

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF THE FOLLOWING:
COUNTY OF SAN BERNARDINO
BOARD GOVERNED COUNTY SERVICE AREAS
SAN BERNARDINO COUNTY FLOOD CONTROL DISTRICT
AND RECORD OF ACTION**

**REPORT/RECOMMENDATION TO THE BOARD OF DIRECTORS
OF THE FOLLOWING:
BLOOMINGTON RECREATION AND PARK DISTRICT
IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY
INLAND COUNTIES EMERGENCY MEDICAL AGENCY
SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
AND RECORD OF ACTION**

October 27, 2020

FROM

LEONARD X. HERNANDEZ, Chief Executive Officer, County Administrative Office

SUBJECT

2019-20 Year-End Budget Report

RECOMMENDATION(S)

1. Acting as the governing body of the County of San Bernardino, the Board Governed County Service Areas, the San Bernardino County Fire Protection District, the San Bernardino County Flood Control District, the Bloomington Recreation and Park District and the Inland Counties Emergency Medical Agency:
 - a. Authorize the Auditor-Controller/Treasurer/Tax Collector to post the adjustments to appropriation, revenue, operating transfers out, reserves and use of net position required to finalize the budget for 2019-20, as detailed in the attached 2019-20 Year-End Budget Adjustment Report, allowing for minor technical changes limited to available budget within the budget unit, Attachment A (Four Votes Required).
 2. Acting as the governing body of the County of San Bernardino, the Board Governed County Service Areas, the San Bernardino County Flood Control District, the In-Home Supportive Services Public Authority, the Inland Counties Emergency Medical Agency, and the San Bernardino County Fire Protection District:
 - a. Accept the 2019-20 Year-End Performance Measure Report, Attachment B.
- (Presenter: Matthew Erickson, County Chief Financial Officer, 387-5423)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

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

FINANCIAL IMPACT

The financial impact of this item is provided in detail in the 2019-20 Year-End Budget Adjustment Report (Attachment A). This action facilitates the closing of the 2019-20 budget for multiple county and Board-governed entities, including the County, the Board Governed County

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Services Areas, the San Bernardino County Fire Protection District, the San Bernardino County Flood Control District, the Bloomington Recreation and Park District, and the Inland Counties Emergency Medical Agency. This report also includes the year-end adjustments necessary for the County's Capital Improvement Program (CIP). Adjustments associated with all entities included in this report are detailed in Attachment A.

The 2019-20 Year-End Budget Adjustment Report recommends that the Board approve increases in Requirements totaling \$93.5 million and increases in Sources totaling \$80.9 million resulting in the use of Countywide Reserves, Contingencies and Net Position of \$12.6 million. It also requests that the Board approve transfers of appropriation within the same budget unit totaling \$6.0 million.

The General Fund portion of the requested changes include increases in Requirements totaling \$60.0 million, and increases in Sources of \$54.7 million resulting in the use of \$5.3 million of General Fund Reserves/Contingencies.

BACKGROUND INFORMATION

Recommendations No. 1 and No. 2

County Budget Financing Policy 05-01 states that departments are expected to maintain expenditures within their budget authority as adopted by the Board. Also provided in this policy are rules for approval of appropriation changes. Certain transfers of existing appropriation within a budget unit can be approved by the County Administrative Office. Exceptions are noted in the policy regarding transfers of appropriation in the salaries and benefits, fixed asset, and operating transfers out appropriation units, which require Board approval.

This item requests approval of year-end appropriation adjustments needed for the 2019-20 closing. These adjustments consist of the use of additional Discretionary General Funding (General Fund Reserves and Contingencies), the use of departmental Reserves or Net Position, changes in Requirements (appropriation) offset by changes in departmental Sources, and appropriation transfers that cannot be approved by the County Administrative Office per County Policy.

Additionally, year-end updates on achieving 2019-20 adopted performance measures for each County entity are detailed in Attachment B - Pages 1-84.

Increases to Requirements Using Reserves and Net Position

All requests for increases to Requirements funded by the use of Reserves (both General Fund and Departmental) or the use of departmental Net Position require approval by the Board. This Year-End Budget Adjustment Report recommends the use of \$5.3 million in General Fund Reserves and Contingencies, \$7.1 million in departmental Reserves and \$73,924 in Net Position.

Notable increases to Requirements include:

County General Fund Reserves/Contingencies:

A use of \$3.4 million of the County's Earned Leave Reserve is recommended to compensate General Fund departments for the Discretionary General Funding portion of costs incurred for

departmental staff that separated from County employment in the third and fourth quarters of 2019-20.

A use of \$444,972 of the County's Labor Reserve is recommended to fund one-time costs incurred in 2019-20 associated with approved employee MOU agreements.

A use of \$1.0 million of the County's Countywide Crime Suppression and Pilot Program/Crime Sweep Reserves is recommended to fund costs incurred by the Sheriff/Coroner/Public Administrator during 2019-20.

A use of \$474,874 in General Fund Contingencies is requested for the following adjustments:

- To fund an operating deficit that occurred in the Court Facilities/Judicial Benefits budget unit discussed later in this report (\$40,657).
- Funding for the costs incurred by the Department of Aging and Adult Services for operating the Great Plates Program (\$36,843).
- Funding for the ongoing costs associated with previously approved MOU agreements that were incurred during fiscal year 2019-20 (\$397,374).

Changes in Requirements Using Coronavirus Relief Funds (CARES Act)

It is requested that the Board approve an increase to Requirements and Sources of \$80.1 million representing the use of CARES Act funding that has not previously been added to the budget. The County's response to the pandemic has been extensive and this adjustment recognizes the use of CARES Act funding for the various activities that the County has undertaken in response to the pandemic. These efforts by the County include, but are not limited to: testing and contact tracing; temporary housing for at risk portions of the homeless population; medical and behavioral health costs at County clinics, the Arrowhead Regional Medical Center, and detention facilities; PPE purchases; COVID related employee medical leaves; the skilled nursing task force; detention facility operational changes; support to local businesses and non-profit agencies; substantially increasing the ability of employees to telework so that the County could continue to serve the public; regular public communication, including the Joint Information Center and multiple other communication channels; and the preparation of alternate care sites to support local hospitals. This adjustment includes \$54.5 million of funding within the General Fund and \$25.6 million in other funds.

Changes in Requirements Using Departmental Sources

It is requested that the Board approve an increase to Requirements (appropriation) of \$0.9 million funded with increases in departmental Sources.

Notable Changes to Requirements and Sources include:

General Fund

The **Real Estate Services – Facilities Management** budget unit includes expenses for services that are provided to County departments to ensure County facilities are well maintained. The department is requesting an increase to Requirements and Sources of \$175,000 that reflects higher costs incurred during the fiscal year. The increases will be funded by an increase in Revenue from requisition work.

Special Revenue Funds

The **Special Districts – General Districts Consolidated Special Revenue Fund** budget unit is increasing Requirements and Sources by \$624,000, which reflects the receipt of revenue from CalOES for a significant portion of costs associated with the Trona Earthquake.

Appropriation Transfers within the same Budget Unit

Appropriation transfers within a budget unit that require approval by the Board include transfers out of Salaries and Benefits, transfers of appropriation to or from Operating Transfers Out, and Fixed Asset appropriation transfers over specific amounts. Requested transfers of appropriation included in the Year-End Budget Adjustment Report total \$6.0 million. Adjustments discussed in this section result in no net impact to Requirements or Sources.

Notable transfers within the same budget unit include:

General Fund

Public Health is requesting to transfer \$3.2 million in salary savings to fund increases in Services and Supplies (\$2.8 million) and Transfers Out (\$368,221) to fund expenditures related to the COVID-19 Pandemic response.

Airports is requesting to transfer \$640,000 of revenue to the department's Special Revenue fund. Per FAA grant assurance requirements, airport-generated revenue must remain with airports and be used to support airport operations. It is the practice of the department to use these funds for future one-time costs, such as capital expenditures.

Sheriff/Coroner/Public Administrator – Detentions budget unit is requesting to transfer \$290,000 in salary savings to fund increases in Services and Supplies (\$30,000), Medical Indigents (\$120,000), and Services and Supplies Transfers Out (\$140,000) resulting from a temporary increase in food and contract staffing, an increase in inmate medical and emergency services, and an increase in medical and lab supplies.

Employee Benefits and Services, under the direction of the Human Resources Department, is requesting to transfer \$250,000 in salary savings to reimburse the Purchasing Department for face masks purchased to prevent the spread of COVID-19 (\$100,000), and an increase in Services and Supplies for health and benefits consulting services (\$150,000).

Discretionary General Funding

The **Court Facilities/Judicial Benefits** budget unit annually appropriates funding for costs associated with both supplemental benefits for Superior Court judges appointed on or before January 1, 2008 and property insurance costs not covered by an agreement with the Judicial Council of California, as well as security services at the Fontana Court. This budget unit is reporting a Net County Cost of \$40,657 over the budgeted amount. This is due to higher than anticipated costs for judicial benefits (\$40,515) and security at the Fontana Courthouse (\$142).

As the local onset of the pandemic occurred in early 2020, various county departments began to experience revenue disruptions due to lack of the ability to operate under normal conditions. Notably, **Regional Parks** and **County Museum** have been largely closed to guests since March 2020, and as a result, guest related revenues have dropped significantly. Therefore, Regional Parks and County Museum have exceeded their Net County Cost allocations for fiscal year

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2020 by \$949,813 and \$18,969, respectively. The impact the pandemic has had on these departments, as well as other fee-supported departments, continues to be monitored.

Capital Improvement Program Adjustments

The Capital Improvement Program (CIP) is requesting increases to Requirements and Sources of \$7,031 to recognize departmental revenue for minor project scope increases. Additionally, CIP is requesting \$319,644 in adjustments to projects which result in no net increase to Requirements and Sources.

Increased Requirements and Sources of \$7,031 reflect minor project scope increases for the following projects, which are funded by departmental revenue:

- WBSE 10100693 – Public Works Running Springs Yard Generator Installation project (\$3,530)
- WBSE 10100792 – Public Health Devore Animal Shelter Land Acquisition project (\$2,001)
- WBSE 10100810 – CSG Administrative Office Remodel project (\$1,500)

Adjustments totaling \$319,644 are requested due to various minor adjustments for scope changes and are funded by transfers from CIP program budgets or from existing project budgets, detailed below. These adjustments result in no net impact to Requirements or Sources.

- WBSE 10100405 – Fire Sprinkler Backflow Relocation (\$3,714)
- WBSE 10100773 – CCL 3rd Floor Conference Room Reconfiguration (\$848)
- WBSE 10100747 – ARMC Chiller Replacement (\$254,282)
- WBSE 10100889 – RYEF Chiller Replacement (\$59,300)
- WBSE 10100818 – CGC Building Plaques Repair (\$1,500)

Performance Measure Update

Year-end updates on achieving 2019-20 adopted performance measures are included in Attachment B for each County entity as follows: County - Pages 1-76, Fire Protection District - Pages 77-78. Flood Control District - Page 79, Inland Counties Emergency Medical Agency - Page 80, In-Home Supportive Services - Pages 81-82, and Board Governed County Service Areas - Pages 83-84.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Penny Alexander-Kelley, Chief Assistant County Counsel, 387-5545) on October 13, 2020; Auditor-Controller/Treasurer/Tax Collector (Erika Gomez, General Accounting Manager, 382-3196) on October 13, 2020; Finance (Paloma Hernandez-Barker, Principal Administrative Analyst, 387-5426) on October 13, 2020, and County Finance and Administration (Robert Saldana, Deputy Executive Officer, 387-5423) on October 12, 2020.

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Record of Action of the Board of Supervisors
County of San Bernardino
Board Governed County Service Areas
San Bernardino County Flood Control District

Record of Action of the Board of Directors
Bloomington Recreation and Park District
In-Home Supportive Services Public Authority
Inland Counties Emergency Medical Agency (ICEMA)
San Bernardino County Fire Protection District

APPROVED (CONSENT CALENDAR)

Moved: Robert A. Lovingood Seconded: Josie Gonzales
Ayes: Robert A. Lovingood, Janice Rutherford, Dawn Rowe, Curt Hagman, Josie Gonzales

Lynna Monell, CLERK OF THE BOARD/SECRETARY

BY *Lynna Monell*
DATED: October 27, 2020



cc: File - Administrative Office w/attach
CCM 11/6/2020