



San Bernardino County

Legislation Text

File #: 2343, Agenda Item #: 67

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

June 9, 2020

FROM

GARY McBRIDE, County Chief Executive Officer, County Administrative Office

SUBJECT

2020-21 County Budget

RECOMMENDATION(S)

1. Conduct a public hearing on the County's 2020-21 Recommended Budget.
2. Adopt a Resolution to approve and adopt:
 - a. The County's 2020-21 Budget, including total appropriation, operating transfers out, contributions to reserves/net position, available reserves and budgeted staffing, and authorization for adjustments for final fund balance listed in Attachment A;
 - b. Recommended changes in total appropriation, operating transfers out, contributions to reserves/net position and budgeted staffing as included in Attachment B;
 - c. Recommended changes in General Fund Reserves for 2020-21 as listed in Attachment C;
 - d. The County General Fund's committed fund balance as of June 30, 2020; and
 - e. Any changes to the Recommended Budget that the Board may direct.
 - i. In the event that the Board makes any additions or deletions to the Budget after the public hearing, and the items were not proposed in writing and filed with the Clerk of the Board before the close of the public hearing, a 4/5 vote of the Board is required.
3. Authorize the Chief Executive Officer, or County Chief Financial Officer, to release appropriation controls for the Department of Risk Management budget units outside the normal quarterly report process, as necessary.
4. Approve the following classification actions described in the Summary of Classification and Reclassification Actions included in the 2020-21 Recommended Budget (Attachment D).
 - a. Reclassify positions as detailed on Pages 4-11.
 - b. Establish the classifications and salaries for the new classifications, as detailed on Page 2, as a Minute Order Amendment to the Salary Ordinance.
 - c. Approve Technical Title Changes for existing classifications as detailed on Page 3.
 - d. Approve indicated Equity Adjustment for existing classification, as detailed on Page 2.
 - e. Direct the Clerk of the Board to amend the County Conflict of Interest Code List of Designated Employees to include the new classifications as detailed on Page 2.
5. Approve the following recommendations to Ordinance 1904, by adding 10 position numbers to the Unclassified Service:
 - a. Consider proposed ordinance related to ordinance 1904, adding the following position numbers to the Unclassified Service:
 - i. Assistant Director of Public Works (Position No. 51190),

- ii. ARC - Public and Legislative Affairs Officer (Position No. 51189),
 - iii. Assistant Chief Information Officer (Position No. 12985),
 - iv. Peer and Family Assistant I - Unclassified (Position Nos. 51192, 51193, and 51194) and
 - v. Peer and Family Advocate III (Position Nos. 50648, 50649, 50650, and 50651)
 - b. Make alterations, if necessary to proposed ordinance;
 - c. Approve introduction of proposed ordinance; and
 - d. Read title only of proposed ordinance; waive reading of the entire text and **SCHEDULE FOR FINAL ADOPTION ON TUESDAY, JUNE 23, 2020** on the Consent Calendar.
6. Approve the proposed Exempt Group equity adjustments as detailed in Attachment B.
7. Approve a Memorandum of Understanding with the San Bernardino County Fire Protection District (SBCFPD) that outlines the services provided by SBCFPD, as requested by the County of San Bernardino, for the period of July 1, 2020 through June 30, 2021 in the compensation amount of \$16,933,420 (Attachment E), which excludes amounts funded in Attachment B of this item, if applicable.
- (Presenter: Gary McBride, Chief Executive Officer, 387-5417)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Promote the Countywide Vision.

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

FINANCIAL IMPACT

The 2020-21 Recommended Budget, as presented in the Recommended Budget Book, includes Requirements for the County General Fund, special revenue funds, capital project funds, internal service funds, and enterprise funds, which total approximately \$6.4 billion. Of the \$6.4 billion, General Fund Requirements total \$3.7 billion (excluding General Fund Contributions to Reserves), of which \$807.6 million is truly discretionary. Additionally, the 2020-21 Recommended Budget includes 22,536 budgeted staffing. Amounts included in this Board Item represent amounts in the 2020-21 Recommended Budget Book. In addition to the Requirements in the Recommended Budget Book, changes to the recommended appropriation, operating transfers out, and contributions to reserves/net position are included in Attachment B.

BACKGROUND INFORMATION

On March 4, 2020, the State of California declared a state of emergency as a result of the COVID-19 outbreak. Subsequently on March 10, 2020, the County Public Health Officer declared a local health emergency to help ensure county government and the public were prepared for the possibility that COVID-19 would appear within the county. While managing the outbreak continues at the national, state and local level, the response to the public health emergency has created an economic emergency that has terminated the longest period of economic expansion in United States history. In light of this, and pursuant to the approval by the Board of Supervisors on March 24, 2020 (Item No. 67, Recommendation No. 7), this budget is effectively a placeholder that will be adjusted as we develop a better understanding of the economic outlook. The Recommended Budget Book includes only the schedules required by the State. Consistent with the direction provided by the Board at the March 24, 2020 meeting, the 2020-21 Recommended Budget focuses on funding cost to maintain services and limited program enhancement.

It should be noted that this Recommended Budget was prepared during February 2020, prior to the local challenges caused by the pandemic. Consequently, this Recommended Budget does not include projected expenditures or revenues associated with the County's response to the pandemic. Any needed budgetary changes associated with the response will be presented to the Board at a later date.

The following summary reflects the Total Requirements included in the County's 2020-21 Recommended Budget:

	Fiscal Year 2018-19 Actual Amount	Fiscal Year 2019-20 Adopted Budget	Fiscal Year 2019-20 Modified Budget	Fiscal Year 2020-21 Recommended Budget	Change From Prior Year Final	Percent Change From Prior Year
County Operations:						
Administration	292,373,128	389,096,789	402,609,776	389,834,566	(12,775,210)	-3.17%
Capital Facilities Leases	7,074,506	(949,619)	(949,619)	(917,986)	31,633	-3.33%
Economic Development Agency	27,101,177	30,513,332	30,101,376	29,348,446	(752,930)	-2.50%
Community Development and Housing Agency	2,466,703	63,159,085	64,631,235	58,651,711	(5,979,524)	-9.25%
Fiscal	75,119,534	80,377,695	81,904,380	81,334,536	(569,844)	-0.70%
Arrowhead Regional Medical Center	642,175,486	720,335,896	838,600,875	877,165,252	38,564,377	4.60%
Human Services	1,952,994,041	2,300,957,506	2,357,988,983	2,469,142,016	111,153,033	4.71%
Law and Justice	1,036,914,947	1,068,878,347	1,121,896,632	1,155,011,736	33,115,104	2.95%
Operations and Community Services	310,067,546	467,555,197	505,318,603	496,669,326	(8,649,277)	-1.71%
Capital Improvement Program	48,683,183	475,407,972	484,859,430	500,961,731	16,102,301	3.32%
Other Funding	145,403,094	453,473,160	432,520,002	377,447,101	(55,072,901)	-12.73%
Total:	4,559,373,348	6,048,805,360	6,319,481,673	6,434,648,435	115,166,762	1.82%
Budgeted Staffing*	21,589	22,193	22,454	22,536	82	0.37%

* 2018-19 Budgeted Staffing reflects the Final Budget amounts, as actuals for staffing vary throughout the fiscal year.

Note: Requirements include contributions to Available Reserves and Net Position. Totals may not add up due to rounding.

Recommendation 1 calls for the public hearing on the 2020-21 Recommended Budget for the County, as required by Government Code Sections 29080 and 29081. Prior to adopting the County 2020-21 Budget, a notice was published on May 27, 2020 and on May 29, 2020 setting forth the date of the public hearing for the purpose of making a determination regarding the Recommended Budget. The Recommended Budget documents were made available to the public at the Clerk of the Board's Office on May 29, 2020 and the public hearing is occurring at least 10 days after the documents were made available. The notice further sets forth that all interested persons may appear at the public hearing and be heard. The budget hearing is designed to discuss and implement any direction or changes to the Recommended Budget. Any requests for increases, decreases or omission of any item in the budget or inclusion of any additional items shall not be made after the public hearing, unless the items were proposed in writing and filed with the Clerk of the Board before the close of the public hearing or unless approved by the Board of Supervisors by four-fifths vote.

Recommendation 2 adopts the resolution approving and adopting the County's 2020-21 Budget, which includes any changes made to the Recommended Budget as detailed in Attachment B, and Recommended Changes in General Fund Reserves for 2020-21 as detailed in Attachment C. Additionally, the resolution seeks adoption of the June 30, 2020 additional committed fund balances for the General Fund as listed in the resolution.

Recommendation 3 requests approval to lift appropriation controls for the Department of Risk Management at the discretion of the Chief Executive Officer, or County Chief Financial Officer, outside of the normal quarterly reporting process in order to pay settlements throughout the fiscal year in a timely manner. Risk Management is able to estimate some of these settlement costs and make the appropriate quarterly budget adjustments prior to the settlement being finalized. However, some of these costs are unknown until the final settlement, which could impact the Department's ability to pay the claim if required to wait until the next quarterly budget report. Many times there are legal ramifications (such as not complying with a court order) if the settlement is not paid in a timely manner.

Recommendations 4-6 address actions needed related to the budgeted staffing and personnel actions of the 2020-21 Recommended Budget. Budgeted staffing totals for 2020-21 include 22,536 positions, of which 15,144 positions are in the General Fund and 7,392 positions are in all other funds. The recommended staffing includes an increase of 9 General Fund positions and an increase of 73 positions in all other funds. Budgeted staffing is summarized in the 2020-21 Recommended Budget Book.

Recommendation 7 is for approval of the MOU between SBCFPD and the County that sets forth details regarding services to be provided by SBCFPD and specifies the amount of payment (\$16,933,420) required by

the County for such services in 2020-21.

ATTACHMENTS

Attachment A (incorporated as part of this item) lists the 2020-21 Recommended Budget appropriation, operating transfers out, contributions to reserves/net position, available reserves, estimated net position available, and budgeted staffing totals based on headcounts. These totals incorporate amounts that were included in the Recommended Budget Book.

Attachment B (incorporated as part of this item) is a listing of recommended changes to appropriation, operating transfers out, and contributions to reserves that were not included in the Recommended Budget Book. Details of these recommended changes may be found in Attachment B. Upon approval, these recommended changes will be incorporated into the 2020-21 Adopted Budget.

Attachment C (incorporated as part of this item) is a listing of the County's current General Fund Reserves. Included in this sheet are columns for recommended contributions and uses of such reserves for 2020-21, including recommended changes to General Fund Reserves explained in Attachment B.

Attachment D contains details regarding Classification and Reclassification actions related to the 2020-21 Recommended Budget.

The Recommended Budget, including Attachments A, B, C and D, satisfy the requirements set forth in Government Code Section 29089.

PROCUREMENT

Not Applicable.

REVIEW BY OTHERS

Personnel changes in this report have been reviewed by Human Resources (Mark DeBoer, Assistant Director, 387-5565) on May 28, 2020. This item has been reviewed by County Counsel (Penny Alexander-Kelley, Chief Assistant County Counsel) on June 1, 2020 and County Finance and Administration (Robert Saldana, Deputy Chief Executive Officer) on May 26, 2020. This item has been coordinated with the Auditor-Controller/Treasurer/Tax Collector (Vanessa Doyle, Chief Deputy Controller, 382-3191) on May 27, 2020.