



Board Agenda Item 43

DATE: June 5, 2018

TO: Board of Supervisors

SUBMITTED BY: Les Wright, Agricultural Commissioner/Sealer
Robert Bash, Director of Internal Services/Chief Information Officer

SUBJECT: Budget Resolution for increasing FY 2017-18 appropriations and estimated revenues for the Department of Agriculture

RECOMMENDED ACTION(S):

1. **Adopt Budget Resolution increasing FY 2017-18 appropriations and estimated revenues for Department of Agriculture Org. 4010 in the amount of \$396,743 (4/5 vote).**
2. **Adopt Budget Resolution increasing FY 2017-18 appropriations and estimated revenues for the Internal Services Department, Facility Services, Org. 8935 in the amount of \$162,000 (4/5 vote).**

Approval of the recommended actions will allow the Department to receive the Pesticide Mill Assessment revenue and increase appropriations in excess of the FY 2017-18 Adopted Budget. These funds will be used to make facilities improvements and purchase office furniture, supplies, and IT equipment. The approval of the recommended actions will also allow the Department to issue a refund for the portion of the Mill Assessment funds incorrectly allocated to Fresno County Department of Agriculture.

These items are countywide.

ALTERNATIVE ACTION(S):

There is no viable alternative action. If the recommended action is not approved, the Department of Agriculture will not have the appropriations to spend the excess funds allocated to the County from the Pesticide Mill Assessment and will not be able to maintain the necessary level of general fund contribution to continue to qualify for future Unclaimed Gas Tax (UGT) and Mill Assessment revenues.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The amount included in the FY 2017-18 Adopted Budget for the Department of Agriculture, Org 4010 for Mill Assessment was \$1,829,741. The Department received a payment of \$3,293,939 resulting in excess revenue of \$1,464,198. Out of this amount, \$1,067,454.87 was erroneously allocated to the County of Fresno Department of Agriculture and needs to be refunded to the State. The remainder of the funds (\$396,743) will be used by the Department for various projects: roof replacement on Building 400 (\$162,000), A/C compressor for Building 415 (\$10,000), furniture, chairs and computer monitors (\$150,000), plotter printer with warranty (\$5,391), and herbicides (\$69,352).

DISCUSSION:

Mill Assessment is a funding stream dedicated to all County Agricultural Commissioner departments throughout California to support pesticide regulatory activities. As outlined in California Food and Agricultural Code Section 224.5, the disbursement of both the Mill Assessment and UGT specifically depend on the expenditure of county general fund money (Maintenance of Effort - MOE). Both revenue streams are disbursed to the counties in proportion to each county's expenditures. In order to receive full funding from these sources, the counties need to meet or exceed their MOE amounts which are equal to the average of the previous five fiscal years' expenditures. The actual Mill Assessment revenue received this fiscal year by County of Fresno exceeds the amount budgeted for FY 2017-18 by \$396,743. That is why the Department is requesting the increase in appropriations in order to be able to utilize the excess funds and secure full funding from Mill Assessment and UGT the following year. The Department will use these funds to replace the roof on Building 400, replace a broken compressor in the air conditioning unit on Building 415, purchase new furniture, chairs and computer monitors, replace the depreciated plotter printer, and stock up on herbicides.

Due to a calculation error in the Mill Assessment allocation, the County of Fresno received too much in funding from the California Department of Pesticide Regulation. The amount of \$1,067,454.87 needs to be returned to the State by the end of this fiscal year. The Department is working with the Auditor-Controller/Treasurer-Tax Collector to expedite this process.

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Budget Resolution-Org 4010
On file with Clerk - Budget Resolution-Org 8935

CAO ANALYST:

Ronald Alexander