File ID RES 17-025 No. 21

Monterey County
Board of Supervisors

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Board Order

Upon motion of Supervisor Alejo, seconded by Supervisor Salinas and carried by those members present, the Board of Supervisors hereby:

a. Received the Monterey County Financial Forecast, which assesses the County's fiscal condition for the current year and three forecast years (FY 2017-18 through FY 2019-20);
b. Adopted Resolution 17-076 to authorize the Auditor-Controller to amend the FY 2016-17 Adopted Budget to incorporate the recommended mid-year modifications (4/5th vote required); and
c. Received an oral report from the Resource Management Agency (RMA) on the status of current damages and critical repairs needed in response to the winter storm events.

PASSED AND ADOPTED on this 14th day of March 2017, by the following vote, to wit:

AYES: Supervisors Alejo, Phillips, Salinas and Adams
NOES: Supervisor Parker
ABSENT: None

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 80 for the meeting on March 14, 2017.

Dated: March 14, 2017
File ID: RES 17-025

Gail T. Borkowski, Clerk of the Board of Supervisors
County of Monterey, State of California

By Denise Hancock
Deputy

Before the Board of Supervisors in and for the County of Monterey, State of California

Resolution No. 17-076

A Resolution authorizing the Auditor-Controller to amend the FY 2016-17 Adopted Budget to incorporate the recommended mid-year modifications. (4/5th vote required)..........................

WHEREAS, the Monterey County Financial Forecast assesses the County's fiscal condition and emerging needs in the current year and three forecast years (Fiscal Year 2017-18 through FY 2019-20) and the capacity to fund those needs for the remainder of the fiscal year; and

WHEREAS, the Financial Forecast identifies a number of needs requiring financial resources in the current year, including repairs needed to address damages caused by the winter storms and the Soberanes Fire, court-ordered actions to improve safety and security in the jail, unplanned expenditures to defend the County and Measure Z, a legal settlement with the State Employment Development Department, and reauthorization of reimbursements for the Interlake Tunnel Project; and

WHEREAS, the severity of recent events requires new financial commitments beyond that which can be financed through redirection of existing operating budgets; and

WHEREAS, the modifications to the FY 2016-17 Adopted Budget will allow the County to address the most critical needs and avoid impacts to County operations and staffing;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Supervisors in and for the County of Monterey that the Auditor-Controller is hereby authorized to amend the FY 2016-17 Adopted Budget to incorporate the recommended mid-year modifications as detailed in Attachment A and by reference attached hereto and incorporated herein.

PASSED AND ADOPTED upon motion of Supervisor Alejo, seconded by Supervisor Salinas and carried this 14th day of March 2017, by the following vote, to wit:

AYES: Supervisors Alejo, Phillips, Salinas and Adams
NOES: Supervisor Parker
ABSENT: None

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 80 for the meeting on March 14, 2017.

Dated: March 14, 2017
File Number: RES 16-025

Gail T. Borkowski, Clerk of the Board of Supervisors
County of Monterey, State of California

By Denise Hancock
Deputy

Recommended Modifications to the Fiscal Year 2016-17 Adopted Budget

The County Administrative Office recommends the following actions authorizing the Auditor-Controller to amend the FY 2016-17 Adopted Budget (4/5ths vote required) as follows:

Modifications Related to the *Hernandez v. County of Monterey* Legal Settlement:

1. Transfer $7,265,000 from the Strategic Reserve (BSA 3111) to the General Capital Assignment (BSA 3065) to reimburse the general fund for jail-related capital improvements and settlement costs related to the *Hernandez v. County of Monterey* implementation plan.
2. Transfer $2,244,621 from the Strategic Reserve (BSA 3111) to the General Capital Assignment (BSA 3065) to cover additional costs for upgrades to the jail security panels and door locks required by the *Hernandez v. County of Monterey* implementation plan.
3. Increase operating transfer-in and appropriations in the Resource Management Agency's Capital Projects budget (402-3000-8468-RMA014) by $2,244,621 for upgrades to the jail security panels and door locks required by the *Hernandez v. County of Monterey* implementation plan, financed by an increase in appropriations (as an operating transfer out from the general fund) in 001-1050-8038-CAO017 and release of $2,244,621 from the General Capital Assignment (BSA 3065).

Modifications Related to the Winter Storm and Soberanes Fire Disasters:

4. Transfer $8,487,500 from the Strategic Reserve (BSA 3111) to the Disaster Assistance fund balance assignment (BSA 3126) to fund the County's estimated share of costs to make critical repairs in response to storm damages through February 16, 2017 and the *Soberanes Fire.*
5. Transfer $8,325,000 from the Strategic Reserve (BSA 3111) to the Disaster Assistance fund balance assignment (BSA 3126) to cover the estimated state and federal share of costs to make immediate (current year) critical repairs in response to storm damages through February 16, 2017 and the *Soberanes Fire*, thereby providing initial working capital to complete the most time-sensitive work to protect the health and safety of County residents until the County receives state and federal reimbursements for these disasters.
6. Increase operating transfer-in and appropriations in the Resource Management Agency's Road Fund budget (002-3000-8195-RMA012) by $9,500,000 to make immediate (current year) critical repairs in response to storm damages through February 16, 2017 and the *Soberanes Fire*, financed by an increase in appropriations (as an operating transfer out from the general fund) in 001-1050-8038-CAO017 and release of $9,500,000 from the Disaster Assistance fund balance assignment (BSA 3126).
7. Increase operating transfer-in and appropriations in the Resource Management Agency's Parks general fund budget (001-7500-8151-PAR001) by $494,654 to make immediate critical repairs in response to storm damages through February 16, 2017 and the *Soberanes Fire*, financed by an increase in appropriations (as an operating transfer out from the general fund) in 001-1050-8038-CAO017 and release of $494,654 from the Disaster Assistance fund balance assignment (BSA 3126).
8. Increase operating transfer-in and appropriations in the Resource Management Agency's Parks resort operations budget (452-7500-8385-PAR004) by $1,105,346 to make immediate critical repairs in response to storm damages through February 16, 2017 and the *Soberanes Fire*, financed by an increase in appropriations (as an operating transfer out from the general fund) in

001-1050-8038-CAO017 and release of $1,105,346 from the Disaster Assistance fund balance assignment (BSA 3126).

Modifications Related to Measure Z and the Legal Settlement with the State Employment Development Department:

9. Transfer $3,875,000 from the Strategic Reserve (BSA 3111) into a new fund balance assignment to be named *Non-Recoverable Costs* for future expenditures in defense of the County and Measure Z.
10. Increase operating transfer-in and appropriations in the Office of County Counsel's budget (001-1210-8057-COU001) by $750,000 to cover current year expenditures in defense of the County and Measure Z, financed by an increase in appropriations (as an operating transfer out) in 001-1050-8038-CAO017 and the release of $750,000 from the new fund balance assignment to be named *Non-Recoverable Costs.*
11. Transfer $715,135 from the Strategic Reserve (BSA 3111) into the new fund balance assignment to be named *Non-Recoverable Costs* for a legal settlement with the State Employment Development Department related to the County's Workforce Development Board.

Modifications to Mitigate Operational Impacts Resulting from the Revised Countywide Cost Plan and Other Operational Impacts:

Total decrease in General Fund (001) appropriations of $3,196,257, and estimated revenues of $284,155 offset by unassigned fund balance to mitigate revised county-wide cost plan and other operational impacts as follows:

12. Increase appropriations for the Board of Supervisors (001-1000-8012-BOA001) by $300,562 to mitigate a current year budget shortfall due to the revised countywide cost recovery plan and other operational impacts.
13. Increase appropriations for the County Administrative Office (001-1050-8045-CAO001) by $1,733,529 to mitigate a current year budget shortfall due to the revised countywide cost recovery plan and other operational impacts.
14. Decrease appropriations for the County Administrative Office (001-1050-8047-CAO002) by $133,969 due to reduced financial obligation related to the revised countywide cost recovery plan and other operational impacts.
15. Increase appropriations for the County Administrative Office (001-1050-8451-CAO025) by $55,060 to mitigate a current year budget shortfall due to the revised countywide cost recovery plan and other operational impacts.
16. Increase appropriations for the Human Resources Department (001-1060-8445-HRD001) by $804,381 to mitigate a current year budget shortfall due to the revised countywide cost recovery plan and other operational impacts.
17. Decrease appropriations for the Equal Opportunity Office (001-1080-8066-EQU001) by $140,207 due to reduced financial obligation related to the revised countywide cost recovery plan and other operational impacts.
18. Decrease appropriations for the Office of the Auditor-Controller (001-1110-8011-AUD001) by $898,573 due to reduced financial obligation related to the revised countywide cost recovery plan and other operational impacts.

19. Decrease appropriations for the Office of the Treasurer-Tax Collector (001-1170-8264-TRE001) by $13,242 due to reduced financial obligation related to the revised countywide cost recovery plan and other operational impacts.
20. Decrease appropriations for the Office of the Treasurer-Tax Collector (001-1170-8266-TRE002) by $497,527 due to reduced financial obligation related to the revised countywide cost recovery plan and other operational impacts.
21. Decrease appropriations for the Office of the Assessor-County Clerk-Recorder (001-1180-8003-ACR001) by $124,302 due to reduced financial obligation related to the revised countywide cost recovery plan and other operational impacts.
22. Decrease appropriations for the Office of the Assessor-County Clerk-Recorder (001-1180-8004-ACR002) by $22,974 due to reduced financial obligation related to the revised countywide cost recovery plan and other operational impacts.
23. Decrease appropriations for the Office of County Counsel (001-1210-8057-COU001) by $3,288,783 due to reduced financial obligation related to the revised countywide cost recovery plan and other operational impacts.
24. Decrease appropriations for the Office of County Counsel (001-1210-8407-COU002) by $68,698 due to reduced financial obligation related to the revised countywide cost recovery plan and other operational impacts.
25. Decrease appropriations for the Clerk of the Board (001-1300-8019-COB001) by $6,632 due to reduced financial obligation related to the revised countywide cost recovery plan and other operational impacts.
26. Decrease appropriations for the Clerk of the Board (001-1300-8020-COB001) by $5,181 due to reduced financial obligation related to the revised countywide cost recovery plan and other operational impacts.
27. Increase appropriations and estimated revenues for the Elections Department (001-1410-8064-ELE001) by $373,772 to mitigate a current year budget shortfall due to the revised countywide cost recovery plan and other operational impacts.
28. Decrease appropriations for Emergency Communications (001-1520-8065-EME001) by $333,393 due to reduced financial obligation related to the revised countywide cost recovery plan and other operational impacts.
29. Decrease appropriations for the Office of the District Attorney (001-2240-8063-DIS001) by $882,067 due to reduced financial obligation related to the revised countywide cost recovery plan and other operational impacts.
30. Decrease appropriations for the Office of the Sheriff (001-2300-8226-SHE002) by $68,744 due to reduced financial obligation related to the revised countywide cost recovery plan and other operational impacts.
31. Decrease appropriations for the Office of the Sheriff (001-2300-8233-SHE003) by $394,453 due to reduced financial obligation related to the revised countywide cost recovery plan and other operational impacts.
32. Decrease appropriations for the Office of the Sheriff (001-2300-8273-SHE001) by $1,006,932 due to reduced financial obligation related to the revised countywide cost recovery plan.
33. Decrease appropriations for the Probation Department (001-2550-8167-PRO001) by $327,000 due to reduced financial obligation related to the revised countywide cost recovery plan and other operational impacts.

34. Increase appropriations for the Resource Management Agency (001-3000-8170-RMA011) by $601,363 to mitigate a current year budget shortfall due to the revised countywide cost recovery plan and other operational impacts.
35. Increase appropriations for the Resource Management Agency (001-3000-8172-RMA001) by $607,702 to mitigate a current year budget shortfall due to the revised countywide cost recovery plan and other operational impacts.
36. Increase appropriations for the Resource Management Agency (001-3000-8173-RMA003) by $626,478 to mitigate a current year budget shortfall due to the revised countywide cost recovery plan and other operational impacts.
37. Increase appropriations for the Resource Management Agency (001-3000-8176-RMA006) by $320,801 to mitigate a current year budget shortfall due to the revised countywide cost recovery plan and other operational impacts.
38. Increase appropriations for the Resource Management Agency (001-3000-8444-RMA099) by $54,111 to mitigate a current year budget shortfall due to the revised countywide cost recovery plan and other operational impacts.
39. Increase appropriations for the Health Department (001-4000-8118-HEA008) by $410,000 to mitigate a current year budget shortfall due to the revised countywide cost recovery plan and other operational impacts.
40. Increase appropriations for the Department of Social Services (001-5010-8260-SOC003) by $13,260 to mitigate a current year budget shortfall due to the revised countywide cost recovery plan and other operational impacts.
41. Decrease appropriations by $774,032 and decrease estimated revenue by $657,927 for the Department of Social Services (001-5010-8262-SOC005) due to reduced financial obligation related to the revised countywide cost recovery plan and other operational impacts.
42. Increase appropriations for the Department of Social Services (001-5010-8268-SOC010) by $3,849 to mitigate a current year budget shortfall due to the revised countywide cost recovery plan and other operational impacts.
43. Decrease appropriations for the Cooperative Extension (001-6210-8021-EXT001) by $9,787 due to reduced financial obligation related to the revised countywide cost recovery plan and other operational impacts.
44. Decrease appropriations for the Parks Department (001-7500-8154-PAR001) by $108,086 due to reduced financial obligation related to the revised countywide cost recovery plan and other operational impacts.
45. Decrease appropriations for the Parks Department (001-7500-8278-PAR001) by $1,724 due to reduced financial obligation related to the revised countywide cost recovery plan and other operational impacts.

Modifications to Mitigate Other Operational Impacts:

46. Decrease estimated revenue for the Department of Social Services (001-5010-8262-SOC005) by $1,000,000 to correct a clerical error made in the adopted budget.
47. Increase appropriations as an operating transfer out from the County Administrative Office (001-1050-8038-CAO017) by $422,000 to reauthorize unused prior year reimbursement of

expenditures by the Water Resources Agency for current year work on the Interlake Tunnel Project, offset by a decrease in appropriations of $422,000 in the appropriation for contingencies (001-1050-8034-CAO020).