



# COUNTY OF SAN DIEGO

## AGENDA ITEM

### BOARD OF SUPERVISORS

GREG COX  
First District

DIANNE JACOB  
Second District

PAM SLATER-PRICE  
Third District

RON ROBERTS  
Fourth District

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Fifth District

**DATE:** May 8, 2012

##

**TO:** Board of Supervisors

**SUBJECT:** FISCAL YEAR 2011-12 THIRD QUARTER OPERATIONAL PLAN  
STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICT: ALL)

### SUMMARY:

#### Overview

This report summarizes the status of the County's Fiscal Year 2011-12 Operational Plan, as measured by projected year-end fund balance from current year operations. The projected balance for the General Fund is \$182.6 million, and for all budgetary funds combined is \$243.8 million. In the General Fund, positive balances are projected for all five groups. In addition, the projected fund balance reflects the conservation of management and contingency reserves and projects that general purpose revenue will do better than estimated in the adopted budget.

This letter also recommends budget adjustments to make resource reallocations and to fund various one-time projects. In the Public Safety Group, recommendations include: support in the Sheriff's Department for the High Intensity Drug Trafficking Area, narcotics investigations involving methamphetamine, multi-jurisdictional gun violence suppression operations, and the East County Regional Gang Task Force human trafficking investigations, as well as waterline repairs at the East Mesa Juvenile Detention Facility, and appropriation adjustments to realign the budget with anticipated actuals.

In the Health and Human Services Agency, recommendations include establishing appropriations in the County Service Area (CSA) 17 San Dieguito Emergency Medical Service District and the County Service Area (CSA) 69 Heartland Paramedics for administrative costs.

In the Land Use and Environment Group, requests include: transfer appropriations in the Department of Public Works and amend the Department of Public Works Road Fund Equipment Acquisition Internal Service Fund for the purchase of survey equipment, amend the Department of Public Works Equipment Operations Internal Service Fund to provide funding for operations and maintenance, authorize the Director, Department of Public Works to close out Watson Place Fund, Rancho Diego

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Fund, Lila Lane Fund, Butterfly Lane Fund and North View Lane Fund, establish appropriations to complete watershed load reduction plans, cancel remaining appropriations from the Multiple Species Conservation Program (MSCP) Bonsall Land acquisition to provide funding for future land acquisition and improvements, cancel appropriations from Capital Project Americans with Disability Act (ADA) Ballfield and establish appropriations in Capital Project Sweetwater Regional Park Trails Phase III and appropriation adjustments to realign the budget with anticipated actuals.

In the Community Services Group, recommendations include: establishing appropriations for emergency housing shelters and essential homeless prevention service projects, establishing appropriations for the Urban County Home Repair Program, amend the Fleet Equipment Acquisition Internal Service Fund to provide funds for the transfer of ownership and management of fire apparatus to the San Diego County Fire Authority (SDCFA) and establishing appropriations for related depreciations costs, amend the Fleet Parts and Fuel Internal Service Fund due to increased demand for fuel and increases in costs, and appropriation adjustments to realign the budget with anticipated actuals.

In the Finance and General Government Group an adjustment is requested to establish appropriations for unanticipated litigation expenses and unanticipated judgment costs.

In the Capital Program, recommendations include adjustments to cancel the remaining appropriations for projects that are anticipated to be completed and capitalized at the end of the fiscal year in the Capital Outlay Fund, Justice Facility Construction Fund and the Library Project Capital Outlay Fund.

In addition, a recommendation is included to authorize the Auditor and Controller to process necessary year-end appropriation adjustments under a \$100 threshold to improve efficiency.

**Recommendation(s)**

**CHIEF ADMINISTRATIVE OFFICER**

1. Accept the Fiscal Year 2011-12 third quarter report on projected year-end results
2. Establish appropriations of \$50,000 in the Sheriff's Department, salaries and benefits, for the High Intensity Drug Trafficking Area (HIDTA) program based on unanticipated HIDTA revenue from the California Border Alliance Group. **(4 VOTES)**
3. Establish appropriations of \$5,466 in the Sheriff's Department, services and supplies, for the California Multi-Jurisdictional Methamphetamine Enforcement Team (Cal-MMET) program based on unanticipated revenue from California Emergency Management Agency (Cal EMA) funded through the Local Safety and Protection Account (LSPA) fund. **(4 VOTES)**

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4. Establish appropriations of \$35,161 in the Sheriff's Department, salaries and benefits, for the Project Safe Neighborhood (PSN) – Gun Violence Suppression Project grant based on unanticipated revenue from U.S. Department of Justice (USDOJ) through the San Diego Association of Governments (SANDAG). **(4 VOTES)**
5. Amend the Fiscal Year 2011-12 Sheriff's Jail Stores Internal Service Fund Spending Plan by \$425,000, services and supplies, to provide funds for additional operational costs related to the new e-commerce site based on unanticipated revenue from e-commerce sales. **(4 VOTES)**
6. Transfer appropriations of \$23,500 within the Sheriff's Asset Forfeiture Fund, from services and supplies to Operating Transfer Out, to fund overtime in the Sheriff's Department associated with human trafficking investigations.
7. Establish appropriations of \$23,500 in the Sheriff's Department, salaries and benefits, for overtime costs associated with human trafficking investigations based on an operating transfer from the Sheriff's Asset Forfeiture Fund. **(4 VOTES)**
8. Establish appropriations of \$1,434,989.84 in the Sheriff's Inmate Welfare Fund, Operating Transfer Out, and the related Operating Transfer In, in the General Fund to transfer accumulated interest earned based on fund balance available. **(4 VOTES)**
9. Establish appropriations of \$476,838 in the Public Safety Group Executive Office, services and supplies, for a waterline repairs project at the East Mesa Juvenile Detention Facility based on revenue from a settlement from SOLPAC Construction Inc. **(4 VOTES)**
10. Establish appropriations of \$810,000 in County Service Area (CSA) 17 San Dieguito Emergency Medical Service District, services and supplies, to cover the cost of ambulance transports and billing for services based on ambulance transport user fee. **(4 VOTES)**
11. Establish appropriations of \$120,000 in the County Service Area (CSA) 69 Heartland Paramedics, services and supplies, to cover the County's administrative cost based on ambulance transport user fee. **(4 VOTES)**
12. Transfer appropriations of \$121,071 within the Department of Public Works Road Fund from salaries and benefits to Operating Transfer Out to provide funding to the Department of Public Works Road Fund Equipment Acquisition Internal Service Fund.
13. Amend the Fiscal Year 2011-12 Department of Public Works Road Fund Equipment Acquisition Internal Service Fund Spending Plan by \$121,071, fixed

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assets, to provide funding for the purchase of survey equipment based on an operating transfer from the Department of Public Works Road Fund. **(4 VOTES)**

14. Amend the Fiscal Year 2011-12 Department of Public Works Equipment Operations Internal Service Fund Spending Plan by \$515,701, services and supplies, to provide funding for operations and maintenance based on fund balance available. **(4 VOTES)**
15. Establish appropriations of \$8,058.87 in Permanent Road Division 86 Watson Place Fund, services and supplies, for the transfer of remaining funds to the City of Santee, based on fund balance available. **(4 VOTES)**
16. Establish appropriations of \$390.55 in Permanent Road Division 14 Rancho Diego Fund, Operating Transfer Out, to transfer remaining balance to the General Fund due to the dissolution of the fund, based on fund balance available. **(4 VOTES)**
17. Transfer appropriations of \$776 within Permanent Road Division (PRD) 14 Rancho Diego Fund, from services and supplies to Operating Transfer Out, to transfer remaining balances in PRD 14 Rancho Diego Fund to the General Fund.
18. Transfer appropriations of \$2,680 within Permanent Road Division (PRD) 64 Lila Lane Fund, from services and supplies to Operating Transfer Out, to transfer remaining balances in PRD 64 Lila Lane Fund to the General Fund due to dissolution of the fund.
19. Establish appropriations of \$54.27 in Permanent Road Division (PRD) 64 Lila Lane Fund, Operating Transfer Out, to transfer remaining balances in the PRD 64 Lila Lane Fund to the General Fund due to the dissolution of the fund, based on fund balance available. **(4 VOTES)**
20. Establish appropriations of \$0.58 in Permanent Road Division (PRD) 1004 Butterfly Lane Fund, Operating Transfer Out, to transfer remaining balances in PRD 1004 Butterfly Lane Fund to the General Fund due to the dissolution of the fund, based on fund balance available. **(4 VOTES)**
21. Transfer appropriations of \$3.00 within Permanent Road Division (PRD) 1004 Butterfly Lane Fund, from services and supplies to Operating Transfer Out, to transfer remaining balances in PRD 1004 Butterfly Lane Fund to the General Fund due to dissolution of the fund.
22. Establish appropriations of \$6.16 in Permanent Road Division (PRD) 1006 North View Lane Fund, Operating Transfer Out, to transfer remaining balances in PRD 1006 North View Lane Fund to the General Fund due to the dissolution of the fund, based on fund balance available. **(4 VOTES)**
23. Authorize Director, Department of Public Works and the Auditor & Controller to

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take any action necessary to close out Permanent Road Division 86 Watson Place Fund, Permanent Road Division 14 Rancho Diego Fund, Permanent Road Division 64 Lila Lane Fund, Permanent Road Division 1004 Butterfly Lane Fund, and Permanent Road Division 1006 North View Lane Fund.

24. Establish appropriations of \$490,707 in the Department of Public Works General Fund Watershed Protection Program, services and supplies, for contracting costs to complete watershed load reduction plans in compliance with the San Diego Regional Water Quality Control Board's Bacteria Total Maximum Daily Load (TMDL) regulation based on unanticipated revenue from the Stormwater Trust Fund. **(4 VOTES)**
25. Establish appropriations of \$43,500 in County Service Area 128 San Miguel, services and supplies, for design services for Lamar Park, based on County Service Area 128 fund balance available. **(4 VOTES)**
26. Cancel appropriations of \$29,572 and related Operating Transfer from County Service Area 26 Rancho San Diego (CSA 26), in the Department of Parks and Recreation, to provide funding for unanticipated water utility costs.
27. Transfer appropriations of \$29,572 within County Service Area 26 Rancho San Diego (CSA 26) from Operating Transfer Out to services and supplies, to provide funding for increased water utility costs.
28. Cancel appropriations of \$7,393 and related Operating Transfer from Landscape Maintenance District Zone No. 1 (LMDZ1), in the Department of Parks and Recreation, to provide funding for unanticipated water utility costs.
29. Transfer appropriations of \$7,393 within Landscape Maintenance District Zone No. 1 (LMDZ1) from Operating Transfer Out to services and supplies, to provide funding for unanticipated water utility costs.
30. Cancel appropriations of \$16,800 in services and supplies and related revenue in County Service Area 81 Fallbrook (CSA 81), due to the over-accrual of revenue.
31. Establish appropriations of \$16,800 in County Service Area 81 Fallbrook (CSA 81), services and supplies, to provide funds for costs related to operations and maintenance services at parks within CSA 81, based on fund balance available. **(4 VOTES)**
32. Cancel appropriations of \$101,349.77 and related Operating Transfer from the General Fund in the Capital Outlay Fund for Capital Project 1014261, MSCP Bonsall Land, to return funds for future land acquisition and improvements in the Capital Multiple Species Conservation Program (MSCP) Acquisition Fund.
33. Establish appropriations of \$101,349.77 in the Capital Multiple Species

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Conservation Program (MSCP) Acquisition Fund, to provide funding for future land acquisition and improvements, based on an Operating Transfer from the General Fund. **(4 VOTES)**

34. Cancel appropriations of \$95,519.02 and related Operating Transfer from the General Fund in the Capital Outlay Fund for Capital Project 1000019, Heritage Park Carousel, to properly record feasibility report costs as a result of cancellation of the project.
35. Transfer appropriations of \$95,519.02 from the Contribution to Capital Outlay Fund, Operating Transfer Out, to the Department of Parks and Recreation, services and supplies, to properly record feasibility report costs associated with Heritage Park Carousel.
36. Transfer appropriations of \$20,460.57 from the Department of Parks and Recreation, services and supplies, to the Contributions to Capital Outlay Fund, Operating Transfer Out, to return remaining unused funds related to the open space easement acquisition to Capital Project 1000040, Volcan Mountain West Acquisition.
37. Establish appropriations of \$20,460.57 in the Capital Outlay Fund for Capital Project 1000040, Volcan Mountain West Acquisition based on an Operating Transfer from the General Fund.
38. Cancel appropriations of \$35,425.80 and related Operating Transfer from the General Fund in the Capital Outlay Fund for Capital Project 1008292, ADA Ballfield, to provide matching funds for environmental work and oversight of Sweetwater Regional Park Trail Phase III project.
39. Establish appropriations of \$35,425.80 in the Capital Outlay Fund for Capital Project 1014849, Sweetwater Regional Park Trail Phase III, for matching funds for the environmental work and project oversight, based on an Operating Transfer from the General Fund. **(4 VOTES)**
40. Cancel appropriations of \$10,000 and related Operating Transfer from the General Fund in the Capital Multiple Species Conservation Program (MCSP) Acquisition Fund, to comply with GASB 51 rules for one-time stewardship activities.
41. Transfer appropriations of \$10,000 from the Contributions to Capital Outlay Fund, Operating Transfer Out, to the Department of Parks and Recreation, services and supplies, for one-time stewardship activities.
42. Establish appropriations of \$704,154 in the Capital MSCP Acquisition Fund for the Multiple Species Conservation Program based on an Operating Transfer from the General Fund. **(4 VOTES)**

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43. Establish appropriations of \$704,154 in the Contributions to Capital Outlay Fund, Operating Transfer Out, for the Multiple Species Conservation Program based on unanticipated revenue from the Nature Conservancy. **(4 VOTES)**
44. Authorize the reallocation of up to \$220,856 to the City of Encinitas HOME Residential Rehabilitation Program from Fiscal Year 2010-11 City of Encinitas' Tenant-Based Rental Assistance Project funds.
45. Authorize the reallocation of up to \$171,427 to the City of Santee HOME First-Time Homebuyer Program from prior year fund allocations to the City of Santee's Affordable Housing Project funds.
46. Establish appropriations of \$115,852 in the Department of Housing and Community Development, services and supplies, for emergency housing shelters and essential homeless prevention service projects based on unanticipated Emergency Shelter Grant (ESG) revenue from the U.S. Housing and Urban Development Department. **(4 VOTES)**
47. Cancel appropriations of \$252,350 in services and supplies and related revenue in the Department of Housing and Community Development due to funds were included in the Health and Human Services Agency Fiscal Year 2011-12 Adopted Budget based on the term extension of the Memorandum of Understanding between the Department of Housing and Community Development and Health and Human Services Agency for Housing Opportunities for Persons with Aids (HOPWA) program.
48. Establish appropriations of \$477,118 in the Department of Housing and Community Development, other charges, for payment to the Housing Authority for the Urban County Home Repair Program based on remaining Fiscal Year 2010-11 Community Development Block Grant (CDBG) entitlement allocation revenue. **(4 VOTES)**
49. Amend the Fiscal Year 2011-12 Department of General Services Fleet Equipment Acquisition Internal Service Fund Spending Plan by \$6,733,017.42, Operating Transfer Out, to provide funds for the transfer of ownership and management of fire apparatus to the Public Safety Group Executive Office, San Diego County Fire Authority, based on fund balance available. **(4 VOTES)**
50. Amend the Fiscal Year 2011-12 Department of General Services Fleet Equipment Acquisition Internal Service Fund Spending Plan by \$1,183,077.66, Operating Transfer Out, to account for accumulated depreciation for the fire apparatus that will be transferred to Public Safety Group Executive Office, San Diego County Fire Authority based on fund balance available. **(4 VOTES)**
51. Establish appropriations of \$1,183,077.66 in the Public Safety Group Executive

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Office, San Diego County Fire Authority, services and supplies, to provide funds for vehicle replacement based on an operating transfer from the Department of General Services Fleet Equipment Acquisition Internal Services Fund. **(4 VOTES)**

52. Amend the Fiscal Year 2011-12 Fleet Parts & Fuel Internal Service Fund by \$900,000, services and supplies, due to increase in demand for fuel and increases in costs, based on unanticipated revenue from customer departments. **(4 VOTES)**
53. Amend the Fiscal Year 2011-12 Public Liability Internal Service Fund by \$900,000, services and supplies (\$330,000) and other charges (\$570,000), for the purpose of funding litigation expenses and judgment costs, based on unanticipated revenue from favorable litigation settlements. **(4 VOTES)**
54. Cancel appropriations and related revenue of up to \$446,692.97 in the Capital Outlay Fund for projects completed in Fiscal Year 2011-12.
55. Cancel appropriations and related revenue of up to \$10,499.00 in the Justice Facility Construction Fund for projects completed in Fiscal Year 2011-12.
56. Cancel appropriations and related revenue of up to \$210,883.40 in the Library Projects Capital Outlay Fund for projects completed in Fiscal Year 2011-12.
57. Authorize the Auditor and Controller to process necessary year-end appropriation adjustments that would increase or decrease appropriations in an amount not to exceed \$100 per adjustment.

**Fiscal Impact**

The funds for a portion of these requests are not included in the Fiscal Year 2011-12 Operational Plan. If approved, in the General Fund, this action will cancel budgeted appropriations and the related sources of funding in the amount of \$272,811 and will establish additional appropriations of \$3,561,874, resulting in a net increase in appropriations of \$3,289,063. The funding sources include unanticipated High Intensity Drug Trafficking Area (HIDTA) revenue from the California Border Alliance Group, unanticipated revenue from the Stormwater Trust Fund, unanticipated revenue from the Nature Conservancy, Community Development Block Grant (CDBG) entitlement allocation revenue, settlement revenues from SOLPAC Construction Inc., and miscellaneous other sources.

In all other funds combined, these actions will cancel budgeted appropriations and the related funding sources in the amount of \$964,135 and will establish additional appropriations of \$14,052,597 resulting in a net increase in appropriations of \$13,088,462. The funding sources include ambulance transport user fee, Sheriff's Asset Forfeiture Fund fund balance, Public Works Equipment Operations Internal Service Fund fund balance, Fleet Equipment Acquisition Internal Service Fund fund



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balance, Public Liability Internal Service Fund unanticipated revenue from favorable litigation settlements, Fleet Parts and Fuel Internal Service Fund based on unanticipated revenue from customer departments, Sheriff's Jail Stores Internal Service Fund unanticipated revenue from e-commerce sales, and miscellaneous other sources.

**Business Impact Statement**

N/A

**Advisory Board Statement**

N/A

**BACKGROUND:**

For the General Fund, the third quarter projection of year-end fund balance from current year operations is \$182.6 million, and approximately \$9.0 million of this amount will be rebudgeted in Fiscal Year 2012-13. This projected one-time resource is a combination of expecting to end the year with General Purpose Revenue (GPR) above budget by \$8.0 million which includes \$6.8 million in one-time prior year payments from the State of California for Vehicle License Fee Collection in Excess, along with a net positive variance of \$128.6 million from operations and a positive variance of \$46.0 million in unspent contingency and management reserves.

The projected balance for all other funds combined is \$61.2 million, of which \$18.9 million is projected for the Proposition 172 Special Revenue Fund. Schedule A summarizes the fund balance projections by Group and department. The Notes to Schedules A and B explain variances from budget by department. Schedule B shows the projected General Fund fund balance by Group split between operating and reserve balances. These projections are based on actual experience through March 2012 and expected expenditures and revenues through the end of the fiscal year.

As shown in Schedule A, the General Fund year-end fund balance projection of \$182.6 million is based on the estimate that expenditures will be approximately \$294.3 million less than the Fiscal Year 2011-12 Amended Budget and revenues will be a net \$111.7 million less than the Fiscal Year 2011-12 Amended Budget. The Amended Budget consists of the Adopted Budget plus encumbrances carried over from the prior year, plus year to date changes that have been either approved by the Board or Chief Financial Officer where permitted.

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

- \$49.8 million in net positive salary and benefit appropriation variance, predominantly in the Public Safety Group (PSG) and Health and Human Services Agency (HHS), but also in Land Use and Environment Group (LUEG), Community Services Group (CSG), and Finance and General Government Group (FGG), from lower than budgeted salaries and employee benefits costs due to staff turnover and department management of vacancies.

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- \$122.5 million in net positive appropriation variance in services and supplies across the County, primarily in HHSA and CSG but also in PSG, LUEG and FGG.
  - In HHSA, projected positive variance of \$59.6 million are in various contracted services (e.g., in Behavioral Health Services related to un-awarded Mental Health Services Act and Alcohol and Drug Services contracts); lower costs than budgeted in Early Periodic Screening, Diagnosis and Treatment and Medi-Cal and in Educational Related Mental Health Services (ERMHS); lower than estimated growth in In-Home Supportive Services (IHSS) Individual Provider costs; anticipated savings in emergency appropriations for bio-terrorism and appropriations to mitigate unanticipated State reductions. Offsetting these projected positive variances are negative variances anticipated due to information technology activity and increases related to the Low Income Health Program (LIHP).
  - In CSG, a positive variance in the Registrar of Voters is due to anticipated savings from the consolidation of the February 7, 2012 Presidential Primary Election with the June 5, 2012 Direct Primary Election. This variance is also due to reduced grant expenditures for the purchase of American Disability Act (ADA) voting booths which will be rebudgeted in Fiscal Year 2012-13. A positive variance in Housing and Community Development is anticipated due to the postponement of the data automation projects (which will be rebudgeted in Fiscal Year 2012-13), reduced vehicle maintenance and environmental study services costs as well as from lower than anticipated expenditures on multi-year projects.
  - In PSG, a positive variance is anticipated in the San Diego County Fire Authority due to a spending delay for the tree removal grant while an Environmental Impact Report (EIR) is prepared, savings from a countywide vegetation management EIR that has been cancelled, and savings in the Volunteer Firefighter Program. A positive variance is projected in the Public Defender's Office primarily associated with the current year requirements for the defense of special circumstances cases, and these savings will be rebudgeted in Fiscal Year 2012-13. Savings in the Department of Child Support Services are primarily due to reductions in lease and contract services. Savings in the Office of Emergency Services associated with Homeland Security Grant expenditures will be rebudgeted in Fiscal Year 2012-13. Further, savings in Probation are related to scope changes in the case management system and contracted services connected to AB109 and Senate Bill (SB) 678, Community Correction Performance Incentive Grants, and these savings will be rebudgeted in Fiscal Year 2012-13.
  - In LUEG, a positive variance in the Department of Planning and Land Use is primarily due to contracted services savings related to the Fire Re-Build waivers, Zoning Ordinance Update, Purchase of Agriculture Conservation Easements (PACE) program, code enforcement abatements, Greenhouse Gas guidelines, and business case management training all of which will be rebudgeted in Fiscal Year 2012-13. Environmental Health savings are due to delays in the completion of the Business Case Management System (which will be rebudgeted in Fiscal Year 2012-13), delays in the implementation of the Vector Habitat Remediation

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Program, and the East Otay Mesa Recycling Collection Center and Landfill, and various one-time projects that are not anticipated to be completed this fiscal year but which will be rebudgeted in Fiscal Year 2012-13. In Agriculture, Weights and Measures, a positive variance is projected primarily due to delays in completing information technology projects which will be rebudgeted in Fiscal Year 2012-13. Further, savings in Public Works are associated with one-time projects that will be rebudgeted in Fiscal Year 2012-13.

- In FGG, positive variances are largely in the Assessor / Recorder / County Clerk due to delays in one-time projects relating to implementation of the integrated recording/vital records system that will be rebudgeted in Fiscal Year 2012-13; in the Department of Human Resources due to projected lower spending levels for certain benefits contracts, positive claims experience associated with the County insurance policies, and lower than anticipated workers' compensation administration costs for the Employee Benefits Internal Service Fund; and in the County Technology Office due to savings in professional and specialized services, virtual server environment costs and in project consulting services.
- A net positive appropriation variance of \$74.7 million in other charges reflects net variances from budgeted caseload and aid payments. Spending is projected to be over budget in Public Health Services because of a requirement for additional support and care costs in the California Children's Services program. This negative variance is offset by a positive variance in Regional Operations, mainly the result of revised caseload levels in CalWORKS and Child Care Stage 1, and savings in Child Welfare Services based on revised estimates of caseload levels, growth trends, and unit cost per case for Foster Care and KinGap programs. In CSG, a positive variance is projected in Housing and Community Development due to lower than anticipated expenditures on multi-year projects. In addition, positive variances are due to lower than budgeted tax and revenue anticipation note borrowing costs in Finance Other and various lease payment savings.
- \$1.8 million in appropriation savings for operating transfers out in HHSA for the IHSS Public Authority related to salary and benefit costs being less than budgeted and savings in Contributions to Capital due to reduced General Fund contributions for various capital projects.
- \$20.0 million in contingency reserves that are projected to be unspent at year-end.
- \$26.0 million in management reserves in HHSA (\$20.0 million), in CSG (\$3.2 million), and in PSG (\$2.8 million) that are projected to be unspent at year-end.

The projected revenue under-realization to budget of \$111.7 million includes negative variances totaling \$137.1 million in various funding sources, with partially offsetting positive variances of \$25.4 million. Of the \$137.1 million in negative variances, \$124.5 million is within intergovernmental revenues and is largely the result of expenditure savings in caseload driven programs and contracted services mentioned above. An additional contributing factor to the negative revenue variance is a projected shortfall of \$2.2 million in current property taxes. The projection reflects an estimated \$19.0 million in roll corrections and refund adjustments, partially offset by growth in current secured property taxes based on growth in local secured assessed value, an improved delinquency rate, and by projected growth in current supplemental property

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taxes compared to budget. The remaining negative variances reflect the combination of unrealized revenue due to operational savings and various revenue shortfalls in charges for current services and fines, forfeitures and penalties and revenue from use of money and property.

A positive revenue variance of \$25.4 million is expected in the following categories: taxes other than current secured (\$7.6 million) which includes an increase in Property Tax In Lieu of VLF due to an improvement in the Vehicle License Fee Adjustment Amount calculation, an increase in Teeter Tax Reserve Excess primarily from a lower than anticipated 2011 Teeter buy-out, partially offset by a decrease in Teeter Property Tax prior year collections; licenses permits and franchises (\$1.3 million); miscellaneous revenue (\$16.4 million) primarily in the Seriously Emotionally Disturbed Children's Program in Behavioral Health Services due to an operational adjustment and in Finance Other in Countywide General Expense due to an unanticipated case settlement from SDG&E; and in other financing sources (\$0.1 million).

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

**Fiscal Year 2011-12 Budget Adjustments**

The budget adjustments recommendations in this letter are explained below.

**Recommendation 2**

On June 20, 2006 (3), your Board authorized the Sheriff's Department to serve as the fiscal agent for High Intensity Drug Trafficking Area (HIDTA) funding along the southwest border and accept funding of \$9,000,000. On January 18 2012, the California Border Alliance Group (CBAG) Executive Board approved the additional funding for HIDTA. This is a request to establish appropriations of \$50,000 in the Sheriff's Department based on unanticipated HIDTA revenue from the (CBAG). The funds will be used for overtime for Sheriff's personnel assigned to the HIDTA program.

**Recommendation 3**

On January 30, 2012, the Sheriff's Department received notice of the San Diego allocation of \$5,466. This request will establish appropriations of \$5,466 in the Sheriff's Department based on unanticipated revenue from Cal EMA, funded through LSPA funds. On a quarterly basis, the Cal EMA notifies each region of its quarterly allocation. Funds will be used for costs associated with conducting narcotic investigations involving methamphetamine.

**Recommendation 4**

On September 14, 2010 (3) and May 10, 2011 (2), your Board authorized the Sheriff's Department to accept the Project Safe Neighborhood (PSN) grant funds with a project period that ended December 31, 2011. The project period has been extended to June 30, 2012. This is a request to establish appropriations of \$35,161 in the Sheriff's Department based on revenue from the PSN grant funded by USDOJ through SANDAG. The funds will be used for overtime to fund multi-jurisdictional gun violence suppression operations.

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**Recommendation 5**

In Fiscal Year 2009-10, a new e-commerce site was implemented which provided an opportunity for friends and families to order commissary gift packs for inmates via the internet. This request will amend the Sheriff's Jail Stores Internal Service Fund Spending Plan by \$425,000 for increased costs to provide telephone debit time and commissary style goods, including food, snacks, stationary and personal care items for inmates. This action is necessary due to continued increased demand for these items through e-commerce.

**Recommendations 6 & 7**

These requests will establish appropriations of \$23,500 in the Sheriff's Department for overtime costs based on an operating transfer from the Sheriff's Asset Forfeiture Fund. The East County Regional Gang Task Force will use the overtime funds to investigate crimes related to human trafficking.

**Recommendation 8**

The Auditor and Controller's Office of Audits and Advisory Services (OAAS) conducted an audit of the Countywide Internal Agency Fund Administration in September 2011. As a result of the audit, it was determined that the Sheriff's Inmate Welfare fund had been incorrectly receiving interest allocations for an unrelated fund, the Department of Health Services Medi-Cal Administrative Activities- Targeted Case Management County Lead trust fund. OAAS recommended that the amount of interest incorrectly accumulated in the Sheriff's Inmate Welfare fund be transferred back to the General Fund. It was determined that the Sheriff's Inmate Welfare fund received a total of \$1,434,989.84. This is a request to establish appropriations of \$1,434,989.84 in the Sheriff's Inmate Welfare Fund, Operating Transfer Out, and the related Operating Transfer In for the General Fund to transfer accumulated interest earned from prior years based on fund balance available.

**Recommendation 9**

The County of San Diego received a settlement of \$825,000 from SOLPAC Construction, Inc. in March of 2012 relating to the defective design, construction and installation of domestic water piping at the East Mesa Juvenile Detention Facility. This request will establish \$476,838 in appropriations based on settlement revenues for the waterline repairs project at the East Mesa Juvenile Detention Facility.

**Recommendation 10**

This request will establish appropriations of \$810,000 in CSA 17 in services and supplies based on CSA 17 resident user fee for increases in billing contract due to additional billing services for resident user; increased staff time in Emergency Medical Services (EMS) related to CSA 17 billing functions; and increased ambulance transport services contract as these amounts were previously collected by contractor directly and will now be billed directly through CSA 17.

**Recommendation 11**

Prior to Fiscal Year 2010-11, billing and collections were performed by a contractor for County Service Area (CSA) 69 Heartland Paramedics for ambulance transports. In Fiscal Year 2010-11,

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changes to ambulance transport billing required CSA-69 to establish a bank account to be administered by the County. This change, which requires daily monitoring, monthly reconciliation, and processing refunds for overpayments, transferred to EMS staff. This request will establish appropriations of \$120,000 in CSA 69 to be able to reimburse EMS for staff time spent on those functions. This change to the service delivery model streamlines the billing process while ensuring the ability of the CSA to maximize revenues, and reducing the risk to the County.

**Recommendations 12 & 13**

These recommendations establish appropriations in the Department of Public Works Road Fund for an operating transfer to the Road Fund Equipment Acquisition Internal Service Fund (ISF) for the purchase of survey equipment. The purchase of the equipment in the Road Fund Equipment Acquisition ISF will enable the equipment to depreciate for replacement in the future. The funding source for the operating transfer is salary savings in the Field Surveys division. Your board authorized the sole source purchase of the Trimble R8 Global Navigational Survey Systems (GNSS) receivers on February 29, 2012 (10). The equipment will be used for construction staking and topographic surveys for County Capital Improvement Projects (CIP); land boundary retracement for improvements to County property; setting control points for aerial mapping and flood control projects; and recovery and remonumentation of historical land corners.

**Recommendation 14**

This recommendation increases the Department of Public Works Internal Service Fund Equipment Operations spending plan in the amount of \$515,701 based on fund balance available, for auto operation and maintenance and fuel. Older vehicles in DPW's Road Fund fleet required more maintenance than expected. Also, the price of fuel has increased more than what was anticipated at the time of the Fiscal Year 2011-12 spending plan development.

**Recommendation 15**

If approved, this request will establish appropriations of \$8,058.87 in Permanent Road Division 86 Fund, based on fund balance available. On September 22, 2004, the Board adopted a resolution consenting to the dissolution of this district. On September 28, 2005, the Board adopted a "Resolution Regarding Negotiated Property Tax Exchange Relative to Jurisdictional Changes" and the District's property tax allocation was reallocated to the City of Santee. On October 31, 2007, conveyance of unspent funds in the district to the City of Santee was required prior to completion of dissolution by the San Diego Local Agency Formation Commission. All required transactions have occurred out of this fund and the remaining amount is available for transfer to the City of Santee.

**Recommendations 16 & 17**

This recommendation will establish appropriations of \$1,166.55 for the transfer of the remaining balance in Permanent Road Division 14 Rancho Diego Fund, which dissolved on June 25, 2008, to the General Fund pursuant to Item Number 0030-18 of the San Diego County Administrative Manual and Section 1197 of the California Streets and Highway Code.

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**Recommendations 18 & 19**

This recommendation will establish appropriations of \$2,734.27 for the transfer of remaining balances in Permanent Road Division 64 Lila Lane Fund, which dissolved on June 25, 2009, to the General Fund pursuant to Item Number 0030-18 of the San Diego County Administrative Manual and Section 1197 of the California Streets and Highway Code.

**Recommendations 20 & 21**

This recommendation will establish appropriations of \$3.58 for the transfer of remaining balances in Permanent Road Division 1004 Butterfly Lane Fund, which dissolved on June 17, 2009, to the General Fund pursuant to Item Number 0030-18 of the San Diego County Administrative Manual and Section 1197 of the California Streets and Highway Code.

**Recommendation 22**

This recommendation will establish appropriations of \$6.16 for the transfer of remaining balances in Permanent Road Division 1006 North View Lane, which dissolved on June 24, 2001, to the General Fund pursuant to Item Number 0030-18 of the San Diego County Administrative Manual and Section 1197 of the California Streets and Highway Code.

**Recommendation 23**

This recommendation encompasses the request of recommendations #15 thru #22, allowing the Director, Department of Public Works and the Auditor and Controller to take any necessary action in order to close out these Permanent Road Divisions.

**Recommendation 24**

This recommendation will establish appropriations of \$490,707 in the Department of Public Works Watershed Protection Program (WPP) for completion of watershed load reduction plans in compliance with the San Diego Regional Water Quality Control Board's Bacteria Total Maximum Daily Load (TMDL), a new regulation enacted this fiscal year. This new regulation is in addition to pre-existing permit compliance requirements. The WPP has contracted with Geosyntec Consulting to complete the technical aspects of load reduction plan development. This additional funding will allow the WPP to complete the plans by June 30, 2012 to ensure compliance target dates are met.

**Recommendation 25**

On February 7, 2012 the Advisory Board for County Service Area 128 San Miguel voted in favor of preparing a new design for Lamar Park including Federal Emergency Management Act (FEMA) floodplain map adjustments. This recommendation will establish appropriations of \$43,500 based on fund balance available for design services.

**Recommendations 26 & 27**

The requested actions will cancel appropriations of \$29,572 and related Operating Transfer from the County Service Area 26 Rancho San Diego (CSA 26) to provide funding for unanticipated water utility costs.

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**Recommendations 28 & 29**

The requested actions will cancel appropriations of \$7,393 and related Operating Transfer from the Landscape Maintenance District Zone No. 1 (LMDZ1) to provide funding for unanticipated water utility costs.

**Recommendations 30 & 31**

This request will establish appropriations of \$16,800 in County Service Area 81 Fallbrook (CSA 81) based on fund balance available. This adjustment is necessary to cover operating expenses impacted by the reversal of an over accrual of revenue during Fiscal Year 2010-11 from La Paloma Elementary After School Education and Safety (ASES) program.

**Recommendations 32 & 33**

On September 16, 2009 (5), the Board approved the purchase of 95 acres for open space preservation at San Luis Rey River Park under Capital Project 1014261 MSCP Bonsall Land in the Capital Outlay Fund. The transactions related to the acquisition of the property have been completed. This recommendation will transfer remaining funds of \$101,349.77 to the Capital Multiple Species Conservation Program (MSCP) Acquisition Fund for future land acquisitions and improvements.

**Recommendations 34 & 35**

A feasibility report was prepared for Capital Project 1000019, Heritage Park Carousel. Based on the return on investment analysis, the project will not be built. This recommendation will cancel appropriations of \$95,519.02 in the Capital Outlay Fund for Capital Project 1000019, Heritage Park Carousel, and transfer the appropriations to the Department of Parks and Recreation to appropriately expense these non-capital feasibility report costs according to County of San Diego Administrative Manual 0050-02-01 Control of Capital Assets and Minor Equipment.

**Recommendations 36 & 37**

On May 12, 2010 (1), the Board approved the purchase of an open space easement over 37 acres on Volcan Mountain under the Department of Parks and Recreation (DPR) operating budget. The transactions related to the acquisition of the property have been completed. This recommendation will transfer remaining funds of \$20,460.57 from DPR to the Capital Outlay Fund for Capital Project 1000040, Volcan Mountain West Capital Project for future land acquisitions and improvements.

**Recommendations 38 & 39**

On October 31, 2011, the Department of Parks and Recreation received notification from California State Parks recommending the funding of Sweetwater Regional Parks Trail Phase III project under the non-motorized element of the Regional Trails Program (RTP) grant. This recommendation will cancel appropriations of \$35,425.80 in completed Capital Project 1008292, ADA Ballfield in the Capital Outlay Fund and transfer the appropriations to Capital Project 1014849, Sweetwater Regional Park Trails Phase III to provide matching funds for non-reimbursable environmental work and support costs per grant guidelines.



**SUBJECT: FISCAL YEAR 2011-12 THIRD QUARTER OPERATIONAL PLAN STATUS  
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**Recommendations 40 & 41**

On November 10, 2010 (2), the Board approved acceptance of a donation from The Escondido Creek Conservancy of 45.18 acres of open space which is located within the boundaries of the proposed North County Multiple species Conservation Program (MSCP) Pre-Approved Mitigation Area. The cost of \$10,000 associated with one-time stewardship for vegetation management, installation of erosions control measures, signage and fencing does not meet the criteria for capitalization under Governmental Accounting Standards Board Statement 51 (GASB 51). This action will transfer appropriations from the Capital Multiple Species Conservation Program (MSCP) Acquisition Fund to the Department of Parks and Recreation and properly record expenditures to comply with GASB 51.

**Recommendations 42 & 43**

On May 14, 2008 (5), the Board approved purchase of the Gildred Ranch and Highland Valley-Oak Country II properties from the Nature Conservancy. The funding sources were the General Fund and a grant from the Department of Water Resources. Receipt of the grant funds was delayed. However, the County proceeded with the acquisition of the land utilizing Capital Project, 1000012 MSCP Acquisitions and the General Fund. Receipt of grant funds is anticipated this fiscal year and this recommendation will establish appropriations to return the funds to the MSCP Acquisitions Fund.

**Recommendation 44**

The City of Encinitas requested the reallocation of up to \$220,856 in Home Investment Partnerships (HOME) Program funds to supplement funding to the City of Encinitas' Residential Rehabilitation Program. Unexpended funds from the City of Encinitas' Fiscal Year 2010-11 Tenant-Based Rental Assistance Program will be reallocated as supplemental funding to City of Encinitas' Residential Rehabilitation Program.

**Recommendation 45**

The City of Santee has requested up to \$171,427 in prior years' City of Santee HOME Affordable Housing Project funds be re-allocated to the City to Santee HOME First-Time Homebuyer Project. This funding will supplement existing City of Santee's HOME First-Time Homebuyer Project funding.

**Recommendation 46**

This request will increase appropriations by \$115,852 in the Department of Housing and Community Development to provide additional funding for shelter for homeless, and aid in the transition of homeless individuals and families to permanent homes.

**Recommendation 47**

The Housing Opportunities for Persons with Aids (HOPWA) program is a program sponsored by the US Department of Housing and Urban Development (HUD). The program provides localities with the resources and incentives to devise long-term comprehensive strategies for meeting the housing needs of persons with HIV/AIDS and their families. On October 1, 1998, Housing and Community Development Community (HCD) commenced administration of the

**SUBJECT: FISCAL YEAR 2011-12 THIRD QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICT: ALL)**

HOPWA program on behalf of the City of San Diego. The Intensive Case Management (ICM) Program is operated by the County of San Diego HIV, STD and Hepatitis Branch (HSHB) of Public Health Services. A memorandum of Understanding was entered into by and between the Department of Housing and Community Development and Health and Human Services Agency (HHS) that began in July 2009 through June 2011 and was extended for another year until June 2012. This request will cancel appropriations of \$252,350 in services and supplies and related revenue in HCD due to funds for this program being included in the Fiscal Year 2011-12 Adopted Budget in HHS.

**Recommendation 48**

The Urban County Home Repair Program is administered by the Housing Authority and is funded through the Department of Housing and Community Development Community Development Block Grant (CDBG) Program. This grant provides funding for the repair of owner-occupied homes for low-income homeowners. Eligible households' annual gross income must be at or below 80% of San Diego's Area Median Income and the home must be in the unincorporated area of San Diego County or in the cities of Coronado, Del Mar, Imperial Beach, Lemon Grove, Poway or Solana Beach. Approval of this request will appropriate additional funding of \$477,118 needed for the Urban County Home Repair Program. These funds are available from remaining fiscal year 2010-11 CDBG funds allocated for this program.

**Recommendations 49 - 51**

These requests will amend the Department of General Services Fleet Equipment Acquisition Internal Services Fund (ISF) Spending Plan by \$7,916,095.08 for the transfer of ownership and management of 33 fire apparatus to San Diego County Fire Authority (SDCFA) based on fund balance available and establish appropriations of \$1,183,077.66 in the Public Safety Group Executive Office, SDCFA. Since Fiscal Year 2005-2006, the SDCFA has purchased a total of 40 apparatus which included fire engines, water tenders and rescue vehicles. These apparatus were purchased with a combination of one-time resource funding, general purpose revenue and grant funding (Community Development Block Grant and Indian Gaming Local Community Benefit Committee Grant). The funding allocations did not include the additional resources for depreciation costs. It has been determined that 33 of these fire apparatus should not have been included in the Department of General Services' Fleet Equipment Acquisition Internal Service Fund. In order to properly account for the transfer of ownership and management of these 33 fire apparatus, \$7,916,095.08 will be transferred from the Department of General Services to SDCFA. The SDCFA proposes to apply \$1,183,077.66, the accumulated depreciation for the fire apparatus, to an Equipment Replacement Commitment in the Fiscal Year 2012-13 and 2013-14 CAO Proposed Operational Plan. This commitment will be used for future replacement/upgrade of fire apparatus and equipment for regional support. The SDCFA will continue to pursue grant funding for apparatus and equipment in support of the program's mission. The commitment will insure that apparatus can be replaced once it has reached the end of useful life.

**SUBJECT: FISCAL YEAR 2011-12 THIRD QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICT: ALL)**

**Recommendation 52**

This request will amend the General Service's Fleet Parts & Fuel Internal Service Fund Spending Plan by \$900,000 by establishing appropriations in service and supplies and corresponding revenue from customer departments. The projected increase in demand for fuel and increased fuel cost is based on year to date fuel consumption and economic projections.

**Recommendation 53**

This is a request will amend the Public Liability Internal Service Fund by \$900,000 based on available unanticipated revenues from several favorable settlements received in the fund earlier in the fiscal year. The projected overage to the fund is primarily from litigation expenses made to defend a considerable number of litigation matters and from an unfavorable judgment received in a road fatality case.

**Recommendations 54 - 56**

At the end of the Fiscal Year 2011-12, a total of 21 capital projects are anticipated to be completed and capitalized. Appropriations of up to \$668,075.37 will be cancelled in the Capital Outlay Fund (\$446,692.97), Justice Facility Construction Fund (\$10,499) and the Library Projects Capital Outlay Fund (\$210,883.40) At the end of the fiscal year, remaining appropriations will be canceled and the related funding will be returned to the respective funding sources, which include the General Fund and federal grants. These projects are listed in Schedule C.

**Recommendation 57**

During year-end closing, the Auditor and Controller may process appropriation transfers necessary between departmental objects that result in no increase to the total department budget. This authority is provided in the Government Code section 25125 (b). However, during year-end there are instances where appropriations are exceeded and it is necessary to establish appropriations based on a revenue source or available fund balance. Pursuant to Government Code section 25125 (a), revisions to the adopted appropriations are allowed by a formal action from the Board of Supervisors. Approval of today's recommendation authorizing the Auditor and Controller to process appropriation transfers at year-end under a \$100 threshold per adjustment will result in increased efficiency.

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

Today's proposed actions support the County of San Diego's 2011-2016 Strategic Plan Strategic Initiatives of Kids, the Environment, and Safe and Livable Communities by fully committing to utilize County resources to meet the highest priority needs of its residents.

**SUBJECT:** FISCAL YEAR 2011-12 THIRD QUARTER OPERATIONAL PLAN STATUS  
REPORT AND BUDGET ADJUSTMENTS (DISTRICT: ALL)

Respectfully submitted,

WALTER F. EKARD  
Chief Administrative Officer

**ATTACHMENT(S)**

Schedule A

Schedule B

Schedule C

Notes to Schedules A and B

**SUBJECT:** FISCAL YEAR 2011-12 THIRD QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICT: 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:**

February 28, 2012 (17), Fiscal Year 2011-12 Second Quarter Operational Plan Status Report and Budget Adjustments December 6, 2011 (20), Fiscal Year 2011-12 First Quarter Operational Plan Status Report and Budget Adjustments; August 2, 2011 (17), County of San Diego Fiscal Year 2011-12 Adopted Budget Resolution for Family of Funds, Enterprise Funds and Internal Services Funds, Prior Year Encumbrances and Penalty Assessment Resolution

**BOARD POLICIES APPLICABLE:**

N/A

**BOARD POLICY STATEMENTS:**

N/A

**MANDATORY COMPLIANCE:**

N/A

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

N/A

**ORIGINATING DEPARTMENT:** Chief Financial Officer

**OTHER CONCURRENCE(S):**    N/A

**CONTACT PERSON(S):**

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**FY 2011-2012 3rd Quarter  
Projected Year-End Results**

(in thousands)

**COUNTY SUMMARY**

	Expenditure Variance	Revenue Variance	3rd Quarter FY11-12 Projected Fund Balance
	Favorable/(Unfavorable)		
<b>General Fund</b>			
Public Safety	\$ 39,129	\$ (10,255)	\$ 28,874
Health & Human Services Agency	145,102	(103,536)	41,566
Land Use & Environment	16,430	(4,403)	12,027
Community Services	27,749	(15,888)	11,861
Finance & General Government	7,666	(1,637)	6,029
<b>Total Agency/Group</b>	<b>236,077</b>	<b>(135,719)</b>	<b>100,357</b>
General Purpose Revenue	0	8,011	8,011
Finance Other	58,236	15,978	74,215
<b>Total General Fund</b>	<b>\$ 294,313</b>	<b>\$ (111,730)</b>	<b>\$ 182,582</b>
<b>Special Revenue Funds</b>			
Public Safety	\$ 772	\$ 19,668	\$ 20,440
Health & Human Services Agency	3,128	0	3,128
Land Use & Environment	11,999	(3,724)	8,275
Community Services	2,771	(730)	2,041
<b>Total Special Revenue Funds</b>	<b>\$ 18,671</b>	<b>\$ 15,214</b>	<b>\$ 33,885</b>
<b>Capital Program</b>			
Finance Other	\$ 886	\$ 15,350	\$ 16,235
<b>Internal Service Funds Departments</b>			
Public Safety Group	\$ (13)	\$ 51	\$ 38
Health & Human Services Agency	0	0	0
Land Use & Environment	669	49	718
Community Services	25,999	(25,315)	684
Finance & General Government	0	0	0
Finance Other	800	2,817	3,617
<b>Total Internal Service Funds</b>	<b>\$ 27,455</b>	<b>\$ (22,397)</b>	<b>\$ 5,058</b>
<b>Enterprise Fund Departments</b>			
Land Use & Environment	\$ 1,113	\$ (81)	\$ 1,032
<b>Special District Funds Departments</b>			
Public Safety Group	\$ 0	\$ 2	\$ 2
Health & Human Services Agency	0	181	181
Land Use & Environment	12,650	(8,227)	4,423
<b>Total Special District Funds</b>	<b>\$ 12,650</b>	<b>\$ (8,045)</b>	<b>\$ 4,605</b>
<b>Other County Funds Departments</b>			
LUEG - Debt. Svc. Local Boards	\$ 0	\$ 0	\$ 0
Community Svcs. - Red./Redev. Successor Agency	0	0	0
Finance Other - Majestic Pines	0	0	0
<b>Total Other County Funds</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Debt Service - Pension Obligation Bonds	\$ 1	\$ 440	\$ 441
<b>Total County Projected Operating Balance</b>	<b>\$ 355,088</b>	<b>\$ (111,250)</b>	<b>\$ 243,838</b>

Prepared: 4/18/12

Numbers may not total due to rounding.

**FY 2011-2012 3rd Quarter  
Projected Year-End Results**

(in thousands)

**PUBLIC SAFETY GROUP**

Expenditure Variance	Revenue Variance	3rd Quarter FY11-12 Projected Fund Balance
Favorable/(Unfavorable)		

**General Fund Departments**

Child Support	\$ 3,551	\$ (2,009)	\$ 1,542
Contributions for Trial Courts	1,627	(1,622)	5
Defense Attorney Contract Admin.	0	0	0
District Attorney	9,311	5,637	14,949
Emergency Services	5,877	(5,518)	359
Law Enforcement Review Board	29	0	29
Medical Examiner	473	5	478
Probation	4,181	(4,181)	(0)
Public Defender	1,638	1,254	2,892
Public Safety Executive Office	(28)	1,849	1,821
San Diego County Fire Authority	4,832	(4,078)	754
Sheriff	7,638	(1,593)	6,045
<b>Total General Fund</b>	<b>\$ 39,129</b>	<b>\$ (10,255)</b>	<b>\$ 28,874</b>

**Special Revenue Funds Departments**

District Attorney (Asset Forfeiture - State & Federal)	100	0	100
Probation - Asset Forfeiture	0	36	36
Probation - Inmate Welfare Program	0	15	15
Sheriff - Asset Forfeiture	0	0	0
Sheriff - Inmate Welfare Program	672	712	1,384
Public Safety - Proposition 172	0	18,904	18,904
<b>Total Special Revenue Funds</b>	<b>772</b>	<b>19,668</b>	<b>20,440</b>

**Internal Service Funds Departments**

Probation	0	0	0
Sheriff(Jail Stores)	(13)	51	38
<b>Total Internal Service Funds</b>	<b>(13)</b>	<b>51</b>	<b>38</b>

**Special District Funds**

Sheriff (Regional 800 MHz)	0	2	2
County Service Area	0	0	0
<b>Total Group Projected Fund Balance</b>	<b>\$ 39,889</b>	<b>\$ 9,466</b>	<b>\$ 49,355</b>

**FY 2011-2012 3rd Quarter  
Projected Year-End Results**

(in thousands)

**HEALTH & HUMAN SERVICES AGENCY**

Expenditure Variance	Revenue Variance	3rd Quarter FY11-12 Projected Fund Balance
Favorable/(Unfavorable)		

**General Fund Programs**

Administrative Support	\$ 33,783	\$ (2,499)	\$ 31,283
Aging & Independence Services	11,236	(9,627)	1,609
Behavioral Health Services	44,275	(44,275)	0
Child Welfare Services	30,587	(24,396)	6,191
Public Administrator/Public Guardian	183	(392)	(209)
Public Health Services	3,058	(2,043)	1,014
Regional Operations	26,368	(24,871)	1,497
Strategic Planning & Operational Support	(4,388)	4,568	180
<b>Total General Fund</b>	<b>\$ 145,102</b>	<b>\$ (103,536)</b>	<b>\$ 41,566</b>

**Special Revenue Funds**

Tobacco Securitization Fund	<u>3,128</u>	<u>0</u>	<u>3,128</u>
<b>Total Special Revenue Funds</b>	<b><u>3,128</u></b>	<b><u>0</u></b>	<b><u>3,128</u></b>

**Internal Service Funds**

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

Ambulance Districts	0	181	181
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<b>Total Health &amp; Human Services Agency</b>	<b><u>\$ 148,230</u></b>	<b><u>\$ (103,355)</u></b>	<b><u>\$ 44,874</u></b>
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**FY 2011-2012 3rd Quarter  
Projected Year-End Results**

(in thousands)

**LAND USE & ENVIRONMENT GROUP**

Expenditure Variance	Revenue Variance	3rd Quarter FY11-12 Projected Fund Balance
Favorable/(Unfavorable)		

**General Fund Departments**

Agriculture, Weights & Measures	\$ 665	\$ 684	\$ 1,350
Environmental Health	7,347	(3,444)	3,903
Land Use & Environment Group Exec Office	1,307	193	1,500
Parks & Recreation	56	20	76
Planning & Land Use	6,658	(1,856)	4,801
Public Works	397	0	397
<b>Total General Fund</b>	<b>\$ 16,430</b>	<b>\$ (4,403)</b>	<b>\$ 12,027</b>

**Special Revenue Funds Departments**

A, W & M (Grazing and Fish & Game Commission)	8	(7)	2
Parks & Recreation - PLDO	189	699	888
DPW - Aviation Funds	0	0	0
DPW - Road Funds	10,681	(3,296)	7,385
DPW - Inactive Waste	1,121	(1,121)	0
<b>Total Special Revenue Funds</b>	<b>11,999</b>	<b>(3,724)</b>	<b>8,275</b>

**Internal Service Funds Departments**

Public Works - DPW Equip. ISF Prg. (35525-35700)	669	49	718
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**Enterprise Funds Departments**

Airport Enterprise Fund	436	306	743
Wastewater Management Enterprise Fund	677	(388)	289
<b>Total Enterprise Funds:</b>	<b>1,113</b>	<b>(81)</b>	<b>1,032</b>

**Special District Funds Departments**

Air Pollution Control District	10,151	(8,823)	1,327
Parks and Recreation	103	(34)	69
Planning and Land Use - CSAs	0	0	0
DPW - Sanitation Districts & Sewer Maintenance	2,333	456	2,789
DPW - CSAs	0	(0)	0
DPW - PRDs	63	0	63
DPW - Flood Control	0	174	174
DPW - Street Lighting Districts	0	1	1
<b>Total Special Districts Funds:</b>	<b>12,650</b>	<b>(8,227)</b>	<b>4,423</b>

**Other County Funds Departments**

Debt Service-Local Boards	0	0	0
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<b>Total Land Use &amp; Environment Group</b>	<b>\$ 42,862</b>	<b>\$ (16,387)</b>	<b>\$ 26,475</b>
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**FY 2011-2012 3rd Quarter  
Projected Year-End Results**

(in thousands)

**COMMUNITY SERVICES GROUP**

Expenditure Variance	Revenue Variance	3rd Quarter FY11-12 Projected Fund Balance
Favorable/(Unfavorable)		

**General Fund Departments**

Animal Services	\$ 211	\$ (148)	\$ 63
Community Services Group Exec Office	3,385	339	3,724
General Services	0	0	0
Housing & Community Development	14,278	(13,665)	613
Purchasing & Contracting	0	0	0
Library Services	0	0	0
Registrar of Voters	9,875	(2,414)	7,462
<b>Total General Fund</b>	<b>\$ 27,749</b>	<b>\$ (15,888)</b>	<b>\$ 11,861</b>

**Special Revenue Funds Departments**

Library Services	2,771	(730)	2,041
Housing & Community Development	0	0	0
<b>Total Special Revenue Funds</b>	<b>2,771</b>	<b>(730)</b>	<b>2,041</b>

**Internal Service Funds Departments**

Facilities Management	4,531	(4,528)	3
Major Maintenance ISF	12,523	(12,523)	0
Fleet Management	8,355	(7,890)	465
Purchasing & Contracting	590	(375)	216
<b>Total Internal Service Funds</b>	<b>25,999</b>	<b>(25,315)</b>	<b>684</b>

**Other County Funds Departments**

Red. Agency/Redevelopment Successor Agency	0	0	0
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<b>Total Community Services Group</b>	<b>\$ 56,520</b>	<b>\$ (41,933)</b>	<b>\$ 14,586</b>
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**FY 2011-2012 3rd Quarter  
Projected Year-End Results**

(in thousands)

**FINANCE & GENERAL GOVERNMENT  
GROUP**

Expenditure Variance	Revenue Variance	3rd Quarter FY11-12 Projected Fund Balance
Favorable/(Unfavorable)		

**General Fund Departments**

Assessor/Recorder/County Clerk	\$ 2,950	\$ (2,002)	\$ 948
Auditor & Controller	1,272	47	1,318
Board of Supervisors	240	0	240
Chief Administrative Officer	177	0	177
Civil Service Commission	8	0	8
Clerk of the Board of Supervisors	42	448	490
County Communications Office	348	(139)	208
County Counsel	158	214	372
County Technology Office	670	0	670
Finance & GG Exec Office	0	88	88
Grand Jury	87	0	87
Human Resources	1,204	(151)	1,053
Treasurer-Tax Collector	510	(143)	368
<b>Total General Fund</b>	<b>\$ 7,666</b>	<b>\$ (1,637)</b>	<b>\$ 6,029</b>

**Internal Service Funds Departments**

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

<b>\$ 7,666</b>	<b>\$ (1,637)</b>	<b>\$ 6,029</b>
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**FY 2011-2012 3rd Quarter  
Projected Year-End Results**

(in thousands)

**GENERAL PURPOSE REVENUE &  
FINANCE OTHER**

Expenditure Variance	Revenue Variance	3rd Quarter FY11-12 Projected Fund Balance
Favorable/(Unfavorable)		

**General Fund**

General Purpose Revenue:			
All Current Property Taxes	\$ 0	\$ (2,237)	\$ (2,237)
All Other Taxes-Local	0	7,640	\$ 7,640
Licenses, Permits & Franchises	0	(91)	\$ (91)
Fines, Forfeitures & Penalties	0	(984)	\$ (984)
Revenue for Use of Money & Property	0	(3,104)	\$ (3,104)
Intergovernmental Revenue	0	6,787	\$ 6,787
Charges for Current Services	0	0	\$ 0
Miscellaneous Revenue	0	0	\$ 0
<b>Total General Purpose Revenue</b>	<b>\$ 0</b>	<b>\$ 8,011</b>	<b>\$ 8,011</b>

General County Expenses:

Cash Borrowing Program	\$ 6,500	\$ 0	\$ 6,500
Community Enhancement	0	0	0
Contingency Reserve	20,000	0	20,000
Lease Payments - Capital Projects	0	0	0
Contributions to the Capital Outlay Fund	954	(22)	933
Contributions to Library Fund	0	0	0
Local Agency Formation Comm Admin	0	0	0
Neighborhood Reinvestment Program	0	0	0
Countywide Expenses	30,782	16,000	46,782
Total Finance Other Expenses	\$ 58,236	\$ 15,978	\$ 74,215
<b>Total General Fund</b>	<b>\$ 58,236</b>	<b>\$ 23,989</b>	<b>\$ 82,225</b>

**Capital Program Funds**

Capital Program	\$ 886	\$ 15,350	\$ 16,235
<b>Total Capital Program Funds</b>	<b>\$ 886</b>	<b>\$ 15,350</b>	<b>\$ 16,235</b>

**Internal Service Funds Departments**

Workers Compensation	\$ 0	\$ 0	\$ 0
Unemployment Insurance	800	0	800
Public Liability	0	2,817	2,817
<b>Total ISF Funds</b>	<b>800</b>	<b>2,817</b>	<b>3,617</b>

**Other County Funds Departments**

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

Pension Obligation Bonds	\$ 1	\$ 440	\$ 441
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**Total General Purpose Revenue & Finance  
Other**

	<b>\$ 59,922</b>	<b>\$ 42,596</b>	<b>\$ 102,519</b>
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**FY 2011-2012 3rd Quarter  
Projected Year-End Results**  
(in thousands)

Category	Projected Management & Contingency Reserves	Projected Operating Balances	3rd Quarter FY11-12 Projected Fund Balance
	Favorable/(Unfavorable)		
<b>General Fund</b>			
Public Safety	\$ 2,750	\$ 26,124	\$ 28,874
Health and Human Services Agency	20,000	21,566	41,566
Land Use and Environment	0	12,027	12,027
Community Services	3,250	8,611	11,861
Finance & General Government	0	6,029	6,029
<b>Agency/Group Totals</b>	<b>\$ 26,000</b>	<b>\$ 74,357</b>	<b>\$ 100,357</b>
General Purpose Revenue	0	8,011	8,011
General County Expenses	0	54,215	54,215
Contingency Reserve	20,000	0	20,000
<b>Total Gen'l. Purpose Rev. &amp; Gen'l. County Exp.</b>	<b>\$ 20,000</b>	<b>\$ 62,225</b>	<b>\$ 82,225</b>
<b>Total General Fund</b>	<b>\$ 46,000</b>	<b>\$ 136,582</b>	<b>\$ 182,582</b>

## Fiscal Year 2011-12 3rd Quarter

## SCHEDULE C

## Completed Capital Projects

ORG	Oracle Project Number	Account	Project Name	Budget	Amount Capitalized	Amount Canceled
<b>** Capital Outlay Fund (Fund 26000) **</b>						
73050	1000029	54414	Otay Lakes Park Restoration (KN7022)	2,454,376.46	2,454,375.53	0.93
73050	1000035	54352	Sweetwater Regional Park Equestrian Center Phase I (KN2669)	3,000.00	-	3,000.00
73050	1000235	54526	Edgemoor Skilled Nursing Facility (KK0866) *	123,485,556.00	123,082,665.28	402,890.72
73050	1000193	54232	Cactus Park Sports Fields (KN2968)	508,376.00	507,538.22	837.78
73050	1000239	54425	Otay Valley Regional Park Fencing/Trees (KN2752)	120,500.00	119,342.51	1,157.49
73050	1006572	54726	Spring Valley Community Center Expansion (KN5498)	1,759,000.00	1,733,613.78	25,386.22
73050	1007477	54744	Goodan Ranch Compound Improvements	1,575,221.66	1,575,221.66	-
73050	1010429	54780	Heritage Park Victorian Homes Improvements	4,000,000.00	3,999,897.98	102.02
7356C	1015193	54816	Fire Recovery Erosion Control William Heise Park (1011442)	161,300.00	161,032.77	267.23
7357C	1015192	54814	Fire Erosion Control Hellhole Canyon (1011440)	81,200.00	79,658.21	1,541.79
7361C	1015187	54796	Agua Caliente Pavilion Replacement (1011443)	249,083.24	249,083.24	-
7372C	1015143	54841	Guajome Regional Park Improvements (1012922)	122,711.32	121,707.49	1,003.83
7379C	1014259	54871	Live Oak Recreational Area (1013683)	200,000.00	199,916.30	83.70
7380C	1014257	54872	El Monte Trail and Staging Area (1013682)	415,000.00	411,345.98	3,654.02
7383C	1014254	54868	Bancroft Rock House Restoration and Improvements (1013259)	513,000.00	508,369.63	4,630.37
7395C	1014130	54876	Collier Park Soccer Area (1013817)	622,046.02	620,247.68	1,798.34
7409C	1014353	54202	Fallbrook Community Center Photovoltaic Improvements	264,815.36	264,815.36	-
7414C	1014735	54202	Collier Park Parking Lot Improvements	146,000.00	145,661.47	338.53
<b>TOTAL</b>				<b>136,681,186.06</b>	<b>136,234,493.09</b>	<b>446,692.97</b>
<b>** Justice Facility Construction Fund (Fund 26050) **</b>						
7401J	1014144	54202	Juvenile Probation Complex Parking Lot Expansion	1,250,000.00	1,239,501.00	10,499.00
<b>TOTAL</b>				<b>1,250,000.00</b>	<b>1,239,501.00</b>	<b>10,499.00</b>
<b>** Library Projects Capital Outlay Fund (Fund 26075) **</b>						
74700	1000178	54616	Fallbrook Branch Library (KL1974)	11,145,417.06	11,033,818.60	111,598.46
74700	1000286	54700	Ramona Branch Library (KL2987)	12,230,285.00	12,131,000.06	99,284.94
<b>TOTAL</b>				<b>23,375,702.06</b>	<b>23,164,818.66</b>	<b>210,883.40</b>
<b>TOTAL FOR CAPITAL PROJECTS</b>				<b>161,306,888.12</b>	<b>160,638,812.75</b>	<b>668,075.37</b>

This attachment represents a listing of 21 capital projects that are anticipated to be completed and capitalized at the end of Fiscal Year 2011-12, unless otherwise noted. See recommendations 59-61 of the Fiscal Year 2011-12 3rd Quarter Status Report.

\* Project has already been capitalized.

COUNTY OF SAN DIEGO  
NOTES TO SCHEDULES A and B  
Fiscal Year 2011-12 3rd Quarter

**GENERAL NOTES**

*Projected Fund Balance*

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

*Contingency Reserve and Management Reserves*

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

*Variance Reporting*

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

**PUBLIC SAFETY GROUP**

**General Fund**

*Department of Child Support Services*

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

A positive expenditure variance of \$3.5 million is projected. A positive variance of \$2.4 million is projected in salaries and benefits due to salary savings from vacant and modified positions. A positive variance of \$1.1 million is projected in services and supplies primarily due to reductions in lease and contract expenses.

A negative revenue variance of \$2.0 million is projected in intergovernmental revenues due to the salary and benefit savings noted above.

*Contributions to Trial Courts*

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

A positive expenditure variance of \$1.6 million is projected. A positive variance of \$0.1 million is projected due to savings in forensic evaluation services. A positive variance of \$1.5 million is projected in other charges to recognize the level of expenditures required

to support the revenue sharing requirements of Government Code 77205, related to Trial Court funding.

A negative revenue variance of \$1.6 million is projected. This is comprised of a negative variance of \$1.1 million in fines, forfeitures and penalties to recognize the anticipated levels of revenues to be received and \$0.5 million in charges for current services due to a decline in traffic school fines. Overall economic conditions continue to impact the revenues received by the County to support the statutory Contribution to Trial Courts.

#### *District Attorney*

A positive variance of \$14.9 million is projected for the District Attorney's Office.

A positive expenditure variance of \$9.3 million is projected. This positive variance is primarily due to anticipated savings of \$7.9 million in salaries and benefits due to normal attrition, retirements, and savings from vacant and modified positions. A positive variance of \$2.8 million is projected in management reserves which are held for operating contingencies during the year. A negative expenditure variance of \$1.3 million is projected in expenditure transfers and reimbursements due to normal attrition and delays in filling vacant positions in the Public Assistance Fraud Unit.

A positive revenue variance of \$5.6 million is projected. This is comprised of over-realized revenue of \$6.4 million from the Southwest Border Prosecution Initiative, partially offset by reductions in the High Technology Prosecution Program (\$0.5 million), the Vertical Prosecution Block Grant Program (\$0.2 million) and a reduction in the operating transfer from Asset Forfeiture due to a projected reduction in overtime expenditures (\$0.1 million).

#### *Medical Examiner*

A positive variance of \$0.5 million is projected for the Medical Examiner's Department due to salary savings from vacant and modified positions.

#### *Office of Emergency Services*

A positive variance of \$0.4 million is projected for the Office of Emergency Services

A positive expenditure variance of \$5.9 million is projected. This is comprised of a positive variance of \$0.5 million in salaries and benefits due to savings from modified positions and vacancies, \$5.2 million associated with Homeland Security Grant expenditures which will be rebudgeted in the CAO Proposed Operational Plan Fiscal Year 2012-14 and \$0.2 million in savings due to efforts to reduce overall expenditures.

A negative revenue variance of \$5.5 million in intergovernmental revenue is projected due to the Homeland Security Grant expenditures noted above.

#### *Probation*

No overall variance is projected for the Probation Department.



A positive expenditure variance of \$4.2 million is projected. This is comprised of a \$2.4 million positive variance in salaries and benefits due to staff vacancies. The Probation Department is in the process of filling 75 authorized positions to address Assembly Bill (AB) 109, Public Safety Realignment (2011). Services and supplies is projected to have a net positive variance of \$0.9 million due to savings as a result of scope changes in the case management system and contracted services related to AB109 and Senate Bill (SB) 678, Community Correction Performance Incentive Grants. These savings are offset by increases in other expenses, such as information technology improvements and increased laboratory services. Expenditures transfer and reimbursements will have a \$0.9 million positive variance primarily due to increased reimbursement for services to other departments. Due to the 2011-12 Enacted State Budget which included a provision to assess counties \$125,000 annually per juvenile offender in the state custody beginning January 1, 2012, it is projected that the Probation Department would be assessed \$2.8 million in additional fees. In the Proposed State Budget for Fiscal Year 2012-13, the Governor proposes to delay collection of these additional fees and proposes further changes to juvenile justice.

A negative revenue variance of \$4.2 million is projected. This is comprised of a decrease of \$1.1 million in the cost of supervision account collection primarily due to the economic conditions, \$0.6 million decrease in SB618, the Prisoner Reentry Program, due to revised state allocations, \$1.5 million in Assembly Bill (AB) 109, Public Safety Realignment (2011), due to staff vacancies. In addition, Senate Bill (SB) 678, Community Correction Performance Incentive Grants, \$2.1 million will be under realized, due to program performance that will occur in Fiscal Year 2012-13. This amount has been rebudgeted in the Fiscal Year 12-14 CAO Proposed Operational Plan. This is offset by over realized revenue of \$1.1 million in programs such as Work Crews (\$0.2 million), Title IV-E (\$0.3 million), American Recovery and Reinvestment Act programs due to program performance periods that extend over multiple years (\$0.3 million) and miscellaneous revenues (\$0.3 million) for various programs.

#### *Public Defender*

A positive variance of \$2.9 million is projected for the Public Defender.

A positive expenditure variance of \$1.6 million is projected. A positive variance of \$0.4 million is projected in salaries and benefits due to salary savings from vacant and modified positions. A positive variance of \$1.3 million is projected in services and supplies due to \$1.0 million associated with the defense of special circumstances cases that will be included as a requested rebudget of funds in the CAO Proposed Operational Plan Fiscal Year 2012-14 and \$0.3 million in savings due to efforts to reduce overall expenditures.

A positive revenue variance of \$1.3 million is projected due to over-realized revenue for the Fiscal Year 2009-10 Sexually Violent Predators state mandate reimbursement claim, Public Safety Realignment 2011 reimbursement from the Local Revenue Fund 2011, District Attorney and Public Defender Account, prison case reimbursement from the State and court collections exceeding the budgeted amount.

*Public Safety Group Executive Office*

A net positive variance of \$1.8 million is projected for the Public Safety Group Executive Office primarily due to additional revenues in rents and concessions. These funds were not included in the budget as part of a multi-year plan to reduce budgeted revenues which will no longer be received when these properties transfer to the State.

*San Diego County Fire Authority*

A positive variance of \$0.8 million is projected for the San Diego County Fire Authority.

A positive expenditure variance of \$4.8 million is projected. This is comprised of a \$4.0 million spending delay associated with a grant for tree removal while an Environmental Impact Report (EIR) is prepared, \$0.6 million savings due to a Countywide vegetation management EIR that has been cancelled due to the completion of the CAL FIRE Statewide EIR, and \$0.2 million savings in the Volunteer Firefighter Program.

A negative revenue variance of \$4.0 million in intergovernmental revenue is projected due to delayed expenditures related to the grant for tree removal noted above.

*Sheriff*

A positive variance of \$6.0 million is projected for the Sheriff's Department.

A net positive expenditure variance of \$7.6 million is projected. Salaries and benefits are projected to be \$7.0 million under budget due to vacant positions. A net positive expenditure variance of \$0.6 million is projected in services and supplies primarily due to savings in professional and specialized services and special department expense, which is offset by increased expenditures in household expense.

A negative revenue variance of \$1.6 million is projected. Due to an increased allocation in the 2011 Budget Act and residual Vehicle License Fee Receipts from Fiscal Year 2010-11, a positive variance of \$1.0 million is projected in Citizens Options for Public Safety (COPS) revenue. A positive variance of \$0.6 million is projected in Recovered Expenditures due to reimbursements from CAL FIRE for firefighting helicopter response on State land and miscellaneous reimbursements. A positive variance of \$0.2 million is projected in Aid From Other Government Agencies due to a transfer from the Regional Communications System Trust Fund to meet a portion of the match requirements for the Public Safety Interoperable Communications (PSIC) grant. A positive variance of \$0.3 million is projected in SB 924 Correctional Training (STC) due to unanticipated State revenue. A negative variance of \$0.3 million is projected in Marshal Want Warrant due to the postponement of an information technology project. A negative variance of \$0.7 million is projected in Trial Court Security due to the allocation provided as part of the Public Safety Realignment 2011 being less than anticipated in the budget. A negative variance of \$0.8 million is projected in jail bed leasing revenue due to a decrease in the number of misdemeanor jail bookings by the City of San Diego. A negative variance of \$0.9 million is projected in State Criminal Alien Assistance Program (SCAAP) due to a decrease in Federal reimbursement received for this program. A negative variance of

\$1.5 million is projected in the Institutional Care State account, due to the implementation of the Public Safety Realignment 2011 and the shift of responsibility of low level offenders from the state to counties, the cost of housing certain parole violators is now a county responsibility. A positive variance of \$0.5 million is due to a number of miscellaneous revenue sources.

## **Special Revenue Funds**

### *Sheriff's Inmate Welfare Fund*

A positive variance of \$1.4 million is projected for the Inmate Welfare Fund.

A positive expenditure variance of \$0.7 million is projected in fixed assets due to anticipated delay in the replacement of certain equipment. This is augmented by a positive revenue variance of \$0.7 million primarily due to recovered expenditures reimbursed by the Grossmont Union High School District for contracted educational services.

### *Proposition 172*

The Proposition 172 Special Revenue Fund finished Fiscal Year 2010-11 with a \$16.5 million year-end fund balance. Pursuant to Board of Supervisor's Policy A-126, any positive variance at year end will be disbursed according to a public safety program plan agreed to by the Sheriff, the District Attorney and the Probation Department. A total of \$6.6 million of that amount has been appropriated to date through the adoption of the Fiscal Year 2011-12 Operational Plan.

A positive variance of \$18.9 million is projected for the Proposition 172 Special Revenue Fund. Current year revenues are projected to be \$18.9 million greater than budget due to the combination of Fiscal Year 2010-11 revenue exceeding the budgeted estimate for Fiscal Year 2011-12 supporting a positive Fiscal Year 2011-12 projection and the current positive economic performance of sales tax revenues.

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

### **General Fund**

HHSA is projecting an overall positive fund balance of \$41.6 million. The 2011 State Budget realigned various programs and the revenue to support them to the counties. Under "Realignment 2011", the State replaced State General Funds with a portion of sales tax revenues to local governments to fund various criminal justice, mental health, and social services programs. This is a significant shift to the county from having a known and committed amount of State funding to an estimated variable amount of sales tax which is remitted based on economic activity. Based on the current trends, there is still uncertainty on how much Realignment 2011 will be realized by year-end. However, it is looking positive as year-to-date receipts have been sufficient to fund the realigned programs. HHSA will continue to monitor and revise projections as the year continues.

### *Administrative Support*

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

A net positive variance of \$31.3 million is projected for Administrative Support. The variance is the result of \$33.8 million in expenditure savings and \$2.5 million in projected under-realized revenues.

The positive expenditure variance of \$33.8 million includes \$0.9 million in salaries and benefits due to vacant positions, \$12.9 million in services and supplies, and a projected year-end balance of \$20.0 million in Management Reserves which are held for operating contingencies during the year. The \$12.9 million net savings in services and supplies is primarily comprised of \$8.0 million budgeted for bio-terrorism emergencies and \$5.0 million budgeted as glide slope reserves that are not expected to be required, offset by \$0.1 million in additional requirements in various services and supplies categories, primarily related to information technology activity.

The net negative revenue variance of \$2.5 million includes a net increase of \$5.5 million in administrative revenue, primarily associated with the receipt of prior year realignment, offset by \$8.0 million of unsecuritized tobacco settlement revenue that is not projected to be recognized because the bio-terrorism appropriations are expected to be unspent.

### *Aging and Independence Services*

A net positive variance of \$1.6 million is projected for Aging & Independence Services, comprised of \$11.2 million in expenditure savings offset with \$9.6 million in projected under-realized revenues.

The positive expenditure variance of \$11.2 million includes savings of \$1.1 million in salaries and benefits due to vacant positions, \$9.0 million savings in services and supplies, and \$1.1 million in operating transfers out. The \$9.0 million savings in services and supplies is mainly the result of revised estimates of growth trends in In-Home Supportive Services (IHSS) Individual Provider (IP) costs. The \$1.1 million savings in operating transfers out for In Home Support Services-Public Authority is related to salary and benefit costs being less than anticipated.

The negative revenue variance of \$9.6 million is mainly due to lower projected expenditures in IHSS as discussed above.

### *Behavioral Health Services*

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

A zero net variance is projected for Behavioral Health Services.

The positive expenditure variance of \$44.3 million includes savings of \$5.5 million in salaries and benefits throughout Behavioral Health Services due to vacant positions and \$39.5 million in services and supplies offset by a \$0.7 million negative variance in expenditure transfer and reimbursements due to lower projected expenditures related to the AB 109 program. The \$39.5 million of net savings in services and supplies includes \$25.4 million in un-awarded Mental Health Services Act (MHSA) contracts, \$5.2 million in Alcohol and Drug Services in contracts for Substance Abuse Prevention and Treatment and AB109 services, \$8.4 million in Early Periodic Screening Diagnosis and Treatment (EPSDT)/Medi-Cal services and in Educational Related Mental Health Services (ERMHS) due to lower costs in contracted services , and \$1.4 million in fee-for-service provider services due to lower costs in contracted services , offset by a \$0.9 million negative variance for Inpatient Health Services expenses for temporary contract help.

The negative revenue variance of \$44.3 million is primarily associated with expenditure savings in MHSA and EPSDT/Medi-Cal services. The balance is due to under realized revenue resulting from savings as discussed above.

#### *County Child Welfare Services*

A net positive variance of \$6.2 million is projected for County Child Welfare Services (CCWS), comprised of \$30.6 million in expenditure savings offset by \$24.3 million in under-realized revenues.

The net positive expenditure variance of \$30.6 million includes \$1.7 million in salaries and benefits due to attrition and vacant positions and \$29.3 million in other charges due to revised estimates of caseload levels, growth trends, and unit cost per case in aid payments for Foster Care and KinGap, as well as savings related to the Seriously Emotionally Disturbed program which was budgeted for this year, but the program was transferred by the State to the Office of Education (\$10.8 million). The savings are offset by a \$0.4 million negative variance in services and supplies primarily associated with unanticipated prior year costs and other costs to support mobile workforce.

The negative revenue variance of \$24.3 million is associated with the expenditure savings for assistance payments, attrition, the transfer of Seriously Emotionally Disturbed program by the state and staff vacancies.

#### *Public Administrator/Public Guardian*

A net negative variance of \$0.2 million is projected for Public Administrator/Public Guardian. This is the result of \$0.2 million savings in expenditures offset by under realized revenues of \$0.4 million. The variance will be covered with local revenue.

The \$0.2 million projected savings in expenditures includes \$0.1 million in salaries and benefits due to vacant positions and \$0.1 million in other charges related to the Indigent Burial and Cremation program.

The \$0.4 million under-realized revenue is primarily due to lower estate fees as a result of the decline in estate values.

#### *Public Health Services*

A net positive variance of \$1.0 million is projected for Public Health Services. This is the result of a net expenditure savings of \$3.0 million offset by \$2.0 million in under-realized revenues.

The net positive expenditure variance of \$3.0 million includes savings of \$1.4 million in salaries and benefits due to vacant positions, \$2.6 million in services and supplies savings for various contracted services, \$0.2 million in capital asset equipment purchase, offset by an increase of \$1.2 million in support and care costs in the California Children's Services (CCS) program. The \$2.6 million net savings in services and supplies is primarily related to some Communities Putting Prevention to Work (CPPW) services and Beacon activities being rescheduled to next fiscal year, and reductions related to Public Health Emergency Preparedness activities; these savings are offset by an increase in contract costs for expanded HIV testing services.

The net negative revenue variance of \$2.0 million is due to \$4.1 million decrease in various grants and federal revenues and is offset by increases of \$2.1 million in Ryan White Care Act and HIV Prevention, Bioterrorism grant and various allocations.

#### *Regional Operations*

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

A net positive variance of \$1.5 million is projected for Regional Operations. The variance is the result of \$26.4 million in expenditure savings offset with \$24.9 million in under-realized revenue.

The positive expenditure variance of \$26.4 million includes savings of \$3.2 million in salaries and benefits due to vacant positions and \$1.2 million in miscellaneous services and supplies primarily associated with contracts, ISF charges and temporary help. Additional savings of \$22.0 million in other charges is mainly the result of revised caseload levels in CalWORKs and Child Care Stage 1.

The negative revenue variance of \$24.9 million is associated with the projected expenditure savings as discussed above.

#### *Strategic Planning and Operational Support*

A net positive variance of \$0.2 million is projected for Strategic Planning & Operational Support. This is the result of a net expenditure increase of \$4.4 million offset by \$4.6 million higher than projected revenues.

The net negative expenditure variance of \$4.4 million includes savings of \$0.7 million in salaries and benefits due to vacant positions offset by \$5.1 million increase in services and supplies. The \$5.1 million increase in services and supplies includes \$3.8 million for the Low Income Health Program (LIHP) and \$1.3 million increased miscellaneous services and supplies primarily associated with increase information and technology and postage costs. No additional appropriations are necessary since savings are available in other program areas in the department to meet these expenditures.

The net positive revenue variance of \$4.6 million includes increases of \$3.7 million in LIHP revenues associated with increased contracting cost and \$0.9 million in Social Services Administrative revenue.

### **Special Revenue Funds**

#### *Tobacco Securitization Fund*

A net positive variance of \$3.1 million is projected in the Securitized Tobacco Settlement Fund. This represents the difference between the projected annual available amount of Tobacco funds and what the Board of Supervisors has approved, based on an annual draw of \$27.5 million.

### **Special Districts Funds**

#### *Ambulance Districts*

A positive revenue variance of \$0.2 million is projected for the ambulance special district. This is due to additional revenue to be received as a result of an increase in ambulance transport fees and the implementation of new resident user fees implemented on July 2011.

## **LAND USE AND ENVIRONMENT GROUP**

### **General Fund**

#### *Agriculture, Weights & Measures (AWM)*

A positive variance of \$1.35 million is projected for the Department of Agriculture, Weights and Measures.

There is a \$0.67 million positive expenditure variance. Projected savings of \$0.5 million in salaries and benefits is mainly due to vacancies, and \$0.25 million savings in services and supplies is due to delays in completing information technology projects, which will be rebudgeted for Fiscal Year 2012-13. These savings are offset by a \$0.08 million negative variance in fixed assets for laboratory equipment and Standards Enforcement test equipment.

A positive variance of \$0.68 million in revenue is projected. This variance is due to over-realized revenue in Unclaimed Gas Tax subvention (\$0.16 million), phytosanitary certificates (\$0.29 million), fines and penalties (\$0.15 million), and other Intergovernmental Revenue (\$0.12 million) offset by a negative variance of \$0.04 million in state contracts projecting lower than budget.

### *Environmental Health*

A positive variance of \$3.9 million is projected for the Department of Environmental Health.

A positive expenditure variance of \$7.3 million is projected. Savings of \$2.6 million in salaries and benefits is due to vacancies, under-filling positions, and freezing of positions. Savings of \$4.7 million in services and supplies are related to delays in completion of the Business Case Management System (\$0.6 million) which will be rebudgeted in Fiscal Year 2012-13; delays in implementation of the Vector Habitat Remediation Program (\$2.9 million) and the East Otay Mesa Recycling Collection Center and Landfill (\$0.7 million); a reduction of media outreach (\$0.4 million) and emergency adulticide application (\$0.2 million) in the Vector Control program as a result of less than anticipated West Nile Virus occurrences in San Diego County; and various one-time projects that are not anticipated to be completed this fiscal year (\$0.3 million), but will be rebudgeted in Fiscal Year 2012-13. These savings are partially offset by an increase of \$0.4 million in unanticipated facilities maintenance and utilities costs.

A negative revenue variance of \$3.4 million is projected. This variance consists of over-realized revenue of \$0.6 million in Hazardous Materials Permit fees and \$0.8 million in Food and Housing Permit fees. This overage is offset by shortfalls of \$0.2 million in State funding due to fringe benefit and indirect cost limitations in the Radiological Health Program Revenue Agreement; \$0.6 million in Other Governmental revenue related to delays in the East Otay Mesa Recycling Collection Center and Landfill; and \$3.0 million from the Vector Control Trust Fund primarily associated with salary and benefit and services and supplies savings in the Vector Control program. Revenue is only drawn from the Vector Control Trust Fund for actual costs incurred. An additional shortfall of \$1.0 million in Recovered Expenditures related to reduced up-front costs for leasing vs. purchasing mobile inspection equipment (\$0.6 million); decreased project processing revenue based on recent trends (\$0.3 million); and one-time projects that will not be accomplished this fiscal year (\$0.1 million).

### *Land Use and Environment Group - Executive Office*

A positive variance of \$1.5 million is projected for the Land Use and Environment Group Executive Office.

A positive expenditure variance of \$1.3 million in salaries and benefits is due to vacancies and less than anticipated temporary help due to delays in the implementation of the BCMS program. Funds for these programs, which include BCMS User Acceptance Testing and applications for parcel genealogy, asset management and business intelligence, will be rebudgeted in the Fiscal Year 2012-2014 Proposed CAO Operational Plan.

A positive revenue variance of \$0.2 million is due to higher than anticipated interfund charges.



### *Planning and Land Use*

A positive variance of \$4.8 million is projected for the Department of Planning and Land Use.

A positive expenditure variance of \$6.7 million is projected. A savings of \$2.1 million is projected in salaries and benefits, mainly due to vacancies. Savings of \$4.6 million in services and supplies are due to projected savings in contracted services related to grant funded contracts and Fire Re-Build Waivers (\$0.6 million), Nuisance Abatements (\$0.2 million), Accela training (\$0.1), Zoning Ordinance Update (\$1.4 million), Greenhouse Gas Pod (\$0.3 million) and the PACE program (\$2.0 million), all of which will be rebudgeted for Fiscal Year 2012-13.

A negative revenue variance of \$1.9 million is projected related to expenditure savings of \$0.8 million due to staff vacancies, \$0.5 million in reduced building plan checks and permit fees, and \$0.5 million in reduced grant revenue offset by consultant contract savings. The remaining \$0.1 million shortfall is spread over other programs.

### *Public Works*

A positive expenditure savings of \$0.4 million is projected.

Savings in services and supplies of \$0.4 million are for one-time projects that will be rebudgeted for Fiscal Year 2012-13. These savings include \$0.15 million for Proctor Valley road vacation, \$0.1 million for the Business Case Management System, \$0.01 million for the automation of Waste Hauler state reports, and grant matches of \$0.04 million for the Integrated Regional Water Management System and \$0.1 million for the Residential Integrated Pest Management System.

## **Special Revenue Funds**

### *Park Land Dedication Ordinance*

A positive variance of \$0.9 million is projected for the Park Land Dedication Ordinance.

A positive variance of \$0.2 million in services and supplies is due to a decrease in current Park Land Dedication projects. A positive revenue variance of \$0.7 million is due to unanticipated revenue for park land dedication fees.

### *Public Works*

#### Road Fund

A positive variance of \$7.4 million is projected for the Road Fund.

A positive expenditure variance of \$10.7 million is projected. Projected savings of \$2.5 million in salaries and benefits is due to under-filling of positions, vacancies, and a reduction in cash overtime and temporary. Savings of \$7.3 million is projected in services and supplies due to revised schedules for various projects in the Detailed Work Program and a reduced number of emergency projects, resulting in consultant and construction contract savings as well as projects completed under budget. Savings of

\$0.9 million in other charges is due to lower estimates for right-of-way acquisition for detailed work program projects.

A negative revenue variance of \$3.3 million is projected. Under-realized revenue of \$2.4 million in intergovernmental revenues is due to schedule revisions in the Detailed Work Program on various revenue-offset projects, decreased consultant work on emergency projects, and completed construction of Valley Center Road Bridge under budget. Under-realized revenue of \$0.1 million in use of money and property is projected due to lower than anticipated interest on developer deposits. Under-realized revenue of \$0.1 million in licenses permits and franchises is mainly due to slow down of work on utility project. Under-realized revenue of \$3.4 million in charges for current services is due to reduced services to property owners in Land Development (\$1.4 million), reschedule of right-of-way associated with Transportation Impact Fee (TIF) funded projects as well as unanticipated change in eligibility requirements for TIF projects requiring funding swaps (\$2.6 million) and reduced work for Airport, Liquid Waste, and Inactive Waste projects (\$0.3 million) partially offset by \$0.9 million over-realized revenue for increased work for Flood Control District, Capital Outlay, Internal Service Funds and Future Improvement projects. Under-realized revenue of \$2.5 million in taxes other than current secured (TransNet) is projected and is due to a funding swap for a major project, fewer consultant services, and savings from a completed project in the Detailed Work Program. Over-realized revenue of \$4.8 million in miscellaneous revenue is due to settlement proceeds and sale of property. Over-realized revenue of \$0.4 million in other financing sources is due to the sale of Descanso road station.

#### *Inactive Waste*

No overall variance is projected for Inactive Waste.

A positive expenditure variance of \$1.1 million is projected. A projected savings of \$0.2 million in salaries and benefits is due to the under-filling of positions, reduced work schedules, and vacancies. Savings of \$0.9 million in services and supplies is projected due to a groundwater contract that is not needed in the current year.

A negative revenue variance of \$1.1 million is projected due to decreased contributions from the Environmental Trust Fund resulting from the reduced expenditures noted above and deferred revenue for Recycling expenditures, as well as from the use of money and property due to reduced rental rates and vacant landfill residential buffer properties.

### **Internal Service Funds**

#### *Public Works*

A positive variance of \$0.7 million is projected for the Public Works Operations and Equipment Acquisition Internal Service Funds (ISFs).

A positive expenditure variance of \$0.7 million is projected. Savings of \$0.6 million in other charges, depreciation expense in the ISF Acquisition Funds, is due to the removal of vehicles from fixed asset inventory in Fiscal Year 2010-11. Savings of \$0.1 million in

capital assets equipment is due to cancelled encumbrances and reduced planned purchases of equipment in the Road Fund Equipment Acquisition ISF.

No revenue variance is projected.

## **Enterprise Funds**

### *Public Works*

#### *Airport Enterprise Fund*

A positive variance of \$0.7 million is projected for the Airport Enterprise Fund.

A positive expenditure variance of \$0.4 million is projected. Savings of \$0.1 million in salaries and benefits is due to partial year vacancies and under filling positions. Savings of \$0.3 million in capital assets/land acquisition is due to various capital projects being completed under budget.

A positive revenue variance of \$0.3 million is projected. A negative variance of \$1.1 million in intergovernmental revenues is due to a slowdown in capital projects. This shortfall is partially offset by \$1.4 million in revenue from use of money and property due to one-time equity lease payment and increases in parking fees and fuel sales.

#### *Wastewater Management Fund*

A positive variance of \$0.3 million is projected in the Wastewater Management Enterprise Fund.

A positive expenditure variance of \$0.7 million is projected. Savings of \$0.4 million in salaries and benefits is due to staff vacancies and reduction in overtime. A savings of \$0.3 million in services and supplies is due to the decreased need for facility maintenance and cartographic services.

A negative revenue variance of \$0.4 million is projected and is due primarily to reduction in work for general fund departments and the San Diego County Sanitation District related to staff vacancies.

## **Special District Funds**

### *Air Pollution Control District*

A positive variance of \$1.3 million is projected for the Air Pollution Control District (APCD). APCD has nine funds: Air Pollution Control Operations Fund (Operations) and eight incentive program funds. A positive variance of \$0.5 million is projected in Operations and a \$0.8 million positive variance is projected in the incentive program funds.

A positive expenditure variance of \$10.1 million is projected. Savings of \$0.9 million in salaries and benefits is mainly due to vacancies and under-filled positions. These

savings are offset by a negative variance of \$0.2 million in services and supplies and fixed assets due to higher than anticipated facility maintenance and air monitoring equipment costs, respectively. Savings of \$9.4 million in other charges and operating transfers out is due to the inability to find eligible projects for mobile incentive programs that can be completed on time; these savings will be rebudgeted in the CAO Proposed Operational Plan Fiscal Year 2012-14.

A negative revenue variance of \$8.8 million is projected. A negative variance of \$9.6 million in intergovernmental revenue and operating transfers is related to grant revenue associated with the mobile incentive programs, of which \$9.4 million will be rebudgeted as discussed above. A negative variance of \$0.4 million in licenses, permits and fees is projected due to a lower than anticipated fee increase. These negative variances are offset by a positive variance of \$0.6 million in fines, forfeitures and penalties due to higher than anticipated revenue from fines and \$0.6 million in charges for current services due to higher than anticipated revenue for the Portable Equipment Registration Program (\$0.4 million) and recategorized emission fee revenue (\$0.2 million).

### *Public Works*

#### *Sanitation Districts*

A positive variance of \$2.7 million is projected in the Sanitation Districts.

A positive expenditure variance of \$2.2 million is projected. Savings of \$0.3 million in services and supplies is due to staff vacancies and reduced overtime in Wastewater Enterprise Fund which provides staffing for the operation and maintenance of the Sanitation Districts. Savings of \$1.9 million in capital assets is projected due to construction contracts awarded at lower cost for projects: Jamacha Pump Station, Trunk B and Old Highway 80 Sewer.

A positive revenue variance of \$0.5 million is projected. Under-realized revenue of \$0.4 million in revenue from use of money and property is due to lower than anticipated interest on deposits. Over-realized revenue of \$0.8 million in charges for current services is mainly due to the transfer of outstanding accounts receivable from the dissolved sanitation districts, and an increase in reimbursements from other government agencies for their share of costs of capital improvement projects and operations and maintenance of the sewer lines. Over-realized revenue of \$0.1 million is due to discharge permit fee and recovered expenditures from a private company for sewer relocation, and a private insurance claim reimbursement.

## **COMMUNITY SERVICES GROUP (CSG)**

### **General Fund**

#### *Community Services Group Executive Office*

A positive variance of \$3.7 million is projected for the Community Services Group Executive Office. The favorable expenditure variance of \$3.4 million is due to \$0.1

million in salaries and benefits as a result of staff vacancy, and a year-end balance of \$3.3 million in Management Reserves, which are held in the Group Executive Office for departments' operating contingencies during the year. A favorable revenue variance of \$0.3 million is projected due to unanticipated revenue from the settlement of litigation.

#### *Housing and Community Development Department*

A positive variance of \$0.6 million is projected for the Housing and Community Development (HCD) Department. The department is composed of two major activities, Housing and Community Development, which contains staff and operations, and Housing and Community Development Multi-Year Projects, which are funded through inter-governmental (mainly Federal) loans and grants for community development and affordable housing projects.

#### *Housing and Community Development (Operations)*

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

A positive expenditure variance of \$1.7 million includes anticipated savings of \$0.6 million in salaries and benefits due to vacancies from employee turnover and two positions held vacant, and \$1.1 million in services and supplies. The positive variance in services and supplies is due to the postponement of data automation projects, including the Community Development division Documentum project (\$0.3 million, which is rebudgeted in the CAO Proposed Fiscal Year 12-13 Operational Plan), paper file conversion of Section 8 active participant files currently stored in Iron Mountain (\$0.2 million), IT application upgrades (\$0.3 million) and savings in various accounts such as vehicle maintenance costs and environmental study services cost (\$0.3 million).

A negative revenue variance of \$1.1 million is projected and is tied to the expenditure savings in salaries and benefits and various services and supplies as noted above, resulting in decreased costs recovered.

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

No variance is projected for HCD Multi-Year Projects. The positive expenditure variance of \$12.6 million is offset by a projected negative revenue variance of \$12.6 million. Community Development projects eligible to receive funding are budgeted to facilitate the multi-year project cost expenditure request process. Revenues are projected to equal expenses as project costs are 100% revenue offset.

#### *Registrar of Voters*

A positive variance of \$7.5 million is projected for the Registrar of Voters.

A positive expenditure variance of \$9.9 million is due to savings of \$2.4 million in salaries and benefits, \$7.4 million in services and supplies and \$0.1 million in fixed assets acquisition. The positive variance in salaries and benefits is due to staff turnover and vacancies, as well as the consolidation of the February 7, 2012 Presidential Primary Election with the June 5, 2012 Presidential Direct Primary Election. The

positive variance in services and supplies is a result of the consolidation of these elections and reduced grant related expenditure for the purchase of American Disability Act (ADA) voting booths. The positive variance in fixed assets acquisition is a result of reduced expenditure for the purchase of the mail ballot processing equipment.

A negative revenue variance of \$2.4 million is due to under-realized revenue of \$2.9 million in Help America Vote Act (HAVA) grant revenue that is directly tied to the expenditure savings stated above for the purchase of ADA voting booths. In addition, projected over-realized revenue of \$0.5 million is due to the unanticipated number of billable petitions received this fiscal year.

Both the grant-related expenditure for voting booths and the related HAVA grant revenue will be proposed to be rebudgeted in the Fiscal Year 2012-13 CAO Proposed Operational Plan.

### **Special Revenue Funds**

#### *San Diego County Library*

A positive variance of \$2.0 million is projected for the San Diego County Library.

A positive expenditure variance of \$2.8 million is projected. This variance is a result of savings of \$0.8 million in salaries and benefits from anticipated vacated positions and holding vacancies. Projected savings in services and supplies of \$1.0 million is due to savings in tuition refunds due to inactivity in Public Library Staff Education Program (PLSEP) (\$0.1 million), savings in network services and IT maintenance and support (\$0.3 million), delays in discretionary maintenance projects (\$0.3 million), utilities (\$0.2 million) and interdepartmental expense (\$0.1 million) based on 3rd quarter spending and past history, and \$1.0 million in management reserves which are appropriated for operating contingencies.

A negative revenue variance of \$0.8 million is projected. This variance is due to anticipated shortfalls of \$0.2 million in current year property tax revenues, \$0.4 million in public printing and other library services, and \$0.2 million in under-realized donations.

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

#### *Facilities Management ISF*

No overall variance is projected for the Facilities Management ISF.

A positive variance of \$4.5 million in expenses is projected. Savings of \$0.8 million in salaries and benefits is primarily due to modified positions and staff vacancies. Projected savings in services and supplies of \$3.7 million is due to a reduction in anticipated contract costs (\$1.0 million), anticipated savings in utilities due to energy-efficiency upgrades and lower-than-anticipated utility rates (\$1.7 million), postage (\$0.6 million), and project management costs (\$0.4 million).

A negative revenue variance of \$4.5 million is projected. A projected negative variance in charges for current services (\$4.2 million) and other financing (\$1.6 million) is due to less-than-anticipated utilities (\$2.2 million), and contracted service requirements (\$2.0 million) in the General Fund. The variance in other financing (operating transfers in) is due to delays in commencing new projects in the Major Maintenance ISF. The shortfall in revenue is offset by over-realized revenue of \$0.9 million due to reimbursements from the Energy Efficiency Trust Fund for conservation efforts (\$0.3 million) and intergovernmental revenues (\$0.6 million) including reimbursement of services provided to State Trial Courts.

#### *Major Maintenance ISF*

No overall variance is projected for Major Maintenance ISF.

A positive variance of \$12.5 million in expenses is projected. Anticipated savings of \$10.9 million in services and supplies and \$1.6 million in operating transfer out is due to delays in commencing new projects. Since costs incurred in this fund are reimbursed by operating departments, these project delays will result in projected negative revenue variance of \$12.5 million in charges for current services and state grant revenues.

#### *Fleet Management ISF*

A positive variance of \$0.5 million is projected for Fleet Management ISF.

A positive variance of \$8.4 million in expenses is due to anticipated savings of \$0.1 million in salaries and benefits primarily associated with modified and vacant positions, \$0.8 million is projected in other charges, \$7.5 million in capital assets due to less-than-anticipated purchases for replacement vehicles, and \$0.1 million in unspent reserves offset by a negative variance of \$0.1 million in services and supplies.

A negative revenue variance of \$7.9 million is due primarily to unrealized revenue of \$7.0 million for current services due to lower-than-anticipated acquisition of vehicles, \$0.4 million in lower interest earnings based on current interest rates and cash balances in the Fleet Management Internal Service Fund, and by \$0.5 million due to loss on sale of fixed assets.

#### *Purchasing and Contracting*

A positive variance of \$0.2 million is projected for the Purchasing and Contracting ISF.

A positive expenditure variance of \$0.6 million is projected. Savings of \$0.4 million in salaries and benefits from vacancies and \$0.2 million in services and supplies due to unanticipated progress delay of the Contract Publishing and Electronic Response to RFP projects, which will be rebudgeted in Fiscal Year 12-13

A negative revenue variance of \$0.4 million is projected due to continuing reduced trend in countywide overall spending (\$0.6 million) and delays in one time system enhancement projects (\$0.2 million), partially offset by unanticipated rebate revenue from County vendors of \$0.4 million.

## Other County Funds



### *County of San Diego Redevelopment Agency/County Successor Agency*

Effective February 1, 2012, all redevelopment agencies in California were dissolved and their assets and obligations were transferred to the County of San Diego as Successor Agency. Any budgetary variances as of that date were also transferred. Resources of the former County Redevelopment Agency or the County Successor Agency are not available for County use.

## FINANCE AND GENERAL GOVERNMENT GROUP

### General Fund

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

A net positive variance of \$0.9 million is projected for the Assessor/Recorder/County Clerk.

A positive expenditure variance of \$2.9 million is projected. Salaries and benefits savings of \$1.6 million are projected due to staff vacancies (\$0.8 million), unspent one-time appropriations (\$0.8 million) for temporary labor and overtime costs relating to implementation of the integrated recording/vital records system. The delay in one-time projects relating to implementation of the integrated recording/vital records system is also projected to generate savings of \$1.2 million in services and supplies and \$0.1 million in fixed assets. Of the \$2.9 million in expenditure savings, \$2.0 million is proposed to be rebudgeted in the CAO Proposed Operational Plan Fiscal Year 2012-14 for one-time project costs.

A negative revenue variance of \$2.0 million is due the delay in trust fund reimbursement for one-time projects mentioned above.

#### *Auditor and Controller*

A positive variance of \$1.3 million is projected for the Auditor and Controller in salaries and benefits due to staff vacancies and under-filled positions.

#### *Clerk of the Board of Supervisors*

A positive revenue variance of \$0.5 million is projected for the Clerk of the Board of Supervisors due to over-realized passport application fee revenue.

#### *County Communications Office*

A positive variance of \$0.2 million is projected for the County Communications Office.

A positive expenditure variance of \$0.3 million is projected. Services and supplies savings of \$0.1 million are due to anticipated savings in the Professional and Specialized Services account. Savings of \$0.1 million in Capital Assets Equipment are primarily due to reduced expenditures for Public, Educational and Government (PEG)



Access equipment. Savings of \$0.1 million in Expenditure Transfers & Reimbursements are a result of increased expenditure transfers associated with work performed for the Health and Human Services Agency.

A negative revenue variance of \$0.1 million is projected due to PEG revenue reimbursement that will not be realized as a result of the reduced PEG expenditures noted above.

#### *County Counsel*

A net positive variance of \$0.4 million is projected for the Office of County Counsel.

A net positive expenditure variance of \$0.2 million is projected. A \$0.2 million savings in salaries and benefits is projected primarily due to unanticipated staff retirements and departures, as well as a delay in backfilling positions.

A net positive variance of \$0.2 million in revenue is projected due primarily to increases in Road Fund liability work, Integrated Property Tax Services project workloads and Air Pollution Control District matters.

#### *County Technology Office*

A positive expenditure variance of \$0.7 million is projected in the County Technology Office.

The positive variance is due to a reduction in encumbrances for professional and specialized services that are being paid by another department (\$0.4 million), savings in virtual server environment costs (\$0.2 million), and savings in project consulting services (\$0.1 million).

#### *Human Resources*

A net positive variance of \$1.1 million is projected for the Department of Human Resources.

A positive expenditure variance of \$1.2 million is projected. Salaries and benefits savings of \$0.5 million are primarily due to staff turnover and vacant positions. A positive variance of \$0.7 million in services and supplies is due to positive claims experience associated with the County's insurance policies, projected lower spending levels for certain benefits contracts, and lower than anticipated workers' compensation administration costs for the Employee Benefits Internal Service Fund.

A negative revenue variance of \$0.1 million is projected primarily due to less than expected reimbursement from the Employee Benefits Internal Service Fund for workers' compensation administration costs.

#### *Treasurer-Tax Collector*

A positive variance of \$0.4 million is projected for the Treasurer-Tax Collector.

A positive expenditure variance of \$0.6 million is projected, including \$0.4 million in salaries and benefits due to vacancies and staff turnover and \$0.2 million in services and supplies due to departmental cost savings through improved efficiencies.

A negative revenue variance of \$0.2 million is projected primarily due to unrealized revenue for Other Assessments/Tax Collection. Additional system development requirements that are necessary to implement fee revisions approved by the Board of Supervisors in the prior fiscal year will take effect in the beginning of Fiscal Year 2012-13.

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

A positive variance of \$82.2 million is projected for these two categories combined, comprised of an estimated additional \$8.0 million in General Purpose Revenue (GPR) compared to budget (\$972.4 million projected vs. \$964.4 million budgeted) and a \$74.2 million net positive variance in General County Expense activities. Moreover, it is important to note that the projected amount of \$972.4 million is \$2.2 million below the actual GPR received in Fiscal Year 2010-11 (\$974.6 million), it is \$10.9 million below the actual GPR received in Fiscal Year 2009-10 (\$983.3 million), \$48.0 million below the actual GPR received in Fiscal Year 2008-09 (\$1.02 billion), and \$17.5 million below the actual for Fiscal Year 2007-08 (\$989.9 million).

### General Purpose Revenue

The U.S. economy is still continuing to recover from the deep recession that began in December 2007 and ended in June 2009. The national recession, 2008 credit crises, and negative trends in the financial markets, housing and construction, and consumer and business to business sales continued to impact San Diego and the rest of Southern California in 2009, 2010 and 2011. The County's GPR, particularly revenue related to property transactions, has been impacted by these conditions. Property tax revenues, including current secured, current supplemental and prior year supplemental, felt the impact of declining assessed values and weak construction activity. Fiscal Year 2010-11 showed marginal improvement in supplemental activity, and this very gradual improvement has continued through three quarters in Fiscal Year 2011-12. Sales and Use Tax revenue, although a smaller percentage of the County's GPR, was impacted substantially by the year over year decline in retail sales activity. In 2010, sales and use tax revenue showed signs of recovery with year-over-year quarterly increases in all four quarters. This improvement continued through all of 2011. Further, the county's diverse economic base and the area's population growth are seen as positive influences that will help stabilize locally generated general purpose revenue funding sources. For Fiscal Year 2011-12, the economic news continues to improve gradually. Several economic trends are summarized below followed by a discussion by revenue account of significant variances from budget:

- San Diego's monthly average unemployment rate for the 12 month period between March 2011 and February 2012 was 9.8%, with a February 2012 rate of 9.3%. This

compares to a State of California average unemployment rate of 11.6% for the same 12 month period, with a February 2012 rate of 11.4%.

- Unadjusted local point of sales tax revenues improved by 9.6% for the January through December 2011 period in the unincorporated area compared to the same time period in 2010. For that same time period, sales tax revenues improved at the statewide level by an estimated 8.7%, southern California region by 8.2% and San Diego regional level by 7.6%. This increase is attributed to the continuing overall recovery, which supports various economists' projections of a gradual recovery beginning in 2010 and continuing in 2011 and 2012.
- There are mixed signals in the housing market in the County:
  1. Improvement in deeds recorded (up 17.8% for January through March 2012 compared to the same time period for 2011);
  2. Decline in median housing prices (down 1.0% in the San Diego region for February 2012 compared to February 2011);
  3. Increase in the number of homes sold for January through February 2012 compared to January through February 2011 (San Diego region up 10.7%);
  4. Improvement in notices of default (17.8% fewer for January through March 2012 compared to the same time period for 2011);
  5. Improvement in foreclosure activity (the number of foreclosures has decreased 28.6% for January through March 2012 compared to the same time period for 2011).

#### *Current Property Taxes – All Categories*

The three categories of Current Property Taxes combined are estimated to show a net negative variance to budget of \$2.2 million.

- *Property Taxes - Current Secured*  
Current Secured Property Taxes are projected to be a net \$3.2 million lower than budget. Several factors play a part in the overall projection. The largest component leading to the lower than budgeted projection is due to roll corrections and refunds in the third quarter being projected to be significantly higher than the assumption used in preparing the budget. This change is based on an assessment of year-end activity and information available through apportionment nine leading to the projection of refunds and corrections close to the Fiscal Year 2010-11 level with an estimated \$19.0 million in adjustments compared to a budgeted amount of \$5.8 million.

Offsetting a portion of the negative adjustment is the actual improvement in local secured assessed value. The budgeted current secured property taxes assumed a local secured assessed value decline of 0.5%, but the actual assessed value (AV) actually improved by 0.46%. (Note: The 0.46% growth rate stated above represents the change in the AV for only the secured roll. This is different than the countywide overall decline published by the Assessor/Recorder/County Clerk on June 29, 2011 of 0.51%, which includes all assessed value components - secured and unsecured). In addition, delinquency rates are anticipated to be better than budget based on Fiscal Year 2010-11 year-end experience and year-

to-date trends. Further, the annual determination of the AB8 factor for property tax apportionment for all taxing entities in the county has been finalized and it shows a marginal improvement in the share of property taxes for the County's general fund compared to the budgeted factor.

- *Property Taxes - Current Supplemental*  
Current Supplemental Property Taxes are projected to be \$1.4 million higher than the \$1.9 million that was budgeted. This projection is based on charges and collections through apportionment nine and estimates related to new construction and anticipated low turnover rates through Fiscal Year 2011-12. In Fiscal Year 2010-11, these revenues totaled \$3.9 million. The highest amount recorded in this account was \$31.0 million in Fiscal Year 2004-05.
- *Property Taxes - Current Unsecured*  
Current Unsecured Property Taxes are projected to be \$0.4 million below budget. At the time the budget was prepared, current unsecured property tax revenues were calculated using the assumption that the current unsecured roll would be flat. However, the current unsecured roll actually declined by 2.1%. Unlike the secured roll, the unsecured roll does not build on a prior year base.

#### *Taxes Other Than Current Secured*

Taxes Other Than Current Secured are anticipated to be \$7.6 million above budget.

- *Property Tax Prior Secured*  
A negative revenue variance of \$0.4 million is estimated for Property Tax Prior Secured based on outstanding open charges, year-to-date collections, various adjustments and recent trends.
- *Other Tax Aircraft Unsecured*  
A negative revenue variance of approximately \$1.0 million is estimated for Other Tax Aircraft Unsecured based on outstanding open charges, year-to-date collections, and recent trends.
- *Real Property Transfer Taxes*  
A positive revenue variance of \$0.4 million is estimated for Real Property Transfer Taxes based on realized revenues for the first nine months of Fiscal Year 2011-12 as well as data regarding current year change in ownership and the anticipated level of new construction.
- *Sales and Use Tax*  
A positive revenue variance of \$2.2 million is projected for Sales and Use Tax revenue based on better than expected Fiscal Year 2010-11 year-end actuals compared to Fiscal Year 2011-12 budgeted revenues, payments from the State through April 2012, and cautious estimates for anticipated revenue growth through the balance of Fiscal Year 2011-12.

- *Teeter Tax Reserve Excess*

The Teeter Tax Reserve Excess is estimated to be approximately \$7.6 million above the \$19.0 million budgeted, based on current penalty and interest collections and available data on the outstanding receivables and projections through the end of the fiscal year.

This estimate is also based on a review of total reserves available to meet the Revenue and Taxation Code requirement of maintaining a reserve of not less than 25% of the total teetered delinquent secured taxes and assessments (R&T section 4703.2). The 2011 Teeter buy-out of \$58.4 million was lower than the 2010 Teeter buy-out of \$88.8 million. The 2009 Teeter buy-out amount was \$122.8 million. For Fiscal Year 2011-12, the reserve requirement is \$14.6 million, a \$7.6 million decrease from the Fiscal Year 2010-11 requirement of \$22.2 million. This represents additional revenue not previously anticipated in the budget. Moreover, all penalty and interest collections in Fiscal Year 2011-12 will be in excess of the reserve requirement resulting in a one-time revenue surplus.

Projections for the first and second quarters included a positive adjustment of \$2.0 million in collections based on the trends that we were experiencing in Fiscal Year 2010-11 and anticipated would continue in Fiscal Year 2011-12. Through apportionment nine in Fiscal Year 2011-12 and based on the outlook for the balance of the year, these collection trends have slowed. The positive projection of \$7.6 million therefore anticipates collections coming in at budget and includes a one-time adjustment of \$7.6 million related to the decrease in the reserve requirement in Fiscal Year 2011-12.

- *Property Tax in Lieu of VLF*

Property Tax in Lieu of Vehicle License Fees (VLF) is projected to be \$2.4 million above the budgeted amount of \$302.2 million. The actual assessed value adjustment factor of 0.33% (which includes unsecured, local secured, current State non-unitary, and aircraft property tax components) for Fiscal Year 2011-12 is 0.81% better than the adjustment rate used to calculate the budgeted revenue (negative 0.48%).

- *Teeter Property Tax Prior Year and Cumulative Prior Years*

A negative revenue variance of \$3.6 million is projected for collections from taxes receivable from the prior fiscal years because the delinquency rate in Fiscal Year 2010-11 was less than what was anticipated at the time the Fiscal Year 2011-12 budget was developed. The delinquency rate changes have led to continued declines in the Teeter buyout outlined in the Teeter Tax Reserve Excess above. Moreover, collection trends through apportionment nine have not improved and are lower than what was estimated in the budget. These trends are anticipated to continue through the end of the fiscal year. Taxes paid after the fiscal year in which they are due are subject to both penalty and interest charges.

### *Licenses, Permits, and Franchises*

Franchise payments are projected to be approximately \$0.1 million below budget.

Beginning in Fiscal Year 2009-10, the restructured cable and video licenses have been budgeted in General Purpose Revenue rather than in the Cable TV Media and Public Relations Special Revenue Fund, which was dissolved. Based on a review of current revenues and projected revenues through year-end, cable and video licenses are expected to exceed the budgeted figure by \$0.3 million.

This increase is offset by an approximately \$0.4 million decrease in franchise payments related to a drop in revenue from municipal surcharges.

### *Fines, Forfeitures and Penalties*

A negative variance of \$1.0 million is projected. Penalties and Cost Delinquency Taxes are projected to be approximately \$0.8 million below budget. Revenues in this account reflect the 10% penalty that is assessed on late current secured and unsecured property tax payments. A significant reason for the lower than budgeted revenues is the lower than expected delinquency rate as noted above in the paragraph regarding current secured property taxes. The lower than budgeted projection is also based on the current outstanding open charges and current collection trends through apportionment nine. In addition, other fees and fines are anticipated to be approximately \$0.2 million below budget based on current receipts and anticipated collections through year-end.

### *Revenue from Use of Money and Property*

A negative variance of approximately \$3.1 million is projected. The first and second quarter interest rates were lower than what was estimated in the budget and the projected interest rate outlook for the balance of the fiscal year is anticipated to remain lower than what was budgeted. In addition, the premium amount received on the 2011 TRAN borrowing was \$1.4 million lower than what was received on the larger 2010 TRAN borrowing.

### *Intergovernmental Revenues*

A positive variance of \$6.8 million is projected for intergovernmental revenues.

In July 2011, the State Controller's Office issued back payments for Vehicle License Fee Collection in Excess per R&T section 11001.5 2 b 1 for Fiscal Years 2006-07, 2007-08, 2008-09, and 2009-10. The County's share was \$5.5 million. Then in September 2011, the State Controller's Office issued the payment for Fiscal Year 2010-11, and the County's share was \$1.3 million. These payments were not budgeted. Although the funds had been on deposit in the State Treasury, no information had been provided as to the annual amounts in excess or timing of when these outstanding payments would be made.

## General County Expenses

### *Cash Borrowing Program*

A positive expenditure variance of \$6.5 million is projected. The one-time savings is due to lower borrowing costs associated with the issuance of the Tax and Revenue Anticipation Note (TRAN). The current low interest rate environment and the County's strong credit rating contributed to the lower cost of borrowing. The County's higher than expected year-end cash balance resulted in lower than anticipated amount to be borrowed for Fiscal Year 2011-12 which resulted in a lower than anticipated size of the TRAN. At the time the Fiscal Year 2011-12 budget was prepared, the size and terms of the TRAN borrowing had not been finalized.

### *Contingency Reserve*

The entire \$20.0 million budgeted in the Contingency Reserve in Fiscal Year 2011-12 is expected to be unspent at year-end.

### *Countywide General Expense*

A net positive variance of \$46.8 million is projected in Countywide General Expense.

A positive expenditure variance of \$30.8 million is projected. Savings of \$25.5 million is due to the appropriation of funds in Fiscal Year 2011-12 for "Pension Stabilization" in anticipation of significantly higher County payments to the retirement fund in future years as a result of the market losses experienced by the retirement fund in Fiscal year 2008-09. An additional \$5.0 million in other charges is expected to be unspent at year end and \$0.3 million is due to savings associated with the completion of major maintenance project COC Annex, HAVAC upgrade.

A positive revenue variance of \$16.0 million is projected due to unanticipated revenue of \$15.0 million from a case settlement with SDG&E and \$1.0 million of over realized revenue pertaining to A-87 Cost Plan reimbursement from various County departments.

### *Lease Payments*

A positive variance of \$0.3 million is projected from savings in lease payments made for the following financings; 1993 Master Refunding, 2005 North and East County Justice Facilities Refunding, 2009 Justice Facilities Refunding, and 2011 MTS Tower Refunding. Total lease payments were lower than budgeted for these financings due to interest credits being higher than anticipated, thereby reducing the net expense.

### *Contribution to Capital Program*

A net positive variance of \$0.6 million is projected for Contributions to Capital Projects is due to reduced General Fund contributions needed for various capital projects which are anticipated to be completed below their budgeted cost in the Capital Outlay Fund (\$0.5 million) and the Library Projects Capital Outlay Fund (\$0.2 million).

## **Debt Service Funds**

### *Pension Obligation Bonds (POBs)*

A positive revenue variance of \$0.4 million is projected for the fund due to greater than anticipated revenue resulting from charges to departments for the annual taxable pension obligation bond payment.

## **Capital Program Funds**

### *Edgemoor Development Fund*

A positive variance of \$16.2 million is projected for the Edgemoor Development Fund.

A positive variance in expenditures of \$0.2 million is projected due to lower than anticipated costs related to services and supplies. A \$16.0 million positive variance in revenues is projected due to receipt of \$10.6 million related to Senate Bill (SB) 1128 reimbursement for facility construction originally anticipated during the previous fiscal year, and \$5.4 million of unanticipated lawsuit settlement revenues. These funds along with proceeds from the sale of land surrounding Edgemoor will be used to make the annual principal and interest payment on the 2005 Edgemoor Certificates of Participation.

## **Internal Service Funds**

### *Public Liability Internal Service Fund*

A positive revenue variance of \$2.8 million is projected for the Public Liability Internal Service Fund due to several unanticipated favorable litigation settlements.

### *Employee Benefits Internal Service Fund*

A positive variance of \$0.8 million is projected for the Employee Benefits Internal Service Fund, which consists of workers' compensation and unemployment insurance activities.

A positive variance of \$0.8 million is projected due to expenditure savings of \$0.8 million in claim costs that are expected to be unspent at year-end in the Unemployment Insurance program.





# COUNTY OF SAN DIEGO

## AGENDA ITEM

### BOARD OF SUPERVISORS

GREG COX  
First District

DIANNE JACOB  
Second District

PAM SLATER-PRICE  
Third District

RON ROBERTS  
Fourth District

BILL HORN  
Fifth District

**DATE:** May 8, 2012

##

**TO:** Board of Directors, San Diego County Sanitation District

**SUBJECT:** FISCAL YEAR 2011-12 THIRD QUARTER OPERATIONAL PLAN  
STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICT: ALL)

### SUMMARY:

#### Overview

This letter recommends a budget adjustment in the San Diego County Sanitation District to transfer appropriations in various capital projects to services and supplies for costs related to flow monitoring and environmental post mitigation services.

#### Recommendation(s)

##### CHIEF ADMINISTRATIVE OFFICER

Amend the San Diego County Sanitation District Fund by transferring appropriations of \$555,211.34 from capital projects Alpine Flow Monitoring System (\$39,395.09), Lakeside Flow Monitoring System (\$151,171.29), Spring Valley Flow Monitoring System (\$353,909.01), Los Coches Creek MHs 1-7 (2,873.45), and Spring Valley Outfall 33-35 (\$7,862.50) to services and supplies to properly classify flow monitoring and environmental post mitigation contracted services for these projects. |

#### Fiscal Impact

Funds for this request are included in the Fiscal Year 2011-12 Operational Plan in the San Diego County Sanitation District Fund. If approved, this request will result in no additional costs or revenue in Fiscal Year 2011-12. The recommendation requests the transfer of appropriations from various capital projects to services and supplies.

#### Business Impact Statement

N/A

#### Advisory Board Statement

N/A

### BACKGROUND:

This recommendation transfers appropriations of \$555,211.34 within the San Diego County Sanitation District Fund from capital projects to services and supplies to correctly classify the expenditures related to sewer flow monitoring and environmental post mitigation efforts. Alpine

**SUBJECT:** FISCAL YEAR 2011-12 THIRD QUARTER OPERATIONAL PLAN STATUS  
REPORT AND BUDGET ADJUSTMENTS (DISTRICT: ALL)

Flow Monitoring System (\$39,395.09), Lakeside Flow Monitoring System (\$151,171.29), and Spring Valley Flow Monitoring System (\$353,909.01) are flow monitoring system projects that require ongoing service contracts. Los Coches Creek MHs 1-7 (2,873.45) and Spring Valley Outfall 33-35 (\$7,862.50) are completed projects that require re-vegetation to satisfy environmental permit requirements. This is a technical adjustment to correctly classify the ongoing costs related to these capital projects.

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

The County of San Diego is fully committed to using its resources to meet the highest priority needs of its residents as identified in the Fiscal Year 2011-2012 Operational Plan and outlined by our three Strategic Initiatives – Kids, the Environment and Safe and Livable Communities

Respectfully submitted,

WALTER F. EKARD  
Chief Administrative Officer

**ATTACHMENT(S)**

N/A

**SUBJECT:** FISCAL YEAR 2011-12 THIRD QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICT: 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 6, 2011, Fiscal Year 2011-12 First Quarter Operational Plan Status Report and Budget Adjustments

**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:** Chief Financial Officer

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

**CONTACT PERSON(S):**

Donald F. Steuer, Chief Financial Officer

Ebony N. Shelton, Director, Office of Financial Planning

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