



Board Report

File #: RES 23-096, **Version:** 1

- a. Approve and authorize the Auditor-Controller to increase Fiscal Year (FY) 2022-2023 Adopted budget revenues and appropriations in the Agricultural Commissioner's Office Budget (001-2810-AGR001-8001) by \$865,544, financed by Unclaimed Gas Tax, Court fines, and Rent revenues, (4/5ths Vote Required); and
- b. Approve and authorize the transfer of up to \$865,544 from the Agricultural Commissioner's Budget (001-2810-AGR001-8001) to the Capital Projects (404-3200-PFP057-8832) for the Agricultural Commissioner South County Facility Development Project Number 8832 with review and approval from the CAO (4/5ths Vote Required).

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve and authorize the Auditor-Controller to increase Fiscal Year (FY) 2022-2023 Adopted budget revenues and appropriations in the Agricultural Commissioner's Office Budget (001-2810-AGR001-8001) by \$865,544, financed by Unclaimed Gas Tax, Court fines, and Rent revenues, (4/5ths Vote Required); and
- b. Approve and authorize the transfer of up to \$865,544 from the Agricultural Commissioner's Budget (001-2810-AGR001-8001) to the Capital Projects (404-3200-PFP057-8832) for the Agricultural Commissioner South County Facility Development Project Number 8832 with review and approval from the CAO (4/5ths Vote Required).

SUMMARY:

The Agricultural Commissioner realized unanticipated revenue of \$1.3 million in FY 2022-2023. The unanticipated revenue is due to the department achieving Maintenance of Effort requirements for work performed in FY 2021-2022 and an increased unclaimed gas tax (UGT) allocation from the State of California. The department was made aware of the amounts in letters received from the California Dept. of Food and Agriculture (CDFA) and California Dept. of Pesticide Regulation (CDPR) in mid-April 2023, with the overall CDFA UGT allocation to counties having increased \$9.0 million from the previous fiscal year. The department also has unanticipated revenues derived receipt of Superior Court Civil judgments and Rents received. Recommended actions authorize transfer out of up to \$865,544 to capital projects funds expenditures in the current year that otherwise would not be possible for County infrastructure. Support for the Agricultural Commissioner's request utilizes available resources for meeting current department obligations, critical building repairs and other agriculture-related projects that are beneficial to the County and will ensure reimbursement revenue next year in FY 2023-2024 from Unclaimed Gas Tax (UGT). The department will work closely with the County Administrative Office Budget and Analysis Division to review the final transfer amount based on actual revenues and expenditures prior to processing the transaction to ensure that the minimum MOE of \$3.0 million is met for FY 2022-2023. The CAO will review the final reconciliation and transfer amount.

DISCUSSION:

The recommended actions comply with Board guidelines, facilitating capital improvement projects that will provide far-reaching or long-term benefits that might otherwise be delayed or not occur at all. The recommended use of funds benefits the Agricultural Commissioner's maintenance of effort requirement, ensuring the continued receipt of Unclaimed Gas Tax revenue which totaled over \$3.5 million in this fiscal year. This Report requests up to \$865,544 be dedicated to the Agricultural Commissioner Facility Development Projects 8832 if a year-end

reconciliation indicated the transfer is necessary. The fund currently has approximately \$1.6 million from the prior end-of-fiscal-year transfers. Capital Improvement Project (CIP) 8832 addresses the renovation of property purchased by the department located at 1011 Broadway St. in King City. The potential transfer would complete office renovations and allow the department to occupy and operate by early 2024.

OTHER AGENCY INVOLVEMENT:

The Agricultural Commissioner's Office has been working closely with the Department of Public Works Facilities and Parks for renovations to the King City. The CAO's Office has been in consultation regarding this request and will review the final reconciliation and approve the final amount to be transferred. The Board of Supervisors Budget Committee approved this item at the May 24, 2023 meeting.

FINANCING:

The proposed action utilizes available resources in the Agricultural Commissioner's Budget for appropriate State reimbursable expenditures. The FY 2022-2023 General Fund Contribution (GFC) will be used in calculating the County's average five-year contribution to the County's agricultural commissioner services. The five-year average contribution is the basis of the UGT distribution. Failure to expend the funds in the current year will result in a loss of State revenue from UGT in FY 2023-2024. Failure to meet the required Maintenance of Effort will result in requests from the Agricultural Commissioner for increased Net County Contribution in future years.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Mark a check to the related Board of Supervisors Strategic Initiatives

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

Prepared by: Henry Esler, Finance Manager, 759-7381

Approved by:

Date: _____

Juan Hidalgo, Agricultural Commissioner/Sealer of Weights & Measures, 759-7301

Attachment:
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