services (\$117,251) and reimburse the DPW General Fund (\$35,349) based on unanticipated revenue from the special taxes in PRD Zone 117.

**SUBJECT: FISCAL YEAR 2017-18 FIRST QUARTER OPERATIONAL PLAN
STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICTS: ALL)**

Recommendation 22

In January, 2017 a culvert on Johnson Lake Road was damaged as a result of heavy rains and a section of the road within PRD No. 1000, Zone No. 101 – Johnson Lake Road was closed to traffic. The PRD did not have sufficient funds to complete the repairs. The property owners voted and approved borrowing money to fund the repairs and approved an increase in their assessment rate to fund a loan. On June 21, 2017 (6), the Board approved an Internal Service Fund loan for Permanent Road Division (PRD) No. 1000, Zone No. 101 – Johnson Lake Road and the increase to the assessment rate. This recommendation will establish appropriations of \$22,000 in PRD No. 1000, Zone No. 101 – Johnson Lake Road Fund for the loan repayment and associated interest payments in Fiscal Year 2017-18 (\$11,050) and for road maintenance (\$10,950) based on revenue from the increased assessment in PRD Zone 101.

Recommendation 23

This recommendation will amend the Fiscal Year 2017-18 Airport Enterprise Fund Spending Plan by reducing \$600,000 in remaining appropriations and related Airport Enterprise Fund available fund balance for the Cajon Air Center Phase I Underground Detention Basin project, which has been completed, and transferring these funds to the Cajon Air Center Phase III Drainage Improvement project for design and environmental work. Project cost for Phase III is estimated at \$5,600,000. The Department of Public Works will return to the Board at a later date to request advertisement and award of a construction contract and appropriation of funds for project construction.

Recommendation 24

On April 26, 2017 (2) the Board approved the Strategic Plan to Reduce Waste to achieve 75% waste diversion by 2025, including an increase to the solid waste management agreement fee (franchise fee) from \$2.35 to \$6.96 per ton. This request will establish appropriations of \$850,000 in the Department of Public Works Waste Planning and Recycling Fund for education strategies, technical assistance and consultant services to implement the Strategic Plan to Reduce Waste. The funding source is unanticipated revenue from the increased franchise fee from haulers.

Recommendation 25

On February 24, 2004 (23), the Fund Balance Commitment for the Department of Environmental Health (DEH) was established within the General Fund. This Commitment ensures that revenue received from fees and permits that exceeds costs paid by Environmental Health customers in any fiscal year is used only to fund fee-related expenses in DEH in future years when costs may exceed revenue. For Fiscal Year 2016-17, this excess revenue equaled \$1,100,000. This action authorizes the Auditor and Controller to increase the General Fund Commitment for Environmental Health in Fiscal Year 2017-18 by \$1,100,000 based on available prior year Land Use and Environment Group General Fund fund balance and does not move funds into the Department of Environmental Health. If approved, the total amount in the DEH Fund Balance Commitment will be \$1,998,235.

Recommendation 26

The Department of Environmental Health received a \$250,000 grant from the California Department of Public Health passed through Public Health Foundation Enterprises to enhance

**SUBJECT: FISCAL YEAR 2017-18 FIRST QUARTER OPERATIONAL PLAN
STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICTS: ALL)**

invasive Aedes mosquito control in California. Control of Aedes aegypti and Aedes albopictus mosquitoes is critical to reduce the risk of Zika virus transmission and minimize the extent and duration of an outbreak should local transmission occur. Aedes aegypti and Aedes albopictus are present in San Diego County. The funds will be used in the Vector Control Program to purchase a truck-mounted pesticide sprayer, larvicide and adulticide products, traps and bait, and increase public outreach services through a media campaign to include five different languages.

Recommendation 27

The Department of Planning & Development Services (PDS) Building Reserve Fund Balance Commitment within the General Fund 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 2016-17, this amount equaled \$530,000. If approved, this recommendation will authorize the Auditor and Controller to increase the Building Reserve Commitment within the General Fund in Fiscal Year 2017-18 by \$530,000 based on available prior year Land Use and Environment Group General Fund fund balance. The total amount in the PDS Building Reserve Commitment will be \$2,451,474. These funds will be utilized in the future, in part, to complete work in progress with fees already paid by applicants for ongoing project reviews.

Recommendation 28

PDS has experienced an increase workload for the Climate Action Plan (CAP) program largely due to its broad reach and impact on future County operations. As a result of the complexity and compressed timeline for completion, additional consultant resources are required to complete the CAP in this short timeframe. If approved, this recommendation will establish appropriations of \$135,000 in Salaries & Benefits to pay for a dual filled position to help meet operational and customer service expectations, and \$560,000 in Consultant Contracts, totaling \$695,000 based on available prior year Land Use and Environment Group General Fund fund balance.

Recommendation 29

On January 9, 2012 (5), the Board executed an intergovernmental agreement with the Sycuan Band of the Kumeyaay Nation and the Sycuan Tribal Development Corporation that set forth the commitments of the Sycuan Band to mitigate the impacts of placing 1,357 acres of land into federal trust and to establish a trust fund for the deposit of associated mitigation funds. This recommendation will establish appropriations of \$203,000 in the Department of Parks and Recreation to fund the development of the Preliminary Engineering Reports (PERs) for the Sycuan/Sloane Canyon Trail based on mitigation funds from the Sycuan Band deposited in the Sycuan Fee To Trust Agreement Trust Fund.

Recommendation 30

On March 21, 2013, the Third Amendment to a Settlement Agreement with the California Department of Transportation (Caltrans) awarded the County \$1.7 million in settlement funds related to State Route 125 as compensation to provide substitute park land in lieu of Caltrans acquiring property and transferring it to the County. These funds were deposited into the Parks and Recreation Trust Fund for future use in the Sweetwater area. This recommendation will establish remaining settlement funds of \$239,865 in Capital Project 1021182, Glen Abbey Trail,

**SUBJECT: FISCAL YEAR 2017-18 FIRST QUARTER OPERATIONAL PLAN
STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICTS: ALL)**

for increased construction contract costs based on funds from the State Route 125 Caltrans settlement deposited in the Parks and Recreation Trust Fund.

Recommendations 31 & 32

These recommendations will cancel appropriations of \$12,297 and related Operating Transfer In from the General Fund in the Capital Outlay Fund for Project 1021103, Tijuana River Valley Regional Park Visitor Center Improvements Project, and transfer these appropriations to the Department of Parks and Recreation for new flooring and interior improvements to the Tijuana River Valley Regional Park Visitor Center to properly incur non-capital expenditures included as part of the original project scope. These expenditures 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.

Recommendations 33 & 34

These recommendations will cancel appropriations of \$28,097.83 and the related Operating Transfer In from the General Fund in the Multiple Species Conservation Program (MSCP) Fund and transfer these appropriations to the Department of Parks and Recreation to properly incur non-capital expenditures for pre-acquisition costs of due diligence activities related to property that was not acquired for Capital Project 1018123 Sycamore Ceilo Acquisition and Capital Project 1020925 Cumming Ranch Discoll Acquisition. These expenditures 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.

Recommendations 35-39

On September 1, 2017 the Public Health Officer issued a Declaration of Local Health Emergency, pursuant to Health and Safety Code Section 101080. On September 6, 2017 (1), the Board ratified this Declaration of Local Health Emergency. In response, several County departments have participated in the response efforts, including the Department of Public Works (DPW), Department of Parks & Recreation (DPR), Planning & Development Services (PDS), Department of Environmental Health (DEH), and Agriculture, Weights, and Measures (AWM). Activities related to the Local Health Emergency response include provision of temporary restrooms, keeping certain existing County Park restrooms open 24/7, as well as the provision of security for the restrooms. Departments also provided expertise in areas of pesticide application and epidemiology inspections. Work also includes monitoring public and private properties known or reported to be locations where individuals were living outdoors, resulting in the accumulation of waste, including biowaste. To protect the public health, departments utilized contracts to properly clean, and if necessary, sanitize these sites. It is projected that in Fiscal Year 2017-18, DPR will expend \$1,565,749, DPW will expend \$3,392,571, PDS will expend \$1,071,352, DEH will expend \$299,756, and AWM will expend \$93,516, for a total of \$6,422,944. To ensure a rapid response to the Local Health Emergency, departments have already committed resources and begun to realize expenditures in the above categories. These recommendations will appropriate funds totaling \$6,422,944 to the departments to ensure that routine department core services are not adversely impacted by their work responding to the Local Health Emergency base on available prior year General Fund fund balance.

**SUBJECT: FISCAL YEAR 2017-18 FIRST QUARTER OPERATIONAL PLAN
STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICTS: ALL)**

Recommendation 40

The Gillespie Field Series 2005 bonds currently listed on the approved Recognized Obligation Payment Schedule (ROPS) of the County of San Diego Successor Agency require any interest earnings in the debt service reserve fund to be transferred to the associated debt service fund for future debt service payments. This is a recommendation to ratify an action taken during the Fiscal Year 2016-17 year-end closing process to transfer such interest earnings.

Recommendations 41 & 42

Appropriations for site search and land acquisition totaling \$1,424,000 were established for the purpose of locating a new library in Lakeside. On April 25, 2017 (24), the Board established additional appropriations of \$121,000 to fund California Environmental Quality Act (CEQA) task order costs, soils survey due diligence, and closing costs. These recommendations will establish additional appropriations of \$60,000 in the Capital Outlay Fund for Capital Project 1020106, Lakeside Library Land Acquisition, to fund additional CEQA task order costs based on available prior year Community Services Group General Fund fund balance.

Recommendations 43-47

These recommendations will establish appropriations of \$768,959 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.

Recommendation 48

The State of California authorizes local entities to collect a franchise fee from certain providers for the continued use of streets, public facilities, and other rights-of-way within the jurisdiction of the local entity in order to provide services (California Public Utilities Code, Division 32.5 (Sections 6000-6467)). The County of San Diego receives several fees from cable companies, including franchise fees for the use of public right-of-ways or easements, in 2016, Charter Communications purchased Time Warner Communications. In the process of merging accounts, certain accounts related to franchise fees were mapped incorrectly. This resulted in franchise fees, which were meant for the City of San Diego, to be inadvertently remitted to the County of San Diego along with the correct amounts due to the County. This resulted in overpayment to the County for the last quarter of 2016 and first quarter of 2017 in the amount of \$812,948.76 in franchise fees. The recommendations today will authorize the Auditor and Controller to refund to Charter Communications the amount overpaid to the County.

**SUBJECT: FISCAL YEAR 2017-18 FIRST QUARTER OPERATIONAL PLAN
STATUS REPORT AND BUDGET ADJUSTMENTS (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 2017-2022 Strategic Plan by fully committing to use County resources to meet the highest priority needs of residents.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Helen N. Robbins-Meyer". The signature is fluid and cursive, with a large initial "H" and "M".

HELEN N. ROBBINS-MEYER
Chief Administrative Officer

ATTACHMENT(S)

Schedule A

Schedule B

Notes to Schedules A and B

**SUBJECT: FISCAL YEAR 2017-18 FIRST QUARTER OPERATIONAL PLAN
STATUS REPORT AND BUDGET ADJUSTMENTS (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 1, 2017 (14), 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 CONCURRENCE(S): N/A

CONTACT PERSON(S):

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

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**FY 2017-2018 1st Quarter
Projected Year-End Results**

(in thousands)

COUNTY SUMMARY

	Expenditure Variance	Revenue Variance	1st Quarter FY17-18 Projected Fund Balance
	Favorable/(Unfavorable)		
General Fund			
Public Safety	\$ 16,715	\$ (1,305)	\$ 15,410
Health & Human Services Agency	77,125	(55,934)	21,191
Land Use & Environment	2,875	(1,734)	1,141
Community Services	1,404	6	1,410
Finance & General Government	7,727	465	8,191
Total Agency/Group	105,847	(58,503)	47,344
General Purpose Revenue	0	30,930	30,930
Finance Other	26,683	0	26,683
Total General Fund	\$ 132,530	\$ (27,573)	\$ 104,957
Special Revenue Funds			
Public Safety	\$ (32)	\$ 33	\$ 1
Health & Human Services Agency	53	0	53
Land Use & Environment	730	213	943
Community Services	2,555	(516)	2,039
Total Special Revenue Funds	\$ 3,306	\$ (270)	\$ 3,037
Capital Program			
Finance Other	\$ 0	\$ 0	\$ 0
Internal Service Funds Departments			
Land Use & Environment	\$ 0	\$ 102	\$ 102
Community Services	22,788	(21,963)	825
Finance & General Government	0	0	0
Finance Other	111	0	111
Total Internal Service Funds	\$ 22,899	\$ (21,860)	\$ 1,039
Enterprise Fund Departments			
Land Use & Environment	\$ 324	\$ (324)	\$ 0
Sheriff	2	1	2
Total Enterprise Funds	\$ 326	\$ (323)	\$ 2
Special District Funds Departments			
Public Safety Group	\$ 0	\$ 0	\$ 0
Health & Human Services Agency	952	0	952
Land Use & Environment	1,146	(34)	1,112
Total Special District Funds	\$ 2,098	\$ (34)	\$ 2,064
Other County Funds Departments			
Community Svcs. - Red./Redev. Successor Agency	\$ 0	\$ 2	\$ 2
Total Other County Funds	\$ 0	\$ 2	\$ 2
Debt Service - Pension Obligation Bonds	\$ 0	\$ 0	\$ 0
Total County Projected Operating Balance	\$ 161,159	\$ (50,058)	\$ 111,101

**FY 2017-2018 1st Quarter
Projected Year-End Results**

(in thousands)

PUBLIC SAFETY GROUP

Expenditure Variance	Revenue Variance	1st Quarter FY17-18 Projected Fund Balance
Favorable/(Unfavorable)		

General Fund Departments

Child Support	\$ 3,720	\$ (1,232)	\$ 2,487
District Attorney	5,535	0	5,535
Emergency Services	301	0	301
Law Enforcement Review Board	8	0	8
Medical Examiner	471	0	471
Probation	696	(462)	234
Public Defender	1,990	14	2,004
Public Safety Executive Office	0	0	0
San Diego County Fire Authority	424	0	424
Sheriff	3,570	376	3,945
Total General Fund	\$ 16,715	\$ (1,305)	15,410

Special Revenue Funds Departments

District Attorney (Asset Forfeiture - State & Federal)	\$ 0	\$ 0	\$ 0
Probation - Asset Forfeiture	0	0	0
Probation - Inmate Welfare Program	0	0	0
Sheriff - Asset Forfeiture	0	0	0
Sheriff - Inmate Welfare Program	0	0	0
Criminal Justice Facility	0	1	1
Courthouse	0	0	0
Penalty Assessment	(1)	1	0
Public Safety - Proposition 172	(31)	31	0
Total Special Revenue Funds	\$ (32)	\$ 33	\$ 1

Enterprise Funds

Sheriff	\$ 2	\$ 1	\$ 2
Total Enterprise Funds	\$ 2	\$ 1	\$ 2

Special District Funds

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

Total Public Safety Group

\$ 16,685	\$ (1,271)	\$ 15,414
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**FY 2017-2018 1st Quarter
Projected Year-End Results**

(in thousands)

HEALTH & HUMAN SERVICES AGENCY

Expenditure Variance	Revenue Variance	1st Quarter FY17-18 Projected Fund Balance
Favorable/(Unfavorable)		

General Fund Programs

Administrative Support	\$ 2,508	\$ 1,785	\$ 4,293
Aging & Independence Services	(4,192)	4,616	424
Behavioral Health Services	23,234	(17,373)	5,861
Child Welfare Services	12,595	(6,830)	5,765
Public Health Services	3,614	(3,614)	0
Self-Sufficiency Services	36,375	(31,334)	5,042
Regional Operations	0	0	0
Housing & Community Development Services	2,991	(3,184)	(193)
Total General Fund	\$ 77,125	\$ (55,934)	\$ 21,191

Special Revenue Funds

Tobacco Securitization Fund	\$ 53	\$ 0	\$ 53
Total Special Revenue Funds	\$ 53	\$ 0	\$ 53

Special District Funds Departments

Ambulance Districts	\$ 952	\$ 0	\$ 952
Total Special Districts Funds	\$ 952	\$ 0	\$ 952

Other County Funds Departments

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

Total Health & Human Services Agency	\$ 78,131	\$ (55,934)	\$ 22,197
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**FY 2017-2018 1st Quarter
Projected Year-End Results**

(in thousands)

LAND USE & ENVIRONMENT GROUP

Expenditure Variance	Revenue Variance	1st Quarter FY17-18 Projected Fund Balance
Favorable/(Unfavorable)		

General Fund Departments

Agriculture, Weights & Measures	\$ 295	\$ 159	\$ 454
Environmental Health	2,036	(1,735)	301
Land Use & Environment Group Exec Office	0	0	0
Parks & Recreation	31	20	51
Planning & Development Services	514	(178)	336
Public Works	0	0	0
Total General Fund	\$ 2,875	\$ (1,734)	\$ 1,141

Special Revenue Funds Departments

A, W & M (Grazing and Fish & Game Commission)	\$ 0	\$ 0	\$ 0
Parks & Recreation - PLDO	(9)	647	638
DPW - Aviation Funds	0	0	0
DPW - Road Fund	739	(456)	283
DPW - Survey Monument Preservation	0	0	0
DPW - Inactive Waste	0	0	0
DPW - Waste Planning and Recycling	0	22	22
Total Special Revenue Funds	\$ 730	\$ 213	\$ 943

Internal Service Funds Departments

Public Works - DPW Equip. ISF Prg. (35525-35700)	\$ 0	\$ 102	\$ 102
Total Internal Service Funds	\$ 0	\$ 102	\$ 102

Enterprise Funds Departments

Airport Enterprise Fund	\$ 0	\$ 0	\$ 0
Wastewater Management Enterprise Fund	324	(324)	0
Total Enterprise Funds	\$ 324	\$ (324)	\$ 0

Special District Funds Departments

Air Pollution Control District	\$ 840	\$ (66)	\$ 774
Parks and Recreation	0	2	2
DPW - SD County Sanitation District	300	0	300
DPW - Sewer Maintenance Districts	6	0	6
DPW - CSAs	0	0	0
DPW - PRDs	0	0	0
DPW - Community Facilities Districts	0	0	0
DPW - Flood Control	0	2	2
DPW - Street Lighting Districts	0	28	28
Total Special Districts Funds	\$ 1,146	\$ (34)	\$ 1,112

Total Land Use & Environment Group

Total Land Use & Environment Group	\$ 5,075	\$ (1,776)	\$ 3,298
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**FY 2017-2018 1st Quarter
Projected Year-End Results**

(in thousands)

COMMUNITY SERVICES GROUP

Expenditure Variance	Revenue Variance	1st Quarter FY17-18 Projected Fund Balance
Favorable/(Unfavorable)		

General Fund Departments

Animal Services	\$ 404	\$ 6	\$ 410
Community Services Group Exec Office	1,000	0	1,000
General Services	0	0	0
Purchasing & Contracting	0	0	0
Library Services	0	0	0
Registrar of Voters	0	0	0
Total General Fund	\$ 1,404	\$ 6	\$ 1,410

Special Revenue Funds Departments

Library Services	\$ 2,555	\$ (516)	\$ 2,039
Total Special Revenue Funds	\$ 2,555	\$ (516)	\$ 2,039

Internal Service Funds Departments

Facilities Management	\$ 6,408	\$ (6,173)	\$ 234
Major Maintenance ISF	12,935	(12,935)	0
Fleet Management	3,046	(2,959)	88
Purchasing & Contracting	398	105	503
Total Internal Service Funds	\$ 22,788	\$ (21,963)	\$ 825

Other County Funds Departments

Red. Agency/Redevelopment Successor Agency	\$ 0	\$ 2	\$ 2
Total Other County Funds Departments	\$ 0	\$ 2	\$ 2

Total Community Services Group	\$ 26,747	\$ (22,471)	\$ 4,276
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**FY 2017-2018 1st Quarter
Projected Year-End Results**

(in thousands)

**FINANCE & GENERAL GOVERNMENT
GROUP**

Expenditure Variance	Revenue Variance	1st Quarter FY17-18 Projected Fund Balance
Favorable/(Unfavorable)		

General Fund Departments

Assessor/Recorder/County Clerk	\$ 1,664	\$ 978	\$ 2,642
Auditor & Controller	1,031	(26)	1,005
Board of Supervisors	79	0	79
Chief Administrative Office	339	0	339
Civil Service Commission	50	0	50
Clerk of the Board of Supervisors	122	203	325
County Communications Office	228	0	228
County Counsel	0	0	0
County Technology Office	0	0	0
Finance & GG Exec Office	3,085	0	3,085
Grand Jury	43	0	43
Human Resources	1,048	(683)	365
Treasurer-Tax Collector	37	(7)	30
Total General Fund	\$ 7,727	\$ 465	\$ 8,191

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	\$ 7,727	\$ 465	\$ 8,191
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**FY 2017-2018 1st Quarter
Projected Year-End Results**

(in thousands)

**GENERAL PURPOSE REVENUE &
FINANCE OTHER**

Expenditure Variance	Revenue Variance	1st Quarter FY17-18 Projected Fund Balance
Favorable/(Unfavorable)		

General Fund

General Purpose Revenue:

All Current Property Taxes	\$	5,538	\$	5,538
All Other Taxes-Local		2,535		2,535
Licenses, Permits & Franchises		0		0
Fines, Forfeitures & Penalties		0		0
Revenue for Use of Money & Property		13,793		13,793
Intergovernmental Revenue		11,064		11,064
Charges for Current Services		0		0
Miscellaneous Revenue		(2,000)		(2,000)
Total General Purpose Revenue	\$	0	\$	30,930
			\$	30,930

General County Expenses:

Cash Borrowing Program	\$	2,700	\$	0	\$	2,700
Community Enhancement		0		0		0
Contingency Reserve		23,983		0		23,983
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		26,683		0		26,683
Total General Fund	\$	26,683	\$	30,930	\$	57,613

Capital Program Funds

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

Internal Service Funds Departments

Workers Compensation	\$	111	\$	0	\$	111
Unemployment Insurance		0		0		0
Public Liability		0		0		0
Total ISF Funds	\$	111	\$	0	\$	111

Debt Service Funds Departments

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

**Total General Purpose Revenue & Finance
Other**

	\$	26,795	\$	30,930	\$	57,725
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**FY 2017-2018 1st Quarter
Projected Year-End Results**
(in thousands)

Category	Projected Management & Contingency Reserves	Projected Operating Balances	1st Quarter FY17-18 Projected Fund Balance
	Favorable/(Unfavorable)		
General Fund			
Public Safety	\$ 0	\$ 15,410	\$ 15,410
Health and Human Services Agency	0	21,191	21,191
Land Use and Environment	0	1,141	1,141
Community Services	1,000	410	1,410
Finance & General Government	3,000	5,191	8,191
Agency/Group Totals	\$ 4,000	\$ 43,344	\$ 47,344
General Purpose Revenue	\$ 0	\$ 30,930	\$ 30,930
General County Expenses	0	2,700	2,700
Contingency Reserve	23,983	0	23,983
Total Gen'l. Purpose Rev. & Gen'l. County Exp.	\$ 23,983	\$ 33,630	\$ 57,613
Total General Fund	\$ 27,983	\$ 76,974	\$ 104,957

**COUNTY OF SAN DIEGO
NOTES TO SCHEDULES A and B
Fiscal Year 2017-18 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 \$3.9 million is projected for the Sheriff's Department.

A positive expenditure variance of \$3.5 million is projected. Salaries & Benefits are projected to be \$6.9 million under budget due to vacant positions. A net negative expenditure variance of \$3.4 million is projected in Services & Supplies primarily due to Medicines, Drugs & Pharmaceuticals and Temporary Contract Help. The projected negative variance in Services & Supplies will be offset by projected savings in Salaries & Benefits.

A positive revenue variance of \$0.4 million is projected. A positive variance of \$1.2 million is projected in Charges for Current Services primarily for supplemental State funds allocated to the Trial Court Security Subaccount, for security costs associated with the new San Diego Central Courthouse. This positive variance is partially offset by a negative variance of \$0.8 million in Intergovernmental Revenues due to reduced revenue from the Federal Government for the State Criminal Alien Assistance Program.

District Attorney

A positive variance of \$5.5 million is projected for the District Attorney's Office.

A positive expenditure variance of \$5.5 million is projected in Salaries & Benefits based on normal attrition, and vacant and modified positions.

No revenue variance is projected.

Department of Child Support Services

A positive variance of \$2.5 million is projected for the Department of Child Support Services.

A positive expenditure variance of \$3.7 million is projected due to \$4.3 million in Salaries & Benefits primarily due to vacant and modified positions, \$0.3 million in Services & Supplies due to lower than anticipated lease costs, offset by a negative variance of \$0.9 million in Expenditure Transfer & Reimbursements due to lower than anticipated expenditure reimbursements from the Health and Human Services Agency for Bureau of Public Assistance Investigation services.

A negative revenue variance of \$1.2 million is projected in Intergovernmental Revenues due to lower than anticipated reimbursement related to cost to support the child support programs.

Probation

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

A positive expenditure variance of \$0.7 million is projected. A positive variance of \$0.3 million is projected in Salaries & Benefits primarily due to normal attrition, vacant, and modified positions. A positive variance of \$0.4 million is projected in Services & Supplies primarily due to \$0.2 million decrease in food service costs resulting from declining youth populations at juvenile facilities and \$0.2 million due to delay of information technology (IT) projects.

A negative revenue variance of \$0.5 million is projected. The negative variance in Intergovernmental Revenues is due to \$0.3 million from the National School Breakfast and Lunch programs related to declining youth populations at juvenile facilities and \$0.2 million related to reductions in the Standards & Training for Corrections funding.

Public Defender

A positive variance of \$2.0 million is projected for the Public Defender.

A positive expenditure variance of \$2.0 million is projected. This is comprised of \$2.0 million in Salaries & Benefits due to vacant and modified positions.

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 \$4.3 million is projected for Administrative Support.

A positive expenditure variance of \$2.5 million is projected in Services & Supplies and is primarily due to lower projected costs in contracted services for the Whole Person Wellness (WPW) pilot project tied to a longer timeline for the procurement process. In addition, HHSA has obligated its entire budget of \$20.0 million in Management Reserves to cover expenditures associated with HHSA's response in addressing the Hepatitis A outbreak. Although the \$20.0 million is reflected under Administrative Support, it will cover costs such as nursing, vaccines, sanitizing and education/outreach efforts incurred by various Agency departments, primarily in Public Health.

A positive revenue variance of \$1.8 million is projected and includes \$3.4 million in Intergovernmental Revenue offset by a negative variance of \$1.6 million in Charges for Current Services primarily due to a longer timeline for the procurement process for the WPW pilot project. The positive variance of \$3.4 million in Intergovernmental Revenue includes \$5.4 million over-realized Realignment revenue due to redistribution within the Agency offset by \$1.4 million in under-realized unsecuritized tobacco settlement revenue associated with the WPW pilot project that is not projected to be recognized and \$0.6 million in social services administrative revenues.

Aging & Independence Services

Aging & Independence Services had a positive variance of \$0.4 million.

A negative expenditure variance of \$4.2 million is projected and includes a positive variance of \$1.9 million in Salaries & Benefits due to attrition and vacant positions primarily in the In-Home Supportive Services (IHSS) program, a negative variance of \$6.4 million in Services & Supplies primarily due to the increased IHSS Maintenance of Effort (MOE) tied to the State's dissolution of the Coordinated Care Initiative (CCI), and a positive variance of \$0.3 million in Operating Transfers Out due to reduced funding needs for IHSS Public Authority related to anticipated operational savings in the program with no impact to services. This negative variance will be mitigated by an appropriation transfer from Other Charges from other Programs.

A positive revenue variance of \$4.6 million is projected; it includes \$5.2 million in Intergovernmental Revenues and is offset by \$0.5 million in Miscellaneous Revenues driven by decreased revenues in the San Diego Veterans Independence Services at any Age (SD-VISA) program tied to client referral trends and \$0.1 million in Fines, Forfeitures & Penalties due to decreased revenue from disabled parking violation fines. The \$5.2 million positive variance in Intergovernmental Revenues is primarily due to additional Realignment revenues associated with SB90 to offset the increase in IHSS MOE.

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 \$5.9 million is projected for Behavioral Health Services (BHS).

A positive expenditure variance of \$23.3 million is projected and includes positive variances of \$0.1 million in Salaries & Benefits due to vacant positions, \$24.5 million in Services & Supplies and \$0.9 million in Other Charges due to a decrease in utilization of State Hospital beds offset by a negative variance of \$2.2 million in Expenditure Transfer and Reimbursements associated with updated costs for services provided through various Memorandums of Understanding with the Probation Department. The \$24.5 million positive variance in Services & Supplies is associated with various mental health and alcohol and drug treatment programs primarily due to updated procurement timeframes and updated trends in utilization of services across programs.

A negative revenue variance of \$17.4 million is projected and includes negative variances of \$17.5 million in Intergovernmental Revenues offset by a positive variance of \$0.1 million in Miscellaneous Revenue due to recoupment of prior year contractor overpayments. The \$17.5 million negative variance in Intergovernmental Revenues is due to savings in federal and State Mental Health funding to align with spending for inpatient and outpatient contracted and County-provided mental health and substance abuse services.

County Child Welfare Services

A positive variance of \$5.8 million is projected for County Child Welfare Services.

A positive expenditure variance of \$12.6 million is projected and includes a positive variance of \$3.1 million in Salaries & Benefits due to attrition and vacant positions, a negative variance of \$1.0 million in Services & Supplies, and a positive variance of \$10.5 million in Other Charges primarily due to revised estimates of caseload levels and growth trends in foster care and adoptions assistance programs. The negative variance of \$1.0 million in Services & Supplies includes one-time facility costs associated with the

relocation from the Levant Street facility and facility projects at the Polinsky Children's Center and the San Pasqual Academy offset by savings in contracted services primarily due to a later than anticipated start in the Child and Family Team (CFT) contract and various other contract savings associated with the Developmental Screening Enhancement Program, Wraparound Program and Transitional Housing Program.

A negative revenue variance of \$6.8 million is projected and includes a negative variance of \$6.0 million in Intergovernmental Revenues mainly tied to the decrease in foster care and adoptions assistance payments, \$1.1 million in Miscellaneous Revenues primarily associated with the savings in CFT contract, and \$0.1 million in Revenue From Use of Money & Property partially offset by a positive variance of \$0.3 million in Charges for Current Services due to a higher collection estimate for birth certificate fees and \$0.1 million in Licenses Permits & Franchises revenues primarily from marriage license fees collected.

Housing and Community Development Services

Housing & Community Development Services (HCDS) consists of the following: HCDS Operations, Administration, and HCDS Multi-Year Projects.

Housing & Community Development Services is projecting a negative variance of \$0.2 million. This amount excludes \$3.1 million of positive restricted fund balance associated with reclassification of expenditures to long term loans.

The positive expenditure variance of \$3.0 million is projected and includes \$0.2 million in Salaries & Benefits due to attrition and vacant positions, \$2.2 million in Services & Supplies and \$0.6 million in Other Charges. The \$2.2 million positive variance in Services & Supplies consists of \$1.1 million in HCDS Multi-Year Projects due to community development and affordable housing project implementation overlap across fiscal years and \$1.1 million tied to closing out a grant that ended in Fiscal Year 2016-17 but had appropriations roll forward.

The negative revenue variance of \$3.2 million is projected and includes a negative variance of \$3.3 million in Intergovernmental Revenues related to savings in Salaries & Benefits and Multi-Year projects resulting in decreased federal revenue partially offset by a positive variance of \$0.1 million in Miscellaneous Revenues due to unanticipated HOME Program Income based on loan repayments.

Public Health Services

Public Health Services (PHS) is projecting a zero variance.

A positive expenditure variance of \$3.6 million is projected and includes \$1.9 million in Salaries & Benefits due to vacancies and attrition, \$1.8 million in Services & Supplies partially offset by \$0.1 million in Expenditure Transfer & Reimbursements. The \$1.8 million positive variance in Services & Supplies includes \$1.5 million in contracts due to contract delays and contract savings associated with Ryan White/Minority AIDS Initiative and HIV, Prop 56 Tobacco, and Bioterrorism programs and \$0.3 million

primarily in temporary help. Costs such as nursing, vaccines, sanitizing and education/outreach efforts in response to addressing Hepatitis A outbreak are projected in the Administrative Support section.

A negative revenue variance of \$3.6 million is projected and includes \$3.1 million in Intergovernmental Revenues, \$0.1 million in Charges for Current Services and \$0.4 million in Miscellaneous Revenues primarily in birth certificates fees. The \$3.1 million negative variance in Intergovernmental Revenues includes \$3.6 million in Health Realignment that was redistributed to Administrative Support offset by \$0.5 million primarily due to contract savings.

Self-Sufficiency Services

A positive variance of \$5.0 million is projected for Self-Sufficiency Services.

A positive expenditure variance of \$36.4 million is projected and includes \$2.3 million in Salaries & Benefits due to attrition and vacant positions, \$0.8 million in Services & Supplies for operating costs in the California Work Opportunity and Responsibility to Kids (CalWORKs) program and \$33.3 million in Other Charges primarily due to revised estimates of caseload levels and growth trends in CalWORKs.

A negative revenue variance of \$31.4 million is projected and includes a negative variance of \$32.3 million in Intergovernmental Revenues, partially offset by a positive variance of \$0.9 million in Miscellaneous Revenues mainly due to recoupment of payments in General Relief and contracted services tied to prior year adjustments. The negative variance of \$32.3 million in Intergovernmental Revenues consists of a negative variance of \$29.2 million in revenue related to assistance payments due to revised caseload projections, and \$3.1 million in under-realized social services administrative revenues.

Special Districts Funds

Ambulance Districts

A positive variance of \$1.0 million is projected for Ambulance Districts.

A positive expenditure variance of \$1.0 million is projected in Services & Supplies and is tied to cost reimbursement contracts with ambulance providers coming in lower than budgeted.

No revenue variance is projected.

LAND USE AND ENVIRONMENT GROUP

General Fund

Environmental Health (DEH)

A positive variance of \$0.3 million is projected for the Department of Environmental Health.

A positive expenditure variance of \$2.0 million is projected. Savings of \$0.8 million in Salaries & Benefits resulted from vacancies and under-filled positions. Savings of \$1.2 million in Services & Supplies includes \$1.0 million in the Vector Control Program mostly due to delays in the implementation of the Vector Habitat Remediation Program, and \$0.2 million spread over various accounts.

Negative revenue variance of \$1.7 million is projected. This variance consists of negative variances of \$0.1 million in Intergovernmental Revenues due to salary and benefit savings in the Radiation Control and Toxic Border contracts; and \$2.2 million in Charges For Current Services consisting of \$1.6 million in Vector Control Trust Fund revenue, which is associated with both Salaries & Benefits and Services & Supplies savings because revenue is only drawn for actual costs incurred, \$0.1 million related to Gregory Canyon no longer being a permitted facility, \$0.4 million in salary savings from the Local Oversight Program, and \$0.1 million spread over various accounts. This is offset by over-realized revenue of \$0.6 million in Licenses, Permits & Franchises, Food and Housing Permit Fees due to fee revenue for external overheads that is not budgeted.

Planning and Development Services (PDS)

A positive variance of \$0.3 million is projected for the Department of Planning and Development Services.

A positive expenditure variance of \$0.5 million is projected. Savings of \$1.0 million is projected in Salaries & Benefits primarily due to staff vacancies and under-filled positions. A negative variance of \$0.5 million in Services & Supplies is the result of Climate Action Plan (CAP) expenditures in Consultant Contracts. This negative variance will be mitigated with the Board's approval of today's recommended actions.

A negative revenue variance of \$0.2 million is projected. A projected negative variance of \$0.5 million in Charges for Current Services is mainly due to staff vacancies to provide the service to property owners (\$1.0 million), offset by over-realized flat fees in Planning & Engineering Services (\$0.3 million) and in building plan check fees (\$0.2 million). Over-realized revenue of \$0.3 million is spread over various revenue accounts.

Special Revenue Funds

Park Land Dedication Ordinance

A positive variance of \$0.6 million is projected for the Park Land Dedication Ordinance funds.

No significant expenditure variance is projected.

A positive revenue variance of \$0.6 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 \$0.3 million is projected for the Road Fund.

A positive expenditure variance of \$0.7 million is projected, primarily in Salaries & Benefits due to partial year staff vacancies and under-filled positions.

A negative revenue variance of \$0.4 million is projected. Under-realized revenue of \$0.2 million is projected in Taxes Other Than Current Secured due to project schedule revision for the Asphalt Concrete (AC) Overlay project which is funded by TransNet. Under-realized revenue of \$0.3 million in Intergovernmental Revenues is projected due to schedule revisions of federal, state and tribal funded projects such as Alta Road, Dehesa Road and Harbison Canyon Intersection, 13th Street Bridge, Live Oak Park Road Bridge Replacement, Sycamore Drive Bridge Replacement, and Willows Road Bridge which is offset by \$0.1 million unanticipated revenue in CalRecycle for the rubberized pavement program.

Special District Funds

Air Pollution Control District

A positive variance of \$0.8 million is projected for the Air Pollution Control District.

A positive expenditure variance of \$0.8 million is projected. Savings of \$0.8 million in Salaries & Benefits is due to staff vacancies and under-filled positions.

No significant revenue variance is projected.

COMMUNITY SERVICES GROUP

General Fund

Community Services Group Executive Office

A positive variance of \$1.0 million is projected for the Community Services Group Executive Office.

A positive expenditure variance of \$1.0 million is projected due to partial use of Management Reserves, based on lower occurrence of unanticipated Groupwide facility and Information Technology (IT) projects.

No revenue variance is projected.

Special Revenue Funds

San Diego County Library

A positive variance of \$2.0 million is projected for the San Diego County Library.

A positive expenditure variance of \$2.6 million is projected. This variance is a result of savings of \$0.6 million in Salaries & Benefits from anticipated vacant positions. Projected savings in Services & Supplies of \$1.0 million are due to year-to-date trends in utilities (\$0.1 million) and facility and IT costs (\$1.1 million), partially offset by a projected overage in Major Maintenance (\$0.2 million) due to the Encinitas kiosk installation. Savings of \$1.0 million are projected in Management Reserves, which are appropriated for operating contingencies.

A negative revenue variance of \$0.6 million is projected. This variance is due to projected shortfalls of \$0.3 in donations and \$0.3 million in public printing and other library services.

Internal Service Funds

Facilities Management ISF

A positive variance of \$0.2 million is projected for the Facilities Management ISF.

A positive expenditure variance of \$6.4 million is projected due to \$1.7 million in Salaries & Benefits from vacant and modified positions and \$4.7 million in Services & Supplies primarily due to lower than anticipated pass-through expenses for contracted services (\$2.9 million), project management consultant services (\$1.4 million), and trending utility costs (\$0.4 million).

A negative revenue variance of \$6.2 million is projected. Projected unrealized revenue of \$6.2 million in Charges for Current Services is primarily due to lower than anticipated reimbursement for contracted services, consultant and utility charges, and for costs related to facility maintenance and operations as noted above.

Major Maintenance ISF

No overall variance is projected for the Major Maintenance ISF.

A positive expenditure variance of \$12.9 million is projected due to savings in Services & Supplies from delays in commencing new projects.

A negative revenue variance of \$12.9 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 \$0.1 million is projected for the Fleet Management ISF.

A positive expenditure variance of \$3.0 million is projected. This is comprised of anticipated savings of \$0.3 million in Salaries & Benefits due to vacant and modified positions and \$2.7 million in Services & Supplies from less than anticipated fuel and vehicle parts purchases.

A negative revenue variance of \$2.9 million is projected primarily due to underrealized revenue in Charges for Current Services related to a decrease in reimbursement for anticipated fuel and parts purchases.

Purchasing and Contracting

A positive variance of \$0.5 million is projected for the Purchasing ISF.

A positive expenditure variance of \$0.4 million is projected as a result of \$0.1 million Salaries & Benefits savings attributed to managed vacancies and \$0.3 million savings in Services & Supplies primarily attributed to the incompleteness of IT projects.

A positive revenue variance of \$0.1 million is projected due to overrealized revenue from better than expected proceeds from rebate agreements.

FINANCE AND GENERAL GOVERNMENT GROUP

General Fund

Assessor/Recorder/County Clerk

A positive variance of \$2.6 million is projected for the Assessor/Recorder/County Clerk.

A positive expenditure variance of \$1.6 million is projected in Salaries & Benefits due to attrition and departmental vacancies.

A positive revenue variance of \$1.0 million is projected in Charges For Current Services primarily due to AB 2890 Recovered Costs (reimbursement to administer the Supplemental Assessment Program).

Auditor and Controller

A positive variance of \$1.0 million is projected for the Auditor and Controller.

A positive expenditure variance of \$1.0 million is projected. Anticipated positive variances of \$1.0 million in Salaries & Benefits are projected due to normal attrition of staff and departmental vacancies.

No significant revenue variance is projected.

Finance and General Government Executive Office

A positive variance of \$3.1 million is projected for the Finance and General Government Group Executive Office.

A positive expenditure variance of \$3.1 million is projected. Anticipated positive variance of \$0.1 million in Salaries & Benefits due to a vacant position and \$3.0 million in Management Reserves held for unanticipated groupwide contingencies.

No revenue variance is projected.

Department of Human Resources

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

A positive expenditure variance of \$1.1 million is projected. Anticipated positive variances of \$1.1 million in Services & Supplies is primarily due to savings in contracted services and workers compensation administration costs.

A negative revenue variance of \$0.7 million is projected in Miscellaneous Revenues due to reduced workers compensation administration costs.

GENERAL PURPOSE REVENUE & COUNTYWIDE EXPENSES

A positive variance of \$30.9 million is projected in General Purpose Revenue (GPR) and \$26.7 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 Manufacturing, Trade, Transportation & Utilities, and Professional & Business Services. The region has continued to fare better than other California metros in terms of unemployment rate. Median home prices in San Diego grew 8.0% in July and August 2017 compared to the same period in 2016. The outlook for San Diego is forecasted to have solid growth for the rest of 2017 and through at least the first half of 2018. Since the bottom in 2010, almost 145,000 jobs have been added to the local economy. One potential problem for the local economy is the soaring price of housing, both in terms of purchasing and renting (USD Index of Leading Economic Indicators, July and August 2017 reports).

The County's GPR related to property tax revenues improved, supported by the increase in assessed values. For FY 2017-18, 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 4.1% in September 2017, down from 4.6% one year ago. In comparison, this is below the state's rate of 4.7% in September 2017 and 5.2% in September 2016.
- Consumer spending, as measured by taxable sales will increase mainly due to increase in fuel prices and in consumer online spending. During the 1st Quarter of 2017-18, unadjusted local point of sale tax revenue increased by 7.87% in the unincorporated area, in the Southern California Region by 6.22%, in the statewide level by 4.12% and in the San Diego regional level by 1.39% compared to the same time period last year.
- The positive indicators in the housing market continues in the County.
 - Increase in median housing prices (up 8.0% in the San Diego region for July and August 2017 compared to the same period last year);
 - Notices of Default for January-September 2017 were down 23% compared to the same period in 2016.
 - Foreclosure activity decreased 31% in January-September 2017 compared to the same period in 2016.

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 \$5.5 million.

- *Property Taxes Current Secured*

Current Secured Property Taxes are projected to be \$1.4 million higher than budget. This mainly resulted from the fact that the 2017 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 4.0%, but the actual assessed value (AV) increased by 6.35% (gross less regular exemptions). (Note: The 6.35% increase represents the change in the assessed value for only the secured roll. This is higher than the countywide overall increase published by the Assessor/Recorder/County Clerk on June 29, 2017 of 6.05%, which includes all assessed value components, secured and unsecured).

Property Taxes - Current Unsecured

No projected variance in Current Unsecured Property Taxes. 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*

Current Supplemental Property Taxes are projected to be \$4.1 million higher than budget based on 3 prior year receipts. The projection for this revenue is based on charges and collections trend estimates related to new construction and anticipated turnover through Fiscal Year 2017-18.

Taxes Other Than Current Secured

Taxes Other Than Current Secured are anticipated to be \$2.5 million above budget.

- *Property Tax Prior Secured Supplemental*

Property Tax Prior Secured Supplemental are projected to be \$1.9 million higher than budget. This is based on 3 prior year receipts and due to higher turnover in ownership and new construction activity.

- *Real Property Transfer Taxes*

No projected variance for Real Property Transfer Taxes based on realized revenues for Fiscal Year 2016-17 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 \$0.7 million higher than budget. This is based on current penalty and interest collections and available data on the outstanding receivables and projections through the end of the fiscal year.

- *Sales and Use Taxes*
Sales and Use Taxes is projected to be \$0.6 million lower than budget. This is due to lower than expected gasoline prices, slow-down in restaurant receipts during the quarter, and lower than expected allocations from the Countywide use tax pool.
- *Property Tax in Lieu of Vehicle License Fees*
No projected variance for Property Tax in Lieu of Vehicle License Fees (VLF). The actual assessed value adjustment factor is higher than the adjustment rate of 4.0% 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 \$0.5 million higher than budget. The increase is based on a higher Teeter buyout this fiscal 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 \$13.8 million above budget. The increase is due to higher than expected interest earnings.

Fines, Forfeitures and Penalties

No projected variance for Penalties and Cost Delinquency Taxes. 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 \$11.1 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.

Miscellaneous Revenue

A negative variance of \$2.0 million is projected in Miscellaneous Revenue due to lower than anticipated disbursements to the General Fund from health savings funds.

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 \$24.0 million budgeted in the Contingency Reserve in Fiscal Year 2017-18 is projected to be unspent at year-end.



Air Pollution Control Board

San Diego County Air Pollution Control District

GOVERNING BODY

GREG COX
First District

DIANNE JACOB
Second District

KRISTIN GASPAR
Third District

RON ROBERTS
Fourth District

BILL HORN
Fifth District

AGENDA ITEM

DATE: December 5, 2017

AP01

TO: Air Pollution Control Board

SUBJECT

**FISCAL YEAR 2017-18 FIRST QUARTER OPERATIONAL PLAN BUDGET
ADJUSTMENT (DISTRICTS: ALL)**

OVERVIEW

This item recommends a budget adjustment in the Air Pollution Control District.

RECOMMENDATION

CHIEF ADMINISTRATIVE OFFICER

Establish appropriations of \$563,711 in the Air Pollution Control District, Salaries & Benefits, for negotiated ongoing payments of \$400,429 and one-time payments of \$163,282 based on available prior year Air Pollution Control District Operations Fund fund balance. **(4 VOTES)**

FISCAL IMPACT

Funds for this request are not included in the Fiscal Year 2017-18 Operational Plan in the Air Pollution Control District. If approved, this request will result in costs and revenue of \$563,711 based on available prior year Air Pollution Control District Operations Fund fund balance. 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 October 10, 2017 (15), the Board of Supervisors approved changes to the Compensation Ordinance as a result of negotiated Memoranda of Agreement (MOA) between the County and the Service Employees International Union, Local 221 (SEIU). This recommendation establishes the necessary appropriations and revenue of \$563,711 in Salaries & Benefits in the Air Pollution Control District to support negotiated one-time (\$163,282) and ongoing (\$400,429) salary and benefit payments for Fiscal Year 2017-18 pursuant to the MOA, for non-represented employees as approved by the Board on May 2, 2017 (7) for unclassified employees and April 25, 2017 (27)

SUBJECT: FISCAL YEAR 2017-18 FIRST QUARTER OPERATIONAL PLAN BUDGET
ADJUSTMENT (DISTRICTS: ALL)

for classified employees. The funding source is available prior year Air Pollution Control District Operations Fund fund balance.

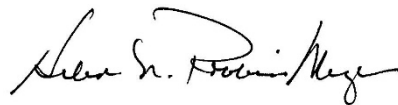
ENVIRONMENTAL STATEMENT

N/A

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's proposed action supports the Strategic Initiatives of Healthy Families, Safe Communities, Sustainable Environments and Operational Excellence in the County of San Diego's 2017–2022 Strategic Plan by fully committing to use County resources to meet the highest priority needs of residents.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Helen N. Robbins Meyer". The signature is fluid and cursive, written in a professional style.

HELEN N. ROBBINS MEYER
Chief Administrative Officer

ATTACHMENT(S)

None

SUBJECT: FISCAL YEAR 2017-18 FIRST QUARTER OPERATIONAL PLAN 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:

BOARD POLICIES APPLICABLE:

October 10, 2017 (15): Amendments to the Compensation Ordinance and the Administrative Code Relating to the Tentative Agreement with the Service Employees International Union, Local 221; May 2, 2017 (7): Amendments to the Compensation Ordinance and Administrative Code; April 25, 2017 (27): Amendments to the Compensation Ordinance and Administrative Code

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 CONCURRENCE(S): None

CONTACT PERSON(S):

Tracy M. Sandoval, Deputy Chief
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San Diego County Sanitation District

GOVERNING BODY

GREG COX
First District

DIANNE JACOB
Second District

KRISTIN GASPAR
Third District

RON ROBERTS
Fourth District

BILL HORN
Fifth District

AGENDA ITEM

DATE: December 5, 2017

SA01

TO: Board of Directors, San Diego County Sanitation District

SUBJECT

**FISCAL YEAR 2017-18 FIRST QUARTER OPERATIONAL PLAN BUDGET
ADJUSTMENT (DISTRICTS: ALL)**

OVERVIEW

This item recommends a budget adjustment in the San Diego County Sanitation District.

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

Establish appropriations of \$1,400,000 in the San Diego County Sanitation District, Services & Supplies, for major maintenance based on additional revenues from sewer service charge increases. **(4 VOTES)**

FISCAL IMPACT

Funds for this request are not included in the Fiscal Year 2017-18 Operational Plan in the San Diego County Sanitation District. If approved, this request will result in costs and revenue of \$1,400,000 based on revenue from increased sewer service charges. 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 April 12, 2017 (SA1), the Board of Supervisors approved fee increases for sewer services provided by the San Diego County Sanitation District including a pass-through ordinance for certain sewer rates. This recommendation establishes appropriations of \$1,400,000 in the San Diego County Sanitation District based on the increased sewer services charges to fund major maintenance needed to ensure proper operations and to provide safe, adequate wastewater service to its customers.

SUBJECT: FISCAL YEAR 2017-18 FIRST QUARTER OPERATIONAL PLAN BUDGET
ADJUSTMENT (DISTRICTS: ALL)

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's proposed action supports the Strategic Initiatives of Healthy Families, Safe Communities, Sustainable Environments and Operational Excellence in the County of San Diego's 2017–2022 Strategic Plan by fully committing to use County resources to meet the highest priority needs of residents.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Helen N. Robbins-Meyer". The signature is fluid and cursive, with a large initial "H" and "M".

HELEN N. ROBBINS-MEYER
Chief Administrative Officer

ATTACHMENT(S)

None

SUBJECT: FISCAL YEAR 2017-18 FIRST QUARTER OPERATIONAL PLAN 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:

April 12, 2017 (SA1): Set a Hearing to Consider Sewer Rate Adjustments and Hold Hearing to Amend District Fee Ordinance for Sewer Services Provided by the San Diego County Sanitation District; and Adopt Pass-Through Ordinance for Certain Sewer Rates

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 and General Government Group

OTHER CONCURRENCE(S): None

CONTACT PERSON(S):

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Administrative Officer/Auditor & Controller

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