



County of Monterey

Board Report

Legistar File Number: 24-318

Item No.

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

May 07, 2024

Introduced: 4/25/2024

Version: 1

Current Status: Agenda Ready

Matter Type: General Agenda Item

- a. Receive a report outlining potential revenue enhancement options; and
- b. Provide direction to staff.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Receive a report outlining potential revenue enhancement options; and
- b. Provide direction to staff.

SUMMARY/DISCUSSION:

On March 12, 2024, the County Administrative Office (CAO) presented the countywide financial forecast to the Board of Supervisors (Board), which indicated continued growth in discretionary revenues. However, the growth is not sufficient to keep up with the increased costs of doing business. On April 2, 2024, an update about the County's financial condition was provided during the Budget Workshop and staff was directed to bring a report back to the Board to focus on the most feasible revenue options for the earliest implementation possible.

A memo detailing the potential revenue enhancement options is included as Attachment A and was distributed on March 28, 2024. These potential revenue enhancement options will be presented to the Board for consideration during the May 7, 2024 Board Meeting. It is anticipated the Board will provide direction to staff to implement one or more options delineated. Implementation of certain options will likely necessitate hiring a consultant to help the County navigate the requirements for every option to identify the most practical approach for the Board's consideration.

As referenced in Attachment A, the options include:

- Transient Occupancy Tax Increase
- Sales Tax Increase
- Establishment of a new Utility User Tax
- Amend the Contribution to the Development Set-Aside
- Decrease Expenditures - Suspend the supplemental unfunded accrued liability (UAL) pension program
- One-time options - Redirect funds from the compensated absences assignment

OTHER AGENCY INVOLVEMENT:

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County Counsel has reviewed the report. Depending on the options the Board may choose to implement, various stakeholders will be involved in the process.

FINANCING:

Depending on the option selected by the Board, the County will incur expenses or generate revenue (if the voters approve the applicable measures) as described in Attachment A.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

This report is consistent with the Board of Supervisors' Strategic Initiative for Administration. Providing direction to staff for implementation of one the revenue options described helps the County of Monterey plan for future balanced budget that sustains core services and efficiently allocates resources.

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

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Attachments:

Attachment A: Revenue Options Memo

Attachment B: Presentation