



The County of El Dorado

Chief Administrative Office

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September 20, 2021

The Honorable Board of Supervisors
330 Fair Lane
Placerville, CA 95667

Honorable Members of the Board of Supervisors:

Following the preparation of the Adopted Budget recommendations and the publication of the agenda for the September 21, 2021, on September 17th the Auditor-Controller completed the close of the FY 2020-21 financial records. As noted in my transmittal memo, the carryover fund balance included in the Adopted Budget was a conservative projection based on year end fund balance projections anticipated by each department as of June 30th. The budget resolution, as currently written, provides direction to appropriate any additional fund balance available after the close of the financial records in Department 15 for Caldor Fire mitigation efforts and road maintenance.

As of June 30th, departments estimated returning \$13.6M in savings, which was approximately 4% of the total FY 2020-21 Adopted Budget General Fund appropriations. The actual departmental savings based on the close of the financial records totals approximately \$24.1M, which is approximately 7% of the total FY 2020-21 Adopted Budget General Fund appropriations and \$10.5M higher than estimated.

As mentioned in my transmittal memo, due to the fiscal and budget policies developed over the past five years and the Board's commitment to adhere to them, we have been able to build on the strong position presented in the Recommended Budget. This additional funding, in addition to the American Rescue Plan funds, provides the County a unique opportunity to not only minimize the impact of the Caldor Fire on the General Fund and our existing reserves and designations, but to make significant one-time investments in long-term needs that should be handled in a very thoughtful and strategic approach. Therefore, I recommend appropriating the excess fund balance of approximately \$10.5M in Contingency until our needs related to the Caldor Fire have been identified. Any remaining funding available after those needs have been met should be allocated to the following priorities:

- Road maintenance
- Capital needs
- Broadband

It will be some time before the impacts of the Caldor Fire are fully understood; however, I plan to provide regular updates to the Board, and in all likelihood I will be returning to the Board within the next 30-60 days to begin addressing some of the staffing needs that will be required to address the County's Caldor Fire recovery efforts.

Due to COVID and the Caldor Fire, the past 18 months have been unprecedented and filled with uncertainty. While much work is required to continue responding to the needs of our community, the Board should feel proud of how both emergencies have been managed from an operational as well as financial perspective. In summary, the Board, your executive leadership team of Department Heads, and your staff at all levels of the organization have done an outstanding job in addressing the priority needs of our community in very challenging circumstances while also ensuring the County's financial position provides you with the flexibility to address these challenges moving forward.

Sincerely,



Don Ashton, MPA
Chief Administrative Office

c. All Department Heads