



FY 2025-26 Budget Development

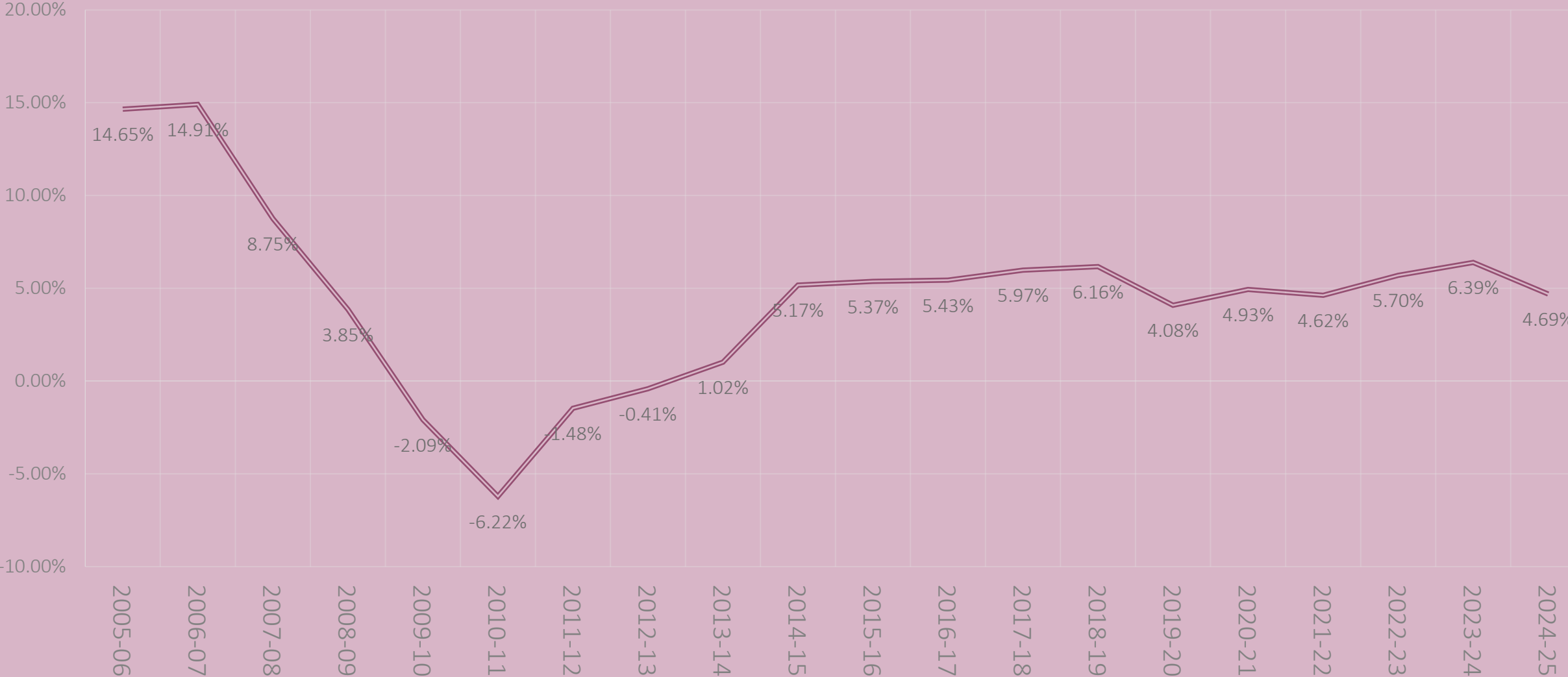
Presented to the Board of Supervisors on November 5, 2024



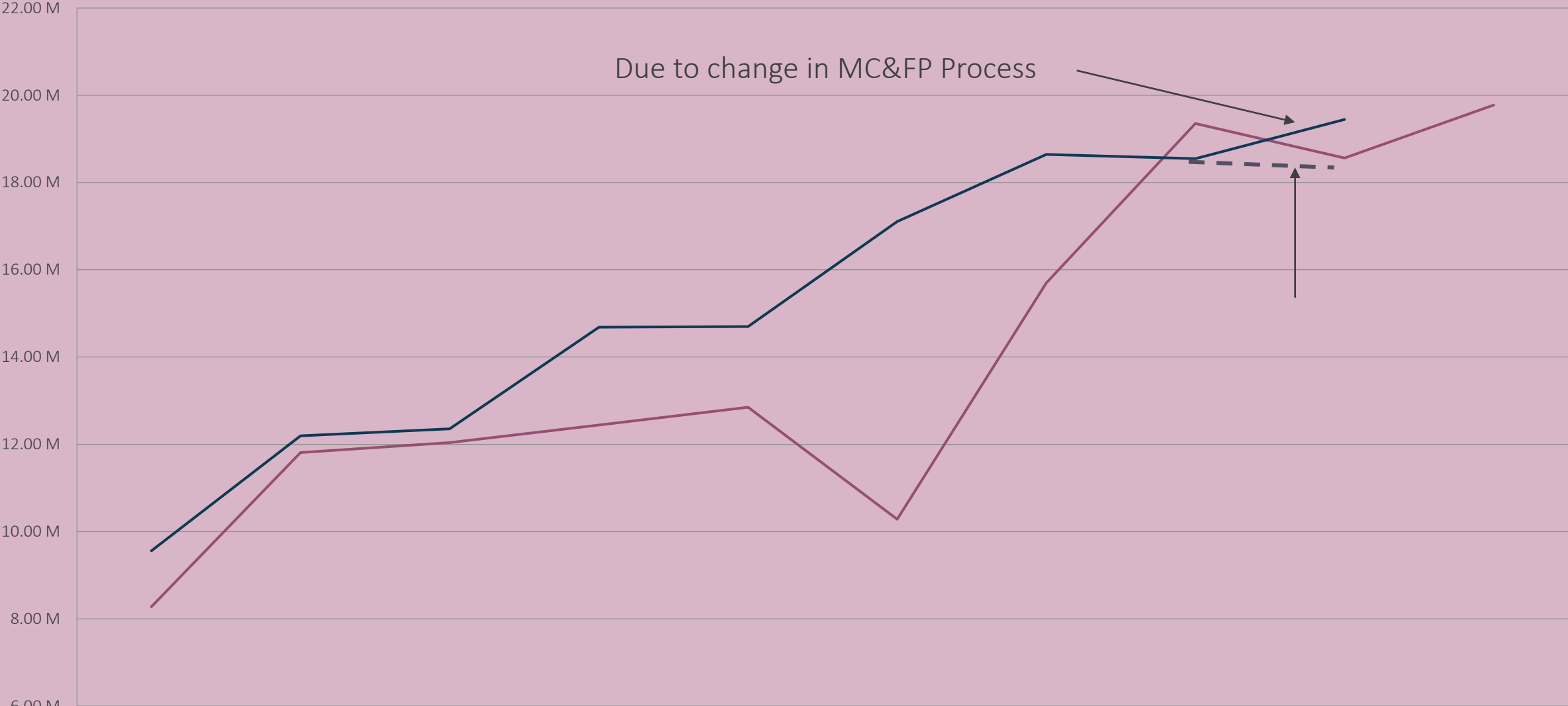
Slowing Discretionary Revenues

Property Tax

PROPERTY TAX GROWTH %

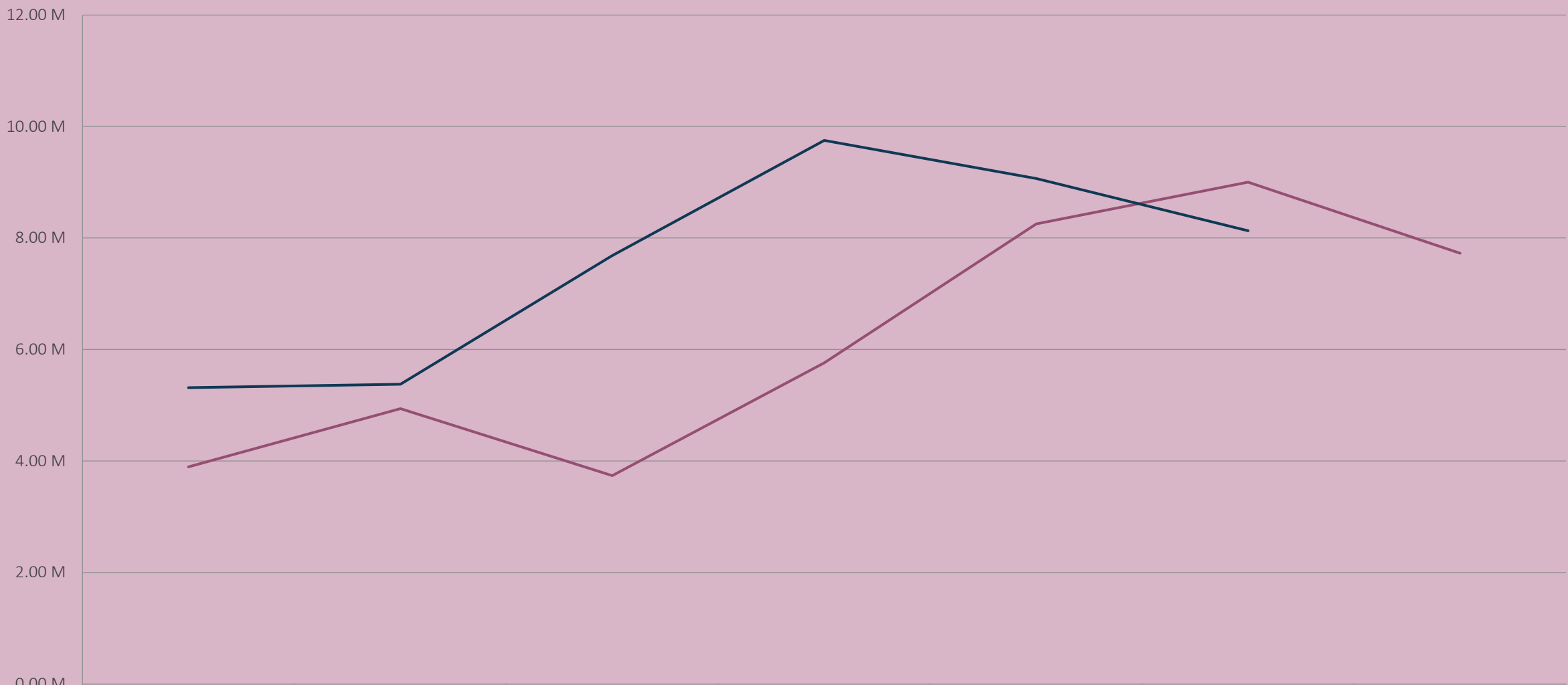


Sales & Use Tax Revenue



— Budget
— Actual

DTOT Revenue



	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Budget	3.89	4.94	3.74	5.76	8.25	9.00	7.73
Actual	5.31	5.38	7.68	9.75	9.07	8.13	

The background of the slide is a textured teal surface with scattered autumn leaves in shades of red, orange, and yellow. A dark blue horizontal bar is positioned across the middle of the slide, containing the title text.

Expense Pressures

Expense Pressures

Legal Challenges

- Austin v. El Dorado County
- Sheetz v. El Dorado County (US Supreme Court Case)
- California Department of Public Health (Syringe Exchange Program)



Facilities Needs

- Capital Projects Reserve has been depleted to \$2.7 million
- Many aging facilities in need of replacement or repairs
- Not able to meet Board Policy for Capital Projects Reserve, \$4 million short of goal



Health Insurance & Risk Program Increases

- Health Insurance premiums increased by 6.2% for 2025
- General Liability continues to increase year after year, 78% increase over past 5 years
- Workers' Compensation percent changes are volatile



Labor Negotiations & 504 Salary Increases

- Multiple Labor Unions in negotiations with the County
- Charter Section 504 requires the County to at least annually compare specific Sheriff salaries with comparator agencies





Seeking Board direction to explore the following approaches to balancing the FY 2025-26 Budget

Increase Countywide Cost Allocation Plan Cost Recovery

Board Policy B-16 Budget Policy 6 County Share

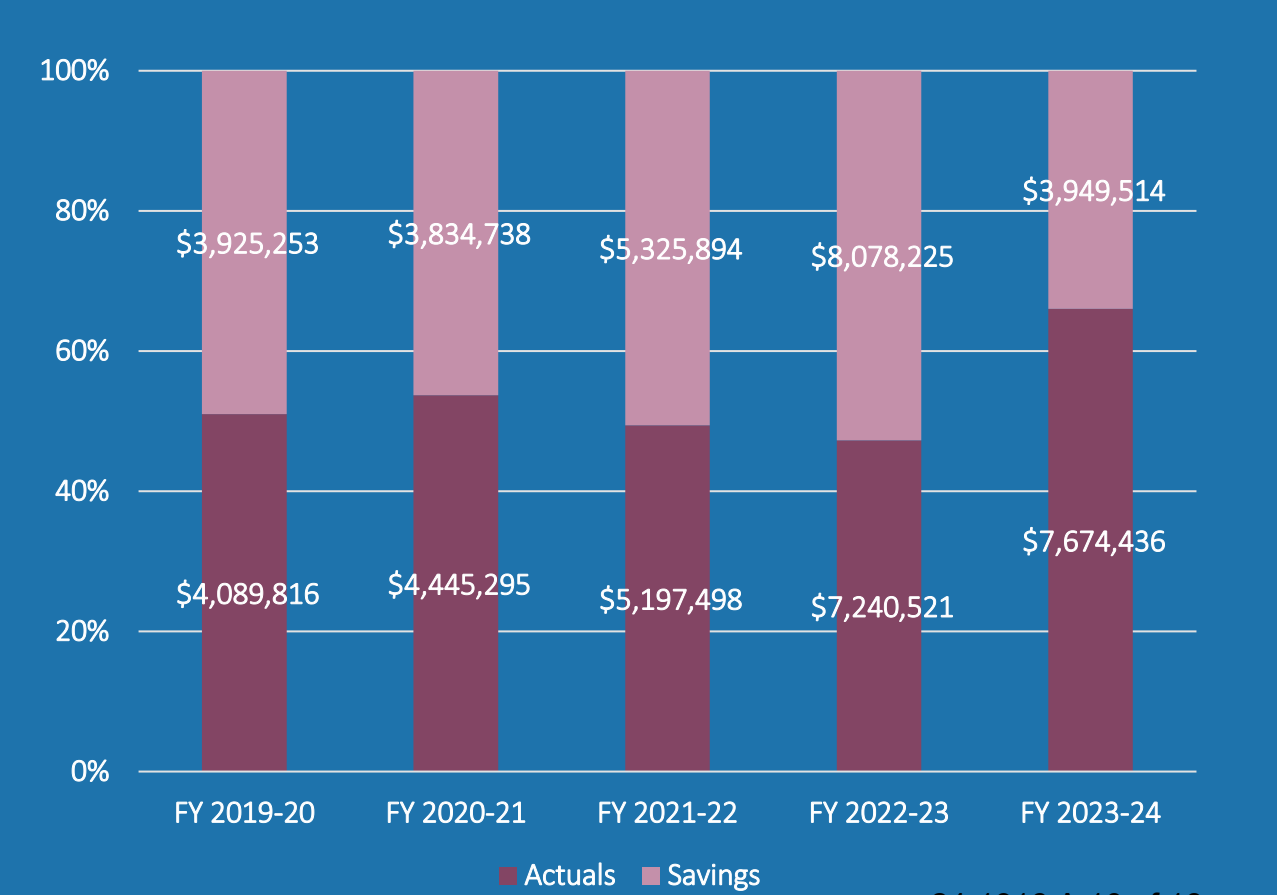
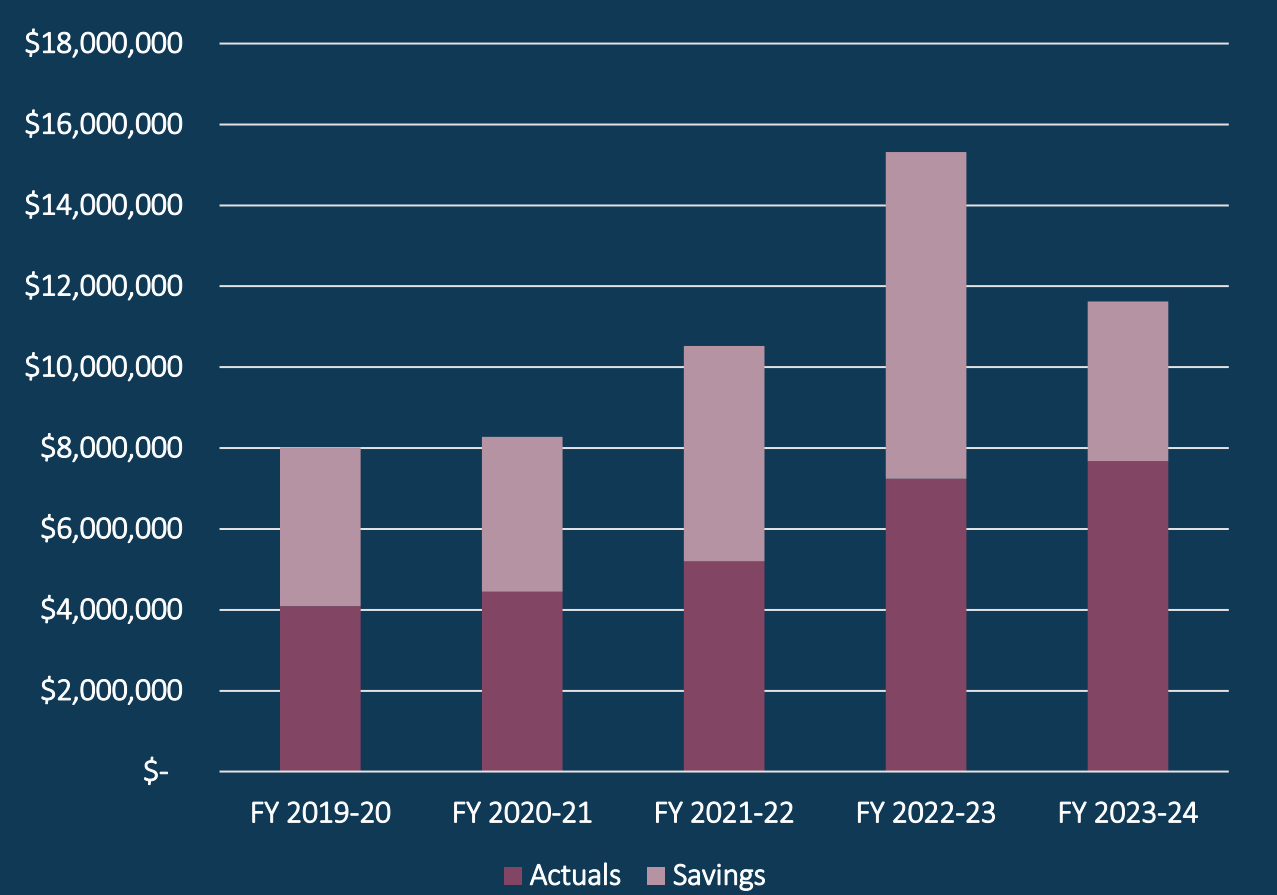
“Through the Countywide Cost Allocation Plan, the County will recover the General Fund cost of support and services from all non-General Fund programs and from General Fund programs that can recover these costs from other funding sources (e.g. Social Services, Child Support Services). The Chief Administrative Office will determine what General Fund programs will allocate funding for cost recovery through the Countywide Cost Allocation Plan.”

In FY 2024-25 the General Fund will receive \$13 million from departments through the Countywide Cost Allocation Plan.

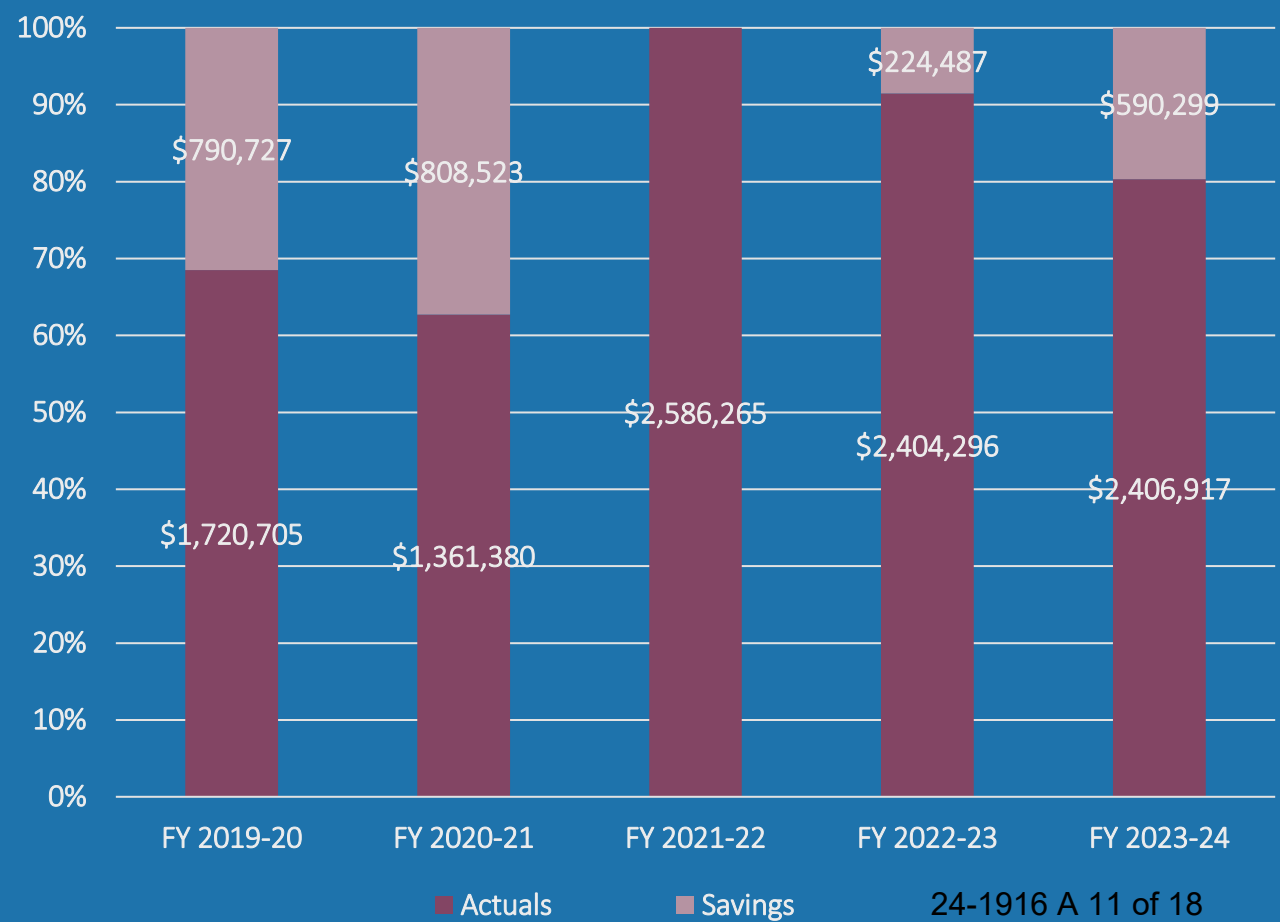
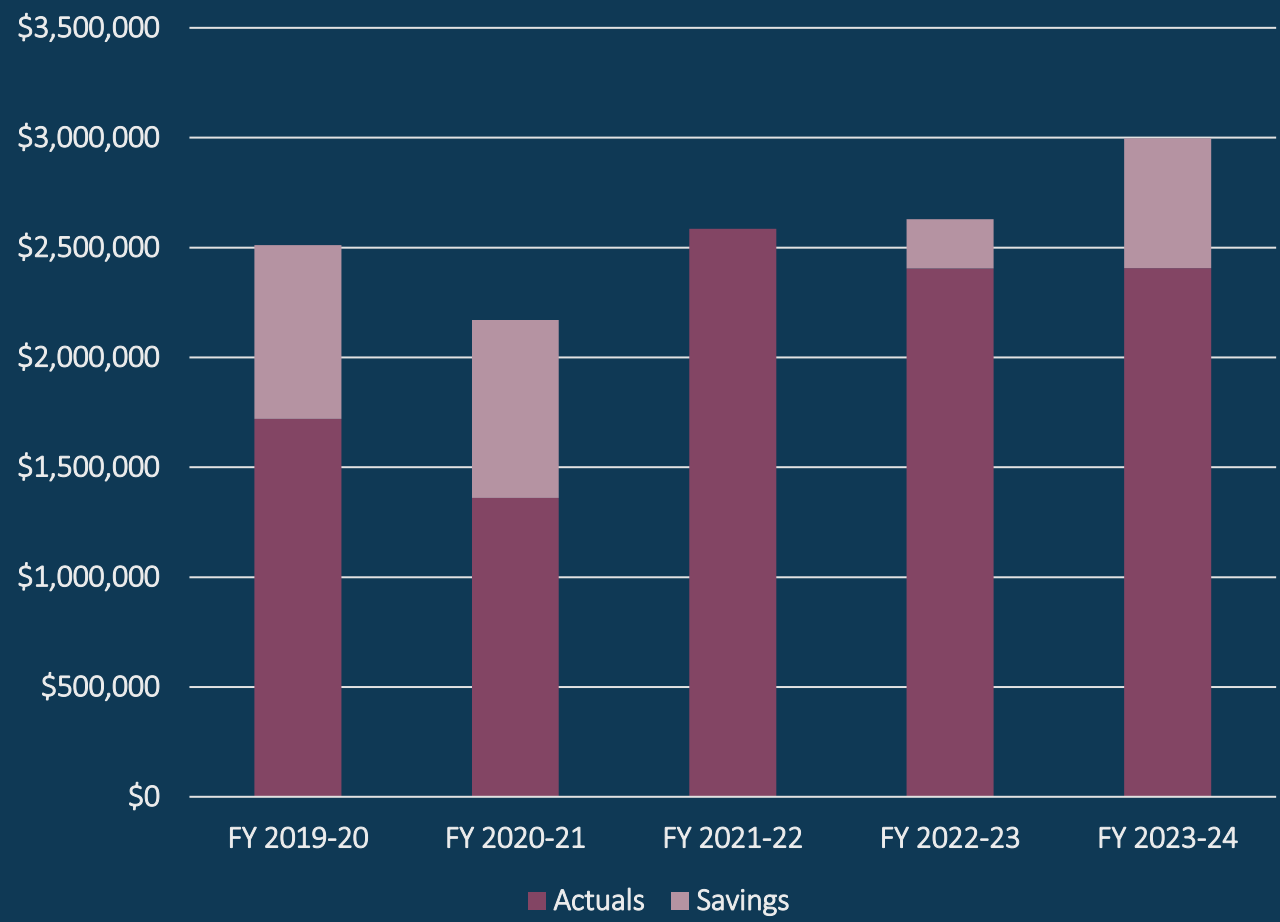
Board direction to explore an increase in cost recovery from departments in the General Fund with partial funding from other resources

- In the FY 2024-25 Budget, we recover countywide costs from 15 of the over 30 departments.
- The CAO would like to work with departments to determine the impact of increasing the collection rates to a larger proportion of departments, focusing on those departments with other funding sources.

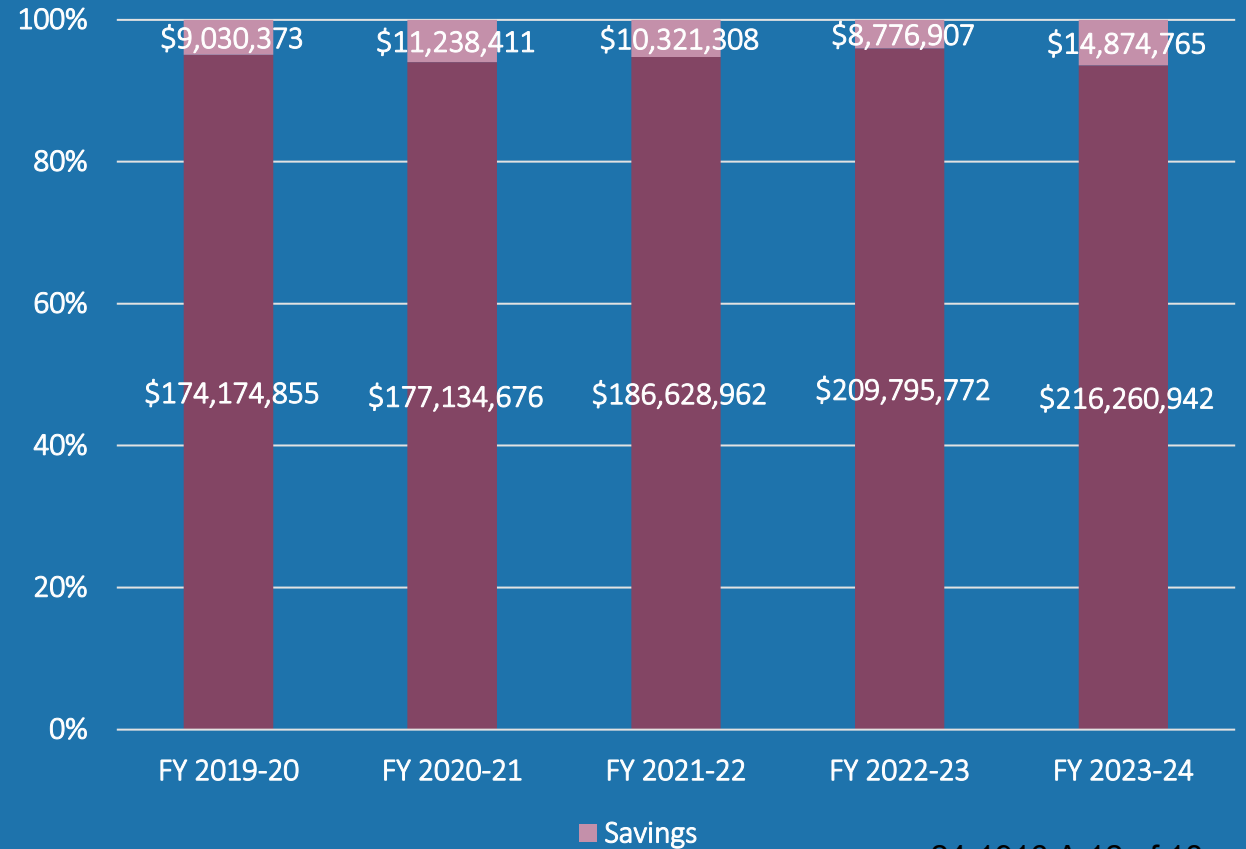
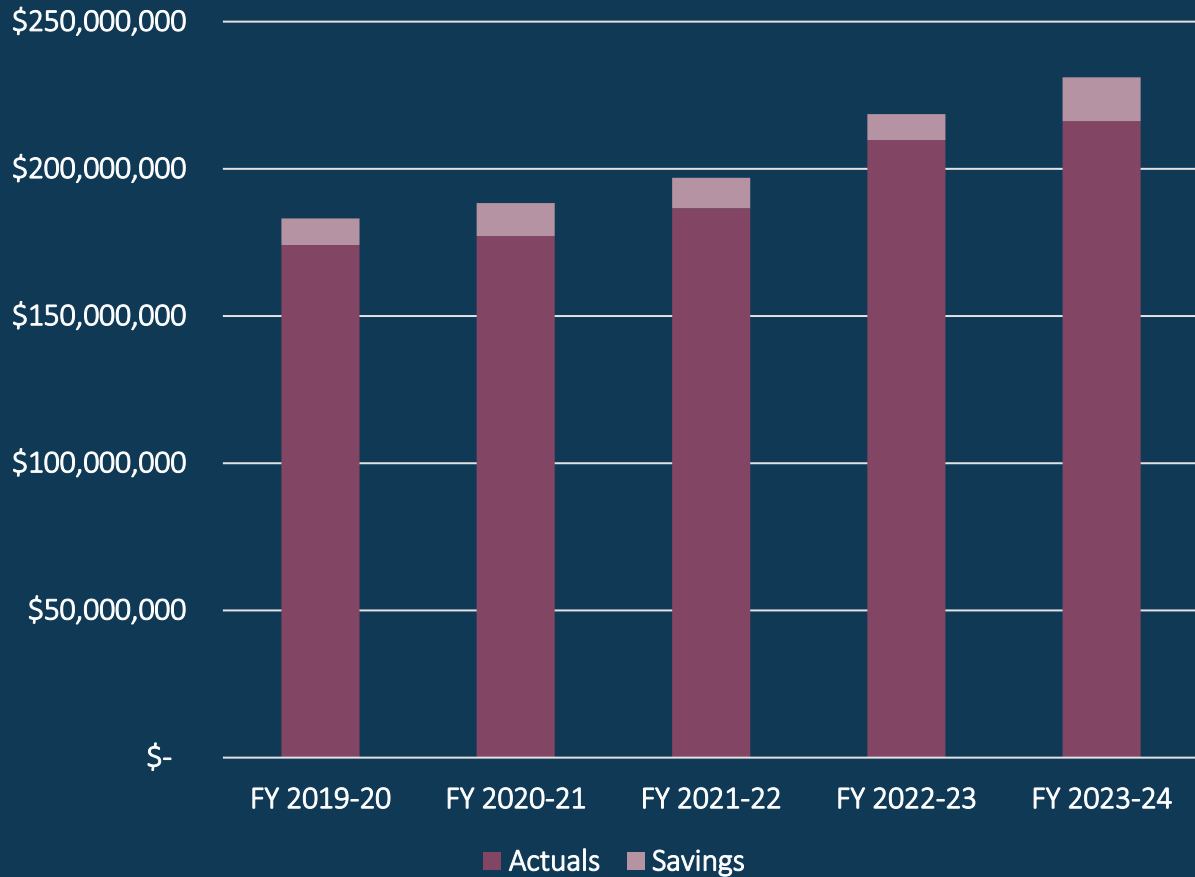
Professional Services



Travel



Salary & Benefits



Maximize Use of Special Revenue Funds

Offset General Fund Expenses with Special Revenue Funds

- The Fiscal Year 2024-25 Budget includes \$63 million in Operating Transfers into the General Fund from other County funds.

Seeking Board Direction to:

- Work with departments to maximize the use of Special Revenue Funds, for their intended use, to offset General Fund costs.



Review Vacant Positions

County Personnel Allocation

- The Fiscal Year 2024-25 Budget includes:
 - 2,052.88 Full Time Equivalent Allocations
 - \$248.5 million in General Fund Salary and Benefit Allocations.
- As of mid-October, 14% of allocations are vacant.

Seeking Board Direction to:

- Work with departments to review all vacant positions and determine if any positions can be eliminated and if eliminated what the service impact would be.

Develop a No Increase to Net County Cost Budget



Seeking Board Direction to:

- Work with departments to develop a FY 2025-26 Budget that maintains their FY 2024-25 Adopted Budget Net County Cost.

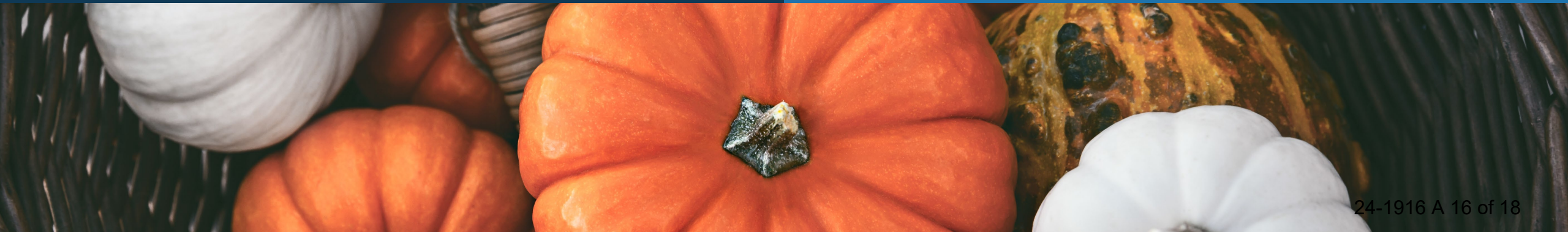
Board Budget Policy Goals

Board Budget Policy Goals

- Road Maintenance Contribution - \$5 million
- Capital Projects Designation - \$6 million
- CalPERS Cost Increases – At least two years
- IT Infrastructure - \$1.5 million
- Disaster Expenses - \$5 million

Seeking Board Direction to:

- Maintain designations at their current levels and reduce/suspend annual contributions to Board Policy Goals.



Discretionary Transient Occupancy Tax

Slowing DTOT Revenue

- FY 2023-24 revenue was 10% lower than FY 2022-23.
- FY 2024-25 Budget is 5% lower than FY 2023-24 Actuals.

Seeking Board Direction to:

- Reduce/suspend contributions to outside agencies/entities.
- Increase use of DTOT revenue for County operations in Tahoe.



**Next Steps:
Return to the Board in
mid-year with updates**

