

County of San Diego

Finance Other

Finance Other	457
---------------	-----

Finance Other

Description

Finance Other includes miscellaneous 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). Typically, TRANs are issued at the beginning of the fiscal year and mature at the end of that fiscal year. The TRAN amount for Fiscal Year 2014–15 will be determined subsequent to the printing of this document. 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 2014–15 is budgeted at \$2.99 million, \$2.85 million of which reflects anticipated TOT revenues. The additional \$0.14 million is a one-time appropriation based on General Fund fund balance from over-realized TOT revenues in Fiscal Year 2012–13.

Neighborhood Reinvestment Program

The Neighborhood Reinvestment Program (formerly Community Projects) 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 2014–15 is recommended at \$5.0 million.

Contributions to County Library System

For Fiscal Year 2014–15 and 2015–16, a one-time appropriation of \$0.3 million is recommended in Contributions to the County Library System for one-time 24/7 kiosks. The funding source is Community Services Group General Fund fund balance.

Contingency Reserve: General Fund

A Contingency Reserve of \$20.5 million is recommended for Fiscal Year 2014–15 and \$20.9 million for Fiscal Year 2015–16. These appropriations comply with the target of 2% of General Purpose Revenue (GPR) for the Contingency Reserve as outlined in Board Policy B-71, *Fund Balance and Reserves*. At \$20.5 million, the Contingency Reserve represents 2.0% of the Fiscal Year 2014–15 recommended GPR of \$1.03 billion and Fiscal Year 2015–16

estimated GPR of \$1.05 billion. 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 2014–15, \$71.8 million is budgeted in the Contributions to Capital Program. Of this total, \$50.0 million is for initial funding towards the Sheriff's Crime Lab, \$10.0 million is for the acquisition of land under the Multiple Species Conservation Program (MSCP), \$9.7 million for the Borrego Springs Library, \$1.5 million for Guajome Regional Park Electrical, Water and Sewer, and \$0.6 million for the Sweetwater Regional Park Photovoltaic Phase II.

For Fiscal Year 2015–16, \$46.1 million is recommended for MSCP land acquisition and projects identified in the 2014–19 Capital Improvement Needs Assessment (CINA).

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 recommended budget of \$36.8 million in Fiscal Year 2014–15 is a net decrease of \$1.9 million from the Fiscal Year 2013–14 Adopted Operational Plan as a result of decreases in certain scheduled leases.

The Fiscal Year 2015–16 payments are estimated at \$37.1 million, a net increase of \$0.3 million. See the Capital Program section of this document for the detail on the lease purchase payments.

Commitment for Unforeseen Catastrophic Events

In Fiscal Year 2007–08, the Board of Supervisors established a Commitment for Unforeseen Catastrophic Events, previously identified as a General Reserve, of \$55.5 million. Once established, only changes to the commitment are shown in subsequent budgets. Government Code

§§29085–29086 allows for the creation of this commitment and restricts the ability to decrease this amount to only the time of budget adoption. Subsequent to budget adoption, the commitment may be increased, but amounts may only be used for legally declared emergencies as defined in Government Code §29127. The amount of the County's Commitment for Unforeseen Catastrophic Events is governed by Board Policy B-71, *Fund Balance and Reserves*, which sets a target amount that is equivalent to 5% of budgeted GPR. At \$55.5 million, it equates to 5.4% of Fiscal Year 2014–15 recommended GPR of \$1.03 billion and, therefore, exceeds the 5% target level. No additional contribution to the commitment is projected for Fiscal Year 2014–15 because the balance is anticipated to remain in excess of the 5% target.

General Fund Minimum Fund Balance for Economic Uncertainty

Board Policy B-71, *Fund Balance and Reserves*, requires that the County maintain prudent levels of fund balance and reserves to help ensure fiscal stability and establishes target levels for the Contingency Reserve, the Commitment for Unforeseen Catastrophic Events and a General Fund Minimum Fund Balance for Economic Uncertainty. The first two of these three components are discussed above. For the third component, the target requires that a minimum amount of unassigned fund balance equivalent to 10% of the budgeted GPR be available for economic uncertainty. In Fiscal Year 2009–10, the Board of Supervisors established a General Fund Minimum Fund Balance for Economic Uncertainty, previously identified as a Designation, at \$100.0 million. For Fiscal Year 2014–15, the 10% target level is \$102.5 million. For Fiscal Year 2015–16, the 10% target level is projected to be \$104.9 million.

Countywide General Expenses

The primary objective of these appropriations is to fund Countywide projects and other Countywide needs. Recommended at \$27.4 million, the major components of the Countywide General Expenses program in Fiscal Year 2014–15 are:

- 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 2014–15, appropriations totaling \$2.0 million are recommended for major maintenance projects at County facilities that are shared by departments from multiple groups. The funding level for Fiscal Year 2015–16 is also recommended 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, 2013, the estimated liability was \$132.5 million and the cash balance was \$108.0 million. The liability is estimated to increase June 30, 2014 to \$153.8 million and the cash balance as of June 30, 2014 is projected to be \$111.0 million. Appropriations in the workers' compensation budget for Fiscal Year 2014–15 are recommended to increase by \$3.4 million from the Fiscal Year 2013–14 Adopted Operational Plan primarily due to increased claims payments and an

increase in the Contingency Reserve to \$4.0 million. A \$4.0 million Contingency Reserve is also planned for Fiscal Year 2015–16.

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. Beginning in Fiscal Year 2010–11, unemployment insurance rates (premiums) are charged to departments based 70% on each department's five-year claims experience and 30% on budgeted staffing levels. Recommended appropriations for Fiscal Year 2014–15 reflect a \$0.5 million decrease from the Fiscal Year 2013–14 Adopted Operational Plan, primarily due to decreased claims payments.

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 recommended for Fiscal Year 2014–15. There is no recommended change in Fiscal Year 2015–16.

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 estimated liability for June 30, 2013 was \$24.0 million. As of June 30, 2013, the fund had a cash balance of \$40.4 million. The estimated liability for June 30, 2014 increased

to \$30.8 million and the cash balance as of June 30, 2014 is projected to be \$39.9 million. Appropriations for Fiscal Year 2014–15 are recommended to increase by \$1.5 million from the Fiscal Year 2013–14 Adopted Operational Plan primarily due to increased claims payments.

Pension Obligation Bonds

The appropriations for this debt service fund reflect the scheduled principal and interest payments and related

administrative expenses for the 2002, 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 on page 102 for more information on the POBs, including the history, outstanding principal and scheduled payments.

Finance Other Appropriations/Expenditures					
	Fiscal Year 2012–13 Adopted Budget	Fiscal Year 2013–14 Adopted Budget	Fiscal Year 2014–15 Recommended Budget	% Change	Fiscal Year 2015–16 Recommended Budget
Cash Borrowing	\$ 7,700,000	\$ 7,700,000	\$ 7,700,000	0.0	\$ 7,700,000
Community Enhancement	2,500,000	2,680,000	2,996,966	11.8	2,850,000
Neighborhood Reinvestment Program	5,000,000	5,000,000	5,000,000	0.0	5,000,000
Contributions to County Library System	—	935,000	300,000	(67.9)	300,000
Contingency Reserve: General Fund	20,000,000	20,000,000	20,504,900	2.5	20,983,400
Contributions to Capital Program	47,600,000	43,856,301	71,790,000	63.7	46,099,999
Lease Payments - Capital Projects	43,259,601	38,707,039	36,797,565	(4.9)	37,117,674
Countywide General Expenses	51,284,149	27,951,623	27,377,062	(2.1)	27,617,678
Countywide Shared Major Maintenance	2,000,000	1,740,000	2,000,000	14.9	2,000,000
Employee Benefits ISF					
<i>Workers' Compensation Employee Benefits ISF</i>	33,665,286	39,917,198	43,270,094	8.4	43,270,094
<i>Unemployment Insurance Employee Benefits ISF</i>	2,902,803	2,624,340	2,102,153	(19.9)	2,102,153
Local Agency Formation Commission Administration	342,061	413,245	413,245	0.0	413,245
Public Liability ISF	15,776,890	18,908,409	20,442,025	8.1	20,442,025
Pension Obligation Bonds	81,467,380	81,460,697	81,462,679	0.0	81,469,642
Total	\$ 313,498,170	\$ 291,893,852	\$ 322,156,689	10.4	\$ 297,365,910

Budget by Categories of Expenditures

	Fiscal Year 2012–13 Adopted Budget	Fiscal Year 2013–14 Adopted Budget	Fiscal Year 2014–15 Recommended Budget	% Change	Fiscal Year 2015–16 Recommended Budget
Lease Payments	\$ 43,257,601	\$ 38,705,039	\$ 36,795,565	(4.9)	\$ 37,115,673
Facilities Management (Lease Mgmt)	2,000	2,000	2,000	—	2,000
Total	\$ 43,259,601	\$ 38,707,039	\$ 36,797,565	(4.9)	\$ 37,117,673

Expenditure Detail

	Fiscal Year 2012–13 Adopted Budget	Fiscal Year 2013–14 Adopted Budget	Fiscal Year 2014–15 Recommended Budget	% Change	Fiscal Year 2015–16 Recommended Budget
Lease Payments Detail					
1993 Master Refunding – South County	\$ 830,146	\$ —	\$ —	—	\$ —
1993 Master Refunding – East County	1,102,971	—	—	—	—
1993 Master Refunding – Topaz	105,798	—	—	—	—
1993 Master Refunding – Health Complex	559,302	—	—	—	—
1993 Master Refunding – East Mesa	165,588	—	—	—	—
1993 Master Refunding – Juvenile Hall	93,138	—	—	—	—
1993 Master Refunding – Clairemont Hospital	403,770	—	—	—	—
1993 Master Refunding – East Mesa Land	525,390	—	—	—	—
1993 Master Refunding – SD Muni Building	164,271	—	—	—	—
1993 Master Refunding – Housing	—	—	—	—	—
2001 Metropolitan Transit System Tower	—	—	—	—	—
2002 Motorola	—	—	—	—	—
2005 Regional Communications System	2,910,817	2,972,350	1,443,400	(51.4)	1,437,750
2005 North & East County Justice Facility Refinance	2,704,109	2,734,563	2,729,113	(0.2)	2,732,300
2005 Edgemoor	6,136,900	6,136,150	6,139,600	0.1	6,140,750
2006 Edgemoor	3,141,983	3,144,782	3,145,182	0.0	3,142,682
2009 County Operations Center Phase 1A	9,905,594	9,884,844	9,489,195	(4.0)	9,884,744
2009 Justice Facilities Refunding	9,685,325	7,387,475	7,353,450	(0.5)	7,351,372



Expenditure Detail					
	Fiscal Year 2012–13 Adopted Budget	Fiscal Year 2013–14 Adopted Budget	Fiscal Year 2014–15 Recommended Budget	% Change	Fiscal Year 2015–16 Recommended Budget
2011 MTS Tower Refunding	\$ 2,718,249	\$ 2,678,250	\$ 2,728,400	1.9	\$ 2,660,000
2011 CAC Waterfront Park	2,104,250	2,097,000	2,099,300	0.1	2,096,000
2012 Cedar and Kettner Development	—	1,669,625	1,667,925	(0.1)	1,670,075
Total Lease Payments Detail	\$ 43,257,601	\$ 38,705,039	\$ 36,795,565	(4.9)	\$ 37,115,673
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	\$ 43,259,601	\$ 38,707,039	\$ 36,797,565	(4.9)	\$ 37,117,673

Budget by Categories of Revenue					
	Fiscal Year 2012–13 Adopted Budget	Fiscal Year 2013–14 Adopted Budget	Fiscal Year 2014–15 Recommended Budget	% Change	Fiscal Year 2015–16 Recommended Budget
AB189	\$ 2,457,410	\$ 2,200,000	\$ 2,200,000	0.0	\$ 2,200,000
Aid from Redevelopment Agency	2,904,250	—	—	—	—
Aid from Redev Successor Agency	—	4,566,625	4,567,225	0.0	4,566,075
Rents and Concessions	1,110,741	1,106,467	1,098,804	(0.7)	1,088,789
Operating Transfer Capital Outlay	9,278,883	9,280,933	9,284,783	0.0	9,283,432
General Purpose Revenue Allocation	27,508,317	21,553,014	19,646,753	(8.8)	19,979,377
Total	\$ 43,259,601	\$ 38,707,039	\$ 36,797,565	(4.9)	\$ 37,117,673

Budget by Categories of Expenditure					
	Fiscal Year 2012–13 Adopted Budget	Fiscal Year 2013–14 Adopted Budget	Fiscal Year 2014–15 Recommended Budget	% Change	Fiscal Year 2015–16 Recommended Budget
General Fund					
1993 Master Refunding – South County	\$ 830,146	\$ –	\$ –	–	\$ –
1993 Master Refunding – East County	1,102,971	–	–	–	–
1993 Master Refunding – Topaz	105,798	–	–	–	–
1993 Master Refunding – Health Complex	559,302	–	–	–	–
1993 Master Refunding – East Mesa	165,588	–	–	–	–
1993 Master Refunding – Clairemont Hospital	403,770	–	–	–	–
1993 Master Refunding – East Mesa Land	525,390	–	–	–	–
1993 Master Refunding - Housing	–	–	–	–	–
2001 Metropolitan Transit System Tower	–	–	–	–	–
2002 Motorola	–	–	–	–	–
2005 Regional Communications System	2,910,816	2,972,350	1,443,400	(51.4)	1,437,750
2005 North & East County Justice Facility Refinance	2,704,109	2,734,563	2,729,113	(0.2)	2,732,300
2009 County Operations Center Phase 1A	9,905,594	9,884,843	9,489,195	(4.0)	9,884,744
2009 Justice Facilities Refunding	6,040,892	3,734,408	3,691,632	(1.1)	3,680,684
2011 MTS Tower Refunding	2,251,941	2,224,850	2,291,414	3.0	2,241,899
Facilities Management (Lease Mgmt)	2,000	2,000	2,000	–	2,000
Total General Fund	\$ 27,508,317	\$ 21,553,014	\$ 19,646,754	(8.8)	\$ 19,979,377
Rents and Concessions					
2009 Justice Facilities Refunding	\$ 644,433	\$ 653,067	\$ 661,818	1.3	\$ 670,688
2011 MTS Tower Refunding	466,308	453,400	436,986	(3.6)	418,101
Total Rents and Concessions	\$ 1,110,741	\$ 1,106,467	\$ 1,098,804	(0.7)	\$ 1,088,789
AB189					
1993 Master Refunding – Juvenile Hall	\$ 93,139	\$ –	\$ –	–	\$ –
1993 Master Refunding – SD Muni Building	164,271	–	–	–	–
1998 Hall of Justice	–	–	–	–	–
2009 Justice Facilities Refunding	2,200,000	2,200,000	2,200,000	–	2,200,000
Total AB189	\$ 2,457,410	\$ 2,200,000	\$ 2,200,000	–	\$ 2,200,000

Budget by Categories of Expenditure					
	Fiscal Year 2012–13 Adopted Budget	Fiscal Year 2013–14 Adopted Budget	Fiscal Year 2014–15 Recommended Budget	% Change	Fiscal Year 2015–16 Recommended Budget
Aid from Redevelopment					
2009 Justice Facilities Refunding	\$ 800,000	\$ 800,000	\$ 800,000	—	\$ 800,000
2011 CAC Waterfront Park	2,104,250	2,097,000	2,099,300	0.1	2,096,000
2012 Cedar and Kettner Development	—	1,669,625	1,667,925	(0.1)	1,670,075
Total Aid from Redevelopment	\$ 2,904,250	\$ 4,566,625	\$ 4,567,225	0.0	\$ 4,566,075
Operating Transfer Capital Outlay					
2005 Edgemoor	\$ 6,136,900	\$ 6,136,151	\$ 6,139,600	0.1	\$ 6,140,750
2006 Edgemoor	3,141,983	3,144,782	3,145,182	0.0	3,142,682
Total Operating Transfer Capital Outlay	\$ 9,278,883	\$ 9,280,933	\$ 9,284,782	0.0	\$ 9,283,432
Total Lease Payments Funding Sources					
	\$ 43,259,601	\$ 38,707,039	\$ 36,797,565	(4.9)	\$ 37,117,673