



Legislation Text

File #: 24-0821, **Version:** 1

Facilities, a division of the Chief Administrative Office, recommending the Board:

- 1) Authorize the Chair to sign the attached budget transfer increasing Operating Transfers Out by \$240,000 out from the Accumulative Capital Outlay (ACO) fund to the Facilities General Fund to allow for reimbursement of Facilities staff time (4/5 vote required); and
- 2) Authorize the Chair to sign the attached budget transfer decreasing the use of the Capital Designation as funds won't be needed until FY 2024-25 and have been included in the FY 2024-25 Recommended Budget. (4/5 vote required)

FUNDING: Accumulative Capital Outlay Fund, General Fund.

DISCUSSION / BACKGROUND

Budget Transfer #1

Facilities staff perform work and project management for capital projects that are funded by the ACO Fund. Staff's approved hourly rates are billed to the projects, including an indirect rate for overhead costs. The indirect portion of the rates are transferred from the CO Fund to the General Fund.

In the current fiscal year, the indirect portion of labor revenue to transfer from the ACO Fund to the General Fund is projected to exceed what was budgeted at the beginning of the year. As a result, a budget transfer increasing appropriations for Operating Transfers Out of the ACO fund is necessary to allow the transfer.

The budget transfer would increase Operating Transfers Out from the ACO fund and increase Operating Transfers In in Facilities General Fund by \$240,000. The increase in revenue will be offset by an increase in Facilities General Fund appropriations by \$50,000, and an increase in General Fund contingency of \$190,000.

Budget Transfer #2

When putting together the Facilities Accumulative Capital Outlay workplan, staff budget for the full project costs. Projects often take longer than one fiscal year to complete and funds roll into the next budget year. The jail expansion project included a large use of the Capital Designation in FY 2023-24. Staff anticipate that the majority of expenses for the project will take place in FY 2024-25. The attached budget transfer reduces the use of the Capital Designation in FY 2023-24. This will ensure that funds remain in the Capital Designation in FY 2023-24 for use in the FY 2024-25 budget. Without this budget transfer, funds in the Capital Designation would automatically roll into the General Fund; artificially increasing General Fund fund balance.

ALTERNATIVES

Should the Board decline to approve this item, the General Fund will not be reimbursed for Facilities staff time worked on ACO projects and the General Fund fund balance would be overstated.

PRIOR BOARD ACTION

N/A

OTHER DEPARTMENT / AGENCY INVOLVEMENT

N/A

CAO RECOMMENDATION / COMMENTS

Approve as recommended.

FINANCIAL IMPACT

The first budget transfer will reduce General Fund costs for the Facilities Division; these savings have been accounted for in the CAO's most recent projected fund balance numbers. The second budget transfer will reduce the use of the Capital Designation in FY 2023-24. The FY 2024-25 budget includes the use of this Capital Designation for project expenses in FY 2024-25.

CLERK OF THE BOARD FOLLOW UP ACTIONS

Obtain Board Chair's signature on the attached Budget Transfer forms and forward to the Chief Administrative Office for final processing.

STRATEGIC PLAN COMPONENT

N/A

CONTACT

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