



COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

GREG COX
First District

DIANNE JACOB
Second District

PAM SLATER-PRICE
Third District

RON ROBERTS
Fourth District

BILL HORN
Fifth District

DATE: March 1, 2005

TO: Board of Supervisors
Board of Directors: Alpine, Lakeside, and Spring Valley Sanitation Districts
San Diego County Air Pollution Control Board
San Diego County Flood Control District

SUBJECT: FISCAL YEAR 2004-05 SECOND QUARTER OPERATIONAL PLAN
STATUS REPORT, BUDGET AND STAFFING ADJUSTMENTS (District: All)

SUMMARY:

Overview

This report summarizes the second quarter status of the County's Fiscal Year 2004-05 Operational Plan as measured by projected year-end fund balance. The projected fund balance from current year operations for the General Fund is \$74.4 million and for all budgetary funds combined is \$138.3 million.

Further, this letter recommends budget adjustments to fund various one time projects from fund balance or unanticipated revenues. Among these projects are the design of a new Medical Examiner facility, construction of a Sheriff's station in Rancho San Diego, design of a Sheriff's patrol station in Alpine, Crime Lab renovations, fire-fighting helicopter equipment, start-up costs for the Community Trails maintenance program, ballfield improvements in Pine Valley, major maintenance projects at County facilities, erosion control in fire damaged areas, expansion of the Spring Valley Community Center, South County Animal Shelter improvements, information technology application development, unanticipated costs for the November 2004 election, preservation of certain services in the Department of Agriculture, Weights and Measures, completion of the emergency video link between the County Administration Center and the Emergency Operations Center, various improvements at County airports, various improvements in the Lakeside, Alpine, and Spring Valley Sanitation districts, and park land acquisition or improvements at various locations. Three additional positions are requested for the Registrar of Voters, four positions are requested to be transferred from the Finance and General Government Group Executive Office to the Department of Human Resources (2 positions) and to the Auditor and Controller's Department (2 positions), and one position is requested to be transferred from the Department of Public Works to the Land Use and Environment Group Executive Office. Also recommended is the establishment of Management Reserves in various departments and

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Group executive offices as well as a net increase in the fund balance designation for the Department of Environmental Health.

Recommendation(s)

CHIEF ADMINISTRATIVE OFFICER

1. Accept the Fiscal Year 2004-05 second quarter report on projected year-end results.
2. Waive Board Policy A-91, Mid-Year Budget Changes.
3. Establish appropriations of \$7,534,000 in the County General Fund based on a shift of County General Purpose Revenue allocations as a result of receiving State revenue for county juvenile probation services established in the Probation Department, to be allocated as follows: (4 VOTES)
 - a. \$350,000 in Agriculture, Weights, and Measures for continued funding for the USDA Wildlife Services Program;
 - b. \$1,000,000 in the General Fund Contribution to Facilities Management Internal Service Fund for staff work on space management and capital improvement planning activities in countywide facilities;
 - c. \$2,000,000 in Contributions to the Capital Outlay Fund for design work on a new Medical Examiner building;
 - d. \$1,000,000 in Defense Attorney/ Contract Administration for increased costs of indigent defense;
 - e. \$500,000 in Contributions to the Capital Outlay Fund for baseball field renovations at two County parks;
 - f. \$300,000 in the Department of Planning and Land Use for code enforcement;
 - g. \$284,000 in the Finance and General Government Group for enhancements to the Kronos time collection application of the ERP project;
 - h. \$1,300,000 in the Finance and General Government Group for major maintenance projects in facilities shared by departments in more than one Group;
 - i. \$600,000 in the Finance and General Government Group for continued ERP support staff and,
 - j. \$200,000 in the Registrar of Voters for outreach to communities and voters who do not speak English.
4. Establish appropriations of \$2,000,000 in the Justice Facility Construction Fund for Capital Project 1006566, Medical Examiner Building, based on an Operating Transfer from the General Fund. (4 VOTES)
5. Transfer \$1,000,000 in estimated revenues within the Facilities Management Internal Service Fund from Charges for Services to Operating Transfer In to correctly classify

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the revenues to be received for space management and capital facilities planning from the General Fund.

6. Establish appropriations of \$450,000 in the Capital Outlay Fund for Capital Project 1006608, Pine Valley Ballfield Improvements, based on an Operating Transfer from the General Fund. (4 VOTES)
7. Establish appropriations of \$50,000 in the Capital Outlay Fund for Capital Project 1005259, Guajome Park Playground/Restrooms/Dock, based on an Operating Transfer from the General Fund. (4 VOTES)
8. Establish appropriations of \$844,863 in the Public Safety Group Executive Office for the Mainframe O/S390 upgrade, Major Maintenance project MP4876, and Information Technology ISF costs based on the Public Safety Group's Fiscal Year 2003-2004 fund balance available. (4 VOTES)
9. Establish appropriations of \$6,854,053 in the Public Safety Group's Management Reserves based on the Public Safety Group's Fiscal Year 2003-04 fund balance available. (4 VOTES)
10. Establish appropriations of \$7,675,292 in the Contribution to Trial Court Org for the payment of unbudgeted expenditures related to the Negotiated Undesignated Fee Payment and revenue sharing payments to the State based on anticipated over-realized revenues of \$6,556,732 in the Contribution to Trial Court Org and \$1,118,560 of the Public Safety Group's Fiscal Year 2003-04 fund balance available. (4 VOTES)
11. Establish appropriations of \$441,143 in the Penalty Assessment Collection Fund for payment to the Department of General Services Facilities Management ISF based on FY 2003-2004 Penalty Assessment Collection fund balance available. (4 VOTES).
12. Amend the Department of General Services Facilities Management ISF spending plan by \$441,143 for the staff work associated with the County's preparation for the transfer of court facilities in accordance with the Trial Court Facilities Act of 2002, SB 1732, based on penalty assessment revenue from the Penalty Assessment Collection Fund.
13. Establish appropriations of \$5,474,705 in the Proposition 172 Special Revenue Fund, for transfer to the Sheriff's Department Management Reserves, based on fund balance available. (4 VOTES)
14. Establish appropriations of \$5,474,705 in the Sheriff's Department Management

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Reserves based on an Operating Transfer from the Proposition 172 Special Revenue Fund. (4 VOTES)

15. Establish appropriations of \$782,101 in the Proposition 172 Special Revenue Fund for transfer to the Probation Department based on fund balance available. (4 VOTES)
16. Establish appropriations of \$782,101 in the Probation Department for costs required to open a dorm at the Juvenile Ranch Facility and to correct application defects in the Probation Case Management System based on an Operating Transfer from the Proposition 172 Special Revenue Fund. (4 VOTES)
17. Establish appropriations of \$46,793 in the Medical Examiner to mitigate the loss of revenue contracts based on the Public Safety Group's Fiscal Year 2003-04 fund balance available. (4 VOTES)
18. Establish appropriations of \$52,600 in Department of Housing and Community Development for a Special Needs Housing Coordinator position based on the Public Safety Group's Fiscal Year 2003-04 fund balance available. (4 VOTES)
19. Establish appropriations of \$13,207 in the District Attorney's Federal Seized Asset Forfeiture Fund for services and supplies based on unanticipated revenue from the Jurisdictions Unified for Drug Gang Enforcement (JUDGE) Seized Asset Forfeiture Trust Fund. (4 VOTES)
20. Establish appropriations of \$5,000 in the District Attorney's State Seized Asset Forfeiture Fund for costs associated with alcohol and drug crime prevention public education services based on State Seized Asset Forfeiture Fund fund balance available. (4 VOTES)
21. Establish appropriations of \$5,000,000 in Contributions to Capital Outlay Fund, for construction of the Rancho San Diego Station, based on Public Safety Group's Fiscal Year 2003-04 fund balance available. (4 VOTES)
22. Establish appropriations of \$5,000,000 in the Justice Facility Construction Fund for Capital Project 1006584, Rancho San Diego Station, based on an Operating Transfer from the General Fund. (4 VOTES)
23. Establish appropriations of \$250,000 in Contributions to Capital Outlay Fund, for the construction design work for the Alpine Sheriff's Patrol Station, based on Public Safety Group's Fiscal Year 2003-04 fund balance available. (4 Votes)
24. Establish appropriations of \$250,000 in the Justice Facility Construction Fund for

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Capital Project 1006585, Alpine Sheriff's Patrol Station, based on an Operating Transfer from the General Fund. (4 Votes)

25. Establish appropriations of \$762,000 in the Sheriff's Department Management Reserves to offset CAC Security costs based on the Public Safety Group's Fiscal Year 2003-04 fund balance available. (4 VOTES)
26. Establish appropriations of \$210,936 in the Sheriff's Department for fire-fighting helicopter equipment based on grant revenue from the Indian Gaming Local Community Benefit Committee. (4 VOTES)
27. Establish appropriations of \$54,219 in the Sheriff's Department to provide law enforcement services for marijuana eradication based on unanticipated revenue from the Drug Enforcement Administration. (4 VOTES)
28. Establish appropriations of \$294,930 in the Sheriff's Department to provide for Cal-ID program equipment based on revenue from the Sheriff Fingerprint ID Trust Fund. (4 VOTES)
29. Establish appropriations of \$750,000 in the Sheriff's Department for Crime Lab renovations based on the Public Safety Group's Fiscal Year 2003-04 fund balance available. (4 VOTES)
30. Establish appropriations of \$3,429,214 in the Health and Human Services Agency, Aging and Independence Services, for the In-Home Supportive Services Program, based on unanticipated revenue from the State Department of Social Services. (4 VOTES)
31. Authorize the Auditor and Controller to increase the reserve designation within the General Fund for the Department of Planning and Land Use-Building Code Enforcement by \$15,165, based on Land Use and Environment Group's Fiscal Year 2003-04 fund balance available. (4 VOTES)
32. Establish appropriation of \$20,000 in the Department of Agriculture Weights and Measures for the purchase of an all terrain vehicle based on Land Use and Environment Group's Fiscal Year 2003-04 fund balance available. (4 VOTES)
33. Establish appropriations of \$250,000 in the Department of Agriculture Weights and Measures to restore State reductions in the High Risk Pest Exclusion Program and to support the Veterinarian program based on Land Use and Environment Group's Fiscal Year 2003-04 fund balance available. (4 VOTES)

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34. Establish appropriations of \$90,000 in the Farm and Home Advisor for facilities and vehicle maintenance based on Land Use and Environment Group's Fiscal Year 2003-04 fund balance available. (4 VOTES)
35. Establish appropriations of \$316,000 in the Farm and Home Advisor for the purpose of remodeling their office space based on Land Use and Environment Group's Fiscal Year 2003-04 fund balance available. (4 VOTES)
- ~~36. Authorize the Auditor and Controller to increase the reserve designation within the General Fund for Environmental Health by \$2,950,524 based on Land Use and Environment Group's Fiscal Year 2003-04 fund balance available. (4 VOTES)~~
[Recommendation withdrawn at the request of the Chief Administrative Officer.]
37. Authorize the transfer of one (1) position from the Department of Public Works Road Fund to the Land Use and Environment Group – Executive Office.
38. Establish appropriations of \$56,905 in Department of Public Works General Fund, Watershed Protection Program for various stormwater capital projects, based on Land Use and Environment Group's Fiscal Year 2003-04 fund balance available. (4 VOTES)
39. Establish appropriations of \$26,000 in Department of Public Works General Fund for costs of the County's Performance Management Unit based on Land Use and Environment Group's Fiscal Year 2003-04 fund balance available. (4 VOTES)
40. Establish appropriations of \$750,000 in Department of Public Works General Fund for erosion control for fire damaged areas, based on Land Use and Environment Group's Fiscal Year 2003-04 fund balance available. (4 VOTES)
41. Establish appropriations of \$55,000 in the Department of Parks and Recreation, to fund a position transferred from the Department of General Services, based on Land Use and Environment Group's Fiscal Year 2003-04 fund balance available. (4VOTES)
42. Establish appropriations of \$10,000 in the Department of Parks and Recreation, for signage and trail accessories at Wright's Field, as well as a cultural resource assessment/historic registry application, based on Land Use and Environment Group's Fiscal Year 2003-04 fund balance available. (4VOTES)
43. Establish appropriations of \$600,000 in the Department of Parks and Recreation, to fund current year costs for implementation of the Community Trails Master Plan, based on Land Use and Environment Group's Fiscal Year 2003-04 fund balance

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available. (4VOTES)

44. Establish appropriations of \$300,000 in the Alpine Sanitation District for construction inspection for capital project K371LA Galloway Pump Station Force Main based on Alpine Sanitation District fund balance available. (4 VOTES)
45. Establish appropriations of \$70,000 in the Alpine Sanitation District for consultant costs for capital project K469LA Galloway Pump Station Improvements based on Alpine Sanitation District fund balance available. (4 VOTES)
46. Establish appropriations of \$75,000 in the Lakeside Sanitation District for construction inspection for the Lakeside Sanitation Interceptor based on Lakeside Sanitation District fund balance available. (4 VOTES)
47. Establish appropriations of \$70,000 in the Spring Valley Sanitation District for consultant costs for capital project K396LN La Presa Trunk Realignment based on Spring Valley Sanitation District fund balance available. (4 VOTES)
48. Establish appropriations of \$120,000 in the Spring Valley Sanitation District for consultant costs for capital project K466LN Jamacha Pump Station based on Spring Valley Sanitation District fund balance available. (4 VOTES)
49. Establish appropriations of \$7,000 in the Spring Valley Sanitation District for staff costs for capital project K396LN La Presa Trunk Realignment based on Spring Valley Sanitation District fund balance available. (4 VOTES)
50. Establish appropriations of \$25,000 in the Spring Valley Sanitation District for staff costs for capital project K307LN Central Avenue Sewer based on Spring Valley Sanitation District fund balance available. (4 VOTES)
51. Establish appropriations of \$30,100 in the Spring Valley Sanitation District for staff costs for capital project K467LN Spring Valley Outfall MH 31-39 based on Spring Valley Sanitation District fund balance available. (4 VOTES)
52. Amend the Fiscal Year 2004-05 Airport Enterprise Fund Spending Plan by \$312,402 for the completion of Gillespie Field Runway Rehabilitation for Runway 27L based on fund balance available. (4 VOTES)
53. Establish appropriations of \$20,000 in the Special Aviation Fund for operations and maintenance costs based on unanticipated revenue from a grant from the State Department of Transportation – Aeronautics Division. (4 VOTES)

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54. Amend the Fiscal Year 2004-05 Airport Enterprise Fund Spending Plan by \$157,895 for Borrego Valley Airport Slurry Seal of apron areas based on FY 2003-04 fund balance available (\$7,895) and a grant from the Federal Aviation Administration (\$150,000). (4 VOTES)
55. Amend the Fiscal Year 2004-05 Airport Enterprise Fund Spending Plan by \$630,440 for the Gillespie Field Rehabilitation of Runway 27R project to be funded by a Federal Aviation Administration Grant. (4 VOTES)
56. Amend the Fiscal Year 2004-05 Airport Enterprise Fund Spending Plan by \$157,895 for Fallbrook Community Airpark to correct drainage problems based on FY 2003-04 fund balance available (\$7,895) and a grant from the Federal Aviation Administration of (\$150,000). (4 VOTES)
57. Amend the Fiscal Year 2004-05 Airport Enterprise Fund Spending Plan by \$183,770 for runway and ramp repairs based on FY 2003-04 fund balance available. (4 VOTES)
58. Establish appropriations of \$35,000 in the San Diego Flood Control District for the MS4 inventory project based on San Diego Flood Control District fund balance available. (4 VOTES)
59. Establish appropriations of \$60,000 in the San Diego Flood Control District for a design procedure manual based on San Diego Flood Control District fund balance available. (4 VOTES)
60. Amend the Fiscal Year 2004-05 Department of Public Works Internal Service Fund Spending Plan – Equipment Operations Spending Plan by \$1,519,806 for maintenance and fuel costs, based on based on unanticipated revenue from equipment rental operations. (4 VOTES)
61. Establish appropriations of \$280,000 in the Department of Public Works Transportation for Hansen improvements based on Road Fund fund balance available. (4 VOTES)
62. Establish appropriations of \$33,605 in the Department of Public Works Detailed Work Program for North Bonita Street Improvements based on Road Fund fund balance available. (4 VOTES)
63. Establish appropriations of \$60,000 in the Department of Public Works Transportation for network upgrades based on Road Fund fund balance available. (4 VOTES)

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64. Establish appropriations of \$225,000 in the Department of Public Works Transportation for roadside mowing based on Road Fund fund balance available. (4 VOTES)
65. Establish appropriations of \$200,000 in the Department of Public Works Transportation for road way best management practices (BMP) assessment and maintenance based on Road Fund fund balance available. (4 VOTES)
66. Establish appropriations of \$40,000 in the Department of Parks and Recreation, to fund an agreement for the operation of Refurbishing, Technology, and Community Youth programs at the community building in Old Ironsides Park, based on unanticipated revenue from San Diego Youth and Community Services. (4 VOTES)
67. Establish appropriations of \$1,007,000 in the Capital Outlay Fund for Capital Project 1006572 – Spring Valley Community Center Expansion, based on awarded Proposition 40 Murray-Hayden grant funds. (4 VOTES)
68. Establish appropriations of \$115,000 in the Capital Outlay Fund for Capital Project 1006573 – Lakeside/Ramona Open Space Restoration, based on awarded State Off-Highway Vehicle grant funds. (4 VOTES)
69. Cancel appropriations and related Operating Transfer from the Valle de Oro Park Land Dedication Ordinance (PLDO) Fund of \$16,000 in the Capital Outlay Fund for Capital Project 1000243 – Cottonwood III Park Improvements, to provide funds for the installation of bollards at Cottonwood I Park.
70. Establish appropriations of \$16,000 in the Department of Parks and Recreation for special departmental expense incurred for the installation of bollards at Cottonwood I Park, based on an Operating Transfer from the Valle de Oro PLDO fund. (4 VOTES)
71. Transfer appropriations of \$23,422.88 from the Department of Parks and Recreation to Contributions to Capital Outlay Fund, for Capital Project 1000245 – Volcan Mountain Preserve Phase VI Acquisition.
72. Transfer appropriations of \$10,463.41 from the Department of Parks and Recreation to Contributions to Capital Outlay Fund, for Capital Project 1000212 – Sweetwater Morrison Pond.
73. Establish appropriations of \$20,646 in the Capital Outlay Fund for Capital Project 1000121 – Trail Easement Acquisitions, based on unanticipated revenue from the

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Federal Forest Reserve. (4 VOTES)

74. Establish appropriations of \$200,000 in the Capital Outlay Fund for Capital Project 1000040 – Volcan Mountain West Acquisition, based on awarded Habitat Conservation Fund grant funds. (4 VOTES)
75. Cancel appropriations and related Proposition 12 Roberti-Z'berg-Harris grant revenue of \$6,667 in the Capital Outlay Fund for Capital Project 1005260 – Nancy Jane Park Swings, to reflect a revised grant award.
76. Cancel appropriations and related Proposition 12 Roberti-Z'berg-Harris grant revenue of \$4,667 in the Capital Outlay Fund for Capital Project 1005261 – South Lane Park Improvements, to reflect a revised grant award.
77. Cancel appropriations and related Nonpoint Source Pollution Control grant revenue of \$300,000 in the Capital Outlay Fund for Capital Project 1005263 – Santa Maria Creek Acquisition, to provide funds for the Santa Maria Creek Restoration project.
78. Establish appropriations of \$300,000 in the Capital Outlay Fund for Capital Project 1005264 – Santa Maria Creek Restoration, based on Nonpoint Source Pollution Control grant revenue made available by the cancellation of grant funds in Capital Project 1005263. (4 VOTES)
79. Establish appropriations of \$3,480 in Contributions to Capital Outlay Fund, for the San Dieguito Park Recycled Water Retrofit Improvements project, based on unanticipated revenue from Sprint PCS. (4 VOTES)
80. Establish appropriations of \$3,480 in the Capital Outlay Fund for Capital Project 1005106 – San Dieguito Park Recycled Water Retrofit Improvements, based on an Operating Transfer from the General Fund. (4 VOTES)
81. Establish appropriations of \$18,079 in the Capital Outlay Fund for Capital Project 1005265 – Santa Maria Creek Acquisition II, based on unanticipated revenue received from the sale of a sewer easement. (4 VOTES)
82. Cancel appropriations and related Operating Transfer from the General Fund of \$60,000 in the Capital Outlay Fund for Capital Project 1000239 - Otay Valley Regional Park Fencing/Trees- to provide funds for the purchase of a tractor, trailer, dump truck, and portable toilet.
83. Transfer appropriations of \$60,000 from Contributions to the Capital Outlay Fund to the Department of Parks and Recreation for the purchase of fixed assets--tractor,

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trailer, dump truck, and portable toilet.

84. Establish appropriations of \$700 in the Alpine Park Land Dedication Ordinance (PLDO) Fund for general planning staff costs based on fund balance available. (4 VOTES)
85. Establish appropriations of \$1,500 in the Fallbrook PLDO Fund for general planning staff costs, based on fund balance available. (4 VOTES)
86. Establish appropriations of \$2,500 in the Lakeside PLDO Fund for general planning staff costs, based on fund balance available. (4 VOTES)
87. Establish appropriations of \$2,300 in the Palomar/Julian PLDO Fund for general planning staff costs, based on fund balance available. (4 VOTES)
88. Establish appropriations of \$32,000 in the Ramona PLDO Fund for general planning staff costs, based on fund balance available. (4 VOTES)
89. Establish appropriations of \$1,000 in the Valley Center PLDO Fund for general planning staff costs, based on fund balance available. (4 VOTES)
90. Cancel appropriations and related Proposition 12 Roberti-Z'berg-Harris grant revenue of \$703,000 in the Capital Outlay Fund for Capital Project 1005255 – Lakeside Park Improvements, to provide funds for the East County Sports Complex project.
91. Establish appropriations of \$703,000 in the Capital Outlay Fund for Capital Project 1005258 – East County Sports Complex, based on Proposition 12 Roberti-Z'berg-Harris grant revenue made available by the cancellation of grant funds in Capital Project 1005255. (4 VOTES)
92. Cancel appropriations and related Operating Transfer from the General Fund of \$94,003 in the Capital Outlay Fund for Capital Project 1000202 – Open Space Preserves Volunteer Pads, to provide funds for the Guajome Adobe Stabilization/Restoration project.
93. Cancel appropriations of \$79,782 and related operating transfer from the General Fund (\$10,000) and revenue from sale of fixed assets (\$69,782) in the Capital Outlay Fund for Capital Project 1000228 – Guajome Adobe Facilities Improvements, to provide funds for the Guajome Adobe Stabilization/Restoration project.
94. Establish appropriations of \$173,785 in the Capital Outlay Fund for Capital Project

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1005338 – Guajome Adobe Stabilization/Restoration, based on an Operating Transfer from the General Fund (\$104,002) and revenue from the sale of fixed assets (\$69,782). (4 VOTES)

95. Cancel appropriations and related revenue in the amount of \$75,000 from Aid from the City of San Diego in the Department of Parks and Recreation due to an error in budgeting.
96. Authorize the Chief Financial Officer to reduce the Reserve Designation for the Department of Environmental Health in the amount of \$966,300.
97. Establish appropriations of \$709,600 in the Department of Environmental Health for various Information Technology projects, based on a reduction in the DEH Fund Balance Reserve Designation. (4 VOTES)
98. Establish appropriations of \$240,700 in the Department of Environmental Health for the acquisition of reference and outreach materials for the Hazardous Materials Division, based on a reduction in the DEH Fund Balance Reserve Designation. (4VOTES)
99. Establish appropriations of \$16,000 in the Department of Environmental Health for the purchase of landfill gas detection equipment, based on a reduction in the DEH Fund Balance Reserve Designation. (4 VOTES)
100. Establish appropriations of \$25,000 in the Department of Environmental Health to perform winter recreational beach water quality monitoring based on unanticipated revenue from the California Department of Health Services.(4 VOTES)
101. Establish appropriations of \$52,040 and related revenues in the Department of Environmental Health to reflect the final negotiated amounts of contracts and grants for Fiscal Year 2004-2005. (4 VOTES)
102. Establish appropriations of \$89,000 in the Department of Environmental Health, for the creation of a first responder training institute and to establish an automotive green business program in Tijuana, Mexico, based on unanticipated revenue from United States/Mexico Border 2012 program grant from the United States Environmental Protection Agency. (4 VOTES)
103. Establish appropriations of \$21,800 in the Department of Environmental Health to perform vector surveillance based on unanticipated revenue from an agreement with the City of San Diego, Department of Parks and Recreation. (4 VOTES)

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104. Establish appropriations of \$157,000 in the Land Use and Environment Group's Management Reserves, based on Land Use and Environment Group's Fiscal Year 2003-04 fund balance available. (4 VOTES)
105. Authorize the Auditor and Controller to discharge an accounts receivable in the amount of \$44,952.50 in the Capital Outlay Fund, from the California State Coastal Conservancy, for project costs not reimbursed by the granting agency.
106. Establish appropriations of \$350,000 in the Department of Animal Services for the lobby renovation project at the South County Animal Shelter based on Community Services Group's Fiscal Year 2003-04 fund balance available. (4 VOTES)
107. Establish appropriations of \$65,000 in the Department of Animal Services for the lobby renovation project at the South County Animal Shelter based on funds available from the South Shelter Improvement Trust Fund (Fund 61281). (4 VOTES)
108. Establish appropriations of \$35,000 in the Department of Animal Services for an animal medical x-ray machine for the North County Animal Shelter based on Community Services Group's Fiscal Year 2003-04 fund balance available. (4 VOTES)
109. Authorize the Auditor & Controller to refund \$35,181.61 to the Port of San Diego for an overpayment for services rendered related to the North Embarcadero Visionary Plan.
110. Reallocate \$25,000 in Housing and Community Development CDBG funds to the CDBG Housing Development Fund from the canceled Catholic Charities Cold Weather Voucher-Homeless Preventions Services Program.
111. Reallocate \$30,000 in Housing and Community Development CDBG Housing Development Funds to the FY 2004-05 Cold Weather Shelter Voucher Program.
112. Establish appropriations of \$30,000 to the Housing and Community Development Lead Based Paint Hazard Program based on revenue from the US Department of Housing and Urban Development Lead Grant. (4 VOTES)
113. Transfer appropriations of \$454,832 within the Housing and Community

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Development Special Revenue Fund (Lead Based Paint Hazard Program) from Other Charges to Operating Transfer Out to the Housing Authority.

114. Establish appropriations of \$19,361 in Housing and Community Development for staff support provided during the November 2004 election based on a cost applied agreement with the Registrar of Voters. (4 VOTES)
115. Establish appropriations of \$31,000 in Housing and Community Development for shared funding of the Safe Housing Coordinator position based on a cost applied agreement with the Health and Human Services Agency. (4 VOTES)
116. Establish appropriations of \$438,915 in the Library Fund for the Innovative library software contract and to complete background checks for volunteers, based on Library Fund fund balance available. (4 VOTES)
117. Establish appropriations of \$44,200 in the Library Fund for ergonomic equipment, furniture, and computer equipment, based on Library Fund fund balance available. (4 VOTES)
118. Establish appropriations of \$258,926 in the Library Fund for customer service improvements based on Library Fund fund balance available. (4 VOTES)
119. Establish appropriations of \$55,000 in the Library Fund for Out-of-County Travel and Library program marketing, based on Library Fund fund balance available. (4 VOTES)
120. Establish appropriations of \$2,592,887 in the Library Fund Management Reserves, based on Library Fund fund balance available. (4 VOTES)
121. Establish appropriations of \$1,000,000 in the Registrar of Voters office for voter education and poll worker training based on a HAVA Grant (Help America Vote Act) received from the California Secretary of State from HAVA Title II Federal funding. (4 VOTES)
122. Establish appropriations of \$900,000 in the Registrar of Voters office to fund unanticipated costs of the November 2004 election based on Community Services Group's Fiscal Year 2003-04 fund balance available. (4 VOTES)
123. Establish appropriations of \$652,107 in the Registrar of Voters office based on unanticipated revenues from Special Elections, candidate statements, and over-realized postage reimbursements related to the November 2004 election. (4VOTES)

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124. Authorize the addition of three (3) new positions, Coordinator, Volunteer and Public Services – Voter Outreach Option at the Registrar of Voters to provide minority language services as required in an agreement with the U. S. Department of Justice; and direct the Department of Human Resources to classify the positions.
125. Establish appropriations of \$3,194,393 in the Community Services Group Executive Office Management Reserves, based on Community Services Group’s Fiscal Year 2003-04 fund balance available. (4 VOTES)
126. Cancel appropriations and related revenue of \$70,000 in the Library Capital Outlay Fund for Capital Project 1000109, Ramona Senior Center Predevelopment/Acquisition, due to cancellation of Community Development Block Grant funding.
127. Establish appropriations of \$197,000 in Board of Supervisors District 1 for one-time expenses in services and supplies based on Finance and General Government Group’s Fiscal Year 2003-04 fund balance available. (4 VOTES)
128. Establish appropriations of \$130,000 in Board of Supervisors District 2 for one-time expenses in services and supplies based on Finance and General Government Group Group’s Fiscal Year 2003-04 fund balance available. (4 VOTES)
129. Establish appropriations of \$131,000 in Board of Supervisors District 3 for one-time expenses in services and supplies based on Finance and General Government Group Group’s Fiscal Year 2003-04 fund balance available. (4 VOTES)
130. Establish appropriations of \$165,000 in Board of Supervisors District 4 for one-time expenses in services and supplies based on Finance and General Government Group Group’s Fiscal Year 2003-04 fund balance available. (4 VOTES)
131. Establish appropriations of \$334,000 in Board of Supervisors District 5 for one-time expenses in services and supplies based on Finance and General Government Group Group’s Fiscal Year 2003-04 fund balance available. (4 VOTES)
132. Transfer two positions, Staff Development Specialist and Intermediate Clerk, from the Finance and General Government Group Executive Office to the

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Department of Human Resources.

133. Transfer two positions, ERP System Functional Analyst and Departmental Clerk from the Finance and General Government Group Executive Office to the Auditor and Controller.
134. Establish appropriations of \$90,000 in the Civil Service Commission for salary and benefits costs of the department Director based on Finance and General Government Group Group's Fiscal Year 2003-04 fund balance available. (4 VOTES)
135. Establish appropriations of \$600,000 in the Auditor and Controllers Office for one-time application development expenses based on Finance and General Government Group Group's Fiscal Year 2003-04 fund balance available. (4 VOTES)
136. Establish appropriations of \$184,520 in the Assessor/Recorder/County Clerk for one-time facilities maintenance and renovation expenses based on revenue from the Property Tax Administration Trust Fund and the Revenue Modernization Trust Fund. (4 VOTES)
137. Establish appropriations of \$932,100 in the Assessor/Recorder/County Clerk for one-time application services expenses for the development and/or upgrade of information technology systems based on revenue from the Property Tax Administration Trust Fund and the Modernization Trust Fund. (4 VOTES)
138. Establish appropriations of \$150,000 in the Department of Media and Public Relations fixed assets account to complete the emergency video link between the EOC and CAC, based on fund balance available in the Cable TV fund. (4 VOTES)
139. Establish appropriations of \$100,000 in the Department of Media and Public Relations management reserves account to pay costs of conducting franchise renewal assessments for five cable television operators, based on fund balance available in the Cable TV fund. (4 VOTES).
140. Establish appropriations of \$282,000 in the Air Pollution Control District for the purchase of 5 new vans for the Compliance Division for emission producing site visits and inspections and to fund the annual lawnmower replacement event based on overrealized forfeiture and penalty revenues. (4 VOTES)

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Fiscal Impact

The funds for a portion of these requests are not budgeted. These actions will cancel budgeted appropriations and the related sources of funding in the amount of \$1,409,119. If approved, these actions will establish additional appropriations of \$78,583,839 resulting in a net increase in appropriations of \$77,174,720.

Business Impact Statement

N/A

Advisory Board Statement

The relevant items were presented to the various Health and Human Services Agency advisory boards for information.

BACKGROUND:

Fiscal Year 2004-05 Fund Balance Projections

For the General Fund, the second quarter projection of year-end fund balance from current year operations is \$74.4 million, which is up \$30.2 million from the first quarter projection. It is made up of \$15.7 million in additional General Purpose Revenues, \$34.9 million in net savings from departmental operations, and \$23.8 million in unspent Contingency and Management Reserves. The projected balance for all other funds combined is \$63.9 million. Schedule A summarizes the fund balance projections by Group. The Notes to Schedule A explain variances from budget by department. Schedule B shows the projected General Fund fund balance by Group split between operating and reserve balances. These projections are based on actual experience through December 2004 and expected expenditures and revenues through the end of the fiscal year.

In the first quarter Operational Plan Status Report, we noted several areas - the Department of Agriculture, Weights and Measures, the Purchasing and Contracting ISF, and Contributions to Trial Courts - where corrective action in the second or third quarter would need to be taken to ensure that we have adequate resources available to meet obligations or to protect local interests. In addition, we reported that we would be recommending the reallocation of approximately \$8.0 million in General Purpose Revenue that had been allocated to the Probation Department due to the restoration of State funding that was included in the State's adopted budget for Fiscal Year 2004-05. Recommendation 3 lists those adjustments, which are a mix of one-time items and services that will be proposed for ongoing funding in the CAO's Proposed Operational Plan for Fiscal Years 2005-06 and 2006-07.

The Department of Agriculture, Weights and Measures projected a \$1.2 million budget shortfall in the first quarter, as a result of the State failing to fully fund a variety of programs. Since then matters have improved. Revenue projections have improved, and savings in salaries and benefits, due to vacancies, has vastly decreased the additional funding needed from what was projected in the first quarter report. Part of this need is addressed in the general purpose revenue shift from the Probation Department and the balance will be provided from available Land Use and Environment Group fund balance.

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The Public Safety Group has updated the projections for the Contributions to Trial Courts. Revenues and other appropriations in the Contributions to Trial Courts budget unit are allocated to cover the required payments to the State per the Memorandum of Understanding. The County is also making the second and final negotiated annual payment of \$2.1 million to the State Courts pursuant to AB 1759. A balance of \$1.1 million owed for this payment will be paid from available Fiscal Year 2003-04 Public Safety Group fund balance.

The Department of Purchasing and Contracting is showing a projected \$1.1 million net negative variance due to continued lower than anticipated demand from departments for print and record services. The Department is taking steps to reduce costs. Moreover, the Department hired an outside consultant to evaluate operations. The consultant's findings are currently being reviewed. Rate adjustments may be necessary to bring the fund into balance.

The County is in a solid fiscal condition. Prudent management of our resources has allowed us to respond to losses of local discretionary revenues due to the State's multi-year budget crisis without impacting our reserves and while furthering many of our long-term service delivery, capital project, and technology goals. Evidence of that ability is shown in the broad spectrum of recommended actions and budget adjustments in this letter as well as other recent actions by your Board including the decisions to proceed with the construction of a new skilled nursing facility that will replace Edgemoor and to develop a new Property Tax System.

The Economy

The U.S. economy's preliminary Gross Domestic Product (GDP) for 2004 showed an increase of 4.4% versus 3% growth in 2003. This represents the strongest year for growth in the U.S economy since 1999. This growth was primarily driven by domestic consumption and the housing sector. For the first half of 2005, a slower but still healthy growth of about 3.3% will be led by business investment and exports. Some significant risks facing the U.S. economy include the large and growing current trade deficit, inflation, uncertainty in oil prices, and weaker-than-expected growth in Europe and Japan.

After a closer look at actual data for California's economy, the state has been doing well for the last two years. The Bay Area is the exception given the high tech bust of 2000. Overall, 2004 was a good year for California: payroll and household jobs experienced healthy growth of 1.8%; the job growth also contributed to a solid personal income growth of 5.6%; and taxable sales grew by 6.0%. The unemployment rate has been inching down to 6.1% versus 6.7% in 2003 and 2002. For 2005, similar but slower growth rates are estimated - taxable sales will show moderate gains (4.8%), job growth is projected to remain stable (2.0%), and personal income is anticipated to grow at a healthy rate (5.2%).

California's Budget Outlook

The State of California's budget outlook continues to be severely strained by an ongoing structural imbalance between revenues and expenditures. On January 10, 2005, Governor Schwarzenegger submitted the Proposed Fiscal Year 2005-06 budget to the California legislature. The Governor's

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Proposed Budget addresses the Fiscal Year 2005-06 budget shortfall through program savings in K-12 education, social services, transportation, and employee compensation. The plan also uses about \$1.7 billion of the remaining Proposition 57 deficit-bond proceeds, and it contains other funding shifts and borrowing.

According to a review of the Governor's budget by the State of California's Legislative Analyst, it does not fully address the state's ongoing structural imbalance. The projected Fiscal Year 2006-07 imbalance is estimated to be \$5.0 billion. Moreover, the reform proposals in the budget would also dramatically reduce the ability of future policy makers to establish budget priorities when addressing future budget shortfalls. The Governor's budget sets the stage for the CAO's Proposed Operational Plan for Fiscal Years 2005-06 and 2006-07.

From the County's perspective, the Governor's FY 2005-06 Proposed Budget (the Governor's Proposed Budget) is consistent with the two year budget agreement reached between the State and local governments in July 2004 and the passage of Proposition 1A on the November 2004 ballot. There are no further reductions of County property tax or other general purpose revenues included in the Governor's Proposed Budget beyond the loss of \$27.5 million in property tax agreed to for both fiscal years 2004-05 and 2005-06. The Governor's Proposed Budget would, however, reduce funding levels for certain State categorical programs, with the greatest impact being on the recipients of various health and human services where benefits are proposed to be reduced or capped. In the case of CalWORKS administration, however, the Governor's Proposed Budget would reduce allocations to Counties to be more in line with actual expenditures. Because the County is required to share in the cost for CalWORKS administration, the County would see a decrease in the amount it needs to set aside in its budget for this activity. The Governor has proposed numerous other programmatic changes in the health and human services area to reduce costs or create efficiencies, but the information available is insufficient to determine the direct impacts, if any, on the County.

In the area of Public Safety, the most significant items include the restoration of Temporary Assistance to Needy Families (TANF) funding used to support juvenile probation services (\$12 million annually for the County of San Diego) and a 75% reduction in funding for Juvenile Crime Prevention. In the latter case, a statewide reduction of \$75.0 million from the previous funding level of \$100.0 million would result in an estimated loss of \$6.2 million for the County. This loss won't be felt until Fiscal Year 2006-07, however, because State funding for Juvenile Crime Prevention activities is established one year in advance.

In the area of general government, the 2005-06 Proposed Budget would reduce the amount budgeted for grants to Counties for Property Tax Administration by about 9.5%. The County currently receives \$5.4 million. It is not clear whether the County would lose any of its grant because the State currently does not distribute all of the budgeted funds.

One notable feature of the 2005-06 Proposed Budget is the suspension of State mandates. Under the provisions of Proposition 1A, the State must either fund services that it mandates counties and cities to

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provide or suspend the mandates. The most significant of these mandates is the provision of mental health care to students at the request of local schools. The State is supposed to pay 50% of the costs with the other 50% paid for by the federal government. The State has been deferring payment of its share of the costs (approximately \$4.0 million annually). The suspension of this mandate is not applicable to the County, however, because the County successfully sued the State and received a judgment from the Sacramento Superior Court in July 2004 that it did not have to provide the service unless the County was reimbursed for its costs. Subsequently, the local schools agreed to reimburse the County in order to continue to receive the service. We will be evaluating the other suspended mandates as part of our Operational Plan development process to determine the impact on services and will be making recommendations accordingly.

FY 2004-05 Budget Adjustments

The budget adjustment recommendations in this letter include adjustments to fund various one-time projects from fund balance or anticipated revenues for each Group and the Agency, transfers of positions between departments, establishment of three positions in the Registrar of Voters, and other technical adjustments.

Recommendation 2

A waiver of Board Policy A-91, Mid-Year Budget Changes is requested for the mid-year appropriation of funds. Adjustments are for both high priority one-time items and certain ongoing services. Services proposed for ongoing funding will also be included in the CAO's Proposed Operational Plan for Fiscal Years 2005-06 and 2006-07.

Recommendations 3-7

The Governor's Proposed Budget for Fiscal Year 2004-05 cut funding in the Probation Department from \$12 million to \$4 million in Temporary Assistance for Needy Families (TANF). TANF funds had supported a mix of Probation programs and services, including juvenile delinquency detention and treatment beds and community-based services to juveniles. Because the TANF shortfall would have resulted in the closure of juvenile camp and ranch treatment beds, reductions to juvenile detention services, and reductions in services to courts and to juvenile clients, General Purpose Revenues replaced the TANF funding for these strategically-critical programs in the County's Adopted Operational Plan. In the final State budget, however, State General Revenues were allocated to continue State categorical funding for these programs. This recommendation proposes re-allocating the County General Purpose Revenues supporting Probation services in the 2004-05 Operational Plan to other County programs and services that had, in some cases, originally sustained cutbacks during the budget process so that the Probation programs could continue. The new allocations will be used for a variety of one-time and on-going services and programs that support the strategic initiatives, provide for comprehensive planning for County facilities, and initiate capital and IT projects.

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These requests will establish appropriations in several General Fund departments based on revenue in the Probation Department, effectively transferring the General Purpose Revenues to those departments:

- \$350,000 in Agriculture, Weights, and Measures to continue funding for the USDA Wildlife Services Program. The program provides public education on non-lethal methods of addressing conflicts between native wildlife and the human population; protection of public health and safety from attacks by predatory animals; rabies prevention activities; protection of numerous threatened and endangered wildlife species; and protection of livestock, fruit, nut, and raw crops from depredating wildlife. Continuation of the program will protect public health and safety as well as that of pets and livestock.
- \$1,000,000 in the General Fund Contribution to Facilities Management Internal Service Fund for staff work on countywide space management and capital improvement planning activities. These appropriations are for facilities planning that affects more than one department and group, allowing for economies of scale as well as long-term planning for the highest and best uses of County real estate.
- \$2,000,000 as a Contribution to the Capital Outlay Fund for design work for a future 70,000 square foot Medical Examiner building, including surgical suite, laboratory, refrigerated storage, and office space. The current facility is inadequate in both size and functionality for its role in the criminal justice system; the new facility will have enough space to accommodate lab work for other County departments and possibly other local agencies.
- \$1,000,000 in the Defense Attorney/Contract Administration department for anticipated increased costs of indigent defense
- \$300,000 in the Department of Planning and Land Use for half-year funding of seven positions in the Code Enforcement Division. These positions had been eliminated in the Adopted Operational Plan due to a reduction in General Purpose Revenue allocation. Subsequently on December 15, 2004 (4), the Chief Administrative Officer was directed to restore the positions in order to address the backlog of complaints and cases and to ensure that special use permits are properly monitored. Ongoing funding of \$600,000 was referred to the Fiscal Year 2005-06 budget process.
- \$500,000 as a Contribution to the Capital Outlay Fund for baseball field renovations at two County parks. These remodeled facilities at Pine Valley and Guajome Regional Parks will enable those parks to continue to provide safe and enjoyable outdoor activities for children. As with the code enforcement officers above, the funding for parks recreational maintenance had been cut from the Adopted Operational Plan.
- \$284,000 in the Finance and General Government Group for enhancements to the Kronos time collection application of the Enterprise Resource Planning (ERP) project. Kronos is being modified in order to make data entry more efficient for employees who have a complex array of activities to which they can charge time.
- \$1,300,000 in the Finance and General Government Group for major maintenance in County facilities. Normally, major maintenance costs are paid for by the department or group occupying the facility. These appropriations are for maintenance items such as paving parking lots, re-roofing, and upgrading mechanical and electrical systems in facilities that are occupied

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by more than one department. This method of funding will allow for billing economies and ensure that maintenance priorities are met.

- \$600,000 in the Finance and General Government Group for six positions to continue countywide support, transition, and training for the Enterprise Resource Planning System. These positions were included in the FY 2004-05 Operational Plan, but frozen pending an evaluation of the necessary level of sustaining ERP staff following the deployment of the various modules.
- \$200,000 in the Registrar of Voters for outreach to the Hispanic, Filipino and Vietnamese communities. The funding will be used to add three positions, translate voter registration information and election materials, and recruit bi-lingual poll workers. In addition, these positions will chair Language Advisory Groups composed of interested parties and individuals in the community to solicit and obtain input from community groups. A separate recommendation (#126) in this letter addresses the addition and classification of the three positions.

Three of the proposals will increase expenditures in other funds. Requests 4, 6 & 7 establish related appropriations in the Capital Outlay Fund for the baseball fields in County parks and for the design work on the new Medical Examiner building. Recommendation 5 substitutes revenues in the Facilities Management Internal Service Fund to reflect the allocation of General Purpose Revenues to countywide planning efforts.

Recommendation 8

This request will establish appropriations in the Public Safety Group Executive Office to support the law enforcement portion of the cost of the upgrade of the County Mainframe operating system software (\$360,584), Major Maintenance Project MP4876 (\$270,000), and Information Technology ISF costs (\$214,279).

The last upgrade to the operating system software on the County mainframe was in 1998. The law enforcement agencies that access the mainframe require that the system be available 24 hours per day, seven days a week, 365 days a year with only a brief monthly maintenance window. During the upgrade, additional steps will be taken to ensure high availability of information to law enforcement agencies. A second mainframe will be brought in to allow most of the upgrade to be compressed during the monthly maintenance windows and planned downtime. Establishment of appropriations to fund Major Maintenance Project MP4876 will fund the purchase of window washing equipment and related service contract at the San Diego Central Jail. The start of this project was delayed and this action reestablishes the appropriations necessary to complete the project. The remaining appropriations included in this request will fund expenses in the Information Technology Internal Service Fund.

Recommendation 9

Approval of this recommendation will appropriate \$6,854,053 of Fiscal Year 2003-04 Fund Balance into the Public Safety Group Management Reserve.

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Recommendation 10

This request will establish appropriations to fund unbudgeted expenditures related to revenue sharing requirements of the Memorandum of Understanding with the State Courts. In addition, this request will establish appropriations to fund the Fiscal Year 2004-05 payments to the State Courts for undesignated fees pursuant to Assembly Bill 1759.

Recommendations 11 & 12

These requests will establish appropriations based on penalty assessment revenue from the Penalty Assessment Collection Fund and transfer those appropriations to the Department of General Services Facilities Management ISF. The Department of General Services Facilities ISF spending plan will be amended in the amount of \$441,143 for the staff work associated with the County's preparation for the transfer of court facilities in accordance with the Trial Court Facilities Act of 2002, SB 1732.

Recommendations 13 & 14

These requests will establish appropriations of \$5,474,705 in the Sheriff's Department Management Reserves based on Fiscal Year 2003-04 Fund Balance available in the Prop 172 Special Revenue Fund.

Recommendations 15 & 16

These requests will establish appropriations of \$782,101 in the Probation Department salaries and benefits and services and supplies based on Fiscal Year 2003-04 Fund Balance available in the Prop 172 Special Revenue Fund.

These funds will be used to cover salary and benefit costs required to reopen the dorm at the Juvenile Ranch Facility (JRF) and adjustments to the Probation Case Management System. The Fiscal Year 2004-05 Operational Plan reduced the number of available treatment beds at the JRF. Currently JRF consists of two designated drug dorms, with a combined total of 106 beds, for male wards with substance abuse problems. JRF no longer offers a custodial option for delinquent wards with minor or no substance abuse issues. The addition of one 48-bed dorm at JRF will provide a custodial sanction through the Breaking Cycles program for 12 to 17.5 year old male wards with primarily delinquent issues.

These funds will also be used to correct application defects in the Probation Case Management System.

Recommendation 17

This request will appropriate \$46,793 of Public Safety Group Fiscal Year 2003-04 fund balance to the Medical Examiner's office to mitigate the loss of funding from the Addiction Research Institute and reductions in the Stanley Medical Research Institute revenue contract.

Recommendation 18

In May 2004, the Health and Human Services Agency, Housing and Community Development, and Public Safety Group entered in a Memorandum of Agreement to jointly fund the position of Special

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Needs Housing Coordinator for FY 2004-2005. The Safe Housing Coordinator position in the Department of Housing and Community Development facilitates efforts to expand housing options for the special needs population participating in drug court programs through coordination with non-profit organizations and by aggressively pursuing state, federal, and private funding opportunities. This request will establish appropriations for the Public Safety Group's share of the cost of this position in Housing and Community Development based on the Public Safety Group's Fiscal Year 2003-2004 fund balance available.

Recommendation 19

The Jurisdictions Unified for Drug Gang Enforcement (JUDGE) program was established fourteen years ago to target, apprehend, and prosecute gang members involved in drug use and sales. Approval of this request will provide the purchase of a copy machine, a printer, five digital cameras, and two fax machines to be used in the course of JUDGE related investigative and prosecutorial activities.

Recommendation 20

The Community Resource Expo (Expo) to be held on March 20, 2005 in Balboa Park is the largest substance abuse and mental health community resource fair in San Diego County. The Expo will be visited by more than 10,000 participants and more than 100 agencies will make resources and services available. The Expo is hosted by Mental Health Systems Inc. and is endorsed by the District Attorney and the County Board of Supervisors.

The funds provided by the District Attorney will support three booths that will provide county participants educational materials on the following programs: East County Center for Change, North County Center for Change and South County Center for Change, Juvenile Drug Court, and Teen Recovery Center – San Marcos.

Recommendation 21 & 22

These requests will establish appropriations of \$5,000,000 in the Justice Facility Construction Fund for Capital Project 1006584, Rancho San Diego Sheriff's Patrol Station, based on an Operating Transfer from the General Fund available from Public Safety Group's Fiscal Year 2003-04 Fund Balance. During the Fiscal Year 2004-05 budget process, \$2,000,000 in appropriations were established in KA5485 for land acquisition. This additional \$5,000,000 will provide funding for construction of the Sheriff's Patrol Station.

Recommendation 23 & 24

These requests will establish appropriations of \$250,000 in the Justice Facility Construction Fund for Capital Project 1006585, Alpine Sheriff's Patrol Station, based on an Operating Transfer from the General Fund available from Public Safety Group's Fiscal Year 2003-04 Fund Balance. A land parcel of approximately two acres was donated to the County in 2003 for a new patrol station in Alpine. The station will replace a small, antiquated, leased facility. Appropriations of \$250,000 will be established to begin the initial phase of construction design work (site investigation, soils work, site plan, etc.). The Department will be applying for a grant from the Indian Gaming Local Community Benefit Committee

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for \$2.5 million for partial funding of station construction. If the grant funding is approved, the Sheriff plans to match the grant award from its Management Reserves to fund the remainder of the construction.

Recommendation 25

This request will establish appropriations of \$762,000 in the Sheriff's Department Management Reserves for offsetting County Administration Center security costs based Fiscal Year 2003-04 Fund Balance available in the Public Safety Group.

Recommendation 26

This request will establish appropriations of \$210,936 in the Sheriff's Department for funding a portion of the Type II, medium lift turbine fire-fighting helicopter approved by Board action on June 15, 2004 (4). The Sheriff's Department was originally awarded a \$1.5 million grant from the Indian Gaming Local Community Benefit Committee (IGLCBC). Subsequent to that action, the grant funds received from the IGLCBC totaled \$1,710,936. The additional \$210,936 is needed for the helicopter purchase as the original estimate was approximately \$600,000 less than the negotiated purchase price.

Recommendation 27

This request will establish appropriations of \$54,219 in the Sheriff's Department based on unanticipated revenue from the Drug Enforcement Administration (DEA). For 25 years, the DEA has provided funds to defray costs relating to marijuana eradication. The amount of reimbursement to cover overtime and related services and supplies costs will be increased by \$54,219 to a total of \$122,000.

Recommendation 28

This request will establish appropriations of \$294,930 in the Sheriff's Department to provide for eight (8) Livescan machines based on revenue from the Sheriff Fingerprint ID Trust Fund. The eight Livescan machines will enable the Probation and Sheriff Departments' detention facilities to meet the needs of Proposition 69, which passed on November 3, 2004 and expanded the state law related to collection and use of criminal offender DNA samples and palm print impressions. The County of Sacramento currently has a contract with Identix Inc. for the procurement of Livescan equipment. After consulting with staff in San Diego County's Purchasing and Contracting, it has been determined the County of San Diego can also utilize this competitive procurement to purchase Livescan equipment compatible with our current system.

Recommendation 29

This request will establish appropriations of \$750,000 in the Sheriff's Department for completion of projects associated with the Crime Lab based on Fiscal Year 2003-04 Fund Balance available in the Public Safety Group. The Sheriff's Department received grant funding for the remodel of the Crime Lab. The funding was not sufficient to complete the classroom area of the remodel. In addition, the Sheriff is also replacing the roof and the heating, ventilation, and air conditioning system within the building and some additional funds are needed for completion. Other work to be completed includes

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painting the exterior of the building, outside drainage work, and other miscellaneous projects. The total funding to complete the needed work at the Crime Lab is estimated at \$750,000.

Recommendation 30

This item will augment the In-Home Supportive Services (IHSS) budget to reflect anticipated increases in service demand since Fiscal Year 2003-04, additional federal and State revenue for the IHSS Plus Waiver and additional funding for IHSS Quality Assurance. The State Budget Act included implementation of an IHSS Plus Waiver that was approved by the federal government. Under the IHSS Plus Waiver, the majority of cases in the IHSS Residual Program are eligible for federal funding; previously, these cases were funded solely with State and County dollars. In addition, this item also appropriates additional federal and State revenues, as authorized in the State Budget Act, for enhanced quality assurance. The funding for quality assurance enhancements will cover case reviews, training, error rate studies, and claim audits to prevent fraud and assure services are authorized in a consistent manner; and will allow counties to conduct assessments more frequently when the recipient's need for service changes.

Recommendation 31

This request will increase the Building/Code Enforcement Reserve Designation by \$15,165. This amount reflects the difference between the actual costs incurred and revenues received in Fiscal Year 2003-04.

Recommendation 32

This request is for the purchase of an all terrain vehicle (gator) by John Deer 4X4 with a 6 foot bed with special equipment accessories in order to provide safe transportation and work platform. The platform will provide a safe work area free from rattlesnakes, ticks and other dangers. The all terrain vehicle will allow staff to access off-road areas for the noxious weed management program and for surveying restoration areas.

Recommendation 33

This request will establish appropriations in the Department of Agriculture, Weights and Measures. These funds will restore the State's reductions in the High Risk Pest Exclusion Program, and maintain pesticide regulation services in the Veterinarian program.

Recommendation 34

This request will establish appropriations in the Farm and Home Advisor. Expenditures in services and supplies are higher than budgeted for facilities and vehicle maintenance. Although, the department has other funds in its budget, they are restricted for the County's Fire Fuels Reduction program and cannot be used to offset these other operational costs.

Recommendation 35

The Farm and Home Advisor provides a variety of services to the community at large. Over 1,200 volunteers provide training and outreach services. In addition to County staff, University of California

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(UC) coordinators also use these facilities. As a result workspace is at a premium. Currently, the UC coordinators and staff are in cramped offices and lack sufficient file space and meeting rooms. This request will permit the Farm and Home Advisor to remodel their offices to allow for additional workstations, filing cabinets and bookshelves. The remodeling and furnishings to be purchased will not only provide the necessary space but also a safe working environment.

Recommendation 36

~~This request will authorize the Auditor and Controller to increase the reserve designation in the General Fund for the Department of Environmental Health (DEH), in the amount of \$2,950,524. This fund was established by the Board on February 24, 2004, to ensure that excess revenue over cost paid by DEH customers is used only to fund expenses in DEH. The designation is to be used to fund one time expenses and to defer the need for fee increases.~~

[Recommendation withdrawn at the request of the Chief Administrative Officer.]

Recommendation 37

If approved this action will transfer one position from the Department of Public Works to the Land Use and Environment Group – Executive Office. This is an Administrative Secretary II (2757) position that will be modified to CAO Staff Officer (0348). This will allow the continued development and implementation of the County's Strategic Plan and Performance Management activities. These two functions are activities sponsored by the Land Use and Environment Group countywide.

Recommendation 38

On February 24, 2004, item 23, the Board of Supervisors approved one-time funding of \$1,500,000 for various stormwater capital projects. Of that, \$1,100,000 was rebudgeted in Fiscal Year 2004-05. The balance of \$400,000 was not fully expended or encumbered. This is a request to establish appropriations for the remaining balance of \$56,905 based on prior year fund balance.

Recommendation 39

If approved this request will establish the necessary funds in the Department of Public Works General Fund, for the services and supplies costs of the County's Performance Management unit. One of the responsibilities of this unit is to provide training and coordination of the PBViews reporting and presentation database. This allows the continued permeation of the County's General Management Systems model.

Recommendation 40

Areas affected by the October 2003 wildfires continue to be susceptible to potential mudflows. Vegetation has started to reestablish however, in some areas, plant densities are insufficient to provide adequate protection and stability from rain events. Historically, it requires three to five years of growth to fully stabilize a burn area. In addition, many erosion control measures have disintegrated (this is what they are supposed to do over time) or filled with sediment. Maintenance is needed to provide erosion protection through another rainy season. This recommendation adds appropriations of \$750,000 in

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Department of Public Works General Fund, for erosion control for fire damaged areas based on Fiscal Year 2003-04 Land Use and Environment fund balance.

Recommendation 41

The Department of General Services deleted a position in the Fiscal Year 2004-2005/2005-2006 Operational Plan Change Letter process. The Department of Parks and Recreation had a need for a Park Maintenance Worker in Heritage Park and transferred to the position an "At Risk" employee that was incumbent in the position. This action provides funding for the current fiscal year.

Recommendation 42

The Department of Parks and Recreation, working in conjunction with the Back Country Land Trust, has determined a need for various items at Wright's Field, such as signs, trail maps, hardware, posts, and pet disposal dispensers. In addition, funding is needed for a cultural resource assessment/historic registry application. The total amount requested is \$10,000.

Recommendation 43

On January 12, 2005 (3), the Board adopted the Community Trails Master Plan to implement the goals for a County trails network of regional and community trails. Funding for the current year to implement the program was referred to the Second Quarter Review. Costs for trail maintenance and management are estimated to be \$600,000 for the remainder of the current fiscal year, which includes one-time start up costs of \$426,000 for vehicles and equipment. Ongoing costs are estimated to be \$730,000 annually, which includes staffing costs for a five-person trail crew, related services and supplies, and depreciation of the vehicles. The Department of Parks and Recreation is seeking grant funding and one-time funding from group reserves for the initial start up costs in the current fiscal year. Ongoing funding, as well as five (5) additional positions, will be requested in the CAO's Fiscal Year 2005-2007 Proposed Operational Plan. These costs do not represent the entire cost of managing and maintaining the trail network. Significant additional trail maintenance work will be provided by the Department's extensive volunteer base, which will save the County an estimated \$240,000 per year.

Recommendation 44

This recommendation increases appropriations for the Galloway Pump Station Force Main Improvements in the Alpine Sanitation District. Due to the complexity of the project, additional work by consultants and staff is required for the completion of the work. Funding source is the Alpine Sanitation District Fund Balance.

Recommendation 45

This recommendation increases appropriations for the Galloway Pump Station Improvements in the Alpine Sanitation District. Additional design and consultant inspection work is required for completion of the project. Funding source is the Alpine Sanitation District Fund Balance.

Recommendation 46

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This recommendation is to increase appropriations for the Lakeside Sanitation Interceptor project in the Lakeside Sanitation District. Funds for this project are currently budgeted, however, an additional \$75,000 for construction inspection is required this fiscal year. Funding is the Lakeside Sanitation District Fund Balance.

Recommendation 47

Funding for the La Presa Trunk Realignment engineering design was previously approved as part of the Fiscal Year 2003-04 Spring Valley Sanitation District Budget. The appropriations were not encumbered at the end of the fiscal year and subsequently did not carry over into the current fiscal year. This request re-establishes appropriations based on Spring Valley Sanitation District Fiscal Year 2004-05 fund balance.

Recommendation 48

Funding for the Jamacha Pump Station Modifications engineering design was previously approved as part of Major Maintenance in the Fiscal Year 2003-04 Spring Valley Sanitation District Budget. The appropriations were not encumbered at the end of the fiscal year and subsequently did not carry over into the current fiscal year. This request re-establishes appropriations based on Spring Valley Sanitation District Fiscal Year 2004-05 fund balance.

Recommendation 49

This recommendation is to establish additional appropriations for the Spring Valley Outfall MH 16-18 in the Spring Valley Sanitation District. Construction on this project was completed in Fiscal Year 2003-04, but final closure of the project was completed in the current fiscal year. This request establishes appropriations based on Spring Valley Sanitation District Fiscal Year 2004-05 fund balance.

Recommendation 50

This recommendation is to establish appropriations for the Central Avenue Sewer Improvements in the Spring Valley Sanitation District. Construction on this project was completed in Fiscal Year 2003-04, but final closure of the project was completed in the current fiscal year. This request establishes appropriations based on Spring Valley Sanitation District Fiscal Year 2004-05 fund balance.

Recommendation 51

This recommendation is to establish appropriations for the Spring Valley Outfall MH 31-39 in the Spring Valley Sanitation District. The original project has been separated into multiple phases due to its size and complexity. This request establishes appropriations based on Spring Valley Sanitation District Fiscal Year 2004-05 fund balance.

Recommendation 52

Gillespie Field 27L Runway Rehabilitation construction contract was awarded and is funded by Airport Enterprise Fund Balance and a Federal Aviation Administration grant. This action is to reestablish expenditure appropriations of \$312,402, based on revenue of \$281,162 from Federal Aviation Administration grant funds and \$31,240 in available fund balance in Airport Enterprise Fund. The

**SUBJECT: FISCAL YEAR 2004-05 SECOND QUARTER OPERATIONAL PLAN
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appropriations were inadvertently cancelled at fiscal year end FY 02-03, and this request reestablishes the authority to pay the balance of the construction contract.

Recommendation 53

The State Department of Transportation – Aeronautics Division provides annual grants to five San Diego County Airports. This request to establish appropriations of \$20,000 allows for receipt of Fiscal Year 2003-04 grant revenue for Fallbrook Community Airpark and Borrego Valley Airport to offset ongoing operations and maintenance costs.

Recommendation 54

Annually, the Federal Aviation Administration makes \$150,000 available for eligible projects at the Borrego Valley Airport. This request is to appropriate the Federal Aviation Administration grant of \$150,000 and required Airport Enterprise Fund match of \$7,895 for slurry seal of airport asphalt surfaces at the desert airport to maintain asphalt in a safe condition. Slurry seal is part of annual Job Order Contracts (JOC).

Recommendation 55

The Gillespie Field Rehabilitation of Runway 27R, the main airport runway, is estimated at \$5,383,000 as approved by the Federal Aviation Administration. This request is to amend the Airport Enterprise Fund Spending Plan to add \$630,440 to the project that is available from FAA funds to assure compliance with safety standards, and provide for a reimbursable agreement with the Federal Aviation Administration for the technical assistance and move of PAPI navigation lights necessitated by the rehabilitation project.

Recommendation 56

Annually, the Federal Aviation Administration makes \$150,000 available for eligible projects at the Fallbrook Community Airpark. This request is to appropriate the Federal Aviation Administration grant of \$150,000 and required Airport Enterprise Fund match of \$7,895 to correct drainage problems near the newly installed helipad, used for the Kachina fire fighting and emergency response helicopter stationed at Fallbrook Community Airpark. This item is part of annual Job Order Contracts (JOC).

Recommendation 57

Federal regulations require maintenance of landing surfaces and transient ramp surfaces to assure airplane safety. Asphalt repairs were needed on the runway and transient ramp in December 2004 due to loose, cracked asphalt. This request establishes appropriations for those repairs.

Recommendation 58

This recommendation establishes appropriations for the MS4 inventory project for staff costs based on available fund balance in the San Diego Flood Control District.

Recommendation 59

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This recommendation establishes appropriations for staff costs for the design procedure manual project based on available fund balance in the San Diego Flood Control District.

Recommendation 60

This recommendation increases appropriations for vehicle maintenance and fuel and is offset by revenue from equipment usage within the various Department of Public Work funds. This is a correction to the budget.

Recommendation 61

This recommendation adds appropriations for software and geographic information system (GIS) upgrades to the Hansen system based on available fund balance in the Road Fund.

Recommendation 62

Construction for the North Bonita Street Improvements Project was previously approved in Fiscal Year 2002-03 (April 9, 2003 item 6). The contingency was not encumbered at the end of the Fiscal Year 2003-04 and subsequently did not carry over into the current fiscal year. This request re-establishes appropriations based on Road Fund Fiscal Year 2003-04 fund balance.

Recommendation 63

This recommendation establishes appropriations for network upgrades at Department of Public Works road stations based on available fund balance in the Road Fund.

Recommendation 64

This recommendation establishes appropriations for roadside mowing in road right of way to reduce fire hazard based on available fund balance in the Road Fund.

Recommendation 65

This recommendation establishes appropriations for roadway best management practices (BMP) assessment and maintenance based on available fund balance in the Road Fund.

Recommendation 66

The Department of Parks and Recreation entered into an agreement with San Diego Youth and Community Services (SDYCS) for the operation of Refurbishing, Technology, and Community Youth programs at the community building in Old Ironsides Park in Harbison Canyon. Of the \$40,000 to be received from SDYCS, \$10,000 will fund the Refurbishing program, which will be managed by DPR staff, and \$30,000 will fund the Technology program and will pay for computer equipment and technical support from Pennant Alliance. The Youth program will be paid for and managed by SDYCS. The agreement was approved by the CAO as a Revenue Agreement under \$50,000 in February 2005.

Recommendation 67

In October 2004, DPR was awarded a \$1,007,000 Proposition 40 Murray-Hayden grant for expansion of the Spring Valley Community Center. This center offers a variety of recreation, education,

SUBJECT: FISCAL YEAR 2004-05 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT, BUDGET AND STAFFING ADJUSTMENTS

and enrichment services that reflect the needs of the Spring Valley community. This project will provide for the growth of the youth programs for pre-school and elementary school aged children. Upgrades include expanding the facility to house a licensed pre-school program, updating an existing room to accommodate a learning/technology center, installing a stage in the main hall, and installing a divider in the main hall to accommodate simultaneous activities.

Recommendation 68 - 70

On May 18, 2004, County Service Area 26, Rancho San Diego, voted to use \$16,000 of Valle de Oro PLDO funds for the purchase and installation of bollards at Cottonwood I Park. The funding was inadvertently budgeted in the FY 2004-05 Capital Budget for the Cottonwood III Capital Project. Since that time, the bollards project proceeded with funding provided by DPR's FY 2004-05 approved General Fund budget. This action will reimburse the Department with the PLDO funds intended to fund the Cottonwood I bollards project.

Recommendations 71 and 72

These actions will move Operating Transfers from DPR to Contributions to Capital Outlay Fund. The adjustments are technical corrections for the Capital Project budgets.

Recommendation 73

On October 30, 2000, Congress signed Public Law 106-393 entitled "Secure Rural Schools and Community Self Determination Act of 2000". The purpose of the Act is to stabilize payments to counties that help support roads and schools, provide projects that enhance forest ecosystem health and provide employment opportunities, and to improve cooperative relationships among Federal land management agencies and those who use and care about the lands the agencies manage. For each year from 2001 through 2006, the law allows counties to receive a payment from the Federal government based on the State average of their top three years of payments from Federal lands. An eligible county may use these funds to acquire either conservation easements, or easements, on a willing seller basis, to provide for nonmotorized access to public lands for hunting, fishing, and other recreational purposes. This action will establish appropriations based on the 2004 allocation to DPR for acquisitions of trail easements.

Recommendation 74

This action will establish appropriations based on a grant award from the Habitat Conservation Fund to go towards the acquisition of mule deer and mountain lion habitat consisting of rolling hills, oak woodlands, and grasslands on Volcan Mountain near the community of Julian.

Recommendation 75

This action will reduce appropriations in the Nancy Jane Swings Capital project to reflect the corrected total project cost. Since the grant application was submitted, the estimated total project cost was revised to a lower amount, thus reducing the grant request for Proposition 12 funding.

Recommendation 76

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This action will reduce appropriations in the South Lane Park Improvements Capital project to reflect the corrected total project cost. Since the grant application was submitted, the estimated total project cost was revised to a lower amount, thus reducing the grant request for Proposition 12 funding.

Recommendations 77 and 78

On April 9, 2003 (11), the Board established appropriations in the Capital Outlay fund based on a \$1.5 million grant received from the Proposition 13 Nonpoint Source Pollution Control grant program. Funding was divided between Capital Project 1005263 for acquisition of land in Santa Maria Creek (\$1.0 million), and Capital Project 1005264 for restoration activities in Santa Maria Creek. Since that time, the project budgets have been revised and finalized. This action will transfer funds from the acquisition project to the restoration project to allow for costs related to fencing, surveying and restoration contracts.

Recommendations 79 and 80

On March 24, 2004 (25), the Board established appropriations in the Capital Outlay Fund based on lease revenue received from Sprint PCS for a communications facility at San Dieguito Park. This request is to appropriate additional funds received from Sprint resulting from additional charges received under the terms of the approved lease agreement. All project funds are being spent on the approved water retrofit improvements project at San Dieguito Park.

Recommendation 81

On September 22, 2004 (2), the Board approved the purchase of the 70-acre Hardy Ranch property. The seller agreed to the sale of the property only if a sewer easement was granted, which resulted in a decreased property value. The dollar amount was determined by the value of the land that the sewer easement utilizes. After the sale, the County subsequently received a check in the amount of \$18,079 from the seller as reimbursement due to the decreased land value. Funds will be used for ongoing costs related to land acquisition in Santa Maria Creek.

Recommendations 82 and 83

Capital Project 1000239 - Otay Valley Regional Park Fencing/Trees, was created to establish the identity of the Regional Park and its boundaries, as well as to provide for the on-going cleanup and beautification, including removal of debris, in the park. As the project has proceeded, it has been determined that a portion of these funds is needed for the purchase of a dump truck, small tractor and trailer to expedite the removal of large items such as old appliances, sofas and various exotic vegetation and a portable water tank and tool trailer for maintenance of native vegetation. In addition, a portable toilet is needed for the workers doing the project. Since these items are not considered to be Capital expenditures, \$60,000 of the project funding is needed for transfer to the Department of Parks and Recreation's fixed assets budget where it can be appropriately spent for purchase of the tractor, trailer, dump truck, and portable toilet.

Recommendations 84 through 89

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The Park Land Dedication Ordinance (PLDO) was established to fund local park projects within the 24 Local Park Planning Areas (LPPA) in the County. DPR staff time is required for general park planning activities, which are not related to specific Capital Projects within each LPPA. This staff time is charged directly to each PLDO fund. In order to reimburse the Department for these costs, work authorizations are established within each PLDO fund. These actions are needed to transfer funds into the appropriate accounts so that these work authorizations can be funded.

Recommendations 90 and 91

These two Capital Projects were established with Proposition 12 grant funds in the Fiscal Year 2002-2003 Capital Improvement Budget as seed money for the future development of needed recreational facilities in the East County area. Since that time, it has been determined that both projects should be combined for the future development of a large-scale sports field development project in the East County.

Recommendation 92 - 94

The existing roof on the Rancho Guajome Adobe is old and in need of repair to prevent leaking from rain that is occurring throughout the Adobe. Two of the Capital Projects in this request were established for restoration and improvements to the Adobe but do not contain sufficient funding to complete the needed roofing improvements. The third, 1000202, was established to fund installation of volunteer pads in various open space preserves. However, the funding in this project would only be enough to install one, or possibly two volunteer pads. Because of the threat of damage to a historic structure, it has been determined that there is a greater need for this funding to be used to supplement the Guajome Adobe re-roofing project than to construct one or two volunteer pads at this time. Part of the funding for these repairs is from the sale of an easement on the property.

Recommendation 95

The Department of Parks and Recreation made an error in budgeting \$75,000 in revenue from the City of San Diego for the current fiscal year, and is requesting to cancel the appropriations related to the revenue.

Recommendation 96

The Department of Environmental Health is requesting the release of \$966,300 to be used for Information Technology projects, reference and outreach materials, landfill gas detection equipment, and to fund one temporary Environmental Health Specialist II.

Recommendation 97

This request will fund the Data Imaging of files for Hazardous Materials Division - design an interface from KIVA to Documentum, and Pennant Alliance portion of the required oversight of inspection result data automation.

Recommendation 98

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This request will fund the third phase of First Responder Hazardous Materials Business Plan, outreach materials and workshops, and expand and update reference materials for a Hazardous Materials Division's library.

Recommendation 99

Funds will be used to purchase two pieces of landfill gas detection equipment. Monitoring landfill gas is a required function of the Local Enforcement Agency (LEA), use of this equipment will aid in this function.

Recommendation 100

In order to better protect public health and provide more insight into the impacts of winter runoff on County beaches, these funds will be used to provide Southern California Coastal Water Research Project and the State Water Resources Control Board with data of beach water quality monitoring for the period of November 2004 through April 2005.

Recommendation 101

This recommendation is needed to adjust budgeted revenue and appropriations to reflect the final negotiated amount of revenue agreements and grants for Fiscal Year 2004-2005. These programs include Summer Food Inspection, Industrial Hygiene Services, Winter Recreational Water, California Integrated Waste Management Board Local Enforcement Agency grant, and Brown and Caldwell contracts.

Recommendation 102

These funds will be used to provide emergency response training skills and establish the framework for a training institute for Mexican fire, law enforcement and industry personnel reducing the potential for international assistance and establish a Green Business Partnership with Tijuana stakeholders assuring consistent program standards on both sides of the border.

Recommendation 103

This request will permit the Department of Environmental Health to perform vector surveillance and control services and activities including aerial application of mosquito larvicides for the City of San Diego.

Recommendation 104

This request will appropriate \$157,000 of Fiscal Year 2003-04 fund balance into the Land Use and Environment Group's management reserve.

Recommendation 105

Upon close-out of the Tijuana River Valley Acquisition project, there remained an accounts receivable of \$44,952.50 for expenditures that were not reimbursed by the State granting agency. Capital Outlay Fund, Fund Balance will be used to clear the receivable. The grant performance period was until June

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30, 2004, however, the State imposed its own internal deadlines for reimbursements for April 30, 2004. DPR submitted final billing on May 28, 2004 and was told it was too late for reimbursement.

Recommendations 106 & 107

These recommendations appropriate \$415,000 for Major Maintenance Project MX4874 to renovate the customer lobby and work area at the Department of Animal Services' South County Animal Shelter. To better serve our customers, this renovation will provide a single point of entry, a larger lobby area, and upgrade the restrooms to ADA standards. It will also re-configure staff work areas to move the patrol officers' report writing work stations from the communal conference/break room to a separate work area. The project is anticipated to be completed this fiscal year.

Recommendation 108

This recommendation reappropriates \$35,000 for an animal x-ray machine for the Department of Animal Services' new North County Animal Shelter in Carlsbad. This equipment will become part of the state of the art medical center in the new shelter, enabling staff to provide additional medical care for shelter animals. Appropriations for this request were originally authorized from Community Projects funds (6/24/04 #18) last fiscal year; purchase is awaiting completion of the new shelter.

Recommendation 109

This recommendation authorizes refund to the Port of San Diego of a \$35,181.61 overpayment for services associated with the North Embarcadero Visionary Plan. The County invoiced the Port twice for consultant services provided by Erkrantz, Ernst & Kuhn. The contract has since been closed and the Port is entitled to the refund.

Recommendation 110

This recommendation transfers \$25,000 previously allocated to the now-canceled Catholic Charities Cold Weather Voucher-Homeless Preventions Services Program to CDBG Housing Development for reallocation to other approved Housing Development purposes.

Recommendation 111

This recommendation reallocates \$30,000 in Housing and Community Development Community Development Block Grant (CDBG) funds to supplement funding of the Cold Weather Shelter Voucher Program. The voucher program augments the capacity of existing emergency winter shelter facilities for homeless families with children, the disabled, and elderly.

Recommendation 112

This recommendation appropriates \$30,000 to the Lead-Based Paint Hazard Control Program, the remaining US Department of Housing and Urban Development Lead Grant funding and allowing closeout of the program.

Recommendation 113

This recommendation corrects a FY2004-05 budgeting error by properly classifying the expenditures.

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Recommendation 114

The Department of Housing and Community Development provided staff support to the Registrar of Voters during the November 2004 election. This action will establish appropriations and corresponding cost applied.

Recommendation 115

The Safe Housing Coordinator is jointly funded by the Health and Human Services Agency (HHS), the Public Safety Group, and the Department of Housing and Community Development. This action will establish appropriations and corresponding cost applied for the HHS portion of the funding.

Recommendation 116

This recommendation appropriates \$438,915 to pay the Innovative library software contract and to complete background checks for library volunteers. These are carryover projects from FY 2003-04 that were inadvertently omitted from the FY 2004-05 budget.

Recommendation 117

The County Department Human Resources in conjunction with U. S. Healthworks evaluated specific library staff, and library operations in general, for proper ergonomic equipment and body mechanics. The evaluation was conducted after several worker compensation claims. This recommendation appropriates \$44,200 to comply with recommendations resulting from the evaluations.

Recommendation 118

This recommendation appropriates \$258,926 to address several Library customer service issues. It will enable the Library to implement a personal computer reservation system for public computers that will time-out customers, eliminating problems with customers who do not want to leave the workstation after their allotted time so that other customers have an opportunity to use the computers. This recommendation will also allow the Library to respond to long-standing customer concerns at the Vista Branch Library about the lighting in the audio visual and magazine areas as well as other book stack areas where customers are unable to read the titles of books due to the lack of light. This recommendation will also address recent leaks in the roof and the unreliable heating and air conditioning system at the Fletcher Hills Branch Library; clean carpets and furniture at 27 branches and 2 mobile libraries; implement a key control system; install a book security system at Lakeside Branch Library; and provide new or additional furniture and shelving at three branches.

Recommendation 119

This recommendation supports the strategic development of Library services. The Library is implementing a new program services strategic plan, and is launching a system-wide strategic planning process. These efforts require seeking new and innovative ideas from other library systems, and marketing new and improved services to increase public participation. The \$55,000 increased allocation will allow Library staff to travel to major conferences and to work with other librarians across the country that have worked with or implemented library strategic plans using the planning for results

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methods. Funds will also be available to market the County Library's programs using radio, newspapers, and other available local sources.

Recommendation 120

This recommendation appropriates \$2,592,886.81, all remaining available FY 2003-04 Library Fund Fund Balance, to Management Reserves as a contingency against future needs of the library system.

Recommendation 121

This recommendation appropriates a \$1,000,000 HAVA Grant (Help America Vote Act) received from the California Secretary of State from HAVA Title II Federal funding. These funds were used for voter education and poll worker training for the November 4, 2004 Presidential Election in compliance with the grant terms.

Recommendation 122

This recommendation appropriates \$900,000 in the Registrar of Voters office to fund unanticipated costs of the November 4, 2004 Presidential Election. This election cost more than anticipated due to record breaking voter turnout, extended post-election activities, and enhanced multi-language requirements in compliance with an agreement with the U. S. Department of Justice.

Recommendation 123

This recommendation appropriates \$652,107 in the Registrar of Voters office to fund unanticipated costs of special elections and of the November 4, 2004 Presidential Election. Unanticipated revenues are available from: Special Elections for the City of San Diego District 4, City of Santee, Rainbow Municipal Water District, and petition verification services (\$566,758); candidate statements (\$18,042); and, postage reimbursements (\$67,307).

Recommendation 124

This recommendation adds three positions to the Registrar of Voters to provide: various voter outreach activities to the Hispanic, Filipino, and Vietnamese communities; language translation of voter registration information and election materials; and, recruitment of bi-lingual poll workers. In addition, these positions will chair Language Advisory Groups composed of interested parties and individuals in the community to solicit and obtain input from community groups.

Recommendation 125

This recommendation appropriates all remaining unappropriated Community Services Group's Fiscal Year 2003-04 General Fund Fund Balance to Management Reserves as a contingency against future needs.

Recommendation 126

On May 4, 2004 (2), the Board of Supervisors approved reallocation of Community Development Block Grant funding from Capital Project 1000109, Ramona Senior Center Predevelopment/Acquisition, to the Fallbrook Mental Health Services Building Expansion.

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Recommendation 127 – 131

These recommendations allow the use of \$957,000 in Fiscal Year 2003-04 prior year fund balance savings to provide funding for one-time needs in the Supervisorial District offices.

Recommendation 132

This recommendation transfers 1 filled and 1 vacant position from the Finance and General Government Group Executive Office to the Department of Human Resources to perform enterprise-wide training and development activities with an emphasis on those required for the Enterprise Resource Planning Systems.

Recommendation 133

This recommendation transfers 2 vacant positions from the Finance and General Government Group Executive Office to the Auditor and Controller to support activities required for the operation of the Kronos time collection system in the payroll department.

Recommendation 134

This recommendation transfers \$90,000 for the salary and benefits costs of the newly appointed Director of the Civil Service Commission.

Recommendation 135

This recommendation establishes \$600,000 of appropriations in the Auditor and Controllers' Office for one-time facilities maintenance activities as well as information technology development projects related to document imaging and the County's Combined Annual Financial Report.

Recommendation 136

This recommendation establishes \$184,520 of appropriations in the Assessor/Recorder/County Clerk's Office for one-time facilities maintenance and renovation activities based on funding available in the Property Tax Administration Trust Fund.

Recommendation 137

This recommendation establishes \$932,100 of appropriation in the Assessor/Recorder/County Clerk's Office for applications development and upgrade activities related to Assessors' Recording Systems based on funding available in the Property Tax Administration Trust Fund, and the Modernization Trust Fund.

Recommendations 138 & 139

These recommendations establish appropriations of \$250,000 in the Media and Public Relations Special Revenue Fund for one-time costs projects: \$150,000 for the completion of the emergency video link from the Emergency Operations Center to the County Administration Building and \$100,000 for the costs of franchise renewal assessments for cable television operators based on funds available in the Cable TV fund.

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Recommendation 140

The Air Pollution Control District requests additional appropriations of \$282,000 based on forfeiture and penalty revenues. Of this amount \$176,000 is requested for the purchase of 5 new vans to be used by Compliance Division inspectors and field staff for emission producing site visits and inspections. The vans to be replaced were model years 1988 to 1991, and were deemed unsafe by the Department of General Services and recently salvaged.

The remaining \$106,000 in appropriations will be used to fund the annual lawnmower replacement event, which includes haz-mat service costs, and 400 vouchers entitling participants to purchase a new electric, zero-pollutant lawnmower for \$150 when a usable, older lawn mower is traded in at the event.

Linkage to the County of San Diego Strategic Plan

The County is fully committed to using its resources to meet the highest priority needs of its residents as identified in the FY 2004-05 Budget and outlined by our three Strategic Initiatives – Kids, Environment and Safe and Livable Communities.

Respectfully submitted,

WALTER F. EKARD
Chief Administrative Officer

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AGENDA ITEM INFORMATION SHEET

CONCURRENCE(S)

COUNTY COUNSEL REVIEW	<input checked="" type="checkbox"/> Yes	
Written Disclosure per County Charter Section 1000.1 Required	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
GROUP/AGENCY FINANCE DIRECTOR	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> N/A
CHIEF FINANCIAL OFFICER	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> N/A
Requires Four Votes	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
GROUP/AGENCY INFORMATION TECHNOLOGY DIRECTOR	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> N/A
COUNTY TECHNOLOGY OFFICE	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> N/A
DEPARTMENT OF HUMAN RESOURCES	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> N/A

Other Concurrence(s): N/A

ORIGINATING DEPARTMENT: Chief Financial Officer

CONTACT PERSON(S):

<u>Donald F. Steuer, Chief Financial Officer</u>	<u>Janel Pehau, Director, Office of Financial Planning</u>
Name	Name
<u>(619) 531-5413</u>	<u>(619) 531-5175</u>
Phone	Phone
<u>(619) 531-5219</u>	<u>(619) 531-6261</u>
Phone	Phone
<u>Fax</u>	<u>Fax</u>
<u>A-5</u>	<u>A-5</u>
Mail Station	Mail Station
<u>Donald.Steuer@sdcounty.ca.gov</u>	<u>Janel.Pehau@sdcounty.ca.gov</u>
E-mail	E-mail

AUTHORIZED REPRESENTATIVE:

Donald F. Steuer, Chief Financial Officer

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(continued)

PREVIOUS RELEVANT BOARD ACTIONS:

12/7/04 (3) Fiscal Year 2004-05 First Quarter Operational Plan Status Report, Budget and Staffing Adjustments, Ratification/Execution/Acceptance of Revenue/Grant Agreements, CHDP/EPSTDT Subvention Certification, and Ratification of FY 2003-04 Year End Budget Adjustments; 8/17/04 (19) Changes to the Proposed Budget, County of San Diego Fiscal Year 2004-05 Final Budget Resolution;

BOARD POLICIES APPLICABLE:

A-91, Mid-Year Budget Changes

BOARD POLICY STATEMENTS:

A-91 Mid-Year Budget Changes

A waiver of Board Policy A-91, Mid-Year Budget Changes is requested for the mid-year appropriation of funds. Adjustments are for both high priority one-time items and certain ongoing services. Services proposed for ongoing funding will also be included in the CAO's Proposed Operational Plan for Fiscal Years 2005-06 and 2006-07

CONTRACT AND/OR REQUISITION NUMBER(S):

N/A

**FY 2004-2005 2nd Quarter
Projected Year-end Results**

(in thousands)

COUNTY SUMMARY

	Expenditure Variance	Revenue Variance	2nd Quarter FY04-05 Projected Fund Balance
	Favorable/(Unfavorable)		
General Fund			
Public Safety	\$ 15,824	\$ 397	\$ 16,220
Health & Human Services	63,771	(53,965)	9,806
Land Use & Environment	7,532	(3,292)	4,240
Community Services	2,840	(841)	1,999
Finance & General Government	9,616	661	10,277
Total Agency/Group	<u>99,583</u>	<u>(57,040)</u>	<u>42,543</u>
General Revenues	-	15,649	15,649
Finance Other	16,161	8	16,169
Total General Fund	<u>\$ 115,743</u>	<u>\$ (41,383)</u>	<u>\$ 74,361</u>
Special Revenue Funds			
Public Safety	\$ 788	\$ 8,356	\$ 9,144
Health & Human Services	12,147	18,433	30,580
Land Use & Environment	7,019	(1,815)	5,204
Community Services	22,128	(21,047)	1,081
Finance & General Government	116	6	122
Finance Other	-	2,000	2,000
Total Special Revenue Funds	<u>42,198</u>	<u>5,934</u>	<u>48,132</u>
Internal Service Funds Departments			
Public Safety Group	\$ (3)	\$ 25	\$ 22
Health & Human Services	-	-	-
Land Use & Environment	-	(68)	(68)
Community Services	13,284	(14,449)	(1,164)
Finance & General Government	-	-	-
Finance Other	5,108	(1,108)	4,000
Total Internal Service Funds	<u>18,389</u>	<u>(15,600)</u>	<u>2,790</u>
Enterprise Fund Departments			
Land Use & Environment	\$ 1,797	\$ 139	\$ 1,935
Special District Funds Departments			
Public Safety Group	(1)	7	6
Health & Human Services	285	(33)	252
Land Use & Environment	8,898	733	9,631
Total Special District Funds	<u>\$ 9,182</u>	<u>\$ 707</u>	<u>\$ 9,889</u>
Other County Funds Departments			
LUEG - Debt. Svc. Local Boards	-	-	-
Community Svcs. - Redevelopment Agencies	\$ 1,279	\$ (65)	\$ 1,214
Total Other County Funds	<u>\$ 1,279</u>	<u>\$ (65)</u>	<u>\$ 1,214</u>
Total County Projected Operating Balance	<u>\$ 188,589</u>	<u>\$ (50,268)</u>	<u>\$ 138,321</u>

**FY 2004-2005 2nd Quarter
Projected Year-end Results**

(in thousands)

PUBLIC SAFETY GROUP

Expenditure Variance	Revenue Variance	2nd Quarter FY04-05 Projected Fund Balance
Favorable/(Unfavorable)		

General Fund Departments

Alternate Public Defender	\$ 426	\$ (391)	\$ 35
Child Support	2,247	(1,898)	348
Contributions for Trial Courts	(7,675)	7,675	-
Defense Attorney Contract Admin.	(576)	576	-
District Attorney	2,396	978	3,374
Law Enforcement Review Board	39	-	39
Medical Examiner	103	(103)	-
Emergency Services	5,915	(5,771)	144
Probation	3,981	(328)	3,652
Public Defender	765	(326)	439
Public Safety Executive Office	(214)	214	-
Sheriff	8,417	(229)	8,188
Total General Fund	15,824	397	16,220

Special Revenue Funds Departments

District Attorney (Asset Forfeiture - State & Federal)	(6)	110	104
Probation - Asset Forfeiture	-	45	45
Probation - Inmate Welfare Program	-	-	-
Sheriff - Asset Forfeiture	-	8	8
Sheriff - Inmate Welfare Program	794	459	1,253
Public Safety - Proposition 172	-	7,735	7,735
Total Special Revenue Funds	788	8,356	9,144

Internal Service Funds Departments

Probation	-	-	-
Sheriff(Jail Stores)	(3)	25	22
Total Internal Service Funds	(3)	25	22

Special District Funds

Sheriff (Regional 800 MHz)	(1)	7	6
Total Group Projected Fund Balance	\$ 16,608	\$ 8,785	\$ 25,392

**FY 2004-2005 2nd Quarter
Projected Year-end Results**

(in thousands)

HEALTH & HUMAN SERVICES AGENCY

Expenditure Variance	Revenue Variance	2nd Quarter FY04-05 Projected Fund Balance
Favorable/(Unfavorable)		

General Fund Programs

Agency Administration	\$ 4,384	\$ (1,475)	\$ 2,909
Adult Mental Health	690	(690)	-
Aging & Independence Services	(8,512)	9,785	1,273
Alcohol & Drug Division	105	317	422
Children's Mental Health	1,707	(1,707)	-
Child Welfare Services	10,146	(9,893)	252
Proposition 10	(3)	3	-
Public Health Services	(108)	2,527	2,419
Regional Operations	49,057	(46,651)	2,406
Regional Program Support	6,055	(5,940)	115
Strategy & Planning	251	(240)	11
Total General Fund	63,771	(53,965)	9,806

Special Revenue Funds

Social Services Realignment	3,649	11,469	15,118
Mental Health Realignment	243	3,520	3,763
Health Realignment	3,855	3,443	7,299
Tobacco Securitization Fund	4,400	-	4,400
Total Special Revenue Funds	12,147	18,433	30,580

Internal Service Funds

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

Ambulance Districts	285	(33)	252
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Other County Funds Departments

	-	-	-
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Total Health & Human Services Agency	\$ 76,203	\$ (35,564)	\$ 40,639
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**FY 2004-2005 2nd Quarter
Projected Year-end Results**

(in thousands)

LAND USE & ENVIRONMENT GROUP

Expenditure Variance	Revenue Variance	2nd Quarter FY04-05 Projected Fund Balance
Favorable/(Unfavorable)		

General Fund Departments

Agriculture, Weights & Measures	\$ (73)	\$ 235	\$ 162
Environmental Health	973	(458)	515
Farm Advisor	369	5	374
Land Use & Environment Group Exec Office	646	21	667
Parks & Recreation	477	(56)	422
Planning & Land Use	5,141	(3,040)	2,101
Public Works	-	-	-
Total General Fund	\$ 7,532	\$ (3,292)	\$ 4,240

Special Revenue Funds Departments

A, W & M (Grazing and Fish & Game Commission)	-	-	-
Parks & Recreation - PLDO	15	1,298	1,313
DPW - Aviation Funds	-	-	-
DPW - Road Funds	6,032	(2,186)	3,846
DPW - Inactive Waste	972	(927)	45
Total Special Revenue Funds	7,019	(1,815)	5,204

Internal Service Funds Departments

Public Works - DPW Equip. ISF Prg. (35525-35700)	-	(68)	(68)
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Enterprise Funds Departments

Airport Enterprise Fund	1,509	127	1,636
Liquid Waste Enterprise Fund	288	11	299
Total Enterprise Funds:	1,797	139	1,935

Special District Funds Departments

Air Pollution Control District	960	189	1,149
Parks and Recreation	250	(78)	171
DPW - Sanitation Districts & Sewer Maintenance	2,225	581	2,806
DPW - CSAs	-	-	-
DPW - PRDs	5,410	31	5,441
DPW - Flood Control	54	10	64
DPW - Street Lighting Districts	-	-	-
Total Special Districts Funds:	8,898	733	9,631

Other County Funds Departments

Debt Service-Local Boards	-	-	-
Total Land Use & Environment Group	\$ 25,246	\$ (4,303)	\$ 20,943

**FY 2004-2005 2nd Quarter
Projected Year-end Results**

(in thousands)

COMMUNITY SERVICES GROUP

Expenditure Variance	Revenue Variance	2nd Quarter FY04-05 Projected Fund Balance
Favorable/(Unfavorable)		

General Fund Departments

Animal Services	\$ 319	\$ (59)	\$ 260
Community Services Group Exec Office	2,801	1	2,801
General Services	-	-	-
Purchasing & Contracting	-	-	-
Housing & Community Development	2,435	(2,435)	-
Library Services	-	-	-
Registrar of Voters	(2,715)	1,652	(1,063)
Total General Fund	2,840	(841)	1,999

Special Revenue Funds Departments

Library Services	1,685	(600)	1,085
Housing & Community Development	20,443	(20,447)	(4)
Total Special Revenue Funds	22,128	(21,047)	1,081

Internal Service Funds Departments

Facilities Management	11,107	(11,107)	(0)
Fleet Management	1,310	(1,310)	-
Purchasing & Contracting	868	(2,032)	(1,164)
Total Internal Service Funds	13,284	(14,449)	(1,164)

Other County Funds Departments

Redevelopment Agency	1,279	(65)	1,214
Total Community Services Group	\$ 39,532	\$ (36,402)	\$ 3,130

**FY 2004-2005 2nd Quarter
Projected Year-end Results**

(in thousands)

**FINANCE & GENERAL GOVERNMENT
GROUP**

Expenditure Variance	Revenue Variance	2nd Quarter FY04-05 Projected Fund Balance
Favorable/(Unfavorable)		

General Fund Departments

Assessor/Recorder/County Clerk	\$ 198	\$ 392	\$ 590
Auditor & Controller	890	(361)	530
Board of Supervisors	444	2	445
Board of Supervisors-General	-	-	-
CAC-Major Maintenance	-	-	-
Chief Administrative Officer	152	(12)	140
Civil Service Commission	(35)	90	55
Clerk of the Board of Supervisors	622	315	937
County Counsel	350	406	756
County Technology Office	200	-	200
Finance & GG Exec Office	5,658	21	5,679
Grand Jury	44	0	44
Human Resources	794	(175)	619
Treasurer/Tax Collector	298	(17)	281
Total General Fund	9,616	661	10,277

Special Revenue Funds Departments

Media & Public Relations	116	6	122
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Internal Service Funds Departments

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

\$ 9,732	\$ 667	\$ 10,399
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**FY 2004-2005 2nd Quarter
Projected Year-end Results**

(in thousands)

**GENERAL REVENUES &
FINANCE OTHER**

Expenditure Variance	Revenue Variance	2nd Quarter FY04-05 Projected Fund Balance
Favorable/(Unfavorable)		

General Fund

General Revenues:

All Current Property Taxes	\$ -	\$ 7,708	\$ 7,708
All Other Taxes-Local	-	7,866	7,866
Licenses, Permits & Franchises	-	-	-
Fines, Forfeitures & Penalties	-	-	-
Revenue for Use of Money & Property	-	-	-
Intergovernmental Revenue	-	52	52
Charges for Current Services	-	23	23
Miscellaneous Revenue	-	-	-
Total General Revenues	-	15,649	15,649

General County Expenses:

Cash Borrowing Program	-	-	-
Community Enhancement	-	-	-
Contingency Reserve	15,600	-	15,600
Contributions to the Capital Outlay Fund	561	-	561
Contributions to Library Fund	-	-	-
Community Projects & Services	-	-	-
Countywide Expenses	-	8	8
Total Finance Other Expenses	16,161	8	16,169
Total General Fund	16,161	15,657	31,818

Special Revenue Funds Departments

Capital Program	-	-	-
Debt Service-Pension Obligation Bonds	-	2,000	2,000
Total Special Revenue Funds	-	2,000	2,000

Internal Service Funds Departments

Workers Compensation	3,108	(1,108)	2,000
Unemployment Insurance	-	-	-
Public Liability	2,000	-	2,000
Total ISF Funds	5,108	(1,108)	4,000

Total General Revenues & Finance Other	\$ 21,269	\$ 16,549	\$ 37,818
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**FY 2004-2005 2nd Quarter
Projected Year-end Results**

(in thousands)

Category	Projected Management & Contingency Reserves	Projected Operating Balances	2nd Quarter FY04-05 Projected Fund Balance
	Favorable/(Unfavorable)		
General Fund			
Public Safety	\$ -	16,220	16,220
Health and Human Services	\$ 2,500	7,306	9,806
Land Use and Environment	\$ 202	4,039	4,240
Community Services	\$ 2,691	(692)	1,999
Finance & General Government	\$ 2,850	7,427	10,277
Agency/Group Totals	\$ 8,243	\$ 34,300	\$ 42,543
General Revenues		15,649	15,649
General County Expenses	-	569	569
Contingency Reserve	15,600	-	15,600
Total Gen'l. Revs & Gen'l. County Exp.	\$ 15,600	\$ 16,218	\$ 31,818
Total General Fund	\$ 23,843	\$ 50,518	\$ 74,361

**COUNTY OF SAN DIEGO
NOTES TO SCHEDULE A
FY 2004 - 2005 2nd QUARTER**

GENERAL NOTES

Agency/Group Fund Balance Components

Fund Balance consists of two components - Management Reserves and Operating Balance. Operating Balance is the excess of Revenues over Expenditures as a result of current fiscal year operations. Management Reserves are appropriations that are set-aside at the Group or department level for unanticipated needs or planned future one-time expenses.

Management Reserves

The Agency/ Groups do not plan to expend all of their respective Management Reserves during this year and therefore expect that some amount will be available for use in future years. Projected Management Reserves at June 30, 2005 are shown in **Schedule B**.

Projections of Agency/Group Operations

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

Most County activities are carried out within the General Fund. The General Fund fund balance is considered to be the primary "equity" cushion of the County, authorized to be drawn upon by specific Board action and according to Board priorities and policies. Projected fund balances in all other funds are restricted to uses that are consistent with the purposes of the individual funds.

PUBLIC SAFETY GROUP

General Fund:

Alternate Public Defender

The Alternate Public Defender Department projects an overall positive variance of \$0.035 million.

A net positive expenditure variance of \$0.4 million is projected. A positive expenditure variance of \$0.2 million is projected in salaries and benefits. These projected savings are due to the use of modified positions in the Dependency program and to attrition. A positive expenditure variance of \$0.2 million is projected in services and supplies. These savings are primarily due to savings in information technology services, medical and psychiatric evaluation fees, special departmental expenses, and court appointed attorney expenses.

A net negative revenue variance of \$0.4 million is projected. This revenue variance is attributable to decreased State Trial Court funding that is directly related to the projected expenditure savings above.

Child Support Services

The Department of Child Support Services (DCSS) is reflecting a net positive variance of \$0.3 million. A positive expenditure variance of \$2.2 million is primarily attributable to savings in salaries and benefits and services and supplies. A savings of \$1.7 million is projected in salaries and benefits. Eighty-five positions are currently vacant due to the unpredictable status of the State budget and the FY 2005-06 DCSS funding. A positive variance of \$0.5 million is projected in services and supplies due to changes made to reduce expenditures within the last year.

A negative revenue variance of \$1.9 million is projected due to anticipated decreases in federal and state revenues and recovered costs. A negative variance of \$1.5 million projected in federal and state revenue is due to the salary and benefit savings described above. The negative variance of \$0.4 million in recovered cost revenue is attributable to decreased child welfare support collections.

Contributions for Trial Courts

No net variance is projected for the Contributions for Trial Courts.

A negative expenditure variance of \$7.6 million is projected in Contributions to Other Agencies due to unbudgeted expenditures related to MOE and MOU payments to the State, which will be partially offset by over realized revenue. A net positive revenue variance of \$6.5 million is due to higher than budgeted receipts from various fines, fees, and collections, which support the Trial Court MOE and other required payments to the State. Requests for approval of additional appropriations based on increased revenues and Public Safety Group FY 2003-2004 General Fund fund balance are included in the Fiscal Year 2004-05 Second Quarter Budget Status Report and Adjustment Letter.

Defense Attorney Contract Administration

No variance is projected for the Defense Attorney Contract Administration.

A negative expenditure variance of \$0.6 million is projected for Defense Attorney Contract Administration due to a projected negative expenditure variance in services and supplies. This represents costs for indigent defense services in death penalty and other cases required to be funded by the County outside of the Private Conflict Counsel Contract. Second quarter expenditures have begun to show a downward trend. However, further monitoring of case issuance and related expenditures must be conducted to support this trend. If the expenditure and case issuance trends continue to result in a negative variance, Public Safety

Group FY 2003-2004 General Fund fund balance will be used to address the negative variance.

District Attorney

The District Attorney's Office is projected to end Fiscal Year 2004-2005 with a net positive General Fund balance of \$ 3.4 million. The Fund Balance represents 3.2% of the department's \$107.3 million budget.

A positive expenditure variance of \$2.8 million is projected in salaries and benefits due to restricted hiring coupled with the retirements of 16 employees in March 2005. The District Attorney's Operational Plan assumes and requires that 127 positions remain vacant throughout the Fiscal Year plus any vacant positions due to the loss of grant funding. A total of 150 positions were vacant as of the December 9 payroll paid on December 17. A positive expenditure variance of \$0.4 million is projected in services and supplies due to restricted expenditures in professional services, auto maintenance ISF, office expenses, and rents and leases. A negative expenditure variance of \$0.8 million is projected in Expenditure Transfer and Reimbursements due to normal attrition and restricted hiring, and a delay in formalizing a final Purchase of Service Agreement (MOU) between the District Attorney's Office and the Health and Human Services Agency.

A positive revenue variance of \$1.0 million is projected. It is primarily attributable to the unanticipated receipt of funds in the Auto Theft Task Force, \$0.5 million and the Workers Compensation Trust Fund Program, \$ 0.4 million.

Office of Emergency Services

A net positive variance of \$0.1 million is projected for the Office of Emergency Services.

Positive expenditure variances of \$0.3 in salaries and benefits, \$3.2 million in services and supplies, and \$2.4 million in other charges are projected. These variances are due primarily to costs associated with the FY04 Homeland Security Grant (HSG) Program and FY03 Pre-Disaster Mitigation Grant (PDMG) Program. Since the performance period of the HSG grant extends to November 2005 and the FY03 PDMG extends to May 2006, approximately \$5.8 million in planning costs, equipment purchases, and reimbursement to other government agencies will carry over to FY 2005-06. A negative revenue variance of \$5.8 million will directly offset these projected savings.

Probation

A net positive variance of \$3.7 million is projected for the Probation Department.

Overall, a positive expenditure variance of \$4.0 million is projected. Factors contributing to this positive variance include a negative variance in salaries and

benefits, savings in services and supplies, savings in other charges, and a projected increase in expenditure transfers and reimbursements.

A negative variance of \$1.8 million is projected in salaries and benefits due to appropriations not being augmented from fund balance to cover Quality First Payments. Offsetting savings in other areas are available and appropriations will be transferred from other charges to mitigate the variance. A positive variance of \$0.8 million is projected in services and supplies and is primarily attributable to decreased travel expenses, reduced ISF expenditures, and projected savings in contracted costs associated with Probation Caseload Management Systems (PCMS). A positive expenditure variance of \$4.4 million is projected in other charges. This positive variance is primarily attributable to projected Foster Care savings of \$3.7 million. The Probation Department has worked closely with the Juvenile Court in an effort to minimize the number of wards ordered by the Court to placement in residential treatment facilities thereby reducing Foster Care costs. Additional factors contributing to the positive variance in other charges include a positive variance in California Youth Authority placement costs due to the current commitment practices of the Juvenile Court (\$0.9 million) and a negative variance in costs projected to fund placement of undocumented wards (\$0.2 million). A projected positive variance of \$0.6 million in expenditure transfer and reimbursements is attributable to an increase in the reimbursement of costs related to the Reflection Program.

A negative revenue variance of \$0.3 million is projected for the Probation Department. A positive variance of \$0.5 million is projected in State Child Welfare Title XX revenue due to increases in Title IV-E revenue generated by claiming eligible activities. A positive variance of \$0.4 million is projected in other federal grants revenue due to over realized Local law Enforcement Block Grant and Juvenile Accountability Incentive Block Grant revenue (\$0.2 million), Center for Sex Offender Management grant revenues (\$0.1 million), and the Drug Court Federal Challenge Grant II (\$0.1 million). A negative revenue variance of \$2.5 million is projected in state and federal foster care revenue related to the expenditure savings reported in other charges. A positive variance of \$0.4 in other court costs is projected due to the recovery of costs of investigations, supervision and home supervision. A positive variance of \$0.4 million is projected in Institutional Care County revenues. An additional net positive revenue variance of \$0.4 million is attributable to the overall projected over-realization of revenue in various revenue categories.

Public Defender

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

A positive expenditure variance of \$ 0.8 million is attributable to savings in salaries and benefits due to an earlier than anticipated retirement of high level

classifications and to holding Juvenile Dependency vacancies open due to a potential change in Juvenile Dependency representation.

A negative revenue variance of \$0.3 million is projected. This variance is primarily attributable to a \$0.4 million negative variance in Trial Court revenue directly related to the Juvenile Dependency salary and benefit savings discussed above.

Public Safety Executive Office

No variance is projected for the Public Safety Group Executive Office.

A negative expenditure variance of \$0.4 million is projected in services and supplies. This variance is primarily attributable to expenses under review and dispute in the Information Technology Internal Service Fund. Public Safety Group FY 2003-2004 General Fund fund balance will be used to mitigate the negative variance.

Sheriff

The Sheriff's Department projects a net positive variance of \$8.2 million.

An overall positive expenditure variance of \$8.4 million is projected. A positive expenditure variance of \$9.2 million is projected in salaries and benefits due to salary savings as a result of vacant positions. The Sheriff's department has experienced greater staff turnover than anticipated during this year. This projection includes "Expected New Hires" of 90 sworn staff from forthcoming academies and 19 professional staff. Also, this projection accounts for 58 retirements/departures. A negative expenditure variance of \$0.3 million is projected in services and supplies due to increases in Auto Maintenance (\$0.2 million), Automotive Fuel costs (\$0.3 million), Routine Maintenance of Structures (\$0.2 million), and Laboratory Services (\$0.1 million). These increased costs will be offset by reducing expenditures in the areas of professional and specialized services by \$0.5 million, and by savings associated with Hospital Guard Contract. Deputy Sheriffs are guarding hospitalized inmates instead of outside contract security. A negative variance of \$0.5 million in expenditure transfer & reimbursement (cost applied) is attributed to providing fewer meals to Probation juvenile facilities.

A negative revenue variance of \$0.2 million is projected. Factors contributing to the negative revenue variance include a negative variance of \$3.0 million in other miscellaneous revenues due to reserving of the Las Colinas Replacement Fund for its intended purpose and a negative revenue variance of \$0.5 million in State Criminal Alien Assistance Program (SCAAP) due to an increased number of applicant counties competing for a decreasing amount of Federal funds. The County's award for this program was less than anticipated when the current budget was developed. A negative revenue variance of \$0.9 million is projected from meal preparation reimbursement from "Meals on Wheels" due to the

unanticipated expiration of the contract. A positive revenue variance of \$3.2 million in Booking Fees is due to the Cities' ability to compensate the County through State Budget reimbursement. Additional factors contributing to the variance include a positive revenue variance in Recovered Expenditures (\$0.4 million), and increased revenue is projected in Jail Bed Leasing (\$0.3 million). An additional \$0.3 in revenue comes from various revenue sources including a positive variance in State Aid Other State Grants revenues (\$0.1 million), and a positive variance in Other Charges for Current Service (\$0.1 million).

Special Revenue Funds:

Sheriff's Inmate Welfare

A net positive variance of \$1.3 million is projected for the Inmate Welfare fund. A positive expenditure variance of \$0.8 million is primarily attributable to savings in services and supplies and operating transfers out. A positive variance of \$0.1 million is projected in services and supplies. A positive expenditure variance of \$0.6 million is projected in operating transfers out due to a scope reduction in the commissary warehouse remodel.

A positive revenue variance of \$0.5 million is projected. A projected positive variance of \$0.4 million in recovered expenditures is the result of an overpayment to the Grossmont Union High School District for inmate educational programs. Additional factors contributing to the variance include a positive variance of realized revenue of \$0.2 million in rents and concessions and a negative variance of \$0.1 million in other sales.

Proposition 172

A net positive variance of \$7.7 million is projected for the Proposition 172 Special Revenue Fund. State sales tax receipts to the fund in the last fiscal year were 5% greater than anticipated after a correction by the State Board of Equalization of an underpayment to counties for January through May of 2004. Based on the early information for the current fiscal year, it is estimated that the annual receipts will be 4% higher than planned amounts. Pursuant to the Board of Supervisor's Policy A-126, any revenue growth will be disbursed according to a public safety program plan agreed to by the Sheriff, District Attorney, and Probation Department.

HEALTH & HUMAN SERVICES AGENCY

General Fund:

Agency Administration

The Agency Administration consists of the following: Agency Executive Office, Financial Services, Information Technology, Human Resources and Agency Contract Support. A net positive variance of \$2.9 million is projected for Agency Administration. The variance is the result of net expenditure savings of \$4.4

million and projected under-realized revenues of \$1.5 million. The \$4.4 million expenditure savings includes \$2.5 million anticipated management reserves, \$0.9 million net savings in services and supplies from unexpended postage expenditures, fewer Information Technology work orders and Uninterruptible Power Supply (UPS) equipment maintenance, unutilized contracts for temporary help, professional and computer related services and \$1 million in salary savings due to vacancies not being filled and delayed hiring. The \$1.5 million under-realized revenue aligns a variety of administrative claim and realignment revenues to reduced expenditures.

Adult Mental Health

No net cost variance is projected in Adult Mental Health. The anticipated overall expenditure savings of \$0.7 million is due to additional costs of \$4.3 million in salaries and benefits, offset by net savings of \$5.0 million in services and supplies. These variances are primarily due to delays in implementation of changes resulting from Managed Competition. These projected savings are offset by a net decrease in revenue of \$0.7 million, related to the savings in expenditures.

Aging and Independence Services

A net positive variance of \$1.3 million is projected for Aging and Independence Services. The projected over-expenditure of \$8.5 million is the result of increases in salaries and benefits (\$0.4 million) due to the hiring of additional staff for the In Home Supportive Services (IHSS) program, services and supplies (\$6.5 million) due to caseload increases in IHSS and increased contract costs, fixed assets (\$0.4 million), and increases in the operating transfer to the Public Authority (\$1.2 million).

A projected net increase in revenue of \$9.8 million is the result of increased revenue of \$8.5 million for IHSS associated with the State-negotiated federal waiver, \$0.5 million in one time only funds for the Caregiver program, and \$0.8 million for Multi-Purpose Senior Services Program due to rescission of proposed 15% Medi-Cal reduction. Requests for approval of additional appropriations based on increased revenues are included in the Fiscal Year 2004-05 Second Quarter Budget Status and Adjustment Letter.

Alcohol and Drug Services

A net positive variance of \$0.4 million is projected for Alcohol and Drug Services. This variance is due to net savings of \$0.1 million in salaries and benefits, and over-realized revenue of \$0.3 million consisting of recovered expenditures (refunds from contractors), and additional revenue from DUI fees and the Local Law Enforcement Block Grant.

Children's Mental Health Services

No net cost variance is projected in Children's Mental Health. The anticipated overall expenditure savings of \$1.7 million is due to an estimated net savings of

\$0.7 million in salaries and benefits and net savings of \$1 million in services and supplies. The salaries and benefits savings are due to strategic freezing of vacant positions due to managed competition. The savings in services and supplies are comprised primarily of amounts not spent based on decreased demand for contract services, and savings in the Federal Emergency Management Agency (FEMA) contracts. A projected decrease of \$1.7 million in revenues is associated with the decrease in expenditures. The provision of certain mental health services to school aged children (AB2726) were transitioned to San Diego area schools and the schools are providing additional revenue of \$3.4 million to the County. This amount was offset by a decrease in projected use of Mental Health Realignment revenue.

County Child Welfare Services

A net Positive variance of \$0.3 million is projected for Countywide Child Welfare Services (CCWS).

The net expenditure savings of \$10.1 million is the result of \$4.8 million savings in salaries and benefits because of vacancies due to attrition and unused appropriations for overtime and temporary staffing. In addition, \$6.7 million savings in aid payments are due to adjustments based on actual caseload. These savings are offset by \$1.4 million of over-expenditures in services and supplies for contracts and state-mandated consultants for CWS redesign.

The \$9.8 million projected under-realized revenues is the result of an anticipated decrease of \$0.6 million in Early and Periodic Screening, Diagnosis and Treatment (EPSDT) program caused by the continued decreased demand for mental health services at Polinsky, a \$8.4 million decrease in intergovernmental revenues to align revenues with expenditures, a \$0.6 million decrease in State child welfare revenue and a \$0.2 million decrease in federal foster care due to decreased caseloads and lower overall cost per case.

Public Health Services

A net positive variance of \$2.4 million is projected for Public Health Services. This is the result of \$0.1 million overspending offset by over realized revenue of \$2.5 million.

The negative variance in expenditures includes \$1.8 million savings in salaries and employee benefits due to vacancies, \$0.3 million savings in other charges due to reduced demand for services in Child Health Disability Program, offset by projected over-expenditures of \$1.9 million in Bioterrorism program and \$0.3 million over-expenditures for equipment required by Center for Disease Control grant for Public Health Laboratory. Additional appropriations based on the increased Bioterrorism revenue will be requested in the Fiscal Year 2004-05 Third Quarter Budget Status and Adjustment Letter.

The positive variance in revenue of \$2.5 million corresponds to the addition of \$1.9 million revenue for Bioterrorism program, and \$1.0 million unbudgeted EPSDT federal administration revenues, offset by under-realized revenue of \$0.4 million in a variety of areas due to decreases in demand for services and includes recategorization of revenues.

Regional Operations

A net positive variance of \$2.4 million is projected for Regional Operations. A total of \$49.1 million in expenditure savings are anticipated. In addition, a decrease in revenue is anticipated at \$46.7 million.

Salaries and benefits savings are projected at \$3.8 million due to vacant positions resulting from normal turnover. Efforts to fill vacant positions are underway. Additional reductions in expenditures of \$3.5 million associated services and supplies, and a \$41.8 million decrease in other charges for Adult Aid and California Work Opportunity and Responsibility to Kids Program (CalWORKS), General Relief, Welfare to Work payments, including alignment of Child Care costs to revenue allocations are projected. These decreases are associated with caseload needs.

A decrease of \$46.7 million in revenues is anticipated as a result of the anticipated savings.

Regional Program Support Division

A net positive variance of \$0.1 million is projected for the Regional Program Support Division. The projected expenditure savings of \$6.0 million includes \$0.1 million in salaries and benefits, \$5.5 million in contracted services in Medical Care Program and \$0.4 million savings in CalWORKS Participant Benefits due to decreased demand for services. The projected under-realization of revenue by \$5.9 million corresponds to the projected expenditure savings.

Strategy and Planning Division

No net county cost variance is projected for the Strategy and Planning Division. The projected expenditure savings of \$0.2 million is due to vacancies and savings in contracts. The projected under-realization of revenue by \$0.2 million corresponds to the projected expenditure savings.

Special Revenue Funds:

A total net positive variance of \$30.6 million is projected for the three Realignment Special Revenue Funds and the Tobacco Securitization Fund.

Expenditure savings of \$7.8 million is projected in the three Realignment Special Revenue Funds. Issues impacting this variance include the State negotiated Federal Waiver for In-home Support Services, managed competition, and the recent negotiated agreement with the San Diego Schools in taking over the un-

funded SB-90 mandated services. The net revenue variance of \$18.4 million represents current projections of both sales tax and Vehicle License Fee revenues. The revenue variance reflects anticipated increases associated with the upswing in revenue collections in the last quarter of FY 2003-04, increased State collections and legislative action allowed for base restoration from FY 2001-02, and a larger payment of prior year caseload growth than anticipated.

The expenditure savings of \$4.4 million in the Tobacco Securitization fund represents the difference between the unallocated dollars in the Adopted Operational Plan and the available annual amount of \$27.3 million.

LAND USE AND ENVIRONMENT GROUP

General Fund:

Environmental Health

A net positive variance of \$0.5 million is projected for the Department of Environmental Health. The expenditure variance is the result of projected savings in salaries and benefits of \$0.9 million from vacant positions. Positions are being held vacant in the Radiological Health revenue program to offset the possibility of funding reductions due to the State budget situation, resulting in salary savings of \$0.1 million. The Vector Surveillance and Control District is holding positions vacant pending the outcome of a management review - zero-based study, resulting in salary savings of \$0.2 million. The Land Water Quality Division is holding one position vacant, due to lack of funding from Small Water Systems fees resulting in salary savings of \$0.1 million. The remaining \$0.5 million will come from salary savings due to normal attrition. The \$0.5 million in under-realized revenue is directly related to the projected expenditure savings.

Farm and Home Advisor

A net positive variance of \$0.4 million is projected by year end. This is primarily the result of the Fire Fuels Reduction monies (\$0.435 million) not being spent by year-end. These dollars are for specific activities and cannot be spent for other purposes.

Land Use and Environment Group Executive Office

A positive net variance of \$0.6 million is projected by year-end. This is primarily due to projected savings in salaries and benefits of \$.4 million from vacancies and less expense for graduate interns than expected. In addition, a \$0.2 million year-end balance in Management Reserves is projected.

Parks and Recreation

A positive net variance of \$0.4 million is projected for the Department of Parks and Recreation. A positive expenditure variance of \$0.5 million is the result of projected savings in salaries and benefits of \$0.3 million due to vacant positions and services and supplies savings of \$0.2 million due to reduced expenses to

offset the anticipated under-realization of revenue from operating transfers from special districts and an over estimate in projected aid from the City of San Diego.

The net negative revenue variance of \$0.1 million is the result of the under-realization of revenue (\$0.2 million) related to the services and supplies expenditures savings addressed above offset by over-realized revenues of \$0.1 million from rents and concessions, charges in capital outlay funds, and charges in parkland dedication funds and special districts.

Planning and Land Use

A positive net variance of \$2.1 million is projected for Planning and Land Use. The positive expenditure balance of \$5.1 million is broken down between salaries and benefits of \$1.4 million and services and supplies of \$3.7 million. Savings in salaries and benefits is the result of an average vacancy rate of 7% from July 2004 to December 2004. There are currently 21 vacancies, of those, nine (9) positions have been offered with start dates scheduled in February and March. The remaining vacancies are in the interview process or awaiting recruitment.

The majority of the projected \$3.7 million savings in services and supplies is related to a projected savings of \$3.1 million in consultant contracts. Of that, \$1.9 million is related to grant approval delays in the Fire Safety & Fuels Reduction Program and \$1.0 million is related to the revision of the Zoning Ordinance (this project is awaiting approval of the GP2020). The remaining consultant contract savings of \$0.2 million is related to other miscellaneous programs. The remaining balance of \$0.6 million, of the \$3.7 million, is a sum of various services and supply accounts.

The revenue shortfall of \$3.0 million is comprised of several accounts. Building construction permit revenue is projected to be under-realized by \$0.4 million. This is related to a slight decrease in workload. This decrease is caused by the lengthy rainy season and holidays during this quarter. Environmental services and services to property owners revenue are projected to be under-realized by \$0.4 million and these revenues relate to discretionary permitting. The combined projection of these accounts indicates an under realization of revenue. This is due to vacancies in the permit-processing program despite a service backlog and is offset by savings in salaries and benefits. Again, revenue is not generated if staffing is not available to process permits. Fed Aid Hazard Elimination & Safety revenue has a projected shortfall of \$1.5 million is directly related to savings in consultant contracts with the Fire Safety & Fuels Reduction Program. The project has been delayed awaiting final approval of the County's work plan by the Natural Resources Conservation Service (NRCS). In the area of Aid From Other Government Agencies, a shortfall of \$0.6 million is projected. It is related to activities in the MSCP Program and is offset by savings in consultant services. The remaining shortfall of \$0.1 million is spread over the various revenue accounts and does not exceed \$0.3 million in any one account.

Special Revenue Funds:

Park Land Dedication Ordinance (PLDOs)

A positive net variance of \$1.3 million is projected for the 25 PLDO Special Revenue Funds. This variance is due to the departmental policy whereby only the revenue required to offset planned expenditures for projects using PLDO funds is included in the current year budget. The additional revenue is based on anticipated developer fees for the units developers are building. When the fund balance in a particular PLDO fund becomes sufficient to fund the cost of an approved project, then both the appropriations and the revenue and/or fund balance is budgeted to cover the cost of the project. Actual revenue is projected to exceed the budgeted amount in the current year, and is consistent with the revenue stream from the prior year.

Public Works - Road Fund and Inactive Waste Fund

- Road Fund. A net positive variance of \$3.8 million is projected for the Road Fund. Overall projected savings in expenditures is \$6.0 million. Salaries and benefits savings of \$1.8 million is due to normal turnover and vacancies during recruitment efforts. A long lead-time is required to fill vacancies. Savings of \$4.1 million in services and supplies is primarily due to the delay of the Camino Canada project with savings in consultant contracts; and reduced vehicle usage charges. Savings in fixed assets of \$0.1 million is due to fewer requests.

Revenue is projected to be under-realized by \$2.2 million. A projected increase to budget is due to recovered expenditures for the Valley Center project (\$0.8 million). However, a projected decrease is due to decreased revenue from TransNet (\$3.0 million) that is primarily related to the delay of the Camino Canada project and to a cancellation of Transnet revenue for the Valley Center project.

- Inactive Waste Fund. No net change is projected for the Inactive Waste Fund. Projected savings of \$0.1 million in salaries and benefits is due to vacancies. Projected savings of \$0.9 million in services and supplies is primarily due to lower than expected costs for both equipment rental and contracted services. Projected under-realization of revenue is \$0.9 million and consists of an over-realization of revenue from General Fund for work on the San Marcos Landfill Closure (\$0.3 million); an under-realization of revenue in rents and concessions from the Palomar Airport due to the sale of three lots (\$0.3 million), and a reduction in other revenue related to the savings in expenditures (\$0.9 million).

Internal Service Fund:

Public Works

A net negative variance of \$0.07 million is projected for the Department of Public Works Internal Service Fund and will be offset by fund balance. Projected under-realization of revenue is due to a net loss on sale of fixed assets.

Enterprise Funds:

Public Works

A net positive variance of \$1.9 million is projected by year end as follows:

- Airport Enterprise Fund. A net positive variance of \$1.6 million is projected for the Airport Enterprise Fund. Projected savings of \$0.1 million in salaries and benefits is due to vacancies. Projected savings in services and supplies of \$0.1 million is due to overall savings in various accounts. Projected savings in capital assets/land acquisition is \$1.3 million. The final payment for the purchase of land for Palomar Airport was made at the end of fiscal year 2003-04, which was after the current year's budget was finalized. This resulted in a current year savings of \$1.1 million. Projected savings of \$0.3 million in capital assets/land acquisition is related to savings from the purchase of land for the Ramona Airport.

Overall, revenue is projected to be over-realized by \$0.1 million. A projected under-realization of \$0.3 million in revenue is tied to the purchase of land for the Ramona Airport. A net additional \$0.4 million in revenue offsets the under-realization of revenue from the purchase of land for the Ramona Airport, including revenue in royalties.

- Liquid Waste. A net positive variance of \$0.3 million is projected for the Liquid Waste Enterprise Fund. Projected savings of \$0.2 million in salaries and benefits is due to vacancies. Projected savings of \$0.1 million in services and supplies is due to savings in consultant costs for various projects.

Special District Funds:

Air Pollution Control District

A net positive variance of \$1.1 million is projected for year-end. The variance results largely from savings in salaries and benefits of \$.9 million due to hiring delays, vacancies, and under-filled positions. Also over-realized revenue of \$.2 million from fines and penalties were earned as a result of settlements of air pollution rule violations

Parks Special Districts (CSAs)

A positive net variance of \$0.2 million is projected in special districts due to savings in salaries and benefits (\$0.04 million), capital assets equipment (\$0.1 million) and reserves (\$0.03 million).

Public Works

- **Sanitation Districts & Sewer Maintenance.** A net positive variance of \$2.8 million is projected. Projected savings in services and supplies is \$2.2 million. Savings of \$1.0 million is due to a delay in the City of San Diego East Mission Gorge Interceptor project. The Early Warning System project is expected to be completed next year, which results in a current year savings of \$0.3 million. Campo Hills Water, Campo Sewer Area and Campo Water Area were added this year and are expected to add occupancy late this year or next year resulting in current year savings of \$0.6 million. Additional savings of \$0.3 million is in consultant contracts for various projects. Projected revenue overage is \$0.6 million. Recovery of prior year expenditures in the Spring Valley Sanitation District is from the City of San Diego Metropolitan Wastewater Department for their share of the Spring Valley Sanitation District Sewer Outfall costs (\$0.3 million). Revenue from charges for services is anticipated to be over-realized by \$0.5 million and is due to both unanticipated revenue from the Otay Water District for their share of the cost for the Rancho San Diego Pumping Station (\$0.3 million) and from other agencies that use the Spring Valley Sanitation District system (\$0.2 million). These agencies are billed in arrears for their share of costs for operations and maintenance, capital improvements and Metro charges. The under-realized revenue from an operating transfer from the General Fund is related to the services and supplies savings in Campo Sewer Area (\$0.3 million).
- **Permanent Road Division Zones.** A net positive variance of \$5.4 million is projected for Permanent Road Division Zones. Projected savings in services and supplies is \$5.4 million. \$5.1 million was budgeted for anticipated El Nino damage that did not occur and which will be rolled over to next fiscal year. An additional savings of \$0.3 million in routine maintenance is due to decreased requests for service.
- **Flood Control District.** A net positive variance of \$0.1 million is projected for the Flood Control District. Projected savings of \$0.1 million in interdepartmental costs is attributed to a vacant position in the Road Fund that supports Flood Plain Management.

COMMUNITY SERVICES GROUP

General Fund:

Animal Services

A positive variance of \$0.3 million is projected for the Department of Animal Services from salary and benefits under-expenditures. The under-expenditure is due to positions held vacant in anticipation of the loss of a contract city effective July 2005 and difficulties in recruiting qualified veterinarians.

Community Services Group Executive Office

A positive variance of \$2.8 million is projected for the Community Services Executive Office. The variance is principally anticipated year-end Management Reserves balance from prior-years' savings set aside for: future-years' operations and maintenance of the Documentum enterprise standard content management system (\$1.8 million); matching funds for pending Library construction grant applications (\$0.7 million); and, multi-year matching funds for a \$1.4 million Stormwater Management Demonstration project grant (\$0.2 million).

Housing & Community Development Administration

No net variance is projected for the Housing & Community Development department, the net result of: \$2.4 million under-expenditure, offset by \$2.4 million revenue under-realization. Department cost-containment efforts in response to Federal Housing and Urban Development (HUD) funding uncertainties produced under-expenditures including: \$1.5 million in salaries and benefits from holding positions vacant and \$0.9 million in services and supplies, primarily from delaying Rental Assistance software enhancements and reductions in Rental Assistance Mediation and travel. The projected revenue under-realization is a direct result of the projected expenditure savings; revenue is earned on a cost reimbursement basis.

Registrar of Voters

A year-end negative variance of \$1.1 million is projected for the Registrar of Voters, the net result of: \$2.7 million in over-expenditures, partially offset by \$1.6 million of over-realized revenue. Over-expenditures include: \$2.1 million related to the November 2, 2004 Presidential General Election for voter outreach activities and supplies related to the change to an Optical Scan Voting system; \$0.2 million for bilingual Voter Outreach positions for three fourths of the fiscal year in compliance with an agreement with the Federal Department of Justice; \$0.2 million for retirement terminal leave costs; and, an estimated \$0.3 million for Special Elections for the City of San Diego District 4, City of Santee, and Rainbow Municipal Water District. Over-realized revenues include: \$1.0 million HAVA (Help America Vote Act) Grant; and \$0.7 million fees for petition verification, special elections, and candidate statements. Requests for approval to establish additional appropriations based on the additional revenues and other funding sources are included in the Fiscal Year 2004-05 Second Quarter Budget Status and Adjustment Letter.

Special Revenue Funds:

County Library

A positive variance of \$1.1 million is projected for the County Library, the net result of: \$1.7 million under-expenditure, partially offset by \$0.6 million revenue under-realization. Under-expenditures include: \$1.1 million in salaries and benefits from delays in filling vacancies, and from turnover as part of the

department's staffing management plan; and, \$0.6 million in services and supplies from lower than anticipated needs for minor equipment, and reductions in IT costs from system improvements. Under-realized revenues include: \$0.4 million of library fines and fees not collected during the conversion to a new automated system; and \$0.2 million in State grants that are lower than budgeted due to the State's continuing fiscal crisis.

Housing & Community Development

No net variance is projected for Housing & Community Development multi-year projects. A projected \$20.4 million expenditure savings is offset by revenue under-realization; costs are 100% revenue offset. To facilitate the multi-year project expenditure request process, all housing funds that the County is eligible to receive from the funding sources are budgeted. The expenditure savings is projected for multi-year projects that will not be completed in the current fiscal year.

Internal Service Funds:

Facilities Management

No net variance is projected for the Facilities Management ISF, the net result of: \$11.1 million under-expenditure offset by revenue under-realization. Under-expenditures include: \$1.0 million in salaries and benefits from staff vacancies and \$9.3 million in services and supplies, primarily due to pending decisions regarding the funding of major maintenance projects and less than anticipated service level requirements for contract, maintenance, and mail services; \$0.6 million in other charges primarily due to deposits for right-of-way land acquisitions not being finalized by year end; and \$0.2 million in operating transfers out due to less than anticipated labor requirement in support of major maintenance projects. The projected revenue under-realization is a direct result of the projected expenditure savings; revenue is earned for services provided.

Fleet Management

No net variance is projected for the Fleet Management ISF, the net result of: \$1.3 million under-expenditure offset by revenue under-realization. Under-expenditures include: \$0.5 million in salaries and benefits from staff vacancies; \$0.2 million in services & supplies from less than anticipated commercial repair services; and, \$0.5 million in fixed assets due to reduced customer demand for replacement vehicles. The projected revenue under-realization is a direct result of the projected expenditure savings; revenue is earned for services provided.

Purchasing & Contracting

A negative variance of \$1.1 million is projected for the Purchasing & Contracting ISF, the net result of: \$0.9 million under-expenditure, offset by \$2.0 million revenue under-realization. Department cost-containment efforts in response to lower use of services by customer departments produced under-expenditures including: \$0.2 million in salaries and benefits savings from maintaining

vacancies; and \$0.7 million in services and supplies. Revenue under-realization, primarily in the Print and Records Divisions, are due to continued cautious spending patterns of County departments in response to reduced and uncertain funding; customer departments' use of Purchasing & Contracting services has declined faster than the department has been able to reduce operating costs. The department is exploring further operating efficiencies and cost reductions. The net variance will be addressed as a roll forward expense in the development of subsequent years' rates.

Redevelopment Agency Funds:

San Diego County Redevelopment Agency

A positive variance of \$1.2 million is projected for the San Diego County Redevelopment Agency, the net result of: \$1.3 million under-expenditure of appropriations, partially offset by \$0.1 million revenue under-realization. The under-expenditure includes: \$0.9 million in services and supplies primarily from savings for unexpected expenses of \$0.53 million and savings of \$0.24 million for a trails improvement project that was not pursued; and, \$0.4 million in other charges is related to a reduced payoff to the general fund. The revenue under-realization is due to less than anticipated payout to the State Educational Relief Augmentation Fund.

FINANCE & GENERAL GOVERNMENT GROUP

General Fund:

Assessor/Recorder/County Clerk

A net positive variance of \$0.6 million is projected for the Assessor/Recorder/County Clerk. A positive expenditure variance of \$0.2 million is projected. The expenditure variance is made up of \$0.4 million savings in salaries and benefits due to vacancies and a combined \$0.2 million over expenditure in services and supplies and capital assets equipment related to information technology projects. The \$0.4 million over-realization of revenue is due to additional revenues received for property tax administrative services.

Auditor and Controller

A net positive variance of \$0.5 million is projected for the Auditor and Controller. Projected savings of \$0.5 million in salary and benefits costs are due to vacant positions. A \$0.2 million year-end balance in Management Reserves is projected. The Auditor and Controller also projects over-realized revenue of \$0.4 million primarily due to additional revenues received for property tax administrative services. This over-realized revenue is offset by under-realized revenue from collection services of \$0.6 million due to lower than anticipated collections.

Board of Supervisors

A net positive variance of \$0.4 million is projected for the Board of Supervisors Offices. The projected variance is primarily in salaries and benefits savings due to vacant positions.

Clerk of the Board of Supervisors

A net positive variance of \$0.9 million is projected for the Clerk of the Board of Supervisors. The expenditure variance of \$0.6 million is the result of savings of \$0.3 million in salary and benefits costs due to vacant positions, \$0.07 million in services and supplies due to energy conservation efforts and lower information technology costs, and \$0.2 million year-end projection in Management Reserves. The projected over-realized revenue balance of \$0.3 million is due to increased fees from passports and notary services, as well as revenue generated from property tax administrative services.

County Counsel

A net positive variance of \$0.7 million is projected for County Counsel. The variance is the result of projected expenditure savings of \$0.3 million in salary and benefit costs due to vacant positions, and \$0.4 million in over-realized revenue for legal services provided to various sources.

Finance and General Government Group

A net positive variance of \$5.7 million is projected for the Finance and General Government Group. The variance is the result of projected savings in services and supplies of \$3.6 million due to information technology expenditures savings resulting from the delay in ERP implementation, salary and benefit savings of \$0.06 million, and a projected year-end balance of \$2.0 million in Management Reserves.

Human Resources

A net positive variance of \$0.6 million is projected for Human Resources. The variance is the result of projected savings in salaries and benefits of \$0.3 million due to vacancies and attrition, projected savings in services and supplies of \$0.3 million, and a projected year-end balance of \$0.2 million in Management Reserves. This projected savings is offset by under-realized revenue of \$0.2 million due to a decrease in worker's compensation administrative costs due to a decrease in claims activity.

Treasurer-Tax Collector

A net positive variance of \$0.3 million is projected for the Treasurer Tax Collector. This variance is primarily due to \$0.8 million of projected savings in salaries and benefits due to employee retirements and attrition, offset by additional services and supplies expenditures of \$0.5 million due to increased costs for information technology application services.

GENERAL REVENUES & GENERAL COUNTY EXPENSES

General Revenues & General County Expenses

The General Fund fund balance for these two categories combined is projected to be \$31.2 million, comprised of an estimated additional \$15.6 million in General Revenues and a positive \$15.6 million of savings in General County Expenses.

General Revenues

The San Diego economy continues to fare well, outperforming both the California and national economies in terms of rate of economic growth. The local economic indicators, including San Diego's gross regional product, employment, and personal income, show moderate growth. Local sales tax transactions are improving for the County as a whole with a 4.98% growth rate for the Third Quarter 2004. The unincorporated areas' unadjusted growth rate for the same period was 3.55%. Moreover, the real estate market continues to be steady due to high demand, limited supply and continued favorable low financing costs.

All Current Property Taxes

All Current Property taxes are estimated to provide a \$7.7 million favorable net variance.

- *Current Secured Property Taxes*

Current Secured Property taxes/ERAF-VLF & Sales Tax Replacement revenue is projected to be \$3.4 million over budget.

Beginning in Fiscal Year 2004-05, the County's share of Vehicle License Fee general purpose revenue is eliminated and replaced with money shifted back from the County's Educational Revenue Augmentation Fund (ERAF). ERAF was required to be set up by the State in Fiscal Year 1992-93 to capture the prescribed amounts of property tax to be shifted from local governmental agencies to local schools. This new funding arrangement is the result of the State of California's FY 2004-05 budget actions and the signing of SB 1096. More specifically, the passage of SB 1096 made the following changes to the previous laws: eliminated the current VLF "offset" mechanism and permanently set the VLF rate at 0.65% as of January 1, 2005, versus the original 2%, eliminated VLF "backfill" payments along with the "trigger" provision in current law, replaced VLF backfill payments to cities and counties with property tax revenues shifted back from ERAF via the new VLF Property Tax Compensation Fund established by each county, established initial allocations for 2004-05 to each city and each county from the VLF Property Tax Compensation Fund, and provided for allocations in 2005-06 to be calculated based on a formula that takes into account adjusted actual allocations for Fiscal Year 2004-05 and the increase in gross taxable assessed value within each city or each county. When the FY 2004-05 Adopted Budget was

formulated, the basis for the ERAF property tax VLF replacement fund amounts had not been determined. Based on the State Controller's Office revised report dated September 16, 2004, the County will be allocated \$3.6 million more than the estimated budget amount.

In Fiscal Year 2004-05, the County reclassified about one-fourth of the sales tax revenue (\$5.15 million in FY 2004-05) to "property taxes in lieu of sales tax" to comply with the State's "triple flip" legislation approved in Fiscal Year 2003-04. More specifically, effective July 1, 2004, provisions of AB7 X1, one of the 2003-04 State budget bills referred to as the "triple flip", took effect. It enabled the State to redirect one-quarter cent of the local sales and use tax to the State to repay up to \$15 billion in bonds authorized by Proposition 57 (March 2004) to help the State refinance its past debt. In turn, the lost revenues are replaced with countywide property tax revenues shifted back from the Educational Revenue Augmentation Fund (ERAF). When the FY 2004-05 Adopted Budget was formulated, the basis for the ERAF property tax Sales replacement fund amounts had not been determined. Based on a letter from the Department of Finance dated August 25, 2004, the County will be allocated \$0.2 million less than the estimated budget amount.

- *Property Taxes Current Supplemental*

Current Secured Supplemental Taxes are projected to be \$5.0 million above budget. This projection is based on a review of current collections to open charges through the January 11 Property Tax System apportionment. The supplemental roll (Charges) is up 29% from the same time last year and collections are approximately 40% higher than last year at the same time.

- *Property Taxes Current Unsecured*

A \$0.7 million shortfall versus the budget is estimated for the unsecured taxes. This shortfall is attributed to two factors. First, a three percent growth was assumed when the budget was adopted; however, no growth was realized based on the assessor's actual tax roll. This change accounts for \$0.45 million of the lower projection. Moreover, roll corrections actually lowered the tax roll further reducing our projection \$0.25 million.

All Other Taxes - Local

All Other Taxes are anticipated to exceed budget by an aggregate \$7.9 million.

- *Property Taxes Prior Secured*

A shortfall of approximately \$1.5 million is estimated due to refunds related to property tax roll corrections from prior years and court settlements. Specifically, the Calpine Power Plant will receive an

approximate \$0.85 million refund, and the lowered projection reflects this refund. The Calpine Power Plant contested the assessed valuation methodology used by the State Board of Equalization. Similarly, UCSD disputed the entitlement of exceptions subject to property taxes for several parcels. A projection adjustment of \$0.65 million has been made to estimate the amount of refunds to be paid this fiscal year for the UCSD dispute.

- **Property Taxes Prior Secured Supplemental**

Similar to the Current Secured Supplemental Taxes' favorable year-end projection, Property Taxes Prior Secured Supplemental revenue is estimated to be \$1.2 million above budget. This projection is based on a review of current collections to open charges through the January 11 Property Tax System apportionment. The prior secured supplemental roll (Charges) is up 19% from the same time last year and collections are approximately 39% higher than last year at the same time.

- **Real Property Transfer Taxes (RPTT)**

An additional \$5.0 million in revenue is estimated for RPTT. Over the first five months of FY2004-05, RPTT revenues are 22.5% above last year at the same time. Based on last year's year-end actuals and reviewing current revenues, the County should realize \$5.0 million more than budget. These revenues continue to be strong due to sustained healthy real estate activity and low interest rates that enable buyers to obtain sizeable loans.

- **Redevelopment Agency Tax Increment**

Redevelopment revenues are estimated to be \$3.0 million above budget. This projection is based on: one, the year to date collections compared to last year at the same time, two, expected collections based on existing Redevelopment Agreements with growth from the share of inflation/incremental revenue clauses and settlement payment increases in various agreements, and three, the additional revenue from the Vista Redevelopment Agreement.

- **Other Tax Aircraft Unsecured**

A positive revenue variance of \$0.2 million is estimated compared to budget. The budgeted figure was prepared before FY 2003-04 year-end actuals, and current year revenues are on pace to equal the 2003-04 level.

General County Expenses

Contingency Reserve

The entire \$15.6 million budgeted in the Contingency Reserve in FY 2004-05 is expected to be unspent at year-end.

Contributions to Capital Outlay Fund

A net positive variance of \$0.56 million is projected. The variance is the result of savings from the 800 Mhz and Central Jail lease payments resulting from interest credits on various long-term obligations.

Special Revenue Funds:

Pension Obligation Bonds (POB)

A net positive variance of \$2.0 million is projected based on revenue received as a result of the floating-to-fixed rate swap agreement that governs a portion of the 2002 POBs.

Internal Service Funds:

Public Liability

A year-end savings of \$2.0 million is now projected due to net expenditure savings compared to budget. These savings are attributed to lower settlement and judgment costs than anticipated, based on current estimates.

Workers Compensation

A year-end net savings of \$2.0 million is projected in the Workers Compensation ISF. Appropriation savings of approximately \$3.1 million are due to less than anticipated claims expenses. A revenue shortfall of \$1.1 million is due to a projected lower level of Court revenues than budgeted.