



COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

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First District

JOEL ANDERSON
Second District

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Third District

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Fourth District

JIM DESMOND
Fifth District

DATE: May 24, 2022

27

TO: Board of Supervisors

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.

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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

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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

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(\$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

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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

ADVISORY BOARD STATEMENT

N/A

BACKGROUND

As shown in Schedule A, the General Fund year-end fund balance projection of \$130.6 million is based on the estimate that expenditures will be approximately \$181.9 million less than the Fiscal Year 2021-22 Amended Budget and revenues will be a net \$51.3 million less than the Fiscal Year 2021-22 Amended Budget. The Amended Budget consists of the Adopted Budget plus encumbrances carried over from the prior year, plus year-to-date changes that have been either approved by your Board or the Deputy Chief Administrative Officer/Chief Financial Officer, when permitted.

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 projected balance for all other funds combined is \$124.9 million.

Attachments to this letter have been included to provide detail of these fund balance projections. Schedule A summarizes the fund balance projection by business group, department, and fund category. The Notes to Schedules A and B explain variances from budget by department, fund and for General Purpose Revenue. Schedule B shows the projected General Fund fund balance by business group split between operating and reserve balances.

GENERAL FUND EXPENDITURE VARIANCES

The projected lower than budgeted expenditures generating an overall positive expenditure variance of \$181.9 million in the General Fund are primarily attributable to the following:

- \$73.0 million in projected positive salary and benefit appropriation variance in all groups due to normal attrition.
- \$69.8 million in projected positive appropriation variance in Services & Supplies across the County.
 - In PSG, projected overall positive expenditure variance of \$19.5 million primarily in Sheriff's Department for one-time costs that will be rebudgeted in the Fiscal Year 2022-23 CAO Recommended Operational Plan and Change Letter for the replacement of the Jail Information Management System (JIMS), the replacement of mobile fingerprint identification equipment in the Cal-ID program and for Regional Communication System (RCS) site relocation/development projects and tower/generator equipment due to project timeline changes, and expenditures in

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various accounts supporting operations; in Probation Department due to lower than anticipated use of contracted services resulting from programs slowly returning to pre-pandemic levels partially offset by an unanticipated increase in Public Liability Insurance costs; in Child Support Services due to lower than anticipated expenses in various accounts supporting operations, such as information technology (IT) services; and in Public Defender's Office due to lower than anticipated expenditures in Professional & Specialized Services.

- In HHSA, projected overall positive variance of \$30.6 million in Behavioral Health Services primarily in contracted services associated with various mental health and alcohol and drug treatment programs to align with updated procurement timeframes and projected service level trends offset by a negative variance in temporary staffing costs due to vacancies to direct service positions in San Diego County Psychiatric Hospital (SDCPH) and County outpatient clinics; in Child Welfare Services primarily driven by savings in contracted services tied to transitional housing programs due to the temporary moratorium on youth aging out of foster care during the pandemic and various other contracts associated with updated utilization trends and updated procurement timelines; in Housing & Community Development Services for the Emergency Rental Assistance Program associated with anticipated operational savings in the program with no impact to services, in multi-year projects due to implementation overlap across fiscal years and savings in programs addressing homelessness in the unincorporated area due to a longer than anticipated timeline to get clients housing ready; and in Public Health Services primarily to align with projected spending and lower than anticipated utilization of contracted services associated with COVID-19 response activities. These are offset by a negative variance in Administrative Support primarily tied to updated public liability contributions for settling claims and administrative expenses.
- In LUEG, projected overall positive variance of \$6.3 million primarily in the Department of Environmental Health and Quality in the Vector Control program due to a reduction in payments for the Vector Habitat Remediation Program, fewer aerials conducted, and fewer required larvicide purchases and related to reduced supply purchases, less travel and delayed IT projects impacted by the COVID-19 pandemic; in Department of Public Works primarily due to stormwater permit delay resulting in less permitting expenses and lower than anticipated need for contract support for stormwater inspections; and in Planning & Development Services primarily due to less than anticipated spending related to COVID-19 response and in one time only IT projects.
- In FGG, projected overall positive variance of \$10.5 million primarily in Assessor/Recorder/County Clerk associated with contracted services for various IT projects and major maintenance projects; in Treasurer-Tax Collector mainly due to delays in IT projects and contracts; in Finance & General Government Group Executive Office due to lower than anticipated spending on IT projects; and in Office of Evaluation, Performance and Analytics due to delayed implementation of programs in this recently created office.

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- In FO, projected positive variance of \$2.9 million in County General Expense due to lower than anticipated costs for translation services and for IT projects that are anticipated to extend beyond the current fiscal year.
- A projected net positive appropriation variance of \$40.0 million in Other Charges reflects variances primarily in HHSA tied to the California Work Opportunity and Responsibility to Kids (CalWORKs) program, the General Relief program, the foster care assistance and adoption assistance programs based on revised estimates of caseload levels; in FO due to lower than anticipated needs for Telework Stipends; and in PSG primarily in the Probation Department due to lower than anticipated costs related to placement services.
- A projected net positive appropriation variance of \$1.0 million in Capital Assets Equipment in PSG primarily in the Sheriff's Department due to a one-time project for the Cal-ID program that will be rebudgeted in the Fiscal Year 2022-23 CAO Recommended Operational Plan and in Child Support Services due to delayed vehicle purchases; and in FGG primarily in County Communications Office due to lower than anticipated purchases of equipment that would qualify for Public, Educational, and Governmental (PEG) Fund reimbursement.
- A projected net negative appropriation variance of \$4.4 million in Expenditure Transfer & Reimbursements in PSG in Child Support Services due to lower than anticipated expenditures in the Bureau of Public Assistance Investigations for services reimbursed by HHSA; in Sheriff's Department for the rebudget of Costs Applied in the General Fund which partially offsets the JIMS replacement project; and in Public Defender's Office due to lower than anticipated tenant improvement costs. These are offset by a positive appropriation variance in HHSA associated with costs provided through various Memorandums of Understanding (MOU) with the Probation Department.
- A projected net positive appropriation variance of \$2.5 million in Operating Transfers Out primarily in HHSA due to reduced funding needs for In-Home Support Services (IHSS) Public Authority related to anticipated operational savings in the program with no impact to services and in FO due to lower than anticipated costs for IT ISF licenses and maintenance charges.

GENERAL FUND REVENUE VARIANCES

The projected under-realized revenue of \$51.3 million includes positive variances totaling \$60.7 million and negative variances of \$112.0 million. In many instances, the negative revenue variances are directly associated with the positive expenditure variances described above.

The projected positive revenue variance of \$60.7 million is primarily attributable to the following categories: Taxes Other Than Current Secured (\$35.9 million) mainly due to increase in home prices and/or number of sales, higher than anticipated local secured assessed value (AV) growth and better than expected collection/lower delinquency rate, and higher than budgeted in Sales and Use Taxes as well as in Teeter Tax Reserve Excess revenues; Taxes Current Property (\$15.5 million) primarily due to higher than anticipated AV growth and better than expected collection/lower delinquency rate; Revenue from Use of Money & Property (\$4.7 million) primarily due to a higher projected average daily cash balance than what was budgeted which was used to calculate the interest revenue, and due to a higher interest rate due to the recent rise in market rates; and in Licenses, Permits & Franchises (\$4.6 million) primarily due to a higher than

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anticipated number of building permit applications and Food and Housing Division prior year permit fees.

The projected negative variance of \$112.0 million is in the Intergovernmental Revenues (\$77.0 million) primarily in CalWORKs revenue associated with revised caseload projections, to align COVID-19 emergency response funding with projected costs and reflect Federal Emergency Management Agency (FEMA) revenue deferrals anticipated to be received after December 2022, lower than anticipated State and federal funding for behavioral health programs and social services administrative revenues, federal and State reimbursements due to a decrease in the number of youths under supervision and lower reimbursements from the Juvenile Justice Crime Prevention Act, less than anticipated reimbursement from Regional Watershed Co-permittees due to expenditure savings, lower than anticipated ARPA reimbursements related to COVID-19 pandemic contracted services for ambulance transports, testing and vaccination, offset by positive variances due to pass-through distributions, residual balance estimates in Aid from Redevelopment Successor Agencies, one-time receipt of Motor Vehicle In-Lieu Tax, unanticipated revenue from the California Department of Corrections and Rehabilitation for inmate housing costs during a pause in jail intake at State facilities in response to the COVID-19 pandemic, and in realignment revenues to partially fund the public liability contributions; Charges for Current Services (\$29.0 million) primarily due to a decline in billable activities for land development projects, Intergovernmental Transfer (IGT) revenue to align with anticipated spending in Public Health Services, underrealized revenue related to delayed projects and in Recording/Duplicating and Filing Document fee revenues due to fewer than anticipated recordings and filings, less trust fund reimbursement for Vector and Hazardous Materials Division due to expenditure savings, continued decreasing collections partially due to impact of AB 177 which eliminated certain administrative fees, due to less than anticipated Banking Pooled Services revenue tied to Salaries & Benefits, delayed IT projects and lower than expected tax collection fees, partially offset by a positive variance primarily tied to higher rates for inpatient health services and unanticipated County Care Coordination revenue for mental health programs; in Other Financing Sources (\$3.5 million) primarily due to the rebudget of revenue from the Proposition 172 Special Revenue Fund for Jail Information Management System (JIMS) and a decrease in the transfer from the Inmate Welfare Fund associated with vacant positions; in Fines, Forfeitures & Penalties (\$1.6 million) primarily due to the rebudget of revenue for Cal-ID program projects and lower than anticipated costs, partially offset by a positive variance due to higher than budgeted growth in assessed valuation reflected on penalty for late current secured and unsecured property tax payments; and in Miscellaneous Revenues (\$0.9 million) primarily due to Regional Communication System (RCS) projects that will be rebudgeted and lower than anticipated revenue for reimbursement of costs associated with the Unsheltered Feeding Program, due to lower than anticipated reimbursements from the Indigent Defense Trust Fund, partially offset by a positive variance due to the recoupment of payments in contracted services from prior year adjustments in Self-Sufficiency Services.

Adjustments to the Fiscal Year 2021-22 Adopted 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

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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, referred to as operating transfers, require 4 votes even if the overall budget is not increased.

The recommendations for budget adjustments are explained as follows:

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

Recommendation 2

On September 15, 2020 (4), the Board authorized the continued execution of the Assistance-By-Hire revenue agreement with the California Department of Forestry and Fire Protection for the County to receive reimbursement for resources deployed to assist the State with their responsibility to protect wildland during fires. This request will establish appropriations of \$2,000,000 in the San Diego County Fire for the purchase of apparatuses to support fire and emergency medical services, based on California Department of Forestry and Fire Protection Assistance-By-Hire program revenue.

Recommendation 3

On June 25, 2019 (17), the Board of Supervisors approved establishing appropriations of \$12,000,000 in the Capital Outlay Fund for Capital Project 1022935, Ramona Community Resource Center. This recommendation will establish additional appropriations of \$3,000,000 to fund increased costs of construction related to current market conditions based on an Operating Transfer In from the General Fund. This project will allow the Health and Human Services Agency (HHSA) to provide myriad services for the Ramona and surrounding communities under one roof. The estimated total cost of the project is \$15,000,000, with an estimated completion in late 2024.

Recommendation 4

This recommendation will establish appropriations of \$500,000 in the Department of Public Works (DPW) Internal Service Fund (ISF) Equipment Operations for increases in operations, maintenance, and fuel costs based on unanticipated revenue from Equipment Rental Operating Fee. This request will provide additional funding for the unanticipated increases in vehicle operations, maintenance, and fuel costs.

Recommendation 5

This recommendation will transfer appropriations of \$500,000 within DPW General Fund in Services & Supplies to Operating Transfers Out and establish appropriations of \$500,000 in the DPW Rancho Del Campo Water Fund Capital Assets Land Acquisition based on an Operating Transfer In from DPW General Fund. This technical adjustment will align the budget to allow for the capitalization of the water improvement asset within the Rancho Del Campo Water Fund. Funds will be used for Rancho del Campo systemwide water improvements. This is a multi-year project to design, construct, and permit improvements to the aging potable water system to ensure compliance with State waterworks and public health standards. The improvements will provide

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reliable, safe, and sustainable water supply for the local community. In addition, the improvements will support planned redevelopment of the Camp Lockett historical district.

Recommendation 6

This recommendation will establish appropriations of \$40,000 in the DPW Campo Hills Water system in Services & Supplies based on available prior year Campo Hills Water Fund fund balance. Staff inspected one of the potable water wells and discovered that additional work is required to restore service. This request will provide additional funding to provide reliable, safe, and sustainable water supply for the local community.

Recommendation 7

This recommendation will 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 the construction and improvements of five Green Street projects throughout the unincorporated County, based on an Operating Transfer In from the DPW General Fund. This technical adjustment will align the budget to allow for the capitalization of these improvements within the Road Fund. Construction for all five Green Street projects is anticipated to be completed by Winter 2024. The total cost including design, environmental review and construction, including contingency is \$29,880,950. The Green Street project improvements will be at the following locations:

- Los Coches Creek at Ha Hana Road Dry Weather Flow Elimination Project, District 2
- Rainbow Water Quality Improvement Project, District 5
- BMP Retrofit and Rehabilitation Project, ALL
- Woodside Avenue (Marilla Drive to Chestnut) HSIP Project, District 2
- Camino Del Rey Road Drainage Project, District 5

Recommendation 8

On July 10, 2019 (11), the Board provided authority for parks to apply for grants that support park operations and projects. Department of Parks and Recreation (DPR) was notified of an award of a grant for vegetation management from the San Diego River Conservancy. This recommendation will establish appropriations of \$300,000 in the DPR Fixed Assets Equipment for the purchase of vehicles to assist with vegetation management in the Helix/El Monte area of the San Diego River.

Recommendation 9

On August 25, 2020 (02), the Board of Supervisors approved establishing appropriations of \$1,500,000 in the Capital Outlay Fund for Capital Project 1023728, Sweetwater Lane County Park Energy Upgrade. The original project scope included installation of steel carports in the parking lot with photovoltaic (PV) panels. Due to spiking costs for steel and PV components, a proposed change in scope would reduce the size of the parking lot PV system while improving the overall energy efficiency of the park lighting system. This recommendation will establish additional capital appropriations of \$500,000 to replace the existing metal-halide light fixtures with more efficient LED fixtures based on an Operating Transfer In from the General Fund. The project funding is based on a shift of existing energy efficiency appropriations and funding sources. This project will reduce ongoing electricity costs generated and provide shaded parking for park users. The estimated total cost of the project is \$2,000,000, with an estimated completion by April 2023.

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Recommendation 10

On June 8, 2021 (03), the Board of Supervisors approved establishing appropriations of \$6,000,000 in Finance Other, General Miscellaneous Expense, to fund teleworking stipends in various County departments, based on prior year available General Fund fund balance. This recommendation will transfer a portion of those appropriations (\$693,855) to various departments to cover teleworking stipends costs.

Recommendation 11

Board Policy B-37, *Use of Capital Program Funds*, notes that on occasion, due to the nature of major maintenance projects, these projects may be reclassified as an operating or capital expense based on financial reporting requirements. Pursuant to Board Policy B-37, to ensure accuracy in financial reporting, the Deputy Chief Administrative Officer/Chief Financial Officer shall make required adjustments to departmental operating budgets and within the Major Maintenance Capital Outlay Fund (MMCOF) or the Major Maintenance Internal Service Fund (MMISF). Due to the emergent nature of some major maintenance projects, some of these adjustments may require ratification by the Board. These recommendations will allow for the accurate financial reporting of major maintenance projects, which are listed in Appendix D along with the related required adjustments.

This recommendation will result in a net increase of appropriations in the MMCOF of \$8,712,690 and reclassification of major maintenance projects which are supported by existing department budgets.

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

Recommendation 12

During Fiscal Year 2021-22, the Medical Examiner experienced a 14% increase in cases within its jurisdiction, which has impacted service needs resulting in higher costs related to decedent transportation and pathologist services. Probation Department's operational savings which result in generating fund balance is sufficient to support Medical Examiner's needs. This recommendation will transfer appropriations of \$600,000 from the Probation Department to continue providing transportation services through June 30, 2022 (\$500,000) and for contracted forensic pathologists' costs to assist with the increase in cases (\$100,000).

Recommendation 13

The Court operates collection and enhanced collection activities on court-ordered debt per MOU between the Court and the County. The Court uses comprehensive collection service practices as specified in Penal Code section 1463.007 to conduct enhanced collections activities on delinquent accounts in order to maximize collections on court-ordered debt. Based on Court's current estimate, cost related to enhanced collection functions, which includes labor efforts and associated services and supplies are expected to be higher than anticipated. Probation Department's operational savings which result in generating fund balance is sufficient to support appropriation

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needs in Contribution for Trial Courts. This request will transfer appropriations of \$200,000 from the Probation Department to the Contribution for Trial Courts.

Recommendation 14

This recommendation will cancel appropriations of \$1,000,000 and related revenue for Capital Project 1024602 Smugglers Gulch Basin. This is based upon the grant funding received came in lower than what was anticipated and will align the budget with the grant funding and project scope. Total project costs are estimated at \$10,000,000 and the project is estimated to be complete Fall 2026.

Recommendation 15

This recommendation will cancel appropriations of \$5,035.84 and the related Operating Transfer In from the General Fund in the Multiple Species Conservation Program Acquisition Fund and transfer appropriations to the DPR to properly incur non-capital expenditures for pre-acquisition costs.

Recommendation 16

By the end of Fiscal Year 2021-22, a total of 16 capital projects are anticipated to be completed, closed and capitalized. These projects are listed in Schedule C. Appropriations of up to \$472,196.08 related to these projects will be cancelled, of which \$365,717.78 is in the Capital Outlay Fund, and \$106,478.30 in the Library Projects Capital Outlay Fund. At the end of the fiscal year, remaining appropriations will be cancelled along with the revenue related to the respective appropriations and returned in accordance with Board Policy B-37, *Use of the Capital Outlay Funds*, to the original funding sources which include the General Fund, Library Fund, Recorder Modernization & Property Tax Admin Trust Funds, Parkland Dedication Fund, and Community Development Block Grants.

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LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's proposed actions support the Strategic Initiatives of Sustainability, Equity, Empower, Community and Justice in the County of San Diego's 2022-2027 Strategic Plan by fully committing to use County resources to meet the highest priority needs of residents.

Respectfully submitted,



HELEN N. ROBBINS-MEYER
Chief Administrative Officer

ATTACHMENT(S)

Schedule A
Schedule B
Notes to Schedules A and B
Schedule C
Appendix D
Appendix E