

18. 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)

(ID# 24-4355)



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.

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- 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

County Of Santa Clara
Request For Appropriation Modification
Fiscal Year = 2024

F - 85 # 151

Line	Fund	Budget Unit	Cost Center	CI	Description	Job Code	Funded Program	CMB Revenues	CMB Expenditures
1	0001	0107	1107	5255100	Professional and Specialized Services				300,000.00
2	0001	0910	1010	5701000	Reserves				(300,000.00)
0001					Transfer (From) To Fund Balance:				0.00
					Grand Total:			0.00	0.00

Form ID# Included:

38917,

County Of Santa Clara
Request For Appropriation Modification
Fiscal Year = 2024

F - 85 # 158

Line	Fund	Budget Unit	Cost Center	CI	Description	Job Code	Funded Program	CMB Revenues	CMB Expenditures
1	0061	0608	1922	5255100	Professional and Specialized Services				300,000.00
0061					Transfer (From) To Fund Balance:				(300,000.00)
Grand Total:								0.00	0.00

Form ID# Included:

39138,

RESOLUTION NO. _____

**RESOLUTION OF THE BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA CLARA AUTHORIZING THE COUNTY
EXECUTIVE TO EXECUTE AN INTER-FUND LOAN FROM THE GENERAL
FUND TO THE AIRPORT ENTERPRISE FUND**

WHEREAS, on December 12, 2023 the Board of Supervisors of Santa Clara County (“Board”) approved a project relating to planning and outreach relating to the future use of the current site of Reid-Hillview Airport (“Project”) to be overseen by the Office of the County Executive and the Roads and Airports Department;

WHEREAS, the Project has an anticipated total cost of over \$300,000;

WHEREAS, on February 6, 2024, the Board transferred \$300,000 from the General Fund Contingency Reserve to the General Fund to pay for the Project;

WHEREAS, a portion of the Project, which was unknown on February 6, 2024, may be eligible for funding from the Airport Enterprise Fund (AEF);

WHEREAS, the Board desires the Project to be funded from the AEF to the extent such payments are consistent with all applicable legal and contractual obligations;

WHEREAS, a loan from the General Fund to the AEF may be necessary or convenient to allow the AEF to pay for the cost of the Project eligible for AEF funding;

WHEREAS, Government Code section 25252 provides authority for the Board to transfer money from one County fund to another as the public interest requires;

WHEREAS, the Board finds it is in the public interest to fund outreach and planning for the Reid-Hillview site to ensure that County property is being used in a manner that best serves the residents, businesses, and visitors of the County; and

WHEREAS, the Board finds it is in the public interest to use airport revenue to pay for airport capital and operating costs to the extent possible;

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Santa Clara, State of California, that:

1. The County Executive is authorized to direct the Director of Finance to temporarily transfer monies from the County General Fund (Fund 0001) to the Airport Enterprise Fund (Fund 0061) in an amount a) sufficient to pay for the portion of the Project eligible for funding from the Airport Enterprise Fund; and b) not to exceed a total of \$300,000.
2. The amounts loaned will bear interest at a rate equal to the lesser of a) the interest rate earned by the County-operated commingled investment pool; as determined by the

Director of Finance; and b) the rate stated in 49 U.S.C. § 47107(o). Accrued interest shall be repaid quarterly as of March 31, June 30, September 30, and December 31.

3. The loan shall be repaid on or before January 1, 2054. Any outstanding amounts, including accrued interest, will be repaid in full with any accrued interest on or before January 1, 2054.
4. Any amount transferred shall be included in the measurement of the General Fund's assets for any actuarial purpose.
5. In the event the Airport Enterprise Fund receives sufficient funds to repay all or a portion of amounts owed to the General Fund, including outstanding accrued interest in accordance with Section 2, without incurring an operating deficit within the same fiscal year, the Airport Enterprise Fund shall repay funds borrowed with accrued interest upon direction of the Director of Finance and in the amount directed by the Director of Finance.
6. The County Executive or his designee is authorized to take all actions necessary and proper to carry out the purposes set forth in this Resolution.

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Clara, State of California, on _____, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

SUSAN ELLENBERG, President
Board of Supervisors

Signed and certified that a copy of this document has been delivered by electronic or other means to the President, Board of Supervisors.

ATTEST:

CURTIS BOONE
Acting Clerk of the Board of Supervisors

APPROVED AS TO FORM AND LEGALITY:



JERETT YAN
Deputy County Counsel



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