



COUNTY of VENTURA

COUNTY EXECUTIVE OFFICE
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October 29, 2024

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

SUBJECT: Receive and File First Quarter Budget Update, Including a Five-Year Budget Projection, and Approval of Fiscal Year 2024-25 Budget Adjustment Recommendations (Recommendations 1-13 Require 4/5ths Vote)

RECOMMENDATION:

1. Receive and file the Fiscal Year 2024-2025 First Quarter Budget Update, including a five-year budget projection;
2. Approve recommendations 1-14 as set forth in this letter and authorize the Auditor-Controller's Office to process the accounting transactions necessary to revise appropriations and unanticipated revenues, and adjust fund balances (4/5ths vote required for Recommendations 1-13)

INTRODUCTION:

On June 17, 2024, your Board adopted the County of Ventura budget for the current Fiscal Year (FY) 2024-2025. Following is a summary of the adopted budget:

\$3.044 billion	Total County appropriations
\$1.44 billion	Total General Fund appropriations
\$1.43 billion	Total General Fund estimated revenues
10,513	Total County full-time equivalent position allocations
5,609	Total General Fund full-time equivalent position allocations

As is common during the year, several events occurred that require budgetary adjustments. The following recommended actions require necessary accounting transactions to properly account for those events.

The impacts include a reduction of \$3,714,000 in the General Fund – Fund Balance-Assigned to Program Mitigation account.

GENERAL FUND

Special Accounts and Contributions – Division 1050 and Human Services Agency – Division 3410

Recommendation #1:

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):

DECREASE	3410-3411	Services and Supplies	\$	200,000
INCREASE	DIV 1050	Services and Supplies	\$	550,000
DECREASE	General Fund – Fund Balance-Assigned to		\$	350,000
	Program Mitigation			

Fiscal/Mandates Impact:

Mandatory:	No
Source of Funding:	General Fund – Fund Balance-Assigned to Program Mitigation
Funding Match Required:	No
Impact on Other Departments:	General Services Agency, Human Services Agency

Division 1050

Summary of Revenues and Costs:

	<u>FY 2024-25</u>	<u>FY 2025-26</u>
Revenue:	\$ 0	\$ 0
Costs:		
Direct	\$ 550,000	\$ 0
Indirect-Agency/Dept.	0	0
Indirect-County CAP	0	0
Total Costs	\$ 550,000	\$ 0
Net Costs:	\$ 550,000	\$ 0
Recovered Indirect Costs:	\$ 0	\$ 0

Division 3410

<u>Summary of Revenues and Costs:</u>	<u>FY 2024-25</u>	<u>FY 2025-26</u>
Revenue:	\$ 0	\$ 0
Costs:		
Direct	\$ (200,000)	\$ 0
Indirect-Agency/Dept.	0	0
Indirect-County CAP	0	0
Total Costs	\$ (200,000)	\$ 0
Net Costs:	\$ (200,000)	\$ 0
Recovered Indirect Costs:	\$ 0	\$ 0

FY 2024-25 Budget Projection for Special Accounts and Contributions – Division 1050				
	Adopted Budget	Adjusted Budget	Projected Actual	Estimated Savings/(Deficit)
Appropriations	\$ 78,144,369	\$ 78,144,369	\$ 78,144,369	\$ 0
Revenue	\$ 5,954,000	\$ 5,954,000	\$ 5,954,000	\$ 0
Net Cost	\$ 72,190,369	\$ 72,190,369	\$ 72,190,369	\$ 0

FY 2024-25 Budget Projection for Human Services Agency – Division 3410				
	Adopted Budget	Adjusted Budget	Projected Actual	Estimated Savings/(Deficit)
Appropriations	\$ 230,213,031	\$ 234,994,456	\$ 234,994,456	\$ 0
Revenue	\$ 201,054,039	\$ 201,054,039	\$ 201,054,039	\$ 0
Net Cost	\$ 29,158,992	\$ 33,940,417	\$ 33,940,417	\$ 0

Discussion for Recommendation #1:

During review of its upcoming first quarter internal service fund (ISF) billings, the General Services Agency (GSA) discovered a discrepancy where the Human Services Agency (HSA) had \$200,000 in appropriations included as part of their FY 2024-25 budget for expenses related to occupancy at 1400 Vanguard Drive in Oxnard, which is currently vacant. In addition, expenses were understated by \$350,000 due to the omission of additional services to be included in the FY 2024-25 ISF rate. Traditionally, expenses related to the temporary vacancy of County buildings and facilities are covered by the County Executive Office (CEO). As a result, CEO recommends increasing appropriations for Special Accounts and Contributions by \$550,000 and funding this increase through a combination of a reduction of \$200,000 in appropriations for HSA and the use of \$350,000 from General Fund – Fund Balance-Assigned to Program Mitigation.

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 and adjust fund balance as follows (requires 4/5ths vote):

INCREASE	DIV 1060	Government Center Fleet EV Chargers	\$ 3,000,000
DECREASE		General Fund – Fund Balance-Assigned to Program Mitigation	\$ 3,000,000

Fiscal/Mandates Impact:

Mandatory:	No
Source of Funding:	General Fund – Fund Balance-Assigned to Program Mitigation
Funding Match Required:	No
Impact on Other Departments:	County Executive Office, General Services Agency

Summary of Revenues and Costs:

	<u>FY 2024-25</u>	<u>FY 2025-26</u>
Revenue:	\$ 0	\$ 0
Costs:		
Direct	\$ 3,000,000	\$ 0
Indirect-Agency/Dept.	0	0
Indirect-County CAP	0	0
Total Costs	\$ 3,000,000	\$ 0
Net Gain/(Loss):	\$ (3,000,000)	\$ 0
Recovered Indirect Costs:	\$ 0	\$ 0

FY 2024-25 Budget Projection Capital Projects – Division 1060				
	Adopted Budget	Adjusted Budget	Projected Actual	Estimated Savings/(Deficit)
Appropriations	\$ 559,512	\$ 559,512	\$ 559,512	\$ 0
Revenue	\$ 0	\$ 0	\$ 0	\$ 0
Net Cost	\$ 559,512	\$ 559,512	\$ 559,512	\$ 0

Discussion for Recommendation #2:

On March 26, 2024, your Board authorized General Services Agency (GSA) Fleet Services to apply for a grant from the California Energy Commission’s Clean Transportation Program to provide electric vehicle (EV) charging infrastructure for approximately 100 light-duty county EVs at the County Government Center campus (Government Center). However, the County was subsequently notified that it was not selected to receive grant funding.

Under the California Air Resources Board’s Advanced Clean Fleets (ACF) regulation, the County is required to gradually convert 100 percent of its medium- and heavy-duty vehicles to zero-emissions vehicles by 2035 through 2042, depending on the class of vehicle. The Government Center, as the largest county vehicle garaging center, is the

single best location to prioritize EV charging infrastructure for the County and is estimated to have the lowest cost of construction per charging port of any County location.

A project to install solar panels across several of the Government Center’s parking lots is set to begin in late October of this year, which will help offset some of the required EV infrastructure costs since, as a part of that project, underground conduit is part of the solar installation which will support future EV charging deployments. Trenching and laying down conduit are some of the largest costs of EV charger installations.

CEO recommends use of \$3 million from General Fund – Fund Balance-Assigned to Program Mitigation to support the installation of EV charging stations for County fleet vehicles at the Government Center.

Property Tax Assessment and Collection System Operations – Division 1595

Recommendation #3:

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	1595-1597	Services and Supplies	\$	364,000
DECREASE		General Fund – Fund Balance-Assigned to Program Mitigation	\$	364,000

Fiscal/Mandates Impact:

Mandatory:	No
Source of Funding:	General Fund – Fund Balance-Assigned to Program Mitigation
Funding Match Required:	No
Impact on Other Departments:	Information Technology Services Department

Summary of Revenues and Costs:

	<u>FY 2024-25</u>	<u>FY 2025-26</u>
Revenue:	\$ 0	\$ 0
Costs:		
Direct	\$ 364,000	\$ 0
Indirect-Agency/Dept.	0	0
Indirect-County CAP	0	0
Total Costs	\$ 364,000	\$ 0
Net Costs:	\$ 364,000	\$ 0
Recovered Indirect Costs:	\$ 0	\$ 0

FY 2024-25 Budget Projection for Property Tax Assessment and Collection System Operations – Division 1595				
	Adopted Budget	Adjusted Budget	Projected Actual	Estimated Savings/(Deficit)
Appropriations	\$ 3,427,340	\$ 3,427,340	\$ 3,427,340	\$ 0
Revenue	\$ 0	\$ 0	\$ 0	\$ 0
Net Cost	\$ 3,427,340	\$ 3,427,340	\$ 3,427,340	\$ 0

Discussion for Recommendation #3:

On March 15, 2016, your Board approved the Integrated Property Tax Assessment and Collection System (PTACS) project to replace, in part, the Assessor’s legacy mainframe system with a modern platform. When preparing the PTACS budget for FY 2024-25, certain expenses related to the software maintenance and support by the PTACS vendor Brainsharp Corporation were still being negotiated by the Information Technology Services Department, as presented to your Board on September 24, 2024. As a result of contract extensions approved by your Board on that day, additional appropriations of \$364,000 are needed to cover the first 3 months of FY 2024-25 maintenance and support for the PTACS system. Therefore, CEO recommends funding the increase in appropriations from General Fund – Fund Balance-Assigned to Program Mitigation.

NON-GENERAL FUND

HUD Emergency Shelter Grant – Fund S030, Division 1230

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	1230-1231	Services and Supplies	\$	313,836
INCREASE	1230-1231	Other Financing Uses	\$	4,258
INCREASE	1230-1231	Intergovernmental Revenues	\$	318,094

Fiscal/Mandates Impact:

Mandatory:	No
Source of Funding:	HUD – Passed through the California Emergency Solutions Grant Program
Funding Match Required:	100% (Provided by subrecipients)
Impact on Other Departments:	None

<u>Summary of Revenues and Costs:</u>	<u>FY 2024-25</u>	<u>FY 2025-26</u>
Revenue:	\$ 318,094	\$ 0
Costs:		
Direct	\$ 318,094	\$ 0
Indirect-Agency/Dept.	0	0
Indirect-County CAP	0	0
Total Costs	<u>\$ 318,094</u>	<u>\$ 0</u>
Net Costs:	\$ 0	\$ 0
Recovered Indirect Costs:	\$ 0	\$ 0

FY 2024-25 Budget Projection for HUD Emergency Shelter Grant – Division 1230				
	Adopted Budget	Adjusted Budget	Projected Actual	Estimated Savings/(Deficit)
Appropriations	\$ 186,000	\$ 186,000	\$ 186,000	\$ 0
Revenue	\$ 186,000	\$ 186,000	\$ 186,000	\$ 0
Net Cost	\$ 0	\$ 0	\$ 0	\$ 0

Discussion for Recommendation #4:

On September 26, 2023, your Board adopted a resolution authorizing the County of Ventura to apply for and accept FY 2023-24 State Emergency Solutions Grant program funds in an amount not to exceed \$318,094. Additionally, your Board approved the establishment of revenue and appropriations in the same amount, however, the revenue and appropriations were inadvertently established in Budget Unit 1251, instead of Budget Unit 1231. As the revenue and appropriations were not re-budgeted at 2023-24 fiscal year end, a budget adjustment is needed to re-establish revenue and appropriations for this grant in FY 2024-25 in the correct budget unit.

VC Integrated Justice Information System – Fund C030, Division 2020

Recommendation #5

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	2020-2027	Capital Assets (4722)	\$	6,100,000
INCREASE	2020-2027	Other Financing Sources (9841)	\$	6,100,000

Fiscal/Mandates Impact:

Mandatory:	No
Source of Funding:	General Fund
Funding Match Required:	No
Impact on Other Departments:	Auditor-Controller's Office, ITSD, Ventura County Superior Court

<u>Summary of Revenues and Costs:</u>	<u>FY 2024-25</u>	<u>FY 2025-26</u>
Revenue:	\$ 6,100,000	\$ 0
Costs:		
Direct	\$ 6,100,000	\$ 0
Indirect-Agency/Dept.	0	0
Indirect-County CAP	0	0
Total Costs	<u>\$ 6,100,000</u>	<u>\$ 0</u>
Net Costs:	\$ 0	\$ 0
Recovered Indirect Costs:	\$ 0	\$ 0

FY 2024-25 Budget Projection for VCIJIS – Division 2020				
	Adopted Budget	Adjusted Budget	Projected Actual	Estimated Savings/(Deficit)
Appropriations	\$ 1,552,925	\$ 1,552,925	\$ 1,552,925	\$ 0
Revenue	\$ 0	\$ 0	\$ 0	\$ 0
Net Cost	\$ 1,552,925	\$ 1,552,925	\$ 1,552,925	\$ 0

Discussion for Recommendation #5:

On May 23, 2023, your Board approved the utilization of the County’s Revolving Credit Agreement, up to a maximum of \$6.1 million, for purposes of financing the Superior Court of California – County of Ventura’s portion of the Ventura County Integrated Justice Information System (VCIJIS) project to modernize the existing VCIJIS system. As work has begun on the project, a budget adjustment is now needed to establish appropriations and revenue.

Ventura County Medical System – Fund E500, Division 3300 and Health Care Agency – Division 3000

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	3300-3301	Services and Supplies	\$ 1,000,000
INCREASE	3300-3301	Intergovernmental Revenues	\$ 1,000,000

Fiscal/Mandates Impact:

Mandatory:	No
Source of Funding:	Ventura County Medi-Cal Managed Care Commission, dba Gold Coast Health Plan (GCHP)
Funding Match Required:	No
Impact on Other Departments:	None

<u>Summary of Revenues and Costs:</u>	<u>FY 2024-25</u>	<u>FY 2025-26</u>
Revenue:	\$ 1,000,000	\$ 0
Costs:		
Direct	\$ 1,000,000	\$ 0
Indirect-Agency/Dept.	0	0
Indirect-County CAP	0	0
Total Costs	<u>\$ 1,000,000</u>	<u>\$ 0</u>
Net Costs:	\$ 0	\$ 0
Recovered Indirect Costs:	\$ 0	\$ 0

FY 2024-25 Budget Projection for VCMS – Division 3300				
	Adopted Budget	Adjusted Budget	Projected Actual	Estimated Savings/(Deficit)
Appropriations	\$ 720,985,484	\$ 720,985,484	\$ 720,985,484	\$ 0
Revenue	\$ 721,404,225	\$ 721,404,225	\$ 721,404,225	\$ 0
Net Cost	\$ 418,741	\$ 418,741	\$ 418,741	\$ 0

The operational income includes "Operating Transfers In" that are primarily attributed to County contribution.

Discussion for Recommendation #6:

On February 27, 2024, your Board approved Health Care Agency (HCA) participation in GCHP’s Recruitment Grant Program and authorized HCA to accept \$5.4 million from GCHP for recruitment grants. The goal of the grant program is to attract and recruit specialists, primary care physicians and advance practice providers to meet growing demand and build a sustainable and effective health care delivery system that addresses the needs of GCHP members and expands access to vulnerable populations in Ventura County. Since that time, HCA has applied for and been awarded an additional \$1 million in grant funds. As a result, a budget adjustment is needed to account for the additional revenue and corresponding costs. Additional grant applications have been submitted to GCHP but not yet awarded. HCA will return to your Board for additional budget adjustments, if necessary.

Ventura County Medical System – Fund E500, Division 3300

Recommendation #7

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	3300-3301	Equipment (4601)	\$ 1,000,000
DECREASE	Fund E500	Unrestricted Net Position	\$ 1,000,000

Fiscal/Mandates Impact:

Mandatory:	No
Source of Funding:	VCMS Fund E500 Unrestricted Net Position
Funding Match Required:	No
Impact on Other Departments:	None

<u>Summary of Revenues and Costs:</u>	<u>FY 2024-25</u>	<u>FY 2025-26</u>
Revenue:	\$ 0	\$ 0
Costs:		
Direct	\$ 1,000,000	\$ 0
Indirect-Agency/Dept.	0	0
Indirect-County CAP	0	0
Total Costs	<u>\$ 1,000,000</u>	<u>\$ 0</u>
Net Costs:	\$ 1,000,000	\$ 0
Recovered Indirect Costs:	\$ 0	\$ 0

FY 2024-25 Budget Projection for VCMS – Division 3300				
	Adopted Budget	Adjusted Budget	Projected Actual	Estimated Savings/(Deficit)
Appropriations	\$ 720,985,484	\$ 720,985,484	\$ 720,985,484	\$ 0
Revenue	\$ 721,404,225	\$ 721,404,225	\$ 721,404,225	\$ 0
Net Cost	<u>\$ 418,741</u>	<u>\$ 418,741</u>	<u>\$ 418,741</u>	<u>\$ 0</u>

The operational income includes "Operating Transfers In" that are primarily attributed to County contribution.

Discussion for Recommendation #7:

The recommended budget adjustment corrects an inadvertent omission during the preparation of the FY 2024-25 Ventura County Medical System (VCMS) budget of \$1 million for equipment for the Ambulatory Care clinics. The adjustment will not materially impact VCMS’s net income, as this amount is normally budgeted each year to allow Ambulatory Care to purchase needed equipment over \$5,000. The equipment is capitalized in accordance with County policy and depreciated over the useful life of the assets. Annual depreciation remains relatively consistent year by year, and as these new assets are placed in service and begin their depreciation, older assets will reach the end of their useful lives.

HSA-Domestic Violence – Fund S090, Division 3470

Recommendation #8

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

INCREASE	3470-3471	Licenses Permits and Franchises	\$	3,000
INCREASE	Fund S090	Fund Balance – Restricted Public Assistance	\$	3,000

Fiscal/Mandates Impact:

Mandatory:	No
Source of Funding:	Court Fees and License Fees
Funding Match Required:	No
Impact on Other Departments:	None

<u>Summary of Revenues and Costs:</u>	<u>FY 2024-25</u>	<u>FY 2025-26</u>
Revenue:	\$ 3,000	\$ 0
Costs:		
Direct	\$ 0	\$ 0
Indirect-Agency/Dept.	0	0
Indirect-County CAP	0	0
Total Costs	<u>\$ 0</u>	<u>\$ 0</u>
Net Costs:	\$ (3,000)	\$ 0
Recovered Indirect Costs:	\$ 0	\$ 0

FY 2024-25 Budget Projection for HSA-Domestic Violence – Division 3470				
	Adopted Budget	Adjusted Budget	Projected Actual	Estimated Savings/(Deficit)
Appropriations	\$ 201,836	\$ 201,836	\$ 201,836	\$ 0
Revenue	\$ 160,000	\$ 160,000	\$ 160,000	\$ 0
Net Cost	\$ 41,836	\$ 41,836	\$ 41,836	\$ 0

Discussion for Recommendation #8:

As revenue for FY 2024-25 is anticipated to come in higher than expected, the recommended adjustment to increase revenue will offset the lower than budgeted fund balance carried over from the prior fiscal year.

Ventura County Library – Fund S060, Division 3610

Recommendation #9

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	3610-3611	Fixed Assets (4257)	\$	3,030,027
INCREASE	3610-3611	Other Financing Sources	\$	3,030,027

Fiscal/Mandates Impact:

Mandatory:	No
Source of Funding:	Insurance Recovery
Funding Match Required:	No
Impact on Other Departments:	None

<u>Summary of Revenues and Costs:</u>	<u>FY 2024-25</u>	<u>FY 2025-26</u>
Revenue:	\$ 3,030,027	\$ 0
Costs:		
Direct	\$ 3,030,027	\$ 0
Indirect-Agency/Dept.	0	0
Indirect-County CAP	0	0
Total Costs	<u>\$ 3,030,027</u>	<u>\$ 0</u>
Net Costs:	\$ 0	\$ 0
Recovered Indirect Costs:	\$ 0	\$ 0

FY 2024-25 Budget Projection for Ventura County Library – Division 3610				
	Adopted Budget	Adjusted Budget	Projected Actual	Estimated Savings/(Deficit)
Appropriations	\$ 13,156,116	\$ 13,156,116	\$ 13,156,116	\$ 0
Revenue	\$ 13,156,116	\$ 13,156,116	\$ 13,156,116	\$ 0
Net Cost	\$ 0	\$ 0	\$ 0	\$ 0

Discussion for Recommendation #9:

In December 2023, the Ray D. Preuter Library sustained significant damage due to heavy rains and flooding in Port Hueneme. Amongst the damage inflicted, all flooring was lost, and substantial drywall, electrical, and cabinetry replacement was also required. Due to the timing of the damage, assembling the cost estimate, and settling the insurance recovery amount, Ventura County Library (VCL) did not include appropriations for the repairs in the FY 2024-25 Adopted Budget. However, over the last 9 months VCL has been able to successfully receive insurance reimbursement for the damage and as a result an adjustment is needed to increase revenues and appropriations to complete the repairs.

CSA 3 Camp Chaffee – Fund S510, Division 4100

Recommendation #10:

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

INCREASE	DIV 4100	Taxes	\$	400
INCREASE	Fund S510	Fund Balance – Restricted Public Protection	\$	400

Fiscal/Mandates Impact:

Mandatory:	No
Source of Funding:	Property Taxes
Funding Match Required:	No
Impact on Other Departments:	None

Summary of Revenues and Costs:

	<u>FY 2024-25</u>	<u>FY 2025-26</u>
Revenue:	\$ 400	\$ 0
Costs:		
Direct	\$ 0	\$ 0
Indirect-Agency/Dept.	0	0
Indirect-County CAP	0	0
Total Costs	\$ 0	\$ 0
Net Costs:	\$ (400)	\$ 0
Recovered Indirect Costs:	\$ 0	\$ 0

FY 2024-25 Budget Projection for County Service Area No. 3 – Division 4100				
	Adopted Budget	Adjusted Budget	Projected Actual	Estimated Savings/(Deficit)
Appropriations	\$ 17,200	\$ 17,200	\$ 17,200	\$ 0
Revenue	\$ 13,010	\$ 13,010	\$ 13,010	\$ 0
Net Cost	\$ 4,190	\$ 4,190	\$ 4,190	\$ 0

Discussion for Recommendation #10:

County Service Area No. 3 (CSA 3) provides road improvement and maintenance services for the non-County road section of Camp Chaffee Road (Sky High Drive) in the Foster Park area. At the completion of FY 2023-24, CSA 3's actual net cost was higher than anticipated due to higher-than-expected maintenance expenses. The recommended adjustment to address the shortfall includes an increase of \$400 in projected property tax revenue based on actual property tax revenues received in FY 2023-24.

CSA 29 North Coast Operations and Maintenance – Fund S540, Division 4130

Recommendation #11:

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

DECREASE	DIV 4130	Services and Supplies	\$	1,192
INCREASE	DIV 4130	Charges for Services	\$	5,650
INCREASE	Fund S540	Fund Balance – Restricted Public Protection	\$	6,842

Fiscal/Mandates Impact:

Mandatory:	No
Source of Funding:	Sewer Service Charges and Standby Charges
Funding Match Required:	No
Impact on Other Departments:	None

Summary of Revenues and Costs:

	<u>FY 2024-25</u>	<u>FY 2025-26</u>
Revenue:	\$ 5,650	\$ 0
Costs:		
Direct	\$ (1,192)	\$ 0
Indirect-Agency/Dept.	0	0
Indirect-County CAP	0	0
Total Costs	\$ (1,192)	\$ 0
Net Costs:	\$ (6,842)	\$ 0
Recovered Indirect Costs:	\$ 0	\$ 0

FY 2024-25 Budget Projection for County Service Area No. 29 – Division 4130				
	Adopted Budget	Adjusted Budget	Projected Actual	Estimated Savings/(Deficit)
Appropriations	\$ 1,534,196	\$ 1,573,065	\$ 1,573,065	\$ 0
Revenue	\$ 1,828,356	\$ 1,828,356	\$ 1,828,356	\$ 0
Net Cost	\$ (294,160)	\$ (255,291)	\$ (255,291)	\$ 0

Discussion for Recommendation #11:

The Public Works Agency Water and Sanitation Department is responsible for the administration, operation, and maintenance of the North Coast sewer collection system through County Service Area No. 29 (CSA 29). At the completion of FY 2023-24, CSA 29's actual net cost was higher than anticipated due to higher-than-expected maintenance expenses and, when combined with previously encumbered funds, exceeds the available fund balance for FY 2024-25 operations. However, FY 2024-25 sewer fees approved by your Board on June 4, 2024, are expected to generate an additional \$5,650 in revenue over the FY 2024-25 adopted budget. Today's recommended action addresses the shortfall.

GSA Parks Department – Fund E400, Division 4760, Unit 4763

Recommendation #12

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):

INCREASE	4760-4763	Capital Assets (4249)	\$ 1,000,000
INCREASE	4760-4763	Intergovernmental Revenues	\$ 1,000,000

Fiscal/Mandates Impact:

Mandatory:	No
Source of Funding:	State of California – Budget Act of 2023
Funding Match Required:	No
Impact on Other Departments:	None

Summary of Revenues and Costs:

	<u>FY 2024-25</u>	<u>FY 2025-26</u>
Revenue:	\$ 1,000,000	\$ 0
Costs:		
Direct	\$ 1,000,000	\$ 0
Indirect-Agency/Dept.	0	0
Indirect-County CAP	0	0
Total Costs	\$ 1,000,000	\$ 0
Net Costs:	\$ 0	\$ 0
Recovered Indirect Costs:	\$ 0	\$ 0

FY 2024-25 Budget Projection for GSA Parks Grants and Capital Projects – Division 4760, Unit 4763				
	Adopted Budget	Adjusted Budget	Projected Actual	Estimated Savings/(Deficit)
Appropriations	\$ 10,837,902	\$ 10,837,902	\$ 10,837,902	\$ 0
Revenue	\$ 800,000	\$ 800,000	\$ 800,000	\$ 0
Net Gain/(Loss)	\$ (10,037,902)	\$ (10,037,902)	\$ (10,037,902)	\$ 0

Discussion for Recommendation #12:

On May 14, 2024, your Board approved a resolution authorizing GSA to accept funds appropriated by the State’s Budget Act of 2023 for the Teen Center at Saticoy Park. GSA has subsequently learned that the funding will be provided on a reimbursement basis and as a result, the recommended budget adjustment is needed to reflect the \$1 million grant funding and begin the process of reimbursement of costs associated with the project’s design and pre-construction services.

Airport Capital Projects – Fund E300, Division 5040

Recommendation #13

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

INCREASE	5040-5041	Buildings and Improvements (4111)	\$	2,033,576
INCREASE	5040-5041	Intergovernmental Revenues	\$	1,921,729
DECREASE	Fund E300	Unrestricted Net Position	\$	111,847

Fiscal/Mandates Impact:

Mandatory:	No
Source of Funding:	Federal Aviation Administration (FAA), California Department of Transportation (Caltrans)
Funding Match Required:	Yes, Unrestricted Net Position
Impact on Other Departments:	None

Summary of Revenues and Costs:

	<u>FY 2024-25</u>	<u>FY 2025-26</u>
Revenue:	\$ 1,921,729	\$ 0
Costs:		
Direct	\$ 2,033,576	\$ 0
Indirect-Agency/Dept.	0	0
Indirect-County CAP	0	0
Total Costs	\$ 2,033,576	\$ 0
Net Costs:	\$ 111,847	\$ 0
Recovered Indirect Costs:	\$ 0	\$ 0

FY 2024-25 Budget Projection for Airports Capital Projects – Division 5040				
	Adopted Budget	Adjusted Budget	Projected Actual	Estimated Savings/(Deficit)
Appropriations	\$ 7,303,293	\$ 14,679,816	\$ 14,679,816	\$ 0
Revenue	\$ 5,787,844	\$ 5,787,844	\$ 5,787,844	\$ 0
Net Cost	\$ 1,515,449	\$ 8,891,972	\$ 8,891,972	\$ 0

Discussion for Recommendation #13:

On September 10, 2024, your Board authorized the acceptance of grant funds from the FAA and Caltrans for the final design of runway 8-26 reconstruction at Camarillo Airport, and approved a consulting services contract with Woolpert, Inc., which is anticipated to be funded in part by these grant funds. Additionally, the board letter inadvertently stated that sufficient revenue and appropriations were available in the FY 2024-25 capital budget. This budget adjustment will add the sufficient revenue and appropriations needed for the project.

COUNTY EXECUTIVE OFFICE

Recommendation #14:

It is recommended that your Board direct the CEO to submit the AB 1869 and AB 177 Backfill Allocation Spending Reports for FY 2024 (Exhibits 1-2) to the State Director of Finance, the Legislative Analyst’s Office, and the Joint Legislative Budget Committee, as required by Assembly Bill (AB) 143 and AB 199, with the enactment of AB 1869 and AB 177.

Fiscal/Mandates Impact:

No additional fiscal impacts associated with this item.

Discussion for Recommendation #14:

The passing of AB 1869 in July 2021 by the State Legislature eliminated 23 criminal justice fees and fines counties were authorized to impose. Subsequently, the enactment of AB 177 eliminated an additional 17 criminal justice fees, effective January 2022. Since a wide array of criminal justice programs and services are funded using fines and fee revenues, counties rely on those revenues to sustain critical programs and services that benefit local communities. The loss of these revenues represents an approximate deficit of \$6.5 million annually to our county.

In recognition of the fiscal impacts to local governments, the legislature approved a set aside of \$65 million annually for 5 years to partially backfill counties for lost revenues resulting from AB 1869. The legislature also approved a \$50 million annual set aside to partially backfill counties for lost revenues resulting from the enactment of AB 177. Based on the methodology utilized by the State, the FY 2023-24 backfill allocation amounts total \$3.2 million for Ventura County.

Supplemental bills, AB 143 and AB 199, outline the backfill allocations and reporting requirements for counties. One of the reporting requirements is that each county must

submit reports (Exhibits 1-2) annually by January 10th to the aforementioned State entities outlining how the fiscal year annual backfill allocations were expended.

Programs within the Public Defender's Office, Probation Agency, Sheriff's Office, and CEO-Trial Courts Funding were identified as being adversely impacted by AB 1869 and AB 177. The attached exhibits reflect how the \$3.2 million backfill funds were allocated to these departments in support of their programs and services. These programs experienced reduced revenues over the years, resulting in additional net cost to the General Fund. While the backfill helps offset the loss of revenues, the County continues to experience a deficit.

The Auditor-Controller's Office and County Counsel have reviewed this letter. Should you have any questions, please feel free to contact me at (805) 677-8761.

Sincerely,



Scott Powers
County Chief Financial Officer



Sevet Johnson, PsyD
County Executive Officer

Attachments:

- Exhibit 1 – AB 1869 Backfill Allocation Spending Report for FY 2024
- Exhibit 2 – AB 177 Backfill Allocation Spending Report for FY 2024