



San Bernardino County

Legislation Text

File #: 7433, Agenda Item #: 65

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
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 24, 2023

FROM

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

SUBJECT

2022-23 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 2022-23 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, Inland Counties Emergency Medical Agency, 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, Inland Counties Emergency Medical Agency, and the San Bernardino County Fire Protection District:
 - a. Approve the 2022-23 budgeted staffing changes as listed in the Budgeted Staffing and Personnel Actions 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. Transfer positions (Attachment A).
 - iv. Delete positions (Attachment A).
 - v. Establish the classifications and salaries for the new classifications (Attachment A).
 - vi. Approve indicated Equity Adjustments for existing classifications (Attachment A).
 - vii. Approve indicated Technical Title Changes for existing classifications (Attachment A).
 - viii. Approve indicated Bargaining Unit/Group Changes for existing classifications (Attachment A).
 - ix. Approve deleted classifications (Attachment A).
 - x. 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 to amend Ordinance No. 1904 by deleting one position, adding six new positions into the Unclassified Service and reclassifying multiple positions in the Unclassified Service:
 - a. Consider proposed ordinance related to Ordinance No. 1904.
 - i. Deleting the following position number from the Unclassified Service of the County:
 1. ARC Public and Legislative Affairs Officer position (Position No. 051189)
 - ii. Adding the following position numbers to the Unclassified Service of the County:
 1. Peer & Family Advocate position (Position Nos. 55363 and 83367)
 2. Chief Engineering Geologist position (Position No. 08308)
 3. Assistant District Attorney position (Position No. 89391)
 4. Assistant Director of Human Resources position (Position No. 56398)
 5. Deputy Director, Human Resources Administrative Services position (Position No. 55766)
 - iii. Reclassifying the following position numbers within the Unclassified Service of the County:
 1. Peer & Family Advocate position (Position Nos. 82858, 82860, 82862, 88636, 82656, 82657, 82660, 82661, 82863, 82864, 82865, 82866, 86752, 86753, 87736, 88622, 88740, 88958, 89884)
 2. County Labor Relations Chief position (Position No. 89969)
 - 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, FEBRUARY 7, 2023, on the Consent Calendar.

(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 \$188.9 million, increases to total Requirements of \$269.8 million, and a net use of \$80.9 million in Contingencies/Reserves/Net Position, which are reflected in the table below.

Countywide Recommended Budget Adjustments (Millions)			
	Sources	Requirements	Change in Contingencies/ Reserves / Net Position
County	184.8	255.5	(70.6)
Fire	0.7	1.1	(0.4)
Flood	0.1	0.3	(0.3)
ICEMA	0.1	0.3	(0.1)
IHSS	0.1	0.1	-
Special Districts	3.1	12.6	(9.5)
Total*	188.9	269.8	(80.9)

*Note: Numbers may not add due to rounding.

For the San Bernardino County General Fund portion of the requested changes, adjustments include \$138.5 million in increased Sources, \$181.9 million in increased Requirements, and a net use of \$43.4 million in General Fund Contingencies and Reserves. This includes a net use of General Fund Reserves of \$842,008 and a use of General Fund Contingencies of \$42.6 million, as detailed later in this document.

County Recommended Budget Adjustments (Millions)			
	Sources	Requirements	Change in Contingencies/ Reserves / Net Position
General Fund	138.5	181.9	(43.4)
General Fund - Restricted	(10.2)	(10.2)	-
Internal Service and Enterprise Fund	46.2	52.7	(6.5)
Special Revenue Fund	10.4	20.9	(10.5)
Total County Entity*	184.9	245.3	(60.4)

*Note: Numbers may not add due to rounding.

The mid-year report also includes a decrease to Contingencies of \$5.2 million which is a correcting adjustment to properly reflect the use of Contingencies approved by the Board of Supervisors on October 25, 2022 (Item No. 84). As this decrease does not reflect a new use of general fund Contingencies, it has been excluded from the above tables for presentation purposes.

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.

As the Board considers the recommendations included in the Mid-Year report, the County Administrative Office continues to plan for the coming fiscal year and will continue to implement a budget schedule which delivers Early Board Engagement, Frequent Financial Updates, and a Focus on Programs and Services.

To continue these goals, the County Administrative Office has prepared the attached presentation (Attachment B) that will kick-off the 2023-24 Budget cycle and preview how the County Administrative Office will facilitate development of the 2023-24 budget.

Change in Available Discretionary General Funding

As a result of operations in fiscal year 2021-22, the General Fund - Fund Balance came in \$190.2 million higher than estimated in the 2022-23 Recommended Budget. This was primarily the result of discretionary revenue being \$84.0 million higher than budgeted, and departmental savings being \$60.5 million higher than expected. In addition, the 2021-22 estimated General Fund - Fund Balance included an anticipated use of contingencies for the General Fund portion of costs for the COVID-19 Vaccine Incentive, and encumbrances which did not materialize by June 30, 2022. As a result, the funding became part of the available fund balance for the General Fund in 2022-23.

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 \$188.9 million increase to total Sources, increase to total Requirements of \$269.8 million, and a net use of \$80.9 million in Contingencies/Reserves/Net Position. Also included is a decrease in Contingencies of \$5.2 million, which is a correcting adjustment as part of the actions approved by the Board of Supervisors on October 25, 2022 (Item No. 84).

The Mid-Year Budget Report also includes a net increase of 338 positions, of which 92 positions were added subsequent to the 2022-23 Adopted Budget via stand-alone board agenda items. Staffing changes by entity are summarized in the table below.

Summary of Budgeted Staffing Changes

	<u>County</u>	<u>Fire</u>	<u>Special Districts</u>	<u>Flood Control</u>	<u>Other Agencies</u>	<u>Total Staffing</u>
Adopted Budget Staffing as of 6/30/2022	24,602	1,166	183	180	59	26,190
Total Mid-Year Recommended Adjustments	328	7	2	1	0	338
Recommended Budgeted Staffing as of 12/31/2022	24,930	1,173	185	181	59	26,528

Changes to both budget and budgeted staffing are detailed by Department in the Summary of 2022-23 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 a decrease to General Fund Contingencies of \$42.6 million and includes the adjustments listed below. Also included is a decrease in Contingencies of \$5.2 million, which is a correcting adjustment as part of the actions approved by the Board of Supervisors on October 25, 2022 (Item No. 84).

- **Archives Acquisition Reserve** (\$401,851 One-Time): An allocation is recommended for a contribution to the Archives Acquisition Reserve, which represents a roll-over of unspent funds from 2021-22 to be placed in the reserve for future use.
- **Asset Replacement Reserve** (\$8.3 million One-Time): A contribution to Contingencies from the Asset Replacement Reserve is recommended to reflect a use of the reserve for items in Attachment B of the Board Agenda Item from June 14, 2022 (Item No. 103) which were funded by Contingencies.
- **Bloomington Community Benefit/Improvement Reserve** (\$60,000 One-Time): An allocation is recommended for a contribution to the Bloomington Community Benefit/Improvement Reserve to set-aside funds received in 2021-22 to be placed in the reserve for future use.
- **Countywide Communications Group - Office Suite Remodel** (\$1.2 million One-Time): An allocation is recommended for the Capital Improvement Program Project to remodel an office suite for the Countywide Communications Group at 777 Rialto Avenue.
- **Devore Animal Care Facility - Office Trailer** (\$467,935 One-Time): An allocation is recommended for the Capital Improvement Program Project to install an office trailer at the Devore Animal Care Facility for staff use during the remodel of the facility.
- **Elections Cycle Reserve** (\$6.8 million One-Time): An allocation is recommended for a contribution to the Elections Cycle Reserve which represents the roll-over of excess state funding received in 2021-22, pending a decision from State whether the funding must be returned or if it can be used for future elections cycle expenses.
- **Employee Investments** (\$15.4 million Ongoing): Additional funding is recommended to be allocated to reflect increased costs associated with Board approved changes to negotiated salaries and benefits. The allocation of \$15.4 million represents the Discretionary General Funding share of ongoing costs that were not previously included in departmental budgets.
- **New Property Information Management System (PIMS) Replacement System** (\$1.3 million One-Time): An allocation is recommended for a contribution to the New Property Information Management System (PIMS) Replacement System which represents a roll-over of unspent funds from 2021-22 to continue the support for the PIMS Replacement Project. The Assessor-Recorder-Clerk was approved by the Board of Supervisors 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.
- **Remodel of the Multimedia Services Studio** (\$149,330 One-Time): An allocation is recommended for the Capital Improvement Program Project to remodel the Multimedia Services Studio at 385 N. Arrowhead Avenue.
- **Restricted Revenue Set-Aside Reserve** (\$3.1 million One-Time): An allocation is recommended for a contribution to the Restricted Revenue Set-Aside Reserve which represents a roll-over of unspent funds received in 2021-22 for AB 1869 Criminal Fees Backfill to be placed in the reserve for future use.
- **Teamsters Trust Set-Aside** (\$3.8 million One-Time): At the June 22, 2021 (Item No. 46) Board meeting, San Bernardino County and Teamsters Local 1932 joined in a side letter agreement with Teamsters having the goal of establishing a retiree medical trust. This agreement approved the deferral of a portion of across-the-board (ATB) wages (0.5% in fiscal year 2021-22 and 1.0% in 2022-23) to be set-aside while the County and Teamsters continued to confer on establishing the new trust. The set-aside of \$3.8 million reflects the Discretionary General Funds portion of the costs for 2022-23 required by the contractual obligation. At this time, this request is only for the net county cost share of estimated costs. Actual costs will be billed to departments through the County Administrative Office - Finance

and Administration and will be based on actual payroll costs during the 2022-23 fiscal year.

- **Auditor-Controller/Treasurer/Tax Collector (ATC)** staffing adjustments (\$698,959 Ongoing): The ATC is requesting six new positions and two reclassifications of existing positions to focus on the implementations of the new Property Tax System and new Governmental Accounting Standards Board (GASB) requirements, managing increased workload for GASB statements and capitalization of capital assets, performing more complex audits, and improving the efficiency of business processes and daily activities.
- **County Administrative Office** Roll over unspent funds from prior year: A use of Contingencies is recommended to allocate unspent funding from the prior year for the Homeless Pilot Program (\$1.9 million One-Time) to continue strategic and continuous efforts to address homelessness within the County, and the Innovation and Technology Government Efficiency Partnership (\$479,972 One-Time) to continue assisting in the development of innovating business practices.
- **County Administrative Office - Litigation** Roll over unspent funds from prior year: A use of Contingencies is recommended to allocate unspent funding from the prior year for the anticipated legal costs associated with the Chino Plume Remediation Project (\$3.0 million One-Time).
- **County Communications Group** (\$500,000 Ongoing): An ongoing allocation is recommended for countywide marketing efforts to support the production and distribution of programming that supports County services and events.
- **County Schools** (\$369,500 Ongoing): An increase in the County's contributions to County Schools for anticipated costs associated with auditing, facilities maintenance, and utilities.
- **Finance and Administration** funding for staffing adjustments (\$510,713 Ongoing):
 - The department is requesting Discretionary General Funding for a Chief Administrative Analyst position (\$247,000) to assist the County in the oversight of federal and state resources that fall under its administrative purview.
 - A Grant Officer position was approved by the Board of Supervisors on September 13, 2022 (Item No. 27). The requested funding (\$263,713) will allow the position to be added to the Finance and Administration division. The Chief Grant Officer will perform a broad range of grant-related duties to maximize proposal award rates while ensuring timelines are met and that the grants align with the County's needs. This position will work through the County Administrative Office to support all County departments to provide grant management support.
- **Human Resources** funding for staffing adjustments (\$3.5 million Ongoing): Human Resources is requesting funding for the addition of 22 new positions and four reclassifications of existing positions to centralize and streamline multiple processes. The additional positions will improve recruitment services, ensure the County payroll system has adequate resources, as well as facilitate effective communication in keeping County departments updated on recruitment efforts.
- **Land Use Services (LUS)** (\$600,000 One-Time): This request is to roll over unspent funds from the prior year for the acquisition of a Customer Relationship Management solution. This system will create an interactive and transparent method for LUS customers to obtain information that relates to Planning, Building and Safety, and Code Enforcement.
- **Office of Homeless Services** for the Project Roomkey Program (\$1.8 million One-Time): The funding is requested to allow the department to expend grant funding that was obligated but unspent in the prior year. Project Roomkey gives people who are experiencing homelessness and are recovering from COVID-19 or have been exposed to COVID-19 a place to recuperate and properly quarantine outside of a hospital.
- **Project and Facilities Management Department (PFMD)** to fund increased costs:
 - PFMD is requesting \$1.4 million Ongoing for increased utilities costs for County-owned and

leased facilities.

- An increase totaling \$1.9 million is requested for increased operating costs resulted from inflation for PFMD (\$1.2 million Ongoing and \$744,035 One-Time) to maintain County facilities including routine maintenance, grounds, and custodial services and 24/7 emergency services.
- Various adjustments for **Public Health**:
 - \$378,942 Ongoing for staffing adjustments to add three additional positions to support the increased demand of Animal Care services and improvements in the health and wellbeing of animals in the care of the County.
 - \$109,587 Ongoing for increases in cost of services provided by the Barstow Humane Society (\$84,587) and by outside veterinarian services (\$25,000).
 - \$140,000 One-Time for the purchase of two vehicles to meet the department's needs in field service operations.
- **Registrar of Voters** for staffing adjustments (\$386,842 Ongoing): Funding is requested to add four new positions to support increased election tasks and year-round workloads while focusing on a more collaborative environment across all functions, with a focus on cross-training, staff development and retention, and customer service.
- **Sheriff/Coroner/Public Administrator** for Dispatcher Classification equity adjustments (\$803,547 Ongoing): An allocation of Contingencies is requested to fund equity adjustments for the Dispatcher Classification as this classification was deemed under market and given an equity adjustment to promote recruitment and retention of these types of positions within the County.

The CEO will be bringing forward future recommendations on the use of additional Available Contingencies for Board consideration during the 2023-24 budget process.

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.

- \$1.5 million One-Time use of the Body Worn Camera Implementation Project Reserve to fund the for the Sheriff/Coroner/Public Administrator's implementation of a body worn camera system (BWCS), which is an effective resource that captures unalterable audio and video of daily interactions between the department personnel and citizens. The use of these includes \$1.3 million to fund nine new positions to assist with the implementation and management of the BWCS, of which two Paralegal positions are in County Counsel's budget, and \$141,000 for the purchase of two vehicles, equipment, including computers, and furniture.
- \$1.1 million One-Time 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 2022-23.
- \$1.5 million One-Time use of the Litigation Expenses Reserve to fund anticipated legal costs associated with the Chino Plume Remediation Project, additional expenses for continuing litigation matters, and to plan for unanticipated matters that may arise during the 2022-23 fiscal year.

If approved, all uses listed above and uses/contributions discussed previously in the Contingencies section result in an overall net decrease in General Fund Reserves of \$842,008.

Adjustments Funded with American Rescue Plan Act (ARPA) Funding

On April 12, 2022, the Board of Supervisors approved a Premium Pay to County employees not to exceed \$2,000 per employee to certain assignments and classifications who meet certain criteria. This Premium Pay is paid for with ARPA funding and includes four scheduled payments of Premium Pay to County employees

(August 2022, December 2022, April 2023 and July 2023). The budget adjustments of \$11.9 million reflect the use of ARPA funding for Premium Pay expenses incurred through the first quarter of fiscal year 2022-23.

Opioid Funding Update

The County has been a party to nationwide settlements against large pharmaceutical companies for their involvement in the opioid epidemic across the country. Although exact amounts of the opioid settlement are still unknown, the County is currently working on a proposed plan for the usage of funds from the opioid settlement. The proposed plan will be presented to the Board of Supervisors for consideration at a future date, if necessary.

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 3, 2023. This item has been reviewed by County Counsel (Julie Surber, Principal Assistant County Counsel, 387-5455) on January 3, 2023; Auditor-Controller/Treasurer/Tax Collector (Vanessa Doyle, Chief Deputy Controller, 382-3195) on January 6, 2023; Finance (Jessica Trillo, Principal Administrative Analyst, 387-4222) on January 6, 2023; and County Finance and Administration (Robert Saldana, Deputy Executive Officer, 387-5423) on January 6, 2023.