

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

**September 26, 2023**

**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 \$21,581,048, to the following:
  - a. Capital Improvement Program Project No. 17-283 (WBSE 10.10.0266) for the Arrowhead Regional Medical Center Air Conditioning in Sterile Processing Project, in the amount of \$2,526,819.
  - b. Capital Improvement Program Project No. 18-061 (WBSE 10.10.0453) for the Computed Tomography Scanner Project, in the amount of \$1,376,425.
  - c. Capital Improvement Program Project No. 18-066 (WBSE 10.10.0458) for the Arrowhead Regional Medical Center Air Transfer Switch Replacement Project, in the amount of \$465,462.
  - d. Capital Improvement Program Project No. 19-068 (WBSE 10.10.0720) for the Arrowhead Regional Medical Center Variable Frequency Device Replacement Project, in the amount of \$300,000.
  - e. Capital Improvement Program Project No. 20-011 (WBSE 10.10.0847) for the Replacement Deaerator No. 1 Project, in the amount of \$600,000.
  - f. Capital Improvement Program Project No. 21-054 (WBSE 10.10.1061) for the Arrowhead Regional Medical Center Interior Plumb Infrastructure Plan Project, in the amount of \$1,010,002.
  - g. Capital Improvement Program Project No. 22-020 (WBSE 10.10.1207) for the Arrowhead Regional Medical Center Behavioral Health Adolescent Unit Project, in the amount of \$14,000,000.
  - h. Capital Improvement Program Project No. 17-104 (WBSE 10.10.0239) for the Emergency Department Staff Bathroom Remodel Project, in the amount of \$500,000.
  - i. Capital Improvement Program Project No. 18-067 (WBSE 10.10.0459) for the Boiler Motors Uninterrupted Power Source Project, in the amount of \$2,340.
  - j. Capital Improvement Program Project No. 17-112 (WBSE 10.10.0246) for the Magnetic Resonance Imaging Replacement Project, in the amount of \$800,000.
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)

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**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, are necessary to provide Arrowhead Regional Medical Center (ARMC) Capital Improvement Program budget with sufficient appropriation authority in 2023-24 for various costs associated with existing Capital Improvement Program (CIP) projects. The budget adjustments include reallocating funds that were previously provided by the County Jail Ward Reserve that is 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.

<b>Funds Center</b>	<b>Commitment Item</b>	<b>Description</b>	<b>Action</b>	<b>Amount</b>	<b>WBSE</b>
7700004204	40909995	Residual Equity Transfers In	Increase	\$2,526,819	10.10.0266
7700004204	40909995	Residual Equity Transfers In	Increase	\$1,376,425	10.10.0453
7700004204	40909995	Residual Equity Transfers In	Increase	\$465,462	10.10.0458
7700004204	40909995	Residual Equity Transfers In	Increase	\$300,000	10.10.0720
7700004204	40909995	Residual Equity Transfers In	Increase	\$600,000	10.10.0847
7700004204	40909995	Residual Equity Transfers In	Increase	\$1,010,002	10.10.1061
7700004204	40909995	Residual Equity Transfers In	Increase	\$14,000,000	10.10.1207
7700004204	40909995	Residual Equity Transfers In	Increase	\$500,000	10.10.0239
7700004204	40909995	Residual Equity Transfers In	Increase	\$2,340	10.10.0459
7700004204	40909995	Residual Equity Transfers In	Increase	\$800,000	10.10.0246
7700004204	54304030	Structures and Improvements to Structures	Increase	\$2,526,819	10.10.0266
7700004204	54304030	Structures and Improvements to Structures	Increase	\$1,376,425	10.10.0453
7700004204	54304030	Structures and Improvements to Structures	Increase	\$465,462	10.10.0458
7700004204	54304030	Structures and	Increase	\$300,000	10.10.0720

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<b>Funds Center</b>	<b>Commitment Item</b>	<b>Description</b>	<b>Action</b>	<b>Amount</b>	<b>WBSE</b>
		Improvements to Structures			
7700004204	54304030	Structures and Improvements to Structures	Increase	\$600,000	10.10.0847
7700004204	54304030	Structures and Improvements to Structures	Increase	\$1,010,002	10.10.1061
7700004204	54304030	Structures and Improvements to Structures	Increase	\$14,000,000	10.10.1207
7700004204	54304030	Structures and Improvements to Structures	Increase	\$500,000	10.10.0239
7700004204	54304030	Structures and Improvements to Structures	Increase	\$2,340	10.10.0459
7700004204	54304030	Structures and Improvements to Structures	Increase	\$800,000	10.10.0246
7701004204	40909999	Residual Equity Transfers Out	Increase	\$21,581,048	Not Relevant – Funded Program
7701004204	54304030	Structures and Improvements to Structures	Decrease	\$21,581,048	Not Relevant – Funded Program

**BACKGROUND INFORMATION**

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

CIP Project No. No. 17-283 is ARMC's Air Conditioning in Sterile Processing Project to replace the air conditioning equipment in the hospital's Sterile Processing Department.

The following CIP projects are to replace equipment that is at the end of life and no longer supported: CIP Project No. 18-061 for the Computed Tomography Scanner Project; CIP Project No. 18-066 for the ARMC Air Transfer Switch Replacement Project, CIP Project No. 19-068 for the ARMC Center Variable Frequency Device Replacement Project, CIP Project No. 20-011 for the Replacement Deaerator No. 1 Project, and CIP Project No. 18-067 for the Boiler Motors Uninterrupted Power Source Project.

CIP Project No. 21-054 is for ARMC's Interior Plumb Infrastructure Plan Project to replace interior plumbing at the hospital to address ongoing leaks and water waste.

CIP Project No. 22-020 is for ARMC's Behavioral Health Adolescent Unit Project to add a behavioral health unit specifically for adolescents.

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CIP Project No. 17-104 is for the Emergency Department Staff Bathroom Remodel Project for safety, functionality, and usability of hospital bathrooms in the Emergency Department.

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 September 13, 2023; Auditor-Controller/Treasurer/Tax Collector (Charlene Huang, General Accounting Manager, 382-7022) on September 13, 2023; Project and Facilities Management Department (Robert Gilliam, Chief of Project Management, 387-5000) on September 14, 2023; ARMC Finance (Chen Wu, Finance and Budget Officer, 580-3165) on September 13, 2023; Finance (Jenny Yang, Administrative Analyst, 387-4884, and Yael Verduzco, Principal Administrative Analyst, 387-5285) on September 11, 2023; and County Finance and Administration (Valerie Clay, Deputy Executive Officer 387-5423) on September 13, 2023.

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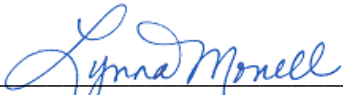
Record of Action of the Board of Supervisors  
San Bernardino County

**APPROVED (CONSENT CALENDAR)**

Moved: Joe Baca, Jr. Seconded: Jesse Armendarez

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

Lynna Monell, CLERK OF THE BOARD

BY   
DATED: September 26, 2023



cc: File - Medical Center

jm 10/4/2023