



## Legislation Details (With Board Report)

**File #:** 13-1286      **Name:** County General Financial Policies FY 2014-15 - Dec 2013  
**Type:** General Agenda Item      **Status:** Passed  
**File created:** 12/4/2013      **In control:** Board of Supervisors  
**On agenda:** 12/17/2013      **Final action:** 12/17/2013

**Title:** a. Consider the recommended County Financial Policies containing County-wide financial principles and strategies for building the Fiscal Year (FY) 2014-15 Recommended Budget and ongoing fiscal management; and  
b. Consider the financial strategy to fulfill Board direction established in the Financial Policies to fund the Road Fund through the County Transient Occupancy Tax contribution formula as calculated to maintain roads.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Attachment 1 - General Financial Policies FY 2014-15 - 12-17-13, 2. Attachment 2 - Recommended Co Financial Policies - Updates - 12-17-13, 3. Financial Guidelines ppt - 12-17-13\_BOS [Read-Only], 4. Completed Board Order

Date	Ver.	Action By	Action	Result
12/17/2013	1	Board of Supervisors	approved	Pass

a. Consider the recommended County Financial Policies containing County-wide financial principles and strategies for building the Fiscal Year (FY) 2014-15 Recommended Budget and ongoing fiscal management; and  
b. Consider the financial strategy to fulfill Board direction established in the Financial Policies to fund the Road Fund through the County Transient Occupancy Tax contribution formula as calculated to maintain roads.

**RECOMMENDATION:**

It is recommended that the Board of Supervisors:

a. Consider the recommended County Financial Policies containing County-wide financial principles and strategies for building the Fiscal Year (FY) 2014-15 Recommended Budget and ongoing fiscal management; and  
b. Consider the financial strategy to fulfill Board direction established in the Financial Policies to fund the Road Fund through the County Transient Occupancy Tax contribution formula as calculated to maintain roads.

**SUMMARY/DISCUSSION:**

In February 2003, the Board first adopted formal financial guidelines, policies, principles and strategies by establishing a framework for overall fiscal planning and management. The County Administrative Office (CAO) annually recommends updates to the County’s existing financial policies, principles, and strategies in order to provide an enhanced framework for administering the current Budget and developing the Recommended Budget. Specific areas of focus include the following: Roles and Functions, Operating Budget Policies, General Financial Policies, Revenue and Expenditure Policies, Structurally Balanced Budget Policy, Fund Balance and Reserve Policy, Development of Performance Measures that are aligned with the County’s Strategic Initiatives and Objectives, Strategic Planning Policy, County-wide Contingency and Reserve Policy, User Fees Fair Share Policy, Outside Agency Contributions Policy, Other Post Employment Benefits Policy,

Enterprise Fund Policy, Internal Service Fund Policy, and Capital Facilities and Improvement Policy.

The Board and County management have continuously made significant progress in developing and implementing sound fiscal policies, principals and strategies. As a result, in preparation for the development of the Fiscal Year (FY) 2014-15 Recommended Budget, it is recommended that the Financial Policies (see **Attachment 1**) remain for the most part, unchanged from those adopted for FY 2013-14, with the inclusion of the Board's direction to the County Administration Office (CAO) to utilize the Transient Occupancy Tax contribution formula of 20% for the Road Fund. Policy is currently being developed to present to the Board a recommendation to reach a 25% contribution rate based on the total Transient Occupancy Tax from the previously audited fiscal year. An associated policy is due to determine how the fund use is monitored. **Attachment 2** provides the changes that were made, which were primarily clarification of the intent of a particular policy or updating policy based on Board action during the course of the fiscal year.

OTHER AGENCY INVOLVEMENT:

The County Administrative Office works with all departments in the review and development of the Financial Policies.

FINANCING:

The Financial Policies provide the framework for building and administering the Recommended Budget each fiscal year. The fiscal implications related to the recommended funding strategy for the Road Fund is to utilize the Transient Occupancy Tax contribution formula of 20% based on the total Transient Occupancy Tax from the previously audited fiscal year. This will not have an impact on funds agreed upon by the Board as annual contributions to The Monterey County Convention and Visitors Bureau, Film Commission and Arts Council. A recommended policy will be presented to the Board during January 2014 on how to reach a 25% contribution rate.

Prepared by:

Approved by:

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Principal Administrative Analyst

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Attachment 1: Monterey County FY 2014-15 General Financial Policies

Attachment 2: Monterey County FY 2014-15 General Financial Policies-Updates

Attachment 3: PowerPoint presentation