



Fiscal Year 2016-2017 Q2 Financial Status Report

2/7/2017

Issued by the County Executive Office and Auditor-Controller

Second Quarter Financial Status Report

- General Fund (Attachment A) +\$2.0M
Four reportable variances
- Special Revenue & Other Funds (Attachment B)
-\$3.8M
- 64 of 68 Departments and Funds are positive or at budget

General Fund (Attachment A) +\$2.0M

- General Fund has four reportable variances:
 - Sheriff's Department **-\$929K**
 - General Revenues **+\$757K**
 - General Services Department **-\$194K (not normally reported)**
 - County Counsel Department **+\$397K**
- Most other departments are tracking on or ahead of budget

Sheriff Operations (Variance **-\$929K**)

Staffing & Overtime

- Salaries and Benefits (S&B) estimated **-\$715k**
 - **-\$5.3M** in Overtime
 - **+\$4.6M** in all other S&B accounts
- *Increased monitoring of OT between CEO and Sheriff offices in both Custody and Law Enforcement*
- As sworn vacancies are filled salary savings will likely diminish and OT may increase during the extensive training periods
- *Transitional NBJ staffing is estimated to start in Q3; should reduce OT once staff is trained*

Significant Prop. Tax Variances

Budgeted Assessed Value Growth 4.5% vs. Actual 4.25%

Property Tax Summary (in thousands):				
Source	Adopted FY 2016-17	Adjusted FY 2016-17	Projected FY 2016-17	Variance Proj. vs. Adjusted
Property Tax - Secured	\$ 126,445	\$ 126,445	\$ 125,756	\$ (689)
Property Tax In-Lieu of VLF	\$ 51,736	\$ 51,736	\$ 51,485	(251)
Property Tax: Fines, Penalties	\$ 3,482	\$ 3,482	\$ 3,281	(201)
Property Tax - Unsecured	\$ 5,130	\$ 5,130	\$ 5,323	193
Property Tax - Unitary	\$ 2,713	\$ 2,713	\$ 2,836	123
Property Tax - Supplemental	\$ 3,867	\$ 3,867	\$ 3,336	(531)
Property Tax Transfer	\$ 4,755	\$ 4,755	\$ 3,672	(1,083)
Significant Prop Taxes	\$ 198,128	\$ 198,128	\$ 195,688	\$ (2,440)

General Revenues

Discretionary General Revenue Summary (in thousands):				
Source	Adopted FY 2016-17	Adjusted FY 2016-17	Projected FY 2016-17	Variance Proj. vs. Adjusted
Significant Property Taxes	\$ 198,128	\$ 198,128	\$ 195,688	\$ (2,440)
Secured Prop Tax Corrections - One-time	\$ (392)	\$ (392)	\$ 1,508	1,900
RDA Prop. Tax - Ongoing	5,720	5,720	5,720	-
Subtotal Property Taxes	\$ 203,456	\$ 203,456	\$ 202,916	\$ (540)
Cost Allocation Services	11,152	11,152	11,152	0
Local Sales Tax	10,216	10,216	10,449	233
Transient Occupancy Tax	9,429	9,429	10,144	715
Payments in Lieu of Tax	18	18	18	-
All Other Revenues	5,589	5,589	5,809	220
Total Discretionary Revenues	\$ 239,860	\$ 239,860	\$ 240,488	\$ 628
Use of Funds - Other Financing Uses	\$ 30,031	\$ 30,031	\$ 29,902	\$ 129
Projected Fiscal Year End Variance				\$ 757

Increase in TOT estimated to add \$1.8M in new revenues annually

General Services (Variance **-\$194K**)

Emergency Maintenance Needs Greater than Planned

- Emergency maintenance overrun expected to be **\$1.0M**
- Department balanced budget by delaying originally scheduled maintenance projects and reallocated funds to unforeseen emergency repair projects

County Counsel (Variance +\$397K)

- The positive variance is due to:
 - Increased work in risk litigation and Behavioral Wellness issues
 - Salaries & benefits savings
 - Services & supplies savings

Second Quarter Financial Status Report

Special Revenue & Other Funds (Attachment B) **-\$3.8M**

- Special Revenue reportable variances;
 - +\$762K Vehicle Operations/Maintenance Fund (1900)
 - Dept. of Behavioral Wellness
 - **-\$6.1M** Mental Health Fund (0044) related to inpatient services
 - **-\$1.9M** Mental Health Services Act Fund (0048)
 - Favorable variances in other departments partially offset the negative in the Mental Health Fund and Mental Health Services Act Fund

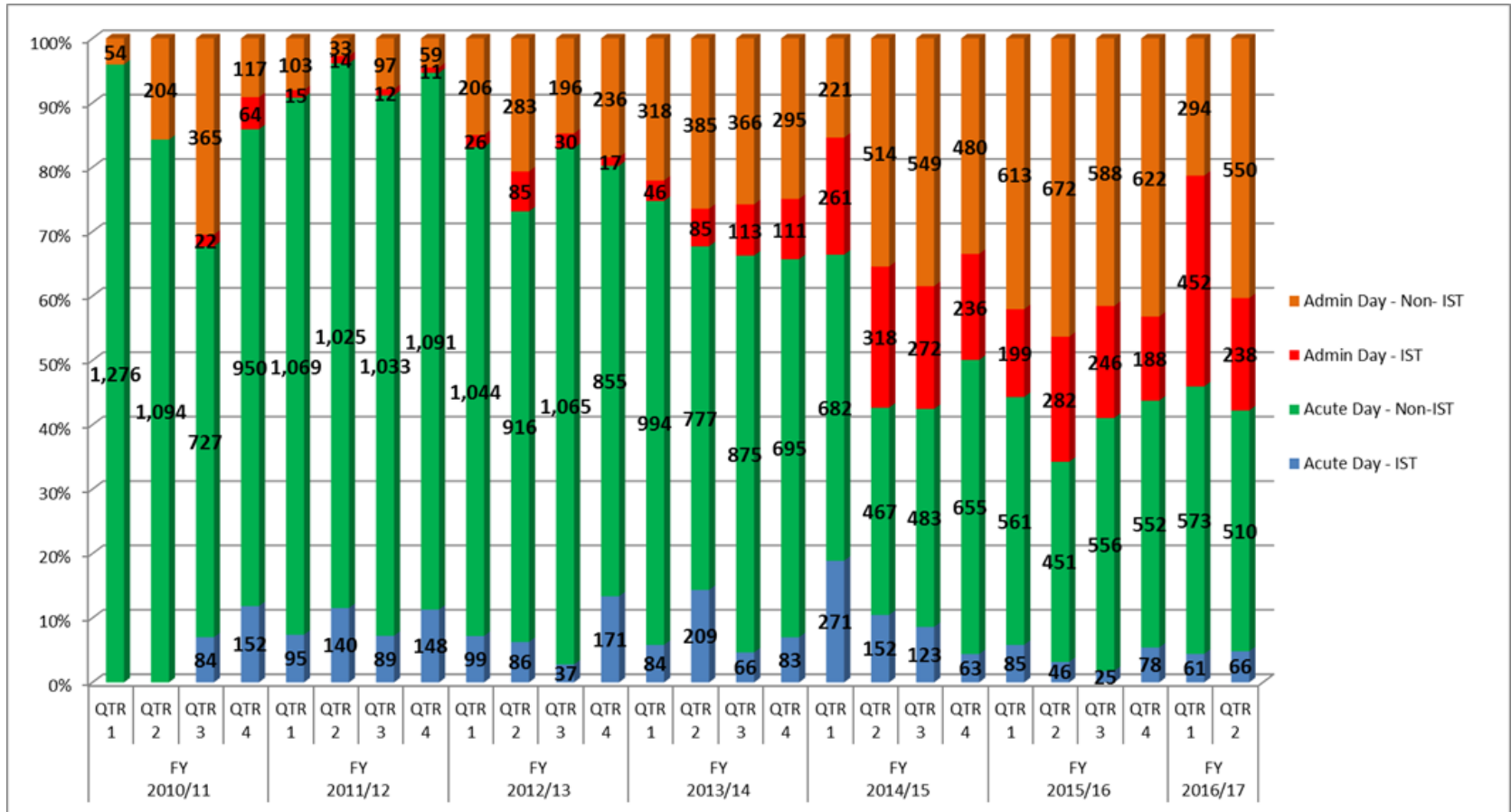
Vehicle Operations/Maintenance Fund

- The Vehicle Operations/Maintenance Fund (1900) has a projected variance of **+\$762K**
 - Lower than budgeted fuel costs
 - Fuel accounts for positive variance of **+\$1.0M**, which is offset by less revenue from lower charges to other departments for fuel costs

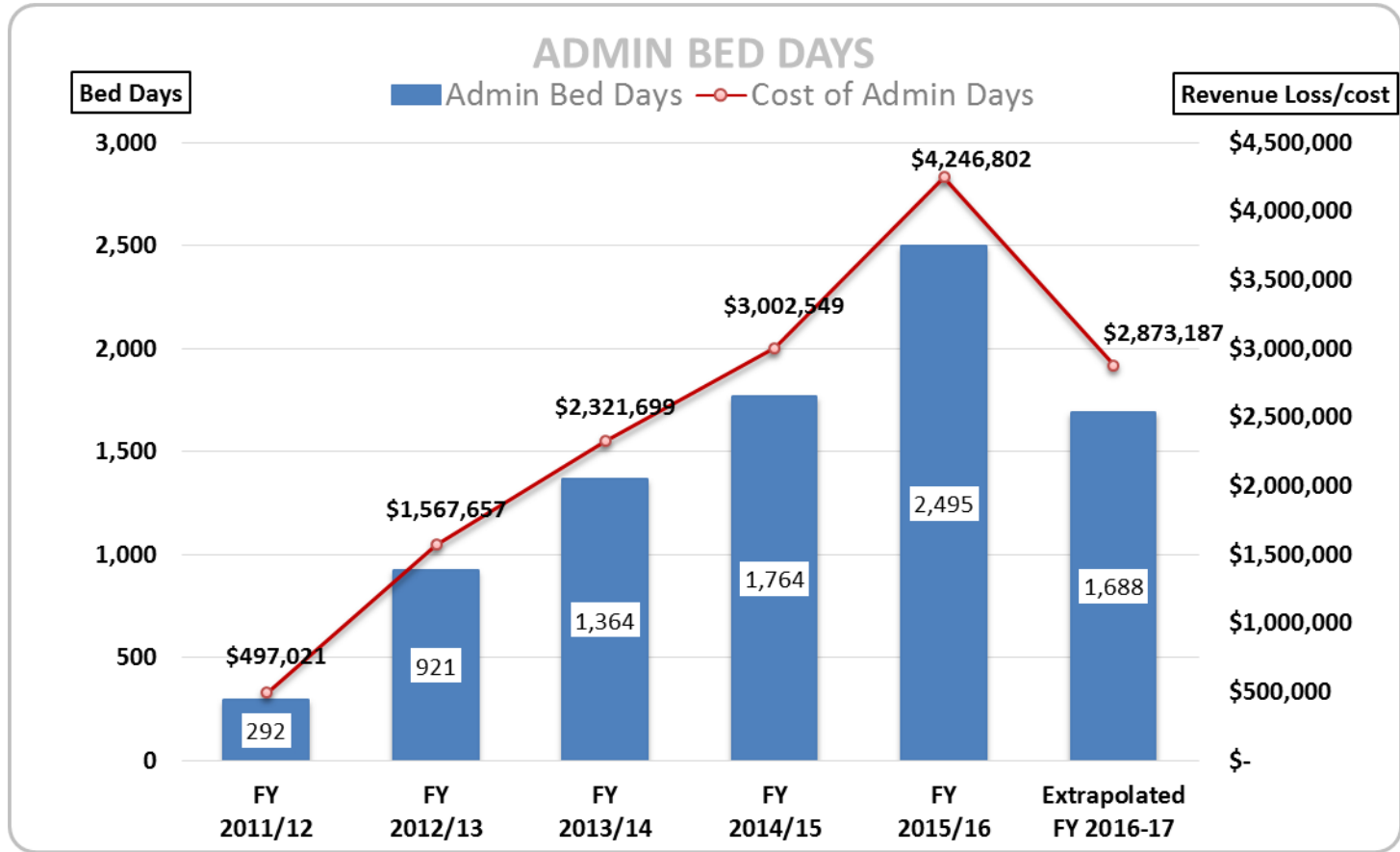
Behavioral Wellness

- The Mental Health Services Fund (0044) is projecting a negative variance of **-\$6.1 million**. The main drivers of the variance are:
 - Psychiatric Health Facility (PHF) audit compliance required unbudgeted expenditures of **-\$2.6 million** (\$2.2M in 1x costs).
 - PHF revenue is down **-\$2.2 million** due to IST/ADM days (non-billable)
 - Utilization at Aurora Vista Del Mar trend exceeding budget by **-\$1.5 million**
 - Out of County use of IMD beds trend exceeding budget by **-\$900 thousand**
- Partially offset by a positive audit settlement, for FY 08-09, in the amount of \$730 thousand and unanticipated VLF Growth of \$410 thousand

PHF Bed Days (Acute vs. Admin)



Behavioral Wellness



Behavioral Wellness

- The Mental Health Services Act Fund (0048) is projecting a negative variance of **-\$1.9 million**. The main drivers of the variance are:
 - Medi-Cal revenue generated in clinics trending **-\$3.7 million** under budget
 - Salary savings of **+\$1.8 million** anticipated to offset portion of revenue shortfall

- Actuals Are Generally Tracking Budget
- ▲ Actuals Materially Vary from Budget-Positive
- ▼ Actuals Materially Vary from Budget-Negative
- Actuals Expected to End Year in Deficit

Summary

- Signal Chart: 64 of 68 on or above target
- General Fund variance +\$2.0M
 - Sheriff Department overtime
 - General Revenues positive variance
 - General Services maintenance
 - County Counsel positive variance
- Special Revenue variance -\$3.8M
 - Vehicle Operations/Maintenance Fund positive variance
 - Mental Health Services Fund projects expenditures \$6.1M over budget due to inpatient costs and audit findings
 - Mental Health Services Act Fund projects revenues \$1.9M under budget

General Fund	Other Funds
● Board of Supervisors	Parks
● County Executive Office	● Capital
▲ County Counsel	● Providence Landing CFD
● District Attorney	Planning and Development
● Probation	● Fish and Game
● Public Defender	● Petroleum
● Courts	● CREF
■ Sheriff	● RDA Successor Agency
● Public Health - EHS, AS, HazMat	Public Works
● Agriculture Commissioner	● Roads: Funds 0015, 0016, 0017, 0019
● Parks	● Resource Recovery and Waste Mgt.
● Planning and Development	● CSA
● Public Works	● Flood Control
● Housing & Comnty. Devmnt.	● North County Lighting
● Community Services Dept.	● Laguna Sanitation
● Auditor Controller	● Water Agency
● Clerk-Recorder-Assessor	Housing & Comnty. Devmnt.
● General Services	● CDBG
● Human Resources	● Affordable Housing
● Treasurer-Tax Collector	● HOME
● General County Programs	● Municipal Energy Financing
▲ General Revenues	● Orcutt CFD
	General Services
	● Capital
	● Special Aviation
Other Funds	▲ Vehicles
Fire	● Information Technology
● Fire Protection	● Communications
Sheriff	● Utilities
● Inmate Welfare	CEO-Human Resources
Public Health	● County Unemployment Insurance
● Health Care	● Dental Insurance
● Tobacco Settlement	● Medical Malpractice Insurance
Behavioral Wellness	● Workers' Comp Insurance
■ Mental Health Services	● County Liability Insurance
■ Mental Health Services Act	Treasurer-Tax Collector
● Alcohol and Drug Programs	● Debt Service
Social Services	General County Programs
● Social Services	● Public and Educational Access
● IHSS Public Authority	● Criminal Justice Facility Const.
	● Courthouse Construction
Child Support	First Five
● Child Support Services	● First Five Child & Families Comm.
Sheriff	RDA Successor Agency
● Capital Projects - Jail	● Successor Agency Housing

Recommended Actions

- Accept and file the FY 2016-17 Budget and Financial Status Report as of December 31, 2016.



QUESTIONS?

Behavioral Wellness

FY 2016-17 Projected Net Financial Impact

	1x	Ongoing	Total
PHF Audit	\$ (2.2)	\$ (0.4)	\$ (2.6)
PHF Revenue		\$ (2.2)	\$ (2.2)
AVDM		\$ (1.5)	\$ (1.5)
IMD		\$ (0.9)	\$ (0.9)
Subtotal	\$ (2.2)	\$ (5.0)	\$ (7.2)
Audit Settlement		\$ 0.7	\$ 0.7
VLF		\$ 0.4	\$ 0.4
Subtotal	\$ (2.2)	\$ (3.9)	\$ (6.1)
Realign. Growth		\$ 0.4	\$ 0.4
Salary Savings		\$ 0.8	\$ 0.8
Grand Total	\$ (2.2)	\$ (2.7)	\$ (4.9)