



COUNTY OF HUMBOLDT

Legislation Text

File #: 24-803, **Version:** 1

To: Board of Supervisors

From: County Administrative Office

Agenda Section: Consent

Vote Requirement: 4/5th

SUBJECT:

Request a Transfer from Contingencies and Associated Supplemental Budget in the amount of \$260,000 for Project Trellis per prior Board Action (4/5th Voted Required)

RECOMMENDATION(S):

That the Board of Supervisors:

1. Approve a transfer from Contingencies in the amount of \$260,000 in Fiscal Year (FY) 2023-24 to the Contributions to Other Funds (1100-199) and associated Supplemental Budget for the Economic Development Division Project Trellis Budget Unit (1120-275422) for past expenses related to the ongoing administration of Project Trellis (4/5th Vote Required).

STRATEGIC PLAN:

This action supports the following areas of your Board's Strategic Plan.

Area of Focus: A Diverse, Equitable & Robust Economy

Strategic Plan Category: 2001 - Promote strong economic resiliency and growth

DISCUSSION:

On April 9, 2024 your Board directed staff to return with a funding request for \$260,000 in funding from Contingencies to backfill past expenditures related to the ongoing administration of the Project Trellis programs.

Economic Development is primarily grant-funded and only receives a small General Fund allocation to support the Director of Economic Development's salary. Economic Development staff supported project development of Project Trellis during FY 2018-19 with no General Fund allocation. In addition, staff administered \$1 million in emergency grant funds authorized by the Board in March of 2022 without any associated administrative General Fund allocation. Further, following the suspension of Measure S payments on Nov. 2, 2022, Economic Development no longer receives a General Fund contribution at 10% of Measure S funds to support the program, but continue to have significant responsibility in administering the program. This has contributed to an anticipated negative fund balance in the Economic Development Fund.

By providing the allocation of \$260,000 from General Fund Contingencies your board will mitigate the negative fund balance issues which have been caused by the ongoing funding shortages for the management of Project Trellis programs. An additional \$100,000 being used as cash match for the next Community Equity Grant Award is included in the proposed budget for FY 2024-25.

SOURCE OF FUNDING:

General Fund Contingency (1100990)

FINANCIAL IMPACT:

Expenditures (1120,275422)	FY23-24
Additional Appropriation Requested	<u>\$260,000</u>
Total Expenditures	<u>\$260,000</u>

**Projected amounts are estimates and are subject to change.*

Funding Sources (1120,275422)	FY23-24
Contingencies	<u>\$260,000</u>
Total Funding Sources	<u>\$260,000</u>

**Projected amounts are estimates and are subject to change.*

Narrative Explanation of Financial Impact:

Approval of the attached transfer from contingencies and associated supplemental budget in the amount of \$260,000 will be used toward expenditures that have already taken place in Fund 1120, Budget Unit 275422, Project Trellis related to the ongoing administration of Project Trellis programs since Measure S funding has been suspended. This action will result in reduction of General Fund Contingencies available during FY 2023-24. After this action, General Fund Contingencies will have a remaining available balance of \$312,853.

STAFFING IMPACT:

Narrative Explanation of Staffing Impact:

There are no staffing impacts associated with this action. Prior staff expenditures have already taken place, this will reimburse those costs.

OTHER AGENCY INVOLVEMENT:

NA

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Your Board could choose not to approve the attached budget adjustments. This action is not recommended as your Board already approved this action and Economic Development has already incurred the expenditures with no other associated funding source.

ATTACHMENTS:

1. Transfer from Contingencies
2. Supplemental Budget - 1120275422

PREVIOUS ACTION/REFERRAL:

Meeting of: May 28, 2019; Jan. 12, 2021; Feb. 1, 2022; March 8, 2022; June 14, 2022; May 16, 2023; Aug. 22, 2023; April 9, 2024
File No.: 19-633, 21-1859, 22-94, 22-225, 22-283, 23-190, 23-1089, 24-279