



County of Monterey

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

Board Report

File #: A 15-374, Version: 1

- a. Authorize the Auditor-Controller to amend the FY 2015-2016 Adopted Budget, Fund 404, Appropriation Unit 8142, increasing the appropriation by \$6,462,031 for capital asset purchases and building remodel costs, financed by NMC's Enterprise Fund. (4/5th vote required); and
- b. Authorize the Auditor-Controller to transfer \$20,551,191 for the FY 2015-2016 from Natividad Medical Center, Fund 451, Appropriation Unit 8142, to Natividad Medical Center, Fund 404, Appropriation Unit 8142. (4/5th vote required)

RECOMMENDATION:

It is recommended the Board of Supervisors:

- a. Authorize the Auditor-Controller to amend the FY 2015-2016 Adopted Budget, Fund 404, Appropriation Unit 8142, increasing the appropriation by \$6,462,031 for capital asset purchases and building remodel costs, financed by NMC's Enterprise Fund. (4/5th vote required); and
- b. Authorize the Auditor-Controller to transfer \$20,551,191 for the FY 2015-2016 from Natividad Medical Center, Fund 451, Appropriation Unit 8142, to Natividad Medical Center, Fund 404, Appropriation Unit 8142. (4/5th vote required)

SUMMARY/DISCUSSION:

A. Amend the FY2015-2016 budget to include additional capital asset purchases

Natividad Medical Center is requesting approval for additional projects and equipment purchases for FY2015-16.

The additional capital requests are for the purpose of upgrading equipment for patient care, upgrading information systems and software to meet regulatory and patient standards of care, to enhance our technology to improve delivery of care, to upgrade clinical systems to accommodate increased capacity resulting from new programs, and strategically upgrade the facility's infrastructure by reconfiguring and remodel the current physical plant footprint to better accommodate services. The requested amount is \$6,462,031 for the following: a) Medical Equipment \$1,202,500, b) Information Technology \$1,500,341, c) Patient and General Use Equipment \$100,000 and d) Building Remodel \$3,659,190.

A detail list of equipment and projects is included in Attachment A.

B. Transferring of Funds

Natividad Medical Center is requesting a transfer of funds from Fund 451 Natividad Medical Center to Fund 404 the Facility Master Plan. This transfer would secure and ensure funds availability while meeting the guidance to secure funds to pay for both capital projects and equipment expenditures. The fund will be designated as NMC Strategic Capital Reserve Fund.

The amount requested to be transferred is \$20,551,191. This amount is the balance from approved capital and unspent as of December 31, 2015 of \$14,089,160 plus the requested additional capital purchases of \$6,462,031.

The amounts indicated are as of the preparation date of this report and are subject to change due to the timing required for approval. The final amount to be transferred will be adjusted as of the end of the month immediately following the approval by the Board of Supervisors. The NMC Strategic Capital Reserve Fund will be adjusted on a monthly basis to reflect expenditures accordingly.

OTHER AGENCY INVOLVEMENT:

The Auditor -Controller and the Budget Office have reviewed the requests. This request was reviewed and approved by NMC's Finance Committee on 10/22/15 and NMC's Board of Trustees on 11/6/15.

FINANCING:

Funding will be provided from operations. There is no impact to the General Fund.

Prepared by: Daniel Leon, CFO, 783-2561

Approved by: Gary R. Gray, DO, Chief Executive Officer, 783-2504

Attachments:

Attachment A to Board Report

Attachment on file with the Clerk of the Board