



Monterey County

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Board Report

Legistar File Number: 15-0904

August 25, 2015

Introduced: 8/11/2015

Current Status: Agenda Ready

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Matter Type: General Agenda Item

- a. Receive and consider adoption of the Economic Development Strategic Plan as recommended by the Board's Economic Opportunity Committee;
- b. Approve a recommendation by the Board's Economic Opportunity Committee for a Budget Adjustment for FY 2015-16 in the amount of \$200,000 to the Baseline Budget to Fund 001 and Appropriation Unit DEO001-8221, the Economic Development Department Budget, to implement the Economic Strategic Plan FY 2015-16;
- c. Approve and authorize the Auditor-Controller to amend the FY 2015-16 Adopted Budget, Fund 001, Appropriation Unit DEO001-8221, to increase appropriation by \$200,000, financed by an operating transfer of \$200,000 from CAO020-8034, the CAO-General Fund Contingencies, Fund 001 (4/5ths vote required);
- d. Approve and authorize the Auditor-Controller to transfer \$200,000 for the FY 2015-16 Adopted Budget from CAO-General Fund Contingencies, Fund 001, Appropriation Code CAO020-8034 to the Economic Development Department, Fund 001, Appropriation Unit DEO001-8221 (4/5ths vote required).

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Receive and consider adoption of the Economic Development Strategic Plan as recommended by the Board's Economic Opportunity Committee;
- b. Approve a recommendation by the Board's Economic Opportunity Committee for a Budget Adjustment for FY 2015-16 in the amount of \$200,000 to the Baseline Budget to Fund 001 and Appropriation Unit DEO001-8221, the Economic Development Department Budget, to implement the Economic Strategic Plan FY 2015-16;
- c. Approve and authorize the Auditor-Controller to amend the FY 2015-16 Adopted Budget, Fund 001, Appropriation Unit DEO001-8221, to increase appropriation by \$200,000, financed by an operating transfer in of \$200,000 from CAO020-8034, the CAO-General Fund Contingencies, Fund 001 (4/5ths vote required);
- d. Approve and authorize the Auditor-Controller to transfer \$200,000 for the FY 2015-16 Adopted Budget from CAO-General Fund Contingencies, Fund 001, Appropriation Code CAO020-8034 to the Economic Development Department, Fund 001, Appropriation Unit DEO001-8221 (4/5ths vote required).

SUMMARY/DISCUSSION:

The Board of Supervisors' adopted Strategic Initiatives addresses economic development as follows: "Through collaboration, strengthen economic development to ensure a diversified and healthy economy." To adequately perform a variety of critical economic development functions, staff finds it is necessary to increase the Economic Development Department's budget (FY) 2015-16 in the amount of \$200,000 (Attachment A); this increase to the Baseline Budget would enable the Department to carry out economic development activities that

strengthen the local economy. The objective is to create 10,000 jobs in 10 years.

To do this, funds are needed to hire a grant or account technician and to purchase tools to measure the economic impact of projects, (similar to the Agricultural Commissioner's recent report on economic contributions of agriculture). Funds are also needed to procure software for the Economic Development website which updates profiles and performs other functions, enhancing services to small businesses that grow jobs. Currently, the Economic Development Department is not able to provide these resources and hasn't been able to since the loss of redevelopment funds that once funded Economic Development but which now stream directly to the General Fund.

The Board of Supervisors established and directed the Economic Opportunity Committee to develop an Economic Development Strategic Plan. The Department, in conjunction with the Economic Opportunity Committee, updated the Comprehensive Economic Development Strategy (CEDS); it was adopted by the Board on March 2014 and submitted to the U.S. Economic Development Administration, which approved the Strategy in June 2015. The SRI Strategic Plan was completed and approved by the Economic Opportunity Committee. The SRI Strategic Plan focuses on retaining and expanding four key areas of the local economy: Agriculture (food and wine), Education (higher education and training), Research (marine, medical, military and university), and Tourism (linking food, health, hospitality and wine) to generate 10,000 new jobs over the next ten years.

Restoring critical funding to the Economic Development Department will ensure implementation of the Board's Strategic initiative on economic development, initiatives adopted by the Economic Opportunity Committee, and implementation of the Economic Development Strategic Plan. The Budget Committee has reviewed and voted in favor of this recommendation on July 29, 2015.

OTHER AGENCY INVOLVEMENT:

The Economic Opportunity Committee supports this recommendation to fund the Economic Development Department, and to support the implementation of the Economic Development Strategic Plan and the Board of Supervisors Strategic Initiative on Economic Development.

FINANCING:

The adopted FY 2015-16 General Fund Contingencies is \$5,399,351. The Board approved transfers from General Fund Contingencies thus far are \$652,406 with this additional request of \$200,000 for a total requested amount of \$852,406 leaving a Contingency balance of \$4,546,945.

County Departments and Monterey County Water Resource Agency have informed the Board of their intent to request additional \$2,400,000 these actions would bring the available Operational Contingency balance to \$2,146,945. There are still other pending requests for the Boards consideration. Attachment D contains a list of items that have currently gone before the Board or are anticipated to come before the Board in FY 2015-16 for funding.

Additionally the Economic Development Department is requesting this \$200,000 be added to the FY 2016/17 Economic Development Department baseline budget to continue efforts to

generate 10,000 jobs in 10 years.

Prepared by: _____
David Spaur, CEcD, EDFP, Economic Development Director, Ext. 5387

Approved by: _____
Nicholas E. Chiulos, Assistant County Administrative Officer, Ext. 5145

Attachments:

Attachment A: Economic Development Expenditure Breakdown

Attachment B: SRI Strategic Plan

Attachment C: Economic Opportunity Pillars and Indexes PowerPoint Presentation

Attachment D: Provided by CAO Budget Staff

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