

County Funds Overview

Placer County's FY 2013-14 Proposed Budget was developed based upon the policy considerations outlined in this section and included in the County Executive Officer's Budget Message.

COUNTY OPERATING FUNDS

Government budgets, or appropriations¹, are legal limits on how much a department can spend and may not be exceeded unless additional funding is authorized through Board approved budget revisions. In practice, appropriations are the authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes, and are limited to one year. Placer County's 89 appropriations are listed in the Index on page 381. Critical components of a government fund are financing requirements (financing uses and provision for reserves²), which are offset by available financing (financing sources, cancelled reserves and fund balance³ carryover). When total financing requirements equal total available financing, the budget is balanced.

Placer County has 14 operating and two capital and infrastructure funds (Table 1) that make up the Proposed Budget.⁴ The funds are consistent with the County's organizational and operational structure and differ from how they are reported on the Comprehensive Annual Financial Report (CAFR). The *Public Safety Fund*, *Gold Country Tourism and Promotion Fund*, *Tahoe Tourism and Promotion Fund*, and the *Open Space Fund* are combined into the *General Fund* on the CAFR for reporting purposes per standard accounting practice. The infrastructure funds are reported separately on the CAFR. Further detail about the basis of budgeting and annual reporting can be found under the Budget Process on page 7.

Table 1. Operating & Capital Budgets, Financing Requirements Comparison

Financing Uses & Provision for Reserves	Final Budget FY 2012-13	Proposed Budget FY 2013-14	\$ Change	% Change
Operating Budget				
General Fund (100)	\$ 364,295,280	\$ 372,232,605	\$ 7,937,325	2.2%
Housing Authority Fund (103)	2,591,722	2,348,930	(242,792)	-9.4%
Community Revitalization Fund (104)	1,336,134	477,300	(858,834)	-64.3%
Low & Moderate Income Housing Asset Fund (106)	1,715,049	2,271,605	556,556	N/A
Special Aviation Fund (107)	42,500	42,541	41	0.1%
Public Safety Fund (110)	140,881,437	144,511,158	3,629,721	2.6%
DMV Special Collections Fund (111)	1,691,763	933,399	(758,364)	-44.8%
Gold Country Tourism & Promotion (115)	193,200	198,367	5,167	2.7%
Fish & Game Fund (130)	7,752	10,752	3,000	38.7%
Tahoe Tourism & Promotion (145)	6,413,069	6,091,362	(321,707)	-5.0%
Open Space Fund (150)	420,000	420,080	80	0.0%
County Library Fund (160)	6,134,274	6,083,625	(50,649)	-0.8%
Fire Control Fund (170)	3,377,464	3,455,761	78,297	2.3%
Debt Service Fund (190)	4,356,603	4,347,027	(9,576)	-0.2%
Subtotal Operating Funds	\$ 533,456,247	\$ 543,424,512	\$ 9,968,265	1.9%
Infrastructure Budget				
Capital Projects Fund (140)	\$ 66,735,979	\$ 69,427,664	\$ 2,691,685	4.0%
Public Ways & Facilities Fund (120)	120,720,650	75,785,128	(44,935,522)	-37.2%
Subtotal Infrastructure Funds	\$ 187,456,629	\$ 145,212,792	\$ (42,243,837)	-22.5%
Total Financing Uses:	\$ 720,912,876	\$ 688,637,304	\$ (32,275,572)	-4.5%
Provision to reserves	\$ 9,278,338	\$ 1,887,836	\$ (7,390,502)	-79.7%
Total Financing Requirements:	\$ 730,191,214	\$ 690,525,140	\$ (39,666,074)	-5.4%

¹ Appropriations are the spending authority to incur expenditures or obligations for specific purposes.

² Reserves are a set-aside amount of funds designated for specific future uses and easily liquidated when needed to meet expenditure requirements, emergency situations, or a series of planned financial events.

³ Fund Balance is the amount of assets and revenues that remain at the end of a fiscal year after offsetting all expenditures.

⁴ Proprietary funds, county service areas, and Board governed special districts are not included in the County Operating Budget, and are addressed separately.

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As displayed in Table 1 on the previous page, the total Proposed Budget (includes Operating Budget, Infrastructure Budget, and Provisions to Reserves) is \$39.7 million lower than FY 2012-13, a decrease of 5.4%. This decrease is largely driven by the reduction of \$45.0 million (-37.2%) in the *Public Ways and Facilities Fund* as a result of implementing a new budgeting approach that captures estimated budget year costs only for multi-year projects. The Operating Budget (excludes infrastructure and reserves) increases \$10.0 million (+1.9%) over FY 2012-13 primarily as a result of growth in the *General Fund* (+\$7.9 million or 2.2%) and the *Public Safety Fund* (+\$3.6 million or 2.6%). Provisions to reserves decrease by \$7.4 million as they are typically added at Final Budget after the current year is completed.

Sources and Uses of Funds

The FY 2013-14 Proposed Budget includes the following:

- \$651.3 million in total revenues, representing a decrease of \$15.0 million (2.2%) as compared to the FY 2012-13 Final Budget. This includes \$346.2 million in *General Fund* revenues which are used to support the vast majority of county operations, \$138.0 million in *Public Safety Fund* revenues, \$75.9 million in *Road Fund* revenues, \$66.8 million in *Capital Project Fund* revenues, and \$24.4 million in other revenues. The reduction in revenues is largely a result of the change in budgeting for multi-year infrastructure projects that are now budgeted based on estimated annual costs rather than the full project.
- \$37.3 million in fund balance carryover of which \$26.0 million is *General Fund*. Fund balance carryover is the result of current year expenditure savings, or deferral of costs or projects into the next year, as well as additional revenue received in FY 2012-13. As such, a portion of fund balance remains committed for specific purposes as costs transfer from FY 2012-13 to FY 2013-14 so is therefore not available for general purposes.
- Limited use of \$1.9 million in fund reserves, bringing the grand total for available financing sources to \$690.5 million.

Overall revenues anticipated in the Proposed Budget for FY 2013-14 highlight a gradually improving economy. They reflect a welcome change in revenue received by and available to the County when planning to provide important services to our residents.

Table 2. Year-To-Year Financing Source Comparison

Description	Final Budget FY 2012-13	Proposed Budget FY 2013-14	% Change
General Fund Revenue	\$ 339,045,353	\$ 346,232,605	2.1%
Public Safety Fund Revenue	132,331,827	138,049,959	4.3%
Road Fund Revenue	117,040,627	75,877,200	-35.2%
Other Operating Fund Revenue	26,123,852	24,361,868	-6.7%
Capital Project Fund Revenue	51,692,290	66,757,539	29.1%
Total Revenue:	666,233,949	651,279,171	-2.2%
Fund Balances & Cancelled Reserves	63,957,265	39,245,969	-38.6%
Total Financing Sources:	\$ 730,191,214	\$ 690,525,140	-5.4%

In FY 2013-14 departments submitted net budget requests totaling \$12.7 million above the recommended Proposed Budget. Department budget requests were evaluated consistent with the multi-year budget framework and drive towards long term sustainability of operations. Requests were prioritized based upon criteria including maintaining base service levels, mandated or high priority of the Board, one-time versus ongoing cost implications, and documented benefits to residents. Many requests had significant merit; however, were held for further consideration at the Final Budget to ensure FY 2013-14 and long-term alignment to a sustainable, flexible operation that can best deliver services to residents. Recommended financing uses are highlighted by fund in Table 3 on the following page.

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Table 3. Year-To-Year Financing Uses Comparison

Description	Final Budget FY 2012-13	Proposed Budget FY 2013-14	% Change
General Fund Expenditures	\$ 364,295,280	\$ 372,232,605	2.2%
Public Safety Fund Expenditures	140,881,437	144,511,158	2.6%
Road Fund Expenditures	120,720,650	75,785,128	-37.2%
Other Operating Fund Expenditures	28,279,530	26,680,749	-5.7%
Capital Project Fund Expenditures	66,735,979	69,427,664	4.0%
Total Expenditures:	720,912,876	688,637,304	-4.5%
Provision to Reserves	9,278,338	1,887,836	-79.7%
Total Financing Uses:	\$ 730,191,214	\$ 690,525,140	-5.4%

County Workforce

As a service driven provider, salary and benefits costs remain the largest expenditure category in the county budget, representing \$295.8 million (42.8%) of the \$690.5 million budget. The Proposed Budget includes 2,451 funded positions, an increase of 47 over FY 2012-13. This increase is primarily due to the phased opening of the South Placer Adult Correctional Facility and State funded program changes in Health and Human Services to serve indigent and low-income residents.

THE GENERAL FUND

The **General Fund** is the largest countywide fund and is a Major Governmental fund. It underwrites most countywide operations either directly as the “net county cost”⁵ of *General Fund* budgets, or indirectly through contributions to other funds. The *General Fund* supports the operations of most county funds through direct contributions, which may include required state “maintenance of effort” payments for certain programs. The *General Fund* includes appropriations for general government, finance, planning and building inspection, facility services and health and human services. The *General Fund* makes contributions to other funds for public safety services, fire protection services, capital construction, road maintenance and construction, library services, and debt service.

The *General Fund* includes the following departments:

- Administrative Services
- Agricultural Commissioner
- Assessor
- Auditor Controller
- Child Support Services
- Community Development Resource Agency
- County Clerk Recorder
- County Counsel
- County Executive Office
- Facility Services
- Farm Advisor
- Health and Human Services
- Personnel
- Public Works
- Treasurer - Tax Collector

The FY 2013-14 *General Fund* is recommended at \$372.2 million, a \$7.9 million or 2.2% increase from FY 2012-13. The growth highlights the beginning of a gradual economic recovery and significant State policy changes that expand county responsibility and State funding for indigent and low income health programs. The *General Fund* also includes a higher level of discretionary revenues including Property Tax and Sales Tax to support Board prioritized services. *General Fund* financing requirements maintain essential services and programs and reflect prioritizing discretionary revenue to cover approximately 40% of cost increases, on average, for *General Fund* and *Public Safety Fund* departments. This approach provides limited discretionary revenue increases to departments for the first time in several years and is consistent with the multi-year budget framework.

⁵ Net county cost is the portion of an appropriation that is funded from general-purpose revenue or available fund balance; total appropriation costs less direct fees, grants or reimbursements.

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General Fund support to public safety is maintained at approximately 47% of total discretionary revenues, resulting in a \$1.8 million increase compared to FY 2012-13. Health and Human Services caseload and program increases of \$2.1 million are funded by Federal and State revenues. Recommended one-time *General Fund* costs include funding to support the Placer County Conservation Plan (PCCP), a longstanding Board priority, State mandated costs for National-Pollution Discharge Elimination System (NPDES), replacement of the Auditor-Controller's outdated check printing system, and contract ranger support at Hidden Falls Regional Park.

Financing Requirements

	Estimated Financing Uses	Increases to Committed Fund Balance	Total Financing Requirements
General Fund	372,232,605	-	372,232,605

The *General Fund* contribution to capital projects is proposed at \$4.5 million to fund Board-prioritized capital projects as affirmed by the Board in the Capital Facilities Financing Plan. Contributions to most other funds including the *Public Ways and Facilities Fund* are nearly identical to the FY 2012-13 amounts; however the *General Fund* contribution to Public Safety departments of Sheriff, Probation, and District Attorney increases by \$1.8 million to \$74.8 million consistent with the multi-year budget framework.

General Fund contingencies⁶ set-aside for unanticipated expenditures or revenue shortfalls are budgeted at \$5.4 million of the operating budget, which meets the County financial policy recommendation of 1.5%. These funds may be used for operating costs and / or unanticipated revenue decreases, and for items that need to be carried forward and re-budgeted from the prior fiscal year⁷.

The County attempts to reserve approximately 5% of its *General Fund* operating expenditures for possible emergencies or economic downturns. Indeed maintenance of prudent reserves has been part of the County's fiscal planning process for many years. This policy has allowed Placer County to set aside resources for difficult budget years, and has provided a solid foundation to respond to sharp changes in county revenues as has occurred over the past several years. The long term approach is outlined in the County Budget and Financial Policy enabled the metered use of reserves in FY 2008-09, FY 2009-10 and FY 2010-11 followed by additions to reserves in FY 2011-12 and FY 2012-13. The *General Fund* reserve balance is currently \$15.1 million or 4.2% of *General Fund* operating expenditures.

Moving forward, General Fund resources will require careful management to ensure alignment to county priorities, reduce reliance on carryover fund balance, and provide departments with critical support to meet county service obligations.

Available Financing

	Estimated Fund Balance June 30, 2013	Decreases to Obligated Fund Balance	Financing Sources	Total Available Financing
General Fund	26,000,000	-	346,232,605	372,232,605

General Fund revenues are projected to decrease by \$7.1 million (2.1%) from FY 2012-13. Property Tax revenue is projected to increase by \$860,872 or 1% in FY 2013-14, welcomed but modest growth as a result of increasing property values.

Carryover fund balance is anticipated due to FY 2012-13 expenditure savings and revenue received in excess of the amount budgeted. In Placer County, fund balance is carefully estimated and is an important part of planned,

⁶ Contingencies are a set-aside of funds to meet unforeseen expenditures.

⁷ Fiscal Year is a budgetary timeframe identifying the period for which the County's spending plan is applicable. In Placer County the fiscal year is July1 to June 30.

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budgeted resources. Carryover fund balance from FY 2012-13 is anticipated at \$26.0 million or 7.0% of total financing sources, which is slightly lower than the level used in previous budgets.

THE PUBLIC SAFETY FUND

The **Public Safety Fund** is a Major Governmental fund⁸ made up of four departments: Sheriff, District Attorney, Probation and the County Executive Office. The FY 2013-14 *Public Safety Fund* budget is recommended at \$144.5 million, an increase of \$3.6 million or 2.6% over FY 2012-13. The recommended budget provides the departments with important resources for the provision of public safety and is in balance with the revenue estimates noted below.

Revenue estimates for public safety are \$138.0 million, \$5.7 million or 4.3% higher than FY 2012-13. Included in these estimates are the following major revenues:

- \$74.8 million in *General Fund* contribution, an operational increase of \$2.9 million or 4.4% above FY 2012-13. The discretionary *General Fund* share supporting public safety has been maintained at approximately 47% of total county discretionary revenue to align to the multi-year budget framework. The *General Fund* contribution of \$6.0 million to offset State Controller's Cost Allocation Plan (A-87) costs has decreased \$1.1 million or 14.9% from FY 2012-13 to align with the updated Cost Allocation Plan.
- \$35.9 million in public safety sales tax (Proposition 172 funding), an increase of \$2.2 million or 6.5% above FY 2012-13 reflecting a higher trend in receipts. This amount will be reevaluated in the FY 2013-14 Final Budget; and
- \$5.7 million in Public Safety Realignment (AB 109) funding, an increase of \$683,000 or 13.4%.

The *Public Safety Fund* is balanced with \$8.3 million in estimated fund balance carryover. The Proposed Budget includes the phased opening of the South Placer Adult Correctional Facility (SPACF). Additional fiscal and policy detail related to SPACF is included in the Spotlight on Critical Issues beginning on page 4.

PUBLIC WAYS AND FACILITIES FUND

The **Public Ways and Facilities Fund**, commonly referred to as the Road Fund, is a Major Governmental fund maintained by the Department of Public Works, provides engineering services in the area of design, construction and contract administration for both the County and private land development projects. The fund also maintains, protects and improves approximately 1,044 miles of roads, and accounts for road and road-related storm maintenance, including snow removal and road engineering and construction. The net budget of \$59.9 million represents a decrease of \$38.7 million (-39.2%) as compared to FY 2012-13. This difference is due in large part to the decision not to encumber costs for future projects. Doing so results in greater alignment between the budgeting approach and annual incremental costs and revenues of individual projects. The *Public Ways and Facilities Fund* is balanced with \$6,095,135 in reserves.

CAPITAL PROJECTS FUND

The **Capital Projects Fund** is a Major Governmental fund maintained by the Facility Services Department and provides resources for the construction and remodeling of county buildings. Project priority is determined by whether a project is identified in the Capital Improvements Master Plan, mitigates health and safety needs, improves departmental operations, or preserves and extends the life of an existing county facility. A continuing issue that confronts the County has been the critical need to plan for, replace, and maintain the County's aging facilities. To bridge the gap between funding needs and funds on hand, the County's long range financing plan assumes a combination of accumulated reserves, current funding from within county budget resources, cautious debt obligation, growth fees and other revenue. Utilization of Tobacco Securitization bond proceeds, approved by the Board of Supervisors through year 2056, will continue to support funding for infrastructure. Additionally, the

⁸ These Major Governmental funds are combined with the General Fund for CAFR purposes.

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Board of Supervisors authorized the formation of an infrastructure investment committee to align project priorities within available funding options from a countywide and growth perspective.

The FY 2013-14 **Capital Projects Fund** budget is recommended at \$69.4 million, an increase of \$2.7 million from the FY 2012-13 Final Budget. Recommended project costs are \$68.5 million, compared to the \$66.0 million in FY 2012-13. The increase in project construction costs reflects anticipated costs associated with the Auburn Animal Shelter, Tahoe justice center planning, various trail and park projects, and development of the Placer County Government Center. The *General Fund* contribution to capital projects is \$4.5 million consistent with the Capital Facilities Financing Plan (CFFP). The *Capital Projects Fund* is balanced with \$66.7 million in revenue and project reimbursements and \$2.7 million in estimated fund balance carryover.

OTHER COUNTY OPERATING FUNDS

The Proposed Budget includes 14 operating and 2 capital and infrastructure funds, the largest of which have been summarized above. Other County operating funds include the *Housing Authority Fund*; the *Community Revitalization Fund*; the *Special Aviation Fund*; the *DMV Special Collections Fund*; the *Gold Country Tourism and Promotion Fund*; the *Fish and Game Fund*; the *Lake Tahoe Tourism and Promotion Fund*; the *Open Space Fund*; the *Library Fund*; the *Fire Protection Fund*; the *Debt Service Fund*; and the *Low and Moderate Income Housing Asset Fund*. While none of these funds is as large as those previously discussed, each fund was established to keep its assets, liabilities, and revenue and expenditures separate, usually for legal or programmatic reasons.

Managed by the Health and Human Services Department, the **Housing Authority Fund** is a Non-Major Governmental – Special Revenue fund used to account for the Section 8 housing program. Funding provides direct and contracted social services to low income and high-risk target populations (including program effectiveness evaluation), and to provide technical assistance to subcontractors. The recommended financing requirements are \$2.3 million, including \$115,825 from fund balance. The recommended budget for this fund is \$242,792 less than FY 2012-13.

The **Community Revitalization Fund** is a Non-Major – Special Revenue fund managed by the Community Development and Resources Agency (CDRA), consists of expenditures made on behalf of several federal and local programs. These programs were previously managed by the Redevelopment Agency but were shifted to CDRA in FY 2012-13 due to the dissolution of Redevelopment Agencies under AB1X 26. These programs include the Community Development Block Grant (CDBG) General Allocation, the Economic Development Block Grant (EDBG), the HOME Investment Partnership Program, the CalHome Program, and the Neighborhood Stabilization Program (NSP). These programs primarily benefit low-income persons through housing and public improvements, housing rehabilitation, and reduction of blighted conditions. The Proposed Budget includes only those projects with approved grant revenue or other in-hand sources. Federal aid is projected to decrease by \$801,940; therefore, the recommended budget for this fund is \$858,834 less than FY 2012-13.

The **Low and Moderate Income Housing Asset Fund** is a Major Governmental fund managed by the Community Development and Resources Agency (CDRA), provides for management of loans made under the former Redevelopment Agency, prior to its dissolution under AB1X 26. Funding for loans and administration come from the Redevelopment Property Tax Trust Fund (RPTTF). The Proposed Budget includes expenditures of \$1.7 million in loans with projected receipts of \$417,032 in RPTTF funding. To balance, the Proposed Budget uses approximately \$1.4 million in fund reserves comprised of revenues received in prior years. The recommended budget for this fund is \$556,556 more than FY 2012-13, for costs related to RPTTF loans, bond principal, and interest payments.

The **Special Aviation Fund** is a Non-Major Governmental – Special Revenue fund and supports the Blue Canyon Airport via federal funding by providing for capital improvements, equipment maintenance and administrative support. The Public Works Department manages this fund and the recommended financing requirements are \$42,541, funded by a state grant (\$40,000) and fund balance (\$2,541). The recommended budget for this fund is nearly identical to FY 2012-13.

The **DMV Special Collections Fund** is a Non-Major Governmental – Special Revenue fund managed by the Sheriff's Department, supports the Fingerprint Identification and Auto Theft Task Force activities. Revenues are

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generated through the collection of Department Of Motor Vehicles (DMV) Licensing Fees assessed for vehicles registered in Placer County. Recommended FY 2013-14 financing requirements of \$933,399 are supported by revenue (\$762,600) and by carryover fund balance (\$170,799). The recommended budget for this fund is \$758,364 less than FY 2012-13, due to prior year use of one-time fund balance carryover to support special expenses of the Task Force.

The **Gold Country Tourism and Promotion Fund** is a Major Governmental fund⁹ managed by the County Executive Office, receives hotel-motel or transient occupancy taxes (TOT) in the unincorporated areas of the County that are west of the summit. Western slope promotional activities that encourage tourism are funded from TOT taxes. Recommended financing requirements for FY 2013-14 are \$198,367. The budget is balanced with \$185,850 in estimated revenue, and \$12,517 in carryover fund balance. The recommended budget for this fund is \$5,167 more than FY 2012-13.

The **Fish and Game Fund** is a Non-Major – Special Revenue fund managed by the Agricultural Commissioner, is used to support wildlife and fish propagation and conservation efforts. Revenues from fish and game violations have declined in prior years. Due to diminishing fund reserves, a General Fund contribution of \$4,000 is recommended in FY 2013-14. The contribution will balance the \$10,752 in financing requirements with \$5,200 in revenues and \$1,152 in Fish and Game projected fund balance carryover. The recommended budget for this fund is \$3,000 more than FY 2012-13.

The **Lake Tahoe Tourism and Promotion Fund** is a Major Governmental fund⁹ managed by the County Executive Office, receives 60% of the hotel-motel or transient occupancy taxes (TOT) in the unincorporated areas of the County that are east of the summit. In June 2012, Measure F, the North Lake Tahoe Transient Occupancy Tax Area Initiative, was voter approved to extend the additional 2% TOT in the Lake Tahoe area until September 30, 2022. Tahoe area promotional activities that encourage tourism are funded from the TOT taxes under a contract with the North Lake Tahoe Resort Association. In 1995 the Board of Supervisors approved the formation of the North Lake Tahoe Resort Association and appointed a Board of Directors, comprised of representatives from various North Lake Tahoe tourism related industries to recommend and oversee funding for the Tahoe community. Resort Association activities include marketing and promotions, visitor services, public improvements and infrastructure projects. Recommended required financing of \$6.1 million is supported by estimated revenue (\$6.0 million) and carryover fund balance (\$91,362). The recommended budget for this fund is \$321,707 less than FY 2012-13 and will be adjusted at Final Budget based on an updated projection and final FY 2012-13 receipts.

The **Open Space Fund** is a Major Governmental fund⁹ managed by the County Executive Office, is used to account for contributions and the acquisition of open space in the County under the Placer Legacy program. The Placer Legacy program conserves the County's diversity of landscapes and natural resources. It supports the County's economic viability, provides enhancement of property values and furthers the natural resource goals of the Placer County General Plan. Recommended funding requirements of \$420,080 are supported by developer fees, a United Auburn Indian Community contribution, and other revenue. The recommended budget for this fund is nearly identical to FY 2012-13.

The **Library Fund** is Non-Major Governmental – Special Revenue fund managed by the Library Department, provides public library services that support the educational, recreational and cultural endeavors of citizens within the community. The County Library System serves all of Placer County except for the cities of Roseville and Lincoln, which have their own library systems. The most significant, immediate challenge facing the Library is continuing to provide quality services to a growing population with limited revenues and reserves. Library property tax revenue has recently begun to increase slightly since FY 2011-12, however is still estimated to be \$232,210 (6%) less than the peak of FY 2008-09. Additionally, State funding has also significantly declined since the peak period. The Library has taken actions to reduce operating costs and the County continues to study the appropriate balance of sustainable services to available revenues. Recommended financing requirements of \$6.1 million are supported by \$5.8 million of revenue and \$272,858 in reserves. The General Fund provides direct contributions for salary and benefit support of the Director of Library Services (\$198,644) and \$1.3 million for costs of centralized county services that are not charged directly (A-87). The recommended budget for this fund is \$50,649 less than FY 2012-13.

⁹ These Major Governmental funds are combined with the General Fund for CAFR purposes.

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The **Fire Protection Fund** is a Non-Major Governmental – Special Revenue fund managed by the County Executive Office, provides fire protection services through a contract with the California Department of Forestry and Fire Protection (CalFIRE) and provides hazardous material response (HAZMAT) capability. Recommended financing requirements of \$3.4 million are supported by \$3.2 million in estimated revenue, and \$231,973 in carryover fund balance. In FY 2013-14 the fund will continue to receive a contribution for fire services from the General Fund of just over \$1.0 million. Other financing sources include dedicated property tax, public safety sales tax and other miscellaneous revenue. The recommended budget for this fund is \$78,297 more than FY 2012-13.

The **Debt Service Fund** is a Non-Major Governmental – Debt Service fund and housed within the Auditor-Controller's budget, accounts for principal, interest and fees on county debt service issued for certificates of participation (COP). The County's current COP's finance the juvenile hall, the Finance and Administration Center at the Placer County Government Center and the Bill Santucci Justice Center. The General Fund contributes the net cost of the County's annual debt service to this fund, less reimbursements paid by other funds and revenue received. All of the \$4.3 million in recommended financing requirements is funded by revenues. The recommended budget for this fund is \$9,576 less than FY 2012-13.

INTERNAL SERVICE FUNDS

Placer County operates 12 internal service funds that are primarily used to provide services to other county departments. County departments are charged for services they receive. Internal service funds adjust rates as necessary to recover their costs. These funds are not intended to make a cumulative profit, nor should they indefinitely sustain operating losses. The internal service funds range in size of financing requirements from \$865,031 to \$11.3 million compared to \$1.0 million to \$12.0 million in the prior year. Internal Service Fund reserves of \$4.3 million are used to balance the Proposed Budget and recommended additions to reserves total \$550,416.

Placer County internal services funds are:

- Telecommunication Services
- Countywide Systems
- Countywide Radio Project
- Fleet
- Correctional Food Services
- Central Services
- Special District Services
- State Unemployment
- General Liability Insurance
- Workers Compensation Insurance
- Dental and Vision Insurance
- Retiree Sick Leave Benefit

Since internal service funds charge fees to county departments for services received, including these budgets with the County Proposed Budget for operating funds would result in duplication of budgetary figures. As a result, these funds are considered separately from the operating budget, and are not included in the State Controller's Schedules. These funds are classified as Proprietary – Internal Service funds.

ENTERPRISE FUNDS

Placer County will operate and manage six enterprise funds in FY 2013-14:

- Placer County Transit
- TART
- Eastern Regional Landfill
- Solid Waste Management
- Property Management (Dewitt Development)
- Placer mPower Fund

Enterprise funds typically provide utility, property management, and health services to the public and charge for the services provided. Enterprise funds are not required to recover full costs, but should remain solvent. These funds are classified as Proprietary – Enterprise funds. Placer County enterprise funds range in size of financing requirements from \$418,261 to \$9.7 million. The total amount of recommended financing uses and reserve additions for the enterprise funds for FY 2013-14 is \$21.8 million, a decrease of \$899,768 from the prior year due to less additions to reserves and lower operational expenditures.