



April Budget Special Board Meeting

April 19, 2021



Budget Requirement

- County Budget Act – Gov’t Code §29000
- Applies to County, dependent special districts, other agencies “whose affairs and finances are under the supervision and control of the board”
- Requires Single Year Balanced Budget
- §29009: In the recommended, adopted, and final budgets the funding sources shall equal the financing uses.



County Budget Snapshot

Total Budgeted Appropriations by Functional Group* (approximate)

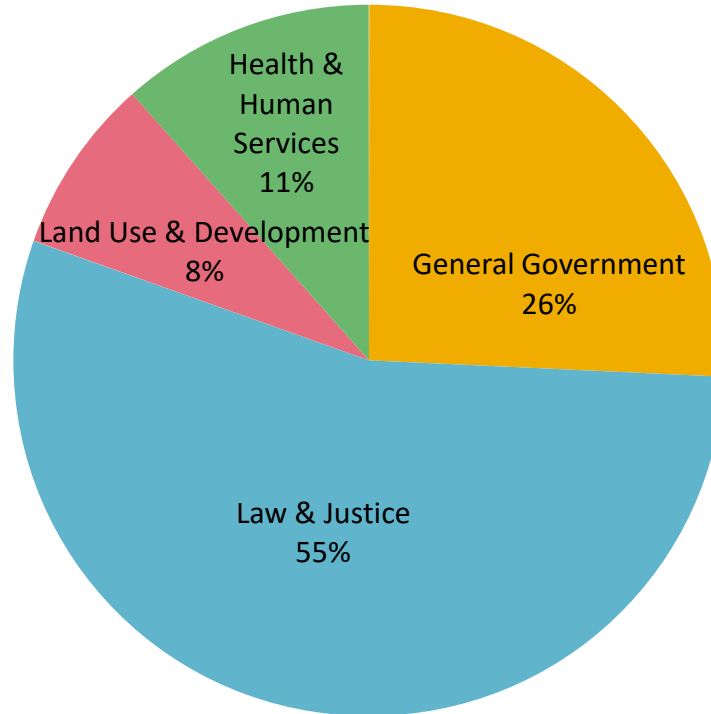


* Includes only Governmental Funds



County Budget Snapshot

Net County Cost by Functional Group* (approximate)



* Includes only Governmental Funds, excludes non-departmental expenses and Capital Investments

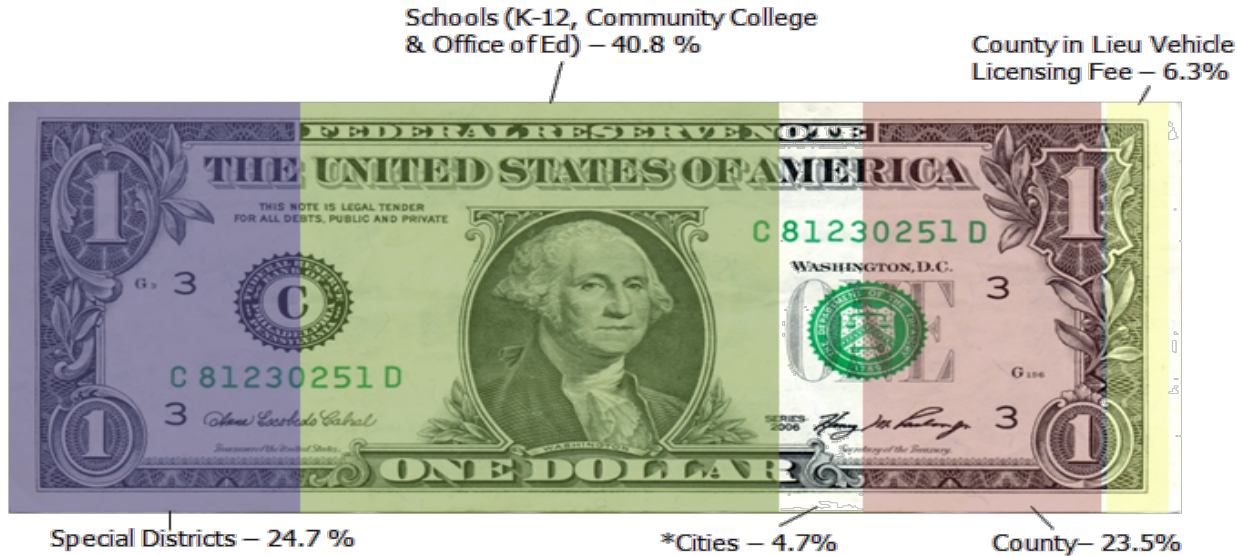
Revenues – Broad Categories

- General Fund Revenues
 - Property Tax, Sales Tax, Transient Occupancy Tax, Franchise Fees
 - Discretionary funds
- State/Federal Funding – Mandated Programs
 - Counties operate as arm of the State
 - Level of Service considerations
- Special Revenue Funds
 - Funds restricted for specific purposes



Property Tax Distribution

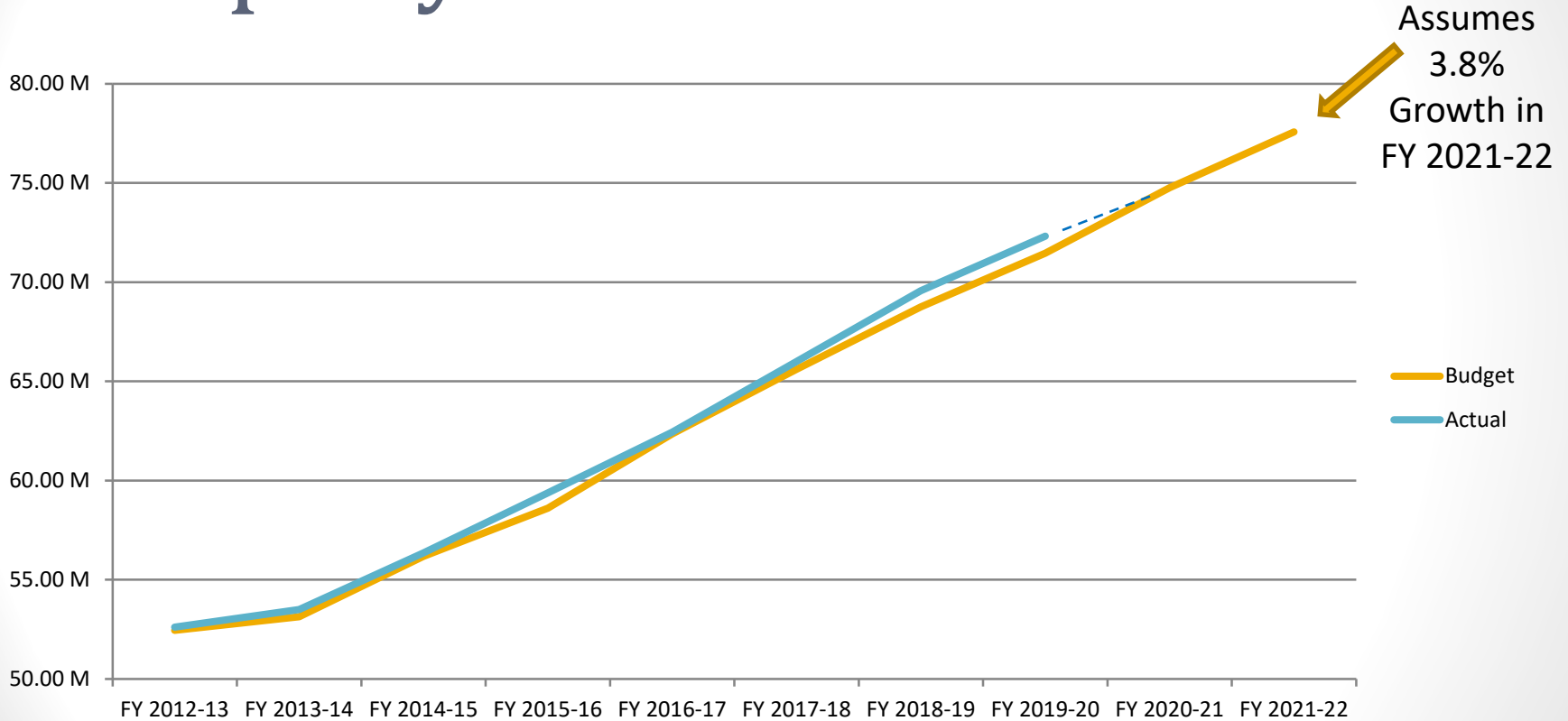
Property taxes are a major source of unrestricted revenue for the County general fund, schools, cities, and special districts



Graphic developed by the Treasurer-Tax Collector Department. (Source El Dorado County Auditor-Controller's Office)

*includes the Cities of Placerville and South Lake Tahoe (2.5%), Cities in Lieu Vehicle Licensing fees (.9%) and City of So. Lake Tahoe Redevelopment Successor Agency (1.3%)

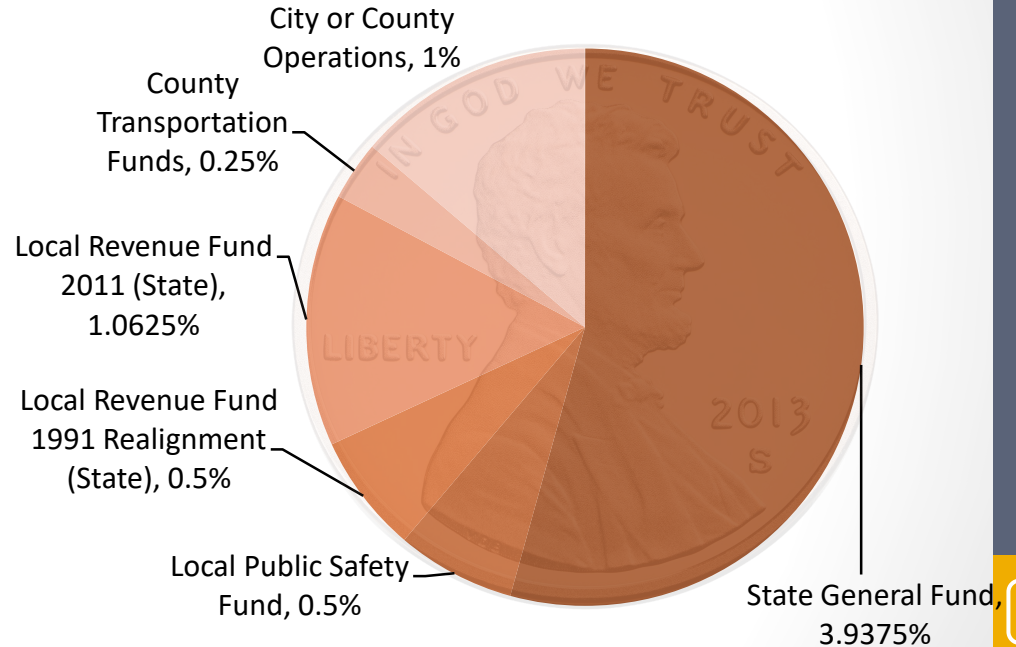
Property Tax Trend



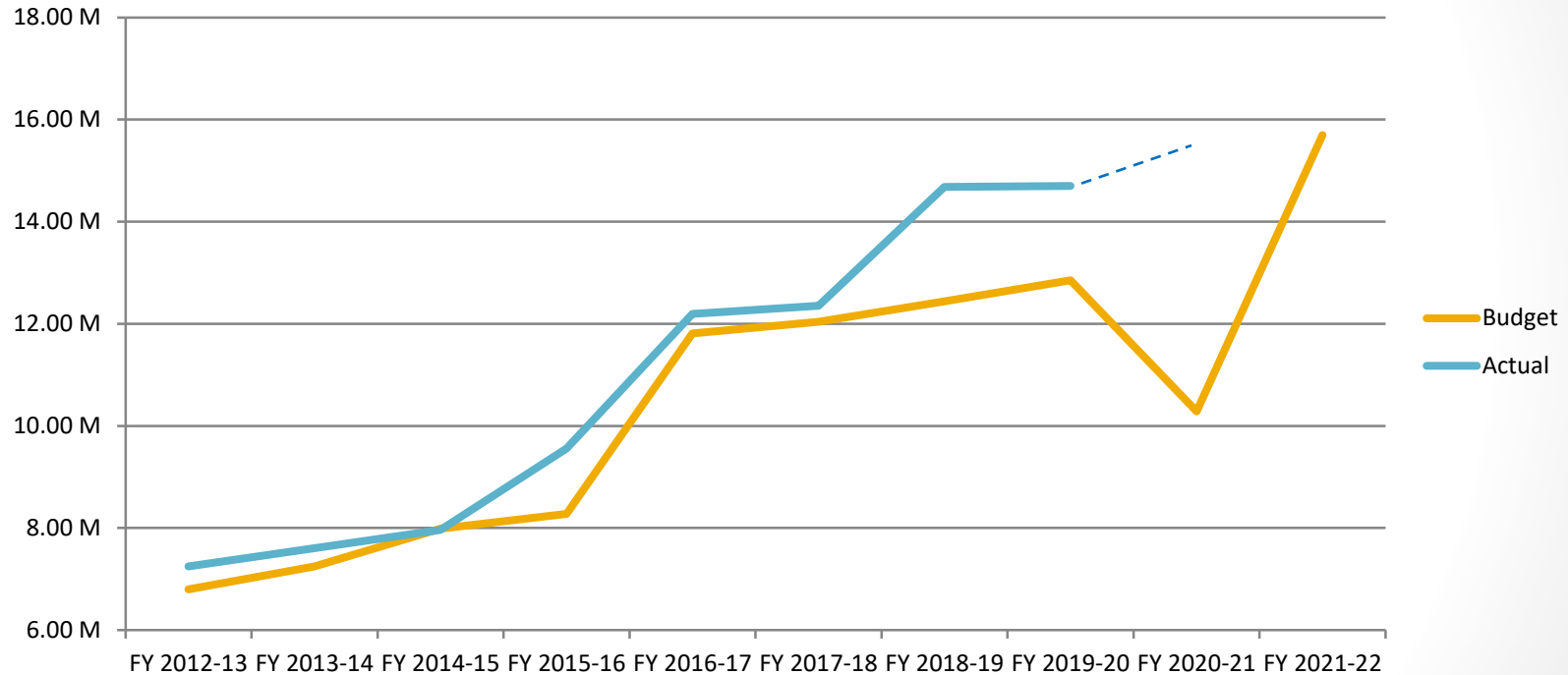
*Represents only General Fund Discretionary Current Property Taxes

Sales Tax Allocation

- The Bradley-Burns Uniform Sales and Use Tax Law provides for a city/county rate of 1.25%.
- One-quarter cent of the levy is sent to the county-wide regional transportation fund.
- The balance goes to support local government general funds.



Sales Tax Trend



*Represents only General Fund Discretionary Sales Tax

Other General Fund Funding Sources

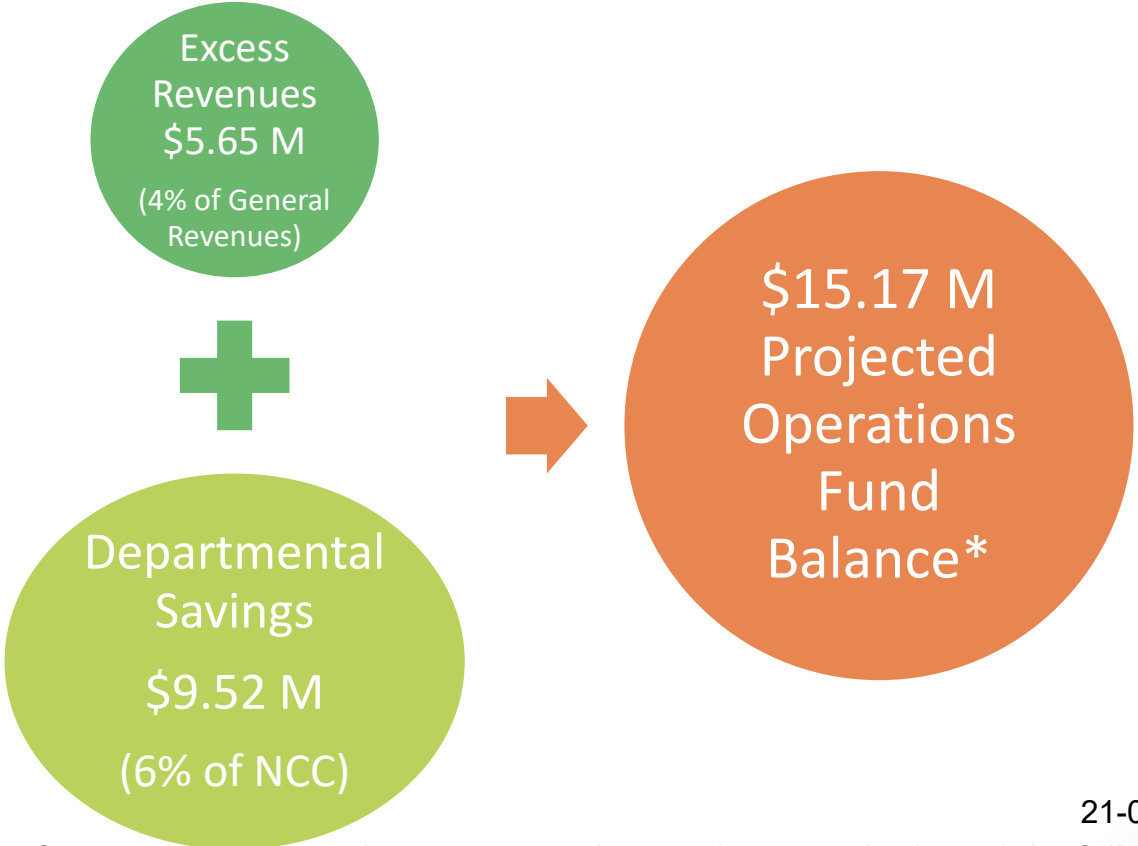
General Fund Reserves and Designations	2020-21 Ending Balance
General Reserve	\$10,000,000
Capital Projects Reserve	\$16,931,645
Public Safety Facility Last Loan Payment Reserve	\$2,300,000
Public Safety Facility Loan Payments Designation	\$2,300,000
Parks Acquisition & Development Designation	\$250,000
General Liability & Workers Compensation Designation	\$3,000,000
El Dorado Center Designation	\$969,019
Audit Reserve Designation	\$944,430
TOT Special Projects Designation	\$1,854,965*
CalPERS Cost Increases Designation	\$4,028,893
CalPERS OPEB Designation	\$1,368,765
Ray Lawyer Drive Courthouse Designation	\$3,000,000
FEMA Road Infrastructure Designation	\$1,651,282**
Juvenile Hall Designation	\$1,722,556
Industrial Drive Designation	\$1,241,000
	\$49,810,751

* Board Direction on 3/30 to reduce by \$870,092 in FY 2021-22

** Board Direction on 3/23 to hold \$380,000 for use in FY 2023-24 if granted FEMA's Hazard Mitigation Grant Program



Projected FY 2021-22 Operational Fund Balance



* Excludes fund balance from Contingency and ACO GF Contribution that are rebudgeted the following year.

Other General Fund Funding Sources

General Fund – Fund Balance:

- Budget relies on savings from prior year operations
- Typically fund balance is projected & budgeted conservatively
- Should be treated as one-time money - i.e., use to increase reserves or fund one-time expenses



Board Adopted Budget Policies

Provide a framework for budgetary decision making regarding the use of County funds, to ensure prudent County fiscal management and to direct the CAO in the development and management of the County Budget (Policy B-16)

1. Pursue operational efficiencies
2. Maximize the Board's discretion
3. Pursuit of new revenues
4. Grant funding
5. New or enhanced discretionary programs
6. County share
7. Vacant and new positions



Board Adopted Budget Policies

8. General Fund Contingency
9. Budget controlled at Expenditure Class / Object level
10. General Reserves
11. Designation for Capital Projects
12. Other Post-Employment Benefits (OPEB)
13. Transient Occupancy Tax
14. Fixed (Capital) Assets
15. Designation for Road Maintenance



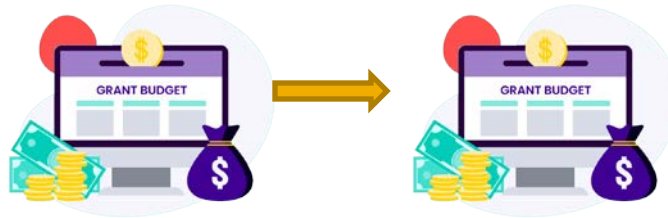
Status of the Recommended Budget

- CAO must Recommend a Balanced Budget
 - per Gov't Code §29061 and Charter section 304 (c)
- Plan to Fund to Board Policy Levels
 - General Reserve ~\$10 million
 - Contingency ~\$6 million
 - Designation for Capital Projects ~\$5 million
 - Transient Occupancy Tax – per March 30, 2021 Board Direction
 - General Fund Road Maintenance ~\$3 million



Funded or Re-budgeted from FY 2020-21

- Jail Expansion Project ~\$18.5 million
- Broadband Grant Match ~\$450,000
- Parks Bike Park ~\$2.3 million
- Shakori Garage Project ~\$2.3 million



Funded Items from Prior Board Direction

- Alternate Public Defender ~\$1.5 million
- Public Safety Facility 1st Loan Payment ~\$2.3 million
- TOT funded direction: community planning, snow plow, fire district requests, etc.
- Industrial Drive Intersection ~\$620,500
- Office 365 Implementation ~\$300,000
- Spring Street Replacement Facilities Planner ~\$500,000



What is not currently funded / future needs

- Full funding for El Dorado Center replacement / relocation
- Future negotiated salary and benefit costs – compensation philosophy
- Additional staffing costs after completion of jail expansion
- Juvenile Hall Build
- Spring Street Replacement Costs
- Body Cameras for Sheriff's Office



Areas for further discussion

- El Dorado Hills Water District (EDH Fire Department) payment of Educational Revenue Augmentation Fund (ERAF) encumbrance equivalent amount.
- FY 2019-20 Amount \$81,957



Next Steps in Budget Process

- Next Two Months:
 - Finish evaluating Department Requests
 - Prepare the Budget Book (May 28)
 - Conduct the Budget Hearing (June 7)

