



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: February 24, 2009

TO: Board of Supervisors

SUBJECT: FISCAL YEAR 2008-09 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (District: All)

SUMMARY:

Overview

This report summarizes the status of the County's Fiscal Year 2008-09 Operational Plan, as measured by projected year-end fund balance from current year operations. The projected balance for the General Fund is \$96.0 million, and for all budgetary funds combined, is \$115.9 million. The projected balance in the General Fund is a significant improvement from the \$0.6 million projected as of the first quarter, but the majority of the improvement is related to one-time unique circumstances, not to structural gains. The significant declines in real estate values, construction activity, and consumer spending continue to affect important funding streams used to pay for many services provided to County residents. Most severely affected are revenues from property taxes, sales tax, vehicle license fees, and recording fees, which are anticipated to be below budgeted levels by a combined \$102.0 million, a \$12.0 million drop from the first quarter projections.

Compounding these economic issues for the County is the budget crisis being faced by the State. Knowing that many County-provided services are dependent upon State funding, there is still the potential impact on various services. The County's fiscal and management discipline, however, has afforded us the ability to respond to this situation in a methodical, strategic manner.

This letter includes requests to cancel appropriations of \$343,744 in the Health and Human Services Agency and \$284,361 in the Department of Planning and Land Use due to insufficient program revenues being available to support planned service levels.

This letter also recommends budget adjustments to make resource reallocations or to fund various one-time projects. In the Public Safety Group, adjustments are recommended to establish appropriations in the Sheriff's Department for reimbursement to law enforcement agencies based on unanticipated revenues from the High Intensity Drug Trafficking Area (HIDTA) funding, to cancel appropriations and

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related 2007 Urban Area Security Initiative (UASI) Homeland Security Grant revenue in the Sheriff's Department because of a reallocation of the funds, and to transfer appropriations from the Defense Attorney/Contract Administration organization to the Public Defender Office of Assigned Counsel for costs associated with conflict indigent defense services.

In the Health and Human Services Agency, adjustments are recommended to transfer appropriations to Contributions to the Capital Outlay Fund to provide funding for the San Pasqual Academy Water Well Project in the Capital Outlay Fund.

In the Land Use and Environment Group, significant adjustments include amending the Airport Alternative Minimum Tax (AMT) Fund Spending Plan and the Airport Non-AMT Fund Spending Plan to provide funding for the Palomar Airport Redevelopment Project, and to cancel appropriations and related revenue in the Department of Public Works Road Fund to correct the budget and re-establish appropriations based on available fund balance. In addition, a request is submitted to increase the fund balance designation within the General Fund for Environmental Health and to reduce the fund balance designation within the General Fund for the Department of Planning and Land Use based on an analysis of Fiscal Year 2007-08 costs and revenues in the two departments.

Finally, in the Community Services Group, a request is submitted to amend the Fleet Management Equipment Acquisition ISF Spending Plan to provide funding for the acquisition of two fire trucks based on a capital contribution from the Department of Planning and Land Use.

Recommendation(s)

CHIEF ADMINISTRATIVE OFFICER

1. Accept the Fiscal Year 2008-09 second quarter report on projected year-end results.
2. Establish appropriations of \$450,868 in the Sheriff's Department, services and supplies, for reimbursement to law enforcement agencies based on unanticipated revenue from the High Intensity Drug Trafficking Area (HIDTA) grant. (4 VOTES)
3. Cancel appropriations and related revenue of \$157,100 in the Sheriff's Department due to a reduction in the 2007 Urban Area Security Initiative (UASI) Homeland Security Grant revenue.
4. Transfer appropriations of \$3,000,000 from the Defense Attorney/Contract Administration organization, services and supplies, to the Public Defender, Office of Assigned Counsel, for costs associated with conflict indigent defense

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services.

5. Transfer appropriations of \$250,000 from the Health and Human Services Agency to Contributions to Capital Outlay Fund, Operating Transfer Out, to provide funding for the San Pasqual Academy Water Well Project.
6. Establish appropriations of \$250,000 in the Capital Outlay Fund for Capital Project 1012959, San Pasqual Academy Water Well Project, based on an operating transfer from the General Fund. (4 VOTES)
7. Cancel appropriations and related revenue of \$343,744 in the Health and Human Services Agency due to a reduction from budget in State funding.
8. Cancel appropriations and related revenue of \$284,361 in the Department of Planning and Land Use due to a reduction from budget in fee for service revenue.
9. Transfer appropriations of \$50,000 from the Department of Agriculture Weights and Measures to the General Fund Contributions to Fleet Services Internal Service Fund (ISF) to provide funding to the Department of General Services Fleet ISF for the purchase of a Meter Testing Vehicle for inspecting the accuracy of gas pumps throughout the county.
10. Amend the Fiscal Year 2008-09 Fleet Services ISF Spending Plan in the amount of \$50,000 to provide funding for the purchase of a Meter Testing Vehicle based on an operating transfer from the General Fund Contributions to Fleet Services Internal Service Fund.
11. Authorize the Auditor and Controller to increase the fund balance designation within the General Fund for Environmental Health by \$212,030 based on Land Use and Environment Group's Fiscal Year 2007-08 fund balance available.
12. Authorize the Auditor and Controller to reduce the fund balance designation within the General Fund for the Department of Planning and Land Use by \$199,469 based on the analysis of Fiscal Year 2007-08 costs and revenue associated with the processing of building permits.
13. Cancel appropriations and related revenue of \$90,000 in the Inactive Waste Site Management Fund due to cancellation of the Fallbrook B Burnsite Land project.
14. Cancel appropriations and related Operating Transfer from the Inactive Waste Site Management Fund of \$90,000 in the Capital Outlay Fund for Capital Project 1000278, Fallbrook B Burnsite Land Purchase, due to cancellation of

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the project.

15. Amend the Fiscal Year 2008-09 Department of Public Works Internal Service Fund - Equipment Operations Spending Plan in the amount of \$395,000, services and supplies, to provide funding for operation and maintenance based on fund balance available.
16. Amend the Fiscal Year 2008-09 Department of Public Works Internal Service Fund – Equipment Acquisition Road Fund spending plan in the amount of \$162,000, fixed assets, to provide funding for the replacement purchase of three (3) Leica Total Stations surveying equipment and eight (8) Data Collectors based on fund balance available.
17. Establish appropriations of \$98,000 in the San Diego County Lighting Maintenance District Fund, services and supplies, for replacement of stolen copper wires and installation of new anti-theft devices on street lights, procurement of benefit assessment services, and retrofitting of street lights based on fund balance available. (4 VOTES)
18. Establish appropriations of \$20,000 in the PRD 1016 El Sereno Way Fund, other charges, for partial prepayment of the principal balance on a construction loan, based on fund balance available. (4 VOTES)
19. Transfer appropriations of \$503,500 within the Department of Public Works Road Fund from services and supplies (\$400,000) and salaries and benefits (\$103,500) to an Operating Transfer Out, for the construction of the Lakeside Washrack project.
20. Establish appropriations of \$503,500 in the Capital Outlay Fund for the Capital Project 1012937 Lakeside Washrack Project, based on operating transfer from the Department of Public Works Road Fund. (4 VOTES)
21. Cancel appropriations and related revenue of \$25,879,966 in the Department of Public Works Road Fund, services and supplies, to correct the budget.
22. Establish appropriations of \$25,879,966 in the Department of Public Works Road Fund, services and supplies, for road services based on fund balance available. (4 VOTES)
23. Amend the Fiscal Year 2008-09 Airport Alternative Minimum Tax (AMT) Fund Spending Plan in the amount of \$2,472,454, Operating Transfer Out, to provide funding for Palomar Airport Redevelopment Projects based on fund balance available.

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24. Amend the Fiscal Year 2008-09 Airport Non-AMT Fund Spending Plan in the amount of \$993,000, Operating Transfer Out, to provide funding for the Palomar Airport Redevelopment Projects based on unanticipated revenue from Interest on Deposits (\$17,661) and fund balance available (\$975,339).
25. Amend the Fiscal Year 2008-09 Airport Enterprise Fund Spending Plan by transferring funds from the Palomar Airport Blast Fence Project (\$300,000) and the Palomar Airport Passenger Movement Facility Project (\$700,000) in order to realign project funding for the Palomar Airport redevelopment project to the following projects: Palomar Airport Reconstruction of Taxiway Charlie Project (\$200,000), Palomar Airport Terminal Apron Project (\$100,000), Palomar Airport Runway Safety Area and Drainage Project (\$200,000), Palomar Airport Auto Parking Lots Project (\$100,000) and Palomar Airport Terminal Project (\$400,000).
26. Establish appropriations of \$100,000 in the Capital Outlay Fund for Capital Project 1012950, Fallbrook Community Center Local Assistance Center (LAC) Recovery based on unanticipated revenue from Firestorm 2007 Trust Fund. (4 VOTES)
27. Establish appropriations of \$247,993 in the Capital Outlay Fund for Capital Project 1012951, County Preserve Fire Recovery based on unanticipated revenue from the Firestorm 2007 Trust Fund. (4 VOTES)
28. Cancel appropriations and related Operating Transfer from the General Fund of \$25,000 in the Capital Outlay Fund for Capital Project 1011442, William Heise Park to provide funding for erosion mitigation at Hellhole Canyon Open Space Park.
29. Establish appropriations of \$25,000 in the Capital Outlay Fund for Capital Project 1011440, Fire Recovery Erosion Cont Hellhole Canyon Open Space Park based on an Operating Transfer from the General Fund. (4 VOTES)
30. Amend the Fiscal Year 2008-09 Fleet Management Equipment Acquisition ISF Spending Plan in the amount of \$935,593 to provide funding for the acquisition of two fire trucks based on a capital contribution from the Department of Planning and Land Use.

Fiscal Impact

The funds for a portion of these requests are not budgeted. If approved, these actions

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will cancel budgeted appropriations and the related sources of funding in the amount of \$785,205 in the General Fund and will establish additional appropriations of \$450,868 in the General Fund, resulting in a net decrease in appropriations of \$334,337 in the General Fund. The funding source in the General Fund represents the (HIDTA) revenue.

In addition to the General Fund, these actions will cancel budgeted appropriations and the related funding sources in the amount of \$26,084,966 million in all other funds and will establish additional appropriations of \$32,132,506 resulting in a net increase in appropriations of \$6,047,540 in all the other funds combined. Funding sources include Road Fund fund balance, Airport AMT and Airport Non-AMT fund balance, and miscellaneous other sources.

Business Impact Statement

N/A

Advisory Board Statement

N/A

BACKGROUND:

Fiscal Year 2008-09 Fund Balance Projections

For the General Fund, the second quarter projection of year-end fund balance from current year operations is \$96.0 million. The projected balance is a combination of expecting to end the year with General Purpose Revenues below budget by \$21.2 million, offset by a net surplus of \$73.1 million from departmental operations, and a positive variance of \$44.1 million in unspent contingency and management reserves. The projected balance for all other funds combined is \$19.0 million. Schedule A summarizes the fund balance projections by Group and department. The Notes to Schedules A and B explain variances from budget by department. Schedule B shows the projected General Fund fund balance by Group split between operating and reserve balances. These projections are based on actual experience through December 2008 and expected expenditures and revenues through the end of the fiscal year.

As shown in Schedule A, the General Fund year-end fund balance projection of \$96.0 million is based on the estimate that expenditures will be a net \$257.5 million less than budgeted in the Fiscal Year 2008-09 Amended Budget and revenues will be a net \$161.5 million less than budgeted in the Fiscal Year 2008-09 Amended Budget. The Amended Budget consists of the Adopted Budget plus encumbrances carried over from the prior year, plus year to date changes that have been either approved by the Board or Chief Financial Officer where permitted.

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

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- \$61.4 million in appropriation savings, predominantly in the Public Safety Group but also in Health and Human Services Agency, Land Use and Environment Group, and Finance and General Government Group, from lower than budgeted salaries and employee benefits costs due to staff turnover and department management of vacancies to mitigate current and anticipated revenue shortfalls.
- \$132.2 million in appropriation savings in services and supplies across the County. In the Public Safety Group, a net over expenditure in services and supplies of \$4.0 million is projected due to the increased costs for food and pharmaceuticals in the jails in the Sheriff's Department; unanticipated Information Technology upgrades, computing costs, facilities maintenance costs, and an unanticipated increase in the number and costs of witness protection and relocation cases in the District Attorney's Office. In the Health and Human Services Agency, savings are primarily projected in contracted services (e.g., in Behavioral Health Services for savings in un-awarded Mental Health Services Act (MHSA) contracts; savings in Early Periodic Screening, Diagnosis and Treatment services due to aligning revenue to State allocations including cuts by the State to Proposition 36 and the Offender Treatment program (OTP)), savings in emergency appropriations for bio-terrorism, savings associated with major maintenance and imaging projects, savings in County Medical Services (CMS) due to continued start-up of the Coverage Initiative and lower than expected retro-active CMS payments for prior year claims, and savings associated with the Welfare Case Data Information System and CalWIN. In the Land Use and Environment Group, appropriation savings are anticipated in the Department of Environmental Health due to closely watching planned spending to ensure costs do not exceed revenue, savings in the Department of Planning and Land Use due to projected savings in consultant services related to the Fire Safety and Fuels Reduction Program, and savings in Department of Public Works due to savings in contracted services for the 2007 fires. In the Finance and General Government Group, savings are primarily in the Executive Office and are due to delays in Oracle Financial Upgrade and Integrated Property Tax System (IPTS) projects that will require the funds to be re-budgeted in Fiscal Year 2009-10.
- \$20.0 million in appropriation savings in other charges primarily reflects variances from budgeted caseload and aid payments in Health and Human Services Agency. Spending is projected to be over budget because of higher than budgeted Child Care, CalWORKs, and Welfare to Work caseloads, offset by savings in Child Welfare Services based on revised estimates of caseload levels, growth trends, and unit cost per case for Severely Emotionally Disturbed, Foster Care, Aid to Adoptive Parents, and KinGap programs. In addition, savings occur from lower than budgeted TRANs borrowing costs.
- \$0.8 million in appropriation savings primarily from reduced operating transfers out to the In-Home Supportive Services Public Authority due to timely abatements received for Health Benefits.
- \$20.3 million in contingency reserves that are projected to be unspent at year-end.
- \$23.8 million in management reserves across the groups that are projected to be unspent at year-end.

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The projected revenue under-realization to budget consists of primarily negative variances, with three partially offsetting positive variances. Of the overall negative revenue variance in the General Fund of \$161.5 million, \$137.5 million is within intergovernmental revenues and is largely the result of expenditure savings in caseload driven programs mentioned above, as well as a projected reduction in Realignment revenues of \$36.0 million due to sales tax and vehicle license fees decreases. The negative revenue variance is also due to current year property taxes that are below budget by \$28.8 million, Proposition 172 sales tax revenues that are below budget by \$29.0 million, and a drop of \$8.5 million in recording fees and \$5.4 million in AB 2890 Recovered Costs in charges for current services. A positive revenue variance of \$46.1 million is expected in the following categories: fines, forfeitures and penalties (\$2.4 million); taxes other than current secured (\$8.1 million), and miscellaneous revenue (\$35.6 million) including \$21.0 million due to the anticipated receipt of funds associated with the contract dispute settlement from the Integrated Property Tax System and \$8.5 million from the State of California for the February 2008 Special Presidential Primary Elect costs in the Registrar of Voters Office.

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

FY 2008-09 Budget Adjustments

The budget adjustment recommendations in this letter are explained below.

Recommendation 2

This request will establish appropriations of \$450,868 based on unanticipated revenue from High Intensity Drug Trafficking Area (HIDTA) grant. On June 20, 06 (3) the Board authorized the Sheriff to accept the grant award on behalf of participating agencies and to serve as the fiscal agent for the Southwest Border – CA HIDTA grant program. As the fiscal agent for HIDTA, the funds will be used to reimburse law enforcement agencies collaborating in HIDTA initiatives

Recommendation 3

This request will cancel appropriations and related 2007 Urban Area Security Initiative (UASI) Homeland Security Grant revenue of \$157,100 in Sheriff's Department due to a reallocation of grant funds. On March 11, 2008 (7), the Board authorized the Sheriff to accept the UASI grant for training, emergency planning and to purchase equipment to enhance response to chemical, biological, radiological, nuclear and explosive incidents. Subsequent to the original grant allocation, it was determined that grant funds of \$157,100 would be reallocated to the City of San Diego to purchase items for regional use.

Recommendation 4

This request will transfer appropriations of \$3,000,000 from the Defense Attorney/Contract Administration organization, services and supplies to the Public Defender, Office of Assigned Counsel for costs associated with conflict indigent defense services. On December 9, 2008 (8), your Board approved the establishment of the Office of Assigned Counsel as of January 1, 2009 to directly administer conflict indigent defense services. This is a request to redirect current budgeted resources to the organization currently administering conflict indigent defense services

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Recommendations 5 & 6

These requests will transfer appropriations of \$250,000 from the Health and Human Services Agency to Capital Project 1012959, San Pasqual Academy Water Well Project, for design and construction of a new water well and to retro-fit the water chlorination system at the San Pasqual Academy. An additional well is needed to augment the water supply system and provide additional fire fighting capabilities, and will ultimately be required to accommodate the planned San Pasqual Academy expansion.

Recommendations 7 & 8

These recommendations are related to the action by the Board on February 10, 2009 (11) to adopt a resolution making the determination, pursuant to Section 14.1.1 of Civil Service Rules, that it was necessary due to a lack of work and funds to reduce the number of staff in specified classified positions in County departments. Two departments were required to reduce positions that are presently encumbered. The Department of Planning and Land Use is requesting to cancel appropriations and related revenue of \$284,361 due to the slowdown in the building market that has resulted in fewer building inspections being required and therefore less work and corresponding funding for the department's Building Division. The Health and Human Services Agency is requesting to cancel appropriations and related revenue of \$434,744 due to reduced State funding for specific programs.

Recommendations 9 & 10

These requests will fund the purchase of a fuel meter test vehicle for the Department of Agriculture Weights and Measures. This purchase will improve customer service by ensuring the frequency for testing gas pumps can be met on an annual basis. Using vehicle mounted equipment also reduces the likelihood of personal injury to staff by eliminating the need to manually empty 5-gallon containers back into the underground storage tank.

Recommendation 11

On February 24, 2004 (23), the reserve designation for the Department of Environmental Health (DEH) was established. This designation ensures that revenue from fees and permits over the cost paid by Environmental Health customers are used only to fund fee-related expenses in DEH. For Fiscal Year 2007-2008, this excess revenue equaled \$212,030. This action does not move funds into the Department of Environmental Health. If approved, the total amount in this fund balance designation will be \$6,403,339.

Recommendation 12

The Department of Planning and Land Use Reserve Designation was established in 1984 to stabilize fluctuations in workload, revenue and cost for the processing of building permits. At the close of each fiscal year actual cost and actual revenue are used to calculate the amount to be placed into or withdrawn from the designation. In Fiscal Year 2007-2008 cost exceeds revenue collected, thus the need to drawdown \$199,469 from the designation. If approved the total amount in this fund balance designation will be \$658,581.

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Recommendations 13 & 14

These recommendations cancel appropriations in the Inactive Waste Site Management Fund (\$90,000) and in the Capital Outlay Fund for Capital Project 1000278, Fallbrook B Burnsite (\$90,000) that were set up for the purchase of the Fallbrook B Burnsite. Landfill Management is not pursuing the purchase of the Fallbrook Burnsite; therefore, this capital project can be cancelled.

Recommendation 15

This recommendation increases the Department of Public Works Internal Service Fund Equipment Operations spending plan in the amount of \$395,000 based on fund balance available, for auto operation and maintenance, fuel, and asset increases. The Fiscal Year 2008-09 spending plan was developed before unanticipated costs were incurred in June 2008. This technical adjustment will align appropriations with expected expenditures.

Recommendation 16

During Fiscal Year 2008-09 budget preparation, it was anticipated that current equipment would be operable for one more fiscal year. Extensive repairs and downtime resulting from lack of equipment for staff to use accelerates the need for purchasing new equipment. This purchase will allow survey crews to collect data points necessary for surveying accuracy and assure that all crews will be using the same software.

Recommendation 17

If approved, this request will establish additional appropriations of \$98,000 in the San Diego County Lighting Maintenance District Fund, based on fund balance available. Spurred by the rise in the value of copper, thefts of copper wires from street lights have increased significantly and impacted several areas around the County. The Department of Public Works personnel who are has responsible for maintaining the affected street re-engineering is utilizing its existing as needed contract for assessment engineering services in processing this fiscal year's assessments of benefiting parcels within the Lighting Maintenance District which has resulted to a more streamlined process and increased accuracy. In addition, the Department of Public Works has initiated procurement of services for retrofitting street lights within the Central Avenue Underground Utility District in Bonita.

Recommendation 18

If approved, this request will establish additional appropriations of \$20,000 in the PRD 1016 El Sereno Way Fund, based on fund balance available. Property owners within Permanent Road Division 1016 have indicated their desire to partially prepay the principal balance on their construction loan in order to save nearly \$9,800 in interest expense. This action is needed to increase the budget for the current fiscal year, by the prepayment amount.

Recommendations 19 & 20

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The Department of Public Works Road Fund budget includes a project to construct a washrack for trucks at the Lakeside Road Station. The proposed structure will be located at the Department of Public Works Lakeside Road Station and will allow the Department to maintain compliance with stormwater regulations when cleaning vehicles and equipment. In order for project costs to be capitalized, however, appropriations need to be budgeted in the Capital Outlay Fund. These requests will establish appropriations of \$503,500 in the Capital Outlay Fund for Capital Project 1012937 Lakeside Washrack Project based on an operating transfer from the Road Fund.

Recommendations 21 & 22

Prop 1B revenue of \$24,060,576 for road services contracts was received and recorded as revenue in Fiscal Year 2007-08. This revenue was also inadvertently budgeted this fiscal year through the carry forward budget. This recommendation will correct the budget by replacing Prop 1B revenue with fund balance available in the Road Fund. It will also substitute fund balance available of \$1,819,390 for Gas Tax revenue that will be under-realized this fiscal year. It will also substitute fund balance available of \$1,819,390 for Gas Tax revenue that will be under-realized this fiscal year in order to maintain gas tax match projects that are currently in progress.

Recommendations 23 & 24

These requests will amend the Airport Non-AMT Fund Spending Plan in the amount of \$993,000 and the Airport AMT Fund Spending Plan in the amount of \$2,472,454 for operating transfers to the Airport Enterprise Fund. These transfers will provide funding for the Palomar Airport Redevelopment Project. On May 9, 2006 (15), the Board approved spending plan amendments for the AMT and Non-AMT Funds to provide funding for capital projects based on bond proceeds from the 2005 Redevelopment Agency Gillespie Field bond issuance transferred in from the Airport Enterprise Fund. Funds in the AMT and Non-AMT funds were inadvertently not carried forward into Fiscal Year 2008-09, therefore, these technical adjustments are necessary in order to align with the budgeted Operating Transfer In in the Airport Enterprise Fund.

Recommendation 25

The multi-year Palomar Airport Redevelopment Project is 95% complete and is expected to be constructed within Board-approved construction funding. On April 18, 2007 (9), the Board approved acceptance of grant funding for this project. The FAA has awarded the County approximately \$17 million in grant funding for this major project, which is providing a new terminal building, parking and many other major upgrades for the traveling public. On April 25, 2007 (5), the Board approved construction of this project, which combined 10 smaller projects into one. With invoice lag times and other impacts, adjustments must occasionally be made between these small projects. The recommendations reflect adjustments in these various smaller sub-projects that must be kept separate to satisfy FAA requirements and there is no net increase or decrease overall for the redevelopment project. Adjustments must be made within the sub-projects to ensure funding for each is maintained.

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Recommendations 26 & 27

The County received fire insurance proceeds in the amount of \$347,993 for damage caused by the 2007 Wildfires at the Fallbrook Community Center and various County parks and preserves. The appropriation of \$100,000 for the Fallbrook Community Center Local Assistance Center (LAC) Recovery capital project will fund the installation of synthetic turf that was destroyed when tents were set-up outside the LAC to handle overflow fire victims during peak times at the LAC. The County Preserve Fire Recovery capital project has been established to fund improvements at park and preserve sites affected by the 2007 Wildfires. The appropriation of \$247,993 for this project will be used to fund the installation of new perimeter fencing, gates and signage and design and construction of new culverts for erosion control in the Lusardi Creek area, located north of Route 56, midway between Routes 5 and 15 as well as in other fire affected parks and preserves (Simon, Potrero, Del Dios Highlands and Santa Ysabel).

Recommendations 28 & 29

Hellhole Canyon was made inaccessible due to damage caused by the October 2007 wild fires. Access has been re-established and the Department of Parks and Recreation is prepared to move forward with erosion mitigation work. These requests will transfer remaining funds of \$25,000 from erosion control projects at William Heise Park to Capital Project 1011440, Fire Recovery Erosion Control Hellhole Canyon Open Space Park to cover costs for erosion mitigation at Hellhole Canyon.

Recommendation 30

This recommendation amends the Fleet Internal Service Fund for the acquisition of two fire trucks based on funding from the Department of Planning and Land Use. The purchase of the equipment was included in the Department of Planning and Land Use's Fiscal Year 08-09 Operational Plan but not budgeted in Fleet Internal Service Fund.

Linkage to the County of San Diego Strategic Plan

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The County of San Diego is fully committed to using its resources to meet the highest priority needs of its residents as identified in the Fiscal Year 2008-09 Budget and outlined by our three Strategic Initiatives – Kids, the Environment, and Safe and Livable Communities.

Respectfully submitted,

[SIGNATURE]

WALTER F. EKARD
Chief Administrative Officer

ATTACHMENT(S)

Schedule A

Schedule B

Notes to Schedules A and B

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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):

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AUTHORIZED REPRESENTATIVE:

Donald F. Steuer, Chief Financial Officer

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AGENDA ITEM INFORMATION SHEET

(continued)

PREVIOUS RELEVANT BOARD ACTIONS:

7/22/08 (16) County of San Diego Fiscal Year 2008-09 Final Budget for Family of Funds, Enterprise Funds and Internal Service Funds, Prior Year Encumbrances, Fleet Services Transfer and Penalty Assessment Resolution; December 9, 2008 (30) Fiscal Year 2008-09 First Quarter Operational Plan Status Report and Budget Adjustments.

BOARD POLICIES APPLICABLE:

N/A

BOARD POLICY STATEMENTS:

N/A

CONTRACT AND/OR REQUISITION NUMBER(S):

N/A

**FY 2008-2009 2nd Quarter
Projected Year-End Results**
(in thousands)

COUNTY SUMMARY

Expenditure Variance	Revenue Variance	2nd Quarter FY08-09 Projected Fund Balance
Favorable/(Unfavorable)		

General Fund

Public Safety	\$ 31,009	\$ (34,746)	\$ (3,738)
Health & Human Services Agency	125,924	(106,566)	19,358
Land Use & Environment	23,120	(23,120)	0
Community Services	4,113	(821)	3,291
Finance & General Government	43,043	16,243	59,286
Total Agency/Group	227,208	(149,011)	78,198
General Revenues	0	(21,192)	(21,192)
Finance Other	30,295	8,668	38,963
Total General Fund	\$ 257,503	\$ (161,534)	\$ 95,969

Special Revenue Funds

Public Safety	\$ 29,207	\$ (28,605)	\$ 602
Health & Human Services Agency	3,300	0	3,300
Land Use & Environment	28,490	(28,069)	420
Community Services	31,693	(26,829)	4,864
Finance & General Government	228	1,160	1,388
Finance Other	0	26	26
Total Special Revenue Funds	\$ 92,918	\$ (82,318)	\$ 10,600

Internal Service Funds Departments

Public Safety Group	\$ 165	\$ 0	\$ 165
Health & Human Services Agency	0	0	0
Land Use & Environment	85	(85)	0
Community Services	17,367	(16,433)	934
Finance & General Government	100	0	100
Finance Other	408	0	408
Total Internal Service Funds	\$ 18,125	\$ (16,518)	\$ 1,607

Enterprise Fund Departments

Land Use & Environment	\$ 1,015	\$ 72	\$ 1,086
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Special District Funds Departments

Public Safety Group	\$ 0	\$ 1	\$ 1
Health & Human Services Agency	0	16	16
Land Use & Environment	1,623	860	2,482
Total Special District Funds	\$ 1,623	\$ 876	\$ 2,499

Other County Funds Departments

LUEG - Debt. Svc. Local Boards	\$ 0	\$ 0	\$ 0
Community Svcs. - Redevelopment Agencies	16	0	16
Finance Other - Majestic Pines	0	0	0
Total Other County Funds	\$ 16	\$ 0	\$ 16

Debt Service - Pension Obligation Bonds	\$ 19,693	\$ (15,535)	\$ 4,159
Total County Projected Operating Balance	\$ 390,893	\$ (274,958)	\$ 115,936

**FY 2008-2009 2nd Quarter
Projected Year-End Results**

(in thousands)

PUBLIC SAFETY GROUP

Expenditure Variance	Revenue Variance	2nd Quarter FY08-09 Projected Fund Balance
Favorable/(Unfavorable)		

General Fund Departments

Alternate Public Defender	\$ 195	\$ (60)	\$ 135
Child Support	0	749	749
Contributions for Trial Courts	1,184	(1,184)	0
Defense Attorney Contract Admin.	204	(204)	0
District Attorney	7,966	(5,813)	2,154
Emergency Services	152	1	153
Law Enforcement Review Board	85	1	87
Medical Examiner	271	(53)	218
Probation	7,300	(7,300)	0
Public Defender	790	(454)	336
Public Safety Executive Office	2,622	(14,172)	(11,550) *
Sheriff	10,240	(6,259)	3,981
Total General Fund	\$ 31,009	\$ (34,746)	\$ (3,738)

Special Revenue Funds Departments

District Attorney (Asset Forfeiture - State & Federal)	150	0	150
Probation - Asset Forfeiture	0	44	44
Probation - Inmate Welfare Program	0	0	0
Sheriff - Asset Forfeiture	0	8	8
Sheriff - Inmate Welfare Program	57	342	400
Public Safety - Proposition 172	29,000	(29,000)	0
Total Special Revenue Funds	29,207	(28,605)	602

Internal Service Funds Departments

Probation	0	0	0
Sheriff(Jail Stores)	165	0	165
Total Internal Service Funds	165	0	165

Special District Funds

Sheriff (Regional 800 MHz)	0	1	1
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Total Group Projected Fund Balance	\$ 60,381	\$ (63,351)	\$ (2,970)
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* Reduction in Operating Transfers In from Prop 172 Sp Rev Fund not fully allocated to departments

**FY 2008-2009 2nd Quarter
Projected Year-End Results**

(in thousands)

HEALTH & HUMAN SERVICES AGENCY

Expenditure Variance	Revenue Variance	2nd Quarter FY08-09 Projected Fund Balance
Favorable/(Unfavorable)		

General Fund Programs

Administrative Support	\$ 36,474	\$ (20,452)	\$ 16,022
Aging & Independence Services	6,071	(5,423)	648
Behavioral Health Services	48,704	(48,540)	164
Child Welfare Services	21,811	(21,552)	258
Public Administrator/Public Guardian	32	43	75
Public Health Services	3,501	(3,381)	120
Regional Operations	(2,259)	4,042	1,783
Strategic Planning & Operational Support	11,589	(11,301)	288
Total General Fund	\$ 125,924	\$ (106,566)	\$ 19,358

Special Revenue Funds

Tobacco Securitization Fund	3,300	0	3,300
Total Special Revenue Funds	3,300	0	3,300

Internal Service Funds

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

Ambulance Districts	0	16	16
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Other County Funds Departments

	0	0	0
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Total Health & Human Services Agency	\$ 129,224	\$ (106,550)	\$ 22,674
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**FY 2008-2009 2nd Quarter
Projected Year-End Results**

(in thousands)

LAND USE & ENVIRONMENT GROUP

Expenditure Variance	Revenue Variance	2nd Quarter FY08-09 Projected Fund Balance
Favorable/(Unfavorable)		

General Fund Departments

Agriculture, Weights & Measures	\$ 400	\$ (253)	\$ 147
Environmental Health	3,201	(2,619)	582
Land Use & Environment Group Exec Office	1,682	(62)	1,621
Parks & Recreation	1,059	475	1,534
Planning & Land Use	7,993	(6,516)	1,477
Public Works	8,785	(14,145)	(5,361)
Total General Fund	\$ 23,120	\$ (23,120)	\$ 0

Special Revenue Funds Departments

A,W & M (Grazing and Fish & Game Commission)	0	0	0
Parks & Recreation - PLDO	(0)	320	320
DPW - Aviation Funds	0	0	0
DPW - Road Funds	26,516	(26,516)	0
DPW - Inactive Waste	1,974	(1,874)	100
Total Special Revenue Funds	28,490	(28,069)	420

Internal Service Funds Departments

Public Works - DPW Equip. ISF Prg. (35525-35700)	85	(85)	0
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Enterprise Funds Departments

Airport Enterprise Fund	524	128	652
Liquid Waste Enterprise Fund	491	(56)	434
Total Enterprise Funds:	1,015	72	1,086

Special District Funds Departments

Air Pollution Control District	479	126	605
Parks and Recreation	0	0	0
Planning and Land Use - CSAs	0	26	26
DPW - Sanitation Districts & Sewer Maintenance	1,144	693	1,837
DPW - CSAs	0	0	0
DPW - PRDs	0	0	0
DPW - Flood Control	0	0	0
DPW - Street Lighting Districts	0	14	14
Total Special Districts Funds:	1,623	860	2,482

Other County Funds Departments

Debt Service-Local Boards	0	0	0
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Total Land Use & Environment Group	\$ 54,333	\$ (50,344)	\$ 3,989
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**FY 2008-2009 2nd Quarter
Projected Year-End Results**

(in thousands)

COMMUNITY SERVICES GROUP

Expenditure Variance	Revenue Variance	2nd Quarter FY08-09 Projected Fund Balance
Favorable/(Unfavorable)		

General Fund Departments

Animal Services	\$ 550	\$ (192)	\$ 358
Community Services Group Exec Office	1,798	0	1,798
General Services	0	0	0
Housing & Community Development	553	58	610
Purchasing & Contracting	15	0	15
Library Services	0	0	0
Registrar of Voters	1,198	(687)	510
Total General Fund	\$ 4,113	\$ (821)	\$ 3,291

Special Revenue Funds Departments

Library Services	5,710	(847)	4,864
Housing & Community Development	25,983	(25,983)	0
Total Special Revenue Funds	31,693	(26,829)	4,864

Internal Service Funds Departments

Facilities Management	16,435	(15,676)	759
Fleet Management	727	(552)	175
Purchasing & Contracting	205	(205)	0
Total Internal Service Funds	17,367	(16,433)	934

Other County Funds Departments

Redevelopment Agency	16	0	16
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Total Community Services Group	\$ 53,189	\$ (44,083)	\$ 9,105
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**FY 2008-2009 2nd Quarter
Projected Year-End Results**

(in thousands)

**FINANCE & GENERAL GOVERNMENT
GROUP**

Expenditure Variance	Revenue Variance	2nd Quarter FY08-09 Projected Fund Balance
Favorable/(Unfavorable)		

General Fund Departments

Assessor/Recorder/County Clerk	\$ 1,831	\$ (4,189)	\$ (2,357)
Auditor & Controller	1,130	(424)	706
Board of Supervisors	292	1	293
CAC-Major Maintenance	-	-	-
Chief Administrative Officer	423	0	423
Civil Service Commission	43	0	43
Clerk of the Board of Supervisors	500	0	500
County Counsel	660	137	797
County Technology Office	319	(210)	109
Finance & GG Exec Office	36,372	21,000	57,372
Grand Jury	41	0	41
Human Resources	1,204	145	1,349
Treasurer-Tax Collector	227	(216)	10
Total General Fund	\$ 43,043	\$ 16,243	\$ 59,286

Special Revenue Funds Departments

Media & Public Relations	228	1,160	1,388
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Internal Service Funds Departments

CTO - Information Technology	100	0	100
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**Total Finance & General
Government Group**

\$ 43,370	\$ 17,403	\$ 60,773
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**FY 2008-2009 2nd Quarter
Projected Year-End Results**

(in thousands)

**GENERAL REVENUES &
FINANCE OTHER**

Expenditure Variance	Revenue Variance	2nd Quarter FY08-09 Projected Fund Balance
Favorable/(Unfavorable)		

General Fund

General Revenues:

All Current Property Taxes	\$ 0	\$ (28,792)	\$ (28,792)
All Other Taxes-Local	0	8,170	\$ 8,170
Licenses, Permits & Franchises	0	(187)	\$ (187)
Fines, Forfeitures & Penalties	0	937	\$ 937
Revenue for Use of Money & Property	0	(3,555)	\$ (3,555)
Intergovernmental Revenue	0	559	\$ 559
Charges for Current Services	0	0	\$ 0
Miscellaneous Revenue	0	1,676	1,676
Total General Revenues	\$ 0	\$ (21,192)	\$ (21,192)

General County Expenses:

Cash Borrowing Program	\$ 9,675	\$ 0	\$ 9,675
Community Enhancement	0	0	0
Contingency Reserve	20,294	0	20,294
Contributions to the Capital Outlay Fund	138	(68)	70
Contributions to Library Fund	0	0	0
Community Projects & Services	0	0	0
Countywide Expenses	188	8,736	8,924
Total Finance Other Expenses	\$ 30,295	\$ 8,668	\$ 38,963
Total General Fund	\$ 30,295	\$ (12,523)	\$ 17,772

Special Revenue Funds Departments

Capital Program	\$ 0	\$ 26	\$ 26
Total Special Revenue Funds	\$ 0	\$ 26	\$ 26

Internal Service Funds Departments

Workers Compensation	\$ 4,000	\$ 0	\$ 4,000
Unemployment Insurance	0	0	0
Public Liability	(3,592)	0	(3,592)
Total ISF Funds	408	-	408

Other County Funds Departments

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

Pension Obligation Bonds	\$ 19,693	\$ (15,535)	\$ 4,159
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Total General Revenues & Finance Other	\$ 50,396	\$ (28,032)	\$ 22,365
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FY 2008-2009 2nd Quarter
Projected Year-End Results
(in thousands)

Category	Projected Management & Contingency Reserves	Projected Operating Balances	2nd Quarter FY08-09 Projected Fund Balance
	Favorable/(Unfavorable)		
General Fund			
Public Safety	\$ 725	\$ (4,463)	\$ (3,738)
Health and Human Services Agency	15,000	\$ 4,358	19,358
Land Use and Environment	1,185	\$ (1,185)	0
Community Services	1,750	\$ 1,541	3,291
Finance & General Government	5,130	\$ 54,156	59,286
Agency/Group Totals	\$ 23,790	\$ 54,408	\$ 78,198
General Revenues	0	(21,192)	(21,192)
General County Expenses	0	18,669	18,669
Contingency Reserve	20,294	0	20,294
Total Gen'l. Revs & Gen'l. County Exp.	\$ 20,294	\$ (2,522)	\$ 17,772
Total General Fund	\$ 44,084	\$ 51,886	\$ 95,969

COUNTY OF SAN DIEGO
NOTES TO SCHEDULES A and B
FY 2008 - 09 2nd QUARTER

GENERAL NOTES

Projected Fund Balance

Projected fund balance as presented in this report is defined as the projected excess of revenues over expenditures as a result of current fiscal year operations. Schedule A presents projections by Group and Department by fund or fund type.

Contingency Reserve and Management Reserves

The County's General Fund budget contains a Contingency Reserve each year to be used in the event of unforeseen expenses or to offset revenue shortfalls. Management Reserves are appropriations that are set-aside at the Group or department level for unanticipated needs or planned future one-time expenses. Schedule B shows a summary of the General Fund's projected fund balance by Group/Agency that distinguishes between projected contingency/management reserve balances and operating balances.

Variance Reporting

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

Child Support Services

A net positive variance of \$0.7 million is projected for the Department of Child Support Services.

A net positive variance of \$1.0 million is projected for intergovernmental revenues due to an increase in claimable expenditures. This is offset by a net negative variance of \$0.3 million in charges for current services due to a projected decline in public assistance child support collections.

Contributions for Trial Courts

No net variance is projected for Contributions for Trial Courts.

A net positive variance of \$1.2 million is projected for expenditures. This is comprised of a negative variance of \$0.1 million in services and supplies due to Mental Health Attorney Service costs and savings of \$1.3 million in other charges to recognize the level of expenditures required to support the revenue sharing requirements of Government Code 77205, related to Trial Court Funding.

A net negative variance of \$1.2 million is projected for revenues. This is comprised of a positive variance of \$0.2 million in fines, forfeitures & penalties to recognize the anticipated levels of revenues received, offset by a \$1.4 million decrease in charges for current services. The decrease in the charges for current services is comprised of an increase of \$1.0 million in Traffic School Fines and Other Court Costs and a reduction of \$2.4 million in Recording fees. As a result of the general economic recession in the national, state and local economy and the associated impacts on the housing market, revenues from Recording Fees allocated to the County to support statutory Contributions to Trial Courts have declined.

District Attorney

A net positive variance of \$2.1 million is projected for the District Attorney's Office.

A net positive variance of \$7.9 million is projected for expenditures. This positive variance is primarily due to projected savings in salaries and benefits of \$13.7 million due to normal attrition, positions being held open in response to the economic downturn, and savings from modified positions. A negative expenditure variance of \$3.8 million is projected in services and supplies comprised of \$1.4 million for one time Information Technology upgrades, \$1.0 million due to unanticipated costs in building improvements, \$0.5 million in Information Technology ISF costs for computing power, \$0.4 million in facilities maintenance costs, \$0.3 million due to an unanticipated increase in the number and costs of witness protection and relocation cases and \$0.2 million in professional expert testimony. A negative expenditure variance of \$1.0 million is projected in capital assets due to one time Information Technology upgrades. A negative expenditure variance of \$1.0 million is projected in expenditure transfers and reimbursements due to normal attrition and delays in filling vacant positions in the Public Assistance Fraud Unit.

A net negative revenue variance of \$5.8 million is projected. This negative variance is primarily attributable to a projected shortfall of \$5.0 million in Proposition 172 revenue due to the national, state and local economic recession and reduced consumer spending. A net negative variance of \$1.5 million is projected in intergovernmental revenues. This consists of \$1.8 million of reductions in State Grants (\$0.8 million for the High Technology Prosecution Program, \$0.2 million for the High Technology Identity Theft Program, \$0.4 million for the Vertical Prosecution Block Grant, \$0.1 million for the Spousal Abuse Prosecution Program, \$0.2 million the Parole Advocacy Program, and a

reduction of \$0.1 million for the Citizen's Option For Public Safety program) offset by an increase of \$0.3 million from the State Department of Insurance Urban Auto Fraud Grant. Additional revenue offsets include unanticipated revenue from Proposition 64 Consumer Trust Fund of \$0.6 million, and \$0.1 million from the Indian Gaming Trust Fund. These projected shortfalls are mitigated by the expenditure variances shown above.

Probation

No net variance is projected for the Probation Department.

A net positive expenditure variance of \$7.3 million is projected. This is comprised of a \$6.5 million positive variance in salaries and benefits resulting from positions not funded following enacted and projected State Budget reductions. A \$1.1 million positive variance is projected in services and supplies due to savings in contracted services and other services and supplies also related to State Budget reductions. A negative variance of \$0.3 million in other charges is primarily due to increased Foster Care costs.

A net negative revenue variance of \$7.3 million is projected. This is comprised of anticipated State Budget reductions related to the Juvenile Justice Crime Prevention Act of \$0.9 million and Juvenile Probation Camps Funding of \$2.8 million. In addition, the Youthful Offender Block Grant is projected to be \$0.9 million under budget, due to revised allocations. A shortfall of \$2.5 million is projected for Proposition 172 revenue due to the national, state and local economic recession and reduced consumer spending. An additional \$0.2 million will be under-realized in various other revenue sources, such as Other Court Costs.

Public Defender

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

A positive variance in salaries & benefits of \$0.8 million is projected for the Public Defender. The savings is projected to be realized from modified positions and staff turnover.

A negative revenue variance of \$0.4 million is primarily due to a reduction in recovery and collection of court appointed attorney fees.

Public Safety Group Executive Office

A net negative variance of \$11.6 million is projected for the Public Safety Group Executive Office.

A positive expenditure variance of \$2.6 million is projected primarily due to anticipated savings in contracted services, application services and in major maintenance due to a large multi-year project that is being successfully managed to require fewer resources.

A net negative revenue variance of \$14.2 million is projected primarily due to the inclusion of a \$15.5 million negative variance for Proposition 172 revenues that will be under-realized throughout the Public Safety Group. The shortfall in these revenues is more fully explained in the Proposition 172 section below. Other revenue variances in the Executive Office include an additional \$0.8 million in revenues for rents and concessions and an additional \$0.5 million in miscellaneous revenues.

Sheriff

The Sheriff's Department projects a net positive variance of \$4.0 million.

An overall positive expenditure variance of \$10.3 million is projected. Salaries and benefits are projected to be \$15.9 million under budget due to salary savings as a result of 125 vacant positions (50 sworn and 75 professional staff). This projection includes "Expected New Hires" of 53 sworn staff from forthcoming detention and law enforcement academies, 10 professional staff, and 100 retirements/departures, for a net decrease of 37 sworn and professional staff by the end of the fiscal year. A negative expenditure variance of \$0.7 million is projected in services and supplies primarily due to additional expenditures for increased costs for food and pharmaceuticals in the jails. A negative variance of \$5.6 million is projected in other charges supporting inmate medical care due to the increased number of inmates with serious medical conditions requiring more and longer hospitalizations and increased clinic visits. In addition, there is a projected year-end balance of \$0.7 million in management reserves.

A net negative revenue variance of \$6.3 million is projected. A negative variance of \$6.0 million is projected in Operating Transfer from Proposition 172 Fund due to a projected shortfall in Proposition 172 revenue due to the national, state and local economic recession and reduced consumer spending. A negative variance of \$1.3 million is projected due to the probable renegotiation of the contract with the City of San Diego for housing City misdemeanants. A positive variance of \$0.6 million is projected in Recovered Expenditures primarily due to FEMA reimbursement for the Angel Fire expenditures, California Department of Forestry and Fire Protection reimbursement for helicopter services provided on an as-needed basis and miscellaneous reimbursements and refunds. A positive variance of \$0.2 million is projected in State Criminal Alien Assistance Program (SCAAP) due to increased efforts to identify and verify undocumented criminal aliens for which incarceration costs could be claimed. A number of miscellaneous revenue sources are projected to provide an additional combined positive variance of \$0.2 million.

Special Revenue Funds

Sheriff's Inmate Welfare Fund

A net positive variance of \$0.4 million is projected for the Inmate Welfare Fund. This is due to a reimbursement from the Grossmont Union High School District for overpayment of contracted educational services.

Proposition 172

No net variance is projected for the Proposition 172 Special Revenue Fund.

The Proposition 172 Special Revenue Fund finished Fiscal Year 2007-08 with no available fund balance. Actual realized revenues for Fiscal Year 2007-08 were \$22.4 million less than the Adopted Operational Plan amount.

In Fiscal Year 2008-09, the severe nationwide economic recession, including the continuing decline in the housing market, is resulting in reduced consumer spending and reduced sales tax revenues which are the basis for Proposition 172 receipts. In addition, the San Diego region is generating a proportionately smaller share of sales tax revenues compared to other areas of the state. As a result, current year revenues are projected to be between \$29.0 and \$35.0 million under budget. Expenditures from the Special Revenue Fund will be capped to match anticipated revenues and are therefore projected to be \$29.0 million under budget for no net variance in the fund. The public safety departments that receive Proposition 172 revenues, including the Sheriff, District Attorney and the Probation Department, have adjusted their current revenue projections to anticipate a portion of this shortfall. The mitigations for the entire amount of the shortfall of \$29.0 million include current projected operational savings and the future planned appropriation of fund balance. Specific recommendations will be brought to your Board in the Third Quarter Operational Plan Status Report. At that time, appropriations of fund balance and/or transfers of appropriations within the General Fund may be required to sustain current service levels in the public safety departments that rely on Proposition 172 revenues. Revenues will continue to be closely monitored, projections will be updated and requests for mitigation actions will be included as noted above in future reports to your Board.

HEALTH AND HUMAN SERVICES

General Fund

HHS is projecting an overall positive fund balance of \$19.4 million. This is a significant increase from the \$0.4 million fund balance projected in First Quarter Operational Plan Status Report. The increase is due to the Agency's mitigation efforts in dealing with the economic downturn and reduced funding. Since first quarter, the Agency developed a multi-phase "Economic Reality Plan" to bring spending in alignment with available funding for Fiscal Year 2008-09 and to prepare for the Fiscal Year 2009-10 Operational Plan. The "Economic Reality Plan" allows HHS to manage the adverse impact of the

economy by keeping positions vacant and reducing projects with no impact to services to the community. Realignment continues to be seriously impacted by the weakened economy and HHSA is projecting a shortfall of \$36.0 million from budget. Realignment revenues consist of Sales Tax and Vehicle License Fees (VLF). Current projections indicate that Sales Tax collections Statewide could be down by 10% and VLF down by 8% by year-end. There continues to be great uncertainty as to the state of the economy and these forecasts are being adjusted monthly as more data becomes available.

Administrative Support

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

A net positive variance of \$16.0 million is projected for Administrative Support. The variance is the result of \$36.4 million in expenditure savings and \$20.4 million in projected under-realized revenues.

The \$36.4 million expenditure savings include \$0.7 million in salaries and benefits due to vacant positions, \$20.2 million in services and supplies, \$15.0 million in projected year-end management reserves and \$0.5 million in capital assets equipment. The \$20.2 million savings in services and supplies is comprised of \$8.0 million for pandemic or bio-terrorism emergency appropriation savings associated with unsecuritized tobacco, \$5.5 million in savings associated with Major Maintenance and Imaging Projects, \$5.0 million in savings associated with glide slope reserve, and \$1.7 million in savings associated with various other services and supplies.

The \$20.4 million under-realized revenue includes \$12.8 million of realignment revenue (as discussed above in the Agency summary), \$8.0 million of unsecuritized tobacco settlement revenue offset by \$0.4 million of unanticipated miscellaneous revenues.

Aging and Independence Services

A net positive variance of \$0.6 million is projected for Aging & Independence Services. The variance is the result of \$6.0 million in expenditure savings and \$5.4 million in projected under-realized revenue.

The \$6.0 million expenditure savings includes an over-expenditure of \$0.7 million in salaries and benefits primarily for In Home Supportive Services (IHSS) and Adult Protective Services (APS) offset by savings of \$4.4 million in services and supplies, \$0.7 million in operating transfers for In Home Support Services-Public Authority due to timely abatements received for Health Benefits and \$0.2 million in Capital Assets. The \$4.4 million in services and supplies includes \$2.7 million due to IHSS Individual Provider costs projected as less than budgeted and \$1.7 million in reductions in

programs for the Aged associated with State budget cuts. The \$5.4 million of under realized revenue is associated with the expenditure savings due to decreased funding.

Behavioral Health Services

Behavioral Health Services consists of the following: Mental Health Services, Alcohol and Drug Services, and In-patient Health Services comprised of the San Diego County Psychiatric Hospital and Edgemoor Hospital.

A net positive variance of \$0.2 million is projected for Behavioral Health Services. The variance is the result of \$48.7 million in expenditure savings and \$48.5 million in projected under-realized revenues.

The \$48.7 million expenditure savings includes \$1.3 million in salaries and benefits throughout Behavioral Health due to vacancies and \$47.4 million in services and supplies. The \$47.4 million includes \$45.7 million of savings in contracted services, and \$1.7 million in savings in other miscellaneous services and supplies. The \$45.7 million savings in contracted services includes \$33.0 million of un-awarded Mental Health Services Act (MHSA) contracts due to delayed implementation pending plan approval by the State; \$4.8 million in Alcohol and Drug Services (EPSDT) due primarily to aligning revenues to State allocations including cuts by the State to Prop 36 and the Offender Treatment program (OTP); \$4.3 million in Early Periodic Screening, Diagnosis and Treatment/Medi-Cal services due to the decrease of EPSDT contractor spending associated with the increase in accessibility of MHSA funding and the termination of three contracts due to a decrease in client needs; \$2.4 million in savings associated with prior year encumbrances that are not needed, and \$1.2 million in Institutional Services due to a reduction in utilization trend. The \$48.5 million in projected under-realized revenues is associated with the expenditure savings.

County Child Welfare Services

A net positive variance of \$0.3 million is projected for County Child Welfare Services (CCWS). The net variance is the result of \$21.8 million in expenditure savings and \$21.5 million in projected under-realized revenues.

The \$21.8 million expenditure savings includes \$1.4 million in salaries and benefits due to vacant positions, \$23.4 million in assistance payments for Severely Emotionally Disturbed (SED), Foster Care, Aid to Adoptive Parents (AAP) and KinGap based on revised estimates of caseload levels, growth trends, and unit cost per case. The savings are offset by a \$3.0 million over-expenditure in services and supplies primarily due to increased costs associated with court ordered travel, mobility project to improve social worker efficiency in service delivery to children and families, hiring of temporary staff, and facilities repair for Polinsky and the San Pasqual Academy. The \$21.5 million in under-realized revenues is associated with the expenditure savings primarily for assistance payments. Of the \$21.5 million in under-realized revenues, \$7.9 million is

Social Services Realignment. Realignment is used to partially cover the local match requirements for assistance payments. Since there is a \$23.4 million projected savings in assistance payments, the match is not required and is reflected as under-realized Realignment which helps mitigate the overall Realignment shortfall the Agency is experiencing.

Public Health Services

A net positive variance of \$0.1 million is projected for Public Health Services. The variance is a result of \$3.5 million in expenditure savings and \$3.4 million in projected under-realized revenues.

The \$3.5 million projected expenditure savings includes \$0.9 million in salaries and benefits due to vacant positions, \$2.5 million in services and supplies and \$0.1 million in other charges. The \$2.5 million savings in services and supplies is the result of \$0.6 million in contracted services and \$1.9 million in various service and supplies. The \$0.6 million savings in contracted services includes \$0.5 million in Bioterrorism contracts, \$0.5 million in Immunizations due to funding reductions, and \$0.3 million in various Maternal, Child and Family Health Services contracts due to a delay in the contract procurement process, offset by additional costs of \$0.7 million in HIV contracts due to additional Ryan White funding. The \$3.4 million of under realized revenue is associated with the expenditure savings.

Regional Operations

Regional Operations consists of the following: Central, East, North Central, North Coastal, North Inland, and South regions, Community Action Partnership, Regional Self-Sufficiency and Regional Child Welfare Services.

A net positive variance of \$1.8 million is projected for Regional Operations. The variance is a result of a \$2.2 million negative expenditure variance and \$4.0 million in projected over-realized revenue.

The negative expenditure variance of \$2.2 million includes \$4.4 million in savings in salaries and benefits due to vacant positions, \$2.1 million in savings in services & supplies, offset by an \$8.1 million over-expenditure in other charges based on projected caseloads for CalWORKS, Welfare to Work, and Child Care payments, and a \$0.6 million increase in Support and Care in California Children's Services. The weakened economy and increase in unemployment has led to significant increases in caseloads and associated costs. The \$4.0 million in projected over-realized revenues is associated with the over-expenditure in other charges and social service administrative revenue for external A-87 costs.

Strategic Planning and Operational Support

A net positive variance of \$0.3 million is projected for the Strategic Planning & Operational Support Division (SPOSD). The variance is the result of \$11.6 million in expenditure savings and \$11.3 million in projected under-realized revenues.

The \$11.6 million expenditure savings includes \$0.4 million in over-expenditures in salaries and benefits due to additional staff needed to address assessment and eligibility activities for County Medical Services (CMS) offset by \$12.0 million in expenditures savings in services and supplies including \$8.3 million in CMS due to continued start-up of the Coverage Initiative and lower than expected retro-active CMS payments for prior year claims, \$2.5 million associated with the Welfare Case Data Information System and CalWIN and \$1.2 million in CalWORKS employment pay for performance contracts. The \$11.3 million projected under-realized revenue is associated with the expenditure savings. Of the \$11.3 million in under-realized revenues, \$6.5 million is associated with the Coverage Initiative, \$2.7 million in Realignment associated with SPOS Administration service and supply savings, and \$2.1 million in various revenues.

Special Revenue Funds

Tobacco Securitization Fund

A net positive variance of \$3.3 million is projected in the Securitized Tobacco Settlement Fund. This represents the difference between the projected annual available amount of Tobacco funds and what the Board of Supervisors has approved, based on an annual draw of \$27.5 million.

LAND USE AND ENVIRONMENT GROUP

General Fund

Agriculture, Weights & Measures

A net positive variance of \$0.1 million is projected for the Department of Agriculture, Weights and Measures as follows.

There is a net positive variance in expenditures of \$0.4 million. Projected savings of \$1.4 million in salaries and benefits are mainly due to effectively managing vacancies to reduce the impact from any future loss of state and fee revenue in response to the economic downturn. This is offset by a negative variance in services and supplies of \$1.1 million mainly due to the implementation of the Business Case Management System. The salaries and benefits savings will be redirected to the cover these excess costs. A positive net variance of \$0.1 million in expenditure transfers and

reimbursements is due to the increased services provided to other departments for things like West Nile Virus testing, etc.

Projected under-realization of revenue is \$0.3 million due to a loss of \$0.2 million in the Pest Detection and Pest Exclusion State contracts, \$0.1 million in Unclaimed Gas Tax state subvention, \$0.1 million in fees for Veterinarian services, and \$0.1 million in various revenue accounts. These negative revenue variances are partially offset by a positive variance of \$0.2 million in fines, forfeitures and penalties.

Environmental Health

A net positive variance of \$0.6 million is projected for the Department of Environmental Health.

A favorable expenditure variance of \$3.2 million is as follows. The projected savings of \$1.9 million in salaries and benefits are due to vacancies due to normal attrition, delays in hiring, under-filling positions and holding positions vacant. Projected savings in services and supplies of \$1.3 million is due to closely monitoring spending activities to ensure costs do not exceed revenue and a delay in completing the Topaz remodel project (\$0.6 million).

A net negative revenue variance of \$2.6 million is projected. This variance consists primarily of under-realized revenue of \$1.7 million in Sanitation Other due to lower than anticipated expenses in the Vector Control Program related to on-going vacancies and a delay in completing the Topaz facility remodel project this fiscal year. A shortfall of \$0.3 million in State Coastal Water funding is due to State budget cuts affecting this program. The remaining variance is spread over various other revenue accounts. These variances are due to the downturn in economy overall. These shortfalls are offset by savings in salaries and benefits and services and supplies costs.

Land Use and Environment Group – Executive Office

A net positive variance of \$1.6 million is projected by year end. This amount is primarily due to a projected year-end balance of \$1.2 million in the group's management reserves, which were designated for various departments' BCMS implementation costs. However some departments may be able to absorb some of these costs in the present year since expenditures have come in lower than anticipated. As a result, these reserves will be made available in the subsequent fiscal year to continue to roll out the Group's BCMS as planned. In addition, there are \$0.4 million in projected services and supplies savings that are also for reduced BCMS implementation costs.

Parks and Recreation

A net positive variance of \$1.5 million is projected for Parks and Recreation. The positive expenditure variance of \$1.0 million is due to savings in salaries and benefits. These savings are from maintaining vacancies and under filling positions as part of the

department's plan to mitigate upcoming budget impacts. The positive revenue variance of \$0.5 million is due to \$0.2 million from additional activities related to capital projects and \$0.3 million in recovered expenditures primarily for environmental surveys and 2003 firestorm costs.

Planning and Land Use

A net positive variance of \$1.5 million is projected for the Department of Planning and Land Use. This projection includes mid-year staffing reductions and assumes the re-budget of multi-year one-time only Fiscal Year 2008-09 funding totaling \$4.3 million for programs such as the General Plan Update, Fire Authority, MSCP, Business Case Management System, etc.

A positive expenditure variance of \$8.0 million is split between salaries and benefits and services and supplies. Savings of \$3.1 million in salaries and benefits is the result of keeping vacancies open due to the economic downturn as well as anticipating the re-budget of one time only staff funding of \$0.9 million for the Business Case Management System. Savings of \$4.9 million in services and supplies is due to a projected savings in contracted services related to the Hazardous Fuels Reduction activities (negotiations and issuance of contracts is taking longer than anticipated).

The net negative revenue variance of \$6.5 million is comprised of several accounts. The main source of the variance is the \$4.1 million grant reimbursement for the Hazardous Fuels Reduction program, which will not occur now until Fiscal Year 2009-2010. In addition, requests for Plan Check and Field Inspections are \$1.1 million lower than anticipated as a result of a lower than normal number of construction projects in the unincorporated area. Also, services to property owners revenue relating to Discretionary Permitting is \$1.5 million lower than anticipated. These negative revenue variances are partially offset by projected positive revenue variances in fines, forfeitures, & penalties (\$0.2 million).

Public Works

A net negative variance of \$5.4 million is projected in the Department of Public Works General Fund.

A positive variance of \$8.8 million in services and supplies is projected due to savings in contracted services for the 2007 fires. Original estimates and contractor invoices are still being reviewed and final settlement may not occur until next fiscal year.

A negative revenue variance of \$14.1 million is projected due to overstated State and Federal reimbursement estimates and an adjustment for prior year accruals. \$4.0 million in State revenue was accrued in Fiscal Year 2007-08 based on notification from the State. The County was later informed, subsequent to year-end, that the notification was in error. This required a \$4.0 million revenue adjustment in the current fiscal year.

In addition, the department budgeted \$10.1 million for State and Federal reimbursements for estimated fire related expenditures that exceeded actual costs.

Specific recommendations, utilizing Land Use and Environment Group fund balance to mitigate the net negative variance will be brought to your Board in the Third Quarter Operational Plan Status Report.

SPECIAL REVENUE FUNDS

Parks and Recreation

Parkland Dedication Funds (PLDOs)

A net positive variance of \$0.3 million is projected for P4500 – Park Land Dedication Funds due to \$0.2 million in additional revenue from park land dedication fees and \$0.1 million in unanticipated interest revenue.

Public Works

Road Fund

No overall variance is projected for the Road Fund.

A positive expenditure variance of \$26.5 million is projected. Projected savings of \$2.7 million in salaries and benefits is due to retirements, under-filling positions, turnover and vacancies pending recruitment. Savings of \$23.8 million is projected in services and supplies as a result of cancellation of projects due to a delay in Prop 1B funding, cancellation of encumbrances for completed projects, less consultant work requested due to more in-house labor support, abatement of expenditures for Valley Center North due to reimbursement from utility companies and minor savings in capital assets equipment due to changes in equipment specifications and other charges due to savings from completed projects.

A negative revenue variance of \$26.5 million is projected. Intergovernmental revenue is projected to be under-realized by \$18.3 million. This consists of projected shortfalls of \$2.7 million in gas tax and \$3.6 million in Prop 42 revenue as a result of a reduction in miles driven caused by the economic downturn, a delay in receiving \$10.4 million in Prop 1B funding until next fiscal year from the State and \$1.6 million of FHWA and other federal funding that will not be realized for reimbursable projects that are under budget. Miscellaneous revenue is projected to be under-realized by \$3.5 million due to an abatement of expenditures for a reimbursement from utility companies. Charges for current services are projected to be under-realized by \$3.3 million primarily due to a decrease in work for others. Licenses permits and franchise revenue is projected to be under-realized by \$0.1 million due to the transfer of the Public Counter to the Department of Planning and Land Use. Interest on Deposits and Investments is

projected to be under-realized by \$0.6 million due to a decrease in the earnings rate. \$0.7 million in Transnet funding will not be realized due to projects that are complete and under budget.

Inactive Waste

A net positive variance of \$0.1 million is projected for Inactive Waste.

A positive variance of \$2.0 million is projected for expenditures. A positive variance of \$1.9 million in services and supplies is due to savings from delayed Groundwater, Stormwater, and Gas contract projects, including Capital Improvement Projects. A positive variance of \$0.1 million in operating transfers out is due to a cancellation of the purchase of the Fallbrook burnsite.

A negative variance of \$1.9 million is projected. This includes \$1.2 million in decreased contributions from the Environmental Trust Fund and \$0.5 million less in grant revenue, both due to the reduced expenditures noted above. Also, a \$0.2 million shortfall is projected in interest earning due to a decrease in the earnings rate.

ENTERPRISE FUNDS

Airports

A net positive variance of \$0.6 million is projected for the Airport Enterprise Fund.

A net positive expenditure variance of \$0.5 million includes \$0.1 million of projected savings in salaries and benefits due to turnover and vacancies and pending recruitment and \$0.4 million of savings in services and supplies due to lower than anticipated expenses for as-needed consultant contracts.

A net positive revenue variance of \$0.1 million is due \$0.3 million in over-realized lease equity payments offset by a \$0.2 million negative variance in charges for current services due to a decrease in work for others.

Liquid Waste

A net positive variance of \$0.4 million is projected in the Wastewater Management Enterprise Fund.

A net positive expenditure variance of \$0.5 million includes \$0.3 million in salaries and benefits due to unfilled vacancies in the first half of the fiscal year and \$0.2 million in savings in services and supplies due to savings in major maintenance on facilities.

A negative variance of \$0.1 million in revenue is projected due to less work in general funded projects.

SPECIAL DISTRICTS

Air Pollution Control District

A net positive variance of \$0.6 million is projected by year-end for the Air Pollution Control District (APCD). A net positive variance of \$0.4 million is projected in Operations and a \$0.2 million positive variance is projected for the eight incentive program funds.

A net positive expenditure variance of \$0.5 million results from savings of \$0.9 million in salaries and benefits due to unfilled vacancies and \$0.2 million in services and supplies and capital assets equipment due to planned delays of replacing cubicles and old furniture. This is offset by a \$0.6 million increase in expenditures for incentive program matches.

A net positive revenue variance of \$0.1 million results from \$0.2 million in interest earnings in the incentive program funds and \$0.6 million in over-realized revenue from an incentive program, offset by a projected \$0.7 million decrease in revenue for Operations due to a decrease in the number of active permits and a reduction in asbestos notifications.

Public Works

Sanitation Districts

A net positive variance of \$1.8 million is projected in the Sanitation Districts.

A positive variance of \$1.1 million in services and supplies expenditures is projected. This includes \$0.8 million due to an adjustment in current year costs for water transportation based on an audit of the Metropolitan Sewage Transportation System and a \$0.3 million savings in interdepartmental charges due to vacancies in the Wastewater Enterprise fund in positions that would have worked on sanitation projects.

A positive revenue variance of \$0.7 million is projected due to \$1.0 million in additional revenues from other government agencies in the Spring Valley Sanitation District and the Lakeside Sanitation District offset by a \$0.3 million decrease in sanitation service connections, sanitation services, and other charges.

COMMUNITY SERVICES GROUP

General Fund

Animal Services

A net positive variance of \$0.4 million is projected for year-end.

A positive expenditure variance of \$0.6 million is primarily due to \$0.4 million in salary savings from vacancies that are in the process of being filled and \$0.2 million in services and supplies. A negative revenue variance of \$0.2 million is projected due to a decrease in license revenue.

Community Services Group Executive Office

A net positive variance of \$1.8 million is projected for the Community Services Group Executive Office due to a projected year-end balance of \$1.8 million in management reserves, which are held in the Group Executive Office for departments' operating contingencies during the year.

Housing and Community Development

A net positive variance of \$0.6 million is projected for the Housing and Community Development Department.

A net positive expenditure variance of \$0.5 million is projected and is a combination of projected savings in salaries and benefits of \$0.5 million, \$0.1 million of savings in services and supplies, and a decrease of \$0.1 million in cost reimbursement from other agencies. The savings in salaries and benefits is due to vacancies from employee turnover and positions held vacant to offset projected under-realized revenue in Community Development projects. The savings in services and supplies is mainly due to the department's effort in managing costs, such as using hybrid cars, and reducing utility costs through low-maintenance landscape. The negative variance in cost reimbursement from other agencies is due to fewer referrals from the Mental Health Services Agency (MHSA) program in HHSA.

A net positive revenue variance of \$0.1 million is projected. The positive variance is due to the combination of projected \$0.7 million over-realized revenue in Housing and Urban Development - Section 8 (Housing Assistance) for program administration costs due to an increase in average housing assistance payments and the number of assisted families, offset by under-realized revenue of \$0.5 million due to a downturn in Community Development Block Grant projects and under-realized revenue of \$0.1 million in the Emergency Shelter Grant program.

Registrar of Voters

A net positive variance of \$0.5 million is projected for the Registrar of Voters.

A positive variance of \$1.2 million in expenditures is projected, primarily due to \$0.9 million savings in salaries and benefits for vacant positions and savings in temporary election worker wages. In addition, a positive variance of \$0.3 million is projected for fixed assets that will not be purchased this fiscal year.

A net negative revenue variance of \$0.7 million is projected. This variance is primarily due to an estimated \$1.1 million budgeted for SB90 revenues for Absentee Voters for the February 2008 Special Presidential Primary, which was approved for full cost reimbursement in the Fiscal Year 2008-09 State budget and was funded by the General Fund in the meantime. In November 2008, a claim was filed with the State to recover the \$8.5 million total cost of this Election. The funds were received in January 2009 and the General Fund was repaid. As a result, the budgeted departmental SB90 Absentee Voter revenues for this election will not be realized in the department. This shortfall is offset in part by over-realized revenues of \$0.3 million in charges for current services for the August 26, 2008 Special Election for the Tri-City Healthcare District and \$0.1 million in other miscellaneous revenues.

Special Revenue Funds

San Diego County Library

A net positive variance of \$4.9 million is projected for the Library.

A net positive variance of \$5.7 million is projected for expenditures. Net savings of \$0.2 million are projected in salaries and benefits, based on year-to-date vacancies and current vacancies that are in the process of recruitment. A net savings of \$3.2 million is projected in services and supplies. These savings are the result of delays in current Automation Projects (\$1.9 million), savings in information technology costs due to these delays (\$0.4 million) and savings in miscellaneous costs of \$0.9 million due to delays in various maintenance projects, savings in interdepartmental expenses and other program costs. Projected savings of \$0.4 million in fixed assets are due to automation and remodeling projects on hold. There is a projected year-end balance of \$1.9 million in management reserves, which are used during the year for unanticipated one-time expenditures.

A net negative revenue variance of \$0.8 million is projected. This variance is due to a positive variance in current year property tax and prior year property tax revenues of \$0.5 million that includes unanticipated revenue of \$0.3 million from the San Marcos redevelopment area. The positive variance is offset by a negative variance in intergovernmental revenues of \$0.3 million (due to cuts in State funding), charges for current services of \$0.9 million (due to delays in automated print and copy control projects and to cuts in cities' support for branch libraries) and miscellaneous revenues of \$0.1 million.

Housing and Community Development Special Revenue Fund

No net variance is projected for the Housing and Community Development Multi-Year Projects Fund.

The net positive expenditure variance of \$26 million is offset by projected under-realized revenue of \$26 million related to direct cost variance. Community Development projects eligible to receive funding sources are budgeted to facilitate the multi-year project cost expenditure request process. Revenues are projected to equal expenses as project costs budgeted are 100% revenue offset.

Internal Service Funds

Facilities Management

A net positive variance of \$0.7 million is projected for the Facilities Management ISF.

A positive expenditure variance of \$16.4 million is offset by a negative revenue variance of \$15.7 million. Facilities Management consists of two funds, the Major Maintenance ISF and the Facilities Management ISF.

The Major Maintenance ISF projects a positive expenditure variance of \$16.7 million offset by a negative revenue variance of \$16.9 million for a net negative variance of \$0.2 million. The positive expenditure variance of \$14.0 million in services and supplies is due to delays in new projects and to the positive variance of \$2.7 million in operating transfers out to the Facilities Management ISF for project management services. A large portion of the variance, \$2.5 million is due to an inadvertent duplication of appropriations that were included in the adopted budget, and in the carryforward budget. The remaining \$0.2 million will not be transferred to the Facilities Management ISF. The Major Maintenance ISF receives revenue from operating departments to cover all maintenance project costs; therefore, the revenue associated with these projects will be under-realized as a result of the expenditure variances explained above.

The Facilities Management ISF projects a negative expenditure variance of \$0.3 million offset by a positive revenue variance of \$1.3 million for a net positive variance of \$1.0 million. The negative expenditure variance is the result of savings of \$1.1 million in salaries and benefits primarily associated with new unfilled positions and staff vacancies and \$0.1 million in other charges associated with equipment depreciation bookings, offset by unanticipated costs in services and supplies of \$1.5 million associated with increased contract costs resulting from renewals, change orders and re-bids. Staff will continue to monitor the expenditure variance and will adjust the spending plan, if necessary, in the 3rd Quarter Operational Plan Status Report.

The positive revenue variance is the result of a positive variance of \$1.3 million projected in charges for services primarily due to increased cost recovery for contract services and \$0.5 million in miscellaneous revenues associated with miscellaneous real estate services deposits and Prop. 40 revenues associated with storm water/porous pavement demonstration project reimbursement. These positive variances are offset by negative revenue variances of \$0.2 million in rents and concessions, \$0.2 million in

other financing sources related to the operating transfer from Major Maintenance for project management services and \$0.1 million in intergovernmental revenue associated with grant revenues.

Fleet Management

A net positive variance of \$0.2 million is projected for the Fleet Management ISF. A net positive expenditure variance of \$0.7 million is offset by a net negative revenue variance of \$0.5 million.

The positive expenditure variance of \$0.7 million is the result of savings of \$0.2 million in salaries and benefits due to staff vacancies, \$0.3 million in services and supplies due to projected reduced demand for vehicle maintenance, and \$0.1 million in other charges associated with depreciation, and \$0.01 million is the projected year-end balance in management reserves.

The negative revenue variance of \$0.5 million is due to offsetting projections in several categories. Charges for services are projected to be \$0.5 million under budget, which includes \$1.2 million in General Fund charges, offset by a positive variance of \$0.7 million in the Internal Service Funds and Other Services Governments due to variances from anticipated vehicle fuel and maintenance and repair requirements by clients. The projected negative revenue variance in interest earnings of \$0.3 million is offset by a positive revenue variance of \$0.3 million due to unanticipated revenue received from the Medical Examiner capital project as reimbursement for the displacement of COC Fleet vehicles.

FINANCE AND GENERAL GOVERNMENT GROUP

General Fund

Assessor/Recorder/County Clerk

An overall net negative variance of \$2.4 million is projected for the Assessor/Recorder/County Clerk (ARCC).

A net positive expenditure variance of \$1.8 million is projected. A positive variance of \$2.5 million is projected in salaries and benefits due to 39 vacant positions remaining unfilled to mitigate revenue shortfalls described below. These savings are offset by a projected negative variance of \$ 0.9 million in services and supplies primarily due to increases in IT costs of \$0.5 million and projected cost overruns of \$0.4 million in various other categories of services and supplies. In addition, a year-end balance of \$0.2 million in management reserves is projected.

A net negative revenue variance of \$4.2 million is projected. Revenue shortfalls of \$6.2 million in recording documents and related revenues and \$4.3 million in AB 2890 Recovered Cost revenues are projected. These projected shortfalls are due to the current economic conditions, specifically the slowdown in housing sales and refinancing activities. The revenue shortfalls are offset by the use of \$6.3 million in property tax administration revenues available in the AB 589 trust fund.

Staff will continue to closely monitor expenditures and revenues in attempt to align actual expenditures with actual revenues to the extent possible and will return to the Board with recommendations to adjust the budget if necessary.

Auditor and Controller

An overall net positive variance of \$0.7 million is projected for the Auditor and Controller.

A net positive expenditure variance of \$1.1 million is projected due to a \$0.8 million anticipated savings in salaries and benefits primarily from approximately 16 staff vacancies and \$0.3 million in savings in services and supplies related to reductions in information technology costs and the use of contra-accounts to record pass thru tax intercept expenditures in Revenue and Recovery.

A net negative revenue variance of \$0.4 million is projected due to an anticipated shortfall of \$0.1 million of AB 2890 Recovered Costs revenues caused by a decline in activity in the housing market and a shortfall of \$0.3 million in miscellaneous revenues associated with the use of contra-accounts described above.

Chief Administrative Office

An overall net positive variance of \$0.4 million is projected for the Chief Administrative Office.

A net positive expenditure variance of \$0.4 million is projected due to \$0.2 million in anticipated savings in salaries and benefits as a result of staff vacancies and \$0.2 million savings in services and supplies primarily in the temporary contract, professional and specialized services, and out-of-county travel accounts.

Clerk of the Board

An overall net positive variance of \$0.5 million is projected for the Clerk of the Board's Office.

A net positive expenditure variance of \$0.5 million is primarily due to projected savings of \$0.3 million in services and supplies due to lower than anticipated contract and utility costs and a projected year-end balance of \$0.2 million in management reserves.

County Counsel

A net positive variance of \$0.8 million is projected by year-end for the Office of County Counsel. An expenditure variance of \$0.7 million is due to projected savings in salaries and benefits because of unanticipated staff departures, unfilled vacancies and direct cost reimbursements, through cost applied, for staff providing exclusive legal services to HHS and DEH.

A net positive revenue variance of \$0.1 million is due to a projected \$0.9 million in over-realized Road Fund revenues based on significant increases in claims related litigation work, a \$0.9 million shortfall in Internal Service Fund revenues from the Public Liability ISF and Employee Benefits ISF due to the redirection of staff resources to work on Road Fund litigation work described herein, and a \$0.1 million revenue shortfall in Administration of Estates based on decreases in fees tied to devalued estates.

County Technology Office

An overall net positive variance of \$0.1 million is projected for the County Technology Office.

A net positive expenditure variance of \$0.3 million is projected due to \$0.1 million shortfall in salaries and benefits which will be offset by projected savings of \$0.2 million in services and supplies. In addition, a year-end balance of \$0.2 million in management reserves is projected.

A net negative revenue variance of \$0.2 million is projected primarily due to a decrease in charges to the Courts related to the new IT MOU that was signed between the County and the Courts.

Finance & General Government Group Executive Office

An overall positive variance of \$57.4 million is projected in the Finance and General Government Group Executive Office due to schedule changes associated with the planning and implementation of major one time enterprise information technology initiatives. Funding to continue planning and implementation of these information technology projects will be re-budgeted in the Fiscal Year 2009-2011 Operational Plan.

A net positive expenditure variance of \$36.4 million is projected due to anticipated savings associated with delays in one time information technology initiatives including the Integrated Property Tax System and the upgrade of Oracle Financials as well as a reduction in scope of the Board Letter business process engineering initiative and savings in management reserves. A net positive revenue variance of \$21.0 million is projected due to the receipt of funds associated with the contract dispute settlement resulting from the Integrated Property Tax System.

Human Resources

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

The positive expenditure variance of \$1.2 million includes projected savings in salaries and benefits of \$0.4 million due to normal staff attrition and lower than anticipated Quality First payments. The projected savings in services and supplies of \$0.8 million is due to positive claims experience associated with the County property and helicopter insurance policies resulting in reduced premiums for FY 08-09 and credits to benefit insurance broker fees from commissions paid directly by the various health insurance vendors.

A positive revenue variance of \$0.1 million is due to over-realized miscellaneous revenues from reimbursed costs and other recovered expenses and fees.

Treasurer-Tax Collector

No overall variance is projected for the Treasurer-Tax Collector.

A net positive expenditure variance of \$0.2 million is projected due to savings in salaries and benefits as a result of normal staff attrition.

A net negative revenue variance of \$0.2 million is projected. The negative variance is primarily due to a projected shortfall of \$1.0 million in AB2890 Recovered Costs caused by the impact of current economic conditions, specifically the slowdown in housing sales and refinancing activities. This shortfall is partially offset by \$0.1 million in over-realized property tax system administration fees due to conservative budgeting, \$0.2 million in unanticipated tax collection fees and charges for current services including redemption and title search fees and charges for tax clearance certificates and \$0.5 million in over-realized Banking Services revenue to offset the administrative cost of computer applications. The Fiscal Year 2009-10 Operational Plan will be corrected to align these revenues with budget.

Special Revenue Fund

Media and Public Relations

An overall net positive variance of \$1.4 million is projected for the Media and Public Relations Special Revenue Fund.

A net positive expenditure variance of \$0.2 million is projected due to anticipated savings in services and supplies in professional and specialized services, minor equipment and other various accounts.

A net positive revenue variance of \$1.2 million is projected due to an anticipated increase in revenue for Cable Television (CATV) license and permit and CATV Public, Educational, and Government (PEG) access fees. These increases are due to State legislation changes that amended the amount that CATV operators are required to pay for licenses.

GENERAL PURPOSE REVENUES & COUNTYWIDE EXPENSES

General Purpose Revenues & General County Expenses

A net positive variance of \$17.8 million is projected for these two categories combined, comprised of an estimated shortfall of \$21.2 million in General Purpose Revenues and a \$39.0 million net positive variance in General County activities.

General Purpose Revenues

The San Diego economy continues to experience the impact of broad statewide, national and global negative trends in the financial markets, housing and construction, consumer and business to business sales, consumer confidence, and interest rates changes. The County's general purpose revenues, particularly those related to property transactions, are impacted by these conditions. Economic growth has slowed considerably as evidenced by the indicators below:

- San Diego's monthly average unemployment rate for the 12 month period between January 2008 and December 2008 was 6.1%. This compares to a State of California average unemployment rate of 7.2% for the same 12 month period. The last six months of 2008 saw the unemployment rate increase by approximately 1.0% in San Diego and 1.5% for the State of California. San Diego's unemployment rate continues to compare favorably to the State rate (8.7% projected for 2009) and it is expected to remain close to the US rate (8.5% projected for 2009).
- Adjusted local sales tax transactions improved by 6.2% for July through September 2008 in the unincorporated area compared to the same time period in 2007, primarily due to an improvement in fuel and service station sales. San Diego County as a whole saw sales tax transactions drop by 3.8%, on an adjusted basis, for July through September 2008 compared to the same time period for 2007, according to HdL Companies, the County's sales tax consultant. Statewide unadjusted sales tax transactions dropped by 3.1%, with Los Angeles dropping 1.8%, Orange County dropping 4.8%, San Bernardino dropping 8.7%, and Riverside dropping 8.1%. The consensus of economists is that retail sales will remain sluggish during 2009 with some recovery in 2010.

- The demand for housing in the County has slowed. This is evidenced by the following circumstances:
 1. Slowing in deeds recorded (down 13.3% for January through December 2008 compared to the same time period for 2007);
 2. Declining median housing prices (down 30.2% in the San Diego region for December 2008 compared to December 2007);
 3. Drop in number of homes sold for January through December 2008 compared to January through December 2007 (San Diego region down 1.3%); however, the past six months has seen an improvement in homes sold compared to the last six months of 2007;
 4. Continued increase in the notices of default (up 53.5% for January through December 2008 compared to the same time period for 2007);
 5. Increase in foreclosure activity (foreclosures up 132.6% for January through December 2008 compared to the same time period for 2007).

Consequently, property tax growth is slowing considerably, but the Federal Reserve's recent interest rate reductions, the county's diverse economic base, and the area's population growth will likely mitigate the possibility of an overall decline in property taxes.

All Current Property Taxes

All Current Property taxes are estimated to show a net negative variance to budget of \$28.8 million.

- *Property Taxes - Current Secured*
 Current Secured Property Taxes are projected to be \$15.2 million lower than budget. This shortfall is based primarily on actual assessed value (A.V) growth of 4.46% compared to the projected A.V growth of 6.0% that was used to calculate the budgeted current secured property taxes. (Note: The 4.46% growth figure above represents only the net current secured property tax growth, which is different than the countywide overall growth published by the Assessor/Recorder/County Clerk on June 30, 2008 of 4.59%, which includes all assessed value components (secured, unsecured, airplanes, and boats)). Other factors that influence the total amount of these revenues include delinquency rates and the final determination of the unincorporated area's share of property taxes.
- *Property Taxes - Current Supplemental*
 Current Supplemental Property Taxes are projected to be \$14.0 million lower than budget. This projection is based on revised A.V. growth, current collections through apportionment 6, and cautious estimates related to new construction and anticipated low turnover rates through Fiscal Year 2008-09.

- *Property Taxes - Current Unsecured*
Current Unsecured Property Taxes are projected to be \$0.4 million above budget. At the time the budget was prepared, current unsecured property tax revenues were based on the assumption that there would be no growth in the current unsecured roll. Unlike the secured roll, the unsecured roll does not build on a prior year base. The final roll was actually 4.06% higher than the roll for Fiscal Year 2007-08. This projection also incorporates anticipated refunds and tax roll corrections.

Taxes Other Than Current Secured

Taxes Other Than Current Secured are anticipated to be \$8.2 million above budget.

- *Property Taxes Prior Secured Supplemental*
Property Taxes Prior Secured Supplemental is estimated to be \$0.8 million above budget. This projection is based on the projected rate of collections of supplemental property taxes related to prior year activity that is due and payable in Fiscal Year 2008-09 along with corrections in Fiscal Year 2008-09 involving prior year activity.
- *Property Taxes – Prior Unsecured*
Prior Unsecured Property Taxes are projected to be \$0.9 million above budget. This account tracks the receipt of payments related to unsecured tax bills that were due, but not paid in the previous fiscal year.
- *Sales and Use Tax*
A negative revenue variance of \$0.6 million is projected for Sales and Use Tax revenue based on advances through January 2009 and anticipated lower than budgeted actuals for the remainder of Fiscal Year 2008-09. Adjusted sales tax activity in the unincorporated area was up 6.2% for the third quarter of calendar year 2008 compared to the third quarter of calendar year 2007. However, for the county as a whole, adjusted sales tax activity dropped 3.8% for July through September 2008 compared to the same period for 2007. Moreover, the State Controller's receipts and disbursements data through December 2008 show that sales tax revenues are down approximately 7.3% year to date compared to July through December 2007. Sales tax receipts generally lag sales activity by about one quarter year.
- *Transient Occupancy Tax*
A positive revenue variance of \$0.1 million is estimated for Transient Occupancy Tax revenue based on year-to-date collections and trends over the past two years.

- *Real Property Transfer Taxes*
 A negative revenue variance of \$5.8 million is estimated for Real Property Transfer Taxes based on realized revenues for the first 6 months of Fiscal Year 2008-09. This projection also factors in the projected assessed value growth including the anticipated level of new construction and turnover, and the cumulative impact this has on estimated revenue. This slowing is due to the overall slowing in real estate and slowing in the credit markets and the impact this is having on real property transfers.
- *Redevelopment Agency Tax Increment*
 A positive revenue variance of \$1.5 million is estimated for Redevelopment Agency Tax Increment based on an examination of the various redevelopment agreements, year-to-date collections and higher pass through revenues than anticipated.
- *Teeter Tax Reserve Excess*
 The Teeter Tax Reserve Excess is estimated to be approximately \$9.2 million above budget, based on current available data on penalty and interest collections on the outstanding receivable and projections through the end of the fiscal year. This estimate is based on a review of total reserves available to meet the Revenue and Taxation Code requirement of maintaining a reserve of not less than 25% of the total teetered delinquent secured taxes and assessments (R&C section 4703.2). For Fiscal Year 2008-09, the reserve requirement is \$32.0 million, an \$8.3 million increase from the Fiscal Year 2007-08 requirement of \$23.7 million.
- *Other Tax Aircraft Unsecured*
 A positive revenue variance of \$0.9 million is estimated for Other Tax Aircraft Unsecured based on current activity through apportionment 6 for Fiscal Year 2008-09 and projected adjustments and corrections through the end of the year.
- *In Lieu Local Sales and Use Taxes*
 A negative revenue variance of \$0.6 million is estimated for In Lieu Local Sales and Use Taxes based on a lower growth rate calculated by the California Department of Finance (DOF) as identified by their August 29, 2008 letter to the County of San Diego (supported by the slowing in sales and use tax revenues), combined with a negative true-up for Fiscal Year 2007-08.
- *Property Tax in Lieu of VLF*
 Property Tax in Lieu of Vehicle License Fees (VLF) is projected to be \$4.0 million under the budgeted amount of \$320.95 million. The actual assessed value growth factor of 4.47% (which includes unsecured, local secured,

current State non-unitary, and aircraft property tax components) for Fiscal Year 2008-09 is 1.33% lower than the growth rate used to calculate the budgeted revenue.

- *Teeter Property Tax Prior Year*

A positive revenue variance of \$5.8 million is projected based on higher-than-anticipated taxes receivable from prior fiscal years. Taxes paid after the fiscal year in which they are due are subject to both penalty and interest charges.

Licenses, Permits, and Franchises

Franchise payments are projected to be approximately \$0.2 million lower than budget. The 2008 payment was lower than projected, and the 2009 projection has been revised to account for a small increase over the 2008 realized amount. The 2009 payment from San Diego Gas and Electric will be received at the end of March 2009.

Fines, Forfeitures and Penalties

A net positive variance of \$0.9 million is projected. Penalties and Cost Delinquency Taxes are projected to be approximately \$0.2 million above budget. Staff will be monitoring the installment data closely and will be tracking collections through the end of the fiscal year. Revenues in this account reflect the 10% penalty that is assessed on late current year property tax payments.

A positive variance of \$0.7 million is projected from fines and forfeitures collected through various code violations.

Revenue from Use of Money and Property

A net negative variance of \$3.6 million is projected for interest on deposits. This negative variance is due primarily to lower overall interest rates than projected in the budget. With the recent actions by the Federal Reserve to lower the federal funds rate to between 0.0% and 0.25%, interest earnings from the use of money and property are expected to slow during the third and fourth quarter of this fiscal year.

Intergovernmental Revenues

A net positive variance of \$0.6 million is projected for intergovernmental revenues.

This positive variance is due to \$0.8 million in additional funding for the Payments in Lieu of Taxes (PILT) program both for a supplemental payment for federal fiscal year 2008 and based on the projection that full appropriations in 2009 will be received in Fiscal Year 2008-09. This funding is from the U.S. Department of the Interior and is to help offset the losses in property taxes due to non taxable Federal lands within the County's boundary.

A negative variance of \$0.2 million from the Homeowners Property Tax Exemptions reimbursement is based on anticipated revenues coming in somewhat lower than budget.

Miscellaneous Revenues

A net positive revenue variance of \$1.7 million is projected. The County transfers the fund balance from the annual flex plan forfeitures fund to the County General Fund at the end of the following fiscal year. This positive variance is due to a larger than anticipated balance in the Flex Transition period of October through December 2007, as well as unbudgeted revenue from the 2008 flex plan that will be available to be allocated to the General Fund in Fiscal Year 2008-09.

General County Expenses

Cash Borrowing Program

A positive expenditure variance of \$9.7 million is projected. The savings is due to reduced TRANS borrowing costs in Fiscal Year 2008-09. At the time the budget was prepared, the size of the TRANS borrowing had not been finalized. The reduced borrowing amount has led to projected expenditure savings for Fiscal Year 2008-09.

Contingency Reserve

The entire \$20.3 million budgeted in the Contingency Reserve in Fiscal Year 2008-09 is expected to be unspent at year-end.

Lease Purchase Payments - ERP

A savings of \$0.2 million in the Enterprise Resource Planning (ERP) lease purchase payment is projected. \$6.7 million was budgeted for the ERP system lease-purchase payment, but only \$6.5 million was required this year, net of various credits.

Countywide Exp. – General Misc. Exp. – Economic Uncertainty

A positive revenue variance of \$8.7 million is the result of the non-budgeted reimbursement of \$8.5 million from the State of California for the February 2008 Special Presidential Primary Election costs in the Registrar of Voters Office. General County fund balance was used to front the cost of the election in anticipation of the eventual reimbursement from the State. An additional \$0.2 million in revenue was related to the escheatment of money in County Trust Funds and from unanticipated court settlements.

Internal Service Funds

Employee Benefits ISF - Workers Compensation

A net positive variance of \$4.0 million is projected for the fund. The \$4.0 million in contingency reserve appropriations are not anticipated to be spent in Fiscal Year 2008-09 and this is anticipated to improve the fund's year-end cash balance, which will help

ensure that the ISF is sufficiently reserved to meet the actuarially determined liability levels. As of June 30, 2008, the estimated liability was \$86.8 million and the cash balance was \$82.9 million.

Public Liability ISF

A net negative expenditure variance of \$3.6 million is projected primarily due to the need to hire outside professional consultants to assist in trial preparations for flooding and law enforcement shooting cases, the settlement of a jail related fatality claim filed earlier in the fiscal year and the settlement of a medical malpractice claim which was greater than the amount of reserves set aside for probable payouts of new claims and lawsuits.

Staff will return to with recommendations to mitigate the projected negative expenditure variance through use of available fund balance in the Third Quarter Status Report.

Debt Service Funds

Pension Obligation Bonds (POBs)

A net positive variance of \$4.2 million is projected. The positive expenditure variance of \$19.7 million is from interest expense savings resulting from the refunding of the outstanding 2002 Taxable Pension Obligation bonds, Series B Auction Rate Securities and termination of the related swap agreements. A portion of the outstanding Series B bonds (\$485.1 million) were prepaid with a \$44.0 million cash contribution made by the County and the remaining Series B bonds were replaced with \$343.5 million of fixed rate bonds and \$100 million of variable rate demand bonds. The result of the refunding was to reduce the County's exposure to volatile interest rates, mitigate the impact on the County of the collapse of the Auction Rate Securities market, provide future opportunities for early principal payments, as well as to lock in fixed interest payments for a significant portion of the 2008 Taxable Pension Obligation bonds. The refunding of the 2002 Taxable Pension Obligation Bonds Series B2-4 also resulted in the decreased amount of swap related payments due to the swap providers as a result of the early termination of the swap agreements on July 30, 2008. The negative revenue variance of \$17.0 is due to the cessation of the swap agreements, which is offset by \$1.5 million in over realized revenue from County and non-County departments.



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: February 24, 2009

TO: Board of Directors, San Diego Flood Control District

SUBJECT: FISCAL YEAR 2008-09 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENT (District: All)

SUMMARY:

Overview

This report recommends a budget adjustment to establish appropriations for the Wing Avenue Drainage Improvement Project.

Recommendation(s)

CHIEF ADMINISTRATIVE OFFICER

1. Establish appropriations of \$549,000 in the Flood Control District, services and supplies, for the Wing Avenue Drainage Improvement Project based on fund balance available. (4 VOTES)

Fiscal Impact

Funds for this request are not budgeted. If approved, this action will establish additional appropriations of \$549,000.

Business Impact Statement

N/A

Advisory Board Statement

N/A

BACKGROUND:

This request will establish appropriations necessary to complete the design of the Wing Avenue Drainage Improvement Project based on fund balance available. On August 6, 2008 (5), the Board authorized the application and acceptance of a Hazard Mitigation Grant from FEMA for the Wing Avenue Drainage Improvement Project. Since the FEMA grant has not been awarded and the design must be initiated in order to complete the project within the three year grant requirement, fund balance will be used as the funding source until the FEMA grant is received.

SUBJECT: FISCAL YEAR 2008-09 SECOND QUARTER OPERATIONAL PLAN
STATUS REPORT AND BUDGET ADJUSTMENTS (Districts: All)

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 Fiscal Year 2008-09 Budget and outlined by our three Strategic Initiatives – Kids, Environment and Safe and Livable Communities.

Respectfully submitted,

WALTER F. EKARD
Chief Administrative Officer

SUBJECT: FISCAL YEAR 2008-09 SECOND QUARTER OPERATIONAL PLAN
STATUS REPORT AND BUDGET ADJUSTMENTS (Districts: All)

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 type="checkbox"/> Yes	<input checked="" 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: Auditor & Controller

CONTACT PERSON(S):

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Janel Pehau, Director, Office of Financial
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AUTHORIZED REPRESENTATIVE: _____

Donald F. Steuer, Chief Financial Officer

SUBJECT: FISCAL YEAR 2008-09 SECOND QUARTER OPERATIONAL PLAN
STATUS REPORT AND BUDGET ADJUSTMENTS (Districts: All)

AGENDA ITEM INFORMATION SHEET

(continued)

PREVIOUS RELEVANT BOARD ACTIONS:

August 6, 2008 (5), Board of Supervisors: Authorization to Apply for and Accept Grants from the Hazard Mitigation and Pre-Disaster Mitigation Grant Programs.

July 22, 2008 (1), Board of Directors: Adoption of Final Fiscal Year 2008-09 Budget for the Flood Control District.

BOARD POLICIES APPLICABLE:

N/A

BOARD POLICY STATEMENTS:

N/A

CONTRACT AND/OR REQUISITION NUMBER(S):

N/A