

## COUNTY OF PLACER

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## OFFICE OF COUNTY EXECUTIVE

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### Honorable Board of Supervisors County Departments and Employees Members of the Public

### SUBJECT: Placer County Fiscal Year 2013-14 Proposed Budget

#### Introduction

The County Executive Office presents Placer County's Proposed Budget for Fiscal Year 2013-14 for your review and consideration. This document is the culmination of a comprehensive effort on the part of county staff from all departments to develop a budget that recognizes future obligations, protects the county from potential Federal and State impacts to the extent foreseeable at this time, and maintains critical services that benefit our citizens.

The Proposed Budget represents the County's legal authority to spend, provides a guide to county programs and services for next year and sets the stage for long-term sustainability of County operations. The Proposed Budget serves as the interim spending plan until the Final Budget is adopted by the Board of Supervisors (Board) in September. It funds services and activities deemed critical and necessary, providing an annual, cohesive framework that reflects the Board's policy direction and priorities. Additionally, the fiscal decisions contained within this document adhere to the County Financial Policies as well as incorporate Board direction received during budget workshops held over the last several months. Finally, the Proposed Budget reflects the dynamic nature of the County service delivery model which continues to evolve in order to meet ongoing service demands within limited available revenues.

#### Executive Summary

The FY 2013-14 Proposed Budget is balanced and continues to provide core services to our constituents and meet important obligations to the Placer County community. In addition, the Proposed Budget uses realistic and probable revenue estimates, and maintains appropriate reserves and contingencies. Unanticipated revenues received following adoption of the Proposed Budget will be brought to the Board for consideration. It includes known impacts from Federal and State changes which will be revisited at Final Budget.

The economy continues to improve albeit at a modest pace. Property Tax, the County's largest discretionary revenue source, has begun to increase due to a welcome rise in property values. Targeted revenues in some departments are improving, primarily Public Safety and Health and Human Services. Due to the continued steady hand of the Board and the ongoing commitment of departments to deliver the most cost effective services, Placer County remains prepared and favorably positioned to respond to the slowly growing economy.

The Proposed Budget meets our immediate locally-driven challenges in addition to preparing to the greatest degree possible for the years ahead. The Proposed Budget maintains operations and provides for the phased opening of the South Placer Adult Correctional Facility in 2014. As we look ahead, we are well positioned to respond to

ongoing challenges. Our success is tied to our continued resolve to balance long-term fiscal integrity with the strategic distribution of limited resources that address operational and service needs. This includes demands related to the South Placer Adult Correctional Facility, adapting to changing revenues and cost drivers, and leveraging resources to best meet priorities of our residents.

## **Accomplishments**

The FY 2013-14 Proposed Budget comes as I complete my first year as County Executive Officer. I continue to marvel at the great assets that the Board, employees, and residents bring to Placer County. As I reflect back on the year, I'd like to highlight a few significant accomplishments:

- ✓ *Focus on Priorities and Communication:* A key ingredient to establishing public and employee trust is clear communication of our priorities and how we intend to achieve them. Throughout this past year, I have focused on the identification and communication of County priorities, fostering an open dialogue among Board members, Department Heads, county employees, and the residents and businesses we serve. This model will continue to grow and shape our culture of engagement and innovation in the way we do business. Paramount is the integration of accountability directly connected to priorities, transparency, and meaningful results for the community.
- ✓ *Phased Opening of South Placer Adult Correctional Facility:* Maintaining the safety of our residents is a core function of the County. With the completion of the South Placer Adult Correctional Facility, the County has a great opportunity to begin transitioning from our antiquated 1940s minimum security facility in Auburn to a more appropriate facility co-located with other criminal justice functions. The transition will also provide for an 80-bed increase in capacity to accommodate 2011 public safety realignment (known as AB 109) impacts on the inmate population.
- ✓ *Multi-year Budget Framework:* Long-term success for any public or private organization requires a keen sense of its strengths and awareness and mitigation of the risks and challenges it faces. To best identify and mitigate risks and challenges in the years ahead, we have developed a multi-year budget framework based on County priorities that identifies policy choices for sustainability of operations. This is consistent with Board direction, aligned to our County Financial Policies, and focused on delivering prioritized and stable services to our community.
- ✓ *Comprehensive Approach to Infrastructure:* Infrastructure is an integral component of maintaining sustainable service levels, supporting economic development, and meeting resident needs. It includes construction and maintenance of buildings, trails, bridges, roads, information technology, open space, sewer, water and other utilities and fire, each of which has its own considerations for planning and prioritizing projects. Over this past year, we have worked collaboratively with departments to develop a comprehensive approach to prioritizing infrastructure projects. This effort is nearing its final stages and will be followed by the development of a funding framework that fits within long-term sustainability of operations. It is intended to adapt to best fit Board and community needs as new projects are identified.

## **County Executive Office Initiatives**

- ✓ *Economic Development:* As the economy gradually emerges from the recession, the County is partnering with local and regional efforts to promote business investment and job growth.
- ✓ *Priority Based Budgeting:* A phased implementation approach focusing on increasing public communication and transparency, and prioritizing services and programs based on results and within the sustainable level of ongoing funding and resources.
- ✓ *Employee Engagement:* Excellent and innovative service delivery relies upon employees that are highly motivated and connected with the residents and communities we proudly serve.

## **Approach to the FY 2013-14 Proposed Budget**

Essential to the planning and development process for the Proposed Budget has been the guidance, participation, and leadership of the Board. Staff worked within the Board-established County Financial Policies as well as

guidance from the Board through February and March budget workshops. The Proposed Budget balances many competing priorities continuing to provide critical services to county residents within the available resources.

As in previous years, those charged with creating this document recognize that the county is in the business of efficiently providing high quality services to the public. Pursuant to Board direction and adherence to financially sound fiscal policies, the Proposed Budget implements effective service delivery given limited resources.

The Proposed Budget was developed within the multi-year budget framework directed by the Board at the March 12, 2013 meeting. The framework continues the path towards long term sustainability of operations, attempting to identify the most reasonable balance between County priorities and constrained available revenues.

The Proposed Budget also includes a more targeted focus on communication to County residents and businesses. There are many changes throughout this budget book to more directly communicate what we do and the compelling public value to those we serve. This includes adding the Spotlight on Critical Issues that provides a brief summary of major policy and operational issues facing the County, along with other key changes that are highlighted in the Budget Overview chapter.

In summary, the FY 2013-14 Proposed Budget:

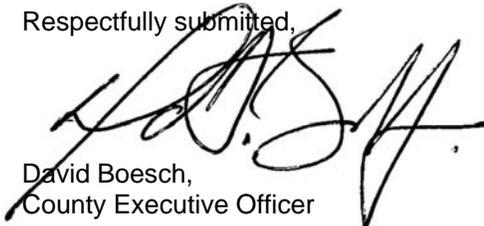
- ✓ Protects core operations, services, and programs.
- ✓ Continues to fund capital infrastructure projects prioritized by the Board.
- ✓ Maintains appropriate fiscal contingency and reserve levels.

Additional information about the Proposed Budget can be found in the Budget Overview and Department Chapters.

### **Conclusion**

The staff and I appreciate the steadfast leadership of the Board and the responsive cooperation of all our departments, and look forward to working with the Board as we transition to the August Budget Workshops and refine the Budget for further Board consideration of the Final Budget in September.

Respectfully submitted,



David Boesch,  
County Executive Officer