

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

No appropriations are budgeted for Fiscal Years 2019–20 and 2020–21.

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 currently with the budget adoption process. The funding level for Fiscal Year 2019–20 is budgeted at \$5.70 million, \$5.37 million of which reflects anticipated TOT revenues compared to \$5.1 million in Fiscal Year 2018–19. The additional \$0.28 million is a one-time appropriation based on General Fund fund balance from over-realized TOT revenues in Fiscal Year 2017–18 and estimated over-realized TOT revenues in Fiscal Year 2018–19, the remaining \$0.05 million is rebudgeted based on Fiscal Year 2018–19 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 level for Fiscal Year 2019–20 is budgeted at \$10.0 million.

Contributions to Capital Program

These appropriations represent the General Fund cost for new or augmented capital development or land acquisition projects. For Fiscal Year 2019–20, \$78.2 million is budgeted in the Contributions to Capital Program for:

- ◆ \$24.3 million is for the County Administration Center (CAC) Renovations,
- ◆ \$14.1 million for the Ramona Intergenerational Community Campus (RICC) HHSA Family Resource Live Well Center,
- ◆ \$7.5 million is for the acquisition of land under the Multiple Species Conservation Program (MSCP),
- ◆ \$4.5 million for the Lakeside Baseball Park Turf and Energy Upgrades,
- ◆ \$4.2 million for the Sweetwater Summit Campground Phase 2 Expansion Project,
- ◆ \$2.5 million for the Sycuan Kumeyaay Village Dehesa Road/Sloan Canyon Road Trail,
- ◆ \$2.3 million for the Twin Oaks Local Park,
- ◆ \$2.1 million for the Lincoln Acres Park Expansion,
- ◆ \$2.0 million for the Safe Shelter Group Home,
- ◆ \$2.0 million for the San Diego County Fire Training Center,
- ◆ \$1.9 million for the San Dieguito Local Park,
- ◆ \$1.9 million for the Fallbrook Local Park,
- ◆ \$1.3 million for the Santa Ysabel East-West Trail (Cauzza),
- ◆ \$1.0 million for the San Luis Rey River Park (SLRRP) Acquisition and Improvement,
- ◆ \$1.0 million for the Calavo Park Construction,

- ◆ \$1.0 million for the Otay Lakes Park Electrical Upgrade,
- ◆ \$1.0 million for the State Route 94 Safe Passage,
- ◆ \$0.7 million to replace playground equipment at various locations,
- ◆ \$0.6 million for the Playground Shade Structure at various County Parks,
- ◆ \$0.4 million for the Otay Valley Regional Park (OVRP) Heritage Staging Area, Active Recreation Site 3, Area A, Area B, Area C,
- ◆ \$0.4 million for the Lonny Brewer Park Leash Free Area,
- ◆ \$0.4 million for the Sweetwater Regional Park Loop Trail Segments 5-10,
- ◆ \$0.4 million for the Water Conservation at County Parks (4S Ranch),
- ◆ \$0.3 million for Potts Trail,
- ◆ \$0.3 million for the Stelzer Park Ranger Station/Visitor Center and
- ◆ \$0.2 million for the Jacumba Fire Station #43 Land Acquisition.

No appropriations are budgeted for the Contributions to Capital Program in Fiscal Year 2020–21.

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 and the San Diego Regional Building Authority on the County’s outstanding Certificates of Participation and Lease Revenue Bonds, the proceeds of which were used to finance various capital projects. The budget of \$28.5 million in Fiscal Year 2019–20 is a net decrease of \$1.9 million from the Fiscal Year 2018–19 Adopted Operational Plan as a result of decreases in the annual lease payment for the 2011 MTS Tower Refunding Certificates of Participation (COPs) and repayment of the 2014 RCS Refunding COPs, which reached final maturity in October 2018.

The Fiscal Year 2020–21 payments are estimated at \$27.2 million which is a net decrease of \$1.4 million from the Fiscal Year 2019–20 Adopted Operational Plan as a result of the 2011 MTS Tower Refunding COPs reaching final maturity in November 2019. Additional expenditure and revenue details are included in the Lease Payment table of this section.

Countywide General Expenses

The primary objective of these appropriations is to fund Countywide projects and other Countywide needs. Budgeted at \$132.9 million, the major components of the Countywide General Expenses program in Fiscal Year 2019–20 include:

- ◆ A Pension Stabilization Fund of \$34.8 million in Fiscal Year 2019–20 is set aside to fully offset the amount of General Purpose Revenue needed to support the debt service costs of

the County’s existing Pension Obligation Bonds (POBs) in future years through Fiscal Year 2026–27. The Pension Stabilization Fund is an ongoing resource used on a one-time basis for managing pension costs. In November 2018, San Diego County voters approved Measure C, which amended the County Charter to include Section 800.1, Pension Stabilization, requiring any funds appropriated for pension stabilization to be used for pension-related liabilities.

- ◆ A Countywide Stabilization of \$25.0 million in Fiscal Year 2019–20 which may be used to ensure that the General Fund Reserve minimum of two months of audited General Fund expenses (equivalent of 16.7%) is maintained, per Administrative Code Section 113.1 General Fund Balances and Reserves. This source may be used to mitigate volatility in program revenues or any other emergent requirements.
- ◆ An additional contribution to the Innovative Housing Trust Fund of \$25.0 million to support the County’s notices of funding availability (NOFAs) for affordable housing development. This will bring the total contributions to the Innovative Housing Trust Fund to \$50.0 million.
- ◆ Remaining appropriations of \$48.1 million will support enterprise wide expenses including:
 - ◆ Contribution to the Information Technology (IT) Internal Service Fund to support the Countywide component of the IT outsourcing contract.
 - ◆ Appropriations for true up payments to SDCERA to reduce the UAAL, based on overrealized Fiscal Year 2017–18 General Purpose Revenue from greater than anticipated assessed value growth. This action is pursuant to the County Administrative Code.
 - ◆ Appropriations for AB801 Redistricting Committee Administration.
 - ◆ 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.
 - ◆ Retirement Benefit payments required by the County Employees Retirement Law that must be paid by the County in accordance with Internal Revenue Code §415(m).
 - ◆ Appropriations to address critical areas of vulnerability and immediately increase housing solutions for three extremely vulnerable populations.
 - ◆ Appropriations for future capital projects.

The Fiscal Year 2020–21 appropriations are estimated at \$196.6 million which includes increases in the County’s retirement contributions resulting from any changes in valuation assumptions adopted by the Retirement Board or from these assumptions not being met, as well as future increases from labor packages.



Countywide Shared Major Maintenance

In Fiscal Year 2019–20, appropriations totaling \$9.0 million includes \$2.0 million which is budgeted for major maintenance projects at County facilities that are shared by departments from multiple groups; \$4.9 million is for demolition of the Crime Lab and \$2.1 million for energy efficiency projects at various sites. The funding level for Fiscal Year 2020–21 is 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. As of June 30, 2018, the total reported liability for the fund was \$187.6 million with current assets of \$173.2 million resulting in a negative net position of \$14.4 million.

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. The actuarial claims liability is anticipated to increase by \$5.0 million as of June 30, 2019. To address the unfunded actuarial liability which is driving the negative net position, a \$5.0 million Contingency Reserve is budgeted in Fiscal Year 2019-20 and will remain at this level through Fiscal Year 2024–25 subject to annual reviews of the fund's net position. Appropriations for Fiscal Year 2019-20 total \$48.4 million for the workers' compensation ISF, includes this Contingency Reserve, which is an increase of \$2.0 million from the Fiscal Year 2018-19 Adopted Operational Plan primarily due to an increase of 1.00 staff year, salary and benefit costs in administering the workers' compensation ISF, and to ensure compliance with caseloads.

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 2019-20 of \$1.9 million reflect a \$0.1 million increase from the Fiscal Year 2018-19 Adopted Operational Plan, primarily due to increase in 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 \$0.5 million are budgeted for Fiscal Year 2019–20 and \$0.5 million are budgeted for Fiscal Year 2020–21.

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 general 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 fund's total reported liability as of June 30, 2018 was \$66.9 million with current assets of \$62.0 million resulting in negative net position of \$5.5 million. The actuarial claims liability is expected to increase by \$21.9 million as of June 30, 2019. To address the unfunded actuarial liability which is driving the negative net position, a \$2.2 million Contingency Reserve was budgeted in Fiscal Year 2018-19, and will increase to \$5.7 million in both Fiscal Year 2019-20 and 2020-21. Collections of the unfunded liability are amortized over a ten year period subject to annual review.

Appropriations for Fiscal Year 2019–20 total \$33.2 million for the Public Liability Internal Service Fund, which reflects no change from the Fiscal Year 2018–19 Adopted Operational Plan.

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 \$81.5 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 2017–18 Adopted Budget	Fiscal Year 2018–19 Adopted Budget	Fiscal Year 2019–20 Adopted Budget	% Change	Fiscal Year 2020–21 Approved Budget
Cash Borrowing	\$ 2,700,000	\$ —	\$ —	0.0	\$ —
Community Enhancement	5,407,401	6,260,138	5,698,747	(9.0)	5,373,163
Neighborhood Reinvestment Program	10,000,000	10,000,000	10,000,000	0.0	10,000,000
Contributions to County Library System	—	—	—	0.0	—
Contingency Reserve: General Fund	23,983,463	—	—	0.0	—
Contributions to Capital Program	161,377,450	246,849,000	78,225,000	(68.3)	—
Lease Payments: Capital Projects	31,273,890	30,413,643	28,531,551	(6.2)	27,179,601
Countywide General Expenses	234,405,739	186,156,022	132,902,270	(28.6)	196,563,794
Countywide Shared Major Maintenance	2,000,000	15,500,000	8,960,000	(42.2)	2,000,000
Employee Benefits Internal Service Funds (ISF)	—	—	—	—	—
<i>Workers Compensation Employee Benefits ISF</i>	45,659,988	46,353,170	48,381,137	4.4	48,381,137
<i>Unemployment Insurance Employee Benefits ISF</i>	2,010,184	1,925,950	1,941,871	0.8	1,941,817
Local Agency Formation Commission Administration	467,172	475,684	487,062	2.4	511,415
Public Liability ISF	31,572,824	33,175,867	33,200,542	0.1	33,200,524
Pension Obligation Bonds	81,458,792	81,461,036	81,495,804	0.0	81,499,123
Total	\$ 632,316,903	\$ 658,570,510	\$ 429,823,912	(34.7)	\$ 406,650,574





Lease Payments-Bonds

Budget by Program						
	Fiscal Year 2017-18 Actuals	Fiscal Year 2018-19 Adopted Budget	Fiscal Year 2018-19 Amended Budget	Fiscal Year 2018-19 Actuals	Fiscal Year 2019-20 Adopted Budget	Fiscal Year 2020-21 Approved Budget
Lease Payments-Bonds	\$ 31,052,754	\$ 30,413,643	\$ 30,413,643	\$ 30,053,605	\$ 28,531,551	\$ 27,179,601
Total	\$ 31,052,754	\$ 30,413,643	\$ 30,413,643	\$ 30,053,605	\$ 28,531,551	\$ 27,179,601

Budget by Categories of Expenditures						
	Fiscal Year 2017-18 Actuals	Fiscal Year 2018-19 Adopted Budget	Fiscal Year 2018-19 Amended Budget	Fiscal Year 2018-19 Actuals	Fiscal Year 2019-20 Adopted Budget	Fiscal Year 2020-21 Approved Budget
Services & Supplies	\$ —	\$ 2,001	\$ 2,001	\$ —	\$ 2,001	\$ 2,001
Other Charges	31,052,754	30,411,642	30,411,642	30,053,605	28,529,550	27,177,600
Total	\$ 31,052,754	\$ 30,413,643	\$ 30,413,643	\$ 30,053,605	\$ 28,531,551	\$ 27,179,601

Budget by Categories of Revenues						
	Fiscal Year 2017-18 Actuals	Fiscal Year 2018-19 Adopted Budget	Fiscal Year 2018-19 Amended Budget	Fiscal Year 2018-19 Actuals	Fiscal Year 2019-20 Adopted Budget	Fiscal Year 2020-21 Approved Budget
Revenue From Use of Money & Property	\$ 1,092,617	\$ 1,098,070	\$ 1,098,070	\$ 1,087,107	\$ 735,527	\$ 716,886
Intergovernmental Revenues	4,564,325	—	—	—	—	—
Other Financing Sources	10,719,225	10,763,676	10,763,676	10,763,675	10,764,650	10,766,500
Fund Balance Component Decreases	—	800,000	800,000	800,000	800,000	800,000
Use of Fund Balance	14,676,587	17,751,897	17,751,897	17,402,823	16,231,374	14,896,215
General Purpose Revenue Allocation	14,822,531	17,751,897	17,751,897	17,751,897	16,231,374	14,896,215
Total	\$ 31,052,754	\$ 30,413,643	\$ 30,413,643	\$ 30,053,605	\$ 28,531,551	\$ 27,179,601

