



COUNTY OF SAN MATEO
Inter-Departmental Correspondence

County Manager's Office

DATE: July 28, 2003

BOARD MEETING DATE: August 12, 2003

TO: Honorable Board of Supervisors
FROM: John L. Maltbie, County Manager
SUBJECT: Final FY 2002-03 Appropriation Transfer Request (ATR)

Recommendation

Approve a Countywide FY 2002-03 Year-End ATR in the amount of \$25,700,291:

- 1) transferring \$24,629,018 from various Budget Units: Salaries and Benefits (\$1,223,055), Services and Supplies (\$910,918), Other Charges (\$736,840), Intrafund Transfers (\$801,319), Departmental Reserves (\$1,271,674), Departmental Contingencies (\$245,353), Non-Departmental Reserves (\$3,035,373), Fund Balance (\$782,340) and Unanticipated Revenue (\$15,622,146); to the following: Salaries and Benefits (\$6,231,835), Services and Supplies (\$10,592,571), Other Charges (\$2,787,612), Fixed Assets (\$67,000) and Other Financing Uses (\$4,950,000);
- 2) reclassifying \$1,000,000 from Intergovernmental Revenues to Intrafund Transfers; and
- 3) reclassifying \$71,273 from Intrafund Transfers to Charges for Services (\$49,095) and Interfund Revenue (\$22,178).

Background and Discussion

As part of closing out the County's financial records at the end of each fiscal year, Appropriation Transfer Requests (ATRs) are prepared for Board approval to ensure that actual expenditures are covered by sufficient appropriations and that existing expenditures are represented correctly in each of the County's funds.

The amount of the attached ATR totals \$25,700,291 for all County funds. Significant items include the transfer of Unanticipated Revenue (\$3,800,000) from the Clinics to the Hospital to cover overruns in Services and Supplies due to increased patient volume in the Hospital; the use of Non-Departmental Reserves (\$2,813,560) to cover Salary and Benefit overruns in

the Sheriff and Probation budgets due in large part to the mid-year negotiated labor increases and continuing operation of an unfunded living unit at the Juvenile Hall; and the transfer of savings in Salaries and Benefits (\$500,000) and Other Charges (\$650,000) from the Hospital to the Clinics to cover Salary and Benefit overruns also attributed to mid-year negotiated labor increases.

A number of adjustments have also been made for bookkeeping purposes, including the appropriation of a mid-year transfer payment (\$3,288,881) and offsetting revenue in the SB 855 Disproportionate Share Hospital budget unit to reflect the transaction in the appropriate location. The payment was originally made from Non-Departmental Services.

The attached ATR addresses these and other budget issues, as follows:

1. U.C. Cooperative Extension (3540B) – recognizes Unanticipated Revenue from the University (\$17,668) and appropriates in Services and Supplies (\$6,342) and Other Charges (\$11,326) to cover office supplies, motor vehicle mileage and communications charges eliminated from the budget as part of the 12% reduction plan.
2. Emergency Medical Services Fund (5630B) – transfers Reserves (\$891,264) to Services and Supplies to cover unpaid claims by physicians for uncompensated emergency medical care.
3. San Mateo Medical Center (6600B) – recognizes Unanticipated Revenue (\$1,000,000) in the Hospital and in various Services and Supplies accounts to cover additional medical/dental supplies and office furniture and equipment.
4. San Mateo Medical Center (6850B) – recognizes Unanticipated Revenue (\$788,700) in the Community Health Clinics and appropriations in Other Charges to cover Automation Services-ISD and County Facility Rental Charges originally budgeted in the Hospital.
5. County Manager's Office (1200B) – recognizes Intrafund Transfers (\$374,680) and Unanticipated Revenue (\$73,320) from service fees and appropriates in Other Charges to cover tenant improvements for the Sheriff, the Human Services Agency and the Medical Center (\$325,000); a new lease for First 5 (\$36,000); and Probation relocation costs (\$87,000).
6. Environmental Services Administration (3500B) and Parks and Recreation (3900B) – transfers Salary savings (\$35,055) from Parks and Recreation to ESA Administration to cover the Salaries and Benefits (\$34,055) and related Services and Supplies costs (\$1,000) of an Administrative Services Manager position transferred mid-year from Parks and Recreation to ESA Administration.

7. Probation Department (3200B) and Non-Departmental Services (8000B) – transfers Non-Departmental Reserves (\$1,600,000) to Salaries and Benefits in the Institutions Division budget to cover the unfunded living unit of the Juvenile Hall and mid-year negotiated labor increases.
8. Coyote Point Marina (3980B) – transfers Contingencies (\$15,353) to Services and Supplies to cover increased contractual costs for the Marina Dredging Project consultant.
9. Child Support Services (2600B) – recognizes Unanticipated Revenue from the State (\$250,000) and appropriates in Services and Supplies to cover additional consulting and system enhancement costs related to the conversion to a new state-wide automated child support system in November 2003.
10. San Mateo Medical Center (6600B/6850B) – recognizes Unanticipated Revenue (\$3,800,000) in the Clinics and appropriates in various Services and Supplies accounts in the Hospital to cover overruns resulting from increased patient volume. Also appropriates Operating Transfers (\$3,800,000) from the Clinics to the Hospital to facilitate the transfer of funds.
11. County Support of the Courts (2700B) – recognizes Unanticipated Revenue from Document Recording Fees (\$370,913) and transfers unused appropriation from Services and Supplies (\$142,246) to Other Charges (\$513,159) to cover the County's Trial Court revenue sharing obligation with the State for FY 2002-03.
12. Coroner's Office (3300B) – transfers savings in Services and Supplies (\$87,500) to Salaries and Benefits (\$82,000) to cover mid-year negotiated labor increases and Other Charges (\$5,500) to cover additional telephone and connectivity charges related to the Coroner's move to the new Crime Lab.
13. Sheriff's Office (3000B) and Non-Departmental Services (8000B) – transfers Sheriff's Reserves (\$373,879), Non-Departmental Reserves (\$1,213,560) and savings in Services and Supplies (\$371,971) to Salaries and Benefits (\$1,959,410) to cover mid-year negotiated labor increases.
14. County Library (3700B) – transfers Library Contingencies (\$190,000) to Salaries and Benefits to cover mid-year negotiated labor increases.
15. Message Switch (1940B) – reclassifies Intrafund Transfers from the Redwood City Police Department (\$55,633) and the Court (\$15,640) to Charges for Services (\$49,095) and Interfund Revenues (\$22,178) for bookkeeping purposes only.

16. Controller's Office (1400B) – recognizes Unanticipated Revenue from Supplemental Tax Admin Fees (\$113,291) and transfers savings in Services and Supplies (\$64,920) to Salaries and Benefits (\$130,000) to cover Extra Help costs due to staff vacancies and increased workload due to parallel processing during the Property Tax System Upgrade Project and large volumes of retroactive pays associated with the mid-year negotiated labor increases; also transfers funds to Other Charges (\$48,211) to cover automation costs related to testing the Integrated Financial Accounting System (IFAS) in preparation of the upgrade to version 7i and increased processing charges for Payroll and General Accounting.
17. Assessor-County Clerk-Recorder (1300B) – recognizes Unanticipated Revenue from Election Services (\$230,000) and Recording Fees (\$260,000) and transfers savings from Services and Supplies (\$110,000) to Salaries and Benefits (\$260,000) to cover Extra Help costs due to increased workload in the document recording area; to Services and Supplies (\$230,000) for election costs related to compliance with new Federal bilingual ballot guidelines; and to Other Charges (\$110,000) to cover increased automation support and network connectivity costs in Appraisal Services. This adjustment also reclassifies computer equipment upgrades from Services and Supplies (\$67,000) to Fixed Assets-Equipment for bookkeeping purposes.
18. County Manager's Office (1200B) – recognizes Intrafund Transfers from Capital Projects and Real Property units for administrative work performed by County Management unit (\$63,000) and transfers savings from Services and Supplies (\$12,000) and Other Charges (\$7,000) to Salaries and Benefits (\$82,000) to cover mid-year negotiated labor increases and the annual cash-out of Administrative Leave hours.
19. Board of Supervisors (1100B) and Non-Departmental Services (8000B) – transfers savings from Services and Supplies (\$4,000), Other Charges (\$1,000), Board of Supervisor's Reserves (\$6,531) and Non-Departmental Reserves (\$41,671) to Salaries and Benefits (\$53,202) to cover mid-year negotiated labor increases and cash-out of Administrative Leave hours and Retiree time-off accruals.
20. Correctional Health (6300B) and Non-Departmental Services (8000B) – transfers Non-Departmental Reserves (\$180,142) to Salaries and Benefits in Correctional Health to cover mid-year negotiated labor increases.
21. County Counsel (1600B) – recognizes Unanticipated Revenue from Probate Legal Fees (\$140,000) and other miscellaneous revenues (\$50,000) and transfers savings from Services and Supplies (\$51,281) to Salaries and Benefits (\$241,281) to cover mid-year negotiated labor increases and the annual cash-out of Administrative Leave hours.

22. San Mateo Medical Center (6600B/6850B) – transfers savings from Salary and Benefits (\$500,000) and Other Charges (\$650,000) from the Hospital to the Clinics to cover overruns in Salary and Benefits (\$1,150,000) due to mid-year negotiated labor increases. Also appropriates Operating Transfers (\$1,150,000) from the Hospital to the Clinics to facilitate the transfer of funds.
23. Public Health (6200B) – transfers savings from Salary and Benefits (\$388,000) to Services and Supplies to cover California Children’s Services expenses (\$180,000) for increased diagnostic and treatment costs for acute renal failure and chronic infectious diseases; contract Community Workers in the Prenatal to Three Program (\$80,000); additional computer equipment purchases (\$35,000); and increased drug and pharmaceutical costs for the AIDS Program and the Mobile Clinic.
24. SB 855 Transfer Payments (5870B) – appropriates additional revenues and transfer payments (\$3,288,881) for the SB 855 Disproportionate Share Hospital (DSH) Program administered by the State. A mid-year transfer of \$3,288,881 was made to the State from the Non-Departmental Services budget unit. This adjustment is made for bookkeeping purposes so that all transfers to the State are reflected in the appropriate budget unit. The DSH program allows the State to use base payments provided by participating hospitals (those that serve a disproportionate number of Medi-Cal patients) as matching funds to draw down federal funds. Revenues generated by the program are then distributed back to DSH participants.
25. Public Works Utilities (4840B) and Airports (4850B) – appropriates available Fund Balance (\$782,340) in Other Charges for the purpose of recording annual depreciation expense. This is a non-cash transaction that is made for bookkeeping purposes only.
26. Public Works Facilities Services (4730B) – transfers Salary savings (\$200,000) to Services and Supplies to cover higher than anticipated utility costs.
- 27.. Parks Acquisition and Development Fund (3970B) and Non-Departmental Services (8000B) – transfers Land Acquisition Expense (\$75,000) from Non-Departmental Services to the Parks Acquisition and Development Fund so that all transactions to purchase the Mirada Surf property are reflected in the Parks Acquisition and Development Fund. The \$75,000 represents the amount paid to extend the purchase option to allow time to identify donors to fund the balance of the acquisition.
28. Public Health (6200B) – transfers Salary savings (\$100,000) to Services and Supplies to cover overruns in drugs and pharmaceuticals (\$30,000) in the ADIS Program and the Mobile Clinic; bioterrorism expenditures (\$50,000) for medical stockpiles and telephone and computer costs; and miscellaneous expenditures (\$20,000) related to SARS and the facility security alarm system.

29. County Counsel (1600B) – recognizes additional Intrafund Transfers (\$5,376) from County departments for legal services and makes a corresponding appropriation in Other Charges to cover overruns in telephone and automation service charges.
30. Controller's Office (1400B) – recognizes Unanticipated Revenue from SDI Payments (\$19,628) and transfers savings in Other Charges (\$3,840) to Services and Supplies (\$23,468) to cover an outside contract for processing SB 90 State claims for mandated services.
31. Contributions to San Mateo Medical Center (5850B) – reclassifies Intergovernmental Revenue (\$1,000,000) to Intrafund Transfers within the Contributions to Medical Center budget unit to accurately reflect financial assistance received from the Human Services Agency. This adjustment is made for bookkeeping purposes only.
32. San Mateo Medical Center (6600B) – recognizes Unanticipated Revenue from the State (\$269,745) and appropriates in Salaries and Benefits to cover mid-year negotiated labor increases for direct patient care and other Long-Term Care staff.
33. Emergency Medical Services G/F (5600B) – recognizes Intrafund Transfers (\$323,208) and appropriates in Services and Supplies to facilitate the transfer of funds to the EMS Trust Fund. A recent audit found that disbursements used to fund EMS operations were out of balance and needed to be corrected. This adjustment allows the Health Services Agency to re-balance the EMS Trust Fund by transferring agency expenditure savings to the Fund.
34. Public Works Utilities (4840B) – transfers Menlo Park Lighting District Contingencies (\$40,000) to Services and Supplies to cover the District's share of project costs for the Middlefield Road Underground Utility and Corridor Improvement Project.

Vision Alignment

This Countywide ATR to facilitate the year-end close of the County's books for FY 2002-03 keeps the commitment to Responsive, Effective and Collaborative Government and goal number 22: County and local governments effectively communicate, collaborate and develop strategic approaches to issues affecting the entire County.

Fiscal Impact

There are sufficient funds and revenue sources to cover the transactions in this ATR. The use of Unanticipated Revenue and savings identified in this ATR will not have a negative impact on budgeted Fund Balances for next fiscal year.