



# County of El Dorado

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## Legislation Text

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**File #:** 22-0795, **Version:** 1

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Department of Transportation recommending the Board approve and authorize the Chair to sign a budget transfer request adjusting the Fiscal Year 2021-22 budget to allow for increased intrafund and interfund transfers from County Engineer and the Erosion Control Program to the Road Fund. (4/5 vote required)

**FUNDING:** Various Erosion Control Program projects funding sources such as Federal, State, and Local funding sources.

### **DISCUSSION / BACKGROUND**

The County Engineer division of the Department of Transportation (Transportation) is supported by direct billing and a partial contribution from the general fund for time and materials. The Erosion Control Program is supported by direct billing for time and materials for work completed on projects. Transportation engineers work on County Engineer and Erosion Control projects and direct charge their time to these projects. That time is then billed for reimbursement using fully burdened rates that are calculated based on the employees' costs in Road Fund/Transportation Engineering, which includes an approved indirect percentage. When the revenues are received, they are posted in County Engineer/Erosion Control, while the indirect costs for the Transportation Engineers remain in Road Fund/Transportation Engineering. The revenues are budgeted based on projected salaries and workload and are transferred via a journal entry approximately once per quarter.

When the budget for FY 2021-22 was prepared, the indirect percentage had not yet been prepared or approved, so the budget amount was calculated using the FY 2020-21 indirect percentage. The indirect percentage increased from 91.29% in FY 2020-21 to 105.91% in FY 2021-22. Also, there are additional staff costs due to mid-year salary increases and an increased workload in County Engineer and Erosion Control. The requested budget transfer will adjust interfund transfers, intrafund transfers, time and materials charges, professional services, and labor. Currently, there is not enough money remaining in the interfund and intrafund transfer account to allow the revenue to be appropriately posted.

### **ALTERNATIVES**

The Board could choose not to approve this budget transfer. If the budgets are not increased, the revenue will not be transferred to Road Fund, and Erosion Control and County Engineer revenues will be overstated.

### **PRIOR BOARD ACTION**

N/A

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

N/A

### **CAO RECOMMENDATION / COMMENTS**

Approve as recommended.

## **FINANCIAL IMPACT**

This budget transfer has no impact to net county cost, but does affect Road Fund balance. In the County Engineer account (General Fund), Time and Materials revenue is increasing by \$250,000. Labor costs are increasing by \$50,000, and the transfer of funding to the Road Fund is increasing by \$200,000. In Erosion Control, Professional Services costs are decreasing by \$100,322, and intrafund transfers to the Road Fund are increasing by \$100,322. As a result of additional transfers in, the Road Fund Engineering labor costs are increasing by \$300,322. The budget transfer allows the Road Fund to be reimbursed for costs related to work done for County Engineer and Erosion Control projects.

## **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 the budget transfer to the Auditor/Controller for processing.

## **STRATEGIC PLAN COMPONENT**

Good Governance

## **CONTACT**

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