

Fiscal Year 2020-21 Adopted Budget Recommended Revisions

Presented to the Board of
Supervisors on September 18, 2020
at the Budget Hearing



Budget Requirements

- County Budget Act – Gov’t Code §29000 – 29144, §30200
- 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.
- Public Hearing required
- 3/5 Vote to approve prior to close of Hearing
- Following close of Hearing, increases or additions require 4/5 vote unless submitted in writing to Clerk prior to close of Hearing

Property Tax Distribution

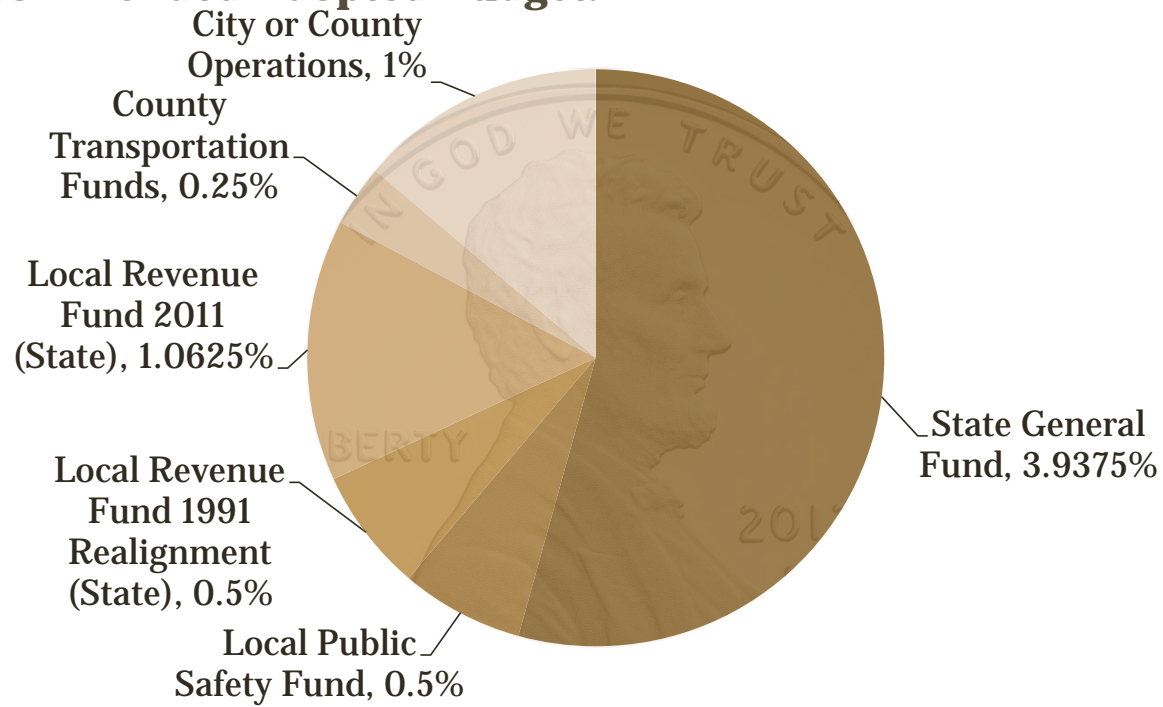
- **Property taxes are a major source of unrestricted revenue for the County general fund, schools, cities, and special districts.**
- **Property Taxes are 15% of revenue for all governmental funds in the recommended Adopted Budget.**



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%)

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 and Use Tax is 1.4% of revenue for all governmental funds in the recommended Adopted Budget.**

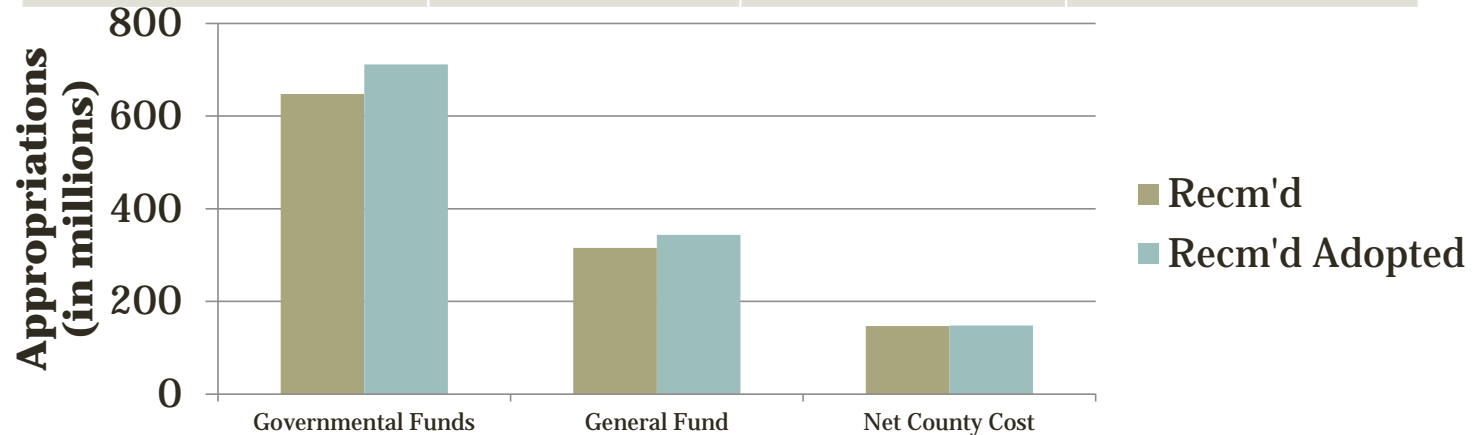


Sales and Use Tax 2nd Quarter 2020

Industry Group	Q2 2020	Q2 2019	% Change from 2 nd Quarter 2019
Autos & Transportation	\$1,262,471	\$873,944	44.5%
Building & Construction	\$668,756	\$669,340	-0.1%
Business & Industry	\$555,478	\$489,443	13.5%
Food & Drugs	\$709,255	\$529,322	34%
Fuel & Service Stations	\$513,731	\$853,998	-39.8%
General Consumer Goods	\$775,387	\$757,406	2.4%
Restaurants & Hotels	\$760,076	\$950,252	-20.0%
Transfers & Unidentified	\$11,437	\$8,207	39.3%
County & State Pool	\$1,905,164	\$1,293,451	47.3%
	\$7,161,755	\$6,425,363	11.5%

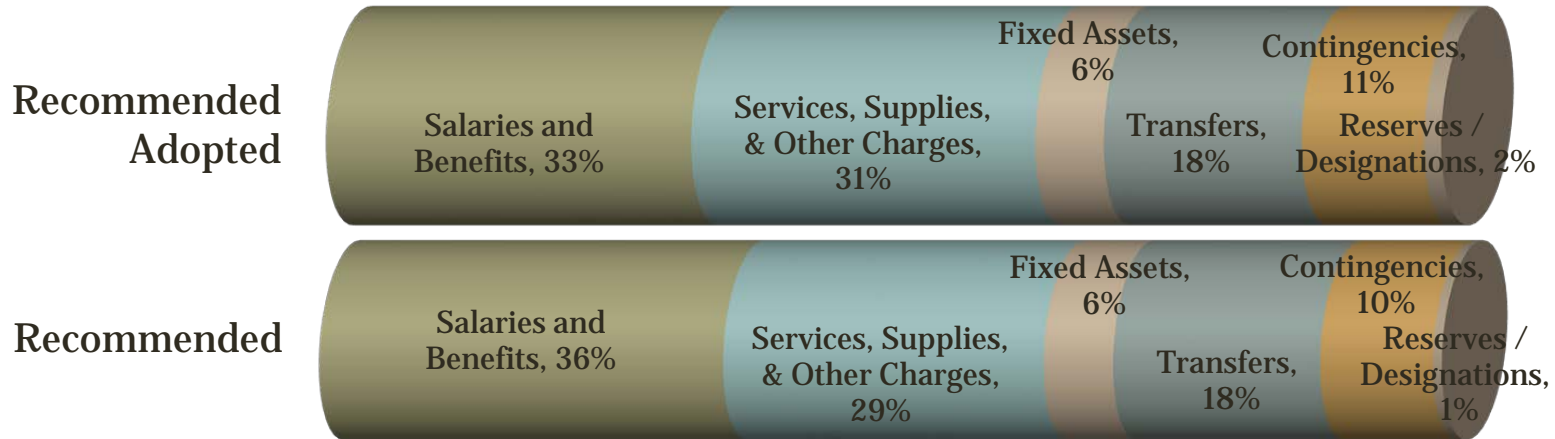
Overview of the Budget

Appropriations (in millions)	FY 2020-21 CAO Recm'd Adopted	Increase/ (Decrease) from Recm'd	Percent Change From Recm'd
Governmental Funds	\$711.8	\$64.1	9%
General Fund	\$343.8	\$28	8.9%
Net County Cost	\$148.1	\$1.3	1%



*Governmental funds includes *Special Revenue Funds*; Excluding *Special Districts & Proprietary Funds*

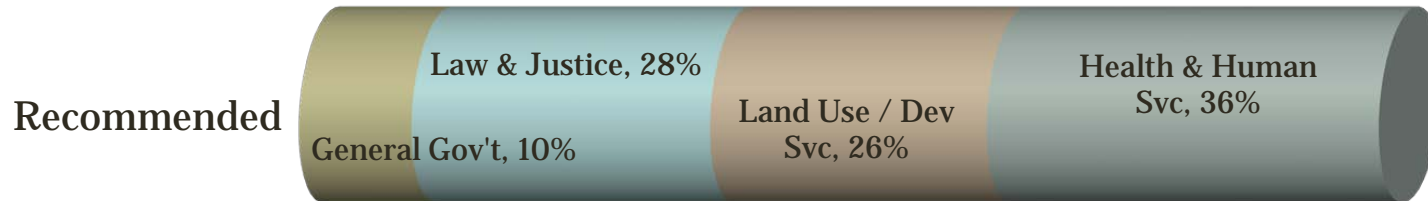
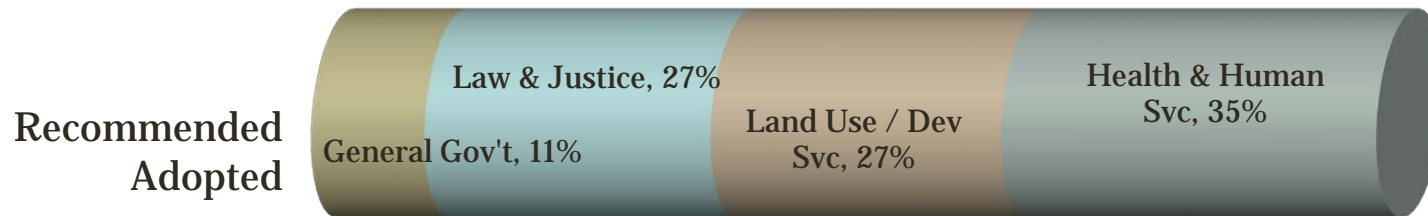
Appropriations by Expenditure Class*



Expenditure Class (in millions)	FY 2020-21 CAO Recm'd Adopted	\$ Increase / (Decrease) from Recm'd	Percent Change
Salaries and Benefits	\$233.0	\$0.0	0%
Services, Supplies, & Other Charges	\$219.5	\$34.5	19%
Fixed Assets	\$43.8	\$3.4	8%
Transfers	\$126.2	\$6.8	6%
Contingencies	\$78.2	\$13.4	21%
Reserves / Designations	\$11.1	\$6.0	116%
Total Appropriations	\$711.8	\$64.1	9%

* Data is a governmental funds including Special Revenue Funds; Excluding Special Districts & Proprietary Funds

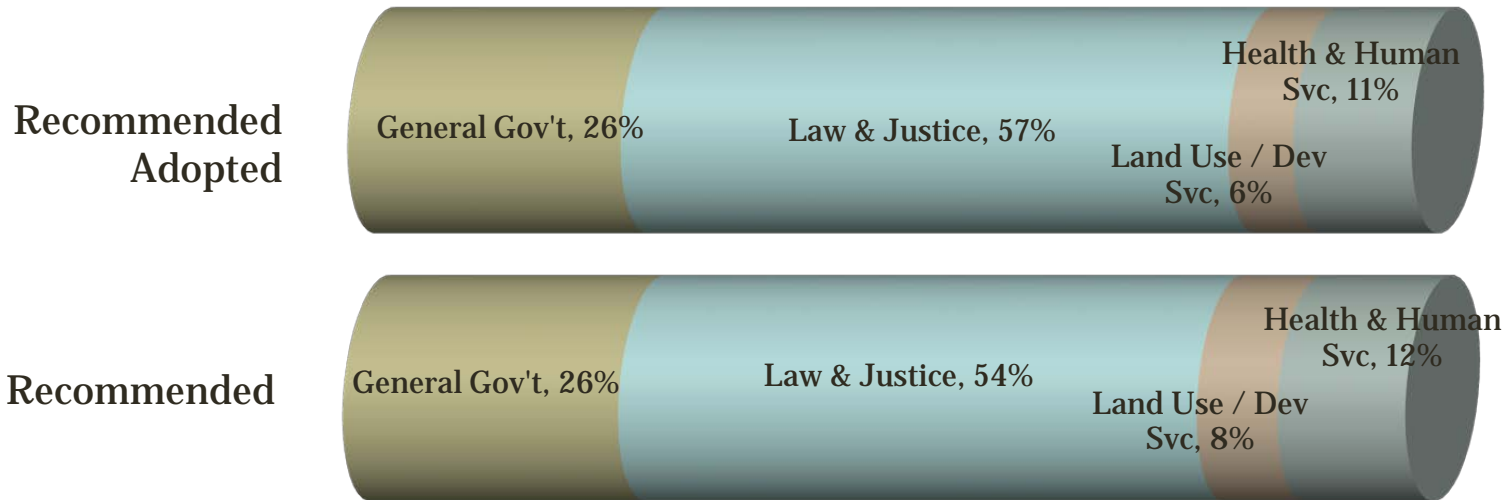
Appropriations by Functional Group*



Functional Group (in millions)	FY 2020-21 CAO Recm'd Adopted	\$ Increase / (Decrease) from Recm'd	Percent Change
General Gov't	\$53.1	\$3.7	7%
Law & Justice	\$134.3	\$3.2	2%
Land Use / Dev Svc	\$136.2	\$14.9	12%
Health & Human Svc	\$176.1	\$4.0	2%
Total Appropriations	\$499.6	\$25.8	5%

* Data is departmental operating appropriations, excluding Non-Departmental/ACO Fund/CW Special Revenue Funds/Special Districts/Proprietary Funds

Net County Cost by Functional Group*

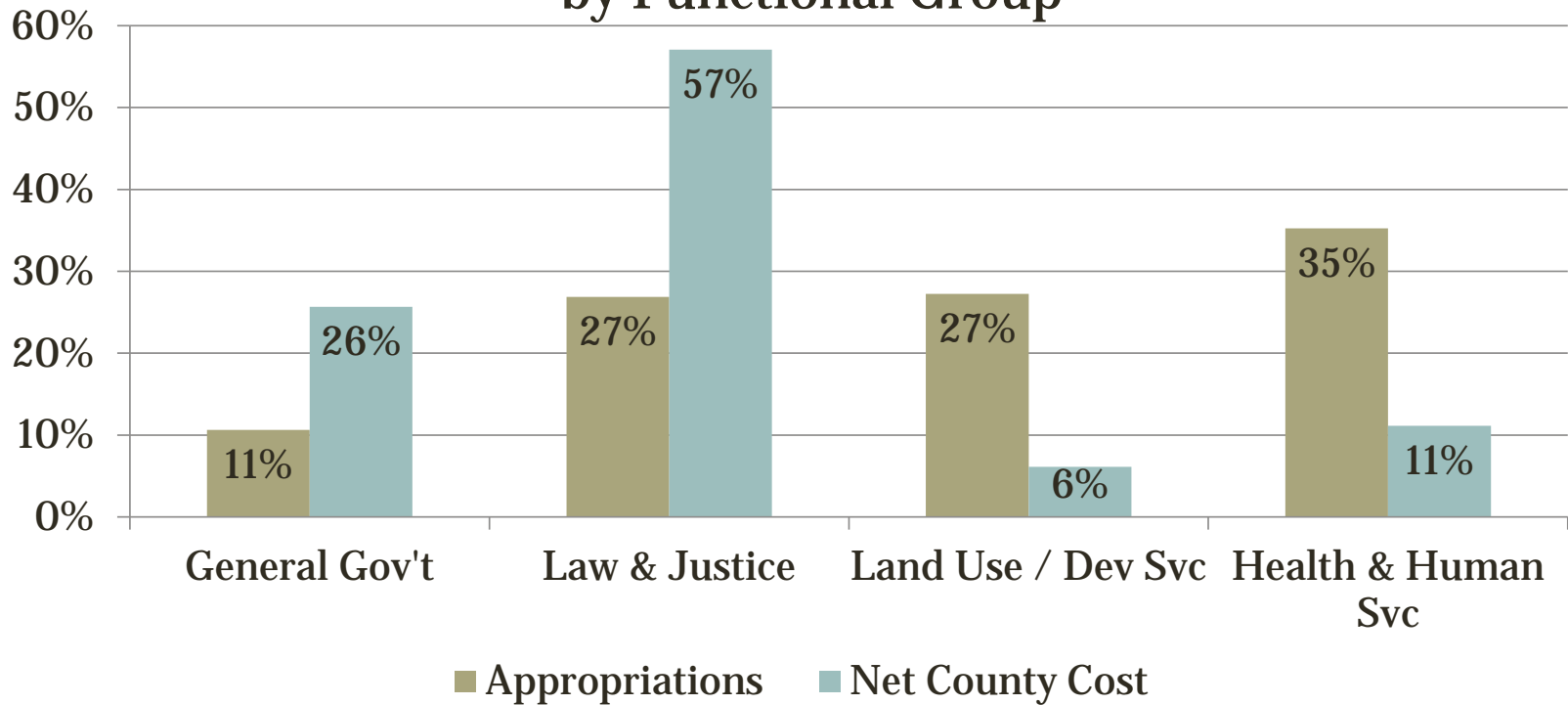


Functional Group (in millions)	FY 2020-21 CAO Recm'd Adopted	\$ Increase / (Decrease) from Recm'd	Percent Change
General Gov't	\$38.0	(\$0.1)	0%
Law & Justice	\$84.6	\$4.6	6%
Land Use / Dev Svc	\$9.1	(\$2.1)	-19%
Health & Human Svc	\$16.5	(\$1.2)	-7%
Total Net County Cost	\$148.1	\$1.3	1%

* Data is net county cost and General Fund contributions excluding non-departmental appropriations and ACO General Fund contribution.

County Budget Snapshot

Share of Total Appropriations vs. Share of Net County Cost by Functional Group



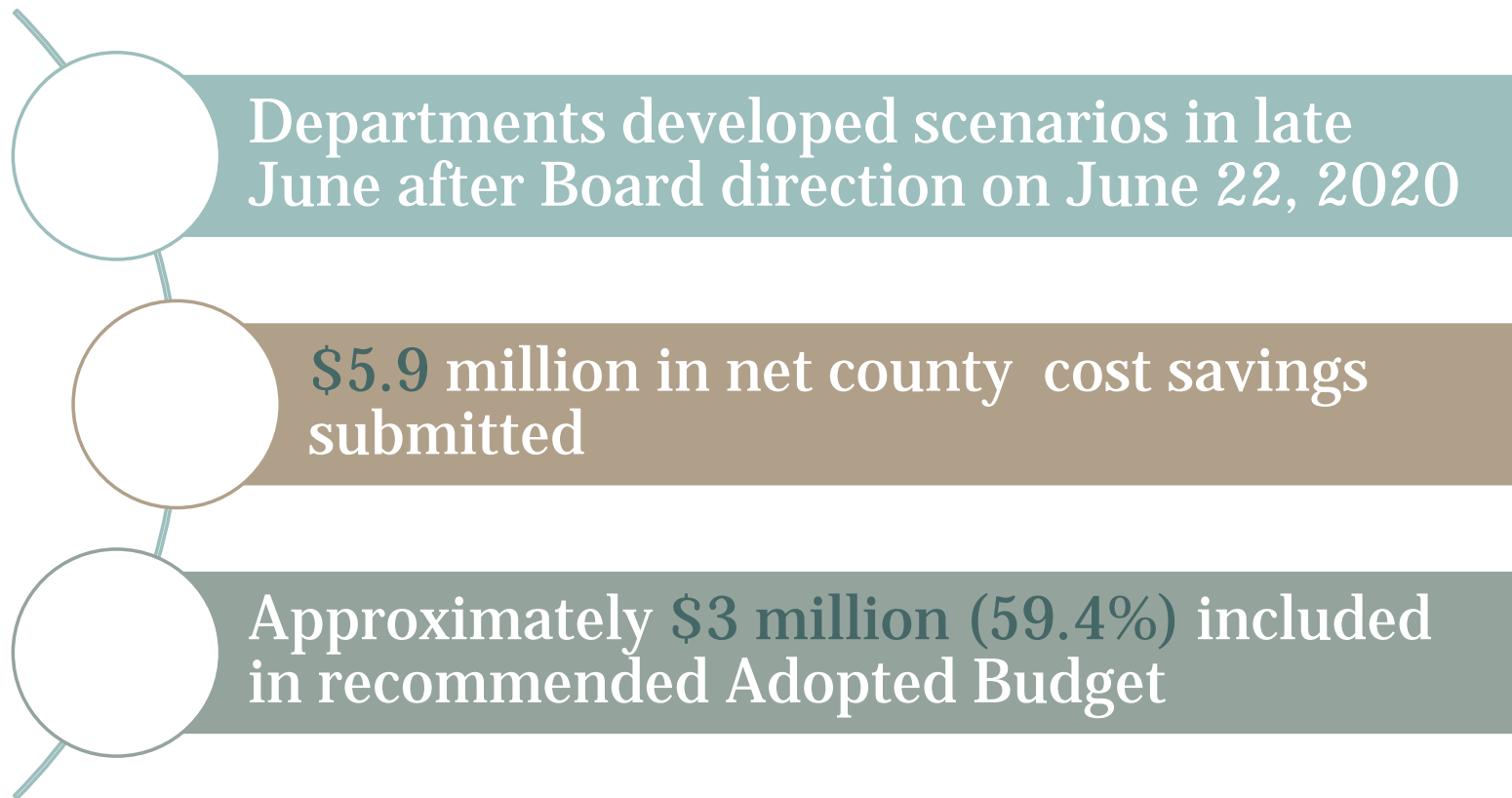
Major Budget Changes

Revised Revenue Assumptions



Major Budget Changes

Net County Cost Reduction Scenario Revisions



Major Budget Changes

Deferred Department Requests



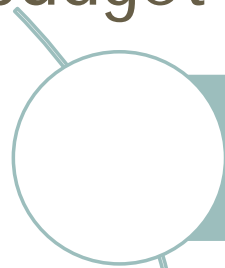
\$5 million in department requests deferred for decision until Adopted Budget

\$1.5 million (30%) included in recommended Adopted Budget

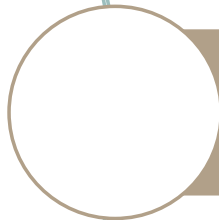
Focus on funding one-time requests and creating efficiencies

Major Budget Changes

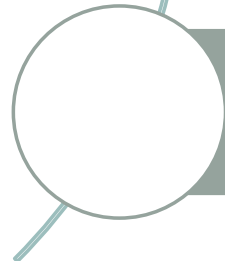
Revisions identified after the Recommended budget



Carryover funding and expenditures from
FY 2019-20

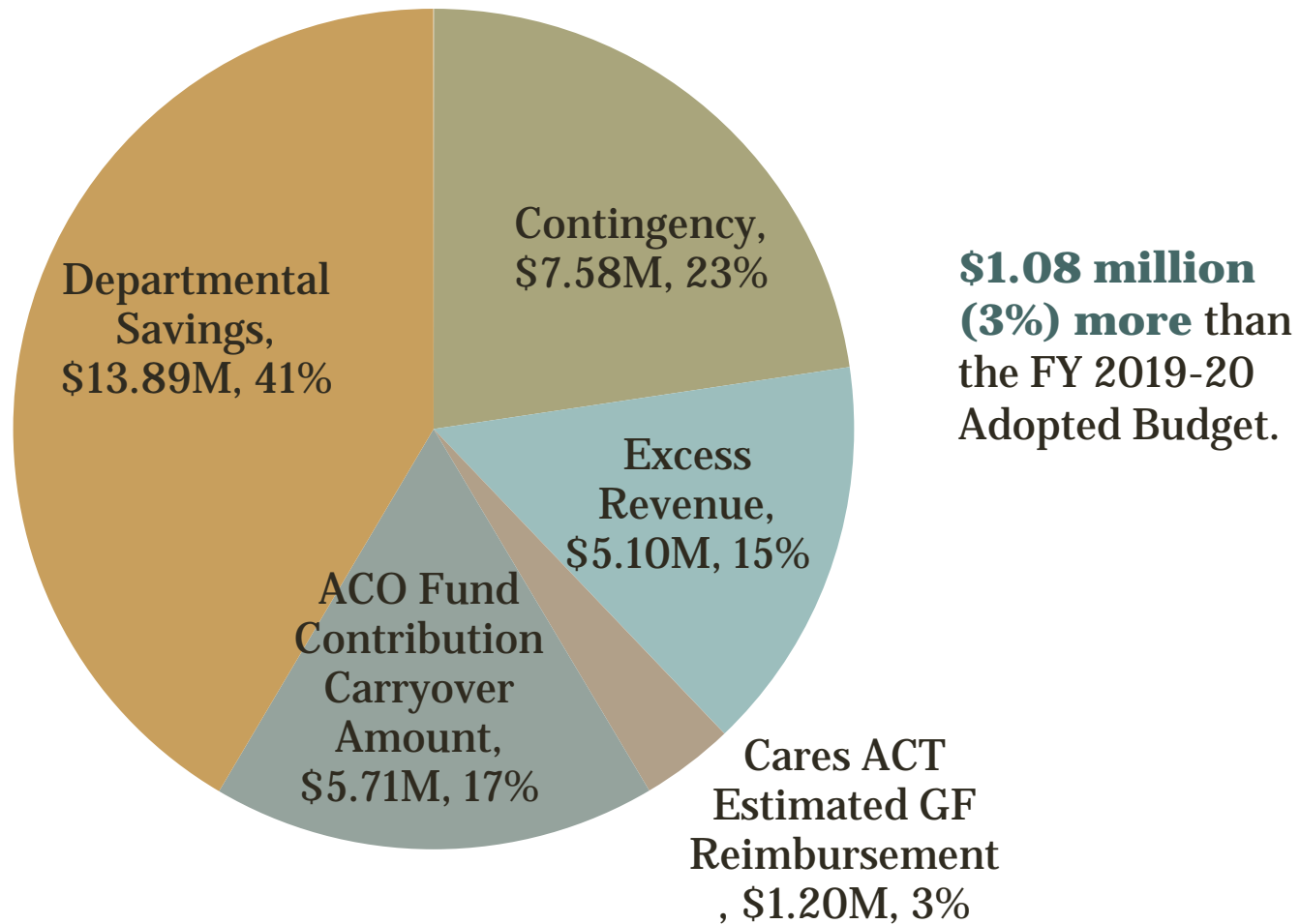


Revised and new grant funded programs



Updated program expenditures

General Fund - Fund Balance Sources



General Fund - Contingency



Additional \$250,000 to contingency from Recommended Budget.

Per Board policy B-16, 3% of total adjusted General Fund appropriations.

Contingency totals \$6 million in recommended Adopted Budget.

Reserves & Designations

In Millions	2019-20 Ending Balance	FY 2020-21 Additions	FY 2020-21 Planned Uses	2020-21 Ending Balance
GENERAL RESERVE	\$9.0	\$0.98*		\$10
CAPITAL PROJECTS	\$14.4	\$5.0	(\$2.5)	\$16.9
PUBLIC SAFETY FACILITY LAST LOAN PAYMENT	\$2.3			\$2.3
PUBLIC SAFETY FACILITY LOAN PAYMENTS	\$0	\$2.3		\$2.3
PARK ACQUISITIONS/DEVELOPMENT	\$0	\$0.25		\$0.25
AUDIT RESERVE	\$0.14	\$0.8		\$0.94
TOT SPECIAL PROJECTS	\$1.9			\$1.9
CALPERS COST INCREASES	\$4.6	\$1.8	(\$2.4)	\$4.0
CALPERS OPEB	\$1.4			\$1.4
RAY LAWYER DR	\$3.0			\$3.0
ROAD INFRASTRUCTURE	\$1.7			\$1.7
JUVENILE HALL	\$1.7			\$1.7
OTHER - INDUSTRIAL DRIVE	\$1.2			\$1.2

*General Reserve additions: \$162,700 is last Resource Conservation District repayment that was in the Recommended Budget, and \$822,192 is new to the Adopted Budget, bringing the General Reserve to 5% adjusted General Fund appropriations.

Five Year Budget Projection - Conservative

In Millions	FY 2020-21 Recm'd Adopted	FY 2021-22 Projected	FY 2022-23 Projected	FY 2023-24 Projected	FY 2024-25 Projected
REVENUES					
Property Tax	\$ 76.06	\$ 78.72	\$ 81.48	\$ 84.33	\$ 87.28
Transient Occupancy Tax	\$ 3.74	\$ 4.98	\$ 4.98	\$ 4.98	\$ 4.98
Cannabis Activities Tax (2%)	\$ 0.38	\$ 0.39	\$ 0.40	\$ 0.41	\$ 0.42
Sales and Use Tax	\$ 10.28	\$ 11.31	\$ 12.44	\$ 12.69	\$ 12.94
Other Local Taxes/VLF (2% after 21-22)	\$ 26.72	\$ 26.72	\$ 27.26	\$ 27.80	\$ 28.36
Licenses/Permits/Franchises	\$ 12.60	\$ 12.60	\$ 12.60	\$ 12.60	\$ 12.60
Fines/Forfeitures/Penalties	\$ 0.96	\$ 0.96	\$ 0.96	\$ 0.96	\$ 0.96
Use of Funds/Property	\$ 1.01	\$ 1.01	\$ 1.01	\$ 1.01	\$ 1.01
Intergovernmental Revenue	\$ 101.33	\$ 66.65	\$ 67.98	\$ 69.34	\$ 70.73
Charges for Service	\$ 20.39	\$ 20.39	\$ 20.39	\$ 20.39	\$ 20.39
Other Revenue	\$ 11.37	\$ 11.37	\$ 11.37	\$ 11.37	\$ 11.37
Transfers from Other Funds	\$ 44.50	\$ 44.50	\$ 44.50	\$ 44.50	\$ 44.50
Total Current Revenues	\$ 309.35	\$ 279.61	\$ 285.37	\$ 290.39	\$ 295.54
Appropriation from Fund Balance - Operations	\$ 27.76	\$ 24.27	\$ 24.93	\$ 25.45	\$ 25.99
Appropriation from Fund Balance - Capital Exp.	\$ 5.71	\$ 5.71	\$ 5.71	\$ 5.71	\$ 5.71
Use of Designations/Reserves	\$ 4.87	\$ 8.54	\$ 4.30	\$ 4.30	\$ 4.30
Total Revenues	\$ 347.69	\$ 318.13	\$ 320.31	\$ 325.85	\$ 331.54
APPROPRIATIONS					
Salaries/Benefits (3%)	\$ 188.51	\$ 198.73	\$ 204.69	\$ 210.84	\$ 217.16
Other Operating Expenses	\$ 96.95	\$ 80.86	\$ 80.86	\$ 80.86	\$ 80.86
Bail Reform - Operating Costs		\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Jail Expansion - Operating Cost Increase	-	-	\$ 1.00	\$ 1.03	\$ 1.06
Payment on Debt - Public Safety Facility	-	\$ 2.30	\$ 2.30	\$ 2.30	\$ 2.30
Fixed Assets (incl. re-budget)	\$ 6.68	\$ 5.94	\$ 6.68	\$ 6.68	\$ 6.68
Transfer to Other Funds	\$ 34.43	\$ 14.80	\$ 13.56	\$ 13.56	\$ 13.56
Increase to Reserves	\$ 15.11	\$ 9.30	\$ 9.30	\$ 9.30	\$ 9.30
Appropriation for Contingency	\$ 6.00	\$ 5.33	\$ 5.45	\$ 5.55	\$ 5.67
Total Appropriations	\$ 347.69	\$ 318.27	\$ 324.85	\$ 331.13	\$ 337.60
Revenue Surplus/(Shortfall)	\$ -	(\$ 0.13)	(\$ 4.54)	(\$ 5.28)	(\$ 6.05)

Five Year Budget Projection - Moderate

In Millions	FY 2020-21 Recm'd Adopted	FY 2021-22 Projected	FY 2022-23 Projected	FY 2023-24 Projected	FY 2024-25 Projected
REVENUES					
Property Tax	\$ 76.06	\$ 79.10	\$ 82.27	\$ 85.56	\$ 88.98
Transient Occupancy Tax	\$ 3.74	\$ 4.98	\$ 4.98	\$ 4.98	\$ 4.98
Cannabis Activities Tax (2%)	\$ 0.38	\$ 0.39	\$ 0.40	\$ 0.41	\$ 0.42
Sales and Use Tax	\$ 10.28	\$ 12.85	\$ 14.39	\$ 14.68	\$ 14.98
Other Local Taxes/VLF (2% after 21-22)	\$ 26.72	\$ 26.72	\$ 27.26	\$ 27.80	\$ 28.36
Licenses/Permits/Franchises	\$ 12.60	\$ 12.60	\$ 12.60	\$ 12.60	\$ 12.60
Fines/Forfeitures/Penalties	\$ 0.96	\$ 0.96	\$ 0.96	\$ 0.96	\$ 0.96
Use of Funds/Property	\$ 1.01	\$ 1.01	\$ 1.01	\$ 1.01	\$ 1.01
Intergovernmental Revenue	\$ 101.33	\$ 66.65	\$ 67.98	\$ 69.34	\$ 70.73
Charges for Service	\$ 20.39	\$ 20.39	\$ 20.39	\$ 20.39	\$ 20.39
Other Revenue	\$ 11.37	\$ 11.37	\$ 11.37	\$ 11.37	\$ 11.37
Transfers from Other Funds	\$ 44.50	\$ 44.50	\$ 44.50	\$ 44.50	\$ 44.50
Total Current Revenues	\$ 309.35	\$ 281.53	\$ 288.12	\$ 293.61	\$ 299.27
Appropriation from Fund Balance - Operations	\$ 27.76	\$ 24.27	\$ 24.86	\$ 25.39	\$ 25.93
Appropriation from Fund Balance - Capital Exp.	\$ 5.71	\$ 5.71	\$ 5.71	\$ 5.71	\$ 5.71
Use of Designations/Reserves	\$ 4.87	\$ 8.54	\$ 4.30	\$ 4.30	\$ 4.30
Total Revenues	\$ 347.69	\$ 320.06	\$ 322.99	\$ 329.01	\$ 335.21
APPROPRIATIONS					
Salaries/Benefits (3%)	\$ 188.51	\$ 198.73	\$ 204.69	\$ 210.84	\$ 217.16
Other Operating Expenses	\$ 96.95	\$ 80.86	\$ 80.86	\$ 80.86	\$ 80.86
Jail Expansion - Operating Cost Increase	-	-	\$ 1.00	\$ 1.03	\$ 1.06
Payment on Debt - Public Safety Facility	-	\$ 2.30	\$ 2.30	\$ 2.30	\$ 2.30
Fixed Assets (incl. re-budget)	\$ 6.68	\$ 5.94	\$ 5.94	\$ 5.94	\$ 5.94
Transfer to Other Funds	\$ 34.43	\$ 14.80	\$ 13.56	\$ 13.56	\$ 13.56
Increase to Reserves/Designations	\$ 15.11	\$ 9.30	\$ 9.30	\$ 9.30	\$ 9.30
Appropriation for Contingency	\$ 6.00	\$ 5.56	\$ 5.67	\$ 5.78	\$ 5.90
Total Appropriations	\$ 347.69	\$ 317.50	\$ 323.32	\$ 329.61	\$ 336.08
Revenue Surplus/(Shortfall)	\$ -	\$ 2.56	(\$ 0.33)	(\$ 0.60)	(\$ 0.87)

General Fund - Fund Balance Adjustments

Excess General Fund - Fund Balance from
FY 2019-20: \$3,979,861

\$3 million in a designation for
General Liability & Workers'
Compensation charges in FY
2021-22



\$0.98 million in a
designation for the El
Dorado Center Facility
Project

In Summary, the Adopted Budget



Holds Salaries and Benefits at \$233 million when compared to the Recommended Budget.

Uses cautious revenue assumptions, resulting in \$5.18 million in reduced General Fund revenue.

Adds \$6.2 million to General Fund contingency, reserves, and designations.

Has no material impact to any existing service levels.

Next Steps for the Adopted Budget

September 29, 2020 Board item to adopt the budget by resolution

Amendments to the Personnel Allocation, as outlined in the recommended Adopted Budget narratives.

Additional fixed assets, as outlined in the recommended Adopted Budget narratives.

Fund Balance adjustments after the close of the FY 2019-20 financial records, to align budget to actual fund balance.