



Legislation Text

File #: 23-0771, **Version:** 1

Chief Administrative Office recommending the Board:

- 1) Receive a presentation on the Fiscal Year 2023-24 Recommended Budget preparation;
- 2) Provide direction to staff on what to include in the Recommended Budget, the use of Transient Occupancy Tax and American Rescue Plan Act funds, and any other issues related to the preparation of the budget; and
- 3) Approve and revise Board of Supervisors Policy B-16 Budget Policies.

FUNDING: Countywide Budget.

DISCUSSION / BACKGROUND

On November 8, 2022 (Legistar 22-1972), the Board received the FY 2023-24 Master Budget Calendar. Per the budget calendar, departments submitted their budget requests in late February 2023, and Chief Administrative Office staff reviewed the requests and are preparing a Recommended Budget to present to the Board on June 13, 2023.

The budget calendar also included an "April Special Board Presentation." The Chief Administrative Office has prepared a presentation that outlines the Recommended Budget as it stands today, including what is and is not included in the Recommended Budget currently. The Recommended Budget is still not finalized and may change slightly from what is presented today by June 13, 2023.

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

- Change the name of Policy 13 to Discretionary Transient Occupancy Tax and add to the policy to clarify that this policy excludes the voter-approved Tahoe area-specific revenue.
- Add Policy 16. Designation for Information Technologies (IT) Infrastructure to create a General Fund Designation with the goal of holding at least three years of the projected costs of planned countywide IT improvements and maintenance as determined by the Information Technology Governance Committees.
- Add Policy 17. Designation for Disaster Expenses to create a General Fund Designation with the goal of setting aside \$5,000,000 for disaster response and recovery costs that are not eligible for reimbursement and cannot be covered by the department's funding or existing appropriations.

Per the presentation, the Recommended Budget currently plans to fund the following Board Budget Policy items:

- General Reserve ~\$11 million
- Contingency ~\$6.75 million
- General Fund Road Maintenance ~\$5 million
- CalPERS Designation - 2 years of projected General Fund Increases

The Recommended Budget currently includes the following items that are from prior Board direction or re-budgeted from FY 2022-23:

- The Jail Expansion Project ~\$25.2 million

- Shakori Garage rebuild continuation ~\$2.8 million
- New Tahoe Building remodel ~\$2.6 million
- Industrial Drive Intersection project ~\$1 million
- Mosquito Bridge Project continuation ~\$28.4 million
- Permanent Navigation Center build ~\$4 million
- Helicopter for Sheriff's Office ~\$3.3 million
- Hazard Mitigation Grant Program Grant in Transportation ~\$2.7 million
- Diamond Springs and Chili Bar park development ~\$5 million

The following items are future budgetary needs or items that are not currently included in the FY 2023-24 Budget:

- Additional staffing costs after completion of the jail expansion project
- Full funding for the Diamond Springs Community Park
- Full funding for the Chili Bar Project
- Compensation increases to stay competitive
- ~\$3.7 million in General Fund supplemental budget requests from departments that were deferred for consideration in the Adopted Budget
- SB 1383 Compliance with Organic Waste ~ \$150,000
- Facilities needs

Staff is seeking direction today on the following items:

Annually, the Board provides direction on the El Dorado Hills County Water District (EDH Fire Department) General Fund Contribution of the Educational Revenue Augmentation Fund (ERAF) encumbrance equivalent amount. On June 12, 2018, the Board adopted Resolution 125-2018 (Legistar 18-0922), authorizing a base property tax transfer to the El Dorado Hills Fire Department related to the Department's annexation of the Latrobe Fire Protection District service area. The resolution provides that the transfer does not include the amount of the ERAF encumbrance associated with the base revenues. The resolution includes a provision for the Board to consider the payment of the equivalent amount of the ERAF encumbrance annually as part of the County Budget process. The amount is to be calculated annually by the Auditor-Controller. The Board of Supervisors has approved payment of the ERAF amount each year following adoption of resolution 125-2018. In FY 2021-22 this amount was \$90,945.

On November 15, 2022, the Board directed staff to determine a funding source in the FY 2023-24 budget cycle to create a position to support the El Dorado County Commission on Youth and Families (CoY&F). The goal of the CoY&F is to establish an integrated, transparent, and data-driven system of services so that the burden of navigating across partners is on the system itself rather than on young people and their families. Since the November Board direction, the County Office of Education (EDCOE) has agreed to take the lead on staffing and coordinating the Commission's goal. EDCOE is proposing a long-term commitment between EDCOE, CAO, Probation, and the Health and Human Services Agency to collaboratively fund the operational support for the Commission. Staff is recommending the Board approve the collaborative funding plan for inclusion in the FY 2023-24 Recommended Budget.

With the FY 2022-23 Recommended Budget, the Board approved \$95,600 (50 cents per capita) to Arts and Culture El Dorado from the General Fund. The funding is for initiating free cultural programming and promoting arts and culture within the County. Staff is requesting direction from the Board on including Arts and Culture El Dorado's request of \$95,600 from the General Fund in the FY

2023-24 Recommended Budget.

The Board has provided prior direction regarding spending the County's allocation of American Rescue Plan Act (ARPA) funding. Staff are recommending the following uses be incorporated into the FY 2023-24 Recommended Budget:

- Reduce the Planning and Building Economic Development Broadband Budget by \$500,000 due to their receipt of a \$500,000 Local Agency Technical Assistance grant.
- Authorize the use of \$2,120,707 in ARPA funding for County Service Area 3 Ambulance Services due to a projected shortfall of revenue for the program.
- Authorize the use of \$100,000 in ARPA funding for El Dorado County Office of Education's efforts to staff and coordinate the El Dorado County Commission on Youth and Families goal of establishing an integrated, transparent, and data-driven system of services so that the burden of navigating across partners is on the system itself rather than on young people and their families.
- Reduce the ARPA audit reserve to \$634,547 due to the changes listed above, this will increase by \$50,000 if the Board does not approve the Boy Scout's request with Legistar item 23-0775 on May 2, 2023.
- Authorize that the remaining \$862,142 in Local Assistance and Tribal Consistency Fund (LATCF) funding be used for General Fund governmental operations and in the FY 2023-24 Recommended Budget the resulting savings be moved to the General Fund Audit Designation.

The Chief Administrative Office has compiled requests for use of Transient Occupancy Tax (TOT) funds, per Board direction provided on March 7, 2023 (Legistar 23-0474). In preparing the FY 2023-24 Recommended Budget, staff have prepared a Status Quo budget utilizing \$9.48 million of TOT funds, leaving a projected \$4.25 million in TOT funding to be allocated. As outlined in the presentation, staff have prepared a recommended allocation plan for the remaining funding and are seeking Board direction to include this recommendation in the FY 2023-24 Recommended Budget.

ALTERNATIVES

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

PRIOR BOARD ACTION

See above.

OTHER DEPARTMENT / AGENCY INVOLVEMENT

N/A

FINANCIAL IMPACT

There is no financial impact to receiving the presentation and any direction on the Fiscal Year 2023-24 Recommended Budget will be brought back to the Board for approval at the June 13, 2023, Budget Hearing.

CLERK OF THE BOARD FOLLOW UP ACTIONS

N/A

STRATEGIC PLAN COMPONENT

Good Governance

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