



Legislation Details (With Text)

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Title: Interim County Executive Officer requests that the Board:
 1. Receive a presentation of the five-year budget forecast, Section 115 Trust Fund, and American Rescue Plan Act;
 2. Approve mid-year Budget Adjustments per the attached reports; and
 3. Authorize the creation of a new non-operating special revenue fund for CARE Court in Fund 2460, Division 24622, Subdivision 20000252 (4/5 vote required).

(CONTINUED FROM FEBRUARY 28, 2023)

Sponsors: Board of Supervisors

Indexes:

Code sections:

Attachments: 1. OPEB Report, 2. Forecast, 3. Mid-Year Report, 4. Correction Memorandum (added after the meeting), 5. PowerPoint Presentation (added after the meeting)

Date	Ver.	Action By	Action	Result
3/14/2023	1	Board of Supervisors		

TO: Board of Supervisors

FROM: David Morrison, Interim County Executive Officer

REPORT BY: Daniel Sanchez, Senior Management Analyst

SUBJECT: Five-year budget forecast and other fiscal reports

RECOMMENDATION

Interim County Executive Officer requests that the Board:

1. Receive a presentation of the five-year budget forecast, Section 115 Trust Fund, and American Rescue Plan Act;
2. Approve mid-year Budget Adjustments per the attached reports; and
3. Authorize the creation of a new non-operating special revenue fund for CARE Court in Fund 2460, Division 24622, Subdivision 20000252 (4/5 vote required).

Section 115 OPEB Trust:

The County established a Public Agency Retirement Services (PARS) Trust to fund its retiree healthcare liability in fiscal year 2008 and has made periodic contributions.

Unfunded Actuarial Accrued Liability (UAAL) at 6/30/21 \$3,812,000

(page 39 of attached 2021 OPEB Actuarial Report, excluding Courts)

Account Balance at 7/1/2021	\$109,040,496
Contributions	\$ 4,292,657
Expenses/Distributions	\$ 286,339
Earnings/(Losses)	\$ (14,890,549)
Account Balance 6/30/2022	\$ 98,156,265

Account Balance at 12/31/2022 \$100,722,058

American Rescue Plan Act allocated funds by category:

Public Health	\$ 5.2 million
Negative Economic Impacts	\$ 6.1 million
Public Sector Capacity	\$11.2 million
Infrastructure	\$ 4.2 million
Administration	\$ 0.1 million
 Total	 \$26.8 million

Public Health category includes EOC operations, vaccinations, isolation and quarantine shelter, and other eligible expenses. Negative Economic Impacts category includes affordable housing investment, community grants, and childcare infrastructure loan program. Public Sector Capacity category accounts for the cost of COVID supplemental sick leave incurred by the organization and the standard allowance. County then provided like investment into MSA grant program, fire prevention services, and road improvements. Infrastructure

category includes water, sewer, and broadband projects. Administration is staff time charged to the grant.

The attached mid-year budget adjustment report provides a description for each department's request and the source of funds. The requested uses of General Fund Appropriation for Contingency total \$4.7 million and of General Fund Available Fund Balance total \$4.2 million. Many of the requests are for Salaries and Benefits for the wages increases approved earlier this fiscal year, additional positions, and overtime, and outside counsel expenses for contract public defender and county counsel.

Information Technology Services internal service fund is requesting \$1.8 million of contingency funds and almost \$3.4 million in additional general fund available fund balance to address a structural gap that has accumulated and been compounded with significant inflationary increases in labor, equipment, and service costs. The requested monies are projected for the fund to conclude the fiscal year with the state controller's recommended sixty days of working capital. Balances will be reviewed once the fiscal year closes and additional requests will be presented if needed.

The State is piloting a CARE Court program in six counties and has provided initial grants to the remaining counties to begin planning for CARE Court operations. HHSA requests the creation of a non-operating special revenue fund to account for the grant monies received.