CLERK OF THE BOARD OF SUPERVISORS

EXHIBIT/DOCUMENT LOG

MEETING DATE & AGENDA NO. 05/24/2022 #27

STAFF DOCUMENTS (Numerical)

No.	Presented by:	Description:
1	County Staff	Powerpoint
2		
3		
4		

PUBLIC DOCUMENTS (Alphabetical)

No.	Presented by:	Description:
A	NA	
B		
C		
D		
E		
F		
G		

Economic Update

Third Quarter

Fiscal Year 2021-22

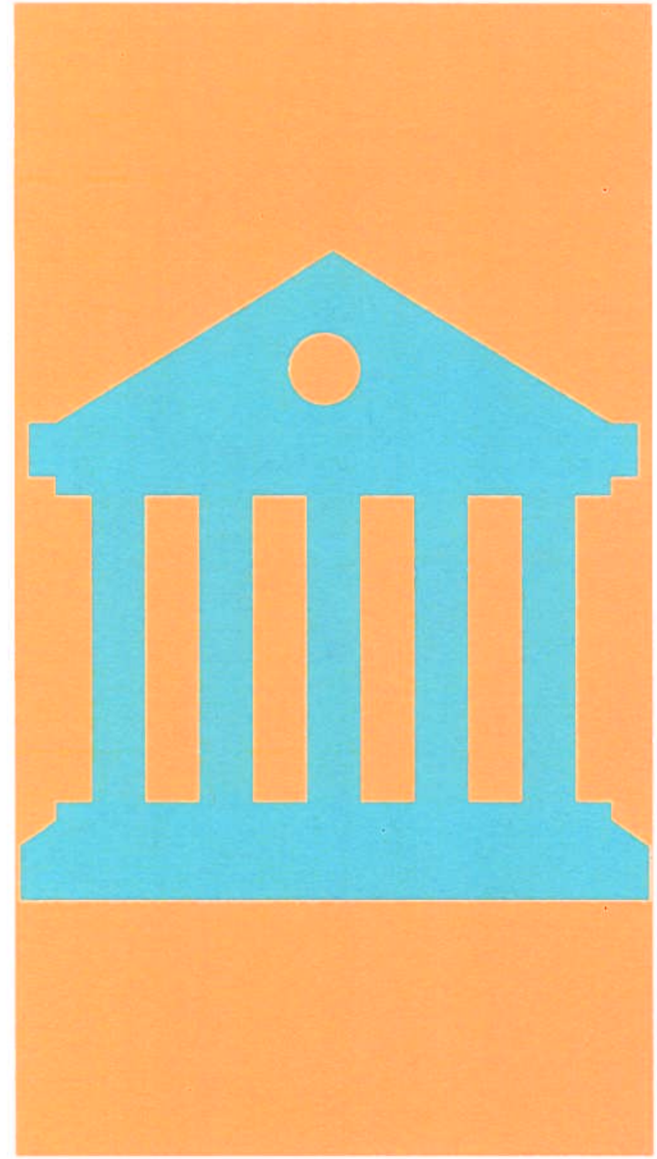
May 24, 2022 :: Ebony Shelton, DCAO/CFO

Item #27

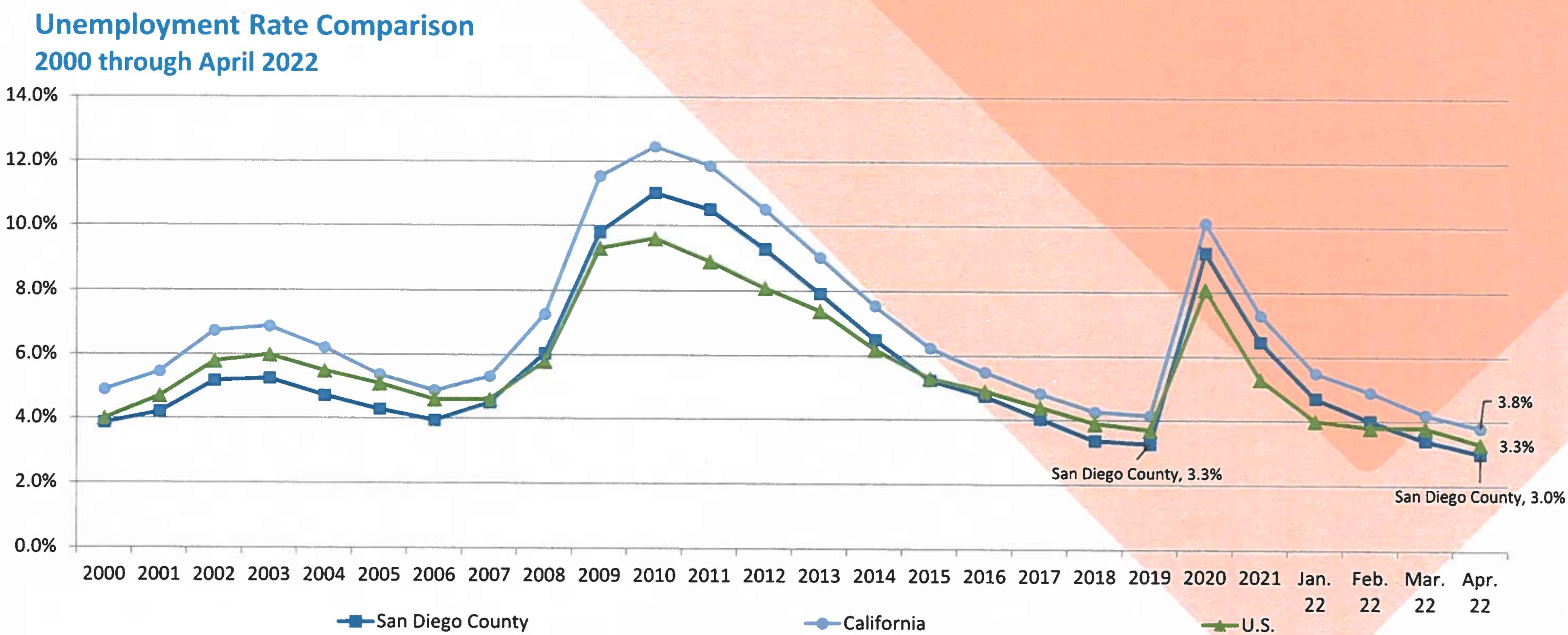
COUNTY OF SAN DIEGO

Agenda Highlights

- Economic Indicators
- State Budget
- Retirement
- Budget Performance
- Looking Ahead



Economic Indicators :: Unemployment

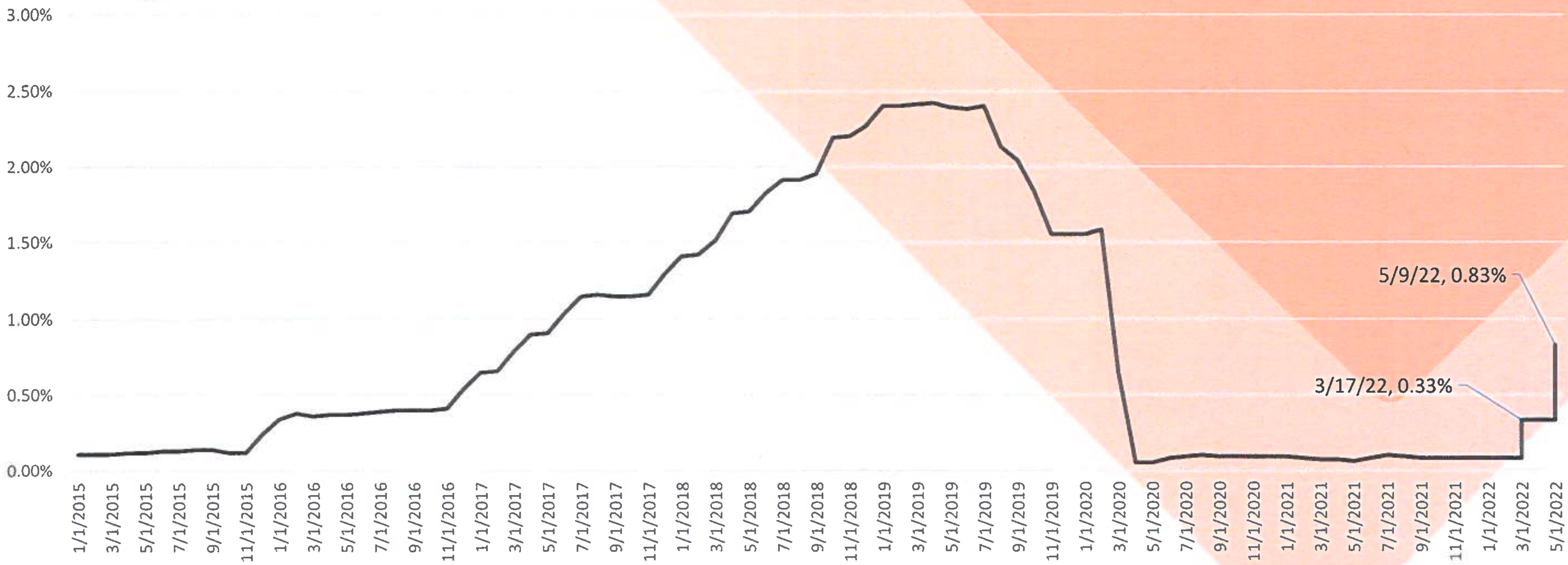


COUNTY OF SAN DIEGO

Sources: California EDD, Bureau of Labor Statistics.

Economic Indicators :: United States

Effective Federal Funds Rate
2015 through May 2022



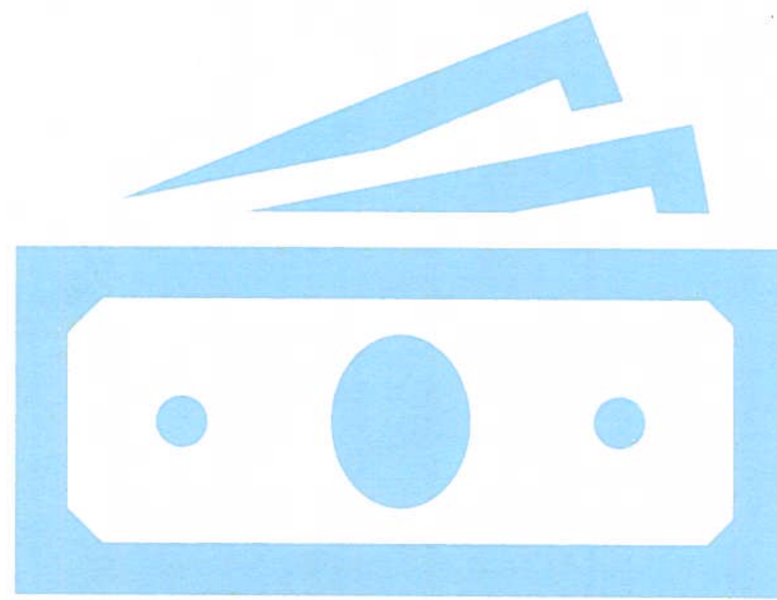
COUNTY OF SAN DIEGO

Notes: The Effective Federal Funds Rate is the interest rate banks charge each other when lending large sums of money to help ensure overall bank liquidity. While this rate is agreed-upon between banks, it is influenced by the Federal Reserve (Federal Open Market Committee) and the federal funds rate target.

Sources: Board of Governors of the Federal Reserve System.

State Budget

- Large State surplus to be used one-time
- Key State Issues & Investments:
  - ❖ Broad relief related to inflation
  - ❖ Affordable housing construction
  - ❖ Homelessness
  - ❖ Sustainability/Climate Change

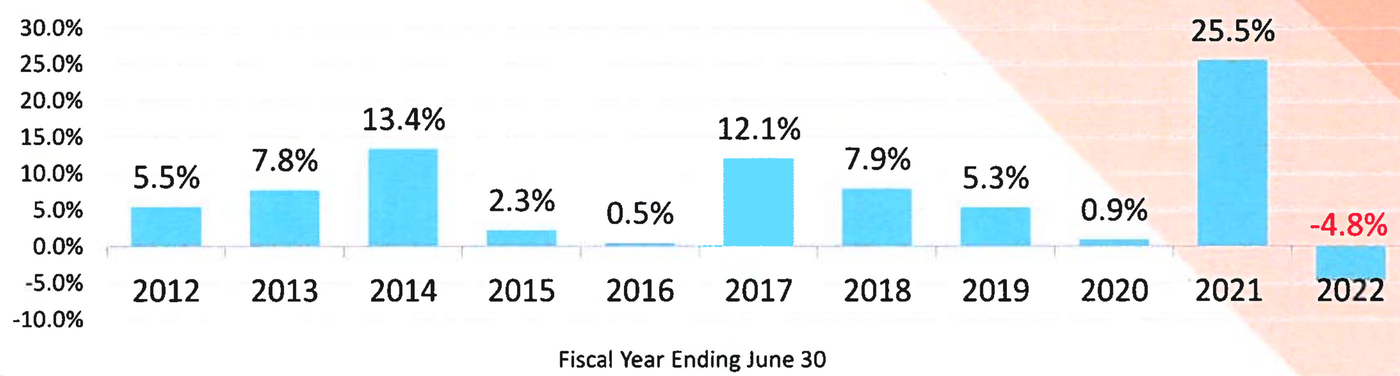


Retirement Returns & Changing Assumptions

KEY CHANGES TO RETIREMENT ASSUMPTIONS

- Long term inflation will drop from 2.75% to 2.50%
- Assumed rate of return will decrease from 7.00% to 6.50%
- Retiree Cost of Living Adjustment (COLA) will not decrease with long term inflation assumption

SDCERA Annual Investment Returns

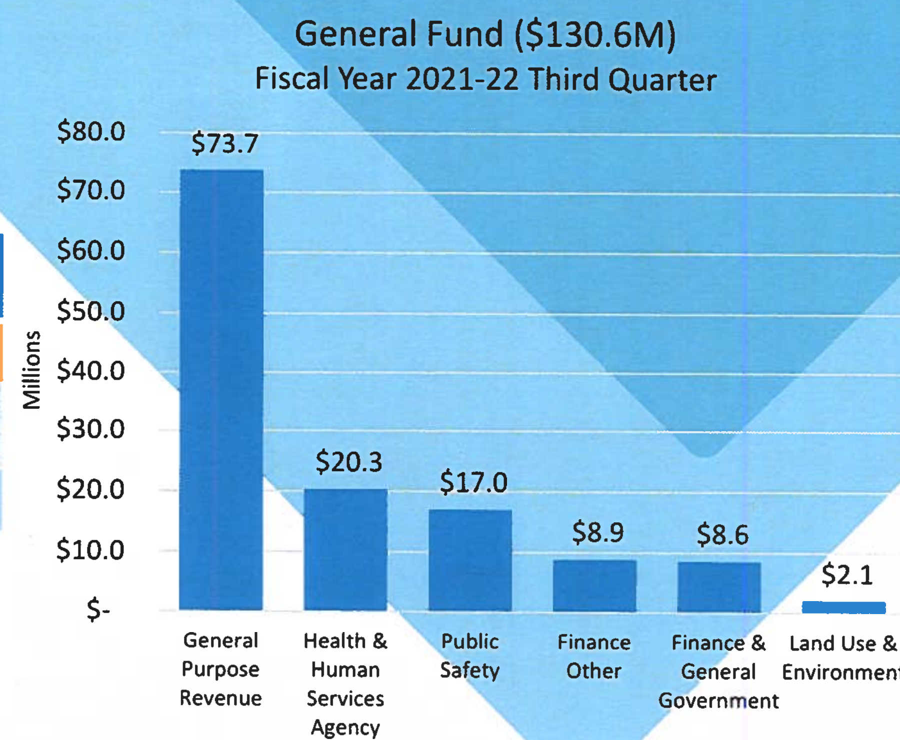


Sources: SDCERA Actuarial Valuation and Review as of June 30, 2021; FY 2022 based on SDCERA Monthly Risk-Return Report as of April 30, 2022;

Budget Performance 3rd Quarter Results

(in millions)

County Summary	Expenditures Variance	Revenues Variance	Projected Fund Balance	% of Projected FB to Budget
General Fund	$181.9 M	($51.3 M)	***$130.6 M***	1.9%
Non-General Fund	$80.2 M	$44.7 M	***$124.9 M***	4.9%
TOTAL	$262.1 M	($6.5 M)	***$255.5 M***	2.7%



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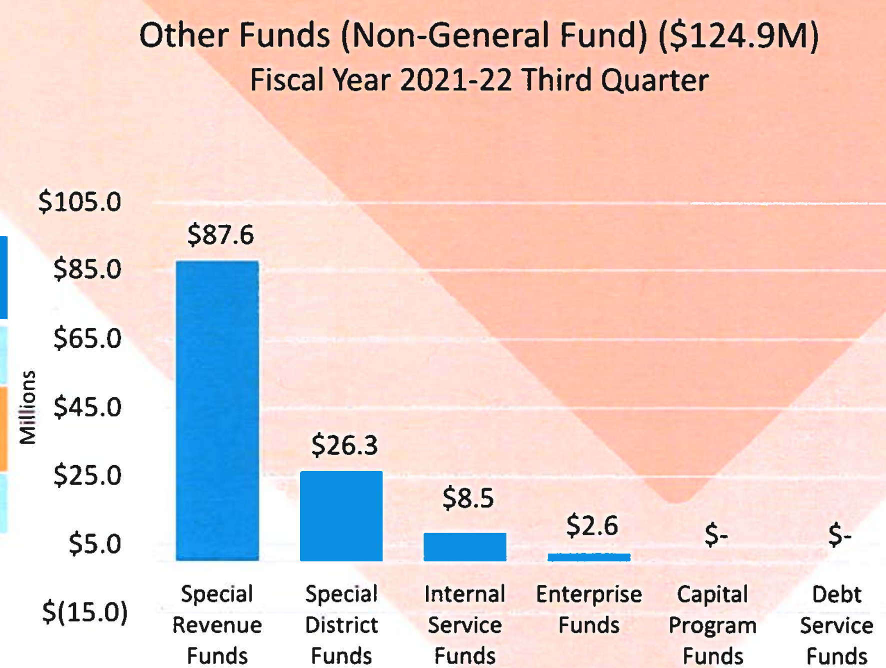
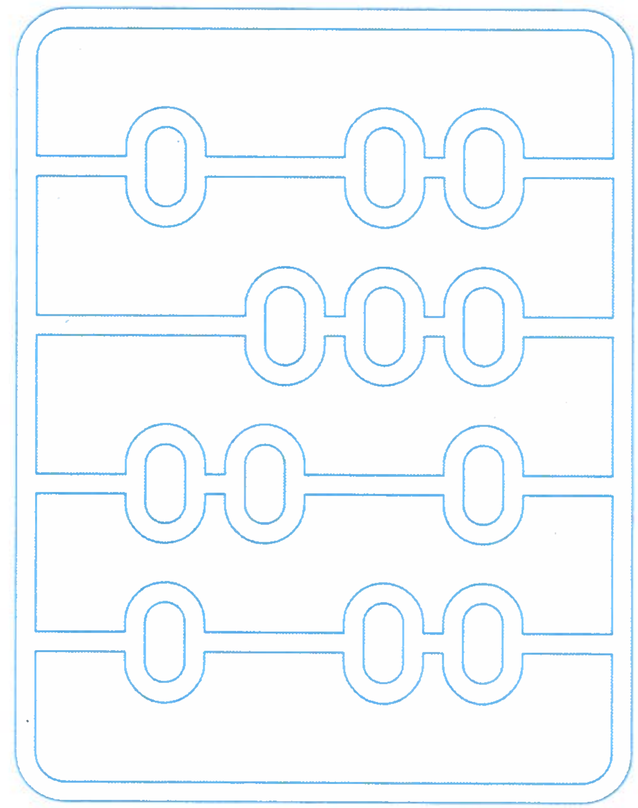


Summary of Fiscal Impact (3rd Quarter)

Increase to the Budget	General Fund	Non-General Fund
Use of Fund Balance	$0.0 M	$0.04 M
Program Revenues	$2.3 M	$13.59 M
TOTAL	**$2.3 M**	**$13.6 M**



Looking Ahead

- Changing Economic Conditions
- Retirement Costs
- Long Term State Budget

Thank You