

# Second Quarter Budget Update

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Report to the Board of Supervisors  
February 21, 2006

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- General Fund overall is a positive \$7.9 million
    - Discretionary Revenue is +\$3.6 m
      - All but \$1.3m of the \$6.8m VLF gap loan repayment has been appropriated
      - Other revenues account for the continuing positive variance
  - In contrast, the FY 2004-05 mid-year variance was only \$1.4 million
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## □ General Fund comments:

- Many departments have large salary savings amounts attributable to continued difficulty in filling vacant positions
  - The anticipated increases in natural gas and electric costs did not materialize. The mild Winter has held down usage and prices have begun to decline
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## □ Other Funds Concerns: Road Fund

(No change in status of outstanding reimbursable amounts since the 1<sup>st</sup> Q report)

- Federal Highway Administration (FHWA)
    - Approved 2005 Storm Sites \$15.6 m
  - Public Works expenditures \$8.9 m
    - \$7.5 m for Old San Marcos Road
  - FHWA reimbursements \$0
    - Will provide an oral update of new information is available
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- Major Outstanding Issues:
    - County Split Election
    - Outstanding Litigation
    - Road Fund Reimbursement
  - State Budget
    - No major unanticipated negative impacts; will await developments before reporting
  - Federal Budget
    - Deficit Reduction Act impacts to be quantified
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