

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

Resolution No. 21-430

- a. Accepting the Budget End-of-Year Report for FY 2020-21)
from the County Administrative Office;)
- b. Authorizing the County Administrative Office to make certain)
fund balance designations in FY 2021-22 and authorizing and)
directing the Auditor-Controller to make the fund balance)
changes in Advantage; and)
- c. Authorizing a \$3,524,746 Natividad contribution to the)
pension trust (Fund 030) based on its share of the CalPERS)
miscellaneous plan's pension liability (4/5th vote required)
required).)

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 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, the general fund end-of-year results are favorable, with an operating surplus of \$24.1 million primarily attributed to federal pandemic aid. The strong performance of discretionary revenue and prudent financial management by departments allowed the County to invest the surplus in holding the Strategic Reserve at 10% of FY 2021-22 adopted general fund revenues. The surplus is a testament to the County's conservative management culture and the continuous monitoring of its finances with oversight of the Board and its Budget Committee; and

WHEREAS, as part of the FY 2021-22 adopted budget, the Board of Supervisors authorized the County Administrative Office to allocate up to 10% of estimated FY 2020-21 general fund revenues toward the pension trust. Due to the healthy performance of FY 2020-21, the County Administrative Office recommends setting aside \$37.7 million towards the pension trust. As part of the year-end analysis, the County Administrative Office discovered that in FY 2018-19, \$550,000 was set aside in the Information Technology Charges Mitigation assignment for elections equipment. The County Administrative Office recommends transferring the \$550,000 to a sub-account in the General Capital Assignment for elections equipment. It is also recommended that an additional \$526,700 from the Elections Department's surplus in FY 2020-21 be designated to the sub-account in the General Capital Assignment, for a total of \$1.1 million towards elections equipment. Lastly, the County Administrative Office recommends that \$3.1 million be designated to a sub-account in the General Capital Assignment towards the future replacement of the Sheriff's radios largely funded from its budgetary surplus; and

WHEREAS, the Board's Budget Committee received the BYER presentation at its November 18, 2021 special meeting. The Budget Committee did not support recommendation b.3, which seeks to set aside \$3.1 million in unassigned fund balance into the General Capital Assignment for the future replacement of the Sheriff's Office communication radios; 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, as follows:

- a. The Budget End-of-Year Report for FY 2020-21 from the County Administrative Office is accepted.
- b. The County Administrative Office is authorized and directed to make the following fund balance designations in FY 2021-22 and authorize and direct the Auditor-Controller to make the fund balance changes in Advantage:
 1. Authorize the creation of a new section 115 pension trust assignment and authorize assigning \$30,641,609 financed by unassigned fund balance.
 2. Designate \$9,527,138 to the Compensated Absences Assignment (BSA 3115) to continue to keep reserves for employee vacation accruals financed by unassigned fund balance.
 3. Designate \$526,700 in a sub-account in the General Capital Assignment (BSA 3065) for the capital equipment for the Elections Department financed by unassigned fund balance.
 4. Release \$550,000 from the Information Technology Charges Mitigation Assignment (BSA 3124) and assign 550,000 to the new sub-account within the General Capital Assignment (BSA 3065) for capital equipment for the Elections Department.

PASSED AND ADOPTED on this 8th day of December 2021, by roll call vote:

AYES: Supervisors Alejo, Askew and Adams

NOES: Supervisors Phillips and Lopez

ABSENT: None

(Government Code 54953)

- c. A \$3,524,746 Natividad contribution to the pension trust (Fund 030), based on its share of the CalPERS miscellaneous plan's pension liability, is authorized by:
 1. Authorizing and directing the Auditor-Controller to increase appropriations in the Natividad FY 2021-22 adopted budget (451-NMC001-8142) by \$3,524,746 financed by unassigned fund balance (4/5th vote required); and
 2. Transferring \$3,524,746 from the Natividad enterprise fund (451-NMC001-8142) to the Pension Liability Fund (030-CAO049-8570) (4/5th vote required).

PASSED AND ADOPTED on this 8th day of December 2021, by roll call vote:

AYES: Supervisors Alejo, Phillips, Askew and Adams

NOES: Supervisor Lopez

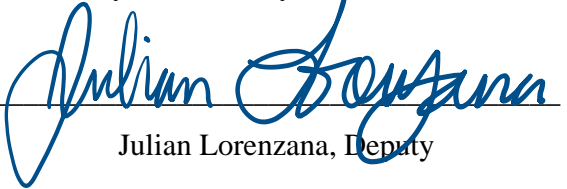
ABSENT: None

(Government Code 54953)

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 8, 2021.

Dated: January 11, 2022
File ID: RES 21-211
Agenda Item No.: 6

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



Julian Lorenzana, Deputy

