

# County of Monterey Board of Supervisors' Budget Hearings



County Administrative Office

June 4-5, 2018

# Budget Hearings Format

- Chair opens public hearing to consider the FY 2018-19 Recommended Budget
- County Administrative Officer Opening Comments
- Report of the Budget Committee and comments by Board members
- Overview of the FY 2018-19 Recommended Budget – Administrative Office
- Public Comment on the Recommended Budget
- Board considers Recommended Budget by department
- Board discussion and direction to staff
- CAO summary of Board direction for incorporation into Adopted Budget
- Human Resources Department report on budget-related actions
- Close of FY 2018-19 Budget Hearings

# Current Fiscal Environment

- Annual surpluses were prudently reserved to address aging infrastructure and improve financial security.
  - Building a new Juvenile Hall
  - Expanding the Jail
  - Purchased & renovated the Schilling Place Complex
  - Renovating the East and West Wing buildings
  - Completed jail security capital improvements
- Disasters struck in 2016 and 2017 with the Soberanes Fire and winter storms causing over \$50 million in repair costs.
- \$30.9 million in strategic reserve funds were accessed to fund disaster repairs, required jail security improvements, and extraordinary legal costs.

# Budget Outlook

- Forecasted budget deficit for continuing current staffing & services:
  - \$36.2 million in FY 2018-19
  - \$44.4 million in FY 2019-20
  - \$53.8 million in FY 2020-21
- Key fiscal pressures include:
  - Negotiated wage increases
  - Sharply rising employee benefit costs
  - Rising insurance program financing requirements
  - Responsive community investments
  - Loss of program revenue, especially in health programs
- Forecasted deficits don't include unfunded storm repairs or jail expansion staffing.

# Recommended Budget for FY 2018-19

- Totals \$1.5 billion and 5,171 full-time positions, an increase of \$14.4 million and reduction of 145 positions from the current year adopted budget.
- Uses \$54.3 million (\$14.9 million general fund) in fund balance, \$13.8 million less than the current year adopted budget, for capital projects and other planned one-time uses.
- Provides discretionary contributions to other agencies and funds in conformance with current County policy.
- Appropriates \$6.3 million (1% of estimated revenue) for operational contingencies in accordance with County policy.
- Does not include cannabis program staffing other than what has already been authorized.

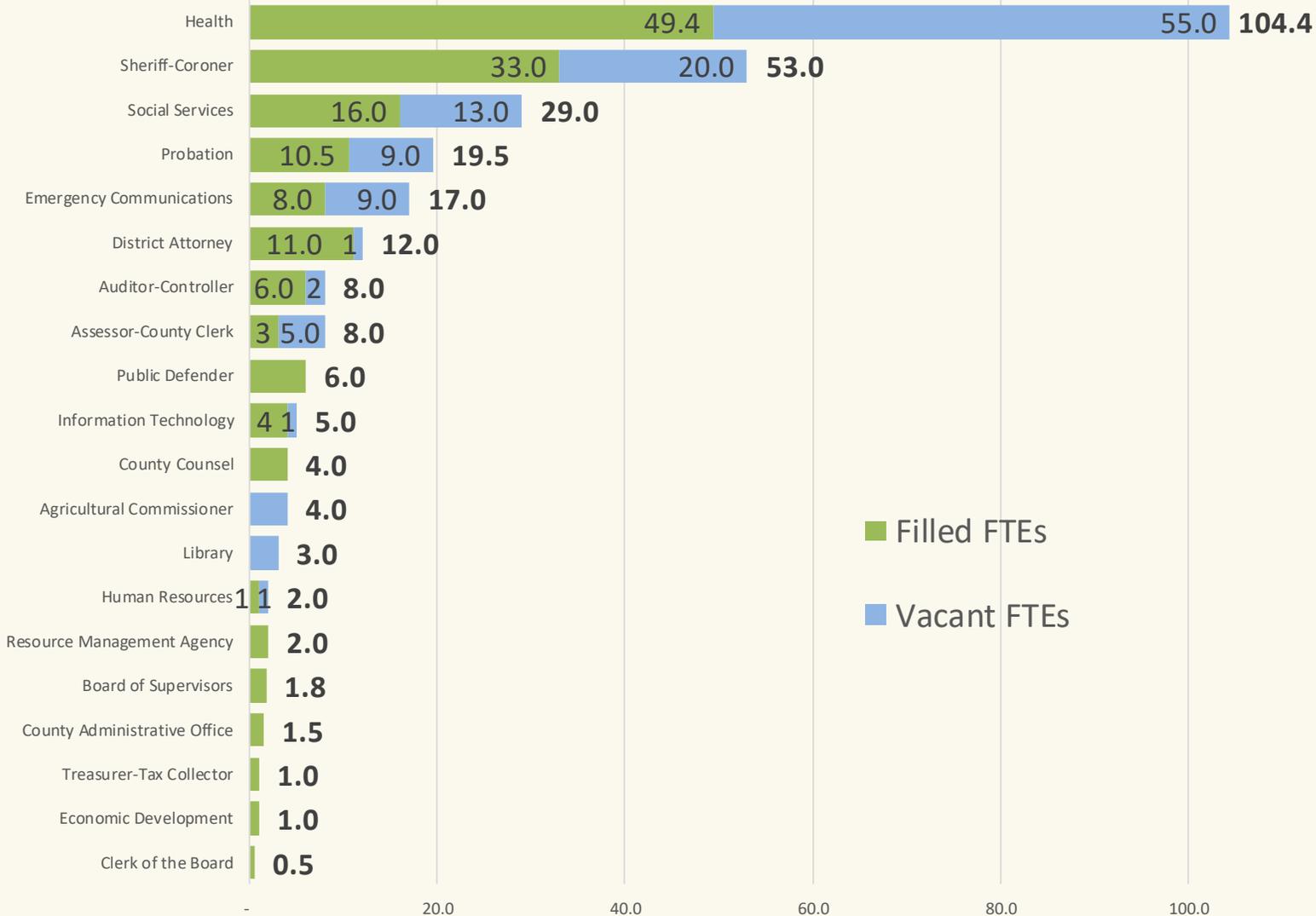
# Fiscal Pressures Reducing Operating Capacity

- FY 2018-19 is the third & final year of most labor agreements which added an estimated \$21.6 million in cost to the general fund, including \$9.6 million next fiscal year.
- Annual general fund pension costs grew \$13.4 million from three years ago and are estimated to double (from \$44.9 million to \$90.0 million) over the next seven years, including growth of \$7 million next fiscal year.
- County-paid health insurance premiums grew \$21.4 million over the last three fiscal years.
- The County added \$2.9 million in annual debt service to finance renovation of the East-West Wing and Schilling Place complex.
- Recommended Budget includes \$524,090 for general assistance grant enhancements.

# Revenues Are Not Keeping Up with Costs

- Discretionary general fund revenue grows an estimated \$5.9 million next fiscal year, primarily driven by higher property tax assessments.
- Over the last five years, discretionary revenue grew \$27.2 million (15%), much slower than the \$157.2 million (31%) growth in expenditures.
- Many departments leverage federal and state monies or generate their own revenue to supplement County discretionary monies.
- However, some departments are now experiencing deteriorating revenue streams.
- The Health Department has seen a \$5.9 million redirection of AB 85 realignment monies and transfer of children's medical programs to the State.

# “Baseline” Budget Impacts



- The County’s fiscal pressures equate to reduced operational capacity next fiscal year.
- Due to escalating costs and lagging revenue, departments initially identified funding gaps to continue 291 positions, including 167 filled and 124 vacant, unless increased funding is provided.
- Departments with the largest staffing-related funding gaps include Health, Sheriff’s Office, Social Services & Probation.

# Requested Augmentations

Augmentation Request Type	Increase Requested (in Millions)
Retain 149 filled positions	\$14.7
Continue 65 vacancies	\$5.0
Maintain current “non-personnel” operations	\$5.9
Add 93 new staff (cannabis, jail expansion, etc.)	\$9.8
Capital improvements	\$7.3
New or expanded services	\$4.9
Contributions to other funds (e.g., storm repairs)	<u>\$25.7</u>
Total	\$73.3

- Departments submitted \$73.3 million in requests for increased funding to mitigate fiscal pressures and retain current staffing & operating levels.
- In some cases, departments did not request keeping all impacted filled or vacant positions where there was ongoing loss of State funding.
- In other cases, staff requested funding for program expansion, such as staffing for cannabis oversight and personnel to operate the jail post-expansion.

# Solutions

- Recommended Budget uses \$5.4 million in one-time cannabis monies towards next year's contingencies appropriation, freeing up discretionary monies for staffing-related augmentations for vital public safety programs.
- Reduced “non-recoverable” general liability program charges (estimated settlement costs) to departments by 50%, thereby disencumbering \$2.4 million to fund staffing-related augmentations.
- Utilizes the \$2.3 million remaining in “unassigned” fund balance to support one-time needs.
- Makes \$1.7 million in additional reductions (beyond “baseline” amounts) to “non-mandated” services to fund at-risk core public safety staffing.
- Departments identified one-time funding sources or areas of budgetary flexibility to soften impacts.

# Recommended Augmentations

Department	Department Requested:		CAO Recommended:				
	FTEs	GFC	GFC	Restore Filled	Restore Vacancies	New Positions	Total Positions
Agricultural Commissioner	2.0	\$ 671,647	\$ -	-	-	-	-
Assessor-County Clerk-Recorder	9.0	838,022	635,409	3.0	4.0	-	<b>7.0</b>
Auditor-Controller	19.0	2,530,355	866,832	6.0	-	-	<b>6.0</b>
Board of Supervisors	1.8	208,679	196,179	1.8	-	-	<b>1.8</b>
Civil Rights Office	-	75,000	-	-	-	-	-
Clerk of the Board	0.5	75,939	-	-	-	-	-
Cooperative Extension	2.0	152,825	-	-	-	-	-
County Administrative Office	2.5	284,891	-	-	-	-	-
County Counsel	6.0	1,066,221	468,230	3.0	-	-	<b>3.0</b>
District Attorney	13.0	1,898,721	656,410	7.0	3.0	-	<b>10.0</b>
Economic Development	1.0	208,785	147,506	1.0	-	-	<b>1.0</b>
Emergency Communications	17.0	885,347	581,890	9.0	8.0	-	<b>17.0</b>
Health	72.3	5,959,862	724,717	6.0	-	3.1	<b>9.1</b>
Human Resources	15.0	2,825,165	-	-	-	-	-
Information Technology	-	4,525,000	-	-	-	-	-
Library	-	300,000	-	-	-	-	-
Probation	19.5	3,064,033	1,207,571	10.5	7.0	-	<b>17.5</b>
Public Defender	11.0	1,983,157	624,998	6.0	-	1.0	<b>7.0</b>
Resource Management Agency	13.0	31,246,161	1,040,192	-	-	-	-
Sheriff-Coroner	85.0	9,352,197	3,648,804	29.0	10.0	-	<b>39.0</b>
Social Services	17.0	4,070,011	524,090	-	-	-	-
Treasurer-Tax Collector	1.0	153,983	-	-	-	-	-
Water Resources Agency	-	891,794	-	-	-	-	-
<b>Totals</b>	<b>307.6</b>	<b>\$ 73,267,795</b>	<b>\$ 11,322,828</b>	<b>82.3</b>	<b>32.0</b>	<b>4.1</b>	<b>118.4</b>

# Assumptions Guiding Budget Development

- Cannabis revenue remains uncommitted in the Recommended Budget as it has followed a special allocation process led by the CAO – Intergovernmental & Legislative Affairs Division
- In conformance with current County policy:
  - Assumes \$6.3 million (1% of GF revenue) budgeted for contingencies according to current policy
  - Assumes \$1.9 million in discretionary TOT is contributed to agencies that promote tourism
  - Assumes \$5.3 million (25% of TOT) is contributed to the Road Fund
  - Assumes \$3.0 million in discretionary Proposition 172 funding is contributed to fire agencies
  - Assumes \$1.6 million in discretionary Proposition 172 funding is shared with 9-1-1 user agencies

# Recommended Augmentations

Department	Augmentations
<b>Sheriff's Office</b>	<b>\$3.6 million</b> to protect current service levels in patrol and at the jail by funding 29 at-risk filled safety positions and 10 vacant positions (sworn officer and custody control specialists).
<b>Probation</b>	<b>\$1.2 million</b> to fund 10.5 filled positions assigned to the Silver Star Youth Program at Rancho Cielo.
<b>Health</b>	<b>\$724,717</b> to protect 6 at-risk filled positions in the Public Guardian and 2 temporary employees in the Sexual Assault Response Team (SART).
<b>District Attorney</b>	<b>\$656,410</b> to support 7 at-risk filled positions and 3 critical vacant attorneys.
<b>Public Defender</b>	<b>\$624,998</b> to restore funding for 6 at-risk filled positions and a new legal secretary funded by AB 109 funds.
<b>Auditor-Controller</b>	<b>\$866,832</b> to restore four filled ERP Business Analysts and two filled payroll positions.

# Recommended Augmentations

Department	Augmentations
<b>Assessor-County Clerk-Recorder</b>	<b>\$635,409</b> to preserve discretionary revenue-generating capabilities for the County by funding 3 filled and 2 vacant appraiser positions, a vacant map technician, and vacant transfer clerk.
<b>Emergency Communications</b>	<b>\$581,890</b> to retain 9 filled and 8 vacant positions, primarily communications dispatchers.
<b>Social Services</b>	<b>\$524,090</b> to cover increased general assistance grants.
<b>RMA</b>	<b>Various augmentations to the Road Fund fully-funded with SB 1 and Measure X revenue</b> , including funding for a new Project Manager, Chip Seal Program, clearing vegetation growth along roadways, annual street sweeping, and for maintenance work along flood prone areas.
<b>Various</b>	<b>\$1.0 million to cover operations, maintenance, and utility costs</b> at the Schilling Place Complex.
<b>Various</b>	<b>\$811,915</b> to restore 6 filled mission-critical positions across other departments.

# FY 2018-19 Staffing Levels

Department	2017-18	2018-19	
	Adopted	Recommended	Change
Natividad Medical Center	1,218.1	1,254.7	36.6
Health	1,122.8	1,026.0	(96.8)
Social Services	882.0	875.0	(7.0)
Sheriff-Coroner	458.0	444.0	(14.0)
Probation	290.0	288.0	(2.0)
Resource Management Agency	283.5	280.5	(3.0)
District Attorney	151.0	150.0	(1.0)
Child Support Services	96.0	96.0	-
IT	101.0	100.0	(1.0)
Agr Comm	87.0	83.0	(4.0)
Emer Comm	75.0	75.0	-
Library	68.0	65.0	(3.0)
Assessor	67.0	66.0	(1.0)
CAO	89.0	85.2	(3.8)
Public Defender	52.5	55.5	3.0
Treas-Tax Collector	49.0	48.0	(1.0)
Econ Develop	37.0	6.0	(31.0)
Auditor-Controller	56.0	43.0	(13.0)
County Counsel	54.0	53.0	(1.0)
Human Resources	35.0	31.0	(4.0)
Board of Supervisors	20.0	20.0	-
Clerk of the Board	5.0	4.5	(0.5)
Cooperative Extension Service	3.0	3.0	-
Civil Rights Office	5.0	7.0	2.0
Elections	12.0	12.0	-
<b>Total</b>	<b>5,316.9</b>	<b>5,171.4</b>	<b>(145.5)</b>

- The table at left displays next year's staffing levels compared to the current year budget.
- After accounting for recommended augmentations, there is a loss of 145.5 positions next fiscal year.
- Many departments continue to experience annual reductions in workforce (mostly through attrition) and service capacity as costs outpace revenue.
- 17 departments expect staffing reductions in FY 2018-19.

# Unfunded Needs: 83 Filled Positions\*

Department	Unfunded Need(s)
<b>Health</b>	<b>Loss of 43 filled positions</b> in public health programs, children’s medical services, and animal services.
<b>Social Services</b>	<b>Loss of 15 filled positions</b> primarily in family, children services, and adult protective services programs and the Office for Employment Training (OET).
<b>Econ Development</b>	<b>Loss of 3 filled positions.</b>
<b>ITD</b>	<b>Loss of 5 positions</b> due to declining workload from move to “cloud” environment.
<b>CAO</b>	<b>Loss of 3 positions</b> including an assistant county administrative officer, an analyst supporting legislative advocacy, and a Buyer (“ERP Backfill” position).
<b>Sheriff’s Office</b>	<b>Loss of two positions</b> (corrections specialist & vehicle abatement officer).
<b>Various</b>	<b>Loss of 11.5 filled positions</b> across 6 departments, including 4 ERP analysts & chief deputy (internal audits) in the Auditor-Controller, an analyst in County Counsel, reduced time base for an analyst in Clerk of the Board, 3 positions in HR, a secretary in RMA, and a management analyst in Treasurer-Tax Collector.

\* As of April 20, 2018. Actual number of impacted filled positions is declining as impacted employees are placed into emerging vacancies.

# Unfunded Needs: 101 Vacancies Expire

Department	Unfunded Need(s)
<b>Health</b>	<b>Loss of 56 vacancies</b> in public health & animal services programs (vacancies were also eliminated for children’s medical programs that will be managed by the State).
<b>Social Services</b>	<b>Loss of 14 positions</b> primarily due to reductions in caseloads and funding for community benefits and employment training.
<b>Sheriff’s Office</b>	<b>Loss of 12 vacancies</b> including seven “non-sworn” professional positions and five safety positions (two bailiffs for the court, two sergeants, and a chief deputy sheriff to oversee the corrections division).
<b>Various</b>	<b>Loss of 19 vacancies across 9 departments</b> including a division manager and accountant in ITD, 3 positions in the Auditor-Controller’s Office, an appraiser position in the Assessor-Clerk-Recorder’s Office, a risk & benefits analyst in HR, the performance measurement analyst in the CAO, 4 positions in the Agricultural Commissioner, a probation aide and office assistant in Probation, an investigator and legal secretary in the District Attorney, and three Library positions.

# Unfunded Needs: Community Programs

Department	Unfunded Need(s)
<b>Social Services</b>	<b>\$1.3 million to continue homeless services</b> including an emergency women's shelter, the winter warming shelter, youth shelter, 2019 Monterey County Homeless Census, match funds for homeless operations of Franciscan Workers of Junipero Serra and the Coalition of Homeless Service providers, and other homeless services including the safe parking initiative.
<b>Social Services</b>	<b>\$223,500 for the Family to Family Program</b> funded entirely by County monies to do outreach for caregivers for youth in foster care.
<b>Social Services</b>	<b>\$540,158 contract to continue Pathways to Safety Program</b> , a local effort to help parents overcome challenges that lead to reports of child abuse.
<b>Social Services</b>	<b>\$1.3 million for various other needs</b> including 7.0 social workers on the children's emergency response team, 4.0 social workers in adult protective services, an office assistant supporting the MVAO, sponsorship of a three-day for homeless veterans, restoration of 3.0 staff in the WIOA Program, and a personnel analyst.

# Unfunded Needs: Infrastructure

Department	Unfunded Need(s)
RMA	<b>\$3.6 million for capital projects</b> , including replacement of tide gates at the Carneros Creek culvert (Elkhorn Rd), Carmel River & Lagoon conservation projects, contractual services for the Salinas Valley Groundwater Basin Study, general plan implementation, Local Coastal Program, and request for a revolving fund for nuisance abatement.
ITD	<b>\$1.0 million to replace microwave “backhaul”</b> with existing public safety communications to support future upgrades.
ITD	<b>\$1.0 million to retrofit existing radio towers</b> to meet seismic standards.
ITD	<b>\$1.8 million to continue updating County systems</b> including conversion to wireless networks, upgrade of network equipment to improve reliability, deploying video conferencing technology, and upgrading County phone system.
ITD	<b>\$400,000 to upgrade network equipment</b> at external sites to improve reliability.
	<b>\$675,000 to refurbish IT building</b> to provide healthy work environment & attract talent.

# Unfunded Needs: 75 New Positions

Department	Unfunded Need(s)
Sheriff's Office	<b>32 requested new staff</b> , including 21 to operate the expanded jail and 11 for cannabis program enforcement.
HR	<b>9 new staff</b> to support increased workload to support re-centralization.
Auditor-Controller	<b>7 new staff</b> for internal audits.
Public Defender	<b>4 new staff.</b>
Various	<b>Various new staff for support of the cannabis program.</b>

# Other Unfunded Needs

Department	Unfunded Need(s)
Library	<b>\$300,000</b> for the <b>Library</b> to maintain book purchases.
WRA	<b>\$891,794</b> for the <b>interlake tunnel project</b> (represents the final portion of the original \$3 million in reimbursement authority).
HR	<b>\$882,400</b> for first year costs to replace the Learning and Management training system and for a countywide class and compensation study.
Emergency Communications	<b>\$303,457</b> to keep “status quo” funding for contractual services and supplies.
Agricultural Commissioner	<b>\$534,497</b> to support maintenance of effort funding.

# Summaries of Unfunded Needs for Departments on Consent

# Civil Right's Office – Unfunded Needs

- The Office requests \$40,000 to continue contract for on-line *Prevention of Harassment and Discrimination Training* mandated by the State
- The on-line training supplements existing live training provided by the Civil Rights Office
- Many employees prefers on-line training, which can be taken at the employees' own pace without having to travel to an off-site facility
- This allows greater training reach, prevents/reduces legal liability, and helps deliver training in a more cost-efficient manner

# Emergency Communications – Unfunded Needs

- Recommended Budget includes augmentation of \$581,890 to retain 17 positions.
- The Department also requested \$303,457 (County's share) to maintain current levels of services & supplies, however this was not included in the Recommended Budget due to countywide funding constraints.
- Emergency Communications has since identified efficiencies and proposes deleting a filled Administrative Services Assistant position to help defray costs. Duties for this position have been reassigned to other staff.
- The revised requested augmentation is \$185,150 (County share).
- The County covers approximately 30% of departmental costs, with the remaining 70% supported by user agencies.

# Economic Development – Unfunded Needs

- In October 2017, 28 staff in the Office of Employment Training were transferred from the Economic Development Department (EDD) to the Department of Social Services.
- This action reduced the EDD's workforce from 37 to 9.
- The Recommended Budget consolidates the remaining economic development function into the County Administrative Office to achieve economies of scale and budget savings for redirection to protect at-risk core County services.
- The Department requests an augmentation of \$465,807 to restore three positions deleted in the Recommended Budget and preserve its current organizational structure.

# County Administrative Office – Unfunded Needs

- Management Analyst III (\$147,507) to continue staff support for *Managing for Results*, strategic initiatives, external defibrillator program, annual leadership retreat, and special projects such as the County policy manual and core mandates web application.
- Management Analyst III (\$147,507) to continue staff support for the Legislative Committee, County legislative program, grant services, and special projects such as San Lucas Drinking Water and the Sustainable Groundwater Management Act workgroup.
- Contracts & Purchasing Buyer (\$89,823) initially authorized as a back-fill for the Enterprise Resource Planning (ERP) upgrade and now supporting departmental purchasing.

# Human Resources – Unfunded Needs

## Challenges:

- Learning & Organizational Development would be temporarily suspended (training, new employee orientations, succession planning, and employee engagement)
- Decreased service delivery for internal and external customers
- Limit ability to standardizing HR policies, practices & systems and potentially leading to labor issues
- Single point of critical failure in Employee Relations (current incumbent possesses institutional knowledge and experience , no successor in place to transfer expertise)

## Needs:

- Management Analyst II (Training Developer) – \$120,434
- Reallocate the position of Supervising Personnel Analyst to an HR Program Manager to manage Recruitment & Exam, Classification & Compensation Division - \$15,000
- Associate Personnel Analyst to provide analytical support to Employee Relations - \$142,598
- Administrative Services Assistant supporting Learning and Organizational Development - \$112,383

# Potential Areas of Budgetary Flexibility

- Cannabis revenue has been excluded as a source of discretionary revenue in the Recommended Budget as it has followed a special allocation process led by the CAO – IGLA.
  - \$3.1 million collected last fiscal year and placed in reserve
  - \$9.3 million received YTD in FY 2017-18
  - \$682,061 has been committed in the current year
  - Another \$5.4 million is applied towards next year’s contingencies appropriation
  - Leaves an estimated balance of \$6.2 million in uncommitted existing cannabis monies
  - Next year’s revenue estimated at \$4.3 million
- The appropriation for contingencies is \$6.3 million.
  - These one-time monies are the primary means of meeting unplanned needs next fiscal year
- Departments in some cases present additional solutions for consideration during Budget Hearings.
- The Board can direct staff to reduce existing funding to County programs or contributions to other agencies for redirection to fund other needs.

# Cannabis Program – CAO, IGLA Presentation



Department, Division	Job Classification	FTE	Cost	FTE Change	Proposed
County Administrative Office	Program Manager II	1.0	\$162,085**	1.0	\$162,085
Auditor/Controller	Analyst I – General Accounting	1.0	\$128,945	0.5	\$64,473
Assessor	Appraiser II	1.0	\$128,945	1.0	\$128,945
Agricultural Commissioner	Inspector/Biologist	1.0	\$141,517	1.0	\$141,517
County Counsel	Deputy County Counsel IV	1.0	\$223,553	1.0	\$223,553
District Attorney	District Attorney Investigator III - Civil	1.0	\$262,838	1.0	\$262,838
Health Department					
Environmental Health	Environmental Health Specialist IV	1.0	\$155,614	1.0	\$155,614
	Lab Analysis		\$50,000		\$50,000
Public Health	Chronic Disease Prevention Coordinator	1.0	\$128,715	1.0	\$128,715
	Chronic Disease Prevention Specialist II	1.0	\$122,339	1.0	\$122,339
	Public Awareness/Community Based		\$172,355	-\$100,000	\$72,355
	Management Analyst II	1.0	\$142,598	1.0	\$142,598
	Surveillance/Community Design	1.0	\$91,331	-\$50,000	\$41,331
	Chronic Disease Prevention Coordinator	2.0	\$257,430	2.0	\$257,430
	Youth Prevention/Intervention		\$94,722	-\$50,000	\$44,722
Sheriff	Deputy Sheriff	2.0	\$433,406	2.0	\$433,406
	2 Vehicles including equipment		\$62,836		\$62,836
	Overtime for Enforcement		\$200,000		\$200,000
Resource Management Agency	Code Compliance Inspector II	1.0	\$148,124**	1.0	\$148,124
Treasurer/Tax Collector	Management Analyst III	0.66	\$102,483**	0.66	\$102,483
	Accountant III	0.66	\$95,852**	0.66	\$95,852
	Accounting Technician	0.66	\$63,586**	0.66	\$63,586
	IT, Clerical Executive Oversight, Overhead		\$122,685**	-\$25,000	\$97,685
	Cannabis JPA		\$50,000		\$50,000
<b>TOTAL</b>		16.98	\$3,541,959	16.48	\$3,252,486

# Cannabis Program – CAO, IGLA Presentation

Business Type	Tax Rate	Estimated sq. ft.	Estimated Revenue
Mixed Light (Greenhouse)	\$5/sq. ft.	775,000	\$3,875,000
Indoor	\$8/sq. ft.	48,000	\$ 384,000
Total			\$4,259,000

# Next Steps

- Unfunded needs based on information provided in April and subject to change as departments find internal solutions and new vacancies allow for in-placement.
- Human Resources will request authorization to initiate the *Support for Employment and Educational Knowledge (SEEK) Program* to assist County employees in finding placement opportunities.
- The hiring freeze implemented on April 10th preserves vacancies to assist with in-placement efforts.
- During the Budget Hearings, the Board may make additions, deletions or modifications to the recommended spending plan.
- Understanding the Recommended Budget is balanced, increases should be accompanied by corresponding reductions to adapt to our changing fiscal environment and avoiding compounding impacts in subsequent budget cycles.

# Recommendations

It is recommended that the Board of Supervisors:

1. Hold a Public Hearing on June 4, 2018 at 9:00 a.m. to adopt the Fiscal Year (FY) 2018-19 Appropriation Limits pursuant to Article XIII B of the California State Constitution.
2. Commence Budget Hearings with the County Administrative Office summary presentation of the FY 2018-19 Recommended Budget on June 4, 2018 at 9:00 a.m. and continue Budget Hearings on June 5, 2018 beginning at 9:00 a.m. if necessary.
3. Authorize and direct the County Administrative Office to prepare the FY 2018-19 Adopted Budget Resolution reflecting changes made by the Board during budget hearings, to make any changes in budget units to reflect any position and/or account adjustments approved by the Board during or prior to budget hearings.
4. Authorize and direct the County Administrative Office to make adjustments if needed to position counts, appropriations, revenues, fund balances, etc. to correct clerical errors.

# Recommendations

It is recommended that the Board of Supervisors:

5. Direct the Auditor-Controller Office to transfer all Economic Development budget units and funds to the County Administrative Office.
6. Authorize and direct the County Administrative Office to modify the Budget to correct any errors in the Countywide Cost Allocation Plan which do not accurately reflect appropriate charges/cost between all funds.
7. Authorize the County Administrative Office, in the event that any unbudgeted/unassigned fund balance is available at year-end FY 2017-18, to allocate in the following order of priority:
  - a. For the General Fund Contingency Assignment (3113) to help cover unanticipated events or emergencies as prescribed in the County General Financial Policy.
  - b. For support of the Strategic Reserve (3111), not to exceed established Board policy of 10% of estimated FY 2018-19 General Fund revenues (excluding NMC Strategic Reserve) as prescribed in the County of Monterey General Financial Policy.

# Recommendations

It is recommended that the Board of Supervisors:

8. Authorize the County Administrative Office to transfer or release to/from assignments associated with the following self-funded programs in the event they require additional funds or have excess funds at the end of FY 2017-18:
  - a. Vehicle Replacement Assignment (3116).
  - b. Laguna Seca Track Assignment (3129).
  - c. Information Technology Charges Mitigation Assignment (3124).
9. Authorize the County Administrative Office to adjust the FY 2018-19 Adopted Budgets for the other funds under the authority of the Board of Supervisors to reflect the FY 2017-18 year-end final available fund balance.

# Recommendations

It is recommended that the Board of Supervisors:

10. Consider approval and adoption of the Resource Management Agency-Public Works Annual Work Program for the Road Fund for Fiscal Year 2018-19. California Code of Regulations Section 994 - Road Construction & Maintenance Activity, and Streets & Highways Code Division 3, Chapter 1, Section 2007 require that a Road Fund budget be submitted to the Board of Supervisors at the same time as other County departments submit their recommended budgets. The RMA - Public Works Annual Work Program outlines planned expenditures within the recommended Work Program (Road Fund) budget by project and activity. It details anticipated administrative, engineering, and reimbursable expenditures along with planned capital project expenses and maintenance activities.

# Discussion