



San Bernardino County

Legislation Text

File #: 6233, Agenda Item #: 103

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

June 14, 2022

FROM

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

SUBJECT

2022-23 County Budget

RECOMMENDATION(S)

1. Conduct a public hearing on the County's 2022-23 Recommended Budget.
2. Adopt a Resolution to approve and adopt:
 - a. The County's 2022-23 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 2022-23 as listed in Attachment C;
 - d. The County General Fund's committed fund balance as of June 30, 2022; and
 - e. Any changes to the Recommended Budget that the Board of Supervisors may direct.
 - i. In the event that the Board of Supervisors 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 of Supervisors before the close of the public hearing, a 4/5 vote of the Board of Supervisors is required.
3. Authorize the Chief Executive Officer or County Chief Financial Officer, to release appropriation controls for the Human Resources - Risk Management Division budget units outside the normal quarterly report process, as necessary.
4. Approve the following classification actions detailed in Attachment B.
 - a. Addition of positions
 - b. Deletion of positions
 - c. Reclassification of positions
 - d. Establishment of classifications and salaries for the new classifications
 - e. Deletion of classifications
 - f. Technical Title Changes for existing classifications
 - g. Equity Adjustments for existing classifications
 - h. Reallocation of existing classifications
 - i. 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
5. Approve the following recommendations to amend Ordinance No. 1904 by adding two new positions and adding one reclassified position into the Unclassified Service:

- a. Consider proposed ordinance amending Ordinance No. 1904:
 - i. Adding the following position numbers to the Unclassified Service:
 1. Executive Secretary II - Unclassified (Position No. 05666),
 2. Director of Project and Facilities Management (Position No. 55697), and
 - ii. Placing the reclassified position of Human Resources Deputy Director (previously County Labor Relations Chief Position 89969) into the Unclassified Service.
 - 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 classified and unclassified Service.
 - d. SCHEDULE ORDINANCE FOR FINAL ADOPTION ON TUESDAY, JUNE 28, 2022, on the Consent Calendar.
6. Approve Memorandum of Understanding with San Bernardino County and San Bernardino County Fire Protection District for support operations which includes providing fire protection and emergency medical services in the amount of \$12,900,000 in 2022-23, with an annual reduction of \$1.0 million per year, for the period of July 1, 2022, through June 30, 2027, as detailed in Attachment D.
(Presenter: Leonard X. Hernandez, Chief Executive Officer, 387-4811)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Promote the Countywide Vision.

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

FINANCIAL IMPACT

The 2022-23 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 \$7.6 billion (including General Fund Contributions to Reserves and Non-General Fund Contributions to Reserves/Net Position). Of the \$7.6 billion, General Fund Requirements total \$4.23 billion (including General Fund Contributions to Reserves), of which \$1.3 billion is funded with Discretionary General Funding (primarily property tax). Additionally, the 2022-23 Recommended Budget includes 24,183 budgeted staffing.

In addition to the Requirements in the Recommended Budget Book, Attachment B includes changes to the Recommended Budget totaling \$301.4 million, bringing Total Requirements presented to \$7.9 billion. Adjustments totaling \$301.4 million include the uses of Discretionary General Funding discussed at the budget workshop held on May 10, 2022 (Item No. 69), and also includes department funded adjustments that are detailed in the budget book in department specific Recommended Changes to the Recommended Budget pages. Attachment B changes to the recommended budget include changes to appropriation, operating transfers out, contributions to reserves/net position, and budgeted staffing.

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 \$7.6 billion 2022-23 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 24,183 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), to providing resources for those who are homeless or at-risk of becoming homeless (Community Revitalization Group), and 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 2022-23 Recommended Budget is balanced and consistent with policy direction received from the Board of Supervisors (Board). This budget recognizes the relative stability of County revenues while maintaining significant resources available to address any possible future economic disruptions.

The following is a summary of programmatic priorities and/or strategic investments that are included in the 2022-23 Recommended Budget, including Attachment B. Further information on the 2022-23 Recommended Budget is included in the 2022-23 Recommended Budget Book.

Financial Stability

As a careful steward of taxpayer resources, it is the goal of the County to begin each budget year by setting aside adequate resources to ensure it can maintain services in the face of future economic uncertainty. This recommended budget sets aside funding to ensure sufficient retirement cost funding in the event of future market losses, fund the replacement of outdated buildings, and bolster the County's General Purpose and Contingencies reserves.

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 2022-23, locally funded appropriation is \$990.5 million, for which the General Purpose Reserve target amount is \$198.1 million. The 2022-23 Recommended Budget (including Attachment B) recommends a one-time total contribution of \$14.2 million to bring the balance of the General Purpose Reserve to \$198.1 million, achieving the 20% of locally funded appropriation target set by policy.

Capital Replacement Needs

The County places a high priority in facility improvements that reduce ongoing maintenance, increase energy efficiency, and provide long-term savings. The 2022-23 Recommended Budget sets aside an additional \$35 million toward the cost of replacing the outdated animal shelter in Devore with a new and dramatically improved shelter in Bloomington. It would also allocate funding toward creating additional County office space and parking within the downtown San Bernardino campus, preserve and enhance the Agua Mansa Pioneer Cemetery in Colton, mitigate negative impacts caused by sediment and debris deposited in Lake Gregory by heavy rain runoff, and fund repairs and enhancements at several other County facilities.

Technology/System Improvements

Strategic investments in technology are essential to the efficient delivery of vital County services. The recommended budget includes investments in systems that will allow County departments to improve operations. Funding is set aside for a phased replacement of the existing Employee Management and Compensation System (EMACS) and the County's 40-year-old Debt Collection System, which is responsible for \$45 million in annual County debt collections. The recommended budget also invests in the creation of a new Research and Development Division within the County's Innovation and Technology Department. The new division would be tasked with ensuring a holistic approach to enterprise system development throughout the County and serve as a hub for technology pilot projects.

Employee Investments

The County has a duty to those it serves to develop and maintain a workforce that is innovative and focused on customer service. Funding is included to adjust existing agreements with County employee organizations in recognition of inflationary pressure and the demands placed on employees by COVID 19.

Economic Development

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The recommended budget supports the continuation of the Chamber of Commerce Incentive Program to support marketing efforts to boost tourism within the county, as well as funding to support various partnerships with the Ontario International Airport.

Support for Vulnerable Populations

Reducing homelessness is a high priority for the public and the Board. Funding is included to bolster staffing within the newly formed Community Revitalization Group, which includes the Community Development and Housing Department and the Office of Homeless Services. This investment will support the County's refocused plan to address homelessness throughout San Bernardino County.

Community Wellness

The recommended budget funds revenue-generating upgrades and amenity improvements to the County's Regional Parks, creating opportunities for county residents to engage in healthy activities. Funding is also included for investments in the Public Health Animal Care and Control Division to improve upon the care provided to animals in County shelters.

Public Safety

Public Safety continues to be a top concern for the County in the upcoming fiscal year. Due to the sharp positive shift in available public safety related sales tax (Proposition 172 and 2011 Public Safety Realignment), there is a unique opportunity to address a myriad of public safety needs in the upcoming year. Highlights within the Sheriff's Department include enhancements to unincorporated patrol and support for community concerns, such as traffic operations, illegal marijuana enforcement, crime suppression, and snow play. Funding is also included to bolster the District Attorney's victim advocacy program, fund a partnership between the District Attorney and the Auditor-Controller/Treasurer/Tax Collector - Revenue Recovery Division to enhance victim restitution, strengthen the County's anti recidivism efforts, and enhance security at County facilities.

Key Programmatic Priorities

The recommended budget supports initiatives and investments that will better equip County departments to carry out the Board's public service priorities. These include a position to support the collection and management of transient occupancy taxes, funding to support constituent services provided by the Board, positions that will allow the County to maintain and enhance its public communications efforts, and a third year of funding for the demolition of dilapidated residential structures in Trona.

Mandates

This portion of the recommended budget includes funding for slight increases in costs for the existing SAP maintenance and support agreement, funding to purchase software that will capture all County leases and provide the necessary outputs for compliance with Government Accounting Standards Board (GASB) 87, funding to cover the cost of outside legal fees for litigation that may arise throughout the fiscal year, and funding to support the Chino Airport Groundwater remediation project.

Recommendation 1 calls for the public hearing on the 2022-23 Recommended Budget for the County, as required by Government Code Sections 29080 and 29081. Prior to adopting the County 2022-23 Budget, a notice was published on June 1, 3, and 4, 2022, 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, 2022 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 by four-fifths vote.

Recommendation 2 adopts the resolution approving and adopting the County's 2022-23 Budget, which includes any changes made to the Recommended Budget as detailed in Attachment B, and Recommended Changes in General Fund Reserves for 2022-23 as detailed in Attachment C. Additionally, the resolution seeks adoption of the June 30, 2022, additional committed fund balances for the General Fund as listed in the resolution.

Recommendation 3 requests approval to lift appropriation controls for the Human Resources - Risk Management Division budget units 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 4-5 address actions needed related to the budgeted staffing and personnel actions of the 2022-23 Recommended Budget. Budgeted staffing totals for 2022-23, as presented in the Recommended Budget Book, include 24,183 positions, of which 15,535 positions are in the General Fund and 8,648 positions are in all other funds. The recommended staffing includes an increase of 24 General Fund positions and a decrease of 248 positions in all other funds. In addition to staffing in the Recommended Budget Book, Attachment B includes a net increase of 326 positions in the General Fund and 93 positions in other funds bringing the total budgeted staffing presented to 24,602. Budgeted staffing and personnel actions are summarized in the 2022-23 Recommended Budget Book and Attachment B.

Recommendation 6 is for approval of the Memorandum of Understanding (MOU) between San Bernardino County Fire Protection District (SBCFPD) and the County that sets forth details regarding services to be provided by SBCFPD and specifies the amount of payment required by the County for such services for the period of July 1, 2022 through June 30, 2027. The MOU includes a \$1.0 million per year reduction for each year of the proposed term.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

Personnel changes in this report have been reviewed by Human Resources (Gina King, Division Chief, 387-5571) on May 25, 2022. This item has been reviewed by County Counsel (Julie Surber, Principal Assistant County Counsel, 387-5455) on May 25, 2022; and County Finance and Administration (Robert Saldana, Deputy Chief Executive Officer, 387-5423) on May 28, 2022. This item has been coordinated with the Auditor-Controller/Treasurer/Tax Collector (Vanessa Doyle, Chief Deputy Controller, 382-3195) on May 24, 2022.