

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

March 26, 2024

FROM

**WILLIAM L. GILBERT, Director, Arrowhead Regional Medical Center
DON DAY, Director, Project and Facilities Management Department**

SUBJECT

Appropriation and Revenue Adjustments to Fund Various Hospital Capital Improvement Program Projects

RECOMMENDATION(S)

1. Authorize the reallocation of funds from the Residual Equity Account, in the amount of \$1,765,000, to increase the following:
 - a. Capital Improvement Program Project No. 16-067 (WBSE 10.10.0121) for the Fire Alarm Panel Upgrade Project, in the amount of \$400,000.
 - b. Capital Improvement Program Project No. 19-126 (WBSE 10.10.0777) for the Arrowhead Regional Medical Center Planning & Design Project, in the amount of \$750,000.
 - c. Capital Improvement Program Project No. 21-046 (WBSE 10.10.1053) for the Arrowhead Regional Medical Center Central Plant – Replacement Chiller No. 2 Project, in the amount of \$75,000.
 - d. Capital Improvement Program Project No. 20-006 (WBSE 10.10.0852) for the Arrowhead Regional Medical Center Central Plant – Replacement Chiller No. 3 Project, in the amount of \$40,000.
 - e. Capital Improvement Program Project No. 21-049 (WBSE 10.10.1050) for the Arrowhead Regional Medical Center Seismic Anchor Dispensing Cabinets Project, in the amount of \$500,000.
2. Authorize the Auditor-Controller/Treasurer/Tax Collector to post the necessary budget adjustments to the Arrowhead Regional Medical Center Capital Improvement Program 2023-24 budget to reallocate funds to several existing projects, as detailed in the Financial Impact section (Four votes required).

(Presenter: William L. Gilbert, Director, 580-6150)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Operate in a Fiscally-Responsible and Business-Like Manner.

Provide for the Safety, Health and Social Service Needs of County Residents.

FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). The recommended budget reallocation, as detailed below, is necessary to provide Arrowhead Regional Medical Center (ARMC) Capital Improvement Program (CIP) budget with sufficient appropriation authority in 2023-24 for various costs associated with existing CIP projects. The budget adjustments include reallocating funds that were previously provided by

**Appropriation and Revenue Adjustments to Fund Various Hospital
Capital Improvement Program Projects
March 26, 2024**

the County Jail Ward Reserve that are being repurposed for other ARMC projects. Any potential additional costs will be funded by State Medi-Cal, Federal Medicare, private insurances, and other department revenue. Funding sources may change in the future pending any legislative activity related to the repeal and/or replacement of the Affordable Care Act.

Funds Center	Commitment Item	Description	Action	Amount	WBSE
7700004204	40909995	Residual Equity Transfers In	Increase	\$400,000	10.10.0121
7700004204	40909995	Residual Equity Transfers In	Increase	\$750,000	10.10.0777
7700004204	40909995	Residual Equity Transfers In	Increase	\$75,000	10.10.1053
7700004204	40909995	Residual Equity Transfers In	Increase	\$40,000	10.10.0852
7700004204	40909995	Residual Equity Transfers In	Increase	\$500,000	10.10.1050
7700004204	54304030	Structures and Improvements to Structures	Increase	\$400,000	10.10.0121
7700004204	54304030	Structures and Improvements to Structures	Increase	\$750,000	10.10.0777
7700004204	54304030	Structures and Improvements to Structures	Increase	\$75,000	10.10.1053
7700004204	54304030	Structures and Improvements to Structures	Increase	\$40,000	10.10.0852
7700004204	54304030	Structures and Improvements to Structures	Increase	\$500,000	10.10.1050
7701004204	40909999	Residual Equity Transfers Out	Increase	\$1,765,000	Not Relevant – Funded Program
7701004204	54304030	Structures and Improvements to Structures	Decrease	\$1,765,000	Not Relevant – Funded Program

BACKGROUND INFORMATION

The requested budget adjustment will allow ARMC to reallocate funding from the Residual Equity Account for the CIP listed in the Recommendation No. 1 that have been prioritized as critical to the continued operations of the hospital.

CIP Project No. 16-067 is the Fire Alarm Panel Upgrade Project to upgrade the main fire alarm panel for the entire hospital.

CIP Project No. 19-126 is ARMC’s Planning & Design Project to expand the Emergency Department.

**Appropriation and Revenue Adjustments to Fund Various Hospital
Capital Improvement Program Projects
March 26, 2024**

The following CIP projects are to replace equipment that is at the end of life and no longer supported: CIP Project No. 21-046 for Chiller No. 2 and CIP Project No. 20-006 for Chiller No. 3 located at ARMC's Central Plant. The chillers are used to heat and cool the hospital.

CIP Project No. 21-049 is for ARMC's Seismic Anchor Dispensing Cabinets Project to anchor medication dispensing cabinets to the floor as added safety precaution for seismic bracing.

ARMC is a 456-bed university-affiliated teaching hospital licensed by the California Department of Public Health, operated by San Bernardino County, and governed by the Board of Supervisors. ARMC delivers a large spectrum of essential services including emergency medicine, family medicine, internal medicine, neurology, obstetrics and gynecology, psychiatry, and ophthalmology. ARMC is composed of the main hospital, a behavioral health center, five primary care centers, and 40 subspecialty clinics.

ARMC recommends approval of this appropriation and reallocation adjustments because it will allow ARMC to operate in a fiscally-responsible and business-like manner and continue to provide for the health and safety of County residents as it will help ARMC to continue critical services.

Approval of the recommendations will allow ARMC to reallocate funds related to existing CIP projects as listed in the Financial Impact section.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Charles Phan, Deputy County Counsel, 387-5455) on February 12, 2024; Auditor-Controller/Treasurer/Tax Collector (Charlene Huang, General Accounting Manager, 382-7022) on February 12, 2024; Project and Facilities Management Department (Robert Gilliam, Chief of Project Management, 387-5000) on February 23, 2024; ARMC Finance (Chen Wu, Finance and Budget Officer, 580-3165) on March 1, 2024; Finance (Jenny Yang, Administrative Analyst, 387-4884, and Yael Verduzco, Principal Administrative Analyst, 387-5285) on March 8, 2024; and County Finance and Administration (Valerie Clay, Deputy Executive Officer 387-5423) on March 11, 2024.

**Appropriation and Revenue Adjustments to Fund Various Hospital
Capital Improvement Program Projects
March 26, 2024**

Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Curt Hagman Seconded: Joe Baca, Jr.

Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: March 26, 2024



cc: File - Medical Center
CCM 03/28/2024