



Monterey County

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Board Report

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Matter Type: Budget Committee

Receive a report from the Emergency Communications Department on the repayment of General Fund contributions by 911 User agencies and NGEN General Fund expenditures.

RECOMMENDATION:

It is recommended that the Board of Supervisors' Budget Committee:

Receive a report from the Emergency Communications Department on the repayment of General Fund contributions by 911 User agencies and NGEN General Fund expenditures.

SUMMARY/ DISCUSSION:

A. 911 User Agency Billing

In FY 14/15 User Agencies of emergency communications and dispatch services, including County Departments, were underbilled for operational costs at the close of the fiscal year in the amount of \$1,477,176. The underbilling occurred because capital expenditures made in that fiscal year were not captured as part of the services and supplies that are billed out to the Agencies. The following year, in FY 15/16 agencies were overbilled for operational costs in the amount of \$99,751. Agency billings were further adjusted upward in the amount of \$850,981.00 due to a misapplication of grant funds received from one of the User Agencies. The over and under billings described resulted in a net under billing. The total amount to be re-billed to all Users for the erroneous billing in both fiscal years was \$1,377,426. Of this amount, the amount owed by outside User Agencies was \$851,718 and the County Department User portion was \$525,708.

After reporting these errors to User Agencies, it was agreed that User Agencies would pay their outstanding amounts no later than the close of FY 17/18 for Dispatch Billing services. User Agencies were also given the opportunity to pay the rebilled amounts they owed at the close of FY 16/17, at their option.

The Emergency Communications Department received payment from some User Agencies at the close of FY 16/17, in the amount of \$192,035. At the close of FY 17/18, Emergency Communications Department will receive the remaining amount, \$659,681, from User Agencies and the revenue will be posted to the General Fund. The Emergency Communications Department budgeted \$513,834 of the forthcoming reimbursement as part of the FY 17/18 Adopted Budget to offset its need for a budget augmentation request.

B. NGEN General Fund Expenditures

Separately, the Emergency Communications Department owes \$845,506 to the General Fund based on these facts:

In FY 13/14, User Agencies paid NGEN Operations & Maintenance (NGEN O&M) fees in the amount of \$1,023,240 for the NGEN Radio Project which were not expended and considered surplus fees. As a result, with the approval of the Emergency Communication User Agency Council (ECUAC) and the Board of Supervisors, these funds were transferred to Fund 020 for future use on

the NGEN project.

In FY 15/16, \$845,506 in expenses related to the NGEN Radio project were charged to the General Fund with the understanding that the costs would be paid for using the \$1,023,240 in previously collected NGEN O&M fees in Fund 020, which were paid in FY13/14 by User Agencies. As of the date of this report, the transaction to recognize the restricted revenue for FY15/16 expenses related to the Next Generation(NGEN) Radio Project in the amount of \$845,506 has been initiated in the County finance system and should be complete within 30 days pending normal County processing times.

OTHER AGENCY INVOLVEMENT:

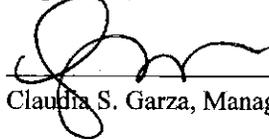
Emergency Communications worked with the Budget Office on the review of this report and its attachments.

FINANCING:

Recovery of funds from outside User Agencies at the close of FY18 totals \$659,681 reimbursing the General Fund. At the close of FY17 a total of \$192,035 was collected from User Agencies and posted as revenue for the Department.

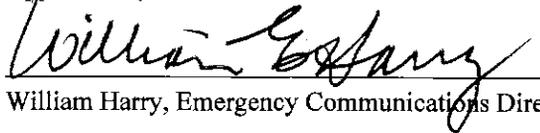
Additionally, the Department will complete the transfer of \$845,506 for NGEN Project expenses. These repayments will reduce the County General Fund Contribution for FY18 but will address any necessary modification at the time of the budget forecast. No changes to the budget are being requested by the Department at this time. This report is presented for informational purposes at the request of the Budget Committee and Board of Supervisors.

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Attachments:

FY 2015 and FY 2016 Billing Errors
Billing Error Payment Tracking Sheet