



Fiscal Year 2013-14 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) 2013-14. The second quarter time frame is October 1, 2013 through December 31, 2013.

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 in the table below, expenditure and revenue patterns for the second quarter are similar to those from the second quarter of FY 2012-13. The revenue realization percentages 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.

Expense & Revenue All Funds Comparison		
	Second Quarter FY 2012-13	Second Quarter FY 2013-14
Expenditures	41%	39%
Revenue Realized	36%	37%
Expense & Revenue General Fund Comparison		
	Second Quarter FY 2012-13	Second Quarter FY 2013-14
Expenditures	44%	42%
Revenue Realized	36%	37%

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 for the year. The one exception is County Counsel, which is requesting additional General Fund due to the need to hire outside counsel for certain litigation matters as noted below. The below summary also includes information about a decline in recording activity from the Clerk-Recorder. In addition, an update to the Airport budget and enplanement levels is provided per Board direction.

<p>Department: County Counsel Fund Center(s): 111 Issue: Unbudgeted expenditures for outside counsel Impact to General Fund: \$15,000</p>
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County Counsel is requesting a budget adjustment from General Fund contingencies in the amount of \$15,000 to cover unbudgeted expenditures for outside counsel. The funds will be used to cover expenses related to the Sani and Welsh CalTrans litigation. These

expenses were not anticipated at the time that the budget for FY 2013-14 was prepared. The use of outside counsel for this litigation matter was previously approved by the Board in closed session. A memo from the department is included in Attachment 4.

Department: Clerk-Recorder
Fund Center(s): 110
Issue: Decreased recording activity
Impact to General Fund: none

As of the end of the second quarter, the Clerk-Recorder is reporting that recording revenues have declined by 24% compared to the first half of FY 2012-13. The decline in recording activity is due largely to external factors, such

as a shortage of housing inventory, rising sales prices, increased regulations for obtaining loans, and rising interest rates—all of which contribute to decreased home-buying activity. If recording activity continues to be down through the second half of the fiscal year, the department may see a \$220,000 shortfall in recording revenues at year end. While this shortfall will be partially offset by increases in other revenues, it is estimated that the Clerk-Recorder may end the year with a \$153,000 revenue shortfall.

Despite this revenue shortfall, no impact to the department's level of General Fund support is anticipated. Due to the decrease in recording workload, Clerk-Recorder staff time has shifted to addressing a backlog of duties that can be funded with restricted revenue. The use of restricted revenues will offset the decline in recording revenue so that the department will not exceed its budgeted General Fund support at year end.

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

As an Enterprise Fund, Airport Services relies on the revenues generated by the Airports to fund its operational and capital expenses. Revenue from passenger enplanements on commercial air carriers is

a key indicator of the Airports' fiscal health and outlook. The Quarterly Fiscal Report includes a regular update on the status of the County Airport Services budget with emphasis on the number of passenger enplanements.

Changes to air carrier service that began in 2007 with rising fuel prices were exacerbated by the great recession of 2008. Many airports, including San Luis Obispo, experienced reductions in the number of commercial flights and an overall decline in enplanements. Since that time, the annual expenditures for Airport operations have largely exceeded the amount of annual revenues received by the Airports, with the exception of FY 2012-13. Airport Services has relied on its unallocated cash balance in the Airport Fund to cover expenses.

As of the end of the second quarter, Airport Services is reporting improved parking fee revenues due to a new contract with MINDBODY for employee parking, an increase in enplanements, and use of the parking kiosk payment system. The FY 2013-14 adopted budget included the planned use of \$292,924 of cash balance. Due to increased revenues and decreased expense, Airport Services now anticipates that its revenues will exceed expenditures by \$70,509 at year end, which is \$363,433 more favorable than what was budgeted.

The number of commercial air service passenger enplanements is a major driver of Airport revenues. During the second quarter of FY 2013-14, enplanement levels at the San Luis Obispo Regional Airport increased by 5,670 or 8%, compared to the same time in the prior fiscal year.

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	-27%
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	30,354	34,654	132,315	-1%
2013-14	36,753	36,224			72,977	8%*

*Compares the first two quarters of FY 2013-14 to the first two quarters of FY 2012-13

The second quarter fiscal report for Airport Services continues to point to some improvement in the Airport's fiscal status. The successful recruitment of new and/or expanded commercial air service at the Airport will have a significant positive impact on Airport Services finances. As reported to the Board on November 5th, staff has worked closely with an air service consultant and the business community to successfully develop a revenue guarantee program totaling \$1.75 million to encourage United Airlines to expand its service out of San Luis Obispo by adding a non-stop flight to Denver. The impact of this program and the overall financial status of the Airport will continue to be reported on in future quarterly reports.

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 \$527.3 million. At the end of the second quarter \$194.3 million or 37% of estimated revenues were realized, compared to 36% in 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 60% at the end of the second quarter comparable with the prior year's realization rate of 59%.

Taxes- Other than Current Property: At the end of the second quarter 26% of estimated revenue was realized, compared to 25% 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.

Licenses and Permits: The amount realized is 48% of estimates compared with last year's realization rate of 43%. Revenue sources in this class include Franchise Fees, Plan Check Fees, Building Permits, and Land use Permits. Plan Check Fees increased by \$482,600, Building Permit revenue increased by \$395,300, and Subdivision Permits increased by \$70,400 over the same period last year. This is due to a substantial increase in single family residential building permits and an accelerated construction schedule for one of the solar projects in California Valley.

Fines, Forfeitures and Penalties: The amount realized is 49% compared to last year's realization rate of 34%. This is due to a large settlement received for mitigation of construction defects in the New Government Center building. The realization rate in the current year outside that settlement is 28%. The difference from prior year is due to decreases in revenue related to Traffic School Fees and other law enforcement related fines.

Revenue- Money and Property Use: Realized revenue in this class is 76% compared to the 94% realization rate in the prior year. Total interest revenue earned by the General Fund was \$37,485 compared to \$40,337 in the same quarter prior year. The average rate of return during the second quarter was .1773% compared to .1861% in the prior year. Rents and Concessions revenue in the prior year was higher due to a timing difference which will correct in the third quarter.

Aid from Government Agencies: The amount realized is 28%, consistent with the amount received in the prior year. Aid from government agencies does not follow even monthly revenue flows but catches up in the third and fourth quarters.

Charges for Current Services: The amount realized is 41%, compared to 35% in the prior year. This is mainly due to a timing difference in the collection of Sanitation Services that will correct in the third quarter.

Other Revenues: The amount realized is 33%, compared to 37% realized in the prior year. This category includes Miscellaneous Revenues as well as Inter-fund and inter-department billings. A large amount was budgeted for Contributions-Non-Governmental in the Library Fund for donations from outside the County that will be recognized as the two new Libraries under construction are completed later in the fiscal year. The same is true for the Inter-Fund Revenue account in the Capital Projects Fund. Large amounts were budgeted for projects that are in progress. Revenue for these projects will be recognized as they progress.

Other Financing Sources: The amount realized for this quarter was 42% compared to 45% in the prior year. This category includes Operating Transfers between funds. A large amount was transferred from the Roads Improvement Fund to the Roads Fund in the prior year. The difference from the prior year is one of timing as this revenue is realized as projects are completed.

C. Specific Comments- Revenue by Fund

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

Capital Projects Fund: This fund recognized 30% of revenues through the second quarter compared to 42% in the prior year. The variance is due to the fact that revenue is recognized as projects progress, and is dependent upon the timeline or type of projects.

Road Fund: The Road Fund realized 31% of estimated revenue in the period compared to 34% in the prior year.

Community Development Program Fund: This fund's revenue through the second quarter was 22% in the current year to date compared to 10% in the prior year. 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 131% of revenue in the current fiscal year, compared to 104% in the prior year. This increase is also a result of an increase in single family residential building permits.

Road Impact Fees: This fund's year to date revenue is 27% of estimates compared to 83% in the same period in the prior year. The difference from the prior year is one of timing as this revenue is realized as projects are completed.

SCHEDULE 2: Comparative Statement of Contingencies and Reserves

A. Contingencies

General Fund: The General Fund contingencies were decreased by \$102,982 for the following purposes:

\$21,000 was transferred to County Counsel to cover payments to outside counsel for various matters.

\$57,182 was transferred to the Planning Department to fund a Limited Term Planner for the remainder of the fiscal year.

\$24,800 was transferred to the General Services Real Property Division to purchase 18 tax defaulted properties in Cayucos.

The General Fund contingency balance at the end of the second quarter was \$15,448,020.

Parks Fund:

\$264,000 was transferred out of the Parks Fund to increase the Capital Outlay budget for restoration of the Cayucos Pier.

The Parks Fund contingency balance at the end of the quarter was \$286,113.

B. General Reserves

The Government Code provides that General Reserves may not be used during the operating year unless the Board of Supervisors deems that there is 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. Changes to these accounts during the second quarter were as follows.

CAPITAL PROJECTS FUND:

\$2,163,652 was transferred to increase appropriations for the Women's Jail Project.

PARKS FUND:

\$246,000 was transferred to increase appropriations for the restoration of the Cayucos Pier.

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.

Contributions to Other Agencies: \$4,190 of appropriation was transferred from Services and Supplies to Other Transfers Out-Airport. The funds will be used by the Airport to pay for advertising charges that were originally going to be paid for by the Visitors Convention Bureau.

COMPARATIVE STATEMENT OF COUNTY FUNDS- REVENUE STATUS
For the Six Month Period Ended December 31, 2013 and 2012

Revenue Status by Class	2013-14			2012-13		
	Amount Budgeted	Amount Realized 12/31/13	%	Amount Budgeted	Amount Realized 12/31/12	%
TAXES - CURRENT PROPERTY	\$ 102,935,483	\$ 61,608,163	60 %	\$ 100,326,410	\$ 58,881,941	59 %
TAXES - OTHER THAN CURRENT PROPERTY	51,020,528	13,481,678	26 %	49,789,724	12,283,587	25 %
LICENSES AND PERMITS	9,641,212	4,603,892	48 %	8,541,516	3,667,457	43 %
FINES, FORFEITURES AND PENALTIES	8,660,953	4,207,674	49 %	5,361,538	1,845,226	34 %
REVENUE - MONEY AND PROPERTY USE	772,833	632,726 *	76 %	830,650	846,062	94 %
AID FROM GOVERNMENT AGENCIES	252,016,419	70,437,900	28 %	238,156,492	66,522,815	28 %
CHARGES FOR CURRENT SERVICES	29,661,064	12,284,504	41 %	30,504,171	10,791,610	35 %
OTHER REVENUES	37,925,271	12,550,739	33 %	30,475,302	11,313,570	37 %
OTHER FINANCING SOURCES	34,695,421	14,520,999	42 %	38,756,006	17,292,895	45 %
TOTAL REVENUES	\$ 527,329,184	\$ 194,328,275	37 %	\$ 502,741,809	\$ 183,445,163	36 %

Revenue Status by Fund	2013-14			2012-13		
	Amount Budgeted	Amount Realized 12/31/13	%	Amount Budgeted	Amount Realized 12/31/12	%
1000000000 General Fund	\$ 400,201,044	\$ 146,771,834 *	37 %	\$ 384,287,442	\$ 138,164,425	36 %
1100000000 Capital Projects	19,327,576	5,879,965 *	30 %	11,563,634	4,826,300	42 %
1200000000 Road Fund	41,256,104	12,866,882	31 %	48,402,271	16,243,938	34 %
1200500000 Community Devel Pgm	10,148,185	2,201,329	22 %	10,043,593	1,050,810	10 %
1201000000 Public Facility Fees	864,500	1,133,268	131 %	675,742	701,889	104 %
1201500000 Parks	8,934,883	4,143,223	46 %	9,449,906	4,259,379	45 %
1202000000 Co-Wide Automation Replacement	6,457,018	1,623,971	25 %	7,547,147	1,616,920	21 %
1202500000 Gen Gov Building Replacement	5,814,324	3,171,218	55 %	2,732,613	1,377,164	50 %
1203000000 Tax Reduction Resrv	1,399,033	706,769	51 %	0	13,213	%
1203500000 Impact Fee-Traffic	2,616,312	716,573	27 %	1,753,500	1,458,280	83 %
1204000000 Wildlife And Grazing	3,500	7	0 %	3,500	10	0 %
1204500000 Driving Under the Influence	1,402,463	663,943	47 %	1,373,406	674,233	49 %
1205000000 Library	10,427,798	5,537,760	53 %	7,959,971	4,702,675	59 %
1205500000 Fish And Game	20,000	16,563	83 %	20,000	12,113	61 %
1206000000 Organizational Development	459,700	225,998	49 %	463,819	226,731	49 %
1206500000 County Med Svcs Prog	5,102,096	2,141,017	42 %	5,095,977	2,165,431	42 %
1207000000 Emergency Med Svcs	801,000	299,299	37 %	801,000	316,189	39 %
1208000000 Debt Service-Cert of Participation	2,079,022	1,393,906	67 %	2,256,488	1,389,101	62 %
1801000000 Pension Obligation Bond DSF	10,014,626	4,834,750	48 %	8,311,800	4,246,362	51 %
TOTAL REVENUES	\$ 527,329,184	\$ 194,328,275	37 %	\$ 502,741,809	\$ 183,445,163	36 %

Includes second quarter interest:

General Fund: \$37,485

Capital Projects: \$11.182

COMPARATIVE STATEMENT OF CONTINGENCIES AND RESERVES
By Fund as of December 31, 2014

<u>Contingencies</u>	2012-13 Final Budget	2013-14 Final Budget	As of 12/31/13	2013-14 Increase (Decrease)
General Fund	\$ 15,043,207	\$ 15,551,002	\$ 15,448,020	\$ (102,982)
Community Devel Pgm	65,685	37,167	37,167	0
Parks	505,357	550,113	286,113	(264,000)
Driving Under the Influence	79,341	123,502	123,502	0
<u>Library</u>	<u>258,395</u>	<u>424,297</u>	<u>424,297</u>	<u>0</u>
TOTAL CONTINGENCIES	<u>\$ 15,951,985</u>	<u>\$ 16,686,081</u>	<u>\$ 15,952,117</u>	<u>\$ (733,964)</u>

<u>Designations and Other Reserves</u>	2012-13 Final Budget	2013-14 Final Budget	As of 12/31/13	2013-14 Increase (Decrease)
General Fund				
Co. Fire Equip. Replace	\$ 966,922	\$ 113,765	\$ 113,765	\$ 0
Designated FB-2020 POB	4,688,657	7,188,657	7,188,657	0
General Reserve	8,000,000	9,000,000	9,000,000	0
Internal Financing	4,186,511	3,918,103	3,918,103	0
Solar Plant Mitigation	487,165	8,078,258	8,078,258	0
Willow Rd Interchange	967	967	967	0
Capital Projects				
Detention Facilities	5,067,883	4,864,343	4,864,343	0
Facilities Planning	6,335,134	8,946,716	6,783,064	(2,163,652)
Juvenile Hall Bldg	1,732,000	1,361,600	1,361,600	0
Gov Building Unapprop	0	0	1,986,400	1,986,400
LO Landfill Closure	152,732	0	0	0
Solar/Energy Projects	1,199,787	1,199,787	1,199,787	0
Road Fund				
Future Road Projects	3,826,718	3,428,693	3,428,693	0
Maria Vista Estates	0	641,299	641,299	0
N. River Mine Reserve	83,000	83,000	83,000	0
Public Facility Fees				
Reserve for County Fire	2,080,515	1,764,911	1,764,911	0
Reserve for General Gov't	498,073	216,148	216,148	0
Reserve for Law Enforcmnt	1,152,563	793,299	793,299	0
Reserve for Library	95,911	110,804	110,804	0
Reserve for Parks	1,854,516	2,798,990	2,798,990	0
Parks				
Lopez Park's Projects	70,000	250,000	250,000	0
Parks Projects	837,768	1,441,587	1,195,587	(246,000)
Co-Wide Automation Replacement				
Automation Replacement	10,467,113	10,840,251	10,840,251	0
Budget System Developm	770,274	770,274	770,274	0
Gen Gov Building Replacement				
Gov. Building Rpl	13,376,808	18,687,751	19,201,351	513,600
Library - Cambria	339,980	501,876	501,876	0

Tax Reduction Reserve				
Desig-Prop Tax Litigation	797,952	797,952	797,952	0
Tax Reduction Reserves	11,397,138	12,839,606	12,839,606	0
Impact Fee-Traffic				
Improvement Fees	4,873,859	4,865,812	4,865,812	0
Wildlife And Grazing				
General Reserve	377	377	377	0
Wildlife Projects	11,535	14,907	14,907	0
Driving Under the Influence				
General Reserve	200,459	194,859	194,859	0
Systems Development	419,265	419,265	419,265	0
Library				
Atascadero Building Expansion	105,131	105,131	102,611	(2,520)
Facilities Planning	777,510	777,510	777,510	0
General Reserve	49,690	49,690	49,690	0
Fish And Game				
Environmental Settlement	18,862	23,142	23,142	0
Fish and Game Projects	101,890	105,851	105,851	0
General Reserve	54,583	54,583	54,583	0
Organizational Development				
Countywide Training	1,479,776	1,479,776	1,479,776	0
General Reserve	446,510	565,946	565,946	0
Debt Service-Cert of Participation				
Loan Payment Reserve	16,373	16,373	16,373	0
Pension Obligation Bond DSF				
Desig - POB Debt Service	6,740,895	8,207,937	8,207,937	0
TOTAL DESIGNATIONS AND RESERVES	<u>\$ 95,762,802</u>	<u>\$ 117,737,027</u>	<u>\$ 115,846,503</u>	<u>\$ (1,890,524)</u>

REVENUES AND EXPENDITURES BY FUNCTIONAL AREA
For the Six Month Period Ended December 31, 2013

Budget Units by Functional Area	2013-14			2013-14		
	Budgeted Expenditures	Amount Expended 12/31/13	%	Budgeted Revenues	Amount Realized 12/31/13	%
General Government						
100 BOARD OF SUPERVISORS	\$ 1,723,756	\$ 776,331	45 %	\$ 0	\$ 0	0 %
101 NON-DEPARTMENTAL REVENUES	5	0	0 %	149,502,921	71,030,841	48 %
104 ADMINISTRATIVE OFFICE	1,727,657	773,485	45 %	29,229	7,327	25 %
105 RISK MANAGEMENT	1,581,718	913,952	58 %	982,095	305,441	31 %
107 AUDITOR-CONTROLLER	5,253,028	2,219,808	42 %	1,153,660	424,538	37 %
108 TREAS-TAX COLL-PUBLIC ADM	3,173,941	1,311,491	41 %	1,492,447	657,355	44 %
109 ASSESSOR	9,199,859	3,875,821	42 %	648,829	128,116	20 %
110 CLERK/RECORDER	3,061,042	1,289,717	42 %	2,302,320	1,060,545	46 %
111 COUNTY COUNSEL	3,788,798	1,729,474	46 %	364,584	96,799	27 %
112 HUMAN RESOURCES	2,761,999	1,036,628	38 %	201,546	53,247	26 %
113 GENERAL SERVICES	9,702,016	4,405,983	45 %	3,483,053	1,648,557	47 %
114 INFORMATION TECHNOLOGY DEPARTMENT	10,177,768	4,828,340	47 %	1,802,062	761,384	42 %
201 PUBLIC WORKS SPECIAL SERVICES	2,637,132	750,768	28 %	1,137,043	443,151	39 %
266 COUNTYWIDE AUTOMATION REPLACEMENT	7,514,755	622,774	8 %	6,457,018	1,623,971	25 %
267 GEN GOVT BUILDING REPLACEMENT	1,284,603	26,075	2 %	5,814,324	3,171,218	55 %
268 TAX REDUCTION RESERVE	3,149,656	2,800,000	89 %	1,399,033	706,769	51 %
275 ORGANIZATIONAL DEVELOPMENT	540,141	122,736	23 %	459,700	225,998	49 %
290 COMMUNITY DEVELOPMENT PROGRAM	10,148,185	2,062,939	20 %	10,148,185	2,201,329	22 %
TOTAL General Government	\$ 77,426,059	\$ 29,546,322	38 %	\$ 187,378,049	\$ 84,546,586	45 %
Public Protection						
130 WASTE MANAGEMNT	\$ 975,547	\$ 290,631	30 %	\$ 29,967	\$ 184	1 %
131 GRAND JURY	138,049	67,464	49 %	0	0	0 %
132 DISTRICT ATTORNEY	14,966,631	6,580,425	44 %	6,359,180	1,857,473	29 %
134 CHILD SUPPORT SERVICES	4,676,116	2,129,618	46 %	4,676,116	1,779,964	38 %
135 PUBLIC DEFENDER	5,701,548	2,797,115	49 %	619,010	242,074	39 %
136 SHERIFF-CORONER	63,963,611	30,005,080	47 %	26,023,358	8,692,613	33 %
137 ANIMAL SERVICES	2,477,049	1,197,429	48 %	1,989,276	944,822	47 %
138 EMERGENCY SERVICES	1,790,261	607,744	34 %	1,634,798	514,551	31 %
139 PROBATION DEPARTMENT	19,362,286	8,621,365	45 %	10,371,976	3,301,123	32 %
140 COUNTY FIRE	20,215,807	1,322,296	7 %	6,235,561	2,313,851	37 %
141 AGRICULTURAL COMMISSIONER	5,256,202	2,443,763	46 %	3,182,605	426,405	13 %
142 PLANNING & BUILDING DEPARTMENT	14,544,802	5,500,961	38 %	7,964,578	3,995,323	50 %
143 COURT OPERATIONS	2,426,973	1,304,951	54 %	2,898,559	949,524	33 %
330 WILDLIFE AND GRAZING	3,509	13	0 %	3,500	7	0 %
331 FISH AND GAME	20,000	224	1 %	20,000	16,563	83 %
TOTAL Public Protection	\$ 156,518,391	\$ 62,869,079	40 %	\$ 72,008,484	\$ 25,034,477	35 %
Public Ways & Facilities						
245 ROADS	\$ 45,950,922	\$ 14,001,215	30 %	\$ 41,256,104	\$ 12,866,882	31 %
247 PUBLIC FACILITIES FEES	4,588,227	214,115	5 %	864,500	1,133,268	131 %
248 ROADS - IMPACT FEES	4,582,552	288,461	6 %	2,616,312	716,573	27 %
TOTAL Public Ways & Facilities	\$ 55,121,701	\$ 14,503,791	26 %	\$ 44,736,916	\$ 14,716,723	33 %

Health & Sanitation

160 PUBLIC HEALTH	\$ 23,377,197	\$ 9,128,683	39 %	\$ 19,544,692	\$ 4,908,275	25 %
<u>166 BEHAVIORAL HEALTH</u>	<u>52,377,288</u>	<u>22,639,118</u>	<u>43 %</u>	<u>45,652,146</u>	<u>14,596,559</u>	<u>32 %</u>
TOTAL Health & Sanitation	<u>\$ 75,754,485</u>	<u>\$ 31,767,801</u>	<u>42 %</u>	<u>\$ 65,196,838</u>	<u>\$ 19,504,834</u>	<u>30 %</u>

Public Assistance

106 CONTRIBUTIONS TO OTHER AGENCIES	\$ 1,935,788	\$ 1,802,877	93 %	\$ 394,350	\$ 780	0 %
180 SOCIAL SERVICES ADMINISTRATION	67,290,238	27,781,774	41 %	62,129,808	10,377,894	17 %
181 FOSTER CARE-SOCIAL SERVICES	20,850,558	9,823,164	47 %	20,291,800	8,961,649	44 %
182 CALWORKS	12,150,170	5,585,167	46 %	11,789,801	4,533,669	38 %
183 MEDICAL ASSISTANCE PROG	4,293,366	2,148,951	50 %	162,887	40,434	25 %
184 LAW ENFORCEMENT MED CARE	2,709,599	1,265,512	47 %	1,093,399	412,795	38 %
185 GENERAL ASSISTANCE	1,172,437	519,167	44 %	472,147	267,537	57 %
186 VETERANS SERVICES	938,869	230,148	25 %	515,870	104,640	20 %
350 CO MEDICAL SERVICES PROG	6,342,458	2,155,225	34 %	5,102,096	2,141,017	42 %
<u>351 EMERGENCY MEDICAL SRVS FUND</u>	<u>1,159,478</u>	<u>486,667</u>	<u>42 %</u>	<u>801,000</u>	<u>299,299</u>	<u>37 %</u>
TOTAL Public Assistance	<u>\$ 118,842,961</u>	<u>\$ 51,798,652</u>	<u>44 %</u>	<u>\$ 102,753,158</u>	<u>\$ 27,139,714</u>	<u>26 %</u>

Education

215 FARM ADVISOR	\$ 479,877	\$ 212,333	44 %	\$ 4,575	\$ 2,518	55 %
375 DRIVING UNDER THE INFLUENCE	1,408,064	705,726	50 %	1,402,463	663,943	47 %
<u>377 LIBRARY</u>	<u>11,100,670</u>	<u>4,747,984</u>	<u>43 %</u>	<u>10,427,798</u>	<u>5,537,760</u>	<u>53 %</u>
TOTAL Education	<u>\$ 12,988,611</u>	<u>\$ 5,666,043</u>	<u>44 %</u>	<u>\$ 11,834,836</u>	<u>\$ 6,204,221</u>	<u>52 %</u>

Recreation & Cultural Services

<u>305 PARKS</u>	<u>\$ 9,636,073</u>	<u>\$ 3,824,270</u>	<u>40 %</u>	<u>\$ 8,934,883</u>	<u>\$ 4,143,223</u>	<u>46 %</u>
TOTAL Recreation & Cultural Services	<u>\$ 9,636,073</u>	<u>\$ 3,824,270</u>	<u>40 %</u>	<u>\$ 8,934,883</u>	<u>\$ 4,143,223</u>	<u>46 %</u>

Debt Service

277 DEBT SERVICE	\$ 2,079,022	\$ 1,397,536	67 %	\$ 2,079,022	\$ 1,393,906	67 %
<u>392 PENSION OBLIGATION BOND DSF</u>	<u>8,762,661</u>	<u>6,622,722</u>	<u>76 %</u>	<u>10,014,626</u>	<u>4,834,750</u>	<u>48 %</u>
TOTAL Debt Service	<u>\$ 10,841,683</u>	<u>\$ 8,020,258</u>	<u>74 %</u>	<u>\$ 12,093,648</u>	<u>\$ 6,228,656</u>	<u>52 %</u>

Financing Uses

<u>102 NON-DEPTL-OTHR FINCNG USE</u>	<u>\$ 14,951,574</u>	<u>\$ 8,448,319</u>	<u>57 %</u>	<u>\$ 1,631,913</u>	<u>\$ 870,592</u>	<u>53 %</u>
TOTAL Financing Uses	<u>\$ 14,951,574</u>	<u>\$ 8,448,319</u>	<u>57 %</u>	<u>\$ 1,631,913</u>	<u>\$ 870,592</u>	<u>53 %</u>

CAPITAL PROJECTS

200 MAINTENANCE PROJECTS	\$ 7,794,631	\$ 779,222	10 %	\$ 1,432,883	\$ 21,799	2 %
<u>230 CAPITAL PROJECTS FUND</u>	<u>24,867,891</u>	<u>3,284,621</u>	<u>13 %</u>	<u>19,327,576</u>	<u>5,868,783</u>	<u>30 %</u>
TOTAL CAPITAL PROJECTS	<u>\$ 32,662,522</u>	<u>\$ 4,063,843</u>	<u>12 %</u>	<u>\$ 20,760,459</u>	<u>\$ 5,890,582</u>	<u>28 %</u>

COUNTY TOTAL	<u>\$ 564,744,060</u>	<u>\$ 220,508,378</u>	<u>39 %</u>	<u>\$ 527,329,184</u>	<u>\$ 194,279,608</u>	<u>37 %</u>
GENERAL FUND TOTAL	<u>\$ 421,605,193</u>	<u>\$ 177,145,075</u>	<u>42 %</u>	<u>\$ 400,201,044</u>	<u>\$ 146,734,349</u>	<u>37 %</u>

Section 3: Position Changes

During the second quarter, October 1, 2013 through December 31, 2013, 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:

FC 113-General Services Agency Allocation Changes Approved 10/22/13

Delete 1.00 FTE – 02182 Buyer I or II

New Classifications:

Add 1.00 FTE – 02183 Senior Buyer
Range 2630 / Salary \$4,558 - \$5,541 / BU 01

FC 166-Behavioral Health Allocation Changes Approved 11/5/13

Add 1.00 FTE – 08526 Mental Health Therapist Series
Delete 0.50 FTE – 00458 Mental Health Nurse Practitioner ½ time
Add 0.75 FTE – 00458 Mental Health Nurse Practitioner ¾ time
Add 6.00 FTE – 08526 Mental Health Therapist Series
Add 0.50 FTE – 08526 Mental Health Therapist Series ½ time
Delete 0.75 FTE – 08526 Mental Health Therapist Series ¾ time
Add 0.50 FTE – 00522 Staff Psychiatrist ½ time
Delete 0.50 FTE – 00909 Account Clerk or Senior Account Clerk ½ time
Add 0.75 FTE – 00909 Account Clerk or Senior Account Clerk ¾ time
Add 0.50 FTE – 02203 Administrative Assistant Series ½ time
Add 0.50 FTE – 00593 Medical Records Tech or Senior Medical Records Tech ½ time

FC 184-Law Enforcement Medical Care Allocation Changes Approved 11/5/13

Delete 1.00 FTE – 02202 Administrative Assistant II
Add 2.00 FTE – 02203 Administrative Assistant Series

FC 180-Social Services Allocation Changes Approved 11/26/13

Add 5.00 FTE – 02203 Administrative Assistant Series
Add 3.00 FTE – 01546 Employment/Resource Specialist Series
Add 6.00 FTE – 01547 Employment/Resource Specialist IV
Add 3.00 FTE – 01555 Social Services Program Review Specialist
Add 1.00 FTE – 00928 Supervising Administrative Clerk II

FC 166-Behavioral Health Allocation Changes Approved 11/26/13

Delete 3.00 FTE – 00582 Medical Records Technician
Delete 5.00 FTE – 00593 Senior Medical Records Technician
Delete 0.50 FTE – 00593 Medical Records Tech or Senior Medical Records Tech ½ time

New Classifications:

Add 6.00 FTE – 00560 Health Information Technician I/II
Add 0.50 FTE – 00561 Health Information Technician I/II ½ time
Health Info Tech I Range 1757 / Salary \$3,045 - \$3,702 / BU 13
Health Info Tech II Range 1936 / Salary \$3,355 - \$4,080 / BU 13

Add 2.00 FTE – 00562 Health Information Technician III
 Range 2130 / Salary \$3,692 - \$4,487 / BU 13

FC 142-Planning & Building-Allocation Change Approved 12/17/13

Add 2.00 FTE – 02802 Planner I or II or III – Limited Term

Summary of Position Allocation Changes to Date in FY 2013-14

	Q1	Q2	Q3	Q4
Quarter Start	2,448.25	2,478.00	2,507.75	
FTE Additions	42.75	42.00		
FTE Deletions	(13.00)	(12.25)		
Quarter End	2,478.00	2,507.75		
Net Change	29.75	29.75		
% Change	1.2%	1.2%		

Administrative Changes Made By the Human Resources Department

FC 107 – Auditor Controller Effective 11/06/13
 Removed the “Confidential” designation from 1.00 FTE Administrative Assistant and replaced it with 1.00 FTE non-confidential Administrative Assistant position.
 Annual Savings: Pension and benefits savings

FC 166 – Public Health Effective 11/18/13
 Converted two 0.75 FTE Drug & Alcohol Services Specialist into one 1.00 FTE Drug & Alcohol Services Specialist and one 0.50 FTE Drug & Alcohol Services Specialist positions.
 Annual Savings: None

FC 113 – General Services Effective 11/21/13
 Removed the “Confidential” designation from 1.00 FTE Supervising Administrative Clerk II and replaced it with 1.00 FTE non-confidential Supervising Administrative Clerk II.
 Annual Savings: Pension and benefits savings

FC 111 – County Counsel Effective 11/21/13
 Removed the “Confidential” designation from 1.00 FTE Supervising Legal Clerk I and replaced it with 1.00 FTE non-confidential Supervising Legal Clerk I.
 Annual Savings: Pension and benefits savings

Employee Vacancy Rate

The County employee vacancy rate as of 12/31/13 is 6.7%. This equates to 167 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 \$72,498.52 on behalf of the following County Departments, as noted below:

- Fund Center 137- Animal Services: \$10,974.30
- Fund Center 377- Library: \$35,622.96
- Fund Center 305- Parks: \$21,534.45
- Fund Center 160- Public Health: \$3,500.00
- Fund Center 180- Social Services: \$866.81

The Board is asked to approve corresponding appropriation adjustments to transfer gift funds into the operating budgets of the Library, Parks, Public Health and Social Services. 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 \$10,716.00 on behalf of the Public Health Department (Fund Center 160) for Public Health Laboratory accounts that have been determined to be non-collectible.
- It is requested that the Board discharge \$34,355.27 on behalf of the Department of Social Services (Fund Center 180) for overpayments/over-issuances in the CalWORKS, CalFresh, Foster Care and General Assistance programs that have been determined to be non-collectible.

Memos from the departments are included in Attachment 3.

Miscellaneous 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 \$15,000 from General Fund contingencies to FC 111 – County Counsel to pay for outside legal counsel;

- Accept Proposition 63 State Awarded Grant funds in the amount of \$43,998 and approve a budget adjustment transferring funds into FC 186 – Veterans Services to increase veteran outreach efforts;
- Accept California State Library funding in the amount of \$40,634 and approve a budget adjustment transferring these funds into FC 377 – Library to support the San Luis Obispo County Literacy Council;
- Approve a budget adjustment in the amount of \$206,542 to move funds from the Library’s trust fund to the Atascadero Library Expansion Project budget (FC 230 – Capital Projects) on behalf of the Friends of the Atascadero Library;
- Amend the Fixed Asset List for FC 109 – Assessor to include a storage cabinet in the amount of \$5,832 for the preservation and storage of historic maps;
- Amend the Fixed Asset List for FC 132 – District Attorney to include a communications system upgrade in the amount of \$5,398.93;
- Amend the Fixed Asset List for FC 113 – General Services to add a plotter printer in the amount of \$10,166.

Memos from 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 48 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.