



Monterey County

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Board Report

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Matter Type: General Agenda Item

Authorize the Auditor-Controller to modify the FY 2014-15 Adopted Budget to cover a deficiency in Sheriff's Office appropriations, as follows:

- a. Increase appropriations by \$800,000 in the Sheriff's Inmate Medical Programs, SHE004-001-2300-8237-6610, financed by increased revenue (operating transfer in) of \$800,000 from the Health & Welfare Realignment Fund, HEA013-025-4000-8424-7614 (4/5ths vote required);
- b. Increase appropriations by \$800,000 in the Health & Welfare Realignment Fund, HEA013-025-4000-8424-7614, financed by the fund balance of the Health & Welfare Realignment Fund, HEA013-025-4000 (4/5ths vote required);
- c. Increase appropriations, by \$1,150,000 in the Sheriff's Office Administration and Enforcement Operations Bureau, SHE001-001-2300-8242-6111, funded by the Unassigned General Fund balance (4/5ths vote required);
- d. Increase appropriations by \$500,000 in the Sheriff's Office Administration and Enforcement Operations Bureau, SHE001-001-2300-8242-6113, financed by \$500,000 in supplemental law enforcement revenue in the Sheriff's Office Administration and Enforcement Operations Bureau, SHE001-001-2300-8242-5570 (4/5ths vote required); and
- e. Increase appropriations by \$150,000 in the Coroner's Division, SHE002-001-2300-8226-6608, funded by the Unassigned General Fund balance (4/5ths vote required).

RECOMMENDATION:

It is recommended that the Board of Supervisors authorize the Auditor-Controller to modify the FY 2014-15 Adopted Budget to cover deficiency in Sheriff's Office appropriations, as follows:

- a. Increase appropriations by \$800,000 in the Sheriff's Inmate Medical Programs, SHE004-001-2300-8237-6610, financed by increased revenue (operating transfer in) of \$800,000 from the Health & Welfare Realignment Fund, HEA013-025-4000-8424-7614 (4/5ths vote required);
- b. Increase appropriations by \$800,000 in the Health & Welfare Realignment Fund, HEA013-025-4000-8424-7614, financed by the fund balance of the Health & Welfare Realignment Fund, HEA013-025-4000 (4/5ths vote required);
- c. Increase appropriations, by \$1,150,000 in the Sheriff's Office Administration and Enforcement Operations Bureau, SHE001-001-2300-8242-6111, funded by the Unassigned General Fund balance (4/5ths vote required);
- d. Increase appropriations by \$500,000 in the Sheriff's Office Administration and Enforcement Operations Bureau, SHE001-001-2300-8242-6113, financed by \$500,000 in supplemental law enforcement revenue in the Sheriff's Office Administration and Enforcement Operations Bureau, SHE001-001-2300-8242-5570 (4/5ths vote required); and

- e. Increase appropriations by \$150,000 in the Coroner's Division, SHE002-001-2300-8226-6608, funded by the Unassigned General Fund balance (4/5ths vote required).

SUMMARY/DISCUSSION:

This report was reviewed and supported by the Budget Committee on May 29, 2015. The Sheriff's Office reported to the Budget Committee in April that it will need \$1.7 million more in appropriations to cover budget overages. These overages occurred due to unplanned separation payouts of \$600,000 and higher-than-budgeted overtime. In the past, the Office would offset these costs with salary savings from vacant positions. However, the Office has hired 59 employees between July 2013 and December 2014 and 30 of these recruits attended a six-month police academy. By filling these positions, there was not enough salary savings to cover increases in overtime expenditures.

With various cost saving measures implemented, comprehensive analysis of each expense account, and updated projections, the Office has revised its estimated need for increased appropriations to \$1.3 million. Of this amount, \$500,000 will be funded internally by increased supplemental law enforcement revenue from services provided to the City of King. The Sheriff's Office has requested help in sourcing the remaining balance of \$800,000. Since the County has already exhausted the *contingencies appropriation*, this report recommends sourcing the remaining \$800,000 from *Health and Welfare Realignment Fund* monies which are used to fund indigent medical care. The Health Department had planned to use these monies as part of its overall financing to open the *Seaside Health Clinic*; redirecting \$800,000 of these monies could impact this effort. However, with the contingencies appropriation already depleted, these monies can be used to offset inmate medical costs in the Sheriff's Office, thereby allowing the Sheriff's Office sufficient budgetary flexibility to cover its overall budget overage.

As a result of cost reduction measures taken by the new Sheriff's Office administration, the total needed increase in appropriations is \$400,000 less than the Office projected in its April report to the Budget Committee. Some of the cost saving measures implemented include: 1) postponing new hires and promotions, 2) scrutinizing overtime usage, especially limiting overtime for special teams' trainings, 3) changing shifts from 10-hours to 12-hours in the Patrol Division, and 4) obtaining prior approval from each bureau chief or higher on all discretionary expenditures.

The Coroner's Division needs an additional fund of \$150,000 to cover costs related to an increased number of Coroner cases and autopsies performed. An additional \$350,000 is needed for the Administration and Enforcement Operations Bureau to cover costs that were not budgeted or under budgeted such as the loan repayment for 15 patrol vehicles to the Vehicle Replacement Program, equipment and fitting costs for the vehicles, costs for repairs and maintenance for buildings and equipment due to the age of the Sheriff's buildings, training costs for recruits and specialized teams, and law enforcement safety equipment.

OTHER AGENCY INVOLVEMENT:

The County Administrative Office has reviewed this report.

FINANCING:

The Sheriff's Office estimates it needs to increase appropriations by \$1.3 million to cover year-end payroll and other critical operating expenditures. To fund this deficiency, the Office recommends using \$500,000 in increased Sheriff's Office supplemental law enforcement services revenue and \$800,000 in funding from the Health and Welfare Realignment Fund.

Prepared by: Hye-Weon Kim, Finance Manager

Approved by: Steve Bernal, Sheriff-Coroner