



# Fiscal Year 2015-16 Third Quarter Financial Status Report

County of San Luis Obispo

## Introduction

In accordance with the Board's adopted policy related to Ongoing Budget Administration, this Third Quarter Financial Status Report provides an overview of the County's financial position at the end of the Third Quarter of FY 2015-16. The third quarter timeframe is January 1, 2016 through March 31, 2016.

The Third Quarter Financial Status Report is organized in the following six sections:

**Section 1** - Provides an overview of the County's financial position at the end of the third quarter. A brief summary of noteworthy financial or operational issues by fund center is also provided. Comments are not provided for fund centers reporting no issues in the third quarter.

### 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 2** - Provides a big picture analysis of third 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 listing of all personnel changes approved by the Board of Supervisors during the third quarter.

**Section 4** - Provides miscellaneous financial items for the Board's consideration, such as requests from departments for acceptance of gift funds and donations, requests for relief from accountability for uncollectible debt, miscellaneous budget adjustments, fixed asset amendments, and a request from Central Services - Fleet to declare vehicles surplus and authorize their disposal.

**Section 5** - Provides an update on the capital improvement and maintenance projects managed by Public Works, Airports, Parks and Recreation and Golf.

**Section 6** - Provides the annual Debt Review update and financing plan recommendations for the Pension Obligation Bonds from the Auditor-Controller-Treasurer-Tax Collector-Public Administrator (ACTTCPA). The report confirms that the County is in compliance with legal debt limitations and comments on the County's overall debt.

<b>Section 1: Overview of Financial Position</b>
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The table below compares the current year and prior year third quarter expenditures and revenues for all funds and the General Fund.

Expenditure and revenue patterns for the third quarter of FY 2015-16 are consistent with those in the third quarter of FY 2014-15. The revenue realization rates shown in the tables below are typical for the third quarter due to the time lag involved in billing cycles and receipt of reimbursements, and because some of the largest revenue sources are historically realized closer to the end of the fiscal year.

<b>Expense &amp; Revenue <u>All Funds</u> Comparison</b>		
	3rd Quarter FY 2014-15	3rd Quarter FY 2015-16
Expenditures	56%	57%
Revenue Realized	55%	55%
<b>Expense &amp; Revenue <u>General Fund</u> Comparison</b>		
	3rd Quarter FY 2014-15	3rd Quarter FY 2015-16
Expenditures	66%	64%
Revenue Realized	60%	58%

The Third Quarter Financial Status Report is typically when County departments make year-end adjustments. Approximately \$8.3 million in unbudgeted expenditures is projected through year-end. County departments report that they expect to absorb 89% or approximately \$7.4 million of this through a combination of salary savings generated by staff vacancies, reductions in services and supplies costs, and unanticipated revenue. The balance of the expenditures is proposed to be covered with \$905,789 of General Fund contingencies.

Of the \$8.3 million in unbudgeted expenditures, approximately \$6.9 million (83%) is due to wage and benefit adjustments granted but not budgeted for in FY 2015-16. All departments with the exception of the Sheriff-Coroner expect to absorb the unbudgeted wage and benefit increases with savings from within their accounts or unanticipated revenue. A transfer of General Fund contingencies in the amount of \$905,789 is recommended as part of the Third Quarter Financial Status Report. This amount includes \$520,000 for the Sheriff-Coroner, \$350,000 for County Counsel and \$35,789 for Facilities Management.

As noted, the majority of County departments report that they expect to absorb the prevailing wage adjustments. Of the \$905,789 in General Fund Contingencies needed, \$520,000 is needed to cover the wage and benefit adjustments for the Sheriff-Coroner. The remaining \$385,789 in General Fund comprises \$350,000 for County Counsel for unbudgeted litigation expenses and \$35,789 for Facilities Management for unbudgeted expenditures. The table below provides a summary of third quarter expenses and financing sources.

<b>ADDITIONAL EXPENSE</b>	<b>AMOUNT</b>
Prevailing Wage Expense	\$6,891,956
Other Expense	\$1,397,925
<b>TOTAL EXPENSE</b>	<b>\$8,289,881</b>
<b>FINANCING SOURCES</b>	<b>AMOUNT</b>
Expenditure savings	\$6,153,518
Unanticipated Revenue	\$1,230,574
General Fund Contingencies	\$905,789
<b>TOTAL FINANCING SOURCES</b>	<b>\$8,289,881</b>

Based on the evaluation of the financial information provided by departments for the third quarter, the majority of departments report that their budgets are on track and expect to remain within their budgeted level of General Fund support at year-end. However, there are some issues of note, which are described below. The regular status report on the Airports budget and enplanement levels is also included below consistent with prior quarterly reports.

**Department:** County Counsel  
**Fund Center:** 111  
**Issue:** Unbudgeted litigation expenses  
**Impact to General Fund:** \$350,000

County Counsel anticipates increased expenses associated with litigation that requires the use of expert outside legal counsel. They have estimated those costs could run as high as \$350,000. As a result, the department is requesting \$350,000

from General Fund contingencies.

**Department:** Facilities Management  
**Fund Center:** 113  
**Issue:** Unbudgeted expenses  
**Impact to General Fund:** \$35,789

This fund center's services and supplies are currently over-expended, at 95%. Some of the higher expenses are caused by greater demand for utilities and custodial and maintenance those expenses are offset by increased revenue. However,

another component of the over-expenditure is additional staff time billings for assistance from the Department of Public Works during the reorganization of facilities management from the former General Services Department. Although the impact is partially compensated by savings realized in salaries and benefits, an adjustment using General Fund contingencies in the amount of \$35,790 is requested to cover the gap.

**Department:** Sheriff-Coroner  
**Fund Center:** 136  
**Issue:** Unbudgeted expenditures and revenue shortfall; Budget adjustment of \$520,000 from General Fund contingencies.  
**Impact to General Fund:** \$838,620

The Sheriff's Office projects that the department will exceed its budgeted level of General Fund support by \$838,620 or 2% at year-end. This is primarily due to \$1.5 million of unbudgeted expense resulting from wage and benefit increases approved by the Board of Supervisors. The department is projecting it will be able to offset approximately \$1 million of the

prevailing wage adjustment expense through expenditure savings totaling \$736,612 and unanticipated revenue totaling \$250,000 from the Court Security Trust Fund. General Fund contingencies in the amount of \$520,000 are being requested to fund the remainder of the increased wage and benefit expense. An additional \$64,631 of budget adjustments is also requested to add expense appropriations and offsetting revenue. The adjustments would provide for various purchases, including body cameras for Sheriff's court security personnel, Automated External Defibrillators (AEDs), a used vehicle, and computer and safety equipment which will have no impact on the General Fund.

### Healthy Agency

Overall, the Health Agency expects to end the year with General Fund support savings totaling \$517,749 as a result of significant savings in the Animal Services and Public Health budgets. Animal Services expects to end the year with General Fund support savings totaling \$511,871, and Public Health expects similar General Fund support savings totaling \$491,755. Behavioral Health and Law Enforcement Medical Care (LEMC) expect to exceed their budgeted levels of General Fund support by \$362,497 and \$123,380 respectively, for a net General Fund savings of \$517,749 for the Health Agency compared to the current budget. The issues facing the Behavioral Health and LEMC budgets are discussed below.

**Department:** Health Agency- Behavioral Health  
**Fund Center:** 166  
**Issue:** Revenue shortfall of \$1.5 million  
**Impact to General Fund:** None

The Health Agency is projecting that the Behavioral Health budget will end the year exceeding its budgeted level of General Fund support by \$362,497 or 4%, due to a shortfall in revenue that is partially off-set by expenditure savings. However, savings in General Fund

support elsewhere in the Health Agency, in Public Health and Animal Services, will be sufficient to absorb the full amount of this General Fund impact.

Behavioral Health estimates that revenue will fall short of budgeted levels by \$1.5 million or 3% at year-end, a primary result of staff vacancies that would have been offset by reimbursement revenue such as Medi-Cal. The main revenue source expected to fall short due to staff vacancies is Medi-Cal, estimated to come in \$1 million under budget. Overall, Behavioral Health expects to end the year with expenditure savings of almost \$1.2 million or 2% less than budget. While there is a projected

savings of over \$1.3 million or 4% in salaries and benefits due to staff vacancies, expenditures in other accounts are projected to exceed budgeted levels by a combined total of \$165,459. The projected increases are driven by higher locum tenen contract costs due to continued Psychiatrist vacancies, unbudgeted increases for State hospital and Institute for Mental Disease (IMD) beds for individuals with mental illness, and an increase in contract costs.

**Department:** Health Agency- Law Enforcement Medical Care (LEMC)  
**Fund Center:** 184  
**Issue:** Revenue shortfall of \$159,908  
**Impact to General Fund:** None

The Health Agency is projecting that the LEMC budget will exceed its budgeted level of General Fund support by \$123,380 or 6% at year-end due to an overall shortfall in revenue of \$159,908 or 11%. This shortfall is expected to be partially offset by expenditure savings.

The revenue shortfall is primarily the result of \$98,325 of Medi-Cal reimbursement revenue that is not expected to be received this fiscal year. This revenue was budgeted due to the implementation of the Affordable Care Act and the expansion of Medi-Cal coverage to childless single adults. Under the Medi-Cal expansion the State will now reimburse for acute hospital care provided to Medi-Cal eligible inmates admitted to a hospital for at least 24 hours. However, the State has not yet issued a protocol for claiming reimbursement for these expenses and it is not known if the State will accept claims retroactively once the protocol has been released. Expenditures are expected to end the year with a savings of \$36,528 or 1%, primarily due to projected salary savings totaling \$146,920, the result of staff vacancies during the year roughly equal to 1.25 FTE, which are largely offset by higher than anticipated expense for hospital care.

## Social Services

Overall, the Department of Social Services (DSS) expects to end the year with a General Fund support savings of approximately \$43,000, primarily a result of savings in Fund Center 182 – CalWORKs. The Social Services Administration budget is expected to be under budgeted revenue by \$1.6 million and budgeted expenditure levels by \$798,792 at year-end. The realignment trust will pay for this overage, with no impact to the General Fund. The Foster Care/Adoptions and General Assistance budgets are also expected to exceed budgeted expenditure levels by \$600,000 and \$38,000 respectively, with State, Federal, and other miscellaneous revenue fully covering the overages. The issues facing the department are discussed below.

**Department:** Social Services - Administration  
**Fund Center:** 180  
**Issue:** Revenue shortfall of \$1.6 million  
**Impact to General Fund:** None

At the end of the third quarter, the department is reporting that revenues for Social Services Administration are projected to be under budget by \$1.6 million and expenditures under budget by \$798,792 at year-end, with no impact to the General Fund. The primary driving factor for the

revenue shortfall is that 1991 realignment vehicle license fee (VLF) revenue is expected to come in at \$300,000 at year-end, \$1.4 million under budget. However, 1991 realignment revenue from sales tax receipts in total is expected to exceed budget by about \$600,000, offsetting a portion of the VLF shortfall. There will still be an overall 1991 realignment revenue shortfall of approximately \$827,000, and the department will transfer funds from the realignment trust in order to offset this shortfall.

The VLF shortfall is due to several factors. First, there was a significantly higher level of VLF revenue realized in FY 2014-15 than in prior years due to Assembly Bill (AB) 85, which swapped VLF revenue for sales tax revenue at the State level. When budgeting for FY 2015-16 it was expected that the swap would continue; however, the State undid the AB 85 swap mid-year. Second, in FY 2014-15, \$1.5 million of VLF revenue was received and \$9.5 million of sales tax revenue was received for a total of \$11 million. Although the swap was intended to be neutral for DSS, estimates for the total 1991 realignment revenue in the current year are \$10.8 million (\$300,000 for VLF and \$10.5 million for sales tax), which is \$200,000 less than received in total for the prior year. To compound this issue, an assumed increase was budgeted in FY 2015-16 for both sales tax and VLF revenue based on the Governor's January budget estimates.

**Department:** Social Services - Foster Care and Adoptions  
**Fund Center:** 181  
**Issue:** Unanticipated expenditures of \$600,000  
**Impact to General Fund:** None

At the end of the third quarter, the Department of Social Services is reporting that expenditures for Foster Care and Adoptions are projected to exceed budgeted levels by nearly \$600,000 at year-end for this fund center due to factors beyond the control of the department; however, there

will be no impact to the General Fund from the department's increased expenditures. This anticipated overage, fully off-set by Federal, State, and other revenue, is due to several different factors.

First, adoptions caseloads have increased from an average of 613 in FY 2014-15 to an average of 633 in FY 2015-16 (a 3% increase). Second, the Transitional Housing Placement Plus caseloads have increased from 10 cases in FY 2014-15 to 13 cases in FY 2015-16 (a 30% increase). Finally, "County Only" caseloads (cases paid solely by the County) have increased from an average of 40 cases in FY 2014-15 to an average of 56 cases in FY 2015-16 (a 40% increase). At this time, the department anticipates no additional General Fund support will be needed for "County Only" cases. As noted above, additional State and Federal revenue will cover the cost increases to non-"County Only" expenditures. These cases and expenditures include payments to out-of-state or special care homes for children with intensive needs for daily care and client support, and also costs paid to foster homes while waiting for the Resource Family Approval (RFA) process to become complete. The RFA program standardizes the rules and processes for certifying foster and adoptive parents. The department began implementation of the RFA program, which is being implemented statewide starting in 2016, in FY 2013-14.

**Department:** Public Works - Roads  
**Fund Center:** 245  
**Issue:** Anticipated \$2 million revenue shortfall  
**Impact to General Fund:** None

There is a significant issue relating to two important sources of revenue for road maintenance that the Department of Public Works is closely monitoring: 1) the actual Transportation Development Act (TDA) revenue received to date in FY 2015-16 is

\$615,000 per quarter, about 33% less than the originally budgeted \$925,000 per quarter. This trend is expected to yield TDA revenue that is about \$1.2 million less than what was budgeted for this source for FY 2015-16 and; 2) State revenue from highway user taxes (HUTA) is being received at \$641,000 per month, about 9% less than the expected \$700,000. This shortfall in these revenue sources is due to the decline in fuel prices.

Together, these revenue shortfalls could result in a reduction of about \$2 million for FY 2015-16 for road maintenance. If the trends for these revenue sources hold steady through the rest of the fiscal year, this will result in an approximate 13-mile reduction in thin overlay road maintenance work. In the spring of each year, the department assesses how much of this type of maintenance work it can undertake before year-end with its own work forces depending on the status of these funding sources and adjusts the planned work as necessary. Although this reduction does not impact the delivery of pavement management program-related improvements, it would result in a service level reduction for road maintenance.

As far as the pavement management program, the department is moving forward with 60 miles of micro-surfacing for various roads in Nipomo and San Miguel, chip-sealing on 30 miles of roads in San Miguel, Atascadero, and Nipomo, and asphalt overlay on 19 miles of roads throughout the county.

**Department:** Airports  
**Fund Center:** 425  
**Issue:** Budget status and enplanement levels  
**Impact to General Fund:** None

As an enterprise fund, Airports relies on the revenues generated by the San Luis Obispo County Regional Airport and Oceano Airport to fund operations and capital expenses. Revenue from passenger enplanements on commercial air carriers is

a key indicator of the Airports' fiscal health and outlook. For this reason quarterly financial status reports include regular updates on the status of the Airports' budget with an emphasis on the number of passenger enplanements.

The fiscal condition of Airports continues to improve as general economic conditions improve. After two years of decreasing enplanements during the recession, enplanements have grown 19% over the last five years. Airports' management expects FY 2015-16 enplanements to exceed prior year enplanements which, as reported in the second quarter, hit a seven-year high of 149,558. Although first quarter enplanements in FY 2015-16 were down by 4,728 or 11.7% when compared to the same period in prior year, second quarter saw an increase of 1,939 or 5.1% over the same period. A change in equipment from turboprops to jets in April 2015 has resulted in increased seat capacity. In addition, two flights were added in September which increased service to

Los Angeles and San Francisco. February 2016 saw the addition of a single flight to Phoenix and as a result, enplanements in third quarter continue to show modest growth over the same period of the prior year of 979 or 2.8% and are on track to exceed prior year cumulative numbers by the end of this fiscal year.

Revenue has exceeded operational expenditures in each of the last three fiscal years. At the end of the second quarter of FY 2015-16, Airports projected that it would end the year with a surplus of \$126,036. The bright outlook continues through the end of third quarter as a surplus of \$128,170 is now projected for year-end. The department has experienced a decreasing cash balance this fiscal year due to sustaining cash flow needs for the Airport Terminal project. As of March 31, 2016, the cash balance was -\$16,106. This is primarily due to the lag in which reimbursable project costs from the Federal Aviation Administration (FAA) are billed and finally received. As of March 31, 2016, a pending reimbursement of \$1,218,571 was due from the FAA. In order to address the cash flow issue, Airports is working with the ACTTCPA and Administrative Office on an alternative cash flow funding arrangement and is expected to bring a recommendation to the Board of Supervisors before the end of the fiscal year.

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

Fiscal Year	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	34,528	39,600	147,105	11.2%
2014-15	40,345	38,356	35,567	35,290	149,558	1.7%
2015-16	35,617	40,295	36,546		112,458	2.8%*

*\*Compares FY 2015-16 third quarter enplanements to FY 2014-15 third quarter enplanements.*

**Department:** Parks and Recreation - Golf  
**Fund Center:** 427  
**Issue:** Financially unsustainable operations at Dairy Creek  
**Impact to General Fund:** None as part of this report.

As an enterprise fund, Golf relies on the revenues generated by the County's three golf courses (Dairy Creek, Chalk Mountain, and Morro Bay) to fund its operational and capital expenses. The number of rounds played is a key indicator of Golf's fiscal health and outlook.

As of the end of the third quarter, the total number of rounds played decreased by 6.7% (5,738 rounds) compared to the first three quarters of FY 2014-15. The decrease is primarily due to a decline of rounds played at Dairy Creek Golf Course (rounds at Dairy Creek decreased by 22.7%, or 5,361 rounds, compared to the first three quarters of FY

2014-15). Chalk Mountain experienced a less severe decrease in play of 7.8%, or 1,603 rounds, compared to the first three quarters of FY 2014-15. Morro Bay was the only golf course which had an increase in play, at 3%, or 1,226 rounds.

The FY 2015-16 budget estimated that expenditures would exceed revenues and result in a deficit of \$90,191. At end of the first quarter, Golf revised its projection for a deficit of \$212,726 at year-end. The projected deficit in the second quarter was again revised to \$622,257. The most current projection, at the end of the third quarter, is for a deficit of \$555,707. As discussed above, this is due to lower-than-anticipated revenues at the Dairy Creek Golf Course. As with any enterprise fund, a surplus or deficit at the end of the year either contributes to or subtracts from the cash balance. The current cash balance for Golf, as of March 31, 2016, is \$643,862, and reflects the deficit attributable to the first three quarters of this fiscal year. The remaining portion of the deficit that is anticipated in the upcoming fourth quarter is \$190,791. Absorbing this amount would reduce the current cash balance to \$453,071. This amount would not be enough to cover the deficit projected for FY 2016-17 of \$467,231, leaving Golf short by \$14,160.

The projected deficit for the current fiscal year is very substantial, and this will eliminate the department's ability to absorb a projected deficit for the following fiscal year. At the same time, there is no indication that the underlying cause—fewer rounds of golf played at Dairy Creek—is about to change. Without a more reliable source of irrigation water, the course will continue to struggle with maintaining the green fairways to which golfers are accustomed. Although Dairy Creek remains a beautiful, well-situated golf course conveniently located near San Luis Obispo, the availability of golf courses throughout the area remains relatively high for the county's population and number of rounds played. It is clear that action is necessary in order to ensure the long-term financial sustainability of the County's golf program. The Department of Parks and Recreation has been studying the feasibility of various options and will present recommendations to the Board of Supervisors on May 17, 2016.

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

### I. GENERAL:

The Auditor-Controller-Treasurer-Tax Collector-Public Administrator (ACTTCPA)'s Office has prepared the Schedules 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, specific 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 \$606.5 million. At the end of the third quarter \$332.2 million or 55% of estimated revenues were realized, which compares to 55% for the same time period in the prior year. Taxes and government aid do not follow even monthly flows.

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

Licenses and Permits: The amount realized in the current year is 63% of budget compared to 79% in the prior year. This is mainly due to timing – a large amount for Gas and Electric Franchise Fees that was received in the third quarter last year was received in April this year. The Planning and Building Department expected that revenues for permits generated by the Los Osos Wastewater Treatment would be collected in the fourth quarter of this fiscal year and would not be recognized on a straight line basis. Permit revenue is slightly behind schedule and department's projection is that they will finish behind their original revenue budget.

Fines, Forfeitures and Penalties: The amount realized is 54% compared to last year's realization rate of 58%. This is because the required annual revenue transfer to the Courts was smaller in the previous year.

The financial arrangement that resulted from the Trial Court Funding Act established a Maintenance of Effort (MOE) expense that requires the County to pay a specified amount to the State of California, based on a formula, to support Court Operations. The formula is calculated based on revenues collected in the prior fiscal year and therefore varies from year to year. In FY 2013-14 revenues in this classification were below the historical norm. As a result, revenue transferred to the State for Court operations in FY 2014-15 was only \$72,623. However, in FY 2014-15 revenue receipts in this classification returned to historical norms, resulting in a transfer of \$415,918 in the current

year. The difference between these two amounts results in the skewed percentage of revenue recognized in the third quarter. If those transactions are subtracted from the results in both years, the realization rates would have been 30% of budget in each of the fiscal years.

Revenue – Money and Property Use: Realized revenue in this class is 170% compared to the 100% realization rate in the prior year. The total General Fund interest revenue in this fiscal year included \$1.1 million received from the California State Controller's Office for interest earned on prior years unpaid Mandated Program reimbursements (SB90). The average rate of return for the third quarter in the current year was .56%, compared to .36v% in the same period last year.

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

Capital Projects Fund: This fund recognized 24% of revenues through the third quarter compared to 16% in the prior year. This is mainly a timing issue as revenue is recognized as projects progress.

Public Facility Fees: The Public Facility Fee Fund realized 73% of budgeted revenue in the current fiscal year, compared to 102% in the prior year. The issuances of the types of permits that generate Public Facility Fee revenue have decreased from the prior year.

General Government Building Replacement Fund: This fund's revenue through the third quarter was 79% in the current year to date compared to 89% in the prior year. The difference from the prior year is one of timing as this revenue is realized as projects are completed.

Tax Reduction Reserve: This fund was established a number of years ago when PG&E changed the depreciation method for the Diablo Canyon Power Plant, which resulted in lower property tax revenue for the County. In order to help offset this change in methodology, the County was allocated additional funds. These funds were placed into this reserve fund for future use. The intention was to use this reserve to help balance the budget during economic downturns. During the recent economic downturn, several million dollars of Tax Reduction Reserve funds were used between Fiscal Year 2009-10 and Fiscal Year 2011-12 as a short-term budget balancing solution. In Fiscal Year 2014-15, \$4.5 million was added to the reserve, which reflected improving economic conditions. No additional funding is being added to the reserve in the current fiscal year.

Traffic Impact Fees: Beginning in Fiscal Year 2015-16, the Department of Public Works is funding expenses for improvement projects by cancelling reserves. This ensures that adequate funding is available for multi-year projects regardless of shortfalls in fees for a given Road Fee area.

Organizational Management: This fund recognized 76% of budgeted revenues in the current year compared to 82% in the prior year. This is due to a large one time transfer-in during the first quarter from the General Fund in the amount of \$250,000 to increase the Designation for Countywide Training.

Medically Indigent Services Program: This fund's revenue through the third quarter was 33% in the current year compared to 53% in the prior year. The disparity is due to the reduction in budgeted revenue from the Tax Reduction Fund in the current fiscal year compared to the prior fiscal year. In FY 2014-15, revenue from the Tax Reduction Fund accounted for two-thirds of the revenue in Medically Indigent Services Program. In FY 2015-16 this has been reduced to one-third (due to a reduction in projected expenditures). In both years, 75% of the budgeted revenue from the Tax Reduction Fund was recognized in the first three quarters of the year. However, due to the reduction in the proportion of revenue budgeted from this source in the current year, the rate of receipts gives the appearance of being skewed.

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

#### **A. Contingencies**

No changes were made to contingency balances during the quarter.

The General Fund contingency balance at the end of the quarter was \$21,678,095.

#### **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 Designations and Other Reserves during the third quarter were as follows:

(\$1,043,363) COUNTY WIDE AUTOMATION REPLACEMENT FUND: Transfer from the Automation Replacement Designation to provide for the licensing and implementation of the GE Healthcare-Centricity electronic health record system for the Health Agency.

(\$50,000) GENERAL GOVERNMENT BUILDING REPLACEMENT FUND: Transfer from the Government Building Replacement Designation to fund the relocation of the Sheriff's Classification Unit in connection with the Women's Jail Replacement Project.

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

By resolution the Board of Supervisors authorized the ACTTCPA 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.

\$100,000 Road Fund: Transferred appropriations between Road Fund capital projects.

\$143,250 Health Agency: Transferred Revenue Sources between accounts and Fund Centers for the Public Health Department.

\$250,000 Facilities Management: Transferred salary savings to the services and supplies object level. Employees for this Fund Center are now accounted for in the Public Works fund and charged to Facilities Management through inter-departmental accounts.

\$86,621 Planning and Building Department: Transferred Revenue Sources from Operating Transfers to inter-fund Revenues to more appropriately reflect revenue type.

\$6,461 Auditor-Controller-Treasurer-Tax Collector-Public Administrator: Transferred appropriation from the capital outlay object level to the services and supplies object level to cover the cost of a Magnetic Ink Character Recognition (MICR) check printer and five year maintenance contract. The item was budgeted as a fixed asset but did not meet the capitalization threshold.

\$6,275 District Attorney: Transferred appropriation from the salaries and benefits object level to the capital outlay object level.

Attachment 1

Schedule 1

COMPARATIVE STATEMENT OF COUNTY FUNDS- REVENUE STATUS  
For the Nine Month Period Ended March 31, 2016 and 2015

Revenue Status by Class	2015-16			2014-15		
	Amount Budgeted	Amount Realized 03/31/16	%	Amount Budgeted	Amount Realized 03/31/15	%
TAXES - CURRENT PROPERTY	\$ 118,275,411	\$ 83,275,101	70 %	\$ 108,045,639	\$ 78,552,198	73 %
TAXES - OTHER THAN CURRENT PROPERTY	54,415,553	34,308,818	63 %	51,840,930	35,814,243	69 %
LICENSES AND PERMITS	9,603,680	6,067,173	63 %	9,350,258	7,431,681	79 %
FINES, FORFEITURES AND PENALTIES	5,779,068	3,124,460	54 %	5,737,940	3,351,364	58 %
REVENUE - MONEY AND PROPERTY USE	1,934,293	3,293,462*	170 %	1,854,082	1,861,580	100 %
AID FROM GOVERNMENT AGENCIES	299,974,347	134,218,262	45 %	311,103,176	139,227,229	45 %
CHARGES FOR CURRENT SERVICES	30,709,506	20,606,245	67 %	30,720,087	19,918,286	65 %
OTHER REVENUES	30,588,992	18,296,667	60 %	31,147,067	17,118,404	55 %
OTHER FINANCING SOURCES	55,189,799	28,994,897	53 %	50,101,455	28,412,155	57 %
<b>TOTAL REVENUES</b>	<b>\$ 606,470,649</b>	<b>\$ 332,185,085</b>	<b>55 %</b>	<b>\$ 599,900,634</b>	<b>\$ 331,687,140</b>	<b>55 %</b>

Revenue Status by Fund	2015-16			2014-15		
	Amount Budgeted	Amount Realized 03/31/16	%	Amount Budgeted	Amount Realized 03/31/15	%
100000000 General Fund	\$ 445,968,247	\$ 259,098,191*	58 %	\$ 421,341,460	\$ 254,420,399	60 %
100000000 Capital Projects	44,160,013	10,540,447*	24 %	58,539,741	9,358,193	16 %
120000000 Road Fund	55,623,369	21,172,555	38 %	53,012,963	22,165,807	42 %
1200500000 Community Devel Pgm	8,626,522	2,704,967	31 %	9,087,457	2,796,360	31 %
1201000000 Public Facility Fees	1,851,815	1,344,282	73 %	1,468,500	1,502,117	102 %
1201500000 Parks	10,141,617	6,915,958	68 %	11,633,588	8,137,044	70 %
1202000000 Co-Wide Automation Replacement	6,633,343	4,274,248	64 %	6,700,770	4,206,055	63 %
1202500000 Gen Gov Building Replacement	7,463,890	5,867,210	79 %	5,850,498	5,195,326	89 %
1203000000 Tax Reduction Resrv	0	26,756	%	4,550,000	3,736,413	82 %
1203500000 Impact Fee-Traffic	0	1,027,900	%	853,800	811,612	95 %
1204000000 Wildlife And Grazing	3,548	48	1 %	3,500	3,700	106 %
1204500000 Driving Under the Influence	1,341,158	966,454	72 %	1,483,649	993,922	67 %
1205000000 Library	9,470,749	6,847,872	72 %	8,941,278	6,870,160	77 %
1205500000 Fish and Game	20,000	17,325	87 %	20,000	10,100	51 %
1206000000 Organizational Development	612,039	463,132	76 %	904,000	741,184	82 %
1206500000 Medically Indigent Services Program	1,580,768	520,352	33 %	2,531,938	1,340,581	53 %
1207000000 Emergency Med Svc	846,000	532,916	63 %	801,000	557,931	70 %
1208000000 Debt Service-Cert of Participation	2,090,151	2,080,059	100 %	2,080,047	1,398,984	67 %
1801000000 Pension Obligation Bond DSF	10,037,420	7,784,413	78 %	10,096,445	7,441,252	74 %
<b>TOTAL REVENUES</b>	<b>\$ 606,470,649</b>	<b>\$ 332,185,085</b>	<b>55 %</b>	<b>\$ 599,900,634</b>	<b>\$ 331,687,140</b>	<b>55 %</b>

\*Includes third quarter interest revenue:

General Fund \$180,740  
Capital Projects Fund \$ 26,435

Attachment 1

Schedule 2

COMPARATIVE STATEMENT OF CONTINGENCIES AND RESERVES  
By Fund as of March 31, 2016

	2014-15 Final Budget	2015-16 Final Budget	As of 03/31/16	2015-16 Increase (Decrease)
<u>Contingencies</u>				
General Fund	\$ 19,111,875	\$ 21,678,095	\$ 21,678,095	\$ 0
Community Devel Pgm	44,840	40,148	40,148	0
Parks	510,711	200,000	200,000	0
Driving Under the Influence	40,000	25,000	25,000	0
Library	452,750	470,821	470,821	0
<u>TOTAL CONTINGENCIES</u>	<u>\$ 20,160,176</u>	<u>\$ 22,414,064</u>	<u>\$ 22,414,064</u>	<u>\$ 0</u>
	2014-15 Final Budget	2015-16 Final Budget	As of 03/31/16	2015-16 Increase (Decrease)
<u>Designations and Other Reserves</u>				
General Fund				
Co. Fire Equip. Replace	\$ 154,383	\$ 550,253	\$ 550,253	\$ 0
Designated FB-2020 POB	8,688,657	9,688,657	9,688,657	0
General Reserve	9,000,000	9,000,000	9,000,000	0
Internal Financing	4,163,459	1,688,990	1,628,990	(60,000)
Prop 172 Solar	0	6,319,832	6,319,832	0
Solar Plant Mitigation	11,851,427	14,951,940	14,951,940	0
Capital Projects				
Facilities Planning	8,042,704	11,944,273	11,944,273	0
Juvenile Hall Bldg	326,496	0	0	0
New Govt Buildin Rep	1,986,400	1,986,400	1,986,400	0
Solar/Energy Projects	1,199,787	1,199,787	0	(1,199,787)
Road Fund				
Future Road Projects	6,137,475	1,979,505	1,582,961	(396,544)
Maria Vista Estates	641,299	641,299	641,299	0
N. River Mine Reserve	83,000	83,000	83,000	0
Public Facility Fees				
Reserve for County Fire	2,827,101	3,880,745	3,880,745	0
Reserve for General Gov't	465,828	432,601	432,601	0
Reserve for Law Enforcmnt	981,908	1,188,581	1,188,581	0
Reserve for Library	185,587	217,404	217,404	0
Reserve for Parks	2,026,268	1,396,649	1,396,649	0
Parks				
Lopez Park's Projects	270,500	490,500	490,500	0
Parks Projects	630,849	1,189,537	1,024,537	(165,000)
Co-Wide Automation Replacement				
Automation Replacement	12,539,676	14,029,255	12,985,892	(1,043,363)
Budget System Developm	770,274	770,274	0	(770,274)
Gen Gov Building Replacement				
Gov. Building Rpl	25,088,123	28,931,442	28,881,442	(50,000)
Library - Cambria	675,893	845,539	1,698,552	853,013

Attachment 1

Schedule 2

COMPARATIVE STATEMENT OF CONTINGENCIES AND RESERVES  
By Fund as of March 31, 2016

	2014-15 Final Budget	2015-16 Final Budget	As of 03/31/16	2015-16 Increase (Decrease)
<u>Designations and Other Reserves</u>				
Tax Reduction Resrv				
Desig-Airport Terminal	0	0	11,687,490	11,687,490
Desig-Prop Tax Litigation	797,952	797,952	797,952	0
Tax Reduction Reserves	17,418,645	17,459,144	5,771,654	(11,687,490)
Impact Fee-Traffic				
Improvement Fees	4,578,109	4,109,323	4,109,323	0
Wildlife And Grazing				
General Reserve	2,684	4,671	4,671	0
Wildlife Projects	14,907	14,907	14,907	0
Driving Under the Influence				
General Reserve	137,609	95,000	95,000	0
Systems Development	398,346	393,359	393,359	0
Library				
Atascadero Building Expan	94,611	44,337	44,337	0
Facilities Planning	901,791	1,854,035	1,854,035	0
General Reserve	49,690	49,690	49,690	0
Library-Cambria	0	311,896	0	(311,896)
Fish And Game				
Environmental Settlemt	28,142	4,513	4,513	0
Fish and Game Projects	116,619	111,400	111,400	0
General Reserve	54,583	54,583	54,583	0
Organizational Development				
Countywide Training	1,729,776	1,564,826	1,564,826	0
General Reserve	496,042	496,042	496,042	0
Debt Service-Cert of Participation				
Loan Payment Reserve	16,383	83	83	0
Pension Obligation Bond DSF				
Desig - POB Debt Service	8,898,224	9,760,771	9,760,771	0
<u>TOTAL DESIGNATIONS AND RESERVES</u>	<u>\$ 134,471,207</u>	<u>\$ 150,532,995</u>	<u>\$ 147,389,144</u>	<u>\$ (3,143,851)</u>

Attachment 1

Schedule 3

REVENUES AND EXPENDITURES BY FUNCTIONAL AREA  
For the Nine Month Period Ended March 31, 2016

Budget Units by Functional Area	2015-16			2015-16		
	Budgeted Expenditures	Amount Expended 03/31/16	%	Budgeted Revenues	Amount Realized 03/31/16	%
<b>General Government</b>						
100 BOARD OF SUPERVISORS	\$ 1,690,446	\$ 1,130,671	67 %	\$ 0	\$ 0	0 %
101 NON-DEPARTMENTAL REVENUES	5	3	60 %	169,128,226	114,570,101	68 %
103 NON-DEPT OTHER EXPENDITURES	389,000	312,813	80 %	71,000	27,000	38 %
104 ADMINISTRATIVE OFFICE	1,995,893	1,292,059	65 %	172,929	66,565	38 %
105 RISK MANAGEMENT	1,693,301	1,233,467	73 %	1,039,764	296,637	29 %
107 AUDITOR-CONTROLLER	5,285,545	3,550,484	67 %	1,042,614	638,907	61 %
108 TREAS-TAX COLL-PUBLIC ADM	2,892,029	1,932,435	67 %	1,254,773	833,055	66 %
109 ASSESSOR	10,114,841	6,127,342	61 %	626,240	112,157	18 %
110 CLERK/RECORDER	3,741,781	2,561,136	68 %	2,933,408	2,105,023	72 %
111 COUNTY COUNSEL	3,875,029	2,563,965	66 %	180,925	115,216	64 %
112 HUMAN RESOURCES	3,285,108	2,219,849	68 %	163,950	116,640	71 %
113 FACILITIES MANAGEMENT	8,233,354	6,084,629	74 %	2,913,367	1,936,582	66 %
114 INFORMATION TECHNOLOGY DEPARTMENT	11,291,103	7,741,717	69 %	1,905,512	1,379,890	72 %
116 CENTRAL SERVICES	2,073,552	685,212	33 %	360,375	210,419	58 %
201 PUBLIC WORKS SPECIAL SERVICES	3,389,906	1,463,085	43 %	1,734,038	521,538	30 %
266 COUNTYWIDE AUTOMATION REPLACEMENT	8,983,389	2,498,179	28 %	6,633,343	4,274,248	64 %
267 GEN GOVT BUILDING REPLACEMENT	3,914,921	265,906	7 %	7,463,890	5,867,210	79 %
268 TAX REDUCTION RESERVE	349,656	0	0 %	0	26,756	0 %
275 ORGANIZATIONAL DEVELOPMENT	970,126	455,283	47 %	612,039	463,132	76 %
290 COMMUNITY DEVELOPMENT PROGRAM	8,626,522	2,741,626	32 %	8,626,522	2,704,967	31 %
<b>TOTAL General Government</b>	<b>\$ 82,795,507</b>	<b>\$ 44,859,861</b>	<b>54 %</b>	<b>\$ 206,862,915</b>	<b>\$ 136,266,043</b>	<b>66 %</b>
<b>Public Protection</b>						
130 WASTE MANAGEMNT	\$ 1,055,908	\$ 391,383	37 %	\$ 523,680	\$ 28,892	6 %
131 GRAND JURY	136,436	76,192	56 %	0	0	0 %
132 DISTRICT ATTORNEY	15,077,933	10,028,768	67 %	5,785,071	3,461,874	60 %
134 CHILD SUPPORT SERVICES	4,643,632	3,066,932	66 %	4,643,632	2,732,780	59 %
135 PUBLIC DEFENDER	6,054,021	4,400,566	73 %	581,354	151,479	26 %
136 SHERIFF-CORONER	67,322,319	47,440,480	70 %	28,960,834	17,835,608	62 %
137 ANIMAL SERVICES	2,760,943	1,623,630	59 %	1,927,727	1,361,601	71 %
138 EMERGENCY SERVICES	2,031,308	883,374	43 %	1,868,912	668,530	36 %
139 PROBATION DEPARTMENT	20,437,285	13,776,983	67 %	10,504,878	6,366,591	61 %
140 COUNTY FIRE	22,745,139	9,476,869	42 %	7,213,944	4,433,314	61 %
141 AGRICULTURAL COMMISSIONER	5,489,607	3,854,287	70 %	3,256,003	794,444	24 %
142 PLANNING & BUILDING DEPARTMENT	14,989,470	8,673,182	58 %	7,435,584	4,914,139	66 %
143 COURT OPERATIONS	2,426,973	1,899,583	78 %	2,980,959	1,770,060	59 %
330 WILDLIFE AND GRAZING	3,548	50	1 %	3,548	48	1 %
331 FISH AND GAME	46,222	24,127	52 %	20,000	17,325	87 %
<b>TOTAL Public Protection</b>	<b>\$ 165,220,744</b>	<b>\$ 105,616,406</b>	<b>64 %</b>	<b>\$ 75,706,126</b>	<b>\$ 44,536,685</b>	<b>59 %</b>

Attachment 1

Budget Units by Functional Area	2015-16			2015-16		
	Budgeted Expenditures	Amount Expended 03/31/16	%	Budgeted Revenues	Amount Realized 03/31/16	%
<b>Public Ways &amp; Facilities</b>						
245 ROADS	\$ 67,544,174	\$ 22,315,795	33 %	\$ 55,623,369	\$ 21,172,555	38 %
247 PUBLIC FACILITIES FEES	5,781,444	1,095,053	19 %	1,851,815	1,344,282	73 %
248 ROADS - IMPACT FEES	3,729,433	808,536	22 %	0	1,027,900	0 %
<b>TOTAL Public Ways &amp; Facilities</b>	<b>\$ 77,055,051</b>	<b>\$ 24,219,384</b>	<b>31 %</b>	<b>\$ 57,475,184</b>	<b>\$ 23,544,737</b>	<b>41 %</b>
<b>Health &amp; Sanitation</b>						
160 PUBLIC HEALTH	\$ 28,357,404	\$ 15,112,347	53 %	\$ 22,925,701	\$ 9,608,558	42 %
166 BEHAVIORAL HEALTH	59,861,642	40,762,742	68 %	50,254,355	24,775,031	49 %
<b>TOTAL Health &amp; Sanitation</b>	<b>\$ 88,219,046</b>	<b>\$ 55,875,089</b>	<b>63 %</b>	<b>\$ 73,180,056</b>	<b>\$ 34,383,589</b>	<b>47 %</b>
<b>Public Assistance</b>						
106 CONTRIBUTIONS TO OTHER AGENCIES	\$ 1,934,027	\$ 1,761,395	91 %	\$ 624,000	\$ 269,000	43 %
180 SOCIAL SERVICES ADMINISTRATION	74,124,256	49,109,678	66 %	69,816,685	29,902,462	43 %
181 FOSTER CARE-SOCIAL SERVICES	22,498,016	16,886,566	75 %	21,383,864	15,158,939	71 %
182 CALWORKS	12,815,703	9,005,283	70 %	12,490,895	7,841,051	63 %
184 LAW ENFORCEMENT MED CARE	3,523,482	2,311,193	66 %	1,442,636	795,760	55 %
185 GENERAL ASSISTANCE	1,143,662	868,182	76 %	277,284	219,758	79 %
186 VETERANS SERVICES	947,508	472,011	50 %	202,370	179,746	89 %
350 Medically Indigent Services Program	2,513,657	1,054,764	42 %	1,580,768	520,352	33 %
351 EMERGENCY MEDICAL SRVS FUND	1,250,102	687,696	55 %	846,000	532,916	63 %
<b>TOTAL Public Assistance</b>	<b>\$ 120,750,413</b>	<b>\$ 82,156,768</b>	<b>68 %</b>	<b>\$ 108,664,502</b>	<b>\$ 55,419,984</b>	<b>51 %</b>
<b>Education</b>						
215 FARM ADVISOR	\$ 533,309	\$ 348,850	65 %	\$ 6,310	\$ 3,839	61 %
375 DRIVING UNDER THE INFLUENCE	1,346,035	932,902	69 %	1,341,158	966,454	72 %
377 LIBRARY	10,382,189	7,150,922	69 %	9,470,749	6,847,872	72 %
<b>TOTAL Education</b>	<b>\$ 12,261,533</b>	<b>\$ 8,432,674</b>	<b>69 %</b>	<b>\$ 10,818,217</b>	<b>\$ 7,818,165</b>	<b>72 %</b>
<b>Recreation &amp; Cultural Services</b>						
305 PARKS and RECREATION	\$ 11,778,471	\$ 7,169,945	61 %	\$ 10,141,617	\$ 6,915,958	68 %
<b>TOTAL Recreation &amp; Cultural Services</b>	<b>\$ 11,778,471</b>	<b>\$ 7,169,945</b>	<b>61 %</b>	<b>\$ 10,141,617</b>	<b>\$ 6,915,958</b>	<b>68 %</b>
<b>Debt Service</b>						
277 DEBT SERVICE	\$ 2,100,671	\$ 2,080,058	99 %	\$ 2,090,151	\$ 2,080,059	100 %
392 PENSION OBLIGATION BOND DSF	9,662,205	9,654,701	100 %	10,037,420	7,784,413	78 %
<b>TOTAL Debt Service</b>	<b>\$ 11,762,876</b>	<b>\$ 11,734,759</b>	<b>100 %</b>	<b>\$ 12,127,571</b>	<b>\$ 9,864,472</b>	<b>81 %</b>
<b>Financing Uses</b>						
102 NON-DEPTL-OTHR FINCNG USE	\$ 28,978,398	\$ 18,459,809	64 %	\$ 3,077,354	\$ 2,604,471	85 %
<b>TOTAL Financing Uses</b>	<b>\$ 28,978,398</b>	<b>\$ 18,459,809</b>	<b>64 %</b>	<b>\$ 3,077,354</b>	<b>\$ 2,604,471</b>	<b>85 %</b>

Attachment 1

Budget Units by Functional Area	2015-16			2015-16		
	Budgeted Expenditures	Amount Expended 03/31/16	%	Budgeted Revenues	Amount Realized 03/31/16	%
CAPITAL PROJECTS						
200 MAINTENANCE PROJECTS	\$ 15,428,807	\$ 2,768,986	18 %	\$ 4,257,094	\$ 109,794	3 %
230 CAPITAL PROJECTS FUND	54,653,864	20,273,979	37 %	44,160,013	10,514,012	24 %
TOTAL CAPITAL PROJECTS	<u>\$ 70,082,671</u>	<u>\$ 23,042,965</u>	<u>33 %</u>	<u>\$ 48,417,107</u>	<u>\$ 10,623,806</u>	<u>22 %</u>
COUNTY TOTAL	<u>\$ 668,904,710</u>	<u>\$ 381,567,660</u>	<u>57 %</u>	<u>\$ 606,470,649</u>	<u>\$ 331,977,910</u>	<u>55 %</u>
GENERAL FUND TOTAL	<u>\$ 475,268,081</u>	<u>\$ 302,358,138</u>	<u>64 %</u>	<u>\$ 445,968,247</u>	<u>\$ 258,917,451</u>	<u>58 %</u>

**Section 3: Position Changes**

During the third quarter, January 1, 2016 through March 31, 2016, 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 377 – Library - Allocation Change Approved 1/12/16**

Delete 1.00 FTE – 01009/01010 Library Driver Clerk I/II  
Add 1.00 FTE – 02203 Administrative Assistant Aide/I/II/III

**Fund Center 142 – Planning & Building - Allocation Change Approved 1/26/16**

Add 1.00 FTE – 01583/01584 Program Manager I/II

**Fund Center 405 – Public Works - Allocation Changes Approved 1/26/16**

Delete 1.00 FTE – 00612 Solid Waste Coordinator I/II/III  
Add 1.00 FTE – 02800 through 02804 Planner I/II/III, Environmental Resource Specialist, or Principal Environmental Specialist

**Fund Center 305 – Parks and Recreation – Allocation Changes Approved 1/26/16**

Add 1.00 FTE – 01251 Parks Superintendent

**Fund Center 186 – Veterans Services – Allocation Change Approved 1/26/16**

Delete 1.00 FTE – 00868 / 00866 Assistant Veterans Services Officer I/II – Limited Term

**Fund Center 180 – Social Services - Allocation Change Approved 2/23/16**

Add 3.00 FTE – 01519 Social Worker I/II/III/IV  
Add 1.00 FTE – 01555 Social Services Program Review Specialist

**Fund Center 160 – Public Health - Allocation Change Approved 3/8/16**

Delete 1.00 FTE – 08538 Patient Services Representative  
Add 1.00 FTE – 00927 Supervising Administrative Clerk I

**Fund Center 405 – Public Works - Allocation Changes Approved 3/22/16**

Add 1.00 FTE – 00633 Engineer IV

**SUMMARY OF POSITION ALLOCATION CHANGES**

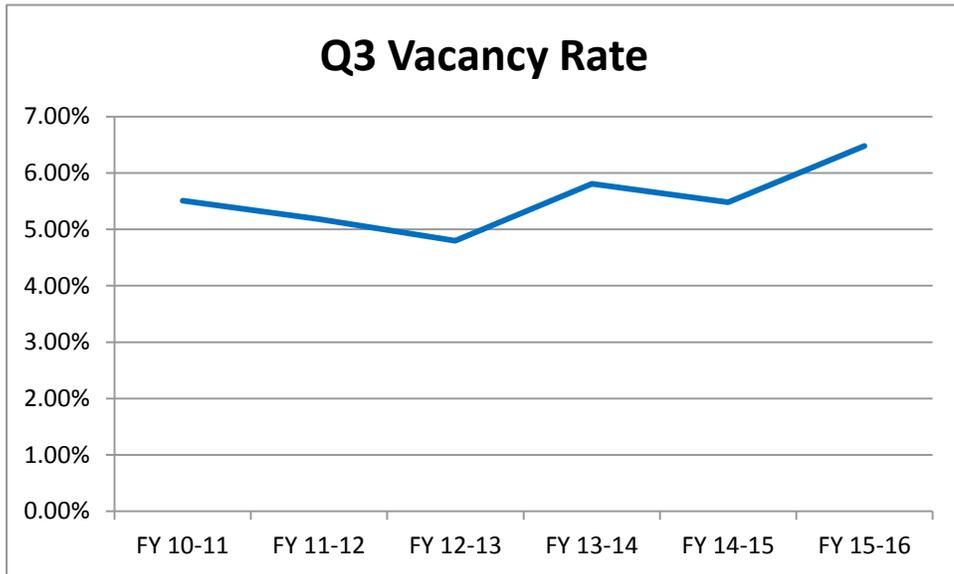
FY 14-15	Q1	Q2	Q3	Q4
Quarter Start	2,638.25	2,638	2,656.25	
FTE Additions	22.50	43.50	10.00	
FTE Deletions	22.75	25.25	4.00	
Quarter End	2,638	2,656.25	2,662.25	
Net Change	-0.25	+18.25	+6.00	
% Change	-0.0095%	+0.00692%	+0.00226%	

**ADMINISTRATIVE CHANGES MADE BY THE HUMAN RESOURCES DEPARTMENT:**

No administrative changes to report for this quarter.

**EMPLOYEE VACANCY RATE**

As of the end of the third quarter, the County employee vacancy rate was 6.48%. This equates to 172.50 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 \$57,082.33 on behalf of the following County departments, as noted below:

1. Accept cash donations in the amount of \$5,780.50 made on behalf of Fund Center 305 – Parks and Recreation;
2. Accept cash donations in the amount of \$35,907.70 and authorize an associated budget adjustment from the Library's Gift Trust Fund to the Fund Center 377 – Library operating budget;
3. Accept cash donations in the amount of \$10,378.50 made on behalf of Fund Center 137 – Animal Services; and
4. Accept a cash donation in the amount of \$5,015.63 made on behalf of Fund Center 132 – District Attorney from the City of San Luis Obispo Police Officers' Association for deposit into the Cindy Soto-Pinto Victim Emergency Fund.

Memos from the 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 Department of Social Services from active pursuit of receivables totaling \$16,524.70 for the CalWORKs, CalFresh and General Assistance programs, 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.

A memo from the department is included in Attachment 3.

**Miscellaneous:**

The following requests have been submitted to the Board for consideration:

1. Approve a budget adjustment in the amount of \$350,000 from General Fund contingencies for Fund Center 111 – County Counsel's professional and special services account to be used for expert outside legal counsel on various litigation;
2. Approve a budget adjustment in the amount of \$111,000 from unanticipated revenues for Fund Center 110 – County Clerk-Recorder to fund unbudgeted expenses;

3. Approve a budget adjustment in the amount of \$267,794, including \$35,789 from General Fund contingencies to Fund Center 113 – Facilities Management for unbudgeted expenses;
4. Approve various budget adjustments for Fund Center 136 – Sheriff-Coroner in the total amount of \$834,631, of which \$520,000 is from General Fund contingencies, to fund unbudgeted expenses including wage and benefit increases, and amend the department's Fixed Asset List by adding a ProHawk HDMI 3G video enhancement device in the amount of \$8,782 and a Polaris Off-Road vehicle in the amount of \$21,402;
5. Approve a budget adjustment in the amount of \$600,000 from the various revenue sources to Fund Center 181- Foster Care and Adoptions to cover unanticipated expenditures;
6. Approve a budget adjustment in the amount of \$38,000 from the various revenue sources to Fund Center 185- General Assistance to cover unanticipated expenditures;
7. Approve a budget adjustment in the amount of \$140,000 to transfer funds from Fund Center 245 – Roads (the Pavement Management Program) to Fund Center 248 – Road Impact Fees to cover anticipated revenue shortfall for the Vineyard Drive overpass debt services; and
8. Approve a budget adjustment in the amount of \$560,338 to reallocate capital project savings to projects currently in design or construction in Fund Center 245 – Roads.

Memos from the departments are included in Attachment 4. Memos are not included for the departments that need a budget adjustment from General Fund Contingencies due to the prevailing wage increases.

The Board is also asked to approve the following miscellaneous actions not requiring budget adjustments:

9. Request to amend the Fixed Asset List for Fund Center 407 – Fleet Services to add a tire changer in the amount of \$8,999;
10. Request to amend the Fixed Asset List for Fund Center 138 – Emergency Services to add a copier for the Emergency Operations Center in the amount of \$10,480; and
11. Request to amend the Fixed Asset List for Fund Center 377 – Library to add a microfiche scanner in the amount of \$10,437.

Memos from the departments are included in Attachment 5.

**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. Central Services – Fleet Services requests that the Board declare 21 vehicles surplus and authorize their disposal.

A memo from the department is included in Attachment 6.

**Section 5: Capital and Maintenance Projects Managed by  
Public Works, Airports, and Golf**

The third quarter status reports on capital and maintenance projects can be found in Attachment 7. This information is provided to keep the Board apprised of the status of various capital and maintenance projects managed by Public Works, Airports, and Golf.

**Section 6: Annual Debt Review**

The annual report from the Auditor-Controller-Treasurer-Tax-Collector-Public Administrator (ACTTCPA) providing a debt review can be found in Attachment 8. This report that confirms the County is compliance with legal debt limitations and indicates the County's overall debt burden and current credit rating.

In addition, the Auditor-Controller-Treasurer-Tax-Collector-Public Administrator is requesting direction from the Board pertaining to the financing of the 2009 Series A Pension Obligation Bonds (POB). A discussion of the bonds and associated recommendations, including a proposed budget adjustment, are included in Attachment 9.