



County of Monterey

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

Board Report

File #: 14-428, Version: 1

- a. Approve and authorize the transfer of General Fund Contingency funds and an increase in revenue and appropriations of \$1,415,875 to Enterprise Risk, Appropriation Code COU006 for the PTAF settlement.
- b. Approve and authorize the Auditor-Controller to increase appropriations in Enterprise Risk, Appropriation Code COU006 and decrease appropriations in General Fund Contingencies, Appropriation Code CAO020 in the amount of \$1,415,875. (4/5th vote required)

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a) Approve and authorize the transfer of \$1,415,875 from the General Fund Contingencies, Appropriation Code CAO020 to Enterprise Risk, Appropriation Code COU006 to fund the Property Tax Allocation Fees (PTAF) Settlement; and
- b) Approve and authorize the Auditor-Controller to increase appropriations in Enterprise Risk, Appropriation Code COU006 and decrease appropriations in General Fund Contingencies, Appropriation Code CAO020 in the amount of \$1,415,875. (4/5th vote required)

SUMMARY/DISCUSSION:

Twelve cities within Monterey County filed claims against the County seeking damages and interest in excess of \$2.2 million relating to the collection of excess Property Tax Allocation Fees (PTAF). The County settled all claims and paid a total of \$1,397,657 in October 2013 and November 2013.

Given the speed with which the claims were settled, the funding source had not been finalized prior to the need to issue the checks. The Auditor-Controller issued the settlement checks in October and November 2013, with the understanding that the appropriate funding source would be identified and approval sought from the Budget Committee and the Board of Supervisors. In addition, costs for legal services provided by County Counsel totaling \$18,218 were paid by the General Liability Internal Service Fund (ISF).

Enterprise Risk was deemed the appropriate budget unit to capture and pay the costs for this litigation against the County. As such, the Enterprise Risk, Appropriation Code COU006 requires an increase to FY 2013-14 revenue and appropriations of \$1,415,875 for:

Settlement amounts to be reimbursed to Auditor-Controller	\$1,397,657
County Counsel legal services to be reimbursed to General Liability ISF	\$ 18,218
Total:	\$1,415,875

OTHER AGENCY INVOLVEMENT:

County Counsel and Auditor-Controller reviewed this report and concur. Budget Committee support was sought and received on April 30, 2014.

FINANCING:

On April 30, 2014, the Budget Committee supported sourcing the Property Tax Allocation Fees (PTAF) Settlement and the associated cost of County Counsel legal services, totaling \$1,415,875 through the General Fund Operational Contingencies, 001-1050-8034-7811-CAO020 and transfer the funds to Enterprise Risk 001-1210-8429-COU006. The General Fund Operational Contingencies are sourced with one-time funding. Any use of General Fund Operational Contingencies may require reductions in other programs. The FY 2013-14 Adopted Budget for General Fund Operational Contingencies is \$4,794,358. The Board has approved two transfers from the General Fund Contingencies for FY 2013-14. With approval of this requested action to transfer \$1,415,875 from contingencies, the remaining General Fund Operational Contingencies budget would be \$3,155,975.

Prepared by: Nina DeMello, Management Analyst, x. 5685

Date: _____

Approved by: Steve Mauck, Risk Manager, x. 3006

Date: _____