



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
County Manager



Date: August 28, 2014

Board Meeting Date: September 9, 2014

Special Notice / Hearing: None

Vote Required: 4/5ths

To: Honorable Board of Supervisors

From: John L. Maltbie, County Manager

Subject: Countywide FY 2013-14 Year-End Appropriation Transfer Request (ATR) in the amount of \$186,849,887 from various budget units

RECOMMENDATION:

Adopt a Resolution authorizing an Appropriation Transfer Request transferring \$186,849,887 from various budget units: Services and Supplies (\$1,970,571), Fixed Assets (\$2,756,857), Other Financing Uses (\$2,756,857), Intrafund Transfers (\$80,136), Reserves (\$980,609), Other Financing Sources (\$88,073,991), Unanticipated Revenues (\$88,532,308), and Fund Balance (\$1,698,558); to the following: Salaries and Benefits (\$2,992,085), Services and Supplies (\$905,136), Other Charges (\$4,988,322), Other Financing Uses (\$87,133,496), Other Financing Sources (\$2,756,857), and Reserves (\$88,073,991).

BACKGROUND:

To close the County's financial records at the end of each fiscal year, a countywide ATR is submitted to ensure that expenditures are covered by sufficient appropriations and that expenditures are represented correctly in each of the County's funds.

DISCUSSION:

The amount of the attached ATR totals \$186,849,887, of which \$174,106,716 is related to one transaction – the recognition of \$87,053,358 in unanticipated revenue from the sale of Circle Star Plaza and a corresponding appropriation transferring said proceeds from the General Fund to the Accumulated Capital Outlay Fund. When the County initially received the sale proceeds, they were deposited directly into the Accumulated Capital Outlay Fund. The outside auditors later determined that since General Fund reserves were used to purchase the facility, the General Fund must first receive the proceeds. This adjustment addresses this accounting issue. There are two other transactions totaling \$1,698,558 that were also made for accounting purposes only – recording of capital depreciation. There are two transfers from Non-Departmental ERAF

Reserves totaling \$80,138 to appropriate debt service for the Skylonda Fire Station and address a minor shortfall in the Medical Center contribution.

All other adjustments, totaling \$10,964,475, are funded from savings, reserves or unanticipated revenue generated by the various budget units with no increase in Net County Cost.

This year-end ATR does the following:

1. Fire Protection Services (3580B) and Non-Departmental Services (8000B) – Transfers \$80,136 from Non-Departmental ERAF Reserves to Contract Fire Protection and makes corresponding adjustments to Intrafund Transfer and Debt Service accounts in Fire Protection Services to cover the annual debt service for the Skylonda Fire Station Replacement Bonds. (ATR# 14-050-A)
2. County Manager's Office / Workforce and Economic Development (1200B) – Recognizes \$528,000 in unanticipated revenue from a new Federal Job Training Partnership Act (JTPA) grant and makes a corresponding appropriation in Other Charges to deliver employment and training services to an additional 110 dislocated workers. (ATR# 14-050-B)
3. Vehicle and Equipment Services (4760B) – Recognizes \$575,000 in SMCSaves funding from Non-Departmental Services and makes a corresponding appropriation in Services and Supplies to fund the Automated Fleet Management System Project. (ATR# 14-050-C)
4. Non-Departmental Services (8000B) and Capital Projects (8500B) –Transfers \$2,756,857 from Other Financing Uses for capital projects to the Retiree Health account to cover a shortfall in available funds for the CalPERS Retiree Health Annual Required Contribution (ARC). This adjustment also cancels appropriations of \$2,756,857 in Other Financing Sources and Fixed Assets in the Capital Projects Fund. (ATR# 14-050-D)
5. Road Construction and Operations (4520B) – Recognizes \$1,020,633 in unanticipated revenue from Roadway Improvement Fund and Half-Cent Transportation Fund project contributions and sets the funds aside in Road Fund Reserves. (ATR# 14-050-E)
6. Public Works Utilities (4840B) and County Airports (4850B) – Transfers \$1,436,755 in available Fund Balance from within various Public Works funds to Other Charges for the purpose of appropriating Depreciation Expense for Airports, County Service Areas, Sewer and Sanitation Districts, Flood Control Districts, and Lighting Districts. The recording of depreciation is for accounting purposes only and is a non-cash transaction. (ATR# 14-050-F)
7. Coyote Point Marina (3980B) – Transfers \$261,803 in available Fund Balance from within the Coyote Point Marina Operating Fund to Other Charges for the purpose of

appropriating Depreciation Expense. The recording of depreciation is for accounting purposes only and is a non-cash transaction. (ATR# 14-050-G)

8. Controller's Office (1400B) – Recognizes \$90,059 in unanticipated revenue from ePayables rebate revenues and makes a corresponding appropriation in Salaries and Benefits to help offset extra help staffing costs to administer ePayables services and the Accounts Payable Automation Pilot Program. (ATR# 14-050-H)

9. Controller's Office (1400B) and Treasurer-Tax Collector's Office (1500B) – Transfers \$900,471 from Controller's Reserves and \$1,861,293 from savings in Services and Supplies from the Treasurer-Tax Collector's Office to Other Charges for the purpose of transferring these funds (\$2,761,764) to the Property Tax System Replacement Fund to help cover the initial costs of the project. (ATR# 14-050-I)

10. Public Safety Communications (1240B) – Recognizes \$35,891 in unanticipated revenues from fees for services, compensation insurance refunds and SDI payments, and transfers \$109,278 from Services and Supplies, to Salaries and Benefits (\$145,169) to cover the cost associated with termination pay and higher than anticipated overtime usage due to vacancies. (ATR# 14-050-J)

11. Public Health, Policy and Planning (5550B) – Recognizes \$250,000 in unanticipated revenue from Animal Licensing Program revenues and makes a corresponding appropriation in Services and Supplies to offset city and County services for Animal Control services. (ATR# 14-050-K)

12. Non-Departmental Services (8000B) and Accumulated Capital Outlay Fund (8200B) – Recognizes unanticipated revenue of \$87,053,358 from the sale of Circle Star Plaza and makes a corresponding appropriation in Other Financing Uses for the purpose of transferring said funds to the Accumulated Capital Outlay Fund. Also appropriates incoming transfer to Accumulated Capital Outlay Fund and sets funds aside in Capital Reserves. This adjustment was made at the request of the outside auditors and is for accounting purposes only. (ATR# 14-050-L)

13. Non-Departmental Services (8000B) and Contributions to the Medical Center (5850B) – Transfers \$2.00 from Non-Departmental ERAF Reserves to Other Financing Uses in the Medical Center Contributions budget unit to cover a small overrun in the General Fund subsidy. (ATR# 14-050-M)

SHARED VISION 2025:

Adoption of this ATR contributes to the Shared Vision outcome of a Collaborative Community by ensuring that expenditures are covered by sufficient appropriations and that expenditures are represented correctly in each of the County's budget units and funds in accordance with the County Budget Act and Generally Accepted Accounting Principles.

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FISCAL IMPACT:

There are sufficient funds and revenue sources to cover the transactions in this ATR, which totals \$186,849,887 for all County funds, of which \$175,805,274 address accounting issues, with no associated fiscal impact. There are two one-time transfers from Non-Departmental ERAF Reserves totaling \$80,138. All other adjustments, totaling \$10,964,475, are funded from savings, reserves or unanticipated revenue generated by the various budget units with no increase in Net County Cost.