

# SANTA BARBARA COUNTY BOARD AGENDA LETTER



Clerk of the Board of Supervisors  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

**Agenda Number:**  
**Prepared on:** 5/10/04  
**Department Name:** County Administrator &  
Auditor  
**Department No.:** 012  
**Agenda Date:** 5/18/04  
**Placement:** Departmental  
**Estimate Time:** 45 minutes  
**Continued Item:** NO  
**If Yes, date from:**

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**TO:** Board of Supervisors

**FROM:** Michael F. Brown , County Administrator  
Robert Geis, CPA, Auditor-Controller

**STAFF CONTACT:** Ken Masuda and Lori Norton  
568-3411 568-3421

**SUBJECT:** **FY 2003-04 Third Quarter Budget Update and Forecast of Financial Condition on 6/30/04**

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## **Recommendation(s):**

That the Board of Supervisors:

- A. Accept and file, per the provisions of Government Code Section 29126.2, the Fiscal Year 2003-04 Financial Status Report as of March 31, 2004, showing the status of appropriations and financing for all departmental budgets adopted by the Board of Supervisors.
- B. Accept an update on the forecasted FY 03-04 financial condition on 6/30/04, and a presentation on significant current budget issues.
- C. Accept a status report on Vehicle License Fee (VLF) revenue as of May 10, 2004 and recommended action, if necessary.

## **Alignment with Board Strategic Plan:**

[An efficient government able to anticipate and respond effectively to the needs of the community.](#)

## **Executive Summary**

This report, developed in conjunction with the County Auditor-Controller, focuses on the current fiscal year, 2003-04. Much like last year at this time, the County is in decent financial shape now, and barring unforeseen circumstances, or a quick and unsatisfactory

resolution to the State's budget crisis prior to June 30, will be in decent shape at the end of the fiscal year.

Coincidentally, today you have also received the Proposed FY 04-05 budget. The budget is balanced, but includes current level service reductions in some areas. It does not include any of the Governor's proposed State budget reductions which, given our budget timetable, and the frequent gap between proposals and final legislation, we have not attempted to program into our budget. However, as your Board knows, additional impacts to the County budget are expected as part of the solution to the State budget deficit.

**Discussion:**

**A. Introduction**

Staff has conducted Monthly Projection (MoPros) meetings with departments during which their actual performance was compared to their budget for the first nine months of this fiscal year. During these meetings differences (variances) between budgeted and actual amounts were identified. The following narrative highlights major variances, defined as follows: 1) for General Fund departments, the narrative discusses projected variances over \$100,000 as shown in the Projected Annual Status Report, General Fund (Attachment A) and 2) for non-General Fund departments, the narrative discusses projected variances over \$500,000 per fund as shown in the Projected Annual Status Report, by Fund Type (Attachment B). Both these reports take actual revenues and expenditures for the first nine months, add department projections for the next three months, and compare these totals to budgeted amounts.

**B. Financial Status Report as of March 31, 2004 and Year-end Projection for County General Fund**

**Status of General Fund Discretionary Revenues**

Through March 31, discretionary revenues show a positive variance of \$2.9 million. Property taxes are a positive \$655,000 through March, Vehicle License Fee revenue is +\$1,220,000 more than the adjusted budget amount which was revised downward due to the "back-fill loan," Property Transfer Taxes are +\$684,000, and Transient Occupancy Taxes (TOT) are +\$616,000. Partially offsetting these positives, Interest Income is -\$587,000.

Current secured property tax revenues were slightly (1%) underestimated in the adopted FY 03-04 budget. However, this 1% amounts to approximately \$450,000. Vehicle license fee revenue will be discussed in a separate section of this report. The TOT revenues reflect the rebounding local tourist industry, and property transfer taxes reflect the continuing appreciation of housing market values and property sales that are exceeding last year's levels.

Interest rates on deposits continue to be lower than expected, resulting in lower interest income. Although retail sales revenue is currently meeting projections, they do not reflect the same robust activity currently seen in the tourism and housing markets.

## Status of Departments

Using the Projected Annual Status Report as a reference, those departments with large variances between budgeted and estimated actual amounts as of 3/31/04 are as follows:

- County Counsel. Reasons for the \$162,000 positive variance can be summarized as follows: Charges for services revenues are lower because less than anticipated work has been done for risk management (\$174,000), the energy division of Planning and Development (\$67,000), and the Assessor for assessment appeals (\$53,000). However, these reductions have been more than offset by reduced expenditures for outside attorneys (\$363,000).
- District Attorney. The current overall positive \$191,000 variance includes payment of \$120,000 in unanticipated civil penalties and a positive Proposition 172 balance of \$69,000. As budgeted, the department can move up to \$125,000 in civil penalties revenue to a designation for use to balance their FY 04-05 budget.
- Fire. The \$676,000 positive variance for Fire's General Fund is primarily due to Federal and State reimbursements for fire protection services being \$137,000 higher than anticipated and Services and Supplies expenditures being \$410,000 lower than anticipated. The \$410,000 is a combination of items and not attributable to any single program.
- Sheriff. The overall negative variance of \$552,000 is primarily attributable to salaries and benefits, especially overtime and extra help, significantly exceeding appropriations. Total salaries and benefits are a negative \$726,000, with overtime alone showing a -\$744,000. The overtime amount is, in part, due to staffing vacancies. Through March, unanticipated overtime for Gardner Ranch and Michael Jackson cases contributed only \$70,000 of the excess overtime amount. Services and supplies are a net -\$245,000. Revenues are currently a +\$397,000. However, a positive or negative year-end revenue variance will largely depend on negotiations with the Superior Court regarding reimbursement for bailiff services, which has the potential for being only slightly under budget or significantly under budget. This "swing" could be in the \$500,000 range.
- Agricultural Commissioner. The \$147,000 positive variance is largely due to State Aid for Agriculture being a +\$131,000 due to a gas tax formula change.
- Parks. The +\$173,000 revenue variance is largely due to ranger vacancies at Cachuma which have been maintained to offset revenue losses there. However, with the Summer season approaching, it is anticipated that hiring will mitigate any future savings.
- Planning and Development. Currently shows a net positive variance of \$653,000 that is primarily caused by vacant positions resulting in salary savings. Both Counter Permit (+\$144,000) and Discretionary Permit (+\$129,000) revenue are higher than anticipated. But Permit Compliance revenue is down (-\$134,000) due to compliance staff working on permit processing.

While the positive variance shown is expected to continue, it will be lower at year-end as Building Permit revenue is set aside to be spent when the actual inspection

cost is incurred and as unbudgeted process improvement costs are reflected in expenditures.

- Public Works. The negative \$450,000 variance is due to delays in internal billings. The department's General Fund budget should be fine at the end of the fiscal year.
- Auditor-Controller. The \$239,000 positive variance is primarily due to salary savings from vacant positions (\$159,000) and lower Professional and Special services costs (\$62,000) due to delayed payment for contractor work on the Property Tax System.
- General Services. The negative \$328,000 variance is partly a timing problem regarding funding sources (\$119,000) and duplicate counting of Reserved Receivables (\$220,000) the County loan involving the Casa Nueva Building and the Association of Governments and Air Pollution Control District.
- Human Resources. The +\$171,000 variance is due to salary savings from vacant positions, lower expenditures on the marketing program, and the timing of expenditures on the new applicant tracking system.
- Treasurer-Tax Collector. The net negative variance of \$154,000 is largely due to a timing issue regarding the release of designations which should resolve itself before the end of the fiscal year.
- General County Programs. As of March 31, this budget had a +\$934,000 variance. Most of the variance is a timing issue as the City of Santa Barbara has not billed for its \$660,000 second quarter library payment. Interest expense is \$202,000 lower and this represents a real savings for the year.

### **Net Impact through March 31 (Third Quarter)**

The General Fund, when all of the plusses and minuses and timing differences are accounted for, has an estimated net positive variance of approximately \$5 million through March 31, 2004. Increased discretionary revenues account for \$2.9 million of the positive variance. Departments, for the most part, currently show expenditures and revenues in line with their annual adjusted budgets or project to have them in line by the end of the year.

### **Year-end (June 30) Estimates**

We forecast the General Fund will end the current fiscal year with a positive financial performance. When the positive and negative variables, outlined below, are considered, the positive number is projected to be closer to \$4 million rather than the \$5 million currently shown.

By year-end, Discretionary General Fund revenues should show a net increase of \$1.9 million over the adjusted budget for a total of \$135.1 million for the year. Property tax revenues as a whole are projected to be \$800,000 over adjusted amounts. Both the Vehicle License Fee (+\$1.5 million) and Transient Occupancy Tax (+\$200,000) are expected to show positive results as compared to their adjusted budget numbers. The only large negative number is Interest Income, which is

projected, based on current data, to end up a -\$700,000 due to lower than expected interest rates.

On the departmental side, we expect the Planning & Development Department and the General County Program budgets to maintain their positive variances, but, as indicated, to be less than currently shown. On the other hand, Interest Expense savings in General County Programs should be double the \$202,000 already realized. The largest budget variable is the Sheriff's Department. If an agreement is reached with the Superior Court to provide bailiff reimbursement in the \$3.8 million range, the negative variance will be smaller than currently shown. However, if an agreement were not reached, the variance would likely be larger due to a lower level of Court reimbursements. Overtime costs during the fourth quarter are also an issue.

**C. Financial Status Report as of March 31, 2004 and Year-end Projection for Special Revenue Funds and Other Funds**

Using the Projected Annual Status Report by Fund Type as a reference, those funds with large variances between budgeted and estimated actual amounts as of 3/31/04 are as follows:

- Children and Families First (0010). Through March, this fund had a \$640,000 positive variance. Revenues from the State are a positive \$496,000 and, as a result, less of the designated endowment will be used this year. Also, Contractual Services expenditures are \$164,000 lower than expected because contractors are late sending in claims.
- Road Fund (0015). The net negative \$787,000 variance is the result of both revenue and expenditure changes. Revenues are lower due largely to a lag in Federal reimbursements of \$5.5 million and \$791,000 less contract work for the City of Goleta. Interest income is also down \$106,000 due to reduced cash flow. On the expenditure side, work has been postponed and equipment purchases put off resulting in Services and Supplies expenditures being \$4.6 million less and equipment expenditures being under by \$376,000.
- Health Care Services Fund (0042). The net negative \$2.4 million variance is almost entirely due to a \$2.1 million lag in State reimbursements for FQHC Medical claims. The issue was resolved during the first week of April, but payments have been delayed.
- Mental Health Fund (0045). This fund shows a negative variance of \$3.6 million, including a \$6.2 million negative variance on the revenue side. Of this total, \$5.2 million is EPSDT (mental health services for children through Early and Periodic Screening, Diagnosis and Treatment) revenue. About half of this revenue will not be received until Fiscal Year 04-05. The rest, while delayed, should be received this year. The department has assured us that while the delay will impact their cash balance and possibly their FY 03-04 ending fund balance, it will not adversely affect their ability to provide services this year.

On the expenditure side, most of the positive variance in Professional and Special Services are due to the timing of payments and payment delays due to incorrect contractor invoices.

- Water Agency (3050). The positive \$959,000 variance reflects a delay in the start up of the Proposition 13 commercial rebate program.
- Capital Outlay (0030). The positive \$594,000 variance includes \$295,000 in unanticipated underground storage tank cost reimbursements and timing issues with respect expenditures for various capital projects.
- Municipal Finance Capital (0035). This fund was created for the new projects (except enterprise fund projects) funded by the 2004 Certificates Of Participation. The \$1.2 million positive variance is due to construction projects being behind schedule. Of this total \$867,000 is for the North County Public Works Service Center.
- Laguna County Sanitation (2870). This fund has a positive \$572,000 variance as of March 31. The variance is a combination of lower revenues from fees because the number of new sewer connections has been less than projected and expenditures being than projected due to a slight delay on the micro turbine project. This project now has an October 2004 completion date.
- Vehicles Operation and Maintenance (1900). The main reason for the +\$1.1 million variance is the vehicle purchase freeze which has resulted in equipment expenditures being \$833,000 underexpended as of March 31.
- Workers Compensation Fund (1911). The \$807,000 negative variance is largely due to the Superior Court not paying its current year premium (\$503,000) and to the CSAC-Excess Insurance Authority excess premiums being \$167,000 higher than budgeted.

### **Net Impact on General Fund**

There is the potential that an anticipated Foster Care cost overrun in the Social Services Special Revenue Fund could negatively impact the General Fund this year. Here's how. Foster Care costs have been rising. The caseload is primarily juveniles on probation supervised by the Probation Department. Foster Care financing has the following Federal/State/County cost sharing ratios: Federal Program: 47%/21%/32%, and Non-Federal Program: 0%/40%/60%. The Social Services department budget contains many distinct programs. In most cases, because of Federal/State rules and maintenance of effort requirements, savings in one program cannot be shifted to another program.

### **Year-end (June 30) Estimates**

We believe five special revenue funds require close monitoring as we wind down the fiscal year. Each fund will most likely draw down on fund balance (expenditures will exceed revenues for the year) and four of the five are impacted by decreases in State funding or are experiencing delays in collecting revenues from the State. The Funds are some of our largest including Health Care, ADMHS, Social Services, the Fire Protection District and the Road Fund.

The Water Agency, Municipal Finance Capital, and Vehicles Funds all have large positive variances that should be significantly lower by year-end as capital expenditures are made.

#### **D. State Budget Impacts/Vehicle License Fee Payments**

Unlike last year, we do not anticipate any further State budget impacts before the end of the current fiscal year. The picture regarding Vehicle License Fee (VLF) payments remains positive. As your Board knows, the Realignment portion of VLF payments was held up for two months due to a court case. However, payments will now resume thanks to the Legislature and Governor approving new legislation on May 5. VLF payments to the General Fund remain ahead of estimates and, for the year, the potential deficit has been reduced from \$15.1 million in January to \$4.1 million as of the May 10<sup>th</sup> payment. Details are included as Attachment C.

#### **F. Conclusion**

We approach a year of uncertainty and change with a mix of positives and negatives. The current year budget will end the year with a positive fund balance which we estimate at around \$4 million. The recommended fiscal year 2004-05 budget, which your Board will consider in June, is balanced and contains only a minimum amount of service level reductions. To minimize reductions, however, we have significantly reduced budget allocations to discretionary designations. Funding for the Strategic Reserve has been reduced from \$1.5 million to \$500,000, funding for Deferred Maintenance from \$2 million to \$1.2 million, and the Capital Designation, previously \$500,000 annually, has not been funded at all. The result is that, in contrast to the current year, there will be less money from these appropriations to mitigate further State budget reductions, if such action becomes necessary.

We will again need to rely on the Board of Supervisors' discernment and direction and a dedicated group of executives, managers and line staff that is committed to resolving the potential resource shortfalls to the best of their ability and in the interest of those whom they serve.

A copy of the Powerpoint slides to be used in our presentation is included as Attachment D.

**Mandates and Service Levels:** As indicated and described in the text of the letter.

**Fiscal and Facilities Impacts:** Current and estimated impacts are stated in the text of the letter.

Attachments

CC: All Department Heads  
CAO Deputies  
CAO Analysts

# Projected Annual Status Report

As Of: 03/31/2004  
Accounting Period: CLOSED

0001 General Fund Type: General

Function/Department	Financing Sources			Financing Uses			Variance: Favorable/ (-)Unfavorable
	Estimated	Annual	Estimated	Annual	Estimated	Variance	
	Actual	Adj Budget	Variance	Adj Budget	Variance		
011 Board of Supervisors	8,927.00	25,213.00	-16,286.00	2,006,043.72	2,023,532.68	17,488.96	1,202.96
012 County Administrator	1,226,684.50	1,245,897.00	-19,212.50	2,980,191.19	3,097,700.00	117,508.81	98,296.31
013 County Counsel	3,581,112.37	3,894,417.00	-313,304.63	5,343,509.96	5,819,296.00	475,786.04	162,481.41
021 District Attorney	7,954,192.10	7,872,671.00	81,521.10	14,637,193.57	14,746,626.00	109,432.43	190,953.53
022 Probation	22,697,689.04	22,514,509.11	183,179.93	35,208,736.14	35,052,512.11	-156,224.03	26,955.90
023 Public Defender	2,920,730.85	2,904,135.00	16,595.85	7,482,882.05	7,530,196.65	47,314.60	63,910.45
031 Fire	33,163,974.87	32,941,261.00	222,713.87	33,969,735.31	34,423,223.00	453,487.69	676,201.56
032 Sheriff	49,757,714.80	49,339,893.51	417,821.29	73,536,176.91	72,566,284.10	-969,892.81	-552,071.52
041 Public Health	652,225.84	643,234.91	8,990.93	2,425,171.50	2,419,678.40	-5,493.10	3,497.83
051 Agriculture & Cooperative Ext	1,877,563.70	1,652,287.00	225,276.70	3,263,671.58	3,185,084.00	-78,587.58	146,689.12
052 Parks	7,054,692.74	7,031,445.56	23,247.18	9,832,361.55	9,981,733.56	149,372.01	172,619.19
053 Planning & Development	14,748,214.87	14,918,722.34	-170,507.47	18,093,201.41	18,917,065.04	823,863.63	653,356.16
054 Public Works	2,984,906.38	3,918,385.00	-933,478.62	3,799,482.71	4,283,107.15	483,624.44	-449,854.18
055 Housing & Community Develo	1,302,995.90	1,299,442.00	3,553.90	2,254,320.78	2,277,081.00	22,760.22	26,314.12
061 Auditor-Controller	2,500,099.87	2,597,350.00	-97,250.13	5,578,273.34	5,914,715.00	336,441.66	239,191.53
062 Clerk-Recorder-Assessor	10,778,639.54	10,809,814.00	-31,174.46	15,849,227.75	15,857,781.72	8,553.97	-22,620.49
063 General Services	8,215,345.88	8,346,441.00	-131,095.12	16,019,987.78	15,823,456.00	-196,531.78	-327,626.90
064 Human Resources	1,709,178.52	1,812,400.00	-103,221.48	2,929,426.82	3,203,959.00	274,532.18	171,310.70
065 Treasurer-Tax Collector-Publi	2,450,755.40	2,542,133.00	-91,377.60	5,279,165.11	5,216,922.00	-62,243.11	-153,620.71
990 General County Programs	3,215,504.75	3,607,004.00	-391,499.25	61,484,027.93	62,809,222.63	1,325,194.70	933,695.45
991 General Revenues	136,176,800.43	133,235,392.84	2,941,407.59	52,473.53	52,473.53	0.00	2,941,407.59
<b>Fund Totals</b>	<b>314,977,949.35</b>	<b>313,152,048.27</b>	<b>1,825,901.08</b>	<b>322,025,260.64</b>	<b>325,201,649.57</b>	<b>3,176,388.93</b>	<b>5,002,290.01</b>



# Projected Annual Status Report - Fund Type

As Of: 03/31/2004  
Accounting Period: CLOSED

Fund Type/Fund	Financing Sources		Financing Uses		Estimated Variance	Annual Adj Budget	Annual Actual	Estimated Variance	Variance: Favorable/ (-)Unfavorable
	Estimated Actual	Annual Adj Budget	Estimated Variance	Estimated Actual					
<b>General</b>									
0001 General	314,977,949.35	313,152,048.27	1,825,901.08	322,025,260.64	3,176,388.93	325,201,649.57	3,176,388.93	5,002,290.01	
<i>Fund Type Totals</i>	314,977,949.35	313,152,048.27	1,825,901.08	322,025,260.64	3,176,388.93	325,201,649.57	3,176,388.93	5,002,290.01	
<b>Special Revenue</b>									
0010 Children and Families First	6,237,540.79	5,984,443.00	253,097.79	5,611,157.02	386,439.98	5,997,597.00	386,439.98	639,537.77	
0015 Road	32,618,773.99	37,359,984.96	-4,741,210.97	34,660,991.67	3,953,988.17	38,614,979.84	3,953,988.17	-787,222.80	
0040 Public and Educational Acces	247,486.34	236,498.97	10,987.37	302,818.64	480.33	303,298.97	480.33	11,467.70	
0041 Fish and Game	23,416.03	18,669.00	4,747.03	18,461.51	7,454.49	25,916.00	7,454.49	12,201.52	
0042 Health Care	68,099,469.32	70,834,859.26	-2,735,389.94	71,550,995.94	268,570.26	71,819,566.20	268,570.26	-2,466,819.68	
0043 CA Health-Indigents Program	271,186.54	270,932.50	254.04	270,930.53	2,567,344.04	270,933.50	2,567,344.04	257.01	
0044 Alcohol,Drug,&Mental Hlth Sv	52,219,806.65	58,412,487.00	-6,192,680.35	56,766,544.96	3,625,336.31	59,333,889.00	3,625,336.31	-3,625,336.31	
0045 Petroleum Department	311,247.12	268,610.48	42,636.64	273,020.40	-3,186.47	269,833.93	-3,186.47	39,450.17	
0046 Tobacco Settlement	9,527,081.96	9,527,082.38	-0.42	9,507,403.02	19,679.36	9,527,082.38	19,679.36	19,678.94	
0047 Substance Abuse & Crime Pr	2,081,577.39	2,016,546.00	65,031.39	2,096,989.10	44,608.90	2,141,598.00	44,608.90	109,640.29	
0052 Special Aviation	956,184.98	958,807.33	-2,622.35	961,618.18	-2,655.85	958,962.33	-2,655.85	-5,278.20	
0055 Social Services	103,201,950.89	106,909,666.00	-3,707,715.11	104,326,940.66	3,549,798.24	107,876,738.90	3,549,798.24	-157,916.87	
0056 SB IHSS Public Authority	3,478,748.49	4,646,600.00	-1,167,851.51	3,508,327.39	1,142,317.61	4,650,645.00	1,142,317.61	-25,533.90	
0057 Child Support Services	10,410,707.05	10,997,626.00	-586,918.95	10,453,285.66	580,102.34	11,033,388.00	580,102.34	-6,816.61	
0061 Fisheries Enhancement	28,935.78	37,183.31	-8,247.53	33,458.90	35,158.41	68,617.31	35,158.41	26,910.88	
0062 Local Fishermen Contingency	27,111.75	27,706.45	-594.70	12,218.09	16,980.36	29,198.45	16,980.36	16,385.66	
0063 Coast Resource Enhanceme	2,106,545.85	2,082,274.45	24,271.40	2,753,863.49	-27,941.04	2,725,922.45	-27,941.04	-3,669.64	
0065 Affordable Housing	3,684,552.66	3,675,802.07	8,750.59	3,844,160.28	682.79	3,844,843.07	682.79	9,433.38	
0066 Home Program	1,495,231.05	1,507,600.00	-12,368.95	2,574,127.00	5,501.00	2,579,628.00	5,501.00	-6,867.95	
0069 Court Activities	15,211,484.91	15,160,571.03	50,913.88	15,344,728.09	-183,575.06	15,161,153.03	-183,575.06	-132,661.18	
0070 Crim Justice Facility Const	1,108,506.94	1,120,000.00	-11,493.06	1,184,233.61	-16,422.61	1,167,811.00	-16,422.61	-27,915.67	
0071 Courthouse Construction SB6	1,310,964.23	1,363,251.42	-52,287.19	1,408,743.94	30,074.48	1,438,818.42	30,074.48	-22,212.71	
0075 Inmate Welfare	1,370,567.64	1,522,698.36	-152,130.72	1,454,673.62	339,629.74	1,794,303.36	339,629.74	187,499.02	
2120 CSA 3	847,988.16	983,648.31	-135,660.15	848,757.20	151,954.11	1,000,711.31	151,954.11	16,293.96	
2130 CSA 4	25,632.92	24,522.48	1,110.44	24,641.96	423.52	25,065.48	423.52	1,533.96	
2140 CSA 5	74,645.79	73,756.95	888.84	75,519.26	1,477.69	76,996.95	1,477.69	2,366.53	
2170 CSA 11	563,451.56	555,729.42	7,722.14	326,945.32	235,032.10	561,977.42	235,032.10	242,754.24	
2185 Mission Canyon Swr Svc Chg	349,129.72	350,873.80	-1,744.08	351,409.47	4,637.33	356,046.80	4,637.33	2,893.25	
2220 CSA 31	44,579.15	51,590.00	-7,010.85	63,044.16	-6,255.16	56,789.00	-6,255.16	-13,266.01	
2230 CSA 32	17,625,283.00	17,625,283.00	0.00	17,625,283.00	0.00	17,625,283.00	0.00	0.00	
2242 CSA 41	40,705.86	42,350.00	-1,644.14	76,333.83	-33,701.83	42,632.00	-33,701.83	-35,345.97	

# Projected Annual Status Report - Fund Type

As Of: 03/31/2004  
Accounting Period: CLOSED

Fund Type/Fund	Financing Sources			Financing Uses			Variance: Favorable/ (-)Unfavorable
	Estimated	Annual	Estimated	Annual	Estimated	Variance	
	Actual	Adj Budget	Variance	Actual	Adj Budget	Variance	
<b>Special Revenue</b>							
2270 Orcutt CFD	6,924.22	15,004.39	-8,080.17	4.39	15,004.39	15,000.00	6,919.83
2280 Fire Protection Dist	22,891,916.36	23,000,139.39	-108,223.03	22,995,861.42	23,038,016.39	42,154.97	-66,068.06
2400 Flood Ctrl/Wtr Cons Dst Mt	5,317,871.48	5,345,194.03	-27,322.55	5,874,347.15	-5,902,987.00	28,639.85	1,317.30
2420 SBFC Orcutt Area Drainage	191,647.29	566,109.73	-374,462.44	631,007.63	631,671.73	664.10	-373,798.34
2430 Bradley Flood Zone Number	27,111.85	27,289.18	-177.33	34,070.40	35,651.18	1,580.78	1,403.45
2460 Guadalupe Flood Zone Numb	57,410.87	54,889.21	2,521.66	71,205.05	84,319.21	13,114.16	15,635.82
2470 Lompoc City Flood Zone 2	884,545.08	883,397.42	1,147.66	1,004,364.40	1,000,260.42	-4,103.98	-2,956.32
2480 Lompoc Valley Flood Zone 2	236,912.34	238,787.02	-1,874.68	240,775.34	239,642.02	-1,133.32	-3,008.00
2500 Los Alamos Flood Zone Num	80,070.86	79,250.90	819.96	99,784.94	103,884.90	4,099.96	4,919.92
2510 Orcutt Flood Zone Number 3	250,396.31	250,222.19	174.12	298,843.97	300,071.19	1,227.22	1,401.34
2560 SM Flood Zone 3	2,954,771.10	2,947,280.84	7,490.26	3,015,866.30	3,018,038.84	2,172.54	9,662.80
2570 SM River Levee Maint Zone	193,094.42	185,902.40	7,192.02	243,252.45	243,893.40	640.95	7,832.97
2590 Santa Ynez Flood Zone Num	248,060.77	248,946.95	-886.18	292,607.76	297,614.95	5,007.19	4,121.01
2610 So Coast Flood Zone 2	6,040,070.97	6,031,527.09	8,543.88	7,440,589.31	7,452,772.09	12,182.78	20,726.66
2670 North County Lighting Dist	437,766.84	430,600.00	7,166.84	451,026.95	459,838.00	8,811.05	15,977.89
2700 Mission Lighting District	4,643.55	4,577.88	65.67	4,503.61	4,787.88	284.27	349.94
2740 Summerland Lighting District	158,097.05	158,098.00	-0.95	163,028.05	163,029.00	0.95	0.00
3000 Sandylan Seawall Maint Dist	74,235.97	75,133.22	-897.25	85,336.33	79,867.22	-5,469.11	-6,366.36
3050 Water Agency	2,636,250.60	2,899,623.00	-263,372.40	1,810,427.14	3,032,528.65	1,222,101.51	958,729.11
3060 Water Agency Special	1,696,429.32	2,073,367.00	-376,937.68	1,418,218.30	2,160,737.00	742,518.70	365,581.02
3100 SB RDA - Isla Vista Proj	1,492,243.64	1,381,847.00	110,396.64	1,326,397.83	1,436,788.00	110,390.17	220,786.81
3102 SB RDA Housing-Isla Vista P	556,942.13	534,359.00	22,583.13	1,147,606.00	1,119,855.00	-27,751.00	-5,167.87
<b>Fund Type Totals</b>	<b>382,037,907.53</b>	<b>402,079,199.77</b>	<b>-20,041,292.24</b>	<b>396,960,750.62</b>	<b>412,201,484.56</b>	<b>15,240,733.94</b>	<b>-4,800,558.30</b>
<b>Debt Service</b>							
0036 Municipal Finance Debt Svc	28,199,539.15	28,495,439.52	-295,900.37	28,505,182.18	28,690,254.52	185,072.34	-110,828.03
3108 SB RDA - Debt Svc	386,358.21	403,542.14	-17,183.93	429,048.90	403,593.14	-25,455.76	-42,639.69
<b>Fund Type Totals</b>	<b>28,585,897.36</b>	<b>28,898,981.66</b>	<b>-313,084.30</b>	<b>28,934,231.08</b>	<b>29,093,847.66</b>	<b>159,616.58</b>	<b>-153,467.72</b>
<b>Capital Projects</b>							
0030 Capital Outlay	41,956,886.49	42,279,486.59	-322,600.10	41,877,299.41	42,793,530.59	916,231.18	593,631.08
0035 Municipal Finance Capital Pr	2,488,589.31	2,472,882.21	15,707.10	1,286,009.05	2,472,882.21	1,186,873.16	1,202,580.26
<b>Fund Type Totals</b>	<b>44,445,475.80</b>	<b>44,752,368.80</b>	<b>-306,893.00</b>	<b>43,163,308.46</b>	<b>45,266,412.80</b>	<b>2,103,104.34</b>	<b>1,796,211.34</b>

# Projected Annual Status Report - Fund Type

As Of: 03/31/2004  
Accounting Period: CLOSED

Fund Type/Fund	Financing Sources			Financing Uses			Variance: Favorable/ (-)Unfavorable
	Estimated	Annual	Estimated	Annual	Estimated	Variance	
	Actual	Adj Budget	Variance	Actual	Adj Budget	Variance	
<b>Enterprise</b>							
1930 Refuse Disposal Enterprise	22,914,099.39	22,903,979.00	10,120.39	22,880,557.51	22,903,978.29	23,420.78	33,541.17
1935 County Transit	32,317.42	46,930.00	-14,612.58	17,727.43	46,930.00	29,202.57	14,589.99
2870 Laguna Co Sanitation-Genera	5,420,029.50	5,900,436.00	-480,406.50	4,848,216.09	5,900,436.81	1,052,220.72	571,814.22
<i>Fund Type Totals</i>	28,366,446.31	28,851,345.00	-484,898.69	27,746,501.03	28,851,345.10	1,104,844.07	619,945.38
<b>Internal Service</b>							
1900 Vehicle Operations/Maintena	9,759,937.66	9,904,419.46	-144,481.80	8,654,247.60	9,904,419.46	1,250,171.86	1,105,690.06
1910 Medical Malpractice Self Ins	838,981.23	840,843.00	-1,861.77	740,214.30	840,843.00	100,628.70	98,766.93
1911 Workers' Comp Self Insuranc	14,545,650.66	15,066,001.00	-520,350.34	15,352,210.72	15,066,001.00	-286,209.72	-806,560.06
1912 County Liability-Self Insuranc	5,304,228.08	5,298,789.00	5,439.08	5,522,274.81	5,298,789.00	-223,485.81	-218,046.73
1913 County Unemp Ins-Self Ins	833,608.60	830,131.00	3,477.60	687,534.09	830,131.00	142,596.91	146,074.51
1914 Dental Self-Insurance Fund	2,522,132.83	2,491,000.00	31,132.83	2,239,168.04	2,491,000.00	251,831.96	282,964.79
1915 Information Technology Svcs	7,428,745.04	7,483,159.00	-54,413.96	6,959,318.81	7,483,159.00	523,840.19	469,426.23
1919 Communications Services-IS	3,294,530.25	3,485,780.00	-191,249.75	3,189,066.40	3,485,780.00	296,713.60	105,463.85
<i>Fund Type Totals</i>	44,527,814.35	45,400,122.46	-872,308.11	43,344,034.77	45,400,122.46	2,056,087.69	1,183,779.58
<b>All Funds Total</b>	842,941,490.70	863,134,065.96	-20,192,575.26	862,174,086.60	886,014,862.15	23,840,775.55	3,648,200.29

Attachment C

# VLF Revenue Gap Update

Adopted VLF Revenue

General Fund and Public Health Realignment

**\$35.90 million**

Less: Actual VLF Revenue through May 10

Actual General Fund and Public Health Realignment

\$22.36 million

Anticipated Minimum Revenue (without Backfill)

\$2.15

Less Shift from General Fund to Realignment

(\$0.40)

Total

**\$24.11**

Less: Revenue Reductions

Tier 1 – October

\$6.10

Gap 2 – January

\$1.60

Total

**\$7.70**

Potential Remaining Gap

**\$4.09 million**

May 7, 2004



# 3<sup>rd</sup> Quarter Budget Update

Report to the Board of Supervisors

May 18, 2004



# 3<sup>rd</sup> Quarter Budget Update

- ❖ We are in reasonably good financial shape; the General Fund should end the year with a positive fund balance of approximately \$4 million.
- ❖ However, good times are not ahead. The FY 04-05 Proposed Budget contains over \$1.7 million in current service level reductions, and does not include impacts that are expected as part of the State's solution to its budget deficit.



# 3<sup>rd</sup> Quarter Budget Update

- ❖ Status of Discretionary General Fund Revenues
  1. Property Taxes are +\$655,000
  2. Transient Occupancy (Bed) Taxes are +\$616,000
  3. Interest Income is -\$587,000
  4. Vehicle License Fee Revenue is +\$1.22 million, but over the reduced amount caused by the “back-fill loan”



# 3<sup>rd</sup> Quarter Budget Update

## ❖ Status of General Fund Departments

1. Fire Department has a +\$676,000 variance. Has had higher than anticipated Federal/State reimbursements for fire protection services and lower expenditures. This will provide some relief for a budget that relied on almost \$2 million from Fire Fund operating reserves this year. However, property tax revenues in the Fire Fund are -\$197,000. We anticipate continued funding difficulties next fiscal year.





# 3<sup>rd</sup> Quarter Budget Update

## ❖ Status of General Fund Departments

2. Planning and Development has a +\$653,000 variance. Vacant positions have generated salary savings; overall, revenues are higher. The positive variance will be lower at year-end as building permit revenue is set aside and unbudgeted process improvement costs are paid.
3. Sheriff has a -\$522,000 variance, primarily due to overtime expenses. The variance could grow, especially without an agreement with the Court on payment for bailiff services.



# 3<sup>rd</sup> Quarter Budget Update

- ❖ Status of Special Revenue Funds & Other Funds
  1. Mental Health has a \$-3.6 million variance, including a -\$6.2 million variance on the revenue side. Revenue is expected to be received, although \$2.6 million is not expected until next fiscal year.
  2. Public Health has a -\$2.4 million variance, almost entirely due to a \$2.1 million lag in State reimbursements.



# 3<sup>rd</sup> Quarter Budget Update

- ❖ Current Fund Balance and Forecast
- ❖ General Fund had a positive net variance (a combination of actual revenues above budgeted amounts and actual expenditures below budgeted amounts) of \$5.0 million through March 31.
- ❖ A General Fund fund balance (positive net variance) of around \$4.0 million is forecast for June 30, 2004. Reduced positive variances expected in Planning and General County Programs. Sheriff's budget could move either way.



# VLF Revenue Gap Update

## ❖ Gap 2 Analysis – January 5

January Anticipated GF VLF Revenue: \$0.9 M

Potential Gap – January –June: \$15.1 M

## ❖ Gap 2 Analysis – May 10

Actual February GF VLF Revenue: \$2.2 M

Revised Potential Gap: \$4.1 M

## ❖ Result: No Action Required at this Time

5/13/2004



# VLF Revenue Gap Update

## Adopted VLF Revenue

General Fund and Public Health Realignment \$35.90 million

## Actual and Anticipated VLF Revenue through May 10

Actual General Fund and Public Health Realignment \$22.36 million

Anticipated Minimum Revenue (without Backfill) \$2.15

Less Shift from General Fund to Realignment (\$0.40)

Total \$24.11

## Revenue Reductions

Tier 1 – October \$6.10

Gap 2 – January \$1.60

Total \$7.70

Potential Remaining Gap **\$4.09 million**

5/13/2004



# 3<sup>rd</sup> Quarter Budget Update

Report to the Board of Supervisors

May 18, 2004