



Monterey County

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

Board Report

Legistar File Number: RES 20-052

May 05, 2020

Introduced: 4/15/2020

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Resolution

Adopt a Resolution to authorize and direct the Auditor-Controller to amend the Fiscal Year 2019-20 Adopted Budget, Facility Master Plan Projects Fund, Fund 404, Appropriation Unit RMA015, to increase appropriations and revenues by \$11,133,785, where the financing source is State Aid Reimbursements (4/5 vote required).

RECOMMENDATION:

It is recommended that the Board of Supervisors adopt a resolution to authorize and direct the Auditor-Controller to amend the Fiscal Year 2019-20 Adopted Budget, Facility Master Plan Projects Fund, Fund 404, Appropriation Unit RMA015, to increase appropriations and revenues by \$11,133,785 where the financing source is State Aid Reimbursements (4/5 vote required).

SUMMARY:

The Resource Management Agency (RMA) is the lead for managing capital projects for County facilities. The Facility Master Plan Projects Fund, Fund 404, is used to account for financial resources and expenditures used for the construction of Board-approved capital facility projects greater than one (1) million dollars. The Fiscal Year (FY) 2019-20 modified Adopted Budget for Fund 404 is \$24,519,303 and includes appropriations for numerous projects in various stages: Carmel River Floodplain Restoration and Environmental Enhancement Project (CRFREE), Carmel Lagoon Scenic Road Protection Structure, Facilities Utilization Plan (FUP), Homeless Shelter, New Juvenile Hall, and Jail Housing Addition. Often annual Capital Fund budgets require a *true-up* to adjust appropriations for estimates made during budget development, which is the case for Fund 404. RMA has identified two (2) capital projects needing appropriation increases totaling \$14,665,670, due to schedule changes that shifted expenditures anticipated in last fiscal year (FY 2018-19) to this current fiscal year (FY 2019-20). Three (3) capital projects forecast to expend less than appropriated in FY 2019-20 by \$3,531,885 will partially offset the appropriations increase need. Overall estimated costs for the three (3) projects remain unchanged, and these projects will be included in the Recommended FY 2020-21 Budget. Collectively, the reduced appropriations need in FY 2019-20 of \$3,531,885 will decrease the overall New Juvenile Hall and Jail Housing Addition appropriations increase of \$14,665,670, to \$11,133,785.

DISCUSSION:

On June 25, 2019, the Board of Supervisors adopted the FY 2019-20 Recommended Budget with modifications that provided Fund 404 appropriations to proceed with approved capital projects. The Recommended Budget was developed in March 2019. At that time, the New Juvenile Hall Project-Phase I was anticipated to be substantially complete by June 2019. However, various unforeseen conditions and issues delayed the New Juvenile Hall Project completion for both Phases I and II until June 30, 2021. As a result, a portion of project costs budgeted in FY 2018-19 did not

come to fruition, and those costs were realized in FY 2019-20. The modified adopted budget for the project is \$5,909,463; however, the current year estimate is \$14,353,223, requiring a need to increase appropriations by \$8,443,760. Revenues from the State Aid reimbursements are projected to be \$9,848,635, which will support the appropriations increase.

Similarly, the Jail Housing Addition Project also experienced delays, which resulted in anticipated expenditures in FY 2018-19 shifting to FY 2019-20. The FY 2019-20 Adopted Budget for the Jail Housing Addition Project is \$11,533,758; the current year estimate is \$17,755,668, requiring additional appropriations of \$6,221,910. The Jail Housing Addition Project is expected to receive State Aid reimbursements of \$48,846,551 this fiscal year, which will finance the appropriations increase.

Three (3) projects, in varying stages, are estimated to expend a combined \$3,531,885 less than their FY 2019-20 appropriations due to project timing. These projects will continue into next fiscal year and are included in the FY 2020-21 Recommended Budget. Carmel River Floodplain Restoration (CRFREE) Project began with an appropriations budget of \$2,119,071 and forecasts spending \$200,000 in FY 2019-20, leaving \$1,919,071 in appropriations. Facilities Utilization Plan (FUP) has an approved appropriations budget of \$90,000 and forecasts spending \$30,000 in FY 2019-20, leaving \$60,000 in appropriations. Lastly, the Homeless Shelter began with an appropriations budget of \$4,376,893 and forecasts spending \$2,824,079 in FY 2019-20, leaving \$1,552,814 in appropriations. The reductions in appropriations for FY 2019-20 do not reflect a change to the projects' overall budgets or funding needs, which remain unchanged.

OTHER AGENCY INVOLVEMENT:

This report was reviewed by the County Administrative Office Budget & Analysis Division. It was presented to the Budget Committee on April 29, 2020.

FINANCING:

If approved, the recommended action will modify the FY 2019-20 Fund 404, Appropriation Unit RMA015 Adopted Budget, increasing appropriations and revenue by \$11,133,785, financed predominantly by New Juvenile Hall and Jail Housing Addition State Aid Reimbursements. Other funding sources for the New Juvenile Hall and Jail Housing Addition projects are from Board-approved General Fund contributions.

Approval will not modify the overall projects approved budgets. This request will only increase appropriations and revenues to match fiscal year expenditures incurred and revenues earned.


BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

This report recommends increasing appropriations to ensure project costs approved by the Board for disbursement are processed timely. Actions resulting from the recommendation support the Board of Supervisors' Administration Strategic Initiative by promoting an organization that practices efficient, effective resource management and is recognized for responsiveness, strong customer orientation, accountability, and transparency.

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

Prepared by: Jessica Cordiero-Martinez, Finance Manager II (831)755-4824

Approved by: Shawne Ellerbee, RMA Deputy Director of Administrative Services

Approved by: Carl P. Holm, AICP, RMA Director 

Attachments:

Attachment A-Draft Resolution

Attachment B-Fund 404 Budget vs. Current Year Estimate

(Attachments are on file with the Clerk of the Board)