

EL DORADO COUNTY
Chief Administrative Office
INTEROFFICE MEMORANDUM

2008 JUN -3 AM 9:41

BOARD OF SUPERVISORS
EL DORADO COUNTY

DATE: June 3, 2008
TO: Board of Supervisors
FROM: Laura Gill *Laura A. Gill*
SUBJECT: Response to Item #54 (Assessor Transfer Request from Contingency)

I placed this item on the discussion calendar in order to respond to assertions made in the Assessor's memo of May 9, 2008:

- The FY 2007-08 supplemental revenue projections were prepared with consultation from the Assessor's Office. Please see the attached e-mail that demonstrates this consultation.
- Salary and benefit projections are not prepared by the Human Resources Department; rather, the projections are prepared through the budget preparation system. Department budget staffs are required to review the accuracy of the information used to prepare the projection.
- The Assessor's Final FY 2007-08 Budget assumed that four employees would take the "Golden Handshake" offered in mid-2007, and the department would keep these positions vacant. During FY 2007-08, only two positions were vacated through the use of golden handshakes. As the savings for two positions did not materialized as planned, the Assessor's FY 2007-08 net county cost increased accordingly.
- The Assessor's memo implies that the Assessor does not have the responsibility of monitoring his budget and making adjustments to his operations as the fiscal year unfolds and conditions deviate from what was planned. BOS Policy B-1 does not only require the Assessor to prepare a budget transfer, it places the primary responsibility for departmental budget administration, including the receipt of department revenues, to department heads.

I remain available to respond to questions you may have.

Karl B Weiland/PV/EDC
04/26/2007 02:39 PM

To Sue A Hennike/PV/EDC@TCP, Jim Wiltshire/PV/EDC@TCP
cc Timothy L Holcomb/PV/EDC@TCP, Sharon T La
Loggia/PV/EDC@TCP
bcc

Subject FY 07/08 Revenue estimates

We have just received the 3rd qtr postings for timeshare and supplemental revenue. Timeshares are fine, but supplementals are not. We projected a roughly 20% decline a few weeks ago, the 3rd qtr actual receipts causes us to revise that estimate downward to about \$650,000 or 70% of the budgeted \$907,000.

We did not make a projection for FY 07/08, because the responsibility for that estimate had been assumed by your office. A few weeks ago, Jim asked me for our thoughts. At this time we would project Assessor's portion of the 5% supplemental at \$600,000 for FY 07/08.

Hope this helps.



Karl Weiland
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COUNTY OF EL DORADO, CALIFORNIA
BOARD OF SUPERVISORS POLICY

Subject: BUDGET CONTROL & RESPONSIBILITY	Policy Number	Page Number:
	Date Adopted: 12/22/1987	Revised Date: 09/18/2007

POLICY:

It is the primary responsibility of department heads to maintain their department's expenditure levels within the approved budget, and to collect the full amount of revenues budgeted. It is also the department heads' responsibility to initiate budget adjustments (Budget Transfers) in a timely manner so that their department's budget record accurately reflects (a) estimated annual revenues, and (b) the distribution of Board approved appropriations among their expenditure classes as required to meet operational needs.

DEFINITIONS:

Expenditure class: A major category of appropriation sub objects. Examples: "Salaries and Benefits", "Services and Supplies", "Fixed Assets".

Index code: An organizational unit used by County management to track budgetary activity (revenues and expenditures) related to specific program or function.

Revenue class: A major category of revenue sub objects. Examples: "Taxes", "State Revenue", "Federal Revenue" or "Charges for Services".

Sub object: A line item description of expenditure or revenue. Example: "Office Expense" is a sub-object in the expenditure class "Services and Supplies".

Sub fund: A fiscal and accounting set of self-balancing accounts for which cash is segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

PROCEDURES:

1. Budget transfers should be prepared by the department, submitted to the Auditor-Controller's Office for pre-auditing and then forwarded to the Chief Administrative Office for review.
 - a. All budget transfers require the approval of the department head and the Chief Administrative Office.
 - b. Increases or decreases in the total departmental appropriations and departmental estimated revenues must be approved by the Chief Administrative Office and the Board of Supervisors.
2. If a budget over-expenditure is going to occur at the department sub fund expenditure class level and expenditure levels are within the department's control, the department head shall

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BOARD OF SUPERVISORS POLICY

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perform one or more of the following steps:

- a. Lower the expenditure level to maintain overall expenditures within the budgeted amount for the expenditure class.
 - b. Request a transfer from another sub object within the same index code.
 - c. Request a transfer from another index code within the same sub fund under the department head's control.
3. If a revenue estimate is not going to be met, the department head shall do one or more of the following:
- a. Attempt to speed up revenue collections, or increase rates being charged.
 - b. Lower expenditure levels so that originally budgeted net County costs are not exceeded.
 - c. Request that the revenue estimate be decreased through a transfer from the contingency appropriation by submitting a Board agenda item and budget transfer to the Chief Administrative Officer, providing adequate justification.
4. If a department's overall budget will be over-expended because of circumstances beyond the department's control, i.e., unbudgeted sick leave and comp time payoffs, retirements, equipment failure, operational emergencies, the department head shall request a transfer from the appropriate contingency appropriation to cover such over-expenditures by submitting a Board agenda item and budget transfer to the Chief Administrative Officer, providing adequate justification.
5. It shall be the responsibility of the Auditor-Controller's Office to not allow payment to be processed and disbursed when over-expenditures of an expenditure class other than Class 30, "Salaries and Employee Benefits", have occurred, or will be caused to occur, during the fiscal year within a department's budget at the sub fund level with the following exception:
- The Auditor-Controller's Office will process and disburse all payments submitted after June 30 for goods and services received prior to July 1. Once the prior year's financial records are finalized, the Auditor-Controller shall provide the Board of Supervisors with a departmental budget performance schedule that indicates the departments that exceeded either their appropriations by expenditure class or their Net County Cost.
6. It shall be the responsibility of the Chief Administrative Officer to determine when, or if, the shortfall of department revenues requires budget changes. If such a situation occurs, and the department has not completed action described in Section 1 above, the Chief Administrative Officer shall submit a transfer request to the Board of Supervisors to reduce

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BOARD OF SUPERVISORS POLICY

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the revenue estimate, with offsetting appropriation decreases or adjustment to the appropriate contingency fund.

Primary Department(s): Chief Administrative Office
Auditor-Controller

References: None