



County of Monterey

Item No.

Board Report

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

Legistar File Number: BC 24-065

May 31, 2024

Introduced: 5/14/2024

Current Status: Agenda Ready

Version: 1

Matter Type: Budget Committee

- a. Receive the Sheriff's Office Fiscal Year (FY) 2023-2024 Year-End Financial Status Report;
- b. Support approval of the increase in appropriations of the Sheriff's Fiscal Year (FY) 2023-24 Modified Budget in Appropriation Units SHE001 and SHE003 amounting to \$60,000 and \$999,581, respectively financed by a release of \$367,081 from the Unassigned Fund Balance BSA 001 3101 and a release of \$692,500 from the Compensated Absences Assignment BSA 001 3115; and
- c. Support authorizing and directing the Auditor Controller to amend the Sheriff's Fiscal Year (FY) 2023-24 Modified Budget in Appropriation Units SHE001 and SHE003 amounting to \$60,000 and \$999,581, respectively financed by a release of \$367,081 from the Unassigned Fund Balance BSA 001 3101 and a release of \$692,500 from the Compensated Absences Assignment BSA 001 3115.

RECOMMENDATION:

It is recommended that the Board of Supervisors Budget Committee:

- a. Receive the Sheriff's Office Fiscal Year (FY) 2023-2024 Year-End Financial Status Report;
- b. Support approval of the increase in appropriations of the Sheriff's Fiscal Year (FY) 2023-24 Modified Budget in Appropriation Units SHE001 and SHE003 amounting to \$60,000 and \$999,581, respectively financed by a release of \$367,081 from the Unassigned Fund Balance BSA 001 3101 and a release of \$692,500 from the Compensated Absences Assignment BSA 001 3115; and
- c. Support authorizing and directing the Auditor Controller to amend the Sheriff's Fiscal Year (FY) 2023-24 Modified Budget in Appropriation Units SHE001 and SHE003 amounting to \$60,000 and \$999,581, respectively financed by a release of \$367,081 from the Unassigned Fund Balance BSA 001 3101 and a release of \$692,500 from the Compensated Absences Assignment BSA 001 3115.

SUMMARY/DISCUSSION:

The Monterey County Sheriff's Office (MCSO) is requesting to increase the Fiscal Year (FY) 2023-24 Modified Budget in the amount of \$1,059,581. This request is to cover the deficits in the Administration and Enforcement Operations Appropriation Unit SHE001 and Corrections Operations Appropriation Unit SHE003.

The Monterey County Sheriff's Office (MCSO) projects ending the current fiscal year with a deficit estimated at \$1,059,581 million in Appropriations. Breakdown of this deficit is as follows:

Unbudgeted Retirement and Separation Payouts	\$692,500
Unbudgeted SB2791 and Cloud requirement compliance	\$147,081
Unbudgeted South County Crime Investigation Costs	\$220,000
Total Requested Increase in Appropriations	\$1,059,581

The Monterey County Sheriff's Office (MCSO) is requesting the Board of Supervisors Budget Committee to support approval of appropriations increase totaling to \$1,059,581 in the Fiscal Year (FY) 2023-2024 Adopted Budget and provide direction of the funding source(s) of this Request.

Unbudgeted Retirement and Separation Payouts: \$692,500

Retirement and separation costs are unpredictable and are not normally included during the Budget process. During this fiscal year, 29 permanent employees have tendered their retirement or separation from the County. The Accumulated unused leaves paid to Retirees and separated employees amounted to \$692,500.

Unbudgeted SB2791 and Cloud requirement compliance: \$147,081

SB 2791 which took effect on January 1, 2024, required that the Sheriff's Office accepts electronic signatures and payments for court documents for the Civil Division. The Civil Division of the Monterey County Sheriff's Office performs the processing and serving of civil procedures including small claims judgments, earning withholding orders, real property levies and bank levies, and evictions. All these services are provided throughout the County including locations inside the incorporated cities.

The electronic signature requirement of SB 2791 necessitated the Civil Division to seek expansion of its Civil Records Management System through its existing vendor, Teleosoft Inc. While working with Teleosoft for implementation during the Fall of 2023, MCSO received an information from the County Information Technology Department that the County was requiring capability for Cloud Storage for this type of service. This additional County requirement significantly increased the SB 2791 compliance cost to \$147,081. The Sheriff's Office previously presented a request for augmentation funding for this item foreseeing in the fall of 2023 the unbudgeted expense would impact the Sheriff's Office budget.

The Sheriff intends to pursue future recoupment of unfunded mandates by challenging these mandates before the State of California Commission on State Mandates and will seek reimbursement for the cost mandated by the State.

Unbudgeted Personnel and Operating Costs for Significant Crime Investigations: \$220,000

The Monterey County Sheriff's Office worked in collaboration with local, state, and federal law enforcement agencies as part of a regional task force related to a significant criminal investigation. The Department incurred unbudgeted costs in personnel and operational expenditures during its participation in the investigations into this significant crime that disturbed peace and order in our community.

The Sheriff exercises due diligence in managing her Adopted Budget and strong Internal Controls are being adhered to control any overspendings. With careful planning, the Department has absorbed significant unbudgeted but necessary expenditures such as Board approved wage increases, additional inmate food costs, retrofit of new vehicles and various repairs and improvements of the jail, administration building, the King City sub-station. However, with far stretched budget, the costs of unbudgeted employee retirement payout, county directed cloud services, and costs associated to one significant criminal investigation, the Department is seeking support from the Budget Committee to increase its Appropriations in the amount of \$1,059,581 to balance its budget.

At the Mid-Year Budget, a shortfall in the Sheriff's Allocated Proposition 172 revenue was estimated at \$699,198. The Department worked diligently to manage its budget to maintain a balanced budget.

During the fiscal year, the Monterey County Sheriff's Office was awarded and received funding from the PATH-Justice Involved grant also known as the CaLAJM PATH II Grant through the Department of Health Care Services (DHCS) in the amount of \$500,000. The majority of this revenue is funding two existing deputies, that will alleviate a portion of the shortfall in Proposition 172.

The Department has also received the Officer Wellness Grant amounting to \$196,583 in Fiscal Year 2023. Implementation of the Wellness Program was not completed until Fiscal Year (FY) 2024 and the corresponding revenue as recognized in FY2024. This further reduces the revenue shortfall brought by the shortfall in Prop 172.

Data in this Report were based on budget status as of May 7, 2024, and do not include any provisions for unbudgeted costs of unforeseen events. Any costs of emergencies that may occur from May 8, 2024, to June 30, 2024, may need additional request for budget augmentation.


OTHER AGENCY INVOLVEMENT:

The County Administrative Office has reviewed this report.

FINANCING:

The Sheriff's Office is asking for support from the Budget Committee to increase appropriations and revenues in the Modified Budget for FY 2023-2024 in the amount of \$1,059,581 financed by a release of \$367,081 from the Unassigned Fund Balance BSA 001 3101 and a release of \$692,500 from the Compensated Absences Assignment BSA 001 3115.

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Reviewed by: Keith Boyd, Undersheriff, ext. #3859

Approved by: Tina Nieto, Sheriff/Coroner, ext. #3750

Attachments:

Budget Committee Report

Schedule A: Summary of Unbudgeted Expenses

Schedule B: Budget Status as of November 15, 2023