



County of Monterey

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

Board Report

File #: 12-505, **Version:** 1

- a. Authorize the Auditor-Controller to increase appropriations in the amount of \$327,452 and estimated revenues in the amount of \$327,400 in the Resource Management Agency Special Appropriation Unit 001-3000 -RMA006-8182 Utilities (4/5th vote required); and
- b. Authorize the Auditor Controller's Office to incorporate approved appropriation modifications to the FY 2011-12 Budget (4/5th vote required).

RECOMMENDATIONS:

It is recommended that the Board of Supervisors:

- a. Authorize the Auditor-Controller to increase appropriations in the amount of \$327,452 and estimated revenues in the amount of \$327,400 in the Resource Management Agency Special Appropriation Unit 001-3000 -RMA006-8182 Utilities (4/5th vote required); and
- b. Authorize the Auditor Controller's Office to incorporate approved appropriation modifications to the FY 2011-12 Budget (4/5th vote required).

SUMMARY/DISCUSSION:

The Resource Management Agency (RMA) Special Appropriation Unit 8182 is dedicated for the sole purpose of paying utility bills for the multi use facilities operated under the General Fund. These utilities include natural gas, electricity, water, sewer, fire alarm monitoring, and garbage. Based on current year expenditures through April 2012 and the remaining year projection based on prior year actual expenditure, it is expected the current adopted budget will not be enough to cover the increase in utility costs through the end of the fiscal year. County staff has been successful in implementing cost saving programs and reducing consumption of utilities however, the reduction in consumption has not been able to offset the increases in utility rates that are out of the County's control. While energy conservation measures continue throughout the County these measures only result in avoided costs as overall utility costs to the County continue to increase.

Earlier this year, the County incurred additional utility expenses in the amount of \$62,983.95 due to an outstanding balance on the Pacific Gas & Electric summary account which dated back to 2001. The RMA worked with the County Administrative Office Budget Office and agreed to evaluate any potential budget modification until we were closer to the end of the fiscal year.

At this time, the utility expenditures are projected to be \$327,452 higher than budget. The increase in utility costs also corresponds in an increase in the amount the County is reimbursed by the Administrative Office of the Courts for their negotiated percentage of utility costs for King City, Monterey, and the Salinas North Wing Courthouses. The projected revenue from these reimbursements is estimated to be \$152,069 higher than budget. In addition, there was revenue earned in FY 2010-11 that was not received until FY 2011-12 in the amount of \$175,331 bringing the total increase in revenue to \$327,400. This increase in revenue almost fully offsets the increase in projected expenditures. The remaining shortfall of \$52 will be covered within currently budgeted revenues.

OTHER AGENCY INVOLVEMENT:

None.

FINANCING:

There is no negative impact to the General Fund. The requested action will increase appropriations by \$327,452 and revenues by \$327,400 for the Utilities Unit 8182, RMA006.

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Approved by:

Benny J. Young, RMA Director

Dated: June 8, 2012