



April Budget Special Board Meeting

April 25, 2022

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 (revenues) shall equal the financing uses (appropriations).



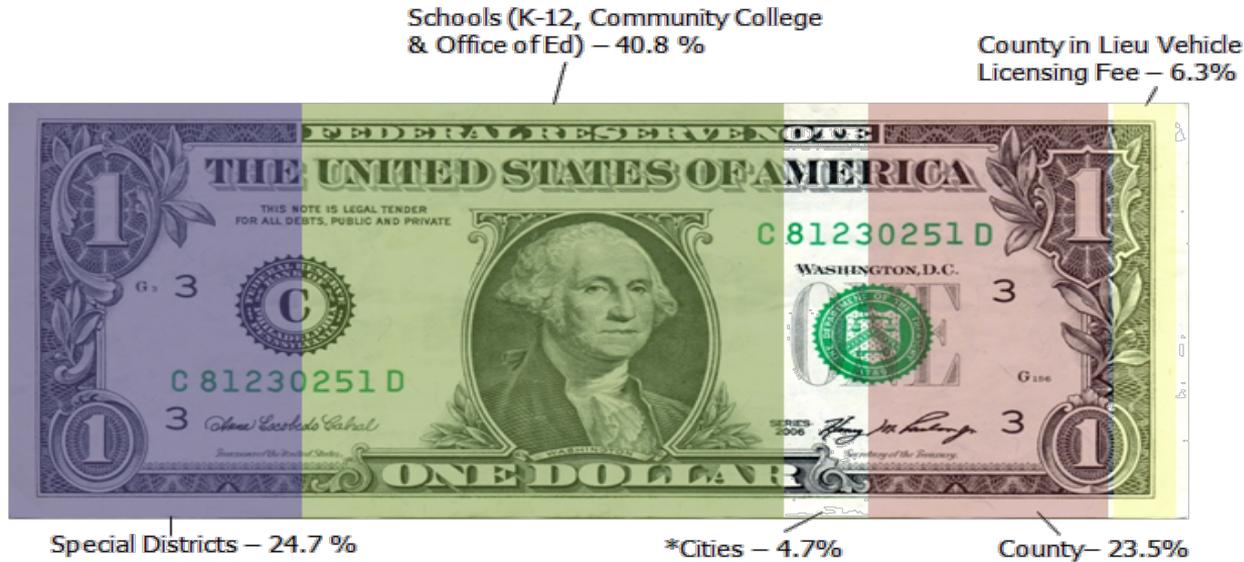
Revenues – Broad Categories

- 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

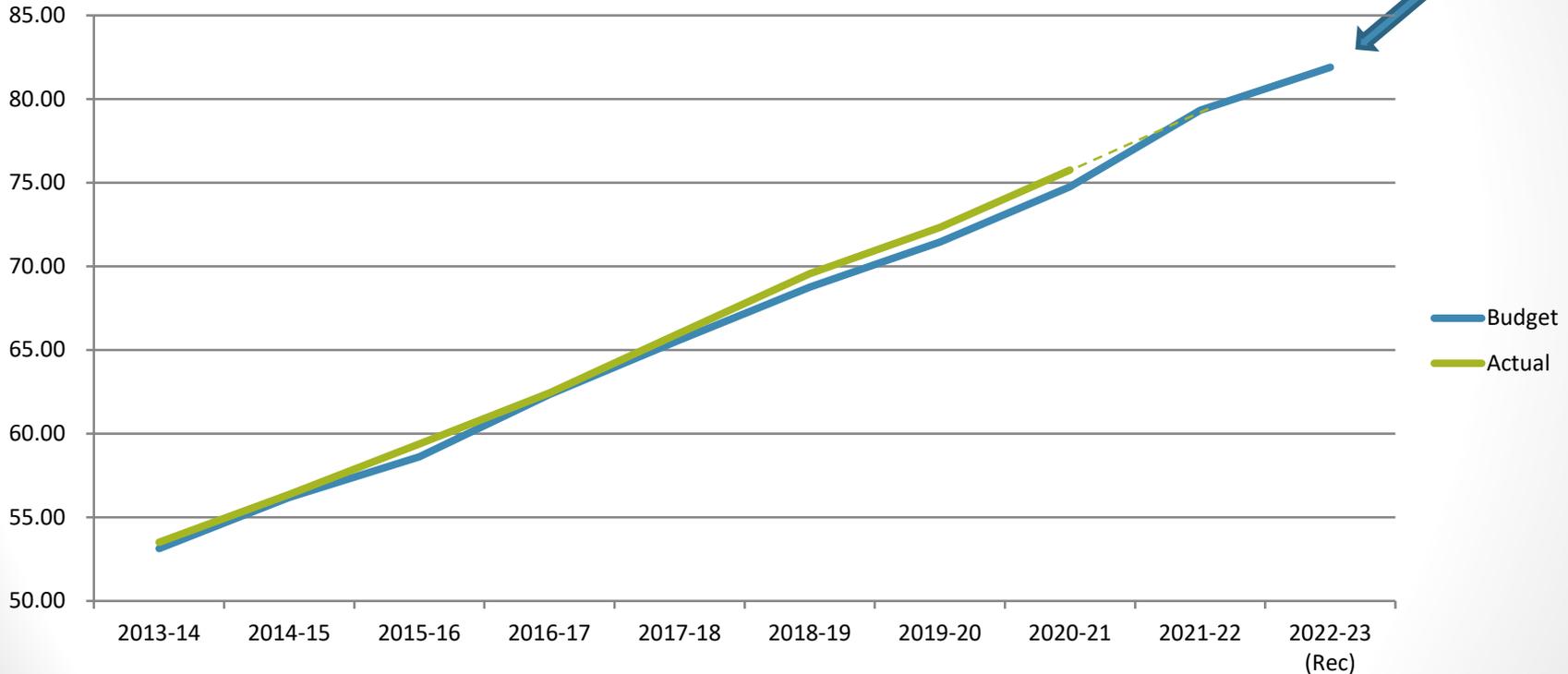


Graphic developed by the Treasurer-Tax Collector Department. (Source El Dorado County Auditor-Controller's Office)

*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

Assumes 4.75%
Growth in FY
2022-23

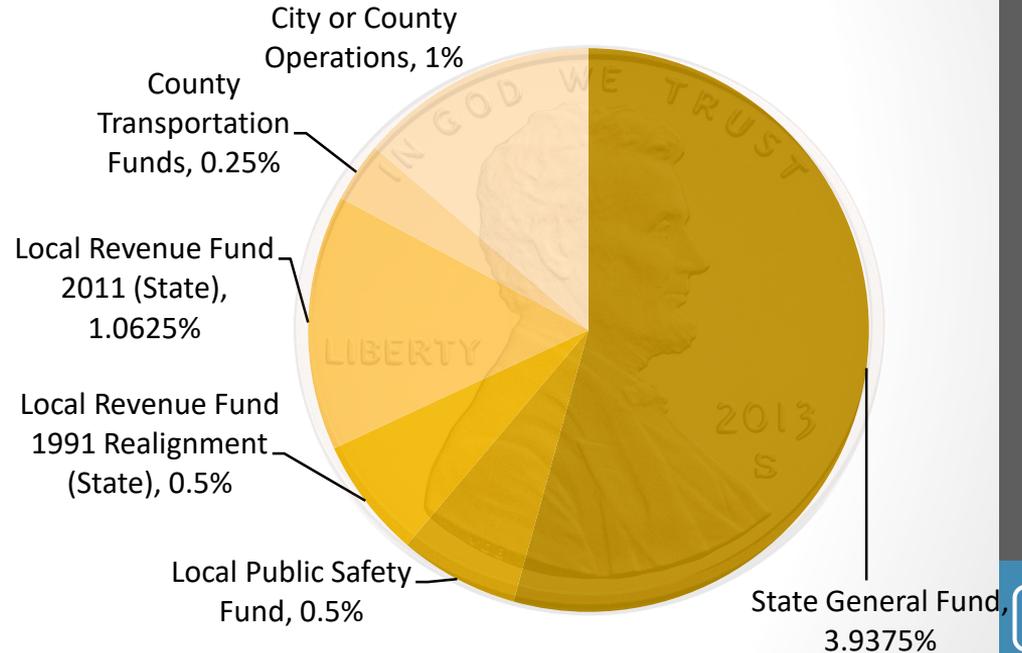


*Represents only General Fund Discretionary Current Property Taxes

(Rec)
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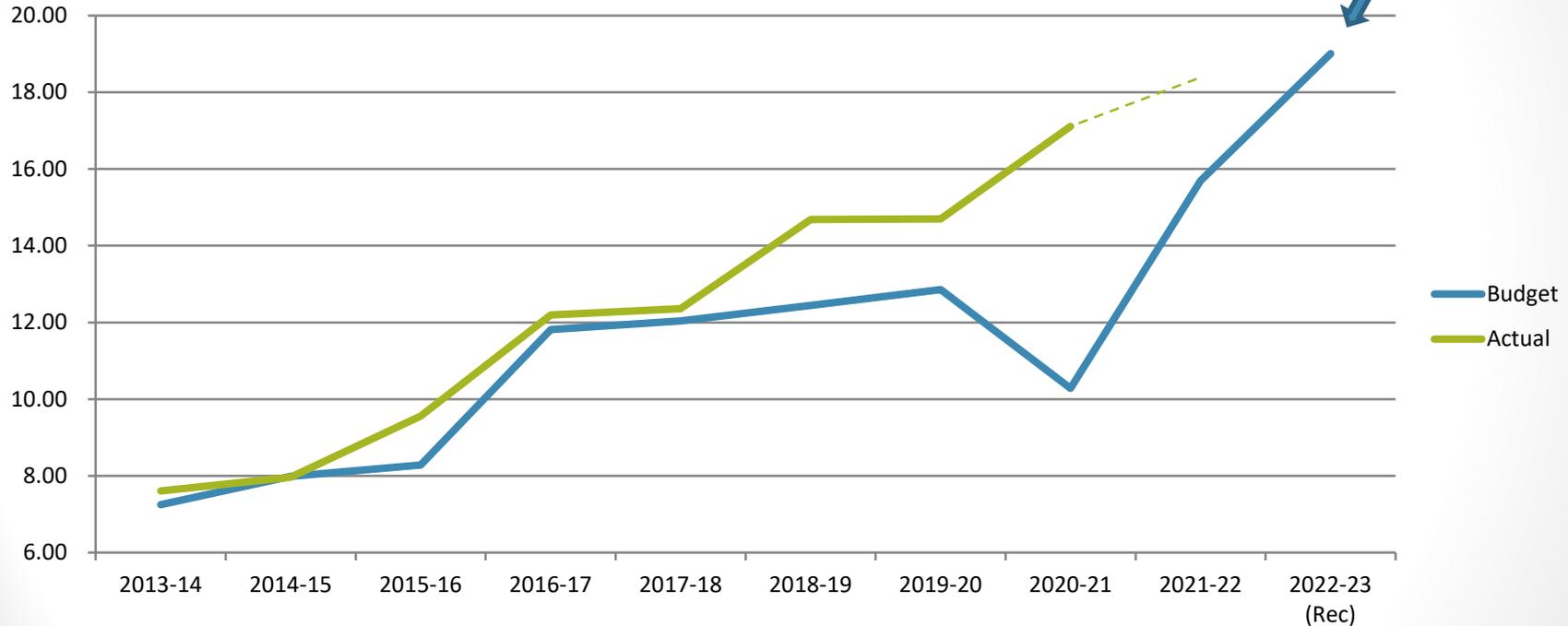
Sales Tax Allocation

- 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

Assumes HDL Statewide
Projection 2.4% Growth
in FY 2022-23



*Represents only General Fund Discretionary Sales Tax

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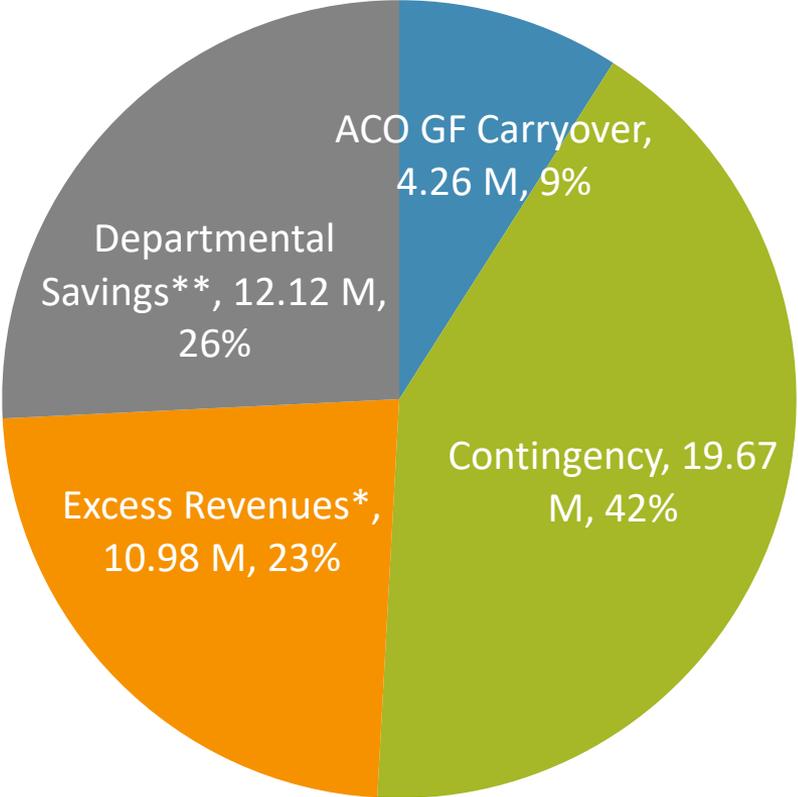
General Fund Designations & Reserves

General Fund Reserves and Designations	2021-22 Ending Balance
General Reserve	\$10,300,000
Capital Projects Reserve	\$20,992,188
Public Safety Facility Last Loan Payment Reserve	\$2,300,000
Public Safety Facility Loan Payments Designation	\$2,145,100
Parks Acquisition & Development Designation	\$125,000
General Liability & Workers Compensation Designation	\$3,000,000
El Dorado Center Designation	\$2,310,019
Audit Reserve Designation	\$944,430
TOT Special Projects Designation	\$2,276,417
CalPERS Cost Increases Designation	\$4,931,589
CalPERS OPEB Designation	\$1,368,765
Caldor Fire Relief	\$2,982,539
Ray Lawyer Drive Courthouse Designation	\$3,000,000
FEMA Road Infrastructure Designation	\$380,000*
Juvenile Hall Designation	\$1,722,556
Industrial Drive Designation	\$349,299
	\$58,747,902

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* Board Direction on 3/23/21 to hold \$380,000 for use in FY 2023-24 if granted FEMA’s Hazard Mitigation Grant Program

Projected Fiscal Year 2021-22 Fund Balance



*7% of General Revenues

**7% of Net County Cost

Other General Fund Funding Sources

General Fund – Fund Balance:

- Budget relies on savings from prior year
- 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 – Increase Goal to \$6m
12. Other Post-Employment Benefits (OPEB)
13. Transient Occupancy Tax
14. Fixed (Capital) Assets
15. Designation for Road Maintenance – Increase Goal to \$4m

Board Adopted Budget Policies

12. Other Post-Employment Benefits (OPEB)

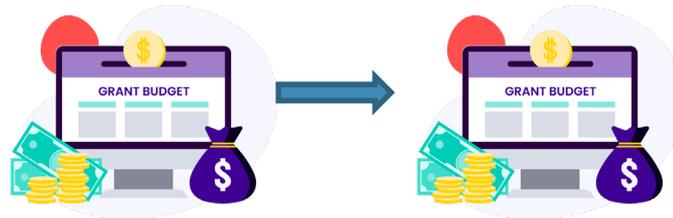
- Rename to a Pension Funding Policy
- Continue current practices:
 - “Pay as you go” for pension liabilities
 - Maintain the CalPERS Cost Increases designation equal to at least two years of the projected General Fund increases in pension costs.
- CAO may recommend the use of any portion of the designation to help mitigate the impact of cost increases in any given budget year.
- The designation may also be used to fund a discretionary contribution to CalPERS

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 ~\$10.75 million
 - Contingency ~\$6.5 million
 - Designation for Capital Projects ~\$6 million
 - General Fund Road Maintenance ~\$4 million
 - CalPERS Designation – 2 years of increases

Funded or Re-budgeted from FY 2021-22

- Jail Expansion Project ~\$18.2 million
- Broadband Grant Match ~\$600,000
- Parks Bike Park ~\$2.3 million
- Shakori Garage Project ~\$3.33 million
- Spring Street Replacement Facilities Planner ~\$500,000
- Community Planning ~\$350,000
- Microsoft 365 Conversion ~\$265,000



Funded Items from Prior Board Direction

- Wildfire Resiliency Office ~\$300,000
- Emergency Sheltering in Emergency Preparedness & Response ~\$10,000
- Sports Complex Planning Documents ~\$300,000
- Hazard Mitigation Grant Projects - wildfire resiliency project & Transportation roadside clearing project.
- Homelessness Projects



What is not currently funded / future needs

- Full funding for El Dorado Center replacement / relocation
- Additional staffing costs after completion of jail expansion
- Juvenile Hall Build
- Spring Street Replacement Costs
 - Psychiatric Health Facility
 - Public Health
 - Senior Programs
- Diamond Springs Sports Complex



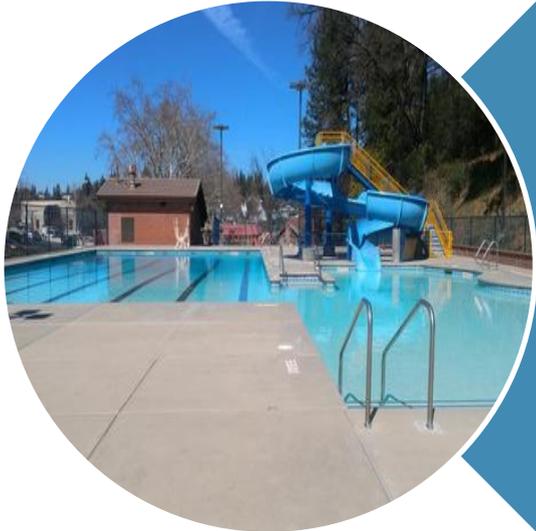
Areas for further discussion

- El Dorado Hills County Water District (EDH Fire Department) payment of Educational Revenue Augmentation Fund (ERAF) encumbrance equivalent amount.
- FY 2020-21 Amount \$86,642



Areas for further discussion

- Placerville Pool Maintenance Costs



- 76% of Pool Users reside outside the City
- Previous Years' Budgets included \$20,000 to provide aid for maintenance costs
- FY 2022-23 Request to consider increasing funding to \$112,568

Areas for further discussion

California Government Code: GOV § 25551- 25557 – City Park Maintenance Costs

City of Placerville must:

- Find it's park/rec facility is being used by large numbers of non-City residents
- Find that use by the nonresidents increases the cost of maintenance
- Request financial assistance via resolution adopted by 4/5 vote
- State the nature of the additional maintenance cost
- Provide report showing the disposition of the aid within one year

El Dorado County must:

- Find that the cost of maintenance is increased due to use by non-City residents
- Extend aid to the city via resolution adopted by 4/5 vote
- Have any aid remaining at the end of the year returned to the County

Areas for further discussion

Pool Expense	2021-22 Budgeted Cost	76% of Cost
Maintenance Personnel Time	\$52,549	\$39,412
Replacement Parts	\$9,700	\$7,275
Propane / Electricity*	\$48,775	\$36,581
Certifications*	\$3,400	\$2,550
Chemicals/ Supplies*	\$39,750	\$29,813
	\$154,174	\$115,631

* Could be considered operational costs rather than maintenance

Areas for further discussion

- American Rescue Plan Act November 9, 2021 BOS Direction:
 - EDC ARPA Allocation \$37,460,000
 - Forebay Park Improvements - \$3,000,000
 - Broadband Infrastructure - \$5,000,000
 - Non-profit Lost Fund Raising Revenue Grant Program - \$3,322,060
 - EDC Fairgrounds Infrastructure Projects - \$813,000
 - Environmental Management Union Mine Headworks - \$2,600,000
 - HHS Public Health Mitigation - \$4,378,940
 - HHS Behavioral Health-Public Health Facility Placements - \$7,264,000
 - CAO Central Fiscal Administrative Staff – \$778,746
 - Fire Agencies - \$500,000
 - Water Agency – 6,020,000
 - Cal Tahoe JPA Building Improvements - \$183,000
 - Total Allocated \$33,859,746

Areas for further discussion

- American Rescue Plan Act Direction
 - Remaining ARPA Allocation - \$3,600,254
 - Additional Requests:
 - EDH CSD COVID Mitigation – \$33,000
 - EDSO Vehicle AEDs - \$185,000
 - ARPA Audit Reserve - \$3,382,254

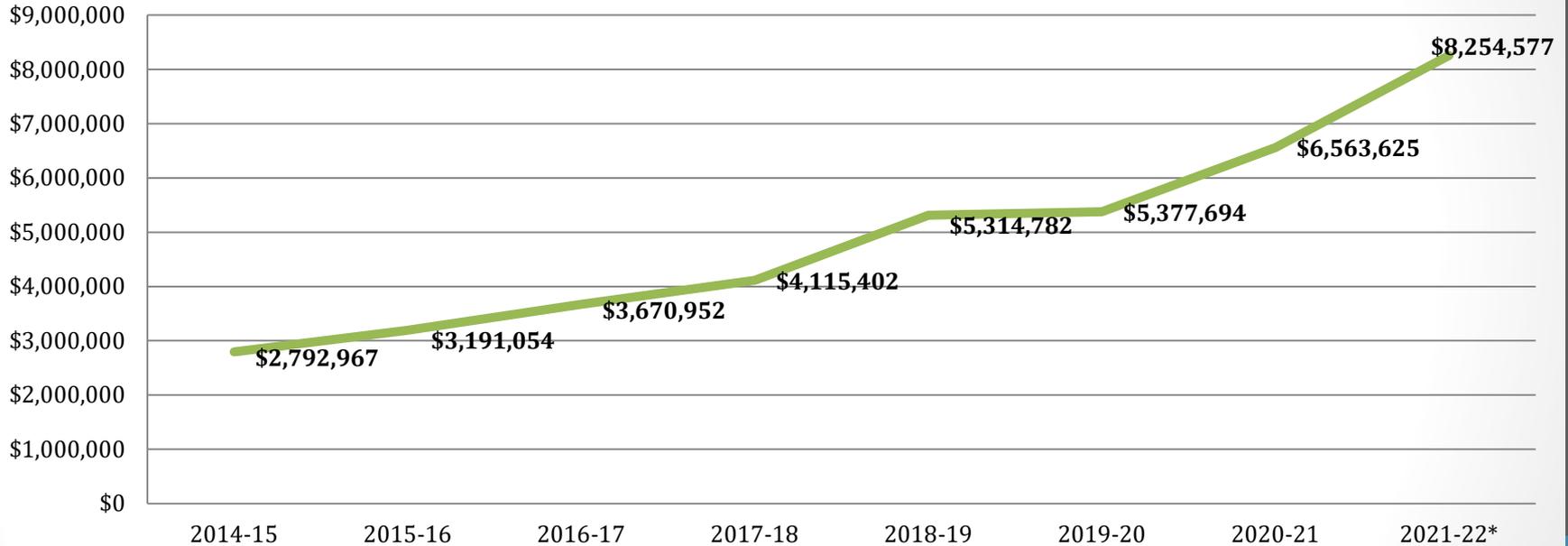
County TOT Budget Policy

“Transient Occupancy Tax revenue shall be directed toward the impact of tourism and economic development, with consideration for support of tourism and promotion activities within the County and for continued support for grant fund allocations to support Veteran programs within the County”

(Board Budget Policy B-16(II.13)Dec. 2019)

Historical Revenue

Actuals Since FY 2014-15

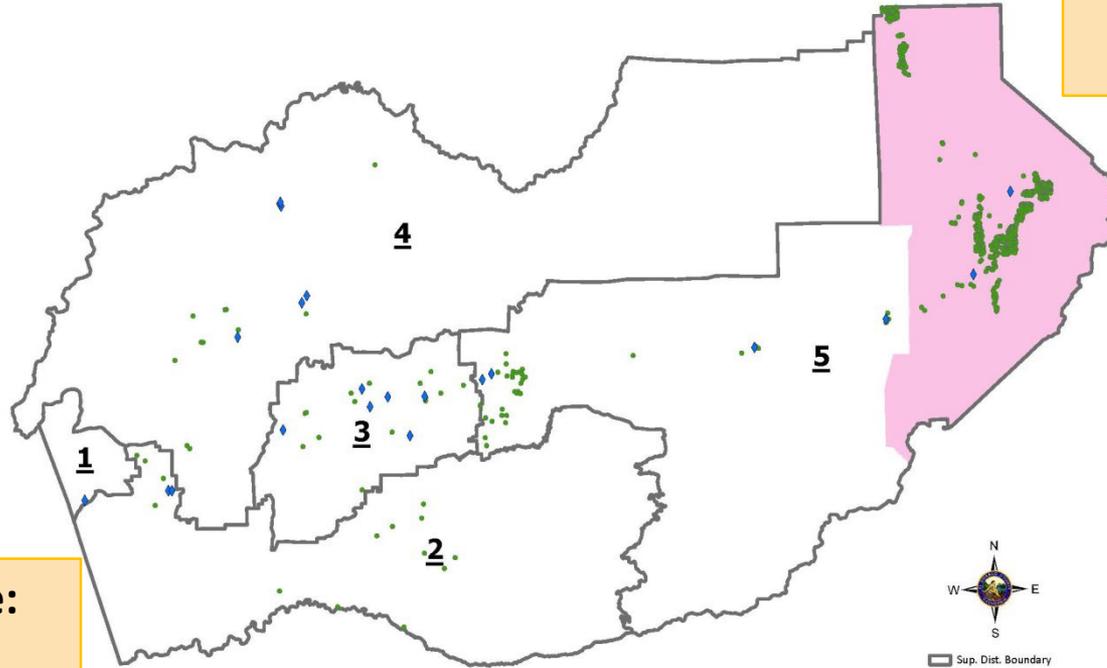


*Midyear Projection
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2021 Revenue by “Slope”

SUPERVISORIAL DISTRICT BOUNDARIES
ADOPTED DECEMBER, 2021
COUNTY OF EL DORADO, STATE OF CALIFORNIA

Tahoe Basin:
~\$6.4 M
78%



West Slope:
~\$1.8 M
22%

0 5 10 Miles
GIS ID: ee90274716_v46_8.5x11

FY 2022-23 TOT Revenue & Reserve

- Projecting ~\$8.25 million in TOT revenue in FY 2022-23
- Projecting ~\$5.9 million in TOT fund balance at the close of the current fiscal year (2021-22)
- Proposing status quo TOT budget of ~\$6.5 million for FY 2022-23
- Remaining unallocated TOT for FY 2022-23 ~\$7.67 million
- Designated Reserve ~\$2.3 million
 - Made up of prior years' TOT fund balance
 - Set aside for economic development projects, future broadband projects, and business incentives

Status Quo & February 22, 2022 Board Direction

\$14,141,000

- REVENUE ASSUMPTION:
 - Projected Revenue (\$8,255,000)
 - Fund Balance (\$5,886,000)

Impacts: \$2,866,500

- Treasurer Tax Collector (\$373,500)
- Sheriff Search and Rescue (\$265,000)
- DOT Road Maintenance/Snow Removal (\$1,500,000)
- DOT Snow Plow/Equipment (\$500,000)
- VHR Code Enforcement Officer – Ongoing Position Cost (\$142,500)
- VHR Sr. Development Technician – Ongoing Position Cost (\$85,500)

Economic
Development:
\$2,705,632

- Economic Development (\$1,691,202)
- GSEC – Year 2 (\$64,430)
- Community Planning (\$350,000)
- Broadband Grant Match (\$600,000)

Status Quo & February 22, 2022 Board Direction

Veterans: \$280,700

- Veteran’s Commission (\$175,000)
- Sr. Veterans Services Officer – Ongoing Position Cost (\$90,700)
- House Council (\$15,000)

Promotions:
\$620,940

- Wagon Train – Year 2 (\$10,000)
- El Dorado County Chamber of Commerce – Year 2 (\$240,920)
- El Dorado County Chamber of Commerce - Film Commission – Year 2 (\$150,750)
- El Dorado Hills Chamber of Commerce – Year 2 (\$110,320)
- Lake Tahoe South Shore Chamber of Commerce – Year 2 (\$78,950)
- Tahoe Prosperity Center – Year 2 (\$30,000)

\$7,666,794

• Remainder to be allocated to Fire Districts, County Departments and Tahoe Transportation District to offset the impacts of tourism.

Tourism Impacts - Staff Recommendation

\$7,666,794

- Remainder to be allocated to Fire Districts, County Departments and Tahoe Transportation District to offset the impacts of tourism:

Fire District
Impacts:
\$2,343,427

- El Dorado County Fire – Direct Response Cost and Equipment (\$176,543)
- El Dorado Hills Fire - Equipment (\$31,170)
- Diamond Springs Fire - Equipment (\$45,950)
- Fallen Leaf Lake CSD Fire - Equipment (\$574,744)
- Lake Valley Fire - Direct Response Cost and Equipment (\$1,025,475)
- North Tahoe and Meeks Bay Fire - Equipment (\$403,625)
- West Slope Four Fire District Request - Equipment (\$85,920)

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Tourism Impacts - Staff Recommendation

County Department
Impacts &
*Additional
Economic
Development:
\$4,823,000

- Tahoe Ambulance JPA Building Construction (\$2,500,000)
- Sheriff Helicopter O&M Costs 1 Year (\$400,000)
- DOT Additional Snow Plow/Road Maintenance Funding (\$400,000)
- DOT Class I Bike Path Snow Removal (\$50,000)
- Treasurer Tax Collector TOT Collection Program Cost Recovery (\$73,000)
- Tahoe Paradise Park Bike Path Restrooms (\$150,000)
- Parks - Diamond Springs Sports Complex (\$1,000,000)*
- Parks - Chili Bar Resort Cleanup & Restoration (\$250,000)*

Tahoe
Transportation
District : \$500,000

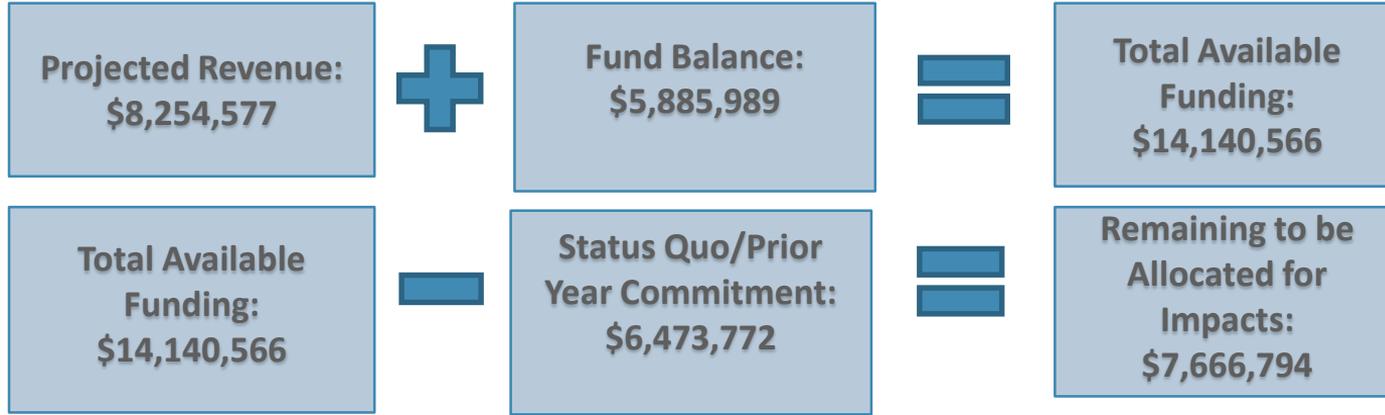
- Paratransit Service (\$300,000)
- Microtransit Service (\$200,000)

Requested but not Recommended

- Shingle Springs Chamber (\$30,000)
- Lake Valley Fire Staff & Insurance (\$320,978)
- North Tahoe and Meeks Bay Fire Staff (\$153,686)
- El Dorado Hills Fire Boat (\$203,875)
- Bicycle Advisory Committee Class I Bike Path Snow Removal (\$100,000)

- *DOT Tahoma Sleeping Quarters Design (\$500,000)*

FY 2022-23 TOT by the Numbers



Tourism Impacts:
\$9,282,927
66%

Economic Development:
\$3,955,999
28%

Tourism & Promotions:
\$620,940
4%

Veteran Programs:
\$280,700
2%

East Slope Allocation:
\$7,940,794
56%

West Slope Allocation:
\$1,939,583
14%

Countywide Allocation:
\$4,260,189
30%

Designated Reserve:
*\$2,276,417

Next Steps in Budget Process

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