



San Bernardino County

Legislation Text

File #: 5464, Agenda Item #: 64

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
SITTING AS THE GOVERNING BOARD OF THE FOLLOWING:
SAN BERNARDINO COUNTY
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:
BIG BEAR VALLEY RECREATION AND PARK DISTRICT
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**

January 25, 2022

FROM

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

SUBJECT

2021-22 Mid-Year Budget Report and Personnel Actions

RECOMMENDATION(S)

1. Acting as the governing body of San Bernardino County, Board Governed County Service Areas, San Bernardino County Flood Control District, Big Bear Valley Recreation and Park District, Bloomington Recreation and Park District, In-Home Support Services Public Authority, Inland Counties Emergency Medical Agency, and the San Bernardino County Fire Protection District:
 - a. Accept the 2021-22 Mid-Year Budget Report (Report).
2. Acting as the governing body of San Bernardino County, Board Governed County Service Areas, San Bernardino County Flood Control District, Big Bear Valley Recreation and Park District, Bloomington Recreation and Park District, In-Home Support Services Public Authority, Inland Counties Emergency Medical Agency, and the San Bernardino County Fire Protection District:
 - a. Approve the budget adjustments as listed in the Report and authorize the Auditor-Controller/Treasurer/Tax Collector to post appropriation, revenue, reserves, and use of net position as detailed in the Mid-Year Report List of Adjustments section of the Report, allowing for minor technical changes limited to available budget within the budget unit (Four votes required).
3. Acting as the governing body of San Bernardino County, Board Governed County Service Areas, San Bernardino County Flood Control District, Big Bear Valley Recreation and Park District, Bloomington Recreation and Park District, and the San Bernardino County Fire Protection District:

- a. Authorize the purchase of previously unbudgeted fixed assets, as detailed under the Fixed Asset Detail Recommended Adjustments section of the Report.
4. Acting as the governing body of San Bernardino County, Board Governed County Service Areas, San Bernardino County Flood Control District, Big Bear Valley Recreation and Park District, Bloomington Recreation and Park District, and the San Bernardino County Fire Protection District:
 - a. Approve the 2021-22 budgeted staffing changes as listed in the Budgeted Staffing and Personnel Action Section of the Report.
 - b. Approve the following classification actions described in the Budgeted Staffing Section of the Report:
 - i. Reclassify positions (Attachment A).
 - ii. Add new positions (Attachment A).
 - iii. Establish the classifications and salaries for the new classifications (Attachment A).
 - iv. Approve indicated Equity Adjustments for existing classifications (Attachment A).
 - v. Approve indicated Technical Title Changes for existing classifications (Attachment A).
 - vi. Approve deleted classifications (Attachment A).
 - vii. Direct the Clerk of the Board of Supervisors to amend the County Conflict of Interest Code List of Designated Employees to include the new classifications as detailed on Attachment A.
5. Acting as the governing body of San Bernardino County approve the following recommendations related to Ordinance 1904, by adding one new position and reclassifying one position number to the Unclassified Service:
 - a. Consider proposed ordinance related to Ordinance 1904.
 - i. Adding the following position number to the Unclassified Service of the County:
 1. Assistant Director of Human Resources (Position No. 54989), and
 - ii. Reclassifying the following position number to the Unclassified Service of the County:
 1. Deputy Director, Public Works (Position No. 53161).
 - b. Make alterations, if necessary, to proposed ordinance.
 - c. Approve introduction of proposed ordinance.
 - i. An Ordinance of San Bernardino County, State of California, to amend Ordinance No. 1904 Relating to the Classified and Unclassified Service. .
 - d. SCHEDULE ORDINANCE FOR FINAL ADOPTION ON TUESDAY, FEBRUARY 8, 2022, on the Consent Calendar.
6. Acting as the governing body of San Bernardino County:
 - a. Adopt resolution to approve the use of previously committed General Fund Reserves for other than their originally specified purpose, consistent with Governmental Accounting Standards Board Statement No. 54 (GASB 54).

(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 Report includes increases to total Sources of \$158.98 million, increases to total Requirements of \$230.34 million, and a net use of \$71.36 million in Contingencies/Reserves/Net Position (Note: Numbers may not add due to rounding).

Countywide Recommended Budget Adjustments (Millions)			
	Sources	Requirements	Change in Contingencies/ Reserves / Net Position
County	\$ 117.55	\$ 183.43	\$ (65.88)
Fire	24.86	28.74	(3.88)
Flood	0.02	0.75	(0.73)
ICEMA	-	0.14	(0.14)
IHSS	12.09	12.09	-
Special Districts	4.46	5.19	(0.73)
Total*	\$ 158.98	\$ 230.34	\$ (71.36)

For the San Bernardino County General Fund portion of the requested changes, adjustments include \$60.79 million in increased Sources, \$111.60 million in increased Requirements, and a net use of \$50.81 million in General Fund Contingencies and Reserves. This includes a net use of General Fund Reserves of \$40.80 million and a use of General Fund Contingencies of \$10.01 million, as detailed later in this document.

County Recommended Budget Adjustments (Millions)			
	Sources	Requirements	Change in Contingencies/ Reserves / Net Position'
General Fund	60.79	111.60	(50.81)
General Fund - Restricted	(5.30)	(5.30)	-
Internal Service and Enterprise Fund	49.10	57.87	(8.77)
Special Revenue Fund	12.96	19.26	(6.30)
Total County Entity*	117.55	183.43	(65.88)

*Note: Numbers may not add due to rounding.

BACKGROUND INFORMATION

The Chief Executive Officer (CEO) is responsible for the preparation and administration of the County budget. Subsequent to adoption of the County Budget, adjustments are made via recommended adjustments, which are submitted by County Departments and consolidated into a comprehensive report by Finance and Administration. Budget reports are generated to provide the Board of Supervisors / Board of Directors (Board) with the most current information on County revenues (Sources) and appropriation (Requirements) on which to base decisions. Additionally, the Report includes countywide performance measure updates.

New for 2021-22, the Report includes a kick-off to the 2022-23 budget season. At the 2021-22 Budget Workshop (May 18, 2021, Item No. 107) the CEO informed the Board that the County Administrative Office would lead an effort to make improvements to the annual fiscal management of the County focusing on achieving the following goals:

- Early Board Engagement
- Frequent Financial Updates
- Focus on Program and Services

The County Administrative Office has already implemented changes to achieve these goals including an updated approach to the 2021-22 Mid-Year Budget Report that included early engagement of the CEO's Executive Leadership Team to make certain that all position changes are in alignment with the County's goals, objectives, and priorities.

To continue these goals, the County Administrative Office has prepared the attached presentation (Attachment B) that will kick-off the 2022-23 Budget cycle including an overview of the current budget and the introduction of a plan to achieve early Board engagement in the 2022-23 budget process.

Change in Available Discretionary General Funding

As a result of operations in fiscal year 2020-21, including policy direction from the Board regarding the use of one-time funding through the Coronavirus Aid, Relief, and Economic Security (CARES) Act and other pandemic related financing sources, the General Fund - Fund Balance came in \$175.8 million higher than estimated in the 2021-22 Recommended Budget. This was primarily the result of discretionary revenue being \$47.8 million higher than budgeted, \$36.7 million in FEMA reimbursements that materialized prior to June 30, 2021, and \$91.3 million in departmental savings that was primarily the result of the utilization of CARES Act funding for eligible expenses.

This additional funding is placed in contingencies and is not allocated for any specific purpose until Board direction is given. Recommendations for uses of General Fund contingencies are found in the Discretionary General Funding Section of this item.

Overview of adjustments included in the Mid-Year Budget Report

Several factors contribute to the need for departments to request budget adjustments throughout the fiscal year. As an administrative arm of the State, the County is frequently required to make programmatic adjustments in order to maintain compliance with applicable federal and state law. Additionally, the County is continually seeking ways to use its own discretionary sources of funding to maximize services to the public, which often requires the implementation of projects and programs outside of the normal budget process. Furthermore, the County receives notification throughout the year of additional funds made available from grants for a variety of County projects and programs. Finally, unforeseen costs sometimes arise that require immediate attention that cannot wait for the budget cycle.

These factors have resulted in requested budget adjustments totaling a \$158.98 million increase to total Sources, increase to total Requirements of \$230.34 million, and a net use of \$71.36 million in Contingencies/Reserves/Net Position.

The Mid-Year Budget Report also includes a net increase of 539 positions, of which 143 positions were added subsequent to the 2021-22 Adopted Budget via stand-alone board agenda items. Staffing changes by entity are summarized in the table below.

Summary of Budgeted Staffing Changes

	<u>Count</u>	<u>Fire</u>	<u>Specia Distric</u>	<u>Flood Contrc</u>	<u>Other Agenci</u>	<u>Total Staffin</u>
Adopted Budget Staffing as of 6/30/2021	23,950	1,064	180	178	58	25,430
Total First Quarter Recommended Adjustments	457	82	0	0	0	539
Recommended Budgeted Staffing as of 9/30/2021	24,407	1,146	180	178	58	25,969

Changes to both budget and budgeted staffing are detailed by Department in the Summary of 2021-22 Mid-Year Budget Report section of Attachment A.

Recommended Adjustments with Discretionary General Funding

General Fund Contingencies represent Discretionary General Funding that remains available for immediate and future needs. In this Report, the recommended adjustments utilizing General Fund Contingencies result in an overall increase to General Fund Contingencies of \$24.99 million and includes the adjustments listed below.

- **New Property Information Management System (PIMS) Replacement System** (\$1,734,956 One-Time): Requesting rollover funds from 2020-21 to continue the support for the PIMS Replacement Project. The Assessor-Recorder-Clerk was approved by the Board on September 15, 2020 (Item No. 17), Contract No. 20-876 with Array Information Technology, Inc., to provide system integration services for the Assessor’s Property Information Management System Modernization Project. These funds will be placed in the reserve for future use.
- **Auditor-Controller/Treasurer/Tax Collector** staffing adjustments (\$1,316,391 Ongoing): The ATC is requesting 10 new positions and 6 reclassifications of existing positions to focus on the department’s IT approach and expand the division that supports the countywide financial accounting system (SAP).
- **County Administrative Office** funding for previously approved staffing adjustments (\$761,015 Ongoing): The Board of Supervisors approved the addition of 4 positions for the County Administrative Office on the 2020-21 Year End Report on September 21, 2021 (Item No. 55). The additional positions include 1 Deputy Executive Officer, 1 Administrative Analyst III, and 2 Executive Secretary III positions that will provide additional support to the County Executive team and enhance the County Special Projects team, which focuses on Board priorities, Board Agenda item processing and evaluation, and special projects. This is a request to fund the 4 positions with additional ongoing Discretionary General Funding in the amount of \$761,015.
- **Court Facilities/Judicial Benefits** Property Insurance Costs (\$140,000 Ongoing): The Court Facilities/Judicial Benefits budget unit annually appropriates an amount that the County provides in supplemental benefits for Superior Court judges appointed on or before January 1, 2008. This budget unit also continues to appropriate funds for property insurance costs not covered by an agreement with the Judicial Council of California, as well as security services at the Fontana Court. The department is requesting a budget adjustment of \$140,000 for property insurance costs, which have significantly increased over the past five years. The increase in the department’s budget authority will be funded with additional ongoing Net County Cost.
- Funding for the **District Attorney’s** Microsoft Case Management Project (\$805,060 One-Time): This request is to rollover unspent funds from prior year for the Microsoft Case Management Project. The Board approved Amendment No. 4 to Contract No. 19-776 in the amount of \$805,060 on June 22, 2021 (Item No. 43) for Phase IV of its case management system configuration. This amendment includes critical functionality of creating subpoenas in bulk and the ability to edit the subpoenas prior to issuance, prevention of duplicate entries related to cases, the ability to mask confidential information, user friendly navigation for data retrieval, and tracking cases that the department initially turned down for prosecution.

- **District Attorney** staffing adjustments (\$130,000 Ongoing): The District Attorney's Office is requesting \$130,000 to partially fund 8 new positions and 12 reclassifications of existing positions for their new Homicide Unit and for the Discovery team.
- **Finance and Administration** funding for previously approved staffing adjustments (\$485,382 Ongoing): The Board approved the addition of 3 positions for County Administrative Office - Finance and Administration (Finance) on the 2020-21 Year End Report on September 21, 2021 (Item No. 55). The additional positions include 1 Deputy Executive Officer, 1 Administrative Analyst III, and 1 Executive Secretary III position that will provide necessary support to assist Finance in implementing new countywide budget processes and will allow for additional oversight of County departments' financial operations. The \$626,715 cost of the additional 3 positions is partially offset by the deletion of 1 vacant Finance and Administration Projects Coordinator position (\$141,333). This is a request to fund the 3 positions with additional ongoing Discretionary General Funding in the amount of \$485,382.
- Funding for general County purpose **Flood Control District (FCD)** projects (\$25,000 One-Time): The FCD is requesting \$25,000 as a reimbursement on behalf of San Bernardino County Transportation Authority (SBCTA) for projects that serve a general County purpose.
- Staffing adjustments for **Human Resources** (\$1,827,949 Ongoing): Human Resources (HR) is requesting the addition of 1 new HR Business Partner to provide service to the Sheriff's department. In addition, HR is also requesting 10 positions to grow the Central Investigations Unit, which supports other County departments by conducting investigations, by preparing and drafting disciplinary actions and providing prevention measures.
- Funding for **Land Use Services (LUS)** to acquire a Customer Relationship Management (CRM) solution (\$600,000 One-Time): The CRM will create an interactive and transparent method for LUS customers to obtain information that relates to Planning, Building and Safety, and Code Enforcement.
- Funding for **LUS** to acquire satellite imagery technology (\$15,000 One-Time): The acquisition of satellite imagery technology will assist Code Enforcement in identifying illegal cannabis cultivation sites.
- **Public Health** staffing adjustments (\$25,564 Ongoing): The department is requesting to add 1 Health Education Specialist I.
- Various adjustments for the **Sheriff's Department**:
 - \$601,021 Ongoing for staffing adjustments: The department is requesting to add 3 Deputy Coroner Investigators and 2 Deputy Public Administrators.
 - \$300,000 One-Time for recruitment of Deputy Sheriffs due to high vacancy rate.
 - \$99,000 One-Time costs for vehicles associated with the requested new positions.
- Use of Contingencies for **Capital Improvement Projects**:
 - \$639,300 One-Time for the Prado Phase 3 Electrical Capital Improvement Project: Regional Parks is requesting the additional use of Net County Cost to address the outdated electrical infrastructure at Prado Regional Park.
 - \$500,000 One-Time for the old Ayala Park in Bloomington: Special Districts is requesting additional funding for the demolition project at old Ayala Park.
- An Increase to Contingencies of \$35,000,000 to reflect the liquidation of the **Capital Projects - Valley Dispatch Center Reserve** which is no longer needed for its specified purpose.

If approved, \$180.95 million in General Fund Contingencies will remain available for use (Attachment A).

County General Fund Reserves represent Discretionary General Funding that has been set aside for specific projects and future needs, and also includes the General Purpose Reserve that is set aside for unforeseen economic downturns and extraordinary events. Changes to General Fund reserves are detailed below and in Attachment A.

- \$2,587,527 One-Time for the use of the **Archive Lease Reserve**: On March 28, 2012, Capital Improvement Program Request No. 12-165 was approved to lease approximately 8,945 square feet of

office and records storage space in San Bernardino. The Real Estate Services Department has been searching for a new location for Archives since March 2012, and has recently been successful in securing a location for Archives.

- \$5,000 One-Time use of the **Community Concerns Reserve** to fund costs associated with placing advertisements regarding snow play in local mountain areas.
- \$742,873 One-Time to acquire integrated mission equipment for an aircraft to assist the Sheriff's Department with surveillance which reflects the use of the **Asset Replacement Reserve**.
- \$16,500,000 One-Time for the purchase of one helicopter for the Sheriff's Department Aviation Division, which reflects the use of the **Asset Replacement Reserve**.
- \$100,000 One-Time overtime funding for Sheriff's Department Deputies to patrol mountain areas during the snow season, funded with the **Community Concerns Reserve**.
- A use of the **Earned Leave Reserve** to fund the Discretionary General Funding portion of costs incurred for departmental staff that have separated from County employment in the first quarter of 2021 -22 (\$1,472,333).
- A Use of the **Capital Projects: Valley Dispatch Center Reserve** to fund costs associated with the project (\$1,842,898).
- A use of the following reserves to fund Capital Improvement Projects:
 - Net Use of \$18.3 million to fund the County Government Center Master Plan Project:
 - Capital Projects: County Government Center Board Chambers \$1,250,000;
 - Capital Projects: Juvenile Dependency Court Building \$1,650,000;
 - Capital Projects: 825 East 3rd Street \$15,364,402;
- A use of the **Community Services Upgrades Reserve** to fund various Capital Improvement projects at Regional Parks:
 - \$800,000 One-Time for the Glen Helen Waterslide Replacement Project.
 - \$124,023 One-Time for the Regional Parks Infrastructure Project to allow the Real Estate Services Department to continue assisting Regional Parks with assessment of capital projects.
 - \$100,000 One-Time for the Yucaipa Park Snack Bar Improvements Project.

If approved, all uses listed above of and uses/contributions discussed previously in the Contingencies section result in an overall net decrease in General Fund Reserves of \$75.8 million.

Adjustments Funded with American Rescue Plan Act (ARPA) and CARES Act Funding

The Report includes multiple adjustment to allow for the use of both ARPA and CARES Act funding for previously approved purposes. This includes the following:

- ARPA: \$55.2 million in adjustments to transfer budget authority from Fixed Assets and Operating Expenditures to Operating Transfers Out. This will allow the County to fund previously approved uses of ARPA including:
 - \$35.0 million for the Valley Communication Center Project (June 22, 2021, Item No. 82) to have a central location for all the County's emergency response teams to respond to emergencies through a coordinated County approach.
 - \$20.0 million to fund a portion of the County's Chino Plume Project, which is eligible to be funded, in part, as an ARPA Water Infrastructure Project to clean up the contaminated groundwater.
 - \$120,000 to fund expanded shower and restroom facilities at the Glen Helen Fire Camp.
- CARES Act: An adjustment totaling \$4,731 to fulfil the contractual obligations entered with the Town of Apple Valley in the previous fiscal year.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

Personnel changes in this Report have been reviewed by Human Resources (Gina King, Human Resources Division Chief, 387-5571) on January 18, 2022. This item has been reviewed by County Counsel (Julie Surber, Principal Assistant County Counsel, 387-5455) on January 14, 2022; Auditor-Controller/Treasure/Tax Collector (Vanessa Doyle, Chief Deputy Controller, 382-3195) on January 14, 2022; Finance (Jessica Trillo, Administrative Analyst III, 387-4222) on January 14, 2022; and County Finance and Administration (Robert Saldana, Deputy Executive Officer, 387-5423) on January 14, 2022.