March 18, 2014

Marin County Board of Supervisors
3501 Civic Center Drive
San Rafael, CA 94903

Subject: Allocation of Unassigned Year-End Fund Balance

Dear Supervisors,

Recommendation: Authorize allocation of additional $4,176,408 from FY 2012-13 unassigned year-end fund balance for specific one-time allocations as detailed in staff report

Overview
Marin County has reached a balanced budget because we have practiced sound financial discipline by not using one-time revenues for ongoing expenses. Our policy has been to allocate one-time funds for one-time purposes.

Our final FY 2012-13 General Fund undesignated fund balance is approximately $4.2 million more than planned for the current year budget. Therefore, these one-time resources are available to your Board for allocation. Consistent with your past policy direction, I am recommending that your Board allocate these one-time funds for the following one-time purposes:

Road and Bridge Program ($2.1 million)
Consistent with your Board’s policy to dedicate 50% of any year-end balance above $20 million toward the road and bridge capital program, I am recommending that we allocate 50%, or approximately $2.1 million, to our Road and Bridge Capital program. This would bring the County’s investment over a 5-year period to approximately $24.3 million. These funds would be used to support our work program for road and bridge projects.

One-time Reserves ($2.1 million)
I am recommending that the remaining $2.1 million be placed in the one-time reserve so that these funds are reserved for one-time, high priority projects. This would bring the balance of the one-time reserve from $10.8 million to approximately $12.9. Any appropriation of these funds will require future approval of your Board.

Fiscal Impact
The net fiscal impact of these actions will be to transfer $2,088,204 from the General Fund (Fund 10000) to the Road & Bridge Fund (Fund 27020),
including appropriation of the $2,088,204 within Fund 27020. In addition, staff
will work with the Department of Finance to increase General Fund
Designation No. 3121250 (Designation for 1-time Capital Projects) by the
remaining $2,088,204 of prior year fund balance.

Please let me know if you have any concerns or questions.

Sincerely,

Matthew H. Hymel
County Administrator

FMBB Doc. 100020252