



June 18, 2024

Board of Supervisors
County of Ventura
800 South Victoria Avenue
Ventura, CA 93009

SUBJECT: Approval of Year-End Budget Adjustments and Carry Over of Loans for Fiscal Year 2023-24; Receive and File Semi-Annual Grant Activity Report (Recommendations 1-11 Require 4/5ths Vote)

INTRODUCTION:

The current Fiscal Year (FY) 2023-24 is nearly complete, and as usual, several events have occurred during the year that require budgetary adjustments.

Our office is recommending budget adjustments to account for changes in revenues and expenditures, as well as to ensure the proper accounting of certain transactions. The following is a more detailed discussion of these and other circumstances where budget adjustments are required and the corresponding explanations and recommendations for implementing the adjustments. The impacts include a reduction of \$5.5 million in the General Fund – Fund Balance-Assigned to Public Assistance account and a reduction of \$280,000 in the General Fund – Fund Balance-Assigned to Program Mitigation account.

STRATEGIC PLAN PRIORITY:

The budget adjustments presented in this Board letter support the Fiscal Responsibility and Economic Vitality strategic priority of the County Strategic Plan with meeting the goal of maintaining a transparent and balanced budget, while funding essential services.

GENERAL FUND

CEO Various Grants – Division 1030

Recommendation #1:

It is recommended that your Board authorize the Auditor-Controller's Office to process the accounting transactions necessary to revise appropriations and fund balance as follows (requires 4/5ths vote):

| | | | |
|----------|---|-----------------------|--------------|
| INCREASE | 1030-1036 | Services and Supplies | \$ 5,500,000 |
| DECREASE | General Fund – Fund Balance-Assigned to Public Assistance | | \$ 5,500,000 |

Fiscal/Mandates Impact:

| | |
|------------------------------|--|
| Mandatory: | No |
| Source of Funding: | Affordable Housing Fund – General Fund |
| Funding Match Required: | No |
| Impact on Other Departments: | Minimal |

Summary of Revenues and Costs:

| | <u>FY 2023-24</u> | <u>FY 2024-25</u> |
|---------------------------|--------------------------|--------------------------|
| Revenue: | \$ 0 | \$ 0 |
| Costs: | | |
| Direct | \$ 5,500,000 | \$ 0 |
| Indirect-Agency/Dept. | 0 | 0 |
| Indirect-County CAP | 0 | 0 |
| Total Costs | \$ 5,500,000 | \$ 0 |
| Net Costs: | \$ 5,500,000 | \$ 0 |
| Recovered Indirect Costs: | \$ 0 | \$ 0 |

| FY 2023-24 Budget Projection for CEO Various Grants – Division 1030 | | | | |
|--|----------------|-----------------|------------------|-----------------------------|
| | Adopted Budget | Adjusted Budget | Projected Actual | Estimated Savings/(Deficit) |
| Appropriations | \$ 144,100 | \$ 18,953,197 | \$ 18,512,106 | \$ 441,091 |
| Revenue | \$ 144,100 | \$ 14,138,874 | \$ 13,704,008 | \$ (434,866) |
| Net Cost | \$ 0 | \$ 4,814,323 | \$ 4,808,098 | \$ 6,225 |

Discussion for Recommendation #1:

The recommended adjustment will reappropriate \$5.5 million in funds associated with the Valentine Road Homekey Permanent Investment. In a March 12, 2024 Board letter, the appropriations previously established for this project were transferred back to General Fund – Fund Balance-Assigned to Public Assistance based on the understanding of the accounting treatment related to the newly established Affordable Housing Fund. Subsequently, we have obtained clarification indicating this project must flow through an operating fund as a budgeted expenditure.

Special Accounts and Contributions – Division 1050 and Capital Projects – Division 1060

Recommendation #2:

It is recommended that your Board authorize the Auditor-Controller's Office to process the accounting transactions necessary to revise appropriations as follows (requires 4/5ths vote):

| | | | | |
|----------|----------|-----------------------------------|----|---------|
| DECREASE | DIV 1060 | Buildings and Improvements (4111) | \$ | 397,670 |
| DECREASE | DIV 1060 | Lewis Road Campus (4246) | \$ | 345,000 |
| INCREASE | DIV 1050 | Other Financing Uses | \$ | 742,670 |

Fiscal/Mandates Impact:

| | |
|------------------------------|-------------------------------------|
| Mandatory: | No |
| Source of Funding: | General Fund |
| Funding Match Required: | No |
| Impact on Other Departments: | General Services Agency Parks Dept. |

Summary of Revenues and Costs:

| | <u>FY 2023-24</u> | <u>FY 2024-25</u> |
|---------------------------|--------------------------|--------------------------|
| Revenue: | \$ 0 | \$ 0 |
| Costs: | | |
| Direct | \$ 0 | \$ 0 |
| Indirect-Agency/Dept. | 0 | 0 |
| Indirect-County CAP | 0 | 0 |
| Total Costs | \$ 0 | \$ 0 |
| Net Costs: | \$ 0 | \$ 0 |
| Recovered Indirect Costs: | \$ 0 | \$ 0 |

| FY 2023-24 Budget Projection for Special Accounts and Contributions – Division 1050 | | | | |
|--|-------------------|--------------------|---------------------|--------------------------------|
| | Adopted Budget | Adjusted Budget | Projected Actual | Estimated Savings/(Deficit) |
| Appropriations | \$ 80,689,599 | \$ 126,400,752 | \$ 117,598,610 | \$ 8,802,142 |
| Revenue | \$ 5,954,000 | \$ 5,954,000 | \$ 5,817,813 | \$ (136,187) |
| Net Cost | \$ 74,735,599 | \$ 120,446,752 | \$ 111,780,797 | \$ 8,665,955 |

| FY 2023-24 Budget Projection for CEO Capital Projects – Division 1060 | | | | |
|--|-------------------|--------------------|---------------------|--------------------------------|
| | Adopted Budget | Adjusted Budget | Projected Actual | Estimated Savings/(Deficit) |
| Appropriations | \$ 600,000 | \$ 70,536,733 | \$ 70,536,733 | \$ 0 |
| Revenue | \$ 0 | \$ 12,740,000 | \$ 12,740,000 | \$ 0 |
| Net Cost | \$ 600,000 | \$ 57,796,733 | \$ 57,796,733 | \$ 0 |

Discussion for Recommendation #2:

The Warring Park Playground Project was originally budgeted in the County Executive Office (CEO) Capital Projects budget as approved by your Board on October 10, 2023. After the project and contract with the vendor were approved, management of the project was handled by the General Services Agency (GSA) Parks Department and invoiced to GSA. As a result, \$397,670 in funding for this project will need to be transferred to GSA.

Similarly, the Linda Parks Park at the Lewis Road campus was budgeted in the CEO Capital Projects budget, as approved by your Board on March 14, 2023 and June 27, 2023. However, on March 9, 2021, your Board approved \$280,000 in funding to GSA Parks Department to start the development and construction process. GSA has subsequently identified a vendor to start construction of the park and the total estimated cost including contingency is approximately \$625,000. As a result, the balance of the funding required for this project in the amount of \$345,000 will need to be transferred to GSA.

To facilitate the eventual revenue transfer to GSA for these park projects, it is now necessary to migrate \$742,670 in appropriations from Budget Unit 1060 CEO Capital Projects to Budget Unit 1050 Special Accounts and Contributions.

Sufficient revenue and appropriations are available within GSA’s adjusted budget to accommodate the above recommendation.

Special Accounts and Contributions – Division 1050 and Capital Projects – Division 1060

Recommendation #3:

It is recommended that your Board authorize the Auditor-Controller’s Office to process the accounting transactions necessary to revise appropriations as follows (requires 4/5ths vote):

| | | | | |
|----------|----------|-----------------------------------|----|---------|
| INCREASE | DIV 1060 | Buildings and Improvements (4111) | \$ | 530,000 |
| DECREASE | DIV 1050 | Other Financing Uses | \$ | 530,000 |

Fiscal/Mandates Impact:

| | |
|------------------------------|--------------|
| Mandatory: | No |
| Source of Funding: | General Fund |
| Funding Match Required: | No |
| Impact on Other Departments: | None |

Summary of Revenues and Costs:

| | <u>FY 2023-24</u> | <u>FY 2024-25</u> |
|---------------------------|--------------------------|--------------------------|
| Revenue: | \$ 0 | \$ 0 |
| Costs: | | |
| Direct | \$ 0 | \$ 0 |
| Indirect-Agency/Dept. | 0 | 0 |
| Indirect-County CAP | 0 | 0 |
| Total Costs | \$ 0 | \$ 0 |
| Net Costs: | \$ 0 | \$ 0 |
| Recovered Indirect Costs: | \$ 0 | \$ 0 |

| FY 2023-24 Budget Projection for Special Accounts and Contributions – Division 1050 | | | | |
|--|-------------------|--------------------|---------------------|--------------------------------|
| | Adopted Budget | Adjusted Budget | Projected Actual | Estimated Savings/(Deficit) |
| Appropriations | \$ 80,689,599 | \$ 126,400,752 | \$ 117,598,610 | \$ 8,802,142 |
| Revenue | \$ 5,954,000 | \$ 5,954,000 | \$ 5,817,813 | \$ (136,187) |
| Net Cost | \$ 74,735,599 | \$ 120,446,752 | \$ 111,780,797 | \$ 8,665,955 |

| FY 2023-24 Budget Projection for CEO Capital Projects – Division 1060 | | | | |
|--|-------------------|--------------------|---------------------|--------------------------------|
| | Adopted Budget | Adjusted Budget | Projected Actual | Estimated Savings/(Deficit) |
| Appropriations | \$ 600,000 | \$ 70,536,733 | \$ 70,536,733 | \$ 0 |
| Revenue | \$ 0 | \$ 12,740,000 | \$ 12,740,000 | \$ 0 |
| Net Cost | \$ 600,000 | \$ 57,796,733 | \$ 57,796,733 | \$ 0 |

Discussion for Recommendation #3:

A portion of the unutilized appropriations previously earmarked for Opt Out Contribution funds within Special Accounts and Contributions are to be utilized to facilitate the buildout of twelve walled offices to provide appropriate confidentiality for Human Resources, Labor Relations, Risk Management and General Government functions in the County Executive Office.

County Clerk and Recorder-Elections – Division 1920

Recommendation #4:

It is recommended that your Board authorize the Auditor-Controller's Office to process the accounting transactions necessary to revise appropriations and unanticipated revenue as follows (requires 4/5ths vote):

| | | | | |
|----------|-----------|-------------------------|----|---------|
| INCREASE | 1920-1921 | Miscellaneous Revenues | \$ | 727,410 |
| INCREASE | 1920-1921 | Services and Supplies | \$ | 287,719 |
| INCREASE | 1920-1921 | Voting Equipment (4615) | \$ | 439,691 |

Fiscal/Mandates Impact:

| | |
|------------------------------|---------------|
| Mandatory: | No |
| Source of Funding: | Vendor Credit |
| Funding Match Required: | No |
| Impact on Other Departments: | None |

Summary of Revenues and Costs:

| | <u>FY 2023-24</u> | <u>FY 2024-25</u> |
|---------------------------|--------------------------|--------------------------|
| Revenue: | \$ 727,410 | \$ 0 |
| Costs: | | |
| Direct | \$ 727,410 | \$ 0 |
| Indirect-Agency/Dept. | 0 | 0 |
| Indirect-County CAP | 0 | 0 |
| Total Costs | \$ 727,410 | \$ 0 |
| Net Costs: | \$ 0 | \$ 0 |
| Recovered Indirect Costs: | \$ 0 | \$ 0 |

| FY 2023-24 Budget Projection for County Clerk Recorder-Elections – Division 1920 | | | | |
|---|-------------------|--------------------|---------------------|--------------------------------|
| | Adopted Budget | Adjusted Budget | Projected Actual | Estimated Savings/(Deficit) |
| Appropriations | \$ 8,235,113 | \$ 8,313,454 | \$ 8,307,597 | \$ 5,857 |
| Revenue | \$ 230,000 | \$ 230,000 | \$ 230,000 | \$ 0 |
| Net Cost | \$ 8,005,113 | \$ 8,083,454 | \$ 8,077,597 | \$ 5,857 |

Discussion for Recommendation #4:

In 2022, the Election Division found itself with an excess inventory of marking device equipment and related accessories, that were no longer needed for operations. Accordingly, the Division sought to return the equipment, and the vendor, Dominion Voting Systems, agreed to credit the County for the return of the surplus materials. The \$727,410 credit is now being applied to offset additional purchases from the vendor. This action recognizes the vendor credit and related budget actions and has no impact on the General Fund.

County Clerk and Recorder-Elections – Division 1920

Recommendation #5:

It is recommended that your Board authorize the Auditor-Controller's Office to process the accounting transactions necessary to revise appropriations and adjust fund balance as follows (requires 4/5ths vote):

| | | | |
|----------|---|-----------------------|------------|
| INCREASE | 1920-1921 | Services and Supplies | \$ 280,000 |
| DECREASE | General Fund – Fund Balance-Assigned to | Program Mitigation | \$ 280,000 |

Fiscal/Mandates Impact:

| | |
|------------------------------|---|
| Mandatory: | No |
| Source of Funding: | General Fund – Fund Balance-Assigned to Program Mitigation |
| Funding Match Required: | No |
| Impact on Other Departments: | None |

Summary of Revenues and Costs:

| | <u>FY 2023-24</u> | <u>FY 2024-25</u> |
|---------------------------|--------------------------|--------------------------|
| Revenue: | \$ 0 | \$ 0 |
| Costs: | | |
| Direct | \$ 280,000 | \$ 0 |
| Indirect-Agency/Dept. | 0 | 0 |
| Indirect-County CAP | 0 | 0 |
| Total Costs | \$ 280,000 | \$ 0 |
| Net Costs: | \$ 280,000 | \$ 0 |
| Recovered Indirect Costs: | \$ 0 | \$ 0 |

| FY 2023-24 Budget Projection for County Clerk Recorder-Elections – Division 1920 | | | | |
|---|-------------------|--------------------|---------------------|--------------------------------|
| | Adopted Budget | Adjusted Budget | Projected Actual | Estimated Savings/(Deficit) |
| Appropriations | \$ 8,235,113 | \$ 8,313,454 | \$ 8,307,597 | \$ 5,857 |
| Revenue | \$ 230,000 | \$ 230,000 | \$ 230,000 | \$ 0 |
| Net Cost | \$ 8,005,113 | \$ 8,083,454 | \$ 8,077,597 | \$ 5,857 |

Discussion for Recommendation #5:

The Elections Division requires additional appropriations for additional costs related to the March 2024 primary elections, including the need for extra help personnel, supplies, and printing. This is a common trend in California counties given the state legislature's new requirements for voting administration. It is recommended that funding in the amount of \$280,000 be provided from General Fund – Fund Balance-Assigned to Program Mitigation to offset the additional net cost.

Sheriff Police Services – Division 2500, Unit 2501

Recommendation #6:

It is recommended that your Board authorize the Auditor-Controller's Office to process the accounting transactions necessary to revise appropriations and unanticipated revenue as follows (requires 4/5ths vote):

| | | | | |
|----------|-----------|----------------------------|----|--------|
| INCREASE | 2500-2501 | Intergovernmental Revenues | \$ | 19,867 |
| INCREASE | 2500-2501 | Services and Supplies | \$ | 19,867 |

Fiscal/Mandates Impact:

| | |
|------------------------------|------------------|
| Mandatory: | No |
| Source of Funding: | City of Moorpark |
| Funding Match Required: | No |
| Impact on Other Departments: | None |

Summary of Revenues and Costs:

| | <u>FY 2023-24</u> | <u>FY 2024-25</u> |
|---------------------------|--------------------------|--------------------------|
| Revenue: | \$ 19,867 | \$ 0 |
| Costs: | | |
| Direct | \$ 19,867 | \$ 0 |
| Indirect-Agency/Dept. | 0 | 0 |
| Indirect-County CAP | 0 | 0 |
| Total Costs | \$ 19,867 | \$ 0 |
| Net Costs: | \$ 0 | \$ 0 |
| Recovered Indirect Costs: | \$ 0 | \$ 0 |

| <u>FY 2023-24 Budget Projection for Sheriff Police Services – Division 2500</u> | | | | |
|--|-------------------|--------------------|---------------------|--------------------------------|
| | Adopted Budget | Adjusted Budget | Projected Actual | Estimated Savings/(Deficit) |
| Appropriations | \$ 191,758,553 | \$ 241,826,815 | \$ 241,439,318 | \$ 387,497 |
| Revenue | \$ 100,572,176 | \$ 138,550,118 | \$ 139,432,034 | \$ 881,916 |
| Net Cost | \$ 91,186,377 | \$ 103,276,697 | \$ 102,007,284 | \$ 1,269,413 |

Discussion for Recommendation #6:

In 1994, the Moorpark Police Department formally established a program called Volunteers in Policing (VIP) to support the efforts of the department by providing services to the community that do not require a sworn deputy. The program is funded by the City of Moorpark with the goal of building community relations through an ongoing visible presence. The objective is recruiting, training and efficiently deploying citizen volunteers to perform routine, non-hazardous police functions, thus allowing deputies to concentrate on those duties that only sworn personnel can perform. The City of Moorpark would like to purchase six (6) additional radios for their use. As the number of volunteers changes, these additional radios will be made available to them for continued interoperability with the Ventura County Sheriff's Office (VCSO). The cost for these radios will be reimbursed through the City of Moorpark.

Sheriff Police Services – Division 2500, Unit 2503

Recommendation #7:

It is recommended that your Board authorize the Auditor-Controller's Office to process the accounting transactions necessary to revise appropriations and unanticipated revenue as follows (requires 4/5ths vote):

| | | | | |
|----------|-----------|----------------------------|----|--------|
| INCREASE | 2500-2503 | Intergovernmental Revenues | \$ | 10,000 |
| INCREASE | 2500-2503 | Services and Supplies | \$ | 10,000 |

Fiscal/Mandates Impact:

Mandatory: No
Source of Funding: Training Trust, Trust Fund-Account N952-811V
Funding Match Required: No
Impact on Other Departments: None

Summary of Revenues and Costs:

| | <u>FY 2023-24</u> | <u>FY 2024-25</u> |
|---------------------------|--------------------------|--------------------------|
| Revenue: | \$ 10,000 | \$ 0 |
| Costs: | | |
| Direct | \$ 10,000 | \$ 0 |
| Indirect-Agency/Dept. | 0 | 0 |
| Indirect-County CAP | 0 | 0 |
| Total Costs | \$ 10,000 | \$ 0 |
| Net Costs: | \$ 0 | \$ 0 |
| Recovered Indirect Costs: | \$ 0 | \$ 0 |

| FY 2023-24 Budget Projection for Sheriff Police Services – Division 2500 | | | | |
|---|----------------|-----------------|------------------|-----------------------------|
| | Adopted Budget | Adjusted Budget | Projected Actual | Estimated Savings/(Deficit) |
| Appropriations | \$ 191,758,553 | \$ 241,826,815 | \$ 241,439,318 | \$ 387,497 |
| Revenue | \$ 100,572,176 | \$ 138,550,118 | \$ 139,432,034 | \$ 881,916 |
| Net Cost | \$ 91,186,377 | \$ 103,276,697 | \$ 102,007,284 | \$ 1,269,413 |

Discussion for Recommendation #7:

On June 22, 2009, the Ventura County Community College District and VCSO had a joint agreement for use of a training facility by VCSO which eventually expired. The termination of the agreement established that any remaining funds in the Sheriff's Academy Operating Reserve Account would be placed in a trust to be utilized for future support and/or offset of future Sheriff's training programs and expenses. The Sheriff's Operating Reserve Trust account may be used for supplies, recruiting training officers, instructional equipment/services, contract services, consultants, lease of facilities, or other lawful costs of conducting the Sheriff's training programs.

On February 27, 2024, your board approved the use of those funds for several expenses directly related to the Sheriff's Training Academy incurred in FY 2023-24, including the In-Service Training and Community Room at Thousand Oaks Mall. Subsequently, the estimated cost for this project increased \$10,000 more than initially estimated, therefore, requiring supplemental financial support from the Sheriff's Operating Reserve Trust Account (N952-811V) to fund the additional expense.

Probation Agency – Division 2600, Unit 2621

Recommendation #8:

It is recommended that your Board authorize the Auditor-Controller's Office to process the accounting transactions necessary to revise appropriations and unanticipated revenue as follows (requires 4/5ths vote):

| | | | | |
|----------|-----------|----------------------------|----|--------|
| INCREASE | 2600-2621 | Services and Supplies | \$ | 30,000 |
| INCREASE | 2600-2621 | Intergovernmental Revenues | \$ | 30,000 |

Fiscal/Mandates Impact:

| | |
|------------------------------|--------------------------------|
| Mandatory: | No |
| Source of Funding: | AB 178 Juvenile Facility Grant |
| Funding Match Required: | No |
| Impact on Other Departments: | None |

Summary of Revenues and Costs:

| | <u>FY 2023-24</u> | <u>FY 2024-25</u> |
|---------------------------|--------------------------|--------------------------|
| Revenue: | \$ 30,000 | \$ 0 |
| Costs: | | |
| Direct | \$ 30,000 | \$ 0 |
| Indirect-Agency/Dept. | 0 | 0 |
| Indirect-County CAP | 0 | 0 |
| Total Costs | \$ 30,000 | \$ 0 |
| Net Costs: | \$ 0 | \$ 0 |
| Recovered Indirect Costs: | \$ 0 | \$ 0 |

| FY 2023-24 Budget Projection for Probation Agency – Division 2600, Unit 2621 | | | | |
|---|----------------|-----------------|------------------|-----------------------------|
| | Adopted Budget | Adjusted Budget | Projected Actual | Estimated Savings/(Deficit) |
| Appropriations | \$ 4,473,357 | \$ 5,617,843 | \$ 5,808,519 | \$ (190,676) |
| Revenue | \$ 290,500 | \$ 290,500 | \$ 311,673 | \$ 21,173 |
| Net Cost | \$ 4,182,857 | \$ 5,327,343 | \$ 5,496,846 | \$ (169,503) |

Discussion for Recommendation #8:

The AB 178 Juvenile Facility Grant is a one-time allocation provided by the Board of State and Community Corrections for the renovation, repair, and improvement of county facilities, specifically, to modernize units, create more normative space, and to add or enhance treatment, vocational, educational, recreational, and visitation space. The Probation Agency began utilizing this funding in FY 2023-24 by purchasing new smart televisions and associated materials. Smart televisions will be mounted in all housing units and classrooms throughout the Juvenile Facility as a presentation tool to support recreation and programming, and also modernize the spaces.

Resource Management Agency – Divisions 2920 and 2950

Recommendation #9:

It is recommended that your Board authorize the Auditor-Controller's Office to process the accounting transactions necessary to revise appropriations as follows (requires 4/5ths vote):

| | | | | |
|----------|-----------|-----------------------|----|---------|
| DECREASE | 2920-2921 | Salaries and Benefits | \$ | 300,000 |
| INCREASE | 2950-2953 | Salaries and Benefits | \$ | 150,000 |
| INCREASE | 2950-2953 | Services and Supplies | \$ | 150,000 |

Fiscal/Mandates Impact:

| | |
|------------------------------|-------------------------------------|
| Mandatory: | No |
| Source of Funding: | Building and Safety Division Budget |
| Funding Match Required: | No |
| Impact on Other Departments: | None |

Division 2920

Summary of Revenues and Costs:

| | <u>FY 2023-24</u> | <u>FY 2024-25</u> |
|---------------------------|--------------------------|--------------------------|
| Revenue: | \$ 0 | \$ 0 |
| Costs: | | |
| Direct | \$ (300,000) | \$ 0 |
| Indirect-Agency/Dept. | 0 | 0 |
| Indirect-County CAP | 0 | 0 |
| Total Costs | \$ (300,000) | \$ 0 |
| Net Costs: | \$ (300,000) | \$ 0 |
| Recovered Indirect Costs: | \$ 0 | \$ 0 |

Division 2950

Summary of Revenues and Costs:

| | <u>FY 2023-24</u> | <u>FY 2024-25</u> |
|---------------------------|--------------------------|--------------------------|
| Revenue: | \$ 0 | \$ 0 |
| Costs: | | |
| Direct | \$ 300,000 | \$ 0 |
| Indirect-Agency/Dept. | 0 | 0 |
| Indirect-County CAP | 0 | 0 |
| Total Costs | \$ 300,000 | \$ 0 |
| Net Costs: | \$ 300,000 | \$ 0 |
| Recovered Indirect Costs: | \$ 0 | \$ 0 |

| FY 2023-24 Budget Projection for RMA Building and Safety – Division 2920 | | | | |
|---|----------------|-----------------|------------------|-----------------------------|
| | Adopted Budget | Adjusted Budget | Projected Actual | Estimated Savings/(Deficit) |
| Appropriations | \$ 4,863,093 | \$ 4,910,611 | \$ 4,225,920 | \$ 684,691 |
| Revenue | \$ 4,734,945 | \$ 4,734,945 | \$ 4,712,038 | \$ (22,907) |
| Net Cost | \$ 128,148 | \$ 175,666 | \$ (486,118) | \$ 661,784 |

| FY 2023-24 Budget Projection for RMA Code Compliance – Division 2950 | | | | |
|---|----------------|-----------------|------------------|-----------------------------|
| | Adopted Budget | Adjusted Budget | Projected Actual | Estimated Savings/(Deficit) |
| Appropriations | \$ 2,549,019 | \$ 2,903,406 | \$ 3,177,482 | \$ (274,076) |
| Revenue | \$ 872,843 | \$ 872,843 | \$ 565,789 | \$ (307,054) |
| Net Cost | \$ 1,676,176 | \$ 2,030,563 | \$ 2,611,693 | \$ (581,130) |

Discussion for Recommendation #9:

The increase in appropriations is primarily due to positions being filled that were vacant at the time of the budget process, and additional professional services contracts required but not budgeted. Projected savings in salaries and benefits for the Building and Safety Division (Budget Unit 2920) will offset the increased costs in the Code Compliance Division (Budget Unit 2950), effectively shifting appropriations evenly between the two divisions with no additional net county cost. Sufficient appropriations are available within the adjusted budgets to accommodate this recommendation.

Driving Under the Influence Programs – Division 3240

Recommendation #10:

It is recommended that your Board authorize the Auditor-Controller's Office to process the accounting transactions necessary to revise appropriations and unanticipated revenue as follows (requires 4/5ths vote):

| | | | | |
|----------|-----------|-----------------------|----|---------|
| INCREASE | 3240-3241 | Salaries and Benefits | \$ | 125,000 |
| INCREASE | 3240-3241 | Services and Supplies | \$ | 100,000 |
| INCREASE | 3240-3241 | Charges for Services | \$ | 225,000 |

Fiscal/Mandates Impact:

| | |
|------------------------------|-------------|
| Mandatory: | No |
| Source of Funding: | Client Fees |
| Funding Match Required: | No |
| Impact on Other Departments: | None |

Summary of Revenues and Costs:

| | <u>FY 2023-24</u> | <u>FY 2024-25</u> |
|---------------------------|--------------------------|--------------------------|
| Revenue: | \$ 225,000 | \$ 0 |
| Costs: | | |
| Direct | \$ 225,000 | \$ 0 |
| Indirect-Agency/Dept. | 0 | 0 |
| Indirect-County CAP | 0 | 0 |
| Total Costs | \$ 225,000 | \$ 0 |
| Net Costs: | \$ 0 | \$ 0 |
| Recovered Indirect Costs: | \$ 0 | \$ 0 |

| <u>FY 2023-24 Budget Projection for Driving Under the Influence – Division 3240</u> | | | | |
|--|-------------------|--------------------|---------------------|--------------------------------|
| | Adopted Budget | Adjusted Budget | Projected Actual | Estimated Savings/(Deficit) |
| Appropriations | \$ 4,127,939 | \$ 4,172,070 | \$ 4,313,531 | \$ (141,461) |
| Revenue | \$ 4,081,947 | \$ 4,081,947 | \$ 4,257,443 | \$ 175,496 |
| Net Cost | \$ 45,992 | \$ 90,123 | \$ 56,088 | \$ 34,035 |

Discussion for Recommendation #10:

An increase in appropriations is being requested to ensure there are sufficient appropriations to cover an increase in unanticipated costs for salaries and benefits and temporary staffing due to an increase in client census. The cost increases will be funded with client fees and do not result in additional net county costs.

Human Services Agency – Divisions 3410, 3430 and 3440

Recommendation #11:

It is recommended that your Board authorize the Auditor-Controller's Office to process the accounting transactions necessary to revise appropriations as follows (requires 4/5ths vote):

| | | | |
|----------|-----------|-----------------------|------------|
| INCREASE | 3440-3441 | Salaries and Benefits | \$ 60,000 |
| INCREASE | 3410-3416 | Other Charges | \$ 450,000 |
| DECREASE | 3430-3431 | Salaries and Benefits | \$ 510,000 |

Fiscal/Mandates Impact:

| | |
|------------------------------|----------------------------|
| Mandatory: | Yes |
| Source of Funding: | Federal and state revenues |
| Funding Match Required: | No |
| Impact on Other Departments: | None |

Division 3410

Summary of Revenues and Costs:

| | <u>FY 2023-24</u> | <u>FY 2024-25</u> |
|---------------------------|--------------------------|--------------------------|
| Revenue: | \$ 0 | \$ 0 |
| Costs: | | |
| Direct | \$ 450,000 | \$ 0 |
| Indirect-Agency/Dept. | 0 | 0 |
| Indirect-County CAP | 0 | 0 |
| Total Costs | \$ 450,000 | \$ 0 |
| Net Costs: | \$ 450,000 | \$ 0 |
| Recovered Indirect Costs: | \$ 0 | \$ 0 |

Division 3430

Summary of Revenues and Costs:

| | <u>FY 2023-24</u> | <u>FY 2024-25</u> |
|---------------------------|--------------------------|--------------------------|
| Revenue: | \$ 0 | \$ 0 |
| Costs: | | |
| Direct | \$ (510,000) | \$ 0 |
| Indirect-Agency/Dept. | 0 | 0 |
| Indirect-County CAP | 0 | 0 |
| Total Costs | \$ (510,000) | \$ 0 |
| Net Costs: | \$ (510,000) | \$ 0 |
| Recovered Indirect Costs: | \$ 0 | \$ 0 |

Division 3440

Summary of Revenues and Costs:

| | <u>FY 2023-24</u> | <u>FY 2024-25</u> |
|---------------------------|--------------------------|--------------------------|
| Revenue: | \$ 0 | \$ 0 |
| Costs: | | |
| Direct | \$ 60,000 | \$ 0 |
| Indirect-Agency/Dept. | 0 | 0 |
| Indirect-County CAP | 0 | 0 |
| Total Costs | \$ 60,000 | \$ 0 |
| Net Costs: | \$ 60,000 | \$ 0 |
| Recovered Indirect Costs: | \$ 0 | \$ 0 |

| FY 2023-24 Budget Projection for HSA Program Operations – Division 3410 | | | | |
|--|----------------|-----------------|------------------|-----------------------------|
| | Adopted Budget | Adjusted Budget | Projected Actual | Estimated Savings/(Deficit) |
| Appropriations | \$ 205,531,529 | \$ 213,650,875 | \$ 214,282,821 | \$ (631,946) |
| Revenue | \$ 181,427,098 | \$ 185,627,098 | \$ 186,185,653 | \$ 558,555 |
| Net Cost | \$ 24,104,431 | \$ 28,023,777 | \$ 28,097,168 | \$ (73,391) |

| FY 2023-24 Budget Projection for HSA Transitional Living Center – Division 3430 | | | | |
|--|----------------|-----------------|------------------|-----------------------------|
| | Adopted Budget | Adjusted Budget | Projected Actual | Estimated Savings/(Deficit) |
| Appropriations | \$ 2,496,543 | \$ 2,645,967 | \$ 2,089,360 | \$ 556,607 |
| Revenue | \$ 210,000 | \$ 210,000 | \$ 150,000 | \$ (60,000) |
| Net Cost | \$ 2,286,543 | \$ 2,435,967 | \$ 1,939,360 | \$ 496,607 |

| FY 2023-24 Budget Projection for HSA Public Administrator/Public Guardian – Division 3440 | | | | |
|--|----------------|-----------------|------------------|-----------------------------|
| | Adopted Budget | Adjusted Budget | Projected Actual | Estimated Savings/(Deficit) |
| Appropriations | \$ 3,232,795 | \$ 391,244 | \$ 455,420 | \$ (64,176) |
| Revenue | \$ 535,700 | \$ 140,000 | \$ 153,064 | \$ 13,064 |
| Net Cost | \$ 2,697,095 | \$ 251,244 | \$ 302,356 | \$ (51,112) |

Discussion for Recommendation #11:

RAIN Transitional Living Center (Budget Unit 3431) will realize salary and benefit savings of \$510,000 due to vacancies. These savings will be used to offset an increase of \$450,000 in housing costs for Adult and Family Homeless Services (Budget Unit 3416), and an additional \$60,000 in Public Administrator costs that exceeded initial estimates for Public Administrator and Public Guardian (Budget Unit 3441).

YEAR-END INTERFUND LOANS

Ventura County Medical System – Fund E500, Division 3300

Recommendation #12:

It is recommended that your Board authorize the Ventura County Medical System (VCMS) to carry over a loan balance of up to a maximum of \$235 million owed to the General Fund as of June 30, 2024 to FY 2024-25.

Discussion for Recommendation #12:

VCMS has a cash flow shortage due to delayed payments from the state and federal government. The recommended action would allow VCMS to maintain a reasonable cash balance while awaiting payments due from the state and federal government.

Recommendation #13:

It is recommended that your Board modify its policy regarding General Fund loans to VCMS, to become interest bearing, effective July 1, 2024, with interest accruing at the County Treasury Pool rate. Additionally, effective FY 2024-25, increase the annual General Fund Contribution to VCMS by an additional \$8.5 million, with the total contribution amount thereafter to be increased annually by the Consumer Price Index (CPI).

Discussion for Recommendation #13:

On March 11, 2008, your Board approved converting the General Fund loan to VCMS for cash flow purposes to a non-interest-bearing loan effective July 1, 2007. As of June 30, 2007, the General Fund loan to VCMS was \$27 million.

On July 30, 2019, your Board adopted the policy to provide these loans, without interest, when they are needed to bridge funding gaps that occur because of late payments from the State of California. As of June 30, 2019, the General Fund loan to VCMS was \$125.5 million.

At this time last year, your Board authorized VCMS to carry over a loan balance of up to a maximum of \$190 million owed to the General Fund as of June 30, 2023 to FY 2023-24. By this fiscal year end, the General Fund loan to VCMS is projected to be \$225 million, having reached a peak of \$351 million in February 2024. At an approximate average daily loan balance of \$250 million, and the County Treasury Pool rate averaging 3.9%, the General Fund is anticipated to lose approximately \$9.75 million in interest earnings this fiscal year. Given the overall growth of the loan over time, the treasury yield, and the impact on General Fund interest earnings, it is recommended these loans be reverted to interest bearing, effective July 1, 2024. Doing so will also allow for a more accurate financial disclosure of the overall operating costs of VCMS and its inherent cash flow needs.

As this action would result in an approximately \$11 million interest expense in FY 2024-25 for VCMS, it is also recommended that the County establish a policy to increase the annual contribution to VCMS, originally in the amount of \$15.2 million as of FY 2006-07, by an annual CPI. For FY 2024-25 this would generate an additional contribution of \$8.5 million that would help to offset the additional interest costs.

Subject to the approval of this recommendation, budget adjustments will be brought back to your Board to facilitate these actions.

Public Works Agency CSA No. 29 North Coast – Fund S540, Division 4130

Recommendation #14:

It is recommended that your Board authorize County Service Area No. 29 (CSA No. 29) to carry over an estimated loan balance of \$650,000 owed to the General Fund as of June 30, 2024 to FY 2024-25.

Discussion for Recommendation #14:

CSA No. 29 provides operation and maintenance of the CSA 29 sewer collection system which serves the communities of Solimar Beach, Faria Beach, Seacliff and Mussel Shoals. Due to the timing of receipt of its revenues, CSA 29 will be unable to repay the \$650,000 loan to the General Fund. Repayment of the loan will begin no later than one year after the first drawdown which occurred this fiscal year.

COUNTY EXECUTIVE OFFICE

Recommendation #15:

Receive and file the attached semi-annual grant activity report (Exhibit 1) for FY 2023-24.

Discussion for Recommendation #15:

In accordance with the County's Administrative Policy Manual, Chapter II – 5, all grants administratively approved by the County Executive Office shall be presented semi-annually to your Board for acceptance. A semi-annual grant activity report for FY 2023-24 is attached as Exhibit 1.

The Auditor-Controller's Office, County Counsel, and affected departments have reviewed this letter. Should you have any questions, please feel free to contact me at (805) 654-3531.

Sincerely,



Scott Powers
Interim County Chief Financial Officer



Sevet Johnson, PsyD
County Executive Officer

Exhibit 1: FY 2023-24 Semi-Annual Grant Activity Report