

County of San Diego

Finance Other

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Finance Other

Description

Finance Other includes funds and programs that are predominantly Countywide in nature, have no staffing associated with them or exist for proper budgetary accounting purposes. Responsibility for these funds and programs rests primarily with departments in the Finance and General Government Group.

The funding levels for these programs are explained below and shown in the table that follows.

Cash Borrowing

These appropriations fund the cost of financing the County's short-term cash borrowing program. During the course of the fiscal year, the County could experience temporary shortfalls in available cash due to the timing of expenditures and receipt of revenues. To meet these cash flow needs, the County issues Tax and Revenue Anticipation Notes (TRANs) as needed. Typically, TRANs are issued at the beginning of the fiscal year and mature at the end of that fiscal year. See also the section of this document on Debt Management Policies and Obligations.

Community Enhancement

The Community Enhancement program provides grant funding for cultural activities, museums, visitor and convention bureaus, economic development councils and other similar institutions that promote and generate tourism and/or economic development at the regional and community levels throughout San Diego County. Per Board of Supervisors Policy B-58, *Funding of the Community Enhancement Program*, the amount of funding available for the Community Enhancement program approximately equals the amount of Transient Occupancy Tax (TOT) revenues estimated to be collected each fiscal year. Applications for grants are submitted to the Board of Supervisors by March 1 for the upcoming fiscal year, with approval of projects given through the budget adoption process. The funding level for Fiscal Year 2016–17 is budgeted at \$4.89 million, \$3.8 million of which reflects anticipated TOT revenues. The additional \$1.07 million is a one-time appropriation based on General Fund fund balance from over-realized TOT revenues in Fiscal Year 2014–15 and \$0.02 million is rebudgeted based on Fiscal Year 2015-16 returned funds.

Neighborhood Reinvestment Program

The Neighborhood Reinvestment Program is governed by Board of Supervisors Policy B-72, *Neighborhood Reinvestment Program*, and provides grant funds to County departments, public



agencies, and nonprofit community organizations for one-time community, social, environmental, educational, cultural or recreational needs. Resources available for the program are subject to budget priorities as established by the Board of Supervisors. Recommendations for grant awards are made throughout the year by individual Board members subject to approval by the Board of Supervisors as a whole. The funding source is General Fund fund balance. The funding level for Fiscal Year 2016–17 is budgeted at \$10.0 million.

Contributions to County Library System

No appropriations are budgeted for Fiscal Years 2016–17 and 2017–18.

Contingency Reserve: General Fund

A Contingency Reserve of \$22.7 million is budgeted for Fiscal Year 2016–17 and \$23.2 million for Fiscal Year 2017–18. These appropriations comply with the target of 2% of General Purpose Revenue (GPR) for the Contingency Reserve as outlined in the Code of Administrative Ordinance Sec. 113.1, *Fund Balances and Reserves*. At \$22.7 million and \$23.2 million, the Contingency Reserve represents 2.0% of the Fiscal Year 2016–17 budgeted GPR of \$1.13 billion and Fiscal Year 2017–18 estimated GPR of \$1.16 billion respectively. These appropriations are a source of funding for unanticipated needs, events or for various uncertainties that may occur during the fiscal year. It also provides a cushion in the event of revenue shortfalls.

Contributions to Capital Program

These appropriations represent the General Fund cost for new or augmented capital development or land acquisition projects. For Fiscal Year 2016–17, \$88.0 million is budgeted in the Contributions to Capital Program. Of this total, \$15.9 million is for South County Animal Shelter (Bonita) Phase I, \$10.0 million is for the acquisition of land under the Multiple Species Conservation Pro-

gram (MSCP), \$7.0 million is for 4S Ranch Library Expansion, \$5.0 million is for contributions to the Edgemoor Development Fund, \$4.1 million is for the Assessor/Recorder/County Clerk's East County Operations and Archive, \$1.3 million is for Lakeside Library Land Acquisition, \$1.0 million is for Lindo Lake Improvements, \$0.4 million is for Tijuana River Valley Well and Water Distribution, \$0.4 million is for Lakeside Equestrian Facility and \$43.0 million is for future capital projects.

For Fiscal Year 2017–18, \$53.1 million is budgeted for MSCP land acquisition and future capital projects.

Lease Payments: Capital Projects

The appropriations for this program are for the annual lease payments due to the San Diego County Capital Asset Leasing Corporation (SANCAL) and the San Diego Regional Building Authority (SDRBA) on the County's outstanding Certificates of Participation (COPs) and Lease Revenue Bonds, the proceeds of which were used to finance various capital projects. The budget of \$31.1 million in Fiscal Year 2016–17 is a net decrease of \$4.2 million from the Fiscal Year 2015–16 Adopted Operational Plan as a result of decreases in certain scheduled leases. In accordance with Board of Supervisors Policy B-65, *Long-Term Financial Management Policy*, these savings have been reinvested to support increased retirement contributions in Fiscal Year 2016-17.

The Fiscal Year 2017–18 payments are estimated at \$31.3 million, a net increase of \$0.2 million.

Countywide General Expenses

The primary objective of these appropriations is to fund Countywide projects and other Countywide needs. Budgeted at \$172.9 million, the major components of the Countywide General Expenses program in Fiscal Year 2016–17 are:

- ◆ The establishment of a \$100.0 million fund balance commitment to support debt service costs of existing Pension Obligation Bonds (POBs). This fund balance commitment will serve as an alternative funding source for a portion of existing POB costs currently supported by General Purpose Revenue. Portions of this fund balance commitment will be appropriated over a ten year period until the \$100.0 million is exhausted, through final maturity of the POBs, beginning in Fiscal Year 2017–18.
- ◆ A Pension Stabilization Fund in anticipation of higher payments to the County's retirement fund in future years.
- ◆ Contribution to the Information Technology (IT) Internal Service Fund to support the Countywide component of the IT outsourcing contract.
- ◆ Contribution to the Employee Benefits Internal Service Fund to support workers' compensation costs based on the transfer

settlement between the County and the State for pre-calendar year 2000 workers' compensation cases for court employees.

- ◆ Pension payments required by the County Employees Retirement Law that must be paid by the County in accordance with Internal Revenue Code §415(m).
- ◆ Miscellaneous appropriations for unanticipated program needs.

Countywide Shared Major Maintenance

In Fiscal Year 2016–17, appropriations totaling \$2.0 million are budgeted for major maintenance projects at County facilities that are shared by departments from multiple groups. The funding level for Fiscal Year 2017–18 is also budgeted to be \$2.0 million. Appropriations for major maintenance projects are otherwise budgeted by the department/group that directly benefits from the improvements.

Employee Benefits Internal Service Fund

In Fiscal Year 1994–95, the County established an Employee Benefits Internal Service Fund (ISF) to report all of its employee risk management activities. The appropriations for this fund support claim payments and administrative costs of the County's self-insured workers' compensation program and unemployment insurance program expenses.

Workers' compensation rates (premiums) are charged to individual departments based on that department's ten-year experience (claim history) and the department's risk factor based on its blend of occupational groups as established by the Workers' Compensation Insurance Rating Bureau (WCIRB) of California. WCIRB has developed a classification system based on potential risk of injury. An annual actuarial assessment is prepared by an actuary to estimate the liability and capture the costs associated with all reported and unreported claims. As of June 30, 2015, the estimated liability was \$166.9 million and the cash balance was \$127.1 million. The liability is estimated to increase June 30, 2016 to \$175.3 million and the cash balance as of June 30, 2016 is \$139.3 million. Appropriations in the workers' compensation budget for Fiscal Year 2016–17 increase by \$1.2 million from the Fiscal Year 2015–16 Adopted Operational Plan primarily due to an increase in the claims payments. A \$5.0 million Contingency Reserve is budgeted for Fiscal Year 2016–17 and 2017–18.

The County is self-insured for unemployment benefit costs and therefore must reimburse the State for any unemployment benefit payments that are attributed to a claimant's previous employment with the County. County departments provide the funding source for these payments. Unemployment insurance rates (premiums) are charged to departments based on 80% of each department's ten-year claims experience and 20% on budgeted staffing levels. Budgeted appropriations for Fiscal Year 2016–17 reflect a \$0.2 million increase from the Fiscal Year 2015–16 Adopted Operational Plan, primarily due to increased claims payment.



Local Agency Formation Commission Administration

These appropriations reflect the County’s contribution to the San Diego Local Agency Formation Commission (LAFCo) in accordance with provisions in Government Code §56381. LAFCo is a State chartered regulatory agency with countywide authority. LAFCo performs studies and renders jurisdictional decisions affecting the boundaries and government structure of cities and special districts. Through Fiscal Year 2000–01, LAFCo was funded exclusively by the County and user fees. Beginning with Fiscal Year 2001–02, funding for LAFCo is shared by the County, the 18 cities, 61 independent special districts in San Diego County as well as user fees. Appropriations of \$0.4 million are budgeted for Fiscal Year 2016–17. There is no change projected in Fiscal Year 2017–18.

Public Liability Internal Service Fund

In Fiscal Year 1994–95, the County established the Public Liability Internal Service Fund (ISF) to report all of its public risk management activities. The County is self-insured through the ISF for premises liability at medical facilities, medical malpractice, errors and omissions, false arrest, forgery, automobile and gen-

eral liability. The cost to General Fund departments, other funds and special districts is distributed based on a weighted risk factor: 90% allocated based on the last five years’ loss experience and 10% based on staff hours of exposure. The County contracts with an actuary to annually assess the long-term liability of the fund to determine an adequate level of reserves. The estimated liability for June 30, 2015 was \$37.9 million. As of June 30, 2015, the fund had a cash balance of \$38.2 million. The estimated liability for June 30, 2016 increased to \$38.2 million and the cash balance as of June 30, 2016 is \$39.8 million. Appropriations for Fiscal Year 2016–17 are budgeted at the Fiscal Year 2015–16 Adopted Operational Plan levels.

Pension Obligation Bonds

The appropriations for this debt service fund reflect the scheduled principal and interest payments and related administrative expenses for the 2004 and the 2008 taxable Pension Obligation Bonds (POBs). With the final prepayment of eligible taxable POBs, the remaining principal and interest payments are structured as level debt service in the amount of \$81.4 million annually. See the Debt Management Policies and Obligations section of this document for more information on the POBs, including the history, outstanding principal and scheduled payments.

Finance Other Appropriations/Expenditures

	Fiscal Year 2014–15 Actuals	Fiscal Year 2015–16 Adopted Budget	Fiscal Year 2015–16 Amended Budget	Fiscal Year 2015–16 Actuals	Fiscal Year 2016–17 Adopted Budget	Fiscal Year 2017–18 Approved Budget
Cash Borrowing	\$ —	\$ 2,700,000	\$ 2,700,000	\$ —	\$ 2,700,000	\$ 2,700,000
Community Enhancement	3,557,528	4,184,390	4,184,390	4,170,890	4,892,703	3,800,000
Neighborhood Reinvestment Program	9,066,186	10,000,000	9,703,495	8,070,540	10,000,000	10,000,000
Contributions to County Library System	325,700	300,000	1,450,000	588,837	—	—
Contingency Reserve: General Fund	—	21,724,392	21,724,392	—	22,674,808	23,219,061
Contributions to Capital Program	73,760,409	131,479,000	384,199,313	67,070,770	88,012,333	53,100,000
Lease Payments: Capital Projects	36,551,480	35,350,904	35,350,904	35,023,161	31,127,560	31,273,890
Countywide General Expenses	7,057,365	45,756,284	45,875,332	13,648,022	172,939,903	74,323,458
Countywide Shared Major Maintenance	3,143,545	2,000,000	3,427,611	881,990	2,000,000	2,000,000
Employee Benefits Internal Service Funds (ISF)						
<i>Workers Compensation Employee Benefits ISF</i>	45,998,108	44,145,553	44,145,553	41,989,187	45,356,681	45,356,681
<i>Unemployment Insurance Employee Benefits ISF</i>	1,115,095	1,901,360	1,901,360	1,377,548	2,099,622	2,099,622
Local Agency Formation Commission Administration	398,581	425,642	425,642	398,556	425,642	425,642
Public Liability ISF	25,651,317	21,474,673	21,474,673	19,922,609	21,453,018	21,453,018
Pension Obligation Bonds	81,492,231	81,469,636	81,469,636	81,460,673	81,384,894	81,461,308
Total	\$ 288,117,545	\$ 402,911,834	\$ 658,032,300	\$ 274,602,781	\$ 485,067,164	\$ 351,212,680

Lease Payments

Budget by Categories of Expenditures						
	Fiscal Year 2014–15 Actuals	Fiscal Year 2015–16 Adopted Budget	Fiscal Year 2015–16 Amended Budget	Fiscal Year 2015–16 Actuals	Fiscal Year 2016–17 Adopted Budget	Fiscal Year 2017–18 Approved Budget
Lease Payments-Bonds	\$ 36,551,780	\$ 35,348,904	\$ 35,348,904	\$ 35,023,161	\$ 31,125,560	\$ 31,271,890
Facilities Management (Lease Mgmt)	—	2,000	2,000	—	2,000	2,000
Total	\$ 36,551,480	\$ 35,350,904	\$ 35,350,904	\$ 35,023,161	\$ 31,127,560	\$ 31,273,890

Expenditure Detail						
	Fiscal Year 2014–15 Actuals	Fiscal Year 2015–16 Adopted Budget	Fiscal Year 2015–16 Amended Budget	Fiscal Year 2015–16 Actuals	Fiscal Year 2016–17 Adopted Budget	Fiscal Year 2017–18 Approved Budget
Lease Payments Detail						
2005 Regional Communications System*	\$ 1,399,347	\$ —	\$ —	\$ —	\$ —	\$ —
2005 North & East County Justice Facility Refinance	2,714,424	2,732,300	2,732,300	2,709,223	—	—
2005 Edgemoor*	6,142,450	—	—	—	—	—
2006 Edgemoor*	3,155,204	—	—	—	—	—
2009 County Operations Center Phase 1A	9,604,509	9,736,254	9,736,254	9,690,120	—	—
2009 Justice Facilities Refunding	7,219,470	7,351,372	7,351,372	7,234,701	7,319,738	7,339,625
2011 MTS Tower Refunding	2,720,835	2,660,000	2,660,000	2,647,123	2,688,800	2,703,000
2011 CAC Waterfront Park	1,932,317	2,096,000	2,096,000	1,969,017	2,056,563	2,097,900
2012 Cedar and Kettner Development	1,662,925	1,670,075	1,670,075	1,670,075	1,634,312	1,666,425
2014 Edgemoor and RCS Refunding	—	9,102,903	9,102,903	9,102,903	9,061,620	9,100,815
2016 County Operations Center Refunding	—	—	—	—	8,364,527	8,364,125
Total—Lease Payments Detail	\$ 36,551,480	\$ 35,348,904	\$ 35,348,904	\$ 35,023,161	\$ 31,125,560	\$ 31,271,890
Facilities Management (Lease Mgmt) Detail						
2009 Justice Facilities Refunding	\$ —	\$ 2,000	\$ 2,000	\$ —	\$ 2,000	\$ 2,000
Total—Facilities Management (Lease Mgmt) Detail	\$ —	\$ 2,000	\$ 2,000	\$ —	\$ 2,000	\$ 2,000
Total—Expenditure Detail	\$ 36,551,480	\$ 35,350,904	\$ 35,350,904	\$ 35,023,161	\$ 31,127,560	\$ 31,273,890

*Included in the 2014 Edgemoor and RCS Refunding.





Budget by Categories of Revenues

	Fiscal Year 2014–15 Actuals	Fiscal Year 2015–16 Adopted Budget	Fiscal Year 2015–16 Amended Budget	Fiscal Year 2015–16 Actuals	Fiscal Year 2016–17 Adopted Budget	Fiscal Year 2017–18 Approved Budget
AB189	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000
Aid from Redev Successor Agency	4,395,242	4,566,075	4,566,075	4,439,092	4,490,875	4,564,325
Rents and Concessions	1,099,031	1,098,876	1,098,876	1,098,254	1,115,819	1,124,933
Operating Transfer Capital Outlay	9,297,654	8,565,150	8,565,150	8,565,150	8,519,575	8,562,100
General Purpose Revenue Allocation	19,559,553	18,920,803	18,920,803	18,720,665	14,801,291	14,822,532
Total	\$ 36,551,480	\$ 35,350,904	\$ 35,350,904	\$ 35,023,161	\$ 31,127,560	\$ 31,273,890

Revenue Detail

	Fiscal Year 2014–15 Actuals	Fiscal Year 2015–16 Adopted Budget	Fiscal Year 2015–16 Amended Budget	Fiscal Year 2015–16 Actuals	Fiscal Year 2016–17 Adopted Budget	Fiscal Year 2017–18 Approved Budget
General Fund						
2005 Regional Communications System*	\$ 1,399,347	\$ —	\$ —	\$ —	\$ —	\$ —
2005 North & East County Justice Facility Refinance	2,714,424	2,732,300	2,732,300	2,709,223	—	—
2009 County Operations Center Phase 1A	9,604,509	9,736,254	9,736,254	9,690,120	8,364,527	8,364,125
2009 Justice Facilities Refunding	3,557,425	3,680,684	3,680,684	3,553,753	3,640,058	3,650,831
2011 MTS Tower Refunding	2,283,849	2,231,812	2,231,812	2,229,817	2,252,661	2,266,861
2014 Edgemoor and RCS Refunding	—	537,753	537,753	537,753	542,045	538,715
Facilities Management (Lease Mgmt)	—	2,000	2,000	—	2,000	2,000
Total—General Fund	\$ 19,559,553	\$ 18,920,803	\$ 18,920,803	\$ 18,720,665	\$ 14,801,291	\$ 14,822,532
Rents and Concessions						
2009 Justice Facilities Refunding	\$ 662,045	\$ 670,688	\$ 670,688	\$ 680,948	\$ 679,680	\$ 688,794
2011 MTS Tower Refunding	436,986	428,188	428,188	417,306	436,139	436,139
Total—Rents and Concessions	\$ 1,099,031	\$ 1,098,876	\$ 1,098,876	\$ 1,098,254	\$ 1,115,819	\$ 1,124,933
AB189						
2009 Justice Facilities Refunding	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000
Total—AB189	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000



Revenue Detail						
	Fiscal Year 2014–15 Actuals	Fiscal Year 2015–16 Adopted Budget	Fiscal Year 2015–16 Amended Budget	Fiscal Year 2015–16 Actuals	Fiscal Year 2016–17 Adopted Budget	Fiscal Year 2017–18 Approved Budget
Aid from Redevelopment						
2009 Justice Facilities Refunding	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000
2011 CAC Waterfront Park	1,932,317	2,096,000	2,096,000	1,969,017	2,056,563	2,097,900
2012 Cedar & Kettner Development	1,662,925	1,670,075	1,670,075	1,670,075	1,634,312	1,666,425
Total—Aid from Redevelopment	\$ 4,395,242	\$ 4,566,075	\$ 4,566,075	\$ 4,439,092	\$ 4,490,875	\$ 4,564,325
Operating Transfer Capital Outlay						
2005 Edgemoor**	\$ 6,142,450	\$ —	\$ —	\$ —	\$ —	\$ —
2006 Edgemoor**	3,155,204	—	—	—	—	—
2014 Edgemoor and RCS Refunding	—	8,565,150	8,565,150	8,565,150	8,519,575	8,562,100
Total—Operating Transfer Capital Outlay	\$ 9,297,654	\$ 8,565,150	\$ 8,565,150	\$ 8,565,150	\$ 8,519,575	\$ 8,562,100
Total Lease Payments Funding Sources	\$ 36,551,480	\$ 35,350,904	\$ 35,350,904	\$ 35,023,161	\$ 31,127,560	\$ 31,273,890

*Included in General Fund—2014 Edgemoor and RCS Refunding.

**Included in Operating Transfer Capital Outlay—2014 Edgemoor and RCS Refunding.

