

County of San Diego

Finance Other

Finance Other	543
.....
Lease Payments	547
.....

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 2021–22 and 2022–23.

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. 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 2021-22 is budgeted at \$4.84 million, \$4.79 million of which reflects anticipated TOT revenues compared to \$2.6 million in Fiscal Year 2020-21 which was based on the effects of the COVID-19 pandemic to the hotel industry and tourism as a whole. The additional \$0.05 million is rebudgeted based on Fiscal Year 2020-21 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 2021-22 is budgeted at \$10.0 million, evenly divided among the five Districts.

Contributions to Capital Program

These appropriations represent the General Fund cost for new or augmented capital development or land acquisition projects. Capital projects are funded with a combination of funding sources including program revenues and general fund support. This section describes the General Fund share of costs only. For Fiscal Year 2021-22, \$143.9 million is budgeted in the Contributions to Capital Program as follows:

- ◆ \$21.0 million for the Casa De Oro Library,
- ◆ \$14.0 million for the County Administration Center (CAC) Renovations,
- ◆ \$25.0 million for the San Luis Rey River Park Acquisition and Improvement project,
- ◆ \$10.5 million for the Alpine Local Park,
- ◆ \$10.1 million for the San Diego County Animal Shelter,
- ◆ \$9.0 million for the Calavo Park,
- ◆ \$8.1million for the East Otay Mesa Fire Station #38,
- ◆ \$8.0 million for the Heritage Park Building,
- ◆ \$7.5 million for the Multiple Species Conservation Program Land Acquisition,
- ◆ \$5.0 million for the Hall of Justice Major Systems Renovation Project,
- ◆ \$4.6 million for the acquisition/construction of the Sweetwater Loop Trail,
- ◆ \$3.0 million for the Julian Library Community Room,
- ◆ \$3.0 million for the Waterfront Park Active Recreation project,
- ◆ \$2.5 million for the Felicita County Park Electrical and Sewer project,

- ◆ \$2.0 million for the construction of the trail and improvements at Boulder Oaks Preserve,
- ◆ \$2.0 million for the construction of the staging area and trail system improvements at Sage Hill,
- ◆ \$1.8 million for the Electric Vehicle Roadmap project to be located at various County locations,
- ◆ \$1.3 million for the construction of staging areas and other active recreation sites at Otay Valley Regional Park,
- ◆ \$1.0 million for the South County Zipline,
- ◆ \$1.0 million for the construction of the Otay Valley Regional Park Community Garden,
- ◆ \$0.8 million for construction of the Inmate Transfer Tunnel,
- ◆ \$0.8 million for the construction of the Sycuan Kumeyaay Village Dehesa Road/Sloan Canyon Road Trail,
- ◆ \$0.7 million for the San Diego Botanic Gardens Master Plan,
- ◆ \$0.5 million for the Health Services Complex,
- ◆ \$0.5 million for the Lindo Lake Improvements (Phase II),
- ◆ \$0.3 million for the El Cajon Branch Library,
- ◆ \$0.2 million for the Descanso Fire Station 45 Apparatus Bay Replacement.

Appropriations for the Capital Program budgeted with funding sources outside of the General Fund total \$135.7 million and are not reflected in this section.

No appropriations are budgeted for the Contributions to Capital Program in Fiscal Year 2022-23.

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 \$24.5 million in Fiscal Year 2021-22 is a net decrease of \$0.1 million from the Fiscal Year 2020-21 Adopted Operational Plan as a result of decreases in the annual lease payment for the 2020 CAC Waterfront Park and Cedar Kettner Refunding. The decrease was offset by the increase in debt service payments specifically for the 2014 Edgemoor & RCS Refunding. Last fiscal year, a portion of the reserve fund for the 2014 Edgemoor & RCS Refunding was released and applied toward the debt service payments for Fiscal Year 2020-21. This reserve fund is reviewed periodically and funds are released only when the reserve fund balance falls below the required thresholds established by the Trust Agreement.

The Fiscal Year 2022-23 payments are estimated at \$24.2 million which is a net decrease of \$0.3 million from the Fiscal Year 2021-22 Recommended Operational Plan. 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 \$80.2 million, the major components of the Countywide General Expenses program in Fiscal Year 2021-22 include:

- ◆ \$8.3 million for the 2nd installment of the Chula Vista Bayfront Project.
- ◆ \$11.0 million for contribution to the Information Technology (IT) Internal Service Fund to support the Countywide component of the IT outsourcing contract.
- ◆ \$56.7 million to support one-time department operational requirements including one-time Salaries and Benefits payments, various housing programs, and Total Maximum Daily Load (TMDL) projects. Details of these projects are included in the General Fund Use of Fund Balance/Fund Balance Component Decreases (previously Designations) section of this document under 'Various items funded with General Purpose Revenue'. These one-time activities are supported by General Purpose Revenue to reduce the use of General Fund Reserves. These General Purpose Revenues are planned to be allocated to departments on an ongoing basis in the future to address fixed cost increases and/or to mitigate revenue shortfalls.
- ◆ \$0.2 million for 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.
- ◆ \$3.2 million for 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).
- ◆ \$0.8 million for appropriations for various contracts like actuaries to support the County in preparing retirement projections and for Sales and Use Tax auditing, recovery, and consulting services.

The Fiscal Year 2022-23 appropriations are estimated at \$203.7 million which includes unavoidable cost increases required to sustain service levels, potential capital expenditures, anticipated increases in the County's retirement contributions resulting from any changes in valuation assumptions adopted by the Retirement Board, as well as future increases from labor packages.

Countywide Shared Major Maintenance

In Fiscal Year 2021-22, 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 2022-23 is also budgeted to be \$2.0 million.



lion. 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, 2020, the total reported liability for the fund was \$200.6 million with current assets of \$199.0 million resulting in a negative net position of \$1.5 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 \$6.5 million as of June 30, 2021. To address the unfunded actuarial liability which is driving the negative net position, \$2.0 million will be budgeted in both Fiscal Year 2021-22 and 2022-23. Appropriations for Fiscal Year 2021-22 total \$52.8 million for the workers' compensation internal service fund.

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 2021-22 are \$5.1 million, which reflects an increase of \$1.8 million, due to the anticipated significant increase in claims.

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 2021-22 and \$0.5 million are budgeted for Fiscal Year 2022-23.

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, 2020 was \$96.4 million with current assets of \$90.4 million resulting in a negative net position of \$6.0 million. The actuarial claims liability is expected to decrease by \$2.0 million as of June 30, 2021. To address the unfunded actuarial liability which is driving the negative net position, \$5.2 million was budgeted in Fiscal Year 2020-21, and \$3.8 million will be budgeted in both Fiscal Year 2021-22 and 2022-23. Collections of the unfunded liability are amortized over a ten year period subject to annual review.

Appropriations for Fiscal Year 2021-22 total \$33.8 million for the Public Liability Internal Service Fund, which reflects a \$2.9 million decrease from the Fiscal Year 2020-21 Adopted Operational Plan primarily due to a decrease in Settlements relating to liability payments.

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 2019–20 Adopted Budget	Fiscal Year 2020–21 Adopted Budget	Fiscal Year 2021–22 Recommended Budget	% Change	Fiscal Year 2022–23 Recommended Budget
Community Enhancement	\$ 5,698,747	\$ 5,943,432	\$ 4,837,299	(81.6)	\$ 5,073,163
Neighborhood Reinvestment Program	10,000,000	10,000,000	10,000,000	0.0	10,000,000
Contributions to Capital Program	78,225,000	81,900,554	143,917,935	75.7	—
Lease Payments: Capital Projects	28,531,551	24,571,641	24,505,206	(0.3)	24,186,798
Countywide General Expenses	132,902,270	124,433,782	80,218,366	(35.5)	203,737,889
Countywide Shared Major Maintenance	8,960,000	—	2,000,000	—	2,000,000
Employee Benefits Internal Service Funds (ISF)					
<i>Workers Compensation Employee Benefits ISF</i>	48,381,137	47,073,208	47,712,012	1.4	47,712,012
<i>Unemployment Insurance Employee Benefits ISF</i>	1,941,871	3,249,906	5,054,605	55.5	5,054,605
Local Agency Formation Commission Administration	487,062	483,914	498,431	3.0	513,385
Public Liability ISF	33,200,524	36,664,543	33,813,531	(7.8)	33,813,531
Pension Obligation Bonds	81,495,804	81,499,123	81,488,073	0.0	81,411,260
Total	\$ 429,823,912	\$ 415,820,103	\$ 434,045,458	4.4	\$ 413,502,643





Lease Payments-Bonds

Budget by Program					
	Fiscal Year 2019–20 Adopted Budget	Fiscal Year 2020–21 Adopted Budget	Fiscal Year 2021–22 Recommended Budget	% Change	Fiscal Year 2022–23 Recommended Budget
Lease Payments-Bonds	\$ 28,531,551	\$ 24,571,641	\$ 24,505,206	(0.3)	\$ 24,186,798
Total	\$ 28,531,551	\$ 24,571,641	\$ 24,505,206	(0.3)	\$ 24,186,798

Budget by Categories of Expenditures					
	Fiscal Year 2019–20 Adopted Budget	Fiscal Year 2020–21 Adopted Budget	Fiscal Year 2021–22 Recommended Budget	% Change	Fiscal Year 2022–23 Recommended Budget
Services & Supplies	\$ 2,001	\$ 2,001	\$ 2,001	—	\$ 2,001
Other Charges	28,529,550	24,569,640	24,503,205	(0.3)	24,184,797
Total	\$ 28,531,551	\$ 24,571,641	\$ 24,505,206	(0.3)	\$ 24,186,798

Budget by Categories of Revenues					
	Fiscal Year 2019–20 Adopted Budget	Fiscal Year 2020–21 Adopted Budget	Fiscal Year 2021–22 Recommended Budget	% Change	Fiscal Year 2022–23 Recommended Budget
Revenue From Use of Money & Property	\$ 735,527	\$ 716,886	\$ 759,503	5.9	\$ 770,241
Other Financing Sources	10,764,650	9,453,680	10,766,000	13.9	10,769,125
Fund Balance Component Decreases	800,000	800,000	800,000	0.0	800,000
Use of Fund Balance	—	844,830	—	(100.0)	—
General Purpose Revenue Allocation	16,231,374	12,756,245	12,179,703	4.5	11,847,432
Total	\$ 28,531,551	\$ 24,571,641	\$ 24,505,206	(0.3)	\$ 24,186,798



