



Monterey County

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

Legistar File Number: RES 19-190

January 07, 2020

Introduced: 12/18/2019

Version: 1

Current Status: Agenda Ready

Matter Type: BoS Resolution

Adopt a resolution to:

- a. Authorize and direct the Auditor-Controller to amend Fiscal Year 2019-20 County Administrative Office Adopted Budget, General Fund, Fund 001, Appropriation Unit CAO004, to increase appropriations by \$100,000 to be used for management specialists and/or outside consultants and experts, as needed, regarding Fort Ord Reuse Authority transition matters, financed by a decrease in General Fund Contingencies, Fund 001, Appropriation Unit CAO020, of \$100,000 (4/5th vote required); and
- b. Authorize the County Administrative Officer or his designee to execute individual agreements for consultant services regarding Fort Ord Reuse Authority transition matters, not to exceed a cumulative total amount of \$100,000, and which may include non-standard insurance or indemnification provisions with the approval of the County Counsel-Risk Manager.

RECOMMENDATION:

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

- a. Authorize and direct the Auditor-Controller to amend Fiscal Year 2019-20 County Administrative Office Adopted Budget, General Fund, Fund 001, Appropriation Unit CAO004, to increase appropriations by \$100,000 to be used for management specialists and/or outside consultants and experts, as needed, regarding Fort Ord Reuse Authority transition matters, financed by a decrease in General Fund Contingencies, Fund 001, Appropriation Unit CAO020, of \$100,000 (4/5th vote required); and
- b. Authorize the County Administrative Officer or his designee to execute individual agreements for consultant services regarding Fort Ord Reuse Authority transition matters, not to exceed a cumulative total amount of \$100,000, and which may include non-standard insurance or indemnification provisions with the approval of the County Counsel-Risk Manager.

SUMMARY/DISCUSSION:

Staff continues to identify and analyze key issues related to the Fort Ord Reuse Authority's (FORA's) dissolution on June 30, 2020, such as: FORA bonds for building removal; habitat management/conservation plans (HMP/HCP); Environmental Services Cooperative Agreement (ESCA); Land Use Controls (LUC) annual reporting; Pollution Legal Liability (PLL) first-named insured; and FORA Community Facilities District (CFD) replacement. Other issues that staff is evaluating with a potential impact to the County, depending on their outcome, include transportation; water and wastewater; FORA pending litigation; administrative issues; CalPERS liability; and landfill border parcels. See Attachment B for additional details regarding these FORA transition matters of concern.

Staff recommends that the Board authorize up to \$100,000 in funds to be used for management specialists and/or outside consultants and specialized services, as needed, to provide analysis and advise the County related to FORA's transition. These would be one-time funds managed out of the County Administrative Office (CAO) budget. Staff recommends using part of these funds to hire Carlos Urrutia, a retired annuitant as a Management Specialist, who offers significant expertise and knowledge of former Fort Ord, East Garrison, FORA issues, and general financial policy, to provide analysis and recommendations pertaining to various policy and financial matters. Mr. Urrutia has served as a Management Specialist providing critical support on other FORA matters, so he is well informed and would be able to hit the ground running. In addition, staff has identified the need to hire a third party with expertise in development fees and Community Facility District financing. Staff anticipates that there may be additional FORA transition-related matters that may require specific expertise of a Management Specialist and/or outside consultants to advise the County. Due to the complexity of the FORA transition matters and need to resolve these matters by or before June 30, 2020, staff also recommends that the Board authorize the CAO or his designee to execute individual agreements not to exceed a cumulative amount of \$100,000, and which may include non-standard insurance or indemnification provisions with the approval of the County Counsel-Risk Manager.

OTHER AGENCY INVOLVEMENT:

Supervisors Parker and Phillips serve on the County Board of Supervisors' Fort Ord Committee. Supervisors Adams, Parker, and Phillips serve on the FORA Board, and Supervisor Phillips serves as Chair of the FORA Legislative Committee. RMA represents the County on the FORA Administrative Committee, which is considering the bond issuance and FORA transition matters. The County Administrative Office, the Office of the County Counsel, and Resource Management Agency are part of the County's FORA transition team.

The Fort Ord Committee supported staff's recommendation that the Board of Supervisors provide funding to the CAO for as-needed management specialists and/or consulting services to advise the County regarding FORA transition matters. The Budget Committee Chair has been advised of this item and the desire to secure consulting services as soon as possible to advise the County on FORA's transition. The Budget Committee Chair approved bypassing the Budget Committee.

FINANCING:

On October 8, 2019, the Board authorized \$25,000, and on October 22, 2019, the Board authorized an additional \$25,000, funded by General Fund Contingencies, to be used for financial analysis and to retain specialized bond counsel, respectively, to advise the County regarding FORA's proposed bond issuance to fund building removal on former Fort Ord lands.

The Resource Management Agency (RMA) is recommending that the Board authorize an additional \$100,000 to be used for outside consultants and experts as needed regarding FORA transition matters. This request would require a Fiscal Year (FY) 2019-20 budget modification to increase the General Fund, Fund 001, Intergovernmental and Legislative Affairs Appropriation Unit CAO004, by \$100,000, financed by a decrease in General Fund, Fund 001, Contingencies Appropriation Unit CAO020, of \$100,000. The current Contingencies balance is \$3,236,044. Expenditures for Management Specialists and/or consulting services will not exceed \$100,000 in FY 2019-20, and at the end of this fiscal year, CAO-IGLA will work with CAO-Budget to true up actual expenditures so

that any unspent funds remain in General Fund Contingencies. Alternatively, if the Board prefers, it could increase appropriations by \$100,000 financed from the Cannabis Assignment funds. The Current Cannabis balance is \$27,792,652.

The funds being requested today are in addition to the \$50,000 previously approved by the Board. If approved, the County's total contribution toward FORA's transition matters which include the proposed bond issuance will be \$150,000.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Ensuring a smooth transition after FORA's dissolution supports the Board's 2015 Strategic Initiative for Economic Development by continuing to bolster and facilitate the redevelopment of the former Fort Ord area and economic recovery to the region for the base closure. It is also important that the County prepare for potential impacts resulting from this transition.

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

Prepared by: Melanie Beretti, Property Administration/Special Programs Manager (831) 755-5285

Approved by: Shawne Ellerbee, RMA Deputy Director of Administrative Services

Approved by: Carl P. Holm, AICP, RMA Director

Attachments

Attachment A-Draft Resolution

Attachment B-12/13/19 Fort Ord Committee FORA Transition Report

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