

**COUNTY OF SAN DIEGO
BOARD OF SUPERVISORS
TUESDAY, DECEMBER 10, 2024**

MINUTE ORDER NO. 38

SUBJECT: FISCAL YEAR 2024-25 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICTS: ALL)

OVERVIEW

This report summarizes the status of the County's Fiscal Year 2024-25 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 \$58.6 million (or 0.7% of the General Fund budget), and \$97.0 million (or 0.9% 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 2024-25 Amended Budget. The projection reflects the conservation of appropriation for contingency pursuant to Government Code §29084 and assumes General Purpose Revenue will perform better than estimated, and all business groups will produce operating balances. The projected balance for all other funds combined is \$38.4 million (1.3% of the other funds combined budget).

Transfers and revisions to the amended 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. 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. 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 adjustments for the purchase of one fire engine to support fire and emergency medical services and for law enforcement training on best practices of de-escalation tactics.

In the Health and Human Services Agency (HHS), recommendations include appropriation adjustments to support recent enhancements to key staffing capabilities and to utilize a lost revenue strategy under the final American Rescue Plan Act (ARPA) guidance for the ARPA Framework Components.

In the Land Use and Environment Group (LUEG), recommendations include appropriation adjustments for expenditures related to strengthening the County of San Diego's Hazardous Materials Business Plan information and Disaster Recovery, to provide funding for improvements and maintenance to various county parks, for Palomar Landfill and Landfill Gas Assessments, to fund Road Resurfacing projects, to provide high-speed internet access in schools, for the Rainbow Water Quality Improvement Project, for road station facility improvement projects, to support the construction costs of Mira Mesa Epicentre Project, and allocation for various reservoirs to remain open and continue providing recreation services.

In the Finance and General Government Group (FGG), recommendations include appropriation adjustments for one-time expenses in the Board of Supervisors' offices, to align budget with anticipated actuals for Casa de Oro Park, for Jacumba Fire Station #43, and the upgrade of the County's budgeting system, for Integrated Property Tax System mainframe integration costs, for the Neighborhood Reinvestment Program, for the Community Enhancement Program and for small business outreach, procurement, technical assistance, and bonding activities.

RECOMMENDATION(S)
CHIEF ADMINISTRATIVE OFFICER

1. Accept the Fiscal Year 2024-25 first quarter report on projected year-end results.

Increases to the Overall Budget and/or Transfers Between Budgetary Funds (Recommendations 2 through 25):

2. Establish appropriations of \$1,000,000 in San Diego County Fire, Transportation Equipment, for the purchase of one fire engine to support fire and emergency medical services in the San Diego County Fire Protection District, based on the Operating Transfers In from the San Diego County Fire Protection District, Fire Mitigation Fund. **(4 VOTES)**
3. Establish appropriations of \$250,000 in the District Attorney's Office, State Asset Forfeiture Fund, Services & Supplies, for expanded law enforcement training on best practices of de-escalation tactics based on available prior year State Asset Forfeiture fund balance. **(4 VOTES)**
4. Establish appropriations of \$39,972 in the Department of Environmental Health and Quality, Services & Supplies, for expenditures related to strengthening the County of San Diego's Hazardous Materials Business Plan information and Disaster Recovery, based on unanticipated revenue from Environmental Public Health and Emergency Response grant funds for the project period of September 1, 2024 through August 31, 2025. **(4 VOTES)**
5. Establish appropriations of \$2,000,000 in the Capital Outlay Fund for Capital Project 1025566 Lindo Lake Improvements Phase II, to provide funding for improvements to the West Basin at Lindo Lake County Park, based on a grant awarded to the Department of Parks and Recreation by the San Diego River Conservancy. **(4 VOTES)**
6. Transfer appropriations of \$679,000 within Department of Parks and Recreation, Services & Supplies to Operating Transfers Out; *and* establish appropriations of \$679,000 in the Capital Outlay Fund for Capital Project 1021901 Dos Picos Park Playground School Age Playground Equipment (\$91,000), Capital Project 1022932 Dos Picos Park Small Preschool Playground Equipment Replacement (\$68,500), Capital Project 1022933 Steele Canyon County Park Playground Equipment Replacement (\$97,500), Capital Project 1021149 FY1718 Parks Playground Equipment for Hillsdale (\$379,000), and Capital Project 1022931 Lindo Lake County Park B Playground Equipment Replacement (\$43,000) to fund the construction of playground equipment replacements at various parks, based on an Operating Transfer In from the General Fund. **(4 VOTES)**
7. Establish appropriations of \$30,000 in the Capital Outlay Fund for Capital Project 1021904 Stelzer Park Ranger Station and Visitor Center, to provide funding for improvements to the station, based on available Stelzer Trust Fund fund balance. **(4 VOTES)**
8. Establish appropriations of \$20,000 in the Department of Parks and Recreation, Services & Supplies, to provide funding for maintenance projects to install alarms for the new office at Stelzer Park, based on available Stelzer Trust Fund fund balance. **(4 VOTES)**
9. Establish appropriations of \$888,000 in the Department of Parks and Recreation, Services & Supplies, to provide funding for maintenance projects at Waterfront Park based on available prior year Waterfront Trust Fund fund balance. **(4 VOTES)**

10. Establish appropriations of \$150,000 in PLDO Area 40 Palomar/Julian, Services & Supplies, to provide support for the construction of Julian Town Square, based on available prior year PLDO Area 40 Palomar/Julian Fund fund balance. **(4 VOTES)**
11. Transfer appropriations of \$1,700,000 within Department of Public Works General Fund, Services & Supplies to Operating Transfers Out; *and* establish appropriations of \$1,700,000 in Inactive Waste Site Management Fund, Services & Supplies, for Palomar Landfill and Landfill Gas Assessments, based on an Operating Transfer In from the General Fund. **(4 VOTES)**
12. Establish appropriations of \$24,050,000 in the Department of Public Works Road Fund, Services & Supplies, to fund Road Resurfacing projects, based on available prior year Road Fund fund balance. **(4 VOTES)**
13. Establish appropriations of \$1,300,000 in the Department of Public Works General Fund, Services & Supplies, for a grant award to provide high-speed internet access in schools, based on unused revenue for previously designated for broadband projects within the Department of Public Works, General Fund. **(4 VOTES)**
14. Transfer appropriations of \$2,030,000 within Department of Public Works General Fund, Services & Supplies to Operating Transfers Out; *and* establish appropriations of \$2,030,000 in Department of Public Works Road Fund, Services & Supplies, for the Rainbow Water Quality Improvement Project, based on an Operating Transfer In from the General Fund. **(4 VOTES)**
15. Establish appropriations of \$297,273 in the Department of Public Works Road Fund, Services & Supplies, for road station facility improvement projects, based on available prior year Road Fund fund balance. **(4 VOTES)**
16. Establish appropriations of \$848,804 in Board of Supervisors, including District 1 (\$200,000), District 2 (\$52,471), District 3 (\$196,333), District 4 (\$200,000), and District 5 (\$200,000), Services & Supplies, for one-time expenses based on over-realized General Purpose Revenue from Property Tax Prior Secured Supplemental. **(4 VOTES)**
17. Transfer appropriations of \$1,080,000 from the Capital Outlay Fund and related Operating Transfers In, to the Library Fund to provide funding for Capital Project 1020105, Casa de Oro Library, to align budget with anticipated actuals, based on transfer from Capital Project 1026157, Casa de Oro Park Amenities. **(4 VOTES)**
18. Establish appropriations of \$700,000 in the Capital Outlay Fund for Capital Project 1022910, Jacumba Fire Station #43, based on an Operating Transfer In from San Diego County Fire Protection District. **(4 VOTES)**
19. Transfer appropriations of \$4,935,160 from Finance Other - Countywide General Expense, Services & Supplies, to Finance and General Government Group Executive Office, Services & Supplies, for necessary upgrade of the County's budgeting system to align budget with anticipated actuals based on existing General Purpose Revenue. **(4 VOTES)**
20. Establish appropriations of \$1,337,282 in Finance and General Government Group Executive Office, Services & Supplies, for Integrated Property Tax System mainframe integration costs based on previously assigned General Fund fund balance. **(4 VOTES)**

21. Establish appropriations of \$308,000 in Finance and General Government Group Executive Office - Economic Development & Government Affairs, Salaries & Benefits (\$108,000) and Services & Supplies (\$200,000), for small business outreach, procurement, technical assistance, and bonding activities based on Purchasing ISF revenues and available prior year Purchasing ISF fund balance. **(4 VOTES)**
22. Transfer \$15,000 from the Neighborhood Reinvestment Program budget (Org 15660 for District 3), Services & Supplies, to Contribution to County Library, Operating Transfers Out, to allocate for the purchase of backpacks, books, and school supplies; *and* establish appropriations of \$15,000 in the County Library, Services & Supplies, for the purchase of backpacks, books, and school supplies based on an Operating Transfer In from the General Fund. **(4 VOTES)**
23. Establish appropriations of \$32,363 in the Community Enhancement Program budget (Org 12900) based on the return of unused portions of prior year allocations so the funds can be allocated to other projects. **(4 VOTES)**
24. Establish appropriations of \$46,365 in the Neighborhood Reinvestment Program budget (\$29,232 in Org 15650; \$15,380 in Org 15655; \$1,433 in Org 15660; and \$320 in Org 15665) based on the return of unused portions of prior year allocations so the funds can be allocated to other projects. **(4 VOTES)**
25. Transfer appropriations within departments between Services & Supplies and Operating Transfers Out, as noted in Appendix C, in the net amount of \$29,521,915 for major maintenance projects listed in Appendix C that were subsequently reclassified, based on capitalization thresholds, for financial reporting purposes; *and* establish, transfer and cancel appropriations, as noted in Appendix C for a net increase of \$29,521,915 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 26 through 32):

26. Transfer appropriations of \$230,325 from Health and Human Services Agency, Salaries & Benefits, to the Chief Administrative Office, Salaries & Benefits, to support recent enhancements to key staffing capabilities, based on General Purpose Revenue.
27. Direct the Chief Administrative Officer to ensure maximum use of American Rescue Plan Act (ARPA) funding based on obligation and expenditure deadlines (December 31, 2024 and December 31, 2026, respectively) by utilizing a lost revenue strategy and a revenue transfer strategy as outlined below, and to make associated appropriation adjustments in future quarterly status updates if necessary.
 - a. Approve the use of the lost revenue strategy under the final ARPA guidance as needed to fund up to \$13,000,000 in General Relief costs in the Health and Human Services Agency by redirecting previously allocated General Purpose Revenue (GPR) for Board approved ARPA Framework components.
 - b. Transfer revenue of up to \$50,000,000 as needed, all in Intergovernmental Revenue, based on ARPA Revenue to replace previously allocated GPR and/or Realignment revenue for items eligible for use of ARPA including locally funded Behavioral Health Services costs and other existing costs as identified. The available GPR and/or Realignment revenue of up to \$50,000,000 will be used to fund Board approved ARPA Framework components.

28. Transfer appropriations of \$1,000,000 within the Capital Outlay Fund and related Operating Transfer In from the General Fund, to provide funding for Capital Project 1024823 Mira Mesa Epicentre to support the construction costs, based on transfer from Capital Project 1021910 Sage Hill Staging Area.
29. Transfer appropriations of \$188.92 within the Capital Outlay Fund and related Operating Transfer In from the General Fund to provide funding for Capital Project 1021906 Jess Martin Park Water Conservation to close out the Capital project based on transfer from the General Fund (MMISF 1027157 Jess Martin Park Walkway Improvement).
30. Cancel appropriations of \$37,489.97 and related Operating Transfer In from the General Fund in the Multiple Species Conservation Program Acquisition Fund to properly record related non-capital pre-acquisition expenses; and transfer appropriations of \$37,489.97 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.
31. Approve the Insurance Internal Service Fund to earn and retain its own interest.
32. Allocate \$59,000 from Department of Parks and Recreation, Services & Supplies, to the City of San Diego to support Lake Hodges, Lake Sutherland, and El Capitan reservoirs to remain open and continue providing recreation services to the public in Fiscal Year 2024-25. Funding will occur upon successful negotiation of a memorandum of understanding with the City of San Diego.

EQUITY IMPACT STATEMENT

After the Board of Supervisors adopts 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, develop meaningful outcomes, and create a County government culture of equity, belonging, and racial justice.

SUSTAINABILITY IMPACT STATEMENT

Today's actions support the sustainability measures across the County considering the environment, economy, health/wellbeing, and/or social aspects of the community by aligning the County's available resources with services to maintain fiscal stability and ensure long-term solvency.

FISCAL IMPACT

Funds associated with today's recommendations are partially included in the Fiscal Year 2024-25 Operational Plan. If approved, in the General Fund these actions will result in an increase to the overall budget of \$5,820,786, transfers between budgetary funds of \$28,597,941, transfers within budgetary funds of \$9,589,485, and no cancellation of appropriations. The funding sources for the increases are based on previously assigned General Fund fund balance (\$1,337,282), unused revenue for previously designated broadband projects (\$1,300,000), Operating Transfer In from San Diego County Fire Protection District (\$1,000,000), Waterfront Trust Fund (\$888,000), over-realized General Purpose Revenue (\$848,804), Purchasing ISF and available prior year Purchasing ISF fund balance (\$308,000),

unused portions of prior year allocations for Community Enhancement and Neighborhood Reinvestment Program (\$78,728), Environmental Public Health and Emergency Response grant (\$39,972), and Stelzer Trust Fund (\$20,000).

In all other funds combined, these actions will result in a net increase to the overall budget of \$61,385,698, transfers between budgetary funds of \$2,003,974, transfers within budgetary funds of \$1,000,189, and cancellation of appropriations of \$1,866,052. The funding sources for the net increase are Operating Transfers In from the General Fund (\$33,084,451), available prior year Road Fund fund balance (\$24,347,273), San Diego River Conservancy (\$2,000,000), Operating Transfers In various non-General Fund (\$823,974), Operating Transfer In from San Diego County Fire Protection District (\$700,000), available prior year State Asset Forfeiture fund balance (\$250,000), available prior year PLDO Area 40 Palomar/Julian Fund fund balance (\$150,000), and Stelzer Trust Fund (\$30,000).

BUSINESS IMPACT STATEMENT

N/A

ACTION:

Noting for the record that this item was continued to December 11, 2024, ON MOTION of Supervisor Vargas, seconded by Supervisor Montgomery Steppe, the Board of Supervisors took action as recommended.

AYES: Vargas, Lawson-Remer, Montgomery Steppe, 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