



COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

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First District

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Fifth District

DATE: December 13, 2022

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TO: Board of Supervisors

SUBJECT

**FISCAL YEAR 2022-23 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT
AND BUDGET ADJUSTMENTS (DISTRICTS: ALL)**

OVERVIEW

This report summarizes the status of the County's Fiscal Year 2022-23 Adopted Operational Plan, as measured by projected year-end fund balance from current year operations. The projected year-end balance for the General Fund is \$68.0 million (or 1.0% of the General Fund budget), and \$68.0 million (or 0.7% of the Overall budget) for all budgetary funds combined. The projected fund balance anticipates an overall positive expenditure variance and an overall negative revenue variance from the Fiscal Year 2022-23 Amended Budget. The projection assumes General Purpose Revenue will perform better than estimated, and all business groups will produce operating balances. The General Fund year-end fund balance projection includes the assumption that the County will continue to incur COVID-19 costs and anticipates receipt of additional federal and State emergency response funding including Federal Emergency Management Agency (FEMA) revenue to continue response efforts. The projected balance for all other funds combined is -\$0.03 million (or negative 0.001% of the other funds combined budget), primarily due to the projected negative variance of the Public Liability Internal Service Fund due to anticipated increased settlement costs. Staff are monitoring these expenditures and will bring forward a recommendation in a subsequent status adjustment letter to align the budget.

Transfers and revisions to the amended budget can be made by formal action of the Board of Supervisors in accordance with the California County Budget Act, Government Code (GC) Section 29125. Increases to the overall budget require 4 votes while transfers of appropriations between departments within the same budgetary fund that do not increase the overall budget, or the cancellation of appropriations require a majority vote. However, transfers of appropriations to facilitate transfers between budgetary funds require 4 votes even if the overall budget is not increased.

In the Public Safety Group (PSG), recommendations include appropriation adjustment for the purchase of one ladder truck to support fire and emergency medical services in the San Diego County Fire Protection District.

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In the Land Use and Environment Group (LUEG), recommendations include appropriation adjustments for expenditures related to strengthening the County of San Diego's Hazardous Materials Business Plan information and Disaster Recovery, for the Gillespie Field Vehicle Service Road to West Transient Ramp Project, for construction costs for various parks and recreation projects, to provide youth job opportunities and to help increase free food distributions and offer nutrition literacy, to provide funding for Rancho San Diego Library Expansion project, and for Palomar Airport Landfill infrastructure repairs and improvements.

In the Finance and General Government Group (FGG), recommendations include an appropriation adjustment for Hall of Justice Major Systems Renovation Project, for ratification of prior year litigation costs for high-liability matters and increased Judgment and Settlement payments in the Public Liability Internal Service Fund, align costs for Financial Systems Upgrade project, and one-time expenses in the Board of Supervisors' offices.

There are no appropriation adjustments in the Health and Human Services Agency (HHS).

**RECOMMENDATION(S)
CHIEF ADMINISTRATIVE OFFICER**

1. Accept the Fiscal Year 2022-23 first quarter report on projected year-end results.

**Increases to the Overall Budget and/or Transfers Between Budgetary Funds
(Recommendations 2 through 20):**

2. Establish appropriations of \$2,000,000 in the San Diego County Fire, Capital Assets Equipment, for the purchase of one Ladder Truck to support fire and emergency medical services in the San Diego County Fire Protection District, based on the Operating Transfer In from the San Diego County Fire Protection District Fire Mitigation. **(4 VOTES)**
3. Establish appropriations of \$38,363 in the Department of Environmental Health and Quality, Services & Supplies, for expenditures related to strengthening the County of San Diego's Hazardous Materials Business Plan information and Disaster Recovery, based on unanticipated revenue from Environmental Public Health and Emergency Response grant funds. **(4 VOTES)**
4. Authorize the Auditor and Controller to increase the Department of Environmental Health and Quality Fund Balance Commitment within the General Fund by \$3,315,281 based on available prior year General Fund fund balance for future year fee-related expenses in the Department of Environmental Health and Quality. **(4 VOTES)**
5. Establish appropriations of \$900,000 in DPW Airport Enterprise Fund (AEF), Fixed Assets, to provide funds for the Gillespie Field Vehicle Service Road to West Transient Ramp Project based on unanticipated revenue from the Federal Aviation Administration (\$810,000) and available prior year Airport Enterprise Fund fund balance (\$90,000). **(4 VOTES)**
6. Establish appropriations of \$1,000,000 in the Park Land Dedication Ordinance (PLDO) Area 35 Fallbrook Fund, Operating Transfers Out, based on available prior year PLDO Area 35

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Fallbrook Fund fund balance; *and* establish appropriations of \$3,850,000 in Capital Outlay Fund for Capital Project 1022921 Fallbrook Local Park to assist with construction costs based on grants received from the CNRA Urban Greening Grant (\$1,000,000), the Office of Grants and Locals Services (OGALS) Statewide Parks Program (\$1,200,000), and the Community Development Block Grant (\$650,000), and an Operating Transfer In from the PLDO Area 35 Fallbrook Fund (\$1,000,000); *and* transfer appropriations of \$2,887,000 in the Capital Outlay Fund and related Operating Transfer In from the General Fund from Capital Project 1022923 Twin Oaks Local Park (\$2,285,000 Park Expansion and Improvement Commitment Fund Balance), and Capital Project 1022920 Fallbrook Skatepark (\$582,000 PLDO Area 35 Fallbrook Fund and \$20,000 Fallbrook Skatepark Inc. donation) to Capital Project 1022921 Fallbrook Local Park. **(4 VOTES)**

7. Establish appropriations of \$487,140 in the Capital Outlay Fund to provide funding for building retrofit and renovation for Capital Project 1023725 Heritage Park Building based on an OGALS State Grant. **(4 VOTES)**
8. Establish appropriations of \$1,000,000 in the Park Land Dedication Ordinance (PLDO) Area 31 San Dieguito Fund, Operating Transfers Out, based on available prior year PLDO Area 31 San Dieguito Fund fund-balance; *and* establish appropriations of \$1,000,000 in the Capital Outlay Fund for Capital Project 1022934 Four Gee Park, to support construction of the new park, based on an Operating Transfer In from the PLDO Area 31 San Dieguito Fund. **(4 VOTES)**
9. Establish appropriations of \$2,000,000 in the Park Land Dedication Ordinance (PLDO) Area 36 Bonsall Fund, Operating Transfers Out, based on available prior year PLDO Area 36 Bonsall Fund fund-balance; *and* establish appropriations of \$2,000,000 in the Capital Outlay Fund for Capital Project 1021895 San Luis Rey River Park Moosa Downs active recreation (Bonsall Community Park), to support construction of the new park, based on an Operating Transfer In from the PLDO Area 36 Bonsall Fund. **(4 VOTES)**
10. Establish appropriations of \$491,906.24 in the Park Land Dedication Ordinance (PLDO) funds, Operating Transfers Out, based on available prior year PLDO 15 Sweetwater fund balance (\$3,154.80), PLDO 19 Jamul fund balance (\$173,365.71), PLDO Sweetwater Improvement Impact Fee fund balance (\$280,181.41) and PLDO Sweetwater In Lieu Fee fund balance (\$35,204.32); *and* establish appropriations of \$491,906.24 in the Capital Outlay Fund for Capital Project 1023065 Sweetwater Summit Regional Park Campground Expansion Phase 2 based on Operating Transfer In from various PLDOs fund balance; *and* transfer appropriations of \$1,906,925 within the Capital Outlay Fund and related Operating Transfer In from the General Fund to provide funding for Capital Project 1023065 Sweetwater Summit Regional Park Campground Expansion Phase 2 based on the transfer from Capital Project 1022612 Lincoln Acres Park (\$1,576,925 General Purpose Revenue), and Capital Project 1024599 South County Zip Line (\$330,000 Parks Expansion and Improvement Commitment). **(4 VOTES)**

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11. Establish appropriations of \$37,828 in the Piper Otay Preserve Maintenance CFD 22-01 special revenue fund, Services & Supplies, for park preserve maintenance in the Piper Otay Community Facilities District, based on revenue received from the approved special taxes levy. **(4 VOTES)**
12. Establish appropriations of \$330,000 in the Department of Parks and Recreation, Services & Supplies, for resurfacing of the Waterfront Park Playground, based on available Waterfront Park Trust Fund fund balance. **(4 VOTES)**
13. Establish appropriations of \$252,800 in the Department of Parks and Recreation, Salaries & Benefits and Services & Supplies, to provide youth job opportunities within Parks and Recreation and to help increase free food distributions and offer nutrition literacy, based on the award of Level up Grant (\$178,000) and the National Recreation and Park Association (NRPA) Community Wellness Hub Grant (\$74,800). **(4 VOTES)**
14. Establish appropriations of \$350,000 in the Park Land Dedication Ordinance (PLDO) Area 45 Valle de Oro Fund, Operating Transfers Out, based on available prior year PLDO Area 45 Valle de Oro Fund fund balance; *and* establish appropriations of \$350,00 in the Capital Outlay Fund for Capital Project 1022916 Lonny Brewer Leash Free Area, to complete construction of the project, based on an Operating Transfer In from the PLDO Area 45 Valle de Oro Fund. **(4 VOTES)**
15. Establish appropriations of \$800,000 in the Park Land Dedication Ordinance (PLDO) Area 25 Lakeside Fund, Operating Transfers Out, based on available prior year PLDO Area 25 Lakeside Fund fund balance; *and* establish appropriations of \$800,000 in the Capital Outlay Fund for Capital Project 1020367 Lakeside Equestrian Facility, to complete construction of the project, based on an Operating Transfer In from the PLDO Lakeside Fund. **(4 VOTES)**
16. Establish appropriations of \$2,750,000 in Inactive Waste Site Management Fund, Services & Supplies, for Palomar Airport Landfill infrastructure repairs and improvements, based on available prior year Inactive Waste Site Management fund balance. **(4 VOTES)**
17. Establish appropriations of \$10,060,000 in the Capital Outlay Fund for Capital Project 1023733, Hall of Justice (HOJ) Major Systems Renovation Project (MSRP), based on revenue from the Judicial Council of California; *and* transfer appropriations of \$1,120,000 from the Sheriff's Department, Services & Supplies, to the Contributions to Capital Outlay Fund, Operating Transfers Out, to provide additional security improvements for the HOJ MSRP; *and* establish appropriations of \$1,120,000 in the Capital Outlay Fund for Capital Project 1023733, HOJ MSRP, based on an Operating Transfer In from the General Fund. **(4 VOTES)**
18. Establish appropriations of \$1,250,000 in the Board of Supervisors District 1 (\$250,000), District 2 (\$250,000), District 3 (\$250,000), District 4 (\$250,000), District 5 (\$250,000), Services & Supplies, for one-time expenses, based on available prior year General Fund fund balance. **(4 VOTES)**

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19. Ratify the increase of appropriations of \$1,627,206 to the Public Liability Internal Service Fund (PLISF) for Fiscal Year 2022-23 in Services & Supplies (\$1,561,611) for additional litigation costs for high-liability matters, and Other Charges (\$65,595) for increased Judgment and Settlement payments based on PLISF fund balance. **(4 VOTES)**
20. Transfer appropriations within departments between Services & Supplies and Operating Transfers Out, as noted in Appendix C, in the net amount of \$20,437,443 for major maintenance projects listed in Appendix C that were subsequently reclassified, based on capitalization thresholds, for financial reporting purposes; *and* establish and cancel appropriations, as noted in Appendix C for a net increase of \$20,977,878 in the Major Maintenance Capital Outlay Fund and adjust related funding sources as noted to accurately classify major maintenance projects for financial reporting purposes. **(4 VOTES)**

**Transfers Within Budgetary Funds and/or Cancellation of Appropriations
(Recommendations 21 through 24):**

21. Transfer appropriations of \$150,000 within the Capital Outlay Fund and related Operating Transfer In from the General Fund to provide funding for Capital Project 1023727 Boulder Oaks Preserve Trails and Improvements to streamline funding and spending considerations based on the transfer from Capital Project 1021912 Boulder Oaks Park Volunteer Pads (General Fund fund balance).
22. Transfer appropriations of \$670,000 within the Capital Outlay Fund and related Operating Transfer In from the General Fund to provide funding for Capital Project 1024596 Waterfront Park Active Recreation to assist with construction costs based on transfer from Capital Project 1024599 South County Zip Line (Parks Expansion and Improvement Commitment).
23. Transfer appropriations of \$550,000 within the Library Capital Outlay Fund and related Operating Transfer In from the General Fund, to provide funding for Capital Project 1021917, Rancho San Diego Library Expansion based on transfer from Capital Project 1021916, Julian Library Community Room.
24. Transfer appropriations of \$9,903,760 from Countywide General Expense, Services & Supplies, to Finance and General Government Group Executive Office, Services & Supplies, to align project costs associated with the Oracle E-Business Suite Enterprise Financials System Upgrade Project based on available prior year General Fund fund balance.

EQUITY IMPACT STATEMENT

After the Board of Supervisors adopted the Operational Plan, it is monitored by the departments, Groups, and the Board. Departments are expected to work within their respective budgets. Budgets may, however, be modified during the year as circumstances warrant. In conjunction with the fund balance projection process, the Chief Administrative Officer meets with each Group to review accomplishments, emergent issues, and budget status. Department heads are required to

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communicate any potential problems or errors to the appropriate authority. Groups complete fund balance projections quarterly providing explanations of significant variances of their budget. The recommended actions are intended to provide resources to address inequities in County services and to identify disparities, developing meaningful outcomes, and creating a County government culture of equity, belonging, and racial justice.

SUSTAINABILITY IMPACT STATEMENT

Today's actions support the sustainability measures across the County considering the environment, economy, health/wellbeing, and/or social aspects of the community by aligning the County's available resources with services to maintain fiscal stability and ensure long-term solvency.

FISCAL IMPACT

Funds associated with today's recommendations are partially included in the Fiscal Year 2022-23 Operational Plan. If approved, in the General Fund these actions will result in an increase to the overall budget of \$3,871,163, transfers between budgetary funds of \$1,120,000, transfers within budgetary funds of \$30,334,956 and no cancellation of appropriations. The funding sources for the increases are Operating Transfers In from San Diego County Fire Protection District (\$2,000,000), available prior year General Fund fund balance (\$1,250,000), Waterfront Park Trust Fund (\$330,000) and Program Revenues (\$291,163).

In all other funds combined, these actions will result in a net increase to the overall budget of \$50,466,657, transfers within budgetary funds of \$6,170,171, and cancellation of appropriations of \$1,768,557. The funding sources for the net increase are Operating Transfers In from the General Fund (\$22,054,755), Program Revenues (\$13,434,968), Operating Transfers In from the Park Land Dedication Ordinance (PLDO) Fund (\$5,641,906), available prior year PLDO fund balance (\$5,641,906), available prior year Inactive Waste Management fund balance (\$2,750,000), available prior year Airport Enterprise fund balance (\$900,000) and Operating Transfers In from the Library Fund (\$43,122).

BUSINESS IMPACT STATEMENT

N/A

ADVISORY BOARD STATEMENT

N/A

BACKGROUND

As shown in Schedule A, the General Fund year-end fund balance projection of \$68.0 million is based on the estimate that expenditures will be approximately \$69.7 million less than the Fiscal Year 2022-23 Amended Budget and revenues will be a net \$1.7 million less than the Fiscal Year 2022-23 Amended Budget. The Amended Budget consists of the Adopted Budget plus encumbrances carried over from the prior year, plus year-to-date changes that have been either approved by your Board or the Deputy Chief Administrative Officer/Chief Financial Officer, when permitted.

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The General Fund year-end fund balance projection includes the assumption that the County will continue to incur COVID-19 costs and anticipates receipt of additional federal and State emergency response funding including Federal Emergency Management Agency (FEMA) revenue to continue response efforts. Total FEMA costs are currently estimated at \$426 million with the assumption that FEMA eligibility will end by December 31, 2022. The \$426 million includes \$403 million of costs incurred for Fiscal Year 2020-21 and Fiscal Year 2021-22 and the estimated remaining balance of \$23 million is for this Fiscal Year 2022-23. To date, a total of \$153 million in FEMA payments have been received and projections anticipate receiving an additional \$168 million by December 31, 2023, for prior year efforts. The remaining balance of \$105 million, which includes the 10% withhold, is anticipated to be received in future fiscal years. The projected balance for all other funds combined is a net of -\$0.03 million.

Attachments to this letter have been included to provide detail of these fund balance projections. Schedule A summarizes the fund balance projection by business group, department, and fund category. The Notes to Schedules A and B explain variances from budget by department, fund and for General Purpose Revenue. Schedule B shows the projected General Fund fund balance by business group split between operating and reserve balances.

GENERAL FUND EXPENDITURE VARIANCES

The projected lower than budgeted expenditures generating an overall positive expenditure variance of \$69.7 million in the General Fund are primarily attributable to the following:

- \$73.3 million in projected positive Salary & Benefits appropriation variance in all groups. As of September 30, 2022, the vacancy rate (including newly added positions) was 13.1% (2,595 of 19,885 positions).
 - In PSG, the projected overall expenditure variance of \$19.0 million primarily due to vacancies, attrition, under-filled and vacant positions. Other potential projected variances from budget will offset costs related to the transition of the new comprehensive healthcare contract for incarcerated persons and to close out final invoices from previous contracts, Major Maintenance Capital Outlay Fund projects identified in Appendix C (\$10.0 million for the renovation and systems modernization of the Ridgehaven facility) and the absorption of costs related to premium pay and increases in ongoing compensation associated with recruitment and retention, which were included in the amendments to the compensation ordinance on August 16, 2022 (16) and August 30, 2022 (11) (\$11.7 million)
 - In HHS, the projected overall expenditure variance of \$38.1 million primarily due to attrition, staff vacancies, and delays in hiring staff including newly added positions and hard to recruit classifications. These are offset by increased overtime costs to manage workload as well as temporary staffing.
 - In LUEG, the projected overall expenditure variance of \$5.7 million primarily due to vacancies and under-filled positions. Other potential projected variances from budget were redirected to fund costs related to new park facilities, initial stewardship and Public Access Plan for Rancho Lilac Preserve, the advancement of sustainability initiatives in support of the Regional Decarbonization Framework and Climate Action Plan update and increases for ongoing compensation associated with approved labor agreements.

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- In FGG, the projected overall expenditure variance of \$10.5 million primarily due to staff attrition, departmental vacancies as well as variances from budget associated with staffing vacancies for newly established department and offices. Other potential projected variances from budget were used to fund data and analytics infrastructure in the Office of Evaluation, Performance and Analytics.
- \$14.6 million in projected positive appropriation variance in Services & Supplies across the County.
 - In PSG, projected overall positive expenditure variance of \$6.6 million primarily in Child Support Services due to lower than anticipated expenses in various accounts supporting operations, such as information technology (IT) services; in Probation Department due to lower than anticipated use of contracted services resulting from a decrease in number of youths under supervision; and in Sheriff's Department for one-time Regional Communication System (RCS) tower/generator equipment due to project timeline changes and expenditures in various accounts supporting detention operations such as food and household expense offset by higher than anticipated costs for fuel, temporary medical staffing, and advertising for recruitment.
 - In HHSA, projected overall positive variance of \$4.8 million in various departments. This consists of a positive variance in Behavioral Health Services primarily in contracted services associated with various mental health programs to align with updated procurement timeframes for a few contracts in various mental health levels of care and a slight decrease in projected service level offset by a negative variance in temporary staffing costs due to vacancies at the San Diego County Psychiatric Hospital (SDCPH); in Public Health Services tied to lower than anticipated operating costs related to the Health Services Complex closure partially offset by projected spending associated with the Monkeypox emergency response costs; and in Aging & Independence Services mainly in contracted services due to delays in California Department of Aging (CDA) tied to program development and procurement timeframes. These are offset by negative variances in Child Welfare Services primarily driven by costs for San Pasqual Academy (SPA) to support building a continuum of placement options for youth and an increase in temporary staff to meet needs at Polinsky Children's Center for high acuity youth with medical needs and to meet Community Care Licensing (CCL) requirements; in Self-Sufficiency Services primarily in contracted services tied to projected increased printing costs, interpretation services based on increasing caseloads, and transition to the California Statewide Automated Welfare System (CalSAWS); in Housing & Community Development Services (HCDS) tied to the use of Innovative Housing Trust Fund (IHTF) interest that allowed HCDS to fund additional affordable housing developments; and in Medical Care Services for automated patient dispensing machines to help streamline the medication dispensing workflow, to align with anticipated grant revenue for justice involved capacity building planning, and tied to increase in IT project cost for the Academic Detail by Zip Code Database.

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- In LUEG, projected overall positive variance of \$1.4 million primarily in Planning & Development Services due to variances from budget in one time only IT projects and reduced consultant contract spending.
- In FGG, projected overall positive variance of \$1.8 million primarily in Treasurer-Tax Collector mainly due to delays in IT projects and projected underspend on contracts.
- In FO, no significant variance is projected.
- A projected net negative appropriation variance of \$17.8 million in Other Charges in HHSa primarily in Self-Sufficiency Services due to projected increase in the California Work Opportunity and Responsibility to Kids (CalWORKs) program tied to State mandated grant increases and increases in supportive services, an increase in the Cash Assistance Program for Immigrants tied to revised estimates of caseload levels, and an increase in the General Relief program tied to both increased caseloads and grant amounts. This is offset by a positive variance in Child Welfare Services mainly to align with the revised projected caseloads in foster care and adoption assistance programs.
- A projected net positive appropriation variance of \$0.7 million in Capital Assets Equipment in PSG primarily in Child Support Services due to delayed vehicle purchases.
- A projected net negative appropriation variance of \$3.1 million in Expenditure Transfer & Reimbursements in PSG primarily in Child Support Services due to lower than anticipated expenditures in the Bureau of Public Assistance Investigations for services reimbursed by HHSa.
- A projected net positive appropriation variance of \$2.0 million in Operating Transfers Out in HHSa primarily in Aging & Independence Services tied to reduced funding needs for the In-Home Supportive Services (IHSS) Public Authority primarily related to a revised estimate in Individual Provider health benefit costs which are tied to the number of provider hours worked, with no impact to services.

GENERAL FUND REVENUE VARIANCES

The projected under-realized revenue of \$1.7 million includes positive variances totaling \$46.5 million and negative variances of \$48.2 million. In many instances, the negative revenue variances are directly associated with the positive expenditure variances described above.

The projected positive revenue variance of \$46.5 million is primarily attributable to the following categories:

- Taxes Other Than Current Secured (\$21.0 million) mainly in Vehicle License Fees (VLF) due to higher than budget growth in assessed valuation, in Sales and Use Taxes due to the continued growth activities in the Unincorporated Area, and in Transient Occupancy Tax due to continued growth in the hotel industry and tourism.
- Revenue from Use of Money & Property (\$12.2 million) primarily due to a higher projected average daily cash balance than what was budgeted which was used to calculate the interest revenue, and due to a higher interest rate due to the recent rise in market rates.
- Taxes Current Property (\$8.3 million) primarily due to higher than anticipated assessed value growth offset by lower revenue on prior year receipts.
- Fines, Forfeitures & Penalties (\$2.5 million) primarily due to higher than budgeted growth in assessed valuation reflected on penalty for late current secured and unsecured property

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tax payments offset by lower Maddy Trust Fund revenues related to traffic violations and lower revenue collection trend to the Emergency Medical Service Physicians program.

- Miscellaneous Revenues (\$1.7 million) primarily tied to Innovative Housing Trust Fund (IHTF) interest to align with the anticipated loan disbursement, offset by lower than anticipated revenue for reimbursement of costs associated with the Unsheltered Feeding Program.
- Licenses, Permits & Franchises (\$0.8 million) primarily due to higher than anticipated number of building permit applications and higher than anticipated number of marriage licenses issued, offset by lower-than-expected payments from Franchise Fees.

The projected negative revenue variance of \$48.2 million is primarily attributed to:

- Intergovernmental Revenues (\$30.6 million) primarily tied to aligning federal Short Doyle funding to anticipated billable service units and aligning grant funding and realignment funding, due to lower than anticipated Realignment revenues associated with Salaries & Benefits variances from budget, lower revenue in social services administrative revenues to align with anticipated federal and State funding and projected expenditures and in federal and State assistance payment revenues associated with revised caseload projections for foster care and adoption assistance program, adjusting recognition of Realignment revenue to align with projected expenditures in Salaries & Benefits, decrease revenues to align with reduced expenditures in the IHSS Public Authority program and decrease in Older Americans Act (OAA) revenues tied to delays and reduced funding needs for the California Department of Aging (CDA) program, lower revenue mainly tied to lower referrals for HOME Tenant Based Rental Assistance (TBRA) and variances from budget in programs addressing homelessness, and due to lower than anticipated State and federal reimbursement for child support program. These are offset by positive variances due to increases in assistance payment revenues to support the increase in CalWORKs assistance payments and in social services administrative revenues tied to revised allocations, and due to higher than budget due to pass-through distributions, and residual balance estimates in Aid from Redevelopment Successor Agencies.
- Charges for Current Services (\$17.6 million) primarily due to a decline in billable activities for land development projects tied to vacancies, from over accrual in Trial Court Security Subaccount from prior year and lower than anticipated jail bed leasing, civil service process and lower reimbursement for law enforcement services due to vacancies, fewer than anticipated number of recorded documents as a result of higher interest rates, less than anticipated Banking Pooled Services revenue tied to vacancies, and decrease in reimbursements associated with the staff vacancies tied to public liability staff costs, and a decrease in legal services provided within the air pollution and land development areas.

Adjustments to the Fiscal Year 2022-23 Amended Budget

Transfers and revisions to the amended budget can be made by formal action of the Board of Supervisors in accordance with the California County Budget Act, Government Code (GC) Section 29125. Increases to the overall budget require 4 votes while transfers of appropriations between departments within the same budgetary fund that do not increase the overall budget or the cancellation of appropriations require a majority vote. However, transfers of appropriations to

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facilitate transfers between budgetary funds, referred to as operating transfers, require 4 votes even if the overall budget is not increased.

The recommendations for budget adjustments are explained as follows:

**Increases to the Overall Budget and/or Transfers Between Budgetary Funds
(Recommendations 2 through 20):**

Recommendation 2

On December 11, 1985 (11), the Board of Supervisors adopted an ordinance establishing a Fire Mitigation Fee program with the purpose to provide funding to fire agencies in the unincorporated areas of San Diego County for capital projects and fire equipment/apparatus purchases to serve new developments. This request will establish appropriations of \$2,000,000 in the San Diego County Fire for the purchase of one ladder truck to support fire and emergency medical services in San Diego County Fire Protection District, based on SDCFPD Fire Mitigation fund balance. This request was going to be included in the Fiscal Year 2023-25 Operational Plan. However, these types of equipment orders now take at least 18 months to process compared to the usual 9 months.

Recommendation 3

On June 24, 2020 (12), the Board of Supervisors adopted resolutions authorizing LUEG Department Directors and/or their designee(s) to submit, negotiate, accept, and execute all documents necessary to secure grant funding from non-profits, local, state and federal agencies through Fiscal Year 2024-25. On August 25, 2020, the Department of Environmental Health and Quality (DEHQ) received a Notice of Award for an Environmental Public Health and Emergency Response grant from the US Department of Health and Human Services, Centers for Disease Control and Prevention (CDC) Office of Financial Resources. The project awarded will work toward strengthening the County of San Diego's areas in the Temporary Event Food Program, Hazardous Materials Business Plan information, Recreational Water Programs, and Disaster Recovery. Future year funding will be subject to satisfactory programmatic progress and the availability of funds for the project period of September 1, 2020, through August 31, 2025. This is a multi-year, non-competitive grant and DEHQ has been awarded \$39,824 for Year 1 and \$39,972 for Year 2. On Jun 24, 2022, DEHQ was awarded \$38,363 for Year 3. This is a request to establish appropriations of \$38,363 in DEHQ in Services & Supplies for expenditures related to Strengthening the County of San Diego's Hazardous Materials Business Plan information and Disaster Recovery projects, based on unanticipated revenue from Environmental Public Health and Emergency Response grant funds for the project period of September 1, 2022 through August 31, 2023.

Recommendation 4

On February 24, 2004 (23), the Fund Balance Commitment for the Department of Environmental Health and Quality (DEHQ) was established within the General Fund. This Commitment ensures that revenue received from fees and permits that exceeds costs paid by Environmental Health and Quality customers in any fiscal year is used only to fund fee-related expenses in DEHQ in future years when costs may exceed revenue. For Fiscal Year 2021-22, this excess revenue equaled

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\$3,315,281. This action authorizes the Auditor and Controller to increase the General Fund Commitment for Environmental Health in Fiscal Year 2022-23 by \$3,315,281 based on available prior year General Fund fund balance and does not move funds into DEHQ. If approved, the total amount in the DEHQ Fund Balance Commitment will be \$7,920,423. Consistent with Board direction on April 25, 2018 (1), DEHQ is working to rebuild its committed fund balance over the next several years to respond to uncertainty of future regulatory changes in environmental health programs, public or environmental health emergency response needs, and/or changes in economic conditions that influence permit volumes. The proposed increase to the fund balance commitment complies with Proposition 26, which requires DEHQ to align fees to the services provided to fee payers in each fee category.

Recommendation 5

This recommendation will establish appropriations of \$900,000 in DPW Airport Enterprise Fund (AEF), for the Gillespie Field Vehicle Service Road to West Transient Ramp Project, based on unanticipated revenue from the Federal Aviation Administration (\$810,000) and available fund balance from the prior year AEF (\$90,000). Previous Board actions on June 29, 2021 (07) and February 09, 2022 (03) appropriated \$1,400,000 in the AEF for preparation of the project design, environmental processing, and construction. Today's request will provide additional funds for construction due to increases in labor and materials costs, estimated at 20%, based on recent bid results. Total project cost is estimated at \$2,300,000. Construction is anticipated to begin in winter 2022 and be completed by summer 2023.

Recommendation 6

This recommendation will establish appropriations of \$6,737,000 in the Capital Outlay Fund for Capital Project 1022921 Fallbrook Local Park based on available prior year PLDO Area 35 Fallbrook Fund fund balance (\$1,000,000), Park Expansion and Improvement Funding from the Twin Oaks Capital Project 1022923 (\$2,285,000), and Fallbrook Skatepark Capital project 1022920 (\$582,000 PLDO Area 35 Fallbrook Fund and \$20,000 Fallbrook Skatepark Inc. donation), the grant received from the CNRA Urban Greening Grant (\$1,000,000), the grant received from the OGALS SPP (\$1,200,000), and the grant received from the Community Development Block Grant (\$650,000) to assist with additional project costs due to inflation and an estimated increase in the cost of labor and materials of 20%. Total project costs are estimated at \$10,209,000 and this project is anticipated to be complete in January 2024.

Recommendation 7

This recommendation will establish appropriations of \$487,140 in the Capital Outlay Fund to provide funding for Capital Project 1023725 Heritage Park Building based on an OGALS State Grant (\$487,140). Notice of award was received March 2022, after the FY 2022-23 budget process. Total project costs are estimated at \$13,487,140 and this project is anticipated to be complete in January 2024.

Recommendation 8

This recommendation will establish appropriations of \$1,000,000 in the Park Land Dedication Ordinance (PLDO) Area 31 San Dieguito Fund, Operating Transfers Out based on available prior year PLDO Area 31 San Dieguito Fund fund balance and transfer these appropriations to Capital

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Project 1022934 Four Gee Park to support construction of the new park. (Inflation and construction cost escalation, estimated at 20%, due to labor and material shortages have impacted the project and additional funding is needed to complete the project). Total project costs are estimated at \$2,000,000 and this project is anticipated to be complete in March 2023.

Recommendation 9

This recommendation will establish appropriations of \$2,000,000 in the Park Land Dedication Ordinance (PLDO) Area 36 Bonsall Fund, Operating Transfers Out based on available prior year PLDO Area 36 Bonsall Fund fund balance and transfer these appropriations to the Capital Outlay Fund for Capital Project 1021895 San Luis Rey River Park Moosa Downs active recreation (Bonsall Community Park) to support construction of the new park. (Inflation and construction cost escalation, estimated at 20%, due to labor and material shortages have impacted the project and additional funding is needed to complete the project). Total project costs are estimated at \$27,302,581 and this project is anticipated to be complete in March 2025.

Recommendation 10

This recommendation will establish appropriations of \$2,398,831.24 in the Capital Outlay fund to provide funding for Capital Project 1023065 Sweetwater Summit Regional Park Campground Expansion Phase 2 based on available prior year PLDO 15 Sweetwater fund balance (\$3,154.80), PLDO 19 Jamul fund balance (\$173,365.71), PLDO Sweetwater Improvement Impact Fee fund balance (\$280,181.41) and PLDO Sweetwater In Lieu Fee fund balance (\$35,204.32) and based on transfer from Capital Project 1022612 Lincoln Acres Park (\$1,576,925 General Purpose Revenue) and Capital Project 1024599 South County Zip Line (\$330,000 Parks Expansion and Improvement Commitment). While the scope of the project has not changed, the additional funding will help cover additional project costs due to inflation and an increase in the cost of labor and materials estimated at 20%. Total project costs are estimated at \$6,610,696 and this Project is anticipated to be complete in October 2023.

Recommendation 11

On April 27, 2022 (2), the Board established Communities Facilities District (CFD) No. 2022-01 Piper Otay Preserve Maintenance, approved the execution of the special district to provide ongoing funding for the ongoing management and maintenance of an 11.9-acre grassland open space site within the Otay Ranch Preserve. The CFD was established after the FY 2022-23 budget process. The County of San Diego Department of Parks and Recreation staff, acting as the Preserve Owner/Manager will manage the Preserve. If approved these requests will establish appropriations of \$37,828 in the Piper Otay CFD 2022-01 based on revenue received from the Special Tax funds.

Recommendation 12

This recommendation will establish appropriations of \$330,000 in the Department of Parks and Recreation, Services & Supplies, for resurfacing of the Waterfront Park Playground, based on available Waterfront Park Trust Fund fund balance. This will fund expanded project scope, including additional resurfacing and landscaping, that was not identified until after the FY 2022-23 budget process. Total project costs are estimated at \$1,530,000, an increase of 27%, and this project is anticipated to be complete in March 2023.

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Recommendation 13

This recommendation will establish appropriations of \$252,800 in the Department of Parks and Recreation, Salaries & Benefits, based on the award of Level up Grant (\$178,000) for providing youth job opportunities within Parks and Recreation and the National Recreation and Park Association (NRPA) Community Wellness Hub Grant (\$74,800) to help increase free food distributions and offer nutrition literacy. Notice of award was received in June 2022, after the FY 2022-23 budget process.

Recommendation 14

This recommendation will establish appropriations of \$350,000 in the Park Land Dedication Ordinance (PLDO) Area 45 Valle de Oro Fund, Operating Transfers Out based on available prior year PLDO Area 45 Valle de Oro Fund fund-balance and transfer these appropriations to Capital Outlay Fund for Capital Project 1022916 Lonny Brewer Leash Free Area to complete construction of the project. (Due to extreme escalation of construction cost, estimated at 20%, project has insufficient funding). Total project costs are estimated at \$750,000 and this project is anticipated to be complete in August 2023.

Recommendation 15

This recommendation will establish appropriations of \$800,000 in the Park Land Dedication Ordinance (PLDO) Area 25 Lakeside Fund, Operating Transfers Out based on available prior year PLDO Area 25 Lakeside Fund fund balance and transfer these appropriations to Capital Project 1020367 Lakeside Equestrian Facility to complete construction of the project. (Due to extreme escalation of the construction cost, estimated at 20%, related to steel, concrete and work labor contingency funds on the project are depleted). Total project costs are estimated at \$19,350,000 and this project is anticipated to be complete in May 2023.

Recommendation 16

The Palomar Airport Landfill is a closed Class III municipal solid waste landfill located in the City of Carlsbad. Palomar Airport Landfill was operated by the County of San Diego, Department of Public Works (DPW) from 1962 until 1975. The landfill consists of three separate units, Units 1, 2 and 3. A gas collection and control system (GCCS) was constructed in all three landfill units in 1995 to manage landfill gases, including methane, that occur naturally as organic materials decompose. This site is an active airport and the GCCS piping network is located below the ground surface. The closed landfill is maintained by DPW to protect public and environmental health through ongoing inspections, maintenance, and regulatory reporting. DPW is evaluating landfill infrastructure to identify improvements to landfill gas and groundwater systems. The landfill gas system requires regular maintenance as well as system improvements, including periodic major maintenance to relevel system components that shift as the waste decomposes. Improvement and maintenance projects were identified after the FY 2022-23 budget process. Additional appropriations of \$2,750,000 is needed to complete infrastructure maintenance projects at Palomar Airport Landfills. The funding source is prior year available Inactive Waste Site Management Fund fund balance.

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Recommendation 17

On June 29, 2021 (7) and June 28, 2022 (24), the Board established a combined \$25,000,000 in General Purpose Revenue to fund the design and construction of the Hall of Justice (HOJ) Major Systems Renovation Project (MSRP). The HOJ MSRP will renovate the entire Hall of Justice for life safety and major mechanical, electrical and plumbing systems, vertical transportation, and architectural items with an estimated total cost of \$65 million. Funding will be appropriated in future Operational Plans. A contract for Architectural and Engineering services was awarded in March 2021, and a Construction Manager at Risk contract was awarded in April 2022. Currently pre-construction activity is underway including design review and construction phase planning. Construction is estimated to begin February 2023 and be completed summer 2025. This recommendation will establish appropriations of \$10,060,000 based on revenue from the Judicial Council of California. This recommendation will also establish additional appropriations of \$1,120,000 in the Capital Outlay Fund based on an Operating Transfer In from the General Fund to provide additional funding for additional security improvements, including screening area improvements and security camera replacement, which will be designed and constructed within the HOJ MSRP to ensure project continuity. If approved, today's project budget will be \$36,180,000, based on General Purpose Revenue (\$26,120,000) and Judicial Council of California (\$10,060,000).

Recommendation 18

This recommendation will establish appropriations of \$1,250,000 (\$250,000 per Board of Supervisors district office) to provide funding for one-time needs in the Board of Supervisors' offices for various Services & Supplies costs. Funding is based on available prior year General Fund fund balance.

Recommendation 19

The Public Liability Internal Service Fund (PLISF) was established in Fiscal Year 1994-95 for the purpose of financial tracking and reporting of public risk management activities. Each year, County Counsel works with an independent actuarial firm to determine the financial risks of potential legal actions, and proposes a budget to address those risks. In Fiscal Year 2021-22 several major unanticipated issues reached settlement and litigation costs for high-liability matters were higher than anticipated, which created a projected overage in the PLISF. To address the projected overage, appropriations of \$17,300,000 were added to the fund in the Second Quarter of Fiscal Year 2021-22. However, the actual costs for litigation activities and judgment and settlement payments for Fiscal Year 2021-22 were higher than forecast. This recommendation ratifies an increase in appropriations of \$1,627,206 for Fiscal Year 2022-23 in the PLISF for the additional litigation costs and increased judgment and settlement payments based on PLISF fund balance.

Recommendation 20

Board Policy B-37, *Use of Capital Program Funds*, notes that on occasion, due to the nature of major maintenance projects, these projects may be reclassified as an operating or capital expense based on financial reporting requirements. Pursuant to Board Policy B-37, to ensure accuracy in financial reporting, the Deputy Chief Administrative Officer/Chief Financial Officer shall make required adjustments to departmental operating budgets and within the Major Maintenance Capital Outlay Fund (MMCOF) or the Major Maintenance Internal Service Fund (MMISF). Due to the

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emergent nature of some major maintenance projects, some of these adjustments may require ratification by the Board. These recommendations will allow for the accurate financial reporting of major maintenance projects, which are listed in Appendix C along with the related required adjustments.

This recommendation will result in a net increase of appropriations in the MMCOF of \$20,977,878 and reclassification of major maintenance projects which are supported by existing department budgets.

**Transfers Within Budgetary Funds and/or Cancellation of Appropriations
(Recommendations 21 through 24):**

Recommendation 21

This recommendation will transfer appropriations of \$150,000 within Capital Outlay Fund and related Operating Transfer In from the General Fund, to provide funding for Capital Project 1023727 Boulder Oaks Preserve Trails and Improvements based on transfer of General Fund fund balance from Capital Project 1021912 Boulder Oaks Park Volunteer Pads which will be completed as part of the larger improvement project and combining these projects will allow for streamlined funding and spending considerations. Total project costs are estimated at \$2,150,000 and this project is anticipated to be complete in March 2026.

Recommendation 22

This recommendation will transfer \$670,000 to Capital Project 1024596 Waterfront Park Active Recreation based on a transfer from Capital Project 1024599 South County Zip Line, Park Expansion and Improvement funding to provide funding to assist with increased construction costs, estimated at 20%. Total costs are estimated at \$3,670,000 and this project is anticipated to be complete in June 2023.

Recommendation 23

This recommendation will transfer appropriations of \$550,000 within the Library Capital Outlay Fund and related Operating Transfer In from the General Fund. This will provide additional funding for Capital Project 1021917, Rancho San Diego Library Expansion, for the construction of a 700 square foot addition of the Friends of the Library Room, based on a transfer from Capital Project 1021916, Julian Library Community Room. The \$550,000 or 39.2% increase to the Rancho San Diego Library Expansion will bring the total budget to \$1,950,000, with construction estimated to begin in February 2023 and complete in August 2023.

The Julian Library Community Room budget will decrease by \$550,000 or 8.7% for a total budget of \$6,850,000, with construction estimated to begin in January 2023 and complete in September 2023.

Recommendation 24

The Oracle E-Business Suite Enterprise Financial Systems servers are reaching end-of-life product support. A multi-year project to upgrade the applications and servers was initiated to maintain compliance and technology standards. At the end of Fiscal Year 2021-22 additional licensing and

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hardware requirements were identified and funded for an increase of \$9,903,760 or 36.6%, to a total project cost of \$27,094,346. The project is scheduled for completion in early 2024. This recommendation moves appropriations from Countywide General Expense to Finance and General Government Group Executive Office to align with the existing financial management structure for the project, based on available prior year General Fund fund balance.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's proposed actions support the Strategic Initiatives of Sustainability, Equity, Empower, Community and Justice in the County of San Diego's 2022-2027 Strategic Plan by fully committing to use County resources to meet the highest priority needs of residents.

Respectfully submitted,



HELEN N. ROBBINS-MEYER
Chief Administrative Officer

ATTACHMENT(S)

Schedule A

Schedule B

Notes to Schedules A and B

Appendix C

AGENDA ITEM INFORMATION SHEET

SUBJECT:

FISCAL YEAR 2022-23 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICTS: ALL)

REQUIRES FOUR VOTES: Yes No

WRITTEN DISCLOSURE PER COUNTY CHARTER SECTION 1000.1 REQUIRED
Yes No

PREVIOUS RELEVANT BOARD ACTIONS:

June 28, 2022 (24), County of San Diego Fiscal Year 2022-23 Adopted Budget Resolution for County Family of Funds, Enterprise Funds and Internal Service Funds and Prior Year Encumbrances

BOARD POLICIES APPLICABLE:

N/A

BOARD POLICY STATEMENTS:

N/A

MANDATORY COMPLIANCE:

N/A

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

N/A

ORIGINATING DEPARTMENT:

Finance & General Government Group

OTHER CONCURRENCE(S):

N/A

INTERNAL REVIEW COMPLETE BY:

Chaidez, Alejandra

Digitally signed by Chaidez,
Alejandra
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**COUNTY OF SAN DIEGO
NOTES TO SCHEDULES A and B
Fiscal Year 2022-23 1st Quarter**

GENERAL NOTES

Projected Fund Balance

Projected fund balance as presented in this report is defined as the projected excess of revenues over expenditures as a result of current fiscal year operations. Schedule A presents projections by business group and department by fund or fund type.

Management Reserves

Besides the General Fund Reserve, which is comprised of unassigned General Fund fund balance, County business groups may establish Management Reserves. Management Reserves are appropriations that are established at the group or department level for unanticipated needs or planned future one-time expenses. Schedule B shows a summary of the General Fund's projected fund balance by group/agency that distinguishes between projected management reserve balances and operating balances. No Management Reserves were budgeted in Fiscal Year 2022-23.

Variance Reporting

Departments project variances from the Operational Plan based either on revised expectations or on actual revenues/expenditures to date. The significant variances from plan (greater than \$500,000) in total expenditures, total revenue, net variance, or object variance are discussed below and categorized by fund.

PUBLIC SAFETY GROUP

General Fund

Child Support

A positive variance of \$1.0 million is projected for the Department of Child Support Services.

A positive expenditure variance of \$6.1 million is projected. A positive variance of \$5.7 million in Salaries & Benefits is due to vacant and modified positions, \$2.5 million in Services & Supplies primarily due to lower than anticipated expenses in various accounts supporting operations, such as information technology services, \$0.7 million in Capital Assets Equipment due to delayed vehicle purchases, offset by a negative variance of \$2.8 million in Expenditure Transfer & Reimbursements due to lower than anticipated

expenditures in the Bureau of Public Assistance Investigations for services reimbursed by Health and Human Services Agency.

A negative revenue variance of \$5.1 million is projected. A negative variance \$5.6 million in Intergovernmental Revenues is due to lower than anticipated State and federal reimbursement for child support program, offset by a positive variance of \$0.5 million in Charges for Current Services due to higher incentive payments from the California Department of Child Support Services.

District Attorney

A positive variance of \$3.2 million is projected for the District Attorney's Office.

A positive expenditure variance of \$3.2 million is projected in Salaries & Benefits due to normal attrition, vacant and modified positions.

No revenue variance is projected.

Probation

A positive variance of \$7.0 million is projected for the Probation Department.

A positive expenditure variance of \$6.5 million is projected. A positive variance of \$4.3 million is projected in Salaries & Benefits primarily due to normal attrition, vacant, and modified positions. A positive variance of \$2.2 million is projected in Services & Supplies due to lower than anticipated use of contracted services resulting from a decrease in number of youths under supervision.

A positive revenue variance of \$0.5 million is projected. A positive variance of \$0.5 million is projected in Intergovernmental Revenues primarily due to higher than anticipated revenue from the State Juvenile Facilities Grant which will support the increase in scope of a facility renovation project, offset by lower than anticipated revenue from Juvenile Justice Realignment Block Grant related to vacant positions and from Juvenile Justice Crime Prevention Act-funded programs due to a decrease in the number of youths under supervision.

San Diego County Fire

A positive variance of \$0.1 million is projected for the San Diego County Fire.

A positive expenditure variance of \$0.9 million is projected. A positive variance of \$0.7 million in Salaries & Benefits is due to vacant positions and \$0.2 million in Services & Supplies is due to lower than anticipated transport costs.

A negative revenue variance of \$0.8 million is projected in Fines, Forfeitures & Penalties is due to lower Maddy Trust Fund revenues related to traffic violations.

Sheriff

A positive variance of \$0.7 million is projected for the Sheriff's Department.

A positive expenditure variance of \$6.1 million is projected. A positive variance of \$4.6 million in Salaries & Benefits is projected due to vacancies, attrition, and under-filled positions. The Salaries & Benefits projection takes into account the transfer of funds related to the transition of the new comprehensive healthcare contract for incarcerated persons and to close out final invoices from previous contracts, Major Maintenance Capital Outlay Fund projects identified in Appendix C (\$10.0 million for the renovation and systems modernization of the Ridgehaven facility) and the absorption of costs related to premium pay and increases in ongoing compensation associated with recruitment and retention, which were included in the amendments to the compensation ordinance on August 16, 2022 (16) and August 30, 2022 (11) (\$11.7 million). A positive variance of \$1.5 million is projected in Services & Supplies primarily for one-time Regional Communication System (RCS) tower/generator equipment due to project timeline changes and expenditures in various accounts supporting detention operations such as food and household expense offset by higher than anticipated costs for fuel, temporary medical staffing, and advertising for recruitment.

A negative revenue variance of \$5.4 million is projected. A negative variance of \$4.7 million is projected in Charges For Current Services primarily from the over accrual in Trial Court Security Subaccount from prior year and lower than anticipated jail bed leasing, civil service process and lower reimbursement for law enforcement services due to vacancies. A negative variance of \$1.1 million is projected in Miscellaneous Revenues due to RCS projects and lower than anticipated revenue for reimbursement of costs associated with the Unsheltered Feeding Program. These negative variances are partially offset by a positive variance of \$0.4 million in Intergovernmental Revenues due to higher than anticipated revenue from the federal government for the State Criminal Alien Assistance Program (SCAAP), offset by lower than anticipated State Aid for reimbursement of costs to provide a jail-based competency treatment program.

Special Revenue Funds

Proposition 172

A positive variance of \$13.0 million is projected for Proposition 172 (Prop 172) Special Revenue Fund.

No expenditure variance is projected.

A positive revenue variance of \$13.0 million is projected in Intergovernmental Revenues due to higher expected sales tax receipts in the current fiscal year (\$9.5 million) and under-accrual in the prior fiscal year (\$3.5 million).

Sheriff's Incarcerated Peoples' Welfare Fund

A positive variance of \$2.0 million is projected for the Incarcerated Peoples' Welfare Fund.

A positive expenditure variance of \$2.0 million is projected in Services & Supplies primarily due to the impact of the COVID-19 pandemic in professional and specialized services associated with contracts for educational services resulting from reduced classes, and lower than anticipated expenditure needs associated with restricted activities and programs.

No revenue variance is projected.

HEALTH AND HUMAN SERVICES AGENCY (HHSA)

General Fund

Administrative Support

Administrative Support consists of the following: Agency Executive Office, Agency Contract Support, Financial & Support Services Division, Human Resources, Management Information Support, First Five Commission, and Office of Strategy and Innovation.

An overall positive variance of \$0.1 million is projected for Administrative Support.

A positive expenditure variance of \$1.5 million is projected mainly in Salaries & Benefits due to vacant positions.

A negative revenue variance of \$1.4 million is projected and includes a negative variance of \$1.3 million in Intergovernmental Revenue primarily tied to Realignment and social services administrative revenues associated with variance from budget in Salaries & Benefits and \$0.1 million in Charges for Current Services tied to reduced funding for indirect costs from Salaries & Benefits variance from budget in First 5 San Diego.

Aging & Independence Services

An overall positive variance of \$2.8 million is projected for Aging & Independence Services.

A positive expenditure variance of \$5.8 million is projected and includes a positive variance of \$3.0 million in Salaries & Benefits tied to a higher vacancy rate than previously budgeted due to a longer hiring timeline to fill vacancies for normal attrition and new positions added. A positive variance of \$0.8 million in Services & Supplies mainly in Contracted Services is due to delays in California Department of Aging (CDA) tied to program development and procurement timeframes, and a positive variance of \$2.0 million due to variance from budget in Operating Transfers Out tied to reduced funding needs for the In-Home Supportive Services (IHSS) Public Authority primarily related to a revised estimate in Individual Provider health benefit costs which are tied to the number of provider hours worked, with no impact to services.

A negative revenue variance of \$3.0 million is projected mainly in Intergovernmental Revenues consisting of a \$1.9 million decrease primarily to align with reduced expenditures in the IHSS Public Authority program and \$1.1 million decrease in Older Americans Act (OAA) revenues tied to delays and reduced funding needs for the CDA program as noted above.

Behavioral Health Services

Behavioral Health Services (BHS) consists of the following: Mental Health Services, Alcohol and Drug Services, and Inpatient Health Services comprised of the San Diego County Psychiatric Hospital (SDCPH) and Edgemoor Distinct Part Skilled Nursing Facility.

An overall positive variance of \$1.4 million is projected for BHS.

A positive expenditure variance of \$19.0 million is projected and includes a positive variance of \$9.7 million in Salaries & Benefits attributed to longer timeframes to hire staff, including newly added positions, hard to recruit classifications in the SDCPH, and vacancies due to attrition. A positive variance of \$9.3 million in Services & Supplies includes a positive variance of \$15.3 million in contracted services for a range of mental health programs to align with anticipated spending which adjusts for contractor staffing vacancies and projected utilization in residential bed days, offset by a negative variance of \$3.0 million in temporary staffing costs at the SDCPH, a negative variance of \$2.2 million in facility/structure maintenance costs, and a negative variance of \$0.8 million in medical supplies for inpatient services.

A negative revenue variance of \$17.6 million is projected and includes negative variances of \$17.1 million in Intergovernmental Revenue, and \$0.5 million in Miscellaneous Revenues due to the recoupment of payments in contracted services from prior year adjustments. The \$17.1 million negative variance in Intergovernmental Revenue is tied to aligning federal Short Doyle funding to anticipated billable service units and aligning grant funding and realignment funding with overall anticipated expenditures.

Child Welfare Services

There is no variance projected for Child Welfare Services (CWS).

A positive expenditure variance of \$14.4 million is projected and includes a positive variance of \$10.6 million in Salaries & Benefit due to staff vacancies offset by increased overtime costs to manage the workload as positions are filled. A negative variance of \$2.1 million in Services & Supplies is primarily driven by costs for San Pasqual Academy (SPA) to support building a continuum of placement options for youth and an increase in temporary staff to meet needs at Polinsky Children's Center for high acuity youth with medical needs. This is partially offset by variance from budget in contracted services mainly tied to transitional housing programs due to challenges in the rental market after ending of temporary moratorium on youth aging out of foster care during the pandemic. A positive variance of \$5.9 million in Other Charges is mainly to align with the revised projected caseloads in foster care and adoption assistance programs.

A negative revenue variance of \$14.4 million is projected and includes negative variances of \$13.9 million in Intergovernmental Revenues, \$0.2 million in Revenue from Use of

Money and Property to align revenue collection trends for the use of the SPA property, \$0.2 million in Charges for Current Services due to a lower collection of adoption fees and \$0.1 million in Miscellaneous Revenues related to private donations. The negative variance of \$13.9 million in Intergovernmental Revenues consists of \$5.4 million in Realignment revenues associated with Salaries & Benefits variance from budget, \$4.7 million primarily in social services administrative revenues to align with anticipated federal and State funding and projected expenditures mentioned above and \$3.8 million in federal and State assistance payment revenues associated with revised caseload projections for foster care and adoption assistance program.

Homeless Solutions and Equitable Communities

Homeless Solutions and Equitable Communities (HSEC) consists of the following: Office of Homeless Solutions and Equitable Communities Administration (HSEC Admin), Office of Homelessness Solutions (OHS), Office of Equitable Communities (OEQC) and Office of Immigrant and Refugee Affairs (OIRA).

An overall positive variance of \$1.5 million is projected for HSEC.

A positive expenditure variance of \$0.5 million is projected mainly in Salaries & Benefits due to attrition and vacant positions offset by increased costs in temporary staffing for additional community health worker capacity funded by grant revenue.

A positive revenue variance of \$1.0 million is projected and includes \$0.8 million in Intergovernmental Revenue associated with additional federal grant funding to offset temporary community health worker costs and \$0.2 million in Charges for Current Services due to revised estimate for dispute resolution fees to align with projected spending on contracted mediation services.

Housing & Community Development Services

Housing & Community Development Services (HCDS) consists of the following: HCDS Operations, Administration, and HCDS Multi-Year Projects.

An overall positive variance of \$0.9 million is projected for HCDS.

A negative expenditure variance of \$0.3 million is projected and includes a positive variance of \$0.7 million in Salaries & Benefits due to attrition and vacant positions, a negative variance of \$1.5 million in Services & Supplies and a positive variance of \$0.5 million in Other Charges tied to lower referrals for HOME Tenant Based Rental Assistance (TBRA) program mainly due to utilization of alternative CWS housing programs. The negative variance of \$1.5 million in Services & Supplies consists of \$2.7 million tied to the use of Innovative Housing Trust Fund (IHTF) interest that allowed HCDS to fund additional affordable housing developments, partially offset by \$1.2 million mainly tied to variance from budget in programs addressing homelessness in the unincorporated area due to the challenges in the rental market.

A positive revenue variance of \$1.2 million includes a positive variance of \$2.8 million in Miscellaneous Revenues primarily tied to IHTF interest to align with the anticipated loan disbursement and a negative variance of \$1.6 million in Intergovernmental Revenues associated with federal and State revenue mainly tied to lower referrals for TBRA and variance from budget in programs addressing homelessness noted above, partially offset by a COVID-19 related revenue augmentation to the Emergency Solutions Grant funding.

Medical Care Services

There is no overall variance projected for Medical Care Services.

A negative expenditure variance of \$1.0 million is projected and includes a negative variance of \$0.2 million in Salaries & Benefits tied to additional temporary staffing and overtime costs tied to emergency response costs and a negative variance of \$0.8 million in Services & Supplies tied to \$0.3 million for automated patient dispensing machines to help streamline the medication dispensing workflow, \$0.3 million to align with anticipated grant revenue for justice involved capacity building planning, and \$0.2 million tied to increase in information technology project cost for the Academic Detail by Zip Code Database.

A positive revenue variance of \$1.0 million is projected and includes a positive variance of \$1.0 million in Intergovernmental Revenues primarily tied to \$0.7 million to align COVID-19 response funding with projected costs and \$0.3 million in Providing Access and Transforming Health Supports (PATH) funding for justice involved capacity building planning.

Public Health Services

There is no overall variance projected for Public Health Services (PHS).

A positive expenditure variance of \$9.3 million is projected and includes a positive variance of \$8.5 million in Salaries & Benefits due to attrition and delays in hiring new staff offset by increased overtime costs. A positive variance of \$0.8 million in Services & Supplies tied to lower than anticipated operating costs related to the Health Services Complex closure partially offset by projected spending associated with the Monkeypox emergency response costs.

A negative revenue variance of \$9.3 million is projected and includes a negative variance of \$9.8 million in Intergovernmental Revenues offset by a \$0.5 million positive variance in Miscellaneous Revenues based on an anticipated grant allocation to support COVID-19 surveillance. The negative variance of \$9.8 million in Intergovernmental Revenues is primarily tied to adjusting recognition of Realignment revenue to align with projected expenditures in Salaries & Benefits.

Self-Sufficiency Services

An overall negative variance of \$3.9 million is projected for Self-Sufficiency Services (SSS).

A negative expenditure variance of \$22.2 million is projected and includes a positive variance of \$3.7 million in Salaries & Benefits due to staff vacancies and attrition offset by increased overtime costs, a negative variance of \$1.6 million in Services & Supplies, and a negative variance of \$24.3 million in Other Charges. The negative variance of \$1.6 million in Services & Supplies is primarily in contracted services tied to projected increased printing costs, interpretation services based on increasing caseloads, and transition to the California Statewide Automated Welfare System (CalSAWS). The negative variance of \$24.3 million in Other Charges represents a projected increase of \$19.3 million in the California Work Opportunity and Responsibility to Kids (CalWORKs) program tied to State mandated grant increases and increases in supportive services, increase of \$4.1 million in the General Relief program tied to both increased caseloads and grant amounts and an increase of \$0.9 million in the Cash Assistance Program for Immigrants tied to revised estimates of caseload levels.

A positive revenue variance of \$18.3 million is projected and includes positive variances of \$18.8 million in Intergovernmental Revenues, \$0.2 million in Miscellaneous Revenues due to the recoupment of payments in contracted services from prior year adjustments partially offset by a negative variance of \$0.7 million in Fines, Forfeitures and Penalties primarily to align to the Emergency Medical Services Physicians Services revenue with collection trends. The positive revenue variance of \$18.8 million in Intergovernmental Revenues is primarily due to increases in assistance payment revenues to support the increase in CalWORKs assistance payments noted above and in social services administrative revenues tied to revised allocations.

LAND USE AND ENVIRONMENT GROUP

GENERAL FUND

Environmental Health and Quality

A positive variance of \$0.6 million is projected for the Department of Environmental Health and Quality.

A positive expenditure variance of \$0.6 million is projected. A positive variance of \$0.6 million in Salaries & Benefits is due to vacancies and under-filled positions.

No significant revenue variance is projected.

Planning & Development Services

No significant variance is projected for the Department of Planning & Development Services.

A positive expenditure variance of \$5.8 million is projected. A positive variance of \$4.5 million in Salaries & Benefits is projected due to vacancies and under-filled positions. A positive variance of \$1.3 million in Services & Supplies is projected primarily due to variance from budget in one time only information technology projects and reduced consultant contract spending.

A negative revenue variance of \$5.8 million is projected. A negative variance of \$6.4 million is projected in Charges for Current Services due to a decline in billable activities for land development projects due to staff vacancies and \$0.2 million negative variance in Intergovernmental Revenue is projected due to lower than anticipated grant reimbursements for ongoing projects which is partially offset by a projected positive variance of \$0.8 million in Licenses, Permits and Franchises due to higher than anticipated building permit applications.

SPECIAL REVENUE FUNDS

Public Works - Road Fund

A positive variance of \$1.1 million is projected for the Department of Public Works Road Fund.

A positive expenditure variance of \$7.2 million is projected. A positive variance of \$7.2 million in Salaries & Benefits is due to staff vacancies and under-filled positions.

A negative revenue variance of \$6.1 million is projected. A negative variance of \$0.3 million in Taxes Other than Current Secured is due to TransNet project schedule revisions. A negative variance of \$4.7 million in Intergovernmental Revenues is projected due to updated projections from California State Association of Counties for HUTA gas

tax allocation (\$5.4 million); project schedule changes for Community Development Block Grant (\$0.2 million); offset by overrealized revenue due to posting in Aid From Other Cities that is budgeted in Other Services To Government under Charges to Current Services (\$0.8 million); and prior year federal claim reimbursed in current fiscal year (\$0.1 million). A negative variance of \$1.1 million in Charges for Current Services is projected due to schedule revisions for Watershed Protection Program projects (\$0.1 million), Airports projects (\$0.4 million), Closed Landfills (\$0.1 million) and underrealized revenue due to posting in Aid From Other Cities under Intergovernmental Revenues that is budgeted in Other Services To Government (\$0.8 million) offset by increase support for Sanitation District projects (\$0.3 million).

Public Works – County Waste Management and Recycling

A positive variance of \$0.9 million is projected for the Department of Public Works County Waste Management and Recycling.

A positive expenditure variance of \$0.1 million is projected in Salary & Benefits due to vacancies.

A positive revenue variance of \$0.8 million in Intergovernmental Revenue is due to unanticipated state funding for SB1383 implementation of organics (\$0.7 million) and ARPA edible food grant (\$0.1 million).

Park Land Dedication Ordinance

A positive variance of \$0.7 million is projected for the Park Land Dedication Ordinance.

No significant expenditure variance is projected.

A positive revenue variance of \$0.7 million is projected in Licenses, Permits, & Franchises due to Park Land Dedication fees due to unanticipated increased levels of land development activity.

San Diego County Library

A positive net variance of \$1.8 million is projected for the San Diego County Library.

A positive expenditure variance of \$1.8 million is projected. A positive variance of \$1.1 million in Salaries & Benefits is due to staff vacancies. A positive variance of \$0.7 million in Services & Supplies is due to variance from budget in IT related costs (\$0.5 million) and utilities costs (\$0.2 million).

No significant revenue variance is projected.

SPECIAL DISTRICT FUNDS

Public Works – Permanent Roads Divisions

A positive variance of \$4.9 million is projected for the Department of Public Works Permanent Road Divisions.

A positive expenditure variance of \$4.8 million is projected in Services & Supplies primarily due to variance from budget in one time only road maintenance projects.

A positive revenue variance of \$0.1 million is projected in Charges for Current Services due to an increase in Service to Property Owners due to property tax rate increases.

INTERNAL SERVICE FUNDS

No significant variance is projected for the Internal Service Funds.

ENTERPRISE FUNDS

Public Works - Airport Enterprise Fund

A positive net variance of \$0.9 million is projected in the Airport Enterprise Fund.

A positive expenditure variance of \$4.1 million is projected. A positive variance of \$0.9 million is projected in Salaries & Benefits due to partial year vacancies and \$3.2 million on Capital Assets/Land Acquisition due to state cancellation of CalFire Median project.

A negative revenue variance of \$3.2 million is projected. A negative variance is projected in Intergovernmental Revenue from State Aid for Aviation due to state cancellation of CalFire Median project.

Public Works – Wastewater Management Enterprise Fund

No variance is projected for Wastewater Management Enterprise Fund.

A positive expenditure variance of \$1.4 million is projected in Salaries & Benefits due to staff vacancies and under filled positions.

A negative revenue variance of \$1.4 million is projected in Charges for Current Services due to reduced work for maintenance in the San Diego County Sanitation District related to staff vacancies.

FINANCE AND GENERAL GOVERNMENT GROUP

General Fund

Assessor/Recorder/County Clerk

No overall variance is projected for the Assessor/Recorder/County Clerk (ARCC).

A positive expenditure variance of \$3.6 million is projected due to positive variances of \$3.5 million in Salaries & Benefits due to vacancies and \$0.1 million in Operating Transfers Out associated with the cancellation of a major maintenance project at the East County Office and Archives.

A negative revenue variance of \$3.6 million is projected due to the following:

- Negative variance of \$3.9 million in Charges for Current Services which includes:
 - Negative variance of \$4.7 million in Recording Document (\$4.4 million) and Duplicating & Filing Documents (\$0.3 million) due to fewer than anticipated number of recorded documents as a result of higher interest rates;
 - Negative variance of \$0.1 million in Micrographics Fee related to a cancelled major maintenance project;
 - Positive variance of \$0.3 million in Recording Fees due to higher than anticipated vital certificates issued;
 - Positive variance of \$0.3 million in Marriage Ceremonies due to higher than anticipated number of marriage ceremonies performed; and
 - Positive variance of \$0.3 million in Recorder Trust Funds for less than anticipated ARCC staff time dedicated to archive collection management and microfilm production and processing.
- Positive variance of \$0.3 million in Licenses Permits & Franchises due to higher than anticipated number of marriage licenses issued.

Auditor & Controller

A positive variance of \$0.5 million is projected for the Auditor & Controller.

A positive expenditure variance of \$1.3 million is projected primarily in Salaries & Benefits as a result of vacant and modified positions.

A negative revenue variance of \$0.8 million is projected. Anticipated negative variances include \$0.6 million in Intergovernmental Revenues due to a delay in American Rescue Plan Act (ARPA) related costs not being incurred, resulting in revenue not being realized to offset the cost, \$0.1 million in Charges for Current Services due to lower than expected costs for grant administration, and \$0.1 million in Miscellaneous Revenues due to anticipated revenue shortfalls in property tax administrative fees and collection fee administrative costs.

Chief Administrative Office

A positive variance of \$0.5 million is projected for the Chief Administrative Office.

A positive expenditure variance of \$0.5 million is projected in Salaries & Benefits, primarily due to variance from budget associated with the staffing vacancies associated with newly created offices.

No revenue variance is projected.

County Counsel

A positive variance of \$1.0 million is projected for the Office of County Counsel.

A positive expenditure variance of \$2.4 million is projected in Salaries & Benefits due to staff attrition and departmental vacancies.

A negative revenue variance of \$1.4 million is projected primarily in Charges for Current Services due to an anticipated decrease in reimbursements associated with the staff vacancies noted above tied to public liability staff costs, and a decrease in legal services provided within the air pollution and land development areas.

Office of Evaluation, Performance and Analytics

No overall variance is projected for the Office of Evaluation, Performance and Analytics.

A positive expenditure variance of \$1.2 million is projected in Salaries & Benefits, primarily due to variance from budget associated with staffing vacancies for the newly established department.

A negative revenue variance of \$1.2 million is projected in Intergovernmental Revenues due to less than anticipated ARPA revenue related to the staffing vacancies noted above.

Treasurer-Tax Collector

An overall positive variance of \$1.0 million is projected for the Treasurer-Tax Collector.

A positive expenditure variance of \$2.4 million is projected due to positive variances of \$1.0 million in Salaries & Benefits due to normal attrition of staff and vacant positions and \$1.4 million in Services & Supplies mainly due to delays in information technology (IT) projects and projected underspend on contracts.

A negative revenue variance of \$1.4 million is projected in Charges for Current Services mainly due to less than anticipated Banking Pooled Services revenue tied to Salaries & Benefits, delayed IT projects noted above, and lower than expected tax collection fees.

Internal Service Funds (ISF)

Facilities Management ISF

An overall positive variance of \$1.2 million is projected for the Facilities Management ISF.

A positive expenditure variance of \$10.0 million is projected. Anticipated positive variances include \$1.8 million in Salaries & Benefits due to normal attrition of staff and departmental vacancies, \$7.8 million in Services & Supplies primarily due to lower than anticipated pass-through expenses related to maintenance and contracted services, and \$0.3 million in Other Charges due to lower than anticipated depreciation charges.

A negative revenue variance of \$8.8 million is projected. Anticipated negative variances include \$8.1 million in Charges for Current Services due to lower than anticipated reimbursement related to the expenditure variance from budget mentioned above, \$0.3 million in Intergovernmental Revenues for payments related to facilities occupied by State courts, \$0.3 million in Miscellaneous Revenues due to less than anticipated revenue from the Energy Trust Fund, and \$0.1 million in Other Financing Sources due to a decrease in Operating Transfers In from the Major Maintenance ISF related to lower than anticipated maintenance services.

Fleet Management ISF

An overall positive variance of \$0.5 million is projected for the Fleet Management ISF.

A positive expenditure variance of \$2.1 million is projected. Anticipated positive variances include \$0.6 million in Salaries & Benefits due to normal attrition of staff and departmental vacancies, and \$1.5 million in Other Charges due to lower than anticipated depreciation charges based on actual timing and value of vehicle and equipment replacement.

A negative revenue variance of \$1.6 million is projected. Anticipated negative variances include \$1.6 million in Charges for Current Services due to lower than anticipated reimbursement related to the expenditure variance from budget mentioned above, and \$0.1 million in Other Financing Sources due to less than anticipated auction proceeds, partially offset by a positive variance of \$0.1 million in Miscellaneous Revenues due to higher than projected Third Party recoveries related to accident repairs.

Public Liability ISF

An overall negative variance of \$28.5 million is projected for the Public Liability ISF.

A negative expenditure variance of \$28.5 million is projected and includes an anticipated negative variance of \$0.8 million in Services & Supplies due to an increase in litigation expenses, including the use of outside counsel, experts and consultant services. Further, a negative variance of \$27.7 million in Other Charges is projected due to the anticipated settlement and resolution of various high-liability matters.

No revenue variance is projected.

Purchasing and Contracting ISF

A positive variance of \$1.1 million is projected for the Purchasing and Contracting ISF.

A positive expenditure variance of \$1.1 million is projected in Salaries & Benefits attributed to managed vacancies.

No significant revenue variance is projected.

GENERAL PURPOSE REVENUE & COUNTYWIDE EXPENSES

A positive variance of \$47.9 million is projected in General Purpose Revenue (GPR) primarily due to higher than anticipated assessed value (AV) growth (\$26.3 million), higher pass-through distributions and residual balance estimates from Redevelopment Successor Agencies (\$2.6 million) and other various GPR revenues (\$19.0 million). There is no significant variance in General County Expenses.

General Purpose Revenue

The County's General Purpose Revenue is directly influenced by the state of the economy. Employment showed gains in all industries except Manufacturing and Financial Activities; overall employment showed a positive gain from September 2021 to September 2022. The region has continued to fare better than other California metros in terms of unemployment rate. Median home prices in San Diego for Single Family Homes were higher by 8.9% and for Existing Attached Homes by 13.6% based on the average of July and August 2022 compared to the same time period last year. Per Beacon Economics (Fall 2022), the economic outlook for the County of San Diego has continued to improve, with job gains outperforming other coastal communities in the state. Total nonfarm employment increased 4.5% in the twelve-month period ending in August 2022, outpacing the 4% statewide increase. Employment in San Diego is now at an all-time high and has surpassed its pre-pandemic peak. However, payroll growth has started to slow down. The pool of available labor is decreasing as the unemployment rate held steady at 2.6% for three consecutive months this year. Beacon Economics expects San Diego's employment expansion to continue into next year, but the extent to which nonfarm employment can grow will be limited by an increasingly short supply of available labor. Beacon Economics also projects a moderate rise in the unemployment rate toward the end of the year as measures taken by the Federal Reserve begin to cool things down. A recession is not currently predicted, but signs are starting to appear, when it will happen remains unclear. The housing market has continued to show signs of weakness. Weakness in the housing market stems from a slowdown in sales activity. The primary driver of the slowdown is rising interest rates. After accounting for local inflation, the real cost of owning a home in San Diego has risen 24.8% since the start of this year. Meanwhile, inflation-adjusted average hourly earnings for private-sector employees have declined 2.2%. Sales of existing single-family homes, which comprise a significant share of the local market, were down 16% through the first half of this year, whereas prices increased 16.8% over the same period. Steep declines in sales also occurred in the existing condominium market, where year-to-date sales dipped 18.6%, while sales of new homes fell 25.9%.

The County's GPR related to property tax revenues improved, supported by the increase in assessed values. For Fiscal Year 2022-23, the economic indicators discussed previously, and the trends summarized below, are followed by a discussion on significant revenue account variances from budget:

- San Diego's monthly unemployment rate fell to 3.1% in September 2022, down from 5.4% in September 2021. In comparison, this is below the state's rate of 3.7% in September 2022 and 6.1% in September 2021.
- Consumer spending, as measured by taxable sales, will increase mainly due to increase in consumer online spending. During the 1st Quarter of 2022-23, unadjusted local point of sale tax revenue increased by 5.92% in the Southern California Region, in the statewide level by 5.02% and in the San Diego regional level by 5.35%, but decreased by 8.78% in the unincorporated area compared to the same time period last year.
- There are positive and negative indicators in the housing market in the County.
 - Increase in median housing prices for Single Family Homes (up 8.9%) and for Existing Attached Homes (up 13.6%) for July and August average compared to the same time period last year.
 - Notices of Default increased 91% in January-September 2022 compared to the same period in 2021.
 - Foreclosure activity increased 72% in January-September 2022 compared to the same period in 2021.

Current Property Taxes All Categories

The four categories of Current Property Taxes (i.e., Property Taxes Current Secured, Property Taxes Current Supplemental, Property Taxes Unsecured, and Property Taxes Current Unsecured Supplemental) combined are estimated to show a net positive variance to budget of \$8.3 million.

- *Property Taxes Current Secured*

Current Secured Property Taxes are projected to be \$10.9 million higher than budget due primarily to higher than anticipated assessed value (AV) growth.

The budgeted current secured property taxes assumed a local secured assessed value increase of 6.00%, but the actual assessed value (AV) increased by 7.96% (gross less regular exemptions). (Note: The 7.96% increase represents the change in the assessed value for only the secured roll. This is lower than the countywide overall increase published by the Assessor/Recorder/County Clerk on July 14, 2022 of 8.27%, which includes all assessed value components, secured and unsecured).

- *Property Taxes - Current Unsecured*

Current Unsecured Property Taxes are projected to be \$2.6 million below budget due to projected lower revenue based on prior year receipts. At the time the budget was prepared, current unsecured property tax revenues were based on the assumption that there would be no growth in the current unsecured roll. Unlike the secured roll, the unsecured roll does not build on a prior year base.

- *Property Taxes Current Supplemental*

No projected variance in Property Taxes Current Supplemental.

Taxes Other Than Current Secured

Taxes Other Than Current Secured are anticipated to be \$21.0 million above budget.

- *Property Tax Prior Secured Supplemental*

No significant variance projected in Property Tax Prior Secured Supplemental.

- *Real Property Transfer Taxes*

No projected variance in Real Property Transfer Taxes.

- *Teeter Tax Reserve Excess*

Teeter Tax Reserve Excess is projected to be \$0.6 million higher than budget. This is based on returned excess Teeter Tax Reserve requirement, current penalty and interest collections and available data on the outstanding receivables and projections through the end of the fiscal year.

- *Sales & Use Taxes*

Sales & Use Taxes are projected to be \$3.6 million higher than budget. This is mostly due to the continued growth activities in the Unincorporated Area which increases the County's share of the Pool going forward.

- *Transient Occupancy Tax*

Transient Occupancy Tax is projected to be \$0.8 million higher than budget. This is based on prior year receipts and continued growth in the hotel industry and tourism as a whole.

- *Other Tax Aircraft*

No projected variance in Other Tax Aircraft.

- *Property Tax in Lieu of Vehicle License Fees*

Property Tax in Lieu of Vehicle License Fees (VLF) is projected to be \$15.4 million higher than budget due to higher than budgeted growth in assessed valuation.

- *Teeter Property Tax Prior Year and Cumulative Prior Years*

Teeter Property Tax Prior Year and Cumulative Prior Years are projected to be \$0.6 million higher than budget. The increase is based on a higher collection of receivables from prior fiscal year.

Licenses, Permits, and Franchises

Licenses, Permits and Franchises are projected to be \$0.4 million lower than budget due to lower-than-expected payments from Franchise Fees.

Revenue from Use of Money & Property

Revenue from Use of Money & Property are projected to be \$12.3 million higher than budget. The increase is due to a higher projected average daily cash balance than what was budgeted which was used to calculate the interest revenue, and due to a higher interest rate due to the recent rise in market rates.

Fines, Forfeitures and Penalties

Fines, Forfeitures and Penalties are projected to be \$4.0 million higher than budget due to higher than budgeted growth in assessed valuation. Revenues in this account reflect the 10% penalty that is assessed on late current secured and unsecured property tax payments.

Intergovernmental Revenues

Intergovernmental Revenues are projected to be \$2.6 million higher than budget due to pass-through distributions (\$1.6 million), and residual balance estimates (\$1.0 million) in Aid from Redevelopment Successor Agencies. The pass-through distributions continue to increase due to continued growth in the project areas. In addition, residual balance estimates tied to Redevelopment Successor Agencies continue to increase.

Charges for Current Services

Charges for Current Services are projected to be \$0.1 million higher than budget due to higher-than-expected revenues received in A-87 Cost Allocation Plan.

Miscellaneous Revenue

No projected variance in Miscellaneous Revenue.

General County Expenses

Countywide General Expense

There is zero variance projected for Countywide General Expense.

Lease Payments – Bonds

There is no significant variance projected for Lease Payments – Bonds.

Contributions to Capital

There is zero variance projected for Contributions to Capital.

Capital Program Funds

Edgemoor Development Fund

A negative variance of \$0.6 million is projected for the Edgemoor Development Fund.

A positive expenditure variance of \$0.1 million is projected and includes a positive variance of \$0.1 million in Services & Supplies due to lower than anticipated Internal Service Fund expenditures.

There is a negative revenue variance of \$0.7 million projected and includes a negative variance of \$0.5 million in Other Financing Sources related to the sale of a fixed asset that will not take place and \$0.2 million in Revenue Use Money & Property associated with lower estimated interest earnings which are based on the average daily cash balances. There is sufficient available fund balance in the Edgemoor Development Fund (EDF) to mitigate the projected negative revenue variance.

(Note: The planned use of EDF fund balance is to pay for debt service related to the issuance of the 2014 Edgemoor Certificates of Participation. The draw from the EDF fund balance is projected to accelerate due to lower Senate Bill 1128 revenue and lower projected land sale revenues. Staff are monitoring the fund to identify funding solutions for debt service payments required through Fiscal Year 2029-30.)

**FY 2022-2023 1st Quarter
Projected Year-End Results**
(in thousands)

COUNTY SUMMARY

	Expenditure Variance	Revenue Variance	1st Quarter FY22-23 Projected Fund Balance	% of Proj FB to Budget
	Favorable/(Unfavorable)			
General Fund				
Public Safety	\$ 23,480	\$ (10,959)	\$ 12,520	0.6%
Health & Human Services Agency	27,075	(24,161)	2,914	0.1%
Land Use & Environment	7,027	(6,188)	840	0.2%
Finance & General Government	12,110	(8,261)	3,849	0.9%
Total Agency/Group	69,692	(49,569)	20,123	0.3%
General Purpose Revenue	0	47,871	47,871	2.9%
Finance Other	33	(10)	23	0.0%
Total General Fund	\$ 69,725	\$ (1,708)	\$ 68,017	1.0%
Special Revenue Funds				
Public Safety	\$ 2,007	\$ 13,266	\$ 15,273	3.1%
Health & Human Services Agency	0	0	0	0.0%
Land Use & Environment	9,105	(4,697)	4,408	1.0%
Total Special Revenue Funds	\$ 11,112	\$ 8,569	\$ 19,681	2.1%
Capital Program				
Finance Other	\$ 92	\$ (650)	\$ (558)	-0.1%
Internal Service Funds Departments				
Land Use & Environment	\$ 0	\$ 0	\$ 0	0.0%
Finance & General Government	13,272	(10,475)	2,797	0.5%
Finance Other	(28,479)	0	(28,479)	-30.2%
Total Internal Service Funds	\$ (15,206)	\$ (10,475)	\$ (25,682)	-3.6%
Enterprise Fund Departments				
Public Safety Group	\$ 0	\$ 0	\$ 0	0.0%
Land Use & Environment	5,505	(4,623)	883	1.7%
Total Enterprise Funds	\$ 5,505	\$ (4,623)	\$ 883	1.6%
Special District Funds Departments				
Public Safety Group	\$ 29	\$ 347	\$ 376	1.5%
Land Use & Environment	4,982	288	5,270	3.8%
Total Special District Funds	\$ 5,011	\$ 635	\$ 5,646	3.4%
Other County Funds Departments				
HHSA - Red./Redev. Successor Agency	\$ 0	\$ 0	\$ 0	0.0%
HHSA - Housing & Community Development	0	0	0	0.0%
Total Other County Funds	\$ 0	\$ 0	\$ 0	0.0%
Debt Service - Pension Obligation Bonds	\$ 0	\$ 0	\$ 0	0.0%
Total County Year-End Operating Balance	\$ 76,239	\$ (8,253)	\$ 67,986	0.7%

**FY 2022-2023 1st Quarter
Projected Year-End Results**

(in thousands)

PUBLIC SAFETY GROUP

	Expenditure Variance	Revenue Variance	1st Quarter FY22-23 Projected Fund Balance	% of Proj FB to Budget
	Favorable/(Unfavorable)			
General Fund Departments				
Animal Services	\$ 82	\$ 0	\$ 82	0.8%
Child Support	6,137	(5,078)	1,059	2.0%
District Attorney	3,185	0	3,185	1.2%
Emergency Services	9	0	9	0.1%
Medical Examiner	92	(36)	57	0.4%
Probation	6,461	524	6,985	2.5%
Public Defender	200	(200)	0	0.0%
Public Safety Executive Office	298	0	298	0.3%
San Diego County Fire	927	(809)	118	0.1%
Sheriff	6,088	(5,361)	728	0.1%
Total General Fund	\$ 23,480	\$ (10,959)	\$ 12,520	0.6%
Special Revenue Funds Departments				
District Attorney (Asset Forfeiture - State & Federal)	\$ 0	\$ 0	\$ 0	0.0%
Probation - Asset Forfeiture	0	0	0	0.0%
Probation - Incarcerated Peoples' Welfare Program	0	0	0	0.0%
Sheriff - Asset Forfeiture	0	293	293	14.6%
Sheriff - Incarcerated Peoples' Welfare Program	2,007	0	2,007	38.6%
Criminal Justice Facility	0	0	0	0.0%
Courthouse	0	0	0	0.0%
Penalty Assessment	0	0	0	0.0%
Public Safety - Proposition 172	0	12,972	12,972	2.9%
Total Special Revenue Funds	\$ 2,007	\$ 13,266	\$ 15,273	3.1%
Enterprise Funds				
Jail Commissary Enterprise Fund	\$ 0	\$ 0	\$ 0	0.0%
Total Enterprise Funds	\$ 0	\$ 0	\$ 0	0.0%
Special District Funds				
Sheriff (Regional 800 MHz)	\$ 0	\$ 0	\$ 0	0.0%
County Service Areas	27	317	345	4.8%
Community Facilities Districts	2	7	9	0.3%
County Service Areas 17 & 69	0	23	23	0.2%
Total Special District Funds	\$ 29	\$ 347	\$ 376	1.5%
Total Public Safety Group	\$ 25,516	\$ 2,653	\$ 28,169	1.0%

**FY 2022-2023 1st Quarter
Projected Year-End Results**
(in thousands)

HEALTH & HUMAN SERVICES AGENCY

	Expenditure Variance		Revenue Variance		1st Quarter FY22-23 Projected Fund Balance	% of Proj FB to Budget
	Favorable/(Unfavorable)					
General Fund Programs						
Administrative Support	\$ 1,503		\$ (1,362)		\$ 142	0.1%
Aging & Independence Services	5,878		(3,029)		2,848	1.2%
Behavioral Health Services	18,974		(17,590)		1,384	0.2%
Child Welfare Services	14,363		(14,363)		0	0.0%
Public Health Services	9,288		(9,288)		0	0.0%
Self-Sufficiency Services	(22,186)		18,305		(3,881)	-0.6%
Medical Care Services	(1,019)		1,063		45	0.1%
Housing & Community Development Services	(258)		1,151		894	0.4%
Homeless Solutions and Equitable Communities	530		952		1,482	1.0%
Total General Fund	\$ 27,075		\$ (24,161)		\$ 2,914	0.1%
Special Revenue Funds						
Tobacco Securitization Fund	\$ 0		\$ 0		\$ 0	0.0%
Total Special Revenue Funds	\$ 0		\$ 0		\$ 0	0.0%
Other County Funds Departments						
Housing & Community Development	\$ 0		\$ 0		\$ 0	0.0%
Red. Agency/Redevelopment Successor Agency	0		0		0	0.0%
Total Other County Funds Departments	\$ 0		\$ 0		\$ 0	0.0%
Total Health & Human Services Agency	\$ 27,075		\$ (24,161)		\$ 2,914	0.1%

FY 2022-2023 1st Quarter
Projected Year-End Results
(in thousands)

LAND USE & ENVIRONMENT GROUP

	Expenditure Variance	Revenue Variance	1st Quarter FY22-23 Projected Fund Balance	% of Proj FB to Budget
	Favorable/(Unfavorable)			
General Fund Departments				
Agriculture, Weights & Measures	\$ 306	\$ (277)	\$ 29	0.1%
Department of Environmental Health and Quality	600	0	600	1.0%
Land Use & Environment Group Exec Office	127	0	127	0.8%
Parks & Recreation	0	0	0	0.0%
Planning & Development Services	5,791	(5,750)	42	0.1%
Public Works	203	(161)	42	0.1%
Total General Fund	\$ 7,027	\$ (6,188)	\$ 840	0.2%
Special Revenue Funds/Departments				
A,W & M (Grazing and Fish & Game Commission)	\$ 0	\$ 0	\$ 0	0.0%
Parks & Recreation - PLDO	0	676	676	8.9%
DPW - Aviation Funds	0	0	0	0.0%
DPW - Road Fund	7,157	(6,083)	1,074	0.3%
DPW - Survey Monument Preservation	0	0	0	0.0%
DPW - Inactive Waste	74	(74)	0	0.0%
DPW - Waste Planning and Recycling	62	803	865	19.9%
Library Services	1,812	(19)	1,793	2.7%
Total Special Revenue Funds	\$ 9,105	\$ (4,697)	\$ 4,408	1.0%
Internal Service Funds				
Public Works - DPW Equip. ISF Prg. (35525-35700)	\$ 0	\$ 0	\$ 0	0.0%
Total Internal Service Funds	\$ 0	\$ 0	\$ 0	0.0%
Enterprise Funds				
Airport Enterprise Fund	\$ 4,083	\$ (3,200)	\$ 883	2.3%
Wastewater Management Enterprise Fund	1,423	(1,423)	0	0.0%
Total Enterprise Funds:	\$ 5,505	\$ (4,623)	\$ 883	1.7%
Special District Funds/Departments				
Parks and Recreation	\$ 0	\$ 32	\$ 32	0.6%
Parks - Community Facilities Districts	0	0	0	0.0%
DPW - SD County Sanitation District	123	0	123	0.2%
DPW - Campo WSMD-Zone A (Rancho Del Campo Water)	0	0	0	0.0%
DPW - CWSMD-Zone B (Campo Hills Water)	0	0	0	0.0%
DPW - Live Oak Springs Water	0	0	0	0.0%
DPW - CSAs	33	6	39	8.3%
DPW - PRDs	4,757	118	4,875	51.2%
DPW - Community Facilities Districts	60	(1)	60	0.5%
DPW - Flood Control	0	0	0	0.0%
DPW - Street Lighting District	8	133	141	5.5%
Total Special Districts Funds:	\$ 4,982	\$ 288	\$ 5,270	3.8%
Total Land Use & Environment Group	\$ 26,620	\$ (15,220)	\$ 11,400	1.2%

**FY 2022-2023 1st Quarter
Projected Year-End Results**

(in thousands)

**FINANCE & GENERAL GOVERNMENT
GROUP**

Expenditure Variance	Revenue Variance	1st Quarter FY22-23 Projected Fund Balance	% of Proj FB to Budget
Favorable/(Unfavorable)			

General Fund Departments

Law Enforcement Review Board	\$ 110	\$ 0	\$ 110	6.1%
Assessor/Recorder/County Clerk	3,583	(3,583)	0	0.0%
Auditor & Controller	1,274	(770)	504	1.1%
Board of Supervisors	407	0	407	2.7%
Chief Administrative Office	512	0	512	4.1%
Civil Service Commission	18	0	18	2.8%
Clerk of the Board of Supervisors	105	30	135	2.7%
County Communications Office	83	0	83	1.4%
County Counsel	2,360	(1,405)	955	2.4%
County Technology Office	0	0	0	0.0%
Finance & GG Exec Office	0	100	100	0.2%
Evaluation, Performance and Analytics	1,219	(1,219)	0	0.0%
General Services	0	0	0	0.0%
Grand Jury	49	0	49	6.3%
Human Resources	0	0	0	0.0%
Purchasing & Contracting			0	0.0%
Registrar of Voters	0	0	0	0.0%
Treasurer-Tax Collector	2,390	(1,413)	976	3.9%
Total General Fund	\$ 12,110	\$ (8,261)	\$ 3,849	0.9%

Internal Service Funds Departments

CTO - Information Technology	\$ 0	\$ 0	\$ 0	0.0%
Facilities Management	9,997	(8,787)	1,210	0.7%
Major Maintenance ISF	0	0	0	0.0%
Fleet Management	2,151	(1,658)	493	0.6%
Purchasing & Contracting	1,124	(30)	1,094	5.8%
Total Internal Service Funds	\$ 13,272	\$ (10,475)	\$ 2,797	0.5%

**Total Finance & General
Government Group**

Total Finance & General Government Group	\$ 25,382	\$ (18,736)	\$ 6,646	0.7%
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**FY 2022-2023 1st Quarter
Projected Year-End Results**
(in thousands)

**GENERAL PURPOSE REVENUE &
FINANCE OTHER**

	Expenditure Variance		Revenue Variance		1st Quarter FY22-23 Projected Fund Balance	% of Proj FB to Budget	
	Favorable/(Unfavorable)						
General Fund							
General Purpose Revenue:							
All Current Property Taxes	\$	0	\$	8,250	\$	8,250	1.0%
All Other Taxes-Local		0		21,023		21,023	3.5%
Licenses, Permits & Franchises		0		(381)		(381)	-8.0%
Fines, Forfeitures & Penalties		0		3,967		3,967	22.0%
Revenue for Use of Money & Property		0		12,289		12,289	152.0%
Intergovernmental Revenue		0		2,628		2,628	1.6%
Charges for Current Services		0		96		96	4.6%
Miscellaneous Revenue		0		0		0	0.0%
Total General Purpose Revenue	\$	0	\$	47,871	\$	47,871	2.9%
General County Expenses:							
Cash Borrowing Program	\$	0	\$	0	\$	0	0.0%
Community Enhancement		0		0		0	0.0%
Contribution to County Library		0		0		0	0.0%
Contributions to the Capital Outlay Fund		0		0		0	0.0%
Lease Payments - Bonds		33		(10)		23	0.1%
Local Agency Formation Comm Admin		0		0		0	0.0%
Neighborhood Reinvestment Program		0		0		0	0.0%
Countywide Expenses		0		0		0	0.0%
Total Finance Other Expenses		33		(10)		23	0.0%
Total General Fund	\$	33	\$	47,861	\$	47,894	5.4%
Capital Program Funds							
Capital Program	\$	92	\$	(650)	\$	(558)	-0.1%
Total Capital Program Funds	\$	92	\$	(650)	\$	(558)	-0.1%
Internal Service Funds Departments							
Workers Compensation	\$	0	\$	0	\$	0	0.0%
Unemployment Insurance		0		0		0	0.0%
Public Liability		(28,479)		0		(28,479)	-67.8%
Total ISF Funds	\$	(28,479)	\$	0	\$	(28,479)	-30.2%
Debt Service Funds Departments							
Pension Obligation Bonds	\$	0	\$	0	\$	0	0.0%
Total Debt Service Funds	\$	0	\$	0	\$	0	0.0%
Total General Purpose Revenue & Finance Other	\$	(28,353)	\$	47,211	\$	18,857	1.0%

**FY 2022-2023 1st Quarter
Projected Year-End Results**
(in thousands)

Category	Projected Management Reserves	Projected Operating Balances	1st Quarter FY22-23 Projected Fund Balance
	Favorable/(Unfavorable)		
General Fund			
Public Safety	\$ 0	\$ 12,520	\$ 12,520
Health and Human Services Agency	0	2,914	2,914
Land Use and Environment	0	840	840
Finance & General Government	0	3,849	3,849
Agency/Group Totals	\$ 0	\$ 20,123	\$ 20,123
General Purpose Revenue	\$ 0	\$ 47,871	\$ 47,871
General County Expenses	0	23	23
Total General Purpose Revenue & General County Expense	\$ 0	\$ 47,894	\$ 47,894
Total General Fund	\$ 0	\$ 68,017	\$ 68,017

Appendix C: Major Maintenance Capital Outlay Fund (MMCOF) Adjustments for Fiscal Year 2022-2023 (1ST QUARTER)

GROUP	DEPT.	PROJECT NUMBER	PROJECT NAME	FUNDING SOURCE			NOTES	DEPARTMENTS (Acct - 56321 Opt Transfer Out)	DEPARTMENTS (Acct - 52XXX Services & Supplies)	MMCOF (Acct - 54202 Fixed Asset)	RATIFICATION	Description
				FUND	ORG	ACCOUNT		1 thru 11	Inc (Dec)	Inc (Dec)		
Increase (Decrease) of Appropriation												
HHS	HHS	1024692	MMCOF7846 South Region Family Resource Center Lobby and Office Reconfiguration	10100	45005	52737	4	N/A	N/A	(100,000)	No	Spending plan amendment; Transfer to CP 1025924
PSG	PRO	1025960	MMCOF7922 EMJDF Intercom System Replacement and Upgrade	10100	42180	53284	2	1,700,000	(1,700,000)	1,700,000	No	New Walk-In Project
PSG	PRO	1025961	MMCOF7923 EMJDF Parking Gate System Replacement and Upgrade	10100	42180	53284	2	100,000	(100,000)	100,000	No	New Walk-In Project
PSG	SHF	1022825	MMCOF7686 Ridgehaven Renovation and Modernization	10100	39870	51110	3	10,000,000	(10,000,000)	10,000,000	No	Spending plan amendment
PSG	SHF	1022041	MMCOF7642 GBDF Replace Security Controls and Cameras	10100	39884	52737	3	6,000,000	(6,000,000)	6,000,000	No	Spending plan amendment
FGG	DGS	1022959	MMCOF7735 Hall of Justice Air Handling Unit Coils, Damper, Actuators, and HVAC	10100	31575	52737	11	(939,604)	939,604	N/A	No	Swap revenue from COWGE to JCC
HHS	HHS	1025897	MMCOF7917 Edgemoor Dishwasher	10100	45005	52737	2	625,000	(625,000)	625,000	Yes	New Walk-In Project; ratified
HHS	HHS	1025898	MMCOF7918 HHS Warehouse Tenant Improvement	10100	45005	52737	2	100,000	(100,000)	100,000	Yes	New Walk-In Project; ratified
LUG	LUG	1025761	MMCOF7914 New Space for the Office of Sustainability at County Administration Center	10100	14550	52550	2	700,000	(700,000)	700,000	Yes	New Walk-In Project; ratified
LUG	LUG	1025761	MMCOF7914 New Space for the Office of Sustainability at County Administration Center	10100	14565/1455	51110	3	1,300,000	(1,300,000)	1,300,000	No	Spending plan amendment
HHS	HHS	1025763	MMCOF7915 BSL-3 Modular Lab Deconstruction Reconstruction and Transportation	10100	45075	52390	2	1,898,503	(1,898,503)	1,898,503	Yes	New Walk-In Project; ratified
HHS	HHS	1025763	MMCOF7915 BSL-3 Modular Lab Deconstruction Reconstruction and Transportation	10100	45075	52390	3	279,810	(279,810)	279,810	Yes	Spending plan amendment; ratified
			Subtotal General Fund					21,763,708	(21,763,708)	22,603,312		
LUG	LIB	1024594	MMCOF7813 Jacumba Library Friends of the Library Storage Shed	12200	57330	52737	3	13,000	(13,000)	13,000	No	Spending plan amendment
LUG	LIB	1024595	MMCOF7814 Vista Library Bathroom Remodel and Staff Workroom Tile Replacement	12200	57330	52737	3	30,122	(30,122)	30,122	No	Spending plan amendment
PSG	OES	1023627	MMCOF7753 Lake Morena Fire Station Emergency Generator	26005	7782D	54202	3	N/A	N/A	15,055	No	Spending Plan amendment; Transferred from CP 1023710
PSG	OES	1023628	MMCOF7754 Deerhorn Fire Station Emergency Generator	26005	7782D	54202	3	N/A	N/A	55,275	No	Spending Plan amendment; Transferred from CP 1023710
PSG	OES	1023629	MMCOF7755 Sunshine Summit Fire Station Emergency Generator	26005	7782D	54202	3	N/A	N/A	15,055	No	Spending Plan amendment; Transferred from CP 1023710
PSG	OES	1023710	MMCOF7782 Julian Fire Station 56 Health and Safety Upgrades	26005	7782D	54202	4	N/A	N/A	(85,385)	No	Spending plan amendment; Transfer to CP's 1023627 (\$15,055), 1023628 (\$55,275), and 1023629 (\$15,055).
HHS	HHS	1025924	MMCOF7919 South Region Live Well Center Public Health Clinic Remodel	26005	7846D	54202	2	N/A	N/A	100,000	No	New Walk-In Project; Transferred from CP 1024692
FGG	DGS	1023712	MMCOF7784 SBRC Escalator and Elevator Replacement	26005	7784D	54202	11	N/A	N/A	N/A	No	Swap revenue from FG3 FB to JCC
			Subtotal Other Funds					43,122	(43,122)	143,122		
LUG	PKS	1024521	MMCOF7806 Clemmens Lane Artificial Turf Replacement	10100	52811	52737	5	(103,127)	103,127	(103,127)	No	Project is complete and can be closed
LUG	PKS	1024611	MMCOF7818 Sweetwater Lane Park Concession	10100	52811	52737	5	(10,072)	10,072	(10,072)	No	Project is complete and can be closed
LUG	PKS	1023698	MMCOF7770 San Dieguito Park Gate Replacement	10100	52811	52737	5	(8,609)	8,609	(8,609)	No	Project is complete and can be closed
FGG	DGS	1022048	MMCOF7647 NCRC Generator Replacement	26005	7647D	54202	5	N/A	N/A	(399,169)	No	Project is complete and can be closed
FGG	DGS	1023688	MMCOF7760 EV Charging Equipment and Infrastructure Installation at Multiple Sites	10100	32156	52737	5	(15,704)	15,704	(15,704)	No	Project is complete and can be closed
LUG	PKS	1021938	MMCOF7602 Potrero Campground Main Restroom	26005	7602D	54202	8	N/A	N/A	N/A	No	Project has been cancelled
LUG	LIB	1024592	MMCOF7811 El Cajon Library Security Cameras 2nd Wave	12200	57330	52737	8	(36,876)	36,876	(36,876)	No	Project has been cancelled
PSG	SHF	1025538	MMCOF7902 Hall Of Justice Security Weapons Screening Area Improvements	10100	39884	52737	8	(170,000)	170,000	(170,000)	No	Project has been cancelled
PSG	SHF	1025539	MMCOF7903 Hall Of Justice Camera Equipment Replacement	10100	39884	52737	8	(950,000)	950,000	(950,000)	No	Project has been cancelled
FGG	ARCC	1025428	MMCOF7856 ARCC Santee Equipment Protection Roof	10100	33290	52737	8	(75,000)	75,000	(75,000)	No	Project has been cancelled
			Subtotal Completed/Cancelled Projects					(1,369,387)	1,369,387	(1,768,557)		
Total Increase (Decrease) of Appropriation								20,437,443	(20,437,443)	20,977,878		
Board Letter Recommendation								REC #20	REC #20			

NOTES:

- | | |
|--|--|
| <ul style="list-style-type: none"> 1 MMCOF Project identified as MMISF (maintenance/not capital) 2 MMISF Project identified as MMCOF 3 MMCOF Spending plan increased 4 MMCOF Spending plan decreased 5 MMCOF Project complete and remaining funds are transferred to Dept. Services & Supplies 6 MMCOF Project complete and remaining funds are transferred to an existing MMCOF project | <ul style="list-style-type: none"> 7 MMCOF Project complete and remaining funds are transferred to a new MMCOF walk-in project 8 MMCOF Project cancelled and funding source returned to Services & Supplies for department's operation 9 MMCOF Project cancelled and funding transferred to an existing MMCOF project 10 MMCOF Project cancelled and funding transferred to a new MMCOF walk-in project 11 Change in revenue source |
|--|--|



San Diego County Fire Protection District

GOVERNING BODY

NORA VARGAS
First District

JOEL ANDERSON
Second District

TERRA LAWSON-REMER
Third District

NATHAN FLETCHER
Fourth District

JIM DESMOND
Fifth District

AGENDA ITEM

DATE: December 13, 2022

FP01

TO: Board of Directors, San Diego County Fire Protection District

SUBJECT

RECEIVE FISCAL YEAR 2022-23 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICTS: ALL)

OVERVIEW

These items recommend budget adjustments in the San Diego Fire Protection District as part of the Fiscal Year 2022-23 First Quarter Operational Plan budget adjustments.

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

1. Establish appropriations of \$2,000,000 in the San Diego County Fire Protection District (SDCFPD) Fire Mitigation, Operating Transfer Out, to support the purchase of one Ladder Truck, based on the SDCFPD Fire Mitigation fund balance. **(4 VOTES)**
2. Establish appropriations of \$2,500,000 in the SDCFPD Ramona Fire Medical Services Zone, Services & Supplies, to provide fire and emergency medical services, based on Equivalent Dwelling Unit Fire Benefit Fee Revenue from Ramona. **(4 VOTES)**
3. Establish appropriations of \$4,000,000 in the SDCFPD, Services & Supplies, to provide fire and emergency medical services, based on ambulance service fees (\$1,470,000), property tax revenue (\$930,000), and SDCFPD fund balance (\$1,600,000). **(4 VOTES)**

EQUITY IMPACT STATEMENT

The recommended actions are intended to provide resources to address inequities in County services and to identify disparities, developing meaningful outcomes, and creating a County government culture of equity, belonging, and racial justice.

SUSTAINABILITY IMPACT STATEMENT

Today's actions support the sustainability measures across the County considering the environment, economy, health/wellbeing, and/or social aspects of the community by aligning the County's available resources with services to maintain fiscal stability and ensure long-term solvency.

SUBJECT: RECEIVE FISCAL YEAR 2022-23 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICTS: ALL)

FISCAL IMPACT

Funds associated with today's recommendations are not included in the Fiscal Year 2022-23 Operational Plan in the San Diego County Fire Protection District. If approved, this action will result in costs & revenues of \$8,500,000. The funding sources are San Diego County Fire Protection District Fire Mitigation fund balance (\$2,000,000), Equivalent Dwelling Unit Fire Benefit Fee Revenue from Ramona (\$2,500,000), ambulance service fees (\$1,470,000), property tax revenue (\$930,000) and SDCFPD fund balance (\$1,600,000). There will be no change in net General Fund cost and no additional staff years.

BUSINESS IMPACT STATEMENT

N/A

ADVISORY BOARD STATEMENT

N/A

BACKGROUND

Recommendation 1

On December 11, 1985 (11), the Board of Supervisors adopted an ordinance establishing a Fire Mitigation Fee program with the purpose to provide funding to fire agencies in the unincorporated areas of San Diego County for capital projects and fire equipment/apparatus purchases to serve new developments. This request will establish appropriations of \$2,000,000 in the San Diego County Fire for the purchase of one Ladder Truck to support fire and emergency medical services in San Diego County Fire Protection District, based on SDCFPD Fire Mitigation fund balance.

Recommendation 2

On February 8, 2022 (FP01), the SDCFPD Board of Directors adopted a resolution to transfer fire protection and emergency medical services from the Ramona Municipal Water District to the SDCFPD. On May 10, 2022, the Board of Supervisors approved an applicable negotiated property tax exchange for the reorganization. On July 28, 2022, the Ramona Municipal Water District and the SDCFPD signed an agreement for the transfer of property tax and the Equivalent Dwelling Unit Fire Benefit Fee to provide fire protection and emergency medical services in Ramona. This request will establish appropriations of \$2,500,000 in the SDCFPD Ramona Fire Medical Services Zone to support fire and emergency medical services in Ramona based on Equivalent Dwelling Unit Benefit Fee revenue.

Recommendation 3

On July 7, 2020 (01), the County of San Diego Board of Supervisors approved the formation of the SDCFPD, transferring fire protection and emergency medical services powers from County Service Area 135 to the SDCFPD. On June 28, 2022, the Board of Directors of the SDCFPD adopted an ordinance to set fees for ambulance transportation services. This request will establish appropriations of \$4,000,000 in the SDCFPD, based on ambulance transportation service fees

**SUBJECT: RECEIVE FISCAL YEAR 2022-23 FIRST QUARTER OPERATIONAL
PLAN STATUS REPORT AND BUDGET ADJUSTMENTS
(DISTRICTS: ALL)**

(\$1,470,000), property tax revenue (\$930,000), and San Diego County Fire Protection District fund balance (\$1,600,000) to support fire and emergency medical services in the district.

ENVIRONMENTAL STATEMENT

N/A

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's proposed actions support the Strategic Initiatives of Sustainability, Equity, Empower, Community and Justice in the County of San Diego's 2022-2027 Strategic Plan by fully committing to use County resources to meet the highest priority needs of residents.

Respectfully submitted,



HELEN N. ROBBINS-MEYER
Chief Administrative Officer

ATTACHMENT(S)

N/A

AGENDA ITEM INFORMATION SHEET

SUBJECT:

RECEIVE FISCAL YEAR 2022-23 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICTS: ALL)

REQUIRES FOUR VOTES: Yes No

WRITTEN DISCLOSURE PER COUNTY CHARTER SECTION 1000.1 REQUIRED
Yes No

PREVIOUS RELEVANT BOARD ACTIONS:
N/A

BOARD POLICIES APPLICABLE:
N/A

BOARD POLICY STATEMENTS:
N/A

MANDATORY COMPLIANCE:
N/A

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

ORIGINATING DEPARTMENT:
Finance & General Government Group

OTHER CONCURRENCE(S):
N/A

INTERNAL REVIEW COMPLETE BY:

Chaidez, Alejandra  Digitally signed by Chaidez,
Alejandra
Date: 2022.12.05 11:56:15 -08'00'
Signature

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