

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Administrative Office	(2) MEETING DATE 9/17/2013	(3) CONTACT/PHONE Nikki J. Schmidt (805) 781-5496	
(4) SUBJECT Submittal of the Fiscal Year 2012-13 Year End Financial Status Report.			
(5) RECOMMENDED ACTION It is recommended that the Board of Supervisors: <ol style="list-style-type: none"> <li>1. Receive, review, and file the FY 2012-13 Year End Financial Status Report;</li> <li>2. Accept cash donations in the amount of \$6,100.35 for Animal Services to fund medical care costs and increased adoption of sheltered animals;</li> <li>3. Accept cash donations and approve a budget adjustment in the amount of \$54,256 from the Library's Gift Trust Fund to the Fund Center 377 - Library operating budget;</li> <li>4. Accept cash donations in the amount of \$221,797.50 and an appropriation transfer in the amount of \$31,797.50 from the Park's Gift Trust Fund to the Fund Center 305 - Parks operating budget;</li> <li>5. Approve a budget adjustment in the amount of \$650 from the Social Services Gift Trust Fund to Fund Center 180 - Social Services Administrative operating budget to purchase special services for children and adults;</li> <li>6. Accept three (3) iPads valued at approximately \$532 each and two (2) gift cards valued at \$100 each, for a total value of \$1,796, to be used in therapy for special needs children in the Health Agency-California Children Services/Medical Therapy program;</li> <li>7. Approve a budget adjustment in the amount of \$22,950 of funding from Library Atascadero Building Expansion Designation and the Library's trust fund to the Atascadero Library Expansion Project budget on behalf of the Atascadero Friends of the Library;</li> <li>8. Approve a request from the Department of Social Services for relief from accountability for uncollectable debt in the amount of \$40,232.42;</li> <li>9. Approve the creation of a new designation, New Government Center Repairs, within Fund Center 230 – Capital Projects and approve a budget adjustment in the amount of \$2,500,000 from the Judgment Damages Settlement trust account to the New Government Center Repairs capital project in the amount of \$1,986,400 and to the General Government Building Replacement designation in the amount of \$513,600.</li> </ol> Recommendations 2 through 9 require a 4/5 <sup>ths</sup> vote.			
(6) FUNDING SOURCE(S) Gift Funds Relief of debt	(7) CURRENT YEAR FINANCIAL IMPACT \$284,599 -\$40,232	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____ ) <input checked="" type="checkbox"/> Board Business (Time Est. 30 minutes)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: 1314011, 1314012, 1314014, 1314017, 1314016 <input checked="" type="checkbox"/> 4/5th's Vote Required <input type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW Guy Savage			

(18) SUPERVISOR DISTRICT(S)

All Districts -

# County of San Luis Obispo



TO: Board of Supervisors  
FROM: Nikki J. Schmidt, Administrative Office  
DATE: 9/17/2013  
SUBJECT: Submittal of the Fiscal Year 2012-13 Year End Financial Status Report.

## **RECOMMENDATION**

It is recommended that the Board of Supervisors:

1. Receive, review, and file the FY 2012-13 Year End Financial Status Report;
2. Accept cash donations in the amount of \$6,100.35 for Animal Services to fund medical care costs and increased adoption of sheltered animals;
3. Accept cash donations and approve a budget adjustment in the amount of \$54,256 from the Library's Gift Trust Fund to the Fund Center 377 - Library operating budget;
4. Accept cash donations in the amount of \$221,797.50 and an appropriation transfer in the amount of \$31,797.50 from the Park's Gift Trust Fund to the Fund Center 305 - Parks operating budget;
5. Approve a budget adjustment in the amount of \$650 from the Social Services Gift Trust Fund to Fund Center 180 - Social Services Administrative operating budget to purchase special services for children and adults;
6. Accept three (3) iPads valued at approximately \$532 each and two (2) gift cards valued at \$100 each, for a total value of \$1,796, to be used in therapy for special needs children in the Health Agency-California Children Services/Medical Therapy program;
7. Approve a budget adjustment in the amount of \$22,950 of funding from Library Atascadero Building Expansion Designation and the Library's trust fund to the Atascadero Library Expansion Project budget on behalf of the Atascadero Friends of the Library;
8. Approve a request from the Department of Social Services for relief from accountability for uncollectable debt in the amount of \$40,232.42;
9. Approve the creation of a new designation, New Government Center Repairs, within Fund Center 230 – Capital Projects and approve a budget adjustment in the amount of \$2,500,000 from the Judgment Damages Settlement trust account to the New Government Center Repairs capital project in the amount of \$1,986,400 and to the General Government Building Replacement designation in the amount of \$513,600.

Recommendations 2 through 9 require a 4/5<sup>th</sup> vote.

## **DISCUSSION**

### **Overview**

This report is intended to provide the Board of Supervisors and the public with an overview of the County's financial performance through the end of Fiscal Year 2012-13. The financial reports presented to the Board for the first three quarters of FY 2012-13 contained exception reporting only (i.e. no mention was made if the financial status of the fund center was as expected at that time). This Year End Financial Report contains an overview of the drivers behind the significant variance between budgeted and actual use of General Fund dollars. Also noted is information about fund centers for which significant issues were reported in the FY 2012-13 Third Quarter Financial Status Report.

The report is divided into six sections:

- **Section 1** - an overview of the County's financial position at the end of the fiscal year, as well as brief summaries of noteworthy departmental fiscal and operational issues.
- **Section 2** - a listing of all personnel changes approved by the Board of Supervisors during the fourth quarter.
- **Section 3** - an update on the Completed Capital and Maintenance Projects managed by the General Services Agency.
- **Section 4** - an update on the Completed Capital and Maintenance Projects managed by the Public Works Department.
- **Section 5** - miscellaneous financial items for the Board's consideration, such as requests from departments for acceptance of gift funds and donations and discharge of bad debt.
- **Section 6** - an overview of departmental goals and performance measures in FY 2012-13.

### **Executive Summary**

The overall spending levels and revenue receipts at the end of FY 2012-13 were generally consistent with prior years. General Fund expenditures were 91% of budget, while General Fund revenues were realized at 99% of budget.

The Auditor-Controller's Office reported that the actual year-end fund balance available (FBA) for the General Fund was \$30.1 million. This was \$4.1 million higher than the \$26 million included in the FY 2013-14 budget. The two variables that drive Fund Balance Available (FBA) are actual revenues compared to budgeted amounts and actual expenditures compared to budgeted amounts. FY 2012-13 non-departmental revenues ended the year \$11.8 million (or 8%) over adopted levels primarily due to the one-time sales tax revenue generated from the solar construction projects in California Valley.

All County departments ended the year at or below their budgeted level of General Fund support. This contributed approximately \$8 million in savings to the General Fund. Nine County departments finished the year \$200,000 or more below their budgeted level of General Fund support. The factors contributing to these savings are described generally in Section One of this report.

The County's "Results Based Decision Making" initiative is the tool used to identify performance measurements, which help to link local government activities and spending to results that benefit the community. In total, there are 221 performance measures. Of these, 57 (26%) of the targets for FY 2012-13 were met, 91 (41%) were exceeded, 62 (28%) were not met, and 11 (5%) did not have data available at the time of this report.

While the percentage of measures whose targets were not met is somewhat high, it should be noted that results from FY 2012-13 indicate a significant improvement when compared to FY 2011-12. In fact, when compared to prior fiscal years, we are seeing an overall increase in the number of measures that are being met or exceeded and a decrease in the number of measures not being met. There are several factors that contribute to actual performance meeting or exceeding targets including the use of technology, a shift in focus of staff on different priorities and departments finding new ways to provide services, new regulations that change the way services are provided, and public outreach programs that educate the public about County services. A more detailed summary of departmental performance can be found in Section 6 of the report.

The performance measures for each County department and their FY 2012-13 results can be found in the Clerk Recorder's Office (Clerk's Filed) and on the County's website at

<http://www.slocounty.ca.gov/Assets/AD/PDF/FY+12-13+Q4+Performance+Measures.zip>

**Other Agency Involvement/Impact:**

All departments contributed to the development of this report.

**Financial Considerations:**

Approval of the recommendations in this report will allow for approximately \$284,599.85 of gift funds and donations to be accepted on behalf of County departments and transferred to the receiving departments' operating budgets, and the discharge of \$40,232.42 of bad debt on behalf of the Department of Social Services. Additionally, \$1.9 million will be transferred to a new designation, New Government Center Repairs, in order to fund construction repairs in the New Government Center. Funds in the amount of \$513,600 were previously allocated from the General Government Replacement designation to the New Government Center fire alarm system project (approved by the Board in April 2012). As issues with the fire alarm system were part of the construction defect litigation, settlement funds are recommended to replace those loaned from the General Government Replacement designation.

**Results:**

This report provides the Board of Supervisors and the public with an overview of the County's financial position at the end of Fiscal Year 2012-13.

c- Department Heads

**ATTACHMENTS**

1. FY 2012-13 Year End Financial Status Report
2. Attachment 1 - Receipt of Gift Funds and Relief from Accountability letters
3. Final FY 2012-13 Performance Measures - Clerk's Filed