



Legislation Text

File #: 24-0679, **Version:** 1

Chief Administrative Office recommending the Board:

- 1) Receive a presentation on the Fiscal Year (FY) 2024-25 Recommended Budget preparation;
- 2) Provide direction to staff on what to include in the Recommended Budget, the use of Discretionary Transient Occupancy Tax, and any other issues related to the preparation of the Recommended Budget;
- 3) Approve and revise Board of Supervisors Policy B-16 Budget Policies; and
- 4) Approve a rate holiday for department contributions to the Retiree Health Program for six months of FY 2023-24 and all of FY 2024-25, by using Retiree Health Fund Balance to fund the program.

FUNDING: Countywide Budget.

DISCUSSION / BACKGROUND

On November 7, 2023 (Legistar 23-1923), the Board received the FY 2024-25 Master Budget Calendar. Per the budget calendar, departments submitted their budget requests in late February 2024, and Chief Administrative Office staff reviewed the requests and are preparing a Recommended Budget to present to the Board on June 11, 2024.

The budget calendar also included an 'April Special Board Presentation'. The Chief Administrative Office has prepared a presentation outlining the current Recommended Budget. The Recommended Budget is not yet finalized and may change by June 11, 2024.

Staff are recommending revisions to Board Policy B-16 Budget Policies. In addition to minor typographical edits, the following changes are proposed:

- An addition to the County Share policy (B-16 II. 6) that clarifies how funds are recovered through the Countywide Cost Allocation Plan. Additional language is as follows: Through the Countywide Cost Allocation Plan, the County will recover the General Fund cost of support and services from all non-General Fund programs and from General Fund programs that can recover these costs from other funding sources (e.g., Social Services, Child Support Services). The Chief Administrative Office will determine what General Fund programs will allocate funding for cost recovery through the Countywide Cost Allocation Plan.
- As directed by the Board on January 9, 2024, with Legistar item 23-2216, the following language is being added to the Discretionary Transient Occupancy Tax Policy (B-16 II. 13) : The County will prioritize impacts to County services and facilities, such as road maintenance, snow removal, law enforcement, etc., to be funded first before funding outside agencies.

Per the presentation, during the preparation of the FY 2024-25 Recommended Budget the Chief Administrative Office has identified some budget pressures and is seeking Board direction on General Fund revenue assumptions and the following discretionary General Fund costs: City of Placerville Pool, Parks Master Plan Consultant, District Attorney's Victim-based services, Arts & Culture El Dorado, El Dorado Hills Water District (EDH Fire Department) payment, and the Board of Supervisors Community Funding. Staff will also be presenting an update on Community Hubs

funding and the Ambulance Rates update.

The Chief Administrative Office has compiled requests for the use of Discretionary Transient Occupancy Tax (DTOT) funds based on Board direction on January 9, 2024 (Legistar 23-2216). In preparing the FY 2024-25 Recommended Budget, staff identified \$13.1 million in DTOT funding for allocation with \$3 million in allocations approved in the prior year that will be carried forward into FY 2024-25. The Chief Administrative Office received \$18.6 million in DTOT requests. As outlined in Attachment A, staff have prepared a recommended allocation plan for the funding and are seeking Board direction to include this recommendation in the FY 2024-25 Recommended Budget.

Lastly, the Retiree Health Program has a current fund balance of \$13.5 million. The annual amount charged to departments to fund the Retiree Health Program represents a pay-as-you-go approach, so this Fund Balance amount has not been used in many years. Due to current budget pressures, the Chief Administrative Office recommends that the Board approve a rate holiday for the Retiree Health Program for half of FY 2023-24 and all of FY 2024-25. Fund Balance would be used instead of contributions from all County Departments.

ALTERNATIVES

The Board could opt not to provide direction or receive the presentation.

PRIOR BOARD ACTION

See above

OTHER DEPARTMENT / AGENCY INVOLVEMENT

All departments.

FINANCIAL IMPACT

There is no financial impact to receiving the presentation and any direction on the Fiscal Year 2024-25 Recommended Budget will be brought back to the Board for approval at the June 11, 2024, Budget Hearing.

CLERK OF THE BOARD FOLLOW UP ACTIONS

N/A

STRATEGIC PLAN COMPONENT

This presentation and Board direction enhances the County's alignment with the Fiscal Responsibility Value outlined in the County's Strategic Plan.

CONTACT

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