

**Before the Board of Supervisors in and for the
County of Monterey, State of California**

Resolution No. _____

- Adopt a Resolution authorizing and directing the)
- Auditor-Controller to:)
- a. Amend the FY 2020-21 adopted budget to)
- increase appropriations in the Building Improvement)
- and Replacement sub-fund (478-BIR-CAO047-)
- 1050-8539) by \$11,810,000 to allow for an)
- operating transfer out to Natividad to reimburse)
- Natividad for the purchase of the Seaside Family)
- Health Center located at 1156 Fremont Boulevard in)
- Seaside, financed by \$11,810,000 in unrestricted net)
- position (4/5ths vote required); and)
- b. Transfer \$11,810,000 from the Building)
- Improvement and Replacement sub-fund (478-BIR-)
- CAO047-1050-8539) to Natividad (451-NMC001-)
- 9600-8142) (4/5ths vote required).....)

WHEREAS, in Fiscal Year 2019-20, the Board authorized the purchase of the 18,500 square-foot clinic building located at 1156 Fremont Boulevard in Seaside. The County purchased the Seaside Clinic from Montage Health, a California nonprofit for public benefit corporation, for \$11,810,000 for its continued use as the Health Department's Seaside Family Health Center. The Health Department did not have the financing resources to purchase the Seaside Clinic. Financing for the clinic came from Natividad's enterprise fund. Natividad provided the cash for the purchase with the expectation that Natividad and the Health Department would operate the Seaside Clinic similarly to the Laurel Clinics. The Health Department operates its Laurel Clinics on Natividad managed property and buildings. It reimburses Natividad based on a pro-rated building use allocation; and

WHEREAS, upon acquiring the Seaside Clinic, the County recorded the asset in the General Fund's balance sheet as the intention from inception was for the building to be a Health Department asset. The County's countywide cost allocation plan (COWCAP) allocates a building depreciation cost to departments based on capitalized buildings. Through discussion with the County Administrative Office and the Office of the Auditor-Controller, the Health Department confirmed that it would be overpaying for the Seaside Clinic if it entered into a loan agreement with Natividad and paid for the building depreciation cost through the COWCAP; and

WHEREAS, the County Administrative Office recommends that funds from the Resource Planning Fund (Building Improvement and Replacement sub-fund) are used to reimburse Natividad. The Health Department will repay the Building Improvement and Replacement sub-fund through the COWCAP building depreciation charge.

NOW, THEREFORE, BE IT RESOLVED THAT, the Board of Supervisors does hereby:

- a. Authorize and direct the Auditor-Controller to amend the FY 2020-21 adopted budget to increase appropriations in the Building Improvement and Replacement sub-fund (478-BIR-CAO047-1050-8539) by \$11,810,000 to allow for an operating transfer out to Natividad to reimburse Natividad for the purchase of the Seaside Family Health Center located at 1156 Fremont Boulevard in Seaside, financed by \$11,810,000 in unrestricted net position (4/5ths vote); and
- b. Authorize and direct the Auditor-Controller to transfer \$11,810,000 from the Building Improvement and Replacement sub-fund (478-BIR-CAO047-1050-8539) to Natividad (451-NMC001-9600-8142) (4/5ths vote).

PASSED AND ADOPTED upon motion of Supervisor _____, seconded by Supervisor _____ and carried this ____ day of _____, _____ by the following vote, to wit:

AYES:
NOES:
ABSENT:

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof Minute Book. ____ for the meeting on _____.

Dated:
File Number:

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

By: _____
Deputy