



**BOARD OF SUPERVISORS
AGENDA LETTER**

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Behavioral Wellness
Department No.: 043
For Agenda Of: February 1, 2022
Placement: Administrative
Estimated Time: N/A
Continued Item: No
If Yes, date from:
Vote Required: 4/5

TO: Board of Supervisors
FROM: Department Antonette Navarro, LMFT, Director
Director(s) Department of Behavioral Wellness (805) 681-5220
Contact Info: Celeste Andersen, Chief of Compliance
Department of Behavioral Wellness (805) 681-5220
SUBJECT: Acceptance of a Donation to the Department of Behavioral Wellness from The John Kovacs Revocable Trust

County Counsel Concurrence

As to form: Yes

Other Concurrence: N/A

As to form: N/A

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- A. Approve, ratify, and authorize the Director of the Department of Behavioral Wellness to accept a donation of \$196,326 to the Department of Behavioral Wellness from The John Kovacs Revocable Trust (“Trust”), inclusive of a check in the amount of \$170,000 and a 34% interest in an Individual Retirement Account (IRA) held at Vanguard totaling \$26,326 at this time;
- B. Approve and authorize the Director of the Department of Behavioral Wellness to execute on behalf of the County the Distribution Agreement with Informal Accounting, Waiver of Formal Accounting, and Release of Trustee provided by the Trustee (Attachment A);
- C. Approve Budget Revision Request No. 0008071 for FY 21-22, increasing appropriations by \$196,326 in Behavioral Wellness Mental Health Services Act fund for Changes to Restricted, funded by unanticipated Miscellaneous Revenue (Attachment B); and
- D. Determine that the above actions are government funding mechanisms or other government fiscal activities, which do not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment and are therefore not a project under the California Environmental Quality Act (CEQA) pursuant to section 15378(b)(4) of the CEQA Guidelines.

Summary Text:

The Board is requested to accept the above-referenced donation to the Department of Behavioral Wellness (BWell). Approval to accept this donation by the Board is necessary because the donation amount exceeds the threshold designated by Resolution #15-58, which requires donations greater than \$10,000 to be Board-approved. The donation is without restriction and will aid in providing important resources to BWell. BWell intends to use the donation to create an annual scholarship for Peer Support, Prevention and Intervention.

Background:

The John Kovacs Revocable Trust was established in the name of Mr. John Kovacs, who passed away on May 16, 2020. The Trust provides for the residue of the Trust estate to be distributed in equal shares to three charitable organizations, one of which is BWell. The total donation amount is \$196,326 at this time and includes a check in the amount of \$170,000 and a 34% interest in an IRA held at Vanguard totaling \$26,326 currently. The interest held in the IRA will be liquidated and the total donation amount of \$196,326 will be deposited into the County Treasury. A new Program, Program 8007 (Kovacs Scholarship), has been created within Fund 0048 to reserve these funds and track expenses.

The Trustee has held a closing reserve valued at approximately \$25,000 to cover final expenses of Trust administration. Following the payment of final expenses, the balance of the reserve, if any, will be distributed to the three charitable organizations. BeWell has a 34% interest in the reserve. If any additional donation from the closing reserve is received from the Trust in Fiscal Year 21-22, BWell will return to the Board for approval of the donation and an additional Budget Revision Request.

BWell intends to use the gift amount to create and highlight an annual scholarship for the purposes of Peer Support or Prevention/Intervention. A committee will be formed to evaluate applicants and the scholarship funds will be awarded for Prevention and Intervention activities or for Peer Support (e.g., the County would cover an expense on behalf of peer scholarship recipient).

The Trust has provided an agreement regarding an informal accounting of trust assets, waivers, and releases, which the Trustee has requested be signed and returned (Attachment A). Approval of the recommended actions will allow the County to accept important resources to the Department of Behavioral Wellness, which will be used for the purposes of Peer Support and Prevention and Intervention.

Fiscal and Facilities Impacts:

Budgeted: No

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund			
State			
Federal			
Fees			
Other:Donation			\$ 196,326.00
Total	\$ -	\$ -	\$ 196,326.00

Narrative: The donation will be accounted for as a one-time appropriation of Donation Revenue of \$196,326. The FY 2021-2022 Adopted Budget for Behavioral Wellness does not include this funding; therefore, a budget revision is requested for the amount of the donation.

Key Contract Risks:

A risk in accepting the donation is that the County could be liable for its portion of taxes/reasonable expenses in the unlikely event that they are not covered by the closing reserve (as stated in Section 4.3 of the Agreement – Attachment A).

Special Instructions:

Please return one (1) Minute Order to bethle@sbcbswell.org and bswellcontractsstaff@sbcbswell.org.

Attachments:

Attachment A: John Kovacs Trust Donation – Letter and Distribution Agreement

Attachment B: Budget Revision Request No. 0008071

Authored by:

B. Le