

**COUNTY OF SAN DIEGO
BOARD OF SUPERVISORS
TUESDAY, MARCH 15, 2022**

MINUTE ORDER NO. 23

**SUBJECT: FISCAL YEAR 2021-22 SECOND 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 \$91.4 million (or 1.3% of the General Fund budget), and \$180.9 million (or 1.9% of the Overall budget) for all budgetary funds combined. The projected fund balance anticipates an overall positive expenditure variance and an overall positive 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 \$89.5 million (or 3.6% 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 Health and Human Services Agency (HHS), recommendations include appropriation adjustments to transfer County Service Area fund balances to the new Special Revenue Funds.

In the Land Use and Environment Group (LUEG), recommendations include appropriation adjustments to fund the construction of an ADA accessible cabin in Guajome Park, to purchase laptops and mobile internet hotspots, for the purchase of a vehicle for the Department of Public Works, for preparation of project design plans and environmental processing for the Gillespie Field Runway, to remove outdated electrical and sewer systems for Felicita County Park, to fund a well at Jess Martin Park, to fund additional campsites at Sweetwater Campground, to fund improved park amenities in Valley Center Park, for stormwater, water and wastewater improvements within the Tijuana River Valley and to fund the contract for the development of a comprehensive Broadband plan.

In the Finance and General Government Group (FGG), recommendations include appropriation adjustments to fund several major unanticipated settlements in Public Liability ISF, for the Sheriff Technology and Information Center project and for the Julian Library Community Room project.

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

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

Increases to the Overall Budget and/or Transfers Between Budgetary Funds (Recommendations 2 through 14):

2. Establish appropriations of \$5,812,841.81 in County Service Area (CSA) 17 San Dieguito Ambulance Fund (14065), Operating Transfers Out, to transfer fund balance to new fund, based on fund balance available in the old fund. **(4 VOTES)**
3. Establish appropriations of \$5,812,841.81 in CSA 17 Fund (14995), Services & Supplies, for ambulance services, based on an Operating Transfer In, from old CSA 17 San Dieguito Ambulance Fund (14065). **(4 VOTES)**
4. Establish appropriations of \$9,617,027.21 in CSA 69 Heartland Paramedic Fund (14190), Operating Transfers Out, to transfer fund balance to new fund, based on fund balance available in the old fund. **(4 VOTES)**
5. Establish appropriations of \$9,617,027.21 in the CSA 69 Fund (14996), Services & Supplies, for ambulance services, based on an Operating Transfer In, from old CSA 69 Heartland Paramedic Fund (14190). **(4 VOTES)**
6. Authorize the Auditor & Controller, and other County departments, to perform any actions necessary to transfer and/or redirect revenue and benefit fees from old to new CSA 17 and CSA 69 funds per reorganization during Fiscal Year 2021-22 Adopted Operation Plan to transfer Emergency Medical Services under San Diego County Fire.
7. Establish appropriations of \$78,642 in the Park Land Dedication Ordinance (PLDO) Area 36 Bonsall Fund, Operating Transfers Out, based on available prior year PLDO Area 36 Bonsall Fund fund balance; *and* establish appropriations of \$153,642 in Capital Outlay Fund for Capital Project 1021909 Guajome Park Camping Cabin to fund the construction of an ADA accessible cabin, based on revenue from a cash donation from Cabin by the Lake, Inc. (\$75,000) and Operating Transfer In from the PLDO Area 36 Bonsall Fund (\$78,642). **(4 VOTES)**
8. Establish appropriations of \$4,248,218 in the Library Fund, Services & Supplies, to purchase laptops and mobile internet hotspots based on grant funds awarded from the Federal Communications Commission's (FCC) Emergency Connectivity Fund (ECF). **(4 VOTES)**
9. Transfer appropriations of \$65,000 within Department of Public Works (DPW) General Fund, from Services & Supplies to Operating Transfers Out, to provide funding for the purchase of vehicle; *and* establish appropriations of \$65,000 in the DPW, Internal Service Fund, Equipment Acquisition General Fund, Fixed Assets Equipment, for the purchase of a vehicle for the Department of Public Works Cleanup and Sanitation Program based on an Operating Transfer In from the DPW General Fund. **(4 VOTES)**
10. Establish appropriations of \$1,100,000 in DPW Airport Enterprise Fund to provide funds for the Gillespie Field Runway 27R Rehabilitation Project (\$500,000) and Gillespie Field Runway 17/35 Runway Safety Area/Runway Object Free Area Improvement and Rehabilitation Project (\$600,000) based on available prior year Airport Enterprise Fund fund balance. **(4 VOTES)**

11. Establish appropriations of \$17,300,000, Other Charges, in the Public Liability Internal Service Fund for the purpose of funding several major unanticipated settlements based on available internal service fund resources. **(4 VOTES)**
12. Transfer appropriations of \$439,809 from Sheriff's Department, Salaries & Benefits, to the Contributions to Capital Outlay Fund, Operating Transfers Out, to provide additional funding for the Sheriff Technology and Information Center Project; and establish appropriations of \$439,809 in the Justice Facility Construction Fund for Capital Project 1021130, Sheriff Technology and Information Center Project, based on an Operating Transfer In from the General Fund. **(4 VOTES)**
13. Transfer appropriations of \$180,000 within County Library Fund, from Services & Supplies to Operating Transfers Out, to provide funding for Julian Library Community Room Project; *and* establish appropriations of \$180,000 in the Library Projects Fund for Capital Project 1021916, Julian Library Community Room Project, based on an Operating Transfer In from the County Library Fund. **(4 VOTES)**
14. Transfer appropriations within departments between Services & Supplies and Operating Transfers Out, as noted in Appendix C, in the net amount of \$2,777,186 for major maintenance projects listed in Appendix C that were subsequently reclassified, based on capitalization thresholds, for financial reporting purposes; *and* establish and cancel appropriations, as noted in Appendix C for a net increase of \$2,849,944 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 15 through 20):

15. Transfer appropriations of \$9,199.99 within Capital Outlay Fund and related Operating Transfers In from the General Fund, to provide funding for Capital Project 1024597 Felicita County Park Electric Water Sewer to remove outdated electrical and sewer systems from Felicita Park based on transfer from Capital Project 1021276 Felicita Park Shade Structure.
16. Transfer appropriations of \$44,427.03 within Capital Outlay Fund and related Operating Transfer In from the General Fund for Capital Project 1021906 Jess Martin Water Conservation to fund a well at Jess Martin Park based on the transfer from Capital project 1022928 Liberty Park Water Conservation (\$14,075.73), from Capital Project 1022929 Homestead Park Water Conservation (\$14,192.98), and from Capital Project 1022930 Heritage Park Water Conservation (\$16,158.32).
17. Transfer appropriations of \$61,864.42 within Capital Outlay Fund and related Operating Transfer In from the General Fund for Capital Project 1023065 Sweetwater Campground Expansion Phase 2 to fund the addition of 34 campsites at Sweetwater Campground based on the transfer from Capital Project 1021668 Sweetwater Summit Amphitheater Shade Structure.
18. Transfer appropriations of \$493,773.22 within Capital Outlay Fund and related Operating Transfer In from the General Fund for Capital Project 1023726 Valley Center Park Improvements to fund improved park amenities in Valley Center based on the transfer from Capital Project 1005335 Valley Park Project.

19. Transfer appropriations and related American Rescue Plan Act (ARPA) revenue of \$2,000,000 from Department of Public Works General Fund, Services & Supplies, to Department of Parks & Recreation, Services & Supplies for stormwater, water and wastewater improvements within the Tijuana River Valley per Board of Supervisor's direction on October 5, 2021 (13).
20. Transfer appropriations of \$500,000 from Finance Other, General Miscellaneous Expense, Other Charges to the Land Use and Environment Executive Office Services & Supplies, for the Broadband for All project planning, based on available American Rescue Plan Act funds.

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 transfers between budgetary funds of \$439,809, transfers within budgetary funds of \$5,324,399 and no cancellation of appropriations.

In all other funds combined, these actions will result in a net increase to the overall budget of \$57,274,992, transfers within budgetary funds of \$807,051, and cancellation of appropriations of \$1,516,923. The funding sources for the net increase are available Internal Service Fund resources (\$17,300,000), available prior year County Service Area (CSA) fund balance (\$15,429,869), Operating Transfers In from the CSA Fund (\$15,429,869), Program Revenues (\$4,223,446), Operating Transfers In from the General Fund (\$3,436,738), available prior year Airport Enterprise Fund fund balance (\$1,100,000), Operating Transfers In from the Library Fund (\$197,786), available prior year Park Land Dedication Ordinance (PLDO) fund balance (\$78,642) and Operating Transfers In from the PLDO Fund (\$78,642).

BUSINESS IMPACT STATEMENT

N/A

ACTION:

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

AYES: Vargas, Anderson, Lawson-Remer, Fletcher, Desmond

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

