



County of Monterey

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

Board Report

File #: BC 17-019, **Version:** 1

Receive and accept the bi-annual financial report for the Information Technology Department (ITD) for FY 2016-17.

RECOMMENDATION:

It is recommended that the Budget Committee:

Receive and accept the bi-annual financial report for the Information Technology Department (ITD) for FY 2016-17.

SUMMARY:

This report is ITD's bi-annual report of FY 2016-17.

DISCUSSION:

ITD's FY 2016-17 year end estimated General Fund Contribution (GFC) is a surplus of \$678,585. Budgeted GFC was a surplus of \$2,541,679. This reflects an overall reduction of \$1,863,094. Exhibit A is an overview of ITD's FY 2016-17 approved budget, estimated year end totals as currently reflected in the budget system, and the variance between.

Total estimate of Operational Expenditures is \$22,022,825 against a modified budget of \$23,749,009; reflecting an overall expenditure savings of \$1,726,184. Operational Expenditures are comprised of Salaries and Benefits, Services and Supplies, and ITD Capital Improvement Project (CIP) costs. Current Salary and Benefit estimate of \$11,950,227 against a budget of \$14,138,849 reflect a savings of \$2,188,622. This is a result of multiple vacant positions due to retirements and departures. As a result of contract closures, Service and Supply costs are estimated as \$6,067,951 against a budget of \$6,599,539, reflecting a savings of \$531,588. CIP costs are estimated at \$4,004,647 against a budget of \$3,010,621. The anticipated \$994,026 overage is related to prior fiscal year rollover CIP projects and current fiscal year changes necessary to meet customer requirements. Exhibit B reflects the planned CIP expenditure.

Beginning in FY 2016-17, Auditors adjusted the Cost Plan process to now reflect these allocations during the fiscal year. The figures provided to ITD were budgeted to reflect a credit of \$2,497,473, which was to pass through to General Fund Contribution. Adjusted Auditor figures now reflect a charge of \$168,380 representing a change of \$2,665,853. This is the main reason for the change between budgeted and estimated year end GFC. Without this adjustment in allocation, ITD would be reflecting a greater surplus than that of the original budget.

Reimbursement is estimated at \$21,880,387 against a budget of \$23,022,873, reflecting an anticipated shortfall of \$1,142,486. This is a direct correlation to the multiple vacant positions not present for billable work.

Revenue is anticipated at \$989,403, which is \$219,061 over the budgeted \$770,342 and is based upon current customer requests.

Currently, the budget system reflects a surplus GFC of \$678,585. This does not include the transfer of authorized Assignment Fund dollars that have been set aside to cover CIP projects from prior year accruals. Transferring \$994,026 of these funds to cover the CIP overage would then present a surplus GFC of \$1,672,611. Exhibit C reflects current assignment fund availability of \$1,156,569.

OTHER AGENCY INVOLVEMENT:

No other agency involvement.

FINANCING:

ITD estimates ending fiscal year 2016-17 with a surplus of \$678,585.

Prepared by:

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Approved by:

Eric Chatham, Acting Director of Information Technology

Dated: February 8, 2017

Attachments:

Exhibit A: ITD FY 2016-17 Bi-Annual Report

Exhibit B: ITD FY 2016-17 CIP

Exhibit C: Assignment Fund Balance