



# County of Monterey

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

## Board Report

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**File #:** BC 18-065, **Version:** 1

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Receive information on the FY 2018-19 Recommended Budget.

**RECOMMENDATION:**

It is recommended that the Board of Supervisor's Budget Committee receive information on the FY 2018-19 Recommended Budget.

**SUMMARY:**

The FY 2018-19 Recommended Budget includes \$1.5 billion in expenditures for all funds and supports a workforce of 5,171 authorized positions. The recommended budget will be presented to the Board of Supervisors for consideration at the public budget hearings scheduled to commence on June 4, 2018.

**DISCUSSION:**

The \$1.5 billion spending plan for FY 2018-19 increases expenditures by \$14.4 million (1.0%) while reducing staffing by 145.5 positions from the current year adopted budget.

A multitude of fiscal pressures are constraining County operations. County departments face ongoing inflationary pressures such as authorized pay raises, increased pension contributions, higher workers' compensation, and rising general liability program costs. Aside from cost pressures, the County has undertaken additional costs in recent years to meet important needs in the community that are in line with the Board's strategic initiatives. Although discretionary revenue grows \$5.9 million next fiscal year due to positive property tax collections, the growth is not sufficient to cover the cumulative effect of all the fiscal pressures. Furthermore, some departments are experiencing loss of State revenue next year, which translates to service level reductions for local programs. Preparing a balanced spending plan for next fiscal year was particularly challenging given the combination of increasing costs and limited revenue growth. Many departments were compelled to reduce service levels to balance expenditures to available financing sources.

This recommended budget implements solutions described in detail in the attached Executive Summary that support \$11.3 million in augmentations and save 114 positions (including 82 filled positions). However, many needs remain unfunded due to fiscal constraints. To the extent funds are available, the recommended budget targets them to required levels of mandated services and vital programs that best serve our community.

Staff will present an overview of the spending plan, including budget solutions employed to support critical services as well as needs remaining unfunded due to budget constraints at the budget hearings, scheduled to commence June 4, 2018. As of this writing, there are 83.4 filled positions that are scheduled to expire on June 30, 2018. With a workforce of over 5,100 employees, there is significant position movement and turnover in the County; therefore, the number of at-risk filled positions may change. Staff will update the Board of Supervisors on the status of at-risk positions at the budget hearings.

Details about the recommended budget can be found in the attached Executive Summary.

**OTHER AGENCY INVOLVEMENT:**

Development of the recommended budget is a collaborative effort between the County Administrative Office

and all County departments.

FINANCING:

This is an informational report and as such there is no fiscal impact that results from the receipt of this report.

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Attachments: Executive Summary - FY 2018-19 Recommended Budget