



County of Monterey

Item No.11

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: BC 24-068

May 31, 2024

Introduced: 5/20/2024

Current Status: Agenda Ready

Version: 1

Matter Type: Budget Committee

- a. Support the recommendation for the Board of Supervisors to approve and authorize the Auditor-Controller to increase FY 2023-24 Adopted budget revenues and appropriations in the Agricultural Commissioner's Office Budget (001-2810-AGR001-8001) by \$813,996, financed by Unclaimed Gas Tax; (4/5ths Vote Required) and;
- b. Support the recommendation for the Board of Supervisors to approve and authorize the transfer of up to \$813,996 from the Agricultural Commissioner's Budget (001-2810-AGR001-8001), to the Capital Projects (404-3200-PFP057-8845) for the Agricultural Commissioner Salinas Facility Development Project Number 8845 with review and approval from the CAO (4/5ths Vote Required).

RECOMMENDATION:

It is recommended that the Budget Committee:

- a. Support the recommendation for the Board of Supervisors to approve and authorize the Auditor-Controller to increase FY 2023-24 Adopted budget revenues and appropriations in the Agricultural Commissioner's Office Budget (001-2810-AGR001-8001) by \$813,996, financed by Unclaimed Gas Tax; (4/5ths Vote Required) and;
- b. Support the recommendation for the Board of Supervisors to approve and authorize the transfer of up to \$813,996 from the Agricultural Commissioner's Budget (001-2810-AGR001-8001), to the Capital Projects (404-3200-PFP057-8845) for the Agricultural Commissioner Salinas Facility Development Project Number 8845 with review and approval from the CAO (4/5ths Vote Required).

SUMMARY:

The Agricultural Commissioner's Office realized unanticipated revenue of \$813,996, in FY 2023-24. The unanticipated revenue contains \$813,996 in revenue above budget due to the department achieving Maintenance of Effort (MOE) requirements for work performed in FY 2022-23. The department was made aware of the amounts in letters received from the California Department of Food and Agriculture. However, due to the higher than anticipated revenue in the current year, the MOE requirement would not be met without additional expenditures. Recommended actions authorize transfer out of up to \$813,996 to capital projects funds expenditures in the current year that otherwise would not be possible for County infrastructure. Support for the Agricultural Commissioner's request utilizes available resources for meeting current department obligations, critical building repairs and other agriculture-related projects that are beneficial to the County and will insure reimbursement revenue next year in FY 2024-25 from Unclaimed Gas Tax (UGT). The Agricultural Commissioner's Office will work closely with the County Administrative Office Budget and Analysis Division to review the final transfer amount based on actual revenues and expenditures prior to processing the transaction to ensure that minimum MOE of \$3.0 million is met for FY 23-24. The

CAO will review the final reconciliation and transfer amount.

DISCUSSION:

Based on the current fiscal year revenue estimates, which are above budget, the MOE target would not be reached if appropriations were not increased. The increased appropriation provides the Agricultural Commissioner's Office sufficient buffer to transfer out necessary funds to the Capital project fund, thereby increasing expenditures to a level sufficient to meet MOE.

The recommended actions comply with Board guidelines, facilitating capital improvement projects that will provide far-reaching or long-term benefits that might otherwise be delayed or not occur at all. The recommended use of funds benefits the Agricultural Commissioner's Office MOE requirement, ensuring the continued receipt of Unclaimed Gas Tax revenue which totaled over \$4.0 million in this fiscal year. This Report requests up to \$813,996 be dedicated to the Agricultural Commissioner Facility Development Project 8845 if a year-end reconciliation indicated the transfer is necessary to meet the MOE requirement. The project currently has an approximate shortfall of \$1.46 million. Capital Improvement Project (CIP) 8845 addresses the repair of the department conference room located at 1432 Abbott Street in Salinas along with replacement of materials at 1428 Abbott Street that are nearing end-of-useful life. An engineering report and soil analysis concluded that due to dry conditions, the soil beneath the foundation of the Conference Room is shrinking and causing structural damage. Extensive repairs are required to maintain the use of the facility. The continued use of this facility is critical to the mission of the Agricultural Commissioner and UCCE. Other County departments and other groups, such as TAMC, depend on the use of this facility.

OTHER AGENCY INVOLVEMENT:

The Agricultural Commissioner's Office has been working closely with the Department of Public Works Facilities and Parks for the needs of the facilities. The CAO's Office has been in consultation regarding this request and will review the final reconciliation and approve the final amount to be transferred.

FINANCING:

The proposed action utilizes available resources in the Agricultural Commissioner's Office Budget for appropriate State reimbursable expenditures. Fiscal year 2023-24 General Fund Contribution (GFC) will be used in calculating the County's average five-year contribution to the County's agricultural commissioner services. The five-year average contribution is the basis of the UGT distribution. Failure to expend the funds in the current year will result in reduced State revenues from UGT in FY 2024-25. Failure to meet the required MOE will result in requests from the Agricultural Commissioner's Office for increased General Fund Contribution in future years.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Mark a check to the related Board of Supervisors Strategic Initiatives

- Economic Development
- Administration
- Health & Human Services
- Infrastructure

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Approved by: Juan Hidalgo, Agricultural Commissioner/Sealer of Weights & Measures

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Attachments:

BC Report