



24-4355

DATE: February 6, 2024 (Item No. 18)

TO: Board of Supervisors

FROM: Sylvia Gallegos, Deputy County Executive

SUBJECT: Mid-Year Adjustment Related to Future Uses of Reid-Hillview Airport

RECOMMENDED ACTION

Under advisement from December 12, 2023 (Item No. 14): Consider recommendations relating to the Reid-Hillview Airport site.

Possible action:

- a. Approve Request for Appropriation Modification No. 151- \$300,000 transferring funds from the General Fund Contingency Reserve to the Office of the County Executive budget relating to funding of planning and outreach efforts related to the Reid-Hillview Airport site. (4/5 Vote)
- b. Adopt Resolution authorizing the County Executive to execute an inter-fund loan from the General Fund to the Airport Enterprise Fund. (4/5 Vote)
- c. Approve Request for Appropriation Modification No. 158 - \$300,000 increasing expenditures in the Airport Enterprise Fund budget, relating to necessary and urgent planning and outreach projects eligible for funding consistent with all applicable laws and contractual restrictions. (4/5 Vote)

FISCAL IMPLICATIONS

Approval of the recommended actions will result in a one-time decrease in the General Fund Contingency Reserve of \$300,000 and an equivalent one-time increase in expenditure appropriations in the Office of the County Executive budget and Airport Enterprise Fund.

The Adopted Budget for the Fiscal Year (FY) 2023-2024 General Fund Contingency Reserve is \$218,587,995. The balance of this reserve as of February 6, 2024, is \$208,875,262 indicating that a net of \$9,712,733 has been allocated for other purposes. There may be additional pending actions that will impact this balance once they are approved and processed. Board policy 4.3 states that the contingency reserve should be 5% of general revenues net of pass-through revenue. Since the use of contingency reserve impacts compliance with this policy, the midyear budget analysis may include a recommended action to replenish this reserve.

REASONS FOR RECOMMENDATION AND BACKGROUND

At the December 12, 2023 Board of Supervisors meeting (Item No. 14), the Board approved a referral at the request of Supervisor Chavez directing staff to report to the Board by February 27, 2024 with options for consideration relating to the land currently occupied by Reid-Hillview Airport (RHV).

Supervisor Chavez's referral included multiple actions including direction relating to Eastridge Little League, planning and community outreach including partnerships with other local government agencies, local transportation investments, and actions supporting continued exclusive sale of unleaded aviation fuel.

With respect to a planning process, staff proposes to issue a Request for Statement of Qualifications (RFSQ) to enlist consultants who will form a consultant team with specialized skills in planning and community outreach and demonstrated cultural competency. These consultants would facilitate and support staff's planning work and engagement of community and key stakeholders ensuring a comprehensive and culturally competent approach and deliverables.

The request for \$300,000 is an estimate for a scope of planning and outreach services. If additional resources are necessary, staff would submit a request to the Board for additional one-time resources. Following the selection of consultant teams, staff plans to execute the agreements and commence the work.

Fiscal Year 2023-2024 Funding

Staff is requesting an allocation of \$300,000 in the current fiscal year. Funds for a consultant team are being requested at Mid-Year in order to initiate a solicitation process for consultant support and award of an agreement in the current fiscal year. As solicitation processes can take up to six months or more, commencing the procurement process next fiscal year would delay the contract award to the fourth quarter of 2024.

A portion of the planning and outreach work may be eligible for funding through the Airport Enterprise Fund (AEF), which is used to finance the operation of the County Airports. However, the portion of the work eligible for AEF funding will not be known until the scope of work is further defined. Staff is recommending that the Board fund the entire amount from the General Fund Contingency Reserve at this time to ensure that adequate funding is available for the project.

The County Executive intends to fund the planning and outreach work from the AEF to the maximum extent possible. Staff is also recommending that the Board delegate authority to the County Executive to make a General Fund loan to the AEF if such a loan is necessary or convenient to allow for payment of AEF eligible expenditures from the AEF.

Possible budget requests for inclusion in the FY2024-25 Recommended Budget process will be better understood after the Board considers a report back that was directed to be submitted

to the February 27, 2024 Board meeting. In the Board referral, staff was asked, for example, to provide options to further support Eastridge Little League. The requested information will be submitted for the Board's consideration and possible action.

CHILD IMPACT

The recommended action will have no/neutral impact on children and youth.

SENIOR IMPACT

The recommended action will have no/neutral impact on seniors.

SUSTAINABILITY IMPLICATIONS

The recommended action will have no/neutral sustainability implications.

CONSEQUENCES OF NEGATIVE ACTION

Staff's efforts relating to potential future uses of the Reid-Hillview Airport site would not be funded and planning and outreach efforts would be impaired.

STEPS FOLLOWING APPROVAL

Notify David Bruno, Program Manager II, Office of the County Executive.

ATTACHMENTS:

- F-85 #151 Reid-Hillview Airport
- Resolution
- F-85 # 158 Airport Enterprise Fund