



County of Monterey

Item No.

Board Report

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

Legistar File Number: RES 26-091

June 16, 2026

Introduced: 6/8/2026

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Resolution

- a. Adopt a resolution approving the Fiscal Year (FY) 2026-27 Budget for the County of Monterey, incorporating the FY 2026-27 Recommended Budget, which includes the County's General Financial Policies, and additional modifications directed by the Board of Supervisors at May 27, 2026, Budget Hearing;
- b. Amend Personnel Policies and Practices Resolution (PPPR) No. 98-394, Appendix A and B, to adjust the salary ranges of multiple classifications/series effective July 11, 2026, as indicated in Attachment D;
- c. Direct the Human Resources Department and Auditor-Controller to implement the base wage changes in the Advantage Human Resources Management (HRM) System; and
- d. Adopt the Maximum Filled Full-Time Equivalency Policy effective July 1, 2026, as described in Attachment E.

RECOMMENDATION:

It is recommended that the Board of Supervisors adopt a resolution:

- a. Receive a presentation from the Sheriff-Coroner's Office regarding staffing trends and departmental funding as requested by the Board of Supervisors during May 27, 2026, Budget Hearing (Attachment B).
- b. Approve the Fiscal Year (FY) 2026-27 Budget for the County of Monterey, incorporating the FY 2026-27 Recommended Budget, which includes the County's General Financial Policies, and additional modifications directed by the Board of Supervisors at May 27, 2026, Budget Hearing as indicated in Attachment A;
- c. Amend Personnel Policies and Practices Resolution (PPPR) No. 98-394, Appendix A and B, to adjust the salary ranges of multiple classifications/series effective July 11, 2026, as indicated in Attachment D;
- d. Direct the Human Resources Department and Auditor-Controller to implement the base wage changes in the Advantage Human Resources Management (HRM) System; and
- e. Adopt and implement the Maximum Filled Full-Time Equivalency (FTE) Policy to establish the allowable maximum filled FTE by department, effective July 1, 2026, as described in Attachment E.

SUMMARY:

The County Administrative Office (CAO) presented the FY 2026-27 Recommended Budget to the Board of Supervisors at the Budget Hearings on May 27, 2026. The Board approved several modifications and directed the CAO to incorporate related changes in the budget for adoption on June 16, 2026. Budget Hearing modifications are detailed in Attachment A and Exhibit 1. The budget also contains corrections as detailed in Attachment C and Exhibit 1.

The Human Resources Department (HRD) completed base wage compensation studies for the Recommended Budget. Attachment D outlines the classifications found to be below the market of the County's comparable agencies; therefore, it is recommended that the salary ranges be amended.

DISCUSSION:

The FY 2026-27 Budget for all funds governed by the Board of Supervisors, and by the Board of Supervisors acting as the Board of Directors of individual special districts and Successor Agencies, totals \$2,346,498,487. Total financing includes \$2,281,019,141 in revenues and \$65,479,346 in fund balance use. The County's FY 2026-27 Adopted Budget will provide 5,709.3 full-time equivalent (FTE) positions (Exhibit 1). The Adopted Budget details are included in the FY 2026-27 Recommended Budget presented at Budget Hearings on May 27, 2026, and in the attachments to this report. The Board of Supervisors, acting as the Board 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 16, 2026, as appropriate.

General Fund appropriations total \$1,024,198,448 offset by revenues of \$991,315,574 and fund balance use of \$32,882,874. The General Fund budget provides for 3,446.75 FTEs.

The Adopted Budget includes a contribution to the Road Fund of \$10,037,154, representing a 25% allocation from the Transient Occupancy Tax (TOT) revenue.

The Adopted Budget utilizes an additional \$1,070,400 in Measure AA revenues, an additional \$1,331,279 in unassigned fund balance, and reduces the appropriation for Contingencies by \$75,000 to support board modifications directed at the Budget Hearing on May 27, 2026. The modifications include the restoration of 6.5 FTEs. Additionally, the Board authorized the use of \$1,000,000 of Building and Improvement Replacement funds to support unscheduled maintenance to county-owned facilities.

The CAO recognizes that the adoption of the State's FY 2026-27 Budget and federal budgetary changes could impact county operations. The CAO closely monitors the County's revenue and expenditure conditions to identify emerging issues and potential impacts that may require additional Board action. In addition, pending negotiations with labor groups could also impact the FY 2026-27 budget. To manage workforce costs during FY 2026-27, the CAO will discontinue operating the Hiring Freeze Policy initiated in October 2024 and replace it with a Maximum Filled Full-Time Equivalency (FTE) Policy as reflected in Attachment E. County staff will provide continued oversight and regularly report to the Board of Supervisors regarding emerging federal, state, and local matters that may affect the County's budget. As issues arise and their impacts are identified and quantified, staff will develop, present, and make recommendations to the Board. These actions are intended to ensure the County maintains a balanced budget throughout the fiscal year and to proactively address any potential challenges or necessary adjustments.

The Human Resources Department (HRD) contracted with independent firms Management Strategies Group, a consulting division of Sloan Sakai Yeung & Wong LLP, and Regional Government Services (RGS) to conduct multiple base wage studies, while others were conducted internally. As a result, several classifications/series were found to be below the market of the County's comparable agencies.

Effective FY 2024-25, HRD, in partnership with the CAO, implemented a new process for aligning the implementation of completed base wage compensation studies with the County's budget adoption process. Therefore, HRD recommends adopting a resolution to amend Personnel Policies and Practices Resolution (PPPR) No. 98-394, Appendix A, to adjust the base wage salary ranges and effective dates for classifications below market as indicated in Attachment D.

OTHER AGENCY INVOLVEMENT:

All County offices and departments participate in developing the annual budget. At the close of the Budget Hearing on May 27, 2026, the CAO - Budget and Analysis Division, Auditor-Controller's Office, and HRD initiated collaborative efforts to ensure that all components of the FY 2026-27 Adopted Budget are programmed in the countywide enterprise budget, payroll, accounting, and human resources position tracking systems for accurate and timely implementation on July 1, 2026.

FINANCING:

The FY 2026-27 Adopted Budget reflects the FY 2026-27 Recommended Budget and changes directed by the Board of Supervisors during the Budget Hearing held on May 27, 2026. The FY 2026-27 Budget is balanced and meets all requirements for adoption and implementation effective July 1, 2026.

Prepared by: Patricia Hasan, Principal Administrative Analyst, ext. 5091

Reviewed by: Deja Sero, County Budget Director, ext. 6870

Approved by: Sonia M. De La Rosa, County Administrative Officer

Attachments:

FY 2026-27 Adopted Budget Resolution

Attachment A - Board of Supervisors Modifications to the FY 2026-27 Recommended Budget

Attachment B - Board-directed Follow-up and Pending Budget Issues for the FY 2026-27 Adopted Budget

Attachment C - Technical Corrections to the FY 2026-27 Recommended Budget

Attachment D - Base Wage Adjustments Hourly Salary Table

Attachment E - Maximum Filled Full-Time Equivalency Policy for FY 2026-27 Adopted Budget

Exhibit 1 - FY 2026-27 Adopted Positions