



COUNTY OF EL DORADO, CALIFORNIA

BOARD OF SUPERVISORS POLICY

Subject: BUDGET POLICIES	Policy Number: B-16	Page Number: 1 of 7
	Date Adopted: 04/ 10 25/2024 3	Effective Date:

I. PURPOSE

The County Budget Policies were originally adopted May 19, 2015.

The County 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 Chief Administrative Officer in the development and management of the County Budget.

II. POLICY

1. Pursue Operational Efficiencies: Eliminate, combine or reorganize programs or processes to reduce expenditures and/or respond to changing needs or priorities. Identify lower priority programs that can be reduced or eliminated to free up resources to fund higher priority programs. Carefully review and justify all expenditure line items to identify possible cost reductions. Identify and implement training programs, utilize Information Technologies and promote interdepartmental cooperation to maximize operational efficiencies.
2. Maximize the Board's Discretion: Except where the Board has previously made a decision to earmark revenues for a particular purpose, wherever legally possible, revenues are to be treated as discretionary resources, rather than as dedicated to a particular program or service, in order to provide the Board as much flexibility as possible in allocating resources to local priorities, based on the Strategic Plan.
3. Pursuit of New Revenues: Pursue new revenues to the fullest extent possible for all services, as well as total cost identification (including departmental overhead and indirect costs) for fee setting purposes. Any new revenues for programs receiving General Fund support should be used to offset the cost of existing staff and programs, rather than funding new staff or programs.
4. Grant Funding: Prior to applying for and accepting Federal or State grants, departments must identify current and future fiscal implications of either accepting or rejecting the grant, including matching fund obligations, non-supplanting requirements, required continuation of a program after grant funds are exhausted, and if the program is consistent with the County's Strategic Plan goals and objectives.



COUNTY OF EL DORADO, CALIFORNIA

BOARD OF SUPERVISORS POLICY

Subject: BUDGET POLICIES	Policy Number: B-16	Page Number: 2 of 7
	Date Adopted: 04/10 25 /2024 3	Effective Date:

5. New or Enhanced Discretionary Programs: Departments should not propose new or enhanced programs unless those programs are fully funded (including overhead costs) by a grant or other dedicated revenue source. Departments submitting requests for new or enhanced discretionary-funded programs should identify lower priority programs in the Department that can be reduced or eliminated to generate discretionary resources to fund the new programs. New or enhanced discretionary funded programs will only be recommended/approved to the extent the annual General Fund Five Year Forecast identifies sufficient funding capacity.

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.

-If funding is reduced, there should be no increased County share for programs funded primarily from non-General Fund sources unless an increased County share is mandated or the Board of Supervisors has previously determined that this program is a high priority for use of limited General Fund dollars.

~~6.7.~~ Vacant and New Positions: All unfunded positions should be clearly identified and discussed with the Chief Administrative Office. New positions will not be considered unless the positions are funded by secure, ongoing, non-General Fund sources or there is a significant and compelling reason that the position is needed.

~~7.8.~~ General Fund Contingency: The General Fund Appropriation for Contingency shall be set, at the time of budget adoption, at an amount not less than 3% of total adjusted General Fund appropriations, as adjusted for non-General Fund programs (e.g., State mandated Social Services, Child Support Services) and one-time expenditures. The Appropriation for Contingency is to be used during the fiscal year to address unanticipated expenditure increases or revenue decreases.

~~8.9.~~ Budget Controlled at Expenditure Class/Object Level: California statute requires that county budgets are controlled at the object of expenditure level, except for capital assets, which are appropriated at the sub-object level (29006, 29008, 29089). The Board may authorize additional controls for the administration of the budget (29092).



COUNTY OF EL DORADO, CALIFORNIA

BOARD OF SUPERVISORS POLICY

Subject: BUDGET POLICIES	Policy Number: B-16	Page Number: 3 of 7
	Date Adopted: 04/1025/20243	Effective Date:

9.10. General Reserves: The General Fund General Reserve shall be set, at the time of budget adoption, at an amount not less than 5% of total adjusted General Fund appropriations. The General Reserve shall be established, canceled, increased, or decreased as provided for in Government Code Section 29086.

10.11. Designation for Capital Projects: Once the General Reserve and General Fund Appropriation for Contingency equal 8% of adjusted General Fund appropriations, the Board may choose to transfer any remaining unappropriated discretionary resources to the Designation for Capital Projects to be retained to assist in addressing unmet capital needs and building a replacement reserve. The goal is to set aside \$6,000,000 each year. The Designation for Capital Projects may be cancelled, in any amount, when alternate funding sources are not available, and upon a recommendation from the Chief Administrative Officer, to address unmet capital replacement and maintenance projects.

11.12. Pension funding: El Dorado County shall continue the policy of “pay as you go” to fund the County’s pension liability. To mitigate the impacts of annual increases in pension costs to the County, a General Fund designation has been established.

Once the General Reserve and General Fund Appropriation for Contingency equal 8% of adjusted General Fund appropriations, the Board may choose to transfer any remaining unappropriated discretionary resources to the Designation for CalPERS Cost Increases. The goal is to maintain funding in this designation equal to at least two years of the projected General Fund increases in pension costs. The projected increases are based upon the CalPERS actuarial reports, published in July of every year.

The Chief Administrative Officer may recommend the use of any portion of the Designation for CalPERS Cost Increases to help mitigate the impact of cost increases in any given budget year.

If funding in the Designation for CalPERS Cost Increases exceeds the minimum two years of projected increases, the designation may also be used to fund a discretionary contribution to CalPERS to pay off an individual amortization base or make a one-time discretionary payment to reduce the total Unfunded Accrued Liability.

12. Discretionary Transient Occupancy Tax: Transient Occupancy Tax revenue, excluding voter-approved Tahoe area-specific revenue, shall be directed toward the impacts 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



COUNTY OF EL DORADO, CALIFORNIA

BOARD OF SUPERVISORS POLICY

Subject: BUDGET POLICIES	Policy Number: B-16	Page Number: 4 of 7
	Date Adopted: 04/ 10 25/2024 3	Effective Date:

programs within the County. The County will prioritize impacts to County services and facilities, such as road maintenance, snow removal, law enforcement, etc., to be funded first before funding outside agencies.



COUNTY OF EL DORADO, CALIFORNIA

BOARD OF SUPERVISORS POLICY

Subject: BUDGET POLICIES	Policy Number: B-16	Page Number: 5 of 7
	Date Adopted: 04/ 10 25/2024 3	Effective Date:

14. Fixed (Capital) Assets: This policy establishes additional controls for the administration of Fixed Asset (Capital Asset) equipment.

a. All additions to Fixed Assets must be approved by the Board. The agenda item must ask the Board to add the item(s) to the Fixed Asset listing and may be accompanied by a Board-approved budget transfer.

a.b. Fixed Assets requested and approved through the annual Budget Process will be included in the Departments' recommended/approved budgets and itemized on the Fixed Asset list submitted for approval with the Recommended Budget.

b.c. Fixed Assets approved as an addition to the Recommended Budget, before the approval of the Adopted Budget, will be included in the Adopted Budget package submitted to the Board for approval in September and included in the Fixed Asset list published with the Adopted Budget.

e.d. If a department already has two or more Fixed Asset items approved, and simply needs to adjust funding amounts between approved items within Fixed Assets, this does not need to go to the Board. The Chief Administrative Office will approve a budget amendment to reallocate funds between items, if necessary for processing.

e.e. An increase in cost for an already approved Fixed Asset, where there is not savings available in another already approved Fixed Asset(s), will require a budget amendment approved by the Board. However, the item does not need to be approved by the Board a second time.

e.f. The Chief Administrative Office will provide the Auditor-Controller and Purchasing offices with copies of all approved Fixed Asset listings and subsequent additions to that listing. All purchases of Fixed Assets will be made and invoices paid pursuant to the approved Fixed Asset list.

15. Designation for Road Maintenance: Once the General Reserve and General Fund Appropriation for Contingency equal 8% of adjusted General Fund appropriations, the Board may choose to transfer any remaining unappropriated discretionary resources to the Designation for Road Maintenance to be retained to assist in addressing unmet road maintenance needs. The goal is to set aside \$5,000,000 each year, in addition to the maintenance of effort amount required by the Road Repair and Accountability Act of 2017. The Designation for Road Maintenance may be cancelled, in any amount, when alternate funding sources are not available, and upon a recommendation from the Chief Administrative Officer, to address unmet road maintenance needs.



COUNTY OF EL DORADO, CALIFORNIA

BOARD OF SUPERVISORS POLICY

Subject: BUDGET POLICIES	Policy Number: B-16	Page Number: 6 of 7
	Date Adopted: 04/ 10 25/2024 3	Effective Date:

16. Designation for Information Technologies (IT) Infrastructure: Once the General Reserve and General Fund Appropriation for Contingency equal 8% of adjusted General Fund appropriations, the Board may choose to transfer any remaining unappropriated discretionary resources to the Designation for IT Infrastructure. The designation will be used to ensure the County has the funding needed for the improvements and maintenance necessary for the countywide information technology infrastructure that will support the business objectives of County departments.

The goal is to maintain funding in this designation equal to at least three years of the projected costs of planned countywide IT improvements and maintenance as determined by the Information Technology Governance Committees.

The Designation for IT Infrastructure may be cancelled, in any amount, when alternate funding sources are not available, and upon a recommendation from the Chief Administrative Officer, to fund IT Infrastructure.

17. Designation for Disaster Expenses: Once the General Reserve and General Fund Appropriation for Contingency equal 8% of adjusted General Fund appropriations, the Board may choose to transfer any remaining unappropriated discretionary resources to the Designation for Unreimbursed Disaster Expenses to be retained to fund disaster response and recovery costs that are not eligible for reimbursement and cannot be covered by the department's funding or existing appropriations. This funding may also be used to temporarily cover disaster response and recovery costs that are awaiting reimbursement when there are not sufficient appropriations in a budget unit. The goal is to set aside a total of \$5,000,000.

The Designation for Unreimbursed Disaster Expenses may be cancelled, in any amount, when alternate funding sources are not available, and upon a recommendation from the Chief Administrative Officer, to fund disaster response and recovery costs that are not eligible for reimbursement and cannot be covered by the department's funding or existing appropriations.



COUNTY OF EL DORADO, CALIFORNIA

BOARD OF SUPERVISORS POLICY

Subject: BUDGET POLICIES	Policy Number: B-16	Page Number: 7 of 7
	Date Adopted: 04/ 10 <u>25</u> /202 4 <u>3</u>	Effective Date:

IV. REFERENCES

Board Adopted Budget Policies, May 19, 2015 (Item 31)

Board Adopted Budget Policies, February 23, 2021 (Item 27)

Board Adopted Budget Policies, April 25, 2022 (Item 4)

V. RESPONSIBLE DEPARTMENT

Chief Administrative Office

VI. DATES ISSUED AND REVISED; SUNSET DATES:

Issue Date:	05/19/2015	Sunset Review Date:	N/A
Revision Date:	04/1 0 <u>8</u> /202 4 <u>3</u>	Next Review Date:	04/1 0 <u>8</u> /202 8 <u>7</u>