



Monterey County

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

Board Report

Legistar File Number: RES 19-087

June 25, 2019

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Consider adopting a resolution approving the Fiscal Year (FY) 2019-20 Budget for the County of Monterey, incorporating the FY 2019-20 Recommended Budget, which includes the County's General Financial Policies, and additional modifications directed by the Board at the June 3, 2019 Budget Hearings.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

Consider adopting a resolution approving the Fiscal Year (FY) 2019-20 Budget for the County of Monterey, incorporating the FY 2019-20 Recommended Budget, which includes the County's General Financial Policies, and additional modifications directed by the Board at the June 3, 2019 Budget Hearings.

SUMMARY:

The County Administrative Office (CAO) presented the FY 2019-20 Recommended Budget to the Board of Supervisors at the Budget Hearings on June 3, 2019. The Board approved a number of modifications, including amendments to the General Financial Policies, and directed staff to incorporate related changes in the budget for adoption on June 25, 2019. Budget Hearing modifications are detailed in Attachment A and Exhibit 1. During Budget Hearings, the Board directed additional follow-up for several pending issues. Specific referrals and anticipated dates of response back to the Board are detailed in Attachment B. In addition, the Recommended Budget authorizes the CAO to make adjustments if needed to correct clerical errors as reported in Attachment C.

DISCUSSION:

The FY 2019-20 Budget for all funds governed by the Board of Supervisors and the Board of Supervisors acting as the Board of Directors of individual special districts and Successor Agencies totals \$1,543,935,174. Total financing includes use of fund balance of \$29,693,575 and \$1,514,241,599 in revenues. Monterey County's FY 2019-20 Adopted Budget provides for 5,361.5 full-time equivalent (FTE) positions (Exhibit 1). Adopted Budget details are included in the FY 2019-20 Recommended Budget presented at Budget Hearings on June 3, 2019 and in the attachments to this report. The Board of Supervisors acting as the Boards of Directors of individual special districts and Successor Agencies will consider related budgets, included in above totals, for adoption during individually convened hearings on June 25, 2019 as appropriate.

General Fund appropriations total \$687,507,576, offset by use of fund balance of \$17,691,487 and \$669,816,089 in revenues. The General Fund budget provides for 3,354.7 FTEs. General Fund appropriation modifications total \$1,031,875 and add two positions. Financing for modifications includes the use of \$942,067 from the appropriation for contingencies, \$265,000 from a release in the

General Fund Cannabis Assignment fund balance and a reduction in ongoing cannabis revenue of \$175,192.

The adopted budget includes a decrease in appropriations to the Road Fund in the amount of \$993,072 to reflect an adjustment for the Transient Occupancy Tax (TOT) revenue contribution to the Road Fund. The adjusted amount maintains the TOT contribution at a level which meets maintenance of effort (MOE) estimates for FY 2019-20 to avoid increasing maintenance of effort beyond sustainable funding levels. The Resource Management Agency will provide recommendations for re-allocating these monies to road projects in such a manner so as not to further increase the MOE.

The County Administrative Office recognizes that adoption of the State's FY 2019-20 Budget could impact County operations. Staff closely monitors the County's revenue and expenditure conditions to identify emerging issues and potential impacts that may require additional Board action. County staff will return to the Board to address State budget and local issues and make recommendations as necessary to maintain a balanced budget throughout the fiscal year.

OTHER AGENCY INVOLVEMENT:

All County departments and agencies participate in development of the annual budget. At the close of Budget Hearings on June 3, 2019, staff in the CAO - Budget and Analysis Division, Auditor-Controller's Office, and Human Resources Department initiated collaborative efforts to ensure that all components of the County's FY 2019-20 Adopted Budget are programmed in Countywide Enterprise budget, payroll, accounting, and Human Resources position tracking systems for accurate and timely implementation on July 1 of the new fiscal year.

FINANCING:

The FY 2019-20 Adopted Budget reflects the FY 2019-20 Recommended Budget and changes directed by the Board during Budget Hearings on June 3, 2019. The FY 2019-20 Budget is balanced and meets all requirements for adoption and implementation effective July 1, 2019.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The recommendation to approve the FY 2019-20 Budget for the County of Monterey is consistent with the Board of Supervisors' Strategic Initiative for Administration. The FY 2019-20 Budget for the County of Monterey represents a balanced budget that sustains core services and efficiently allocates resources.

Mark a check to the related Board of Supervisors Strategic Initiatives

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

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Attachments:

Board Report; FY 2019-20 Adopted Budget Resolution; Attachment A: Modifications to the FY 2019-20 Recommended Budget; Exhibit 1: FY 2019-20 Adopted Budget Countywide Position Summary; Attachment B: Board-directed follow-up items; Attachment C: Clerical Corrections