



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: June 23, 2010

TO: Board of Supervisors

SUBJECT: CHIEF ADMINISTRATIVE OFFICER PROPOSED OPERATIONAL PLAN –
FISCAL YEARS 2010-11 AND 2011-12 – CHANGE LETTER (District: All)

SUMMARY:

Overview

On May 11, 2010 (13, 14) the Board of Supervisors received the Fiscal Years 2010-11 and 2011-12 Chief Administrative Officer Proposed Operational Plan (CAO Proposed Operational Plan) and set the dates and times for public hearings and deliberations. The proposed amendments to the CAO Proposed Operational Plan are based on updated expenditure and revenue information and recent Board actions. The Board is requested to approve the CAO Proposed Operational Plan Fiscal Years 2010-11 and 2011-12 and the Change Letter requests at the conclusion of budget deliberations. A resolution of adoption is expected to be before the board in August 2010.

Recommendation(s)

CHIEF ADMINISTRATIVE OFFICER

1. Pursuant to Government Code Section 29064, approve the Chief Administrative Officer's Proposed Operational Plan for Fiscal Year 2010-11 on or before June 30, 2010 for the purpose of having the authority to spend until the budget is adopted.
2. Accept the appropriation, funding and staffing changes to the Fiscal Years 2010-11 and 2011-12 Chief Administrative Officer Proposed Operational Plan as shown in the attached schedules for consideration during budget deliberations.
3. Following budget deliberations and approval of the Operational Plan, authorize the Chief Financial Officer to make adjustments as necessary between object accounts with no increases in total departmental appropriations in order to clarify all budget items for the final Operational Plan and budget resolution.

SUBJECT: CHIEF ADMINISTRATIVE OFFICER PROPOSED OPERATIONAL PLAN –
FISCAL YEARS 2010-11 AND 2011-12 – CHANGE LETTER (District: All)

Fiscal Impact

The proposed changes increase the CAO Proposed Operational Plan by \$86.4 million and 15.00 staff years in Fiscal Year 2010-11 and by \$6.2 million and 8.00 staff years in Fiscal Year 2011-12. The total revised CAO Proposed Operational Plan is \$4.95 billion for Fiscal Year 2010-11 and \$4.47 billion for Fiscal Year 2011-12. Total revised staff years are 15,841.25 in Fiscal Year 2010-11 and 15,814.00 in Fiscal Year 2011-12. The increases in appropriations are supported by \$87.4 million in fund balances offset by a net reduction of \$1.0 million in program revenues.

Business Impact Statement

The changes to the CAO Proposed Operational Plan include the purchase of goods and services from the private sector.

Advisory Board Statement

Individual advisory boards will review and may comment separately on portions of the CAO Proposed Operational Plan.

BACKGROUND:

The purpose of this Change Letter is to update the CAO Proposed Operational Plan based on information that became available after that document was presented to the Board on May 11, 2010.

Pursuant to Government Code Section 29064, a proposed budget must be approved by the Board by June 30, 2010 for the purpose of having authority to spend until the budget is adopted. A resolution of adoption is expected to be before the Board on August 3, 2010.

The recommended changes to the CAO Proposed Operational Plan are summarized by group below.

PUBLIC SAFETY GROUP

The recommended changes for the Public Safety Group (PSG) increase the CAO Proposed Operational Plan by \$22.5 million and 15.00 staff years in Fiscal Year 2010-11. The total revised CAO Proposed Operational Plan for PSG for Fiscal Year 2010-11 is \$1.3 billion and 7,040.25 staff years. In Fiscal Year 2011-12, recommended changes increase appropriations by \$1.0 million to \$1.3 billion and 8.00 staff years to 7,013.00 staff years.

Significant proposed changes for Fiscal Year 2010-11 from the CAO Proposed Operational Plan include: a rebudget of \$17.6 million in the Sheriff's Department for several grant funded activities including operations to enhance local law enforcement along the border and reduce border related crimes, emergency planning, equipment purchases, and initiatives to conduct Sobriety Checkpoints and DUI enforcement activities; a rebudget of \$1.5 million in the Sheriff's Department for purchases related to data sharing infrastructure, upgrades and enhancements to

SUBJECT: CHIEF ADMINISTRATIVE OFFICER PROPOSED OPERATIONAL PLAN – FISCAL YEARS 2010-11 AND 2011-12 – CHANGE LETTER (District: All)

the voice communications systems in the detention facilities, and upgrades to the Regional Communication System; an increase of \$0.7 million in the Sheriff's Department as a result of ARRA grant funds to support targeted operations to reduce gang violence as well as firearms human, and drug trafficking, and to support alcoholic beverage control; an increase of \$1.6 million based on grants and other program revenue in the Probation Department to provide substance abuse treatment for adult criminal offenders convicted of nonviolent drug offenses, to provide treatment and diversion programs for juvenile offenders and at-risk youth and to support collaborative countywide efforts to reduce drug and gang related crimes; an increase of \$0.2 million supported by grant revenue in the Office of Emergency Services to test and implement a Disaster Corps program model and to enhance the coordination and management of volunteers during disaster response.

Significant proposed staffing changes for Fiscal Year 10-11 from the CAO Proposed Operational Plan are: an increase of 1.00 staff year for the Sheriff's Department; an increase of 14.00 staff years for the Probation Department; an increase of 2.00 staff years for the Executive Office and a decrease of 2.00 staff years in the Public Defender's Department.

HEALTH AND HUMAN SERVICES AGENCY

There are no changes recommended for the Health and Human Services Agency (HHS). Total appropriations for HHS in the CAO Proposed Operational Plan in Fiscal Year 2010-11 remain at \$1.85 billion with 5,156.25 staff years and in Fiscal Year 2011-12 at \$1.86 billion with 5,156.25 staff years.

LAND USE AND ENVIRONMENT GROUP

The recommended changes for the Land Use and Environment Group (LUEG) increase the CAO Proposed Operational Plan by \$2.0 million in Fiscal Year 2010-11 while staffing levels are unchanged. The total revised CAO Proposed Operational Plan for Fiscal Year 2010-11 is \$488.7 million and 1,501.00 staff years. In Fiscal Year 2011-12, recommended changes increase appropriations by \$3.3 million to \$355.8 million while staff years are unchanged at 1,502.00.

Significant proposed changes for Fiscal Year 2010-11 from the CAO Proposed Operational Plan include: a shift of \$1.7 million in appropriations based on federal grant funds for hazardous fuels reduction activities to Fiscal Year 2011-12; a rebudget of \$0.65 million for consultant services for a Vegetation Management Environmental Impact Report; a rebudget of \$0.4 million for maintenance and improvements to volunteer fire stations, volunteer stipends and various services and supplies; a rebudget of \$0.2 million for a fleet management logic routing system to monitor service delivery and safety; a decrease of \$0.6 million to the \$6.0 million FEMA match rebudget for the Woodside Avenue Drainage Project. The \$0.6 million was spent in the current year on this project that will alleviate flooding in the vicinity of Woodside Avenue in the community of Lakeside; an increase of \$1.6 million for the development of the IT Business Intelligence initiative platform, an integrated asset management strategy, a parcel history component for the Business Case Management System (BCMS), a centralized records management and application process, and temporary staff and overtime associated with the Phase III implementation of BCMS; an increase of \$0.6 million for IT equipment for the enhancement of the Mobile

**SUBJECT: CHIEF ADMINISTRATIVE OFFICER PROPOSED OPERATIONAL PLAN –
FISCAL YEARS 2010-11 AND 2011-12 – CHANGE LETTER (District: All)**

Inspection Program implementation which is part of the Government Without Walls (GWOW) initiative; an increase of \$0.2 million for Household Hazardous Waste collection events and an increase of \$0.2 million to add temporary staff to reduce code enforcement caseloads.

COMMUNITY SERVICES GROUP

The recommended changes for the Community Services Group (CSG) increase the CAO Proposed Operational Plan by \$8.5 million in Fiscal Year 2010-11 while staffing levels are unchanged. The total revised CAO Proposed Operational Plan for Fiscal Year 2010-11 is \$293.4 million and 978.25 staff years. In Fiscal Year 2011-12, recommended changes increase appropriations by \$1.9 million to \$290.7 million while staff years are unchanged at 977.25.

Significant proposed changes for Fiscal Year 2010-11 from the CAO Proposed Operational Plan include: an increase of \$1.0 million in the Fleet Internal Service Fund for the purchase of vehicles and equipment, including electric vehicles, chippers and utility trailers, for the Departments of Agriculture, Weights and Measures and Parks and Recreation, and \$1.0 million in the General Fund Contribution to General Services Internal Service Funds for the related Operating Transfer Out; an increase of \$1.5 million in appropriations and grant revenue for the CalHome down payment and closing costs assistance program for low-income first-time homebuyers; an increase of \$1.0 million in the Purchasing and Contracting Internal Service Fund to reflect a change in accounting for intangible fixed assets; rebudgets totaling \$2.6 million in a variety of federally funded multi-year housing-related grant programs; and rebudgets totaling \$1.1 million for the County Library print and copy control automation project, branch library maintenance and remodeling projects, and equipment for the new Lincoln Acres branch library.

FINANCE AND GENERAL GOVERNMENT GROUP

There are no recommended changes for the Finance and General Government Group (FGG). Total appropriations for FGG in the CAO Proposed Operational Plan in Fiscal Year 2010-11 remain at \$360.3 million with 1,165.50 staff years and in Fiscal Year 2011-12 at \$286.7 million with 1,165.50 staff years.

CAPITAL PROGRAM

The recommended changes for the Capital Program increase the CAO Proposed Operational Plan by \$0.025 million in Fiscal Year 2010-11. There is no change in Fiscal Year 2011-12.

The proposed changes for Fiscal Year 2010-11 include the substitution of funding sources for the County Operations Center and Annex Redevelopment Phase 1B project. Total appropriations have not changed. The Fiscal Year 2010-11 CAO Proposed Operational Plan anticipated the \$119.8 million project to be funded by a combination of General Purpose Revenue, General Fund fund balance and bond proceeds from a lease revenue bond financing. The proposed change will fully fund the capital project with General Purpose Revenue of \$20.0 million and General Fund fund balance of \$99.8 million (\$21.0 million of which results from savings in two other capital projects, the Medical Examiner and Forensics Center (\$12.0 million) and COC Phase 1A (\$9.0 million)). A proposed increase of \$0.25 million for the Lakeside Community Center Photovoltaic System project is based on the award of an American Recovery and Reinvestment Act (ARRA)

SUBJECT: CHIEF ADMINISTRATIVE OFFICER PROPOSED OPERATIONAL PLAN – FISCAL YEARS 2010-11 AND 2011-12 – CHANGE LETTER (District: All)

grant for the design and construction of a photovoltaic system at the Lakeside Community Center. Proposed appropriations of \$0.25 million for the Fallbrook Community Center Photovoltaic Improvements project are based on the award of an ARRA grant for the design and construction of a photovoltaic system at the Fallbrook Community Center. A decrease of \$1.0 million is proposed in the Agua Caliente Campground Improvements project because appropriations were added to this project when a new project should have been created instead. Appropriations of \$1.275 million are proposed for the Agua Caliente Water and Sewer Electric Line Replacement project based on an Operating Transfer from the General Fund. The funding will be used to replace the aging underground water, sewer and electrical utilities and install a water treatment/filtration system at the campground. The additional \$0.275 million is required for more extensive work to address earthquake damage. A decrease of \$0.75 million is proposed for the Juvenile Probation Complex (Meadowlark) Parking Lot Expansion project that was established in the Fiscal Year 2010-11 CAO Proposed Operational Plan. The original estimated cost for this project was \$2.0 million. Due to more current estimates, the new capital project cost has been revised to \$1.25 million.

FINANCE OTHER

The recommended changes for the Finance Other program increase the CAO Proposed Operational Plan by \$53.3 million in Fiscal Year 2010-11. The total revised CAO Proposed Operational Plan for Finance Other in Fiscal Year 2010-11 is \$444.8 million. Total appropriations are unchanged in Fiscal Year 2011-12 at \$317.8 million.

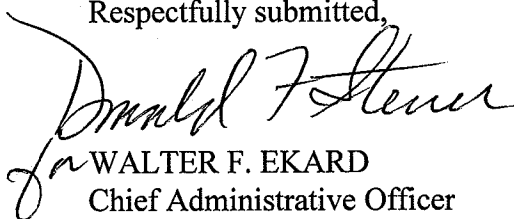
Significant changes for the Fiscal Year 2010-11 include a one-time appropriation increase in Operating Transfers Out for the County Operations Center and Annex Redevelopment Phase 1B project. A portion of the funding for the \$119.8 million project was going to include the issuance of lease revenue bonds (\$53.8 million). The project will now be funded by a combination of General Purpose Revenue of \$20 million and General Fund fund balance of \$99.8 million (\$21.0 million of which results from savings in two capital projects, the Medical Examiner and Forensics Center (\$12.0 million) and COC Phase 1A (\$9.0 million)).

Linkage to the County of San Diego Strategic Plan

The CAO Proposed Operational Plan details each Department's strategic objectives for the next two years and the resources required to achieve them. The three Strategic Initiatives – Kids, The Environment and Safe and Livable Communities – are reflected throughout the program objectives in the CAO Proposed Operational Plan.

SUBJECT: CHIEF ADMINISTRATIVE OFFICER PROPOSED OPERATIONAL PLAN –
FISCAL YEARS 2010-11 AND 2011-12 – CHANGE LETTER (District: All)

Respectfully submitted,



for WALTER F. EKARD
Chief Administrative Officer

ATTACHMENT(S)

CAO Proposed Operational Plan Change Letter Fiscal Years 2010-11 & 2011-2012

SUBJECT: CHIEF ADMINISTRATIVE OFFICER PROPOSED OPERATIONAL PLAN –
FISCAL YEARS 2010-11 AND 2011-12 – CHANGE LETTER (District: All)

AGENDA ITEM INFORMATION SHEET

REQUIRES FOUR VOTES: Yes No

PREVIOUS RELEVANT BOARD ACTIONS:

5/11/2010 (13, 14). Chief Administrative Officer Proposed Operational Plan for Fiscal Years 2010-11 & 2011-12

BOARD POLICIES APPLICABLE:

N/A

BOARD POLICY STATEMENTS:

N/A

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

N/A

ORIGINATING DEPARTMENT: Chief Financial Officer

CONTACT PERSON(S):

Donald F. Steuer

Name
(619)531-5413

Phone
(619)531-5219

Fax
A-5

Mail Station
Donald.steuer@sdcountry.ca.gov

E-mail

Janel Pehau

Name
(619)531-5175

Phone
(619)531-6261

Fax
A-5

Mail Station
Janel.pehau@sdcountry.ca.gov

E-mail

SUBJECT: CHIEF ADMINISTRATIVE OFFICER PROPOSED OPERATIONAL PLAN –
FISCAL YEARS 2010-11 AND 2011-12 – CHANGE LETTER (District: All)

AGENDA ITEM INFORMATION SHEET

(continued)

CONCURRENCE(S):

COUNTY COUNSEL REVIEW Yes *Labels. not*
Written Disclosure per County Charter Yes No
Section 1000.1 Required

GROUP/AGENCY FINANCE DIRECTOR Yes N/A

CHIEF FINANCIAL OFFICER Yes N/A *John P. Paha*

**GROUP/AGENCY INFORMATION
TECHNOLOGY DIRECTOR** Yes N/A

COUNTY TECHNOLOGY OFFICE Yes N/A

**Group/Agency Human
Resources Director** Yes N/A

DEPARTMENT OF HUMAN RESOURCES Yes N/A

Other Concurrence(s): N/A

**AUTHORIZED
REPRESENTATIVE:**

Donald F. Steuer

Donald F. Steuer, Chief Financial Officer