



**COUNTY of VENTURA**  
COUNTY EXECUTIVE OFFICE

**Sevet Johnson, PsyD**  
County Executive Officer

**Mike Pettit**  
Assistant County Executive Officer

**Kaye Mand**  
County Chief Financial Officer

**Shawn Atin**  
Assistant County Executive Officer/  
Human Resources Director  
Labor Relations

June 27, 2023

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 2022-23; Receive and File Semi-Annual Grant Activity Report (Recommendations 1-8 Require 4/5ths Vote)**

**INTRODUCTION:**

The current Fiscal Year (FY) 2022-23 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 and to account for certain transactions more properly. 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 \$92,100 in General Fund Contingency and a reduction of \$2,562,300 in the General Fund – Fund Balance-Assigned to Program Mitigation account.

**GENERAL FUND**

**County Executive Office – Divisions 1070 and 1080**

**Recommendation #1:**

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	DIV 1080	Other Charges	\$	875,000
INCREASE	DIV 1070	Revenue Use of Money and Property	\$	875,000

**Fiscal/Mandates Impact:**

Mandatory: No  
Source of Funding: General Fund Interest Earnings  
Funding Match Required: No  
Impact on Other Departments: None

**Summary of Revenues and Costs:**

	<b><u>FY 2022-23</u></b>	<b><u>FY 2023-24</u></b>
Revenue:	\$ 875,000	\$ 0
Costs:		
Direct	\$ 875,000	\$ 0
Indirect-Agency/Dept.	0	0
Indirect-County CAP	0	0
Total Costs	\$ 875,000	\$ 0
Net Costs:	\$ 0	\$ 0
Recovered Indirect Costs:	\$ 0	\$ 0

**FY 2022-23 Budget Projection for CEO-GPR – Division 1070**

	Adopted Budget	Adjusted Budget	Projected Actual	Estimated Savings/(Deficit)
Appropriations	\$ 0	\$ 0	\$ 0	\$ 0
Revenue	\$ 484,157,679	\$ 484,157,679	\$ 499,622,590	\$ 15,464,911
Net Cost	\$(484,157,679)	\$(484,157,679)	\$(499,622,590)	\$ 15,464,911

**FY 2022-23 Budget Projection for CEO-Debt Service – Division 1080**

	Adopted Budget	Adjusted Budget	Projected Actual	Estimated Savings/(Deficit)
Appropriations	\$ 9,421,117	\$ 9,421,117	\$ 10,258,995	\$ (837,878)
Revenue	\$ 1,283,036	\$ 1,283,036	\$ 1,283,029	\$ (7)
Net Cost	\$ 8,138,081	\$ 8,138,081	\$ 8,975,966	\$ (837,885)

**Discussion for Recommendation #1:**

Tracking with the Federal Reserve's decision to raise the Federal Funds Rate, the variable interest rate on the County's Revolving Credit Agreement has risen steadily throughout FY 2022-23. As a result, an additional \$875,000 in interest expense appropriations are required for debt service. While the increased Federal Funds Rate has increased debt service costs, it has also garnered higher yields in the treasury pool. As such, we are able to recognize an offsetting \$875,000 in unanticipated revenue associated with interest earnings.

**County Executive Office – Divisions 1070 and 1110**

**Recommendation #2:**

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

DECREASE	DIV 1070	Miscellaneous Revenue	\$	1,149,320
INCREASE	1110-1117	Services and Supplies	\$	574,855
INCREASE	1110-1117	Intergovernmental Revenue	\$	1,724,175

**Fiscal/Mandates Impact:**

Mandatory:	No
Source of Funding:	Assembly Bill (AB) 177 State Backfill
Funding Match Required:	No
Impact on Other Departments:	None

**Summary of Revenues and Costs:**

	<b>FY 2022-23</b>	<b>FY 2023-24</b>
Revenue:	\$ 574,855	\$ 0
Costs:		
Direct	\$ 574,855	\$ 0
Indirect-Agency/Dept.	0	0
Indirect-County CAP	0	0
Total Costs	\$ 574,855	\$ 0
Net Costs:	\$ 0	\$ 0
Recovered Indirect Costs:	\$ 0	\$ 0

<b>FY 2022-23 Budget Projection for CEO-GPR – Division 1070</b>				
	Adopted Budget	Adjusted Budget	Projected Actual	Estimated Savings/(Deficit)
Appropriations	\$ 0	\$ 0	\$ 0	\$ 0
Revenue	\$ 484,157,679	\$ 484,157,679	\$ 499,622,590	\$ 15,464,911
Net Cost	\$(484,157,679)	\$(484,157,679)	\$(499,622,590)	\$ 15,464,911

<b>FY 2022-23 Budget Projection for CEO-Trial Court Funding – Division 1110</b>				
	Adopted Budget	Adjusted Budget	Projected Actual	Estimated Savings/(Deficit)
Appropriations	\$ 22,442,321	\$ 22,442,321	\$ 18,724,688	\$ 3,717,633
Revenue	\$ 13,542,321	\$ 13,542,321	\$ 8,581,071	\$ (4,961,250)
Net Cost	\$ 8,900,000	\$ 8,900,000	\$ 10,143,617	\$ (1,243,617)

**Discussion for Recommendation #2:**

The enactment of Assembly Bill 177 eliminated 17 criminal justice fees resulting in loss of revenues across California counties, effective January 2022. However, since a wide array of criminal justice programs are funded using fines and fee revenues, counties rely on those revenues to sustain critical services and programs that benefit local communities. The legislature approved a \$50M annual set aside to backfill counties for the lost revenues.

The County was subsequently notified in December 2022 that a total of \$1,724,175 was received from the State, of that \$574,725 is the allocation for the 6-month effective period during FY 2021-22 and \$1,149,450 is the full allocation for FY 2022-23. The full backfill amount was unknown when the County's FY 2022-23 budget was adopted, however, an

estimated amount of \$1.1M was reserved within Budget Unit 1070 as a placeholder until confirmation could be provided by the State. A budget adjustment is now needed to move the revenues from Budget Unit 1070 to Budget Unit 1110 and adjust for the FY 2021-22 allocation also received. CEO Trial Court Funding has continued to experience a significant reduction in revenues over several years, thus resulting in additional net cost to the General Fund. This backfill will help offset that loss of revenues.

**Animal Services – Division 2860**

**Recommendation #3:**

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	2860-2863	Services and Supplies	\$	57,100
DECREASE	DIV 1100	General Fund Contingency	\$	57,100

**Fiscal/Mandates Impact:**

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

**Summary of Revenues and Costs:**

	<b><u>FY 2022-23</u></b>	<b><u>FY 2023-24</u></b>
Revenue:	\$ 0	\$ 0
Costs:		
Direct	\$ 57,100	\$ 0
Indirect-Agency/Dept.	0	0
Indirect-County CAP	0	0
Total Costs	\$ 57,100	\$ 0
Net Costs:	\$ 57,100	\$ 0
Recovered Indirect Costs:	\$ 0	\$ 0

<b><u>FY 2022-23 Budget Projection for Animal Services – Division 2860</u></b>				
	Adopted Budget	Adjusted Budget	Projected Actual	Estimated Savings/(Deficit)
Appropriations	\$ 10,555,641	\$ 11,010,471	\$ 11,030,663	\$ (20,192)
Revenue	\$ 7,150,862	\$ 7,436,537	\$ 7,109,213	\$ (327,324)
Net Cost	\$ 3,404,779	\$ 3,573,934	\$ 3,921,450	\$ (347,516)

**Discussion for Recommendation #3:**

Animal Services is seeking appropriations to replace the existing camera system at the Simi Valley Animal Shelter. The current system is antiquated and no longer allows for the system to be accessed properly because the software plug-in that allows the software to run is no longer supported by Microsoft Windows. There are no workarounds to address the issue without replacing the system.

### **Human Services Agency-Direct Recipient Aid – Division 3420**

#### **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	3420-3421	Other Charges	\$	2,500,000
INCREASE	3420-3421	Intergovernmental Revenues	\$	1,465,000
INCREASE	3420-3421	State Motor Vehicle Match (9034)	\$	1,000,000
DECREASE	DIV 1100	General Fund Contingency	\$	35,000

#### **Fiscal/Mandates Impact:**

Mandatory:	Yes
Source of Funding:	Federal, State, Fund N505, and General Fund Contingency
Funding Match Required:	Yes
Impact on Other Departments:	None

#### **Summary of Revenues and Costs:**

	<b><u>FY 2022-23</u></b>	<b><u>FY 2023-24</u></b>
Revenue:	\$ 2,465,000	\$ 0
Costs:		
Direct	\$ 2,500,000	\$ 0
Indirect-Agency/Dept.	0	0
Indirect-County CAP	0	0
Total Costs	\$ 2,500,000	\$ 0
Net Costs:	\$ 35,000	\$ 0
Recovered Indirect Costs:	\$ 0	\$ 0

<b>FY 2022-23 Budget Projection for Human Services Agency-Direct Recipient Aid – Division 3420</b>				
	Adopted Budget	Adjusted Budget	Projected Actual	Estimated Savings/(Deficit)
Appropriations	\$ 77,912,000	\$ 80,585,746	\$ 80,585,746	\$ 0
Revenue	\$ 70,996,000	\$ 73,521,000	\$ 73,521,000	\$ 0
Net Cost	\$ 6,916,000	\$ 7,064,746	\$ 7,064,746	\$ 0

#### **Discussion for Recommendation #4:**

The proposed budget adjustments are needed due to a combination of the increase to maximum aid payments for CalWORKs by 21% effective Oct 1, 2022 (Senate Bill (SB)187), and the cost of replacing benefits that have been compromised through no fault of the client. These costs are almost entirely (98%) offset by federal and state revenues resulting in a \$35,000 net cost to the County.

## **NON-GENERAL FUND**

### **Ventura County Medical System – Fund E500, Division 3300**

#### **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	DIV 3300	Salaries and Benefits	\$	1,232,000
INCREASE	DIV 3300	Other Financing Sources	\$	1,232,000
INCREASE	DIV 1050	Other Financing Uses	\$	1,232,000
DECREASE	General Fund – Fund Balance-Assigned to Program Mitigation		\$	1,232,000

#### **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:**

	<b><u>FY 2022-23</u></b>	<b><u>FY 2023-24</u></b>
Revenue:	\$ 0	\$ 0
Costs:		
Direct	\$ 1,232,000	\$ 0
Indirect-Agency/Dept.	0	0
Indirect-County CAP	0	0
Total Costs	\$ 0	\$ 0
Net Costs:	\$ 1,232,000	\$ 0
Recovered Indirect Costs:	\$ 0	

<b><u>FY 2022-23 Budget Projection for Ventura County Medical System – Division 3300</u></b>				
	Adopted Budget	Adjusted Budget	Projected Actual	Estimated Savings/(Deficit)
Appropriations	\$597,277,305	\$ 651,189,238	\$ 628,517,835	\$ 22,671,403
Revenue	\$597,588,755	\$ 604,063,467	\$ 620,070,394	\$ 16,006,927
Operational Income/(Loss)	\$ 311,450	\$ (47,125,771)	\$ (8,447,441)	\$ 38,678,330

#### **Discussion for Recommendation #5:**

In June 2022 Governor Gavin Newsom approved Senate Bill 184 (SB 184) which included provisions for State funded Hospital and Skilled Nursing Facility COVID-19 Worker Retention Pay (WRP) for eligible workers. On December 6, 2022, your Board approved the County's participation in the State WRP program and among other things approved the payment of a County funded \$500 bonus as a County match payment to each eligible employee. The County match increased the amount of State funds for eligible



employees, maximizing the amount the employees received. SB 184 had very strict eligibility guidelines and some employees did not qualify under the State WRP. Therefore, CEO-Labor negotiated with several of the unions to provide language in the Memorandum of Agreements and Management Resolution, which were presented to and approved by your Board, to provide an alternative payment for those employees who did not qualify for the State WRP. The additional costs of the one-time County bonus match and the one-time Labor negotiated alternative WRP payment are to be funded through General Fund – Fund Balance-Assigned to Program Mitigation.

**General Services Agency-Fleet Operations – Fund I210, Division 4570**

**Recommendation #6:**

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	Fund I210	Unrestricted Net Position	\$	1,330,300
INCREASE	DIV 4570	Other Financing Sources	\$	1,330,300
INCREASE	DIV 1050	Other Financing Uses	\$	1,330,300
DECREASE	General Fund – Fund Balance-Assigned to Program Mitigation		\$	1,330,300

**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:**

	<b><u>FY 2022-23</u></b>	<b><u>FY 2023-24</u></b>
Revenue:	\$ 1,330,300	\$ 0
Costs:		
Direct	\$ 0	\$ 0
Indirect-Agency/Dept.	0	0
Indirect-County CAP	0	0
Total Costs	\$ 0	\$ 0
Net Gain/(Loss):	\$ 1,330,300	\$ 0

<b><u>FY 2022-23 Budget Projection for GSA-Fleet Operations – Division 4570</u></b>				
	Adopted Budget	Adjusted Budget	Projected Actual	Estimated Savings/(Deficit)
Appropriations	\$ 23,338,611	\$ 23,366,583	\$ 19,240,904	\$ 4,125,679
Revenue	\$ 21,855,412	\$ 24,225,412	\$ 22,299,597	\$ (1,925,815)
Net Gain/(Loss)	\$ (1,483,199)	\$ 858,829	\$ 3,058,693	\$ 2,199,864

**Discussion for Recommendation #6:**

The General Services Agency (GSA) Transportation Internal Service Fund (Transportation ISF) provides central administrative control over a majority of the County's fleet assets such as passenger vehicles and light duty trucks. Additionally, the Transportation ISF functions as a "savings account" for the County to fund the replacement of existing fleet assets. In general, when the County replaces an aging existing vehicle the Transportation ISF is used as the source of funding for the purchase of that replacement. Next, GSA Fleet then bills the associated department a multi-year fee so that the Transportation ISF recovers that initial capital outlay. However, since GSA Fleet only recovers an amount equal to the cost of a vehicle when it was purchased, and because vehicles continue to increase in price, the Transportation ISF is in a continuous structural cash deficit where the amount recovered is insufficient to fully fund a new replacement.

To resolve this issue going forward GSA Fleet received approval from the State Controller's Office to change the cost recovery methodology to include an inflationary factor surcharge to the cost recovery formula. This surcharge will allow GSA Fleet to recover not just the historical cost of past vehicle acquisitions but also an additional amount above that past purchase price to avoid shortfalls for future replacements. This new methodology ensures that adequate funds are available and that the budget is stabilized for future major purchases, with a goal of providing sufficient cash flow for annual purchases of replacement vehicles. Development and implementation of this new methodology is incorporated in the FY 2023-24 Budget.

However, funding is needed to address the current cash deficit the Transportation ISF has already incurred because of past replacement purchases through FY 2022-23. As a result, a one-time use of \$1,330,300 in General Fund – Fund Balance-Assigned to Program Mitigation funds is recommended to provide necessary liquidity to the Transportation ISF.

**General Services Agency-Mail Center – Fund I220, Division 4640, Unit 4645**

**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	4640-4645	Services and Supplies	\$	350,000
INCREASE	4640-4645	Charges for Services	\$	350,000

**Fiscal/Mandates Impact:**

Mandatory:	No
Source of Funding:	Charges for Services Revenue
Funding Match Required:	No
Impact on Other Departments:	None



**Summary of Revenues and Costs:**

	<b><u>FY 2022-23</u></b>	<b><u>FY 2023-24</u></b>
Revenue:	\$ 350,000	\$ 0
Costs:		
Direct	\$ 350,000	\$ 0
Indirect-Agency/Dept.	0	0
Indirect-County CAP	0	0
Total Costs	\$ 350,000	\$ 0
Net Gain/(Loss):	\$ 0	\$ 0

<b><u>FY 2022-23 Budget Projection for GSA-Mail Center – Division 4640, Unit 4645</u></b>				
	Adopted Budget	Adjusted Budget	Projected Actual	Estimated Savings/(Deficit)
Appropriations	\$ 3,279,100	\$ 3,859,179	\$ 3,571,975	\$ 287,204
Revenue	\$ 3,258,627	\$ 3,258,627	\$ 3,710,201	\$ 451,574
Net Gain/(Loss)	\$ (20,473)	\$ (600,552)	\$ 138,226	\$ 738,778

**Discussion for Recommendation #7:**

GSA's Mail Center promotes and provides mail automation services to maximize departmental postage discounts. All mail achieves discounted postage; the goal is to automate the mail-stream to achieve maximum postage and labor savings. Due to unanticipated increases in both the expense of postage and the higher cost associated with the types of postage requested by customers, an additional \$350,000 in appropriations is requested to cover postage services through the end of FY 2022-23. The source of funding for this budget increase will be revenues received from GSA Mail Center customers.

**General Services Agency-Utilities – Fund 1230, Division 4700, Unit 4705**

**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	4700-4705	Services and Supplies	\$	500,000
INCREASE	4700-4705	Charges for Services	\$	500,000

**Fiscal/Mandates Impact:**

Mandatory:	No
Source of Funding:	Charges for Services Revenue
Funding Match Required:	No
Impact on Other Departments:	None

**Summary of Revenues and Costs:**

	<b><u>FY 2022-23</u></b>	<b><u>FY 2023-24</u></b>
Revenue:	\$ 500,000	\$ 0
Costs:		
Direct	\$ 500,000	\$ 0
Indirect-Agency/Dept.	0	0
Indirect-County CAP	0	0
Total Costs	\$ 500,000	\$ 0
Net Gain/(Loss):	\$ 0	\$ 0

<b><u>FY 2022-23 Budget Projection for GSA-Utilities – Division 4700, Unit 4705</u></b>				
	<b><u>Adopted Budget</u></b>	<b><u>Adjusted Budget</u></b>	<b><u>Projected Actual</u></b>	<b><u>Estimated Savings/(Deficit)</u></b>
Appropriations	\$ 25,614,937	\$ 25,632,302	\$ 25,538,978	\$ 93,324
Revenue	\$ 24,618,802	\$ 24,618,802	\$ 24,304,284	\$ (314,518)
Net Gain/(Loss)	\$ (996,135)	\$ (1,013,500)	\$ (1,234,694)	\$ (221,194)

**Discussion for Recommendation #8:**

GSA's Utilities Division interacts with the utility companies to obtain the best possible service rates for GSA-maintained buildings, identifies buildings to participate in the Southern California Edison Demand Response programs and coordinates with the Ventura County Regional Energy Authority to obtain cash incentives for energy efficiency and conservation improvements. Due to a higher than anticipated increase in the cost of natural gas and other utilities used by tenants in GSA-maintained facilities, additional appropriations in the amount of \$500,000 are requested. The source of funding for this budget increase will be the revenues received from GSA Utilities customers.

**YEAR-END INTERFUND LOANS**

**Ventura County Medical Center – Fund E500, Division 3300**

**Recommendation #9:**

It is recommended that your Board authorize the Ventura County Medical Center (VCMC) 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.

**Discussion for Recommendation #9:**

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

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

**Recommendation #10:**

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, of which \$300,000 is owed to County Service Area No. 34 (CSA No. 34) and \$350,000 owed to County Service Area No. 30 (CSA No. 30) as of June 30, 2023 to FY 2023-2024.

**Discussion for Recommendation #10:**

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 \$300,000 temporary interfund loan to CSA 34 and the \$350,000 temporary interfund loan to CSA 30. The remaining balance is targeted to be paid down in FY 2023-24.

**COUNTY EXECUTIVE OFFICE**

**Recommendation #11:**

Receive and file the attached semi-annual grant activity report (Exhibit 1) for FY 2022-23.

**Discussion for Recommendation #11:**

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 2022-23 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,



Kaye Mand  
County Chief Financial Officer



Sevet Johnson, PsyD  
County Executive Officer

Exhibit 1: FY 2022-23 Semi-Annual Grant Activity Report