



County of El Dorado

Chief Administrative Office

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Terri Daly
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Date: September 12, 2012

To: Board of Supervisors

From: Terri Daly, Chief Administrative Officer

RE: 2012-2013 Adopted Budget

This past fiscal year was the beginning of a transition for the County. Just a few short years ago at the onset of the recession we were contemplating the depth of service reductions and layoffs in light of multi-million dollar reductions to the General Fund. It wasn't easy, but the Board faced these tough decisions with decisive action. Based on the solid footing that those early bold moves put us on, we were able last year to begin the transition to "spending conservatively and investing wisely."

Now we embrace and continue that transition in this new fiscal year. While continuing to vigilantly hold the line on expenditures, we are beginning to invest in the resources that we do have to increase efficiency and effectiveness. Our strategy is beginning to show significant, positive results:

- We start this fiscal year with a Fund Balance of \$26 million – about \$15 million more than expected, putting us in one of the best cash positions of all counties in California. This enviable position is thanks to the efforts to increase efficiency by employees, conservative fiscal management by Department Heads, and vigilant oversight.
- Last year, the Board boldly invested in new leadership in our Health Department and the Human Services Department, when they were merged after signs of a psychiatric unit in crisis and threat of closure, fiscal uncertainty and management vacancies. This year, the Health and Human Services Agency continues to operate a well-run local psychiatric facility, has made great strides in improving fiscal health and has a strong management team in place.
- Last year, the fiscal unit of the Health Department went into "receivership" under the Auditor-Controller and the Chief Budget Officer. The department still showed a \$3+ million loan from the General Fund. In this proposed 2012-2013 budget, that loan has been paid off in its entirety; the Mental Health Services Act claim was processed without

significant errors or difficulties; and the unit is operating effectively under new leadership with fewer employees.

- For the last several years, the fiscal year close was delayed by weeks due to inaccurate accounting work, miscommunication between departments, and ineffective leadership in the departments. This year, thanks in part to the Board's investment into the position of Chief Budget officer, coupled with strong leadership by the Auditor-Controller, Department Heads and the hard work of their fiscal staffs, the books were closed on time.
- Last year at this time, no significant opportunities were offered by the County for employee training and development. Thanks to the investment of a small amount of money by the Board and a huge amount of personal effort by several Department Heads, the County is now in its second offering of the Supervisors Academy. In addition, several management training sessions and other training opportunities have been offered.

These are just a few of the results—and the results come from everyone spending conservatively and investing wisely. We're still in transition. While we bring today a balanced budget for your consideration to adopt for the 2012-2013 year that includes the benefits of some early signs of success in our investment strategy, there are still many uncertainties about the economic future and our continued vigilance and dedication to spending conservatively and investing wisely. Given this uncertainty we must remain flexible and ready to act.

In the budget you are considering today, the additions to staff and increases in expenditures are consistent with our "spend conservatively, invest wisely" approach. The additional positions that have been recommended have been carefully considered for the investment potential, including those positions added as a result of shifted funding from the State such as Community Corrections Partnership (AB 109) revenue. While our overall property tax revenue is still declining slightly (the roll closed at -0.48%), increased revenue from other sources is viewed in the context of the State and Federal budgets, which continue to pose significant uncertainties.

Given these continuing negative trends, our five-year projections, while greatly improved, still show a budget deficit in years two through five. With the conservative spending of the departments as reflected in this budget and the overwhelming support of the investment strategy, I believe we will erase the budget deficits for the next five years.

My recommendation is to stay the course. Although we are seeing some positive signs, we should not be overly optimistic until revenue begins to grow. Our strategy of spending conservatively has resulted in an increase of Fund Balance, but we must remember that these are one-time funds. We must use that opportunity to invest wisely and become more efficient, so that when ongoing revenue finally begins to increase we can grow services without growing government. Strategic investments now will help reduce future costs, positioning the organization to manage either shortfalls or growth.

Thank you for your thoughtful and thorough consideration.



The County of El Dorado

Chief Administrative Office

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Date: September 12, 2012
To: Board of Supervisors
From: Laura Schwartz, Chief Budget Officer
Subject: FY 2012-13 Addenda

On June 5, 2012 the Board of Supervisors approved the FY 2012-13 Recommended Budget. At that time, the Board directed the CAO to prepare a budget for consideration upon the close of FY 11/12 financial activity and the enactment of the State Budget. On Monday, September 17, the Board is scheduled to begin its budget hearings. Attachment A includes detailed narratives describing the Addenda changes for each department. Attachment B includes details describing the Addenda changes for Department 15. Attachment C is the revised five-year projection. Attachment D is the revised Facilities workplan.

General Fund Balance Available. The FY 12/13 Recommended Budget included estimated fund balance available of \$11,000,000. After the close of the fiscal year, the amount of fund balance available as of June 30, 2012 is estimated at \$26,530,905, an increase of \$15,530,905. This increase is primarily due to additional savings from Departments, the full payback of the \$3.3M loan from Mental Health, and funding for the Meyers Landfill that was not expended in FY 11/12 and is being re-budgeted in FY 12/13. The chart below details these changes. The actual savings have been adjusted to take out savings related to Workers Compensation and General Liability charges. These programs were over-funded in FY 11/12 and a rate holiday was given for 4th quarter charges. The projected fund balance figure of \$11,000,000 assumed approximately \$800,000 in general fund savings related to Workers Compensation and General Liability costs.

| Department | Year End Projected Savings | Actual* Savings | Variance |
|--|---------------------------------------|----------------------------|-------------------------|
| Board of Supervisors | 0 | 99,345 | 99,345 |
| Chief Admin. Office | 0 | 30,666 | 30,666 |
| Auditor/Controller | 256,104 | 294,265 | 38,161 |
| Treasurer-Tax Collector | 0 | 43,665 | 43,665 |
| Assessor | 80,400 | 93,490 | 13,090 |
| County Counsel | 50,000 | 174,071 | 124,071 |
| Human Resources | 53,854 | 80,217 | 26,363 |
| Information Technologies | (100,000) | 42,655 | 142,655 |
| Promotion | 0 | 418,215 | 418,215 |
| Recorder Clerk | 0 | 396,887 | 396,887 |
| <i>Sub-total General Gov</i> | <i>340,358</i> | <i>1,673,476</i> | <i>1,333,118</i> |
| Grand Jury | 0 | 3,415 | 3,415 |
| Court MOE | 650,000 | 792,914 | 142,914 |
| District Attorney | 69,121 | 167,990 | 98,869 |
| Public Defender | 133,000 | 155,792 | 22,792 |
| Sheriff | 996,059 | 4,187,266 | 3,191,207 |
| Probation | 1,292,495 | 1,883,567 | 591,072 |
| <i>Sub-total Law & Justice</i> | <i>3,140,675</i> | <i>7,190,944</i> | <i>4,050,269</i> |
| Surveyor | 62,003 | 190,318 | 128,315 |
| Agriculture | 42,000 | 180,134 | 138,134 |
| DOT | 436,020 | 794,848 | 358,828 |
| Development Services | 0 | 867,379 | 867,379 |
| Environmental Management | 0 | 2,390 | 2,390 |
| UCCE | 0 | 5,368 | 5,368 |
| <i>Sub-total Land Use & Dev</i> | <i>540,023</i> | <i>2,040,437</i> | <i>1,500,414</i> |
| Health – Animal Services | 22,232 | 188,201 | 165,969 |
| Veteran Affairs | 50,581 | 53,962 | 3,381 |
| Human Services | 1,329,308 | 1,068,710 | (260,598) |
| Library | 0 | 5,689 | 5,689 |
| Child Support | 2,716 | (23,523) | (26,239) |
| <i>Sub-total Health & Human</i> | <i>1,404,837</i> | <i>1,293,039</i> | <i>(111,798)</i> |
| Total Department Savings | 5,425,893 | 12,197,896 | 6,772,003 |
| WC & GL Savings | 783,472 | 843,129 | 59,657 |

In addition to more Department Savings than anticipated, there were also savings within Department 15 (non-departmental). The charts below detail these variances:

| Department 15 Non-Departmental Expenses | Year End Projected Savings | Actual Savings | Variance |
|--|---------------------------------------|---------------------------|------------------|
| Contingency | 3,498,199 | 4,730,482 | 1,232,283 |
| Meyers Landfill | 0 | 2,794,236 | 2,794,236 |
| GF to Community Services | 0 | 270,706 | 270,706 |
| GF to DOT & Airports | 0 | 132,475 | 132,475 |
| Realignment | 0 | 769,011 | 769,011 |
| GF to Health | 12,775 | 310,843 | 298,068 |
| Special Projects | 197,332 | 457,033 | 259,701 |
| Other | 25,000 | 32,796 | 7,796 |
| | | | |
| Total Savings | 3,733,306 | 9,497,582 | 5,764,276 |

| Department 15 Non-Departmental Revenue | Year End Projected Revenue | Actual Revenue | Variance |
|---|---------------------------------------|---------------------------|------------------|
| Property Taxes | 68,682,008 | 68,426,438 | (255,570) |
| Sales Tax | 8,900,000 | 8,848,144 | (51,856) |
| Hotel Motel Tax | 1,750,000 | 1,739,406 | (10,594) |
| Property Transfer Tax | 1,250,000 | 1,288,677 | 38,677 |
| Tax Loss Reserve | 2,600,000 | 2,646,863 | 46,863 |
| Timber Yield Tax | 23,687 | 35,416 | 11,729 |
| Sub-total Taxes | 83,205,695 | 82,984,944 | (220,751) |
| | | | |
| Franchise Fees | 699,704 | 834,198 | 134,494 |
| Penalties | 400,000 | 380,217 | (19,783) |
| Interest | 75,000 | 84,720 | 9,720 |
| State (Includes Realignment) | 7,522,080 | 6,800,516 | (721,564) |
| Federal | 183,869 | 189,251 | 5,382 |
| RDA Pass through | 98,149 | 317,312 | 219,163 |
| Shingle Springs Rancheria | 2,700,000 | 2,700,000 | 0 |
| Assessment/Tax Collect Fees | 2,181,296 | 2,181,296 | 0 |
| A 87 Charges | 1,903,858 | 1,903,858 | 0 |
| Operating Transfers In | 1,461,563 | 1,452,685 | (8,878) |
| Other | 180,000 | 308,181 | 128,181 |
| Sub-total Other Revenue | 17,405,519 | 17,152,234 | (253,285) |
| | | | |
| Total Revenue | 100,611,214 | 100,137,178 | (474,036) |
| Payback of MH Loan | 0 | 3,319,000 | 3,319,000 |

| Summary of Fund Balance Estimates | Projected Change to Fund Balance | Actual Change to Fund Balance | Variance |
|--|---|--------------------------------------|-------------------|
| Department Savings | 5,425,893 | 12,197,896 | 6,772,003 |
| WC & GL Savings | 783,472 | 843,129 | 59,657 |
| Department 15 Savings | 3,733,306 | 9,497,582 | 5,764,276 |
| Department 15 Revenue | 1,057,329 | 583,293 | (474,036) |
| Payback of MH Loan | 0 | 3,319,000 | 3,319,000 |
| Audit Adjustments | 0 | 90,005 | 90,005 |
| Total Fund Balance | 11,000,000 | 26,530,905 | 15,530,905 |

Increased Fund Balance. The Chief Administrative Office is recommending that the increased fund balance of \$15,530,905 be allocated as follows:

\$10,334,794 designated as an increase to the reserve for capital projects for the investment plan. The Capital Project reserve account currently has \$8,115,814 set aside for capital projects. This amount would bring the total reserve to \$18,450,608. **It is important to note that the additional fund balance is considered one time in nature and will not be available to fund ongoing operations.** Therefore, setting these funds aside for one-time capital projects is using one-time funds for onetime expenses. If the Board chose to use these funds for ongoing operational expenses, this would increase the structural deficit that the County is trying to close.

\$2,799,654 to the Meyers Landfill special revenue fund for FY 12/13 costs associated with the Meyers Landfill. Currently the County is pursuing legal action and hopes to recover all costs. If the County does receive revenues to offset these expenses, then these funds could be utilized in FY 13/14 to help fund future county-wide one-time expenses, such as investments in information technology or facilities.

\$1,861,412 for increased appropriations related to the Investment Strategy. The chart below details the total dollar amount of department requests related to the investment strategy. Additional detail can be found in Attachment A.

| Department | Investment Team | Amount |
|-----------------------------|-------------------------------------|--------------------|
| Department 15 | Information Technology | \$60,000 |
| Chief Administrative Office | Department Accountability & Culture | \$272,587 |
| Chief Administrative Office | Facilities | \$218,506 |
| Human Resources | Human Resources | \$121,525 |
| Information Technologies | Information Technology | \$298,000 |
| Economic Development | Economic Development | \$890,794 |
| <i>Total</i> | | <i>\$1,861,412</i> |

\$400,081 increase to general reserves. The County's standard practice has been to keep 5% of adjusted general fund appropriations in the general reserve. Overall general fund appropriations have increased in the addenda, therefore in order to maintain the 5% general reserve, additional funds must be added.

\$134,964 increase to appropriations in various departments based on FY 11/12 carryover fund balance. At the end of each year all encumbrances are liquidated and these savings are included in the department savings that roll into fund balance. Some items must be re-appropriated during the addenda.

Other General Fund Adjustments. In addition to the changes in fund balance, the FY 2012-13 Addenda includes increases to Net County Cost totaling \$1,902,328. As noted above, the majority of this is related to the investment strategy. A summary of all changes are noted in the chart below with details provided in Attachment A – Summaries of Department Addenda changes and Attachment B – Summary of Department 15 Addenda changes:

| Department | Change in Revenues | Change in Appropriations | Change in Net County Cost |
|------------------------------------|---------------------------|---------------------------------|----------------------------------|
| Board of Supervisors | 0 | 35,750 | 35,750 |
| Chief Admin. Office | 0 | 491,093 | 491,093 |
| Auditor/Controller | (1,400) | 3,600 | 5,000 |
| Treasurer-Tax Collector | 12,008 | 0 | (12,008) |
| Assessor | 0 | 0 | 0 |
| County Counsel | 0 | 97,324 | 97,324 |
| Human Resources | 0 | 121,525 | 121,525 |
| Information Technologies | 0 | 501,246 | 501,246 |
| Promotions | 0 | 890,794 | 890,794 |
| Recorder Clerk | 1,226,047 | 1,226,047 | 0 |
| Subtotal General Gov | 1,236,655 | 3,367,379 | 2,130,724 |
| Grand Jury | 0 | 0 | 0 |
| Court MOE | 0 | 0 | 0 |
| District Attorney | 98,854 | 98,853 | (1) |
| Public Defender | 32,915 | 0 | (32,915) |
| Sheriff | 2,502,525 | 2,599,599 | 97,074 |
| Probation | 515,089 | 381,291 | (133,798) |
| Subtotal Law & Justice | 3,149,383 | 3,079,743 | (69,640) |
| Surveyor | 0 | 0 | 0 |
| Agriculture | 0 | 0 | 0 |
| DOT | 0 | 20,000 | 20,000 |
| Development Services | 427,759 | 427,759 | 0 |
| Environmental Management | 10,102 | 10,102 | 0 |
| Subtotal Land Use & Dev | 437,861 | 457,861 | 20,000 |
| Health Services | 25,603 | 24,321 | (1,282) |
| Veteran Affairs | 3,500 | 14,500 | 11,000 |
| Human Services | 633,967 | 445,493 | (188,474) |
| Library | 62,314 | 62,314 | 0 |
| Child Support | (96,530) | (96,530) | 0 |

| | | | |
|------------------------------------|-------------------|-------------------|--------------------|
| <i>Subtotal Health & Human</i> | <i>628,854</i> | <i>450,098</i> | <i>(178,756)</i> |
| | | | |
| Total Departmental | 5,452,753 | 7,355,081 | 1,902,328 |
| | | | |
| Department 15 | 16,039,132 | 14,136,804 | (1,902,328) |
| | | | |
| Total Increase to GF Budget | 21,491,885 | 21,491,885 | |

Non General Fund Adjustments

| Department | Change in Revenues | Change in Appropriations |
|--|---------------------------|---------------------------------|
| CAO – ACO Fund 13 | 745,305 | 745,305 |
| Title III | 307,557 | 307,557 |
| DOT – Fund Type 11 – Road Fund, CIP, Erosion | 20,967,788 | 20,967,788 |
| DOT – Fund 12 – Special Districts | 3,971,552 | 3,971,552 |
| DOT – Fund 31 – Airport & SLT Transit | (35,413) | (35,413) |
| DOT – Fund 32 – Fleet | (100,000) | (100,000) |
| Public Health – Fund 11 | 6,463,918 | 6,463,918 |
| Public Health – Fund 12 – CSA’s | 3,649,430 | 3,649,430 |
| Mental Health – Fund 11 | 6,973,430 | 6,973,430 |
| Env. Mgmt – Fund 12 – CSA’s | 7,072,719 | 7,072,719 |
| Human Services – Fund 11 Community Services | 414,722 | 414,722 |
| Human Serv. – Fund 12 – IHSS & PHA | 387,490 | 387,490 |
| Fish and Game | 6,200 | 6,200 |
| Risk Management | (28,737) | (28,737) |
| Fund 20 – Countywide Special Revenue | 38,800,092 | 38,800,092 |
| Total –Other Changes | 89,596,053 | 89,596,053 |

Contingency/Reserves. Our standard practice has been to keep 3% of adjusted general fund appropriations in Contingency. With the addenda budget the 3% Contingency totals \$5,630,000.

Reserves remain at 5% of adjusted General Fund appropriations or \$9,381,221. The addenda budget also includes a proposed amount of \$18,450,608 as Designations for Capital Projects.

Changes in Personnel Allocations. The following summary provides proposed changes to personnel allocations. The proposed deletions will not result in any reductions in force. Additional details are available in Attachment A.

| Department | Delete | Add | Total |
|-------------------------|---------------|--------------|--------------|
| CAO | | 3.0 | 3.0 |
| IT | -3.0 | 4.0 | 1.0 |
| Probation | -2.0 | 3.0 | 1.0 |
| Sheriff | -4.0 | 15.0 | 11.0 |
| Health & Human Services | -1.0 | 8.0 | 7.0 |
| Library | | 6.15 | 6.15 |
| Totals | -10.0 | 39.15 | 29.15 |

Five year projections. Attachment B includes the revised 5 year forecast. The forecast includes updated addenda figures and uses most of the same assumptions as the forecast in the Recommended Budget (assumptions are noted at the bottom of the forecast). The one change in assumptions has to do with savings attributable to the investment strategy. The new forecast assumes \$3M of additional savings beginning in FY 2013-14, growing to \$5M in FY 2014-15, \$7M in FY 2015-16 and \$10M in FY 2016-17.

I thank each Department Head and staff, for their assistance in preparing the Budget Addenda for the Board’s consideration. We look forward to assisting you as you complete your deliberations and adopt the FY 2012-13 budget.

Attachment A: Summaries of Department Addenda Changes

General Government

Board of Supervisors – Net County Cost increase of \$35,750

The addenda for the Board of Supervisors includes an increase in appropriations of \$35,750 resulting in an increase to Net County Cost of \$35,750. The increase in appropriations is related to printing charges for pamphlets for the Elder Protection Unit as well as increased appropriations for the Caregiver Permit program.

Chief Administrative Office – Net County Cost increase of \$491,093 (100% investment strategy)

The addenda for the Chief Administrative Office includes an increase in appropriations of \$491,093 resulting in an increase to Net County Cost of \$491,093. This increase is comprised of increased salaries and benefits of \$441,093 and increased professional services of \$50,000. These changes are all related to the investment strategy detailed below.

Department Accountability and Culture Investment

- Total annual investment \$272,587
- Changes to personnel allocation
 - Add 1 FTE Department Analyst
 - Add 0.5 FTE Administrative Technician
 - Conceptual approval for the addition of a Public Information Analyst

The County does not have a defined public information program or centralized intergovernmental affairs function. As a result, many countywide issues that cross over departmental lines receive inconsistent or insufficient support. The unorganized deployment of resources and information causes inefficiency and confusion. As a result, Communications has been identified as a key investment. Strategic communication will be proactive and involve both internal and external audiences as well as other governmental agencies and nonprofit entities. The addenda includes the addition of one FTE Department Analyst, one-half FTE Administrative Technician and conceptual approval for one FTE Public Information Analyst to support countywide intergovernmental and public affairs work of the Chief Administrative Office. In addition, the budget includes \$50,000 for specialized public information services, equipment and advocacy.

Facilities Investment

- Total annual investment \$218,506
- Changes to personnel allocation
 - Add 1 FTE Building Operations Supervisor
 - Fund the vacant Facilities Project Manager

On July 31, 2012, the Board authorized the Department to go forward with a contract for a Facilities Audit. That contract is almost complete and will be coming to the Board for final

approval in September. This audit will help shape the deferred maintenance plan for facilities. The Department is requesting the addition of one FTE Building Operations Supervisor to help manage the deferred maintenance plan as well as multiple projects already in progress. The Department is also requesting to fund the vacant Facilities Project Manager to provide assistance on the proposed facilities and parks project work plan (Attachment D). Finally, the addenda includes \$30,000 for extra-help staff to fill in when permanent staff are out sick or on an as-needed basis for large projects.

Auditor-Controller – Net County Cost increase of \$5,000

The addenda for the Auditor-Controller decreases revenues by \$1,400 and increases appropriations by \$3,600 resulting in an increase in Net County Cost of \$5,000. The decreased revenue is actually a shift in revenue from the Auditor-Controller to Development Services. This revenue was related to an administrative fee on development fees. However, the accounting for these fees is now handled by Development Services; therefore the administrative fee will remain in Development Services.

The remaining increase in appropriations of \$3,600 is offset with a use of fund balance from the Automation Special Revenue fund to pay for software and memory upgrades for several computers and a new printer.

Treasurer-Tax Collector – Net County Cost decrease of \$12,008

The addenda for the Treasurer-Tax Collector includes increased revenues from Hotel/Motel Occupancy taxes of \$12,008 resulting in a decrease to Net County Cost of \$12,008. The Hotel/Motel Occupancy tax budget is based on FY 11-12 actuals. These revenues came in slightly above budget in FY 11-12 resulting in an increased base-line budget for FY 12-13 for the Treasurer-Tax Collector of \$12,008.

Policy Issues

The Treasurer-Tax Collector requested an increase in the share of the Hotel/Motel Occupancy tax (also known as the Transit Occupancy Tax (TOT)) from 10% to 13%. The Chief Administrative Office is not recommending this change as the Board has provided prior direction to devote this tax to economic development.

The Department is also requesting the addition of a Fiscal Technician at an annualized cost of approximately \$60,000 related to the increased volume of Vacation Home Rental complaints. The Chief Administrative Office is not recommending the addition of this position at this time. The recommendation is to come back to the Board at a later date with a broader discussion on the Vacation Home Rental (VHR) complaints with ideas on improving this process and a review of the ordinance.

Finally, the Treasurer-Tax Collector is requesting an increase in software expenses of approximately \$20,000 for software to help track Hotel/Motel Occupancy taxes and business license fees. This software would provide a means to invoice non-compliant businesses and

provide reports of non-compliant businesses and well as pro-actively manage these revenue streams. The Chief Administrative Office is not recommending the addition of funds for this software purchase at this time. One of the core principals of our investment strategy is to spend conservatively, and invest wisely. There have not been any discussions with County IT regarding this potential software purchase. The Chief Administrative Office would like the Treasurer-Tax Collector to work with IT to analyze the business process required to see if an alternative can be created for the short term until the new financial system is implemented.

Assessor – No Changes

County Counsel – Net County Cost increase of \$97,324

The addenda for County Counsel includes increased appropriations of \$97,324 resulting in an increase to Net County Cost of \$97,324. On June 19, 2012, Legistar items 12-0651 and 12-0728, the Board approved an increase in salaries for County Counsel as well as an allocation change. These changes result in an annual increase in salaries and benefits of approximately \$97,324.

The Department is also requesting increased appropriations of \$77,587 related to a payout resulting from a retirement. The Chief Administrative Office is not recommending this increase at this time. The Department should recognize some salary savings due to the length of time it will take to recruit to backfill any vacancies as a result of the retirement. As we approach third quarter if the Department does not appear to have sufficient savings to cover the one-time payout expense the Chief Administrative Office will return to the Board and request a contingency transfer.

Policy Issue

County Counsel is requesting an additional increase of \$159,748 for the addition of one FTE Deputy County Counsel and one FTE Legal Secretary II related to an anticipated increase in workload related to Public Guardian. The Chief Administrative office is not recommending this change at this time and, instead, recommends this action for reconsideration in six months. First, the request is based on a projected workload vs. actual caseloads. While the first six months of this year has seen a dramatic increase in the number of Public Guardian cases, the increase in new cases has somewhat tapered off. Also, the Board approved a reorganization with the new positions of Senior Deputy County Counsel in June and that reorganization has not yet been implemented. With the pending retirement of the current County Counsel and the changes to the personnel allocation approved in June, it may be prudent to wait to assess the increased efficiencies and impacts of the reorganization.

Human Resources - Net County Cost increase of \$121,525 (100% investment strategy)

The addenda for Human Resources includes an increase in appropriations of \$121,525 resulting in an increase to Net County Cost of \$121,525. This increase is comprised of increased salaries and benefits of \$58,800 to retain the current Director for an additional six months and increased

professional services of \$62,725 for continued work on projects identified by the Human Resources Investment team.

Risk Management - No change to Net County Cost.

Revenues and appropriations are decreasing by \$28,737 and include minor corrections to individual line items based on FY 11/12 actuals. Appropriations of \$4,000 have been moved from minor computer equipment to fixed assets to allow for the planned purchase of laptop computers for the recently added Risk Manager and Loss Control Specialist positions.

Information Technologies – Net County Cost increase of \$501,246 (\$298,000 related to the Investment Strategy)

The Information Technologies addenda includes increased appropriations of \$501,246 resulting in an increase to Net County Cost of \$501,246. The increased appropriations can be separated into three categories.

Ongoing: The Recommended budget only included salaries and benefits for 50% of the IT Director's time. However, the Director is now devoted close to 100% to IT. Therefore salaries and benefits were increased \$96,093 to cover the increased time.

One-time: The addenda request includes \$12,600 for the re-budget of a fixed asset that was received too late to pay in FY 11-12 and was paid out of the FY 12-13 budget. Also included in the request is a one-time reimbursement to the Courts of \$94,553 for multiple years of erroneous phone charges.

Investment Strategy: The addenda request includes \$298,000 related to the investment strategy. The increase in appropriations includes the addition of one FTE Supervising IT Analyst at a cost of approximately \$90,000, ERP project stipends \$50,000, Enterprise SharePoint training \$20,000, Veramark Telecommunications Expense Management Solution \$51,000, and \$87,000 in fixed assets.

The addition of the FTE Supervising IT Analyst is related to the investment strategy. However, the Department has worked with the Chief Probation Officer and the allocation is being transferred from the Probation Department to IT resulting in a decrease to Probation's Net County Cost and an increase in IT's Net County Cost, but no overall increase to the General Fund. The ERP stipends are one time in nature and related to specific IT staff providing lead direction on the ERP project.

The Veramark software is an investment in a true telecommunications expense management solution. The system will consolidate what is currently a cumbersome, inefficient, manual process, prone to mistakes. This new system will enable the County to better manage our telecommunications costs, reduce billing processing time and provide better inventory control.

The increase in fixed assets is for the purchase of a phone switch for Briw Road (approximately \$75K). Replacement of this switch will allow Child Support Services to maintain all of their existing phone numbers during their move. The new switch will reduce maintenance costs and allow for future expansion of Voice over IP. The addenda also includes \$12,000 for purchasing new computers to support the ERP implementation.

In addition to the Supervising IT Analyst the Department is requesting an add/delete of a vacant Reprographics Technician for a Sr. Office Assistant. With the consolidation of the new centralized fiscal unit the Department needs additional administrative support to assist with day to day office tasks currently being done by higher paid IT Analysts. The Department is also requesting to delete a vacant Network Administrator and add an IT Analyst I/II – Networking and delete a vacant IT Analyst I/II – Operating Systems and add an IT Analyst I/II – App/Web Dev/Support to better meet the current needs of the County.

Economic Development (Promotions) – Net County Cost increase of \$890,794 (100% investment strategy)

The addenda for Economic Development includes an increase in appropriations of \$890,794 resulting in an increase to Net County Cost of \$890,794. This increase is comprised primarily of increased salaries and benefits of \$193,761, increased professional services of \$103,786 and increased appropriations for special projects of \$485,000. These changes are related to the investment strategy detailed below.

Economic Development Investment

- Total new annual investment \$417,458
- Increase based on estimated vs. actual TOT revenues \$55,121
- Prior year carryover investment funds \$418,215
- Changes to personnel allocation
 - Conceptual approval for the addition of a Business Relations Manager
 - Add 0.5 FTE Administrative Technician

Funding for Economic Development is tied to the Transient Occupancy Tax (TOT). The Recommended Budget was based on an estimate of FY 11/12 taxes and did not include any carryover funding. The FY 11/12 taxes came in higher than anticipated and funding has been increased by \$55,121. Additionally, there are prior year carryover funds of \$418,215 for existing promotions contracts and unspent economic development funding that have been re-budgeted in FY 12/13.

As part of the County investment strategy, the Chief Administrative Office is recommending that additional TOT funds be directed to the Economic Development program. The addenda includes an additional \$417,458 in funding by increasing the percentage of TOT funds from 51% to 75%. This funding would be used to create a comprehensive Economic Development program to address a variety of issues and challenges related to business attraction and retention. At this time, the CAO is requesting conceptual approval for the increase in TOT funding and will return

to the Board with specific recommendations from the County’s Economic Development investment team at a later date.

The chart below summarizes the recommended allocation of TOT funding for Economic Development in FY 12/13:

| | |
|---|--------------------|
| Total FY 11/12 TOT | \$1,739,406 |
| Multiplied by 51% per General Plan 10.1.6.4 | 51% |
| Total funding available for FY 12/13 | \$887,097 |
| | |
| 75% for Promotions Contracts | \$665,323 |
| 25% for Economic Development | \$221,774 |
| | |
| Carryover funding from FY 11/12 | |
| Promotions | \$62,445 |
| Economic Development | \$355,770 |
| | |
| Increase TOT Funding from 51% to 75% | |
| Economic Development (investment strategy) | \$417,458 |
| | |
| Total Promotions | \$727,768 |
| Total Economic Development | \$995,002 |
| Total Budget FY 12/13 | \$1,722,770 |

Current promotions contracts are multi-year contracts with an automatic escalator that increases the base contract amount by the annual change in TOT funding. Contracts include American River Music Festival, El Dorado Chamber (Film), El Dorado Chamber (Visitor’s Authority), El Dorado Hills Chamber of Commerce, El Dorado Arts Council and Lake Tahoe South Shore Chamber.

Designated Contributions – No change to Net County Cost

The addenda budget includes increased revenues and appropriations of \$307,557. There is no impact on Net County Cost. The increase in revenues is comprised of fund balance and FY 12/13 federal funding of \$158,853. The increase in appropriations consists of \$267,352 for Sheriff Search and Rescue and \$8,200 for the El Dorado County Fire Safe Council.

Recorder Clerk / Elections – No change to Net County Cost

The Elections addenda budget includes increased revenues and appropriations of \$1,226,047. On October 31, 2011, the Elections Department was awarded an Electronic Absentee System for Elections (EASE) grant from the Federal Voting Assistance Program (FVAP) on behalf of El Dorado County and a coalition of 12 other California counties. El Dorado County is the lead county of the coalition and responsible for paying all costs incurred by the coalition. Currently the Auditor-Controller is working with the Department to get Memorandum’s of Understanding

(MOU's) with all 12 counties to ensure these counties are meeting the terms of the grant and to indemnify El Dorado County.

At the time the original agenda item was presented to the Board, the Department did not realize El Dorado County would be responsible for paying the expenses for all counties in the coalition. Therefore, funding was not included in the Recommended Budget. The addenda budget includes appropriations for one-time startup costs, annual fees through 2016 and costs for public outreach. The addenda also includes revenue from the grant which is received on a reimbursement basis. There is no impact to Net County Cost as all costs are reimbursed by the grant.

Law & Justice

Grand Jury – No changes

Superior Court MOE - No changes

District Attorney - No Net County Cost change

Total revenues and appropriations in the District Attorney's Office are increasing by approximately \$98,854 as a result of various increases and decreases in grant funding and the use of Special Revenue Funds, including the Worker's Compensation Fraud grant, the Automobile Insurance Fraud grant and the Indian Gaming grant.

Public Defender – Net County Cost decrease of \$32,915.

The Net County Cost reduction in the Public Defender's budget is a result of increasing Proposition 172 – Public Safety ½ Sales Tax revenue projections. Fiscal Year 10-11 and 11-12 year end actuals were higher than anticipated and as a result the projected revenue is being increased so that it is consistent with prior year actuals.

Sheriff - Net County Cost increase of \$97,074.

The Sheriff's Office is increasing revenue projections by \$2,502,525 and increasing appropriations by \$2,599,599, resulting in a Net County Cost increase of \$97,074.

Revenues are increasing primarily as a result of the following which have offsetting expenditures resulting in no change to Net County Cost:

- Additional funding totaling \$843,000 provided to the Sheriff's Office by the Community Corrections Partnership relative to AB109 – Community Corrections Partnership that was not included in the recommended budget.
- Additional grant revenues totaling \$461,411 from new grants as well as carry over amounts of prior year Homeland Security Grant funds.
- Revenue from the State totaling \$532,330 to offset the costs of methamphetamine investigations.

- Revenue generated as a result of housing inmates from Alpine County totaling \$55,000.
- The use of Asset Forfeiture Funds to purchase various unmet equipment needs totaling \$94,375.

In addition, the Sheriff's Office addenda budget includes the following additional revenue totaling \$506,392:

- Increases in Proposition 172 – Public Safety ½ cent Sales Tax Revenue totaling \$239,040 so that the budgeted revenue is consistent with prior year actuals.
- Title III revenue totaling \$267,352 to offset the costs of search and rescue services that was approved by the Board of Supervisors on August 21, 2012. This was unanticipated revenue that was allocated to the Sheriff's Office in FY 12-13 that will fund most, if not all search and rescue operations. At this time the Chief Administrative Office does not anticipate receiving additional revenues for this purpose in future fiscal years. As a result, in FY 13-14 search and rescue operations will revert to being funded from the general fund.

The Sheriff's Office is requesting to re-budget approximately \$603,000 in appropriations from FY 11-12 for various reasons, including purchasing radio and communications equipment to comply with Federal Communications Commission (FCC) requirements, building maintenance projects that were not completed prior to June 30, 2012, and various encumbrances that could not be paid as a result of services not being completed or goods not being received prior to the end of the fiscal year.

The Sheriff's Office is also recommending the following position allocation changes to more effectively provide services in a cost effective manner, all of which are being completed within the Net County Cost target established by the Chief Administrative Office.

- Add 8 Correctional Officer FTEs which are funded with AB109 – Community Corrections Partnership funds.
- Add 1 Deputy Sheriff FTE that will be assigned to investigate elder abuse.
- Add 1 Deputy Sheriff FTE that will be given special assignments identified by the Sheriff.
- Add 4 Sheriff Technician FTEs that will be assigned to the jails and result in a reduction in Correctional Officer overtime.
- Delete 1 Vacant Community Services Officer FTE.
- Delete 1 Vacant Public Safety Dispatcher I/II FTE.
- Delete 1 Vacant Sheriff's Sergeant FTE.
- Add 1 Senior Department Analyst FTE and delete 1 Administrative Services Officer (ASO) FTE in the Fiscal Division which is the appropriate classification for the duties of this position. At this time the ASO is filled; however, the incumbent is retiring in October 2012. Based on the duties of this position, the Senior Department Analyst is a more appropriate classification.

Probation - Net County Cost decrease of \$133,798.

The Probation Department is increasing revenue projections by \$515,089 and increasing appropriations by \$381,291, resulting in a reduction to Net County Cost of \$133,798.

The Probation Department is making a number of revenue and appropriation adjustments, the majority of which are to ensure the ongoing business needs are met and result in no changes to Net County Cost. The primary reason for the reduction in Net County Cost is a result of increasing Proposition 172 – Public Safety ½ Cent Sales Tax revenue projections by \$63,801 so that budgeted revenues are consistent with prior year actuals, and transferring a vacant Supervising Information Technology Analyst position to the Information Technology Department, resulting in a savings to the Probation Department in the amount of \$89,261, and a corresponding increase to the Information Technology Department. These savings are partially offset as a result of the Probation Department’s request to re-budget \$19,264 in FY 11-12 encumbrances.

Included in the Probation Department’s Fiscal Year 12-13 addenda request are the following position allocation changes:

- Delete 1 Vacant Supervising Information Technology Analyst FTE that is being transferred to the Information Technology Department.
- Delete 1 Information Technology Department Coordinator FTE.
- Add 1 Senior Information Technology Department Coordinator FTEn
- Add 1 Supervising Deputy Probation Officer FTE funded with AB109 – Community Corrections Partnership funds.
- Add 1 Deputy Probation Officer FTE funded with AB109 – Community Corrections Partnership funds.

Land Use and Development Services

Surveyor – No changes

Agriculture – No net changes. Minor appropriation adjustments have been made for corrections to individual line items that result in no net change to appropriations.

Department of Transportation – Net County Cost/General Fund Contribution increase of \$23,500

Fund Type 10 – County Engineer

Appropriations have increased \$20,000 resulting in an increase in Net County Cost for the County Engineer. The Board recently authorized County Counsel to contract for legal services to appeal the Lahontan permit related to NPDES in South Lake Tahoe. These services were not included in the Recommended Budget.

Fund Type 11 – Road Fund, Capital Improvement Program, Erosion Control

Total revenues and appropriations increased by \$20,967,788.

Placerville Union Cemetery – No changes were made to the operating budget. Revenue from use of fund balance increased \$45,274 and is offset by an increase of \$20,000 in appropriations for contingency and \$25,274 in designation of fund balance for future year purposes.

Road District Tax – Use of fund balance increased \$1,661,224 and is offset by an increase in appropriations in operating transfers out to the Road Fund for operations. Specifically this funding will be used for the contribution to the City of Placerville for the Western Placerville interchange project if needed. This is matched by an increase of \$1,661,224 in Use of Fund Balance.

Erosion Control – This program is fully funded with State and Federal grants, and local mitigation funds. Revenue and appropriations increased \$232,669. Use of fund balance has increased \$92,515 and is offset by an increase in appropriation for contingency within the fund. Services and supplies increased \$182,669 primarily due to an increase in construction contracts to reflect changes in project schedules and costs. California Tahoe Conservancy (CTC) funding has been increased by \$125,000, US Forest Service funding has increased \$57,669 and State Safe Routes to School funding has increased \$50,000. An intrafund abatement (reverse expenditure) transferring RSTP funds has been decreased by \$50,000 as it was replaced by the increase in Safe Routes funding.

Road Fund – Revenues and appropriations have increased \$10.84 million. Revenue from use of fund balance increased \$8.08 million and is offset by an increase in appropriations to designations of fund balance for future year purposes. The General Fund contribution remains consistent with the Recommended Budget.

The Department is anticipating advancing \$2 million to the City of Placerville for roadwork to be completed on the Western Placerville interchange Phase 1A project. There is a deadline for the City to award the contract in order to secure financing for the project, and, if approved by the Board, the County will advance the funding needed for mobilization and initial construction costs and will be reimbursed by the City at the completion of the project using State funding.

In FY 11/12 the Department performed chip seal in South Lake Tahoe and anticipated that existing savings within the maintenance budget would be sufficient to fund that work. That work has continued into FY 12/13 and has required the use of funds originally budgeted for road plant mix for the maintenance program. In order to be able to perform routine road patching work during the remainder of the fiscal year, the Tahoe road plant mix budget is increasing by \$380,000.

Fixed Assets - A dump/stake bed truck for the Department's Maintenance Division that was originally budgeted in the FY 11/12 was ordered, but not received by June 30, 2012. Funding of \$61,397 is re-budgeted to complete the purchase during FY 12/13.

Capital Improvement Program (CIP) – Revenues and appropriations for the CIP budget increased \$8.09 million to reflect changes in project schedules or changes in available Federal/State funding. Appropriations increased \$8.09 million and revenues increased \$7.02 million, with an increase of \$1.07 million in the use of fund balance.

The right of way account for acquisition increased \$4.02 million primarily related to the Silva Valley Parkway interchange project. This amount is a carryover from FY 11/12. Intrafund transfers for Road Fund staff charges increased \$534,773 to reflect the recovery of road fund administrative overhead costs for projects not funded by the County TIM fee program(s). Various professional services accounts have been adjusted for a net increase \$2.07 million. Designation of fund balance for future year purposes is increasing by \$1.37M.

Fund Type 12 – Board Governed Special Districts

Total revenues and appropriations have increased by \$3,971,552.

Revenues and appropriations have increased \$3,971,552 within Fund 12. This increase is a result of including all existing fund balance available in the current year budget. The Department does not anticipate spending these funds in FY 12/13 and has included offsetting amounts in appropriations for contingency and designations for future year purposes.

The change in use of fund balance is \$3,968,996 for a total of \$7,647,088. Other revenue adjustments include an increase of \$2,556 to reflect a General Fund contribution of \$3,500 for a detachment proceeding for Many Oaks Road Zone as well as minor changes in to intrafund abatements/interfund revenues. Appropriations are reduced by \$808,171 based on updated projected needs. Increases in revenues and decreases in operating expenditures are offset with offsetting increases in Designations of Fund Balance of \$4,460,944 and an increase in Appropriations for Contingencies of \$318,779.

Fund Type 13 – Accumulative Capital Outlay (ACO) Bond Debt Reserve

Revenues and appropriations have increased by \$1,183. In order to close this reserve account in FY 12/13, the Department is increasing the Use of Fund Balance by \$1,173, increasing interest revenue by \$10, and increasing the intrafund expenditures by \$1,183. The funds will be transferred to the ACO fund currently residing under the Chief Administrative Office.

Fund 31 – Airports, South Lake Tahoe Transit

Total revenues and appropriations have decreased \$35,413.

South Lake Tahoe Transit – Total revenues and appropriations have increased \$40,890. The South Lake Tahoe Transit budget was not included in the Recommended Budget as it was anticipated that the fund would be closed in FY 11/12. The fund will instead be closed in FY 12/13.

Airport – Overall appropriations have decreased \$76,303, revenue has decreased \$172,000 and use of fund balance has increased \$95,697 (to match the Depreciation for the Placerville Airport). There is no change to the General Fund contribution.

The Waterline & Hydrant AIP Project for the Placerville Airport was removed from the budget, resulting in a \$172,000 reduction in fixed asset appropriations, and a \$158,670 reduction in State and Federal grant revenue. Additionally, an operating transfer from the Accumulative Capital Outlay Fund which provided a local match to the grants was reduced by \$13,330.

Because the Placerville Airport's perimeter fence AIP Project is going to be completed this fiscal year, depreciation for this project was increased by \$94,000. Interfund transfer appropriations were increased by \$650 for charges from Fleet for repairs made to the Airport truck in addition to \$1,577 in lease-related charges from the Department's Office Engineer unit. Other minor changes to several cost-applied charges resulted in a reduction of \$530 in budgeted appropriations.

In the Placerville and Georgetown Airports' CIP Accounts (307132 & 307142), Fixed Assets: Capitalized Equipment has been reduced a total of (\$1,078,995) and Designations of Fund Balance have been increased \$1,078,995 in order to record the increase in net assets.

Fund 32 – Fleet

Total revenues and appropriations have been decreased \$100,000 in the fleet fund to due to a decrease in depreciation.

Development Services – No change to Net County Cost

Total revenues and appropriations have increased \$427,759 resulting in no change to Net County Cost. Revenue increases include the following:

- Projected increase of \$297,801 for building permits based on FY 11/12 actuals and current year actual and projected permit activity
- Re-budgeting \$114,958 for the continuing LSA contract and funding agreement related to the Dixon Ranch project

- Increase of \$20,000 associated with an accounting change related to the 1% administrative charge for Development Impact Fees where the Auditor's Office has determined that splitting the fee between the two departments is no longer necessary
- Increase of \$20,000 in code enforcement revenues based on FY 11/12 actuals and current year projections
- Decrease of \$25,000 for grading permit revenues based on FY 11/12 actuals and current year projections

The Department is requesting additional staff to support the projected increase in building permit workload. While the Chief Administrative office supports the concept of these positions, the specific personnel allocation changes have not been included at this time. Funding for additional positions and associated costs is included in the addenda, however the CAO recommendation is to work with the Department and Human Resources to determine the appropriate number and classifications needed and return to the Board with specific position allocation recommendations within the next 30 to 60 days.

Environmental Management – No change to Net County Cost

Fund Type 10 – General Fund

Total revenues and appropriations have increased \$10,102 related to increased realignment revenue based on FY 11/12 actuals.

Fund Type 12 – Board Governed Special Districts

Revenues and appropriations have increased \$7,072,719 within Fund 12. The increase is a result of including all existing fund balance available totaling \$9,501,192 in the current year budget. The Department does not anticipate spending all available fund balance in FY 12/13 and therefore offsetting amounts of \$2,121,814 in appropriations for contingency and \$4,950,905 in designations for future year purposes have also been included in the addenda.

Meyers Landfill Special Revenue Fund

On April 17, 2012, the Board approved a General Fund contingency transfer of \$6,313,156 to the Meyers Landfill special revenue fund. At the end of FY 11/12, \$3,518,920 was required to fund costs incurred in that year. A transfer of \$2,799,654 from the General Fund is included in the Department's addenda in order to complete the project obligations. It should be noted that the transfer amount includes \$5,418 for a FY 11/12 interest expense in the fund.

Fish and Game – No change to Net County Cost

The addenda for Fish and Game includes increased revenues and appropriations of \$6,200 due to an operating transfer in from the Sawmill Pond Special Revenue fund for expenditures in support of Sawmill Pond restocking.

Health and Human Services

Health Services - Public Health Division - Net County Cost decrease of \$1,282/General Fund Contribution increase of \$129,737.

General Fund – Fund Type 10 (Animal Services) – Net County Cost decrease of \$1,282

The addenda request includes various adjustments in the revenue categories. Significant changes include increasing revenue received from other governmental agencies by \$43,515 as a result of a review of the workload in the cities of Placerville and South Lake Tahoe. In addition, revenue for services provided to the community is being increased by \$10,650 so that these revenues are consistent with FY 11/12 actuals.

After the adoption of a revised fee schedule for Animal Services, there has been a decrease in various sub-objects in licenses and fines. The anticipated decrease in FY 12/13 is approximately \$40,500 based on FY 11/12 actuals. The Chief Administrative Office and the Public Health Division will continue to monitor the revenue impact as it relates to the change in the fee schedule.

The Public Health Division is also making minor adjustments to a variety of expenditure categories resulting in an increase totaling \$24,321.

Public Health Programs – Fund Type 11 – General Fund Contribution increase of \$129,737

Total revenues and appropriations are increasing by \$6,463,918 primarily as a result of the following:

- In the recommended budget, Public Health did not include all fund balance as a source of revenue but only included the use of fund balance as required by the programs. In order to increase transparency, a decision was made to budget existing fund balance and offsetting appropriations totaling \$4,649,190 in the current fiscal year.
- Additional revenue and appropriations totaling \$831,308 relative to AB109 – Community Corrections Partnership for Community Based Nursing, Jail and Alcohol Drug Programs.
- Additional revenue and appropriations totaling \$684,575 for Alcohol Drug Programs and an increase in 2011 Local Realignment.
- Lastly, there is a \$129,737 increase to the General Fund Contribution which is primarily the result of changing the employee classification for the EMS Medical Director from an Extra Help position to a permanent part time position with benefits.

Personnel Allocation Changes:

- Add a .5 Public Health Nurse FTE that is funded with AB109 – Prison Realignment funds approved by the Community Corrections Partnership.

Special Districts – Fund Type 12 (CSA3 and CSA 7)

Total revenues and appropriations have increased by \$3,649,430. The primary reason for this increase is a result of including existing fund balance totaling \$3,413,956 in the current year budget in order to increase transparency. In addition to other minor adjustments to various revenue streams, the Department is increasing the amount of Medicare revenue received for ambulance services, as well as increasing appropriations, by \$269,799 as a result of FY 11/12 payments being delayed and not received until FY 12/13.

Health Services - Mental Health Division

Total revenues and appropriations in the Mental Health Division are increasing by \$6,973,430. The primary reason for this increase is that Mental Health is now budgeting all of their existing fund balance and reserves totaling \$7,516,069. Previously, Mental Health only budgeted the amount of fund balance that they planned on spending in any given fiscal year.

Mental Health is also making adjustments to various federal revenue streams resulting in a total reduction of \$659,639. Specifically, Mental Health is reducing Medi-Cal revenue by \$643,905, reducing revenue relative to Health Families by \$35,631 with a small increase in other federal revenues totaling \$19,897. Mental Health is making corresponding appropriation adjustments to offset these revenue changes, resulting in no impact to the General Fund Contribution.

In addition, Mental Health is requesting to add the following positions to their FY 12/13 position allocation:

- 1 Mental Health Clinician FTE that is funded entirely with AB109 – Community Corrections Partnership funds.
- 1.5 Cook II FTEs and .5 Psychiatric Technician I/II FTE for the Psychiatric Health Facility in order to meet program requirements identified by the State. All costs are funded with realignment funds resulting in no changes to the General Fund Contribution.
- .5 Mental Health Aide FTE in South Lake Tahoe to assist in the Wellness Center.
- Delete 1 Mental Health Clinical Nurse FTE and add 1 Supervising Public Health Nurse FTE to be consistent with the duties performed. Both positions are compensated the same amount, resulting in no impact to the General Fund Contribution.

Human Services – Net County Cost decrease of \$188,474.

Human Services – Fund Type 10 (Social Services and Public Guardian) – Net County Cost decrease of \$188,474.

The addenda for the Department’s Social Services programs and the Public Guardian reflect an increase in revenues totaling \$633,967 and an increase in appropriations totaling \$445,493. The revenue changes are primarily related to projected increases in 1991 and 2011 Realignment revenue sources and an increase in AB109 – Community Corrections Partnership funding.

Human Services is requesting 2 additional Deputy Public Guardian positions and 1 additional Chief Deputy Public Guardian position to address an increased workload in the Public Guardian's office, resulting in a Net County Cost increase of \$253,039.

The Chief Administrative Office agrees the workload has increased and additional staff to prevent delays in processing Public Guardian cases. However, considering these positions are funded with the general fund and increase Net County Cost, this is a policy decision to be decided by your Board in conjunction with how to prioritize and best use general fund monies.

Human Services – Fund Type 11 (Community Services) – General Fund Contribution increase of \$83,141

The addenda request for the Community Services Division results in a net increase in revenues and appropriations in the amount of \$414,722. This increase includes minor adjustments to a variety of revenue streams as well as an increase in the budgeted fund balances in the amount of \$189,834.

In addition, the Community Services Division is increasing its General Fund Contribution by \$83,141, which is being offset by corresponding decrease to Net County Cost in Social Services. These changes are primarily due to the following along with other minor adjustments:

- Increase in expenses in Community Services Administration totaling \$30,814 relative to costs not covered by the Community Services Block Grant (CSBG).
- Increase in expenses totaling \$24,000 relative to a pending audit finding in Housing, Community & Economic Development (HCED).
- Increase in the Aging programs to replace an oven and shifting costs from other Human Services Programs to Aging programs based on program needs totaling \$37,743.

Human Services - Fund Type 12 (IHSS Public Authority and Public Housing Authority) - No changes to the General Fund Contribution.

The addenda request for the IHSS Public Authority and Public Housing Authority reflects an increase in revenues and appropriations totaling \$387,490, which is primarily related to the planned return of the fund balance in the Public Housing Authority. All expenses associated with the Public Housing Authority are funded with federal revenue. Historically, any unspent funds were held by the County; however, beginning this year any unspent funds are now being held by the United States Department of Housing and Urban Development and provided to the County during the following fiscal year.

Veteran Affairs - Net County Cost increase of \$11,000

Veteran Affairs is increasing revenue by \$3,500 and increasing appropriations by \$14,500, resulting in a Net County Cost increase of \$11,000. The increase in revenue will be received from the California Department of Veterans Affairs to cover the ongoing maintenance costs of

the case management software that is provided by Panoramic Software Corporation, and is offset with an additional \$3,500 in expenses.

The additional appropriation increase of \$11,000 is necessary to cover the implementation costs of the case management software. The California Department of Veterans Affairs provided the Department with \$11,000 in revenue in FY 11-12 to reimburse the County for these expenses. However, due to various delays in implementation the invoice for the services provided by Panoramic Software is not being paid until FY 12-13.

Library – No change to Net County Cost

Total revenues and appropriations in the Library are increasing by \$62,314 as a result of receiving a donation in the amount of \$52,189 from the Friends of the Library as well as the utilization of the remaining \$10,125 available in the Literary Action Council trust fund to purchase books.

In addition, the Department is requesting to add the following 6.15 FTEs that will be filled with part time staff in order to reduce reliance on Extra Help staff. Funding for these positions was already included in the Department’s recommended budget request.

- Custodian 0.05 FTE
- Library Assistant I/II 4.00 FTE
- Office Assistant I/II 2.00 FTE
- Sr. Library Assistant 0.10 FTE

Child Support Services – No change to Net County Cost.

Total revenues and appropriations in Child Support Services are decreasing by \$96,530. Child Support Services recently received notification from the California Department of Child Support Services that funding to counties for Child Support Services Administration is being reduced by up to 2.4% in each county, resulting in a reduction in revenue for El Dorado County in the amount of \$114,579. In addition, Child Support Services received notification from the California Department of Child Support Services that funding to El Dorado County for Electronic Data Processing-Maintenance and Operations was being reduced by \$5,420, for a total revenue reduction of \$119,999.

Child Support Services is offsetting this loss of revenue with an anticipated increase in revenues received relative to the Comprehensive Court Collections Program totaling approximately \$23,500, as well as anticipated salary savings.

Based on an analysis of Child Support’s Fiscal Year 11-12 salary and benefit costs, as well as year to date costs through August 2012, Child Support’s assumptions relative to the amount of salary savings that will be realized are aggressive. As a result, the Chief Administrative Office will work with Child Support Services to closely monitor salary and benefit costs. In the event the anticipated salary savings are not being realized by mid-year, the Department and the Chief

Administrative Office will make recommendations to either increase other revenue assumptions or decrease appropriations during the mid-year budget report.

**Attachment B
FY 2012-13 DEPARTMENT 15 APPROPRIATIONS**

| Description | Recommended | Amount | Addenda | Amount | Variance |
|---|--------------------|----------------------|----------------|----------------------|----------------------|
| General Fund Contingency | | \$ 5,005,106 | | \$ 5,330,000 | \$ 324,894 |
| General Fund Contribution to Meyers Landfill Special Revenue Fund | | - | | 2,799,654 | 2,799,654 |
| General Fund Contribution to DOT | | 513,378 | | 516,878 | 3,500 |
| General Fund Contribution to Airports | | 75,495 | | 75,495 | - |
| General Fund Contribution to Parks | | - | | 20,000 | 20,000 |
| General Fund Contribution to Health - Public Health Programs | | 3,377,358 | | 3,507,095 | 129,737 |
| Jail Medical Services Contract (CFMG) | 1,891,577 | | 1,891,577 | | - |
| Juvenile Hall Medical Services Contract (CFMG) | 460,692 | | 460,693 | | 1 |
| Emergency Medical Services (EMS) | 457,166 | | 561,902 | | 104,736 |
| County Medical Services Program (CMSP) | 233,492 | | 233,492 | | - |
| California Children's Services (CCS) Diagnostics Program Match | 252,845 | | 252,845 | | - |
| California Children's Services (CCS) Program Match | 56,586 | | 56,586 | | - |
| Healthy Families Program Match | 25,000 | | 50,000 | | 25,000 |
| General Fund Contribution to Human Services - Community Services | | 1,668,174 | | 1,751,315 | 83,141 |
| Area Agency on Aging Programs | 1,091,726 | | 1,129,469 | | 37,743 |
| Affordable Housing | 190,519 | | 215,695 | | 25,176 |
| Senior Day Care | 140,202 | | 136,558 | | (3,644) |
| Family Services | 105,517 | | 56,150 | | (49,367) |
| In Home Supportive Services (IHSS) Public Authority | 56,923 | | 56,923 | | - |
| Community Services Administration | 36,179 | | 116,360 | | 80,181 |
| MSSP | 20,808 | | 18,336 | | (2,472) |
| Special Services | 18,900 | | 15,600 | | (3,300) |
| CDBG Runnymede | 7,000 | | 5,824 | | (1,176) |
| CDBG Grants (match) | 400 | | 400 | | - |
| Special Projects | | 744,208 | | 954,208 | 210,000 |
| ICF, Jones & Stokes General Plan | 275,000 | | 275,000 | | - |
| ICF, Jones & Stokes | 50,000 | | 50,000 | | - |
| Abbot & Kinderman | - | | 150,000 | | 150,000 |
| Kimley-Horn | 59,218 | | 59,218 | | - |
| TBD | 35,000 | | 35,000 | | - |
| BAE | 9,990 | | 9,990 | | - |
| INRMP Phase II | 100,000 | | 100,000 | | - |
| Sign Ordinance | 50,000 | | 50,000 | | - |
| County-wide Training (Human Resources Investment Strategy) | 60,000 | | 60,000 | | - |
| Legal Services (Human Resources Investment Strategy) | 25,000 | | 25,000 | | - |
| County-wide studies (Human Resources Investment Strategy) | 80,000 | | 80,000 | | - |
| ERP Consultant - Glen Sellers Contract | - | | 60,000 | | 60,000 |
| General Fund Contribution Health VLF Realignment | | 4,883,058 | | 5,267,349 | 384,291 |
| General Fund Contribution Health - State Local Program Realignment Match | | 704,192 | | 704,192 | - |
| General Fund Contribution Mental Health - VLF Realignment | | 66,131 | | 66,131 | - |
| General Fund Contribution Mental Health - State Local Program Realignment Match | | 16,510 | | 16,510 | - |
| General Fund Contribution Social Services VLF Realignment | | 224,713 | | 235,666 | 10,953 |
| Annual Audit Contract | | 72,000 | | 72,000 | - |
| Sales Tax Audit Services | | 20,000 | | 20,000 | - |
| CalPERS Survivor Benefit Premium Payment (annual) | | 20,000 | | 20,000 | - |
| SB 90 Mandates | | 20,000 | | 20,000 | - |
| Grand Jury Publication | | 8,500 | | 8,500 | - |
| General Fund A87 Charges to Child Support (expenditure abatement) | | (61,264) | | (61,264) | - |
| University California Cooperative Extension (UCCE) | | 269,858 | | 261,702 | (8,156) |
| EI Dorado Water & Power Authority (EDWPA) | | 250,000 | | 250,000 | - |
| Tahoe Regional Planning Agency (TRPA) Compact | | 40,000 | | 40,000 | - |
| Resource Conservation District Contracts (EI Dorado & Georgetown) | | 146,642 | | 146,642 | - |
| General Fund Contribution to LAFCO | | 106,132 | | 106,674 | 542 |
| Grassy Run | | - | | 121,015 | 121,015 |
| Increase to General Reserve | | - | | 400,081 | 400,081 |
| Increase to Reserves for Capital Projects | | 677,642 | | 10,334,794 | 9,657,152 |
| TOTAL | | \$ 18,847,833 | | \$ 32,984,637 | \$ 14,136,804 |

**Attachment B
FY 2012-13 DEPARTMENT 15 REVENUE**

| Description | Recommended | Addenda | Variance |
|---|-----------------------|-----------------------|----------------------|
| Property Taxes | \$ 68,682,008 | \$ 68,595,000 | \$ (87,008) |
| Sales Tax | 8,900,000 | 8,950,000 | 50,000 |
| Hotel Motel Tax | 1,631,326 | 1,739,406 | 108,080 |
| Property Transfer Tax | 1,250,000 | 1,300,000 | 50,000 |
| Othe Misc. Taxes | 20,000 | 35,000 | 15,000 |
| Tax Loss Reserve | 2,600,000 | 2,600,000 | - |
| Franchise Fees | 675,000 | 725,000 | 50,000 |
| Penalties | 400,000 | 400,000 | - |
| Interest | 60,000 | 100,000 | 40,000 |
| State Revenue (Primarily realignment) | 5,977,218 | 6,372,462 | 395,244 |
| Federal | 183,869 | 190,076 | 6,207 |
| Casino | 2,600,000 | 2,600,000 | - |
| Assessment & Tax Collection Fees | 2,181,296 | 2,181,296 | - |
| Recording Fees | 180,000 | 200,000 | 20,000 |
| Interfund - A87 Cost Recovery | 1,266,332 | 1,266,332 | - |
| Operating Transfers In (Tobacco Settlement and Community Enhancement) | 1,500,000 | 1,500,000 | - |
| Fund Balance | 11,000,000 | 26,530,905 | 15,530,905 |
| From Reserves | 139,296 | - | (139,296) |
| TOTAL | \$ 109,246,345 | \$ 125,285,477 | \$ 16,039,132 |

Attachment C
5 year forecast as of September 17, 2012

COUNTY OF EL DORADO
General Fund Revenue and Appropriation Projection

| | Projected | | | | |
|---|-----------------------|-----------------------|------------------------|------------------------|------------------------|
| | FY 2012-13 | FY 2013-14 | FY 2014-15 | FY 2015-16 | FY 2016-17 |
| REVENUES | | | | | |
| Property Tax | \$ 52,623,388 | \$ 52,624,672 | \$ 52,625,969 | \$ 52,627,278 | \$ 52,628,601 |
| Other Local Taxes | 30,917,673 | 30,919,606 | 30,921,558 | 30,923,529 | 30,925,520 |
| Licenses/Permits/Franchises | 5,733,623 | 5,797,045 | 5,861,368 | 5,926,606 | 5,992,773 |
| Fines/Forfeitures/Penalties | 994,000 | 999,940 | 1,005,939 | 1,011,999 | 1,018,119 |
| Use of Funds/Property | 171,650 | 187,367 | 188,090 | 188,821 | 189,559 |
| Intergovernmental Revenue | 58,368,561 | 52,426,784 | 53,997,976 | 55,621,585 | 57,299,474 |
| Charges for Service | 12,371,254 | 12,478,723 | 12,587,417 | 12,697,354 | 12,808,547 |
| Other Revenue | 2,574,017 | 2,585,303 | 2,596,702 | 2,608,215 | 2,619,844 |
| Transfers from Other Funds | 25,457,919 | 30,539,624 | 30,932,653 | 31,338,480 | 31,754,690 |
| Total Current Revenues | \$ 189,212,085 | \$ 188,559,062 | \$ 190,717,672 | \$ 192,943,867 | \$ 195,237,127 |
| Appropriation from Fund Balance* | 26,530,905 | 10,630,000 | 12,639,000 | 14,868,270 | 18,077,818 |
| Total Revenues | \$ 215,742,990 | \$ 199,189,062 | \$ 203,356,672 | \$ 207,812,137 | \$ 213,314,946 |
| | | | | | |
| Discretionary Revenues | \$ 125,285,477 | \$ 109,078,701 | \$ 111,087,701 | \$ 113,316,971 | \$ 116,526,519 |
| Departmental Revenues | 90,457,513 | 90,110,361 | 92,268,971 | 94,495,166 | 96,788,426 |
| Total Revenues | \$ 215,742,990 | \$ 199,189,062 | \$ 203,356,672 | \$ 207,812,137 | \$ 213,314,946 |
| | | | | | |
| APPROPRIATIONS (Category) | | | | | |
| General Government | \$ 34,040,871 | \$ 32,389,459 | \$ 33,572,908 | \$ 34,801,935 | \$ 36,078,311 |
| Law and Justice | 82,057,386 | 85,175,327 | 88,413,055 | 91,775,213 | 95,266,627 |
| Land Use & Development | 13,210,410 | 13,704,498 | 14,217,321 | 14,749,595 | 15,302,068 |
| Health/Human Services | 53,449,685 | 55,331,885 | 57,281,699 | 59,301,602 | 61,394,160 |
| Nondepartmental | 22,249,762 | 18,425,811 | 18,816,150 | 19,191,599 | 19,572,311 |
| Total Appropriations | \$ 205,008,114 | \$ 205,026,981 | \$ 212,301,132 | \$ 219,819,944 | \$ 227,613,477 |
| | | | | | |
| APPROPRIATIONS (Object) | | | | | |
| Salaries/Benefits | \$ 127,729,192 | \$ 132,610,048 | \$ 137,913,650 | \$ 143,429,396 | \$ 149,165,772 |
| Operating Expenses | 57,407,898 | 52,638,140 | 54,158,906 | 55,725,295 | 57,338,676 |
| Fixed Assets | 1,286,054 | 1,324,636 | 1,364,375 | 1,405,306 | 1,447,465 |
| Other Financing Uses | 75,000 | 77,250 | 79,568 | 81,955 | 84,413 |
| Transfer to Other Funds | 12,879,970 | 12,737,907 | 12,916,363 | 13,100,174 | 13,289,498 |
| Appropriation for Contingency | 5,630,000 | 5,639,000 | 5,868,270 | 6,077,818 | 6,287,653 |
| Total Appropriations | \$ 205,008,114 | \$ 205,026,981 | \$ 212,301,132 | \$ 219,819,944 | \$ 227,613,477 |
| | | | | | |
| Revenue Surplus/(Shortfall) | \$ 10,734,876 | \$ (5,837,918) | \$ (8,944,460) | \$ (12,007,807) | \$ (14,298,532) |
| | | | | | |
| Designated for Capital Projects | \$ 8,115,814 | \$ 18,450,608 | \$ 18,450,608 | \$ 18,450,608 | \$ 18,450,608 |
| Designated for Contingencies | \$ - | \$ - | \$ - | \$ - | \$ - |
| General Reserve | \$ 8,981,140 | \$ 9,381,221 | \$ 9,379,173 | \$ 9,720,329 | \$ 10,074,279 |
| \$ Needed for 5% General Reserve | \$ 9,381,221 | \$ 9,379,173 | \$ 9,720,329 | \$ 10,074,279 | \$ 10,441,511 |
| Additional Funds to Reach 5% | \$ (400,081) | \$ 2,049 | \$ (341,156) | \$ (353,951) | \$ (367,232) |
| | | | | | |
| Total Revenue Surplus/Shortfall | \$ 10,334,794 | \$ (5,835,870) | \$ (9,285,616) | \$ (12,361,758) | \$ (14,665,763) |
| Cumulative Surplus/Shortfall | \$ - | \$ (5,835,870) | \$ (15,121,486) | \$ (27,483,244) | \$ (42,149,007) |

FY 2012-13 Assumptions

Property Tax remains flat
All other Discretionary Rev remains flat
Funding of \$500K for roads
No NCC growth for departments

FY 2013-14 through FY 2016-17

4% growth on salaries and benefits
3% growth on all other expenses
1% growth on departmental revenues
Fund balance = Contingency plus \$2M departmental savings / increased revenues
All other assumptions remain the same as FY 2012-13

*** Investment Strategy Savings**

Included in Fund Balance
Assumes \$3M in FY 13-14
Assumes \$5M in FY 14-15
Assumes \$7M in FY 15-16
Assumes \$10M in FY 16-17

**Attachment D
CAO FY 2012-13 Facilities Capital Budget
PROPOSED WORKPLAN AS OF SEPTEMBER 17, 2012**

| Project # | Project Title | Amount Budgeted in ACO | Funding Source |
|-----------------------|--|------------------------|------------------------------------|
| 90001 | Countywide Special Projects / Deferred Maintenance | 400,000 | ACO Fund |
| 90002 | Countywide Security | 50,000 | ACO Fund |
| 90003 | Countywide HVAC Repairs | 300,000 | ACO Fund |
| 90004 | Countywide Exterior Paint | 45,000 | ACO Fund |
| 90005 | Countywide Mold, Lead & Asbestos Abatement | 15,000 | ACO Fund |
| 90006 | Countywide Parking Lot Improvements & Repairs | 105,000 | ACO Fund |
| 90007 | Countywide ADA Evaluation / Compliance | 106,000 | ACO Fund |
| 90008 | Countywide Bird Control | 35,000 | ACO Fund |
| 90009 | Countywide Department Moves - CEQA | 5,000 | ACO Fund |
| 90013 | Countywide Interior Paint | 25,000 | ACO Fund |
| 90056 | Government Center PVL Bldgs A & B Emergency Electrical | 500,000 | ACO Fund |
| 90057 | Replacement of UPS and HVAC systems for IT Data Center in Building B | 15,000 | ACO Fund |
| 90058 | Energy Retrofitting Project | 12,000 | ACO Fund |
| 90100 | Court PVL - Courthouse Main Street - Corbel Replace/Repair/Remove | 35,000 | Court Construction Spec. Rev. Fund |
| 90101 | Jail/Sheriff SLT - Johnson Building Re-roof | 185,000 | Criminal Justice Spec. Rev. Fund |
| 90102 | Court SLT - Facilities Siesmic Retrofit | 55,876 | Court Construction Spec. Rev. Fund |
| | | 9,124 | ACO Fund |
| 90103 | Court ADA Improvements - CP | 107,530 | Court Construction Spec. Rev. Fund |
| 90104 | ADA Improvements - Court - Bldg C | 52,000 | Court Construction Spec. Rev. Fund |
| | | 186,000 | ACO Fund |
| 90108 | Court ADA Improvements - SLT | 142,039 | Court Construction Spec. Rev. Fund |
| | | 32,161 | ACO Fund |
| 90201 | Probation Juvenile Hall Reception Upgrade | 50,000 | Criminal Justice Spec. Rev. Fund |
| 90204 | SLT Jail Shingle Replacement | 50,000 | Criminal Justice Spec. Rev. Fund |
| 90211 | SLT Jail Surveillance Equipment Upgrade | 5,500 | Criminal Justice Spec. Rev. Fund |
| | | 20,000 | ACO Fund |
| 90212 | Jail PVL - Sewer Outfall Grinder Replacement | 166,000 | Criminal Justice Spec. Rev. Fund |
| 90213 | Jail PVL - Water Heater Replacement | 25,000 | Criminal Justice Spec. Rev. Fund |
| 90214 | Jail SLT - HVAC Replacement | 188,307 | Criminal Justice Spec. Rev. Fund |
| | Jail PVL - Control Panel Upgrade | 150,000 | Criminal Justice Spec. Rev. Fund |
| 90502 | Buildings & Grounds Shed Replacement | 15,000 | ACO Fund |
| | | 62,000 | Risk Management - Self Insurance |
| 90600 | Animal Control PVL - Animal Control | 3,000,000 | Tobacco Settlement Funds |
| 90990 | Facilities Planning | 90,000 | ACO Fund |
| Total Projects | | 6,239,537 | |