



County of Monterey

Item No.6

Budget Committee Report

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

Legistar File Number: BC 25-055

April 30, 2025

Introduced: 4/23/2025

Current Status: Agenda Ready

Version: 1

Matter Type: Budget Committee

a. Support amending the Fiscal Year (FY) 2024-25 Adopted Budget to increase appropriations by \$533,713 in General Fund 001, Utilities Appropriation Unit PFP055, financed by an increase in Utility reimbursement revenue of \$92,638 and a decrease in appropriations of \$441,075 in General Fund 001, Contingencies Appropriation Unit CAO020.

RECOMMENDATION:

It is recommended that the Budget Committee:

a. Support amending the Fiscal Year (FY) 2024-25 Adopted Budget to increase appropriations by \$533,713 in General Fund 001, Utilities Appropriation Unit PFP055, financed by an increase in Utility reimbursement revenue of \$92,638 and a decrease in appropriations of \$441,075 in General Fund 001, Contingencies Appropriation Unit CAO020.

SUMMARY/DISCUSSION:

The Department of Public Works, Facilities and Parks (PWFP) prepares monthly budget forecast by Fund/Appropriation Unit to project revenues and expenditures and assist management in making informed financial decisions. PWFP's most recent forecast of its Utilities unit anticipates that it will likely exceed appropriations by end of fiscal year. PWFP is requesting additional appropriations in the amount of \$533,713.

During the development of the FY 2024-25 budget, PWFP forecasted Utility costs would exceed available financing sources by \$173,817. PWFP did not receive the augmentation, so staff closely monitored the fund and found the rates spiking in the first half of the year. A significant shortfall of \$739,970 was reported during the Current Year Estimate Process in December 2024. However, rates were slated to decline in January and the current estimated shortfall dropped to \$533,713.

A portion of the increased cost is shared with the State of California Courts. The net shortage is \$441,075 and considers an increase in reimbursement revenue of \$92,638. PWFP will bill the State of California their portion of the increased rates specifically for utility charges at three County buildings under Joint Occupancy Agreement with the Judicial Council of California (JCC): 1) Monterey Courthouse, 1200 Aguajito, 2) Salinas Courthouse, 240 Church Street, and 3) King City Courthouse, 250 Franciscan Way.

OTHER AGENCY INVOLVEMENT:

PWFP has collaborated with the County Administrative Office on the Utility budget shortfall. The County Administrative Office - Budget Analysis Division has reviewed the report.

FINANCING:

Approval of this request would increase appropriation in General Fund 001, Utilities Appropriation Unit PFP055 by \$533,713, financed by an increase in Utility reimbursement revenue of \$92,638, and a decrease in appropriation of \$441,075 in General Fund 001, Contingencies Appropriation Unit CAO020. The current General Fund Contingencies balance is \$6,587,990 and would be reduced to \$6,146,915.

Prepared by: Sandra Lance, Finance Manager I, (831) 755-4823

Reviewed by: Jessica Cordiero-Martinez, Finance Manager III (831)755-4824

Approved by: Randell Ishii, MS, PE, TE, PTOE, Director of Public Works, Facilities and Parks