

EL DORADO COUNTY CALIFORNIA
Chief Administrative Office

February 24, 2015

Memo To: The Honorable Board of Supervisors

From: Pamela Knorr, Chief Administrative Officer
Laura Schwartz, Chief Budget Officer

Subject: Requesting FY 2015-16 Budget Policy Direction

On January 5, 2015, the Board of Supervisors directed the Chief Administrative Office to prepare a structurally balanced budget for FY 2015-16. A structurally balanced budget balances the operating expenses with operating revenues. After several discussions with departments the overwhelming message was that departments simply wanted a number, or a bottom line target to budget to. If reductions are not made, the current spending model equates to a structural deficit of approximately \$19M.

The Board, County staff and other stakeholders are working towards developing a strategic plan and thus far has developed 5 priority areas as follows:

- Public Safety
- Infrastructure
- Economic Development
- Financial Sustainability
- Effective Services

In addition to these efforts, the Budget Ad Hoc Committee is developing budget policies to promote financial stability and long-term planning related to preparation and responsible management of the County budget.

In order to achieve a structurally balanced budget and provide Net County Cost targets to departments, the Chief Administrative Office has prepared five different scenarios which will be discussed in more detail below and are included as Attachment A.

Scenario A

The first scenario analyzed was based on the following criteria:

- All General Fund vacant positions as of January were deleted out of the projection
- Operating costs and department revenues were scaled back to FY 2013-14 actuals
- Discretionary revenue available to fund Net County Cost and General Fund Contributions was \$117,543,308 which equals the revised revenue projection for FY 2014-15
- Use of fund balance was restricted to the prior year carry forward contingency of \$3.8M

This scenario resulted in a projected \$7.4M deficit. In addition to still providing a large deficit, this projection also penalizes those departments that currently have vacant positions and was rejected by department heads as they requested a target number and the latitude to balance department budgets at their discretion. Therefore the Chief Administrative Office is not recommending that the Board consider this scenario.

Scenario B

The second scenario analyzed was based on the following criteria:

- Department Net County cost “targets” were arrived at by taking a 5 year average of the total actual percentage of Discretionary Revenues that departments used to fund operations.
- Discretionary revenue available to fund Net County Cost and General Fund Contributions was \$117,543,308 which equals the revised revenue projection for FY 2014-15
- Use of fund balance was restricted to the prior year carry forward contingency of \$3.8M

This scenario resulted in a balanced budget, however, the cuts to departments were not realistic or equitable due to the fluctuations in Net County Cost over the last 5 years based on reorganizations and changes in departmental operations. Therefore the Chief Administrative Office is not recommending the Board consider this scenario.

Scenario C

The third scenario analyzed was based on the following criteria:

- Department Net County cost “targets” were arrived at by utilizing a 10% cut from the FY 2014-15 Mid-Year projected Net County Cost.
- Certain General Fund Contributions such as contributions to Community Services, Housing Community Economic Development (HCED) and to UCCE were cut 10%.
- Discretionary revenue available to fund Net County Cost and General Fund Contributions was \$117,543,308 which equals the revised revenue projection for FY 2014-15
- Use of fund balance was restricted to the prior year carry forward contingency of \$3.8M

This scenario resulted in a slight deficit of \$86,397. An across the board 10% cut is significant to departments and will have impacts on service. The revenue assumption in this scenario is conservative with no growth projected. While this scenario does not project any surplus funds for debt service, capital/deferred maintenance or unfunded liabilities, the scenario also does not utilize any fund balance above the \$3.8M in contingency carry-forward. The current Mid-Year

figures project a year end fund balance of approximately \$11M which would leave approximately \$7.1M available for these costs. This is a scenario that the Board should consider.

Scenario D

The fourth scenario analyzed was based on the following criteria:

- Department Net County cost “targets” were arrived at by utilizing an 6.25% cut from the FY 2014-15 Mid-Year projected Net County Cost.
- Certain General Fund Contributions such as contributions to Community Services, Housing Community Economic Development (HCED) and to UCCE were cut 6.25%.
- Discretionary revenue available to fund Net County Cost and General Fund Contributions was \$121,257,648 which includes a 4% growth factor on property tax and sales tax revenues.
- Use of fund balance was restricted to the prior year carry forward contingency of \$3.8M

This scenario resulted in a slight deficit of \$97,835. The Chief Administrative Office would work with departments and finalize revenue projections to take this deficit to zero. The revenue assumptions in this scenario are less conservative with 4% growth projected on property tax and sales tax revenue. Currently these revenues are trending at 5% growth from last year. While this scenario does not project any surplus funds for debt service, capital/deferred maintenance or unfunded liabilities, the scenario also does not utilize any fund balance above the \$3.8M in contingency carry-forward. The current Mid-Year figures project a year end fund balance of approximately \$11M which would leave approximately \$7.1M available for these costs. This is a scenario that the Board should consider.

Scenario E

The fifth and final scenario analyzed was based on the following criteria:

- Department Net County cost “targets” were arrived at by utilizing a 13.5% cut from the FY 2014-15 Mid-Year projected Net County Cost.
- Certain General Fund Contributions such as contributions to Community Services, Housing Community Economic Development (HCED) and to UCCE were cut 13.5%.
- Discretionary revenue available to fund Net County Cost and General Fund Contributions was \$121,257,648 which includes a 4% growth factor on property tax and sales tax revenues.
- Use of fund balance was restricted to the prior year carry forward contingency of \$3.8M
- Debt service and unfunded liability funding totaling \$7M was included in the operating budget

This scenario resulted in a small deficit of \$350,608. The Chief Administrative Office would work with departments and finalize revenue projections to take this deficit to zero. An across the board 13.5% cut is very significant to departments resulting in impacts on service and possible reductions in force. The revenue assumptions in this scenario are less conservative with 4% growth projected on property tax and sales tax revenue. This scenario does include \$7M in funds for debt service and unfunded liabilities. This is a scenario that the Board should consider.

Five Year Forecast

Attachment A also shows the revised 5 year forecast for scenarios C-D above. The budget projection includes only the contingency amount from the prior year as the available fund balance programmed into the budget. For example, in FY 2015-16, the projection includes \$3.8M in fund balance. This is the current amount available in the FY 2014-15 General Fund contingency. An assumption is made that this money will not be spent and will carry forward into FY 2015-16 to fund FY 2015-16 contingency.

The major assumptions in the 5 year forecast include:

- No growth in discretionary revenue in FY 2015-16 (Scenario C). Revenues are based on FY 2014-15 projected actuals
- 4% growth in property tax and sales tax discretionary revenue (Scenario's D & E)
- 1% growth in departmental revenues
- 3% growth in salaries and benefits
- No growth in all other operating costs
- No General Fund contributions for Roads or Fire
- 51% of TOT funds for Economic Development
- Use of fund balance equals carry-forward unspent contingency funds
- Across the board 10% cut to Net County Cost in FY 2015-16 (Scenario C)
- Across the board 6.25% cut to Net County Cost in FY 2015-16 (Scenario D)
- Across the board 13.5% cut to Net County Cost in FY 2015-16 (Scenario E)
- Contingency and Reserves funded at best practice levels of 3% and 5%

In each of these scenarios the outgoing years show surplus amounts. The Chief Administrative Office recommends that these surplus amounts be used to fund debt service, capital projects/deferred maintenance and unfunded liabilities.

Use of Fund Balance

The FY 2014-15 Mid-Year projection estimates a year end fund balance of approximately \$11M (excluding any carryforward funding for capital projects and FENIX). Of this amount, \$3.8M is already programmed in FY 2015-16 (carry forward contingency) which leaves approximately \$7.1M in fund balance not included in the FY 2015-16 budget. The Chief Administrative Office is recommending that these funds be set aside to cover unbudgeted General Fund liabilities. In the January 2015 budget update the Chief Administrative Office identified several unbudgeted General Fund Liabilities. It should be noted that this is a projection and actual fund balance could come in higher or lower than this amount. The table below includes some of these liabilities.

Unbudgeted GF Liabilities	Estimated Cost
Water	\$2,000,000
Fire	\$800,000 annually
General Plan Implementation	Variable
Roads	Variable
Parks	Variable
Property Tax System	\$2,000,000
Public Safety Facility	\$50,000,000
A& B Renovations and Deferred Maintenance	\$15,000,000
Courthouse Road Improvements	\$4,000,000
Camino Interchange	TBD
Juvenile Hall	\$10,000,000
Employee Payment of accruals	\$4,300,000
Retiree Health	Variable
Classification and Compensation Study	\$200,000

Next Steps

The Chief Administrative Office would like the Board to provide policy direction for the FY 2015-16 budget development. Ideally, the departments have asked for Net County Costs targets and the Chief Administrative Office would like the Board to pick one of the scenarios noted above so that these targets can be distributed. Attachment B is the proposed budget calendar. Departments are already working on the FY 2015-16 budget submittals and these proposals are due to the Chief Administrative Office by April 6, 2015. Policy direction from the Board is required in order to develop the FY 2015-16 budget in time to comply with the Budget Act. The Chief Administrative Office recommends setting a special meeting either at the end of March or first week in April to allow departments to present the service impacts of the reductions that the Board provides direction on today.

Attachment A: Net County Cost target scenarios A-E & 5 year forecasts for scenarios C-D

Attachment B: Proposed Budget Calendar

Attachment A

Scenario A - Vacancy Savings & FY 13-14 Actuals					
Department	FY 13-14 Actual NCC	FY 14-15 Projected NCC	Proposed FY 15-16 NCC	Variance from 14/15 Projected	Variance from 13/14 Actual
Board of Supervisors	1,356,495	1,409,395	1,477,358	67,963	120,863
Chief Administrative Office	6,067,230	7,352,168	7,324,356	(27,812)	1,257,126
Auditor-Controller	2,127,085	2,656,894	2,630,003	(26,891)	502,918
Treasurer-Tax Collector	617,494	1,125,658	738,937	(386,721)	121,443
Assessor	2,597,698	3,113,056	3,056,233	(56,823)	458,535
County Counsel	2,404,756	2,809,269	2,804,667	(4,602)	399,911
Human Resources	1,336,620	1,913,041	1,688,064	(224,977)	351,444
Information Technologies	6,750,373	7,323,104	6,371,370	(951,734)	(379,003)
Economic Dev / Parks & Trails	1,508,451	2,573,177	1,748,190	(824,987)	239,739
Surveyor	1,352,103	1,567,568	1,634,919	67,351	282,816
Grand Jury	50,950	80,147	50,950	(29,197)	0
Superior Court MOE	1,486,378	1,265,067	1,740,381	475,314	254,003
District Attorney	5,554,171	5,647,031	5,655,986	8,955	101,815
Public Defender	2,689,434	3,443,079	3,432,736	(10,343)	743,302
Sheriff	36,646,207	43,485,600	41,858,667	(1,626,933)	5,212,460
Probation	8,200,224	10,607,075	10,087,569	(519,506)	1,887,345
Ag Commissioner	373,596	487,612	398,517	(89,095)	24,921
Recorder-Clerk/Registrar of Voters	635,346	863,510	1,028,910	165,400	393,564
Transportation	697,032	558,114	627,308	69,194	(69,724)
Development Services	1,685,010	3,562,704	3,712,232	149,528	2,027,222
Public Health (Animal Services)	905,706	1,291,252	1,357,959	66,707	452,253
Environmental Management	0	0	0	0	0
Veterans Services	334,312	449,983	347,076	(102,907)	12,764
Human Services	2,014,660	1,714,557	1,858,329	143,772	(156,331)
Library	1,515,581	1,732,117	1,567,537	(164,580)	51,956

NCC Total **103,198,254**

General Fund Contributions

Health	3,973,086
RCD's	147,638
Misc.	139,055
CSS A87 Offset	(290,979)
Community Services	2,032,614
Airports	253,961
LAFCO	120,454
UCCE	260,000
TRPA	40,000
EDWPA	300,000
HCED	62,741
Mental Health SLPR match	16,510
Health SLPR match	704,192
Contingency	6,220,000
Increase to Reserve	362,473
Miwok (pass thru)	2,600,000
VLF - MH (pass thru)	66,131
VLF - Health (pass thru)	3,743,505
VLF - SS (pass thru)	1,033,196

Sub-total GF Contributions **21,784,577**

Total 124,982,831

Discretionary Revenues 117,543,308

Surplus / (Shortfall) **(7,439,523)**

Fund Balance Available 7,156,604

Scenario B - % of NCC Based on 5 year NCC Average

Department	FY 09-10 Actual NCC	FY 10-11 Actual NCC	FY 11-12 Actual NCC	FY 12-13 Actual NCC	FY 13-14 Actual NCC	5 Year Average NCC	5 Year Average NCC %	FY 14-15 Projected NCC	Proposed FY 15-16 NCC	Variance from 14/15 Projected	Variance from 13/14 Actual
Board of Supervisors	1,325,184	1,338,240	1,388,318	1,308,407	1,356,495	1,342,929	1.63%	1,409,395	1,528,646	119,251	172,151
Chief Administrative Office	5,955,896	6,322,368	6,106,573	6,389,406	6,067,230	6,168,293	7.46%	7,352,168	7,021,324	(330,844)	954,094
Auditor-Controller	2,401,609	2,336,722	2,259,420	1,973,542	2,127,085	2,219,676	2.69%	2,656,894	2,526,641	(130,253)	399,556
Treasurer-Tax Collector	1,051,080	1,003,669	978,544	507,470	617,494	831,651	1.01%	1,125,658	946,663	(178,995)	329,169
Assessor	3,162,979	3,254,061	2,852,535	2,622,742	2,597,698	2,898,003	3.51%	3,113,056	3,298,776	185,720	701,078
County Counsel	1,709,337	1,894,429	1,880,843	2,210,265	2,404,756	2,019,926	2.44%	2,809,269	2,299,268	(510,001)	(105,488)
Human Resources	672,289	669,175	660,943	1,078,408	1,336,620	883,487	1.07%	1,913,041	1,005,667	(907,374)	(330,953)
Information Technologies	1,418,396	1,089,412	1,775,459	4,873,145	6,750,373	3,181,357	3.85%	7,323,104	2,621,216	(3,701,888)	(3,129,057)
Economic Dev / Parks & Trails *					1,508,451	0	0.00%	2,573,177	1,694,013	(879,164)	185,562
Surveyor	1,711,279	1,497,145	1,383,881	1,379,967	1,352,103	1,464,875	1.77%	1,567,568	1,667,457	99,889	315,354
Grand Jury	90,039	86,172	90,945	45,107	50,950	72,643	0.09%	80,147	82,689	2,542	31,739
Superior Court MOE	1,227,100	1,317,983	503,719	1,308,821	1,486,378	1,168,800	1.41%	1,265,067	1,330,437	65,370	(155,941)
District Attorney	5,559,751	5,360,914	4,914,410	5,287,941	5,554,171	5,335,437	6.46%	5,647,031	6,073,291	426,260	519,120
Public Defender	2,540,023	2,530,719	2,443,680	2,509,253	2,689,434	2,542,622	3.08%	3,443,079	2,894,249	(548,830)	204,815
Sheriff	40,502,161	38,525,901	36,002,542	34,705,426	36,646,207	37,276,447	45.11%	43,485,600	42,431,518	(1,054,082)	5,785,311
Probation	8,691,216	8,357,429	7,630,356	7,702,219	8,200,224	8,116,289	9.82%	10,607,075	9,238,714	(1,368,361)	1,038,490
Ag Commissioner	331,761	367,778	283,304	306,858	373,596	332,659	0.40%	487,612	378,664	(108,948)	5,066
Recorder/Clerk/Registrar of Voters	985,901	800,629	895,210	189,929	635,346	699,403	0.85%	863,510	796,125	(67,385)	160,779
Transportation	370,566	406,236	446,881	665,109	697,032	517,165	0.63%	558,114	588,685	30,571	(108,347)
Development Services	2,778,730	2,517,237	1,918,099	1,458,890	1,685,010	2,071,593	2.51%	3,562,704	2,358,080	(1,204,624)	673,070
Public Health (Animal Services)	794,085	1,113,127	873,944	821,120	905,706	901,596	1.09%	1,291,252	1,026,281	(264,971)	120,575
Environmental Management	0	0	0	0	0	0	0.00%	0	0	0	0
Veterans Services	323,327	287,647	213,409	247,643	334,312	281,268	0.34%	449,983	320,165	(129,818)	(14,147)
Human Services	630,541	1,034,300	(108,931)	561,363	2,014,660	826,387	1.00%	1,714,557	840,670	(773,887)	(1,073,990)
Library	1,409,906	1,564,752	1,483,795	1,446,692	1,515,581	1,484,145	1.80%	1,732,117	1,689,392	(42,725)	173,811

Total 85,643,146 83,676,045 76,867,879 79,597,722 88,906,912 82,636,651 Sub-total 95,758,731 (\$117,543,308 - \$21,721,836 GF Contributions)

* Set at 51% TOT + \$291,202 Parks NCC Total Available 94,064,718 (Less Econ Dev/Parks of \$1,694,013)

Variance 1,694,013 (Balanced; Variance = Econ Dev)

Scenario C - Across the Board 10% cut off 14-15 Projected NCC

Department	FY 13-14 Actual NCC	FY 14-15 Projected NCC	Proposed FY 15-16 NCC	Variance from 14/15 Projected	Variance from 13/14 Actual
Board of Supervisors	1,356,495	1,409,395	1,281,268	(128,127)	(75,227)
Chief Administrative Office	6,067,230	7,352,168	6,683,789	(668,379)	616,559
Auditor-Controller	2,127,085	2,656,894	2,415,358	(241,536)	288,273
Treasurer-Tax Collector	617,494	1,125,658	1,023,325	(102,333)	405,831
Assessor	2,597,698	3,113,056	2,830,051	(283,005)	232,353
County Counsel	2,404,756	2,809,269	2,553,881	(255,388)	149,125
Human Resources	1,336,620	1,913,041	1,739,128	(173,913)	402,508
Information Technologies	6,750,373	7,323,104	6,657,367	(665,737)	(93,006)
Economic Dev / Parks & Trails *	1,508,451	2,573,177	1,664,893	(908,284)	156,442
Surveyor	1,352,103	1,567,568	1,425,062	(142,506)	72,959
Grand Jury	50,950	80,147	72,861	(7,286)	21,911
Superior Court MOE	1,486,378	1,265,067	1,150,061	(115,006)	(336,317)
District Attorney	5,554,171	5,647,031	5,133,665	(513,366)	(420,506)
Public Defender	2,689,434	3,443,079	3,130,072	(313,007)	440,638
Sheriff	36,646,207	43,485,600	39,532,364	(3,953,236)	2,886,157
Probation	8,200,224	10,607,075	9,642,795	(964,280)	1,442,571
Ag Commissioner	373,596	487,612	443,284	(44,328)	69,688
Recorder-Clerk/Registrar of Voters	635,346	863,510	785,009	(78,501)	149,663
Transportation	697,032	558,114	507,376	(50,738)	(189,656)
Development Services	1,685,010	3,562,704	3,238,822	(323,882)	1,553,812
Public Health (Animal Services)	905,706	1,291,252	1,173,865	(117,387)	268,159
Environmental Management	0	0	0	0	0
Veterans Services	334,312	449,983	409,075	(40,908)	74,763
Human Services	2,014,660	1,714,557	1,558,688	(155,869)	(455,972)
Library	1,515,581	1,732,117	1,574,652	(157,465)	59,071

Sub-total 96,626,712 NCC

* Set at 51% TOT + Parks NCC of \$262,082 (10% cut) Total Available 96,304,780 (\$117,543,308 - \$21,238,528 GF Contributions)

Variance (321,932) Shortfall

Health	3,973,086
RCD's	147,638
Misc.	139,055
CSS A87 Offset	(290,979)
Community Services	2,032,614
Airports	253,961
LAFCO	120,454
HCED	62,741
UCCE	260,000
TRPA	40,000
EDWPA	300,000
Mental Health SLPR match	16,510
Health SLPR match	704,192
Contingency	6,015,000
Increase to Reserve	21,424
Miwok (pass thru)	2,600,000
VLF - MH (pass thru)	66,131
VLF - Health (pass thru)	3,743,505
VLF - SS (pass thru)	1,033,196

10% Cut to GF Discretionary Contributions 235,536

Revised Variance (86,397) Shortfall

Scenario C 5 year forecast as of December, 2014

COUNTY OF EL DORADO General Fund Revenue and Appropriation Projection

	FY 2015-16	FY 2016-17	Projected FY 2017-18	FY 2018-19	FY 2019-20
REVENUES					
Property Tax	\$ 59,676,425	\$ 62,655,343	\$ 65,783,158	\$ 69,067,314	\$ 72,515,628
Other Local Taxes	36,074,046	37,712,067	39,431,875	41,237,558	43,133,409
Licenses/Permits/Franchises	6,718,656	6,798,385	6,879,722	6,962,708	7,047,385
Fines/Forfeitures/Penalties	907,464	914,088	920,777	927,534	934,359
Use of Funds/Property	158,339	158,592	158,848	159,107	159,368
Intergovernmental Revenue	68,905,107	72,400,950	72,668,212	72,963,155	73,242,398
Charges for Service	12,469,402	12,575,018	12,681,758	12,789,633	12,898,658
Other Revenue	4,873,738	4,888,560	4,903,632	4,918,854	4,934,228
Transfers from Other Funds	31,112,421	30,538,898	31,520,543	32,503,323	33,487,250
Total Current Revenues	\$ 220,895,598	\$ 228,641,901	\$ 234,948,526	\$ 241,529,186	\$ 248,352,682
Appropriation from Fund Balance*	3,889,368	6,015,000	6,205,000	6,340,000	6,480,000
Total Revenues	\$ 224,784,966	\$ 234,656,901	\$ 241,153,526	\$ 247,869,186	\$ 254,832,682
Discretionary Revenues	\$ 117,543,308	\$ 126,091,796	\$ 131,175,294	\$ 136,445,968	\$ 141,925,925
Departmental Revenues	107,241,658	108,565,106	109,978,231	111,423,218	112,906,757
Total Revenues	\$ 224,784,966	\$ 234,656,901	\$ 241,153,526	\$ 247,869,186	\$ 254,832,682
APPROPRIATIONS (Category)					
General Government	\$ 34,942,949	\$ 35,766,180	\$ 36,614,108	\$ 37,487,474	\$ 38,387,041
Law and Justice	81,319,729	83,344,341	85,429,691	87,577,601	89,789,949
Land Use & Development	17,407,301	17,815,421	18,235,808	18,668,831	19,114,870
Health/Human Services	70,198,391	71,332,119	72,499,858	73,702,630	74,941,485
Nondepartmental	20,981,568	21,358,991	21,687,036	22,025,872	22,375,673
Total Appropriations	\$ 224,849,938	\$ 229,617,051	\$ 234,466,500	\$ 239,462,408	\$ 244,609,018
APPROPRIATIONS (Object)					
Salaries/Benefits	\$ 146,322,731	\$ 150,712,401	\$ 155,233,785	\$ 159,890,834	\$ 164,687,621
Operating Expenses	59,172,883	59,175,020	59,177,221	59,179,488	59,181,823
Fixed Assets	1,284,075	1,284,075	1,284,075	1,284,075	1,284,075
Other Financing Uses	80,983	80,983	80,983	80,983	80,983
Transfer to Other Funds	11,974,266	12,159,572	12,350,437	12,547,028	12,749,516
Appropriation for Contingency	6,015,000	6,205,000	6,340,000	6,480,000	6,625,000
Total Appropriations	\$ 224,849,938	\$ 229,617,051	\$ 234,466,500	\$ 239,462,408	\$ 244,609,018
Revenue Surplus/(Shortfall)	\$ (64,972)	\$ 5,039,850	\$ 6,687,025	\$ 8,406,778	\$ 10,223,664
Designated for Capital Projects	\$ 7,480,174	\$ 7,480,174	\$ 7,480,174	\$ 7,480,174	\$ 7,480,174
Designated for Contingencies	\$ -	\$ -	\$ -	\$ -	\$ -
General Reserve	\$ 10,002,422	\$ 10,023,846	\$ 10,240,932	\$ 10,464,574	\$ 10,694,970
\$ Needed for 5% General Reserve	\$ 10,023,846	\$ 10,240,932	\$ 10,464,574	\$ 10,694,970	\$ 10,932,323
Additional Funds to Reach 5%	\$ (21,424)	\$ (217,086)	\$ (223,642)	\$ (230,396)	\$ (237,353)
Total Revenue Surplus/Shortfall	\$ (86,397)	\$ 4,822,764	\$ 6,463,383	\$ 8,176,383	\$ 9,986,311

FY 2015-16 Assumptions

Property Tax and other local taxes remain flat in FY 2015-16
Property Tax and other local taxes grown at 5% annually in FY 2016-17 thru 2019-20
Sales tax remains flat in FY 2015-16
Sales tax grown at 5% annually in FY 2016-17 thru 2019-20
All other Discretionary Rev remains flat
3% growth on salaries, no growth on operating expenses
No additional GF for roads or Fire
Assumes 49% TOT for GF Operating Costs
Assumes 10% across the board cut scenario

Scenario D - Across the Board 6.25% cut off 14-15 Projected NCC w/ 4% increased revenues

Department	FY 13-14 Actual NCC	FY 14-15 Projected NCC	Proposed FY 15-16 NCC	Variance from 14/15 Projected	Variance from 13/14 Actual
Board of Supervisors	1,356,495	1,409,395	1,326,489	(82,906)	(30,006)
Chief Administrative Office	6,067,230	7,352,168	6,919,688	(432,480)	852,458
Auditor-Controller	2,127,085	2,656,894	2,500,606	(156,288)	373,521
Treasurer-Tax Collector	617,494	1,125,658	1,059,443	(66,215)	441,949
Assessor	2,597,698	3,113,056	2,929,935	(183,121)	332,237
County Counsel	2,404,756	2,809,269	2,644,018	(165,251)	239,262
Human Resources	1,336,620	1,913,041	1,800,509	(112,532)	463,889
Information Technologies	6,750,373	7,323,104	6,892,333	(430,771)	141,960
Economic Dev / Parks & Trails *	1,508,451	2,573,177	1,675,813	(897,364)	167,362
Surveyor	1,352,103	1,567,568	1,475,358	(92,210)	123,255
Grand Jury	50,950	80,147	75,432	(4,715)	24,482
Superior Court MOE	1,486,378	1,265,067	1,190,651	(74,416)	(295,727)
District Attorney	5,554,171	5,647,031	5,314,853	(332,178)	(239,318)
Public Defender	2,689,434	3,443,079	3,240,545	(202,534)	551,111
Sheriff	36,646,207	43,485,600	40,927,624	(2,557,976)	4,281,417
Probation	8,200,224	10,607,075	9,983,129	(623,946)	1,782,905
Ag Commissioner	373,596	487,612	458,929	(28,683)	85,333
Recorder-Clerk/Registrar of Voters	635,346	863,510	812,715	(50,795)	177,369
Transportation	697,032	558,114	525,284	(32,830)	(171,748)
Development Services	1,685,010	3,562,704	3,353,133	(209,571)	1,668,123
Public Health (Animal Services)	905,706	1,291,252	1,215,296	(75,956)	309,590
Environmental Management	0	0	0	0	0
Veterans Services	334,312	449,983	423,513	(26,470)	89,201
Human Services	2,014,660	1,714,557	1,613,701	(100,856)	(400,959)
Library	1,515,581	1,732,117	1,630,228	(101,889)	114,647

Sub-total 99,989,226 NCC

* Set at 51% TOT + Parks NCC of \$273,002 (6.25% cut) Total Available 99,744,183 (\$121,257,648 - \$21,513,465 GF Contributions)

Variance (245,043) Shortfall

Health	3,973,086
RCD's	147,638
Misc.	139,055
CSS A87 Offset	(290,979)
Community Services	2,032,614
Airports	253,961
LAFCO	120,454
HCED	62,741
UCCE	260,000
TRPA	40,000
EDWPA	300,000
Mental Health SLPR match	16,510
Health SLPR match	704,192
Contingency	6,118,000
Increase to Reserve	193,361
Miwok (pass thru)	2,600,000
VLF - MH (pass thru)	66,131
VLF - Health (pass thru)	3,743,505
VLF - SS (pass thru)	1,033,196

6.25% Cut to GF Discretionary Contributions 147,208

Revised Variance (97,835) Shortfall

Scenario D
5 year forecast as of December, 2014

COUNTY OF EL DORADO
General Fund Revenue and Appropriation Projection

	FY 2015-16	FY 2016-17	Projected FY 2017-18	FY 2018-19	FY 2019-20
REVENUES					
Property Tax	\$ 62,082,634	\$ 64,562,262	\$ 67,141,038	\$ 69,822,929	\$ 72,612,057
Other Local Taxes	37,382,177	38,745,491	40,163,251	41,637,636	43,170,908
Licenses/Permits/Franchises	6,718,656	6,798,385	6,879,722	6,962,708	7,047,385
Fines/Forfeitures/Penalties	907,464	914,088	920,777	927,534	934,359
Use of Funds/Property	158,339	158,592	158,848	159,107	159,368
Intergovernmental Revenue	68,905,107	72,400,950	72,668,212	72,963,155	73,242,398
Charges for Service	12,469,402	12,575,018	12,681,758	12,789,633	12,898,658
Other Revenue	4,873,738	4,888,560	4,903,632	4,918,854	4,934,228
Transfers from Other Funds	31,112,421	30,538,898	31,520,543	32,503,323	33,487,250
Total Current Revenues	\$ 224,609,938	\$ 231,582,244	\$ 237,037,782	\$ 242,684,878	\$ 248,486,610
Appropriation from Fund Balance*	3,889,368	6,118,000	6,251,000	6,390,000	6,530,000
Total Revenues	\$ 228,499,306	\$ 237,700,244	\$ 243,288,782	\$ 249,074,878	\$ 255,016,610
Discretionary Revenues	\$ 121,257,648	\$ 129,135,138	\$ 133,310,551	\$ 137,651,660	\$ 142,109,853
Departmental Revenues	107,241,658	108,565,106	109,978,231	111,423,218	112,906,757
Total Revenues	\$ 228,499,306	\$ 237,700,244	\$ 243,288,782	\$ 249,074,878	\$ 255,016,610
APPROPRIATIONS (Category)					
General Government	\$ 35,870,429	\$ 36,721,637	\$ 37,598,382	\$ 38,501,429	\$ 39,431,567
Law and Justice	83,390,145	85,475,574	87,623,566	89,835,998	92,114,803
Land Use & Development	17,605,461	18,018,988	18,444,945	18,883,705	19,335,653
Health/Human Services	70,364,849	71,503,570	72,676,454	73,884,523	75,128,835
Nondepartmental	21,172,895	21,495,604	21,830,005	22,171,267	22,523,567
Total Appropriations	\$ 228,403,779	\$ 233,215,375	\$ 238,173,352	\$ 243,276,922	\$ 248,534,426
APPROPRIATIONS (Object)					
Salaries/Benefits	\$ 149,629,272	\$ 154,118,138	\$ 158,741,694	\$ 163,503,981	\$ 168,409,162
Operating Expenses	59,240,960	59,243,097	59,245,298	59,247,565	59,249,900
Fixed Assets	1,284,075	1,284,075	1,284,075	1,284,075	1,284,075
Other Financing Uses	80,983	80,983	80,983	80,983	80,983
Transfer to Other Funds	12,050,489	12,238,082	12,431,302	12,630,318	12,835,306
Appropriation for Contingency	6,118,000	6,251,000	6,390,000	6,530,000	6,675,000
Total Appropriations	\$ 228,403,779	\$ 233,215,375	\$ 238,173,352	\$ 243,276,922	\$ 248,534,426
Revenue Surplus/(Shortfall)	\$ 95,526	\$ 4,484,869	\$ 5,115,430	\$ 5,797,956	\$ 6,482,185
Designated for Capital Projects	\$ 7,480,174	\$ 7,480,174	\$ 7,480,174	\$ 7,480,174	\$ 7,480,174
Designated for Contingencies	\$ -	\$ -	\$ -	\$ -	\$ -
General Reserve	\$ 10,002,422	\$ 10,195,783	\$ 10,417,943	\$ 10,646,812	\$ 10,882,591
\$ Needed for 5% General Reserve	\$ 10,195,783	\$ 10,417,943	\$ 10,646,812	\$ 10,882,591	\$ 11,125,488
Additional Funds to Reach 5%	\$ (193,361)	\$ (222,160)	\$ (228,869)	\$ (235,779)	\$ (242,898)
Total Revenue Surplus/Shortfall	\$ (97,835)	\$ 4,262,709	\$ 4,886,561	\$ 5,562,177	\$ 6,239,287

Assumptions

Property Tax and other local taxes grown at 4% annually
 Sales tax grown at 5% annually
 All other Discretionary Rev remains flat
 3% growth on salaries, no growth on operating expenses
 No additional GF for roads or Fire
 Assumes 49% TOT for GF Operating Costs
 Assumes 6.25% across the board cut scenario

Scenario E - Across the Board 13.5% cut off 14-15 Projected NCC w/ 4% increased revenues

Department	FY 13-14 Actual NCC	FY 14-15 Projected NCC	Proposed FY 15-16 NCC	Variance from 14/15 Projected	Variance from 13/14 Actual
Board of Supervisors	1,356,495	1,409,395	1,241,758	(167,637)	(114,737)
Chief Administrative Office	6,067,230	7,352,168	6,477,681	(874,487)	410,451
Auditor-Controller	2,127,085	2,656,894	2,340,876	(316,018)	213,791
Treasurer-Tax Collector	617,494	1,125,658	991,769	(133,889)	374,275
Assessor	2,597,698	3,113,056	2,742,781	(370,275)	145,083
County Counsel	2,404,756	2,809,269	2,475,127	(334,142)	70,371
Human Resources	1,336,620	1,913,041	1,685,499	(227,542)	348,879
Information Technologies	6,750,373	7,323,104	6,452,074	(871,030)	(298,299)
Economic Dev / Parks & Trails *	1,508,451	2,573,177	1,654,701	(918,476)	146,250
Surveyor	1,352,103	1,567,568	1,381,117	(186,451)	29,014
Grand Jury	50,950	80,147	70,614	(9,533)	19,664
Superior Court MOE	1,486,378	1,265,067	1,114,596	(150,471)	(371,782)
District Attorney	5,554,171	5,647,031	4,975,358	(671,673)	(578,813)
Public Defender	2,689,434	3,443,079	3,033,550	(409,529)	344,116
Sheriff	36,646,207	43,485,600	38,313,304	(5,172,296)	1,667,097
Probation	8,200,224	10,607,075	9,345,441	(1,261,634)	1,145,217
Ag Commissioner	373,596	487,612	429,614	(57,998)	56,018
Recorder-Clerk/Registrar of Voters	635,346	863,510	760,802	(102,708)	125,456
Transportation	697,032	558,114	491,730	(66,384)	(205,302)
Development Services	1,685,010	3,562,704	3,138,946	(423,758)	1,453,936
Public Health (Animal Services)	905,706	1,291,252	1,137,667	(153,585)	231,961
Environmental Management	0	0	0	0	0
Veterans Services	334,312	449,983	396,461	(53,522)	62,149
Human Services	2,014,660	1,714,557	1,510,623	(203,934)	(504,037)
Library	1,515,581	1,732,117	1,526,094	(206,023)	10,513

Sub-total 93,688,182 NCC

* Set at 51% TOT + Parks NCC of \$251,890 (13.5% cut) Total Available 100,019,603 (\$121,257,648 - \$21,238,045 GF Contributions)

Less Debt Service (3,000,000)

Less OPEB (4,000,000)

Revised Total Available for NCC 93,019,603

Variance (668,579) Shortfall

Health	3,973,086
RCD's	147,638
Misc.	139,055
CSS A87 Offset	(290,979)
Community Services	2,032,614
Airports	253,961
LAFCO	120,454
HCED	62,741
UCCE	260,000
TRPA	40,000
EDWPA	300,000
Mental Health SLPR match	16,510
Health SLPR match	704,192
Contingency	6,015,000
Increase to Reserve	20,941
Miwok (pass thru)	2,600,000
VLF - MH (pass thru)	66,131
VLF - Health (pass thru)	3,743,505
VLF - SS (pass thru)	1,033,196

13.5% Cut to GF Discretionary Contributions 317,971

Revised Variance (350,608) Shortfall

Scenario E
5 year forecast as of December, 2014

COUNTY OF EL DORADO
General Fund Revenue and Appropriation Projection

	FY 2015-16	FY 2016-17	Projected FY 2017-18	FY 2018-19	FY 2019-20
REVENUES					
Property Tax	\$ 62,082,634	\$ 64,562,262	\$ 67,141,038	\$ 69,822,929	\$ 72,612,057
Other Local Taxes	37,382,177	38,745,491	40,163,251	41,637,636	43,170,908
Licenses/Permits/Franchises	6,718,656	6,798,385	6,879,722	6,962,708	7,047,385
Fines/Forfeitures/Penalties	907,464	914,088	920,777	927,534	934,359
Use of Funds/Property	158,339	158,592	158,848	159,107	159,368
Intergovernmental Revenue	68,905,107	72,400,950	72,668,212	72,963,155	73,242,398
Charges for Service	12,469,402	12,575,018	12,681,758	12,789,633	12,898,658
Other Revenue	4,873,738	4,888,560	4,903,632	4,918,854	4,934,228
Transfers from Other Funds	31,112,421	30,538,898	31,520,543	32,503,323	33,487,250
Total Current Revenues	\$ 224,609,938	\$ 231,582,244	\$ 237,037,782	\$ 242,684,878	\$ 248,486,610
Appropriation from Fund Balance*	3,889,368	6,015,000	6,251,000	6,390,000	6,530,000
Total Revenues	\$ 228,499,306	\$ 237,597,244	\$ 243,288,782	\$ 249,074,878	\$ 255,016,610
Discretionary Revenues	\$ 121,257,648	\$ 129,032,138	\$ 133,310,551	\$ 137,651,660	\$ 142,109,853
Departmental Revenues	107,241,658	108,565,106	109,978,231	111,423,218	112,906,757
Total Revenues	\$ 228,499,306	\$ 237,597,244	\$ 243,288,782	\$ 249,074,878	\$ 255,016,610
APPROPRIATIONS (Category)					
General Government	\$ 34,131,948	\$ 34,931,002	\$ 35,754,027	\$ 36,601,744	\$ 37,474,891
Law and Justice	79,510,774	81,482,248	83,512,867	85,604,404	87,758,687
Land Use & Development	17,234,164	17,637,559	18,053,080	18,481,090	18,921,966
Health/Human Services	70,052,956	71,182,321	72,345,566	73,543,710	74,777,797
Nondepartmental	27,899,131	28,320,419	28,650,266	28,986,838	29,334,307
Total Appropriations	\$ 228,828,973	\$ 233,553,549	\$ 238,315,806	\$ 243,217,786	\$ 248,267,649
APPROPRIATIONS (Object)					
Salaries/Benefits	\$ 143,442,657	\$ 147,745,925	\$ 152,178,314	\$ 156,743,700	\$ 161,446,072
Operating Expenses	59,103,134	59,105,271	59,107,472	59,109,739	59,112,074
Fixed Assets	1,284,075	1,284,075	1,284,075	1,284,075	1,284,075
Other Financing Uses	80,983	80,983	80,983	80,983	80,983
Transfer to Other Funds	18,903,124	19,086,296	19,274,962	19,469,289	19,669,445
Appropriation for Contingency	6,015,000	6,251,000	6,390,000	6,530,000	6,675,000
Total Appropriations	\$ 228,828,973	\$ 233,553,549	\$ 238,315,806	\$ 243,217,786	\$ 248,267,649
Revenue Surplus/(Shortfall)	\$ (329,668)	\$ 4,043,694	\$ 4,972,975	\$ 5,857,093	\$ 6,748,961
Designated for Capital Projects	\$ 7,480,174	\$ 7,480,174	\$ 7,480,174	\$ 7,480,174	\$ 7,480,174
Designated for Contingencies	\$ -	\$ -	\$ -	\$ -	\$ -
General Reserve	\$ 10,002,422	\$ 10,023,363	\$ 10,236,022	\$ 10,455,104	\$ 10,680,804
\$ Needed for 5% General Reserve	\$ 10,023,363	\$ 10,236,022	\$ 10,455,104	\$ 10,680,804	\$ 10,913,320
Additional Funds to Reach 5%	\$ (20,941)	\$ (212,659)	\$ (219,083)	\$ (225,699)	\$ (232,516)
Total Revenue Surplus/Shortfall	\$ (350,608)	\$ 3,831,035	\$ 4,753,893	\$ 5,631,393	\$ 6,516,445

Assumptions

Property Tax and other local taxes grown at 4% annually
Sales tax grown at 4% annually
All other Discretionary Rev remains flat
3% growth on salaries, no growth on operating expenses
No additional GF for roads or Fire
Assumes 49% TOT for GF Operating Costs
Assumes 13.5% across the board cut scenario
Includes annual funding of \$7M for Debt Service and OPEB

Attachment B
RECOMMENDED BUDGET CALENDAR
Fiscal Year 2015-16

Jan 23	210 reports available on-line for department review and update
Feb 17	210 reports due back to Karen Feathers (CAO office)
Feb 18	Budget Planning Documents begin posting on EDCNET Forms Memberships Information Technologies Request Computer Minor Equipment Request Fixed Asset Request Grants Detail Operating Transfers In/Out Inter/Intra fund Transfers
Feb 18	BPREP Open
Feb 24	Mid-Year report presented to the BOS – Direction received for FY 2015-16 Budget
Feb 24	Budget calendar presented to BOS – Direction received for FY 2015-16
Mar 02	Budget Kick-Off Meeting – Board Chambers 11:00 – 12:00
Apr 06	Completed Department budget packages due to the CAO by 5:00 p.m. The BPREP system will be closed to departments for budget data entry.
May 22	Recommended Budget available
May 26- May 29	Functional group meetings with BOS members, CAO staff & Dept. Heads
June 1	Budget Special Meetings begin. Will carry over to 6/3 & 6/4 if necessary
June 16	Board adoption of Recommended Budget
June 30	Recommended Budget Interfaced into FAMIS
Aug 15	Tentative – Books close for FY 2014-15 – BPREP open for Addenda changes. These changes will be limited to adjustments to fund balance only.

- Sep 15** Budget Hearing- It is anticipated that this year the Board of Supervisors will consider that adopted budget as a Department matter on the agenda on a regular Tuesday. At that time, adjustments will be made to fund balance and revenue projections. This is simply an opportunity to finalize the fund balance and revenue and receive final comments on the budget rather than reconsideration of the entire budget.
- Sep 22** Adoption of Budget Resolution
- Sep 30** Adopted Budget interfaced into FAMIS