

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

(1) DEPARTMENT Administrative Office	(2) MEETING DATE 9/13/2016	(3) CONTACT/PHONE David E. Grim, 781-5011	
(4) SUBJECT Submittal of the Fiscal Year 2015-16 Year-End Financial Status Report. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board: <ol style="list-style-type: none"> 1. Receive and file the Fiscal Year 2015-16 Year-End Financial Status Report; 2. Approve a request for Relief from Accountability in the amount of \$388.53 on behalf of County Service Areas 23 (Fund 2503501000) and 10A (Fund 2501500000) for accounts that have been determined non-collectible; 3. Approve a request for Relief from Accountability in the amount of \$25,256.95 on behalf of Fund Center 180 – Social Services for non-collectible debt for CalWORKs, CalFresh and General Assistance programs; 4. Approve a request for Relief from Accountability in the amount of \$7,637 on behalf of Fund Center 160 – Public Health for Public Health's Environmental Health Services accounts that have been determined non-collectible; 5. Approve a request for Relief from Accountability in the amount of \$7,269 on behalf of Fund Center 160 – Public Health for Public Health Laboratory accounts that have been determined to be non-collectible; 6. Approve a request to accept cash donations made to Parks in the amount of \$20,326.92; 7. Approve a request to accept cash donations made to Animal Services in the amount of \$11,420; 8. Approve a request to 1) declare forty-three (43) vehicles as surplus; 2) authorize removal from the County's fleet; and 3) authorize their sale to recover value in accordance with County Code Section 2.36.030(5); and 9. Approve a resolution to amend the Position Allocation List (PAL) for Fund Center 160 - Public Health by deleting 1.00 Full Time Equivalent (FTE) Supervising Admin Clerk I and adding 1.00 FTE Program Manager I/II, and the PAL for Fund Center 377 - Library by deleting 1.00 FTE Administrative Services Officer I/II and adding 1.00 FTE Program Manager I/II. 			
(6) FUNDING SOURCE(S) Various	(7) CURRENT YEAR FINANCIAL IMPACT (\$40,551.48) Relief from Accountability (\$31,746.92) Donations	(8) ANNUAL FINANCIAL IMPACT N/A	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT { } Consent { } Presentation { } Hearing (Time Est. ___) {X} Board Business (Time Est. <u>30 mins.</u>)			
(11) EXECUTED DOCUMENTS {X} Resolutions { } Contracts { } Ordinances { } N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: { } 4/5 Vote Required {X} N/A	
(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 / David E. Grim
781-5011

DATE: 9/13/2016

SUBJECT: Submittal of the Fiscal Year 2015-16 Year-End Financial Status Report. All Districts.

RECOMMENDATION

It is recommended that the Board:

1. Receive and file the Fiscal Year 2015-16 Year-End Financial Status Report;
2. Approve a request for Relief from Accountability in the amount of \$388.53 on behalf of County Service Areas 23 (Fund 2503501000) and 10A (Fund 2501500000) for accounts that have been determined non-collectible;
3. Approve a request for Relief from Accountability in the amount of \$25,256.95 on behalf of Fund Center 180 – Social Services for non-collectible debt for CalWORKs, CalFresh and General Assistance programs;
4. Approve a request for Relief from Accountability in the amount of \$7,637 on behalf of Fund Center 160 – Public Health for Public Health’s Environmental Health Services accounts that have been determined non-collectible;
5. Approve a request for Relief from Accountability in the amount of \$7,269 on behalf of Fund Center 160 – Public Health for Public Health Laboratory accounts that have been determined to be non-collectible;
6. Approve a request to accept cash donations made to Parks in the amount of \$20,326.92;
7. Approve a request to accept cash donations made to Animal Services in the amount of \$11,420;
8. Approve a request to 1) declare forty-three (43) vehicles as surplus; 2) authorize removal from the County’s fleet; and 3) authorize their sale to recover value in accordance with County Code Section 2.36.030(5); and
9. Approve a resolution to amend the Position Allocation List (PAL) for Fund Center 160 - Public Health by deleting 1.00 Full Time Equivalent (FTE) Supervising Admin Clerk I and adding 1.00 FTE Program Manager I/II, and the PAL for Fund Center 377 - Library by deleting 1.00 FTE Administrative Services Officer I/II and adding 1.00 FTE Program Manager I/II.

DISCUSSION

Overview

The Year-End Financial Status 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) 2015-16. The financial reports presented to the Board for the first three quarters of the fiscal year 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 report contains details on the County's positive financial position as of the end of FY 2015-16, including an overview of the drivers behind the significant savings realized at year-end. Also provided is information about fund centers for which significant issues were reported in prior quarterly reports.

This report is divided into five 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 variances and operational issues.
- Section 2** A listing of all personnel changes approved by the Board of Supervisors during the fourth quarter of FY 2015-16 and reclassification requests.
- Section 3** An update on infrastructure and facilities projects that were completed in FY 2015-16.
- Section 4** Miscellaneous items for the Board's consideration, such as requests from departments for discharge of bad debt.
- Section 5** An overview of departmental goals and performance measures, including results for FY 2015-16.

Executive Summary

The County remains in a financially healthy position at the conclusion of the fiscal year. This is indicated by a variety of measures, including the County's AAA rating on the treasury investment pool, a ratio of 29% for reserves and contingencies compared to General Fund expenses, and growing property and sales tax revenues. The overall spending levels and revenue receipts at the end of FY 2015-16 were generally consistent with the prior year. General Fund expenditures were 89% of budget, while General Fund revenues were realized at 97% of budget.

The Board adopted a budget of \$572.6 million in FY 2015-16. The Auditor-Controller-Treasurer-Tax Collector's Office reported that the actual year-end savings, or Fund Balance Available (FBA), for the General Fund was \$40 million. This was \$5.6 million higher than the \$34.4 million that was projected and used as a funding source in the FY 2016-17 budget. To put this in context with last fiscal year, the estimated General Fund FBA from FY 2014-15 was \$35.5 million, while the actual at year-end was \$39.7 million, a difference of \$4.2 million. As shown, the year-end FBA for FY 2015-16 is comparable to that for the prior fiscal year. The variables that drive FBA are actual revenues and expenditures compared to budgeted, or estimated, amounts. There are three main components to the higher than estimated FBA: 1) non-departmental revenues, including property and sales tax, 2) departmental savings, and 3) unused contingencies. These components are outlined below.

FY 2015-16 non-departmental revenues (including property and sales tax) ended the year 7% or \$11.3 million over adopted levels. The increase is primarily driven by an increase in property tax revenue from a healthy housing market, although increases were also seen in sales and transient occupancy tax revenue, which is linked to increases in consumer spending and tourism.

Nearly all County operating departments ended the year at or below their budgeted level of General Fund support. This contributed approximately \$8.3 million in savings to the General Fund. There are two primary exceptions: Court Operations contributed \$235,531 less than budgeted to the General Fund, while the Office of Emergency Services finished the year \$29,738 above the budgeted level of General Fund support. More on these fund centers is discussed below. Twelve County departments saved \$200,000 or more compared to their budgeted level of General Fund support.

In the 3rd quarter of FY 2015-16, the Sheriff-Coroner, County Counsel, and Public Works – Facilities Management fund

centers reported that they would require General Fund contingencies in a total amount of \$905,789. Subsequent to the allocation of additional General Fund, these departments ended the year at a total of \$592,989 below their adjusted General Fund support. This resulted in \$312,800 of contingencies being unused and returning to the General Fund. Salary and benefits savings and unanticipated revenues are the primary drivers behind the savings. Unused contingences comprises over half of the FBA, at \$20.8 million of a total of \$40 million.

The County's "Results Based Decision Making" initiative is the tool used to monitor performance measurements, which link local government activities and spending to results that benefit the community. In total, there are 221 performance measures that are tracked by County departments and presented in the budget. FY 2015-16 performance measure results are generally consistent with results from prior years. Of the total, 35 (16%) were met, 89 (40%) exceeded their target, and 86 (39%) did not meet their targets. There is no data available to report on 11 (5%) of the measures. It is important to note that the increase in measures "not met" does not necessarily indicate a decrease in performance level as some departments use stretch targets and some performance measures have changed from the prior year. Of those not met, 33 (38%) measures were within 5% of their target. Also, one-third (72) of the measures saw some improvement from the prior year. A more detailed summary of departmental performance can be found in Section 5 of the report.

The performance measures for each County department and their FY 2015-16 results can be found in the Clerk Recorder's Office (Clerk's Filed) and on the County's website at:

http://www.slocounty.ca.gov/admin/Resources/FY_2015-16_Performance_Measure_Results.htm

OTHER AGENCY INVOLVEMENT/IMPACT

All County departments contributed to the development of this report.

FINANCIAL CONSIDERATIONS

Approval of the recommendations in this report will allow for the discharge of \$40,551.48 of bad debt and the acceptance of \$31,746.92 in donations on behalf of County departments. Details are provided in Section 4 of the report and Attachment 2.

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 2015-16, contributing to a well-governed community.

ATTACHMENTS

1. Attachment 1 - FY 2015-16 Year-End Financial Status Report
2. Attachment 2 - Miscellaneous Letters
3. Attachment 3 - Resolution to Amend PAL
4. Attachment 4 - Performance Measures (Clerk's Filed)