



Legislation Text

File #: 20-1294, **Version:** 1

Chief Administrative Office, Emergency Medical Services and Emergency Preparedness and Response Division, recommending the Board:

- 1) Authorize the transfer of various Division operations from Special Revenue Funds to the County's General Fund, with full reimbursement from Special Revenue Funds and other funding sources;
- 2) Authorize the establishment of general ledger accounts as needed for this transfer;
- 3) Authorize the use of \$50,000 from the General Fund to fund the previously established ambulance billing refund imprest account; and
- 4) Approve and authorize the Chair to sign two (2) budget transfers reassigning estimated revenue and appropriations to the General Fund and appropriating the operating transfer to reimburse the General Fund for expenses incurred. (4/5 vote required)

FUNDING: CA Dept of Public Health grants, Special taxes, Ambulance fees and miscellaneous Division revenues.

DISCUSSION / BACKGROUND

On July 1, 2019 the Emergency Medical Services (EMS) and Emergency Preparedness (EP) programs transferred from HHSA to the CAO's office. At the time of the transfer, several Special Revenue Funds (SRFs) were established for the operations of the programs. Routine operating expenditures, such as payroll, services, and supplies, are incurred in the SRFs. These expenditures are later reimbursed by grant funding or operating transfers in from County Service Area funds.

During the course of Fiscal Year 2019-20, there were extended periods of the SRFs having negative cash balances. Because the funding streams for EMS and EP programs are both on a reimbursement basis, it is anticipated that negative cash balances will be ongoing.

After reviewing several options to alleviate ongoing cash balance issues in the Division's SRFs, staff are recommending that the operating expenditures for the Division be incurred and accounted for in the General Fund instead of in SRFs. Reimbursement from grant and County Service Area funds will then be applied to the General Fund, resulting in no costs to the General Fund. This accounting methodology is currently in use by the Parks and Trail Division of the CAO's Office, and for grant-funded programs in other General Fund departments.

Additionally, on December 10, 2019 (Legistar # 19-1673), the Board approved Agreement 4432 with Wittman Enterprises for the processing of ambulance billing. The Agreement provides for the establishment of an imprest account, managed by Wittman, for the processing of refunds of ambulance service fees. Wittman issues refunds directly out of the account. Upon review and approval of the refund documentation, the County replenishes the account. The original Board item stated that the initial funding for the account would be established "from ambulance service fees," but did not contemplate the allocation of that amount between the two County Services Areas. With the transfer of operational costs to the General Fund, it is being recommended that General Fund dollars be used to fund the imprest account. The \$50,000 will be returned to the General Fund at such future time that the imprest account is closed.

Two budget transfer documents have been prepared to allow for a multi-step process of transferring budget and actual transactions between charts of accounts.

ALTERNATIVES

The Board can direct staff to develop a new accounting methodology that is not based in the General Fund.

PRIOR BOARD ACTION

18-1740, 12/11/18-The Board transferred the EMS and EP programs to the CAO's Office.

19-1673, 12/10/19-The Board approved Agreement 4432 with Wittman Enterprises, establishing the ambulance refund imprest account.

OTHER DEPARTMENT / AGENCY INVOLVEMENT

N/A

CAO RECOMMENDATION / COMMENTS

Approve as recommended.

FINANCIAL IMPACT

The transfer of operations from Special Revenue Funds to the General Fund will have no net financial impact. Expenditures will be originally incurred in the General Fund and then fully reimbursed by other funding sources. The funding of the ambulance billing refund imprest account by the General Fund will result in \$50,000 of fund balance to be placed on deposit in an outside account until the account is closed.

CLERK OF THE BOARD FOLLOW UP ACTIONS

Obtain Chair's signature on two budget transfers.

STRATEGIC PLAN COMPONENT

Good Governance

CONTACT

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