

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

Resolution No.: 25-401

Adopt a Resolution to:

- a) Authorize and approve the increase in appropriations of the Auditor-Controller's Fiscal Year (FY) 2025-26 Budget in Fund 001, Appropriation Unit AUD001 by \$1,700,000, financed by a release of \$1,700,000 from the Compensated Absences Assignment account 001-3115 (4/5 vote required); and)
- b) Authorize the Auditor-Controller to amend the Auditor-Controller's Fiscal Year (FY) 2025-26 Budget in Fund 001, Appropriation Unit AUD001 by \$1,700,000, financed by a release of \$1,700,000 from the Compensated Absences Assignment account 001-3115.)

RECITALS:

WHEREAS, a recently identified error in State Disability Insurance (SDI) tax calculations, where the 457(b) deferred compensation and CalPERS retirement contributions were inadvertently excluded from taxable wages in calculating SDI tax resulted in an estimated under-withheld tax liability of \$1,200,000.

WHEREAS, the under-withheld tax is expected to incur approximately \$180,000 in penalties and \$98,000 in interest.

WHEREAS, on October 14, 2025, the Board of Supervisors authorized remittance of up to \$1.7 million to the State of California Employment Development Department (EDD) for SDI tax under-withholding, including a late payment penalty and interest, for payroll tax returns filed after October 31, 2022, without recoupment from County employees.

NOW, THEREFORE, BE IT RESOLVED, the Board of Supervisors of the County of Monterey hereby:

- a) Authorize and approve the increase in appropriations of the Auditor-Controller's Fiscal Year (FY) 2025-26 Budget in Fund 001, Appropriation Unit AUD001 by \$1,700,000, financed by a release of \$1,700,000 from the Compensated Absences Assignment account 001-3115 (4/5 vote required); and
- b) Authorize the Auditor-Controller to amend the Auditor-Controller's Fiscal Year (FY) 2025-26 Budget in Fund 001, Appropriation Unit AUD001 by \$1,700,000, financed by a release of \$1,700,000 from the Compensated Absences Assignment account 001-3115.

PASSED AND ADOPTED on this 21st day of October 2025, by roll call vote:

AYES: Supervisors Alejo, Church, Lopez and Daniels

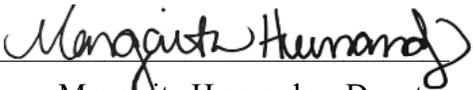
NOES: Root Askew

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 on October 21, 2025.

Dated: October 22, 2025
File ID: RES 25-154
Agenda Item No.: 14

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


Margarita Hernandez, Deputy