



COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

GREG COX
First District

DIANNE JACOB
Second District

KRISTIN GASPAR
Third District

NATHAN FLETCHER
Fourth District

JIM DESMOND
Fifth District

DATE: December 10, 2019

23

TO: Board of Supervisors

SUBJECT

**FISCAL YEAR 2019–20 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT
AND BUDGET ADJUSTMENTS (DISTRICTS: ALL)**

OVERVIEW

This report summarizes the status of the County's Fiscal Year 2019–20 Adopted Operational Plan, as measured by projected year-end fund balance from current year operations. The projected year-end balance for the General Fund is \$99.2 million, and \$127.0 million for all budgetary funds combined. The projected fund balance anticipates variances from the Fiscal Year 2019–20 Amended Budget, which assumes that a portion of management reserves are not used, General Purpose Revenue will perform better than estimated, and all business groups will produce operating balances.

Transfers and revisions to the adopted budget can be made by formal action of the Board of Supervisors in accordance with the California County Budget Act, Government Code (GC) Section 29125. Increases to the overall budget require 4 votes while transfers of appropriations between departments within the same budgetary fund that do not increase the overall budget or the cancellation of appropriations require a majority vote. However, transfers of appropriations to facilitate transfers between budgetary funds require 4 votes even if the overall budget is not increased.

In the Public Safety Group (PSG), recommendations include appropriations adjustments for the purchase of Sheriff's vehicles and for inmate welfare, for upgrades to detention facilities and for the High Intensity Drug Trafficking Areas (HIDTA) program activities.

In the Land Use and Environment Group (LUEG), recommendations include the commitment of fund balance for Department of Environmental Health future year fee-related expenses, outreach efforts for the 2020 U.S. Census questionnaire and to provide funding for the Live Oak Springs Water System infrastructure, road maintenance and planning services, Felicita Park Trail and Estrella Park Development and Otay Valley Regional Park (OVRP) Heritage Staging Area Zone A capital projects, and to support the Multiple Species Conservation Program.

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In the Finance and General Government Group (FGG), recommendations include appropriations adjustments for one-time expenses in the Board offices, East County Branch Office and Archive capital project and for County Administration Center Renovations capital project.

There are no appropriation adjustments in the Health and Human Services Agency (HHS).

**RECOMMENDATION(S)
CHIEF ADMINISTRATIVE OFFICER**

1. Accept the Fiscal Year 2019–20 first quarter report on projected year-end results.

**Increases to the Overall Budget and/or Transfers Between Budgetary Funds
(Recommendations 2 through 28):**

2. Transfer appropriations of \$1,003,535 from the Sheriff's Department, Contributions to Internal Service Funds (\$48,605) and Capital Assets Equipment (\$954,930), to the General Fund Contributions to Fleet Internal Service Fund (ISF), Operating Transfers Out, for the purchase of Sheriff's vehicles. **(4 VOTES)**
3. Establish appropriations of \$1,003,535 in the Department of General Services Fleet Internal Service Fund (ISF), Capital Assets Equipment, to provide funding for the purchase of Sheriff's vehicles based on an Operating Transfer In from the General Fund. **(4 VOTES)**
4. Establish appropriations of \$316,054 in the Jail Commissary Enterprise Fund, Operating Transfers Out, to be used for the benefit, education, and welfare of the inmates confined within detention facilities based on available prior year Jail Commissary Enterprise Fund fund balance. **(4 VOTES)**
5. Establish appropriations of \$316,054 in the Sheriff's Inmate Welfare Fund, Services & Supplies, to be used for the benefit, education, and welfare of inmates confined within detention facilities based on an Operating Transfer In from the Jail Commissary Enterprise Fund. **(4 VOTES)**
6. Establish appropriations of \$675,404 in the Sheriff's Department, Services & Supplies, for upgrades to detention facilities to ensure compliance with National Commission on Correctional Healthcare standards based on an unanticipated insurance reimbursement. **(4 VOTES)**
7. Establish appropriations of \$121,110 in the Sheriff's Department, Services & Supplies (\$109,410) and Capital Assets Equipment (\$11,700), 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)**
8. Establish appropriations of \$120,577 in the Library Fund, Services & Supplies, for the 2020 Census Complete Count project based on a grant from the State of California, Government Operations Agency – California Complete Count – Census 2020. **(4 VOTES)**

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9. Establish appropriations of \$2,700,000 in the Department of Public Works General Fund, Services & Supplies, to provide funding for repairs and improvements to the degraded Live Oak Springs Water System infrastructure, based on available prior year General Fund fund balance. **(4 VOTES)**
10. Establish appropriations of \$11,600 in the Permanent Road Division Zone No. 127 – Singing Trails Drive, Services & Supplies, for road maintenance and planning services based on special assessments collected within Singing Trails Drive. **(4 VOTES)**
11. Establish appropriations of \$10,350 in the Permanent Road Division Zone No. 1013 – Singing Trails Court, Services & Supplies, for road maintenance and planning services based on special assessments collected within Singing Trails Court. **(4 VOTES)**
12. Transfer appropriation of \$10,800 from the Department of Parks and Recreation, Services & Supplies, to the Contributions to Capital Outlay Fund, Operating Transfer Out, for Capital Project 1021276 Felicita Park Trail, Outdoor Exercise Areas and Shade Structure. **(4 VOTES)**
13. Establish appropriations of \$10,800 in the Capital Outlay Fund for Capital Project 1021276 Felicita Park Trail, Outdoor Exercise Areas and Shade Structure for decomposed granite necessary for trail construction, based on an Operating Transfer In from the General Fund. **(4 VOTES)**
14. Transfer appropriations of \$151,100 from the Department of Parks and Recreation, Services & Supplies (\$6,100), and Department of Public Works General Fund, Services & Supplies (\$145,000), to the Contribution to Capital Outlay Fund, Operating Transfer Out, for Capital Project 1021778 Estrella Park Development. **(4 VOTES)**
15. Establish appropriations of \$151,100 in the Capital Outlay Fund for Capital Project 1021778 Estrella Park Development, based on an Operating Transfer In from the General Fund. **(4 VOTES)**
16. Establish appropriations of \$200,000 in the Department of Parks and Recreation, Services and Supplies, to evaluate the feasibility of developing active recreation amenities at Waterfront Park or surrounding area, based on revenue from the Waterfront Park Trust Fund. **(4 VOTES)**
17. Establish appropriations of \$200,000 in Board of Supervisors District 1, Services & Supplies, for one-time expenses based on available prior year General Fund fund balance. **(4 VOTES)**
18. Establish appropriations of \$117,659 in Board of Supervisors District 2, Services & Supplies, for one-time expenses based on available prior year General Fund fund balance. **(4 VOTES)**
19. Establish appropriations of \$200,000 in Board of Supervisors District 3, Services & Supplies, for one-time expenses based on available prior year General Fund fund balance. **(4 VOTES)**

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20. Establish appropriations of \$200,000 in Board of Supervisors District 4, Services & Supplies, for one-time expenses based on available prior year General Fund fund balance. **(4 VOTES)**
21. Establish appropriations of \$123,717 in Board of Supervisors District 5, Services & Supplies, for one-time expenses based on available prior year General Fund fund balance. **(4 VOTES)**
22. Establish appropriations of \$401,000 in the Capital Outlay Fund for Capital Project 1018194, Assessor/Recorder/County Clerk (ARCC) East County Branch Office and Archives, based on revenue from the Property Tax Administration Program Trust Fund for site and utilities unforeseen conditions. **(4 VOTES)**
23. Transfer appropriations of \$105,000 from the Finance and General Government Group Executive Office (32150), Management Reserves, to the Contributions to Capital Outlay Fund, Operating Transfer Out, to align funding for Capital Project 1021162, County Administration Center (CAC) Renovations. **(4 VOTES)**
24. Establish appropriations of \$105,000 in the Capital Outlay Fund for Capital Project 1021162, County Administration Center (CAC) Renovations, based on an Operating Transfer In from the General Fund. **(4 VOTES)**
25. Transfer appropriations of \$242,932 from Finance Other (FO) Shared Major Maintenance, Services & Supplies, to Department of General Services General Fund Contribution to Major Maintenance ISF, Operating Transfer Out, for various Major Maintenance projects relating to shared costs with the Judicial Council of California. **(4 VOTES)**
26. Establish appropriations of \$242,932 in the Department of General Services Major Maintenance Internal Service Fund (ISF), Services & Supplies, to provide funding for various Major Maintenance projects related to shared costs with the Judicial Council of California based on an Operating Transfer In from the General Fund. **(4 VOTES)**
27. Transfer appropriations within departments between Services & Supplies and Operating Transfers Out, including ratifications as noted in Appendix C, in the net amount of \$1,638,156 for major maintenance projects listed in Appendix C that were subsequently reclassified, based on capitalization thresholds, for financial reporting purposes. **(4 VOTES)**
28. Establish and cancel appropriations, including ratifications, as noted in Appendix C for a net increase of \$1,638,156 in the Major Maintenance Capital Outlay Fund and adjust related funding sources as noted to accurately classify major maintenance projects for financial reporting purposes. **(4 VOTES)**

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**Transfers Within Budgetary Funds and/or Cancellation of Appropriations
(Recommendations 29 through 33):**

29. Transfer appropriations of \$1,050,000 within the Capital Outlay Fund from Capital Projects 1021895 San Luis Rey River Park Acquisition & Improvement (Moosa) to Capital Project 1020262 San Luis Rey SR-76 Right of Way Trail Middle Portion, to fund increased construction costs based on an Operating Transfer In from the General Fund.
30. Cancel appropriations of \$40,109.31 and related Operating Transfer In from the General Fund in the Multiple Species Conservation Program Acquisition Fund to properly record non-capital pre-acquisition expenses.
31. Transfer appropriations of \$40,109.31 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.
32. Transfer appropriations of \$682,724.56 within the Capital Outlay Fund from Capital Project 1010431 Otay Valley Regional Park Staging Area (\$218,214.00) and Capital Project 1009268 Otay Valley Regional Park Trails (\$464,510.56) to Capital Project 1022912 Otay Valley Regional Park Heritage Staging Area Zone A, to fund construction based on an Operating Transfer In from the General Fund.
33. Transfer appropriations of \$64,820.98 within the Capital Outlay Fund from Capital Projects 1019562, Steele Canyon Artificial Turf (\$64,820.98) to Capital Project 1022249, Pine Valley Pavilion, to provide funds for the construction of a picnic pavilion based on an Operating Transfer In from the General Fund.

No Budgetary Impact (Recommendation 34)

34. Authorize the Auditor and Controller to increase the Department of Environmental Health Fund Balance Commitment within the General Fund by \$1,816,311 based on available prior year General Fund fund balance for future year fee-related expenses in the Department of Environmental Health.

FISCAL IMPACT

Funds for a portion of these requests which include ratifications, reflected in Appendix C, are not included in the Fiscal Year 2019–20 Operational Plan. If approved, in the General Fund these actions will result in increases to the overall budget of \$4,537,880 and transfers between budgetary funds of \$2,124,123 and transfers within budgetary funds of \$40,109 and no cancellation of appropriations. The funding sources for the increase include General Fund fund balance (\$3,541,376), Trust Funds (\$200,000), and Program Revenues (\$796,504). In addition, today's recommendations will increase fund balance committed for future year fee related expenses in the Department of Environmental Health to be appropriated in future Operational Plans by \$1,816,311 based on General Fund fund balance.

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In all other funds combined, these actions will result in a further increases to the overall budget of \$4,287,049 and transfers between budgetary funds of \$1,027,400 and transfers within budgetary funds of \$1,797,546 and cancellation of appropriations of \$40,109. The funding sources for the increase are Operating Transfers (\$3,427,468), Trust Funds (\$401,000), and miscellaneous other sources (\$458,581).

BUSINESS IMPACT STATEMENT

N/A

ADVISORY BOARD STATEMENT

N/A

BACKGROUND

As shown in Schedule A, the General Fund year-end fund balance projection of \$99.2 million is based on the estimate that expenditures will be approximately \$164.3 million less than the Fiscal Year 2019-20 Amended Budget and revenues will be a net \$65.0 million less than the Fiscal Year 2019-20 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/Chief Financial Officer, when permitted. The projected balance for all other funds combined is \$27.8 million.

Attachments to this letter have been included to provide detail of these fund balance projections. Schedule A summarizes the fund balance projection by business group, department, and fund category. The Notes to Schedules A and B explain variances from budget by department, fund and for GPR. Schedule B shows the projected General Fund fund balance by business group split between operating and reserve balances.

GENERAL FUND EXPENDITURE VARIANCES

The projected lower than budgeted expenditures generating an overall positive expenditure variance of \$164.3 million in the General Fund are primarily attributable to the following:

- \$31.6 million in positive salary and benefit appropriation variance in all groups due to staff turnover and department management of vacancies.
- \$95.2 million in positive appropriation variance in Services & Supplies across the County.
 - In PSG, projected overall positive expenditure variance of \$4.7 million due to lower than anticipated costs for temporary staff, lower than anticipated expenditures in contracted services, information technology and special projects.
 - In HHSA, projected overall positive variance of \$58.3 million including variances in Behavioral Health Services associated with mental health programs and substance use disorder treatment programs as efforts continue toward achieving full-system capacity under the second year of the Drug Medi-Cal Organized Delivery System implementation; in Self-Sufficiency Services (SSS) primarily due to the implementation of a new centralized statewide automated welfare system; in Housing & Community Development Services (HCDS) due to multi-year projects; in Child Welfare Services (CWS) primarily tied to lower than anticipated contracted services; in Aging & Independence Services primarily to align to the

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updated In-Home Supportive Services Maintenance of Effort; and in Public Health Services due to funds available for an emergency outbreak.

- In LUEG, projected overall positive variance of \$0.1 million primarily in Public Works due to lower than anticipated construction costs.
- In FGG, projected positive variance of \$2.5 million is projected primarily in the FGG Executive Office due to information technology projects that are anticipated to span across multiple fiscal years, and in the Department of Human Resources in workers compensation administration costs.
- In FO, projected positive variance of \$29.5 million is projected primarily due to Reserve Stabilization that is not anticipated to be used, multi-year information technology projects, and lower than anticipated costs in Countywide facility maintenance projects.
- A projected net positive appropriation variance of \$28.5 million in Other Charges reflects variances primarily in HHSA but also in FO. In HHSA, the projected positive variance of \$28.0 million is mainly due to revised estimates of caseload levels and growth trends in the California Work Opportunity and Responsibility to Kids program (SSS), in foster care and adoptions assistance programs (CWS), Multi-Year Projects due to the transition of clients from CoC Tenant Based Rental Assistance (TBRA) and HOME TB RA to the Section 8 Housing Choice Voucher Program (HCDS). In FO, the projected positive variance of \$0.5 million is due to lower than anticipated principal and interest payments.
- A projected positive appropriation variance of \$0.1 million in capital assets equipment is due to lower than anticipated vehicle purchase costs in PSG.
- A projected negative appropriation variance of \$5.6 million in Expenditure Transfer & Reimbursements in PSG is due to the termination of the memorandum of agreement between the Sheriff and Probation related to food services, effective November 2019, and lower than anticipated reimbursements to Child Support Services from HHSA for public assistance investigations.
- A projected positive appropriation variance of \$1.3 million in Operating Transfers Out in HHSA is due to reduced funding needs for In-Home Support Services Public Authority related to operational savings in the program, with no impact to services.
- \$13.2 million positive appropriation variance in Management Reserves in HHSA (\$11.2 million) and FGG (\$2.0 million) that are projected to be unspent at year-end.

GENERAL FUND REVENUE VARIANCES

The projected under realized revenue of \$65.0 million includes positive variances totaling \$2.1 million and negative variances of \$67.1 million. In many instances, the negative revenue variances are directly associated to the positive expenditure variances described above.

The projected positive revenue variance of \$2.1 million is primarily attributable to the following categories: Taxes Other Than Current Secured (\$1.5 million) mainly due to higher than anticipated local secured assessed value growth and high turnover in ownership and new construction activity and Charges for Current Services (\$0.6 million) primarily due to additional revenues for the Edgemoor Distinct Part Skilled Nursing Facility, which is offset by lower than anticipated revenues from services to property owners due to staff vacancies in PDS.

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The projected negative variance of \$67.1 million is largely in Intergovernmental Revenues (\$65.3 million) related to lower than anticipated federal and State revenues to align with projected caseload levels and service utilization trends, including: revised CalWORKS caseload projections, lower than anticipated spending for mental health and substance use disorder treatment programs and the end of the Title IV-E Waiver/California Well-Being Projects, which are partially offset by higher than anticipated revenues from Redevelopment Successor Agencies due to continued growth in their project areas; in Other Financing Sources (\$1.0 million) primarily from a decrease in transfers from the Inmate Welfare Fund due to lower than anticipated expenditure needs in the Sheriff; in Miscellaneous Revenues (\$0.5 million) due to project timeline changes for the Regional Communications System; and in Fines, Forfeitures & Penalties (\$0.2 million) from lower than anticipated costs for the Cal-ID program, offset by higher than anticipated receipts in contribution for trial courts.

ADJUSTMENTS TO THE FISCAL YEAR 2019-20 ADOPTED BUDGET

Transfers and revisions to the adopted budget can be made by formal action of the Board of Supervisors in accordance with the California County Budget Act, Government Code (GC) Section 29125. Increases to the overall budget require 4 votes while transfers of appropriations between departments within the same budgetary fund that do not increase the overall budget or the cancellation of appropriations require a majority vote. However, transfers of appropriations to facilitate transfers between budgetary funds, referred to as operating transfers, require 4 votes even if the overall budget is not increased.

The recommendations for budget adjustments are explained as follows:

**Increases to the Overall Budget and/or Transfers Between Budgetary Funds
(Recommendations 2 through 28):**

Recommendations 2 & 3

These recommendations will transfer appropriations of \$1,003,535 from the Sheriff’s Department, Contributions to Internal Service Funds (\$48,605) and Capital Assets Equipment (\$954,930), to the General Fund, Contributions to Fleet ISF, and establish appropriations in the Department of General Services (DGS) Fleet Services ISF for the purchase of 29 vehicles to support current staff activities including senior volunteers, unincorporated area patrol, recruiting, elder abuse unit, a school resource officer, Las Colinas Detention and Reentry. The DGS Fleet ISF facilitates the procurement, standardization, maintenance, and overall quality control of County vehicles.

Recommendations 4 & 5

These recommendations will establish appropriations of \$316,054 in the Jail Commissary Enterprise Fund, Operating Transfers Out, to transfer commissary sales proceeds received from the prior year to the Sheriff’s Inmate Welfare Fund based on prior year available Jail Commissary Enterprise Fund fund balance. This request will align the budget with requirements of the Jail Commissary Enterprise Fund which require sales proceeds from the Jail Commissary Fund to be transferred to the Inmate Welfare Fund every fiscal year. These funds will be retained in the Inmate Welfare Fund, to be used in the future for the benefit, education, and welfare of the inmates confined within detention facilities.

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Recommendation 6

On January 8, 2019 (1) the Board of Supervisors approved the emergency repair and replacement of structural and systems damage at the East Mesa Facility and ratified the construction contract with Global Power Group, Inc. to complete the fabrication of damaged equipment, as well as the lease, fueling and servicing of generators. The County of San Diego submitted an insurance claim to Lexington Insurance Company for this occurrence and received partial reimbursement of \$675,404 in September 2019 for emergency switch gear repairs and generator lease costs incurred in Fiscal Year 2018-19 at East Mesa Facilities. This recommendation will establish appropriations of \$675,404 in the Sheriff’s Department for upgrades to detention facilities to ensure compliance with National Commission on Correctional Healthcare standards.

Recommendation 7

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 March and May 2019, the San Diego/Imperial Valley Southwest Border HIDTA Executive Board approved additional funding for investigative expenses (\$105,000), travel (\$4,410), and equipment (\$11,700) and notified the Sheriff’s Department in late May after the Operational Plan development. This request will establish appropriations of \$121,110 in the Sheriff’s Department based on unanticipated HIDTA revenue.

Recommendation 8

On April 30, 2019 (15), the Board of Supervisors authorized the Director, County Library, to submit grant applications and accept grants to support library operations through June 30, 2020. This recommendation establishes appropriations of \$120,577 in the Library Fund for the “State of California, Government Operations Agency – California Complete Count – Census 2020 Office Grant” project based on grant funding from the State of California. The grant application was released on July 29, 2019, with an application submittal date of August 26, 2019. This project will inform the general public of the importance of completing the U.S. Census questionnaire through outreach efforts designed to encourage full participation and avoid an undercount, including efforts to collaborate with other contracted community-based organizations to educate, motivate and activate Californians to complete and return their U.S. Census questionnaires. The County Library applies for grants and awards to fund programs that support the strategic goals of the County of San Diego and the mission of the Library.

Recommendation 9

The Live Oak Springs Water System is a small privately-owned public water system serving approximately 300 people in the community of Boulevard. The current owner filed for bankruptcy and for several years the bankruptcy trustee attempted to locate a buyer. After that effort was unsuccessful, the County entered into an agreement to take over as the water system’s operator in October 2019, with the intent of purchasing the system in mid-2020. The Department of Public Works (DPW) and DEH have identified system deficiencies that must be addressed immediately to ensure water quality regulatory compliance and operational reliability. This recommendation will establish appropriations of \$2,700,000 in the DPW General Fund based on General Fund fund balance to provide funding to address these needed repairs and improvements to the degraded infrastructure. The estimated total project cost is \$8,400,000 and will be funded by potential grant funding and General Fund fund balance in future Operational Plans.

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Recommendations 10 & 11

On July 10, 2019 (02) subsequent to the Board of Supervisors (Board) adoption of the Fiscal Year (FY) 2019-20 Operational Plan, the Board accepted assessment rate increases within Permanent Road Division (PRD) No. 1000, Zone No. 127 – Singing Trails Drive and Zone No. 1013 – Singing Trails Court. The assessment rate increases were approved by affected property owners through mail ballot elections to fund road maintenance services within the PRD Zones. These recommendations will establish appropriations of \$11,600 in PRD No. 1000, Zone No. 127 – Singing Trails Drive and \$10,350 in Zone No. 1013 – Singing Trails Court based on greater than budgeted revenue from benefit assessments to provide for necessary road maintenance and planning services within these zones.

Recommendations 12 & 13

On June 21, 2017 (11) the Board of Supervisors established \$613,085.37 in the Capital Outlay Fund for Capital Project 1021276, Felicita Park Trail, Outdoor Exercise Areas and Shade Structures. This funding was intended for construction and related project costs associated with park enhancements and the addition of various recreational amenities at Felicita Park, including exercise equipment, decomposed granite and groomed soil trails, pedestrian bridges, Kumeyaay interpretive signage, shade sails over children’s play structures, an electronic entry ticket station, removal of a deteriorated picnic area shade structure, and two pickleball courts. In July 2019 a construction contract was issued for \$499,663.25 for this project, however project bids were greater than anticipated. Remaining project funds of \$113,422.09 will be used for design inspections services, construction management, and project administration with a need for additional funds to purchase decomposed granite for the trail surface. If approved, these recommendations will establish additional appropriations of \$10,800 to fund delivery and stockpiling of decomposed granite for construction of the trail, based on a transfer of existing General Purpose Revenue in the Department of Parks and Recreation, Services & Supplies. This will bring the total project cost to \$623,885.37. The estimated completion date is winter 2019.

Recommendations 14 & 15

The FY 2019-20 Operational Plan included appropriations of \$893,900 for Capital Project 1021778 Estrella Park Development, for construction of Americans with Disability Act (ADA) parking, decomposed granite trails, landscape, irrigation, a small creek bridge, park benches and picnic tables at Estrella Park. These recommendations will establish additional appropriations of \$151,100 in the Capital Outlay Fund for Capital Project 1021778 Estrella Park Development, based on a transfer of existing General Purpose Revenue in the Department of Public Works (DPW), Services & Supplies (\$145,000) to fund the point of connection for water meter and a transfer of existing General Purpose Revenue in the Department of Parks and Recreation (DPR), Services & Supplies (\$6,100) for construction inspections to review ADA access and structural abutment. This funding will serve both the current DPR construction project and an upcoming DPW Stormwater runoff treatment system project. Funding is required at this time to include the water meter point of connection in the current construction contract and provide construction inspections. This will bring the total estimated project cost to \$1,045,000. If approved, construction would begin in winter 2019 with completion anticipated in summer 2020.

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Recommendation 16

Waterfront Park is an important part of the downtown San Diego fabric, and an iconic part of the San Diego landscape. It is a place for family gatherings, public rallies, music concerts, weddings, picnics, and play time for kids. On any given day, the southern portion of Waterfront Park is teeming with life. Families are enjoying a picnic, and kids are playing in the playground and splashing in the water fountains. The northeast portion of Waterfront Park, developed with decorative gardens and pathways, receives significantly less use than the southern portion of the park. Adjustments to the amenities in the northeast portion of the park and/or expansion of park amenities to adjacent underutilized lands could provide new active recreation opportunities for San Diego residents. Active recreation opportunities could be expanded to include pinto league baseball, basketball, volleyball, soccer, pickleball, and other amenities. This recommendation will establish appropriations of \$200,000 in the Department of Parks and Recreation based on revenue from the Waterfront Park Trust Fund to provide funding to evaluate the feasibility of developing active recreation amenities at Waterfront Park.

Recommendations 17 - 21

These recommendations will establish appropriations of \$841,376 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 General Fund fund balance.

Recommendation 22

Total appropriations of \$22,064,680 have been allocated to the Assessor/Recorder/County Clerk (ARCC) East County Branch Office and Archives project in Fiscal Years 2013-14 and 2016-17 Operational Plans and March 26, 2019 (12) Board action. Today's recommendations will establish appropriations of \$401,000 in the Capital Outlay Fund for Capital Project 1018194, Assessor/Recorder/County Clerk (ARCC) East County Branch Office and Archives, based on revenue from the Property Tax Administration Program Trust Fund for unforeseen utilities and contingency for the remainder of the project. Estimated total project costs is \$22,465,680 and estimated to be completed by winter 2020.

Recommendations 23 & 24

Total project costs for Capital Project 1021162, County Administration Center (CAC) Renovations, currently are \$116,079,000 of which \$55,629,000 has been appropriated to date. The remaining amounts will be appropriated in future Operational Plans to align project execution in phases, with the project currently estimated to be completed in spring 2024. Today's recommendations will transfer existing Management Reserve appropriations of \$105,000 within the General Fund to provide funding in the Capital Outlay Fund for Capital Project 1021162, County Administration Center (CAC) to support design requirements for facility space on the third floor in preparation for future construction. The funding source is General Fund fund balance. Estimated total project costs is \$116,184,000.

Recommendations 25 & 26

These requests will transfer appropriations of \$242,932 from Finance Other Shared Major Maintenance to DGS General Fund Contribution to Major Maintenance ISF and establish additional appropriations in the Major Maintenance Internal Service Fund to provide additional funding for various Major Maintenance projects relating to shared costs with the Judicial Council

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of California, which are higher than budgeted. The funding source is an Operating Transfer In from the General Fund. The maintenance projects are located at the Hall of Justice.

Recommendations 27 & 28

Board Policy B-37, *Use of Capital Program Funds*, notes that on occasion, due to the nature of major maintenance projects, these projects may be reclassified as an operating or capital expense based on financial reporting requirements. Pursuant to Board Policy B-37, to ensure accuracy in financial reporting, the Deputy Chief Administrative Officer/Chief Financial Officer shall make required adjustments to departmental operating budgets and within the Major Maintenance Capital Outlay Fund (MMCOF) or the Major Maintenance Internal Service Fund (MMISF). Due to the emergent nature of some major maintenance projects, some of these adjustments may require ratification by the Board. These recommendations will allow for the accurate financial reporting of major maintenance projects, which are listed in Appendix C along with the related required adjustments.

These recommendations will result in a net increase of appropriations in the MMCOF of \$1,638,156 and reclassification of major maintenance projects which are supported by existing department budgets.

**Transfers Within Budgetary Funds and/or Cancellation of Appropriations
(Recommendations 29 through 33):**

Recommendation 29

The FY 2019-20 Operational Plan included appropriations of \$1,850,000 for Capital Project 1021895 San Luis River Park Acquisition & Improvement (Moosa) based on General Fund fund balance (\$800,000) and General Purpose Revenue (\$1,050,000), for design, environmental analysis and construction of a 55-acre active recreation park at the southwest end of the San Luis Rey River Park, including disc golf, playgrounds, a staging area and other active recreation amenities. The design and environmental analysis for the Moosa project is currently underway, with anticipated completion by spring 2020. Once completed, the Department of Parks and Recreation (DPR) will return to the Board in FY 2020-21 with a request for approval of additional appropriations and authority to advertise and award a construction contract. The current year cost for the design and environmental analysis is estimated at \$800,000.

The FY 2019-20 Operational Plan included appropriations of \$387,509 for Capital Project 1020262, San Luis Rey SR-76 Right-of-Way Trail Middle Portion project based on Caltrans settlement funds (\$260,000), unanticipated revenue from the DPR Trust Fund (\$112,996), and General Fund fund balance (\$14,513). This funding was for costs associated with construction of a 1.5-mile trail between the Holly Lane/State Route 76 interchange and the wildlife under-crossing near the Groves mitigation property as part of the 1,600-acre San Luis Rey River Park. On January 11, 2017 (4), the Board approved a waiver of Board Policy A-87, Competitive Procurement, and authorized the Director, Department of Purchasing and Contracting to execute an agreement with the California Conservation Corps (CCC) for trail construction because all other contractor bids would have been significantly higher than the CCC. During the design of the trail, it has been determined that a retaining wall is necessary, increasing the overall cost of design and construction.

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STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICTS: ALL)**

Additionally, the CCC is unable to construct a retaining wall, necessitating competitive procurement of this portion of the trail construction project and further increasing project costs.

Accordingly, these recommendations will transfer appropriations of \$1,050,000 that are not needed until the design and environmental analysis is completed from Capital Project 1021895 San Luis River Park Acquisition & Improvement (Moosa) to Capital Project 1020262, San Luis Rey SR-76 Right-of-Way Trail Middle Portion to fund the unanticipated additional costs associated with trail construction and allow DPR to continue progress on this project by awarding a construction contract in FY 2019-20. The total estimated project cost for Capital Project 1020262, San Luis Rey SR-76 Right-of-Way Trail Middle Portion will increase to \$1,437,509. If approved, project design would be completed in winter 2019 with trail completion anticipated in fall 2020.

Recommendations 30 & 31

These recommendations will cancel appropriations of \$40,109.31 and the related Operating Transfer In from the General Fund in the MSCP Fund and transfer these appropriations to the Department of Parks and Recreation, Services & Supplies to properly incur non-capital expenditures for pre-acquisition costs of due diligence activities related to the property that was not acquired for Capital Project 1020926 Krtek Heise Acquisition, Capital Project 1018780 Peutz Valley Acquisition, and Capital Project 1022531 Ramona Gildred Acquisition. These expenditures do not meet the criteria for capitalization pursuant to County of San Diego Administrative Manual policy 005-02-01, Control of Capital Assets and Minor Equipment.

Recommendation 32

These recommendations will transfer remaining appropriations in the amount of \$682,724.56 from the completed Capital Projects 1010431 OVRP Staging Area (\$218,214) and Capital Project 1009268 Otay Valley Regional Park Trails (\$464,510.56) to Capital Project 1022912 OVRP Heritage Staging Area Zone A, for the construction of a new staging area at Heritage Road for the Otay Valley Regional Park (OVRP). The OVRP Joint Exercise of Powers Agreement (JEPA) partners are currently in the process of obtaining trail easements and conducting environmental studies and documentation for approximated 3.5 miles of trail on both the northern and southern sections of Otay River, from I-805 to Heritage Road. The additional funding for Capital Project 1022912 OVRP Heritage Staging Area Zone A will support construction of a Heritage Road Staging Area, including informational signage, trash receptacles and a location for the community to park and access trails and recreational amenities within the OVRP as well as 3.5 miles of multi-use trails within OVRP. This will bring the total estimated project costs to \$1,132,724.56. If approved, project design and environmental analysis would begin in winter 2019 with construction anticipated to begin in summer 2021.

Recommendation 33

On February 27, 2019 (6), the Board authorized the Department of Purchasing and Contracting to advertise and award a contract for the construction of the Pine Valley Park Pavilion. Subsequently, the project was advertised and received construction bids that were higher than anticipated. If approved, this recommendation would transfer appropriations of \$64,820.98 from Capital Project 1019562 Steele Canyon Artificial Turf to Capital Project 1022249 Pine Valley Pavilion, to support increased construction costs, based on available General Fund fund balance. This amount will be

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in addition to the \$310,000 currently appropriated and will bring the total estimated project cost to \$374,820.98. If approved, construction would begin in winter 2019 with completion anticipated in summer 2020.

No Budgetary Impact (Recommendation 34)

Recommendation 34

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 2018-19, this excess revenue equaled \$1,816,311. This action authorizes the Auditor and Controller to increase the General Fund Commitment for Environmental Health in Fiscal Year 2019-20 by \$1,816,311 based on available prior year General Fund fund balance and does not establish appropriations and has no budgetary impact. If approved, the total amount in the DEH Fund Balance Commitment will be \$6,232,424. Amounts will be appropriated in future Operational Plans as necessary. Consistent with Board direction on April 25, 2018 (1), DEH is working to rebuild its committed fund balance over the next several years to respond to uncertainty of future regulatory changes in environmental health programs, public or environmental health emergency response needs, and/or changes in economic conditions that influence permit volumes. The proposed increase to the fund balance commitment also is to comply with Proposition 26, which requires DEH to align fees to the services provided to fee payers in each fee category.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's proposed actions support the Strategic Initiatives of Building Better Healthy, Living Safely, Sustainable Environments/Thriving and Operational Excellence in the County of San Diego's 2019–2024 Strategic Plan by fully committing to use County resources to meet the highest priority needs of residents.

Respectfully submitted,



HELEN N. ROBBINS-MEYER
Chief Administrative Officer

ATTACHMENT(S)

Schedule A

Schedule B

Notes to Schedules A and B

Appendix C

SUBJECT: FISCAL YEAR 2019–20 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:

June 25, 2019 (17), County of San Diego Fiscal Year 2019–20 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):

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**COUNTY OF SAN DIEGO
NOTES TO SCHEDULES A and B
Fiscal Year 2019-20 1st Quarter**

PUBLIC SAFETY GROUP (PSG)

GENERAL NOTES

Public Safety Group Executive Office/Contribution for Trial Courts

A positive variance of \$0.6 million is projected for the Public Safety Group Executive Office.

A positive expenditure variance of \$0.6 million is projected. A positive variance of \$0.3 million in Salaries & Benefits is due to lower than anticipated costs for temporary staff and \$0.3 million in Services & Supplies due to lower than anticipated expenditures in contracted services, information technology and special projects.

No overall revenue variance is projected. A positive revenue variance of \$0.2 million in Fines, Forfeitures & Penalties due to higher than anticipated receipts in Contribution for Trial Courts, offset by a negative variance of \$0.1 million in Charges For Current Services from lower than anticipated court fees and \$0.1 million in Miscellaneous Revenues due to the recategorization of revenue.

District Attorney

A positive variance of \$4.5 million is projected for the District Attorney's Office.

A positive expenditure variance of \$3.3 million is projected resulting from positive variance of \$3.0 million in Salaries & Benefits due to normal attrition, vacant and modified positions and a positive variance of \$0.3 million in Services & Supplies due to lower than anticipated operational expenses.

A positive revenue variance of \$1.2 million is projected in Intergovernmental Revenues due to unanticipated grant funds from the State of California, Department of Insurance for the insurance fraud grant programs.

Sheriff

A positive variance of \$1.6 million is projected for the Sheriff's Department.

A positive expenditure variance of \$0.8 million is projected. A positive variance of \$3.2 million in Salaries & Benefits is projected due to vacant positions. A positive expenditure variance of \$0.3 million is projected in Services & Supplies primarily due to lower than anticipated costs in food associated with the termination of the food services memorandum of agreement with the Probation Department, Professional & Specialized Services due to a project timeline changes for the Regional Communications System and Contracted Services related to lower than anticipated costs for Cal-ID program, offset by higher than anticipated costs in Medicines, Drugs & Pharmaceuticals due to more

expensive medications for high risk medical and mental health conditions. A negative expenditure variance of \$2.7 million is projected in Expenditure Transfer & Reimbursements associated with the termination of the memorandum of agreement with Probation Department effective November 2019.

A positive revenue variance of \$0.8 million is projected. A positive variance of \$1.4 million is projected in Intergovernmental Revenues due to over-realized revenue in State Aid for reimbursement of costs to provide a jail-based competency treatment program, higher than anticipated revenue from the Federal Government for the State Criminal Alien Assistance Program (SCAAP) partially offset by lower than anticipated revenue in the Urban Areas Security Initiative Grant Program. A positive variance of \$1.4 million is projected in Charges for Current Services due to over-realized revenue from contract cities partially offset by lower revenues from various fees and services such as civil fees. A negative variance of \$0.5 million is projected for Fines, Forfeitures & Penalties due to lower than anticipated costs for the Cal-ID program. A negative variance of \$0.5 million is projected in Miscellaneous Revenues due to project timeline changes for the Regional Communications System. A negative variance of \$1.0 million is projected in Other Financing Sources due to a decrease in transfers from the Inmate Welfare Fund.

Child Support Services

An overall positive variance of \$1.9 million is projected for the Department of Child Support Services.

A positive expenditure variance of \$4.3 million is projected. A positive variance of \$4.9 million in Salaries & Benefits is due to vacant and modified positions, \$2.1 million in Services & Supplies is primarily due to lower than anticipated operating activities including minor equipment and information technology services, and \$0.1 million in Capital Assets Equipment is due to lower costs of vehicle purchases offset by a negative variance of \$2.8 million in Expenditure Transfer & Reimbursements due to vacant and modified positions in the Bureau of Public Assistance Investigations for services that are reimbursed by the Health and Human Services Agency.

A negative revenue variance of \$2.5 million is projected. A negative variance of \$2.1 million is projected in Intergovernmental Revenues due to lower than anticipated reimbursements, based on the positive expenditure variances noted above, and \$0.4 million in Charges for Current Services based on lower than anticipated incentive revenue received from the California Department of Child Support Services.

Probation

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

A positive expenditure variance of \$1.2 million is projected. A positive variance of \$1.2 million is projected in Services & Supplies primarily due to time required to develop contracts to support persons under supervision in the community and to provide connections to the Drug Medi-Cal Organized Delivery System.

A negative revenue variance of \$1.0 million is projected. A negative variance of \$0.8 million is projected in Intergovernmental Revenues due to the sunset of the California Well-Being Project also known as the Title IV-E Waiver on September 30, 2019 (\$1.9 million) partially offset by revenue from Juvenile Probation Fund (\$1.1 million). A negative revenue variance of \$0.2 million is projected in Charges for Current Services due to a decrease in Probation work crew charges.

San Diego County Fire Authority

There is no overall variance projected for the San Diego County Fire Authority.

A positive expenditure variance of \$0.6 million is projected. A positive variance of \$0.2 million in Salaries & Benefits due to vacant positions and \$0.4 million in Services & Supplies due to lower than anticipated Volunteer Reserve Fire Fighter stipend payments and minor equipment purchases.

A negative revenue variance of \$0.6 million is projected. A negative variance of \$0.7 million in Charges For Current Services due to amendment of the Jamul Indian Village agreement offset by positive revenue variance of \$0.1 million in Other Financing Sources due to vehicle trade-in credit.

Special Revenue Funds

Sheriff's Inmate Welfare Fund

A positive variance of \$1.5 million is projected for the Inmate Welfare Fund.

A positive expenditure variance of \$2.2 million is projected. A positive variance of \$1.2 million is projected in Services & Supplies partially due to lower than anticipated expenditure needs associated with an anticipated negative revenue variance. A positive variance of \$1.0 million is projected in Operating Transfers Out associated with positions in the General Fund that will remain vacant.

A negative revenue variance of \$0.7 million is projected. A negative variance of \$0.6 million is projected in Other Financing Sources due a decrease in the operating transfers from the Sheriff's Jail Commissary Enterprise Fund for proceeds generated by Commissary sales. A negative variance of \$0.1 million is projected in Miscellaneous Revenues due to a decrease in sales from the planned closure of the Sheriff's Print Shop.

Proposition 172

A positive variance of \$4.5 million is projected for the Proposition 172 Special Revenue Fund.

No expenditure variance is projected.

A positive revenue variance of \$4.5 million is projected in Intergovernmental Revenues due to higher than anticipated receipts from sales tax.

Sheriff's Asset Forfeiture Program

A positive variance of \$0.8 million is projected in the Sheriff's Asset Forfeiture Program (US Department of Justice, US Treasury Department and State).

No expenditure variance is projected.

A positive revenue variance of \$0.8 million is projected due to increased Asset Forfeiture US Department of Justice seizures in Intergovernmental Revenues (\$0.6 million) and Asset Forfeiture State seizures in Fines, Forfeitures & Penalties (\$0.2 million).

Enterprise Fund

Sheriff's Jail Commissary Enterprise Fund

No overall variance projected for the Sheriff's Jail Commissary Enterprise Fund.

A positive expenditure variance of \$0.6 million is projected in Operating Transfers Out due to a decrease in the transfer of commissary proceeds to the Inmate Welfare Fund resulting from lower than expected revenues.

A negative revenue variance of \$0.6 million is projected in Miscellaneous Revenues due to decreases in projected sales resulting from department policy changes restricting the type of commissary items sold to inmates.

HEALTH AND HUMAN SERVICES AGENCY (HHS)

General Fund

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, Integrative Services, Regional Administration, and Office of Military & Veterans Affairs.

An overall positive variance of \$12.9 million is projected for Administrative Support.

A positive expenditure variance of \$12.9 million includes \$1.8 million in Salaries & Benefits due to attrition and vacant positions and \$11.1 million in Management Reserves. HHS has obligated \$4.9 million of the \$16.0 million total budgeted Management Reserves for investments tied to advancing the Behavioral Health Services Continuum of Care.

No significant revenue variance is projected.

Aging & Independence Services

A positive variance of \$1.9 million is projected for Aging & Independence Services.

A positive expenditure variance of \$5.6 million includes \$1.5 million in Salaries & Benefits due to attrition and vacant positions, \$2.8 million in Services & Supplies primarily to align to the updated In-Home Supportive Services (IHSS) Maintenance of Effort (MOE) costs, and \$1.3 million in Operating Transfers Out due to reduced funding needs for the IHSS Public Authority related to anticipated operational savings in the program, with no impact to services.

A negative revenue variance of \$3.7 million is projected and includes \$3.4 million in Intergovernmental Revenues, primarily in the IHSS program to align to the final administrative program allocation and the final IHSS MOE commitment, and \$0.3 million in Miscellaneous Revenues for grant funds that will be realized under Intergovernmental Revenues.

Behavioral Health Services

A positive variance of \$12.6 million is projected for Behavioral Health Services (BHS).

A positive expenditure variance of \$37.6 million is projected and includes a positive variance of \$2.8 million in Salaries & Benefits due to vacant positions and \$34.8 million in Services & Supplies. The \$34.8 million is tied to mental health programs, to align to current utilization of services and updated procurement timeframes, and substance use disorder treatment programs as efforts continue toward achieving full-system capacity under the second year of the Drug Medi-Cal Organized Delivery System (DMC-ODS) implementation.

A negative revenue variance of \$25.0 million is projected and includes \$27.5 million in Intergovernmental Revenues offset by a positive variance of \$2.1 million in Charges for Current Services and \$0.4 million in Miscellaneous Revenues primarily due to recoupment of prior year contractor overpayments. The \$27.5 million negative variance in Intergovernmental Revenues is due to alignment of behavioral health program revenue with anticipated spending in contracted services for both mental health and DMC-ODS programs as noted above. The \$2.1 million positive variance in Charges for Current Services consists of additional program revenue for the Edgemoor Distinct Part Skilled Nursing Facility and additional revenue tied to higher utilization of forensic evaluation services provided to the Superior Court.

County Child Welfare Services

A positive variance of \$3.1 million is projected for County Child Welfare Services.

A positive expenditure variance of \$9.4 million is projected and includes positive variances of \$2.2 million in Salaries & Benefits due to attrition and vacant positions, \$4.3 million in Services & Supplies, and \$2.9 million in Other Charges primarily due to revised estimates of caseload levels and growth trends in foster care assistance programs. The positive variance of \$4.3 million in Services & Supplies is primarily tied to savings in contracted services associated with updated utilization trends and updated procurement timelines.

A negative revenue variance of \$6.3 million is projected and includes \$6.7 million in Intergovernmental Revenues and \$0.2 million in Revenue From Use of Money & Property to align with revenue collection trends for the use of the San Pasqual Academy property, partially offset by a positive variance of \$0.6 million in Charges for Current Services tied to reimbursement from birth certificate fees for services within Child Abuse and Neglect Prevention and Intervention programs. The negative variance of \$6.7 million in Intergovernmental Revenues consists of \$8.0 million in under-realized social services administrative revenues to align with anticipated funding including the end of the Title IV-E Waiver/California Well-Being Project. This is partially offset by a positive variance of \$1.3 million in federal and State assistance payment revenue consisting of \$3.5 million tied to increased Continuum of Care Reform (CCR) revenue, partially offset by under-realized revenue of \$2.2 million to align with projected caseload levels.

Housing & Community Development Services

Housing & Community Development Services (HCDS) consists of the following:

HCDS Operations, Administration, and HCDS Multi-Year Projects

No overall variance is projected for HCDS.

A positive expenditure variance of \$7.8 million is projected and includes \$0.4 million in Salaries & Benefits due to attrition and vacant positions, \$6.1 million in Services & Supplies, and \$1.5 million in Other Charges, partially offset by a negative variance of \$0.2 million in Expenditure Transfer and Reimbursements due to contract savings in the Victims Services Program. The \$6.1 million positive variance in Services & Supplies is

related to HCDS Multi-Year Projects due to the end of the Continuum of Care (CoC) grant, and due to implementation overlap across fiscal years, including updated procurement timelines to align with the State roll-out of funding for the California Emergency Solutions and Housing (CESH) program and SB-2 Building Homes and Jobs Act. The \$1.5 million positive variance in Other Charges is primarily for Multi-Year Projects due to the transition of clients from CoC Tenant Based Rental Assistance (TBRA) and HOME TBRA to the Section 8 Housing Choice Voucher Program.

A negative revenue variance of \$7.8 million is projected in Intergovernmental Revenues to align anticipated federal and State revenue to the savings in Multi-Year Projects referenced above.

Public Health Services

An overall positive variance of \$2.3 million is projected for Public Health Services (PHS).

A positive expenditure variance of \$5.7 million is projected and includes a positive variance of \$3.1 million in Salaries & Benefits due to staff vacancies and attrition, and \$2.6 million in Services & Supplies primarily tied to funds budgeted for additional support as needed during an emergency outbreak.

A negative revenue variance of \$3.4 million is projected and includes \$4.0 million in Intergovernmental Revenues partially offset by \$0.5 million in Charges for Current Services primarily for the Public Health Vital and Health Statistics trust fund revenue to reimburse costs for information technology enhancements and \$0.1 million in Miscellaneous Revenues tied to grant funds received for staff development. The \$4.0 million negative variance in Intergovernmental Revenues is tied to projected positive expenditure variances in Salaries & Benefits and Services & Supplies as noted above.

Self-Sufficiency Services

A positive variance of \$7.1 million is projected for Self-Sufficiency Services.

A positive expenditure variance of \$31.8 million is projected and includes positive variances of \$0.4 million in Salaries & Benefits due to attrition and vacant positions, \$7.7 million in Services & Supplies, and \$23.7 million in Other Charges primarily due to revised estimates of caseload levels and growth trends in the California Work Opportunity and Responsibility to Kids (CalWORKs) program. The positive variance of \$7.7 million in Services & Supplies is primarily due to anticipated savings of \$8.5 million associated with the new Joint Exercise Powers Agreement (JPA) that will manage the CalWORKs Information Network (CalWIN) consortium contracts, in preparation to implement the California Statewide-Automated Welfare System (CalSAWS), a new centralized statewide automated welfare system; partially offset by \$0.8 million in various other operating costs to align with current staffing and spending levels.

A negative revenue variance of \$24.7 million is projected and includes a negative variance of \$25.4 million in Intergovernmental Revenues offset by positive variances of \$0.6 million in Miscellaneous Revenues mainly due to the recoupment of payments in General Relief and contracted services tied to prior year adjustments and \$0.1 million in Fines, Forfeitures & Penalties based on projected eligible expenditures for the Physician Emergency Services program. The negative variance of \$25.4 million in Intergovernmental Revenues consists of \$20.3 million in assistance payments revenue, primarily due to revised CalWORKs caseload projections, and \$8.5 million tied to CalWIN, partially offset by a positive variance of \$3.4 million in social services administrative revenues to align with updated State allocations for the current year and anticipated one-time prior year funds tied to the State's close-out process.

LAND USE AND ENVIRONMENT GROUP (LUEG)

General Fund

Environmental Health

A positive variance of \$0.7 million is projected for the Department of Environmental Health.

A positive expenditure variance of \$1.0 million is projected in Salaries & Benefits primarily due to staff vacancies and under-filled positions.

A negative revenue variance of \$0.3 million is projected in Charges for Current Services due to reduced Vector Control Trust Fund revenue, which is associated with Salaries & Benefits savings because revenue is only drawn for actual costs incurred.

Planning & Development Services

A positive variance of \$0.1 million is projected for the Department of Planning & Development Services.

A positive expenditure variance of \$2.4 million is projected primarily in Salaries & Benefits primarily due to staff vacancies and under-filled positions.

A negative revenue variance of \$2.3 million is projected. A projected negative variance of \$2.2 million in Charges for Current Services is mainly associated with staff vacancies to provide the service to property owners. A negative variance of \$0.1 million in Licenses, Permits and Franchises is due to a slight decline in building permit applications.

Special Revenue Funds

Public Works - Road Fund

No significant net variance is projected for the Road Fund.

A positive expenditure variance of \$1.6 million is projected. Savings of \$1.5 million in Salaries & Benefits is due to partial year staff vacancies and under-filled positions. Savings of \$0.1 million in Services & Supplies is due to lower than anticipated construction costs.

A negative revenue variance of \$1.6 million is projected. Under-realized revenue of \$0.5 million in Taxes Other Than Current Secured is due to TransNet project delays. Under-realized revenue of \$0.5 million in Intergovernmental Revenues is due to completed or not awarded CDBG projects, funding allocation delays on federal projects, and the completed Lawson Valley Road Bridge East project. Under-realized revenue of \$0.2 million in Charges for Current Services is projected due to schedule revisions for the TIF project Campo Road at Boundary Drive, and schedule revisions for Watershed Protection Program projects. Under-realized revenue of \$0.4 million in Miscellaneous Revenues is projected due to identified traffic signal projects in the Transportation program not being

eligible for Intersection Improvement Fee Program (J-25) funding. These projects will be funded by use of Fund Balance.

Park Land Dedication Ordinance

A positive variance of \$0.8 million was realized for the Park Land Dedication Ordinance.

No significant expenditure variance was realized.

A positive revenue variance of \$0.8 million was realized due to over-realized revenue in Licenses, Permits, & Franchises from lower than anticipated Park Land Dedication fees.

San Diego County Library

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

A positive expenditure variance of \$1.1 million is projected. Savings of \$0.1 million in Salaries & Benefits is due to anticipated vacant positions. Savings of \$1.0 million in Management Reserves are appropriated for operating uncertainty.

A negative revenue variance of \$0.1 million is projected. Under-realized revenue of \$0.1 million in Charges for Current Services is projected due to lower than anticipated demand for public printing and other library services.

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 \$1.0 million is projected. A positive variance of \$0.8 million in Salaries & Benefits is due to vacancies and under-filled positions. A positive variance of \$0.2 million in Services & Supplies is primarily associated with schedule revisions for special projects.

A negative revenue variance of \$0.2 million is projected. A negative variance of \$0.4 million in Licenses, Permits & Franchises is primarily related to a reduced caseload in permit applications, which can vary depending on economic factors and business activity. This is partially offset by a positive variance of \$0.2 million in Charges for Current Services associated with higher than anticipated collection of asbestos notification fees.

Enterprise Funds

Public Works - Airport Enterprise Fund

A positive variance of \$0.5 million is projected for the Airport Enterprise Fund.

A positive expenditure variance of \$0.5 million is projected. Savings of \$0.4 million in Salaries & Benefits is due to partial year staff vacancies. Savings of \$0.1 million in Capital Assets Equipment is due to the deferred Gillespie Field generator acquisition.

No revenue variance is projected.

FINANCE AND GENERAL GOVERNMENT GROUP

General Fund

Assessor/Recorder/County Clerk

An overall positive variance of \$1.6 million is projected for the Assessor/Recorder/County Clerk.

A positive expenditure variance of \$1.6 million is projected. Anticipated positive variances of \$1.4 million in Salaries & Benefits due to normal attrition of staff and departmental vacancies and \$0.2 million in Services & Supplies due to less than anticipated contracted services related to software and printing costs.

No revenue variance is projected.

County Communications Office

An overall positive variance of \$0.6 million is projected for the County Communications Office.

A positive expenditure variance of \$0.6 million is projected. Anticipated positive variances of \$0.5 million in Salaries & Benefits due to normal attrition of staff and departmental vacancies and \$0.1 million in Services & Supplies due to savings in various operational accounts.

No revenue variance is projected.

Department of Human Resources

An overall positive variance of \$0.3 million is projected for the Department of Human Resources.

A positive expenditure variance of \$0.9 million is projected. Anticipated positive variances of \$0.1 million in Salaries & Benefits are projected primarily due to vacant positions and \$0.8 million in Services & Supplies primarily due to workers compensation administration costs.

A negative revenue variance of \$0.6 million is projected. Anticipated negative variance of \$0.8 million in Miscellaneous Revenues is due to reduced workers compensation administration costs, offset by a projected positive variance of \$0.2 million in Charges for Current Services due to reclassification of revenues related to background investigations and talent development.

Finance and General Government Executive Office

An overall positive variance of \$3.0 million is projected for the Finance and General Government Group Executive Office.

A positive expenditure variance of \$3.0 million is projected. Anticipated positive

variances of \$1.0 million in Services & Supplies due to information technology projects that are anticipated to span across multiple fiscal years and \$2.0 million in Management Reserves held for unanticipated groupwide needs, which are not anticipated to be drawn on this year.

No revenue variance is projected.

Treasurer-Tax Collector

An overall positive variance of \$0.1 million is projected for the Treasurer-Tax Collector.

A positive expenditure variance of \$0.6 million is projected in Salaries & Benefits due to normal attrition of staff and departmental vacancies.

A negative revenue variance of \$0.5 million is projected in Charges for Current Services due to variance in Banking Services Pooled Revenue as an offset from Salaries & Benefits savings noted above.

Internal Service Funds

Facilities Management ISF

An overall positive variance of \$1.0 million is projected for the Facilities Management ISF.

A positive expenditure variance of \$2.3 million is projected. Anticipated positive variance of \$1.8 million in Salaries & Benefits due to normal attrition of staff due to turn-over and vacancies and \$0.5 million in Services & Supplies primarily due to lower than anticipated pass through expenses for project management and contracted services (including janitorial services and maintenance of chiller, boiler and water treatment equipment).

A negative revenue variance of \$1.3 million is projected and includes negative variances of \$1.2 million in Charges For Current Services due to lower than anticipated reimbursement for project management, maintenance and contracted services, \$0.2 million in Revenue From Use of Money & Property due to less than anticipated lease payments, offset by a positive variance of \$0.1 million in Intergovernmental Revenues for payments related to mail services provided to external entities.

Fleet Management ISF

A positive variance of \$0.1 million is projected for the Fleet Management ISF.

A positive expenditure variance of \$4.1 million is projected. Anticipated positive variances of \$0.6 million in Salaries & Benefits is due to normal attrition of staff and departmental vacancies, \$1.4 million in Services & Supplies primarily due to lower than anticipated fuel and vehicle parts purchases, and \$2.1 million in Other Charges due to lower than anticipated depreciation charges based on actual timing and value of vehicle and equipment replacement.

A negative revenue variance of \$4.0 million is projected and includes negative variances of \$4.0 million in underrealized revenues in Charges for Current Services due to lower than anticipated reimbursements based on vacant billable positions and decreased expenditures in fuel, parts and depreciation as noted above, and \$0.1 million in Other Financing Sources due to the accounting entry required for the disposal of vehicles that are not fully depreciated, partially offset by a positive variance of \$0.1 million in Miscellaneous Revenues due to over-realized revenue from third parties related to insurance proceeds for damaged vehicles.

Public Liability Internal Service Fund

A positive variance of \$2.5 million is projected for the Public Liability Internal Service Fund.

No expenditure variance is projected.

A positive revenue variance of \$2.5 million is projected in Miscellaneous Revenues due to the favorable resolution of an insurance-related matter brought on behalf of the County of San Diego.

The Public Liability ISF's net position at the beginning of the fiscal year was in a deficit of \$14.9 million. This deficit will be offset by positive operational variances in the fiscal year and will be monitored against the actuarial liability once that information is available.

Purchasing and Contracting ISF

A positive variance of \$1.6 million is projected for the Purchasing and Contracting ISF.

A positive expenditure variance of \$0.7 million is projected. Anticipated positive variances of \$0.5 million Salaries & Benefits savings attributed to normal attrition of staff and departmental vacancies, \$0.1 million in Services & Supplies savings related to property disposal costs, and \$0.1 million in Other Charges due to savings in depreciation costs tied to delay in completion of information technology projects.

A positive revenue variance of \$0.9 million is projected as a result of \$0.8 million in Charges for Current Services due to higher than expected client spending on contracts and \$0.1 million in Miscellaneous Revenues due to better than expected proceeds from rebate agreements.

GENERAL PURPOSE REVENUE & COUNTYWIDE EXPENSES

A positive variance of \$12.0 million is projected in General Purpose Revenue (GPR) and \$29.5 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 been healthier while employment showed gains across most industries except Trade, Transportation & Utilities, Financial Activities, and Farm, comparing September 2019 from September 2018. The region has continued to fare better than other California metros in terms of unemployment rate. The housing market though is anticipated to slowdown in 2020. Median home prices in San Diego for Single Family Homes was slightly down by 0.5% and grew slightly higher for Existing Attached Homes by 0.3% in the first quarter of Fiscal Year 2019-20 compared to the same period last year. The UCLA Anderson Forecast report issued on September 25, 2019 anticipates slow growth but no recession for US Economy in year 2020. Dr. Lynn Reaser, chief economist of Point Loma Nazarene University's Fermanian Business & Economic Institute stated that "San Diego's economy should slightly outperform the U.S. economy because of its core strengths in defense, technology and tourism" although, "Slowing global growth and higher interest rates may hold back economic growth" (San Diego Business Journal, January 7, 2019).

The County's GPR related to property tax revenues improved, supported by the increase in assessed values. For FY 2019-20, 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 2.7% in September 2019, down from 3.1% one year ago. In comparison, this is below the state's rate of 3.5% in September 2019 and 3.9% in September 2018.
- Consumer spending, as measured by taxable sales will increase mainly due to consumer online spending. During the 1st Quarter of 2019-20, unadjusted local point of sales tax revenue increased by 23.99% in the unincorporated area, in the Southern California Region by 19.49%, in the statewide level by 20.63% and in the San Diego regional level by 17.55% compared to the same time period last year.
- The housing market in the County is starting to slow down but some indicators are still positive.
 - Decrease in median housing prices for Single Family Homes (down 0.5%) and increase for Existing Attached Homes (up 0.3%) for the first quarter of Fiscal Year 2019-20 compared to the same period last year;
 - Notices of Default for January-September 2019 were down 5% compared to the same period in 2018.
 - Foreclosure activity decreased 6% in January-September 2019 compared to the same period in 2018.

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 no variance.

- *Property Taxes Current Secured*

No projected variance in Current Secured Property Taxes. On August 7, 2018 (10), the Board directed the projected one-time over realized revenue generated by greater than anticipated assessed value growth be used to reduce the pension fund's Unfunded Actuarially Accrued Liability, per Administrative Code Section 113.5(b).

The budgeted current secured property taxes assumed a local secured assessed value increase of 5.00%, but the actual assessed value (AV) increased by 5.72% (gross less regular exemptions). (Note: The 5.72% increase represents the change in the assessed value for only the secured roll. This is lower than the countywide overall increase published by the Assessor/Recorder/County Clerk on June 29, 2019 of 5.75%, 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*

No projected variance in Current Supplemental Property Taxes. The projection for this revenue is based on charges and collections trend estimates related to new construction and anticipated turnover through Fiscal Year 2019-20.

Taxes Other Than Current Secured

Taxes Other Than Current Secured are anticipated to be \$1.5 million above budget.

- *Property Tax Prior Secured Supplemental*

Property Tax Prior Secured Supplemental are projected to be \$0.6 million higher than budget. The projection for this revenue is based on charges and collections trend estimates related to new construction and anticipated turnover through Fiscal Year 2019-20.

- *Real Property Transfer Taxes*

No projected variance for Real Property Transfer Taxes.

- *Teeter Tax Reserve Excess*

Teeter Tax Reserve Excess is projected to be \$0.5 million lower 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.

- *Other Tax - Aircraft*

No projected variance for Other Tax - Aircraft.

- *Sales and Use Taxes*
Sales and Use Taxes is projected to be \$0.4 million higher than budget. This is due to projected increase in the pool allocations due to higher sales.
- *Property Tax in Lieu of Vehicle License Fees*
Property Tax in Lieu of Vehicle License Fees (VLF) is projected to be \$1.1 million higher than budget. The increase is due to higher than expected apportionment than was projected on July 23, 2019 (16). On August 7, 2018 (10), the Board directed the projected one-time over realized revenue generated by greater than anticipated assessed value growth be used to reduce the pension fund's Unfunded Actuarially Accrued Liability, per Administrative Code Section 113.5(b).
- *Teeter Property Tax Prior Year and Cumulative Prior Years*
Teeter Property Tax Prior Year and Cumulative Prior Years are projected to be \$0.1 million lower than budget. The decrease is based on improvement in delinquency rate lowering the outstanding receivables.

Licenses, Permits, and Franchises

No projected variance for Licenses, Permits and Franchise payments.

Revenue from Use of Money & Property

No projected variance for Interest on Deposits.

Fines, Forfeitures and Penalties

No projected variance for Fines, Forfeitures and Penalties. 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 \$9.9 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 increase due to continued growth in the project areas.

Miscellaneous Revenue

Miscellaneous Revenue is projected to be \$0.6 million higher than budget due to higher than expected revenue in Charges for Current Services for A-87 billings to departments.

General County Expenses

Countywide Expenses

A positive variance of \$29.5 million is projected in Countywide General Expense.

A positive expenditure variance of \$29.5 million is projected. A positive variance of \$29.5 million is projected in Services & Supplies due to Countywide Stabilization (\$25.0 million) that is not anticipated to be used, information technology projects (\$3.7 million) that are

anticipated to extend beyond the current fiscal year and due to lower than anticipated costs in shared major maintenance projects (\$0.8 million). Pension Stabilization resources of \$34.8 million are not projected as an operating variance, these appropriations will be reflected as a restricted balance in the Fiscal Year 2019-20 CAFR as a result of the passage of Measure C Charter Amendment restricting the use of funds appropriated to pension stabilization.

No revenue variance is projected.

Lease Payments – Bonds

A positive variance of \$0.5 million is projected for the Lease Payments – Bonds Fund.

A positive expenditure variance of \$0.5 million is projected in Other Charges due to lower than anticipated principal and interest payments. Each outstanding debt (except the 2019 Justice Facility refunding) has a reserve requirement that is invested and deposited in interest—bearing trustfunds. The interest revenue collected in various funds is used to offset payments to bondholders.

No revenue variance is projected.

Capital Program Funds

Edgemoor Development Fund

A positive variance of \$11.8 million is projected for the Edgemoor Development Fund.

A positive expenditure variance of \$0.3 million is projected in Services and Supplies due to lower than anticipated Internal Service Fund and major maintenance expenditures.

A positive revenue variance of \$11.5 million is projected. A positive variance of \$11.4 million is related to Gain on Sale of Fixed Assets of County-owned surplus property located in Santee that was sold in Fiscal Year 2019-20, \$0.2 million of unanticipated interest earnings based on the daily average cash fund balances offset by a negative variance \$0.1 million in Federal Other.

**FY 2019-2020 1st Quarter
Projected Year-End Results**

(in thousands)

COUNTY SUMMARY

	Expenditure Variance		Revenue Variance		1st Quarter FY19-20 Projected Fund Balance
	Favorable/(Unfavorable)				
General Fund					
Public Safety	\$ 11,664		\$ (2,144)		\$ 9,520
Health & Human Services Agency	110,872		(70,846)		40,027
Land Use & Environment	3,762		(2,655)		1,107
Finance & General Government	7,917		(1,368)		6,549
Total Agency/Group	134,216		(77,013)		57,202
General Purpose Revenue	0		11,975		11,975
Finance Other	30,065		0		30,065
Total General Fund	\$ 164,281		\$ (65,039)		\$ 99,242
Special Revenue Funds					
Public Safety	\$ 2,187		\$ 4,844		\$ 7,031
Health & Human Services Agency	0		0		0
Land Use & Environment	2,811		(1,035)		1,776
Total Special Revenue Funds	\$ 4,997		\$ 3,809		\$ 8,806
Capital Program					
Finance Other	\$ 341		\$ 11,514		\$ 11,855
Internal Service Funds Departments					
Land Use & Environment	\$ 0		\$ 0		\$ 0
Finance & General Government	7,186		(4,447)		2,739
Finance Other	0		2,501		2,501
Total Internal Service Funds	\$ 7,186		\$ (1,946)		\$ 5,240
Enterprise Fund Departments					
Public Safety Group	\$ 592		\$ (592)		\$ 0
Land Use & Environment	766		(220)		546
Total Enterprise Funds	\$ 1,358		\$ (812)		\$ 546
Special District Funds Departments					
Public Safety Group	\$ 0		\$ 0		\$ 0
Health & Human Services Agency	154		(132)		22
Land Use & Environment	1,241		33		1,274
Total Special District Funds	\$ 1,396		\$ (99)		\$ 1,297
Other County Funds Departments					
HHSA - Red./Redev. Successor Agency	\$ 0		\$ 5		\$ 5
HHSA - Housing & Community Development	0		0		0
Total Other County Funds	\$ 0		\$ 5		\$ 5
Debt Service - Pension Obligation Bonds	\$ 0		\$ 0		\$ 0
Total County Year-End Operating Balance	\$ 179,561		\$ (52,568)		\$ 126,992

**FY 2019-2020 1st Quarter
Projected Year-End Results**

(in thousands)

PUBLIC SAFETY GROUP

Expenditure Variance	Revenue Variance	1st Quarter FY19-20 Projected Fund Balance
Favorable/(Unfavorable)		

General Fund Departments

Animal Services	\$ 79	\$ 0	\$ 79
Child Support	4,337	(2,472)	1,864
District Attorney	3,347	1,200	4,547
Emergency Services	337	(215)	122
Law Enforcement Review Board	0	0	0
Medical Examiner	391	(1)	390
Probation	1,193	(990)	203
Public Defender	0	50	50
Public Safety Executive Office	605	35	640
San Diego County Fire Authority	583	(562)	21
Sheriff	793	810	1,602
Total General Fund	\$ 11,664	\$ (2,144)	\$ 9,520

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	793	794
Sheriff - Inmate Welfare Program	2,186	(668)	1,518
Criminal Justice Facility	0	0	0
Courthouse Construction	0	0	0
Penalty Assessment	0	202	202
Public Safety - Proposition 172	0	4,517	4,517
Total Special Revenue Funds	\$ 2,187	\$ 4,844	\$ 7,031

Enterprise Funds

Sheriff	\$ 592	\$ (592)	\$ 0
Total Enterprise Funds	\$ 592	\$ (592)	\$ 0

Special District Funds

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

Total Public Safety Group	\$ 14,443	\$ 2,108	\$ 16,550
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**FY 2019-2020 1st Quarter
Projected Year-End Results**

(in thousands)

HEALTH & HUMAN SERVICES AGENCY

Expenditure Variance	Revenue Variance	1st Quarter FY19-20 Projected Fund Balance
Favorable/(Unfavorable)		

General Fund Programs

Administrative Support	\$ 12,912	\$ 10	12,922
Aging & Independence Services	5,592	(3,644)	1,947
Behavioral Health Services	37,633	(24,986)	12,647
Child Welfare Services	9,387	(6,287)	3,100
Public Health Services	5,726	(3,400)	2,326
Self-Sufficiency Services	31,828	(24,744)	7,084
Housing & Community Development Services	7,794	(7,794)	0
Total General Fund	\$ 110,872	\$ (70,846)	\$ 40,027

Special Revenue Funds

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

Special District Funds Departments

Ambulance Districts	\$ 154	\$ (132)	\$ 22
Total Special District Funds	\$ 154	\$ (132)	\$ 22

Other County Funds Departments

Housing & Community Development	\$ 0	\$ 0	\$ 0
Red. Agency/Redevelopment Successor Agency	0	5	5
Total Other County Funds Departments	\$ 0	\$ 5	\$ 5

Total Health & Human Services Agency	\$ 111,027	\$ (70,973)	\$ 40,054
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**FY 2019-2020 1st Quarter
Projected Year-End Results**
(in thousands)

LAND USE & ENVIRONMENT GROUP

	Expenditure Variance	Revenue Variance	1st Quarter FY19-20 Projected Fund Balance
	Favorable/(Unfavorable)		
General Fund Departments			
Agriculture, Weights & Measures	\$ 103	\$ 37	\$ 139
Environmental Health	1,000	(300)	700
Land Use & Environment Group Exec Office	71	0	71
Parks & Recreation	0	28	28
Planning & Development Services	2,413	(2,287)	127
Public Works	175	(133)	42
Total General Fund	\$ 3,762	\$ (2,655)	\$ 1,107
Special Revenue Funds/Departments			
A,W & M (Grazing and Fish & Game Commission)	\$ 0	\$ 0	\$ 0
Parks & Recreation - PLDO	0	795	795
DPW - Aviation Funds	0	0	0
DPW - Road Fund	1,624	(1,615)	9
DPW - Survey Monument Preservation	0	0	0
DPW - Inactive Waste	46	(46)	0
DPW - Waste Planning and Recycling	0	0	0
Library Services	1,141	(169)	972
Total Special Revenue Funds	\$ 2,811	\$ (1,035)	\$ 1,776
Internal Service Funds			
Public Works - DPW Equip. ISF Prg. (35525-35700)	\$ 0	\$ 0	\$ 0
Total Internal Service Funds	\$ 0	\$ 0	\$ 0
Enterprise Funds			
Airport Enterprise Fund	\$ 546	\$ 0	\$ 546
Wastewater Management Enterprise Fund	220	(220)	0
Total Enterprise Funds:	\$ 766	\$ (220)	\$ 546
Special District Funds/Departments			
Air Pollution Control District	\$ 1,013	\$ (199)	\$ 815
Parks and Recreation	0	0	0
Parks - Community Facilities Districts	0	0	0
DPW - SD County Sanitation District	220	230	450
DPW - Campo WSMD-Zone A (Rancho Del Campo Water)	0	0	0
DPW - CWSMD-Zone B (Campo Hills Water)	8	1	9
DPW - CSAs	0	0	0
DPW - PRDs	0	0	0
DPW - Community Facilities Districts	0	0	0
DPW - Flood Control	0	1	1
DPW - Street Lighting District	0	0	0
Total Special Districts Funds:	\$ 1,241	\$ 33	\$ 1,274
Total Land Use & Environment Group	\$ 8,581	\$ (3,878)	\$ 4,703

**FY 2019-2020 1st Quarter
Projected Year-End Results**

(in thousands)

**FINANCE & GENERAL GOVERNMENT
GROUP**

Expenditure Variance	Revenue Variance	1st Quarter FY19-20 Projected Fund Balance
Favorable/(Unfavorable)		

General Fund Departments

Assessor/Recorder/County Clerk	\$ 1,617	\$ 0	\$ 1,617
Auditor & Controller	314	(32)	282
Board of Supervisors	140	0	140
Chief Administrative Office	230	0	230
Civil Service Commission	47	0	47
Clerk of the Board of Supervisors	104	0	104
County Communications Office	572	0	572
County Counsel	242	(242)	0
County Technology Office	0	0	0
Finance & GG Exec Office	3,008	0	3,008
General Services	0	0	0
Grand Jury	135	0	135
Human Resources	865	(595)	270
Purchasing & Contracting	0	0	0
Registrar of Voters	0	0	0
Treasurer-Tax Collector	644	(500)	144
Total General Fund	\$ 7,917	\$ (1,368)	\$ 6,549

Internal Service Funds Departments

CTO - Information Technology	\$ 0	\$ 0	\$ 0
Facilities Management	2,346	(1,308)	1,038
Major Maintenance ISF	0	0	0
Fleet Management	4,173	(4,035)	138
Purchasing & Contracting	667	897	1,564
Total Internal Service Funds	\$ 7,186	\$ (4,447)	\$ 2,739

**Total Finance & General
Government Group**

\$ 15,103	\$ (5,815)	\$ 9,288
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**FY 2019-2020 1st Quarter
Projected Year-End Results**

(in thousands)

**GENERAL PURPOSE REVENUE &
FINANCE OTHER**

Expenditure Variance	Revenue Variance	1st Quarter FY19-20 Projected Fund Balance
Favorable/(Unfavorable)		

General Fund

General Purpose Revenue:			
All Current Property Taxes	\$ 0	\$ 0	\$ 0
All Other Taxes-Local	0	1,508	1,508
Licenses, Permits & Franchises	0	0	0
Fines, Forfeitures & Penalties	0	0	0
Revenue for Use of Money & Property	0	0	0
Intergovernmental Revenue	0	9,864	9,864
Charges for Current Services	0	603	603
Miscellaneous Revenue	0	0	0
Total General Purpose Revenue	\$ 0	\$ 11,975	\$ 11,975

General County Expenses:

Cash Borrowing Program	\$ 0	\$ 0	\$ 0
Community Enhancement	0	0	0
Contribution to County Library	0	0	0
Contributions to the Capital Outlay Fund	0	0	0
Lease Payments - Bonds	517	0	517
Local Agency Formation Comm Admin	0	0	0
Neighborhood Reinvestment Program	0	0	0
Countywide Expenses	29,549	0	29,549
Total Finance Other Expenses	30,065	0	30,065
Total General Fund	\$ 30,065	\$ 11,975	\$ 42,040

Capital Program Funds

Capital Program	\$ 341	\$ 11,514	\$ 11,855
Total Capital Program Funds	\$ 341	\$ 11,514	\$ 11,855

Internal Service Funds Departments

Workers Compensation	\$ 0	\$ 0	\$ 0
Unemployment Insurance	0	0	0
Public Liability	0	2,501	2,501
Total ISF Funds	\$ 0	\$ 2,501	\$ 2,501

Debt Service Funds Departments

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

**Total General Purpose Revenue &
Finance Other**

\$ 30,407	\$ 25,989	\$ 56,396
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**FY 2019-2020 1st Quarter
Projected Year-End Results**
(in thousands)

Category	Projected Management Reserves	Projected Operating Balances	1st Quarter FY19-20 Projected Fund Balance
	Favorable/(Unfavorable)		
General Fund			
Public Safety	\$ 0	\$ 9,520	\$ 9,520
Health and Human Services Agency	11,150	28,877	40,027
Land Use and Environment	0	1,107	1,107
Finance & General Government	2,000	4,549	6,549
Agency/Group Totals	\$ 13,150	\$ 44,052	\$ 57,202
General Purpose Revenue	\$ 0	\$ 11,975	\$ 11,975
General County Expenses	0	30,065	30,065
Total General Purpose Revenue & General County Expense	\$ 0	\$ 42,040	\$ 42,040
Total General Fund	\$ 13,150	\$ 86,092	\$ 99,242

Appendix C: Major Maintenance Capital Outlay Fund (MMCOF) Adjustments for Fiscal Year 2019-2020 (1ST QUARTER)

GROUP	DEPT.	PROJECT NUMBER	PROJECT NAME	FUNDING SOURCE			NOTES 1, 2, 3, 4, 5	DEPARTMENTS (Acct - 56321 Opt Transfer Out)	DEPARTMENTS (Acct - 52XXX Services & Supplies)	MMCOF (Acct -54202 Fixed Asset)	DGS MMISF (Acct - 52XXX Services & Supplies)	RATIFICATION Yes/No
				FUND	ORG	ACCOUNT		Inc (Dec)	Inc (Dec)	Inc (Dec)	Inc (Dec)	
Increase (Decrease) of Appropriation												
LUEG	PKS	1021944	MMCOF7608 William Heise 2 Back-up Generators	10100	52811	52737	5	85,000	(85,000)	85,000	N/A	Yes
FGG	ARC	1022063	MMCOF7665 Kearny Mesa ARCC HVAC	10100	33275	52737	3	680,774	(680,774)	680,774	N/A	No
FGG	ARC	1021925	MMCOF7589 Kearny Mesa ARCC Generator Transfer Switch	10100	33275	52737	2	(155,018)	155,018	(155,018)	N/A	No
Subtotal General Fund								610,756	(610,756)	610,756		
LUEG	APC	1022946	MMCOF7696 APCD Scripps Ranch Roof AC Units and Variable Air Volume Controllers	12050	56700	52550	4	(50,000)	50,000	(50,000)	N/A	No
LUEG	LIB	1023418	MMCOF7743 Jacumba Library Emergency Generator	12200	57460	52737	5	25,000	(25,000)	25,000	N/A	Yes
LUEG	LIB	1023418	MMCOF7743 Jacumba Library Emergency Generator	12200	57305	56412	3	181,900	(181,900)	181,900	N/A	No
LUEG	LIB	1023419	MMCOF7744 Pine Valley Library Generator	12200	57460	52737	5	25,000	(25,000)	25,000	N/A	Yes
LUEG	LIB	1023419	MMCOF7744 Pine Valley Library Generator	12200	57305	56412	3	182,100	(182,100)	182,100	N/A	No
LUEG	LIB	1023420	MMCOF7745 Potrero Library Generator	12200	57460	52737	5	25,000	(25,000)	25,000	N/A	Yes
LUEG	LIB	1023420	MMCOF7745 Potrero Library Generator	12200	57305	56412	3	194,800	(194,800)	194,800	N/A	No
LUEG	LIB	1023421	MMCOF7746 Descanso Library Emergency Generator	12200	57460	52737	5	25,000	(25,000)	25,000	N/A	Yes
LUEG	LIB	1023421	MMCOF7746 Descanso Library Emergency Generator	12200	57305	56412	3	182,100	(182,100)	182,100	N/A	No
LUEG	LIB	1022940	MMCOF7690 Campo Morena Village Library LAC Upgrades	12200	57305	56412	3	94,800	(94,800)	94,800	N/A	No
LUEG	LIB	1022942	MMCOF7692 Julian Library LAC Upgrades	12200	57305	56412	3	126,700	(126,700)	126,700	N/A	No
LUEG	LIB	1021922	MMCOF7586 Vista Library AHU	12200	57460	52737	3	15,000	(15,000)	15,000	N/A	No
Subtotal Other Funds								1,027,400	(1,027,400)	1,027,400		
Total Increase (Decrease) of Appropriation								1,638,156	(1,638,156)	1,638,156	-	
Board Letter Recommendation								REC #27		REC #28		

- NOTES:**
- 1 MMCOF Project identified as MMISF (maintenance/not capital)
 - 2 MMCOF Project cancelled and funding source returned to Services & Supplies for department's operation
 - 3 MMCOF Spending plan increased
 - 4 MMCOF Spending plan decreased
 - 5 MMISF Project identified as MMCOF



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

NATHAN FLETCHER
Fourth District

JIM DESMOND
Fifth District

AGENDA ITEM

DATE: December 10, 2019

AP1

TO: Air Pollution Control Board

SUBJECT

**FISCAL YEAR 2019-20 FIRST QUARTER OPERATIONAL PLAN BUDGET
ADJUSTMENTS (DISTRICTS: ALL)**

OVERVIEW

This report recommends budget adjustments to the Air Pollution Control District Funds.

Transfers and revisions to the adopted budget can be made by formal action of the Board of Supervisors in accordance with the California County Budget Act, Government Code (GC) Section 29125. Increases to the overall budget require 4 votes, while transfers of appropriations between departments within the same budgetary fund that do not increase the overall budget or the cancellation of appropriations require a majority vote. However, transfers of appropriations to facilitate transfers between budgetary funds require 4 votes even if the overall budget is not increased.

RECOMMENDATION(S)

AIR POLLUTION CONTROL OFFICER

**Increases to the Overall Budget and/or Transfers Between Budgetary Funds
(Recommendations 1 through 3):**

1. Establish appropriations of \$626,325 in the Air Quality Moyer Program Fund, Other Charges (\$587,181), for mobile source emissions incentive project costs, and Operating Transfer Out (\$39,144) to provide funding to the Air Pollution Control District Fund for program administration costs, based on unanticipated revenue from the State of California Air Resources Board. **(4 VOTES)**
2. Establish appropriations of \$39,144 in the Air Pollution Control District Fund, Services & Supplies, for program administration costs, based on an Operating Transfer In from the Air Quality Moyer Fund. **(4 VOTES)**
3. Establish appropriations of \$84,898 in the Air Quality Moyer Program Fund, Other Charges for mobile source emissions incentive project costs, based on State of California Air

**SUBJECT: FISCAL YEAR 2019-20 FIRST QUARTER OPERATIONAL PLAN BUDGET
ADJUSTMENTS (DISTRICTS: ALL)**

Resources Board grant funding for Nitrogen Oxides (NOx) Remediation projects (\$80,315) and available prior year Air Quality Moyer Program Fund fund balance (\$4,583).
(4 VOTES)

FISCAL IMPACT

Funds for this request are not included in the Fiscal Year 2019-20 Operational Plan for the Air Pollution Control District. If approved, these actions will result in an increase to the overall budget in the Air Quality Moyer Program Fund of \$711,223 and the funding sources are unanticipated revenue from the State of California Air Resources Board (\$706,640) and available prior year Air Quality Moyer Program Fund fund balance (\$4,583). In the Air Pollution Control District Fund, this will result in an increase to the overall budget of \$39,144 and the funding source is an Operating Transfer In from the Air Quality Moyer Program Fund. There will be no additional staff years.

BUSINESS IMPACT STATEMENT

N/A

ADVISORY BOARD STATEMENT

N/A

BACKGROUND

Recommendations 1 & 2

The Carl Moyer Memorial Air Quality Standards Attainment Program (Moyer Program) provides local air districts with State grant funding for incentives to support the incremental cost of replacing engines and equipment with cleaner models to reduce emissions of air pollutants. The State of California Air Resources Board (ARB) provided the APCD additional Moyer Year 21 funding subsequent to the adoption of the FY 2019-20 Operational Plan to support local incentive projects for cleaner-than-required off-road equipment. These requests will establish appropriations of \$626,325 in the Air Quality Moyer Program Fund based on unanticipated revenue from the ARB to execute the grant agreement for qualifying emission reduction projects (\$587,181), and program administrative costs (\$39,144).

Recommendation 3

In FY 2018-19, the ARB provided funding for a nitrogen oxides (NOx) remediation program to reduce emissions of NOx from on-road trucks, off-road equipment, agricultural equipment, marine equipment, and locomotives. As of June 30, 2019, the amount of remaining funds was \$80,315 and the accrued interest on the funds was \$4,583. This request will establish appropriations of \$84,898 in the Air Quality Moyer Program Fund based on available funds and prior year interest earned in order to execute the grant agreement for NOx Remediation projects. The funds were not encumbered in FY 2018-19 due to a shortage of eligible NOx projects at that time. The terms of the grant require to encumber these funds by January 2020.

ENVIRONMENTAL STATEMENT

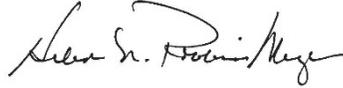
N/A

SUBJECT: FISCAL YEAR 2019-20 FIRST QUARTER OPERATIONAL PLAN BUDGET
ADJUSTMENTS (DISTRICTS: ALL)

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's proposed actions support the Strategic Initiatives of Sustainable Environments/Thriving and Operational Excellence in the County of San Diego's 2019-2024 Strategic Plan by fully committing to use District resources to meet the highest priority needs of residents.

Respectfully submitted,



HELEN N. ROBBINS-MEYER
Chief Administrative Officer

ATTACHMENT(S)

None

SUBJECT: FISCAL YEAR 2019-20 FIRST QUARTER OPERATIONAL PLAN 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:

June 25, 2019 (AP1), Adoption of the Fiscal Year 2019-20 Budget for the Air Pollution Control District.

BOARD POLICIES APPLICABLE:

N/A

BOARD POLICY STATEMENTS:

N/A

MANDATORY COMPLIANCE:

N/A

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

N/A

ORIGINATING DEPARTMENT: Finance & General Government Group

OTHER CONCURRENCE(S): None

CONTACT PERSON(S):

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