



COUNTY OF SAN MATEO
Inter-Departmental Correspondence

County Manager's Office

DATE: September 4, 2008

BOARD MEETING DATE: September 16, 2008

SPECIAL NOTICE/HEARING: None

VOTE REQUIRED: 4/5ths Required

TO: Honorable Board of Supervisors

FROM: John L. Maltbie, County Manager

SUBJECT: **Final FY 2007-08 Appropriation Transfer Request (ATR)**

Recommendation

Approve a Countywide FY 2007-08 Year-End ATR transferring \$25,121,120 from various Budget Units: Salaries and Benefits (\$5,613,637), Services and Supplies (\$7,158,852), Other Charges (\$1,946,000), Fixed Assets (\$524,797), Other Financing Uses (\$3,331,527), Intrafund Transfers (\$1,481,621), Reserves and Contingencies (\$1,278,091), Fund Balance (\$1,298,281) and Unanticipated Revenue (\$2,488,314); to the following: Salaries and Benefits (\$801,795), Services and Supplies (\$11,766,450), Other Charges (\$12,520,375) and Fixed Assets (\$32,500).

Vision Alignment:

Commitment: Responsive, effective and collaborative government.

Goal 20: County and local governments effectively communicate, collaborate and develop strategic approaches to issues affecting the entire County.

This Countywide ATR contributes to the goal by facilitating the year-end close of the County's financial records for FY 2007-08.

Background and Discussion

To close the County's financial records at the end of each fiscal year, a countywide Appropriation Transfer Request (ATR) is submitted to ensure that expenditures are covered by sufficient appropriations and that expenditures are represented correctly in each of the County's funds. The amount of the attached ATR totals \$25,121,120 for all County funds. The most significant adjustment reclassifies unused appropriations for Medical Center Intergovernmental Transfers of \$8,498,581 to a

General Fund loan. This is consistent with past practice and has no material impact on the General Fund, as the overall subsidy to the Medical Center remains \$72.2 million. Transfers from Non-Departmental Reserves total \$157,720, as follows: Coroner's Office (\$80,000), the Medical Center (\$59,222) and the Board of Supervisors (\$18,498). This transfer to the Medical Center, which was made to balance the books at year-end, will also be treated as a General Fund loan. Adjustments have also been made to record depreciation expense in the Coyote Point Marina and County Airport enterprise funds (\$1,298,281).

The remaining adjustments are funded from savings or unanticipated revenue generated by the various budget units with no increase in Net County Cost. The attached ATR does the following:

1. Aging and Adult Services (5700B) – recognizes California Department of Public Health, Office of AIDS funding via an Intrafund Transfer (\$63,457) from the Public Health Division to Aging and Adult Services' AIDS Case Management Program. Corresponding appropriations are made in Salaries and Benefits (\$35,311) to cover the cost of permanent positions and Services and Supplies (\$28,146) to pay for meetings and conferences and contract services that provide risk reduction counseling to HIV positive individuals.
2. Department of Child Support Services (2600B) – transfers savings from Salaries and Benefits (\$470,000) to Services and Supplies (\$470,000) to increase efficiencies, provide support to existing staff and augment client services provided by community partnerships.
3. Health Administration (5500B) – recognizes Intrafund Transfers (\$399,164) from operating units within the Health Department and transfers Health Department Reserves (\$229,999) to Services and Supplies (\$225,163) and Other Charges (\$404,000) to cover ISD charges related to development of the Health Client Data Store (HCDS) and the move to the Alameda de las Pulgas facility.
4. Coroner's Office (3300B) and Non-Departmental Services (8000B) – transfers Non-Departmental Reserves (\$80,000) to Salaries and Benefits (\$80,000) in the Coroner's Office to cover the cost of the extra-help Chief Deputy Coroner added mid-year and the accrued leave termination pay of the former Chief Deputy Coroner. There is a Net County Cost increase of \$80,000.
5. Parks Department (3900B) – transfers Parks Reserves (\$94,429) to Salaries and Benefits (\$28,142) to cover higher than anticipated overtime and extra-help costs during peak visitor season and to Services and Supplies (\$10,927) and Other Charges (\$55,360) to fund unanticipated park maintenance costs.
6. Private Defender Program (2800B) – recognizes Unanticipated Revenue from client fees (\$6,336) and makes a corresponding appropriation in Other Charges (\$6,336) to cover revised rent charges for the Youth Services Center due to higher than anticipated debt service costs.

7. County Support of the Court (2700B) – transfers savings from Services and Supplies (\$90,470) to Other Charges (\$90,470) to cover revised rent charges for the Youth Services Center due to higher than anticipated debt service costs.
8. Contributions to the Medical Center (5850B) – reclassifies unused appropriations for Medical Center Intergovernmental Transfers to a General Fund loan by transferring savings from Services and Supplies (\$5,346,054) and Other Financing Uses (\$3,152,527) to Other Charges/Loans to Other Funds (\$8,498,581). There is no material impact on the General Fund, as the overall subsidy to the Medical Center remains \$72.2 million.
9. Criminal Justice Facility Construction Fund (8400B) – transfers Non-General Fund Reserves (\$5,000) to Other Financing Uses/Operating Transfers Out (\$5,000) to fund roof repairs at the Maguire Correctional Facility.
10. Public Works/Facilities Services (4730B) – transfers savings in Salaries and Benefits (\$803,000) to Services and Supplies (\$680,000) and Other Charges (\$123,000) to cover increased maintenance and supply costs of the Stationary Engineer and Health and Hospital Facility Maintenance units, as well as revised rent charges for the Youth Services Center due to higher than anticipated debt service costs.
11. Board of Supervisors (1100B) and Non-Departmental Services (8000B) – transfers Board Reserves (\$32,302) and Non-Departmental Reserves (\$18,498) to Salaries and Benefits (\$42,100) to fund double fill of Chief Legislative Aide and to Services and Supplies (\$2,550) and Other Charges (\$6,150) to cover unanticipated phone and automation costs. There is a Net County Cost increase of \$18,498.
12. Public Safety Communications (1240B) – transfers savings from Fixed Assets (\$70,000) to Salaries and Benefits (\$70,000) due to the mid-year reinstatement of a former employee.
13. Environmental Health (5900B) – transfers savings from Salaries and Benefits (\$300,000) to Services and Supplies (\$300,000) to fund the Division's move to the Alameda de las Pulgas facility and expansion of the County's Household Hazardous Waste programs, including the opening of the County's first permanent Household Hazardous Waste Collection Facility.
14. Family Health (6240B) – transfers savings from Salaries and Benefits (\$1,004,693) to Services and Supplies (\$1,004,693) to fund the Division's move to the Alameda de las Pulgas facility and the cost of fiscal and administrative support provided to Family Health by other Health Department divisions.
15. Coyote Point Marina (3980B) – transfers Marina Reserves (\$146,723) to Other Charges (\$146,723) to reimburse the Parks Department for staff time devoted to maintenance and operations of the Marina as well as fiscal support and project oversight provided by Parks Administrative staff.

16. Assessor-County Clerk-Recorder (1300B) – recognizes Unanticipated Revenue (\$996,487) from election cost reimbursements and makes corresponding appropriations in Salaries and Benefits (\$536,487) and Services and Supplies (\$460,000) to cover overruns in election costs due implementation of new voting machine security requirements and the unexpected inclusion of statewide propositions on the February 5, 2008 Presidential Primary ballot. Also, transfers savings from Salaries and Benefits (\$43,000) to Other Charges (\$43,000) to cover increased ISD charges in the Clerk-Recorder’s Division.
17. Agricultural Commissioner/Sealer (6500B) – transfers savings from Services and Supplies (\$95,000) to Other Charges (\$95,000) to cover annual replacement charges for seven trucks used for the Pest Detection Program. The Division is now up-to-date on vehicle replacement for all vehicles used for agricultural programs. The Division will work with Public Works/Fleet Services to determine if any of these vehicles may be replaced with hybrids.
18. Mental Health (6100B) – transfers savings from Salaries and Benefits (\$1,500,000) and Other Charges (\$1,000,000) to Services and Supplies (\$2,500,000) to cover overruns in drugs and pharmacy expenses due to inflation and higher than anticipated usage. This adjustment also reclassifies costs associated with the Alcohol and Other Drugs strategic plan from Services and Supplies (\$700,000) to Other Charges (\$700,000) for accounting purposes. Finally, this adjustment transfers savings from Services and Supplies (\$27,500) to Other Financing Uses (\$27,500) to fund ADA renovations of a restroom at an offsite clinic.
19. Public Health (6200B) – transfer savings from Other Charges (\$575,000) to Services and Supplies (\$575,000) to cover increased cost of lab supplies, contracts, and interagency agreements for services provided to Public Health by other County departments.
20. Waste Management (4820B) and Construction Services (4740B) – transfers savings from Services and Supplies (\$850,000) to Other Charges/Loans to Other Funds (\$850,000) within the Solid Waste Fund to transfer cash from the Solid Waste Fund to the Tower Road Construction Fund in order to eliminate a negative cash balance in the Tower Road Construction Fund at year-end. Also recognizes Unanticipated Revenues (\$850,000) in the Tower Road Construction Fund and makes a corresponding appropriation in Services and Supplies (\$850,000) to cover overruns. This is a short-term loan that will be paid back to the Solid Waste Fund in full by the end of the first quarter of FY 2008-09.
21. Probation Department (3200B) – transfers savings in Services and Supplies (\$49,828) and Fixed Assets (\$55,000) to Salaries and Benefits (\$10,855) and Other Charges (\$93,973) to cover overruns in extra-help salaries and ISD charges.

22. Structural Fire (3550B) and Fire Protection (3580B) – recognizes Unanticipated Revenue (\$100,000) from Secured and Supplemental Property Tax proceeds and Interest earnings and transfers Structural Fire Fund Reserves (\$173,918) to Services and Supplies (\$273,918) within the Structural Fire budget unit. Correspondingly, recognizes Unanticipated Revenue from Structural Fire (\$273,918) and Miscellaneous Revenues (\$573) and transfers savings from Salaries and Benefits (\$1,444) and Fixed Assets (\$49,797) to Services and Supplies (\$323,453) and Other Charges (\$2,279) within the Fire Protection budget unit to cover CalFire contract costs, administrative overhead, vehicle equipment maintenance and mileage costs.
23. Health Administration (5500B) – transfers savings from Other Charges (\$200,000) to Services and Supplies (\$200,000) to cover various contract costs, including the Farm Bureau’s “As Fresh As It Gets” program and consultant contracts that were entered into after the FY 2007-08 budget was developed.
24. Emergency Medical Services (5600B) – recognizes Unanticipated Revenue (\$175,000) from higher than anticipated Court fines and fees and makes a corresponding appropriation in Services and Supplies (\$175,000) to cover contracts associated with the Emergency Medical Services Redesign which were entered into after the FY 2007-08 budget was developed.
25. Family Health (6240B) – recognizes Intrafund Transfer (\$1,019,000) from Health Policy and Planning (5550B) and makes a corresponding appropriation in Services and Supplies (\$1,019,000) to cover costs associated with the move to the Alameda de las Pulgas facility.
26. Coyote Point Marina (3580B) – transfers available Fund Balance (\$236,581) from within the Coyote Point Marina Enterprise Fund to Other Charges (\$236,581) for the purpose of appropriating Depreciation Expense for capitalized structures and equipment. The recording of depreciation is for accounting purposes only and is a non-cash transaction.
27. Public Works Facilities Services (4730B) – recognizes Unanticipated Revenue (\$86,000) from PG&E rebates and transfers savings from Salaries and Benefits (\$30,000), Other Charges (\$171,000) and Other Financing Uses (\$159,000) to Services and Supplies (\$446,000) to cover overruns in contract maintenance and repairs, sewage treatment and garbage disposal costs.
28. Public Works Management Services (4510B) – transfers savings from Salaries and Benefits (\$80,500) to Services and Supplies (\$80,500) to cover the cost of projects that do not have a dedicated funding source, such as watershed protection.
29. Transportation Services (4830B) – transfers savings in Salaries and Benefits (\$41,000) and Other Financing Uses (\$20,000) to Services and Supplies (\$13,000) and Other Charges (\$48,000) to cover engineering costs and

project contributions for non-Road Fund projects.

30. Utilities (4840B) and Airports (4850B) – transfers available Fund Balance (\$1,061,700) from within various Public Works funds to Other Charges (\$1,061,700) for the purpose of appropriating Depreciation Expense for Airports, County Service Areas, Sewer and Sanitation Districts, Flood Control Districts, and Lighting Districts. The recording of depreciation is for accounting purposes only and is a non-cash transaction.
31. San Mateo Medical Center (6600B) – transfers savings from Salaries and Benefits (\$1,340,000) and Fixed Assets (\$350,000) to Services and Supplies (\$1,690,000) to cover overruns in contract nursing services, contract physician services and renovation of the Fair Oaks Clinic.
32. Contribution to the Medical Center (5850B) and Non-Departmental Services (8000B) – transfers Non-Departmental Reserves (\$59,222) to Other Charges (\$59,222) in the Medical Center Contribution budget unit to bring the Medical Center's budget into balance at year-end. It should be noted that at mid-year the Medical Center was anticipating a shortfall of \$5 million. There is a Net County Cost increase of \$59,222.
33. Vehicle and Equipment Services (4760B) – transfers Reserves (\$438,000) to Services and Supplies (\$438,000) to cover overruns in vehicle and equipment repairs and fuel costs due to the rapid rise in fuel costs during the year.

Fiscal Impact

There are sufficient funds and revenue sources to cover the transactions in this ATR, which totals \$25,121,120 for all County funds. Transfers from Non-Departmental Services total \$157,720. The remaining adjustments are funded from savings and unanticipated revenue generated by the various operating budget units.