



Board Report

File #: BC 24-077, **Version:** 1

Support the request to:

- a. Amend the Health Department's Fiscal Year (FY) 2023-24 Adopted Budget to increase appropriations and estimated revenue by \$5,296,601 and for FY 2024-25 Requested Budget to increase appropriations and revenue by \$5,600,591 for the Hitchcock Road Animal Services Joint Powers Agreement (JPA) (183-4000-8601-HEA001) to transition financial activity to a new unit; and
- b. Authorize and direct the Auditor-Controller, and the County Administrative Office to incorporate the appropriations and revenue changes in the FY 2023-24 and FY 2024-25 Health Department's Animal Services JPA Adopted Budget (183-4000-8601-HEA001); and
- c. Authorize the Auditor-Controller and the County Administrative Office to post the necessary budget adjustments and accounting entries, including operating transfers to establish proper accounting and financial reporting mechanism for the Hitchcock Road Animal Services JPA during FY2023-24 and FY2024-25, as appropriate.

RECOMMENDATION:

It is recommended that the Budget Committee support the request to:

- a. Amend the Health Department's Fiscal Year (FY) 2023-24 Adopted Budget to increase appropriations and estimated revenue by \$5,296,601 and for FY 2024-25 Requested Budget to increase appropriations and revenue by \$5,600,591 for the Hitchcock Road Animal Services Joint Powers Agreement (JPA) (183-4000-8601-HEA001) to transition financial activity to a new unit; and
- b. Authorize and direct the Auditor-Controller, and the County Administrative Office to incorporate the appropriations and revenue changes in the FY 2023-24 and FY 2024-25 Health Department's Animal Services JPA Adopted Budget (183-4000-8601-HEA001); and
- c. Authorize the Auditor-Controller and the County Administrative Office to post the necessary budget adjustments and accounting entries, including operating transfers to establish proper accounting and financial reporting mechanism for the Hitchcock Road Animal Services JPA during FY2023-24 and FY2024-25, as appropriate.

SUMMARY/DISCUSSION:

After several years of working towards a consolidated operation for animal services, a JPA was signed on January of 2023, between County of Monterey (County) and City of Salinas (City), with the County of Monterey as the lead agency. The creation of the JPA necessitated a new accounting structure to meet the requirements for reporting of its financial activity. Accordingly, a new unit was established, and in order to transfer the costs incurred year-to-date, and the revenue, it is necessary to increase appropriations and revenue for the new unit.

The County and the City collaborated for several years to develop a consolidated operation for animal services. Their efforts culminated with the creation of the Hitchcock Road Animal Services JPA in January of 2023. As the JPA is a standalone agency, it is required to submit financial reports to the state annually. To meet the reporting requirements, it was necessary to create a new budget unit where the JPA's financial activity can be tracked and audited separately from the General Fund. Staffing will remain under General Fund and costs will be reimbursed by Fund 183 via interfund reimbursement. The new budget unit has been created, and the year-to-date financial activity must now be transferred; however, the new unit lacks appropriations. The requested

action will establish the necessary budget capacity to accommodate the JPA's activities.

This recommended action supports the Monterey County Health Department 2018-2024 Strategic Plan Goals: 3) Ensure access to culturally and linguistically appropriate, customer-friendly, quality health services; and 4) Engage Monterey County Health Department workforce and improve operational functions to meet current and developing population health needs.

OTHER AGENCY INVOLVEMENT:

The County of Monterey Administrative Office has reviewed and approved the requested increases in appropriations and revenue. The County of Monterey Auditor-Controller's Office has reviewed and concur with proposed changes.

FINANCING:

There will be no impact to the General Fund from approval of this action. The Animal Services FY 2023-24 Adopted Budget will remain the same, except it will be tracked in the new unit, 8601. Prospectively, the budget for the JPA will be developed and tracked in unit 8601.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Check the related Board of Supervisors Strategic Initiatives:

Economic Development:

- Through collaboration, strengthen economic development to ensure a diversified and healthy economy.

Administration:

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

Health & Human Services:

- Improve health and quality of life through County supported policies, programs, and services; promoting access to equitable opportunities for healthy choices and healthy environments in collaboration with communities.

Infrastructure:

- Plan and develop a sustainable, physical infrastructure that improves the quality of life for County residents and supports economic development results.

Public Safety:

- Create a safe environment for people to achieve their potential, leading businesses, and communities to thrive and grow by reducing violent crimes as well as crimes in general.

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Approved by:

Date

Elsa Mendoza Jimenez, Director of Health Services, 755-4526

Attachments:
Staff Report