



## Legislation Text

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**File #:** 23-0474, **Version:** 1

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Chief Administrative Office recommending the Board:

- 1) Receive and file the attached Fiscal Year 2022-23 Mid-Year Budget Report and if needed provide direction to staff; and
- 2) Provide direction to the Chief Administrative Office to solicit requests for uses of Transient Occupancy Tax funds to support tourism and mitigate the impacts of tourism in Fiscal Year 2023-24.

**FUNDING:** Countywide Budget.

### **DISCUSSION / BACKGROUND**

Each year, the Chief Administrative Office works in conjunction with County departments to review the status of the current year's budget and present a Mid-Year Budget Report which summarizes the County's budget status following the first two quarters of the fiscal year. The review and report is intended to identify any material variances in projected revenues and expenses and provides a fund balance estimate relative to the upcoming fiscal year budget preparation.

Included in the Mid-Year Budget report is Attachment A, a memo from the Chief Administrative Office summarizing the County's budget status. Attachment B is a table of each department's General Fund Projections. Attachment C is a narrative providing further information explaining the projections outlined in Attachment B. Attachment D is new to the Mid-Year Budget Report and outlines for each of the County's subfunds the fund balance, reserves, and designations at the time of adoption of the Fiscal Year 2022-23 Adopted Budget.

Departments submitted their Fiscal Year (FY) 2023-24 budget requests to the Chief Administrative Office on February 17, 2023. A special Board meeting is planned for Tuesday, April 18, 2023, to discuss any major revenue, expenditure, and/or policy issues related to the FY 2023-24 Recommended Budget, prior to the Chief Administrative Office finalizing work on the budget book. The CAO Recommended Budget for FY 2023-24 is estimated to be complete by mid-May, with the Budget Hearing set for June 13, 2023.

In prior years, the Board approved the use of Transient Occupancy Tax funding to address the impacts of tourism for various fire districts and County departments. The Board also approved the use of Transient Occupancy Tax funds to promote tourism by funding County Economic Development and through agreements with local chambers of commerce, the Tahoe Prosperity Center, Greater Sacramento Economic Council, and the Highway 50 Association for the Wagon Train event. On January 24, 2023, with Legistar item 23-0169, members of the Board of Supervisors suggested that the El Dorado County Fair Association request Transient Occupancy Tax to assist their efforts to promote tourism. The Chief Administrative Office has already received requests of Transient Occupancy Tax funding for the Tahoe Fund for the Take Care Billboard Campaign, the 50 Economic Alliance, and the Shingle Springs Cameron Park Chamber of Commerce.

Due to a change in accounting practice, there was significantly more Transient Occupancy Tax fund balance available for allocation in FY 2022-23 than in prior years and what is currently projected for

FY 2023-24. To limit the number of requests to Board priority areas, staff are requesting the Board establish funding priorities and provide direction to the Chief Administrative Office to solicit requests from those priorities and return to the Board at the April 18, 2023, Special Budget Meeting to receive Board direction on which requests shall be included in the Recommended Budget.

### **ALTERNATIVES**

The Board could choose not to receive and file the FY 2022-23 Mid-Year Report or provide direction to staff.

### **PRIOR BOARD ACTION**

09/27/2022 Legistar item 22-1686 - FY 2022-23 Budget Adoption

01/24/2023 Legistar item 23-0169 - Fair Association Budget Review and Approval

### **OTHER DEPARTMENT / AGENCY INVOLVEMENT**

All County departments participate in the development of this report by providing the CAO with mid-year projections and summary status information.

### **FINANCIAL IMPACT**

There is no direct financial impact associated with the attached reports and mid-year budget presentations. Any direction that may have a financial impact will be brought back to the Board for approval.

### **CLERK OF THE BOARD FOLLOW UP ACTIONS**

None

### **STRATEGIC PLAN COMPONENT**

Good Governance

### **CONTACT**

Sue Hennike, Deputy Chief Administrative Officer