



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 10, 2020

14

TO: Board of Supervisors

SUBJECT

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

OVERVIEW

This report summarizes the status of the County's Fiscal Year 2019–20 Adopted Operational Plan, as measured by projected year-end fund balance from current year operations. The projected year-end balance for the General Fund is \$118.0 million, and \$175.7 million for all budgetary funds combined. The projected fund balance anticipates variances from the Fiscal Year 2019–20 Amended Budget, which assumes that a portion of management reserves are not used, General Purpose Revenue will perform better than estimated, and all business groups will produce operating balances.

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

In the Public Safety Group (PSG), recommendations include appropriations adjustments for the purchase of Sheriff's vehicles, for a vocational training program to serve additional adult probation clients, and for the purchase and installation of generators for various fire stations.

In Health and Human Services Agency, recommendation include adjustment to fund the replacement of obsolete equipment for emergency medical transports.

In the Land Use and Environment Group (LUEG), recommendations include appropriation adjustments for new emergency generators at the Descanso and Potrero County libraries, to provide funding for Woodhaven Park Well and Fitness Trail, for access improvements at Heyneman Park, for roof repairs to the 4S Ranch Sports Park Building D, for the design and environmental study for Casa de Oro Library, for the design and parcel expansion of Lincoln Acres Park, for additional amenities at Estrella Park, and for the design and environmental analysis of an

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

additional parking and restroom building at the Sweetwater Park/South County Bicycle Skills Course.

In the Finance and General Government Group (FGG), recommendations include appropriations adjustments for developer reimbursements funded by bond proceeds from the Harmony Grove Community Facilities District, for a vertical transportation study at multiple sites and to provide funding for the North County Regional Center Roof Replacement.

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

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

**Increases to the Overall Budget and/or Transfers Between Budgetary Funds
(Recommendations 2 through 20):**

2. Transfer appropriations of \$92,088 from the Sheriff's Department, Capital Assets Equipment, to the General Fund Contributions to Fleet Internal Service Fund (ISF), Operating Transfers Out, for the purchase of Sheriff's vehicles; *and* establish appropriations of \$92,088 in the Department of General Services Fleet ISF, Fixed Assets Equipment, to provide funding for the replacement of various vehicles for the Sheriff's Department, based on an Operating Transfer In from the General Fund. **(4 VOTES)**
3. Establish appropriations of \$1,199,700 in the Probation Department, Services & Supplies, for a vocational training program to serve additional adult probation clients based on additional funding from California Department of Transportation (Caltrans). **(4 VOTES)**
4. Establish appropriations of \$665,000 in the San Diego County Fire Authority, Operating Transfer Out to MMCOF (\$620,000) and Capital Assets Equipment (\$45,000), for the purchase and installation of generators for various fire stations in the County Service Area (CSA) 135, based on revenue from California Governor's Office of Emergency Services, Public Safety Power Shutoff (PSPS) Resiliency Program; *and* establish appropriations of \$620,000 in the Major Maintenance Capital Outlay Fund, Fixed Assets, for the purchase and installation of generators for various fire stations in the County Service Area (CSA) 135, based on an Operating Transfer In from the General Fund. **(4 VOTES)**
5. Establish appropriations of \$415,000 in the Library Fund, Services & Supplies, for new emergency generators based on a grant from the California Governor's Office of Emergency Services, Public Safety Power Shutoff (PSPS) Resiliency Program. **(4 VOTES)**
6. Establish appropriations of \$500,000 in the County Service Area 17 fund, Services & Supplies, to fund the equipment for emergency medical transports, based on available prior year County Service Area 17 Fund fund balance. **(4 VOTES)**
7. Establish appropriations of \$103,938 in the Park Land Dedication Ordinance (PLDO) Area 45 Valle De Oro Fund, Operating Transfers Out, to provide funding for Capital Project 1021494 Woodhaven Park Well and Fitness Trail, based on available prior year PLDO Area 45 Valle

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

De Oro Fund fund balance; *and* establish appropriations of \$103,938 in the Capital Outlay Fund, Capital Assets/Land Acquisition for Capital Project 1021494 Woodhaven Park Well and Fitness Trail, based on an Operating Transfer In from the PLDO Area 45 Valle De Oro Fund. **(4 VOTES)**

8. Transfer appropriations of \$75,000 from the Department of Parks & Recreation, Services & Supplies, to the Contributions to Capital Outlay Fund, Operating Transfer Out, for Capital Project 1021494 Woodhaven Park Well and Fitness Trail; *and* establish appropriations of \$75,000 in the Capital Outlay Fund, Capital Assets/Land Acquisition for Capital Project 1021494 Woodhaven Park Well and Fitness Trail, based on an Operating Transfer In from the General Fund. **(4 VOTES)**
9. Establish appropriations of \$8,800 in the PLDO Area 35 Fallbrook Fund, Services & Supplies for access improvements at Heyneman Park, based on available prior year PLDO Area 35 Fallbrook Fund fund balance. **(4 VOTES)**
10. Establish appropriations of \$90,000 in the County Service Area (CSA) 83 San Dieguito Local Park Fund, Services & Supplies, for roof repairs, based on available prior year CSA 83 San Dieguito Local Park Fund fund balance. **(4 VOTES)**
11. Establish appropriations of \$5,000,000 in the Contribution to Capital Outlay Fund, Operating Transfer Out, for Capital Project 1021103 Tijuana River Valley Regional Park Campground and Equestrian Center, based on available prior year General Fund fund balance; *and* cancel and re-establish appropriations of \$5,000,000 in the Capital Outlay Fund for Capital Project 1021103 Tijuana River Valley Regional Park Campground and Equestrian Center, based on change of funding source from grant revenue to Operating Transfer In from the General Fund. **(4 VOTES)**
12. Establish appropriations of \$100,000 in the Contribution to Capital Outlay Fund, Operating Transfer Out, for Capital Project 1022612 Lincoln Acres Park Expansion, based on available prior year General Fund fund balance; *and* establish appropriations of \$100,000 in the Capital Outlay Fund for Capital Project 1022612 Lincoln Acres Park Expansion, based on an Operating Transfer In from the General Fund. **(4 VOTES)**
13. Establish appropriations of \$400,000 in the Contribution to Capital Outlay Fund, Operating Transfer Out, for Capital Project 1021778 Estrella Park Development, based on available prior year General Fund fund balance; *and* establish appropriations of \$400,000 in the Capital Outlay Fund for Capital Project 1021778 Estrella Park Development, based on an Operating Transfer In from the General Fund. **(4 VOTES)**
14. Establish appropriations of \$130,000 in the Contribution 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; *and* establish appropriations of \$130,000 in the Capital Outlay Fund for Capital Project 1021150 South County Bicycle Skills Course, based on an Operating Transfer In from the General Fund. **(4 VOTES)**

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

15. Establish appropriation of \$390,000 in the Contribution to County Library, Operating Transfer Out, for the Casa de Oro Library design and environmental study based on available prior year General Fund fund balance; *and* establish appropriations of \$390,000 in the Library Fund, Services & Supplies, for the Casa de Oro Library design and environmental study based on an Operating Transfer In from the General Fund. **(4 VOTES)**
16. Establish appropriations of up to \$10,598,000 in the Harmony Grove Capital Project Fund, Fixed Assets – Buildings and Improvements, for street and park improvements based on unanticipated revenue from bond proceeds. **(4 VOTES)**
17. Establish appropriations of up to \$28,202,000 in the Harmony Grove Improvement Fund, Services & Supplies, to account for the expenditures related to the Community Facilities District No. 2008-01 of the County of San Diego Improvement Area No.1 & 2 Special Tax Bonds, Series 2020A, based on unanticipated revenue from bond proceeds. **(4 VOTES)**
18. Transfer appropriations of \$781,021 from Finance Other (FO) Shared Major Maintenance, Services & Supplies, to the Department of General Services General Fund Contribution to Major Maintenance ISF, Operating Transfer Out (\$481,021), for a vertical transportation study at multiple sites and the North County Regional Center Roof Replacement major maintenance project, related to shared costs with the Judicial Council of California and to the Contributions to Capital Outlay, Operating Transfers Out (\$300,000), for Capital Project 1023645 NCRC South Building Rigging Equipment; *and* establish appropriations of \$481,021 in the Department of General Services Major Maintenance Internal Service Fund (ISF), Services & Supplies, to provide funding for a vertical transportation study at multiple sites and the North County Regional Center Roof Replacement major maintenance project, related to shared costs with the Judicial Council of California, based on an Operating Transfer In from the General Fund; *and* establish appropriations of \$300,000 in the Major Maintenance Capital Outlay Fund, Fixed Assets, for Capital Project 1023645 NCRC South Building Rigging Equipment, based on an Operating Transfer In from the General Fund. **(4 VOTES)**
19. Transfer appropriations within departments between Services & Supplies and Operating Transfers Out, including ratifications as noted in Appendix C, in the net amount of \$2,726,287 for major maintenance projects listed in Appendix C that were subsequently reclassified, based on capitalization thresholds, for financial reporting purposes. **(4 VOTES)**
20. Establish and cancel appropriations, including ratifications, as noted in Appendix C for a net increase of ~~\$3,346,287~~ \$2,726,287 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)**

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

FISCAL IMPACT

Funds for a portion of these requests which include ratifications, reflected in Appendix C, are not included in the Fiscal Year 2019–20 Operational Plan. If approved, in the General Fund these actions will result in increases to the overall budget of \$7,884,700 and transfers between budgetary funds of \$3,666,396 and no cancellation of appropriations. The funding sources for the increase include General Fund fund balance (\$6,020,000), and Program Revenues (\$1,864,700).

In all other funds combined, these actions will result in further increases to the overall budget of \$45,336,072 and transfers between budgetary funds of \$8,000. The funding sources for the increase are Operating Transfers (\$10,418,334), and miscellaneous other sources (\$34,917,738).

BUSINESS IMPACT STATEMENT

N/A

ADVISORY BOARD STATEMENT

N/A

BACKGROUND

As shown in Schedule A, the General Fund year-end fund balance projection of \$118.0 million is based on the estimate that expenditures will be approximately \$149.7 million less than the Fiscal Year 2019-20 Amended Budget and revenues will be a net \$31.7 million less than the Fiscal Year 2019-20 Amended Budget. The Amended Budget consists of the Adopted Budget plus encumbrances carried over from the prior year, plus year-to-date changes that have been either approved by your Board or the Deputy Chief Administrative Officer/Chief Financial Officer, when permitted. The projected balance for all other funds combined is \$57.7 million.

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

GENERAL FUND EXPENDITURE VARIANCES

The projected lower than budgeted expenditures generating an overall positive expenditure variance of \$149.7 million in the General Fund are primarily attributable to the following:

- \$29.1 million in positive salary and benefit appropriation variance in all groups due to staff turnover and department management of vacancies.
- \$83.1 million in positive appropriation variance in Services & Supplies across the County.
 - In PSG, projected overall positive expenditure variance of \$13.0 million primarily in Probation department due to time required to develop contracts to support persons under supervision in the community and to provide connections to the Drug Medi-Cal Organized Delivery System; in the Sheriff's department primarily for one-time costs related to the replacement of the Jail Information Management System that will be rebudgeted in Fiscal Year 2021 CAO Recommended Operational Plan; in the Child Support Services due to lower than anticipated cost in minor equipment and information technology (IT) services; and in District

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

Attorney due to lower than anticipated expenditures in IT hardware and services, and facilities maintenance.

- In HHSA, projected overall positive variance of \$37.4 million including variances in Behavioral Health Services associated with mental health programs and substance use disorder treatment programs as efforts continue toward achieving full-system capacity under the second year of the Drug Medi-Cal Organized Delivery System implementation; in Self-Sufficiency Services (SSS) primarily due to the implementation of a new centralized statewide automated welfare system; in Housing & Community Development Services (HCDS) due to multi-year projects; in Public Health Services due to funds available for an emergency outbreak; in Child Welfare Services (CWS) primarily tied to lower than anticipated contracted services; and in Aging & Independence Services primarily to align to the updated In-Home Supportive Services Maintenance of Effort.
- In LUEG, projected overall positive variance of \$0.9 million primarily in Public Works due to lower than anticipated contracted services costs, professional and specialized services, IT costs and other costs applied to General Fund departments for counter services.
- In FGG, projected positive variance of \$3.1 million is projected primarily in the FGG Executive Office due to information technology projects that are anticipated to span across multiple fiscal years, and in the Department of Human Resources in workers compensation administration costs.
- In FO, projected positive variance of \$28.7 million is projected primarily due to Reserve Stabilization that is not anticipated to be used, and multi-year information technology projects that are anticipated to extend beyond the current fiscal year.
- A projected net positive appropriation variance of \$30.8 million in Other Charges reflects variances primarily in HHSA but also in FO. In HHSA, the projected positive variance of \$30.2 million is mainly due to revised estimates of caseload levels and growth trends in the California Work Opportunity and Responsibility to Kids program (SSS), in foster care and adoptions assistance programs (CWS), Multi-Year Projects due to the transition of clients from Continuum of Care (CoC) Tenant Based Rental Assistance (TBRA) and HOME TB RA to the Section 8 Housing Choice Voucher Program (HCDS). In FO, the projected positive variance of \$0.5 million is due to lower than anticipated principal and interest payments.
- A projected positive appropriation variance of \$0.4 million in capital assets equipment is due to delayed ordering of new vehicles in PSG.
- A projected negative appropriation variance of \$5.4 million in Expenditure Transfer & Reimbursements in PSG is due to the termination of the food services memorandum of agreement between the Sheriff and Probation effective November 2019, and lower than anticipated reimbursements to Child Support Services from HHSA for public assistance investigations.
- A projected positive appropriation variance of \$1.3 million in Operating Transfers Out in HHSA is due to reduced funding needs for In-Home Support Services Public Authority related to operational savings in the program, with no impact to services.
- \$10.3 million positive appropriation variance in Management Reserves in HHSA (\$8.3 million) and FGG (\$2.0 million) that are projected to be unspent at year-end.

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

GENERAL FUND REVENUE VARIANCES

The projected under realized revenue of \$31.7 million includes positive variances totaling \$11.0 million and negative variances of \$42.7 million. In many instances, the negative revenue variances are directly associated to the positive expenditure variances described above.

The projected positive revenue variance of \$11.0 million is primarily attributable to the following categories: Revenue From Use of Money & Property (\$4.8 million) due to higher than expected interest earnings, Taxes Other Than Current Secured (\$2.9 million) mainly due to higher than anticipated local secured assessed value growth and high turnover in ownership and new construction activity, Miscellaneous Revenues (\$2.0 million) due to the closure of Flex Forfeiture Trust Funds, and License, Permits & Franchises (\$1.3 million) mainly due to fee revenue for external overheads that is not budgeted.

The projected negative variance of \$42.7 million is largely in Intergovernmental Revenues (\$40.9 million) related to lower than anticipated federal and State revenues to align with projected caseload levels and service utilization trends, including: revised CalWORKS caseload projections and CalWIN, federal and State revenue related to HCDS Multi-Year Projects, lower than anticipated spending for mental health and substance use disorder treatment programs and the end of the Title IV-E Waiver/California Well-Being Projects, and in the IHSS program to align the final administration program allocation and the final IHSS MOE commitment; in Other Financing Sources (\$1.4 million) primarily from a decrease in transfers from the Inmate Welfare Fund and Jail Commissary Enterprise Fund due to lower than anticipated expenditure needs in the Sheriff; and in Fines, Forfeitures & Penalties (\$0.4 million) from lower than anticipated costs for the Cal-ID program.

ADJUSTMENTS TO THE FISCAL YEAR 2019-20 ADOPTED BUDGET

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

The recommendations for budget adjustments are explained as follows:

**Increases to the Overall Budget and/or Transfers Between Budgetary Funds
(Recommendations 2 through 20):**

Recommendation 2

This recommendation will transfer appropriations of \$92,088 from the Sheriff's Department, Capital Assets Equipment, to the General Fund Contributions to Fleet Internal Service Fund (ISF), and establish appropriations in the Department of General Services (DGS) Fleet Services ISF for the purchase of 2 vehicles to support current staff activities including law enforcement services at the San Diego County Psychiatric Hospital.

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

Recommendation 3

On January 14, 2020 (8), the Board of Supervisors approved for the Probation Department to ratify an application and accept funds from the California Department of Transportation (Caltrans) in the amount of \$7,564,335 for the period of January 1, 2020 through December 31, 2022. If approved, this request will establish appropriations of \$1,199,700 based on Caltrans, for a vocational training program to serve additional adult probation clients for the contract period of January 1, 2020 through June 30, 2020.

Recommendations 4 & 5

On January 14, 2020 (9), the Board of Supervisors authorized the Director, Office of Emergency Services, to accept the Fiscal Year 2019 California Governor's Office of Emergency Services, Public Safety Power Shutoff (PSPS) Resiliency Program grant funds. These recommendations will establish appropriations of \$665,000 in the San Diego County Fire Authority, Operating Transfer Out to Major Maintenance Capital Outlay Fund (\$620,000) and Capital Assets Equipment (\$45,000) and in the Major Maintenance Capital Outlay Fund (\$620,000) for the purchase and installation of generators throughout fire stations in CSA 135 based on California Governor's Office of Emergency Services, PSPS Resiliency Program. The fire stations are in Julian, San Pasqual, Palomar Mountain, Lake Morena, Deerhorn and Sunshine Summit.

On January 14, 2020 (27), the Board of Supervisors authorized the advertise and award construction contract(s) for new emergency generators at six county libraries. This action included funding Potrero Library Emergency Generator (\$219,800) and Descanso Library Generator (\$207,100) based on prior year County Library Fund fund balance. This request will correct the funding source and amounts previously identified and will establish appropriations of \$415,000 in the Library Fund for new emergency generators at the Descanso and Potrero County libraries based on Public Safety Power Shutoff (PSPS) Resiliency Program grant funds. The County of San Diego (County) employs a comprehensive approach to emergency and disaster response and recovery. County libraries are anchor institutions in the communities they serve, expanding their services beyond typical library functions as part of any response and recovery efforts. Libraries have increasingly become "second responders" to communities in crisis, helping people to access resources during emergency situations. If approved, this request will help the Descanso and Potrero libraries continue to provide these vital services to the community during a power outage.

Recommendation 6

This recommendation will establish appropriations of \$500,000 in County Service Area 17 fund, Services & Supplies, to fund the replacement of obsolete equipment, which includes monitor/defibrillators, public access defibrillators, and CPR devices for emergency medical transports, based on available prior year County Service Area 17 Fund fund balance. This equipment will provide coverage to the entire CSA 17 service area.

Recommendations 7 & 8

The Fiscal Year 2019-20 Operational Plan included \$750,000 for Capital Project 1021494 Woodhaven Park Well and Fitness Trail, to convert the irrigation system from municipal water to well water, remove some of the park's turf grass and replace it with drought tolerant landscaping, and add an ADA compliant walking path with outdoor fitness stations. Subsequently, construction

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

bids for this project were received in an amount that was higher than anticipated. These recommendations will establish appropriations in the amount of \$178,938 in the Capital Outlay Fund, Capital Project 1021494 Woodhaven Well, from a transfer of appropriations from the Park Land Dedication Ordinance Area 45 Valle De Oro Fund (\$103,938) and Department of Parks & Recreation (DPR), Services & Supplies (\$75,000), to fund increased costs of construction and additional shrub planting, irrigation, decomposed granite and bark mulch. This will bring the total estimated project cost to \$928,938. If approved, construction could begin in May 2020 with an anticipated project completion in fall 2020.

Recommendation 9

On December 14, 2016 (7), the Board approved the third amendment to the agreement between the County and the Fallbrook Village Association for the design and construction of picnic area and park access improvements at Heyneman Park. Per the agreement, the funding source for the design and construction costs at Heyneman Park is the PLDO Area 35 Fallbrook Fund with the Fallbrook Village Association responsible for managing the construction of this project. As project improvements have been completed, including a pavilion, tables, and benches, it has become clear that the new amenities are attractive to after-hours users. As a local park, Heyneman Park is open only from sunrise to sunset. To maintain the park hours, deter undesired after-hours use, and protect the improvements, more durable access controls are now needed. This recommendation will establish appropriations of \$8,800 in DPR, Services & Supplies, to fund park perimeter fencing and a pedestrian gate access point to secure the park at night and protect the improvements. The funding source is available prior year fund balance in the PLDO Area 35 Fallbrook Fund.

Recommendation 10

This recommendation will establish appropriations of \$90,000 in County Service Area (CSA) 83 San Dieguito Local Park Fund for unanticipated roof repairs to the 4S Ranch Sports Park Building D. Roof damages were discovered in the fall 2019 and maintenance is now needed to assess and repair unforeseen degradation of the building, remove residual pests and prevent future pest infestations. The funding source is CSA 83 San Dieguito Local Park Fund prior year available fund balance.

Recommendation 11

On January 30, 2019 (4), the Board authorized DPR to apply for and, if awarded, accept State Coastal Conservancy (SCC) Grant funding for the Tijuana River Valley Regional Park (TRVRP) campground. In the Fiscal Year 2019-20 Operational Plan, \$5,000,000 was established based on anticipated SCC grant revenue. Late summer 2019, DPR was notified that the grant application for the TRVRP campground project was not successful. This recommendation will cancel and re-establish appropriations of \$5,000,000 for Capital Project 1021103 Tijuana River Valley Regional Park Campground and Equestrian Center to change the funding source from grant revenue to available prior year General Fund fund balance.

Recommendation 12

On February 11, 2020 (6), the Board established appropriations of \$500,000 for the purchase of approximately half an acre of land for Capital Project 1022612 Lincoln Acres Park Expansion based on Community Development Block Grant funding. This additional property will expand the Lincoln Acres Park to provide space for potential amenities such as picnic areas, covered pavilion,

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

walking paths and parking. This recommendation will establish \$100,000 based on available prior year General Fund fund balance for the design of this additional half an acre parcel. This will bring the total estimated project cost to \$3,400,000 and an estimated project completion of winter 2020.

Recommendation 13

The Fiscal Year 2019-20 Operational Plan includes appropriations of \$1,045,000 for Capital Project 1021778 Estrella Park Development, for construction of Americans with Disability Act (ADA) parking, decomposed granite trails, landscaping, irrigation, a small creek bridge, park benches and picnic tables at Estrella Park. This recommendation will establish \$400,000 based on available prior year General Fund fund balance to add additional amenities that were identified as additive alternates during the project bid, such as a nature play area, swing, boardwalk and amphitheater. This will bring the total estimated project cost to \$1,445,000 and a project completion of summer 2020.

Recommendation 14

The Fiscal Year 2019-20 Operational Plan included appropriations of \$1,841,873 for Capital Project 1021150 South County Bicycle Skills Course. In January 2020, the bicycle skills course was opened to the public and, due to the popularity, additional parking and a restroom building is needed. This recommendation will establish appropriations of \$130,000 for the design and environmental analysis of additional parking and a restroom building. The funding source is available prior year General Fund fund balance. This will bring the total estimated project cost to \$1,971,873 and anticipated project phase completion of summer 2020.

Recommendation 15

This action will establish appropriations of \$390,000 available prior year General Fund fund balance for necessary DGS activities associated with the evaluation of a site that was identified in Fiscal Year 2019-20 for potential land acquisition for a new Casa de Oro Library of up to 15,000 square feet. The DGS services will include title report, land survey, environmental analysis, geotechnical investigation, site test fit, and architectural schematic space programming.

Recommendations 16 & 17

On June 25, 2008 (9), the Board adopted a resolution establishing the Harmony Grove Village Communities Facilities District located in the unincorporated area, just west of the City of Escondido. The formation of this CFD provided the framework to finance both infrastructure and services for this proposed new housing development, which is organized under two improvement areas. On December 10, 2019 (25), the Board approved the final bond issuance of Special Tax Bonds for Harmony Grove Village Improvement Areas 1 and 2, the Series 2020A Bonds, and related financing documents in an aggregate principal amount not to exceed \$15 million and \$25 million, respectively. Today's action will establish appropriations resultant from the issuance of these bonds. These bonds are not obligations of the County and are limited obligations of the District payable solely from Special Tax Revenues levied against the property owners.

Recommendation 18

These requests will transfer appropriations of \$781,021 from Finance Other Shared Major Maintenance to DGS General Fund Contribution to Major Maintenance ISF (\$481,021) and to the Contributions to Capital Outlay, Operating Transfer Out (\$300,000) and establish additional

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

appropriations in the Major Maintenance Internal Service Fund (\$481,021) to provide additional funding for a vertical transportation study at multiple sites and the North County Regional Center Roof Replacement major maintenance project relating to shared costs with the Judicial Council of California, which are higher than budgeted and establish additional appropriations in the Major Maintenance Capital Outlay Fund for Capital Project 1023645 NCRC South Building Rigging Equipment. The funding source is an Operating Transfer In from the General Fund.

Recommendations 19 & 20

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

These recommendations will result in a net increase of appropriations in the MMCOF of \$2,726,287 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 2020-2025 Strategic Plan by fully committing to use County resources to meet the highest priority needs of residents.

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

Respectfully submitted,

A handwritten signature in black ink, reading "Helen N. Robbins-Meyer". The signature is fluid and cursive, with the first name "Helen" and last name "Robbins-Meyer" clearly distinguishable.

HELEN N. ROBBINS-MEYER
Chief Administrative Officer

ATTACHMENT(S)

Schedule A

Schedule B

Notes to Schedules A and B

Appendix C

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

AGENDA ITEM INFORMATION SHEET

REQUIRES FOUR VOTES: ☒ Yes ☐ No

WRITTEN DISCLOSURE PER COUNTY CHARTER SECTION 1000.1 REQUIRED

☐ Yes ☒ No

PREVIOUS RELEVANT BOARD ACTIONS:

December 10, 2019 (23) Fiscal Year 2019-20 First Quarter Operational Plan Status Report and Budget Adjustments; June 25, 2019 (17), County of San Diego Fiscal Year 2019–20 Adopted Budget Resolution for County Family of Funds, Enterprise Funds and Internal Service Funds, and Prior Year Encumbrances

BOARD POLICIES APPLICABLE:

N/A

BOARD POLICY STATEMENTS:

N/A

MANDATORY COMPLIANCE:

N/A

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

N/A

ORIGINATING DEPARTMENT: Finance & General Government Group

OTHER CONCURRENCE(S): N/A

CONTACT PERSON(S):

Tracy M. Sandoval, Deputy Chief
Administrative Officer/Chief Financial Officer

Name
(619) 531-5413

Phone
Tracy.Sandoval@sdcounty.ca.gov

E-mail

Ebony N. Shelton, Director, Office of Financial
Planning

Name
(619) 531-5175

Phone
Ebony.Shelton@sdcounty.ca.gov

E-mail

**FY 2019-2020 2nd Quarter
Projected Year-End Results**
(in thousands)

Schedule A
Page 1

COUNTY SUMMARY

General Fund

	Expenditure Variance	Revenue Variance	2nd Quarter FY19-20 Projected Fund Balance
	Favorable/(Unfavorable)		
Public Safety	\$ 18,464	\$ (3,828)	\$ 14,636
Health & Human Services Agency	85,610	(45,094)	40,515
Land Use & Environment	6,171	(2,228)	3,943
Finance & General Government	10,211	(849)	9,362
Total Agency/Group	120,455	(52,000)	68,456
General Purpose Revenue	0	20,058	20,058
Finance Other	29,243	253	29,497
Total General Fund	\$ 149,699	\$ (31,688)	\$ 118,010

Special Revenue Funds

Public Safety	\$ 4,137	\$ 9,331	\$ 13,467
Health & Human Services Agency	10	0	10
Land Use & Environment	6,620	(563)	6,057
Total Special Revenue Funds	\$ 10,767	\$ 8,768	\$ 19,535

Capital Program

Finance Other	\$ 444	\$ 10,634	\$ 11,078
---------------	--------	-----------	-----------

Internal Service Funds Departments

Land Use & Environment	\$ 0	\$ 0	\$ 0
Finance & General Government	13,254	(8,800)	4,454
Finance Other	13,587	2,501	16,087
Total Internal Service Funds	\$ 26,841	\$ (6,300)	\$ 20,541

Enterprise Fund Departments

Public Safety Group	\$ 1,677	\$ (633)	\$ 1,044
Land Use & Environment	1,142	830	1,972
Total Enterprise Funds	\$ 2,818	\$ 197	\$ 3,016

Special District Funds Departments

Public Safety Group	\$ 0	\$ 1	\$ 1
Health & Human Services Agency	85	204	289
Land Use & Environment	2,423	498	2,921
Total Special District Funds	\$ 2,508	\$ 703	\$ 3,211

Other County Funds Departments

HHS - Red./Redev. Successor Agency	\$ 5	\$ 21	\$ 26
HHS - Housing & Community Development	0	0	0
Total Other County Funds	\$ 5	\$ 21	\$ 26

Debt Service - Pension Obligation Bonds

\$ 0	\$ 310	\$ 310
------	--------	--------

Total County Year-End Operating Balance

\$ 193,081	\$ (17,354)	\$ 175,726
-------------------	--------------------	-------------------

**FY 2019-2020 2nd Quarter
Projected Year-End Results**
(in thousands)

Schedule A
Page 2

PUBLIC SAFETY GROUP

Expenditure Variance	Revenue Variance	2nd Quarter FY19-20 Projected Fund Balance
Favorable/(Unfavorable)		

General Fund Departments

Animal Services	\$ 40	\$ 0	\$ 40
Child Support	5,342	(2,895)	2,446
District Attorney	2,375	1,200	3,575
Emergency Services	703	(602)	101
Law Enforcement Review Board	31	0	31
Medical Examiner	106	0	106
Probation	5,550	(2,091)	3,459
Public Defender	387	(265)	122
Public Safety Executive Office	1,222	0	1,222
San Diego County Fire Authority	565	(539)	25
Sheriff	2,145	1,364	3,508
Total General Fund	\$ 18,464	\$ (3,828)	\$ 14,636

Special Revenue Funds Departments

District Attorney (Asset Forfeiture - State & Federal)	\$ 0	\$ 0	\$ 0
Probation - Asset Forfeiture	0	0	0
Probation - Inmate Welfare Program	0	0	0
Sheriff - Asset Forfeiture	0	1,005	1,006
Sheriff - Inmate Welfare Program	4,137	(935)	3,202
Criminal Justice Facility	0	0	0
Courthouse	0	0	0
Penalty Assessment	0	202	202
Public Safety - Proposition 172	0	9,058	9,058
Total Special Revenue Funds	\$ 4,137	\$ 9,331	\$ 13,467

Enterprise Funds

Sheriff	\$ 1,677	\$ (633)	\$ 1,044
Total Enterprise Funds	\$ 1,677	\$ (633)	\$ 1,044

Special District Funds

Sheriff (Regional 800 MHz)	\$ 0	\$ 1	\$ 1
County Service Areas	0	0	0
Community Facilities Districts	0	0	0
Total Special District Funds	\$ 0	\$ 1	\$ 1

Total Public Safety Group

\$ 24,278	\$ 4,871	\$ 29,149
------------------	-----------------	------------------

Numbers may not total due to rounding.

**FY 2019-2020 2nd Quarter
Projected Year-End Results**
(in thousands)

Schedule A
Page 3

HEALTH & HUMAN SERVICES AGENCY

Expenditure Variance	Revenue	Variance	2nd Quarter FY19-20 Projected Fund Balance
Favorable/(Unfavorable)			

General Fund Programs

Administrative Support	\$	10,399	\$	1,036	\$	11,435
Aging & Independence Services		5,841		(2,244)		3,597
Behavioral Health Services		13,810		(4,146)		9,664
Child Welfare Services		8,511		(5,731)		2,780
Public Health Services		7,172		(2,386)		4,786
Self-Sufficiency Services		31,938		(23,684)		8,254
Housing & Community Development Services		7,939		(7,939)		0
Total General Fund	\$	85,610	\$	(45,094)	\$	40,515

Special Revenue Funds

Tobacco Securitization Fund	\$	10	\$	0	\$	10
Total Special Revenue Funds	\$	10	\$	0	\$	10

Special District Funds Departments

Ambulance Districts	\$	85	\$	204	\$	289
Total Special District Funds	\$	85	\$	204	\$	289

Other County Funds Departments

Housing & Community Development	\$	0	\$	0	\$	0
Red. Agency/Redevelopment Successor Agency		5		21		26
Total Other County Funds Departments	\$	5	\$	21	\$	26

Total Health & Human Services Agency	\$	85,710	\$	(44,870)	\$	40,840
---	-----------	---------------	-----------	-----------------	-----------	---------------

**FY 2019-2020 2nd Quarter
Projected Year-End Results**

Schedule A
Page 4

(in thousands)

LAND USE & ENVIRONMENT GROUP

General Fund Departments

	Expenditure Variance	Revenue Variance	2nd Quarter FY19-20 Projected Fund Balance
	Favorable/(Unfavorable)		
Agriculture, Weights & Measures	\$ 123	\$ (3)	\$ 120
Environmental Health	1,938	665	2,603
Land Use & Environment Group Exec Office	71	0	71
Parks & Recreation	1,030	(976)	54
Planning & Development Services	2,227	(1,886)	341
Public Works	782	(29)	753
Total General Fund	\$ 6,171	\$ (2,228)	\$ 3,943

Special Revenue Funds/Departments

A,W & M (Grazing and Fish & Game Commission)	\$ 0	\$ 0	\$ 0
Parks & Recreation - PLDO	0	1,755	1,755
DPW - Aviation Funds	0	0	0
DPW - Road Fund	4,585	(2,077)	2,507
DPW - Survey Monument Preservation	0	0	0
DPW - Inactive Waste	237	(237)	0
DPW - Waste Planning and Recycling	548	0	549
Library Services	1,250	(4)	1,246
Total Special Revenue Funds	\$ 6,620	\$ (563)	\$ 6,057

Internal Service Funds

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

Enterprise Funds

Airport Enterprise Fund	\$ 609	\$ 1,320	\$ 1,929
Wastewater Management Enterprise Fund	533	(490)	43
Total Enterprise Funds:	\$ 1,142	\$ 830	\$ 1,972

Special District Funds/Departments

Air Pollution Control District	\$ 1,400	\$ (61)	\$ 1,339
Parks and Recreation	0	0	0
Parks - Community Facilities Districts	0	6	6
DPW - SD County Sanitation District	955	605	1,560
DPW - Campo WSMD-Zone A (Rancho Del Campo Water)	3	7	10
DPW - CWSMD-Zone B (Campo Hills Water)	0	6	6
DPW - CSAs	0	0	0
DPW - PRDs	0	0	0
DPW - Community Facilities Districts	0	0	0
DPW - Flood Control	65	(65)	0
DPW - Street Lighting District	0	0	0
Total Special Districts Funds:	\$ 2,423	\$ 498	\$ 2,921

Total Land Use & Environment Group

Total Land Use & Environment Group	\$ 16,355	\$ (1,463)	\$ 14,893
---	------------------	-------------------	------------------

**FY 2019-2020 2nd Quarter
Projected Year-End Results**
(in thousands)

Schedule A
Page 5

**FINANCE & GENERAL GOVERNMENT
GROUP**

Expenditure Variance	Revenue Variance	2nd Quarter FY19-20 Projected Fund Balance
Favorable/(Unfavorable)		

General Fund Departments

Assessor/Recorder/County Clerk	\$ 1,827	\$ 0	\$ 1,827
Auditor & Controller	214	286	500
Board of Supervisors	352	0	352
Chief Administrative Office	397	0	397
Civil Service Commission	53	0	53
Clerk of the Board of Supervisors	109	(7)	101
County Communications Office	600	1	601
County Counsel	1,804	(27)	1,776
County Technology Office	280	0	280
Finance & GG Exec Office	2,975	(10)	2,965
General Services	0	0	0
Grand Jury	151	0	151
Human Resources	865	(595)	270
Purchasing & Contracting	0	0	0
Registrar of Voters	0	0	0
Treasurer-Tax Collector	586	(498)	89
Total General Fund	\$ 10,211	\$ (849)	\$ 9,362

Internal Service Funds Departments

CTO - Information Technology	\$ 0	\$ 0	\$ 0
Facilities Management	5,437	(4,382)	1,055
Major Maintenance ISF	0	0	0
Fleet Management	5,693	(5,514)	179
Purchasing & Contracting	2,124	1,096	3,220
Total Internal Service Funds	\$ 13,254	\$ (8,800)	\$ 4,454

**Total Finance & General
Government Group**

\$ 23,465	\$ (9,649)	\$ 13,815
------------------	-------------------	------------------

**FY 2019-2020 2nd Quarter
Projected Year-End Results**

Schedule A
Page 6

(in thousands)

**GENERAL PURPOSE REVENUE &
FINANCE OTHER**

Expenditure Variance	Revenue Variance	2nd Quarter FY19-20 Projected Fund Balance
Favorable/(Unfavorable)		

General Fund

General Purpose Revenue:

All Current Property Taxes	\$ 0	\$ (63)	\$ (63)
All Other Taxes-Local	0	2,874	2,874
Licenses, Permits & Franchises	0	0	0
Fines, Forfeitures & Penalties	0	119	119
Revenue for Use of Money & Property	0	4,773	4,773
Intergovernmental Revenue	0	9,771	9,771
Charges for Current Services	0	603	603
Miscellaneous Revenue	0	1,980	1,980

Total General Purpose Revenue

\$ 0	\$ 20,058	\$ 20,058
-------------	------------------	------------------

General County Expenses:

Cash Borrowing Program	\$ 0	\$ 0	\$ 0
Community Enhancement	0	0	0
Contingency Reserve	0	0	0
Contribution to County Library	0	0	0
Contributions to the Capital Outlay Fund	0	0	0
Lease Payments - Bonds	517	253	770
Local Agency Formation Comm Admin	0	0	0
Neighborhood Reinvestment Program	0	0	0
Countywide Expenses	28,727	0	28,727
Total Finance Other Expenses	29,243	253	29,497

Total General Fund

\$ 29,243	\$ 20,311	\$ 49,555
------------------	------------------	------------------

Capital Program Funds

Capital Program	\$ 444	\$ 10,634	\$ 11,078
-----------------	--------	-----------	-----------

Total Capital Program Funds

\$ 444	\$ 10,634	\$ 11,078
---------------	------------------	------------------

Internal Service Funds Departments

Workers Compensation	\$ 5,000	\$ 0	\$ 5,000
Unemployment Insurance	0	0	0
Public Liability	8,587	2,501	11,087

Total ISF Funds

\$ 13,587	\$ 2,501	\$ 16,087
------------------	-----------------	------------------

Debt Service Funds Departments

Pension Obligation Bonds	\$ 0	\$ 310	\$ 310
--------------------------	------	--------	--------

Total Debt Service Funds

\$ 0	\$ 310	\$ 310
-------------	---------------	---------------

**Total General Purpose Revenue & Finance
Other**

\$ 43,274	\$ 33,756	\$ 77,030
------------------	------------------	------------------

Numbers may not total due to rounding.

**FY 2019-2020 2nd Quarter
Projected Year-End Results**
(in thousands)

Schedule B

Category	Projected Management Reserves	Projected Operating Balances	2nd Quarter FY19-20 Projected Fund Balance
	Favorable/(Unfavorable)		
General Fund			
Public Safety	\$ 0	\$ 14,636	\$ 14,636
Health and Human Services Agency	8,350	32,165	40,515
Land Use and Environment	0	3,943	3,943
Finance & General Government	1,995	7,367	9,362
Agency/Group Totals	\$ 10,345	\$ 58,111	\$ 68,456
General Purpose Revenue	\$ 0	\$ 20,058	\$ 20,058
General County Expenses	0	29,497	29,497
Total General Purpose Revenue & General County Expense	\$ 0	\$ 49,555	\$ 49,555
Total General Fund	\$ 10,345	\$ 107,665	\$ 118,010

COUNTY OF SAN DIEGO
NOTES TO SCHEDULES A and B
Fiscal Year 2019-20 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

A positive variance of \$1.2 million is projected for the Public Safety Group Executive Office.

A positive expenditure variance of \$1.2 million is projected. A positive variance of \$0.8 million in Salaries & Benefits is due to lower than anticipated costs for temporary staff and \$0.4 million positive variance in Services & Supplies due to lower than anticipated expenditures in contracted services, information technology and special projects.

No revenue variance is projected.

District Attorney

A positive variance of \$3.6 million is projected for the District Attorney's Office.

A positive expenditure variance of \$2.4 million is projected. A positive variance of \$1.0 million in Salaries & Benefits is due to normal attrition, vacant and modified positions. A positive variance of \$1.4 million in Services & Supplies is due to lower than anticipated expenditures in information technology hardware, information technology services, and facilities maintenance.

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

Sheriff

A positive variance of \$3.5 million is projected for the Sheriff's Department.

A positive expenditure variance of \$2.1 million is projected. A positive variance of \$1.1 million in Salaries & Benefits is projected due to vacant positions. A positive expenditure variance of \$3.4 million in Services & Supplies is primarily for one-time costs related to the replacement of the Jail Information Management System that will be re-budgeted in the Fiscal Year 2020-21 CAO Recommended Operational Plan (\$3.5 million), Professional & Specialized Services due to project timeline changes for the Regional Communications System and Contracted Services related to lower than anticipated costs for Cal-ID program, offset by higher than anticipated costs in Food and Household Expense associated with increased contract costs and in Medicines, Drugs & Pharmaceuticals due to more expensive medications for high risk medical and mental health conditions. A negative variance of \$2.4 million is projected in Expenditure Transfer & Reimbursements associated with the termination of the memorandum of agreement with Probation Department effective November 2019.

A positive revenue variance of \$1.4 million is projected. A positive variance of \$2.2 million in Intergovernmental Revenues is due to over-realized revenue in State Aid for reimbursement of costs to provide a jail-based competency treatment program, higher than anticipated revenue from the Federal Government for the State Criminal Alien Assistance Program (SCAAP), and over-realized revenue for reimbursement of costs from the Fire Management Assistance Grant offset by lower than anticipated revenue in the State Homeland Security Grant Program. A positive variance of \$1.5 million is projected in Charges for Current Services due to over-realized revenue from contract cities, partially offset by lower revenues from various fees and services such as civil fees. A negative variance of \$1.1 million is projected in Other Financing Sources due to a decrease in transfers from the Inmate Welfare Fund associated with positions that will remain vacant and Jail Commissary Enterprise Fund associated with vacant positions. A negative variance of \$0.6 million is projected for Fines, Forfeitures & Penalties due to lower than anticipated costs for the Cal-ID program. A negative variance of \$0.5 million is projected in Miscellaneous Revenues due to project timeline changes for the Regional Communications System. A negative variance of \$0.1 million is projected in Licenses

Permits & Franchises due to lower than anticipated collections from license fees.

Child Support Services

An overall positive variance of \$2.4 million is projected for the Department of Child Support Services.

A positive expenditure variance of \$5.3 million is projected. A positive variance of \$6.3 million in Salaries & Benefits is due to vacant and modified positions. A positive variance of \$1.7 million in Services & Supplies is primarily due to lower than anticipated operating activities, including minor equipment and information technology services. A positive variance of \$0.1 million in Capital Assets Equipment is due to delayed ordering of new vehicles, offset by a negative variance of \$2.8 million in Expenditure Transfer & Reimbursements due to vacant and modified positions in the Bureau of Public Assistance Investigations for services reimbursed by Health and Human Services.

A negative revenue variance of \$2.9 million is projected. A negative variance of \$2.5 million is projected in Intergovernmental Revenues due to lower than anticipated reimbursements, based on the positive expenditure variances noted above, and a negative variance of \$0.4 million in Charges for Current Services is based on lower than anticipated incentive revenue received from the California Department of Child Support Services.

Office of Emergency Services

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

A positive expenditure variance of \$0.7 million is projected. A positive variance of \$0.4 million in Salaries & Benefits is due to vacant positions, \$0.2 million in Services & Supplies is due to lower than anticipated spending in contracted services related to emergency full scale exercise, and \$0.1 million in Expenditure Transfers & Reimbursements for services provided to the Sheriff's Department.

A negative revenue variance of \$0.6 million is projected in Intergovernmental Revenues due to lower than anticipated reimbursements based on positive expenditure variance related to Homeland Security grant funded positions and decreased contracted services spending as mentioned above.

Probation

A positive variance of \$3.5 million is projected for the Probation Department.

A positive expenditure variance of \$5.6 million is projected. A positive variance of \$5.6 million is projected in Services & Supplies primarily due to time required to develop contracts to support persons under supervision in the community and to provide connections to the Drug Medi-Cal Organized Delivery System.

A negative revenue variance of \$2.1 million is projected. A negative variance of \$1.9 million is projected in Intergovernmental Revenues due to the sunset of the California

Well-Being Project also known as the Title IV-E Waiver on September 30, 2019. A negative revenue variance of \$0.2 million is projected in Charges for Current Services due to a decrease in Probation work crew charges.

San Diego County Fire Authority

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

A positive expenditure variance of \$0.5 million is projected. A positive variance of \$0.2 million in Salaries & Benefits is due to vacant positions and a positive variance of \$0.3 million in Services & Supplies is due to lower than anticipated Volunteer Reserve Fire Fighter stipend payments and minor equipment purchases.

A negative revenue variance of \$0.5 million is projected. A negative variance of \$0.6 million in Charges for Current Services is due to the amendment of the Jamul Indian Village agreement, offset by a positive variance of \$0.1 million in Other Financing Sources due to a vehicle trade-in credit.

Special Revenue Funds

Sheriff's Inmate Welfare Fund

A positive variance of \$3.2 million is projected for the Inmate Welfare Fund.

A positive expenditure variance of \$4.1 million is projected. A positive variance of \$3.1 million is projected in Services & Supplies due to savings in professional and specialized services associated with contracts for educational services and lower than anticipated expenditure needs associated with an anticipated negative revenue variance. A positive variance of \$1.0 million is projected in Operating Transfers Out associated with positions in the General Fund that will remain vacant.

A negative revenue variance of \$0.9 million is projected. A negative variance of \$0.9 million is projected in Other Financing Sources due to a decrease in the operating transfers from the Sheriff's Jail Commissary Enterprise Fund for proceeds generated by Commissary sales.

Proposition 172

A positive variance of \$9.1 million is projected for the Proposition 172 Special Revenue Fund.

No expenditure variance.

A positive revenue variance of \$9.1 million is projected in Intergovernmental Revenues due to higher than anticipated receipts from sales tax.

Sheriff's Asset Forfeiture Program

A positive variance of \$1.0 million is projected in the Sheriff's Asset Forfeiture Program (US Department of Justice and US Treasury Department and State).

No expenditure variance is projected.

A positive revenue variance of \$1.0 million is primarily projected due to increased Asset Forfeiture US Department of Justice seizures in Intergovernmental Revenues (\$0.8 million) and Asset Forfeiture State seizures in Fines, Forfeitures & Penalties (\$0.2 million).

Enterprise Fund

Sheriff's Jail Commissary Enterprise Fund

A positive variance of \$1.0 million is projected for the Sheriff's Jail Commissary Enterprise Fund.

A positive expenditure variance of \$1.7 million is projected. A positive variance of \$0.6 million is projected in Services & Supplies due to a decline in inmate sales. A positive variance of \$1.1 million is projected in Operating Transfers Out primarily due to a decrease in the transfer of commissary proceeds to the Inmate Welfare Fund resulting from lower than expected revenues.

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

HEALTH AND HUMAN SERVICES AGENCY (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, Integrative Services, Regional Administration, and Office of Military & Veterans Affairs.

An overall positive variance of \$11.4 million is projected for Administrative Support.

A positive expenditure variance of \$10.4 million includes \$2.0 million in Salaries & Benefits due to attrition and vacant positions and \$8.4 million in Management Reserves. HHSA has obligated \$7.1 million of the \$15.5 million total budgeted Management Reserves for investments tied to advancing the Behavioral Health Services Continuum of Care (\$4.8 million) and homelessness projects (\$2.3 million).

A positive revenue variance of \$1.0 million consists of \$0.7 million in Intergovernmental Revenue for social services administrative revenues due to anticipated one-time prior year funds tied to the State's close-out process, \$0.2 million in Charges for Current Services due to higher estimates for dispute resolution fees to align with projected spending on contracted mediation services administered through Integrative Services and \$0.1 million in Miscellaneous Revenue for additional funding tied to the Community Services Block Grant Trust Fund for the Live Well Exchange and Gang Prevention contracts.

Aging & Independence Services

A positive variance of \$3.6 million is projected for Aging & Independence Services.

A positive expenditure variance of \$5.8 million is projected and includes \$2.2 million in Salaries & Benefits due to attrition and vacant positions, \$2.4 million in Services & Supplies primarily due to the updated In-Home Supportive Services (IHSS) Maintenance of Effort (MOE) costs, and \$1.3 million in Operating Transfers Out due to reduced funding needs for the IHSS Public Authority related to anticipated operational savings in the program, with no impact to services, partially offset by a negative \$0.1 million in Expenditure Transfer & Reimbursements tied to the ending of the Victim Services Program.

A negative revenue variance of \$2.2 million is projected and includes \$2.2 million in Intergovernmental Revenues, primarily in the IHSS program to align the final administrative program allocation and the final IHSS MOE commitment.

Behavioral Health Services

A positive variance of \$9.7 million is projected in Behavioral Health Services (BHS)

A positive expenditure variance of \$13.8 million is projected in Services & Supplies tied to mental health programs, to align current utilization of services and updated procurement timeframes, and due to substance use disorder treatment programs efforts to continue toward achieving full-system capacity under the second year of the Drug Medi-Cal Organized Delivery System (DMC-ODS) implementation.

A negative revenue variance of \$4.1 million is projected and includes \$6.7 million in Intergovernmental Revenues offset by a positive variance of \$1.8 million in Charges for Current Services and \$0.8 million in Miscellaneous Revenues due to recovery of prior year overpayments to contractors. The negative variance of \$6.7 million in Intergovernmental Revenues is due to the alignment of behavioral health program revenue with anticipated spending in contracted services for both mental health and DMC-ODS programs as noted above. The \$1.8 million in Charges for Current Services is based on updated State Medi-Cal bed day rates for the Edgemoor Distinct Part Skilled Nursing Facility and additional revenue tied to higher utilization of forensic evaluation services provided to the Superior Court.

County Child Welfare Services

A positive variance of \$2.8 million is projected for County Child Welfare Services.

A positive expenditure variance of \$8.5 million is projected and includes positive variances of \$2.0 million in Salaries & Benefits due to attrition and vacant positions, \$3.0 million in Services & Supplies, and \$3.5 million in Other Charges primarily due to revised estimates of caseload levels and growth trends in foster care assistance programs. The positive variance of \$3.0 million in Services & Supplies is primarily tied to savings in contracted services associated with updated utilization trends and updated procurement timelines.

A negative revenue variance of \$5.7 million is projected and includes \$5.4 million in Intergovernmental Revenues, \$0.2 million in Revenue From Use of Money & Property to align revenue collection trends for the use of the San Pasqual Academy property and \$0.1 million in Charges for Current Services due to a lower collection estimate for adoption fees. The negative variance of \$5.4 million in Intergovernmental Revenues consists of \$7.4 million in under-realized social services administrative revenues to align with anticipated funding including the end of the Title IV-E Waiver/California Well-Being Project, offset by a positive variance of \$2.0 million in federal and State assistance payment revenue to align with projected caseload levels.

Housing & Community Development Services

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

HCDS Operations, Administration, and HCDS Multi-Year Projects.

No overall variance is projected for HCDS.

A positive expenditure variance of \$7.9 million is projected and includes \$0.5 million in Salaries & Benefits due to attrition and vacant positions, \$6.4 million in Services & Supplies, and \$1.1 million in Other Charges, partially offset by a negative variance of \$0.1 million in Expenditure Transfer and Reimbursements due to contract savings in the Victims Services Program. The \$6.4 million positive variance in Services & Supplies is related to HCDS Multi-Year Projects due to the end of the Continuum of Care (CoC) grant and implementation overlap across fiscal years, including updated procurement timelines to align with the State roll-out of funding for the California Emergency Solutions and Housing (CESH) program and SB-2 Building Homes and Jobs Act. The \$1.1 million positive variance in Other Charges primarily for Multi-Year Projects due to the transition of clients from CoC Tenant Based Rental Assistance (TBRA) and HOME TBRA to the Section 8 Housing Choice Voucher Program.

A negative revenue variance of \$7.9 million is projected and includes a negative variance of \$7.8 million in Intergovernmental Revenues to align federal and State revenue to the savings in Multi-Year Projects referenced above and \$0.1 million in Miscellaneous Revenues mainly due to less than anticipated loan repayments.

Public Health Services

An overall positive variance of \$4.8 million is projected for Public Health Services (PHS).

A positive expenditure variance of \$7.2 million is projected and includes a positive variance of \$1.8 million in Salaries & Benefits due to staff vacancies and attrition, \$4.6 million in Services & Supplies, and \$0.8 million in Other Charges due to revised estimates of caseload levels in California Children's Services (CCS). The \$4.6 million in Services & Supplies includes \$2.9 million tied to funds budgeted for additional support as needed during an emergency outbreak and \$1.7 million for carry-forward encumbrances that are no longer needed, delayed projects and savings in various other operating costs to align with current spending levels.

A negative revenue variance of \$2.4 million is projected and includes \$3.1 million in Intergovernmental Revenues, partially offset by \$0.5 million in Charges for Current Services primarily for the Public Health Vital and Health Statistics trust fund revenue to reimburse costs for information technology enhancements and \$0.2 million in Miscellaneous Revenues tied to grant funds received for staff development. The \$3.1 million negative variance in Intergovernmental Revenues is tied to \$5.1 million in public health program revenue due to positive expenditure variances in Salaries & Benefits and Services & Supplies as noted above offset by \$2.0 million received from the Emergency

Food and Shelter grant covering prior year costs for emergency health screening and coordination services provided to asylum-seeking families.

Self-Sufficiency Services

A positive variance of \$8.3 million is projected for Self-Sufficiency Services.

A positive expenditure variance of \$31.9 million is projected and includes positive variances of \$7.3 million in Services & Supplies and \$24.6 million in Other Charges primarily due to revised estimates of caseload levels and growth trends in the California Work Opportunity and Responsibility to Kids (CalWORKs) program. The positive variance of \$7.3 million in Services & Supplies is primarily due to a decrease of \$8.5 million associated with the new Joint Exercise Powers Agreement (JPA) that will manage the California Work Opportunity and Responsibility to Kids Information Network (CalWIN) consortium contracts, in preparation to implement the California Statewide-Automated Welfare System (CalSAWS), a new centralized statewide automated welfare system, that is partially offset by \$1.2 million in various other operating costs to align with current spending levels.

A negative revenue variance of \$23.6 million is projected and includes a negative variance of \$24.3 million in Intergovernmental Revenues offset by positive variances of \$0.6 million in Miscellaneous Revenues mainly due to the recoupment of payments in General Relief and contracted services tied to prior year adjustments and \$0.1 million in Fines, Forfeitures & Penalties based on projected eligible expenditures for the Physician Emergency Services program. The negative variance of \$24.3 million in Intergovernmental Revenues consists of \$15.8 million in assistance payments revenue primarily due to revised CalWORKs caseload projections and \$8.5 million tied to CalWIN.

LAND USE AND ENVIRONMENT GROUP

General Fund

Environmental Health

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

A positive expenditure variance of \$1.9 million is projected. Savings of \$1.6 million in Salaries & Benefits is due to vacancies and under-filled positions. Positive variance of \$0.3 million in Services & Supplies is a result of operational savings including Inter-Departmental Costs, Cell Phones, Printing, Minor Equipment and Employee Mileage Reimbursement.

A positive revenue variance of \$0.7 million is projected. This variance consists of over-realized revenue of \$1.5 million in Licenses, Permits & Franchises due to fee revenue for external overheads that is not budgeted. This is offset by a negative variance of \$0.8 million in Charges for Current Services related to the Vector Control Trust Fund revenue, which is associated with both Salaries & Benefits and Services & Supplies that correspond with expenditure savings noted above.

Department of Parks and Recreation

No significant net variance is projected for the Department of Parks & Recreation.

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

A negative revenue variance of \$1.0 million is projected. A projected negative variance of \$0.5 million in Charges for Current Services is due to a decrease in staff charges to Capital Projects. A projected negative variance of \$0.1 million in Miscellaneous Revenues is due to reclassification of revenues related to reservation fees. A projected negative variance of \$0.4 million in Other Financing Sources is due to staff vacancies in the County Service Areas parks.

Planning & Development Services

A positive variance of \$0.3 million is projected for the Department of Planning & Development Services.

A positive expenditure variance of \$2.2 million is projected, primarily in Salaries & Benefits due to staff vacancies and under-filled positions.

A negative revenue variance of \$1.9 million is projected. A projected negative variance of \$1.8 million in Charges for Current Services is mainly due to vacancies in staff who provide services to property owners. A negative variance of \$0.1 million in Licenses, Permits & Franchises is due to a slight decline in the number of permit applications from projections.

Public Works – General Fund

A positive variance of \$0.8 million is projected for the Department of Public Works General Fund.

A positive expenditure variance of \$0.8 million is projected. A positive variance of \$0.2 million in Salaries & Benefits is due to staff vacancies and under-filled positions. A positive variance of \$0.6 million in Services & Supplies is due to lower than anticipated contracted services associated with West Fire projects (\$0.2 million), professional and specialized services for stormwater support (\$0.1 million), inter-departmental costs (\$0.1 million), Information Technology costs (\$0.1 million) and costs applied to General Fund departments for counter services and County Counsel costs (\$0.1 million).

No significant revenue variance is projected.

Special Revenue Funds

Public Works - Road Fund

A positive net variance of \$2.5 million is projected for the Road Fund.

A positive expenditure variance of \$4.5 million is projected. Savings of \$1.5 million in Salaries & Benefits is due to partial year staff vacancies and under-filled positions. Savings of \$0.1 million in Services & Supplies is due to the completion of the San Diego County Real Time upgrades project. Savings of \$2.9 million in Other Charges is due to right-of-way acquisition savings for the Quarry Road (\$1.2 million), Ashwood Street (\$1.5 million) and Live Oak (\$0.2 million) capital projects that will be rebudgeted in the subsequent fiscal year.

A negative revenue variance of \$2.0 million is projected. Over-realized revenue of \$1.6 million in Taxes Other Than Current Secured is due to additional TransNet revenue for Road Maintenance projects. Over-realized revenue of \$1.5 million in Revenue From Use of Money & Property is due to higher than anticipated interest earnings. Under-realized revenue of \$3.4 million in Intergovernmental Revenues is due to funding allocation delays for federal projects. Under-realized revenue of \$1.5 million in Charges for Current Services is projected due to schedule revisions for Watershed Protection Program projects. Under-realized revenue of \$0.2 million in Miscellaneous Revenues is projected due to traffic signal projects in the Transportation program that are ineligible for Pre-TIF funding. These projects will be funded by available prior year Road Fund fund balance

Public Works - Waste Planning & Recycling

A positive variance of \$0.5 million is projected for the Waste Planning and Recycling Fund.

A positive expenditure variance of \$0.5 million is projected. Savings of \$0.2 million in Salaries & Benefits is due to partial year staff vacancies. Savings of \$0.3 million in

Services & Supplies is due to lower than anticipated costs for specialized services, consultants and publications due to project schedule revisions. No significant revenue variance is projected.

Park Land Dedication Ordinance

A positive variance of \$1.8 million is projected for the Park Land Dedication Ordinance Funds.

No significant expenditure variance was realized.

A positive revenue variance of \$1.8 million was realized. This variance consisted of over realized revenue of \$1.7 million in Licenses, Permits, & Franchises due to greater than anticipated Park Land Dedication fees and \$0.1 million in Revenue from Use of Money & Property for is due to higher than anticipated interest earnings.

San Diego County Library

A positive net variance of \$1.2 million is projected for the San Diego County Library Fund.

A positive expenditure variance of \$1.2 million is projected. This variance is a result of projected savings of \$0.6 million in Salaries & Benefits due to staff vacancies. Projected savings of \$0.6 million in Services & Supplies is due to savings in information technology related costs (\$0.5 million) and utilities costs (\$0.1 million).

No significant net revenue variance is projected. Over-realized revenues of \$0.3 million is projected in Taxes Current Property and \$0.3 million in Intergovernmental Revenues from property taxes associated with former redevelopment areas due to more favorable economic conditions than projected. Under-realized revenue of \$0.3 million in Miscellaneous Revenues is due to lower than anticipated private donations and \$0.3 million in Charges for Current Services due to less than expected demand for public printing and other library services.

Special District Funds

Air Pollution Control District

A positive variance of \$1.3 million is projected for the Air Pollution Control District.

A positive expenditure variance of \$1.4 million is projected. A positive variance of \$1.1 million in Salaries & Benefits is due to vacancies and under-filled positions. A positive variance of \$0.3 million in Services & Supplies is primarily associated with schedule revisions for special projects.

A negative revenue variance of \$0.1 million is projected. A negative variance of \$0.6 million in Licenses, Permits & Franchises is primarily related to a reduced caseload in permit applications, which varies depending on economic factors and business activity. This is partially offset by a positive variance of \$0.3 million in Revenue From Use of Money & Property due to higher than anticipated interest earnings on incentive funds and \$0.2

million in Charges for Current Services associated with higher than anticipated collection of asbestos notification fees.

Public Works - San Diego County Sanitation District

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

A positive expenditure variance of \$1.0 million is projected. Savings of \$0.6 million in Services & Supplies is due to staff vacancies, under-filled positions, and associated support costs in the Wastewater Enterprise Fund, which provides staffing for the Sanitation District. Savings of \$0.4 million in Capital Assets/Land Acquisition is due to savings and unused contingencies from the completed SCADA Wastewater Upgrade capital project.

A positive revenue variance of \$0.6 million is projected. Over-realized revenue of \$0.3 million in Revenue from Use of Money & Property is due to higher than anticipated interest earnings. Over-realized revenue of \$0.3 million in Charges for Current Services is due to unanticipated revenue from commercial wastewater discharge permits from Atlas Pumping.

Enterprise Funds

Public Works - Airport Enterprise Fund

A positive variance of \$1.9 million is projected for the Airport Enterprise Fund.

A positive expenditure variance of \$0.6 million is projected. Savings of \$0.5 million is projected in Salaries & Benefits due to partial year staff vacancies. Savings of \$0.1 million is projected in Capital Assets Equipment due to deferred acquisition of the Gillespie Field generator.

A positive revenue variance of \$1.3 million is projected. Over-realized revenue of \$0.1 million is projected in Charges for Current Services due to liquidated damages received from the cancelled sale of surplus property at McClellan-Palomar Airport and higher than anticipated revenues from permit and customs fees. A positive revenue variance of \$1.2 million is projected in Residual Equity In/Capital Contribution due to recording of the surplus property in the vicinity of Palomar Airport.

Public Works – Wastewater Management Enterprise Fund

No significant net variance is projected for the Wastewater Enterprise Fund.

A positive expenditure variance of \$0.5 million is projected. Savings of \$0.5 million is projected in Salaries & Benefits due to staff vacancies and under-filled of positions.

A negative revenue variance of \$0.5 million is projected. Under-realized revenue of \$0.5 million in Charges for Current Services is projected due to reduced work for maintenance in the San Diego County Sanitation District due to staff vacancies and under-filled positions.

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 \$1.8 million includes \$1.3 million in Salaries & Benefits due to normal attrition of staff and departmental vacancies, and \$0.5 million in Services & Supplies due to less than anticipated contracted services related to software and printing costs.

No revenue variance is projected.

Auditor & Controller

An overall positive variance of \$0.5 million is projected for the Auditor and Controller.

A positive expenditure variance of \$0.2 million is projected in Salaries & Benefits due to normal attrition of staff and departmental vacancies.

A positive revenue variance of \$0.3 million in Charges for Current Services is primarily due to the projected unanticipated revenue associated with property tax administration.

County Communications Office

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

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

No significant revenue variance is projected.

County Counsel

An overall positive variance of \$1.8 million is projected for the Office of County Counsel.

A positive expenditure variance of \$1.8 million is projected. Anticipated positive variance of \$1.8 million in Salaries & Benefits is due to normal attrition of staff and departmental vacancies, and \$0.1 in Services & Supplies is due to anticipated savings in training and travel expenditures caused by workload decreases. This is offset by a negative variance of \$0.1 million in Expenditure Transfer & Reimbursements due to less than anticipated costs for coordinated program services provided to Health and Human Services Agency relating to juvenile dependency matters.

No significant revenue variance is projected.

Department of Human Resources

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

A positive expenditure variance of \$0.9 million is projected. Anticipated positive variances of \$0.1 million in Salaries & Benefits due to normal attrition of staff and departmental vacancies and \$0.8 million in Services & Supplies primarily due to reduced workers compensation administration costs.

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

Finance and General Government Executive Office

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

A positive expenditure variance of \$3.0 million is projected. Anticipated positive variances of \$1.0 million in Services & Supplies due to IT projects that are anticipated to span across multiple fiscal years and \$2.0 million in Management Reserves held for unanticipated groupwide needs, which are not anticipated to be drawn on this year.

No significant revenue variance is projected.

Treasurer-Tax Collector

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

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

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

Internal Service Funds

Employee Benefits ISF

An overall positive variance of \$5.0 million is projected for the Employee Benefits ISF.

A positive expenditure variance of \$5.0 million is projected in Contingency Reserve due to anticipated savings as a result of appropriations set aside to address the ISF's unfunded liability over a 10-year period.

No revenue variance is projected.

The Employee Benefits ISF's net position at the beginning of the fiscal year was in a deficit of \$5.6 million. This deficit will be offset by positive operational variances in the fiscal year and will be monitored against the actuarial liability.

Facilities Management ISF

An overall positive variance of \$1.1 million is projected for the Facilities Management ISF.

A positive expenditure variance of \$5.4 million is projected. Anticipated positive variance of \$1.8 million in Salaries & Benefits due to normal attrition of staff and departmental vacancies and \$3.5 million in Services & Supplies primarily due to lower than anticipated pass through expenses for project management and contracted services (including janitorial services and maintenance of chiller, boiler and water treatment equipment), and \$0.1 million in Other Charges due to lower than anticipated depreciation charges.

A negative revenue variance of \$4.3 million is projected and includes negative variances of \$4.7 million in Charges for Current Services due to lower than anticipated reimbursement for project management, maintenance and contracted services related to the expenditure savings mentioned above, \$0.2 million in Revenue From Use of Money & Property due to less than anticipated lease payments, offset by a positive variance of \$0.4 in Intergovernmental Revenues for payments related to mail services provided to external entities and \$0.2 million in Miscellaneous in Revenues due to over-realized revenue from third parties related to insurance proceeds for the Owner Controlled Insurance Program.

Fleet Management ISF

A positive variance of \$0.2 million is projected for the Fleet Management ISF.

A positive expenditure variance of \$5.7 million is projected. Anticipated positive variances of \$0.8 million in Salaries & Benefits due to normal attrition of staff and departmental vacancies, \$2.9 million in Services & Supplies primarily due to lower than anticipated fuel and vehicle parts purchases, and \$2.0 million in Other Charges due to lower than anticipated depreciation charges based on actual timing and value of vehicle and equipment replacement.

A negative revenue variance of \$5.5 million is projected and includes negative variances of \$5.7 million in under-realized revenues in Charges for Current Services due to lower than anticipated reimbursements based on vacant billable positions and decreased expenditures in fuel, parts and depreciation as noted above, and \$0.2 million in Other Financing Sources due to the accounting entry required for the disposal of vehicles that are not fully depreciated, partially offset by a positive variance of \$0.2 million in Revenue From Use of Money & Property due to higher than expected interest earnings and \$0.2 million in Miscellaneous Revenues due to over-realized revenue from third parties related to insurance proceeds for damaged vehicles.

Public Liability Internal Service Fund

A positive variance of \$11.1 million is projected for the Public Liability Internal Service Fund.

A positive expenditure variance of \$8.6 million is projected. Anticipated positive variance in Other Charges is projected due to a positive variance of \$2.9 million in settlements as a result of cases that were delayed through the court system and matters that had favorable resolutions. Additionally, a positive variance of \$5.7 million in Contingency Reserves due to anticipated savings as a result of appropriations set aside to address the ISF's unfunded liability over a 10-year period.

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

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

Purchasing and Contracting ISF

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

A positive expenditure variance of \$2.1 million is projected. Anticipated positive variances of \$0.7 million in Salaries & Benefits is due to normal attrition of staff and departmental vacancies, \$1.3 million anticipated savings in Services & Supplies is primarily due to the delay in completion of information technology projects and anticipated savings in property disposal costs, and \$0.1 million in Other Charges is due to anticipated savings in depreciation costs tied to delay in completion of information technology projects.

A positive revenue variance of \$1.1 million is projected as the result of \$0.9 million in Charges for Current Services due to higher than expected County spending on contracts, \$0.1 million in Revenue From Use of Money & Property due to higher than expected interest revenue, and \$0.1 million in Miscellaneous Revenues due to better than expected proceeds from rebate agreements.

GENERAL PURPOSE REVENUE & COUNTYWIDE EXPENSES

A positive variance of \$20.1 million is projected in General Purpose Revenue (GPR) and \$29.5 million positive variance is projected in General County Expenses.

General Purpose Revenue

The County's General Purpose Revenue is directly influenced by the state of the economy. San Diego's economy has been healthier while employment showed gains across most industries except Farm, Information, Professional & Business Services, Leisure & Hospitality, Other Services and Government comparing December 2019 from December 2018. The region has continued to fare better than other California metros in terms of unemployment rate. The housing market though is anticipated to slow down in 2020. Median home prices in San Diego for Single Family Homes was higher by 4.7% and for Existing Attached Homes by 5.6% in the second quarter of Fiscal Year 2019-20 compared to the same period last year. The UCLA Anderson Forecast report issued on September 25, 2019 anticipates slow growth but no recession for US Economy in year 2020. Dr. Lynn Reaser, chief economist of Point Loma Nazarene University's Fermanian Business & Economic Institute stated that "San Diego's economy should slightly outperform the U.S. economy because of its core strengths in defense, technology and tourism" although, "Slowing global growth and higher interest rates may hold back economic growth" (San Diego Business Journal, January 7, 2019).

The County's GPR related to property tax revenues improved, supported by the increase in assessed values. For FY 2019-20, the economic indicators discussed previously and the trends summarized below, are followed by a discussion on significant revenue account variances from budget:

- San Diego's monthly unemployment rate fell to 2.8% in December 2019, down from 3.1% one year ago. In comparison, this is below the state's rate of 3.7% in December 2019 and 4.1% in December 2018.
- Consumer spending, as measured by taxable sales will increase in 2020 mainly due to consumer online spending. During the 2nd Quarter of 2019-20, unadjusted local point of sales tax revenue decreased by 13.40% in the unincorporated area, in the Southern California Region by 8.00%, in the statewide level by 8.84% and in the San Diego regional level by 7.79% compared to the same time period last year. The decrease for all categories was due to double payments in 2018 related to previous periods, this was a result of the California Department of Tax and Fee Administration's change in automated reporting system for processing, reporting and distributing sales tax revenues to agencies throughout the state back in May 2018.
- The housing market in the County is starting to slow down but some indicators are still positive.
 - Increase in median housing prices for Single Family Homes (up 4.7%) and for Existing Attached Homes (up 5.6%) for the second quarter of Fiscal Year 2019-20 compared to the same period last year;

- Notices of Default for January-December 2019 were down 8% compared to the same period in 2018.
- Foreclosure activity decreased 16% in January-December 2019 compared to the same period in 2018.

Current Property Taxes All Categories

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

- *Property Taxes Current Secured*

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

The budgeted current secured property taxes assumed a local secured assessed value increase of 5.00%, but the actual assessed value (AV) increased by 5.72% (gross less regular exemptions). (Note: The 5.72% increase represents the change in the assessed value for only the secured roll. This is lower than the countywide overall increase published by the Assessor/Recorder/County Clerk on June 27, 2019 of 5.75%, which includes all assessed value components, secured and unsecured).

Property Taxes - Current Unsecured

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

- *Property Taxes Current Supplemental*

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

Taxes Other Than Current Secured

Taxes Other Than Current Secured are anticipated to be \$2.9 million above budget.

- *Property Tax Prior Secured Supplemental*

Property Tax Prior Secured Supplemental are projected to be \$0.6 million higher than budget. The projection for this revenue is based on charges and collections

trend estimates related to new construction and anticipated turnover through Fiscal Year 2019-20.

- *Real Property Transfer Taxes*
Real Property Transfer Taxes are projected to be \$1.0 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 \$0.5 million lower than budget. This is based on current penalty and interest collections and available data on the outstanding receivables and projections through the end of the fiscal year.
- *Other Tax - Aircraft*
No projected variance for Other Tax - Aircraft.
- *Sales and Use Taxes*
Sales and Use Taxes is projected to be \$1.9 million higher than budget. This is due to projected increase in the pool allocations due to higher sales.
- *Property Tax in Lieu of Vehicle License Fees*
No projected variance in 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 \$0.1 million lower than budget. The decrease is based on improvement in delinquency rate lowering the outstanding receivables.

Licenses, Permits, and Franchises

No projected variance for Licenses, Permits and Franchise payments.

Revenue from Use of Money & Property

Interest on Deposits is projected to be \$4.8 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 \$0.1 million above budget due to higher than expected revenue from penalties. Revenues in this account reflect the 10% penalty that is assessed on late current secured and unsecured property tax payments.

Intergovernmental Revenue

A positive variance of \$9.8 million is projected in Intergovernmental Revenue primarily due to pass-through distributions, and residual balance estimates in Aid from Redevelopment Successor Agencies. The pass-through distributions are continuing to increase due to continued growth in the project areas.

Charges for Current Services

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

Miscellaneous Revenue

Miscellaneous Revenue is projected to be \$2.0 million higher than budget due to the closure of Flex Forfeiture Trust Fund 48335 and 48337.

General County Expenses

Countywide Expenses

A positive variance of \$28.7 million is projected in Countywide General Expense.

A positive expenditure variance of \$28.7 million is projected. A positive variance of \$28.7 million is projected in Services & Supplies (\$25.0 million) due to the Countywide Stabilization that is not anticipated to be used and information technology projects (\$3.7 million) that are anticipated to extend beyond the current fiscal year. Pension Stabilization resources of \$34.8 million are not projected as an operating variance; these appropriations will be reflected as a restricted balance in the Fiscal Year 2019-20 CAFR as a result of the passage of Measure C Charter Amendment restricting the use of funds appropriated to pension stabilization.

No revenue variance is projected.

Lease Payments – Bonds

A positive variance of \$0.8 million is projected for the Lease Payments – Bonds Fund.

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

A positive revenue variance of \$0.3 million is projected in Revenue from Use of Money & Property primarily for payments received from the San Diego Metropolitan Transit System, who share responsibility of the 2011 MTS Tower Refunding Certificates of Participation.

Capital Program Funds

Edgemoor Development Fund

A positive variance of \$11.1 million is projected for the Edgemoor Development Fund.

A positive expenditure variance of \$0.4 million is projected in Services and Supplies due to lower than anticipated Internal Service Fund and major maintenance expenditures.

A positive revenue variance of \$10.7 million is projected. A positive variance of \$10.6 million in Other Financing Sources is related to Gain on Sale of Fixed Assets of County-owned surplus property located in Santee that was sold in Fiscal Year 2019-20, \$0.2 million in Revenue From Use of Money & Property is due to unanticipated interest earnings based on the daily average cash fund balances offset by a negative variance of \$0.1 million in Intergovernmental Revenues due to a reduction in Medi-Cal cases.

Appendix C: Major Maintenance Capital Outlay Fund (MMCOF) Adjustments for Fiscal Year 2019-2020 (2ND QUARTER)

GROUP	DEPT.	PROJECT NUMBER	PROJECT NAME	FUNDING SOURCE			NOTES	DEPARTMENTS (Acct - 56321 Opt Transfer Out)	DEPARTMENTS (Acct - 52XXX Services & Supplies)	MMCOF (Acct -54202 Fixed Asset)	DGS MMISF (Acct - 52XXX Services & Supplies)	RATIFICATION
				FUND	ORG	ACCOUNT	1, 2, 3, 4, 5, 6	Inc (Dec)	Inc (Dec)	Inc (Dec)	Inc (Dec)	Yes/No
Increase (Decrease) of Appropriation												
LUEG	DPR	1021940	MMCOF7605 Spring Valley Community Center Security Cameras	10100	52811	52737	3	199,505	(199,505)	199,505	N/A	Yes
HHS	HHS	1022511	MMCOF7678 Mills Building Garage Deterent	10100	45005	52737	3	361,693	(361,693)	361,693	N/A	Yes
HHS	HHS	1022511	MMCOF7678 Mills Building Garage Deterent	N/A	N/A	N/A	6	N/A	N/A	122,474	N/A	No
HHS	HHS	1022050	MMCOF7650 El Cajon Family Resource Center Misc HVAC Repairs	N/A	N/A	N/A	6	N/A	N/A	(122,474)	N/A	No
HHS	HHS	1023630	MMCOF7756 Balboa Security Enhancements	10100	45005	52737	5	1,367,906	(1,367,906)	1,367,906	N/A	No
PSG	PSG Exec Office	1023566	MMCOF7749 Security Improvements at 2 Sites	10100	14000	52737	5	789,184	(789,184)	789,184	N/A	No
			Subtotal - General Fund					2,718,287	(2,718,287)	2,718,287	-	
LUEG	LIB	1021922	MMCOF7586 Vista Library AHU	12200	57305	52396	3	8,000	(8,000)	8,000	N/A	No
			Subtotal - Other Funds					8,000	(8,000)	8,000	-	
Total Increase (Decrease) of Appropriation								2,726,287	(2,726,287)	2,726,287	-	
Board Letter Recommendation								REC #19		REC #20		

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