



San Bernardino County

Legislation Text

File #: 4336, Agenda Item #: 112

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

June 8, 2021

FROM

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

SUBJECT

2021-22 County Budget

RECOMMENDATION(S)

1. Conduct a public hearing on the County's 2021-22 Recommended Budget.
2. Adopt a Resolution to approve and adopt:
 - a. The County's 2021-22 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 2021-22 as listed in Attachment C;
 - d. The County General Fund's committed fund balance as of June 30, 2021; 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 2021-22 Recommended Budget (Attachment D).
 - a. Reclassify positions as detailed on Pages 3-6.
 - b. Establish the classifications and salaries for the new classifications, as detailed on Page 2.
 - c. Approve Technical Title Changes for existing classification as detailed on Page 2.
 - d. Approve deleted 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 two new position numbers and reclassifying one position number to the Unclassified Service:
 - a. Consider proposed ordinance related to Ordinance 1904, adding the following position numbers to the Unclassified Service:
 - i. CEO Executive Assistant - Unclassified (Position No. 53912) and
 - ii. Human Resources Deputy Director (Position No. 53913)

- b. Consider proposed ordinance related to Ordinance 1904, reclassifying the following position number to the Unclassified Service:
 - i. Executive Secretary III - Unclassified (Position No. 50715)
 - c. Make alterations, if necessary to proposed ordinance;
 - d. Approve introduction of proposed ordinance; and
 - e. Read title only of proposed ordinance; waive reading of the entire text and **SCHEDULE FOR FINAL ADOPTION ON TUESDAY, JUNE 22, 2021** on the Consent Calendar.
6. Approve the following classification actions detailed in Attachment B.
- a. Reclassify positions.
 - b. Establish classifications and salaries for the new classifications.
 - c. Approve Technical Title Changes for existing classification.
 - d. Approve deleted classifications.
 - e. Direct the Clerk of the Board to amend the County Conflict of Interest Code List of Designated Employees to include the new classifications.
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, 2021 through June 30, 2022 in the compensation amount of \$13,900,000 (Attachment E).
- (Presenter: Leonard X. Hernandez, Chief Executive Officer, 387-5418)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Promote the Countywide Vision.

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

FINANCIAL IMPACT

The 2021-22 Recommended Budget, as presented in the Recommended Budget Book, includes Requirements for the County General Fund, special revenue funds, capital project funds, internal services funds, and enterprise funds, which total \$6.8 billion (including General Fund Contributions to Reserves and Non-General Fund Contributions to Reserves/Net Position). Of the \$6.8 billion, General Fund Requirements total \$3.96 billion (including General Fund Contributions to Reserves), of which \$1.15 billion is funded with Discretionary General Funding (primarily property tax). Additionally, the 2021-22 Recommended Budget includes 23,889 budgeted staffing. 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 - Recommended Changes to the 2021-22 Recommended Budget. Attachment B includes a list of recommended changes to the budget and staffing included in the 2021-22 Recommended Budget Book. This includes adjustments related to the uses of Discretionary General Funding discussed at the budget workshop held on May 18, 2021 (Item No. 107) and other items that were not included in the Recommended Budget Book due to timing or critical needs that arose after publication of the document.

BACKGROUND INFORMATION

As the largest political subdivision of the State, counties are vested by the California State legislature with the powers necessary to provide for the health and welfare of the people within its borders. The \$6.8 billion 2021-22 Recommended Budget reflects the planned allocation of resources necessary to carry out this mission for the citizens of San Bernardino County. This budget has been developed in accordance with the Countywide Vision, which promotes a sustainable system of high-quality education, community health, public safety, housing, retail, recreation, arts and culture, and infrastructure. The County's 23,889 budgeted positions are responsible for a wide variety of services to residents, from responding to calls for emergency services (Sheriff/Coroner/Public Administrator), to giving businesses the tools they need to succeed (Economic Development Agency), and to providing a home for children in need (Human Services - Subsistence). The budget is recommended in order to continue to provide the County's many important services in a fiscally responsible and sustainable manner.

The 2021-22 Recommended Budget is balanced and consistent with policy direction received from the Board of Supervisors. In contrast to last year, when the Recommended Budget deferred investment of new revenue in response to the extreme economic uncertainty resulting from the closing of the state's economy, this budget recognizes the relative stability of County revenues while maintaining significant resources available to address any possible future economic disruptions. The strength of the County's revenue sources is complimented by the significant stimulus dollars due from the federal government later in this fiscal year.

The following is a summary of programmatic priorities and/or strategic investments that are included in the 2021-22 Recommended Budget, including Attachment B. Further information on the 2021-22 Recommended Budget is included in the 2021-22 Recommended Budget Book which may be found at the following web address: <https://link.sbcounty.gov/2022-Recommended-Budget>.

Financial Stability

The County's Fund Balance and Reserve Policy provides for a General Purpose Reserve targeted at 20% of locally funded appropriation. This policy states that this reserve shall be built up with one-time sources until the established target is achieved. In 2021-22, locally funded appropriation is \$919.7 million, for which the General Purpose Reserve target amount is \$183.9 million. The 2021-22 Recommended Budget (including Attachment B) recommends a one-time total contribution of \$40.9 million to bring the balance of the General Purpose Reserve to \$183.9 million, achieving the 20% of locally funded appropriation target set by policy.

Addressing Community Concerns

The Recommended Budget includes significant investments in Code Enforcement (\$10.4 million in one-time funding, with \$1.8 million of that funding allocated to specific purposes in this budget) and the Sheriff/Coroner/Public Administrator to expand enforcement over a multi-year pilot program focused on:

- Illegal Marijuana Cultivation
- Short-Term Rental Oversight
- Illegal Dumping and Graffiti Abatement
- Snow Play Nuisance Abatement
- Illegal Vending in Problem Areas
- Illegal Trucking Activities

Homelessness

Homelessness is a key priority for the County. As such, the budget includes funding to be set aside to address homelessness pilot programs within the County to focus on strategic and continuous efforts addressing homelessness in communities across the County (\$2.5 million). This will place a concerted focus on the Homeless Strategic Plan and align the County's homeless population health and housing needs to the services provided by the County and its partners.

Capital Replacement Needs

The Recommended Budget includes significant investments in capital projects including the Downtown Building Replacement Project (\$66.1 million), various Sheriff/Coroner/Public Administrator capital projects (\$19.0 million), Regional Parks revenue generating investments (\$5.0 million), and the District Attorney's High Desert Building Acquisition Project (\$3.0 million). Additionally, the Recommended Budget also includes funding for future capital needs by establishing an ongoing contribution to a new Building Replacement Reserve (\$20.0 million), which can be leveraged in the coming years to meet future needs.

Operational Improvements/Efficiencies

The Recommended Budget includes additional resources for the Real Estate Services Department Project Management Division in an effort to complete projects in a timely and efficient manner as well as to provide improved services and amenities to residents and investors. Additionally, increased Human Resources staffing and one-time system improvements to help provide County employees exceptional support, sharpen the County's ability to recruit and retain a talented workforce, and provide training and growth opportunities to the County's existing workforce.

Innovation and Technology

The Recommended Budget also includes strategic investments in County systems to ensure residents and other County customers receive a necessary and evolving level of service. Innovation and Technology investments maximize organization-wide efficiency and the ability to generate revenue to sustain service levels. These investments include a use of the New Property Tax System Reserve to fund the ATC Property Tax Systems (\$18 million reimbursed in the future) implementation project (\$15.4 million). Additionally, a recommended use of the PIMS Replacement Reserve to fully fund the Assessor's Property Information Management System (PIMS) implementation project (\$11.9 million). Also included is an increase for an Innovation and Technology Government Efficiency Partnership to assist with innovating business practices (\$3.0 million).

Equity Element Group

On June 23, 2020, the Board of Supervisors recognized racism as a public health crisis and committed itself to lead community efforts to dismantle systemic racism. The Board established Equity as the eleventh community element of the Countywide Vision, and directed the formation of an Equity Element Group. The County Administrative Office, in consultation with the Equity Element Group, will conduct a Request for Proposal (RFP) process to select a consultant that will: help further define equity; determine a common language and understanding; and review policies and procedures to ensure a broad and inclusive approach to providing services. All of these efforts will be driven by partnerships with community organizations and local government agencies.

These priorities and investments are included and highlighted as they speak directly to the County's ongoing efforts to achieve the Countywide Vision and address the Goals and Objectives adopted by the Board of Supervisors.

Recommendation 1 calls for the public hearing on the 2021-22 Recommended Budget for the County, as required by Government Code Sections 29080 and 29081. Prior to adopting the County 2021-22 Budget, a notice was published on May 25, 2021, May 26, 2021, and May 28, 2021 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 24, 2021 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 2021-22 Budget, which

includes any changes made to the Recommended Budget as detailed in Attachment B, and Recommended Changes in General Fund Reserves for 2021-22 as detailed in Attachment C. Additionally, the resolution seeks adoption of the June 30, 2021 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 2021-22 Recommended Budget. Budgeted staffing totals for 2021-22, as presented in the Recommended Budget Book, include 23,889 positions, of which 15,251 positions are in the General Fund and 8,638 positions are in all other funds. The recommended staffing includes an increase of 60 General Fund positions and an increase of 1,144 positions in all other funds. Budgeted staffing and personnel actions are summarized in the 2021-22 Recommended Budget Book and Attachment B.

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 (\$13,900,000) required by the County for such services in 2021-22.

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 June 1, 2021. This item has been reviewed by County Counsel (Robert Messinger, Chief Assistant County Counsel, 387-8979) on June 1, 2021 and County Finance and Administration (Robert Saldana, Deputy Chief Executive Officer) on May 25, 2021. This item has been coordinated with the Auditor-Controller/Treasurer/Tax Collector (Vanessa Doyle, Chief Deputy Controller, 382-3195) on May 27, 2021.