

**COUNTY OF SAN DIEGO
BOARD OF SUPERVISORS
TUESDAY, MAY 24, 2022**

MINUTE ORDER NO. 27

**SUBJECT: FISCAL YEAR 2021-22 THIRD QUARTER OPERATIONAL PLAN STATUS
REPORT AND BUDGET ADJUSTMENTS (DISTRICTS: ALL)**

OVERVIEW

This report summarizes the status of the County's Fiscal Year 2021-22 Adopted Operational Plan, as measured by projected year-end fund balance from current year operations. The projected year-end balance for the General Fund is \$130.6 million (or 1.9% of the General Fund budget), and \$255.5 million (or 2.7% of the Overall budget) for all budgetary funds combined. The projected fund balance anticipates an overall positive expenditure variance and an overall negative revenue variance from the Fiscal Year 2021-22 Amended Budget. The projection assumes General Purpose Revenue will perform better than estimated, and all business groups will produce operating balances. The General Fund year-end fund balance projection includes the assumption that the County will continue to incur COVID-19 costs and anticipates receipt of additional federal and State emergency response funding including American Rescue Plan Act (ARPA) funds and Federal Emergency Management Agency (FEMA) revenue to continue response efforts through the end of the fiscal year. The projections also reflect FEMA revenue deferrals anticipated to be received after December 2022. The projected balance for all other funds combined is \$124.9 million (or 4.9% of the other funds combined budget).

Transfers and revisions to the adopted budget can be made by formal action of the Board of Supervisors in accordance with the California County Budget Act, Government Code (GC) Section 29125. Increases to the overall budget require 4 votes while transfers of appropriations between departments within the same budgetary fund that do not increase the overall budget or the cancellation of appropriations require a majority vote. However, transfers of appropriations to facilitate transfers between budgetary funds require 4 votes even if the overall budget is not increased.

In the Public Safety Group (PSG), recommendations include appropriation adjustment for the purchase of apparatuses to support fire and emergency medical services, for unanticipated decedent transportation costs and contracted forensic pathologist's costs, to support increased costs in enhanced collection activities reimbursed to the Court and for teleworking stipends.

In the Health and Human Services Agency (HHSA), recommendation includes appropriation adjustment for the Ramona Community Resource Center.

In the Land Use and Environment Group (LUEG), recommendations include appropriation adjustments for increased costs of vehicle operations, maintenance and fuel, for Rancho del Campo systemwide water improvements, for reparations of a ground water well in Campo Hills, for construction and improvements of Green Street projects, for the purchase of vehicles for vegetation management in the Helix/El Monte area of the County and for teleworking stipends.

In the Finance and General Government Group (FGG), recommendation includes appropriation adjustment for the Sweetwater Lane County Park Energy Upgrade to replace the existing metal-halide light fixtures with LED fixtures.

In the Finance Other (FO), recommendation includes appropriation adjustment to transfer teleworking stipends funds to various County Departments.

In the Capital Program, recommendations include appropriation adjustments for projects that are anticipated to be completed and closed at the end of the fiscal year.

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

1. Accept the Fiscal Year 2021-22 third quarter report on projected year-end results.

Increases to the Overall Budget and/or Transfers Between Budgetary Funds (Recommendations 2 through 11):

2. Establish appropriations of \$2,000,000 in the San Diego County Fire, Capital Asset Equipment, for the purchase of apparatuses to support fire and emergency medical services, based on unanticipated revenue from the California Department of Forestry and Fire Protection Assistance-By-Hire program. **(4 VOTES)**
3. Transfer appropriations of \$3,000,000 from the Health and Human Services Agency, Services & Supplies, to the Contributions to Capital Outlay Fund, Operating Transfers Out, to provide funding for Capital Project 1022935, Ramona Community Resource Center; *and* establish appropriations of \$3,000,000 in the Capital Outlay Fund for Capital Project 1022935, Ramona Community Resource Center, based on an Operating Transfer In from the General Fund. **(4 VOTES)**
4. Establish appropriations of \$500,000 in the Department of Public Works (DPW) Internal Service Fund (ISF) Equipment Operations, Services & Supplies, for increased costs of vehicle operations, maintenance and fuel, based on unanticipated revenue from equipment rental operating fees. **(4 VOTES)**
5. Transfer appropriations of \$500,000 within DPW General Fund, Services & Supplies to Operating Transfers Out; *and* establish appropriations of \$500,000 in DPW Rancho Del Campo Water fund, Capital Assets Land Acquisition, for capital improvements, based on an Operating Transfer In from DPW General Fund. **(4 VOTES)**
6. Establish appropriations of \$40,000 in the DPW Campo Hills Water Fund, Services & Supplies, for reparations of a ground water well, based on available prior year Campo Hills Water Fund fund balance. **(4 VOTES)**
7. Transfer appropriations of \$2,158,224 within DPW General Fund, Services & Supplies to Operating Transfers Out; *and* establish appropriations of \$2,158,224 in the DPW Road Fund, Services & Supplies, for construction and improvements of Green Street projects, based on an Operating Transfer In from the DPW General Fund. **(4 VOTES)**
8. Establish appropriations of \$300,000 in the Department of Parks and Recreation, Fixed Assets Equipment, for the purchase of vehicles for vegetation management in the Helix/El Monte area of the County, based on a grant received from the San Diego River Conservancy. **(4 VOTES)**

9. Cancel appropriations of \$500,000 in the Department of General Services (DGS) Facilities Management Internal Service Fund (ISF), Services & Supplies, and related Operating Transfer In from the General Fund; *and* transfer appropriations of \$500,000 from the General Fund Contributions to Facilities Management ISF (\$380,000), Operating Transfers Out, and from Finance Other (\$120,000), Operating Transfers Out, to the Contributions to Capital Outlay Fund, Operating Transfers Out, to provide funding for Capital Project 1023728, Sweetwater Lane County Park Energy Upgrade; *and* establish appropriations of \$500,000 in the Capital Outlay Fund for Capital Project 1023728, Sweetwater Lane County Park Energy Upgrade, to replace the existing metal-halide light fixtures with LED fixtures based on an Operating Transfer In from the General Fund. **(4 VOTES)**
10. Transfer appropriations of \$693,855 from Finance Other, General Miscellaneous Expense, Other Charges, to Public Safety Group (\$310,915) and Land Use and Environment Group (\$382,940), all in Salaries & Benefits, for teleworking stipends as listed in Appendix E, based on available prior year General Fund fund balance. **(4 VOTES)**
11. Transfer appropriations within departments between Services & Supplies and Operating Transfers Out, as noted in Appendix D, in the net amount of \$8,712,690 for major maintenance projects listed in Appendix D based on capitalization thresholds, for financial reporting purposes; *and* establish and cancel appropriations, as noted in Appendix D for a net increase of \$8,712,690 in the Major Maintenance Capital Outlay Fund and adjust related funding sources as noted to accurately classify major maintenance projects for financial reporting purposes. **(4 VOTES)**

Transfers Within Budgetary Funds and/or Cancellation of Appropriations (Recommendations 12 through 16):

12. Transfer appropriations of \$600,000 from the Probation Department, Salaries & Benefits, to Medical Examiner, Services & Supplies, for unanticipated decedent transportation costs (\$500,000) and contracted forensic pathologist's costs (\$100,000) based on General Fund transfer from the Probation Department.
13. Transfer appropriations of \$200,000 from the Probation Department, Salaries & Benefits, to the Contribution for Trial Courts, Other Charges, to support increased costs in enhanced collection activities reimbursed to the Court based on General Fund transfer from the Probation Department.
14. Cancel appropriations of \$1,000,000 and related revenue in the Capital Outlay Fund, for Capital Project 1024602 Smugglers Gulch Basin to match the actual grant amount awarded.
15. Cancel appropriations of \$5,035.84 and related Operating Transfer In from the General Fund in the Multiple Species Conservation Program Acquisition Fund; *and* transfer appropriations of \$5,035.84 from the Contribution to Capital Outlay Fund, Operating Transfers Out, to the Department of Parks and Recreation, Services & Supplies, to properly record related non-capital pre-acquisition expenses.
16. Cancel appropriations and related revenue of up to \$472,196.08 as noted in Schedule C for Capital Projects that will be completed and closed by the end of Fiscal Year 2021-22. This is composed of \$365,717.78 in the Capital Outlay Fund, and \$106,478.30 in the Library Projects Capital Outlay Fund.

EQUITY IMPACT STATEMENT

After the Board of Supervisors adopted the Operational Plan, it is monitored by the departments, Groups, and the Board. Departments are expected to work within their respective budgets. Budgets may, however, be modified during the year as circumstances warrant. In conjunction with the fund balance projection process, the Chief Administrative Officer meets with each Group to review accomplishments, emergent issues, and budget status. Department heads are required to communicate any potential problems or errors to the appropriate authority. Groups complete fund balance projections quarterly providing explanations of significant variances of their budget. The recommended actions are intended to provide resources to address inequities in County services and to identify disparities, developing meaningful outcomes, and creating a County government culture of equity, belonging, and racial justice.

FISCAL IMPACT

Funds associated with today's recommendations are partially included in the Fiscal Year 2021-22 Operational Plan. If approved, in the General Fund these actions will result in an increase to the overall budget of \$2,300,000, transfers between budgetary funds of \$4,193,855, transfers within budgetary funds of \$11,961,255 and no cancellation of appropriations. The funding source for the increase is Program Revenues (\$2,300,000).

In all other funds combined, these actions will result in a net increase to the overall budget of \$13,630,370, transfers within budgetary funds of \$214,695, and cancellation of appropriations of \$3,311,285. The funding sources for the net increase are Operating Transfers In from the General Fund (\$14,206,117), Operating Transfers In from the Library Fund (\$108,217), available prior year Campo Hills Water Fund fund balance (\$40,000), which are partially offset by decreases in Program Revenues (\$505,666), Trust Funds (\$199,164) and Operating Transfers In from the Park Land Dedication Ordinance (PLDO) Fund (\$19,132).

BUSINESS IMPACT STATEMENT

N/A

ACTION:

ON MOTION of Supervisor Fletcher, seconded by Supervisor Vargas, the Board of Supervisors took action as recommended.

AYES: Vargas, Lawson-Remer, Fletcher, Desmond

ABSENT: Anderson

State of California)
County of San Diego) §

I hereby certify that the foregoing is a full, true and correct copy of the Original entered in the Minutes of the Board of Supervisors.

ANDREW POTTER
Clerk of the Board of Supervisors



Signed
by Andrew Potter

MAY 24, 2022