



County of Monterey

Item No.

Board Report

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

Legistar File Number: RES 25-069

May 20, 2025

Introduced: 5/5/2025

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Resolution

Adopt a Resolution to authorize and direct the Auditor-Controller to amend 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 (4/5ths vote required).

RECOMMENDATION:

It is recommended that the Board of Supervisors adopt a Resolution to authorize and direct the Auditor-Controller to amend 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 (4/5ths vote required).

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 fiscal 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 collaborated with the County Administrative Office (CAO) on the Utility budget shortfall and the CAO - Budget Analysis Division has reviewed the report. This item was presented to and supported by Budget Committee on April 30, 2025.

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.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The recommended action supports the Board of Supervisors Strategic Initiatives for Administration by showing responsible and transparent budget management. Although utility costs increased due to PG&E rate hikes-outside the department's control-we closely tracked spending and quickly reported the issue. This ensures essential services continue while maintaining accountability and efficient use of resources.

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

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

The following attachment is on file with the Clerk of the Board:
Attachment A - Resolution