



County of Monterey

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

Board Report

File #: RES 21-110, Version: 1

Consider adopting a resolution approving the Fiscal Year (FY) 2021-22 Budget for the County of Monterey, incorporating the FY 2021-22 Recommended Budget, which includes the County's General Financial Policies, and additional modifications directed by the Board at the June 2-3, 2021 Budget Hearings.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

Consider adopting a resolution approving the Fiscal Year (FY) 2021-22 Budget for the County of Monterey, incorporating the FY 2021-22 Recommended Budget, which includes the County's General Financial Policies, and additional modifications directed by the Board at the June 2-3, 2021 Budget Hearings.

SUMMARY:

The County Administrative Office (CAO) presented the FY 2021-22 Recommended Budget to the Board of Supervisors at the Budget Hearings on June 2-3, 2021. The Board approved several modifications on June 2-3, 2021, including amendments to the General Financial Policies for FY 2021-22, and directed staff to incorporate related changes in the budget for adoption on June 22, 2021. 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.

DISCUSSION:

The FY 2021-22 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 \$1,670,697,501. Total financing includes \$1,673,183,432 in revenues. Monterey County's FY 2021-22 Adopted Budget provides for 5,516.6 full-time equivalent (FTE) positions (Exhibit 1). Adopted Budget details are included in the FY 2021-22 Recommended Budget presented at Budget Hearings on June 2-3, 2021 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 the above totals, for adoption during individually convened hearings on June 22, 2021 as appropriate.

General Fund appropriations total \$762,969,373, offset by use of fund balance of \$9,147,090 and \$754,697,653 in revenues. The General Fund budget provides for 3,367.2 FTEs.

The adopted budget includes a transfer from the Transient Occupancy Tax (TOT) revenue contribution to the Road Fund which maintains the TOT contribution at a level that meets maintenance of effort (MOE) estimates for FY 2021-22.

The County Administrative Office recognizes that adoption of the State's FY 2021-22 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.

As discussed during the budget hearings, the COVID-19 pandemic has affected many local governments revenues and will also affect Monterey County's revenues. One of those revenue sources which will be most affected is Transient Occupancy Tax (TOT). However, as the County and the nation start to emerge from the pandemic, revenues are showing signs of recovery. Accordingly, staff will continue to monitor the economy's condition and bring back budgetary adjustments to the Board if necessary.

OTHER AGENCY INVOLVEMENT:

All County departments and agencies participate in development of the annual budget. At the close of Budget Hearings on June 2-3, 2021, 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 2021-22 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 2021-22 Adopted Budget reflects the FY 2021-22 Recommended Budget and changes directed by the Board during Budget Hearings on June 2-3, 2021. The FY 2021-22 Budget is balanced and meets all requirements for adoption and implementation effective July 1, 2021.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The recommendation to approve the FY 2021-22 Budget for the County of Monterey is consistent with the Board of Supervisors' Strategic Initiative for Administration. The FY 2021-22 Budget for the County of Monterey represents a balanced budget that sustains core services and efficiently allocates resources.

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

Prepared by: Ezequiel Vega, County Budget Director, ext. 3078

Approved by: Dewayne Woods, Assistant County Administrative Officer, ext. 5309

Attachments: FY 2021-22 Adopted Budget Resolution; Attachment A - Modifications to the FY 2021-22 Recommended Budget; Attachment B - Adopted Budget Follow-up Items; Exhibit 1 - FY 2021-22 Adopted Budget Countywide Position Summary; Adopted Budget Overview Presentation