

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

<p>(1) DEPARTMENT Administrative Office</p>	<p>(2) MEETING DATE 11/24/2015</p>	<p>(3) CONTACT/PHONE Geoff O'Quest / 781-5011</p>	
<p>(4) SUBJECT Submittal of the FY 2015-16 First Quarter Financial Status Report and request to approve a Position Allocation List adjustment as detailed in Section 3 of the report and various financial actions as detailed in Section 4. All Districts.</p>			
<p>(5) RECOMMENDED ACTION It is recommended that the Board of Supervisors:</p> <ol style="list-style-type: none"> 1. Receive, review, and file the FY 2015-16 First Quarter Financial Status Report; 2. Accept gift funds in the amount of \$1,300 related to Airport Day Sponsorships; 3. Accept gift funds in the amount of \$14,460 from the Parks Gift Trust Fund (FC 305); 4. Accept gift funds in the amount of \$173.86 and approve a budget adjustment to move the funds from the Social Services Gift Trust Fund to the FC 180- Social Services Administrative operating budget; 5. Accept cash donations and authorize a budget adjustment in the amount of \$95,097.52 from the Library's gift trust fund to FC 377 – Library operating budget; 6. Approve a request from the Department of Social Services for relief from accountability for uncollectable debt in the amount of \$30,634.01 for CalWORKs and CalFresh debts; 7. Approve a resolution amending the Position Allocation List for FC 112 – Human Resources, FC 160 – Behavioral Health and FC 180 – Department of Social Services, to reflect changes in the classification of three positions based on studies conducted by the Human Resources Department per Civil Service Commission Rule 5.03; 8. Authorize a budget adjustment in the amount of \$40,000 to increase expenditure appropriation for project #330022- San Luis Obispo Airport Layout Plan to cover additional project costs; 9. Approve a budget adjustment using funds from the County Office of Education, and increase appropriation in capital outlay for the Juvenile Hall Expansion project in the amount of \$24,405; 10. Authorize a budget adjustment transferring \$87,546 from unanticipated revenue to FC 350 – Medically Indigent Services Program, to provide grant funded Medi-Cal outreach and enrollment services to eligible, targeted populations; 11. Authorize a budget adjustment in the amount of \$541,117 using the remaining balance of Library Public Facility Fee revenue budgeted in the Atascadero Library project to FC 377 – Library to make a final loan payment for the Cambria Library project and increase the Cambria Library designation in the General Government Building fund by \$541,117, the amount of the loan repayment; 12. Amend the Fiscal Year 2015-16 Fixed Asset list for FC 142 – Planning and Building to add a replacement copier in the amount of \$9,540; 13. Amend the Fixed Asset List for FC 160 – Public Health to replace various equipment used in the Public Health Laboratory with a total cost of \$75,000; 14. Approve a request from General Services to declare 26 vehicles as surplus, authorize their removal from the County fleet, and authorize their sale to recover salvage value in accordance with County Code Section 2.36.030(5). 			
<p>(6) FUNDING SOURCE(S) Various; No impact to General Fund</p>	<p>(7) CURRENT YEAR FINANCIAL IMPACT \$111,030 Gift funds \$541,117 Library loan payment \$236,491 Misc. (see staff report)</p>	<p>(8) ANNUAL FINANCIAL IMPACT \$0.00</p>	<p>(9) BUDGETED? No</p>
<p>(10) AGENDA PLACEMENT { } Consent { } Presentation { } Hearing (Time Est. ___) { X } Board Business (Time Est. 20)</p>			
<p>(11) EXECUTED DOCUMENTS { X } Resolutions { } Contracts { } Ordinances { } N/A</p>			
<p>(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A</p>		<p>(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <u>1516017, 1516035, 1516037, 1516038, 1516039, 1516040</u> { X } 4/5 Vote Required { } N/A</p>	

(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY { X } N/A Date: _____
(17) ADMINISTRATIVE OFFICE REVIEW This item was prepared by the Administrative Office.		
(18) SUPERVISOR DISTRICT(S) All Districts		

County of San Luis Obispo



TO: Board of Supervisors

FROM: Administrative Office / Geoff O'Quest / 781-5011

DATE: 11/24/2015

SUBJECT: Submittal of the FY 2015-16 First Quarter Financial Status Report and request to approve a Position Allocation List adjustment as detailed in Section 3 of the report and various financial actions as detailed in Section 4. All Districts.

RECOMMENDATION

It is recommended that the Board of Supervisors:

1. Receive, review, and file the FY 2015-16 First Quarter Financial Status Report;
2. Accept gift funds in the amount of \$1,300 related to Airport Day Sponsorships;
3. Accept gift funds in the amount of \$14,460 from the Parks Gift Trust Fund (FC 305);
4. Accept gift funds in the amount of \$173.86 and approve a budget adjustment to move the funds from the Social Services Gift Trust Fund to the FC 180- Social Services Administrative operating budget;
5. Accept cash donations and authorize a budget adjustment in the amount of \$95,097.52 from the Library's gift trust fund to FC 377 – Library operating budget;
6. Approve a request from the Department of Social Services for relief from accountability for uncollectable debt in the amount of \$30,634.01 for CalWORKs and CalFresh debts;
7. Approve a resolution amending the Position Allocation List for FC 112 – Human Resources, FC 160 – Behavioral Health and FC 180 – Department of Social Services, to reflect changes in the classification of three positions based on studies conducted by the Human Resources Department per Civil Service Commission Rule 5.03;
8. Authorize a budget adjustment in the amount of \$40,000 to increase expenditure appropriation for project #330022-San Luis Obispo Airport Layout Plan to cover additional project costs;
9. Approve a budget adjustment using funds from the County Office of Education, and increase appropriation in capital outlay for the Juvenile Hall Expansion project in the amount of \$24,405;
10. Authorize a budget adjustment transferring \$87,546 from unanticipated revenue to FC 350 – Medically Indigent Services Program, to provide grant funded Medi-Cal outreach and enrollment services to eligible, targeted populations;
11. Authorize a budget adjustment in the amount of \$541,117 using the remaining balance of Library Public Facility Fee revenue budgeted in the Atascadero Library project to FC 377 – Library to make a final loan payment for the Cambria Library project and increase the Cambria Library designation in the General Government Building fund by \$541,117, the amount of the loan repayment;
12. Amend the Fiscal Year 2015-16 Fixed Asset list for FC 142 – Planning and Building to add a replacement copier in the amount of \$12,702;
13. Amend the Fixed Asset List for FC 160 – Public Health to replace various equipment used in the Public Health Laboratory with a total cost of \$75,000;
14. Approve a request from General Services to declare 26 vehicles as surplus, authorize their removal from the County fleet, and authorize their sale to recover salvage value in accordance with County Code Section 2.36.030(5).

Recommendations 4 through 13 require a 4/5ths 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 first quarter of FY 2015-16, which spans from July 1 through September 30, 2015. The financial report presented to the Board primarily contains exception reporting; in other words, in most cases no mention is made if the financial status of the fund center is within expected parameters. There are a few departmental fiscal issues of note that are included in this report even though the department expects to fully mitigate any impacts these issues may have on the General Fund.

The report (found in Attachment 1) is divided into five sections:

- **Section 1** - an overview of the County's financial position at the end of the first quarter of FY 2015-16, as well as brief summaries of noteworthy departmental fiscal and operational issues;
- **Section 2** - an update on the Status of Funds, Contingencies and Reserves;
- **Section 3** - a listing of all personnel changes approved by the Board of Supervisors and administrative personnel changes approved by the Human Resources Director during the first quarter, as well as a request to approve an amendment to the Position Allocation List (PAL) as a result of the position reclassification process;
- **Section 4** - miscellaneous financial items for the Board's consideration, such as requests from departments for acceptance of gift funds and donations, discharge of bad debt, various budget adjustments and surplus of aged Fleet vehicles;
- **Section 5** - an update on the capital improvement and maintenance projects managed by the General Services Department and Public Works Department (See Attachment 3).

Executive Summary

The overall spending levels and revenue patterns for the first quarter are on par with those from the first quarter of FY 2014-15 for All Funds and the General Fund. Revenue realized for All Funds in the first quarter is slightly lower than in the prior year due primarily to the timing of various large projects. Budgeted revenues are realized in these projects during the course of the year, as appropriate, without regard to the quarterly financial calendar. These projects are currently expected to be on budget through the end of the fiscal year. Section 2 of the report provides information on variations in revenue receipts by type compared to the prior year, as well as the status of contingencies and reserves and the status of revenues and expenditures compared to the budget for all fund centers.

It is important to note that revenue realization rates are typically low in the first quarter due to the time lag involved in billing cycles and the receipt of reimbursements, and because some of the largest revenue sources—property taxes, for example—are historically realized near the end of the fiscal year.

Items of note in the first quarter:

With only three months elapsed in the fiscal year, it is typical that few significant variances have emerged. All departments are reporting that their budgets are on track and expect to remain within their budgeted level of General Fund support at the end of the year. Section 1 of the report includes status reports on enterprise fund departments, Golf, Camp Mabel French and Airports. Section 3 includes a discussion of three position reclassification recommended by the Human Resources department.

FC 427 - Golf

The number of rounds played continues to decline due to the continuing dry conditions at Dairy Creek, dropping 2.5% compared to the first quarter of last year. Following the bankruptcy filing of the previous concessionaire at Dairy Creek Golf Course, a new concessionaire began operation of the course at the beginning of October. As of the end of the first quarter of FY 2015-16, Golf is projecting it will end the year with operating expenditures in excess of revenue totaling by \$212,726 which is \$122,535 more than was projected in the FY 2015-16 budget. Golf plans to use a portion of the cash balance in the Golf Fund to close the gap.

FC 305 – Parks and Recreation

On May 1, 2014, the County assumed responsibility for Camp Mabel French in the Lopez Lake Recreation Area. In the second year, it was expected that total operational costs would be \$45,300 and the revenue generated would be \$188,202, for a profit of \$142,902. In the first quarter of year two, total operational costs were \$2,500 and total revenue was \$27,682, for a profit of \$25,182. Several improvements have been completed to date including improvements to the access road and to the ranger residence. Improvements to the showers and bathrooms and repairs to a sewer lift station are also planned in FY 2015-16. The department anticipates that revenue and profit will increase as marketing efforts continue and additional improvements are made.

FC 425 - Airports

Enplanement in the first quarter were down 11.7% compared to the same period last year, mainly due to a reduction in the number of flights at end of FY 2014-15, from 11 to 5, as the airlines transition from turboprops to jets. Although this change actually added seat capacity, increasing from approximately 28 seats to 50 seats per plane, there was a net decrease in enplanements as customers adjusted to the change in schedule. This decline is expected to be temporary as United Express operated by SkyWest Airlines began a third round trip San Francisco (SFO) frequency and a fourth round trip Los Angeles (LAX) frequency from the San Luis Obispo County Regional Airport on September 1, 2015. As of the end of the first quarter of FY 2015-16, Airports is projecting it will end the year with revenue in excess of operating expense totaling \$103,539 which is \$26,219 more than was projected in the FY 2015-16 budget.

Position Reclassifications

The Human Resources Department oversees the County's Classification Plan pursuant to Civil Service Commission Rule 5. At times, changes in regulations, business requirements, etc. may result in significant change to duties assigned to individual positions. These may include changes to level of complexity, decision-making authority, and/or scope of the work to be performed. When an employee believes the duties they are permanently assigned outside the scope of their position, a reclassification process may be initiated.

During the first quarter, the Human Resources Department completed three position studies as part of its responsibility for overseeing the County's Classification Plan pursuant to Civil Service Commission Rule 5. These studies resulted in a determination that the incumbents should be reclassified. Human Resources requests that the Board of Supervisors approve a resolution amending the Position Allocation List for FC 112 – Human Resources, FC 160 – Behavioral Health and FC 180 – Department of Social Services, to reflect changes in the classification of three positions. The incremental annual cost increase associated with these three reclassifications is approximately \$13,900 which will be absorbed by departments within their existing budgets.

OTHER AGENCY INVOLVEMENT/IMPACT:

All departments contributed to the development of this report. The Administrative Office, Human Resources, and the Auditor-Controller Treasurer-Tax Collector Public Administrator's Office compiled data from departments and other sources for the report. The General Services Department and the Public Works Department prepared the attached updates on capital and maintenance projects.

FINANCIAL CONSIDERATIONS:

Approval of the recommendations will allow for a total of \$111,031.38 in gift funds and donations to be accepted on behalf of the Library and Social Services. The Board is asked to approve a transfer of gift funds received by Airports, Parks, the Library, and Social Services to their respective FY 2015-16 operating budgets, and to relieve accountability for uncollectable debt in the amount of \$30,634.01 for Social Services. In addition, the Board is asked to approve various budget adjustments totaling \$777,608 that will have no impact on the General Fund.

RESULTS:

This report provides the Board of Supervisors and the public with an overview of the County's financial position at the end of the first quarter for Fiscal Year 2015-16.

c - Department Heads

ATTACHMENTS:

1. FY 2015-16 First Quarter Financial Status Report
2. Memos from departments for miscellaneous financial actions
3. Updates on maintenance and capital projects from General Services and Public Works
4. Resolution – Position Allocation List Amendments (Reclassifications)