



County of Monterey

Item No.5

Budget Committee

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

Legistar File Number: BC 25-054

April 30, 2025

Introduced: 4/23/2025

Current Status: Agenda Ready

Version: 1

Matter Type: Budget Committee

- a. Support reallocating General Fund Strategic Reserves to provide advance funding to the Public Works, Facilities and Parks Department (PWFP) to complete the Fiscal Year (FY) 2022-23 Winter Storm Repair Project at the 29 Bishop Pajaro Mansion to be repaid with reimbursements from the Federal Emergency Management Agency (FEMA) and other state and federal agencies, and accepting the return of unused General Fund Strategic Reserves for completed projects;
- b. Support authorizing the County Administrative Office (CAO) and Auditor-Controller to make fund balance designations in FY 2024-25 included in Attachment A; and
- c. Support authorizing and directing the Auditor-Controller to amend the FY 2024-25 adopted budget by increasing appropriations and releasing fund balance, and making the appropriate transfers included in Attachment A.

RECOMMENDATION:

It is recommended that the Budget Committee:

- a. Support reallocating General Fund Strategic Reserves to provide advance funding to the Public Works, Facilities and Parks Department (PWFP) to complete the Fiscal Year (FY) 2022-23 Winter Storm Repair Project at the 29 Bishop Pajaro Mansion to be repaid with reimbursements from the Federal Emergency Management Agency (FEMA) and other state and federal agencies, and accepting the return of unused General Fund Strategic Reserves for completed projects;
- b. Support authorizing the County Administrative Office (CAO) and Auditor-Controller to make fund balance designations in FY 2024-25 included in Attachment A; and
- c. Support authorizing and directing the Auditor-Controller to amend the FY 2024-25 adopted budget by increasing appropriations and releasing fund balance, and making the appropriate transfers included in Attachment A.

SUMMARY:

The Board of Supervisors previously approved the use of General Fund Strategic Reserves to advance funding for FY 2022-23 Winter Storm Projects, pending reimbursement from FEMA and other state or federal agencies. Projects not completed by June 30, 2023 or 2024 have been carried over into FY 2024-25.

The Public Works, Facilities and Parks Department (PWFP) is requesting to carry forward \$1,624,242 in unspent Strategic Reserve funds for the 29 Bishop Pajaro Mansion project. Additionally, PWFP will return \$596,351 in Strategic Reserve funds: \$247,331 from various County Service Areas and \$349,020 from Kent's Court. Any other unused Strategic Reserve funds from completed projects, as identified at year-end, will also be returned.

This request does not increase the total amount previously authorized from Strategic Reserves for the winter storm response.

DISCUSSION:

Beginning December 26, 2022, a series of atmospheric river storms severely damaged infrastructure throughout Monterey County and neighboring areas. In response, the County Administrative Officer (CAO) declared a Local Emergency on January 4, 2023, which the Board ratified on January 10. On February 14, 2023, the Board authorized \$21,752,475 from the General Fund Strategic Reserve for storm repair projects-\$14,752,475 for PWFP, and \$7,000,000 for the Water Resources Agency (WRA).

A second round of storms began March 9, 2023, further worsening conditions and leading to additional damage. On March 10, the Pajaro River Levee failed, causing major flooding in Pajaro and nearby agricultural areas. A second Local Emergency was proclaimed on March 9 and ratified by the Board on March 14. PWFP estimated \$20,131,960 in repair costs, and on May 23, 2023, the Board approved using additional Strategic Reserve funds to support these efforts.

Some projects were not completed by the end of FY 2023-24 and have been carried over into FY 2024-25. Staff is requesting that the Board authorize budget amendments and fund balance adjustments to continue funding these efforts. A summary of project statuses and funding updates is provided below:

General Fund - Facility Services

Pajaro Mansion Emergency Repair Project: Work continues into FY 2024-25, including debris removal, environmental and structural assessments, MEP repairs, and moisture mitigation. Staff requests to carry forward \$1,624,242 to complete this project.

Kents Court Apartment Community: Repairs are complete. The remaining balance of \$349,020 will be returned to the General Fund Strategic Reserve.

County Service Areas (CSA)

CSA #15 Serra Village/Toro Park: Debris removal is complete. Return \$204,303 to Strategic Reserves.

CSA #34 Rancho Rio Vista/Carmel Knolls: Culvert repair completed. Return \$10,785 to Strategic Reserves.

CSA #47 Carmel Views/Mar Vista Fund: Vee-gutter repairs completed. Return \$6,480 to Strategic Reserves.

CSA #50 Rioway Tract No. 2: Debris and fence repairs completed. Return \$25,763 to Strategic Reserves.

OTHER AGENCY INVOLVEMENT:

PWFP discussed this recommendation with the County Administrative Office Budget & Analysis Division.

FINANCING:

The Board of Supervisors previously allocated \$3,200,000 from the General Fund Strategic Reserve for the Pajaro Mansion Emergency Repair Project. PWFP now requests to carry over the unused balance of \$1,624,242 into FY 2024-25 to complete the remaining work. Approval of this request will not increase the total amount allocated from Strategic Reserves.

In addition, Kents Court Apartment Community and several County Service Area (CSA) winter storm projects are now complete, and unspent Strategic Reserve funds totaling \$596,351 will be returned to the General Fund.

While significant reimbursement is expected, the process is subject to extensive audits and may take up to four-five years to finalize. In some cases, project costs may be denied. The projected reimbursement breakdown is: 75% from FEMA; 18.75% from the State; and 6.25% County share.

To date, \$917,702 in insurance proceeds for Pajaro Mansion repairs has been received and already applied to reimburse the Strategic Reserve. Any future insurance or FEMA reimbursements will also be used to offset the County's upfront costs.

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Reviewed & Approved by: Randell Ishii, MS, PE, TE, PTOE, Director of Public Works,
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Attachments:

Attachment A - Strategic Reserve Carryover Final FY25