



# County of Fairfax, Virginia

## MEMORANDUM

### Attachment B

**DATE:** March 5, 2013

**TO:** BOARD OF SUPERVISORS

**FROM:** Edward L. Long Jr.  
County Executive

**SUBJECT:** FY 2013 Third Quarter Review

Attached for your review and consideration is the *FY 2013 Third Quarter Review*, including Supplemental Appropriation Resolution AS 13227 and Amendment to the Fiscal Planning Resolution AS 13901. The Third Quarter Review includes recommended funding adjustments and the following attachments for your information.

- Attachment I - A General Fund Statement reflecting the status of the Third Quarter Review. Also attached is a statement of Expenditures by Fund, Summary of All Funds.
- Attachment II - A Summary of General Fund Revenue reflecting a decrease in FY 2013 revenue of \$8.25 million from the Fall 2012 Revenue estimates.
- Attachment III - A Detail of Major Expenditure Changes in Appropriated and Non-Appropriated Other Funds. Expenditure changes, excluding audit adjustments, in all Appropriated Other Funds and excluding Schools, the General Fund, and the Federal/State Grant Fund, total a net increase of \$81.10 million. Expenditures in Non-Appropriated Other Funds increase a total of \$1.17 million.
- Attachment IV - Fund 50000, Federal/State Grant Fund, detailing grant appropriation adjustments for a total net increase of \$15.10 million.
- Attachment V - Supplemental Appropriation Resolution (SAR) AS 13227, AS 12147 for FY 2012 adjustments to reflect the final audit, and Amendment to the Fiscal Planning Resolution (FPR) AS 13901.
- Attachment VI - FY 2012 Audit Package including final adjustments to FY 2012 and the FY 2013 impact.
- Attachment VII - Fairfax County Public Schools (FCPS) Third Quarter Review (The School Board is not scheduled to act on the FCPS Third Quarter Review until March 7, 2013 so any adjustments made by the School Board will be provided to the Board of Supervisors prior to their action on the *FY 2013 Third Quarter Review*.)

As the Board is aware, the Code of Virginia requires that a public hearing be held prior to the adoption of amendments to the current year budget when the adjustments exceed one percent of total expenditures. In addition, any amendment of one percent of expenditures or more requires that the Board advertise a synopsis of the proposed changes. A public hearing on the proposed changes included in the *FY 2013 Third Quarter Review* has been scheduled for April 9, 10 and 11, 2013. On April 23, 2013, the Board will take action on this quarterly review prior to marking up the FY 2014 Advertised Budget Plan.

The following is a summary of the current financial status as of the Third Quarter Review compared to the *FY 2013 Revised Budget Plan*. It should be noted that staff has reviewed revenue receipts to-date as well as models forecasting revenues for the remainder of the fiscal year. It is anticipated that final receipts will approximate the current budget estimates. As a result, the only revenue adjustments included in this package are those associated with expenditure changes. On the disbursement side the only adjustments included in this package are those deemed most critical and are primarily associated with public safety requirements or additional resources that need to be appropriated. There is no additional balance available as a result of the *FY 2013 Third Quarter Review*.

### **Third Quarter Summary General Fund Statement** (in millions of dollars)

	FY 2012 Actual	FY 2013 Adopted Budget Plan	FY 2013 Revised Budget Plan	FY 2013 Third Quarter Estimate	Variance
Beginning Balance <sup>1</sup>	\$236.24	\$132.12	\$209.44	\$209.44	\$0.00
Revenue <sup>2</sup>	\$3,379.68	\$3,473.83	\$3,474.06	\$3,465.81	(\$8.25)
Transfers In	\$6.90	\$6.77	\$6.77	\$6.77	\$0.00
<b>Total Available</b>	<b>\$3,622.82</b>	<b>\$3,612.72</b>	<b>\$3,690.27</b>	<b>\$3,682.02</b>	<b>(\$8.25)</b>
Direct Expenditures <sup>2</sup>	\$1,242.28	\$1,303.74	\$1,341.96	\$1,332.07	(\$9.89)
<b>Transfers Out</b>					
School Operating	\$1,610.83	\$1,683.32	\$1,683.32	\$1,683.32	\$0.00
School Debt Service	159.74	164.76	164.76	164.76	0.00
<b>Subtotal Schools</b>	<b>\$1,770.57</b>	<b>\$1,848.08</b>	<b>\$1,848.08</b>	<b>\$1,848.08</b>	<b>\$0.00</b>
Contributory Fund	\$14.61	\$15.68	\$15.68	\$15.68	\$0.00
Information Technology	16.18	5.28	14.28	14.28	0.00
County Debt Service	116.78	116.85	116.85	116.85	0.00
County Transit	34.46	36.55	36.55	36.55	0.00
Community Services Board	100.50	100.42	109.61	109.61	0.00
E-911	14.38	15.26	15.26	15.26	0.00
County Insurance	27.05	21.02	21.02	22.09	1.07
Capital Paydown	19.63	15.44	17.89	18.00	0.11
Other Transfers	56.94	59.47	65.15	65.76	0.61
<b>Subtotal County</b>	<b>\$400.53</b>	<b>\$385.97</b>	<b>\$412.28</b>	<b>\$414.10</b>	<b>\$1.82</b>
<b>Total Transfers Out</b>	<b>\$2,171.10</b>	<b>\$2,234.04</b>	<b>\$2,260.36</b>	<b>\$2,262.17</b>	<b>\$1.81</b>
<b>Total Disbursements</b>	<b>\$3,413.38</b>	<b>\$3,537.79</b>	<b>\$3,602.33</b>	<b>\$3,594.24</b>	<b>(\$8.09)</b>

	FY 2012 Actual	FY 2013 Adopted Budget Plan	FY 2013 Revised Budget Plan	FY 2013 Third Quarter Estimate	Variance
<b>Total Ending Balance</b>	<b>\$209.44</b>	<b>\$74.93</b>	<b>\$87.94</b>	<b>\$87.78</b>	<b>(\$0.16)</b>
Less:					
Managed Reserve	\$69.34	\$70.76	\$72.05	\$71.88	(\$0.17)
Reserve to address FY 2013 Budget Shortfall <sup>3</sup>	28.69				0.00
FY 2011 Audit Adjustments <sup>4</sup>	0.62				0.00
Additional FY 2012 Revenue <sup>5</sup>	29.51				0.00
FY 2012 Third Quarter Reserve <sup>6</sup>	2.46				0.00
Child Care Assistance and Referral (CCAR) Reserve <sup>1</sup>	1.50				0.00
Reserve to address State/Federal Reductions <sup>7</sup>		4.18			0.00
Reserve for State/Federal Reductions and Federal Sequestration Cuts <sup>8</sup>			8.10	8.10	0.00
Litigation Reserve <sup>9</sup>			5.00	5.00	0.00
Transportation Reserve <sup>10</sup>			0.54	0.54	0.00
Reserve for FY 2014 Budget Development <sup>11</sup>			0.74	0.74	0.00
FY 2012 Audit Adjustments <sup>2</sup>			1.51	1.51	0.00
<b>Total Available</b>	<b>\$77.31</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

<sup>1</sup> The **FY 2013 Adopted Budget Plan** Beginning Balance included \$1,500,000 set aside in reserve in Agency 87, Unclassified Administrative Expenses, for the Child Care Assistance and Referral (CCAR) program for FY 2014. This funding was utilized to balance the FY 2013 budget.

<sup>2</sup> In order to appropriately reflect actual revenues and expenditures in the proper fiscal year, FY 2012 revenues are increased \$2,028,161 and FY 2012 expenditures are increased \$514,829 to reflect audit adjustments as included in the FY 2012 Comprehensive Annual Financial Report (CAFR). As a result, the **FY 2013 Revised Budget Plan** Beginning Balance reflects a net increase of \$1,513,332. Details of the FY 2012 audit adjustments are included in the FY 2013 Third Quarter package. It should be noted that this amount has been set aside in reserve and utilized to balance the FY 2014 budget.

<sup>3</sup> As part of the **FY 2011 Carryover Review**, a balance of \$28,693,163 was held in reserve to address the projected budget shortfall in FY 2013 and was utilized to balance the FY 2013 budget.

<sup>4</sup> As a result of FY 2011 audit adjustments, an amount of \$623,117 was available to be held in reserve in FY 2012 and was utilized to balance the FY 2013 budget.

<sup>5</sup> Based on revised revenue estimates as of fall 2011, an amount of \$29,505,454 was available to be held in reserve in FY 2012 and was utilized to balance the FY 2013 budget.

<sup>6</sup> As part of the **FY 2012 Third Quarter Review**, a balance of \$2,462,157 was held in reserve for Board of Supervisors' consideration for the **FY 2012 Third Quarter Review**, the development of the FY 2013 budget, or future year requirements. This reserve was utilized to balance the FY 2013 budget.

<sup>7</sup> As part of their deliberations on the FY 2013 budget, the Board of Supervisors set aside \$4,178,357 in reserve to offset critical state and federal reductions to include requirements for the Community Services Board and other Human Service programs. At the **FY 2012 Carryover Review**, the Board utilized \$3,018,225 for requirements for the Community Services Board and moved the remainder to the Reserve for State/Federal Reductions and Federal Sequestration Cuts.

<sup>8</sup> As part the County Executive's proposed **FY 2012 Carryover Review**, an amount of \$7,000,000 was set aside in reserve to address the potential impact of federal sequestration cuts. During their deliberations on the **FY 2012 Carryover Review**, the Board combined the \$1,099,768 balance remaining in the Reserve to Address State/Federal Reductions with the \$7,000,000, resulting in a reserve totaling \$8,099,768 for State/Federal Reductions and Federal Sequestration Cuts.

<sup>9</sup> As part the **FY 2012 Carryover Review**, an amount of \$5,000,000 was set aside in reserve to address the impact of a number of potential refunds resulting from pending tax appeals.

<sup>10</sup> As part the County Executive's proposed **FY 2012 Carryover Review**, an amount of \$742,344 was set aside in reserve for transportation requirements, consistent with the Board of Supervisors' Budget Guidance approved with the adoption of the FY 2013 budget. During their deliberations on the **FY 2012 Carryover Review**, the Board approved an amount of \$200,000 to be utilized for a Traffic Calming initiative to address speeding in neighborhoods. After Managed Reserve adjustments, the new reserve total is \$538,344.

<sup>11</sup> As part the **FY 2012 Carryover Review**, an amount of \$742,333 was set aside in reserve for FY 2014 budget development. This reserve has been utilized to balance the FY 2014 budget.

Total FY 2013 revenue is projected to be \$3,465,811,874, a net decrease of \$8.25 million, or 0.24 percent, from the FY 2013 fall revenue estimates. This decrease is completely due to offsetting decreases in disbursement requirements discussed below. A detailed description of both the fall and current revenue adjustments are noted in Attachment II.

A net General Fund Disbursement decrease of \$8.09 million is also included in the *FY 2013 Third Quarter Review* and is the result of reductions of \$15.96 million and additional requirements of \$7.87 million described below.

### **Audit Adjustments**

As a result of the FY 2012 Comprehensive Annual Audit, a number of adjustments to revenues and expenditures are necessary to reflect Generally Accepted Accounting Principles (GAAP) requirements. Revenue and expenditure adjustments result in a net increase of \$1.51 million to the FY 2013 beginning General Fund balance. This balance was used to offset FY 2014 budget requirements.

In addition, several other adjustments to various funds are required, including Fairfax County Public Schools' funds and the Fairfax County Redevelopment Housing Authority Funds. All of these audit adjustments were reflected in the FY 2012 Comprehensive Annual Financial Report (CAFR). Details of these audit adjustments are included in Attachment VI.

It should be noted that two County funds, Fund 40040, Fairfax-Falls Church Community Services Board (CSB) and Fund 73030, OPEB Trust Fund, require a supplemental appropriation based on audit adjustments to reflect proper accounting treatments. Expenditures in both the CSB and OPEB were increased in order to accurately record expenditure accruals in the appropriate fiscal period. An appropriation resolution is required to account for adjustments in the correct fiscal period, consistent with GAAP requirements. Supplemental Appropriation Resolution AS 12147 is included in Attachment V of the *FY 2013 Third Quarter Review*.

### **Summary of Adjustments**

The following adjustments are made as part of the *FY 2013 Third Quarter Review*. It should be noted that the revenue adjustments included in the *FY 2013 Third Quarter Review* are described in detail in the Summary of General Fund Revenue, Attachment II.

In addition, there are various General Fund Supported and Other Fund expenditure adjustments, supported by both non-General Fund revenue and the use of fund balance. Adjustments to Other Funds are reflected in the Other Funds Detail section, Attachment III.

## ADMINISTRATIVE ADJUSTMENTS – GENERAL FUND IMPACT

	<b>NON-RECURRING</b>	
<b>Agency 13, Office of Public Affairs</b>	Revenue	\$0
<b>County Bond Referendum Pamphlet</b>	Expenditure	<u>\$90,000</u>
	<b>Net Cost</b>	<b>\$90,000</b>

Funding of \$90,000 is required for the Fall 2012 Bond Referendum public information campaign and other related expenses as approved by the Board of Supervisors. This funding covers the cost of printing and mailing nearly 370,000 copies of the bond pamphlet to County households. Additional copies were provided at libraries, other County facilities and absentee polling places. This pamphlet included wording that was relevant to the bond questions, as well as information on the cost of borrowing, the effect of borrowing on the tax rate and other related financial information.

	<b>NON-RECURRING</b>	
<b>Agency 17, County Attorney</b>	Revenue	\$0
<b>Litigation Expenses</b>	Expenditure	<u>\$1,025,000</u>
	<b>Net Cost</b>	<b>\$1,025,000</b>

Funding of \$1,025,000 is required for the Office of the County Attorney due to several pending litigation matters that have previously been discussed with the Board that require the hiring of outside counsel and/or expert witnesses. Of this total an amount of \$150,000 is required to handle a lawsuit against the County regarding a purchasing bid protest and an amount of \$225,000 is required in support of a commercial eviction case. Finally, approximately 65 tax assessment lawsuits were filed against the County at the end of 2012, most of which challenge assessments going back to 2009. Although the County has not yet been served with each of these lawsuits, it is expected that they will be served shortly pursuant to the scheduling orders of the Circuit Court. Accordingly, the Office of the County Attorney estimates that it will require approximately \$650,000 to retain experts for these and other cases.

	<b>RECURRING</b>	
<b>Agency 31, Land Development Services</b>	Revenue	\$1,100,000
<b>Personnel Services</b>	Expenditure	<u>\$1,100,000</u>
	<b>Net Cost</b>	<b>\$0</b>

A presentation of the staffing and funding requirements associated with planning and development needs in the County for both FY 2013 and FY 2014 will be made at the March 18, 2013 Budget Committee meeting. Pending that discussion funding of \$1,100,000 is included for those needs, fully offset by an increase in permit related revenue as a result of increased workload in plan review and processing.

In Land Development Services workload has been increasing due to a rise in construction activity throughout the County, including the redevelopment occurring in Tysons and Reston. As a result, the time required to complete the permitting process has increased. In order to meet increased demand, and ensure that permits are processed in an acceptable timeframe, the agency will be required to begin filling currently vacant positions in FY 2013. The positions are unfunded as a result of budget cuts in prior years.

The agency does not anticipate expending the entire amount in FY 2013 due to the time required to advertise, interview and fill vacant positions. As a result, as part of the *FY 2013 Carryover Review*, the agency will be required to carryover any unexpended funds into FY 2014.

**Agency 67, Department of Family Services  
Alignment of CCAR Program Due to State Funding Changes**

<b>NON-RECURRING</b>	
Revenue	(\$11,325,532)
Expenditure	<u>(\$11,325,532)</u>
<b>Net Cost</b>	<b>\$0</b>

A decrease of \$11,325,532 to both revenues and expenditures for the Child Care Assistance and Referral (CCAR) program is required due to a change in how the state pays for subsidized child care services. In August 2012 the state completed implementation of a new statewide automated case management and payment system. As a result, the state is now making direct payment for all state funded children. This includes all children in the mandated population, as well as state-funded children in the fee system (non-mandated population). Consequently, only County dollars remain in the DFS budget for the remaining children in the fee system who are being served solely with County dollars. The number of children being served in the County has not changed; however, payment for services is either made directly by the state or the County. This expenditure adjustment is fully offset by a decrease in federal and state revenues for no net impact to the County.

**Agency 67, Department of Family Services  
Comprehensive Services Act**

<b>NON-RECURRING</b>	
Revenue	\$2,576,020
Expenditure	<u>\$2,576,020</u>
<b>Net Cost</b>	<b>\$0</b>

An increase of \$2,576,020 is included to address additional mandated funding requirements in the Comprehensive Services Act (CSA) based on anticipated expenditures in FY 2013. Actual costs for the CSA program are dependent on the number of youth served and the complexity of services provided. The CSA system has worked to contain costs by utilizing community-based services and minimizing the length of stay when a residential placement is necessary. However, due to the increase in the number of youth receiving services (since FY 2010, the number of youth served has increased by more than 15 percent), as well as special education mandates, overall spending continues to increase. This adjustment is consistent with adjustments made at previous third quarter reviews and is needed in order to reconcile program year funding to actual experience. The expenditure increase is offset by an increase in state funding of \$2,576,020 for no net impact to the General Fund.

**Agency 67, Department of Family Services  
Adoption Subsidy Program**

<b>NON-RECURRING</b>	
Revenue	(\$800,000)
Expenditure	<u>(\$800,000)</u>
<b>Net Cost</b>	<b>\$0</b>

A decrease of \$800,000 to both revenues and expenditures for the Adoption Subsidy Program is included to more accurately align the program's budget with actual spending. Program spending has declined significantly due to the maximization of Medicaid as an alternative funding source for these subsidies. This adjustment is consistent with adjustments made at previous third quarter reviews and is needed in order to reconcile program year funding to actual experience. The expenditure decrease is fully offset by a decrease in federal and state revenues for no net impact to the County.

	<b>NON-RECURRING</b>	
<b>Agency 73, Office to Prevent and End Homelessness (OPEH)</b>	Expenditure	(\$616,512)
<b>Fund 50000, Federal-State Grant Fund</b>	General Fund Transfer	<u>\$616,512</u>
<b>Local Cash Match for the Emergency Solutions Grant</b>	<b>Net Cost</b>	<b>\$0</b>

A reallocation of \$616,512 from OPEH results in an increase in the General Fund transfer to Fund 50000, Federal-State Grant Fund to support Local Cash Match requirements for the Emergency Solutions Grant. The Emergency Solutions Grant supports housing, community and economic development activities, and provides financial assistance to low- and moderate-income persons and special populations across the County. This reallocation of resources is needed in order to maximize federal grant dollars awarded by the U.S. Department of Housing and Urban Development and results in no net impact to the County.

	<b>NON-RECURRING</b>	
	Revenue	\$0
<b>Agency 89, Employee Benefits</b>	Expenditure	<u>(\$3,834,929)</u>
<b>Fringe Benefit Employer Contributions</b>	<b>Net Cost</b>	<b>(\$3,834,929)</b>

A decrease of \$3,834,929 to expenditures is included based on anticipated savings in Agency 89, Employee Benefits. Expenditures for employer retirement and social security contributions are projected to be lower than previously anticipated based on year-to-date FY 2013 experience. Savings in employee benefits continue to be realized as the result of position eliminations and vacancies.

	<b>NON-RECURRING</b>	
	Revenue	\$0
<b>Agency 90, Police Department</b>	Expenditure	<u>\$525,000</u>
<b>Hurricane Sandy-Related Costs</b>	<b>Net Cost</b>	<b>\$525,000</b>

Funding of \$525,000 is required for the Police Department due primarily to additional overtime costs associated with the impacts of Hurricane Sandy in late October 2012. It should be noted that several other agencies and funds incurred an estimated \$1.3 million in additional storm-related costs but have the ability to absorb the cost impact within their current appropriations. These agencies include, but are not limited to, the Department of Public Safety Communications, the Office of Emergency Management, the Department of Public Works and Environmental Services, the Facilities Management Department, the Fire and Rescue Department, the Department of Information Technology, and the Fairfax County Park Authority.

	<b>NON-RECURRING</b>	
	Revenues	\$202,480
<b>Agency 90, Police Department</b>	Expenditures	<u>\$235,298</u>
<b>Presidential Inauguration Costs</b>	<b>Net Cost</b>	<b>\$32,818</b>

Funding of \$235,298 is required to cover costs incurred by the Police Department associated with increased staffing associated with the 2013 Presidential Inauguration. Of this amount, \$202,480 has been billed to the Metropolitan Police Department of the District of Columbia for overtime expenses, applicable regular salaries, and ground transportation. The remaining, \$32,818 reflects non-reimbursable inaugural expenses primarily associated with increased security requirements within Fairfax County.

	<b>RECURRING</b>	
<b>Agency 11, Department of Human Resources</b>	Expenditure	\$350,000
<b>Agency 36, Planning Commission</b>	Expenditure	\$30,000
<b>Agency 90, Police Department</b>	Expenditure	<u>\$750,000</u>
<b>Personnel Services Funding</b>	<b>Net Cost</b>	<b>\$1,130,000</b>

Funding of \$1,130,000 is required for Personnel Services Funding for the Department of Human Resources, Planning Commission, and the Police Department as detailed below.

Funding of \$350,000 is required for the Department of Human Resources to support fundamental operations of the department including payroll, employment, and benefits administration. This increase is required due primarily to significantly lower than budgeted vacancies as the agency has needed to keep most available positions filled to perform key functions. The agency has shifted positions and filled vacancies to ensure current operations are not impacted.

Funding of \$30,000 is required for the Planning Commission to cover a projected shortfall resulting from the anticipated leave payout associated with the retirement of the agency's Executive Director. Due to the small size of the agency budget, there is limited ability to absorb significant unbudgeted expenses of this nature.

Funding of \$750,000 is required for the Police Department based existing public safety requirements. The primary driver of this funding requirement is a net increase in overtime costs in FY 2013. Police staffing is being monitored very closely to ensure that minimum staffing coverage is met based on operational needs and current staffing levels. To ensure that all coverage is maintained, overtime is used as appropriate. Overtime costs increase with salary increases as well as the application of required Fair Labor Standards Act (FLSA) overtime premiums for eligible employees.

	<b>NON-RECURRING</b>	
<b>Fund 30010, General Construction and Contributions</b>	General Fund Transfer	<u>\$116,763</u>
<b>Allocating Revenue for Code Compliance-Related Activities</b>	<b>Net Cost</b>	<b>\$116,763</b>

A General Fund Transfer of \$116,763 to Project 2G25-017-000, Strike Force Blight Abatement, in Fund 30010, General Construction and Contributions, is required to allocate revenue collected from court ordered fines for zoning violations. As part of the FY 2009 Adopted Budget Plan budget guidelines, the Board of Supervisors directed that any revenue generated from zoning violation fines in excess of the baseline total of \$122,215 be made available to support the activities of the Department of Code Compliance. From FY 2009 through FY 2011, revenue generated from zoning violations did not exceed the base revenue amount of \$122,215; however, Zoning violation revenues for FY 2012 were \$238,978, which exceeded the base revenue amount by \$116,763. As a result, this amount is being allocated to the Strike Force Blight Abatement project for use in support of code compliance-related activities.

	<b>NON-RECURRING</b>	
<b>Fund 60000, County Insurance</b>	General Fund Transfer	<u>\$1,077,055</u>
<b>Accrued Liability Reserve</b>	<b>Net Cost</b>	<b>\$1,077,055</b>

The General Fund transfer to Fund 60000, County Insurance, is increased by \$1,077,055 for accrued liability adjustments. An actuarial analysis was performed after the close of the fiscal year by an outside actuary to estimate the ultimate value of losses for which the County is liable. It is the County's policy to fully fund the Accrued Liability Reserve each year based on the actuarial valuation, in order to ensure adequate funding for those risks that are self-insured.



The actuarial analysis estimates the ultimate value both for those cases where claims have already been reported as well as for those claims and future loss payments that could occur, or that have been incurred but not reported yet. Case reserves are established for reported claims at the time that they are reported, and are then adjusted up or down as more information is gathered pertaining to the loss or when closed cases are reopened.

### **Summary**

*In summary, I am recommending that the following actions be taken:*

- Board approval of the funding and audit adjustments contained in this package which result in no change to the General Fund Available Balance, an increase of \$81.10 million in Appropriated Other Funds expenditures excluding Federal and State Grants, audit adjustments and Schools' funds. Details regarding adjustments for School funds as requested by the School Board in Draft are provided in the Schools' Recommended *FY 2013 Third Quarter Review* package (Attachment VII).
  - Supplemental Appropriation Resolution AS 13227
  - Supplemental Appropriation Resolution AS 12147
  - Amendment to Fiscal Planning Resolution AS 13901
- Board appropriation of Federal/State grant adjustments in Fund 50000, Federal/State Grant Fund totaling an increase of \$15.10 million.
- Board approval of adjustment to the Managed Reserve to reflect the adjustments included in the *FY 2013 Third Quarter Review*.