



Board Agenda Item 30

DATE: April 25, 2017

TO: Board of Supervisors

SUBMITTED BY: Oscar J. Garcia, CPA, Auditor-Controller/Treasurer-Tax Collector

SUBJECT: Budget Resolutions to Transfer Resources from the General Fund to the Capital Projects Fund and Local Revenue Fund 2011

RECOMMENDED ACTION(S):

1. **Adopt Budget Resolution increasing FY 2016-17 appropriations in the Interest and Miscellaneous Expenditures Org 2540 in the amount of \$503,970 to allow for the transfer of cash from the General Fund to the Local Revenue Fund 2011 (4/5 vote).**
2. **Adopt Budget Resolution increasing FY 2016-17 estimated revenues in the AB 109 Planning Grant Org 3439 in the amount of \$503,970.**
3. **Adopt Budget Resolution re-budgeting appropriations from FY 2014-15 Budget to the FY 2016-17 Budget for the Capital Projects Org 1910 in the amount of \$29,870 to allow for the transfer of cash from the General Fund to the Capital Project Fund (4/5 vote).**
4. **Adopt Budget Resolution decreasing the FY 2014-15 appropriations for Capital Projects Org 1910 in the amount of \$200,000 that were funded from proceeds of Tobacco Settlement Asset-Backed Bonds, Subordinate Series 2006 (2006 Tobacco Securitization Bonds), currently on deposit in the County's Endowment Fund, that were originally committed for a portion of cost related to acquiring land associated with the Animal Control Facility to allow for the re-alignment of appropriations and estimated revenues in the Animal Control Facility Org 8855.**
5. **Adopt Budget Resolution increasing the FY 2016-17 appropriations and estimated revenues in the County Animal Control Facility Org 8855 in the amount of \$229,870 using proceeds in the amount of \$200,000 of the 2006 Tobacco Securitization Bond proceeds currently on deposit in the County's Endowment Fund and \$29,870 as Operating Transfers In from Animal Control Facility Org 1910, for the cost related to acquiring land at 202 N. Teilman, Fresno, as a site (Site) for a new, permanent Animal Control Facility (4/5 vote).**

There is an increase to Net County Cost in the amount of \$503,970 associated with the first recommended action. Unassigned Fund Balance in the amount of \$503,970 is available in the General Fund and will be used to support the increase in appropriations for the first recommended action. The original source of the Unassigned Fund Balance was Assembly Bill 109 (\$503,970) planning grant proceeds funding from prior years, FY 2011-12 through FY 2015-16. These funds were swept into the Unassigned Fund Balance of the General Fund. The use of Unassigned Fund Balance will cause an increase in Net County Cost. Approval of the first and second recommended actions will increase appropriations in the General Fund, Interest and Miscellaneous Expenditures Org 2540, to allow for the transfer of funds from the General Fund to the Local Revenue Fund 2011 (\$503,970). Additional appropriations in the Local Revenue Fund 2011 are not necessary as only a transfer of monies, in the amount of \$503,970, is necessary to account for AB 109 planning grant funds in the

Local Revenue Fund 2011 Special Revenue Fund (SRF) 0271. Approval of the third, fourth, and fifth recommended actions will re-budget appropriations, currently budgeted in the Capital Projects Org 1910, in the Animal Control Facility Org 8855.

ALTERNATIVE ACTION(S):

If your Board does not approve the first and second recommended actions, funding from prior Fiscal Year AB 109 planning grant, located in the Unassigned Fund Balance of the General Fund, will not be properly accounted for in the Local Revenue Fund 2011 SRF 0271. If the third, fourth, and fifth recommended actions are not approved, funding for land costs associated with the Animal Control Facility will not be accounted for in the Capital Projects Fund 0400, Animal Control Facility Org 8855.

FISCAL IMPACT:

There is an increase in Net County Cost associated with the first recommended action in the amount of \$503,970. Approval of the first recommended action will increase the FY 2016-17 appropriations in the amount of \$503,970 as an Operating Transfers Out in the Interest and Miscellaneous Expenditures Org 2540 using Unassigned Fund Balance to allow for the transfer of funds from the General Fund to the Local Revenue Fund 2011 SRF 0271. The \$503,970 in Unassigned Fund Balance use relates to prior year funding for AB 109 planning grant funds. These funds were swept into the Unassigned Fund Balance of the General Fund. The use of the Unassigned Fund Balance will cause an increase in Net County Cost. Approval of the second recommended action will increase the FY 2016-17 estimated revenues in the AB 109 Planning Grant Org 3439 in the amount of \$503,970 through an Operating Transfer In from the Interest and Miscellaneous Expenditure Org 2540. No additional appropriations are requested due to the carryover aspect of SRF, AB 109 Planning Grant Org 3439.

There is no increase in Net County Costs associated with the third, fourth, and fifth recommended actions. These actions move budget appropriations from the Capital Projects Org 1910 in the General Fund to the Animal Control Facility Org 8855 in the Capital Projects Fund. Approval of the third recommended action will re-budget prior year appropriations in the Capital Projects Org 1910 in the amount of \$29,870 as an Operating Transfers Out to the Animal Control Facility Org 8855. Approval of the fourth recommended action will remove FY 2016-17 Capital Project Org 1910 appropriations in the amount of \$200,000 that were funded by 2006 Tobacco Securitization Bonds proceeds. These appropriations are re-budgeted with the fifth recommended action in the Animal Facility Org 8855 in the amount of \$200,000 for FY 2016-17. In addition, the fifth recommended action also increase appropriations in the amount \$29,870 with a Transfer In from the General Fund Capital Projects Org 1910 for the cost associated with land acquisition.

DISCUSSION:

AB 109 planning grant funds were originally budgeted in the General Fund, Interest and Miscellaneous Expenditures Org 2540. Beginning in FY 2015-16, the AB 109 Planning Grant Org 3439 was established to account for AB 109 planning grant funding. However, unused AB 109 planning grant funding from prior years remained in the General Fund. As of FY 2016-17, the residual balance was \$503,970.

AB 109 planning grant proceeds are restricted and should be accounted for in the AB 109 Planning Grant Org 3439. Approval of the first recommended action will allow for the transfer of \$503,970 to the AB 109 Planning Grant Org 3439. Approval of the second recommended action will increase estimated revenues via an Operating Transfer In to AB 109 Planning Grant Org 3439. Unassigned Fund Balance is available in the General Fund to support this increase in appropriations.

The Animal Control Facility Land was budgeted in the General Fund, Capital Project Org 1910. The Capital Project Org 1910 still contains encumbered appropriations for the project costs associated with acquiring the land Site. These appropriations are more appropriately budgeted in the Capital Project Fund, Animal Control Facility Org 8855 as the project is material and spans multiple years. The Site was originally approved to be

funded with \$50,000 in General Fund monies of which \$29,870 is still in the Capital Projects Org 1910. On June 2, 2015, the Board approved an additional \$200,000 in appropriations for the Site costs to be funded with 2006 Tobacco Securitization Bond Proceeds. The use of the 2006 Tobacco Securitization Bond designated proceeds has not yet occurred therefore it is recommended that the funding source and corresponding appropriations be recognized in the Animal Control Facility Org 8855 in FY 2016-17. Approval of the third, fourth, and fifth recommended actions effectively increase appropriations and estimated revenues in the amount of \$229,870 in the Animal Control Facility Org 8855.

ATTACHMENTS INCLUDED AND/OR ON FILE:

On File with the Clerk - Budget Resolution (Org 2540)
On File with the Clerk - Budget Resolution (Org 3439)
On File with the Clerk - Budget Resolution (Org 1910) Re-Bud PY Approp
On File with the Clerk - Budget Resolution (Org 1910) Decrease PY Approp
On File with the Clerk - Budget Resolution (Org 8855)

CAO ANALYST:

Juan Lopez