

ATTACHMENT B
Fiscal Year 2012-13 Adopted Budget
Actions Approved by the Board of Supervisors

The items listed below were directed and/or previously approved by the Board of Supervisors (Board) as modifications to the Fiscal Year (FY) 2012-13 Adopted Budget.

- a. Approved increased appropriations of \$297,042 and added 1.75 Deputy District Attorney IV FTE (Classification 39D31) to retain Silver Star Gang Prevention and Intervention (SSGPI) Truancy program in District Attorney budget 2240-8063.
- b. Approved increased appropriations totaling \$242,022 for SSGPI program expenses and added 2.00 Probation Officer FTE (Classification 60F22) in Probation budget 2250-8162.
- c. Approved increased appropriations of \$70,836 and estimated revenue of \$31,876 and added 1.00 Military and Veterans Affairs Representative III FTE (classification 60U21) in Social and Employment Services office of Military and Veterans Affairs budget 5010-8260.
- d. Approved restoration of 1.00 Office Assistant II FTE (classification 80E21) in Parks Department budget 7500-8144.
- e. Approved increased appropriations of \$99,927 to add 1.00 Deputy Public Defender IV FTE (classification 39P31) in Public Defender budget 2270-8169.
- f. Approved increased appropriations of \$440,000 in County Administrative Office – Other General Expenditures budget 1050-8039, providing \$80,000 to offset costs for the Alternate Disposition and Placement contract, and up to \$360,000 to reimburse Social and Employment Services budget 5010-8254 for In-Home Support Services (IHSS) health benefits costs.
- g. Approved increased appropriations of \$250,000 in Resource Management Agency (RMA) – Fleet Management budget 3000-8190 for the purchase of a prisoner transport bus for the Sheriff’s Office.
- h. Approved transfer of \$2,000,000 from Capital Projects budget 404-3000-8174 to Road Fund budget 002-3000-8195.
- i. Approved the transfer of \$1,000,000 from FY 2012-13 Contingencies budget 1050-8034 to fund a Public Safety Sales Tax revenue stabilization assignment to mitigate impacts to public safety/criminal justice functions in the event of unforeseen fluctuation in this revenue source, revising the FY 2012-13 Contingencies total to \$4,550,162.
- j. Approved actions necessary to incorporate Addendum items 1 through 4 as detailed below:

ADDENDUM

Fiscal Year 2012-13 Adopted Budget

Background

The County of Monterey utilizes an automated budgeting system commonly referred to as the Performance Budget (PB) system. At each stage of the recommended budget development process, the PB system captures detailed data entered for departmental requests, the recommended budget, and finally the adopted budget. Following adoption of the annual budget, related information is transferred to the Advantage Financial System, the County's official accounting and budgetary control system.

The County's organizational structure is dynamic and has been fast-changing over the past few years. Implementation of structural change, including establishment of a new department, new budget units and changes to existing department, unit, and account structures requires reprogramming in the PB and Advantage Financial systems. This reprogramming requires that Enterprise Resource staff have adequate time to effect the changes prior to the beginning of the annual budget cycle. Due to this requirement, November 1st has been the established date for approval, layout, and work flow designations for inclusion in the PB System for the upcoming budget development cycle. Any budgetary appropriations and/or organizational structural changes made after this timeframe cannot be included in system-generated details, including schedules and narratives.

Addendum items included herein received Board of Supervisors approval in FY 2011-12 after the timeframe needed for inclusion of related data in the PB System. Necessary data related to the Addendum items is incorporated into the FY 2012-13 Adopted Budget, and have been programmed into the Advantage Financial System to be effective on July 1, 2012.

ADDENDUM 1 - Creation of the Human Resources Department

On March 20, 2012 the Board of Supervisors adopted the following Resolution:

Resolution No.: 12-073

PPPR Control No. 12-002

ACZZ Control No. 12-001

Adopted a Resolution to:

- a. Approve the creation of a Human Resources Department to include all Units within the County Administrative Office (CAO) Appropriations CAO003 and CAO021 as indicated in the attached Resolution;
- b. Amend Personnel Policies and Practices Resolution No. 98-394 to create the classification of Director of Human Resources with the salary range as indicated in the attached Resolution and amend Section A.10.1 Department Heads Designated as indicated in Attachment A;
- c. Amend the County Administrative Office-Human Resources Budget 1050, CAO003-8049 to reallocate one (1) Assistant County Administrative Officer to one (1) Director of Human Resources;
- d. Authorize the County Administrative Office and the Auditor-Controller to take the necessary action to program the Advantage system to implement these actions including the transfer of

positions, appropriations and units as well as the creation of a new department accounting structure and levels of appropriation control effective July 1, 2012 (4/5ths vote required);

- e. Introduce, waive reading, and set April 10, 2012 at 1:30 p.m. to consider adoption of an ordinance of the County of Monterey, State of California, amending Subsection B of Section 2.12.040 of the Monterey County Code to provide for the appointment of the Director of Human Resources by the County Administrative Officer.

The timing of this organizational change did not allow for the creation of the budgetary and organizational elements and narratives for the newly created Human Resources Department to be incorporated into the Recommended Budget document for FY 2012-13. Approved structural changes require reorganization of Budget Units and Appropriation Codes under a new department code.

As presented to and approved by the Board of Supervisors during the FY 2012-13 Recommended Budget Hearings on June 6, 2012, appropriations for the new department are detailed below:

Human Resources				
FY 2012-13 Recommended Appropriations				
Approp. Code	Unit	Unit Title	Total	GFC
CAO003	8048	Employee Relations	\$ 252,408	\$ 252,408
CAO003	8049	Human Resources	1,633,985	1,633,985
CAO003	8050	Training	415,233	-
CAO003	8384	Benefits	861,058	580,646
CAO021	8295	Dental	3,155,000	-
CAO021	8296	Vision	582,000	-
CAO021	8297	Employee Assistance Program	134,000	-
CAO021	8298	Disability	209,800	-
CAO021	8378	Unemployment	1,825,000	-
CAO021	8379	Miscellaneous Benefits	3,409,000	-
Total			\$ 12,477,484	\$ 2,467,039

The unit and appropriations codes listed above were included with FY 2012-13 Recommended Budget data in the PB System under the CAO's department due to previously described timing issues.

Based on direction from the Board of Supervisors and adoption of the FY 2012-13 Budget, on July 1st the Auditor Controller will create the new Human Resources Department and allocate new department, unit, and appropriation codes in the Advantage Financial System, incorporating unit appropriations as adopted. Financial tracking through the system for the new department will commence on July 1, 2012, and will be incorporated into future budget documents beginning with FY 2013-14 through the standard PB system process.

ADDENDUM 2 - County Counsel Assumption of Risk Management Functions

On March 20, 2012 the Board of Supervisors adopted a Resolution approving the transfer of Risk Management functions, formerly divisions of the CAO's department, to County Counsel, as described below:

- a. Approved the transfer of Risk Management to County Counsel to include all units within the County Administrative Office Appropriations CAO006, CAO009 and CAO010 as follows:

County Counsel - Risk Management				
FY 2012-13 Recommended Appropriations				
Approp. Code	Unit	Unit Title	Total	GFC
CAO006	8052	Compliance	\$ -	\$ -
CAO006	8053	Risk Management	1,100,099	-
CAO009	8033	Workers' Compensation	18,095,647	-
CAO010	8032	General Liability	7,012,478	-
Total			\$26,208,224	\$ -

The unit and appropriations codes listed above are currently included in the PB System under the CAO's department due to previously described timing issues. Based on direction from the Board of Supervisors and adoption of the FY 2012-13 Budget, on July 1st the Auditor Controller will create and allocate new unit, and appropriation codes under the County Counsel department in the Advantage Financial System, incorporating unit appropriations as adopted. Financial tracking through the system for the units transferred to County Counsel will commence on July 1, 2012, and will be incorporated into future budget documents beginning with FY 2013-14 through the standard PB system process.

ADDENDUM 3 - Dissolution of Redevelopment Agencies

On December 29, 2011, the California Supreme Court issued a decision that upheld ABx1 26 (the Dissolution Act), which dissolved redevelopment agencies effective February 1, 2012. On January 10, 2012 the County agreed to serve as the Successor Agency for the Monterey County Redevelopment Agency and the Successor Agency for the Housing Agency by adopting a Resolution for the following:

- a. Adopts a resolution electing to serve as the Successor Agency to the former Redevelopment Agency; and
- b. Adopts a resolution electing to serve as the Successor Housing Agency to the former Redevelopment Agency.

The Board of Supervisors adopted this responsibility after staff advised that "The Dissolution Act provides that the liability of the Successor Agency is limited to the funds and assets it receives under the Dissolution Act to perform its functions. Thus, if it takes on the role of Successor Agency and Successor Housing Agency, the County would not expose its General Fund to liability to discharge the obligations of the former Redevelopment Agency, unless it was found to have mismanaged or misappropriated the funds and assets it does receive under the Dissolution Act."

Actions approved on February 7, 2012 to implement the creation of both Successor Agencies are listed below:

Successor Agencies	
Existing Funds by Title, Fund Number, Appropriation Code - Renamed	
Redevelopment Successor Agencies	Fund-Unit-Appr.
Former Redevelopment Agency: Castroville/Pajaro Redevelopment Projects Successor Agency - effective 2/1/12: Castroville/Pajaro Redevelopment Successor Agency	171-8210-DEO008
Former Redevelopment Agency: Boronda Redevelopment Projects Successor Agency - effective 2/1/12: Boronda Redevelopment Successor Agency	172-8209-DEO009
Former Redevelopment Agency: Fort Ord Redevelopment Projects Successor Agency - effective 2/1/12: Fort Ord Redevelopment Successor Agency	173-8213-DEO010
Former Redevelopment Agency: East Garrison Redevelopment Projects Successor Agency - effective 2/1/12: East Garrison Redevelopment Successor Agency	174-8212-DEO011
Former Redevelopment Agency: Castroville/Pajaro Housing Set-Aside Successor Agency - effective 2/1/12: Castroville/Pajaro Housing Successor Agency	175-8203-DEO012
Former Redevelopment Agency: Boronda Housing Set-Aside Successor Agency - effective 2/1/12: Boronda Housing Successor Agency	176-8202-DEO013
Former Redevelopment Agency: Fort Ord Housing Set-Aside Successor Agency - effective 2/1/12: Fort Ord Housing Successor Agency	177-8206-DEO014
Former Redevelopment Agency: East Garrison Housing Set-Aside Successor Agency - effective 2/1/12: East Garrison Housing Successor Agency	178-8205-DEO015

New Trust Funds/Units added by operation of law and Board of Supervisors:

1. Castroville/Pajaro Redevelopment Property Tax Trust Fund.
2. Boronda Redevelopment Property Tax Trust Fund.
3. Fort Ord Redevelopment Property Tax Trust Fund.
4. East Garrison Redevelopment Property Tax Trust Fund.

New Redevelopment Obligation Retirement Funds/Units to be added by operation of law and Board of Supervisors:

1. Castroville/Pajaro Redevelopment Obligation Retirement Fund.
2. Boronda Redevelopment Obligation Retirement Fund.
3. Fort Ord Redevelopment Obligation Retirement Fund.
4. East Garrison Redevelopment Obligation Retirement Fund.

ADDENDUM 4 – Realignment – Health, Behavioral Health, and Social Services

In FY 2011-12, the State of California passed AB 118 revising and expanding realignment of certain State Health and Social Services responsibilities to counties. While the State’s focus was on the expansion of services to be realigned to counties, the legislation contained new and revised funding methodologies and accounting requirements for tracking the funds shifted to counties for the provision of realigned services. In December 2011, the Board of Supervisors approved the creation of two new special revenue funds to address these new requirements beginning in FY 2012-13. The two new special revenue funds include Fund 23 to collect and track Behavioral Health funding, and Fund 25 to collect and track Vehicle License Fee (VLF), Sales Tax and CalWORKS Realignment funds as well as local matching funds for Social Services and Health programs.

Behavioral Health Fund 23 – Effective in FY 2012-13, it is intended that all Behavioral Health Bureau appropriations and revenues will be managed in the new Behavioral Health Fund 23. Due to time constraints, Fund 23 has been created in the Advantage Financial system but could not be included in the PB system in time for inclusion in the development of the FY 2012-13 Recommended Budget. As a result, the Behavioral Health Bureau budget was developed in the existing General Fund units used in FY 2011-12. These include: 8073–Adult Mental Health Services, 8076–Alcohol and Drug Services, 8081–Behavioral Health Administration, and 8082–Children Mental Health Services).

A budget narrative mock-up is included at the end of this “Budget Addendums” discussion. Mock-up details include the FY 2012-13 recommended transfer of appropriations from the previously budgeted General Fund units to the new Behavioral Health Fund 23, Unit 8410, Appropriation Code HEA012.

Health and Welfare Realignment Fund 25 – Special Revenue Fund 25 was established to facilitate the collection and transparent tracking of Sales Tax, Sales Tax Growth (beginning with FY 1992-93), VLF, local matching funds as Maintenance of Effort (MOE), and other deposits for realigned Health and Social Services programs.

Provisions for the Special Revenue Fund 25 include the following:

- Local matching funds shall be deposited from the County's General Fund to Fund 25 on a monthly basis.
- The local match shall be recorded in the Trust Fund as "Cash" and "Due to General Fund."
- These monies shall be kept in Fund 25 until eligible program expenditures are incurred by the General Fund. At this time, the Trust Fund shall reimburse the General Fund by transferring these monies back to the General Fund along with other related program reimbursements.

Requirements for meeting State accounting provisions will dramatically increase Operating Transfer In and Operating Transfer Out totals for the General Fund, as previously the County met the local match and MOE by providing these funds to the Departments of Social Services and Health through budgeted General Fund Contributions.

There are currently six other departments that utilize Social Services realignment to provide related services. Under the provisions of the new Fund 25, these departments will submit claims for reimbursement to Social Services throughout the year. Social Services will then transfer funds from the sub-funds through the appropriate reporting elements to ensure the departments are not claiming more than is available. It is understood that Social Services is unable to determine whether or not the claims are appropriate, as this falls under the responsibility of the department making the claim. The Auditor's office will conduct audits as an internal control on claims against these accounts.

A budget narrative mock-up is included at the end of this "Budget Addendums" discussion. Mock-up details include the FY 2012-13 recommended appropriations for the new Health and Welfare Realignment Fund 25.

Implementation Timeline

Agreements relevant to these funds include the understanding that the implementation of this new accounting and transactions method would begin with the receipt of FY 2012-13 realignment funds. Departments were directed to budget sales tax and VLF amounts as Operating Transfers In, rather than as revenue, to the appropriate units.

Fund 25 will be appropriated in the Advantage Financial System beginning July 1, 2012, as timing did not allow for the establishment in the system prior to finalizing of the recommended budget and reprogramming the Performance Budget System.

Details included on the following pages outline the FY 2012-13 Recommended Budget appropriations for Fund 23 and Fund 25, which are not reflected in the FY 2012-13 Recommended Budget schedules as reported from the Performance Budget System.

Budget Addendum to the Performance Budget System
Behavioral Health
 (Unit 8410—Fund 23)

Use of Funds

Expenditures	(Fund 001) Prior Year 2010-2011	(Fund 001) Adopted Budget 2011-2012	(Fund 001) CY Estimate 2011-2012	(Fund 023) Requested Budget 2012-2013	(Fund 023) Recommended Budget 2012-2013	Recommended Change from Adopted
Salaries and Employee Benefits	27,503,655	29,334,022	27,245,382	29,933,591	29,884,161	550,139
Services and Supplies	29,200,960	29,094,837	28,073,908	33,175,509	33,145,690	4,050,853
Other Charges	(983,877)	(3,835)	(5,628)	(423,192)	(423,192)	(419,357)
Capital Assets	42,361	0	185,603	2,618,883	2,618,883	2,618,883
Other Financing Uses	0	32,180	32,180	9,620	9,620	(22,560)
Subtotal	55,763,100	58,457,204	55,531,445	65,314,411	65,235,162	6,777,958

Source of Funds

Revenues	Prior Year 2010-2011	Adopted Budget 2011-2012	CY Estimate 2011-2012	Requested Budget 2012-2013	Recommended Budget 2012-2013	Recommended Change from Adopted
Fines, Forfeitures, and Penalties	124,144	242,766	242,280	321,455	321,455	78,689
Intergovernmental Revenues	53,186,648	55,178,639	53,545,364	63,771,635	63,771,635	8,592,996
Charges for Services	1,392,304	1,040,677	1,050,221	1,221,321	1,221,321	180,644
Miscellaneous Revenues	1,000	0	0	0	0	-
Other Financing Sources	0	0	1,328	0	0	-
Subtotal	54,704,096	56,462,082	54,839,193	65,314,411	65,314,411	8,852,329
Fund Balance	0	0	0	0	(79,249)	(79,249)
General Fund Contributions	1,059,004	1,995,122	692,252	0	0	(1,995,122)
Total Source of Funds	55,763,100	58,457,204	55,531,445	65,314,411	65,235,162	6,777,958

Unit Description

In December 2011, the Board of Supervisors authorized the Auditor-Controller to establish, effective FY 2012-13, a special revenue fund for the Behavioral Health Bureau of the Health Department. Due to time constraints, the new Fund 23 has been created in the Advantage financial system but was not included in the Performance Budget system in time for development of the FY 2012-13 Recommended Budget. As a result, the Behavioral Health Bureau budget was developed in the existing General Fund units used in FY 2011-12 (8073 – Adult Mental Health Services, 8076 – Alcohol and Drug Services, 8081 – Behavioral Health Administration, and 8082 – Children Mental Health Services).

This addendum to the FY 2012-13 Recommended Budget shows the recommended transfer of appropriations from the old General Fund units to the new Behavioral Health Fund 23, Unit 8410, Appropriation Code HEA012.

Prior Year Accomplishments

Prior Year Accomplishments are presented in the General Fund unit descriptions.

Budget Year Accomplishments

Budget Year Accomplishments are presented in the General Fund unit descriptions.

**Budget Addendum to the Performance Budget System
Health & Welfare Realignment
(Unit TBD—Fund 25)**

Use of Funds						
Expenditures	Prior Year 2010-2011	Adopted Budget 2011-2012	CY Estimate 2011- 2012	Requested Budget 2012-2013	Recommended Budget 2012-2013	Recommended Change from Adopted
Other Financing Uses	0	0	0	30,025,147	30,025,147	30,025,147
Subtotal	0	0	0	30,025,147	30,025,147	30,025,147
Source of Funds						
Revenues	Prior Year 2010-2011	Adopted Budget 2011-2012	CY Estimate 2011- 2012	Requested Budget 2012-2013	Recommended Budget 2012-2013	Recommended Change from Adopted
Intergovernmental Revenues	0	0	0	18,095,129	18,095,129	18,095,129
Other Financing Sources	0	0	0	11,930,018	11,930,018	11,930,018
Subtotal	0	0	0	30,025,147	30,025,147	30,025,147
Fund Balance	0	0	0	0	0	0
General Fund Contributions	0	0	0	0	0	0
Total Source of Funds	0	0	0	30,025,147	30,025,147	30,025,147

Unit Description

Health & Welfare Realignment Fund 025 will be implemented in FY 2012-13 to comply with new 1991 realignment accounting and funding methodologies adopted by the State. Fund 25 will be appropriated in the Advantage Financial System beginning July 1, 2012, as timing did not allow for the establishment in the system prior to finalizing of the recommended budget and reprogramming the Performance Budget System.

This addendum to the FY 2012-13 Recommended Budget shows the recommended FY 2012-13 appropriations for the new Health & Welfare Realignment Fund 25.

Prior Year Accomplishments

There are no Prior Year Accomplishments.

Budget Year Accomplishments

Budget Year Accomplishments will be established for FY 2013-14.