County of Monterey

Board Report

Legistar File Number: 26-712

Item No.65

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

August 11, 2026

Introduced: 8/3/2026

Version: 1

Current Status: General Government - Consent

Matter Type: General Agenda Item

Adopt the updated General Financial Policies reflecting revisions previously approved by the Board of Supervisors on April 14, 2026.

RECOMMENDATION:
It is recommended that the Board of Supervisors adopt the General Financial Policies reflecting revisions previously approved by the Board on April 14, 2026.

SUMMARY/DISCUSSION:
On April 14, 2026, the Board adopted the updated the General Financial Policies which reflect the County' fiscal management framework, including updates to operating budget requirements, revenue and expenditure policies, fund balance, economic development set-a-side percentages, and reserve policies. The recommended updates were intended to strengthen fiscal discipline, support long-term financial sustainability, clarify governance structures, and ensure alignment with Countywide priorities. Due to an oversight during the creation of the FY 2026-27 Recommended Budget the incorrect version of the County's General Financial Policies was included. The fiscal policies included did not reflect the changes approved by the Board on April 14, 2026, and also incorrectly identified the percentages for the agency's funded by the Transient Occupancy Tax Economic Development Set-Aside (DSA). The percentages for the agency's funded by the DSA were established by the Board in April 2024 and have been memorialized in the General Financial Policies since. Those percentages were correctly stated in the Boards April 14, 2026, update to the General Financial Policies, however incorrectly stated on the General Financial Policies that were attached to the FY 2026-27 Recommended Budget. To reaffirm the Board's direction from April 2024 and what was included in the adopted FY 2026-27 Budget. Those agency's are to receive a percentage of the Transient Occupancy Tax collections from the most recent audited fiscal year. Those percentages are:

Monterey County Convention and Visitors Bureau	5.03%
Monterey County Business Counsel	0.50%
Monterey County Film Commission	0.76%
Arts Counsel for Monterey	1.58%
Total DSA Percentage	7.87%

Staff recommends approval of the General Financial Policies.

OTHER AGENCY INVOLVEMENT:
Development of the updated fiscal policy has been reviewed by County Counsel, Auditor Controller's

Office, Risk Management, and discussed with departments. With portions of the updates presented to the County Budget Committee with recommendation of support.

FINANCING:
There is no direct fiscal impact associated with adopting the updated fiscal policy. The changes serve to guide Countywide fiscal practices and improve long term financial stewardship.

BOARD OF SUPERVISORS STRATEGIC PLAN GOALS:
___ Well-Being and Quality of Life
_X_ Sustainable Infrastructure for the Present and Future
___ Safe and Resilient Communities
_X_ Diverse and Thriving Economy

Link to the Strategic Plan:
<https://www.countyofmonterey.gov/home/showdocument?id=139569>

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Approved by: Michael Beaton, Assistant County Administrative Officer, ext. 5309

Attachments: General Financial Policies FY 2026-27-Final; General Financial Policies (redlined)