



## Legislation Text

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**File #:** 15-0722, **Version:** 1

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Community Development Agency, Administration and Finance Division, recommending the Board approve and authorize the Chair to sign a budget transfer in the amount of \$800,000 adjusting the County Engineer operating budget and the County Engineer Time and Materials Special Revenue Fund for Fiscal Year 2014/15 to accommodate expenditures and revenues based on year-to-date actuals and projections. (4/5 vote required)

**FUNDING:** Development-based fees. (No Federal Funds)

### **DEPARTMENT RECOMMENDATION**

The Community Development Agency Administration and Finance Division recommends that the Board approve a budget transfer adjusting the County Engineer operating budget and the County Engineer Time and Materials Special Revenue Fund for Fiscal Year 2014/15. Increases in County Engineer development related work funded by developer deposits, along with the retirement of Transportation staff previously assigned to the County Engineer function necessitate a shift and overall increase in revenues and appropriations.

### **DISCUSSION / BACKGROUND**

County customers involved in development-related activity which is processed by the County Engineer function of the Agency's Transportation Division are required to make initial deposits of funds into a Time and Material Special Revenue Fund, which are used to fund staff and consultant work. If these deposits are exhausted, the Agency directly bills customers for actual time and material costs. When the Agency's annual budget is created, the percentage of revenue for the County Engineer function from deposits vs. direct billings are estimated based on history and projected activity.

In the current fiscal year, the percentage of revenue collected as deposits is higher than projected, therefore the Agency needs to increase the budgeted revenue in the County Engineer Time and Material Special Revenue Fund by \$200,000. Additionally, the budgeted appropriations for Operating Transfers Out of this special revenue fund need to be increased by the same \$200,000 in order to transfer funds to the County Engineer Operating Budget.

As a result of the shifting of the percentage of revenue towards deposits and away from direct billings, the Agency needs to increase the County Engineer Operating budget's Operating Transfers In (revenue from deposits) by \$200,000 to balance the special revenue fund's Operating Transfer Out, and decrease the revenue from direct billings by \$150,000.

In addition to the shift in revenue, the County Engineer activity is increasing beyond projections and there have been retirements of County staff previously assigned to the County Engineer function, so the Agency needs to increase budgeted appropriations for Professional & Specialized Services by \$50,000 to cover consultant costs.

Approval of this budget transfer will allow the County Engineer, a General Fund budget unit, to be fully reimbursed for costs associated with developer funded time and material projects.

**ALTERNATIVES**

None. This budget transfer is required in order for the General Fund to be reimbursed for costs incurred on time and material developer funded projects in the same fiscal year the costs were incurred.

**OTHER DEPARTMENT / AGENCY INVOLVEMENT**

N/A

**CAO RECOMMENDATION**

**FINANCIAL IMPACT**

No financial impact or change to Net County Cost. All increases in appropriations are fully offset by a similar increase in revenue.

**CLERK OF THE BOARD FOLLOW UP ACTIONS**

- 1) The Clerk will obtain the Chair's signature on the original budget transfer.
- 2) The Clerk will forward the budget transfer to the Auditor/Controller for processing.

**STRATEGIC PLAN COMPONENT**

Financial Stability

**CONTACT**

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