

*Before the Board of Supervisors in and for the
County of Monterey, State of California*

Resolution No. 21- _____

- Adopt a resolution to)
- a. Receive a financial condition report for the)
Housing and Community Development)
Department and Department of Public Works,)
Facilities, & Parks (collectively, the former)
Resource Management Agency) for Fiscal)
Year (FY) 2020-21; and)
- b. Authorize the County Administrative)
Office and Direct the Auditor-Controller to)
release up to \$1,814,761 in Cannabis)
Assignment (001-3132), General Fund)
Contingencies (001-3113) 4/5th vote required,)
Strategic Reserve, or other funding as directed)
by the Board to fund revenue shortfalls)
resulting from the pandemic as outlined in)
Attachment A.)

WHEREAS, Resource Management Agency (RMA) dissolved on November 30, 2020, and in its place, two new departments were formed: the Housing and Community Development Department (HCD) and the Community Services Department (CSD), the latter was updated to be called the Department of Public Works, Facilities, & Parks (PWFP);

WHEREAS, the Fiscal Year (FY) 2020-21 RMA Adopted Budget, including all subsequent Board of Supervisor-approved modifications, will remain intact through June 30, 2021, and thus HCD/PWFP continue to manage the RMA General Fund budget to the bottom line and not individually by department or functional unit;

WHEREAS, HCD/PWFP's financial condition report for FY 2020-21 details the impact of COVID-19 on revenue, and reflects a revenue shortfall of \$2.5 million, a reduction in costs of \$0.3 million, and an increase in General Fund Contribution from Cares Act funding of \$0.4 million, for a net loss of \$1.8 million;

WHEREAS, in response to the County Administration Budget Office's request for HCD/PWFP to provide options to close the gap in revenues due to this extraordinary global crisis, two (2) options were developed for consideration;

WHEREAS, Option 1 proposes to leave all 16 General Fund vacant positions unfilled for the remainder of the year for a savings of \$0.6 million and to lay off 35 staff for a savings of \$1.2 million;

WHEREAS, Option 1's freezing of 12 vacant positions and reducing 29 positions in HCD will significantly increase the backlog of plans examination, code compliance, building inspections, advance planning, conditions compliance, current planning, and environmental review, likely resulting in failures throughout the HCD;

WHEREAS, Option 1's freezing of four (4) vacant positions and reducing six (6) positions in PWFP will largely impact Parks, reducing the division's ability to perform essential grounds maintenance, like mowing lawns and trimming trees, as well as deferred maintenance projects;

WHEREAS, Option 2 recognizes Cannabis Tax Assignment, General Fund Contingencies, and Strategic Reserve funding as alternative revenue sources from which to backfill the budget shortfall resulting from COVID-19 impacts;

WHEREAS, the Cannabis Tax Assignment balance is currently \$8.6 million and designating \$1.8 million to address the HCD and PWFP budget shortfall will reduce it to \$6.8 million;

WHEREAS, the Contingency Balance and Strategic Reserve balances are \$0.7 million and \$66.0 million, respectively;

WHEREAS, Option 2 raises both HCD's & PWFP's daily operational capacity to a level where workload demands can be met and critical services can continue to be performed, and as such, both departments recommend Option 2 as the preferred measure to address the current fiscal year's shortfall; and

WHEREAS, the Budget Committee supported bringing this report forward to the Board of Supervisors at their January 27, 2021 meeting.

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Supervisors does hereby:

- a. Receive a financial condition report for the Housing and Community Development Department and Department of Public Works, Facilities, & Parks (collectively, the former Resource Management Agency) for Fiscal Year (FY) 2020-21; and
- b. Authorize the County Administrative Office and Direct the Auditor-Controller to release up to \$1,814,761 in Cannabis Assignment (001-3132), General Fund Contingencies (001-3113), Strategic Reserve, or other funding as directed by the Board to fund revenue shortfalls resulting from the pandemic as outlined in Attachment A.

PASSED AND ADOPTED upon this 9th day of February 2021, by roll call vote:

AYES: Supervisors

NOES:

ABSENT:

(Government Code 54943)

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 resolution of said Board of Supervisors duly made and entered in the minutes thereof Minute Book ___ for the meeting on February 9, 2021.

Dated: February , 2021
File ID: RES 21-
Agenda Item:

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

By _____
Deputy