



## Board Report

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**File #:** RES 19-158, **Version:** 1

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- a. Receive a report on Facilities project needs for FY 2019/20, including funding needs for ongoing projects;
- b. Approve adding selected Facilities projects, totaling \$1,752,167, to the Resource Management Agency FY 2019/20 Work Program;
- c. Adopt a Resolution to Authorize and direct the Auditor-Controller to: 1) Amend the FY 2019/20 Resource Management Agency Adopted Budget, Fund 402, Appropriation Unit RMA014, to increase appropriations by \$1,752,167, where the financing source is Fund 402 Unassigned Funds of \$1,813,122; 2) Amend the FY 2019/20 Resource Management Agency Adopted Budget, Fund 001, Appropriation Unit RMA006, to increase appropriations and revenues by \$667,650, where the financing source is an operating transfer from Fund 402, Appropriation Unit RMA014; 3) Amend the FY 2019/20 Resource Management Agency Adopted Budget, Fund 404, Appropriation Unit RMA015, to increase appropriations and revenues by \$454,000, where the financing source is an operating transfer from Fund 402, Appropriation Unit RMA014; and 4) Transfer \$1,121,650 for FY 2019/20 from Fund 402, Appropriation Unit RMA014, to Fund 001, Appropriation Unit RMA006 (\$667,650) and Fund 404, Appropriation Unit RMA015 (\$454,000) (4/5<sup>th</sup> vote required).

### RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Receive a report on Facilities project needs for FY 2019/20, including funding needs for ongoing projects;
- b. Approve adding selected Facilities projects, totaling \$1,752,167, to the Resource Management Agency FY 2019/20 Work Program;
- c. Adopt a Resolution to Authorize and direct the Auditor-Controller to: 1) Amend the FY 2019/20 Resource Management Agency Adopted Budget, Fund 402, Appropriation Unit RMA014, to increase appropriations by \$1,752,167, where the financing source is Fund 402 Unassigned Funds of \$1,813,122; 2) Amend the FY 2019/20 Resource Management Agency Adopted Budget, Fund 001, Appropriation Unit RMA006, to increase appropriations and revenues by \$667,650, where the financing source is an operating transfer from Fund 402, Appropriation Unit RMA014; 3) Amend the FY 2019/20 Resource Management Agency Adopted Budget, Fund 404, Appropriation Unit RMA015, to increase appropriations and revenues by \$454,000, where the financing source is an operating transfer from Fund 402, Appropriation Unit RMA014; and 4) Transfer \$1,121,650 for FY 2019/20 from Fund 402, Appropriation Unit RMA014, to Fund 001, Appropriation Unit RMA006 (\$667,650) and Fund 404, Appropriation Unit RMA015 (\$454,000) (4/5<sup>th</sup> vote required).

### SUMMARY:

The Resource Management Agency (RMA) is the lead for managing capital projects for County facilities (e.g., roads, bridges, buildings, parks, and grounds). RMA has refined and/or identified multiple capital project needs for facilities since the adoption of the Capital Improvement Program and FY 2019/20 budget. Recognizing the many needs and limited resources, this report consolidates and summarizes current priority funding needs so that the Capital Improvement Committee (CIC), Budget Committee (BC), and Board of Supervisors can see the overall funding needs to make an informed decision(s) regarding the use of Fund 402 Unassigned Funds as potential financing source. RMA staff developed this list based on its understanding of Board direction and with input from the CIC and BC.

Recommended projects to be added to the RMA 2019/20 Work Program include: 1) HVAC & Bio Safety System -1270 Natividad Rd (*FY 2019/20 CIP top ranked unfunded*) 2) Elkhorn Rd Culvert/Tide Gate Repairs

Phase III (*FY 2019/20 CIP 2<sup>nd</sup> top ranked unfunded*); 3) Carmel Lagoon Scenic Road Protection Structure Project; 4) Parks ADA Transition Plan; 5) 142 W. Alisal East Wing Sound-Attenuation; and 6) Parks Roof Replacement and Repairs. The temporary parking development at the corner of West Gabilan and Church streets will be resubmitted to the CIC and BC to review the funding required to complete Option B, previously approved by the Board of Supervisors. Attachment A provides a summary table of recommended projects to be performed in FY 2019/20 using Fund 402 Unassigned Funds as the financing source.

During the development of the FY 2019/20 Adopted Budget, RMA, in collaboration with the County Administrative Office (CAO) and Auditor-Controller's Office, it was determined that Fund 401, Facilities Projects Maintenance, would be dissolved and that facilities maintenance projects not considered capital projects would be performed out of the Fund 001, Facilities Maintenance budget. Projects qualifying as Capital Projects would be performed either out of Fund 402, Capital Projects, or Fund 404, Facility Master Plan Projects.

The FY 2019/20 Adopted Budget included an Operating Transfer-Out from the Unassigned Fund Balance in Fund 401 of \$3,122,448. The FY 2019/20 Adopted Budget distributed the Unassigned Fund Balance as an Operating Transfer-In to the following funds: \$2,820,015 Fund 402, Capital Projects; \$43,868 toward the Carmel River Floodplain Restoration Project in Fund 404, Facilities Master Plan Projects; and \$258,565 toward completion of the Energy Efficiency Measures Phases IV and V in Fund 001, Facilities Maintenance.

RMA staff worked closely with the CAO to recommend leveraging the Unassigned Fund Balance from Fund 401 in the amount of \$2,820,015 to complete high priority projects as supported by the BC, CIC, and Board, to lessen the impact on the General Fund and Cannabis Fund. Attachment B reflects the Operating Transfer-In of \$2,820,015 approved in the FY 2019/20 Adopted Budget. Staff has reduced this amount for projects that were carried over from the prior fiscal year, Parkfield Library (\$150,000) and Bradley Library (\$200,000), and the recently approved County Match funds for the 855 E. Laurel Drive Homeless Shelter (\$656,893), leaving a balance of \$1,813,122. Staff recommends that \$1,752,167 of that remaining unassigned balance be used toward funding the six (6) identified projects.

#### DISCUSSION:

On June 19, 2019, the Board of Supervisors adopted a resolution approving the County of Monterey Five-Year Capital Improvement Program for FY 2019/20 through FY 2023/24 (CIP). The approved CIP prioritizes County projects essential to maintain and improve County infrastructure and facilitate the orderly implementation of the County General Plan. In response to the CAO's request for a consolidated report of project funding needs, RMA provides the listing herein. This comprehensive listing includes several added projects that were either excluded from the approved CIP, were approved but not funded, leverage outside funds, or were identified after the FY 2019/20 RMA CIP Budget was adopted. Attachment C describes these projects recommended for completion in the current fiscal year, including the Carmel Lagoon Scenic Road Protective Structure Project, which leverages funds from outside sources.

Three projects were presented to the CIC and BC that also leverage outside funds; however, the BC, deferred funding consideration until the outside funding sources are secured. Four projects not funded from the Operating Transfer-Out from Fund 401 to Fund 402 will be presented in a separate report to the Board of Supervisors. These projects include the FY 2018/19 Lakes Enterprise Fund Deficit, the New Juvenile Hall Project 8811, and 2017 and 2019 Winter Storm Damage.

Two projects, HVAC and Bio Safety Systems (\$341,000) and Elkhorn Road Culvert/Tide Gate Repairs Phase III (\$289,517), will be performed out of Fund 402 and do not require a transfer of funds as their financing

source is already within Fund 402.

The Carmel Lagoon Scenic Road Protection Structure Project (\$454,000), with a reimbursement potential of \$100,000 from County Service Area 1-Carmel Point will be performed out of Fund 404, Appropriation RMA015, and requires a transfer of funds totaling \$454,000 from Fund 402, Appropriation RMA014.

The Parks ADA Transition Plan (\$403,513), 142 W. Alisal East Wing Sound Attenuation (\$38,380) and Parks Roof Replacement and Repair projects (\$225,757) will be performed out of Fund 001, Appropriation RMA006, and require a transfer of funds totaling \$667,650 from Fund 402, Appropriation RMA014.

RMA recommends completing the six (6) high priority projects as they are scoped, estimated, and ready to proceed to construction. Projects brought forward to the RMA from other County Departments (e.g., 911, District Attorney, and Library) have not been scoped and estimated. Should these projects qualify as capital projects, they will be considered for the FY 2020-21 Annual Capital Improvement Plan now being developed.

#### OTHER AGENCY INVOLVEMENT:

This report was prepared in response to direction received in August 2019 from the CAO to provide a comprehensive summary of RMA project funding needs to the CIC, BC, and Board of Supervisors. The report was presented to the CIC on October 14, 2019, and to the BC on October 24, 2019. The BC supported adding the six (6) selected Facilities projects listed in Attachment A, including the designated funding sources. At the time this report was presented to the BC, the financing source was listed as Fund 401. This report correctly identifies Fund 402 as the financing source.

#### FINANCING:

Six (6) projects recommended to be completed are one-time costs. FY 2019/20 Adopted Budget included transfer of estimated Unassigned Fund Balance from Fund 401 to Fund 402 in the amount of \$2,820,155. Subtracting carryover projects of \$350,000 (Parkfield and Bradley Libraries), and the recently approved County Match funds of \$656,893 for the Homeless Emergency Aid Program (HEAP) Grant to build the 855 E. Laurel Drive Homeless Shelter allocated from these funds, reduces the present Fund 402 Unassigned Funds to \$1,813,122. The estimated ending Unassigned Funds after funding the six (6) recommended projects is \$60,955.

Staff is working with County Service Area 1 (CSA1) to implement reimbursement agreement for \$100,000 towards the Carmel Lagoon Scenic Road Protection Structure Project. Any revenues received for the Carmel Lagoon Scenic Road Protection Structure Project will be deposited in Fund 402.

#### BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

This report provides recommendations regarding improvements for accessibility and health and safety of County facilities. Provision of adequate County facilities and infrastructure increases accessibility and safety, enhances the work environment for County staff and accommodations for occupants, and improves the quality of life for County residents while supporting economic development.

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

Prepared by: Florence Kabwasa-Green, Project Manager III (831)755-4805 Reviewed by:  
Lindsay Lerable, Chief of Facilities

Approved by: Shawne Ellerbee, RMA Deputy Director of Administrative Services Approved  
by: Carl P. Holm, AICP, RMA Director

**Attachments:**

Attachment A-FY 2020 Capital Needs Project Listing

Attachment B-FY 2019/20 Fund 401 Unassigned Fund Balance Transfer to Fund 402 Proposed  
Project Allocations

Attachment C-FY 2020 Capital Needs Project Descriptions

Attachment D-Draft Resolution

(Attachments are on file with the Clerk of the Board)