



Monterey County

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Board Report

Legistar File Number: RES 18-142

October 16, 2018

Introduced: 10/8/2018

Version: 1

Current Status: Agenda Ready

Matter Type: BoS Resolution

Adopt a Resolution to:

- a. Authorize the Auditor-Controller to amend the FY 2018-19 Adopted Budget, increasing appropriations by \$5,340,441 in Other Financing Uses, 1050-8038-CAO017-7614, where the financing source is the release of \$2,184,878 from the Capital Projects Assignment (BSA 001-3123) and \$3,155,563 from the NGEN Radio Assignment (BSA 001-3122) to fund a \$5,340,441 cash deficit in Resource Planning Fund 478 (4/5th vote required); and
- b. Authorize the Auditor-Controller to transfer \$5,340,441 from Other Financing Uses, 1050-8038-CAO017-7614 to Enterprise Resource Planning, 1110-8479-AUD008-5940 (4/5th vote required).

RECOMMENDATION:

It is recommended that the Board of Supervisors adopt a Resolution to:

- a. Authorize the Auditor-Controller to amend the FY 2018-19 Adopted Budget, increasing appropriations by \$5,340,441 in Other Financing Uses, 1050-8038-CAO017-7614, where the financing source is the release of \$2,184,878 from the Capital Projects Assignment (BSA 001-3123) and \$3,155,563 from the NGEN Radio Assignment (BSA 001-3122) to fund a \$5,340,441 cash deficit in Resource Planning Fund 478 (4/5th vote required); and
- b. Authorize the Auditor-Controller to transfer \$5,340,441 from Other Financing Uses, 1050-8038-CAO017-7614 to Enterprise Resource Planning, 1110-8479-AUD008-5940 (4/5th vote required).

SUMMARY:

The release of assignments from Capital Projects (\$2,184,878) and NGEN Radio (\$3,155,563) will fund an estimated \$5,340,441 cash deficit in the Resource Planning Fund 478 due to a cost overrun of the ERP upgrade project.

DISCUSSION:

The Auditor-Controller presented an ERP Upgrade Project status report to the Budget Committee on January 19, 2018 and the Board on February 6, 2018 at which time, the CAO conveyed to the Budget Committee an estimated ending cash deficit of as much as \$6.1 million for the project based on available information. The estimate has been revised. The ERP Upgrade Project under Resource Planning Fund 478 ended FY 2017-18 with a cash deficit of \$4,840,441 and it is estimated that an additional \$500,000 will be expended by the end of project for an estimated cash deficit of \$5,340,441. The cash deficit is due to an overrun in ERP Upgrade project costs from what was originally approved and funded.

It is recommended that a release of assignment from NGEN Radio (\$3,155,563) and Capital Projects

(\$2,184,878) be used to fund the cash deficit. The Adopted FY 2017-18 budget included the authorization to release from assignment \$2,186,157 from the NGEN Radio Assignment and \$2,000,000 from the Capital Assignment. This report recommends moving forward with the previously-authorized releases of assignment and further increasing the assignment release for NGEN Radio Assignment by \$969,406 and Capital Assignment by \$184,878 to cover the updated ERP project cash deficit.

The NGEN Radio Assignment was created to keep the Next Generation Public Safety Radio System Project moving forward in case funding was not received from any outside agencies. The project is near completion; therefore, the assignment is no longer needed for the project.

Releasing said assignments would allow for the cash deficit for the ERP Upgrade Project to be funded. Forth coming is a report with a recommendation on how to fund future replacement of the County's financial system.

OTHER AGENCY INVOLVEMENT:

On October 10, 2018, the Budget Committee supported the recommendation.

FINANCING:

The recommendation provides funding for the estimated \$5,340,441 cash deficit in Resource Planning Fund 478 through the release of assignments from NGEN Radio (\$3,155,563) and Capital Project (\$2,184,878).

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Check the related Board of Supervisors Strategic Initiatives:

☒ Administration:

- Promote an organization that practices efficient and effective resource management and is recognized for responsiveness, strong customer orientation, accountability and transparency.

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