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## COUNTY ADMINISTRATOR'S OFFICE



# SOLANO COUNTY

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### DEPARTMENTAL SUPPLEMENTAL RECOMMENDATION

DATE: September 8, 2020

TO: Members of the Board of Supervisors

FROM: Birgitta E. Corsello, County Administrator  
Ian M. Goldberg, County Budget Officer

SUBJECT: Supplemental Recommendations for Consideration and Action Regarding the FY2020/21 Budget

On June 25, 2020, for the first time in many decades the County of Solano staff requested that the Board approve a Preliminary Recommended Budget due to the lack of information and uncertainties of the financial impacts of emergency action taken by the State and Federal government in response to the COVID-19 pandemic emergency. The Preliminary Recommended Budget was prepared during the early onset of the COVID-19 medical pandemic and the full impact of the emergency action taken on the federal and State recoveries and their budgets were not yet finalized. At that time, it was recommended that the County extend the Budget process, postponing Supplemental Budget adjustments until September 2020 when your Board would be asked to take the final steps to adopt the FY2020/21 County Budget. In light of potential gaps in State and Federal revenues and to address revenue short falls in the County Budget, County Departments were asked to identify necessary changes to revenues and/or operations in the Supplemental adjustments for consideration in September as part of final budget deliberations for FY2020/21.

The FY2020/21 Supplemental Budget provides recommendations that update the Preliminary Recommended Budget with the most current information we have available, although much uncertainty remains. The County Administrator is recommending the Board approve Department adjustments reflected in the FY2020/21 Supplemental Budget.

The FY2020/21 Solano County Budget including the Preliminary Recommended Budget presented and authorized by the Board on June 25<sup>th</sup>, 2020 and the Supplemental Budget included herein total **\$1,193,569,699**. The County budget is balanced and anticipates a combination of funding from State and federal revenue sources including Federal CARES Act funding and awarded grants, local revenues include fees for services, interest income, various tax revenues, business license fees, and a small amount of sales tax collected in the unincorporated areas of the county and the use of and draws from reserves.

The County Administrator's Office, in collaboration with the Auditor-Controller, Human Resources, and the Department Heads, has prepared the attached supplemental budget adjustment documents and resolutions for the Board's deliberation during the Public Hearing. An overview of department supplemental changes and operational impacts is provided in the financial summary with details provided in the department budgets. The actions recommended for Board approval on September 22, 2020 include the steps necessary to adopt the FY2020/21 Solano County Budget. The recommendations for the September 22<sup>nd</sup> Budget Hearing also include approval of position changes, fixed assets and additional capital projects which were held on June 25<sup>th</sup>, 2020 pending the outcome of State and Federal budgets and additional analysis by Departments given the impacts of the COVID-19 medical emergency pandemic. There is consensus between the County Administrator and Department Heads on the FY2020/21 Recommended Budget documents presented to the Board for approval.

At the conclusion of the June 25, 2020 Budget Hearings the Board approved a series of actions to facilitate the year end close of FY2019/20 and to facilitate the additional actions related to financing of the FY2020/21 Preliminary Recommended Budget. The following Budget Considerations and Recommended Actions are provided as the balance of the actions required for Board approval to finalize the adoption of the FY2020/21 Solano County Budget.

**Budget Considerations and Recommended Actions:**

Approve the following Recommended Budget actions for September 22, 2020 Budget Hearing:

1. Adopt the Budget Resolution (Attachment H) approving the FY2020/21 Supplemental Budget adjustments (Attachment B and Attachment C), and approve the following specific authorizations listed in items 2-9.
2. Approve the attached Changes in Position Allocation List reflecting allocated positions included in the Supplemental Budget and Approve the Resolution Amending the List of Numbers and Classifications of Positions incorporating the deletions and additions recommended in the FY2020/21 Supplemental Budget to be effective October 4, 2020. (Attachment D).
3. Approve the list of Capital Projects in both Accumulated Capital Outlay and Public Works Departments reflected in the Supplemental Budget to be effective October 1, 2020. (Attachment E).
4. Approve the list of Fixed Assets included in the Supplemental Budget (See Supplemental Budget narratives) to be effective October 1, 2020. (Attachment F).

Approve delegated authority to facilitate additional actions related to financing of the FY2020/21 Preliminary Recommended Budget:

5. Authorize the Auditor-Controller with the concurrence of the County Administrator, to increase unrestricted Fund Balance to finance the gap between revenues and expenditures for FY2020/21 of any amount and to transfer year-end General Fund Balances to all or some of the following committed/restricted reserves in the following manner:
  - i. Increase the General Fund Contingency up to \$5.0 million;
  - ii. Increase the General Fund Committed Fund Balance for Capital Renewal up to \$5.0 million; and
  - iii. Increase the General Fund Committed Fund Balance for the Employer PERS Rate Increases up to \$5.0 million.
6. Authorize an additional payment to CalPERS up to the amount of \$6,811,584 from the Pension Debt Service Fund's available fund balance to pay down select amortization bases under the County's Miscellaneous and Safety Retirement Plans, as recommended by the Pension Advisory Committee; and Approve any necessary appropriation transfer request to complete the CalPERS Additional Discretionary Payment from fund balance in the Pension Debt Service Fund; and Authorize the Auditor-Controller to work with CalPERS to determine the timing of the payment.
7. Authorize the Director of Human Resources, with the concurrence of the County Administrator, to make technical changes to the Position Allocation List.
8. Authorize the Auditor-Controller, with the concurrence of the County Administrator, to make adjustments after the close of the Budget Hearing as needed and where applicable to balance the FY2020/21 Adopted Budget.
9. Authorize the County Administrator to sign all agreements and/or contract amendments resulting from the Board's approval of the FY2020/21 Supplemental Budget adjustment requests.

In summary, the following separate attachments have been prepared in support of the recommended actions for Board approval and to provide additional detail and explanations:

- Attachment A: Financial Summary Update
- Attachment B: Supplemental Budget Schedules
- Attachment C: Supplemental Budget Narratives
- Attachment D: Supplemental Position Summary - Changes in the Permanent Position Allocation and Resolution Amending the List of Numbers and Classifications of Positions in the Preliminary Recommended Budget September 22, 2020
- Attachment E: Supplemental Capital Projects List
- Attachment F: Supplemental Fixed Asset List
- Attachment G: CARES Act Update
- Attachment H: FY2020/21 Final Budget Resolution