



COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

GREG COX
First District

DIANNE JACOB
Second District

KRISTIN GASPAR
Third District

RON ROBERTS
Fourth District

BILL HORN
Fifth District

DATE: June 21, 2017 (to be heard by the Board of Supervisors on
June 27, 2017)

XX

TO: Board of Supervisors

SUBJECT:

**CHIEF ADMINISTRATIVE OFFICER RECOMMENDED OPERATIONAL PLAN
FISCAL YEARS 2017-18 AND 2018-19 CHANGE LETTER (DISTRICTS: ALL)**

OVERVIEW

On May 2, 2017 (12), your Board of Supervisors received the Chief Administrative Officer Recommended Operational Plan Fiscal Years 2017-18 and 2018-19 (CAO Recommended Operational Plan) and set the dates and times for public hearings and budget deliberations. Budget hearings began on June 12, 2017 with public testimony on the Community Enhancement grant program and continued through June 14, 2017 when public testimony was received at two sessions. The proposed amendments to the CAO Recommended Operational Plan are based on updated expenditure and revenue information and recent Board actions. Today's action requests the Board approve the CAO Recommended Operational Plan, Change Letter requests, and Community Enhancement Grant awards at the conclusion of budget deliberations. Budget deliberations are scheduled to commence on June 27, 2017 at 2:00 p.m. Following the Board's approval, a resolution of adoption for the Fiscal Year 2017-18 budget will come before the Board for consideration on August 1, 2017.

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

1. Pursuant to Government Code Section 29064, approve the Chief Administrative Officer Recommended Operational Plan for Fiscal Year 2017-18 on or before June 30, 2017, for the purpose of having the authority to spend until the budget is adopted and approve Fiscal Year 2017-18 Community Enhancement Grant Awards, including waivers of Board Policy B-58 as indicated in Attachment A.
2. Accept the appropriation and funding changes to the Chief Administrative Officer Recommended Operational Plan Fiscal Years 2017-18 and 2018-19 as shown in the attached schedules for consideration during budget deliberations.
3. Following budget deliberations and approval of the Chief Administrative Officer Recommended Operational Plan Fiscal Years 2017-18 and 2018-19, authorize the Deputy Chief Administrative Officer/Auditor and Controller to make adjustments as necessary

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between object accounts with no increases in total departmental appropriations in order to clarify all budget items for the final Operational Plan and budget resolution.

FISCAL IMPACT

The total revised CAO Recommended Operational Plan is \$5.78 billion for Fiscal Year 2017-18 and \$5.28 billion for Fiscal Year 2018-19. The total staff years are unchanged at 17,404.00 in Fiscal Year 2017-18 and Fiscal Year 2018-19. The proposed changes to the CAO Recommended Operational Plan include for Fiscal Year 2017-18 appropriation increases of \$94.0 million. Changes for Fiscal Year 2018-19 include appropriation increases of \$41.2 million. The Fiscal Year 2017-18 recommended increases in appropriations are supported by increases of \$48.6 million in fund balance, \$17.4 million in program revenue, and an advance of \$28.0 million from the General Fund, which will be repaid from the new revenues anticipated from the Road Repair and Accountability Act of 2017. The Fiscal Year 2018-19 recommended increases in appropriations are supported by increases of \$42.8 million in program revenue and a decrease of \$1.6 million in fund balance.

BUSINESS IMPACT STATEMENT

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

ADVISORY BOARD STATEMENT

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

BACKGROUND

The purpose of this Change Letter is to update the CAO Recommended Operational Plan based on information that became available after that document was presented to your Board on May 2, 2017 (12).

Pursuant to Government Code Section 29064, a recommended budget must be approved by the Board by June 30, 2017, for the purpose of having authority to spend until the budget is adopted. A resolution of adoption is scheduled to come before the Board for consideration on August 1, 2017. In addition, today's recommendations include a request to approve the Fiscal Year 2017-18 Community Enhancement Grant awards and waiver of Board Policy B-58 (Section 8) in regard to the percent of County funding for recipient organizations' operating budgets.

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

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PUBLIC SAFETY GROUP

The recommended changes for the Public Safety Group (PSG) decrease the CAO Recommended Operational Plan by \$1.4 million with no change in staff years in Fiscal Year 2017-18. The total revised CAO Recommended Operational Plan for PSG for Fiscal Year 2017-18 is \$1.84 billion and 7,434.00 staff years. In Fiscal Year 2018-19, recommended changes increase appropriations by \$0.9 million. The total revised CAO Recommended Operational Plan for PSG for Fiscal Year 2018-19 is \$1.81 billion and 7,434.00 staff years.

Significant proposed changes from the CAO Recommended Operational Plan are in the Executive Office and the Sheriff's Department. The Executive Office includes a net decrease of \$0.1 million to reduce the amount to be rebudgeted for the Next Generation 9-1-1 telephone system maintenance to align the budget with anticipated actuals. The Sheriff's Department includes a net decrease of \$6.6 million primarily related to State and federal homeland security initiatives to align the budget with anticipated actuals. These changes will not result in any programmatic or service level impacts. Increases include Sheriff's Department rebudgets of \$3.8 million for tower site costs associated with Regional Communication System (RCS) Microwave Transport Network, start-up costs for the new San Diego Central Courthouse, scheduling software for the Sheriff's Communications Center, and the radio dispatch console upgrade project. Other increases totaling approximately \$1.5 million are related to cost increases in the Sheriff's Jail Commissary Enterprise Fund for commissary items and telephone debit cards, increased costs for the Next Generation RCS infrastructure in County Service Area (CSA) Solana Beach, increases related to the frequency reconfiguration project funded by additional revenue from the RCS Trust Fund, and purchase of transportation equipment supported by available revenue from the Operation Stonegarden Grant Program.

HEALTH AND HUMAN SERVICES AGENCY

There are no appropriation changes for the Health and Human Services Agency (HHS) from the CAO Recommended Operational Plan in Fiscal Year 2017-18 and staff years remain unchanged. Total appropriations for HHS for Fiscal Year 2017-18 are \$1.9 billion and 6,320.50 staff years. In Fiscal Year 2018-19, total appropriations and staff years remain unchanged from the CAO Recommended Operational Plan at \$1.9 billion and 6,320.50 respectively.

LAND USE AND ENVIRONMENT GROUP

The recommended changes for the Land Use and Environment Group (LUEG) increase the CAO Recommended Operational Plan by \$68.1 million with no change in staff years. The total revised CAO Recommended Operational Plan for LUEG for Fiscal Year 2017-18 is \$511.8 million and 1,531.00 staff years. In Fiscal Year 2018-19, total appropriations increase by \$40.3

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million. The total revised CAO Recommended Operational Plan for LUEG for Fiscal Year 2018-19 is \$449.0 million and 1,531.00 staff years.

Significant proposed changes from the CAO Recommended Operational Plan for Fiscal Year 2017-18 include an increase of \$40.1 million in the Road Fund Detailed Work Program for road maintenance and road rehabilitation projects and an increase of \$28.0 million for future road maintenance and road rehabilitation projects based on an advance from the General Fund, which will be repaid by new revenues from the Road Repair and Accountability Act of 2017.

COMMUNITY SERVICES GROUP

There are no appropriation changes for the Community Services Group (CSG) from the CAO Recommended Operational Plan in Fiscal Year 2017-18 and staff years remain unchanged. Total appropriations for CSG for Fiscal Year 2017-18 are \$328.4 million and 923.00 staff years. In Fiscal Year 2018-19, total appropriations and staff years remain unchanged from the CAO Recommended Operational Plan at \$319.6 million and 923.00 respectively.

FINANCE AND GENERAL GOVERNMENT GROUP

There are no appropriation changes for the Finance and General Government Group (FGG) from the CAO Recommended Operational Plan in Fiscal Year 2017-18 and staff years remain unchanged. Total appropriations for FGG for Fiscal Year 2017-18 are \$409.1 million and 1,195.50 staff years. In Fiscal Year 2018-19, total appropriations and staff years remain unchanged from the CAO Recommended Operational Plan at \$385.3 million and 1,195.50 respectively.

FINANCE OTHER

The recommended changes for Finance Other increase the CAO Recommended Operational Plan in Fiscal Year 2017-18 by \$26.0 million for a revised total of \$632.3 million. Total appropriations for Finance Other for Fiscal Year 2018-19 remain unchanged at \$391.9 million.

The proposed change from the CAO Recommended Operational Plan include appropriations of \$1.0 million for the Tijuana River Valley Regional Park Campground and Education Center and a referral to budget from the Board, on June 20, 2017 (21), to establish \$25.0 million of appropriations based on General Fund fund balance in order to fund the Innovative Housing Trust Fund, which is anticipated to be established during Fiscal Year 2017-18. See Attachment B, Fiscal Year 2017-18 & 2018-19 Operational Plan – Referral to Budget for Finance Other.

CAPITAL PROGRAM

The recommended changes for the Capital Program increase the CAO Recommended Operational Plan in Fiscal Year 2017-18 by \$1.3 million for a revised total of \$154.1 million. In

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Fiscal Year 2018-19, total appropriations remain unchanged from the CAO Recommended Operational Plan at \$9.2 million.

Significant changes from the CAO Recommended Operational Plan include an increase of \$1.0 million for the Tijuana River Valley Regional Park Campground and Education Center and \$0.3 million for the Clemmens Lane Soccer Field and Restroom Improvement project.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

The CAO Recommended Operational Plan details each department’s strategic objectives for the next two years and the resources required to achieve them. The four Strategic Initiatives in the County of San Diego’s 2017-2022 Strategic Plan—Safe Communities, Sustainable Environments, Healthy Families and Operational Excellence—are reflected throughout the program objectives in the CAO Recommended Operational Plan.

Respectfully submitted,



HELEN N. ROBBINS-MEYER
Chief Administrative Officer

ATTACHMENT(S)

- A. Community Enhancement Program Board Policy B58 Waivers Fiscal Year 2017-18
- B. Fiscal Year 2017-18 & 2018-19 Operational Plan – Referral to Budget for Finance Other
- C. CAO Recommended Operational Plan Change Letter Fiscal Years 2017-18 and 2018-19

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AGENDA ITEM INFORMATION SHEET

REQUIRES FOUR VOTES: Yes No

WRITTEN DISCLOSURE PER COUNTY CHARTER SECTION 1000.1 REQUIRED

 Yes No

PREVIOUS RELEVANT BOARD ACTIONS:

May 2, 2017 (12), Chief Administrative Officer Recommended Operational Plan for Fiscal Years 2017-18 and 2018-19; June 20, 2017 (21), Innovative Housing Initiative Tackling Homelessness and Affordability.

BOARD POLICIES APPLICABLE:

B-58 Funding of the Community Enhancement Program

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 and General Government Group Executive Office

OTHER CONCURRENCE(S): N/A

CONTACT PERSON(S):

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ATTACHMENT A

Fiscal Year 2017-18
Community Enhancement Grant Awards Board Policy Waivers

Waive Board Policy B-58 with respect to the County's contribution not exceeding fifty percent (50%) of the recipient's fiscal year operating budget for the following:

Organization	Recipient's Budget	County Award	County Award by District				
			D1	D2	D3	D4	D5
Bonitafest Melodrama/Teatro Pastorela	22,776	17,500	17,500	-	-	-	-
Ramona H.E.A.R.T. Mural Project Corp.	63,000	39,140	-	39,140	-	-	-

**FISCAL YEARS 2017-18 & 2018-19 OPERATIONAL PLAN
2017-18 REFERRALS TO BUDGET STATUS**

**Group: Finance Other
Department: Finance Other**

**SUBJECT: INNOVATIVE HOUSING INITIATIVE – TACKLING HOMELESSNESS
AND AFFORDABILITY (DISTRICTS: ALL)**

HEARING DATE: June 20, 2017

MINUTE ORDER: 21

DESCRIPTION OF REFERRAL:

The Board referred to the budget the establishment of \$25,000,000 of appropriations in Finance Other Countywide General Expenses based on General Fund fund balance in order to fund the Innovative Housing Trust Fund, which is anticipated to be established during Fiscal Year 2017-18.

STATUS:

A. Has this item been included in the CAO’s Proposed Operational Plan or Change Letter?

Yes **No** **as modified (explain in REMARKS)**
 If yes, **Op Plan** **Change Letter**

B. Expenditure Category: ___X___ **One-time** _____ **Ongoing Expense**

C. Fiscal impact of this item if approved:

	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19
Direct Cost	\$0	\$25,000,000	\$0
Revenue	\$0	\$25,000,000	\$0
Net Cost	\$0	\$0	\$0
Staff Years	NA	NA	NA

D. Funding source(s): General Fund Fund Balance

REMARKS: This item is incorporated into the CAO Recommended Operational Plan Change Letter (“Change Letter”) by reference herein. Amounts are not reflected in the body of the Change Letter due to timing.

