



**MEMORANDUM  
OFFICE OF THE  
COUNTY EXECUTIVE  
COUNTY OF PLACER**

**TO:** Honorable Board of Supervisors

**FROM:** Thomas M. Miller, County Executive Officer  
By: Jeff Bell, County Budget Administrator

**DATE:** September 9, 2008

**SUBJECT:** FY 2008-09 Final Budget Adoption

---

**ACTION REQUESTED**

Approve the resolution adopting the FY 2008-09 Placer County Final Budget in the amount of \$865,322,822; and

1. Approve final budgets for County proprietary funds for a total of \$79,883,813 (Attachment A); and
2. Approve the County Master Fixed Asset List for FY 2008-09 (Attachment B); and
3. Adopt an ordinance amending the personnel allocations of various departments to reflect position changes approved for the FY 2007-08 Final Budget (Attachment C).
4. Approve the resolution adopting final budgets of special districts governed by the Board of Supervisors in the amount of \$36,458,477 (Attachment D);

**BACKGROUND**

For two days in August your Board conducted Budget Workshops highlighting operations in all county departments, during which the County's Proposed Budget and recommended revisions were discussed. These workshops were the culmination of a process that began with direction your Board provided staff last fall, when it was apparent that county resources would be measurably impacted by the downturn of the economy, and your Board directed staff to enact hiring restrictions and other measures to reduce costs. The recommendations provided to your Board at the Budget Workshops also incorporated the guidance your Board provided at the Strategic Planning Session in March, the Health and Human Services workshop your Board conducted in May, and the Proposed Budget that was adopted by your Board as the Placer County interim spending plan in June. Finally, pursuant to the County Budget Act, your Board conducted a noticed public hearing on the Final Budget on August 26, 2008. This continuum of engagement and direction has enabled the County to address constrained revenues and our current and projected economic circumstances in a measured and strategic manner.

Overall Placer County continues to maintain the funding necessary for critical services, and funds these costs with growth realized in property tax and other revenues, and additional fund balance carryover. However, the next several years will present numerous, and sometimes difficult budgetary challenges for the county, and departments will need to continue to seek operational economies and efficiencies for service delivery. Indeed General Fund contributions to the Operating Budget, absent Public Safety contributions, reflect a year-over-year decline of 2.8%.

When comparing Final Budgets 2007-08 to 2008-09, overall county expenditures have increased over \$73 million (from \$792.2 million to \$865.3 million); however the bulk of the increase (over \$62 million) is funding road, capital and infrastructure projects and the funds that are being expended were dedicated to these projects in prior years. The remaining \$11 million of the \$73 million year-over-year increase in the 2008-09 Final Budget provided a 2% increase in the total Operating Budget when compared to the previous year. Of this amount, over \$9.2 million provides a 7.5% increase to the Public Safety budget (from \$123.2 million to \$132.4 million). The remaining components of the Operating Budget grew \$1.4 million (from \$406 million to \$407.4 million), resulting in a 0.3% year-over-year increase.

The number of county positions is recommended at 2,845, representing a net increase of 1 position from the Proposed Budget. Year-to-year funded positions however, have declined by 137 positions, from 2,751 funded positions in 2007-08, to 2,614 funded positions in 2008-09. It is anticipated that the net reduction in funded positions will continue for the foreseeable future, and it is further likely that departments will hold a significant number of funded positions vacant where possible.

Included with the Final Budget was the reconciliation of the final year-end fund balance carryover figures, which were included in the operating, proprietary and special district funds governed by your Board. In most instances the actual fund balances had increased from Proposed Budget estimates, and the increases were redistributed to the various budgets within the respective funds or added to fund reserves. All of the changes referred to above have been previously acted on by your Board at the public hearing on August 26, 2008.

As highlighted in the table below, the 2008-09 Final Budget<sup>1</sup> presented to your Board today represents a net increase of \$52.7 million over the adopted 2008-09 Proposed Budget.

---

<sup>1</sup> Only includes County operating funds, not internal service, enterprise, and special district funds.

**RECONCILIATION OF PROPOSED TO FINAL BUDGET BY FUND**

<b>Operating Funds</b>	<b>Proposed Budget</b>	<b>Changes</b>	<b>Final Budget</b>
General Fund	\$ 371,051,401	\$ 5,771,818	\$ 376,823,219
Community Services	2,029,073	61,657	2,090,730
Community Grants	461,641	-	461,641
Special Aviation	12,500	106,226	118,726
Public Safety	128,604,612	3,792,006	132,396,618
DMV Special Collections	528,000	219,062	747,062
Gold Country	361,517	(46,242)	315,275
Fish & Game	1,200	3,831	5,031
Lake Tahoe TOT	4,411,481	1,246,631	5,658,112
Open Space	1,218,716	114,343	1,333,059
Library Fund	6,039,758	317,663	6,357,421
Fire Control	7,669,302	1,203,346	8,872,648
Debt Service Fund	4,561,466	56,302	4,617,768
<b>Subtotal Operating:</b>	<b>\$ 526,950,667</b>	<b>\$ 12,846,643</b>	<b>\$ 539,797,310</b>
Road Projects	\$ 135,716,750	\$ 17,572,165	\$ 153,288,915
Building Projects	\$ 149,955,734	\$ 22,280,863	\$ 172,236,597
<b>Subtotal Capital:</b>	<b>\$ 285,672,484</b>	<b>\$ 39,853,028</b>	<b>\$ 325,525,512</b>
<b>TOTAL:</b>	<b>\$ 812,623,151</b>	<b>\$ 52,699,671</b>	<b>\$ 865,322,822</b>

**FISCAL IMPACT**

The recommended Final Budget for FY 2008-09 is summarized in the following chart, which contains a further refined snapshot of the fund balances, revenues & cancelled reserves that, when combined, represent the total budgeted resources. These sources of funds equal the total uses of funds and reserve additions (as indicated in the final column in the table), resulting in a balanced budget.

County Operating Funds	Fund Balance Available	Revenue & Cancelled Reserves	Total Budget Resources	Total Uses of Funds & Reserve Additions
<b>General Fund</b>	\$ 26,483,118	\$ 350,340,101	\$ 376,823,219	\$ 376,823,219
Community Services	258,210	1,832,520	2,090,730	2,090,730
Community Grants	(70,860)	532,501	461,641	461,641
Special Aviation	18,726	100,000	118,726	118,726
Public Safety	5,061,023	127,335,595	132,396,618	132,396,618
DMV Special Collections	219,062	528,000	747,062	747,062
Gold Country Adv & Promotion	75,275	240,000	315,275	315,275
Fish and Game	3,831	1,200	5,031	5,031
Lake Tahoe	1,246,631	4,411,481	5,658,112	5,658,112
Open Space	114,343	1,218,716	1,333,059	1,333,059
County Library	532,723	5,824,698	6,357,421	6,357,421
Fire Fund	431,327	8,441,321	8,872,648	8,872,648
Debt Service Fund	64,802	4,552,966	4,617,768	4,617,768
<b>Subtotal Operating:</b>	<b>\$ 34,438,211</b>	<b>\$ 505,359,099</b>	<b>\$ 539,797,310</b>	<b>\$ 539,797,310</b>
Building Projects	47,747,329	\$ 124,489,268	\$ 172,236,597	\$ 172,236,597
Road Projects	3,088,258	150,200,657	\$ 153,288,915	153,288,915
<b>Subtotal Capital:</b>	<b>\$ 50,835,587</b>	<b>\$ 274,689,925</b>	<b>\$ 325,525,512</b>	<b>\$ 325,525,512</b>
<b>TOTAL</b>	<b>\$ 85,273,798</b>	<b>\$ 780,049,024</b>	<b>\$ 865,322,822</b>	<b>\$ 865,322,822</b>

Changes for the General Fund and other operating funds are discussed in the supplemental narrative in Attachment A.

**ATTACHMENTS**

- Attachment A: Operating & Proprietary Funds / State Controller Budget Schedules
- Attachment B: Master Fixed Asset List and
- Attachment C: Position Allocation List for FY 2008-09, Ordinance Amending Personnel Allocations and Special Districts Budget Schedules
- Attachment D: Resolution Adopting Placer County Final Budget and Appropriations Limitation; and Resolution Adopting Final Budgets and Appropriations Limitation of Board Governed Special Districts