

**Before the Board of Supervisors in and for the
County of Monterey, State of California**

Resolution No.

- Adopt a resolution to:)
- a) Authorize and approve the increase in appropriations of the Auditor-Controller's Fiscal Year (FY) 2025-26 Budget in Fund 001, Appropriation Unit AUD001 by \$1,700,000, financed by a) a release of \$1,700,000 from the Compensated Absences Assignment account 001-3115 or b) a reduction of \$1,700,000 to General Fund Contingencies Appropriation in Fund 001, Appropriation CAO020, Unit 8034 (4/5 vote required); and)
 - b) Authorize the Auditor-Controller to amend the Auditor-Controller's Fiscal Year (FY) 2025-26 Budget in Fund 001, Appropriation Unit AUD001 by \$1,700,000, financed by a) a release of \$1,700,000 from the Compensated Absences Assignment account 001-3115 or b) a reduction of \$1,700,000 to General Fund Contingencies Appropriation in Fund 001, Appropriation CAO020, Unit 8034.)

WHEREAS, a recently identified error in State Disability Insurance (SDI) tax calculations, where the 457(b) deferred compensation and CalPERS retirement contributions were inadvertently excluded from taxable wages in calculating SDI tax resulted in an estimated under-withheld tax liability of \$1,200,000.

WHEREAS, the under-withheld tax is expected to incur approximately \$180,000 in penalties and \$98,000 in interest.

WHEREAS, on October 14, 2025, the Board of Supervisors authorized remittance of up to \$1.7 million to the State of California Employment Development Department (EDD) for SDI tax under-withholding, including a late payment penalty and interest, for payroll tax returns filed after October 31, 2022, without recoupment from County employees.

NOW, THEREFORE, BE IT RESOLVED, the Board of Supervisors of the County of Monterey hereby:

- a) Authorize and approve the increase in appropriations of the Auditor-Controller's Fiscal Year (FY) 2025-26 Budget in Fund 001, Appropriation Unit AUD001 by \$1,700,000, financed by a) a release of \$1,700,000 from the Compensated Absences Assignment account 001-3115 or b) a reduction of \$1,700,000 to General Fund Contingencies Appropriation in Fund 001, Appropriation CAO020, Unit 8034 (4/5 vote required); and
- b) Authorize the Auditor-Controller to amend the Auditor-Controller's Fiscal Year (FY) 2025-26 Budget in Fund 001, Appropriation Unit AUD001 by \$1,700,000, financed by a) a release of \$1,700,000 from the Compensated Absences Assignment account 001-3115 or b)

a reduction of \$1,700,000 to General Fund Contingencies Appropriation in Fund 001,
Appropriation CAO020, Unit 8034.

PASSED AND ADOPTED upon motion of Supervisor _____, seconded by Supervisor
_____ and carried this ____ day of _____ by the following vote, to wit:

AYES:

NOES:

ABSENT:

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify
that the foregoing is a true copy of an original order of said Board Supervisors duly made and entered in the minutes
thereof of Minute Book _____, for the meeting on _____.

Dated:

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

By _____
Deputy