

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

(1) DEPARTMENT Administrative Office	(2) MEETING DATE 9/16/2014	(3) CONTACT/PHONE Lisa Howe/781-5011	
(4) SUBJECT Submittal of the Fiscal Year 2013-14 Year-End Financial Report. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board: <ol style="list-style-type: none"> 1. Receive, review, and file the FY 2013-14 Year-End Financial Status Report; 2. Accept cash donations in the amount of \$1,789.74 made to Fund Center (FC) 160 – Public Health; 3. Accept cash donations in the amount of \$6,718.86 made to FC 137 – Animal Services; 4. Accept cash donations in the amount of \$22,747.25 made to FC 305 – Parks; 5. Accept cash donations and approve corresponding budget adjustment in the amount of \$2,493.11 for FC 180 – Social Services; 6. Accept cash donations approve corresponding budget adjustment in the amount of \$69,579.61 for the FC 377 – Library; 7. Approve a request for Relief of Accountability in the amount of \$2,055 for a non-collectible balance on behalf of FC 405 – Public Works Internal Service Fund (ISF); 8. Approve a request for Relief of Accountability in the amount of \$23,346.99 on behalf of the FC 180 – Social Services for client overpayments for non-collectable debt for CalWORKs, CalFresh and General Assistance programs; 9. Approve a request for Relief of Accountability in the amount of \$15,815 on behalf of FC 160 – Public Health for Public Health’s Environmental Health Services accounts that have been determined non-collectible; 10. Approve a request for Relief of Accountability in the amount of \$20,740 on behalf of FC 160 – Public Health for Public Health Laboratory accounts that have been determined to be non-collectable; 11. Approve a budget adjustment to FC 305 – Parks in the amount of \$8,103 using Litter Clean Up funds as the financing source for the purchase of litter control supplies; 12. Approve a budget adjustment to FC 427 – Golf in the amount of \$4,770 using Litter Clean Up funds as the financing source for the purchase of litter control supplies; 13. Approve a budget adjustment in the amount of \$35,000 using the Library Facilities Planning Reserves to fund the Morro Bay Library Building Renovation Project; 14. Approve a budget adjustment in the amount of \$17,168.10 using the Library’s Atascadero Building Expansion Reserve as a funding source to augment the FC 377 – Library operating Budget for moving and equipment costs directly associate with new Atascadero Library; 15. Approve an increase in the amount of \$379,772 to the Library’s Facilities Planning Reserve, using Cambria Library Building Project Construction savings, for funds previously advanced to the project on behalf of the Cambria Friends of the Library; and 16. Approve a request to declare twenty-seven (27) vehicles as surplus, authorize removal from County fleet, and authorize their sale to recover value in accordance with County Code 2.36.030(5). <p>Recommendations 5 through 15 require a 4/5 vote.</p>			
(6) FUNDING SOURCE(S) Gift Funds & Relief of Debt	(7) CURRENT YEAR FINANCIAL IMPACT \$103,329 -\$62,957	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT { } Consent { } Presentation { } Hearing (Time Est. ___) { X } Board Business (Time Est. 30 Minutes)			
(11) EXECUTED DOCUMENTS { X } Resolutions { } Contracts { } Ordinances { } N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: 1415016, 1415025, 1415004, 1415005, 1415027, 1415026 { X } 4/5 Vote Required { } N/A	

(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY { X } 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: Administrative Office / Lisa Howe
781-5011

DATE: 9/16/2014

SUBJECT: Submittal of the Fiscal Year 2013-14 Year-End Financial Report. All Districts.

RECOMMENDATION

It is recommended that the Board:

1. Receive, review, and file the FY 2013-14 Year-End Financial Status Report;
2. Accept cash donations in the amount of \$1,789.74 made to Fund Center (FC) 160 – Public Health;
3. Accept cash donations in the amount of \$6,718.86 made to FC 137 – Animal Services;
4. Accept cash donations in the amount of \$22,747.25 made to FC 305 – Parks;
5. Accept cash donations and approve corresponding budget adjustment in the amount of \$2,493.11 for FC 180 – Social Services;
6. Accept cash donations approve corresponding budget adjustment in the amount of \$69,579.61 for the FC 377 – Library;
7. Approve a request for Relief of Accountability in the amount of \$2,055 for a non-collectible balance on behalf of FC 405 – Public Works Internal Service Fund (ISF);
8. Approve a request for Relief of Accountability in the amount of \$23,346.99 on behalf of the FC 180 – Social Services for client overpayments for non-collectable debt for CalWORKs, CalFresh and General Assistance programs;
9. Approve a request for Relief of Accountability in the amount of \$15,815 on behalf of FC 160 – Public Health for Public Health's Environmental Health Services accounts that have been determined non-collectible;
10. Approve a request for Relief of Accountability in the amount of \$20,740 on behalf of FC 160 –

Public Health for Public Health Laboratory accounts that have been determined to be non-collectable;

11. Approve a budget adjustment to FC 305 – Parks in the amount of \$8,103 using Litter Clean Up funds as the financing source for the purchase of litter control supplies;
12. Approve a budget adjustment to FC 427 – Golf in the amount of \$4,770 using Litter Clean Up funds as the financing source for the purchase of litter control supplies;
13. Approve a budget adjustment in the amount of \$35,000 using the Library Facilities Planning Reserves to fund the Morro Bay Library Building Renovation Project;
14. Approve a budget adjustment in the amount of \$17,168.10 using the Library's Atascadero Building Expansion Reserve as a funding source to augment the FC 377 – Library operating Budget for moving and equipment costs directly associate with new Atascadero Library;
15. Approve an increase in the amount of \$379,772 to the Library's Facilities Planning Reserve, using Cambria Library Building Project Construction savings, for funds previously advanced to the project on behalf of the Cambria Friends of the Library; and
16. Approve a request to declare twenty-seven (27) vehicles as surplus, authorize removal from County fleet, and authorize their sale to recover value in accordance with County Code 2.36.030(5).

Recommendations 5 through 15 require a 4/5 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 (FY) 2013-14. The financial reports presented to the Board for the first three quarters of FY 2013-14 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 Status Report contains an overview of the drivers behind the significant variance between budgeted and actual use of General Fund dollars. Also provided is information about fund centers for which significant issues were reported in the FY 2013-14 Third Quarter Financial Status Report.

The Year-End Financial Status 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 2013-14.

Executive Summary

The overall spending levels and revenue receipts at the end of FY 2013-14 were generally consistent with prior years. General Fund expenditures were 90% of budget, while General Fund revenues were realized at 98% 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 \$8.2 million higher than the \$28.7 million included in the FY 2014-15 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 2013-14 non-departmental revenues ended the year \$17.5 million (or 12%) over adopted levels primarily due to an increase in Sales Tax and an increase in Property Tax because the delinquency rate continues to be low and property values are recovering leading to the restoration of home values assessed under Proposition 8.

Nearly all County departments ended the year at or below their budgeted level of General Fund support. This contributed approximately \$5.4 million in savings to the General Fund. Court Operations and Public Defender finished the year \$100,000 or more above their budgeted level of General Fund support. Nine County departments finished the year \$200,000 or more below their budgeted level of General Fund support. The factors contributing to these differences are described generally in Section 1 of the Year-End Financial Status 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 219 performance measures. Of these, 46 (21%) of the targets for FY 2013-14 were met, 79 (36%) were exceeded, 78 (36%) were not met, and 16 (7%) did not have data available at the time of this report.

FY 2013-14 performance measure results are generally consistent with results from prior years, although there is a slight decrease in the number of measures that are "met" or "exceeded", compared to the prior year. It is important to note that the decrease does not necessarily indicate a decrease in performance level as departments are encouraged to increase target levels for continuous improvement and some performance measures have changed from the prior year.

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 2013-14 results can be found in the Clerk Recorder's Office (Clerk's Filed) and on the County's website at

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 \$103,328.57 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 \$61,956.99 of bad debt on behalf of County departments. A total of \$65,041.00 of other budget adjustments in various departments and a designation increase of \$379,772 is also requested, with no impact to the General Fund.

Additionally twenty-seven (27) vehicles will be authorized for removal from County fleet, and authorize their sale to recover value in accordance with County Code 2.36.030(5).

Details on these adjustments are provided in Section 5 of the Year-End Financial Status Report and the associated Attachment 1.

RESULTS:

This report provides the Board of Supervisors and the public with an overview of the County's financial position at the end of FY 2013-14.

c- Department Heads

ATTACHMENTS

FY 2013-14 Year-End Financial Status Report
Attachment 1 – Receipt of Gift Funds and Relief from Accountability letters
Performance Measures – Clerk's Filed