



# COUNTY OF SAN DIEGO

## AGENDA ITEM

### BOARD OF SUPERVISORS

GREG COX  
First District

DIANNE JACOB  
Second District

DAVE ROBERTS  
Third District

RON ROBERTS  
Fourth District

BILL HORN  
Fifth District

**DATE:** March 3, 2015

# 15

**TO:** Board of Supervisors

**SUBJECT:** FISCAL YEAR 2014-15 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICTS: ALL)

### Overview

This report summarizes the status of the County's Fiscal Year 2014-15 Operational Plan, as measured by projected year-end fund balance from current year operations. The projected balance for the General Fund is \$167.9 million, and for all budgetary funds combined is \$210.7 million. In the General Fund, positive balances are projected for all five business groups. The projected fund balance reflects the conservation of management and contingency reserves and projects that General Purpose Revenue will perform better than estimated in the Fiscal Year 2014-15 Adopted Operational Plan. This letter also recommends budget adjustments to make resource reallocations to fund one-time projects and make various adjustments to align the budget with anticipated actuals.

In the Public Safety Group (PSG), recommendations include appropriations adjustments in the Sheriff's Department for overtime costs associated with law enforcement services provided at special local events, equipment for the Sheriff's training centers and Sheriff's Special Enforcement Detail, hosting the High Performance Data Frequency reconfiguration, and one-time major maintenance projects. In the Probation Department, recommendations include an appropriation adjustment for contracted evaluation services.

In the Land Use and Environment Group (LUEG), recommendations include appropriations adjustments for a batting cage at Jess Martin Park, design documents for Wellfield Park improvements, Potrero Park trail improvements, San Elijo Lagoon exhibit repairs and shade structure, Lusardi Creek erosion control and habitat recovery, removal of non-native plants at Tijuana River Valley Regional Park, and major maintenance at County parks.

In the Capital Program, recommendations include appropriation adjustments to fund construction modifications for 4S Ranch Synthetic Turf South Ballfields, Rancho Guajome Adobe Park Volunteer Pad, Pine Valley Ballfield Improvements, and Sweetwater Regional Park Photovoltaic Phase II.

**SUBJECT: FISCAL YEAR 2014-15 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICTS: ALL)**

In the Community Services Group (CSG), there is a recommendation for an appropriation adjustment to reclassify a capital project as major maintenance.

There are no appropriation adjustments in the Health and Human Services Agency (HHS) or the Finance and General Government Group (FGG).

**Recommendation(s)**

**CHIEF ADMINISTRATIVE OFFICER**

1. Accept the Fiscal Year 2014-15 second quarter report on projected year-end results.
2. Cancel appropriations of \$198,102 in the Sheriff's Department, Salaries and Benefits (\$122,353) and Services and Supplies (\$75,749) and related revenue from the California Office of Traffic Safety for Federal Fiscal Year 2013-2014 grant programs which ended September 30, 2014.
3. Establish appropriations of \$451,987 in the Sheriff's Department, Salaries and Benefits, for overtime based on unanticipated additional revenue for law enforcement services provided at special local events. **(4 VOTES)**
4. Establish appropriations of \$1,000,000 in the Sheriff's Asset Forfeiture Fund, Services and Supplies, for equipment purchases and investigative expenses based on available prior year fund balance. **(4 VOTES)**
5. Cancel appropriations of \$777,020 in the Sheriff's Department, Services and Supplies (\$196,224) and Fixed Assets (\$580,796) and related revenue from U.S. Department of Homeland Security, passed through the Governor's Office of Emergency Services to align the budget with anticipated actuals.
6. Establish appropriations of \$409,822 in the Sheriff's Department, Services and Supplies (\$98,562) and Fixed Assets (\$311,260) for the Fiscal Year 2013 and Fiscal Year 2014 Urban Areas Security Initiative (UASI) Grants, to purchase various equipment for the Sheriff's training centers and Sheriff's Special Enforcement Detail based on unanticipated revenue from the U.S. Department of Homeland Security, passed through the Governor's Office of Emergency Services and sub-granted to the City of San Diego. **(4 VOTES)**
7. Establish appropriations of \$240,830 in the Sheriff's Department, Services and Supplies, for hosting the High Performance Data Frequency reconfiguration based on unanticipated revenue from Nextel Operations, Inc., a wholly owned indirect subsidiary of Sprint Corporation. **(4 VOTES)**
8. Establish appropriations of \$200,000 in the Probation Department, Services and Supplies, for contracted evaluation services based on unanticipated revenue from the State of California, Local Revenue Fund 2011. **(4 VOTES)**
9. Establish appropriations of \$608,633 in the Proposition 172 Special Revenue Fund,

**SUBJECT: FISCAL YEAR 2014-15 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICTS: ALL)**

Services and Supplies, for consultant services based on over-realized revenue from the State Board of Equalization. **(4 VOTES)**

10. Establish appropriations of \$10,000 in the Landscape Maintenance District Zone 2 Fund, Services and Supplies, to install batting cage at Jess Martin Park, based on available prior year fund balance. **(4 VOTES)**
11. Establish appropriations of \$15,400 in the Park Land Dedication Ordinance Area 28 Ramona Fund, Services and Supplies, to fund preliminary design documents for Wellfield Park improvements, based on available prior year fund balance. **(4 VOTES)**
12. Transfer appropriations of \$16,789.17 from the Department of Parks and Recreation (DPR), Services and Supplies, to the Contributions to Capital Outlay Fund, Operating Transfer Out, to return remaining funds in DPR related to one-time stewardship to the Multiple Species Conservation Program Acquisition Fund.
13. Establish appropriations of \$16,789.17 in the Multiple Species Conservation Program Acquisition Fund, to provide funding for future land acquisition and improvements, based on an Operating Transfer In from the General Fund. **(4 VOTES)**
14. Cancel appropriations of \$22,500 and related Operating Transfer from the General Fund in the Multiple Species Conservation Program Acquisition Fund, for one-time stewardship costs associated with the Sycamore Canyon/Goodan Ranch Preserve acquisition.
15. Transfer appropriations of \$22,500 from Contributions to Capital Outlay Fund, Operating Transfer Out, to the Department of Parks and Recreation, Services and Supplies, for one-time stewardship costs for the Sycamore Canyon/Goodan Ranch Preserve acquisition.
16. Cancel appropriations of \$42,741.24 and related Operating Transfer from the General Fund in the Capital Outlay Fund for Capital Project 1016576, 4S Ranch Sports Park Artificial Turf (\$22,552.32) and Capital Project 1018351, 4S Ranch Shade Structures Sports Park (\$20,188.92), to fund construction modifications at 4S Ranch Synthetic Turf South Ballfields.
17. Establish appropriations of \$42,741.24 in the Capital Outlay Fund for Capital Project 1018279, 4S Ranch Synthetic Turf South Ballfields, to modify and enhance construction improvements, based on an Operating Transfer In from the General Fund. **(4 VOTES)**
18. Transfer appropriations of \$175,000 from the Department of Parks and Recreation, Services and Supplies, to Contributions to the Capital Outlay Fund, Operating Transfer Out, to provide funding for Rancho Guajome Adobe Park Volunteer Pad.
19. Establish appropriations of \$175,000 in the Capital Outlay Fund for Capital Project 1015196, Rancho Guajome Adobe Park Volunteer Pad, based on an Operating Transfer In from the General Fund. **(4 VOTES)**

**SUBJECT: FISCAL YEAR 2014-15 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICTS: ALL)**

20. Transfer appropriations of \$40,000 from the Department of Parks and Recreation, Services and Supplies, to Contributions to the Capital Outlay Fund, Operating Transfer Out, to provide funding for new stormwater permit and construction requirements for Pine Valley Ballfield Improvements.
21. Establish appropriations of \$40,000 in the Capital Outlay Fund for Capital Project 1006608, Pine Valley Ballfield Improvements, to fund new stormwater permit and construction requirements, based on an Operating Transfer In from the General Fund. **(4 VOTES)**
22. Cancel appropriations of \$24,555.57 and related Operating Transfer from the General Fund in the Capital Outlay Fund for Capital Project 1014124, Sweetwater Regional Park Energy Upgrades, to fund additional solar panels for Sweetwater Regional Park Photovoltaic Phase II.
23. Establish appropriations of \$24,555.57 in the Capital Outlay Fund for Capital Project 1018875, Sweetwater Regional Park Photovoltaic Phase II, to fund additional solar panels, based on an Operating Transfer In from the General Fund. **(4 VOTES)**
24. Cancel appropriations of \$27,493.76 and related Operating Transfer from the General Fund in the Capital Outlay Fund for Capital Project 1018129, Potrero Park Fitness and Nature Trail Improvements, to fund additional non-capital trail improvements.
25. Transfer appropriations of \$27,493.76 from Contributions to Capital Outlay Fund, Operating Transfer Out, to the Department of Parks and Recreation, Services and Supplies, for non-capital trail improvements at Potrero Park.
26. Cancel appropriations of \$139,024.79 and related Operating Transfer from the General Fund in the Capital Outlay Fund for Capital Project 1000285, San Elijo Lagoon Nature Center Expansion, to fund various exhibit repairs and shade structure at the San Elijo Lagoon.
27. Transfer appropriations of \$139,024.79 from Contributions to Capital Outlay Fund, Operating Transfer Out, to the Department of Parks and Recreation, Services and Supplies, to fund various San Elijo Lagoon exhibit repairs and shade structure.
28. Cancel appropriations of \$240,600 and related revenue in the Capital Outlay Fund for Capital Project 1014133, I-122 Loss Allotment – District 2, to cancel acquisition project that is no longer needed since qualified property has not been identified.
29. Cancel appropriations of \$311,326.80 and related Operating Transfer from the General Fund (\$170,000) and related revenue in the Capital Outlay Fund (\$141,326.80) for Capital Project 1015170, County Preserve Fire Recovery, to provide funding for erosion control and habitat recovery at Lusardi Creek.

**SUBJECT: FISCAL YEAR 2014-15 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICTS: ALL)**

30. Establish appropriations of \$141,326.80 in the Department of Parks and Recreation, Services and Supplies, for erosion control and habitat recovery at Lusardi Creek, based on unanticipated revenue from the 2007 Firestorm Trust Fund. **(4 VOTES)**
31. Transfer appropriations of \$170,000 from Contributions to Capital Outlay Fund, Operating Transfer Out, to the Department of Parks and Recreation, Services and Supplies, to fund major maintenance projects at County parks.
32. Establish appropriations of \$50,000 in the Department of Parks and Recreation, Services and Supplies, for the removal of non-native plants at the Tijuana River Valley Regional Park, based on unanticipated revenue from the Department of Parks and Recreation Trust Fund. **(4 VOTES)**
33. Authorize the Auditor and Controller to decrease the Permanent Road Division PRD Internal Service Fund fund balance commitment by \$300,000 to comply with Board Policy J-16, Establishment of Assessment Districts to Provide for Public Improvements for Local and Circulation Element Roads and Government Code section 23014.
34. Establish appropriations of \$300,000 in the Permanent Road Division PRD Internal Service Fund, Operating Transfer Out to comply with Board Policy J-16 and Government Code section 23014, based on available prior year fund balance. **(4 VOTES)**
35. Establish appropriations of \$350,470 in the County Service Area Internal Service Fund, Operating Transfer Out, to transfer residual funding to the General Fund based on available prior year fund balance (\$50,470) and an Operating Transfer In from the Permanent Road Division PRD Internal Service fund (\$300,000). **(4 VOTES)**
36. Establish appropriations of \$55,000 in the District Development Internal Service Fund, Operating Transfer Out, to transfer residual funding to the General Fund based on available prior year fund balance. **(4 VOTES)**
37. Direct the Auditor and Controller and the Director, Department of Public Works to take any actions necessary to close out all residual funds and close the Allied Waste Industries, Inc. Prepaid Lease Trust Fund and to transfer the remaining balance of \$7.53 to the General Fund.
38. Cancel appropriations of \$74,049.40 and related Operating Transfer In from the General Fund in the Library Construction Projects Capital Outlay Fund for Capital Project 1014128, Downtown San Diego Law Library Remodel, to properly record non-capital related major maintenance project costs.
39. Transfer appropriations of \$74,049.40 from the Contribution to Capital Outlay Fund, Operating Transfer Out, to the Contributions to General Services Major Maintenance ISF, Operating Transfer Out, to properly account for major maintenance project costs for the Downtown San Diego Law Library.

**SUBJECT: FISCAL YEAR 2014-15 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICTS: ALL)**

40. Amend the Fiscal Year 2014-15 Major Maintenance ISF Spending Plan by \$74,049.40 to provide funding for facility upgrades for the Downtown San Diego Law Library based on an Operating Transfer from the General Fund. **(4 VOTES)**
41. Cancel appropriations of \$26,299.55 and related Operating Transfer from the General Fund in the Justice Facility Construction Fund for Capital Project 1014135, Sheriff Defensive Tactics Building, to provide funding for major maintenance projects in the Sheriff's Department.
42. Transfer appropriations of \$26,299.55 from the Contributions to Capital Outlay Fund, Operating Transfer Out, to the Sheriff's Department, Services and Supplies, to provide funds for major maintenance projects.
43. Transfer appropriations of \$350,000 from CSG Executive Office, Services & Supplies, to Contributions to Capital Outlay Fund, Operating Transfers Out, for enhanced park access for the County Administration Center Waterfront Park.
44. Establish appropriations of \$350,000 in the Capital Outlay Fund for Capital Project 1015204, County Administration Center Waterfront Park, for enhanced park access based on an Operating Transfer In from the General Fund. **(4 VOTES)**

**Fiscal Impact**

Funds for a portion of these requests are not included in the Fiscal Year 2014-15 Operational Plan. If approved, this action will result in a net increase in appropriations of \$518,844 in the General Fund. The funding sources include Operating Transfers, U.S. Department of Homeland Security, Nextel Operations, Inc., State of California Local Revenue Fund 2011, Department of Parks and Recreation Trust Fund, and 2007 Firestorm Trust Fund.

In all other funds combined, these actions will result in a net increase in appropriations of \$2,156,191. The funding sources are Sheriff's Asset Forfeiture Fund, State Board of Equalization, Operating Transfers, Landscape Maintenance District Zone 2 Fund, Park Land Dedication Ordinance Area 28 Ramona Fund, Permanent Road Division PRD Internal Service Fund, County Service Area Internal Service Fund, District Development Internal Service Fund, and available prior year fund balance.

**Business Impact Statement**

N/A

**Advisory Board Statement**

N/A

**Background**

For the General Fund, the second quarter projection of year-end fund balance from current year operations is \$167.9 million. This projected one-time resource is a combination of anticipated year-end General Purpose Revenue (GPR) above budget by \$60.7 million along with a net positive variance of \$63.6 million from operations and a positive variance of \$43.6 million in

**SUBJECT: FISCAL YEAR 2014-15 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICTS: ALL)**

unspent contingency and management reserves. The projected \$60.7 million in anticipated GPR is primarily due to better than expected property tax revenue resulting from an increase in assessed value (AV); increased pass throughs, estimated residual balance and distribution from sale of property in Aid from Redevelopment Successor Agencies; and a loan repayment to the general fund of \$28.0 million for the East Mesa Reentry Facility.

The projected balance for all other funds combined is \$42.9 million. Schedule A summarizes the fund balance projection by business group and department. The Notes to Schedules A and B explain variances from budget by department. Schedule B shows the projected General Fund fund balance by business group split between operating and reserve balances.

As shown in Schedule A, the General Fund year-end fund balance projection of \$167.9 million is based on the estimate that expenditures will be approximately \$194.8 million less than the Fiscal Year 2014-15 Amended Budget and revenues will be a net \$26.9 million less than the Fiscal Year 2014-15 Amended Budget. The Amended Budget consists of the Adopted Budget plus encumbrances carried over from the prior year, plus year-to-date changes that have been either approved by your Board or the Deputy Chief Administrative Officer/Auditor and Controller when permitted.

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

- \$49.7 million in net positive salary and benefit appropriation variance, in all groups due to staff turnover and department management of vacancies.
- \$43.2 million in net positive appropriation variance in Services and Supplies across the County in all groups.
  - In Health and Human Services Agency (HHS), projected positive variance of \$21.9 million resulted from various contracted services in Aging and Independence Services, Behavioral Health Services, County Child Welfare Services, Public Health Services and Regional Operations and in various other Services and Supplies.
  - In the Land Use and Environment Group (LUEG), positive variances of \$4.1 million are largely due to delays in implementation of the Vector Habitat Remediation Program and various one-time funded projects which will be re-budgeted in Fiscal Year 2015-16 and due to efforts to contain operational costs.
  - In the Public Safety Group (PSG), projected positive variance of \$5.4 million is associated with facility management, information technology, contracted services and overall lower operational costs in various departments; in the Office of Emergency Services related to grant funding that will be completed next fiscal year and in Call When Needed Program and Exclusive Use Helicopter Program.
  - In the Community Services Group (CSG), projected positive variance of \$5.4 million is attributable largely to Housing and Community Development (HCD) due to multi-year projects and various information technology projects.
  - In Finance and General Government (FGG), projected positive variances of \$6.4 million are mainly the result of lower than anticipated contracted services, network services and delays in one time maintenance and information technology projects.

**SUBJECT: FISCAL YEAR 2014-15 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICTS: ALL)**

- A net positive appropriation variance of \$59.2 million in Other Charges reflects variances in HHSA, Finance Other and in CSG offset by a negative variance in PSG. In HHSA, the positive variance of \$45.5 million is mainly the result of revised caseload levels in Regional Operations CalWORKs and in Child Welfare Services based on revised estimates of caseload levels and growth trends. In Finance Other, the positive variance is due to tax and revenue anticipation note (TRAN) borrowing costs that will not be incurred. In CSG, a positive variance is projected in HCD due to lower than anticipated expenditures on multi-year projects. A net negative variance of \$2.7 million is projected in PSG mainly in the Probation Department due to increased foster care placement payments and due to cost for medical support and care of persons in the detentions facilities in the Sheriff's Department.
- \$20.7 million in contingency reserves that are projected to be unspent at year-end.
- \$22.9 million in management reserves in HHSA (\$20.0 million), in CSG (\$2.7 million) and in FGG (\$0.2 million) that are projected to be unspent at year-end.

The projected under realized revenue of \$26.9 million includes positive variances totaling \$66.5 million and negative variances of \$93.4 million. The positive revenue variance of \$66.5 million is expected in the following categories: in Miscellaneous Revenue (\$43.0 million) mainly due to repayment from East Mesa Reentry Facility; Taxes Current Property (\$11.1 million) and Taxes Other Than Current Secured (\$10.5 million) due to increase in assessed value; Licenses, Permits and Franchises (\$1.2 million); and in Revenue From Use of Money and Property (\$0.8 million). The negative variance is largely in Intergovernmental Revenue (\$85.8 million) as a result of expenditure savings in caseload-driven programs, multi-year projects and contracted services as mentioned above; in Charges For Current Services (\$5.9 million) mainly due to reimbursements for services in Assessor/Recorder/County Clerk and Vector Control program and in Probation department for less than anticipated fees and fines; in Other Financing Sources (\$1.6 million) mainly in Sheriff for lower Penalty Assessment revenues; and in Fines and Forfeitures and Penalties (\$0.1 million).

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

**Fiscal Year 2014-15 Budget Adjustments**

The recommendations for budget adjustments are explained as follows:

**Recommendation 2**

On September 13, 2011 (2), April 3, 2012 (5), and October 8, 2013 (1), the Board authorized the acceptance and appropriation of grant revenue from the California Office of Traffic Safety. This request will cancel appropriations and related revenue of \$198,102 in the Sheriff's Department due to the end of program periods of the Federal Fiscal Year 2013-2014 Sobriety Checkpoint grant program (\$64,314), Selective Traffic Enforcement Program (\$33,673), and Avoid DUI Campaign (\$100,115).

**Recommendation 3**

The Sheriff's Department provides law enforcement services on an overtime basis for local events as needed, including the Del Mar Thoroughbred Club races, San Diego County Fair, and events as requested by the contract cities and various local organizations. The Department is



**SUBJECT: FISCAL YEAR 2014-15 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICTS: ALL)**

reimbursed for these extra services. The amount of overtime worked and reimbursements received have exceeded the budgeted amounts. This request will establish appropriations of \$451,987 for overtime expenditures related to the extra law enforcement services provided, based on unanticipated reimbursement revenue.

**Recommendation 4**

This request will establish appropriations of \$1,000,000 in the Sheriff's Asset Forfeiture Fund for equipment purchases and investigative expenses anticipated for the remainder of the fiscal year, based on available prior year fund balance.

**Recommendation 5**

On February 8, 2011 (2) and October 28, 2014 (5), the Board authorized the acceptance and appropriations of grant funds from the U.S Department of Homeland Security. This request will cancel Fiscal Year (FY) 2010 Urban Areas Security Initiative (UASI) appropriations for a duplicate encumbrance of \$196,224 for Microsoft Corporation and related revenue. This request will also cancel FY 2014 UASI appropriations and related revenue of \$580,796 initially approved to purchase a FLIR (Forward Looking Infrared) unit that was subsequently purchased with existing FY 2013 UASI funds.

**Recommendation 6**

On October 22, 2013 (5), and on October 28, 2014 (5), the Board authorized the Sheriff's Department to accept \$7,364,113 for the Fiscal Year (FY) 2013 Urban Areas Security Initiative (UASI) Grant and \$2,984,157 for the FY 2014 UASI Grant. The City of San Diego is the local administrator of the UASI grants. The City of San Diego, with the approval of the Urban Area Working Group, has reallocated unexpended \$311,260 UASI grant funds, \$100,000 from FY 2013 and \$211,260 from FY 2014 to the Sheriff's Department. The FY 2013 UASI funds will be used to purchase firearms simulators for the Sheriff's training centers. The FY 2014 UASI funds will be used for night vision and tactical equipment for the Sheriff's Special Enforcement Detail.

In addition, the City of San Diego also approved the reallocation of \$98,562 for the procurement of equipment to upgrade the Regional Communications System (RCS) Microwave Transport Network. This request will establish appropriations totaling \$409,822 in the Sheriff's Department based on unanticipated revenue from the U.S. Department of Homeland Security, passed through the Governor's Office of Emergency Services and sub-granted through the City of San Diego.

**Recommendation 7**

On September 3, 2013, the County of San Diego and Nextel Operations, Inc. entered into an agreement to reconfigure the frequency allocations in the 800 MHz band. Based on that agreement, revenue for the planning services will be deposited in the Sheriff's Department and used to host the Regional Communications High Performance Data Frequency reconfiguration. This request will establish appropriations of \$240,830 in the Sheriff's Department based on unanticipated revenue from Nextel Operations, Inc. to reimburse the County of San Diego for reconfiguration-related costs.

**Recommendation 8**

In January 2013, the San Diego Association of Governments (SANDAG) started an evaluation

**SUBJECT: FISCAL YEAR 2014-15 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICTS: ALL)**

which was designed to compare realigned individuals through a thorough examination and tracking/comparison of the Post Release Community Supervision (PRCS) and custodial alternative populations. The term of the initial contract was from January 2013 through December 2014. However, those sentenced to PRCS cannot be tracked until their time in custody is served. In addition, the evaluation will be more valid and reliable with a longer evaluation period. This request will establish appropriations of \$200,000 in the Probation Department to extend contracted evaluation services with SANDAG through December 2017 based on unanticipated revenue from the State of California, Local Revenue Fund 2011 allocated to the County Local Revenue Fund 2011, Community Corrections Subaccount.

**Recommendation 9**

HdL Companies (HdL), the County's consultant, identified an error with the allocations of State sales taxes for Proposition 172 that occurred after the implementation of the gas tax swap. HdL pursued this issue with the State Board of Equalization, which resulted in an internal audit that showed that there was an overallocation of sales tax revenues to the State General Fund and a corresponding underallocation of sales tax revenues to Proposition 172. The County of San Diego received a one-time payment adjustment of \$4.1 million in November 2014 as a result of the error. HdL requires a 15% fee for all new use tax revenue received by the County as a result of the firm's efforts. This is a request to establish appropriations of \$608,633 in the Proposition 172 Special Revenue Fund based on over-realized revenue from the State Board of Equalization to pay HdL.

**Recommendation 10**

This request will establish appropriations of \$10,000 in the Landscape Maintenance District Zone 2 Fund based on available prior year fund balance, to provide funding for the installation of a batting cage at Jess Martin Park.

**Recommendation 11**

This recommendation will establish appropriations of \$15,400 in the Park Land Dedication Ordinance Area 28 Ramona Fund based on available prior year fund balance, to fund preliminary designs for potential improvement projects at Wellfield Park.

**Recommendations 12 & 13**

On November 9, 2011 (8), the Board approved the transfer of appropriations of \$42,000 from the Multiple Species Conservation Program Acquisition (MSCP) Fund to the Department of Parks and Recreation (DPR) for one-time stewardship related to the Pine Valley acquisition. Also, on November 11, 2013 (2), the Board approved the transfer of appropriations of \$20,000 from the MSCP Fund to DPR for the Otay Valley Regional Park (OVRP) acquisition for one-time stewardship such as signage, gates/access control and fencing. Stewardship activities have been completed for both properties with remaining funds of \$14,234.49 for Pine Valley and \$2,554.68 for OVRP. If approved, these recommendations will cancel total remaining appropriations of \$16,789.17 in DPR and return the funds to MSCP Fund for future land acquisitions.

**Recommendations 14 & 15**

On December 3, 2014 (3), the Board approved the purchase of 101.16 acres at Sycamore Canyon/Goodan Ranch Preserve. These recommendations will cancel appropriations of \$22,500

**SUBJECT: FISCAL YEAR 2014-15 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICTS: ALL)**

and related Operating Transfer from the General Fund in the MSCP Fund and transfer these appropriations to the Department of Parks and Recreation for one-time stewardship activities such as signage and access control measures for the Sycamore Canyon/Goodan Ranch Preserve. If approved, these requests will appropriately record non-capital expenses pursuant to County of San Diego Administrative Manual 0050-02-01, Control of Capital Assets and Minor Equipment.

**Recommendations 16 & 17**

On January 25, 2012 (9), appropriations of \$1,500,000 were established for Capital Project 1016576, 4S Ranch Sports Park Artificial Turf based on CSA 83 (\$1,300,000) and CSA 83A (\$200,000) available prior year fund balance. Additional appropriations of \$70,000 were established on December 4, 2012 (24) based on an Operating Transfer from the General Fund for a total of \$1,570,000 for the project. In the Fiscal Year 2013-14 Operational Plan, appropriations of \$150,000 were established for Capital Project 1018350, 4S Ranch Shade Structure - Boys and Girls Club based on General Purpose Revenue. Both projects are complete with remaining appropriations of \$22,552.32 in Capital Project 1016576, 4S Ranch Sports Park Artificial Turf and remaining appropriations of \$20,188.92 in Capital Project 1018351, 4S Ranch Shade Structure Sports Park based on remaining General Fund funding. These recommendations will cancel total appropriations of \$42,741.24 to fund additional seating and a decomposed granite pathway around the field to enhance sport spectators experience and further recreational opportunities for Capital Project 1018279, 4S Ranch Synthetic Turf South Ballfields which was established in the Fiscal Year 2013-14 Operational Plan.

**Recommendations 18 & 19**

The Rancho Guajome Adobe is one of Parks and Recreation prime historical locations. The facility is used for educational activities and community outreach. On February 9, 2011 (30), the Board established appropriations of \$60,000 for Capital Project 1015196, Rancho Guajome Adobe Park Volunteer Pad. The current septic and water systems are at capacity and functionally obsolete. Construction of a new volunteer pad will put additional strain on the existing systems. The additional \$175,000 from the Department of Parks and Recreation, based on General Purpose Revenue, will upsize potable water, septic and electrical capacity to provide utility services to the existing office, new and existing volunteer pads. This request will bring the total project cost to \$235,000.

**Recommendations 20 & 21**

On April 3, 2012 (13), the Board approved the transfer of \$40,000 from Capital Project 1015198, Pine Valley Substation Buckman Springs Area to the Department of Parks and Recreation (DPR) to provide funding for improvements at Pine Valley Park. If approved, these recommendations will transfer appropriations from DPR, based on General Fund fund balance, to the Capital Outlay Fund for Capital Project 1006608, Pine Valley Park Improvements, to provide funding to meet additional stormwater construction requirements.

**Recommendations 22 & 23**

Appropriations of \$1,500,000 were established for Capital Project 1014124, Sweetwater Regional Park Energy Upgrades in the Fiscal Year 2010-11 Operational Plan based on General Fund fund balance. The Phase I project is complete and has remaining appropriations of \$24,555.57. Today's recommendations will cancel remaining appropriations of \$24,555.57 to

**SUBJECT: FISCAL YEAR 2014-15 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICTS: ALL)**

provide funding for Capital Project 1018875, Sweetwater Park Photovoltaic System Phase II established in the Fiscal Year 2014-15 Operational Plan for the installation of additional solar panels providing a clean source of renewable energy and further reducing energy costs.

**Recommendations 24 & 25**

On March 13, 2013 (7), appropriations of \$179,847.70 were established for Capital Project 1018129, Potrero Park Fitness and Nature Trail Improvements based on residual settlement funds from Capital Project 1008954 East County Trails Acquisition for new Americans with Disability Act (ADA) ramp, stabilized decomposed granite trail and outdoor fitness stations. The project is complete and has remaining appropriations of \$27,493.76. Today's recommendations will cancel remaining appropriations of \$27,493.76 and transfer remaining settlement funds that are to be used for trails in the East County to the Department of Parks and Recreation, Services and Supplies, for an Ewaa Native American hut and additional exercise stations at Potrero Park.

**Recommendations 26 & 27**

On September 17, 2003 (19), Capital Project 1000285, San Elijo Lagoon Nature Center Expansion project was created. Funding sources for the construction of the new San Elijo Nature Center which included display/exhibit area, arrange office, restrooms and multi-purpose room included General Fund fund balance. The project is complete and has remaining appropriations of \$139,024.79 based on General Fund fund balance. Today's recommendations will cancel remaining appropriations of \$139,024.79 and transfer to the Department of Parks and Recreation, Services and Supplies, for repairs and replacement of various nature center exhibits and a shade structure for the observation deck at the San Elijo Lagoon Nature Center.

**Recommendation 28**

On December 5, 2007 (7), appropriations of \$108,600 were established for Capital Project 1011758, I-122 Loss Allotment – District 2 Acquisition Fund based on funding from the City of Santee to compensate for usage of the County's 5% Allowable Loss of Coastal Sage Scrub, per Board of Supervisor's Policy I-122. On January 28, 2009 (22), additional appropriations of \$132,000 were established based on funding from the City of Santee for a total of \$240,600. Today's recommendations will cancel appropriations of \$240,600 since acquisition property has not been identified. DPR staff will monitor future opportunities for the purchase of qualified property. Board Policy I-122 states funding must be used for land acquisition in the Supervisorial District. Meanwhile, funding will remain available in the Department of Parks Recreation (DPR) Trust Fund for future I-122 Loss Allotment acquisition in District 2.

**Recommendations 29 - 31**

On February 24, 2009 (15), appropriations of \$247,993 were established for Capital Project 1012951, County Preserve Fire Recovery based on fire insurance proceeds. On December 7, 2010 (30), appropriations of \$170,000 were added to the project based on Department of Parks and Recreation appropriation transfer for a total project cost of \$417,993. The project was established for improvements at Lusardi Creek Preserve such as new perimeter fencing, gates, signage environmental analysis, design and permits and construction for a creek crossing. This recommendation will cancel remaining appropriations of \$311,326.80 in Capital Project 1015170, County Preserve Fire Recovery and establish appropriations of \$141,326.80 in the

**SUBJECT: FISCAL YEAR 2014-15 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICTS: ALL)**

Department of Parks and Recreation, Services and Supplies, for erosion control and habitat recovery on the bare hillsides and invasive plant removal at Lusardi Creek, based on unanticipated revenue from insurance proceeds deposited in the 2007 Firestorm Trust Fund. Additional appropriations of \$170,000 are being returned and re-established in the Department of Parks and Recreation to fund major maintenance projects at County parks.

**Recommendation 32**

On September 19, 2007 (12), the Department of Parks and Recreation applied for a grant from the Coastal Impact Assistance Program and received \$270,346 for the restoration, removal of noxious invasive plants and re-vegetation of the riparian corridor in the Tijuana River Valley Regional Park. Additional funding is needed to complete the project. If approved, this recommendation will establish additional appropriations of \$50,000 in the Department of Parks and Recreation, Services and Supplies, to complete restoration and maintenance of riparian area at Tijuana River Valley Regional Park based on unanticipated International Boundary and Water Commission settlement funding in the Department of Parks and Recreation Trust Fund. If approved, total project cost will be \$320,346.

**Recommendations 33 - 35**

The Permanent Road Division PRD Internal Service Fund was established on April 15, 1968, to loan money to PRDs not in the County maintained road system and has been inactive for many years. Board Policy J-16, Establishment of Assessment Districts to Provide for Public Improvements for Local and Circulation Element Roads and Government Code section 23014, limits the amount in the Permanent Road Division PRD Internal Service Fund to \$500,000. The transfer of \$300,000 will bring the fund back into compliance with the Board Policy and Government Code by returning appropriations to the initial funding source, the County Service Area Internal Service Fund (ISF). Additionally, the County Service Area ISF was established on April 15, 1968 to loan monies to County Service Areas (CSAs). The County Service Area ISF will be closed due to lack of inactivity and need. All residual funds in the County Service Area ISF, totaling \$350,470 will be transferred to the General Fund, the original funding source.

**Recommendation 36**

The District Development Internal Service Fund was established on April 17, 1962, to loan money to sanitation districts for engineering or construction improvement services. Due to a lack of activity and need, this recommendation is a request for residual funds to be transferred to the General Fund, the original funding source, so that the fund can be closed.

**Recommendation 37**

On August 12, 1997 (1), the Board authorized the sale of the County's Solid Waste System to Allied Waste Industries, Inc. pursuant to a Purchase and Sale Agreement between the County and Allied. On November 4, 1997 (54), the Board approved the establishment of the Allied Waste Industries, Inc. Prepaid Lease Trust Fund (66150) and authorized the deposit of \$3,111,000 in proceeds from the sale of the County's solid waste system. The proceeds were held as lease payments for the Palomar Transfer Station and for the Ocotillo Wells Bin Site, both of which are on County Airport property. The Trust Fund earned interest on these prepaid leases until the lease payments became due and payable, at which time they were transferred to the Airport Enterprise Fund. All lease payments have been made. Earned interest in the amount of

**SUBJECT: FISCAL YEAR 2014-15 SECOND QUARTER OPERATIONAL PLAN  
STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICTS: ALL)**

\$7.53 remains in the trust fund, and due to lack of activity and need, it is requested that the residual funds be transferred to the General Fund so that the fund can be closed.

**Recommendations 38 - 40**

These recommendations will cancel appropriations of \$74,049.40 in the Library Construction Projects Capital Outlay Fund for Capital Project 1014128, San Diego Law Library Remodel, and transfer and establish appropriations in the Major Maintenance ISF, Services and Supplies, to properly record noncapital expenditures pursuant to County of San Diego Administrative Manual 0050-020-01, Control of Capital Assets and Minor Equipment.

**Recommendations 41 & 42**

These recommendations will cancel appropriations of \$26,299.55 in the Justice Facility Construction Fund Capital Outlay Fund for Capital Project 1014135, Sheriff Defensive Tactics Building, and transfer appropriations to the Sheriff Department as the project is completed. This action will return remaining funds back to the original funding source, the Sheriff's Department, to be used for major maintenance related projects.

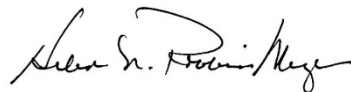
**Recommendations 43 & 44**

Based on foot traffic patterns observed during the opening months of the Waterfront Park, County staff recommend that park access be enhanced, and that new access points be created and conform to Americans with Disabilities Act (ADA) standards. In the Fiscal Year 2014-15 Operational Plan, the Community Services Group (CSG) Executive Office included appropriations for ADA accessibility assessment and implementation in County facilities. Auditor & Controller staff have determined that the recommended access points are capital improvements and should be included in the Capital Outlay Fund. These recommendations will achieve the purpose of enhancing Waterfront Park accessibility by transferring appropriations of \$350,000 from the CSG Executive Office to the Capital Outlay Fund.

**Linkage to the County of San Diego Strategic Plan**

Today's proposed actions support the Strategic Initiatives of Safe Communities, Sustainable Environments, Healthy Families, and Operational Excellence in the County of San Diego's 2015-2020 Strategic Plan by fully committing to use County resources to meet the highest priority needs of residents.

Respectfully submitted,



HELEN N. ROBBINS-MEYER  
Chief Administrative Officer

**SUBJECT:** FISCAL YEAR 2014-15 SECOND QUARTER OPERATIONAL PLAN  
STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICTS: ALL)

ATTACHMENT(S)

Schedule A

Schedule B

Notes to Schedules A and B

**SUBJECT:** FISCAL YEAR 2014-15 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICTS: ALL)

**AGENDA ITEM INFORMATION SHEET**

**REQUIRES FOUR VOTES:**       Yes     No

**WRITTEN DISCLOSURE PER COUNTY CHARTER SECTION 1000.1 REQUIRED**

Yes     No

**PREVIOUS RELEVANT BOARD ACTIONS:**

December 2, 2014 (33), Fiscal Year 2014-15 First Quarter Operational Plan Status Report and Budget Adjustments

August 5, 2014 (16), County of San Diego Fiscal Year 2014-15 Adopted Budget Resolution for Family of Funds, Enterprise Funds and Internal Service Funds, Prior Year Encumbrances and Penalty Assessment Resolution

**BOARD POLICIES APPLICABLE:**

N/A

**BOARD POLICY STATEMENTS:**

N/A

**MANDATORY COMPLIANCE:**

N/A

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

N/A

**ORIGINATING DEPARTMENT:** Finance & General Government Group

**OTHER CONCURRENCES(S):** N/A

**CONTACT PERSON(S):**

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

Name

(619) 531-5413

Phone

Tracy.Sandoval@sdcounty.ca.gov

E-mail

Ebony N. Shelton, Director, Office of Financial  
Planning

Name

619) 531-5175

Phone

Ebony.Shelton@sdcounty.ca.gov

E-mail



**FY 2014-2015 2nd Quarter  
Projected Year-End Results**

(in thousands)

**COUNTY SUMMARY**

	<b>Expenditure Variance</b>	<b>Revenue Variance</b>	<b>2nd Quarter FY14-15 Projected Fund Balance</b>
	<b>Favorable/(Unfavorable)</b>		
<b>General Fund</b>			
Public Safety	\$ 24,903	\$ (2,581)	\$ 22,322
Health & Human Services Agency	102,631	(61,616)	41,016
Land Use & Environment	10,328	(4,114)	6,214
Community Services	17,729	(14,228)	3,501
Finance & General Government	10,646	(4,960)	5,686
Total Agency/Group	<u>166,237</u>	<u>(87,498)</u>	<u>78,738</u>
General Purpose Revenue	0	60,733	60,733
Finance Other	28,581	(171)	28,410
<b>Total General Fund</b>	<b>\$ 194,818</b>	<b>\$ (26,936)</b>	<b>\$ 167,882</b>
<b>Special Revenue Funds</b>			
Public Safety	\$ 1,966	\$ 11,283	\$ 13,249
Health & Human Services Agency	13,800	(4,100)	9,700
Land Use & Environment	5,893	3,693	9,586
Community Services	2,523	(352)	2,171
<b>Total Special Revenue Funds</b>	<b>\$ 24,182</b>	<b>\$ 10,524</b>	<b>\$ 34,706</b>
<b>Capital Program</b>			
Finance Other	\$ 0	\$ 0	\$ 0
<b>Internal Service Funds Departments</b>			
Public Safety Group	\$ 467	\$ 110	\$ 577
Land Use & Environment	0	75	75
Community Services	24,552	(22,873)	1,679
Finance & General Government	0	0	0
Finance Other	362	0	362
<b>Total Internal Service Funds</b>	<b>\$ 25,382</b>	<b>\$ (22,688)</b>	<b>\$ 2,694</b>
<b>Enterprise Fund Departments</b>			
Land Use & Environment	\$ 2,606	\$ (838)	\$ 1,767
<b>Special District Funds Departments</b>			
Public Safety Group	\$ 0	\$ 0	\$ 0
Health & Human Services Agency	230	355	585
Land Use & Environment	3,100	(129)	2,971
<b>Total Special District Funds</b>	<b>\$ 3,330</b>	<b>\$ 227</b>	<b>\$ 3,557</b>
<b>Other County Funds Departments</b>			
Community Svcs. - Red./Redev. Successor Agency	138	0	138
<b>Total Other County Funds</b>	<b>\$ 138</b>	<b>\$ -</b>	<b>\$ 138</b>
Debt Service - Pension Obligation Bonds	\$ 191	\$ (191)	\$ 0
<b>Total County Projected Operating Balance</b>	<b>\$ 250,646</b>	<b>\$ (39,902)</b>	<b>\$ 210,744</b>

**FY 2014-2015 2nd Quarter  
Projected Year-End Results**

(in thousands)

**PUBLIC SAFETY GROUP**

Expenditure Variance	Revenue Variance	2nd Quarter FY14-15 Projected Fund Balance
Favorable/(Unfavorable)		

**General Fund Departments**

Child Support	\$ 3,672	\$ (1,083)	2,589
Contributions for Trial Courts	256	(256)	-
District Attorney	7,171	(576)	6,595
Emergency Services	2,620	(2,096)	524
Law Enforcement Review Board	0	300	300
Medical Examiner	127	100	227
Probation	4,228	(1,611)	2,617
Public Defender	1,068	(233)	835
Public Safety Executive Office	1,394	1,900	3,293
San Diego County Fire Authority	1,144	(0)	1,144
Sheriff	3,221	975	4,196
<b>Total General Fund</b>	<b>\$ 24,903</b>	<b>\$ (2,581)</b>	<b>22,322</b>

**Special Revenue Funds Departments**

District Attorney (Asset Forfeiture - State & Federal)	\$ 0	\$ 0	-
Probation - Asset Forfeiture	0	48	48
Probation - Inmate Welfare Program	0	0	-
Sheriff - Asset Forfeiture	0	0	-
Sheriff - Inmate Welfare Program	136	616	752
Criminal Justice Facility	1,546	(285)	1,262
Courthouse	0	0	-
Penalty Assessment	285	(285)	-
Public Safety - Proposition 172	0	11,187	11,187
<b>Total Special Revenue Funds</b>	<b>\$ 1,966</b>	<b>\$ 11,283</b>	<b>13,249</b>

**Internal Service Funds Departments**

Sheriff(Jail Stores)	467	110	577
<b>Total Internal Service Funds</b>	<b>\$ 467</b>	<b>\$ 110</b>	<b>577</b>

**Special District Funds**

Sheriff (Regional 800 MHz)	\$ 0	\$ 0	0
County Service Area	0	0	-
<b>Total Special District Funds</b>	<b>\$ -</b>	<b>\$ 0</b>	<b>0</b>

**Total Public Safety Group**

<b>Total Public Safety Group</b>	<b>\$ 27,336</b>	<b>\$ 8,812</b>	<b>36,148</b>
----------------------------------	------------------	-----------------	---------------

**FY 2014-2015 2nd Quarter  
Projected Year-End Results**

(in thousands)

**HEALTH & HUMAN SERVICES AGENCY**

Expenditure Variance	Revenue Variance	2nd Quarter FY14-15 Projected Fund Balance
Favorable/(Unfavorable)		

**General Fund Programs**

Administrative Support	\$ 12,642	\$ 12,669	25,311
Aging & Independence Services	\$ 1,553	\$ (302)	1,251
Behavioral Health Services	\$ 22,881	\$ (22,881)	-
Child Welfare Services	\$ 25,203	\$ (23,232)	1,972
Public Health Services	\$ 3,300	\$ (1,290)	2,010
Regional Operations	\$ 37,052	\$ (26,580)	10,472
<b>Total General Fund</b>	<b>\$ 102,631</b>	<b>\$ (61,616)</b>	<b>41,016</b>

**Special Revenue Funds**

Tobacco Securitization Fund	\$ 13,800	\$ (4,100)	9,700
<b>Total Special Revenue Funds</b>	<b>\$ 13,800</b>	<b>\$ (4,100)</b>	<b>9,700</b>

**Special District Funds Departments**

Ambulance Districts	230	355	585
<b>Total Health &amp; Human Services Agency</b>	<b>\$ 116,661</b>	<b>\$ (65,361)</b>	<b>51,301</b>

**FY 2014-2015 2nd Quarter  
Projected Year-End Results**

(in thousands)

**LAND USE & ENVIRONMENT GROUP**

Expenditure Variance	Revenue Variance	2nd Quarter FY14-15 Projected Fund Balance
Favorable/(Unfavorable)		

**General Fund Departments**

Agriculture, Weights & Measures	\$ 706	\$ (11)	695
Environmental Health	5,133	(2,699)	2,434
Land Use & Environment Group Exec Office	437	0	437
Parks & Recreation	232	(160)	72
Planning & Development Services	3,819	(1,243)	2,576
Public Works	0	0	-
<b>Total General Fund</b>	<b>\$ 10,328</b>	<b>\$ (4,114)</b>	<b>6,214</b>

**Special Revenue Funds Departments**

A, W & M (Grazing and Fish & Game Commission)	\$ 0	\$ 0	-
Parks & Recreation - PLDO	\$ 38	\$ 1,155	1,193
DPW - Aviation Funds	\$ 0	\$ 0	-
DPW - Road Fund	\$ 5,184	\$ 3,210	8,393
DPW - Inactive Waste	\$ 671	\$ (671)	-
<b>Total Special Revenue Funds</b>	<b>\$ 5,893</b>	<b>\$ 3,693</b>	<b>9,586</b>

**Internal Service Funds Departments**

Public Works - DPW Equip. ISF Prg. (35525-35700)	\$ 0	\$ 75	75
--	------	-------	----

**Enterprise Funds Departments**

Airport Enterprise Fund	\$ 2,587	\$ (844)	1,743
Wastewater Management Enterprise Fund	\$ 18	\$ 6	24
<b>Total Enterprise Funds:</b>	<b>\$ 2,606</b>	<b>\$ (838)</b>	<b>1,767</b>

**Special District Funds Departments**

Air Pollution Control District	\$ 1,467	\$ (631)	837
Parks and Recreation	\$ 174	\$ 33	207
DPW - SD County Sanitation District	\$ 1,249	\$ 325	1,574
DPW - Campo Water Sewer Maint District	\$ 23	\$ 13	36
DPW - CSAs	\$ 0	\$ 0	0
DPW - PRDs	\$ 0	\$ 0	-
DPW - Flood Control	\$ 0	\$ 87	87
DPW - Street Lighting Districts	\$ 187	\$ 43	231
<b>Total Special Districts Funds:</b>	<b>\$ 3,100</b>	<b>\$ (129)</b>	<b>2,971</b>

**Total Land Use & Environment Group**

	<b>\$ 21,926</b>	<b>\$ (1,312)</b>	<b>20,614</b>
--	------------------	-------------------	---------------

**FY 2014-2015 2nd Quarter  
Projected Year-End Results**

(in thousands)

**COMMUNITY SERVICES GROUP**

Expenditure Variance	Revenue Variance	2nd Quarter FY14-15 Projected Fund Balance
Favorable/(Unfavorable)		

**General Fund Departments**

Animal Services	\$ 277	\$ 9	285
Community Services Group Exec Office	\$ 2,692	\$ 2	2,694
General Services	\$ 0	\$ 0	-
Housing & Community Development	\$ 13,364	\$ (13,118)	246
Purchasing & Contracting	\$ 0	\$ 0	-
Library Services	\$ 0	\$ 0	-
Registrar of Voters	\$ 1,397	\$ (1,121)	276
<b>Total General Fund</b>	<b>\$ 17,729</b>	<b>\$ (14,228)</b>	<b>3,501</b>

**Special Revenue Funds Departments**

Library Services	\$ 2,523	\$ (352)	2,171
<b>Total Special Revenue Funds</b>	<b>2,523</b>	<b>(352)</b>	<b>2,171</b>

**Internal Service Funds Departments**

Facilities Management	\$ 2,394	\$ (1,976)	419
Major Maintenance ISF	12,550	(12,550)	-
Fleet Management	7,386	(6,963)	423
Purchasing & Contracting	2,221	(1,384)	838
<b>Total Internal Service Funds</b>	<b>24,552</b>	<b>(22,873)</b>	<b>1,679</b>

**Other County Funds Departments**

Red. Agency/Redevelopment Successor Agency	\$ 0	\$ 0	-
Housing & Community Development	138	0	138
<b>Total Other County Funds Departments</b>	<b>138</b>	<b>0</b>	<b>138</b>

**Total Community Services Group**

<b>Total Community Services Group</b>	<b>\$ 44,942</b>	<b>\$ (37,453)</b>	<b>7,490</b>
---------------------------------------	------------------	--------------------	--------------

**FY 2014-2015 2nd Quarter  
Projected Year-End Results**

(in thousands)

**FINANCE & GENERAL GOVERNMENT  
GROUP**

Expenditure Variance	Revenue Variance	2nd Quarter FY14-15 Projected Fund Balance
<b>Favorable/(Unfavorable)</b>		

**General Fund Departments**

Assessor/Recorder/County Clerk	\$ 4,842	\$ (4,395)	448
Auditor & Controller	\$ 740	\$ 8	748
Board of Supervisors	\$ 75	\$ 0	75
Chief Administrative Office	\$ 295	\$ 0	295
Civil Service Commission	\$ 83	\$ 4	87
Clerk of the Board of Supervisors	\$ 0	\$ 168	168
County Communications Office	\$ 151	\$ 0	151
County Counsel	\$ 3,222	\$ (605)	2,617
County Technology Office	\$ 0	\$ 0	-
Finance & GG Exec Office	\$ 227	\$ (227)	-
Grand Jury	\$ 29	\$ 0	29
Human Resources	\$ 310	\$ 85	394
Treasurer-Tax Collector	\$ 673	\$ 0	673
<b>Total General Fund</b>	<b>\$ 10,646</b>	<b>\$ (4,960)</b>	<b>5,686</b>

**Internal Service Funds Departments**

CTO - Information Technology	\$ 0	\$ 0	-
------------------------------	------	------	---

**Total Finance & General  
Government Group**

	<b>\$ 10,646</b>	<b>\$ (4,960)</b>	<b>5,686</b>
--	------------------	-------------------	--------------

**FY 2014-2015 2nd Quarter  
Projected Year-End Results**

(in thousands)

**GENERAL PURPOSE REVENUE &  
FINANCE OTHER**

Expenditure Variance	Revenue Variance	2nd Quarter FY14-15 Projected Fund Balance
Favorable/(Unfavorable)		

**General Fund**

General Purpose Revenue:

All Current Property Taxes	\$ 0	\$ 11,053	11,053
All Other Taxes-Local	\$ 0	\$ 10,454	10,454
Licenses, Permits & Franchises	\$ 0	\$ 0	-
Fines, Forfeitures & Penalties	\$ 0	\$ (228)	(228)
Revenue for Use of Money & Property	\$ 0	\$ 855	855
Intergovernmental Revenue	\$ 0	\$ 9,844	9,844
Charges for Current Services	\$ 0	\$ 0	-
Miscellaneous Revenue	\$ 0	\$ 28,756	28,756
<b>Total General Purpose Revenue</b>	<b>\$ 0</b>	<b>\$ 60,733</b>	<b>60,733</b>

General County Expenses:

Cash Borrowing Program	\$ 7,700	\$ 0	7,700
Community Enhancement	\$ 0	\$ 0	-
Contingency Reserve	\$ 20,669	\$ 0	20,669
Contributions to the Capital Outlay Fund	\$ 212	\$ (171)	41
Contribution to County Library	\$ 0	\$ 0	-
Local Agency Formation Comm Admin	\$ 0	\$ 0	-
Neighborhood Reinvestment Program	\$ 0	\$ 0	-
Countywide Expenses	\$ 0	\$ 0	-
Total Finance Other Expenses	\$ 28,581	\$ (171)	28,410
<b>Total General Fund</b>	<b>\$ 28,581</b>	<b>\$ 60,563</b>	<b>89,143</b>

**Capital Program Funds**

Capital Program	\$ 0	\$ 0	-
<b>Total Capital Program Funds</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>-</b>

**Internal Service Funds Departments**

Workers Compensation	\$ 0	\$ 0	-
Unemployment Insurance	\$ 0	\$ 0	-
Public Liability	\$ 362	\$ 0	362
<b>Total ISF Funds</b>	<b>\$ 362</b>	<b>\$ 0</b>	<b>362</b>

**Debt Service Funds Departments**

Pension Obligation Bonds	\$ 191	\$ (191)	-
--------------------------	--------	----------	---

**Total General Purpose Revenue & Finance  
Other**

<b>\$ 29,134</b>	<b>\$ 60,372</b>	<b>89,506</b>
------------------	------------------	---------------

**FY 2014-2015 2nd Quarter  
Projected Year-End Results**  
(in thousands)

Category	Projected Management & Contingency Reserves	Projected Operating Balances	2nd Quarter FY14-15 Projected Fund Balance
	Favorable/(Unfavorable)		
<b>General Fund</b>			
Public Safety	\$ 0	\$ 22,322	\$ 22,322
Health and Human Services Agency	20,000	21,016	41,016
Land Use and Environment	0	6,214	6,214
Community Services	2,692	809	3,501
Finance & General Government	227	5,459	5,686
<b>Agency/Group Totals</b>	<b>\$ 22,919</b>	<b>\$ 55,820</b>	<b>\$ 78,738</b>
General Purpose Revenue	\$ 0	\$ 60,733	\$ 60,733
General County Expenses	0	7,741	7,741
Contingency Reserve	20,669	0	20,669
<b>Total Gen'l. Purpose Rev. &amp; Gen'l. County Exp.</b>	<b>\$ 20,669</b>	<b>\$ 68,474</b>	<b>\$ 89,143</b>
<b>Total General Fund</b>	<b>\$ 43,588</b>	<b>\$ 124,294</b>	<b>\$ 167,882</b>



**COUNTY OF SAN DIEGO  
NOTES TO SCHEDULES A and B  
Fiscal Year 2014-15 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 business group and department by fund or fund type.

*Contingency Reserve and Management Reserves*

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

*Variance Reporting*

Departments project variances from the Operational Plan based either on revised expectations or on actual revenues/expenditures to date. The significant variances (greater than \$300,000) in total expenditures, total revenue, net variance, or object variance from plan are discussed below and categorized by fund.

**PUBLIC SAFETY GROUP**

**General Fund**

*Department of Child Support Services*

A positive variance of \$2.6 million is projected for the Department of Child Support Services.

A positive expenditure variance of \$3.7 million is projected due to \$2.7 million in Salaries and Benefits from vacant and modified positions and \$1.0 million in Services and Supplies primarily due to lower than expected operational expenses.

A negative revenue variance of \$1.1 million is projected primarily due to lower State and Federal expenditure claims resulting from lower than expected operational expenses noted above.

*Citizens' Law Enforcement Review Board*

A positive variance of \$0.3 million is projected for the Citizens' Law Enforcement Review Board

No expenditure variance is projected.

A positive revenue variance of \$0.3 million is projected due to over-realized revenue from pre-2004 state mandate reimbursement claim payments.

*District Attorney*

A positive variance of \$6.6 million is projected for the District Attorney's Office.

A positive expenditure variance of \$7.2 million is projected. This positive variance is primarily due to anticipated savings of \$7.3 million in Salaries and Benefits due to normal attrition, and vacant and modified positions. A positive expenditure variance of \$0.6 million is projected in Other Charges due to anticipated changes in priorities and funding from the U.S. Department of Justice, Justice Assistance Grant Program. A negative expenditure variance of \$0.7 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 negative revenue variance of \$0.6 million is projected primarily due to a reduction in Justice Assistance Grant Program funding (\$0.6 million) as noted above, and less than anticipated funding from the U.S. Department of Justice, Office of Violence Against Women (\$0.3 million), partially offset by over-realized revenue from the California Office of Traffic Safety, Alcohol and Drug Impaired Driver Prosecution Grant (\$0.3 million).

*Office of Emergency Services*

A positive variance of \$0.5 million is projected for the Office of Emergency Services.

A positive expenditure variance of \$2.6 million is projected. This is primarily due to projected savings of \$0.4 million in Salaries and Benefits due to vacant and modified positions which are partially supported with grant funding, \$1.1 million in Services and Supplies related to grant funding that will be completed in the next fiscal year (\$0.7 million) and the Call When Needed Program and Exclusive Use Helicopter Program (\$0.4 million), and \$1.1 million in Other Charges associated with grant funding which is passed through to other agencies.

A negative revenue variance of \$2.1 million in Intergovernmental Revenues is projected due to cost savings in Salaries and Benefits (\$0.3 million), in Services and Supplies (\$0.7 million), and Other Charges (\$1.1 million) all related to the Homeland Security Grant Program.

*Probation*

A positive variance of \$2.6 million is projected for the Probation Department.

A positive expenditure variance of \$4.2 million is projected due to anticipated savings in Salaries and Benefits (\$4.5 million) from vacant positions and in Services and Supplies (\$0.6 million) associated with savings in Facility and Major Maintenance (\$0.4 million) and Internal Service Fund (\$0.2 million). A negative expenditure variance of \$0.5

million in Other Charges is projected due to increased foster care placement costs. A negative variance of \$0.4 million in Expenditures Transfers and Reimbursements is due to an anticipated decrease in juvenile mental health services.

A negative revenue variance of \$1.6 million is projected. This is comprised of under-realized revenue of \$2.8 million due to Title IV-E Waiver activities not being fully implemented this fiscal year and increase in Foster Care population eligible for federal revenue (\$0.9 million), less than anticipated collection of fines and fees (\$1.1 million), a decrease in probation work crew charges (\$0.3 million), and decreased population of juvenile wards in institutions (\$0.5 million). These negative variances are partially offset by projected over-realized revenue of \$1.2 million due to pre-2004 state mandate reimbursement claim payments (\$0.7 million), and a one-time payment to supervise a temporary increase of Post Release Community Supervision offenders (\$0.5 million).

#### *Public Defender*

A positive variance of \$0.8 million is projected for the Public Defender.

A positive expenditure variance of \$1.1 million is projected. This is comprised of anticipated savings of \$0.5 million in Salaries and Benefits due to vacant and modified positions and \$0.6 million in Services and Supplies due to overall efforts to reduce expenditures.

A negative revenue variance of \$0.2 million is projected for the Sexually Violent Predators state mandate reimbursement claim due to the new test claim decision adopted by the Commission on State Mandates that reduced the number of reimbursable activities.

#### *Public Safety Group Executive Office*

A positive variance of \$3.3 million is projected for the Public Safety Group Executive Office.

A positive expenditure variance of \$1.4 million is projected due to savings in Services and Supplies associated with contracted services, facilities management and information technology costs.

A positive revenue variance of \$1.9 million is primarily due to revenue received in State Miscellaneous from the Joint Powers Agreement with the State of California, Department of Transportation for the Next Generation Regional Communications System.

#### *San Diego County Fire Authority*

A positive variance of \$1.1 million is projected for the San Diego County Fire Authority.

A positive expenditure variance of \$1.1 million is projected due to savings of \$0.3 million in Salaries and Benefits from vacant and modified positions and \$0.8 million in Services and Supplies due to savings in contracted services.

No revenue variance is projected.

#### *Sheriff*

A positive variance of \$4.2 million is projected for the Sheriff's Department.

A positive expenditure variance of \$3.2 million is projected. Salaries and Benefits are projected to be \$7.3 million under budget due to vacant positions. A positive expenditure variance of \$0.1 million is projected in Services and Supplies primarily due to savings in automotive fuel and professional and specialized services in Detention Medical Services which are partially offset by increased expenditures in food and household expense in the detention facilities. Other Charges is projected to be \$4.2 million over budget due to the cost of medical support and care of persons in the detention facilities.

A positive revenue variance of \$1.0 million is projected. Positive variances are projected due to over-realized revenue of \$1.7 million in Low Income Health Program (LIHP) reimbursements and \$1.3 million in pre-2004 state mandate reimbursement claim payments. These positive variances are partially offset by negative variances in Penalty Assessment revenue (\$1.4 million) due to decreased collections, the State Criminal Alien Assistance Program (\$0.4 million) due to reduced revenue from the Federal Government, and a projected shortfall in miscellaneous revenue sources (\$0.2 million).

### **Special Revenue Funds**

#### *Criminal Justice Facility Construction Special Revenue Fund*

A positive variance of \$1.3 million is projected in the Criminal Justice Facility Construction Special Revenue Fund.

A positive expenditure variance of \$1.5 million is projected in Operating Transfers Out due to a decrease in Penalty Assessment revenue that is transferred to General Fund departments. This is part of a mitigation strategy in order to plan for continued revenue declines from fines, forfeitures and penalties.

A negative revenue variance of \$0.3 million is projected due to a decrease in Penalty Assessment revenue. Overall economic conditions and corrections to revenue distribution continue to impact revenues received by the County to support General Fund departments and debt service payments.

#### *Sheriff's Inmate Welfare Fund*

A positive variance of \$0.8 million is projected for the Inmate Welfare Fund.

A positive expenditure variance of \$0.1 million is projected. A negative variance of \$0.2 million is projected in Services and Supplies primarily due to unanticipated costs associated with a planned equipment purchase (\$0.4 million) which is offset by savings in professional and specialized services associated with a contract with Grossmont

Union High School District (GUHSD) (\$0.2 million). A positive variance of \$0.4 million in Operating Transfers Out is projected due to a decrease in transfers to the General Fund based on vacant positions within Inmate Welfare Fund.

A positive revenue variance of \$0.6 million is projected due to recovered expenditures from a reimbursement from the GUHSD for contracted educational services (\$0.5 million) and rents and concessions (\$0.2 million) which is partially offset by a negative variance in Other Sales due to reduced revenue from print shop orders (\$0.1 million).

#### *Proposition 172*

A positive variance of \$11.2 million is projected for the Proposition 172 Special Revenue Fund.

No expenditure variance is projected.

A positive revenue variance of \$11.2 million is projected. Current year revenues are projected to be \$7.7 million greater than budget due to the combination of Fiscal Year 2013-14 actual revenue receipts exceeding the budget estimate for the current fiscal year and present economic conditions supporting a continued positive outlook for sales tax revenue receipts. Additionally, over-realized revenue from a one-time growth payment adjustment of \$3.5 million was received due to an error with allocations of State sales taxes for Proposition 172 that occurred after the implementation of the gas tax swap. This resulted from a Board of Equalization internal audit that showed that there was an overallocation of sales tax revenues to the State General Fund and a corresponding underallocation of sales tax revenues to Proposition 172.

#### *Penalty Assessment Special Revenue Fund*

A zero variance is projected for the Penalty Assessment Special Revenue Fund.

A positive expenditure variance of \$0.3 million is projected in Operating Transfers Out due to a decrease in Penalty Assessment revenue that is transferred to General Fund departments.

A negative revenue variance of \$0.3 million is projected in Fines, Forfeitures & Penalties due to a decrease in Penalty Assessment revenue. Overall economic conditions and corrections to revenue distribution continue to impact revenues received by the County to support General Fund departments and debt service payments.

### **Internal Service Funds**

#### *Sheriff's Jail Stores*

A positive variance of \$0.6 million is projected for the Jail Store Commissary Fund.

A positive expenditure variance of \$0.5 million is projected in Services and Supplies due to a decline in inmate requests to purchase phone time and commissary items.

A positive revenue variance of \$0.1 million is projected based on an increase in e-commerce website sales to inmates.

## **HEALTH AND HUMAN SERVICES AGENCY (HHS)**

### **General Fund**

#### *Administrative Support*

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

A positive variance of \$25.3 million is projected for Administrative Support.

The positive expenditure variance of \$12.6 million includes \$1.8 million in Salaries and Benefits due to vacant positions and a projected year-end balance of \$20.0 million in Management Reserves which are held for operating contingencies during the year, offset by \$9.2 million overspending in Services and Supplies. The \$9.2 million overspending in Services and Supplies is primarily related to the Intergovernmental Transfer agreement with the Department of Health Care Services and an increase in facility and information technology costs partially offset by funds set-aside in case of an emergency, such as bioterrorism or other health crisis that are not anticipated to be spent.

The projected positive revenue variance of \$12.7 million includes an increase of \$8.9 million in Miscellaneous Revenues related to the Intergovernmental Transfer, \$5.7 million in Realignment, \$6.1 million in administrative revenue and \$0.3 million in Dispute Resolution fees offset by \$8.0 million of unsecuritized tobacco settlement revenue that is not projected to be recognized and \$0.3 million in charges in Other Funds/Special Districts.

#### *Aging and Independence Services*

A positive variance of \$1.3 million is projected for Aging & Independence Services (AIS).

The positive expenditure variance projection of \$1.6 million includes a decrease of \$0.4 million in Salaries and Benefits due to vacant positions, a decrease of \$0.9 million in Services and Supplies and a \$0.3 million decrease in Operating Transfers for In-Home Supportive Services Public Authority. The \$0.9 million decrease in Services and Supplies is due to a decrease of \$1.7 million in the Community Care Transitions Program (CCTP) contract costs, which was offset by an increase of \$0.4 million in Nutrition contracted services and a \$0.4 million increase in various other services and supplies.

The projected negative revenue variance of \$0.3 million is associated with a \$2.2 million decrease in CCTP program revenues offset by over-realized revenue of \$0.8 million in In Home Supportive Services Individual Provider revenues, and \$1.1 million in Aging Services revenue.

#### *Behavioral Health Services*

Behavioral Health Services consists of the following: Mental Health Services, Alcohol and Drug Services, and Inpatient Health Services comprised of the San Diego County Psychiatric Hospital and Edgemoor Skilled Nursing Facility.

No variance is projected for Behavioral Health Services.

The positive expenditure variance of \$22.9 million includes projected savings of \$3.0 million in Salaries and Benefits due to vacant positions, \$20.6 million in Services and Supplies, \$0.1 million in Capital Assets Equipment, offset by \$0.8 million in Other Charges due to an increase in utilization of State hospital beds. The \$20.6 million of savings in services and supplies includes savings of \$20.0 million in contracted services, and savings of \$0.6 million in other various Services and Supplies. The savings in contracted services include savings of \$12.8 million in Mental Health Services Act (MHSA) contracts, \$6.0 million in various contracts, \$3.2 million in Substance Abuse Prevention and Treatment (SAPT) contracts, \$0.3 million in CalWORKs Mental Health Treatment and Substance Abuse program, offset by a \$1.7 million contracted services increase in Skilled Nursing Facilities (SNF), and \$0.6 million in other contracts.

The negative revenue variance of \$22.9 million is primarily associated with savings in Salaries and Benefits due to vacant positions and MHSA, SAPT, and various contracts, offset by increased costs in SNF contracts.

#### *County Child Welfare Services*

A positive variance of \$2.0 million is projected for County Child Welfare Services.

The positive expenditure variance of \$25.2 million includes savings of \$0.3 million in Salaries and Benefits due to attrition and vacant positions, \$1.1 million in Services and Supplies, primarily in Wraparound service contracts and \$23.8 million in Other Charges due to revised estimates of caseload levels and growth trends.

The negative revenue variance of \$23.2 million in under realized revenues is associated with attrition, staff vacancies, and expenditure savings due to revised caseload projections in assistance payments.

#### *Public Health Services*

A positive variance of \$2.0 million is projected for Public Health Services.

The positive expenditure variance of \$3.3 million includes savings of \$1.5 million in Salaries and Benefits due to vacant positions, and \$1.8 million in Services and

Supplies. The \$1.8 million savings in Services and Supplies includes \$1.7 million in contract savings and \$0.1 million in other services and supplies.

The negative revenue variance of \$1.3 million is associated with a decrease in State and federal revenues of \$1.7 million offset by an increase in vital record fees of \$0.4 million.

### *Regional Operations*

Regional Operations consist of the following: Central, East, North Central, North Coastal, North Inland, and South regions, Regional Self-Sufficiency, Eligibility Operations Administration, Health Care Policy Administration and Regional Child Welfare Services.

A positive variance of \$10.5 million is projected for Regional Operations.

The positive expenditure variance of \$37.1 million includes savings of \$7.9 million in Salaries and Benefits due to vacant positions and attrition, \$6.7 million in Services and Supplies, and \$22.5 million savings in Other Charges that is mainly the result of revised caseload levels in California Work Opportunity and Responsibility to Kids (CaWORKs) benefits. The \$6.7 million savings in Services and Supplies include \$5.8 million savings in contracted services due to lower than anticipated costs in the County Medical Services (CMS) program and \$1.4 million savings in various non-contract services and supplies offset by increase of \$0.5 million in 2-1-1 Info Line contract due to contract augmentation per program needs.

The negative revenue variance of \$26.6 million is associated with the projected expenditure savings due to attrition and vacant positions, services and supplies related to contracted services and revised caseload projections in assistance payments.

### **Special Revenue Funds**

#### *Tobacco Securitization Fund*

A positive variance of \$9.7 million is projected for Securitized Tobacco Settlement Fund.

The positive expenditure variance of \$13.8 million in Other Charges is the result of savings in County Medical Systems (CMS).

The negative revenue variance of \$4.1 million is due to under-realized Interest on Deposits.

### **Special Districts Funds**

#### *Ambulance Districts*

A positive variance of \$0.6 million is projected for the Ambulance District.

A positive expenditure variance of \$0.2 million is related to savings in contracted services.



A \$0.4 million positive revenue variance is due to additional transport fees and a prior year contractor refund.

## **LAND USE AND ENVIRONMENT GROUP**

### **General Fund**

#### *Land Use and Environment Group Executive Office (LUEG)*

A positive variance of \$0.4 million is projected for the Land Use Executive Office.

A positive expenditure variance of \$0.4 million is projected. Savings of \$0.3 million is projected in Salaries and Benefits, mainly due to vacancies. Savings of \$0.1 million in Services and Supplies is due to projected savings in Professional & Specialized Services related to various contracts.

No revenue variance is projected.

#### *Agriculture, Weights and Measure (AWM)*

A positive variance of \$0.7 million is projected for the Department of Agriculture, Weights and Measures.

A positive expenditure variance of \$0.7 million is projected. These savings are projected in Salaries and Benefits and are primarily due to vacancies and under-filling positions.

No revenue variance is projected.

#### *Environmental Health*

A positive variance of \$2.4 million is projected for the Department of Environmental Health.

A positive expenditure variance of \$5.1 million is projected. Projected savings of \$1.8 million in Salaries and Benefits is related to vacancies, under-filling positions and freezing of positions. Projected savings of \$3.3 million in Services and Supplies includes \$3.1 million due to delays in implementation of the Vector Habitat Remediation Program and savings of \$0.2 million related to closely monitoring spending activities to ensure costs do not exceed revenue.

A negative revenue variance of \$2.7 million is projected. This variance consists of projected over-realized revenue of \$1.1 million in Licenses, Permits & Franchises which includes \$0.2 million in Hazardous Materials Permit Fees and \$0.9 million in Food and Housing Permit Fees. A projected negative variance of \$2.8 million in Charges for Current Services consists of \$3.5 million in Vector Control Trust Fund revenue associated with Salaries and Benefits and Services and Supplies savings in the Vector Control Program because revenue is only drawn from the Vector Control Trust Fund for actual costs incurred; a \$0.3 million shortfall spread over various accounts; offset by a

positive \$1.0 million in Third Party Reimbursements from settlement funds. A projected shortfall of \$1.0 million in Miscellaneous Revenue is due to the actual revenue being recognized in Third Party Reimbursements.

#### *Department of Parks and Recreation*

A positive variance of \$0.1 million is projected for the Department of Parks and Recreation.

A positive expenditure variance of \$0.3 million is projected. Savings of \$0.9 million in Salaries and Benefits is projected due to vacant and under filled positions, offset by a projected negative variance of \$0.6 million in Services and Supplies due to the funding of additional Major Maintenance Improvement Projects.

A negative revenue variance of \$0.2 million is projected primarily due to departmental vacancies that support projects in the Capital Outlay Fund.

#### *Planning and Development Services*

A positive variance of \$2.6 million is projected for Planning and Development Services.

A positive expenditure variance of \$3.8 million is projected. Savings of \$2.6 million is projected in Salaries and Benefits, primarily due to vacancies. Savings of \$1.2 million in Services and Supplies is projected primarily due to various contracted services related to one-time only funded projects which will be re-budgeted for Fiscal Year 2015-16.

A negative revenue variance of \$1.2 million is projected due to \$0.3 million in over-realized revenue from building permit and plan check fees offset by \$1.5 million in Charges for Current Services primarily due to projected under-realized revenue of \$1.2 million in developer deposits due to vacancies noted above. The remaining negative revenue variance of \$0.3 million is spread over various revenue accounts.

### **Special Revenue Funds**

#### *Park Land Dedication Ordinance*

A positive variance of \$1.2 million is projected for the Park Land Dedication Ordinance.

No expenditure variance is projected.

A positive variance of \$1.2 million is projected in Licenses Permits and Franchises primarily due to unanticipated revenue from Park Land Dedication fees.

#### *Road Fund*

A positive variance of \$8.4 million is projected in the Department of Public Works Road Fund.

A positive expenditure variance of \$5.2 million is projected. Projected savings of \$2.1 million in Salaries and Benefits is due to under-filling of positions and partial year vacancies. Savings of \$1.7 million in Services and Supplies is projected from

construction bid savings and a reduced need for consultant services on projects. Savings of \$1.4 million in Other Charges is projected due to schedule revisions.

A positive revenue variance of \$3.2 million is projected. Under-realized revenue of \$2.2 million is projected in Taxes Other Than Current due to less than anticipated TransNet revenue as a result of project schedule revisions, fewer construction consultants being used, and construction bid savings. Over-realized revenue of \$6.1 million is projected in Intergovernmental Revenue due to \$7.2 million in unanticipated Highway Users Tax Account revenue, which includes a \$4.2 million one-time loan repayment from the State and higher gas tax allocations. This revenue is offset by \$1.1 million in under-realized revenue due to project schedule revisions in various federal projects and construction bid savings. Under-realized revenue of \$0.8 million is projected in Charges for Current Services and is primarily due to \$0.9 million of project schedule changes in Flood Control District projects offset by \$0.1 million in over-realized revenue from developer deposits and work for other County departments. Over-realized revenue of \$0.1 million in Miscellaneous Revenues is projected due to \$0.4 million in unanticipated revenue from the sale of property offset by \$0.3 million less in tribal grant-funded projects.

#### *Inactive Waste*

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

A positive expenditure variance of \$0.7 million is projected. Projected savings of \$0.1 million in Salaries & Benefits is due to an under-filled position. Savings of \$0.6 million in Services and Supplies is projected due to a reduced need for contracted services and costs savings in routine and non-routine operations and maintenance.

A negative revenue variance of \$0.7 million is projected. Under-realized revenue of \$0.8 million is projected in Charges for Current Services due to project savings, partially offset by unanticipated revenue of \$0.1 million from San Marcos Landfill cogeneration sales and final reimbursement from a CalRecycle grant.

### **Special District Funds**

#### *Air Pollution Control District*

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

A positive expenditure variance of \$1.4 million is projected. Salaries and Benefits savings of \$1.3 million is projected due to staff turnovers, vacancies and under-filled positions. A positive expenditure variance of \$0.1 million in Capital Assets Equipment is projected.

A negative revenue variance of \$0.6 million is projected. A negative variance of \$0.9 million is projected due to less anticipated revenue in Licenses Permits and Franchises. This is offset by projected positive variances of \$0.2 million in Fines, Forfeitures & Penalties and \$0.1 million in various miscellaneous revenue accounts.

### *San Diego County Sanitation District*

A positive variance of \$1.6 million is projected in the San Diego County Sanitation District.

A positive expenditure variance of \$1.3 million is projected. Projected savings in Capital Assets/Land Acquisition is due to rescheduling and reprioritization of the Spring Valley Outfall Sewer Improvement and Alpine Trunk Sewer Improvement projects and unanticipated savings in contingency funds for the Jamacha Pump Station and Trunk D Sewer Improvement projects.

A positive revenue variance of \$0.3 million is projected. Over-realized revenue in Charges from Current Services is due to unanticipated revenues from an increased volume in sewer connection capacity fees from new developments.

## **Enterprise Funds**

### *Airport Enterprise Fund*

A positive variance of \$1.7 million is projected for the Airport Enterprise Fund.

A positive expenditure variance of \$2.5 million is projected. Projected savings in Salaries and Benefits of \$0.1 million is due to partial year vacancies and under-filling of positions. Projected savings of \$2.4 million in Capital Assets/Land Acquisition is from various capital projects that were completed under budget.

A negative revenue variance of \$0.8 million is projected. Under-realized revenue in Intergovernmental Revenue is due to federal grant funded capital projects that were completed under budget.

## **COMMUNITY SERVICES GROUP**

### **General Fund**

#### *Community Services Group Executive Office*

A positive variance of \$2.7 million is projected for the Community Services Group Executive Office.

A positive expenditure variance of \$2.7 million is projected in Management Reserves, which are appropriated for unanticipated Group-wide contingencies.

No revenue variance is projected.

#### *Housing and Community Development (HCD) Department*

A positive variance of \$0.2 million is projected. The department is composed of two major activities, Housing and Community Development, which contains staff and operations, and Housing and Community Development Multi-Year Projects, which are

funded through inter-governmental (mainly federal) loans and grants for community development and affordable housing projects.

#### *Housing and Community Development Operations*

A positive variance of \$0.2 million is projected.

A positive expenditure variance of \$1.0 million in expenditures is projected. Salary and Benefit savings of \$0.3 million is projected due to vacancies from employee turnover; savings in Services and Supplies of \$0.7 million is projected due to under-spending in annual IT application upgrade projects (\$0.3 million) anticipated to be continued next year, direct billing of facility operating cost to the Housing Authority program projects (\$0.1 million) and savings in various operating expenses (\$0.3 million) as a result of managing discretionary expenses.

The projected negative revenue variance of \$0.8 million is related to the expenditure savings in Salaries and Benefits and various Services and Supplies as noted above, resulting in decreased costs recovered through various funding sources.

#### *Housing and Community Development Multi-Year Projects*

No variance is projected for HCD Multi-Year Projects. The positive expenditure variance of \$12.3 million is offset by a projected negative revenue variance of \$12.3 million. Community Development projects eligible to receive funding are budgeted to facilitate the multi-year project cost expenditure request process.

Revenues are projected to equal expenses as project costs are 100% revenue offset.

#### *Registrar of Voters*

A positive variance of \$0.3 million is projected for the Registrar of Voters.

A positive expenditure variance of \$1.4 million is projected. Salaries and Benefits savings of \$0.7 million is projected due to lower than anticipated temporary labor costs and vacancies within the department. Services and Supplies projected savings of \$0.7 million is due to lower than anticipated election supply and poll worker payroll costs related to the November 4, 2014 Gubernatorial General Election.

A negative revenue variance of \$1.1 million is projected. Under-realized revenue is projected for Election Services (\$0.9 million) and Candidate Statement of Qualification (\$0.1 million) related to the November 4, 2014 Gubernatorial General Election, and lower than expected revenue reimbursement for products and services provided to the public, media, candidates and campaigns (\$0.1 million).

### **Special Revenue Funds**

#### *San Diego County Library*

A positive variance of \$2.2 million is projected for the San Diego County Library.

A positive expenditure variance of \$2.5 million is projected. This variance is a result of savings of \$0.7 million in Salaries and Benefits from anticipated vacant positions. Projected savings in Services and Supplies of \$0.8 million is due to savings based on year-to-date spending in facilities management (\$0.2 million), rents & leases (\$0.1 million), and IT network services (\$0.5 million). Projected savings of \$1.0 million in Management Reserves, appropriated for operating contingencies.

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

### **Internal Service Funds (ISFs)**

#### *Facilities Management ISF*

A positive variance of \$0.4 million is projected for the Facilities Management ISF.

A positive variance of \$2.4 million in expenditures is projected. The positive variance of \$0.7 million in Salaries and Benefits is due to savings from modified positions and staff vacancies. The savings in Services and Supplies of \$0.1 million is primarily due to \$1.2 million in project management costs and \$0.6 million in lower than anticipated costs related to mail services, facility operations, contracted services offset by \$1.7 million for increases in utility costs mainly due to increased square footage at various detention facilities. There is a positive variance of \$0.1 million in Capital Assets Equipment due to delays in developing the building information modeling software. A positive variance of \$1.5 million in Operating Transfers Out is due to fewer than anticipated qualified projects for On-Bill financing and California Energy Commission (CEC) financing, which will also result in lower than anticipated revenue.

A negative variance of \$2.0 million in revenues is projected. This variance consists of under-realized revenue of \$1.8 million in Other Financing Sources due to a \$1.3 million one-time technical adjustment required to record the liability associated with the On-Bill financing, which is used to finance County-wide energy efficiency projects, and a reduction of \$0.5 million in Operating Transfers In to reimburse for services provided to the Major Maintenance Internal Service Fund; and a projected shortfall of \$0.2 million in rents and concessions and \$0.2 million in Intergovernmental Revenues. These negative variances are partially offset by a positive variance of \$0.2 million in miscellaneous revenue from higher than anticipated lease commissions.

#### *Major Maintenance ISF*

No variance is projected for the Major Maintenance ISF.

There is a positive variance of \$12.6 million projected in expenditures. Projected savings of \$11.4 million in Services and Supplies and \$1.2 million in Operating Transfers Out is due to delays in commencing new projects.

Revenues are projected to equal expenses as costs are 100% revenue offset by reimbursement from operating departments.

### *Fleet Management ISF*

There is a positive variance of \$0.4 million projected for the Fleet Management ISF.

There is a positive variance of \$7.4 million projected in expenditures. Positive variances are projected in Salaries and Benefits of \$0.1 million due to savings from staff vacancies; \$2.2 million in Services and Supplies due to lower facility and utility charges and less than anticipated fuel purchases; \$0.3 million in Other Charges due to decreased depreciation costs; \$4.6 million in Capital Assets Equipment due to less than anticipated purchases for replacement vehicles, and \$0.1 million from unspent Contingency Reserves.

There is a negative variance of \$7.0 million projected in revenues. Negative revenue variance projections include \$7.1 million in Charges for Current Services due to under-realized revenue for reimbursement of replacement vehicles and lower-than-expected fuel purchases, and \$0.1 million spread among various accounts. This is partially offset by a positive variance of \$0.2 million in Other Financing Sources primarily due to the gain on sale of fixed assets.

### *Purchasing and Contracting ISF*

A positive variance of \$0.8 million is projected for the Purchasing and Contracting ISF.

A positive expenditure variance of \$2.2 million is projected. This projected variance is the result of \$0.6 million in Salaries and Benefits savings attributed to managed vacancies, \$0.1 million savings in various Services and Supplies, and a projected year-end balance of \$1.5 million in Management Reserves which are held for operating contingencies during the year.

A negative revenue variance of \$1.4 million is the result of projected \$1.7 million under-realized ISF revenue from lower Health and Human Services Agency program contract spending related to the impact of the Affordable Care Act, offset by \$0.3 million in over-realized revenues from rebate agreements.

## **FINANCE AND GENERAL GOVERNMENT GROUP**

### **General Fund**

#### *Assessor/Recorder/County Clerk*

A positive variance of \$0.4 million is projected for the Assessor/Recorder/County Clerk.

A positive expenditure variance of \$4.8 million is projected due to anticipated savings of \$1.2 million in Salaries and Benefits due to attrition and departmental vacancies, and \$3.6 million in Services and Supplies due to less than anticipated contracted services and network services.

A negative revenue variance of \$4.4 million is projected due to decreases of \$2.4 million in Recording revenue, \$1.5 million in Micrographics fee, \$0.2 Modernization Recording fee, \$0.2 million in Social Security Truncation, \$0.3 million in Certified Copy Vital, \$0.1 million in Marriage Ceremony Fee, partially offset by increases of \$0.3 million in Duplicating & Filing fees.

*Treasurer-Tax Collector*

A positive variance of \$0.7 million is projected for the Treasurer-Tax Collector.

A positive expenditure variance of \$0.7 million is projected. Salaries and Benefits savings of \$0.6 million are projected due to vacancies and staff turnover, and a positive variance of \$0.1 million is projected in Services and Supplies primarily due to procurement of Electronic Payment Processing redesigned payment structure.

No revenue variance is projected.

*Human Resources*

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

A positive expenditure variance of \$0.3 million is projected in Salaries and Benefits due to staff turnover and vacant positions.

A positive revenue variance of \$0.1 million is projected due over realized revenue related to recovered expenditures.

*Chief Administrative Office*

A positive variance of \$0.3 million is projected for the Chief Administrative Office.

A positive expenditure variance of \$0.3 million is projected. Salaries and Benefits savings of \$0.1 million are projected due to staff vacancies. Savings of \$0.2 million in Services and Supplies are primarily related to savings associated with the outside audit contract.

No revenue variance is projected.

*Auditor and Controller*

A positive variance of \$0.7 million is projected for the Auditor and Controller.

A positive expenditure variance of \$0.7 million is projected in Salary and Benefits due to normal attrition of staff from employee turn-over, vacancies and under-filled positions.

No revenue variance is projected.

*County Counsel*

A positive variance of \$2.6 million is projected for the Office of County Counsel.



A positive expenditure variance of \$3.2 million is projected, including savings of \$0.9 million in Salaries and Benefits due to unanticipated employee departures, extended leaves and delays in backfilling positions. A positive variance of \$2.3 million is projected in Services and Supplies, primarily due to the delay of a major maintenance project at the County Administration Center, and the delayed full deployment of a case management application.

A negative revenue variance of \$0.6 million is projected in Charges for Current Services primarily due to the closure of cases having to do with land matters, the reallocation of staff resources to address emerging issues and court delays in public guardian and probate matters.

### **Internal Service Funds**

#### *Public Liability ISF*

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

A positive expenditure variance of \$0.4 million is projected. Services and Supplies savings of \$0.6 million is due primarily to lower inter-departmental costs resulting from a reallocation of staff resources to address emerging operational matters and a decreased need to use outside counsel, offset by \$0.2 million increases in Other Charges due to settlements being reached.

No revenue variance is projected.

### **GENERAL PURPOSE REVENUE & COUNTYWIDE EXPENSES**

A positive variance of \$60.7 million is projected in General Purpose Revenue (GPR) and \$28.4 million positive variance is projected in General County Expenses.

#### **General Purpose Revenue**

San Diego region has continued to fare better than other California metros. The economy is moving in the right direction and economic outlook continues to improve. The County's GPR related to property tax revenues improved as evident by the increase in assessed values and gradual increase in construction activity. The county's diverse economic base, the benefits of near perfect climate and the quality of life that attracts people with higher levels of education, all contribute to the positive outlook to San Diego's economy. For Fiscal Year 2014-15, the economic indicators and trends are summarized below followed by a discussion by revenue account of significant variances from budget:

- San Diego's monthly unemployment rate was 5.2% in December 2014, down from 6.4% one year ago. This is slightly lower than the US rate of 5.4%. San Diego

compared to the state and other California metros such as Riverside and Los Angeles, has continued to fare better and has maintained a lower unemployment rate.

- Consumer spending, as measured by taxable sales, is also increasing along with job growth. Unadjusted local point of sale tax revenue increased by 9.4% for the first two quarters through December 2014 in the unincorporated area compared to the same time period in prior year. For the last two quarters through December 2014, sales tax revenue improved at the statewide level by an estimated 5.0%, in the southern California region by 4.0%, and at the San Diego regional level by 6.4%. The overall increase is a sign of continuing economic recovery.
- The positive indicators in the housing market continues in the County.
  - Increase in median housing prices (up 4.8% in the San Diego region for December 2014 compared to December 2013);
  - Increase in the number of homes sold for December 2014 by 6.2% compared to same month in 2013.
  - Notices of Default for January-December 2014 was down 23% compared to the same period in 2013.
  - Foreclosure activity decreased 37% in 2014 compared to 2013).

#### *Current Property Taxes All Categories*

The four categories of Current Property Taxes (i.e., Property Taxes Current Secured, Property Taxes Current Supplemental, Property Taxes Unsecured, and Property Taxes Current Unsecured Supplemental) combined are estimated to show a net positive variance to budget of \$11.1 million.

- *Property Taxes Current Secured*  
Current Secured Property Taxes are projected to be \$10.3 million higher than budget. This mainly resulted from the fact that the 2014 local secured assessed value is greater than anticipated in the budget.

The budgeted current secured property taxes assumed a local secured assessed value increase of 4.0%, but the actual assessed value (AV) increased by 6.2% (gross less regular exemptions). (Note: The 6.2% increase represents the change in the assessed value for only the secured roll. This is different than the countywide overall increase published by the Assessor/Recorder/County Clerk on June 27, 2014 of 6.0%, which includes all assessed value components, secured and unsecured).

- *Property Taxes - Current Unsecured*  
Current Unsecured Property Taxes are projected to be \$0.8 million above budget. At the time the budget was prepared, current unsecured property tax revenues were based on the assumption that there would be no growth in the current unsecured roll. Unlike the secured roll, the unsecured roll does not build on a prior year base.

- *Property Taxes Current Supplemental*  
No projected variance in Current Supplemental Property Taxes. The projection for this revenue is based on charges and collections trend estimates related to new construction and anticipated turnover through Fiscal Year 2014-15. The method for calculating the allocation factors changed this fiscal year per direction from the State Controller's Office, resulting in decrease of supplemental revenue for the County. This assumption was included in the projection.

#### *Taxes Other Than Current Secured*

Taxes Other Than Current Secured are anticipated to be \$10.5 million above budget.

- *Real Property Transfer Taxes*  
\$1.1 million variance for Real Property Transfer Taxes based on realized revenues for Fiscal Year 2013-14 as well as data regarding current year change in ownership and the anticipated level of new construction.
- *Sales and Use Taxes*  
\$1.2 million variance for Sales and Use Taxes based on taxable sales activity in the unincorporated San Diego estimated to be 4.6% increase from Fiscal Year 2013-14 actuals.
- *In Lieu Local Sales and Use Taxes*  
A \$0.7 million variance is projected in Lieu Local Sales and Use Taxes based on a growth rate used by the California Department of Finance (DOF).
- *Teeter Tax Reserve Excess*  
\$1.2 million variance in the Teeter Tax Reserve Excess based on current penalty and interest collections and available data on the outstanding receivables and projections through the end of the fiscal year.
- *Property Tax in Lieu of Vehicle License Fees*  
Property Tax in Lieu of Vehicle License Fees (VLF) is projected to be \$6.6 million above the budgeted amount of \$326.3 million. The actual assessed value adjustment factor of 6.0% (which includes unsecured, local secured, current State non-unitary, and aircraft property tax components) for Fiscal Year 2013-14 is higher than the adjustment rate of 3.87% used to calculate the budgeted revenue.
- *Teeter Property Tax Prior Year and Cumulative Prior Years*  
No projected variance for collections from taxes receivable from the prior fiscal years. The improvement in delinquency rate have led to continued declines in the Teeter buyout outlined in the Teeter Tax Reserve Excess above.

#### *Licenses, Permits, and Franchises*

No projected variance in Licenses, Permits and Franchise payments based on anticipated revenues to be received from franchise payments.

*Revenue from Use of Money & Property*

\$0.9 million variance in Interest on Deposits due to higher than anticipated revenues when the budget was developed.

*Fines, Forfeitures and Penalties*

No projected variance in Penalties and Cost Delinquency Taxes. Revenues in this account reflect the 10% penalty that is assessed on late current secured and unsecured property tax payments.

*Intergovernmental Revenue*

A positive variance of \$9.8 million is projected in Intergovernmental Revenue primarily due to pass-through distributions, distribution from sale/disposition of property, from settlement payment and residual balance estimates in Aid from Redevelopment Successor Agencies.

*Miscellaneous Revenues*

A positive variance of \$28.8 million is projected in Miscellaneous Revenue primarily due to \$28.0 Million repayment from East Mesa Detention and Reentry Facility and \$0.8 million payment from Court for State audit.

**General County Expenses**

*Cash Borrowing*

A positive variance of \$7.7 million is projected. Costs for issuance of TRANS was included in the development of the budget. There was no TRANS issued this fiscal year.

*Contingency Reserve*

The entire \$20.7 million budgeted in the Contingency Reserve in Fiscal Year 2014-15 is projected to be unspent at year-end.