



# Fiscal Year 2012-13 Second Quarter Financial Status Report

County of San Luis Obispo

## Introduction

In accordance with the Board's adopted policy related to Ongoing Budget Administration, this Second Quarter Financial Report provides an overview of the County's financial position at the end of the second quarter of Fiscal Year (FY) 2012-13. The second quarter time frame is October 1, 2012 through December 31, 2012.

The Second Quarter Financial Report is organized in following sections:

**Section 1-** provides an overview of the County's financial position at the end of the second quarter, as well as brief summaries of noteworthy departmental fiscal and operational issues.

**Section 2-** provides a big picture analysis of second quarter revenue receipts by category (e.g., taxes, charges for services, etc.) and fund (e.g., General Fund, Road Fund, etc.) as well as a review of contingency, designation and reserve activity.

**Section 3-** provides a summary of all personnel changes approved by the Board of Supervisors, or made administratively by the Human Resources Department during the second quarter.

**Section 4-** provides a summary of miscellaneous financial items for the Board's consideration, such as requests from departments for acceptance of gift funds and donations, discharge of bad debt and miscellaneous budget adjustments.

**Section 5-** provides an update on the capital improvement projects and maintenance projects managed by the General Services Agency and Public Works department.

### Board Policy: Ongoing Budget Administration

"It shall be the responsibility of the County Administrative Officer to submit Quarterly Financial Status Reports to the Board of Supervisors. These reports shall provide a projection of expenditures and revenues, identifying projected variances. They may also include recommendations and proposed corrective actions which may include mid-year reductions."

**Section 1: Overview of Financial Position**

As shown on the chart below, expenditure and revenue patterns for the second quarter are similar to those from the second quarter of FY 2011-12. The revenue realization percentages shown in the tables below are typical for the second quarter due to the time lag involved in billing cycles and receipt of reimbursements, and because some of the largest revenue sources, property taxes for example, are historically realized closer to the end of the fiscal year.

The following table compares the current year and prior year second quarter expenditures and revenues for All Funds and the General Fund.

<b>Expense &amp; Revenue All Funds Comparison</b>		
	Second Quarter FY 2011-12	Second Quarter FY 2012-13
Expenditures	40%	41%
Revenue Realized	36%	36%
<b>Expense &amp; Revenue General Fund Comparison</b>		
	Second Quarter FY 2011-12	Second Quarter FY 2012-13
Expenditures	43%	44%
Revenue Realized	37%	36%

Based on the evaluation of the financial information provided by departments for the second quarter, almost all departments report that they anticipate remaining within their budgeted General Fund level. The noteworthy issues identified in the second quarter are reported in detail below.

**Department:** Information Technology  
**Fund Center(s):** 114  
**Issue:** Revenue shortfall due to agreement with Court to defer mainframe costs  
**Potential Impact to General Fund:**  
 None

Just before the start of FY 2012-13, the San Luis Obispo Superior Court notified the County that it would no longer be able to pay County Information Technology (IT) for hosting of the Court's Criminal Justice Information System (CJIS) on the County mainframe. Although the Court separated from the County many years ago, the County has continued to host

the Court system on the County mainframe. The cost to support mainframe-based systems is borne by the user, and the estimated charge to the Court for the CJIS system in FY 2012-13 is \$440,000.

Due to State budget challenges, the Court approached the County with a request for relief from these costs and the County agreed to defer the Court's mainframe costs for two years. The Court has agreed to make repayment to the County at a future date.

Based on this agreement, total revenue deferral to County IT in FY 2012-13 and FY 2013-14 will be nearly \$900,000.

Had the County not agreed to the deferral, the Court stated that it would cease to use the CJIS system and revert to a paper-based system. This would have seriously disrupted the long-standing integration of information systems among the County's criminal justice agencies, including the Sheriff's Office, Probation, and the District Attorney's Office, which would have created a significant public safety risk. To continue operating without the Court system, additional staffing would have been needed in all three departments, at an additional cost.

The current year impact of the agreed upon deferral is not anticipated to cause significant service level impacts in IT. However, this loss of revenue in the FY 2013-14 IT budget may impact the department's ability to provide services and its capacity to address new IT projects. These latter issues will be addressed in the FY 2013-14 budget.

**Department:** Public Defender  
**Fund Center(s):** 135  
**Issue:** Additional expense appropriation is needed due to unbudgeted expenditures for capital murder trial.  
**Potential Impact to General Fund:** \$550,000

At the end of the second quarter, Public Defender expenditures are over budget by approximately \$400,000. This is due to the impact of a multiple defendant murder case. As in past years, expenditures for this case have not been included in the adopted budget, due to the difficulty associated with budgeting for such a large scale case. A budget adjustment in the amount of \$550,000 is

requested from General Fund contingencies to offset the approximate \$400,000 that has been expended on this case as of the end of the second quarter, and cover remaining expenses through the end of the fiscal year. Three of the five defendants have pled guilty so their cases will not go to trial. The cases for the two remaining defendants will proceed to trial and are expected to be completed in March or April.

**Department:** Social Services- Foster Care/Adoptions  
**Fund Center(s):** 181  
**Issue:** Unbudgeted expenditures  
**Potential Impact to General Fund:** None

At the end of the second quarter, the Department of Social Services is reporting that expenditures for Foster Care/Adoptions may exceed budgeted levels by as much as \$669,000 at year end (an approximate \$500,000 increase to the County's share of costs). This anticipated overage is due to

several different factors. First, Foster Care caseloads have increased 4% over the FY 2011-12 average caseload of 392 and Adoptions caseloads have increased 1.5% over the FY 2011-12 average of 538. Second, in addition to caseload growth, the department is continuing to see a decrease in the percentage of children who qualify as "federally eligible" in the basic Foster Care program. The result is an increase to the County share of costs for Foster Care.

Finally, the implementation of Extended Foster Care (Assembly Bill 12), which extended foster care benefits to youth up to age 21 is also increasing expenditures. The

budgetary impacts of this change to benefit eligibility were not known during budget preparation for the current year and as such, the department did not budget for this increased cost. The department's budget submittal for FY 2013-14 includes funding to cover the increased County share of costs associated with this extended eligibility.

The anticipated \$500,000 increase to the County's share of costs may go down, depending on caseload trends. However, it is anticipated the department will need a budget adjustment during the third quarter to increase its expenditure appropriation, which will be offset by the use of 1991 Realignment funds transferred in from the Realignment trust. Savings in the department's other fund centers may also partially offset these unbudgeted expenses, with no change to the department's adopted level of General Fund Support.

**Department:** Airports  
**Fund Center(s):** 425  
**Issue:** Enplanement levels  
**Potential Impact to General Fund:**  
 None

The Airport second quarter report shows that expenditures and revenues are largely in line with budget. Since expenditures at the Airport are anticipated to exceed revenue receipts, the FY 2012-13 adopted budget includes the planned use of approximately \$259,230 of cash balance. The current cash balance is approximately \$433,857. At this time, Airport projects using about \$240,000 of this balance, which is approximately \$18,700 less than was originally budgeted for use in the current year.

The number of commercial air service passenger enplanements is a major driver of Airport revenues. An increase in enplanements in FY 2010-11 was followed by a slight decrease in enplanements in FY 2011-12. The number of airline enplanements through the first six months of FY 2012-13 decreased by 2,643 (4.0%) as compared to the first six months of FY 2011-12. This decrease is a result of fewer flights and flight cancellations due to a combination of inclement weather and runway construction at the San Francisco Airport affecting flights from San Francisco to San Luis Obispo.

The following table shows enplanement numbers from FY 2007-08 to present, along with annual percentage change in enplanements:

FY	Q1	Q2	Q3	Q4	Cumulative	% Change
2007-08	51,343	48,784	38,794	43,364	182,285	
2008-09	42,697	32,566	26,866	30,619	132,748	-37%
2009-10	32,968	30,873	27,645	33,666	125,152	-6%
2010-11	36,301	36,128	30,496	36,984	139,909	11%
2011-12	35,631	34,493	30,185	33,935	134,244	-4%
2012-13	35,457	31,850			67,307	-4%*

\*Compares the first two quarters of FY 2012-13 to the first two quarters of FY 2011-12

Through the first two quarters, the Airport received 54% of the total amount of parking fee revenues budgeted for the year. The installation of parking kiosks that allow airport patrons to pay for parking using credit and debit cards has helped to recover more parking revenues, despite enplanement levels being down.

Although the Airport fiscal situation is in line with the budget, the continued use of cash balance to cover expenditures could result in a fiscal imbalance that may require additional funding from outside the Airport Enterprise budget. Along with declining revenues from decreased enplanements, Federal Aviation Administration (FAA) mandated costs for Airport fire protection and security services are increasing and now comprise approximately 25% of the Airport's operating budget. Federal reimbursement for security services has declined over the past several years and now covers only about 30% of the \$450,000 cost for mandated security services provided by the Sheriff.

Maintaining and expanding commercial air service continues to be an essential factor for the improvement of the Airport's fiscal position. However, airline capacity at the Airport is determined by the commercial airlines based on overall profitability of the flight and availability of equipment to perform their operations. The Airport continues to closely monitor its costs to remain as competitive as possible, but many factors such as fuel and the costs at connecting airports remain beyond their control.

The Airport fiscal status is monitored on a monthly basis and staff will continue to provide updates as part of the quarterly fiscal report.

## Section 2: Status of Funds, Contingencies and Reserves

### I. GENERAL:

The Auditor-Controller's Office has prepared the following Schedules that are attached following this narrative.

Schedule 1: Comparative Statement of County Funds - Revenue Status

Schedule 2: Comparative Statement of Contingencies and Reserves

Schedule 3: Revenues and Expenditures by Functional Area

Schedules 1 and 2 are the focus of the following discussion. Generally, comments are limited to material deviations from the prior year or from what would appear to be normal performance. Schedule 3 is for information only.

### II. SCHEDULE 1: Comparative Statement of County Funds - Revenue Status

#### A. Summary

Total budgeted revenues for all funds are \$502.7 million. At the end of the second quarter \$183.4 million or 36% of estimated revenues were realized, which is consistent with the prior year. Taxes and government aid do not follow even monthly flows.

#### B. Specific Comments - Revenue Status by Type

Taxes-Current Property: Collections of property tax revenue were 59% at the end of the second quarter, compared to the prior year's realization rate of 57%.

Taxes- Other than Current Property: At the end of the second quarter 25% of estimated revenue was realized, compared to 20% in the prior year. Included in this revenue classification are Transient Occupancy Tax (Bed Tax), Property Transfer Tax, Property Tax In-Lieu of Sales Tax and Property Taxes In-Lieu of Vehicle License Fees. The majority of these revenue sources are expected to meet or exceed budget.

Licenses and Permits: The amount realized is 43% of estimates compared to last year's realization rate of 40%. Revenue sources in this class include Franchise Fees, Plan Check Fees and Land use Permits. Plan Check Fees increased by \$322,000 over the same period last year. Land Use Permits increased by \$169,000 over the same period last year.

Fines, Forfeitures and Penalties: The amount realized is 34% compared to last year's realization rate of 36%. A settlement of \$500,000 received in the prior year accounts for most of the difference.

Revenue- Money and Property Use: Realized revenue in this class is 102% of budget, compared to the 130% realization rate in the prior year. Total interest revenue earned by the General Fund was \$51,365 compared to \$75,112 in the same quarter prior year. The average rate of return during the second quarter was .2976% compared to .4840% in the prior year.

Aid from Government Agencies: The amount realized is 28%, compared to 29% for the prior year. Aid from government agencies does not follow even monthly revenue flows but catches up in the third and fourth quarters. There are a number of variances from the prior year including the timing of transfers and accrual reversals, but most significant are the State's required changes in the accounting structure for realignment accounts.

Charges for Current Services: The amount realized is 35%, compared to 41% in the prior year. One significant difference from the prior year is the account used to record Trial Court Security Revenue. In the prior year this revenue was classified as Charges for Current Services, since Trial Court Security revenue is now classified as State Aid, it has become a part of the realignment shift. The timing of Road Impact Fee revenues varies from year to year, as this revenue is recognized based on projects in progress.

Other Revenues: The amount realized in this class decreased by \$1.841 million from the prior year. This was due mainly to the sale of County owned property in California Valley in the prior year.

### **C. Specific Comments - Revenue by Fund**

General Fund: The General Fund realized 36% of estimated revenue as of the end of the second quarter, compared to 37% in the prior year.

Road Fund: The Road Fund realized 34% of estimated revenue in the period compared to 29% in the prior year. This is mainly a timing issue as revenue is recognized as projects progress.

Community Development Program Fund: This fund's revenue for the second quarter was 10% in the current year to date compared to 22% in the prior year, a decrease of more than \$1.2 million. The difference from the prior year is one of timing as this revenue is realized as projects are completed

Public Facility Fees: Public Facility Fee Fund realized 104% of revenue in the current fiscal year, compared to 46% in the prior year. Actual revenue increased approximately \$235,000 from the prior year.

Countywide Automation Replacement: Revenue realized in the current year is 21% compared to 36% in the prior year. This is mainly due to \$565,000 received for new contracts for right of way access with two telecommunications carriers in the prior year. This revenue was not budgeted in the prior year but is part of the current budget.

Impact Fees- Traffic: Revenue was realized at 83% in the current year compared to the prior year when 88% was realized in the period. This revenue source is based on building permit activity within Road Improvement Areas of the County.

## **SCHEDULE 2: Comparative Statement of Contingencies and Reserves**

### **A. Contingencies**

During the second quarter, funding in the amount of \$221,329 was transferred from contingencies to County Counsel to cover the costs of hiring outside counsel for various litigation matters. As of December 31, 2012, the balance in General Fund Contingencies was \$14,821,878.

## **B. General Reserves**

The Government Code provides that General Reserves may not be used during the operating year unless the Board of Supervisors declares a state of emergency. Since no emergency has existed to date, all balances of reserves are as adopted.

## **C. Designations and Other Reserves**

The Board of Supervisors may choose to designate portions of available funding for a specific future purpose. Such designations reflect tentative plans, which are subject to change. It is this flexibility that distinguishes designations from reserves.

\$28,285 GENERAL GOVERNMENT BUILDING REPLACEMENT FUND: Each year the Library uses Public Facilities Fees collected for the Library as a funding source to pay down the balance of its loan from the General Government Building Replacement Fund. The \$28,285 increase to the designation in FY 2012-13 was a repayment from FY 2011-12 when revenue was not sufficient to pay the Board approved payment and the balance was borrowed from the designation.

\$(106,500) PUBLIC FACILITY FEES: To increase appropriation in Parks to assist in the construction of Phase 1 of Jack Ready Imagination Park.

## **III. Schedule of Appropriation Transfers under the Auditor's Authority**

By resolution the Board of Supervisors authorized the Auditor-Controller to approve appropriation transfers between all object levels within the same budget unit. The resolution also directed that such transfers be reported to the Board on a quarterly basis.

There were no transfers between object levels under the Auditor's Authority during the second quarter of FY 2012-13.

COMPARATIVE STATEMENT OF COUNTY FUNDS- REVENUE STATUS  
For the Six Month Period Ended December 31, 2012 and 2011

Revenue Status by Class	2012-13			2011-12		
	Amount Budgeted	Amount Realized 12/31/12	%	Amount Budgeted	Amount Realized 12/31/11	%
TAXES - CURRENT PROPERTY	\$ 100,326,410	\$ 58,881,941	59 %	\$ 100,089,158	\$ 57,169,022	57 %
TAXES - OTHER THAN CURRENT PROPERTY	49,789,724	12,283,587	25 %	45,163,518	9,063,380	20 %
LICENSES AND PERMITS	8,541,516	3,667,457	43 %	7,833,066	3,138,849	40 %
FINES, FORFEITURES AND PENALTIES	5,361,538	1,845,226	34 %	6,114,587	2,171,081	36 %
REVENUE - MONEY AND PROPERTY USE	830,650	846,062*	102 %	845,522	1,103,129	130 %
AID FROM GOVERNMENT AGENCIES	238,156,492	66,522,815	28 %	236,040,064	68,926,885	29 %
CHARGES FOR CURRENT SERVICES	30,504,171	10,791,610	35 %	31,529,946	13,025,069	41 %
OTHER REVENUES	30,475,302	11,313,570	37 %	30,826,625	13,154,753	43 %
OTHER FINANCING SOURCES	38,756,006	17,292,895	45 %	43,195,557	13,844,381	32 %
TOTAL REVENUES	<u>\$ 502,741,809</u>	<u>\$ 183,445,163</u>	<u>36 %</u>	<u>\$ 501,638,043</u>	<u>\$ 181,497,597</u>	<u>36 %</u>

Revenue Status by Fund	2012-13			2011-12		
	Amount Budgeted	Amount Realized 12/31/12	%	Amount Budgeted	Amount Realized 12/31/11	%
1000000000 General Fund	\$ 384,287,442	\$ 138,164,425*	36 %	\$ 377,762,017	\$ 138,044,899	37 %
1100000000 Capital Projects	11,563,634	4,826,300*	42 %	9,723,170	960,495	10 %
1200000000 Road Fund	48,402,271	16,243,938	34 %	52,490,571	15,084,336	29 %
1200500000 Community Devel Pgm	10,043,593	1,050,810	10 %	10,148,065	2,229,683	22 %
1201000000 Public Facility Fees	675,742	701,889	104 %	1,019,904	467,454	46 %
1201500000 Parks	9,449,906	4,259,379	45 %	7,826,374	3,610,167	46 %
1202000000 Co-Wide Automation Replacement	7,547,147	1,616,920	21 %	5,254,312	1,906,867	36 %
1202500000 Gen Gov Building Replacement	2,732,613	1,377,164	50 %	5,040,873	1,670,967	33 %
1203000000 Tax Reduction Resrv	0	13,213	%	3,035,109	1,536,787	51 %
1203500000 Impact Fee-Traffic	1,753,500	1,458,280	83 %	2,434,600	2,153,468	88 %
1204000000 Wildlife And Grazing	3,500	10	0 %	3,500	8	0 %
1204500000 Driving Under the Influence	1,373,406	674,233	49 %	1,412,707	660,641	47 %
1205000000 Library	7,959,971	4,702,675	59 %	7,904,661	4,414,244	56 %
1205500000 Fish And Game	20,000	12,113	61 %	20,000	11,193	56 %
1206000000 Organizational Development	463,819	226,731	49 %	512,166	248,474	49 %
1206500000 County Med Svcs Prog	5,095,977	2,165,431	42 %	5,905,451	2,942,378	50 %
1207000000 Emergency Med Svcs	801,000	316,189	39 %	820,400	319,083	39 %
1208000000 Debt Service-Cert of Participation	2,256,488	1,389,101	62 %	2,250,163	1,443,557	64 %
1801000000 Pension Obligation Bond DSF	8,311,800	4,246,362	51 %	8,074,000	3,891,848	48 %
TOTAL REVENUES	<u>\$ 502,741,809</u>	<u>\$ 183,445,163</u>	<u>36 %</u>	<u>\$ 501,638,043</u>	<u>\$ 181,497,597</u>	<u>36 %</u>

\* Interest revenue for the second quarter:

General Fund: \$51,365

Capital Projects: \$15,311

COMPARATIVE STATEMENT OF CONTINGENCIES AND RESERVES  
By Fund as of December 31, 2012

<u>Contingencies</u>	2011-12 Final Budget	2012-13 Final Budget	As of 12/31/12	2012-13 Increase (Decrease)
General Fund	\$ 14,567,086	\$ 15,043,207	\$ 14,821,878	\$ (221,329)
Community Devel Pgm	35,135	65,685	65,685	0
Parks	397,251	505,357	505,357	0
Driving Under the Influence	50,000	79,341	79,341	0
Library	47,389	258,395	258,395	0
<b>TOTAL CONTINGENCIES</b>	<b>\$ 15,096,861</b>	<b>\$ 15,951,985</b>	<b>\$ 15,730,656</b>	<b>\$ (221,329)</b>

<u>Designations and Other Reserves</u>	2011-12 Final Budget	2012-13 Final Budget	As of 12/31/12	2012-13 Increase (Decrease)
General Fund				
Co. Fire Equip. Replace	\$ 991,083	\$ 966,922	\$ 966,922	\$ 0
Designated FB-2020 POB	0	4,688,657	4,688,657	0
General Reserve	8,000,000	8,000,000	8,000,000	0
Internal Financing	5,423,419	4,186,511	4,186,511	0
Solar Plant Mitigation	0	487,165	487,165	0
Willow Rd Interchange	967	967	967	0
Capital Projects				
Detention Facilities	6,500,000	5,067,883	5,067,883	0
Facilities Planning	3,652,728	6,335,134	6,335,134	0
Juvenile Hall Bldg	2,750,000	1,732,000	1,732,000	0
LO Landfill Closure	415,445	152,732	152,732	0
Solar/Energy Projects	0	1,199,787	1,199,787	0
Road Fund				
Future Road Projects	3,617,000	3,826,718	3,826,718	0
N. River Mine Reserve	83,000	83,000	83,000	0
Public Facility Fees				
Reserve for County Fire	1,607,073	2,080,515	2,080,515	0
Reserve for General Gov't	807,454	498,073	498,073	0
Reserve for Law Enforcmnt	1,047,217	1,152,563	1,152,563	0
Reserve for Library	167,131	95,911	95,911	0
Reserve for Parks	1,391,518	1,854,516	1,748,016	(106,500)
Parks				
Lopez Park's Projects	60,000	70,000	70,000	0
Parks Projects	214,768	837,768	837,768	0
Co-Wide Automation Replacement				
Automation Replacement	8,964,861	10,467,113	10,467,113	0
Budget System Developm	770,274	770,274	770,274	0
Gen Gov Building Replacement				
Gov. Building Rpl	9,437,795	13,376,808	13,376,808	0
Library - Cambria	156,376	339,980	368,265	28,285

## COMPARATIVE STATEMENT OF CONTINGENCIES AND RESERVES

Schedule 2

By Fund as of December 31, 2012

Tax Reduction Resrv				
Desig-Prop Tax Litigation	797,952	797,952	797,952	0
Tax Reduction Reserves	11,326,531	11,397,138	11,397,138	0
Impact Fee-Traffic				
Improvement Fees	5,327,753	4,873,859	4,873,859	0
Wildlife And Grazing				
General Reserve	377	377	377	0
Wildlife Projects	5,589	11,535	11,535	0
Driving Under the Influence				
General Reserve	200,459	200,459	200,459	0
Systems Development	341,924	419,265	419,265	0
Library				
Atascadero Building Expan	163,131	105,131	105,131	0
Facilities Planning	977,510	777,510	777,510	0
General Reserve	74,690	49,690	49,690	0
Fish And Game				
Environmental Settlemt	15,502	18,862	18,862	0
Fish and Game Projects	86,087	101,890	101,890	0
General Reserve	54,583	54,583	54,583	0
Organizational Development				
Countywide Training	1,324,919	1,479,776	1,479,776	0
General Reserve	396,052	446,510	446,510	0
Debt Service-Cert of Participation				
Loan Payment Reserve	16,373	16,373	16,373	0
Pension Obligation Bond DSF				
Desig - POB Debt Service	6,984,700	6,740,895	6,740,895	0
TOTAL DESIGNATIONS AND RESERVES	<u>\$ 84,152,241</u>	<u>\$ 95,762,802</u>	<u>\$ 95,684,587</u>	<u>\$ (78,215)</u>

REVENUES AND EXPENDITURES BY FUNCTIONAL AREA  
For the Six Month Period Ended December 31, 2012

Budget Units by Functional Area	2012-13			2012-13		
	Budgeted Expenditures	Amount Expended 12/31/12	%	Budgeted Revenues	Amount Realized 12/31/12	%
<b>General Government</b>						
100 BOARD OF SUPERVISORS	\$ 1,687,906	\$ 838,189	50 %	\$ 0	\$ 200	0 %
101 NON-DEPARTMENTAL REVENUES	5	1	20 %	145,965,482	67,456,741	46 %
104 ADMINISTRATIVE OFFICE	1,726,718	750,254	43 %	29,236	7,278	25 %
105 RISK MANAGEMENT	1,560,549	894,031	57 %	985,045	309,372	31 %
107 AUDITOR-CONTROLLER	5,259,356	2,337,933	44 %	1,259,467	608,812	48 %
108 TREAS-TAX COLL-PUBLIC ADM	3,136,994	1,295,737	41 %	1,505,615	672,379	45 %
109 ASSESSOR	9,135,134	3,859,001	42 %	581,492	42,730	7 %
110 CLERK/RECORDER	3,153,771	1,751,855	56 %	2,732,205	1,344,629	49 %
111 COUNTY COUNSEL	4,382,632	2,136,581	49 %	600,000	252,802	42 %
112 HUMAN RESOURCES	2,592,707	1,008,011	39 %	274,705	146,201	53 %
113 GENERAL SERVICES	9,733,127	4,257,902	44 %	3,762,136	1,787,891	48 %
114 INFORMATION TECHNOLOGY DEPARTMENT	10,266,808	4,835,884	47 %	2,124,181	688,276	32 %
201 PUBLIC WORKS SPECIAL SERVICES	4,417,526	1,047,819	24 %	2,887,494	495,849	17 %
266 COUNTYWIDE AUTOMATION REPLACEMENT	7,850,810	863,139	11 %	7,547,147	1,616,920	21 %
267 GEN GOVT BUILDING REPLACEMENT	1,528,166	25,570	2 %	2,732,613	1,377,164	50 %
268 TAX REDUCTION RESERVE	3,353,760	91,343	3 %	0	13,213	0 %
275 ORGANIZATIONAL DEVELOPMENT	546,588	116,162	21 %	463,819	226,731	49 %
290 COMMUNITY DEVELOPMENT PROGRAM	10,043,593	1,021,081	10 %	10,043,593	1,050,810	10 %
TOTAL General Government	<u>\$ 80,376,150</u>	<u>\$ 27,130,493</u>	<u>34 %</u>	<u>\$ 183,494,230</u>	<u>\$ 78,097,998</u>	<u>43 %</u>
<b>Public Protection</b>						
130 WASTE MANAGEMNT	\$ 922,415	\$ 366,128	40 %	\$ 290,358	\$ 41,369	14 %
131 GRAND JURY	138,425	62,637	45 %	0	0	0 %
132 DISTRICT ATTORNEY	15,000,143	6,810,561	45 %	6,327,309	1,431,212	23 %
134 CHILD SUPPORT SERVICES	4,658,295	2,191,436	47 %	4,658,293	1,821,548	39 %
135 PUBLIC DEFENDER	5,454,306	3,016,298	55 %	570,277	66,026	12 %
136 SHERIFF-CORONER	62,317,727	29,058,808	47 %	23,902,672	8,305,740	35 %
137 ANIMAL SERVICES	2,409,099	1,188,937	49 %	1,918,467	1,001,852	52 %
138 EMERGENCY SERVICES	1,696,697	762,587	45 %	1,489,854	692,988	47 %
139 PROBATION DEPARTMENT	18,578,831	8,417,584	45 %	9,513,254	2,333,291	25 %
140 COUNTY FIRE	18,711,786	4,347,827	23 %	6,222,824	1,593,612	26 %
141 AGRICULTURAL COMMISSIONER	5,148,871	2,424,427	47 %	3,041,527	202,733	7 %
142 PLANNING & BUILDING DEPARTMENT	13,517,343	5,672,555	42 %	6,882,521	3,158,017	46 %
143 COURT OPERATIONS	2,434,612	1,338,414	55 %	2,547,100	1,098,390	43 %
330 WILDLIFE AND GRAZING	3,500	11	0 %	3,500	10	0 %
331 FISH AND GAME	20,000	391	2 %	20,000	12,113	61 %
TOTAL Public Protection	<u>\$ 151,012,050</u>	<u>\$ 65,658,601</u>	<u>43 %</u>	<u>\$ 67,387,956</u>	<u>\$ 21,758,901</u>	<u>32 %</u>
<b>Public Ways &amp; Facilities</b>						
245 ROADS	\$ 53,016,782	\$ 18,904,290	36 %	\$ 48,402,271	\$ 16,243,938	34 %
247 PUBLIC FACILITIES FEES	4,106,561	433,921	11 %	675,742	701,889	104 %
248 ROADS - IMPACT FEES	5,117,037	2,160,417	42 %	1,753,500	1,458,280	83 %
TOTAL Public Ways & Facilities	<u>\$ 62,240,380</u>	<u>\$ 21,498,628</u>	<u>35 %</u>	<u>\$ 50,831,513</u>	<u>\$ 18,404,107</u>	<u>36 %</u>

REVENUES AND EXPENDITURES BY FUNCTIONAL AREA  
For the Six Month Period Ended December 31, 2012

Budget Units by Functional Area	2012-13			2012-13		
	Budgeted Expenditures	Amount Expended 12/31/12	%	Budgeted Revenues	Amount Realized 12/31/12	%
<b>Health &amp; Sanitation</b>						
160 PUBLIC HEALTH	\$ 22,000,457	\$ 9,754,927	44 %	\$ 18,007,140	\$ 4,456,256	25 %
<u>166 BEHAVIORAL HEALTH</u>	<u>50,743,538</u>	<u>21,570,702</u>	<u>43 %</u>	<u>44,294,572</u>	<u>13,902,921</u>	<u>31 %</u>
TOTAL Health & Sanitation	<u>\$ 72,743,995</u>	<u>\$ 31,325,629</u>	<u>43 %</u>	<u>\$ 62,301,712</u>	<u>\$ 18,359,177</u>	<u>29 %</u>
<b>Public Assistance</b>						
106 CONTRIBUTIONS TO OTHER AGENCIES	\$ 1,918,328	\$ 1,675,567	87 %	\$ 382,500	\$ 780	0 %
180 SOCIAL SERVICES ADMINISTRATION	60,115,060	27,304,037	45 %	54,839,360	10,712,776	20 %
181 FOSTER CARE-SOCIAL SERVICES	18,914,675	9,538,270	50 %	18,103,273	6,735,305	37 %
182 CALWORKS	13,118,782	5,719,470	44 %	12,770,256	4,620,040	36 %
183 MEDICAL ASSISTANCE PROG	4,314,405	2,782,203	64 %	161,847	40,113	25 %
184 LAW ENFORCEMENT MED CARE	2,541,277	1,035,866	41 %	933,435	369,011	40 %
185 GENERAL ASSISTANCE	1,074,151	551,023	51 %	436,158	290,996	67 %
186 VETERANS SERVICES	487,140	199,858	41 %	94,400	41,398	44 %
350 CO MEDICAL SERVICES PROG	6,054,480	2,230,130	37 %	5,095,977	2,165,431	42 %
<u>351 EMERGENCY MEDICAL SRVS FUND</u>	<u>1,160,049</u>	<u>495,583</u>	<u>43 %</u>	<u>801,000</u>	<u>316,189</u>	<u>39 %</u>
TOTAL Public Assistance	<u>\$ 109,698,347</u>	<u>\$ 51,532,007</u>	<u>47 %</u>	<u>\$ 93,618,206</u>	<u>\$ 25,292,039</u>	<u>27 %</u>
<b>Education</b>						
215 FARM ADVISOR	\$ 475,232	\$ 207,244	44 %	\$ 4,575	\$ 468	10 %
375 DRIVING UNDER THE INFLUENCE	1,373,406	631,645	46 %	1,373,406	674,233	49 %
<u>377 LIBRARY</u>	<u>8,792,992</u>	<u>3,836,087</u>	<u>44 %</u>	<u>7,959,971</u>	<u>4,702,675</u>	<u>59 %</u>
TOTAL Education	<u>\$ 10,641,630</u>	<u>\$ 4,674,976</u>	<u>44 %</u>	<u>\$ 9,337,952</u>	<u>\$ 5,377,376</u>	<u>58 %</u>
<b>Recreation &amp; Cultural Services</b>						
<u>305 PARKS</u>	<u>\$ 9,034,987</u>	<u>\$ 3,973,523</u>	<u>44 %</u>	<u>\$ 9,449,906</u>	<u>\$ 4,259,379</u>	<u>45 %</u>
TOTAL Recreation & Cultural Services	<u>\$ 9,034,987</u>	<u>\$ 3,973,523</u>	<u>44 %</u>	<u>\$ 9,449,906</u>	<u>\$ 4,259,379</u>	<u>45 %</u>
<b>Debt Service</b>						
277 DEBT SERVICE	\$ 2,256,488	\$ 1,394,691	62 %	\$ 2,256,488	\$ 1,389,101	62 %
<u>392 PENSION OBLIGATION BOND DSF</u>	<u>8,343,956</u>	<u>6,112,681</u>	<u>73 %</u>	<u>8,311,800</u>	<u>4,246,362</u>	<u>51 %</u>
TOTAL Debt Service	<u>\$ 10,600,444</u>	<u>\$ 7,507,372</u>	<u>71 %</u>	<u>\$ 10,568,288</u>	<u>\$ 5,635,463</u>	<u>53 %</u>
<b>Financing Uses</b>						
<u>102 NON-DEPTL-OTHR FINCNG USE</u>	<u>\$ 17,741,296</u>	<u>\$ 8,608,763</u>	<u>49 %</u>	<u>\$ 2,566,594</u>	<u>\$ 1,287,057</u>	<u>50 %</u>
TOTAL Financing Uses	<u>\$ 17,741,296</u>	<u>\$ 8,608,763</u>	<u>49 %</u>	<u>\$ 2,566,594</u>	<u>\$ 1,287,057</u>	<u>50 %</u>
<b>CAPITAL PROJECTS</b>						
200 MAINTENANCE PROJECTS	\$ 6,878,204	\$ 836,653	12 %	\$ 1,621,818	\$ 96,001	6 %
<u>230 CAPITAL PROJECTS FUND</u>	<u>16,059,335</u>	<u>1,205,503</u>	<u>8 %</u>	<u>11,563,634</u>	<u>4,810,989</u>	<u>42 %</u>

Budget Units by Functional Area	2012-13			2012-13		
	Budgeted	Amount		Budgeted	Amount	
	Expenditures	Expended	%	Revenues	Realized	%
	12/31/12	12/31/12		12/31/12	12/31/12	
TOTAL CAPITAL PROJECTS	\$ <u>22,937,539</u>	\$ <u>2,042,156</u>	<u>9 %</u>	\$ <u>13,185,452</u>	\$ <u>4,906,990</u>	<u>37 %</u>
COUNTY TOTAL	\$ <u>547,026,818</u>	\$ <u>223,952,148</u>	<u>41 %</u>	\$ <u>502,741,809</u>	\$ <u>183,378,487</u>	<u>36 %</u>
GENERAL FUND TOTAL	\$ <u>408,364,328</u>	\$ <u>180,455,980</u>	<u>44 %</u>	\$ <u>384,287,442</u>	\$ <u>138,113,060</u>	<u>36 %</u>

### Section 3: Position Changes

During the second quarter, October 1, 2012 through December 31, 2012, the following reclassification/reorganization changes were approved by the Board of Supervisors. This report also includes a list of all administrative changes approved by the Human Resources Director under the authority of the Board of Supervisors, and the current vacancy statistics.

#### **Position Allocation Changes Made By The Board of Supervisors:**

##### **Fund Center 350 - Health Agency CMSP-Allocation Change Approved 10/16/12**

Delete 1.00 FTE- 00914 Accounting Technician  
Add 1.00 FTE- 00909 Account Clerk or Sr. Account Clerk

##### **Fund Center 160 - Public Health-Allocation Change Approved 10/23/12**

Add 1.00 FTE- 00221 Health Education Specialist-Limited Term

##### **Fund Center 166 - Behavioral Health-Allocation Change Approved 10/23/12**

Add 1.00 FTE- 08621 Drug & Alcohol Services Specialist II-Limited Term

##### **Fund Center 142 - Planning & Building-Allocation Change Approved 10/23/12**

Add 2.00 FTE- 01707 Supervising Planner  
Add 1.00 FTE- 00907 Accountant Series  
Delete 1.00 FTE- 02802 Planner Series  
Delete 1.00 FTE- 02804 Principal Environmental Specialist  
Delete 1.00 FTE- 01622 Mapping Graphics Systems Specialist Series

##### **Fund Center 139 - Probation-Allocation Change Approved 10/30/2012**

Add 1.00 FTE- 00321 Deputy Probation Officer III  
Delete 1.00 FTE- 00323 Deputy Probation Officer I or II

##### **Fund Center 132 - District Attorney-Allocation Change Approved 10/30/12**

Add .50 FTE- 00309 Deputy District Attorney II-1/2 time  
Add .50 FTE- 09637 Victim Witness Assistance Coordinator II-1/2 time

##### **Fund Center 136 - Sheriff-Coroner- Allocation Change Approved 10/30/2012**

Add 1.00 FTE- 00346 Correctional Technician  
Add 1.00 FTE- 08906 Department Automation Specialist  
Add 1.00 FTE- 01583 Program Manager I

##### **Fund Center 139 - Probation- Allocation Change Approved 10/30/2012**

Add 1.00 FTE- 01583 Program Manager I

##### **Fund Center 166 - Behavioral Health- Allocation Change Approved 10/30/2012**

Add 1.00 FTE- 08891 Administrative Services Officer I  
Add 3.00 FTE- 08621 Drug & Alcohol Spec II

**Fund Center 138 - Emergency Services-Allocation Change Approved 12/4/12**

Delete 1.00 FTE- 02203 Administrative Assistant Series  
Add 1.00 FTE- 08885 Administrative Analyst Aide

**Fund Center 166 - Behavioral Health-Allocation Change Approved 12/11/12**

Delete .50 FTE- 00458 Mental Health Nurse Practitioner-1/2 time

**Fund Center 160 - Public Health- Allocation Change Approved 12/11/2012**

Add .50 FTE- 00420 Community Health Nurse or  
00417 Public Health Nurse or  
00415 Sr. Community Health Nurse or  
00421 Sr. Public Health Nurse or  
00457 Nurse Practitioner/Physician's Assistant-1/2 time

**Fund Center 160 - Public Health-Allocation Change Approved 12/11/12**

Add .50 FTE- 00420 Community Health Nurse or  
00417 Public Health Nurse or  
00415 Sr. Community Health Nurse or  
00421 Sr. Public Health Nurse or  
00457 Nurse Practitioner/Physician's Assistant-1/2 time

**Fund Center 142 - Planning & Building-Allocation Change Approved 12/18/12**

Add 2.00 FTE- 02806 Land Use Technician-Limited Term

**Fund Center 180 - Social Services-Allocation Change Approved 12/18/12**

Delete 6.00 FTE- 00927 Supervising Administrative Clerk I  
Add 6.00 FTE- 00928 Supervising Administrative Clerk II

**Administrative Changes Made By The Human Resources Department:**

Fund Center 160 - Public Health Effective 11/20/12  
Consolidate two .50 FTE Environmental Health Specialist positions into one 1.00 FTE  
Environmental Health Specialist.  
Annual Savings: Benefits only

Fund Center 160 - Public Health Effective 11/26/12  
Consolidate two .50 FTE Administrative Assistant positions into one 1.00 FTE  
Administrative Assistant  
Annual Savings: Benefits only

**Employee Vacancy Rate:**

The County employee vacancy rate as of December 31, 2012 is 4.24%. This equates to  
103.50 FTE vacant positions.

## Section 4: Miscellaneous Financial Issues

### **Acceptance of Donated Gift Funds:**

Donations made by individuals and community organizations are accepted by the County and appropriated into the proper departmental budgets on an as needed basis. These donations are used to enhance programs and meet special needs throughout the County. It is recommended that the Board accept donations totaling \$35,580.30 on behalf of the following County Departments, as noted below:

- Fund Center 425- Airports: \$500.00
- Fund Center 305- Parks: \$1,327.00
- Fund Center 377- Library: \$33,608.97
- Fund Center 180- Social Services: \$144.33

The Board is asked to approve corresponding appropriation adjustments to transfer gift funds into the operating budgets of Airports, Parks, Library and Social Services Administration. Memos from each of the requesting departments are included in Attachment #2.

### **Relief from Accountability:**

Requests for relief from accountability are presented to the Board in accordance with Government Code requirements. The action relieves the requesting department from active pursuit of receivables, but does not release the responsible parties from the debt owed. Requests to discharge bad debt are only submitted to the Board for action after an extensive investigation has taken place and the department has reached the conclusion that the debt will not be collected. If a department's collection efforts are unsuccessful, cases are often turned over to the County's contract collection agency. The following requests for relief from accountability have been submitted for Board consideration:

- It is requested that the Board discharge \$2,497.99 on behalf of Public Works Special Services (Fund Center 201) for Engineering Checking and Inspection Agreement charges that have been determined to be non-collectible.
- It is requested that the Board discharge \$ 56,071.80 on behalf of the Department of Social Services (Fund Center 180) for overpayments/over-issuances in the CalWORKS assistance program that have been determined to be non-collectible. A memo from the department is included in

Memos from the departments are included in Attachment #3.

### **Miscellaneous Budget Adjustments:**

In addition to the items listed above, the Board is asked to approve the following budget adjustments:

- Approve a budget adjustment in the amount of \$550,000 from General Fund contingencies to FC 135 - Public Defender to offset unbudgeted expenditures for a multiple defendant capital murder trial;

- Approve a budget adjustment in the amount of \$28,894 from FC 290 - Community Development contingencies to the FC 290 operating budget to enable use of funds already designated to the Homeless Services Oversight Council (HSOC) for various projects to be completed by outside agencies, as approved by the HSOC;
- Approve a budget adjustment in the amount of \$40,787 from unanticipated revenue (California State Library funding) to FC 377 - Library to support the San Luis Obispo Literacy Council's provision of adult basic literacy instruction and related services;
- Amend the fixed asset list for FC 140 - County Fire to add equipment in the amount of \$100,000 for the countywide emergency radio repeater network;
- Approve a budget adjustment in the amount of \$240,000 from the FC 138 - Emergency Services Nuclear Power Plant Preparedness Trust fund to the FC 138 operating budget to reimburse other agencies for nuclear power plant emergency planning and readiness;
- Approve a budget adjustment in the amount of \$18,000 in FC 425 - Airports to transfer Tax Reduction Reserve revenue and capital outlay expenditures from the Parking Lot Upgrade project to the Terminal Upgrade project;
- Approve a budget adjustment in the amount of \$330,000 from the designated fund balance in FC 230 - Capital Projects to Operating Transfers Out, also in FC 230 - Capital Projects to allow the transfer of funds for a maintenance project to replace a sewer line to the Animal Shelter in the County Operational Area authorized in the FY 2012-13 budget in Fund Center 200 - Maintenance Projects.

Memos from each of the requesting departments are included in Attachment #4.

#### **Surplus Vehicles:**

Requests to declare County vehicles surplus and authorize their disposal are presented to the Board for consideration. County Code Section 2.36.030(5) provides the authority to sell, destroy or otherwise dispose of any personal property belonging to the County and found by the Board of Supervisors not to be required for public use. The General Services Agency requests that the Board declare 18 vehicles surplus and authorize their disposal. A memo from the General Services Agency is included in Attachment #5.

**Section 5: Capital and Maintenance Projects Managed by the  
General Services Agency and Public Works Department**

The second quarter status reports on capital and maintenance projects can be found in Attachment #6. This information is provided to keep the Board apprised of the status of various capital and maintenance projects managed by the General Services Agency and the Public Works department.