



Legislation Text

File #: 23-1411, **Version:** 1

Chief Administrative Office, Facilities Division, recommending the Board approve and authorize the Chair to sign a Fiscal Year 2022-23 budget transfer increasing budgeted Operating Transfers Out from the Facilities Accumulated Capital Outlay (ACO) Fund to the Facilities General Fund by \$120,000. (4/5 vote required)

FUNDING: ACO Fund.

DISCUSSION / BACKGROUND

Capital projects performed by the Chief Administrative Office, Facilities Division are budgeted and accounted for in the ACO Fund, and funded by various sources. Facilities Division staff, including project managers, are billed to ACO projects for their actual time worked based on billable rates, which are approved annually by the Auditor-Controller's Office. The billable rates include both direct and indirect costs, with the indirect costs representing overhead and administrative Facilities Division costs, which are incurred in the General Fund. The billing of indirect costs is accomplished via an Operating Transfer from the ACO Fund to the General Fund which is completed on a quarterly basis.

The budget for the FY 2022-23 Operating Transfer was developed prior to the implementation of several salary increases which were negotiated by County employee labor organizations. Therefore, salaries and benefits were budgeted lower than actual costs. However, the billable rates were updated to include the increased salary costs which resulted in a higher cost recovery based on actual expenses. Additionally, changes in personnel and an increase to the number of hours worked have also resulted in higher indirect costs. As a result, the actual indirect cost transfer from the ACO Fund to the General Fund is approximately \$120,000 higher than budgeted.

ALTERNATIVES

N/A

PRIOR BOARD ACTION

N/A

OTHER DEPARTMENT / AGENCY INVOLVEMENT

N/A

CAO RECOMMENDATION / COMMENTS

Approve as recommended.

FINANCIAL IMPACT

The FY 2022-23 Adopted Budget includes \$465,415 in budgeted Operating Transfers Out of the ACO Fund to the General Fund. The recommended budget transfer will increase this budget by \$120,000, allowing for additional transfers into the General Fund. These transfers are funded by various funding sources, including ACO Fund property taxes, State and Federal grants, special revenue funds, and General Fund designations, among other sources. The increased revenue will be offset with

increased salaries and services and supplies resulting in no change to Net County Cost. Any unspent funds will roll into General Fund balance when the fiscal year end closes.

CLERK OF THE BOARD FOLLOW UP ACTIONS

Return the executed budget transfer to the Chief Administrative Office for further processing.

STRATEGIC PLAN COMPONENT

Good Governance

CONTACT

Laura Schwartz, Deputy Chief Administrative Officer