



COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

GREG COX
First District

DIANNE JACOB
Second District

KRISTIN GASPAR
Third District

NATHAN FLETCHER
Fourth District

JIM DESMOND
Fifth District

DATE: March 12, 2019

11

TO: Board of Supervisors

SUBJECT

**FISCAL YEAR 2018-19 SECOND QUARTER OPERATIONAL PLAN STATUS
REPORT AND BUDGET ADJUSTMENTS (DISTRICTS: ALL)**

OVERVIEW

This report summarizes the status of the County's Fiscal Year 2018-19 Adopted Operational Plan, as measured by projected year-end fund balance from current year operations. The projected year-end balance for the General Fund is \$128.7 million, and \$173.7 million for all budgetary funds combined. The projected fund balance anticipates variances from the Fiscal Year 2018-19 Adopted Operational Plan, which assumes that the majority of management reserves are not used, General Purpose Revenue will perform better than estimated, and all business groups will produce operating balances.

In the Public Safety Group (PSG), recommendations include appropriations adjustments for fire protection services and equipment and emergency medical services; and to provide funding for the North County Regional Center Parking Lot Project.

In the Land Use and Environment Group (LUEG), recommendations include appropriations adjustments for repairs and improvements at Spring Valley Gymnasium, the Waterfront Park, and Estrella Park; for one-time costs related to the Agriculture Promotion Ordinance Amendments to eliminate the Zoning Verification Permit and for fee waivers and rebates for small agriculture businesses and for the associated CEQA review.

In the Community Services Group (CSG), recommendations include appropriations adjustments to support title costs associated with the Ramona Intergenerational Community Campus (RICC) Caltrans Replacement Property Ramona Acquisition capital project and for additional funds for printing and mailing ballots and voter information pamphlets for the November 6, 2018 election.

In the Finance and General Government Group (FGG), recommendations include appropriations adjustments for one-time expenses in the Board offices and to upgrade the County Operations Center Chamber audio visual equipment.

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

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Finally, recommendations include appropriation adjustments across the groups to ensure that capital projects are properly accounted for in accordance with financial reporting requirements.

**RECOMMENDATION(S)
CHIEF ADMINISTRATIVE OFFICER**

1. Accept the Fiscal Year 2018-19 second quarter report on projected year-end results.
2. Establish appropriations of \$185,492.85 in the County Service Area (CSA) 135 Fire Mitigation Fees fund (14790), Operating Transfer Out, to provide funding for fire protection services and equipment, based on available prior year fund balance. **(4 VOTES)**
3. Establish appropriations of \$185,492.85 in the CSA 135 Fire Authority Fire Mitigation fund (14797), Services & Supplies, for fire protection services and equipment, based on an Operating Transfer In from the CSA 135 Fire Mitigation Fees Fund (14790). **(4 VOTES)**
4. Establish appropriations of \$832.43 in the CSA 135 Fire Protection and Emergency Medical Services fund (14795), Operating Transfer Out, to provide funding for fire protection and emergency medical services, based on available prior year fund balance. **(4 VOTES)**
5. Establish appropriations of \$832.43 in the CSA 135 Fire Authority Fire Protection and Emergency Medical Services fund (14798), Services & Supplies, to provide funding for fire protection and emergency medical services, based on an Operating Transfer In from the CSA 135 Fire Protection and Emergency Medical Services fund (14795). **(4 VOTES)**
6. Cancel appropriations of \$155,121 in the District Attorney's Office, Salaries & Benefits, and related Operating Transfers In from various program revenues.
7. Reestablish appropriations of \$155,121 in the District Attorney's Office, Salaries & Benefits, based on available prior year Public Safety Group General Fund fund balance. **(4 VOTES)**
8. Cancel appropriations of \$1,072,723.45 and related revenue, from the dissolved Poway Redevelopment Trust Fund, in the Justice Facility Construction Fund for Capital Project 1021130, Sheriff Technology and Information Center, to correct the funding source.
9. Establish appropriations of \$1,072,723.45 in the Contributions to Capital Outlay Fund, Operating Transfer Out, to provide funding for Capital Project 1021130, Sheriff Technology and Information Center, based on available prior year Public Safety Group General Fund fund balance. **(4 VOTES)**
10. Reestablish appropriations of \$1,072,723.45 in the Justice Facility Construction Fund for Capital Project 1021130, Sheriff Technology and Information Center, based on an Operating Transfer In from the General Fund. **(4 VOTES)**
11. Establish appropriations of \$1,600,000 in the Contributions to Capital Outlay Fund, Operating Transfer Out, to provide funding for Capital Project 1021847, North County Regional Center

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Parking Lot Project, based on available prior year Public Safety Group General Fund fund balance. **(4 VOTES)**

12. Establish appropriations of \$1,600,000 in the Capital Outlay Fund for Capital Project 1021847, North County Regional Center Parking Lot Project, based on an Operating Transfer In from the General Fund. **(4 VOTES)**
13. Establish appropriations of \$17,500 in the County Service Area 128 Spring Valley fund, Services & Supplies, to fund the repair of the Spring Valley Gymnasium gym floor and air conditioning compressor, based on available prior year County Service Area 128 Spring Valley Fund fund balance. **(4 VOTES)**
14. Establish appropriations of \$90,000 in the Multiple Species Conservation Program Acquisition Fund for the Potts Acquisition based on revenue from the Parks and Recreation Trust Fund. **(4 VOTES)**
15. Establish appropriations of \$206,000 in the Department of Parks and Recreation, Services & Supplies, for Waterfront Park improvement projects based on revenue from the Waterfront Operation and Maintenance Trust Fund. **(4 VOTES)**
16. Transfer appropriations of \$6,258 to the Department of Parks and Recreation, Services & Supplies, from the Contribution to Capital Outlay Fund, Operating Transfer Out, to return unused one-time stewardship funds and to properly record non-capital pre-acquisition expenses.
17. Cancel appropriations of \$6,258 in the Multiple Species Conservation Program Acquisition Fund, to provide funding for future land acquisition and improvements and to properly record related non-capital pre-acquisition expenses, based on an Operating Transfer In from the General Fund.
18. Transfer appropriations of \$93,900 from the Department of Parks and Recreation, Services & Supplies, to the Contributions to Capital Outlay Fund, Operating Transfer Out, for Capital Project 1021778 Estrella Park Development. **(4 VOTES)**
19. Establish appropriations of \$93,900 in the Capital Outlay Fund for Capital Project 1021778 Estrella Park Development, based on an Operating Transfer In from the General Fund. **(4 VOTES)**
20. Establish appropriations of \$1,046,442 in the Contributions to Capital Outlay Fund, Operating Transfer Out, for Capital Project 1021150 South County Bicycle Skills Course, based on available prior year General Fund fund balance. **(4 VOTES)**
21. Establish appropriations of \$248,000 in the Park Land Dedication Ordinance Area 15 Sweetwater Fund, Operating Transfer Out, to provide funding for Capital Project 1021150, South County Bicycle Skills Course, based on available prior year fund balance. **(4 VOTES)**

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22. Establish appropriations of 1,294,442 in the Capital Outlay Fund for Capital Project 1021150, South County Bicycle Skills Course, based on an Operating Transfer in from the General Fund (\$1,046,442) and Operating Transfer In from the Park Land Dedication Ordinance Area 15 Sweetwater Fund (\$248,000). **(4 VOTES)**
23. Establish appropriations of \$115,937 in the Department of Planning and Development Services, Services & Supplies, for CEQA review and Fiscal Year 2018-19 costs for fee waivers related to the Agriculture Promotion Ordinance Amendments to eliminate the Zoning Verification Permit for small agriculture stores, based on available prior year General Fund fund balance (\$100,000) and Land Use and Environment Group General Fund fund balance (\$15,937). **(4 VOTES)**
24. Establish appropriations of \$19,062 in the Department of Environmental Health, Salaries & Benefits, to provide funding for staff time related to temporary waiving plan check and pre-packaged food permit fees for agricultural stores on agricultural production lands that host agricultural tourism events, and fee rebates for food trucks that participate in agricultural tourism events, based on available prior year Land Use and Environment Group General Fund fund balance. **(4 VOTES)**
25. Establish appropriations of \$12,000 in the Fish and Game Propagation Fund, Other Charges, for distributing Fish and Game State Fines and Forfeitures monies to the public based on available prior year Fish and Game Propagation Fund fund balance. **(4 VOTES)**
26. Transfer appropriations of \$975,000 from the Community Services Group Executive Office, Management Reserves, to the Registrar of Voters, Services & Supplies, based on available prior year Community Services Group General Fund fund balance to provide additional funding for contracted services related to the printing and mailing of official ballots, sample ballots, and voter information pamphlets.
27. Transfer appropriations of \$30,000 from the Community Services Group Executive Office, Management Reserves, to the Contributions to Capital Outlay Fund, Operating Transfer Out, to provide funding for Capital Project 1018658, Ramona Intergenerational Community Campus (RICC) Caltrans Replacement Property Ramona Acquisition. **(4 VOTES)**
28. Establish appropriations of \$30,000 in the Capital Outlay Fund for Capital Project 1018658, RICC Caltrans Replacement Property Ramona Acquisition, to pay for title costs based on an Operating Transfer In from the General Fund. **(4 VOTES)**
29. Establish appropriations of \$150,000 in Board of Supervisors District 4, Services & Supplies, for terminal payoffs of staff and related office refresh based on available prior year Finance and General Government Group General Fund fund balance. **(4 VOTES)**
30. Establish appropriations of \$150,000 in Board of Supervisors District 5, Services & Supplies, for terminal payoffs of staff and related office refresh based on available prior year Finance and General Government Group General Fund fund balance. **(4 VOTES)**

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31. Establish appropriations of \$1,000,000 in Finance and General Government Executive Office, Capital Assets Equipment, for one-time expenses related to upgrading the County Operations Center Chamber audio visual system based on Public Educational Government Access Fee revenue. **(4 VOTES)**
32. Transfer appropriations within departments between Services & Supplies and Operating Transfers Out, including ratifications as noted in Appendix D, in the net amount of \$1,598,400 for major maintenance projects listed in Appendix D that were subsequently reclassified, based on capitalization thresholds, for financial reporting purposes. **(4 VOTES)**
33. Establish and cancel appropriations, including ratifications, as noted in Appendix D for a net increase of \$1,487,905 in the Major Maintenance Capital Outlay Fund and adjust related funding sources as noted to accurately classify major maintenance projects for financial reporting purposes. **(4 VOTES)**
34. Amend the Fiscal Year 2018-19 Department of General Services Major Maintenance Internal Service Fund (ISF) Spending Plan, including ratifications, as noted in Appendix D by a net decrease of \$234,514 and adjust funding sources as noted to accurately classify major maintenance costs as operating or capital expenses for financial reporting purposes. **(4 VOTES)**

FISCAL IMPACT

Funds for a portion of these requests which include ratifications, reflected in Appendix D, are not included in the Fiscal Year 2018-19 Operational Plan. If approved, these actions will result in a net increase in appropriations of \$6,263,555 in the General Fund. The funding sources include Waterfront Operation and Maintenance Trust Fund (\$206,000), Public Educational Government Access Fee (\$1,000,000), Departmental Operating Revenue (\$1,248,400) and available prior year General Fund fund balance (\$3,809,155).

In all other funds combined, these actions will result in a net increase in appropriations of \$4,102,235. The funding sources are Operating Transfers (\$3,198,409) and miscellaneous other sources (\$903,825).

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 \$128.7 million. This projected one-time resource is a combination of anticipated year-end General Purpose Revenue (GPR) exceeding budget by \$26.1 million along with a net positive variance of \$81.3 million from operations and a positive variance of \$21.3 million in unspent management reserves. The projected balance for all other funds combined is \$45.0 million.

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The General Fund year-end fund balance projection of \$128.7 million is based on the estimate that expenditures will be approximately \$189.4 million less than the Fiscal Year 2018-19 Amended Budget and revenues will be a net \$60.7 million less than the Fiscal Year 2018-19 Amended Budget. Fund balance projections represent the overall net result of projected expenditure and revenue variances from Amended Budget. The Amended Budget consists of the Adopted Budget plus encumbrances carried over from the prior year, plus year-to-date changes that have been either approved by the Board or the Deputy Chief Administrative Officer/Auditor and Controller, when permitted

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

GENERAL FUND EXPENDITURE VARIANCES

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

- \$42.3 million in positive salary and benefit appropriation variance in all groups due to staff turnover and department management of vacancies.
- \$77.1 million in positive appropriation variance in Services & Supplies across the County.
 - In PSG, a projected overall positive variance of \$17.2 million primarily in Probation department to allow for the time required to develop contracts and to provide connections to the Drug Medi-Cal Organized Delivery System; in Sheriff's department due to lower than anticipated costs for Medicines, Drugs & Pharmaceuticals related the implementation of a new pharmacy contract, and for Contracted Services related to the jail-based competency treatment program that will not be fully utilized, and a decrease in planned expenditures for the Regional Communications System; in Child Support Services due to lower than anticipated costs resulting from lower rates in contracted services, special departmental expenses, minor equipment, and various IT costs due to overall efforts to reduce the cost structure; in San Diego County Fire Authority due to the delay of property mortgage pay off associated with the Julian Cuyamaca Fire Protection District; and in Office of Emergency Services related to major maintenance projects and contracted services that will be completed next fiscal year.
 - In HHSA, a projected overall positive variance of \$37.0 million is projected. This includes positive expenditure variances projected in Behavioral Health Services associated with substance abuse programs due to the time required for the introduction of Drug Medi-Cal Waiver services. Additional projected positive variances are in Housing & Community Development Services (HCDS) due to projected loans to be issued and community development and affordable housing projects that overlap across fiscal years; in Child Welfare Services due to ongoing implementation of various contracts, updated procurement timelines, and reduced caseload trends in the Transitional Housing Program contracts; and in Public Health

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Services primarily tied to lower than anticipated utilization of contracted services to align with available grant funding in Maternal Child and Family Health Services. The positive variance is offset by a projected negative variance associated with Information Technology costs required to support the San Diego County Psychiatric Hospital.

- In LUEG, a projected overall positive variance of \$2.8 million is primarily in Department of Environmental Health for the Vector Control Program due to delays in projects awarded by the Vector Habitat Remediation Program (VHRP); and in Planning & Development Services due to lower than anticipated costs for consultant contracts.
- In CSG, a projected positive variance of \$0.2 million in the Department of Animal Services in contracted services as more animal medical services (spay/neuter & dental) being performed in-house than planned.
- In FGG, a projected positive variance of \$15.9 million primarily due to Assessor/Recorder/County Clerk for one-time projects on restoration and preservation of maps, old books and recorder microfilm and redaction of official records. Additional positive variances are anticipated in Finance and General Government Executive Office due to Information Technology projects that are anticipated to span across multiple fiscal years; and in the Department of Human Resources primarily for contracted services and workers compensation administration costs.
- In Finance Other a projected positive variance of \$4.0 million is primarily due to Information Technology projects that are anticipated to extend beyond the current fiscal year.
- A projected net positive appropriation variance of \$48.1 million in Other Charges reflects variances primarily in HHSA. In Self-Sufficiency Services, the projected positive variance is mainly due to revised estimates of caseload levels and growth trends in the California Work Opportunity and Responsibility to Kids (CalWORKs) program, in Child Welfare Services primarily due to revised estimates of caseload levels and growth trends in foster care and adoptions assistance programs, and in Public Health Services due to revised estimates of caseload levels in California Children's Services (CCS).
- \$21.3 million positive appropriation variance in management reserves in HHSA (\$20.0 million) and FGG (\$1.3 million) that are projected to be unspent at year-end.

GENERAL FUND REVENUE VARIANCES

The projected under realized revenue of \$60.7 million includes positive variances totaling \$21.3 million and negative variances of \$82.1 million. In many instances, the negative revenue variances are directly associated to the positive expenditure variances described above.

The projected positive revenue variance of \$21.3 million is primarily attributable to the following categories: Revenue From Use of Money & Property (\$14.7 million) mainly due to interest revenue from higher than expected interest earnings; Taxes Other Than Current Secured (\$4.3 million) mainly due to higher turnover in ownership and new construction activity and the true up of sales and use tax revenue by the State, new allocations received, audit recovery, and increase in the pool allocations due to higher sales; Miscellaneous Revenue (\$1.7 million) mainly due to unanticipated

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HOME Program Income based on loan repayments; and Licenses, Permits & Franchises (\$0.6 million) primarily due to unanticipated fee revenue for external overheads.

The projected negative variance of \$82.1 million is largely in Intergovernmental Revenue (\$66.4 million) related to lower than anticipated federal revenues and State assistance payment revenues to align with projected caseload levels, including: revised CalWORKs caseload projections, the ramping up of Drug Medi-Cal Waiver services for substance abuse programs, updated allocations, and lower than anticipated CCS caseload expenditures, and lower than anticipated costs for Salaries & Benefits and multi-year projects in HCDS; and a shortfall in Charges For Current Services (\$8.6 million) mainly in ARCC from Trust Fund reimbursement due to less than anticipated costs and under-realized program revenue related to Recording Document Revenues, Duplicating & Filing Documents and Marriage Ceremony Fees, and in PDS due to staff vacancies that provide the service to property owners; in Other Financing Sources (\$5.8 million) mainly to retain funds available in the Criminal Justice Facility Construction Fund for planned future facilities projects; in Fines, Forfeitures & Penalties (\$1.2 million) mainly due to lower than expected Penalties and Cost Delinquency Taxes generated from fees for late property tax payments.

Fiscal Year 2018-19 Budget Adjustments

The recommendations for budget adjustments are explained as follows:

Recommendations 2-5

In Fiscal Year 2014-15 Operational Plan, the Board approved the reorganization of the San Diego County Fire Authority under the Office of Emergency Services. During the process the following two new Special Revenue Funds were established: CSA 135 Fire Authority Fire Mitigation Fund (14797) and CSA 135 Fire Authority Fire Protection and Emergency Medical Services Fund (14798). These new funds replaced the existing Special Revenue Funds, CSA 135 Fire Mitigation Fees Fund (14790) and CSA 135 Fire Protection and Emergency Medical Services Fund (14795).

These recommendations will establish appropriations in the two new Special Revenue Funds as follows: \$185,492.85 in the CSA 135 Fire Authority Fire Mitigation Fund (14797), for fire protection services and equipment, based on an Operating Transfer In, from the CSA 135 Fire Mitigation Fees fund (14790); \$832.43 in the CSA 135 Fire Authority Fire Protection and Emergency Medical Services fund (14798), for fire protection and emergency medical services, based on Operating Transfer In from the CSA 135 Fire Protection and Emergency Medical Services fund (14795). These recommendations will eliminate balances in Special Revenue Funds CSA 135 Fire Mitigation Fees Fund (14790) and CSA 135 Fire Protection and Emergency Medical Services Fund (14795), to allow for final closure of these funds.

Recommendations 6 & 7

On December 11, 2018 (36), the Board approved the establishment of appropriations in Salaries & Benefits in the District Attorney Office as a result of Memorandum of Agreement between the County and the District Attorney Investigators Association. These recommendations will correct the funding source associated with these costs from program revenue to available Public Safety Group General Fund balance in the amount of \$155,121.

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Recommendations 8 – 10

Appropriations of \$49 million were included in the Fiscal Year 2017-18 Operational Plan for Capital Project 1021130, Sheriff Technology and Information Center to replace Buildings 12 and 18 at the County Operations Center (COC) with a new facility for the Sheriff's Data and Wireless Services Divisions including an Emergency Operations Center (EOC) media center. This project was partially funded by the Poway Redevelopment Trust Fund, a trust fund that was closed in Fiscal Year 2017-18, with remaining funds transferred over to the Public Safety Group (PSG) and becoming available prior year PSG General Fund fund balance. These recommendations will amend the funding sources for Capital Project 1021130, Sheriff Technology and Information Center from Poway Redevelopment Trust Fund revenue to PSG General Fund fund balance.

Recommendations 11 & 12

On March 13, 2018 (08), the Board authorized the advertisement and award of a construction contract for parking lot repair work at the North County Regional Center (NCRC) located at 325 South Melrose Drive in Vista, CA. Design was recently completed, indicating the need for additional funding to address proper drainage, sub-base replacement, and related issues. Contract award is scheduled for Spring 2019. These recommendations will establish additional appropriations of \$1,600,000 in the Capital Outlay Fund for Capital Project 1021847, North County Regional Center Parking Lot Project based on available prior year Public Safety Group General Fund fund balance.

Recommendation 13

This recommendation will establish appropriations of \$17,500 in County Service Area 128 Spring Valley fund, Services & Supplies, to fund the repair of the Spring Valley Gymnasium gym floor and air conditioning compressor based on available prior year County Service Area 128 Spring Valley Fund fund balance. The maintenance needs were unanticipated and require immediate repair, as the facility is used frequently by the residents in the area.

Recommendation 14

This recommendation will establish appropriations of \$90,000 in the Multiple Species Conservation Program Acquisition Fund for the unanticipated Potts Acquisition, located in El Monte Valley of Lakeside, based on revenue in the Parks and Recreation Trust Fund. This revenue was received from the City of Santee for the purchase of 3.62 acres of coastal sage scrub allotment for the City's Mission View Estates and Lantern Crest projects, per Board Policy I-122. These funds are restricted for land acquisition in District 2. The Potts Acquisition will support the County's trails plans to allow DPR to connect nearby trails.

Recommendation 15

This recommendation will establish appropriations of \$206,000 in the Department of Parks and Recreation (DPR), Services & Supplies, for Waterfront Park improvement projects including the replacement of damaged benches, equipment, plants and palm trees and additional sod. The popularity and use of the Waterfront Park has been greater than anticipated, creating a need for additional improvements in Fiscal Year 2018-19 to maintain the park. The funding source is revenue from the Waterfront Operation and Maintenance Trust Fund based on Waterfront Park rental fees.

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Recommendations 16 & 17

MSCP stewardship of the SLR Yuan Pama property and acquisition activities for the Santa Ysabel Cauzza, Sycamore Canyon Goodan Ranch and Dictionary Hill properties have been completed. These recommendations will adjust appropriations within the Multiple Species Conservation Program (MSCP) Acquisition Fund and the Department of Parks and Recreation (DPR), and make the associated adjustments to the related funding source, to allow for the return of unused funds to the MSCP Acquisition Fund and to move non-capital expenditures out of the MSCP Acquisition Fund to the Department of Parks and Recreation. The net impact of these actions is to decrease appropriations in the MSCP Acquisition Fund by \$6,258 and to increase the appropriations in DPR by this amount.

Recommendations 18 & 19

On January 24, 2018 (9), the Board established appropriations of \$800,000 in Capital Project 1021778 Estrella Park Development for park improvements including pathways, picnic tables, benches and landscaping. These recommendations will establish additional appropriations of \$93,900 in Capital Project 1021778 Estrella Park Development to fund an additional report to confirm the park design meets Americans with Disability Act (ADA) access requirements, based on a transfer from DPR, Services & Supplies. This will bring the total estimated project cost to \$893,900.

Recommendations 20 – 22

On June 20, 2018 (04), the Board authorized the Department of Purchasing and Contracting to advertise and award a contract for the construction of the South County Bicycle Skills Course. Subsequently, the project was advertised and received construction bids that were higher than anticipated. If approved, these recommendations would establish appropriations of \$1,294,442 in Capital Project 1021150 South County Bicycle Skills Course, to support increased construction costs, based on available funding in the Park Land Dedication Ordinance Area 15 Sweetwater Fund and available General Fund fund balance. This amount will be in addition to the \$547,431 currently appropriated and will bring the total estimated project cost to \$1,841,873.

Recommendations 23 & 24

On November 14, 2018 (1), the Board authorized the temporary waiver of Zoning Verification Permit fees and the Elimination of the Zoning Verification Permit for Small Agriculture Stores on agricultural production lands that host agricultural tourism events, the temporary waiver of fees for plan check and pre-packaged food permits for small agricultural stores on agricultural production lands that host agricultural tourism events, and fee rebates to food trucks that significantly participate in agricultural tourism events until November 14, 2019 or until funds are exhausted.

To implement these actions, the Department of Planning & Development Services (PDS) has estimated the one-time cost of temporary fee waivers in Fiscal Year 2018-19 to be \$15,937 and the one-time cost of additional CEQA review to be \$100,000. If approved, these recommendations will establish appropriations of \$115,937 in PDS, Services & Supplies, based on available prior year General Fund fund balance (\$100,000) and available prior year Land Use and Environment Group General Fund fund balance (\$15,937). The Department of Environmental Health (DEH) has estimated the one-time cost to implement temporary fee waivers for plan check and permits to

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be \$10,975 and the one-time cost of rebates to be \$8,087 in Fiscal Year 2018-19. If approved, this recommendation will establish appropriations of \$19,062 in DEH, Salaries & Benefits, based on available prior year Land Use and Environment Group General Fund fund balance.

Recommendation 25

This request will establish appropriations of \$12,000 in the Fish and Game Propagation Fund, Other Charges, based on available prior year Fish and Game Propagation Fund fund balance generated by fines for violations of the State Fish and Game Code. These funds will be awarded to qualifying applicants meeting the guidelines for distribution of Fish and Game State Fines and Forfeitures monies to the public through a grant program supporting habitat improvement in the region.

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Recommendation 26

The Fiscal Year 2018-19 Operational Plan for the Registrar of Voters includes funding for the November 6, 2018 Gubernatorial General Election. Due to an unanticipated increase in registered voters, an extremely high voter turnout, a record number of election contests and initiatives requiring a two-card ballot, and several recently added Special Elections (Julian-Cuyamaca Fire Protection District, the City of Solana Beach, and the San Diego County Employees Retirement Association), the cost of contracted services related to the printing and mailing of official ballots, sample ballots, and voter information pamphlets is projected to exceed budgeted levels. This recommendation will transfer \$975,000 in appropriations from the Community Services Group Executive Office management reserves to the Registrar of Voters to accommodate the required increase in contracted services. These appropriations are based on available prior year Community Services Group General Fund fund balance.

Recommendations 27 & 28

On November 5, 2013 (12), the Board approved a Memorandum of Understanding between the State of California, Department of Transportation (Caltrans) and the County of San Diego for two parcels owned by Caltrans. On December 3, 2013 (31), the Board established appropriations of \$37,500 in Capital Project 1018658, Ramona Intergenerational Community Campus (RICC) Caltrans Replacement Property Ramona Acquisition, to fund predevelopment activities for acquisition and improvement of a parcel in Ramona to exchange for one of the Caltrans-owned parcels on Main Street adjacent to the Ramona Intergenerational Community Campus. The Board established additional appropriations of \$427,864 on May 3, 2016 (7) and \$272,402 on March 14, 2017 (7). These recommendations will establish additional appropriations of \$30,000 in the Capital Outlay Fund for Capital Project 1018658, RICC Caltrans Replacement Property Ramona Acquisition, to pay for title costs.

Recommendations 29 & 30

These recommendations will establish appropriations of \$300,000 to provide funding for terminal payoffs of staff and related office refresh in the Board of Supervisors' District 4 and District 5 offices. The funding source is available prior year Finance and General Government Group General Fund fund balance.

Recommendation 31

This recommendation will establish appropriations of \$1,000,000 to upgrade the County Operations Center (COC) Chambers audio visual system. This will allow for capital equipment and infrastructure to be upgraded for better broadcasting of meetings located at the COC. The funding source is available Public Educational Government Access Fee revenue which can only be used for the purposes described above.

Recommendations 32 – 34

Board Policy B-37, *Use of Capital Program Funds*, notes that on occasion, due to the nature of major maintenance projects, these projects may be reclassified as an operating or capital expense based on financial reporting requirements. Pursuant to Board Policy B-37, to ensure accuracy in financial reporting, the Auditor and Controller shall make required adjustments to departmental operating budgets and within the Major Maintenance Capital Outlay Fund (MMCOF) or the Major Maintenance Internal Service Fund (MMISF). Due to the emergent nature of some major

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maintenance projects, some of these adjustments may require ratification by the Board. These recommendations will allow for the accurate financial reporting of major maintenance projects, which are listed in Appendix D along with the related required adjustments.

These recommendations will result in a net increase of appropriations in the MMCOF and a net decrease in the MMISF for emergent requests, changes in Spending Plans, and reclassification of major maintenance projects which are supported by existing department budgets.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

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

Respectfully submitted,



HELEN N. ROBBINS-MEYER
Chief Administrative Officer

ATTACHMENT(S)

Schedule A
Schedule B
Notes to Schedules A and B
Appendix D

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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 11, 2018 (36) Fiscal Year 2018-19 First Quarter Operational Plan Status Report and Budget Adjustments; June 26, 2018 (12), County of San Diego Fiscal Year 2018-19 Adopted Budget Resolution for County Family of Funds, Enterprise Funds and Internal Service Funds, and Prior Year Encumbrances

BOARD POLICIES APPLICABLE:

N/A

BOARD POLICY STATEMENTS:

N/A

MANDATORY COMPLIANCE:

N/A

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

N/A

ORIGINATING DEPARTMENT: Finance & General Government Group

OTHER CONCURRENCE(S): N/A

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**COUNTY OF SAN DIEGO
NOTES TO SCHEDULES A and B
Fiscal Year 2018-19 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.

Management Reserves

Besides the General Fund Reserve, which is comprised of unassigned General Fund fund balance, County business groups may establish Management Reserves. 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 management reserve balances and operating balances.

Variance Reporting

Departments project variances from the Operational Plan based either on revised expectations or on actual revenues/expenditures to date. The significant variances (greater than \$500,000) in total expenditures, total revenue, net variance, or object variance from plan are discussed below and categorized by fund.

PUBLIC SAFETY GROUP

General Fund

Public Safety Group Executive Office/Contribution for Trial Courts

An overall positive variance of \$1.5 million is projected for the Public Safety Group Executive Office.

A positive expenditure variance of \$0.4 million is projected. A positive variance of \$0.2 million in Salaries & Benefits is projected due to lower than anticipated costs for temporary staff and \$0.2 million in Services & Supplies is associated with lower than anticipated expenditures in IT and special projects.

A positive revenue variance of \$1.1 million is projected. This positive variance is primarily due to higher than anticipated receipts of \$0.7 million in Fines, Forfeitures & Penalties related to Contribution for Trial Courts, and \$0.4 million in Charges For Current Services from court fees.

San Diego County Fire Authority

An overall positive variance of \$1.9 million is projected for the San Diego County Fire Authority.

A positive expenditure variance of \$2.0 million is projected. A positive variance of \$0.4 million in Salaries & Benefits is due to vacant positions and \$1.6 million in Services & Supplies is due to the delay of the property mortgage pay off associated with the Julian Cuyamaca Fire Protection District.

A negative revenue variance of \$0.1 million is projected in Other Financing Sources due to a vacant position funded by Community Service Area 135, Fire Authority Fire Protection/Emergency Medical Services.

District Attorney

An overall positive variance of \$5.2 million is projected for the District Attorney's Office.

A positive expenditure variance of \$3.1 million is projected mainly in Salaries & Benefits due to normal attrition, and vacant and modified positions.

A positive revenue variance of \$2.1 million is projected mainly in Intergovernmental Revenues due to unanticipated grant funds from the State of California, Department of Insurance programs and from the California Governor's Office of Emergency Services, Victims of Crime Act for the victim services program.

Sheriff

A positive variance of \$11.9 million is projected for the Sheriff's Department.

A positive expenditure variance of \$17.3 million is projected. A positive variance of \$11.9 million in Salaries & Benefits is projected due to vacant positions. A positive expenditure variance of \$5.5 million is projected in Services & Supplies primarily due to lower than anticipated costs for Medicines, Drugs & Pharmaceuticals related to spending level trends from the implementation of a new pharmacy contract and Contracted Services related to the jail-based competency treatment program that will not be fully utilized, and a decrease in planned expenditures for the Regional Communications System. A negative expenditure variance of \$0.1 million is projected in Expenditure Transfer & Reimbursements due to lower than anticipated reimbursements from the Probation Department for food services related to service level adjustments.

A negative revenue variance of \$5.4 million is projected. A negative variance of \$0.1 million is projected in Licenses Permits & Franchises due to lower than anticipated collections from license fees. A negative variance of \$0.1 million is projected for Fines, Forfeitures & Penalties due to a decrease in planned expenditures in the Cal-ID program. A negative variance of \$0.1 million is projected in Charges For Current

Services due to lower revenues from various services provided by the department. A negative variance of \$0.4 million is projected in Miscellaneous Revenues due to a decrease in planned expenditures for the Regional Communications System. A negative variance of \$5.4 million is projected in Other Financing Sources to retain funds available in the Criminal Justice Facility Construction Fund for facilities projects that will be included in the future Operational Plan. A positive variance of \$0.7 million is projected in Intergovernmental Revenues due to over-realized revenue in State Aid for reimbursement of costs to provide a jail-based competency treatment program.

Child Support Services

An overall positive variance of \$1.5 million is projected for the Department of Child Support Services.

A positive expenditure variance of \$6.6 million is projected. This is comprised of: positive variance of \$4.4 million in Salaries & Benefits from vacant and modified positions, \$2.5 million in Services & Supplies primarily due to lower than anticipated costs resulting from lower rates in contracted services, special departmental expenses, minor equipment, and various IT costs due to overall efforts to reduce the cost structure, and \$0.1 million in Capital Assets Equipment due to a reduced number of vehicles to be purchased, offset by a negative variance of \$0.4 million in Expenditure Transfer & Reimbursements due to lower than anticipated operational expenses in the Bureau of Public Assistance Investigations for which expenditures are reimbursed by Health and Human Services.

A negative revenue variance of \$5.1 million is projected. A negative variance of \$4.6 million is projected in Intergovernmental Revenues due to lower than anticipated reimbursements based on the positive variances noted above, and \$0.5 million in Charges For Current Services based on lower than anticipated incentive revenue received by the State, which can vary depending on factors related to other California counties as well.

Office of Emergency Services

An overall positive variance of \$0.7 million is projected for the Office of Emergency Services.

A positive expenditure variance of \$0.8 million is projected. Positive variance of \$0.1 million in Salaries & Benefits is due to vacant grant funded positions and \$0.7 million in Services & Supplies is related to major maintenance projects and contracted services that will be completed next fiscal year.

A negative revenue variance of \$0.1 million is projected in Intergovernmental Revenues due to lower than anticipated reimbursements related to vacant grant funded positions.

Probation

An overall positive variance of \$5.1 million is projected for the Probation Department.

A positive expenditure variance of \$7.1 million is projected. A positive variance of \$0.4 million is projected in Salaries & Benefits primarily due to time required to hire staff to support connections for persons under supervision to treatment services related to the Drug Medi-Cal Organized Delivery System. A positive variance of \$6.7 million is projected in Services & Supplies primarily due to the time required to develop contracts to support persons under supervision in the community and to provide connections to the Drug Medi-Cal Organized Delivery System (\$5.9 million) and contracted services for Residential Re-entry services (\$0.8 million) due to lower than anticipated referrals.

A negative revenue variance of \$2.0 million is projected. A negative variance of \$1.1 million is projected in Intergovernmental Revenues due to lower costs in Residential Re-entry services related to the Community Corrections Subaccount revenue (\$0.8 million) and lower than anticipated revenue in Office of Traffic Safety Grant (\$0.3 million). A negative revenue variance of \$0.9 million is projected in Charges For Current Services due to a decrease in Probation work crew charges (\$0.7 million) and less than anticipated collection of fines and fees (\$0.2 million).

Special Revenue Funds

Criminal Justice Facility Construction

An overall positive variance of \$5.4 million is projected for the Criminal Justice Facility Construction Special Revenue Fund.

A positive expenditure variance of \$5.4 million is projected in Operating Transfers Out. This is to retain the amounts in the fund for priority facilities projects that are planned to be included in a future Operational Plan.

No revenue variance is projected.

Penalty Assessment

An overall positive variance of \$0.7 million is projected for the Penalty Assessment Special Revenue Fund.

No expenditure variance is projected.

A positive revenue variance of \$0.7 million is projected. This positive variance is primarily due to higher than anticipated receipts of \$0.6 million in Fines, Forfeitures & Penalties related to penalty assessments, and \$0.1 million in Revenue From Use of Money & Property based on interest on deposits.

Proposition 172

An overall positive variance of \$7.6 million is projected for the Proposition 172 Special Revenue Fund.

No expenditure variance is projected.

A positive revenue variance of \$7.6 million is projected. This positive variance is primarily in Intergovernmental Revenues due to better than anticipated statewide sales tax trends.

HEALTH AND HUMAN SERVICES AGENCY (HHSA)

General Fund

Administrative Support

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

An overall positive variance of \$24.0 million is projected for Administrative Support.

A positive expenditure variance of \$21.7 million includes \$1.7 million in Salaries & Benefits due to vacancies and retirements and \$20.0 million in Management Reserves held for operating contingencies during the year.

A positive revenue variance of \$2.3 million includes a positive variance of \$3.1 million in Intergovernmental Revenue and \$0.1 million in Miscellaneous Revenue offset by a negative variance of \$0.9 million in Charges for Current Services. The positive variance of \$3.1 million in Intergovernmental Revenue is primarily tied to additional funding made available through State allocations for the administration of social services programs. The negative variance of \$0.9 million in Charges for Current Services includes \$0.4 million associated with the Whole Person Wellness pilot project for project costs that will occur in the following year, \$0.3 million due to decreased First Five revenue and \$0.2 million due to lower estimates for dispute resolution fees to align with projected spending on contracted mediation services administered through Community Action Partnership.

Aging & Independence Services

An overall positive variance of \$2.5 million is projected for Aging & Independence Services.

A positive expenditure variance of \$0.7 million is projected and includes a positive variance of \$0.5 million in Salaries & Benefits due to attrition and vacant positions, \$0.1 million in Services & Supplies and \$0.1 million in Operating Transfers Out in IHSS Public Authority administration budget associated with lower costs for IT projects and salaries & benefits with no impact to services. The positive variance of \$0.1 million in Services & Supplies includes \$0.6 million primarily in IT costs for systems upgrades that will not be completed this year offset by a negative variance of \$0.5 million in contracted services primarily driven by additional allocated federal funding for the Older Americans Act (OAA) programs.

A positive revenue variance of \$1.8 million is projected and includes a positive variance of \$1.3 million in Intergovernmental Revenues and \$0.6 million in Miscellaneous Revenues for the Alzheimer's Disease Initiative grant revenue from the prior year, offset by a \$0.1 million decrease in Charges for Current Services due to lower estimates for estate fees as a result of declining estate values. The \$1.3 million positive variance in Intergovernmental Revenues is primarily associated with increased OAA and social services administrative revenues tied to updated allocations.

Behavioral Health Services

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

No overall variance is projected for Behavioral Health Services (BHS).

A positive expenditure variance of \$21.3 million is projected and includes negative variance of \$3.2 million in Salaries & Benefits primarily tied to the SDCPH expansion of bed capacity offset by a positive variance of \$24.5 million in Services & Supplies. The \$24.5 million positive variance in Services & Supplies in substance abuse program due to time required for the introduction of Drug Medi-Cal Waiver services. This positive variance is offset by overspending in IT costs in support of SDCPH.

A negative revenue variance of \$21.3 million is projected and includes a negative variance of \$22.8 million in Intergovernmental Revenues offset by \$1.5 million in Charges for Current Services based on updated State Medi-Cal bed day rates for the Edgemoor Distinct Part Skilled Nursing Facility. The \$22.8 million negative variance in Intergovernmental Revenues is primarily in substance abuse programs due to the ramping up of Drug Medi-Cal Waiver services.

County Child Welfare Services

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

A positive expenditure variance of \$20.9 million is projected and includes a positive variance of \$3.9 million in Services & Supplies, and a positive variance of \$17.0 million in Other Charges primarily due to revised estimates of caseload levels and growth trends in foster care and adoptions assistance programs. The positive variance of \$3.9 million in Services & Supplies is mainly due to ongoing implementation of the Child and Family Team (CFT) contract and the Developmental Screening Enhancement Program contract, updated procurement timelines for expanded Cultural Broker services, and reduced caseload trends in the Transitional Housing Program contracts.

A negative revenue variance of \$15.1 million is projected and includes \$13.6 million in Intergovernmental Revenues, \$1.5 million in Miscellaneous Revenues primarily associated with a projected positive expenditure variance in the CFT contract, \$0.3 million in Revenue From Use of Money & Property revenue to align with revenue collection trends for the use of the San Pasqual Academy property, and \$0.1 million in Licenses Permits & Franchises revenues primarily from marriage license fees, partially offset by a positive variance of \$0.4 million in Charges for Current Services tied to reimbursement from birth certificate fees for services within Child Abuse and Neglect Prevention and Intervention programs. The negative variance of \$13.6 million in Intergovernmental Revenues consists of \$12.6 million in federal and State assistance payment revenues to align with projected caseload levels, and \$1.0 million in social services administrative revenues primarily associated with a revised funding allocation timeline.

Housing & Community Development Services

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

HCDS is projecting an overall \$5.1 million positive variance. This amount is restricted fund balance associated with reclassification of expenditures to long term loans.

A positive expenditure variance of \$7.8 million is projected and includes \$1.2 million in Salaries & Benefits due to attrition and vacant positions and \$6.6 million in Services & Supplies. The \$6.6 million positive variance in Services & Supplies includes \$5.1 million in projected loans to be issued and \$1.5 million in HCDS Multi-Year Projects due to community development and affordable housing project implementation overlap across fiscal years.

A negative revenue variance of \$2.7 million is projected and includes a negative variance of \$4.9 million in Intergovernmental Revenues related to a projected positive variance in Salaries & Benefits and multi-year projects resulting in decreased federal revenue partially offset by a positive variance of \$2.2 million in Miscellaneous Revenues due to unanticipated HOME Program Income based on loan repayments.

Public Health Services

An overall positive variance of \$2.5 million is projected for Public Health Services (PHS).

A positive expenditure variance of \$7.9 million is projected and includes \$4.6 million in Salaries & Benefits due to staff vacancies and attrition, \$1.7 million in Services & Supplies and \$1.6 million in Other Charges due to revised estimates of caseload levels in California Children's Services (CCS). The \$1.7 million positive variance in Services & Supplies is primarily tied to lower than anticipated utilization of contracted services to align with available grant funding in Maternal Child and Family Health Services and various reductions in contract encumbrances tied to reconciliation of final prior year actuals, offset by costs associated with the current efforts for the migrant shelter crisis.

A negative revenue variance of \$5.4 million is projected and includes \$6.5 million in Intergovernmental Revenues partially offset by a positive variance of \$0.8 million in Charges for Current Services primarily for the Public Health Vital and Health Statistics trust fund revenue to reimburse costs for IT enhancements and \$0.3 million in Miscellaneous Revenues tied to grant funds received for staff development. The \$6.5 million negative variance in Intergovernmental Revenues is tied to projected positive expenditure variances, updated allocations, and lower than anticipated CCS caseload expenditures.

Self-Sufficiency Services

A positive variance of \$4.9 million is projected for Self-Sufficiency Services.

An overall positive expenditure variance of \$33.3 million is projected and includes a positive variance of \$3.8 million in Salaries & Benefits due to attrition and vacant positions and a positive variance of \$29.5 million in Other Charges primarily due to revised estimates of caseload levels and growth trends in the California Work Opportunity and Responsibility to Kids (CaWORKs) program.

A negative revenue variance of \$28.4 million is projected and includes \$28.3 million in Intergovernmental Revenues and \$0.4 million in Charges for Current Services primarily related to aligning third party reimbursement revenue to current collection trends for the County Medical Services Program, offset by a positive variance of \$0.2 million in Miscellaneous Revenues mainly due to recoupment of payments in General Relief and \$0.1 million in Fines, Forfeitures & Penalties associated with the Physicians Emergency Services program based on projected eligible expenditures for the program. The negative variance of \$28.3 million in Intergovernmental Revenues consists of a negative variance of \$28.9 million primarily in revenue related to assistance payments due to revised CaWORKs caseload projections offset by a positive variance of \$0.6 million in social services administrative revenues tied to updated allocations.

LAND USE AND ENVIRONMENT GROUP

General Fund

Agriculture, Weights and Measures (AWM)

An overall positive variance of \$1.4 million is projected for the Department of Agriculture, Weights and Measures (AWM), including the University of California Cooperative Extension.

A positive expenditure variance of \$1.4 million is projected in Salaries & Benefits due to staff vacancies and under-filled positions.

No significant revenue variance is projected.

Environmental Health (DEH)

An overall positive variance of \$1.7 million is projected for the Department of Environmental Health.

A positive expenditure variance of \$2.5 million is projected. This includes a positive variance of \$1.1 million in Salaries & Benefits due to staff vacancies and under-filled positions. A positive variance of \$1.4 million in Services & Supplies is primarily related to the Vector Control Program due to delays in projects awarded by the Vector Habitat Remediation Program (VHRP) which resulted in lower than anticipated costs.

A negative revenue variance of \$0.8 million is projected. This variance consists of over-realized revenue of \$1.4 million in Licenses, Permits & Franchises due to unanticipated fee revenue for external overheads. This is offset by a negative variance of \$0.2 million in Intergovernmental Revenues due to Urban Area Security Initiative (UASI) 17 Grant as a result of pass-through funds re-programmed to the City of San Diego, and \$2.0 million in Charges for Current Services related to the reduction in payments from Vector Control Trust Fund revenue for Salaries & Benefits, and Services & Supplies, associated with delays in projects awarded by the Vector Habitat Remediation Program (VHRP) which resulted in lower than anticipated costs.

Parks and Recreation (DPR)

No overall variance is projected for the Department of Parks and Recreation.

A positive expenditure variance of \$0.8 million is projected. A positive variance of \$0.4 million in Salaries & Benefits is due to staff vacancies. A positive variance of \$0.4 million in Services & Supplies is due to delays in multi-year grant projects that will be completed next fiscal year.

A negative revenue variance of \$0.8 million is projected. A projected negative variance of \$0.4 million in Intergovernmental Revenues is due to multi-year grant projects that will be completed next fiscal year. A projected negative variance of \$0.4 million in Other Financing Sources is due to staff vacancies in the County Service Areas (CSA).

Planning & Development Services (PDS)

An overall positive variance of \$1.4 million is projected for the Department of Planning & Development Services.

A positive expenditure variance of \$4.4 million is projected. A positive variance of \$3.5 million is projected in Salaries & Benefits primarily due to staff vacancies and under-filled positions. A positive variance of \$0.9 million in Services & Supplies is due to lower than anticipated costs for consultant contracts.

A negative revenue variance of \$3.0 million is projected. A projected negative variance of \$3.0 million in Charges for Current Services is primarily due to staff vacancies to provide the service to property owners.

Special Revenue Funds

Department of Parks and Recreation – Park Land Dedication Ordinance

An overall positive variance of \$0.9 million was realized for the Park Land Dedication Ordinance.

No significant expenditure variance is projected.

A positive revenue variance of \$0.8 million is projected. This variance consisted of over-realized revenue of \$0.8 million in Licenses, Permits, & Franchises due to Park Land Dedication fees and \$0.1 million in Revenue From Use of Money & Property due to unanticipated interest earnings.

Public Works - Road Fund

An overall positive variance of \$2.6 million is projected for the Road Fund.

A positive expenditure variance of \$3.8 million is projected. A positive variance of \$2.9 million in Salaries & Benefits is due to staff vacancies and under-filled positions. A positive variance of \$0.9 million in Services & Supplies is due to lower than anticipated construction bids from various Detailed Work Program projects, including Lemon Crest Drainage, Winter Gardens Traffic Signal, Stage Coach Lane, I-8 Business Route Sidewalk, Allen School Road Pedestrian Ramps, and Fallbrook Street Improvements.

A negative revenue variance of \$1.2 million is projected. Under-realized revenue of \$0.2 million in Taxes Other Than Current Secured is from less than anticipated TransNet revenue related to the Stage Coach Lane project, which was completed under budget. Under-realized revenue of \$1.2 million is projected in Intergovernmental Revenues primarily from federal projects completed under budget and schedule revisions of state grant-funded projects, namely Buckman Springs Road and Willows Road Bridge Scour. Under-realized revenue of \$0.5 million is projected in Charges For Current Services due to \$0.8 million in under-realized revenue from Transportation Impact Fees (TIF) due to project schedule revisions and less work for the General Fund and Internal Service

Funds, which is partially offset by \$0.3 million in over-realized revenue from services to property owners and developer payments. Over-realized revenue of \$0.4 million in Revenue from Use of Money & Property is projected due to higher than anticipated interest earnings. Over-realized revenue of \$0.3 million is projected in Miscellaneous Revenues due to \$0.7 million in unused construction funds returned by the North County Transit District for the completed South Santa Fe North project, which is partially offset by \$0.4 million in under-realized tribal revenues due to project schedule revision of Valley Center Road.

Public Works - Inactive Waste Site Management Fund

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

A positive expenditure variance of \$1.0 million is projected in Services & Supplies due to lower than anticipated non-routine groundwater and gas services, and investigations and mitigation costs due to postponement of flare replacement at the Jamacha Landfill.

A negative revenue variance of \$1.0 million is projected. Under-realized revenue of \$1.0 million is projected in Charges For Current Services due to less capital transfer from the Environmental Trust Fund based on available Inactive Waste operating fund balance. Funds are transferred from the Environmental Trust Fund to the Inactive Waste Fund on a quarterly basis for operations as needed to maximize interest earnings in the Environmental Trust Fund.

Enterprise Funds

Public Works - Wastewater Enterprise Fund

No overall variance is projected in the Wastewater Enterprise Fund.

A positive expenditure variance of \$0.6 million is projected. A positive variance of \$0.5 million is projected in Salaries & Benefits due to staff vacancies and under-filled positions. A positive variance of \$0.1 million in Services & Supplies is mainly due to lower than anticipated contracted service costs for the GraniteNet/CityWorks module, delays in the installation of SmartCovers and lower ISF vehicle rental costs based on delays in the procurement of ISF equipment.

A negative revenue variance of \$0.6 million is projected. Under-realized revenue of \$0.6 million is projected in Charges For Current Services due to reduced maintenance work in the San Diego County Sanitation District due to staff vacancies and under-filled positions.

Special District Funds

Air Pollution Control District

A net positive variance of \$2.2 million is projected for the Air Pollution Control District.

A positive expenditure variance of \$3.9 million is projected. A positive variance of \$2.1 million in Salaries & Benefits is primarily due to staff vacancies and under-filled positions. A positive variance of \$0.7 million in Services & Supplies is primarily due to delays in various information technology (IT) projects. A positive variance of \$0.3 million in Other Charges is associated with a lower than anticipated level of grant funding. Savings of \$0.8 million in Operating Transfers Out is related to the projected savings in administrative costs for Incentive programs.

A negative revenue variance of \$1.7 million is projected. A negative revenue variance of \$1.2 million in Licenses, Permits & Franchises is primarily tied to an anticipated positive expenditure variance in Salaries & Benefits noted above. A negative variance of \$1.4 million in Intergovernmental Revenues is associated with a lower than anticipated level of grant funding. These negative variances are partially offset by a positive variance of \$0.5 million in Revenue From Use of Money & Property due to higher than anticipated interest earnings in incentive funds, \$0.3 million in Charges For Current Services associated with asbestos notification fees and \$0.1 million in Fines, Forfeitures & Penalties due to higher than anticipated fines assessed for mobile sources violations.

Public Works - San Diego County Sanitation District

An overall positive variance of \$4.0 million is projected in the San Diego County Sanitation District.

A positive expenditure variance of \$2.2 million is projected. A positive variance of \$0.4 million in Services & Supplies is due to staff vacancies and under-filled positions in the Wastewater Enterprise Fund, which provides staffing for the Sanitation District. A positive variance of \$0.1 million in Other Charges is due to lower than anticipated depreciation expenses from completed Capital Improvement Program (CIP) projects. A positive variance of \$1.7 million in Capital Assets/Land Acquisition is due to construction bid savings on completed CIP projects.

A positive revenue variance of \$1.8 million is projected. Over-realized revenue of \$0.2 million is projected in Revenue From Use of Money & Property due to higher than anticipated interest earnings. Over-realized revenue of \$1.6 million in Charges For Current Services is due to increased sewer rates and unanticipated revenue from connection capacity fees for new residential developments.

COMMUNITY SERVICES GROUP

General Fund

Contribution to General Services ISF

An overall positive variance of \$1.0 million is projected for the Contribution to General Services ISF.

A positive expenditure variance of \$1.0 million is projected in Operating Transfers Out due to the cancellation of a pilot program for keyless technology to be reimbursed in the Fleet Management ISF.

No revenue variance is projected.

Special Revenue Funds

San Diego County Library

An overall positive variance of \$3.5 million is projected for the San Diego County Library.

A positive expenditure variance of \$1.4 million is projected. A positive variance of \$0.2 million in Salaries & Benefits is due to vacant positions, \$0.2 million in Services & Supplies based on lower than expected spending in facility and IT costs, and \$1.0 million in unspent management reserves, which are appropriated for unanticipated expenses throughout the year.

A positive revenue variance of \$2.1 million is projected. This variance is due to projected over-realized revenues of \$0.7 million in Taxes Current Property for property tax revenues, and \$1.9 million in Intergovernmental Revenues for former redevelopment area property tax revenues. This is partially offset by a shortfall of \$0.3 million in Charges For Current Services for public printing and other library services, and \$0.2 million in Miscellaneous Revenues related to private donations.

Internal Service Funds

Facilities Management ISF

An overall positive variance of \$1.6 million is projected for the Facilities Management ISF.

A positive expenditure variance of \$6.8 million is projected due to \$1.9 million in Salaries & Benefits from vacant and modified positions, \$4.8 million in Services & Supplies primarily due to lower than anticipated pass through expenses for contracted and project management services (including janitorial services and maintenance of boiler, chiller, and water treatment equipment), and \$0.1 million in Other Charges due to lower than anticipated depreciation expense.

A negative revenue variance of \$5.2 million is projected in Charges For Current Services due to lower than anticipated reimbursement for project management, real estate and maintenance services provided.

Fleet Management ISF

An overall positive variance of \$2.3 million is projected for the Fleet Management ISF.

A positive expenditure variance of \$4.8 million is projected. This is comprised of anticipated budget variances of \$0.6 million in Salaries & Benefits due to vacant and modified positions, and \$4.2 million in Services and Supplies due to lower than anticipated fuel and vehicle parts purchases (\$2.8 million), a positive expenditure variance related to the cancellation of a pilot program for keyless technology (\$1.0 million), and lower than anticipated costs related to vehicle accidents (\$0.4 million).

A negative revenue variance of \$2.5 million is projected. This is primarily due to \$3.3 million in underrealized revenue in Charges for Current Services related to a decrease in reimbursement for anticipated fuel and parts purchases, and \$1.0 million in Other Financing Sources related to the cancellation of the pilot program. This is partially offset by \$1.8 million in positive revenue variances, including Revenue From Use of Money and Property (\$0.3 million) due to higher than expected interest earnings, Miscellaneous Revenue (\$0.3 million) from recovered expenditures from third parties, Other Financing Sources (\$0.4 million) from higher than projected auction proceeds, and Residual Equity Transfers In (\$0.8 million) related to reimbursements for department requested vehicle upgrades.

Purchasing and Contracting

An overall positive variance of \$3.2 million is projected for the Purchasing and Contracting ISF.

A positive expenditure variance of \$2.3 million is projected due to \$0.5 million in Salaries & Benefits attributed to managed vacancies, \$1.7 million in Services & Supplies primarily attributed to the delay in completion of information technology projects, and \$0.1 million in Other Charges due to lower than anticipated depreciation costs.

A positive revenue variance of \$0.9 million is projected as a result of \$0.1 million in Revenue From Use of Money & Property due to higher than expected interest revenue, \$0.7 million in Charges For Current Services due to higher than expected client spending on contracts, and \$0.1 million in Miscellaneous Revenues due to better than expected proceeds from rebate agreements.

FINANCE AND GENERAL GOVERNMENT GROUP

General Fund

Assessor/Recorder/County Clerk

An overall positive variance of \$1.8 million is projected for the Assessor/Recorder/County Clerk.

A positive expenditure variance of \$8.6 million is projected. Anticipated positive variances of \$1.9 million in Salaries & Benefits due to attrition and departmental vacancies, \$6.2 million in

Services & Supplies due to less than anticipated one-time contracted services related to projects on restoration and preservation of maps, old books and recorder microfilm and redaction of official records, and \$0.5 million in Capital Assets Equipment due costs being incurred in the East County Building Archives capital project.

A negative revenue variance of \$6.8 million is projected in Charges For Current Services. Anticipated negative variance was comprised of \$5.5 million reimbursement from Trust Funds due to less than anticipated costs and \$3.6 million in under-realized program revenue projections related to Recording Document Revenues, Duplicating & Filing Documents, and Marriage Ceremony Fees. These revenues are partially offset by a positive revenue variance of \$2.3 million due to AB2890 Recovered Costs (reimbursement to administer the Supplemental Assessment Program), Vital/Health Statistics Fees, and Property Tax System Administration Fee.

Treasurer-Tax Collector

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

A positive expenditure variance of \$0.5 million is projected. Anticipated positive variances of \$0.4 million in Salaries & Benefits are projected due to normal attrition of staff and departmental vacancies and \$0.1 million in Services & Supplies primarily due to information technology projects.

A negative revenue variance of \$0.4 million is projected primarily in Charges For Current Services due to a variance in Banking Services Pooled Revenue as an offset from Salaries & Benefits.

Auditor and Controller

An overall positive variance of \$1.3 million is projected for the Auditor and Controller.

A positive expenditure variance of \$1.0 million is projected. Anticipated positive variances of \$0.6 million in Salaries & Benefits are projected due to normal attrition of staff and departmental vacancies and \$0.4 million in Services & Supplies due to a delay associated with an information technology project.

A positive revenue variance of \$0.3 million is projected primarily in Charges For Current Services that includes \$0.1 million related to AB 2890 Recovered Costs (reimbursement to administer the Supplemental Assessment Program) and \$0.2 million in Property Tax Administration costs.

County Counsel

An overall positive variance of \$1.4 million is projected for the Office of County Counsel.

A positive expenditure variance of \$0.9 million is projected. Anticipated positive variance of \$1.3 million in Salaries & Benefits due to normal attrition of staff and departmental vacancies. This is offset by a negative variance of \$0.4 million projected in Expenditure

Transfer & Reimbursements due to less than anticipated costs that can be reimbursed for work performed for HHSA related to litigated juvenile dependency matters.

A positive revenue variance of \$0.5 million is projected. Anticipated positive variances of \$0.4 million is projected in Charges For Current Services due to increased workload on Countywide land development and real property-related matters and \$0.1 million in Miscellaneous Revenues due to the reimbursement of legal services costs on a matter that involved various California counties.

Finance and General Government Executive Office

An overall positive variance of \$8.3 million is projected for the Finance and General Government Group Executive Office.

A positive expenditure variance of \$8.3 million is projected. Anticipated positive variances include \$0.2 million in Salaries & Benefits due to vacant positions, \$6.8 million in Services & Supplies due to Information Technology projects that are anticipated to span across multiple fiscal years, and \$1.3 million in Management Reserves held for unanticipated groupwide contingencies, which are not anticipated to be drawn on this year.

No significant revenue variance is projected.

Department of Human Resources

An overall positive variance of \$1.2 million is projected for the Department of Human Resources.

A positive expenditure variance of \$1.9 million is projected. Anticipated positive variances of \$0.3 million in Salaries & Benefits are projected primarily due to vacant positions, and \$1.6 million in Services & Supplies are projected primarily due to contracted services and workers compensation administration costs.

A negative revenue variance of \$0.7 million is projected. Anticipated negative variance of \$0.8 million in Miscellaneous Revenues is due to reduced workers compensation administration costs which is offset by a projected positive variance of \$0.1 million in Charges For Current Services due to reclassification of revenues related to background investigations and talent development.

GENERAL PURPOSE REVENUE & COUNTYWIDE EXPENSES

A positive variance of \$26.1 million is projected in General Purpose Revenue (GPR) and \$7.8 million positive variance is projected in General County Expenses.

General Purpose Revenue

The projected \$26.1 million anticipated in GPR is primarily due to greater than anticipated interest earnings; an increase in former redevelopment project area tax increment pass-through distributions due to an increase in the County's share from the San Marcos project area as well as lower redevelopment obligations; and anticipated growth in Real Property Transfer Taxes to reflect current year changes in ownership and the anticipated levels of new construction.

GPR is directly influenced by the state of the economy. San Diego's economy is healthy, as employment showed gains across most industries except Construction, Trade, Transportation & Utilities, Information, and Financial Activities, comparing December 2018 from December 2017. The region has continued to fare better than other California metros in terms of unemployment rate. Median home prices in San Diego for Single Family Homes grew 3.4% and for Existing Attached Homes by 2.0% in the second quarter of Fiscal Year 2018-19 compared to the same period last year. The outlook for San Diego is forecasted to have a strong local economy through the end of 2018 and at least into the beginning of 2019.

The County's GPR related to property tax revenues has increased, supported by the growth in assessed values. For FY 2018-19, the economic indicators discussed previously and the trends summarized below, are followed by a discussion on significant revenue account variances from budget:

- San Diego's monthly unemployment rate fell to 3.2% in November 2018, down from 3.5% one year ago. In comparison, this is below the State's rate of 3.9% in November 2018 and 4.2% in November 2017.
- Consumer spending, as measured by taxable sales will increase mainly due to increase in fuel prices and in consumer online spending. During the 2nd Quarter of 2018-19, unadjusted local point of sale tax revenue increased by 27.52% in the unincorporated area, in the Southern California Region by 21.89%, in the statewide level by 22.56% and in the San Diego regional level by 21.30% compared to the same time period last year. The reason for the increase is due to the catch-up payments from the State from delayed payments when they converted to a new software and reporting system.
- The positive indicators in the housing market continues in the County.
 - Increase in median housing prices for Single Family Homes (up 3.4%) and for Existing Attached Homes (up 2.0%) for the second quarter of Fiscal Year 2018-19 compared to the same period last year;
 - Notices of Default for January-December 2018 were down 7% compared to the same period in 2017.
 - Foreclosure activity decreased 16% in January-December 2018 compared to the same period in 2017.

Current Property Taxes All Categories

The four categories of Current Property Taxes (i.e., Property Taxes Current Secured, Property Taxes Current Supplemental, Property Taxes Unsecured, and Property Taxes Current Unsecured Supplemental) combined are estimated to show no projected variance.

- *Property Taxes Current Secured*

No projected variance in Current Secured Property Taxes. On August 7, 2018 (10), the Board directed the projected \$13.8 million of one-time over realized revenue generated by greater than anticipated assessed value growth be used to reduce the pension fund's Unfunded Actuarially Accrued Liability, per Administrative Code Section 113.5(b).

The budgeted current secured property taxes assumed a local secured assessed value increase of 4.75%, but the actual increase of assessed value (AV) was 6.13% (gross less regular exemptions). (Note: The 6.13% increase represents the change in the assessed value for only the secured roll. This is higher than the countywide overall increase published by the Assessor/Recorder/County Clerk on June 29, 2018 of 6.11%, which includes all assessed value components, secured and unsecured).

- *Property Taxes - Current Unsecured*

No projected variance in Current Unsecured Property Taxes. At the time the budget was prepared, current unsecured property tax revenues were based on the assumption that there would be no growth in the current unsecured roll. Unlike the secured roll, the unsecured roll does not build on a prior year base.

- *Property Taxes Current Supplemental*

No projected variance in Current Supplemental Property Taxes. The projection for this revenue is based on charges and collections trend estimates related to new construction and anticipated turnover through Fiscal Year 2018-19.

Taxes Other Than Current Secured

Taxes Other Than Current Secured are anticipated to be \$4.3 million above budget.

- *Property Tax Prior Secured Supplemental*

No projected variance for Property Tax Prior Secured Supplemental.

- *Real Property Transfer Taxes*

Real Property Transfer Taxes are projected to be \$3.1 million higher than budget. This is based on 3 prior year receipts as well as data regarding current year change in ownership and the anticipated level of new construction.

- *Teeter Tax Reserve Excess*
Teeter Tax Reserve Excess is projected to be \$2.5 million lower than budget. This is based on current penalty and interest collections and available data on the outstanding receivables and projections through the end of the fiscal year.
- *Other Tax - Aircraft*
Other Tax - Aircraft are projected to be \$0.5 million lower than budget. This is based on 3 prior year receipts.
- *Sales and Use Taxes*
Sales and Use Taxes is projected to be \$3.0 million higher than budget. This is due to the catch up of under-advancement of revenue by the State, new allocations received, audit recovery, and increase in the pool allocations due to higher sales.
- *Transient Occupancy Tax*
Transient Occupancy Tax is projected to be \$0.3 million higher than budget. This is based on current year actual receipts for first quarter and prior year average actual receipts for second, third and fourth quarter. Receipts for FY 2018-19 first quarter already exceeds last year's first quarter by \$372.7K.
- *Property Tax in Lieu of Vehicle License Fees*
No projected variance for Property Tax in Lieu of Vehicle License Fees (VLF). On August 7, 2018 (10), the Board directed the projected one-time over realized revenue generated by greater than anticipated assessed value growth be used to reduce the pension fund's Unfunded Actuarially Accrued Liability, per Administrative Code Section 113.5(b).
- *Teeter Property Tax Prior Year and Cumulative Prior Years*
Teeter Property Tax Prior Year and Cumulative Prior Years are projected to be \$0.9 million higher than budget. The increase is based on a higher Teeter buyout this fiscal year.

Licenses, Permits, and Franchises

Licenses, Permits and Franchise payments are projected to be \$0.5 million lower than budget. The decrease is due to lower than expected receipts from all cable providers.

Revenue from Use of Money & Property

Interest on Deposits is projected to be \$15.0 million above budget. The increase is due to higher than expected interest earnings.

Fines, Forfeitures and Penalties

Fines, Forfeitures and Penalties are projected to be \$2.0 million lower than budget mostly in Penalties and Cost Delinquency Taxes based on 3 prior year receipts. 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 \$9.3 million is projected in Intergovernmental Revenue primarily due to pass-through distributions, and residual balance estimates in Aid from Redevelopment Successor Agencies. The pass-through distributions are continuing to grow primarily due to an increase the County's tax sharing percentage from 25% to 30% starting in FY2018-19 for the San Marcos project area, and due to the reduced debt service payment related to refunding of 2007 bonds, which increased the County's share of available tax increment. The 2007 bonds will be paid off this year which will further increase the available tax increment for County share in FY2019-20. The County's pass-through is calculated based on the tax increment revenue after debt service payments.

Miscellaneous Revenue

No projected variance for Miscellaneous Revenue.

Countywide General Expense

An overall positive variance of \$7.8 million is projected in Countywide General Expense.

A positive expenditure variance of \$4.0 million is projected in Services & Supplies due to Information Technology project that is anticipated to extend beyond the current fiscal year. While the \$75.0 million of pension stabilization is not projected as an operating variance this year, the appropriations will be reflected as a restricted balance in our upcoming CAFR as a result of the passage of measure C Charter Amendment restricting the use of pension stabilization funds.

A positive revenue variance of \$3.8 million is projected. The positive variance is comprised of \$2.9 million in Charges For Current Services for A-87 billings to departments, and \$0.9 million in Miscellaneous Revenues due to Unclaimed Excess Proceeds from Tax Sales and escheatment revenues.

Capital Program Funds

Edgemoor Development Fund

An overall positive variance of \$10.1 million is projected for the Edgemoor Development Fund.

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

A positive revenue variance of \$9.8 million is projected. A positive variance of \$14.1 million is related to Gain on Sale of Fixed Assets of County-owned surplus property located in Santee that was sold in December 2018 offset by a negative variance of \$4.3 million reflecting an over accrual of SB 1128 revenue from last fiscal year and an updated projection for the current year. The State calculation of the Medi-Cal Utilization Ratio used to calculate federal SB 1128 reimbursement was lowered which reduced the

amount of revenue available to offset Edgemoor Distinct Part Skilled Nursing Facility debt financing costs.

**FY 2018-2019 2nd Quarter
Projected Year-End Results**

(in thousands)

COUNTY SUMMARY

	Expenditure Variance	Revenue Variance	2nd Quarter FY18-19 Projected Fund Balance
	Favorable/(Unfavorable)		
General Fund			
Public Safety	\$ 38,129	\$ (9,497)	\$ 28,632
Health & Human Services Agency	113,826	(69,046)	44,781
Land Use & Environment	9,533	(4,820)	4,713
Community Services	1,258	(98)	1,160
Finance & General Government	22,649	(7,205)	15,444
Total Agency/Group	185,396	(90,665)	94,730
General Purpose Revenue	0	26,122	26,122
Finance Other	4,042	3,827	7,869
Total General Fund	\$ 189,438	\$ (60,717)	\$ 128,721
Special Revenue Funds			
Public Safety	\$ 5,451	\$ 8,211	\$ 13,662
Health & Human Services Agency	53	0	53
Land Use & Environment	4,768	(1,297)	3,471
Community Services	1,403	2,115	3,518
Total Special Revenue Funds	\$ 11,675	\$ 9,029	\$ 20,704
Capital Program			
Finance Other	\$ 344	\$ 9,767	\$ 10,110
Internal Service Funds Departments			
Land Use & Environment	\$ 0	\$ 17	\$ 17
Community Services	13,936	(6,836)	7,100
Finance & General Government	0	0	0
Finance Other	27	0	27
Total Internal Service Funds	\$ 13,963	\$ (6,819)	\$ 7,144
Enterprise Fund Departments			
Land Use & Environment	\$ 705	\$ (366)	\$ 338
Sheriff	0	3	3
Total Enterprise Funds	\$ 705	\$ (364)	\$ 341
Special District Funds Departments			
Public Safety Group	\$ 73	\$ (46)	\$ 28
Health & Human Services Agency	92	(92)	0
Land Use & Environment	6,149	199	6,348
Total Special District Funds	\$ 6,315	\$ 61	\$ 6,376
Other County Funds Departments			
Community Svcs. - Red./Redev. Successor Agency	\$ 0	\$ 7	\$ 7
Total Other County Funds	\$ 0	\$ 7	\$ 7
Debt Service - Pension Obligation Bonds	\$ 0	\$ 310	\$ 310
Total County Projected Operating Balance	\$ 222,439	\$ (48,726)	\$ 173,713

**FY 2018-2019 2nd Quarter
Projected Year-End Results**

(in thousands)

PUBLIC SAFETY GROUP

Expenditure Variance	Revenue Variance	2nd Quarter FY18-19 Projected Fund Balance
Favorable/(Unfavorable)		

General Fund Departments

Child Support	\$ 6,581	\$ (5,070)	\$ 1,511
District Attorney	3,141	2,088	5,230
Emergency Services	826	(100)	726
Law Enforcement Review Board	20	0	20
Medical Examiner	318	16	334
Probation	7,083	(2,020)	5,063
Public Defender	405	0	405
Public Safety Executive Office	422	1,084	1,506
San Diego County Fire Authority	1,981	(73)	1,907
Sheriff	17,352	(5,421)	11,931
Total General Fund	\$ 38,129	\$ (9,497)	\$ 28,632

Special Revenue Funds Departments

District Attorney (Asset Forfeiture - State & Federal)	\$ 0	\$ 0	\$ 0
Probation - Asset Forfeiture	33	(33)	0
Probation - Inmate Welfare Program	0	(95)	(95)
Sheriff - Asset Forfeiture	0	35	35
Sheriff - Inmate Welfare Program	0	1	1
Criminal Justice Facility	5,418	0	5,418
Courthouse	0	0	0
Penalty Assessment	0	693	693
Public Safety - Proposition 172	0	7,610	7,610
Total Special Revenue Funds	\$ 5,451	\$ 8,211	\$ 13,662

Enterprise Funds

Sheriff	\$ 0	\$ 3	\$ 3
Total Enterprise Funds	\$ 0	\$ 3	\$ 3

Special District Funds

Community Facilities Districts	\$ 0	\$ 0	\$ 0
Sheriff (Regional 800 MHz)	0	1	1
County Service Area	73	(47)	27
Total Special District Funds	\$ 73	\$ (46)	\$ 28

Total Public Safety Group

Total Public Safety Group	\$ 43,653	\$ (1,329)	\$ 42,325
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**FY 2018-2019 2nd Quarter
Projected Year-End Results**

(in thousands)

HEALTH & HUMAN SERVICES AGENCY

Expenditure Variance	Revenue Variance	2nd Quarter FY18-19 Projected Fund Balance
Favorable/(Unfavorable)		

General Fund Programs

Administrative Support	\$ 21,741	\$ 2,261	\$ 24,002
Aging & Independence Services	762	1,779	2,541
Behavioral Health Services	21,346	(21,346)	0
Child Welfare Services	20,923	(15,113)	5,810
Public Health Services	7,898	(5,448)	2,450
Self-Sufficiency Services	33,326	(28,449)	4,878
Housing & Community Development Services	7,829	(2,729)	5,100
Total General Fund	\$ 113,826	\$ (69,046)	\$ 44,781

Special Revenue Funds

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

Special District Funds Departments

Ambulance Districts	\$ 92	\$ (92)	\$ 0
Total Special Districts Funds	\$ 92	\$ (92)	\$ 0

Other County Funds Departments

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

Total Health & Human Services Agency	\$ 113,971	\$ (69,138)	\$ 44,833
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**FY 2018-2019 2nd Quarter
Projected Year-End Results**

(in thousands)

LAND USE & ENVIRONMENT GROUP

Expenditure Variance	Revenue Variance	2nd Quarter FY18-19 Projected Fund Balance
Favorable/(Unfavorable)		

General Fund Departments

Agriculture, Weights & Measures	\$ 1,358	\$ 50	\$ 1,408
Environmental Health	2,499	(833)	1,666
Land Use & Environment Group Exec Office	0	0	0
Parks & Recreation	841	(750)	90
Planning & Development Services	4,386	(2,979)	1,407
Public Works	450	(308)	142
Total General Fund	\$ 9,533	\$ (4,820)	\$ 4,713

Special Revenue Funds Departments

A, W & M (Grazing and Fish & Game Commission)	\$ 0	\$ 0	\$ 0
Parks & Recreation - PLDO	0	878	878
DPW - Aviation Funds	0	1	1
DPW - Road Fund	3,775	(1,200)	2,575
DPW - Survey Monument Preservation	0	0	0
DPW - Inactive Waste	993	(979)	15
DPW - Waste Planning and Recycling	0	3	3
Total Special Revenue Funds	\$ 4,768	\$ (1,297)	\$ 3,471

Internal Service Funds Departments

Public Works - DPW Equip. ISF Prg. (35525-35700)	\$ 0	\$ 17	\$ 17
Total Internal Service Funds	\$ 0	\$ 17	\$ 17

Enterprise Funds Departments

Airport Enterprise Fund	\$ 73	\$ 259	\$ 331
Wastewater Management Enterprise Fund	632	(625)	7
Total Enterprise Funds	\$ 705	\$ (366)	\$ 338

Special District Funds Departments

Air Pollution Control District	\$ 3,883	\$ (1,675)	\$ 2,208
Parks and Recreation	0	0	0
DPW - SD County Sanitation District	2,256	1,785	4,041
DPW - Water Sewer Maintenance Districts	11	7	18
DPW - CSAs	0	2	2
DPW - PRDs	0	0	0
DPW - Community Facilities Districts	0	39	39
DPW - Flood Control	0	37	37
DPW - Street Lighting Districts	0	3	3
Total Special Districts Funds	\$ 6,149	\$ 199	\$ 6,348

Total Land Use & Environment Group

Total Land Use & Environment Group	\$ 21,155	\$ (6,268)	\$ 14,887
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**FY 2018-2019 2nd Quarter
Projected Year-End Results**

(in thousands)

COMMUNITY SERVICES GROUP

Expenditure Variance	Revenue Variance	2nd Quarter FY18-19 Projected Fund Balance
Favorable/(Unfavorable)		

General Fund Departments

Animal Services	\$ 258	\$ (103)	\$ 155
Community Services Group Exec Office	0	5	5
General Services	1,000	0	1,000
Purchasing & Contracting	0	0	0
Library Services	0	0	0
Registrar of Voters	0	0	0
Total General Fund	\$ 1,258	\$ (98)	\$ 1,160

Special Revenue Funds Departments

Library Services	\$ 1,403	\$ 2,115	\$ 3,518
Total Special Revenue Funds	\$ 1,403	\$ 2,115	\$ 3,518

Internal Service Funds Departments

Facilities Management	\$ 6,779	\$ (5,171)	\$ 1,608
Major Maintenance ISF	0	0	0
Fleet Management	4,839	(2,520)	2,319
Purchasing & Contracting	2,318	855	3,173
Total Internal Service Funds	\$ 13,936	\$ (6,836)	\$ 7,100

Other County Funds Departments

Red. Agency/Redevelopment Successor Agency	\$ 0	\$ 7	\$ 7
Total Other County Funds Departments	\$ 0	\$ 7	\$ 7

Total Community Services Group	\$ 16,597	\$ (4,812)	\$ 11,785
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**FY 2018-2019 2nd Quarter
Projected Year-End Results**

(in thousands)

**FINANCE & GENERAL GOVERNMENT
GROUP**

Expenditure Variance	Revenue Variance	2nd Quarter FY18-19 Projected Fund Balance
Favorable/(Unfavorable)		

General Fund Departments

Assessor/Recorder/County Clerk	\$ 8,629	\$ (6,866)	\$ 1,763
Auditor & Controller	1,019	265	1,284
Board of Supervisors	105	0	105
Chief Administrative Office	442	0	442
Civil Service Commission	120	0	120
Clerk of the Board of Supervisors	189	5	194
County Communications Office	324	0	324
County Counsel	939	495	1,435
County Technology Office	0	0	0
Finance & GG Exec Office	8,273	0	8,273
Grand Jury	191	15	205
Human Resources	1,852	(696)	1,156
Treasurer-Tax Collector	566	(423)	143
Total General Fund	\$ 22,649	\$ (7,205)	\$ 15,444

Internal Service Funds Departments

CTO - Information Technology	\$ 0	\$ 0	\$ 0
Total Internal Service Funds	\$ 0	\$ 0	\$ 0

**Total Finance & General
Government Group**

Total Finance & General Government Group	\$ 22,649	\$ (7,205)	\$ 15,444
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**FY 2018-2019 2nd Quarter
Projected Year-End Results**

(in thousands)

**GENERAL PURPOSE REVENUE &
FINANCE OTHER**

Expenditure Variance	Revenue Variance	2nd Quarter FY18-19 Projected Fund Balance
Favorable/(Unfavorable)		

General Fund

General Purpose Revenue:

All Current Property Taxes	\$	1	\$	1
All Other Taxes-Local		4,282		4,282
Licenses, Permits & Franchises		(503)		(503)
Fines, Forfeitures & Penalties		(1,954)		(1,954)
Revenue for Use of Money & Property		15,026		15,026
Intergovernmental Revenue		9,269		9,269
Charges for Current Services		0		0
Miscellaneous Revenue		0		0
Total General Purpose Revenue	\$	0	\$	26,122
			\$	26,122

General County Expenses:

Cash Borrowing Program	\$	0	\$	0	\$	0
Community Enhancement		0		0		0
Contributions to the Capital Outlay Fund		0		0		0
Contributions to the County Library		0		0		0
Lease Payments - Bonds		0		0		0
Local Agency Formation Comm Admin		0		0		0
Neighborhood Reinvestment Program		0		0		0
Countywide Expenses		4,042		3,827		7,869
Total Finance Other Expenses		4,042		3,827		7,869
Total General Fund	\$	4,042	\$	29,948	\$	33,991

Capital Program Funds

Capital Program	\$	344	\$	9,767	\$	10,110
Total Capital Program Funds	\$	344	\$	9,767	\$	10,110

Internal Service Funds Departments

Workers Compensation	\$	0	\$	0	\$	0
Unemployment Insurance		0		0		0
Public Liability		27		0		27
Total ISF Funds	\$	27	\$	0	\$	27

Debt Service Funds Departments

Pension Obligation Bonds	\$	0	\$	310	\$	310
Total Debt Service Funds	\$	0	\$	310	\$	310

**Total General Purpose Revenue & Finance
Other**

	\$	4,413	\$	40,025	\$	44,438
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**FY 2018-2019 2nd Quarter
Projected Year-End Results**
(in thousands)

Category	Projected Management & Contingency Reserves	Projected Operating Balances	2nd Quarter FY18-19 Projected Fund Balance
	Favorable/(Unfavorable)		
General Fund			
Public Safety	\$ 0	\$ 28,632	\$ 28,632
Health and Human Services Agency	20,000	24,781	44,781
Land Use and Environment	0	4,713	4,713
Community Services	0	1,160	1,160
Finance & General Government	1,278	14,166	15,444
Agency/Group Totals	\$ 21,278	\$ 73,452	\$ 94,730
General Purpose Revenue	\$ 0	\$ 26,122	\$ 26,122
General County Expenses	0	7,869	7,869
Total Gen'l. Purpose Rev. & Gen'l. County Exp.	\$ 0	\$ 33,991	\$ 33,991
Total General Fund	\$ 21,278	\$ 107,443	\$ 128,721

Appendix D: Major Maintenance Capital Outlay Fund (MMCOF) Adjustments for Fiscal Year 2018-2019 (2nd QUARTER)

GROUP	DEPT.	PROJECT NUMBER	PROJECT NAME	FUNDING SOURCE			CAPITAL Yes/No	DEPARTMENTS (Acct - 56321 Opt Transfer Out)	DEPARTMENTS (Acct - 52XXX Services & Supplies)	MMCOF 26005	DGS MMISF 37650	RATIFICATION
				FUND	ORG	ACCOUNT		Inc (Dec)	Inc (Dec)	Inc (Dec)	Inc (Dec)	Yes/No
Increase (Decrease) of Appropriation												
PSG	SHF	1022825	MMCOF7686 RIDGEHAVEN TENANT IMPROVEMENT	10100	39465	52550	YES	1,007,313	(1,007,313)	1,007,313	0	NO
PSG	DA/PRO/SHF	1021968	MMCOF7632 NCRC 3HEATING BOILER	10100	14000	52737	NO	(265,958)	265,958	(265,958)	265,958	YES
HHS	HHS	1021934	MMCOF7598 SAN DIEGO COUNTY PSYCHIATRIC HOSPITAL RENOVATIONS	10100	45005	52737	YES	372,123	(372,123)	372,123	(372,123)	YES
HHS	HHS	1021933	MMCOF7597 NE FAM RES CNTR ELECTRICAL SYS LUNCH RM	10100	45005	52737	YES	247,391	(247,391)	247,391	(247,391)	YES
LUEG	DPR	1021942	MMCOF7606 STELZER PARK - RANGER OFFICE	10100	52811	52737	NO	(300,000)	300,000	(300,000)	0	NO
LUEG	DPR	1021944	MMCOF7608 WILLIAM HEISE - GENERATORS	10100	52811	52737	NO	(100,000)	100,000	(100,000)	0	NO
LUEG	DEH	1022539	MMCOF7683D DEH TENANT IMPROVEMENT COC BLDG 5500 2ND FLR	10100	44800	54976	YES	285,608	(285,608)	285,608	0	YES
LUEG	DPR	1021938	MMCOF7602 POTRERO CAMPGROUND MAIN RESTROOM	10100	52811	52737	YES	10,470	(10,470)	10,470	0	YES
FG3	AUD	1021968	MMCOF7632 NCRC 3HEATING BOILER	10100	16375	52737	NO	(4,697)	4,697	(4,697)	4,697	YES
FG3	B55	1021968	MMCOF7632 NCRC 3HEATING BOILER	10100	10500	52737	NO	(3,850)	3,850	(3,850)	3,850	YES
Subtotal 10100								1,248,400	(1,248,400)	1,248,400	(345,009)	
LUEG	APCD	1022538	MMCOF7682 APCD SAN YSIDRO SITE MODULAR BUILDING	12050	56730	54970	YES	350,000	(350,000)	350,000	0	YES
Subtotal 12050								350,000	(350,000)	350,000	0	
JCC		1021968	MMCOF7632 NCRC 3HEATING BOILER	Other	89965	45365	NO	0	0	(110,495)	110,495	YES
Subtotal Other								0	0	(110,495)	110,495	
Net Increase (Decrease) of Appropriation in MMCOF								1,598,400	(1,598,400)	1,487,905	(234,514)	
Board Letter Recommendation								REC #29	REC #29	REC #30	REC #31	