



Legislation Text

File #: 15-1317, **Version:** 1

Community Development Agency, Administration and Finance Division, recommending the Board authorize the Chair to sign a budget transfer in the amount of \$623,911 that allows ongoing operational, maintenance, and prior year corrected costs to be paid by the Rare Plant Preserve Endowment Fund, per the terms of Resolution 205-98. (4/5 vote)

FUNDING: Existing Development Fees, Interest Income and an Operating Transfer for a correction in prior year costs.

DEPARTMENT RECOMMENDATION

The Community Development Agency, Administration and Finance Division (Agency) recommends that the Board approve a budget transfer adding revenues and appropriations to the Rare Plant Preserve Endowment Fund in the amount of \$623,911 in order to pay an outstanding claim and to correct prior fiscal year mispostings of costs to the incorrect fund.

DISCUSSION / BACKGROUND

In the budget addenda for Fiscal Year 2015/16, the Agency reduced the budgeted appropriations by \$250,000 for the Ecological Preserve Fee Special Revenue Fund (Special Revenue Fund), recognizing that the associated operational costs are to be paid by the Rare Plant Preserve Endowment Fund (Endowment Fund) per Board Resolution 205-98 (see Attachment C). At that time, Agency staff believed the Endowment Fund did not require budgeted appropriations (similar to a trust fund); however, the Auditor/Controller's office recently informed staff that current Governmental Accounting Standards Board requirements necessitate appropriations in order to expend out of an endowment fund.

The recommended budget transfer establishes appropriations for the Endowment Fund for the items removed from the Special Revenue Fund at budget addenda, in addition to appropriations to allow corrective journal entries for charges mistakenly paid by the Special Revenue Fund in prior fiscal years. These appropriations are wholly offset by an increase in revenue from development fees, interest, and an operating transfer for the correction of land costs paid out of the Endowment Fund in prior years, which should have been paid from the Special Revenue Fund.

Once the budget transfer is posted, the Agency can pay an existing outstanding invoice from the Bureau of Land Management for partial funding of the Pine Hill Preserve Manager position for October 2012 to September 2015, as required by the 2006 Pine Hill Preserve Cooperative Management Agreement & 2008 Pine Hill Preserve Management Plan and approved by the Board on July 21, 2015 (see Item 20). Additionally, after the posting of the corrections outlined above, the operational costs will have been correctly charged to the Endowment Fund and the land purchase costs to the Special Revenue Fund, as per the memorandum dated March 16, 1998 from Economic and Planning Systems, Inc., included as part of Board Resolution 205-98 by specific reference in finding "C."

ALTERNATIVES

If the budget transfer is not approved, the Bureau of Land Management will not be paid for work performed in prior fiscal years, and the Endowment Fund and Special Revenue Fund will not have been charged as required by Resolution 205-98.

OTHER DEPARTMENT / AGENCY INVOLVEMENT

N/A

CAO RECOMMENDATION

Chief Administrative Office recommends moving staff's recommendation.

FINANCIAL IMPACT

There is no Net County Cost associated with this item. Requested appropriations are equal to recognized revenues derived from existing development fees, interest income, and a transfer of funds from the Special Revenue Fund to correct a previous fiscal year payment error.

CLERK OF THE BOARD FOLLOW UP ACTIONS

Clerk of the Board shall obtain the Board Chair's signature on the budget transfer and forward to the Auditor/Controller for posting.

STRATEGIC PLAN COMPONENT

Financial Stability

CONTACT

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