



# Monterey County

## Budget Committee Report

Legistar File Number: BC 18-067

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May 30, 2018

**Introduced:** 5/21/2018

**Current Status:** Agenda Ready

**Version:** 1

**Matter Type:** Budget Committee

- a. Receive revised project worksheets to include in the County of Monterey Capital Improvement Program Five Year Plan FY 2018-19 through FY 2021-22 (as revised); and
- b. Support Board of Supervisors approval of the FY 2018-19 capital funding for consideration in the Annual Budget.

### RECOMMENDATION:

It is recommended that the Budget Committee:

- a. Receive revised project worksheets to include in the County of Monterey Capital Improvement Program Five Year Plan FY 2018-19 through FY 2021-22 (as revised); and
- b. Support Board of Supervisors approval of the FY 2018-19 capital funding for consideration in the Annual Budget.

### SUMMARY/ DISCUSSION:

Resource Management Agency (RMA) is seeking Budget Committee support for the County of Monterey Capital Improvement Program (CIP) Five-Year Plan 2018/19 through 2022/23 (Attachment A). The list includes capital projects planned as part of the capital budgets managed by RMA, IT and NMC. Capital projects are funded through Capital funds (401, 402, 404) and individual department budgets. This document provides information about funded and unfunded County department capital projects for FY 18/19. In addition, staff has prepared an objective ranking of unfunded projects to prioritize needs.

On May 2, 2018 RMA presented the CIP to the Budget Committee (BC) for support of FY 2018-19 capital funding for consideration in the Annual Budget. The BC approved the draft CIP except for the following projects:

Agricultural Commissioner  
South County Facility Development  
Facility Development - North County  
Facility Improvements - Salinas Office

BC asked for information from the Agricultural Commissioner clarifying the funding sources and status of their projects, specifically as it relates to the General Fund (CIP Projects 8832,8844,8845). Ag Commissioner receives Unclaimed Gas Tax funds on the expenditure into the building fund. These funds can only be spent within the Agricultural Commissioner department. Use of the funds for any other purpose would subject the County to an audit finding that would require the County to pay back approximately forty cents on the dollar. Funds are stored under Fund 402 and are reserved by the department to build and maintain Ag Commissioner facilities.

Resource Management Agency  
ADA Improvements Phase 4  
ADA Improvements Phase 5

BC asked RMA to provide additional information on the specific work planned under the ADA Improvements Year 4 and Year 5 (CIP Projects PW 2014-04 and PWF 2016-05). RMA initiated a 5-year program in Fiscal Year (FY) 2015/16 to implement improvements identified in a 2013 ADA Facility Assessment. For ADA Improvements Year 4 (FY 2018/19) RMA scheduled upgrades to basement restrooms at the Sheriff's Department, 1200 Aguajito Road, Monterey to meet ADA accessibility. RMA also plans to begin work on the entry and stairs at the County Coastal Office to bring the existing path of travel into compliance. For ADA Improvements Year 5 (FY 2019/20) RMA scheduled completion of the County Coastal Office access. In addition, RMA attempts to complete projects identified in the 2013 ADA Facility Master Plan.

Project worksheets for the Ag Commission and ADA projects have been revised to reflect this added information (Attachment A).

Human Resources  
Learning Management System (LMS)

The BC acknowledged the importance of an efficient learning and training system, but also recognized the current difficult budget climate and the need to reduce costs. Staff were directed to take the LMS back to the CIC for additional consideration as a priority unfunded project for the County. On May 14, 2018, the LMS was presented to the CIC, which recommended it as a top priority for unfunded projects. The cost for LMS was reduced to an estimated \$335,400 in FY 18/19 (\$737,000 total, 5-year program). This cost will cover the basic employee training tracking system. Additional modules such as performance management could be added later at an additional cost.

In previous years, the BC made recommendations to allocate available funds to unfunded projects. For FY 18/19, no discretionary funding is identified, however the BC heard discussion by Human Resources requesting that the LMS be considered as a top priority should funding become available due to the current program becoming obsolete.

**OTHER AGENCY INVOLVEMENT:**

RMA worked with County departments to identify capital needs, related costs, and funding sources. The CIP is presented to the Budget Committee (BC) for fiscal matters and the Capital Improvement Committee (CIC) for priority determination. The Planning Commission (PC) determines if the CIP conforms to and is consistent with the Monterey County General Plan. The draft CIP was presented to the CIC on April 16, 2018 for review and direction regarding recommended unfunded project priorities. The CIP was accepted with no changes. On May 14, 2018 the LMS project was presented again to the CIC, and recommended as a top priority in the unfunded projects. This matter is scheduled for review by the Planning Commission on May 30, 2018 so it can be presented to the full Board as part of the budget hearings in June. Upon final recommendation and support by the CIC, the BC and PC, the CIP is submitted to the Board of Supervisors for approval and direction. Projects

approved by the Board of Supervisors for capital funds are incorporated into the Annual Recommended Budget.

This year RMA met with the County's Government Alliance on Race and Equity (GARE) Racial Equity cohort to begin the process of developing a second set of ranking criteria for unfunded CIP projects. Ranking is designed to evaluate a project's impact on racial equity in the County. The cohort developed draft criteria, which were presented to the CIC. The draft criteria are included in the CIP under Appendix A. RMA will continue to work with the cohort as they develop criteria and recommendations. The CIC accepted the report on the draft GARE criteria and recommended the cohort not only score those projects already submitted, but also look into ways of identifying potential projects that address racial equity. The CIC encouraged the cohort to meet with department heads and evaluate the benefit of racial equity-focused projects against the impact of delaying or replacing current identified needs. The CIC placed an emphasis on projects that would benefit targeted geographical areas such as disadvantaged communities, which may qualify to leverage grant funding.

**FINANCING:**

The CIP is funded with a wide variety of funding sources including local, state, and federal grants, Gas Taxes, Certificates of Participation, Bonds, Fees and Capital Funds. RMA prepares the CIP using funds allocated for that purpose in Fund 402. There is no financial impact from receiving this report or for referring the recommended capital projects for FY 2018-19 to the Annual Recommended Budget process for further consideration by the Board of Supervisors. It should be noted that this document is a capital budget plan and that cash flow still needs to be considered for timing of projects.

The list of unfunded projects, as accepted and recommended by the CIC, will be used to identify which projects will receive any available discretionary funding for capital projects. In previous years, discretionary funding was allocated based on the recommendations of the CIC and the priority ranking list. Currently, no available funding has been identified in the FY 2018-19 recommended budget to allocate towards this list. The priority ranking will be kept for reference if funds become available later in the budget process.

**BOARD OF SUPERVISORS STRATEGIC INITIATIVES:**

The Capital Improvement Program is a critical part of County infrastructure planning and administration. The updated review and prioritization process allows critical county needs to be identified in a standardized, efficient way. A well-planned CIP is a key part of developing and maintaining County infrastructure. This CIP includes projects that support health, county roads, technological infrastructure, libraries and public safety operations.

Check the related Board of Supervisors Strategic Initiatives:

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

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Attachments:

Attachment A - Revised Projects