

## RESOLUTION NO. 16-

### **RESOLUTION OF THE MENDOCINO COUNTY BOARD OF SUPERVISORS CLARIFYING A-87 BUILDING AND EQUIPMENT USE CHARGES AS APPLIED TO THE MENDOCINO COUNTY LIBRARY AND AS INCLUDED IN THE ADOPTED FINAL BUDGET**

WHEREAS, the Mendocino County Library was established pursuant to Article 1 (commencing with Section 19100) of Chapter 6 of Part 11 of Division 1 of Title 1 of the Education Code; and

WHEREAS, up to and including the 1977/78 fiscal year, the Board of Supervisors adopted a separate tax rate for the Library; collected the specified amount of funds; and allocated them to support the library; and

WHEREAS, beginning with the 1978/79 fiscal year (following the adoption of Proposition 13) the Board of Supervisors no longer adopted a separate tax rate for the Library but continued to transfer funds from the County General Fund to support the Library; and

WHEREAS, in 1992 the County Administrative Officer and the County Auditor-Controller established a 1991/92 base year pro-rated amount of property tax due the library, which is annually increased or decreased to reflect changes in total assessed valuation; and

WHEREAS, in addition to a pro-rated share of property tax, since 1998/99 the County has transferred approximately \$650,000 in additional General Fund revenue to support the Library, including approximately \$420,000 from 2007/08 through 2010/11; and

WHEREAS, on November 8, 2011 the voters of Mendocino County enacted Measure A which established a special 1/8 cent sales tax, effective April 1, 2012, with all funds raised to be used exclusively to support the Library; and

WHEREAS, the Federal Office of Management and Budget Circular A-87 establishes cost principles to be used to determine allowable costs that may be incurred and claimed in connection with grants and other agreements with the federal government; and

WHEREAS, the State Controller's Office is responsible for reviewing and approving A-87 cost plans submitted by local jurisdictions and publishes a Handbook of Cost Plan Procedures for California Counties which provides that cost plans may be used to determine internal billing rates and fees; and

WHEREAS, the County Auditor-Controller annually prepares and submits A-87 cost plans, based on information provided by County departments, which are then approved by the State Controller's Office and which may then be utilized through the budget process to recover general fund expenses from non-general fund departments; and

WHEREAS, the Board of Supervisors has authority to exclude A-87 cost plan charges in the approved County budget; and

WHEREAS, the Auditor-Controller has verified that all equipment use charges actually charged to the Library for equipment purchased prior to 2012/13 are invalid; and

WHEREAS, the Auditor-Controller has verified the receipt of insurance proceeds of \$257,638 and donations of \$472,150 from Friends of the Fort Bragg Library that partially funded the Fort Bragg Library; and

WHEREAS, the Auditor-Controller cannot confirm receipt of state grant funds that assisted in construction of the Willits Library, but concurs that State Library records show payments of \$400,037 in grant funding to the County; and

WHEREAS, the Board of Supervisors deems it inappropriate to assess the Library A-87 cost plan charges for equipment purchased by dedicated library funds; and

WHEREAS, Library A-87 building and equipment use cost plan charges have been incorrectly calculated for many years, but were first charged to the Library in Fiscal Year 2012/13.

NOW, THEREFORE, BE IT RESOLVED that the Mendocino County Board of Supervisors FINDS AND DECLARES ALL OF THE FOLLOWING:

1. The Library is due a refund, currently estimated at \$31,626, for all A-87 equipment use charges actually charged to the Library for equipment purchased prior to fiscal year 2012/13;
2. The Library shall not be charged A-87 equipment use charges for equipment purchased with dedicated library funds (Measure A sales tax and/or pro-rata share of property tax);
3. The Library is due a refund, currently estimated at \$43,788, for building use charges related to the application of such charges to \$257,638 in insurance proceeds and \$472,150 in donations partially used to construct the Fort Bragg Library;
4. The Library is due a refund, currently estimated at \$24,000, for building use charges related to the application of such charges to \$400,037 in state grant funds partially used to construct the Willits Library;
5. The Executive Office shall work with the Auditor-Controller to determine the exact amount of the refund due the Library and shall take all necessary steps to refund said amount without delay.

The foregoing Resolution introduced by Supervisor \_\_\_\_\_, seconded by Supervisor \_\_\_\_\_, and carried this \_\_\_\_\_ day of \_\_\_\_\_, 2016, by the following vote:

AYES:  
NOES:  
ABSENT:

WHEREUPON, the Chair declared said Resolution adopted and SO ORDERED.

ATTEST: CARMEL J. ANGELO  
Clerk of the Board

\_\_\_\_\_  
Deputy

*APPROVED AS TO FORM:*  
KATHARINE L. ELLIOTT  
Acting County Counsel

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DAN GJERDE, Chair  
Mendocino County Board of Supervisors

I hereby certify that according to the provisions of Government Code Section 25103, delivery of this document has been made.

BY: CARMEL J. ANGELO  
Clerk of the Board

\_\_\_\_\_  
Deputy