

MONTEREY COUNTY BOARD OF SUPERVISORS' BUDGET COMMITTEE

MEETING: May 13, 2013	AGENDA NO:
SUBJECT: Support authorizing the Office of the Auditor-Controller to modify the appropriations in the FY 2012-13 adopted budget, up to the amounts listed on Attachment A, if necessary, to reflect the changes required in the allocation of the County's property insurance premiums.	
DEPARTMENT: Risk Management	

RECOMMENDATIONS:

It is recommended that the Board of Supervisors' Budget Committee support authorizing the Office of the Auditor-Controller to modify the appropriations in the FY 2012-13 adopted budget, up to the amounts listed on Attachment A, if necessary, to reflect the changes required in the allocation of the County's property insurance premiums.

SUMMARY/DISCUSSION:

Risk Management received approval on July 24, 2012 from the Board of Supervisors to correct the property insurance allocation recorded in FY2011-12 to an allocation based on square feet. The previous allocation had been based on number of employees.

The FY2012-13 budget for the property insurance was also calculated based on number of employees, rather than the required square footage basis. Risk Management planned to correct the allocation at the beginning of the FY2012-13 upon receipt of the detailed property insurance invoice. However, Risk Management identified potential overbillings and requested Alliant, the County's property insurance broker to research the significant increase over the prior year's invoiced amount. Alliant conducted an audit and confirmed several buildings (primarily NMC) were mistakenly listed, resulting in erroneous duplicate premiums for FY2012-13. The allocations must be estimated since the final adjusted premium cost has yet to be provided. Risk Management will correct the allocation (as reflected in Attachment A) by fiscal year-end 2012-13, as follows:

- a. The invoice is reduced by the estimated overbilled amount of \$334,000 on NMC buildings, lowering the total invoice from \$1,025,549 to \$691,549. The Court's portion of the invoice, which is billed back to the Administrative Office of the Courts, totals \$16,294; leaving an estimated cost to the County of \$675,255.
- b. The \$675,255 is allocated/redistributed based on the estimated premium cost by square feet occupied for each Advantage unit.

Risk Management will true up the FY2012-13 allocations upon receipt of the premium refund and supporting documentation from Alliant. This is anticipated to occur in FY2013-14.

OTHER AGENCY INVOLVEMENT:

Risk Management, Office of the Auditor-Controller, CAO-Budget and Analysis, and Resource Management Agency (RMA) met to review the issues faced by Risk Management due to the lack of a County-wide property listing and the lack of tracking by occupancy/square feet. RMA agreed to work with CAO-Budget and Analysis regarding the resources that will be needed to develop a County-wide tracking system.

Risk Management, Office of the Auditor-Controller, and CAO-Budget and Analysis met and concur on the recommendation and the approach to revising the FY2012-13 property insurance allocations.

FINANCING:

Approval of the recommended action results in an appropriation decrease of \$344,745. Correcting the allocation basis will result in a redistribution of the appropriations across the funds, with some funds requiring an increase in appropriations (as reflected in Attachment A).

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Prepared by: Nina DeMello, Management Analyst

5/6/13

Date

Steve Mauck

Approved by: Steve Mauck, Risk Manager

5/7/13

Date

ATTACHMENT A – ALLOCATIONS BY FUND & APPROPRIATION CODE

Fund	Appropriation	FY11-12	FY12-13		Increase/ (Decrease)
		Based on Occupancy (Invoice)	Based on FTE (Budget)	Based on Occupancy (Revised Est.)	
001	ACR001	1,001	11,628	992	(10,636)
001	ACR002	547	3,366	542	(2,824)
001	AGR001	874	16,728	1,630	(15,098)
001	AUD001	1,082	10,812	1,068	(9,744)
001	BOA001	3,849	4,284	3,016	(1,268)
001	CAO001	720	3,570	714	(2,856)
001	CAO002	842	1,530	714	(816)
001	CAO004	18	1,326	17	(1,309)
001	CAO005	1,784	1,122	1,624	502
001	CHI001	364	23,868	343	(23,525)
001	COB001	360	918	357	(561)
001	COU001	1,276	6,528	1,266	(5,262)
001	COU002	55	1,836	55	(1,781)
001	DEO001	115	2,652	455	(2,197)
001	DIS001	6,805	26,724	5,534	(21,190)
001	ELE001	1,156	2,040	1,090	(950)
001	EME001	2,790	15,096	2,541	(12,555)
001	EQU001	131	1,122	129	(993)
001	EXT001	649	1,530	1,207	(323)
001	HEA001	13,803	4,182	6,676	2,494
001	HEA003	33,620	34,578	19,127	(15,451)
001	HEA004	202	12,240	147	(12,093)
001	HEA005	11,942	13,872	6,965	(6,907)
001	HEA006	2,394	1,122	1,223	101
001	HEA007	1,440	44,268	626	(43,642)
001	HEA008	29	2,346	27	(2,319)
001	HRD001	463	5,814	449	(5,365)
001	INFO001	917	5,100	960	(4,140)
001	INFO002	887	19,584	909	(18,675)
001	INFO003	617	1,122	640	(482)
001	INFO004	24	1,326	22	(1,304)
001	PAR001	4,196	15,096	9,258	(5,838)
001	PRO001	3,509	66,912	4,814	(62,098)
001	PUB001	293	11,016	490	(10,526)
001	RMA001	1,482	8,976	1,449	(7,527)
001	RMA003	-	1,224	56	(1,168)
001	RMA005	380	-	338	338
001	RMA006	27,410	7,038	14,459	7,421
001	RMA007	636	4,182	660	(3,522)
001	RMA011	1,197	6,834	1,187	(5,647)
001	RMA013	365	7,038	362	(6,676)
001	SHE001	56,054	49,062	17,472	(31,590)
001	SHE002	3,320	2,346	629	(1,717)
001	SHE003	16,522	42,228	15,397	(26,831)
001	SOC003	144	1,122	142	(980)
001	SOC005	5,864	157,692	5,160	(152,532)
001	SOC010	-	714	-	(714)
001	TRE001	1,165	9,690	1,155	(8,535)
Total General Fund		213,270	673,404	134,093	(539,311)
002	RMA012	24,228	24,990	16,453	(8,537)
003	LIB001	25,033	21,216	19,123	(2,093)
005	SOC008	-	918	-	(918)
007	SOC009	1,159	12,342	1,105	(11,237)
008	SOC007	-	204	-	(204)
023	HEA012	8,440	57,936	5,151	(52,785)
077	RMA073	-	-	7	7
093	RMA088	-	-	693	693
111	WRA001	4,507	11,322	3,404	(7,918)
130	WRA022	1,782	-	1,674	1,674
131	WRA020	47,042	-	34,033	34,033
151	RMA040	-	-	3,795	3,795
152	RMA041	-	-	1,184	1,184
156	RMA045	-	-	1,138	1,138
157	RMA046	-	-	644	644
451	NMC001	460,210	214,200	444,909	230,709
452	PAR004	10,561	3,468	7,846	4,378
Total Non-General Fund		582,961	346,596	541,162	194,566
Grand Total County		796,231	1,020,000	675,255	(344,745)
Courts (non-County)		17,035	-	16,294	16,294
Total		813,266	1,020,000	691,549	(328,451)