



The County of El Dorado

Chief Administrative Office

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June 2, 2023

The Honorable Board of Supervisors
330 Fair Lane
Placerville, CA 95667

Honorable Members of the Board of Supervisors:

With this letter, I submit for your consideration the Fiscal Year (FY) 2023-24 Recommended Budget for El Dorado County. A public budget hearing is scheduled for June 13, 2023, to consider the recommended spending plan, at which time the Board may make any additions, deletions or modifications to the Recommended Budget.

The total Recommended Budget for all Governmental Funds for FY 2023-24 is \$1.01 billion, which is \$25.7 million (3%) more than the FY 2022-23 Adopted Budget of \$986.8 million. It should be noted these totals reflect all Governmental Funds, including Special Revenue Funds and excludes Special Districts and Proprietary Funds.

Total General Fund appropriations are recommended at \$420.2 million, which is \$14.9 million (3%) less than the FY 2022-23 Adopted Budget of \$435.2 million approved by the Board in September 2022.

As a result of the efforts of your staff, the budget is balanced, meets State requirements, and fully funds the General Fund Contingency (\$11.25 million) and General Reserves (\$11.5 million). In addition, the recommended budget exceeds the Board's policy goal of contributing \$5 million of discretionary revenues to road maintenance by \$4.4 million through the Board-directed use of Tribe funding, for a total contribution to road maintenance and snow removal services of \$9.4 million.

In addition, based on prior Board direction the Recommended Budget includes the following priorities:

- Allocates \$55.5 million to the Accumulative Capital Outlay Workplan for facility improvements.
- Allocates \$3.2 million for the Sheriff's helicopter program, including \$800,000 in ongoing operational costs, funded by \$400,000 from Transient Occupancy Tax revenue and \$400,000 from the General Fund.
- Allocates \$7 million for Diamond Springs Community Park, Chili Bar Park, and other park projects.
- Allocates \$1 million of Transient Occupancy Tax to local fire districts.
- Sets aside an additional \$4.25 million in contingency to address future, unknown cost increases relative to inflation, economic uncertainty, and disaster response costs.

- Allocates \$28.42 million in federal revenue and expenditures to continue construction of the Mosquito Bridge.
- Allocates \$20 million in state and federal revenue to be used to help address and prevent homelessness in El Dorado County.

Due to the Board's adherence to fiscal and budget policies developed over the past six years, the Recommended Budget is able to fund your Board priorities and current service levels in the fiscal year with projected slowing of discretionary revenue growth. The Recommended Budget meets all Board Budget Policy goals with the exception of the Designations for Capital Projects, and the newly established Information Technologies Infrastructure, and Disaster Expenses goals. The Chief Administrative Office will prioritize meeting these Budget Policy Goals in the Adopted Budget if additional discretionary revenue is identified after the close of the financial records for FY 2022-23.

While the County has done an outstanding job in increasing reserves and designations, those funds are not nearly sufficient to meet all of our current demands related to the deferred maintenance and replacement costs of County buildings, road maintenance, CalPERS liabilities, and employee compensation to recruit and retain employees. Based on current inflation trends, the Board should anticipate that most, if not all, of the estimated costs for capital replacement, deferred maintenance, and road maintenance will see substantial increases. In addition, day-to-day operational cost increases, such as fuel costs, may have a higher-than-anticipated impact on the budgets of individual departments.

Following the close of the FY 2022-23 financial records, we will return to your Board in September for the formal adoption of the Budget.

I would like to express my sincere appreciation to your executive leadership team of Department Heads and their staff for their commitment to the County's core value of fiscal responsibility. They have spent countless hours partnering with the Chief Administrative Office to present this budget to you.

Sincerely,



Tiffany Schmid
Interim Chief Administrative Officer