

*Before the Board of Supervisors
County of Monterey, State of California*

Resolution No. 23-496

Adopt a Resolution to:)
a. Accept the Budget End-of-Year Report for Fiscal Year)
2022-23 from the County Administrative Office; and)
b. Authorize the County Administrative Office and)
Auditor-Controller to make fund balance designations in)
Fiscal Year 2023-24 included in Attachment A.....)

WHEREAS, the Budget End-of-Year Report (BEYR) evaluates year-end fiscal performance compared to the County's budget, as adopted and modified by the Board of Supervisors. Production of the BEYR is a collaborative effort between the County Administrative Office (CAO) and departments following year-end closing adjustments overseen by the Auditor-Controller. Financial data analyzed in the BEYR is unaudited and subject to final adjustments. The BEYR begins with an analysis of the countywide performance of the general fund, followed by an analysis of the financial performance of departments and other funds; and

WHEREAS, general fund end-of-year results are favorable, with an unassigned fund balance of \$13.3 million primarily attributed to the cancellation of assigned fund balances and growth in discretionary revenue, with financing sources of \$869.3 million against \$856.0 million in expenditures. The strong performance of discretionary revenue and prudent financial management by departments allowed the County to partially replenish its strategic reserves towards the 10% of adopted general fund revenues goal set by County ordinance. The BEYR also includes recommendations by the CAO to increase fund balance assignments for capital projects and revenue stabilization. The surplus and the fund balance designations recommended by the CAO are testaments to the County's conservative management culture and the continuous monitoring of its finances with oversight by the Board and its Budget Committee; and

WHEREAS, as part of the FY 2023-24 adopted budget, the Board of Supervisors authorized the CAO to allocate FY 2022-23 surplus to the strategic reserve and general fund contingency assignment. The operating surplus allowed \$36.5 million to be transferred to the strategic reserve to a balance of \$63.7 million. The general fund contingency assignment increased by \$433,510 to reach 1% of adopted general fund revenues; and

WHEREAS, based on the FY 2022-23 general fund performance, the CAO recommends that as a result of higher-than-expected Proposition 172 revenue, \$587,064 is added to the revenue stabilization assignment. To plan for future capital and equipment outlay, the CAO recommends \$1,121,485 be added to the general capital assignment. The Board also requested an additional \$100,000 for DSS Homekey operations in King City. Pending the Board's approval of this report's recommendations, the CAO estimates ending FY 2022-23 with an unassigned fund balance of \$11.5 million; and

WHEREAS, the final year-end results are subject to audit and will be published by the Auditor-Controller later this year in the Annual Comprehensive Financial Report. Details of the preliminary results are in the attached BEYR;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Supervisors of the County of Monterey, does hereby approve as follows:

- a. The Budget End-of-Year Report for Fiscal Year 2022-23 from the County Administrative Office is accepted.
- b. The County Administrative Office is authorized to make the fund balance designations in Fiscal Year 2023-24 in Attachment A and the Auditor-Controller is authorized and directed to make the fund balance changes in Advantage in Attachment A.

PASSED AND ADOPTED on this 6th day of December 2023, by roll call vote:

AYES: Supervisors Alejo, Church, Lopez, Askew, and Adams

NOES: None

ABSENT: None

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 82 for the meeting December 6, 2023.

Revised Date: March 1, 2024

File ID: RES 23-230

Agenda Item No.: 15

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California



Vicente Ramirez, Deputy

ATTACHMENT A: SUMMARY OF FUND BALANCE DESIGNATIONS

The items listed below are recommended amendments to the FY 2023-24 adopted budget and fund balance designations.

- A. Authorize the County Administrative Office and Auditor-Controller to make the following fund balance designations and fund balance changes in Advantage, respectively, in FY 2023-24 based on FY 2022-23 operating results:
1. Designate \$587,064 to the Revenue Stabilization Assignment (BSA 001-3128) from unassigned fund balance (BSA 001-3101) funded from surplus Proposition 172 revenue.
 2. Designate \$971,485 to the General Capital Assignment (BSA 001-3065) from unassigned fund balance (BSA 001-3101) for future Agricultural Commissioner capital project outlay.
 3. Designate \$150,000 to the General Capital Assignment, Elections (BSA 001-3065) from unassigned fund balance (BSA 001-3101) for future elections capital equipment outlay.
 4. Designate \$100,000 from unassigned fund balance (BSA 001-3101) for the Department of Social Services Homekey King City response.