County of El Dorado

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Legislation Text

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Planning and Building Department, Airports Division, recommending the Board approve and authorize the Chair to sign a budget transfer adjusting the budget for Fiscal Year 2020-21 to increase General Fund contributions by $60,000 as a result of shortfalls identified during the year-end close process (4/5 vote required).

FUNDING: General Fund.
DISCUSSION / BACKGROUND
In Fiscal Year (FY) 2020-21, expenses to operate the Georgetown Airport exceeded the budgeted revenues to offset operations. This has resulted in the need for an additional General Fund contribution to the Georgetown Airport Enterprise Fund.

During the budget development process for FY 2020-21, the Georgetown Airport anticipated needing $88,985 in General Fund contributions to operate the Airport. Throughout the fiscal year, the Georgetown Airport Enterprise Fund account brought in approximately $135,000 less revenue than anticipated, mostly due to less Federal revenue than budgeted. A Federal Aviation Administration (FAA) grant for obstruction removal at Georgetown Airport (CIP Project #3540200) budgeted at $79,200 and Coronavirus Aid, Relief, and Economic Security (CARES) Act funding through the FAA in the amount of $30,000 were not received, greatly impacting the total revenue budgeted for the airport.

Although budgeted appropriations were also unspent due to this unrealized revenue, ongoing expenses exceeded the available discretionary revenue. The Georgetown Airport is anticipated to require an additional General Fund contribution of approximately $50,000 above what was previously included. As staff continue to work through the year-end close process, additional expenses may be identified. Staff is recommending that in order to account for possible additional expenses, the contribution should be increased by $60,000 for a total General Fund contribution to the Georgetown Airport of $148,985 for FY 2020-21.

Staff anticipate adding both the obstruction removal CIP project and the CARES Act funding to the FY 2021-22 budget. Although the revenue for the CIP project will be offset by project expenses, the CARES Act funding is to be used for operational costs and will offset the Georgetown Airport General Fund contribution for the 2021-22 Fiscal Year.

To correct the FY 2020-21 Budget, the attached budget transfer (Attachment A) reduces General Fund - Other Operations Contingency by $60,000 and increases Operating Transfers Out from the General Fund. It also decreases Federal Revenue in the Georgetown Airport Enterprise fund by $60,000 and increases Operating Transfers in.

ALTERNATIVES
The Board may choose not to approve this budget transfer although proper accounting for this Enterprise Fund would be jeopardized and could leave the Georgetown Airport with a negative fund

balance.

PRIOR BOARD ACTION
N/A

OTHER DEPARTMENT / AGENCY INVOLVEMENT
Chief Administrative Office, Community Development Finance and Administration Division

CAO RECOMMENDATION / COMMENTS
Approve as recommended.

FINANCIAL IMPACT
This budget transfer will result in an increase in Net County Cost of approximately $60,000 as an additional and unbudgeted General Fund contribution is required and will be taken from General Fund contingency. Though the likely need for General Fund support for the Airports Division will continue in future budgets, staff have already corrected this issue in the recommended FY 2021-22 budget and will continue to explore options to reduce the Net County Cost for the Airports Division.

CLERK OF THE BOARD FOLLOW UP ACTIONS
The Clerk of the Board will obtain the Chair's signature on the original budget transfer and forward a copy of the executed budget transfer to the Auditor/Controller's Office for processing.

STRATEGIC PLAN COMPONENT
Good Governance

CONTACT
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