



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
County Manager's Office



DATE: September 14, 2015
BOARD MEETING DATE: September 22, 2015
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: 4/5ths

TO: Honorable Board of Supervisors

FROM: John L. Maltbie, County Manager

SUBJECT: Countywide FY 2014-15 Year-End Appropriation Transfer Request
(ATR) in the amount of \$24,061,921 from various budget units

RECOMMENDATION:

Adopt a Resolution authorizing an Appropriation Transfer Request transferring \$24,061,921 from various budget units: Salaries and Benefits (\$290,023), Services and Supplies (\$17,778,634), Other Charges (\$100,000), Reserves (\$3,034,502), Other Financing Sources (\$704,611), Unanticipated Revenues (\$401,625), and Fund Balance (\$1,752,526); to the following: Salaries and Benefits (\$220,263), Services and Supplies (\$71,945), Other Charges (\$2,090,526), Other Financing Uses (\$4,638,654), Intrafund Transfers (\$16,579,922), and Reserves (\$460,611).

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. The amount of this ATR totals \$24,061,921, of which \$16,579,922 is related to one transaction – correcting a mid-year ATR approved by the Board on February 24, 2015 appropriating negotiated Salary and Benefit adjustments by removing intrafund transfers that were later determined to be unnecessary. This change is for accounting purposes only and results in no fiscal impact. There are two other transactions totaling \$1,752,526 that were also made for accounting purposes only – recording of capital depreciation. There are three one-time transfers from Non-Departmental Reserves totaling \$277,463, as follows: adding \$111,000 to address a minor shortfall in the amount budgeted to meet the Annual Required Contribution (ARC) of \$17.5 million to CalPERS for retiree health benefits; adding \$57,200 for contractual revenue obligations with Maximus Consulting related to the State reimbursement of Pre-2004 SB90 claims; and adding \$109,263 to cover the double fill of a critical position in the Controller's Office.

All other adjustments, totaling \$5,452,010, 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. Non-Departmental Services (8000B) – Reverses Intrafund Transfers and Services and Supplies totaling \$16,579,922 originally included in ATR #15-036 approved by the Board of Supervisors on February 24, 2015 to facilitate transfers from Non-Departmental Services to General Fund operating departments to cover negotiated Salary increases. It was later determined by the County Manager's Office and the Controller's Office that these transfers were not necessary. This change is for accounting purposes only and results in no fiscal impact. (ATR #15-050-A)
2. Facilities Services (4730B), Construction Services (4740B) and Public Works Utilities (4840B) – Transfers \$238,000 from Services and Supplies and \$100,000 from Other Charges to Retirement of Long Term Debt for the purpose of partially reimbursing the General Fund for loans extended to Construction Services between FY 2008-09 and FY 2010-11. It also appropriates corresponding operating transfers totaling \$244,000 from Facilities Services and Public Works Utilities to Construction Services. In summary, Construction Services will contribute \$94,000, Facilities Services will contribute \$144,000 and Public Works Utilities will contribute \$100,000. The payment of \$338,000 leaves a remaining balance on the Construction Services loans of \$1,023,438. (ATR #15-050-B)
3. LAFCO (3570B) – Recognizes \$14,745 in unanticipated revenue from an applicant for a sewer annexation and makes a corresponding appropriation in Services and Supplies to fund the environmental study. (ATR #15-050-C)
4. Non-Departmental Services (8000B) – Transfers \$111,000 from Non-Departmental ERAF Reserves to Salaries and Benefits to provide sufficient funding to cover the ARC of \$17.5 million to CalPERS for retiree health benefits. (ATR #15-050-D)
5. Non-Departmental Services (8000B) and Controller's Office (1400B) – Transfers \$57,200 from Non-Departmental ERAF Reserves to Services and Supplies in the Controller's Office to meet contractual revenue obligations with Maximus Consulting that resulted from the State's payment of Pre-2004 SB90 mandates in June 2015. Maximus prepared SB90 claims in FY 2002-03 and payments for such services were contingent on claim reimbursements. (ATR #15-050-E)
6. Non-Departmental Services (8000B) and Controller's Office (1400B) – Transfers \$109,263 in Non-Departmental ERAF Reserves to Salaries and Benefits in the Controller's Office to cover the double fill of the department's primary Fiscal Officer while the incumbent was on paid leave. (ATR #15-050-F)
7. Waste Management (4820B) and Public Works Utilities (4840B) – Recognizes \$386,880 in unanticipated revenue and transfers \$290,023 in Salaries and Benefits, \$960,712 in Services and Supplies, and \$2,757,039 in Reserves to Other Financing Uses within Waste Management for the purpose of dissolving the Solid Waste Fund and transferring the proceeds from Waste Management Fund

to the Office of Sustainability for use by the RecycleWorks program. This adjustment also appropriates an operating transfer of \$460,611 representing garbage collection franchise fees from the Waste Management Fund to the Waste Management Programs Fund. With these transfers, the Solid Waste Fund has been inactivated and the proceeds will be held in trust for landfill maintenance and monitoring efforts, the Waste Management Fund has transferred to the Office of Sustainability, and the garbage collection franchise fees are now accounted for by Public Works in the Waste Management Programs Fund. (ATR #15-050-G)

8. Public Works Utilities (4840B) and County Airports (4850B) – Transfers \$1,442,442 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 #15-050-H)
9. Coyote Point Marina (3980B) – Transfers \$310,084 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 #15-050-I)

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.

FISCAL IMPACT:

There are sufficient funds and revenue sources to cover the transactions in this ATR, which totals \$24,061,921 for all County funds, of which \$18,332,448 address accounting issues with no associated fiscal impact. There are three one-time transfers from Non-Departmental reserves totaling \$277,463. All other adjustments, totaling \$5,452,010, are funded from savings, reserves or unanticipated revenue generated by the various budget units with no increase in Net County Cost.