

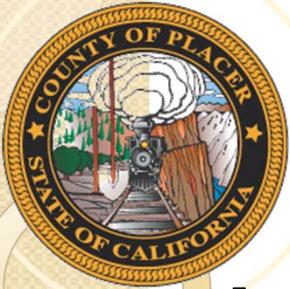
PLACER COUNTY

FY 2013-14 Proposed Budget

June 4, 2013

David Boesch
County Executive Officer

Purpose

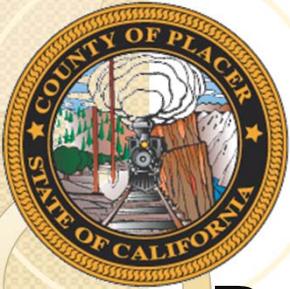


- ✓ **Adopt FY 2013-14 interim spending plan**
 - **Proposed County Budget**
 - **Proposed Budgets for Lighting Districts, County Service Areas (CSAs), and Sewer Maintenance Districts**
- ✓ **Revisions to Budget and Financial Policy**
- ✓ **Approach to carryover fund balance**



Economy: Mending the Seams

- ✓ **Property tax, sales tax improving**
- ✓ **Cost of doing business continues to rise**
- ✓ **Unemployment improved**
 - **7.2% in April compared to 9.4% last year**
- ✓ **Targeted risk from State**
 - **Indigent Health/Affordable Care Act**
 - **State/County Realignment**



Multi-Year Budget Framework

✓ Policy Framework

- **Budget and Financial Policy**
 - ✓ Reserves and infrastructure
 - ✓ Reduce use of one-time solutions
- **Phased implementation of priority-based budgeting to align resources to priorities**
- **Distribution of discretionary revenues**
- **Approach to  cost-of-doing-business**

✓ Fiscal/Operational Implications

- **Most reasonable balance of county priorities within available revenues**



Assumptions

✓ Revenues

- Gradual economic recovery

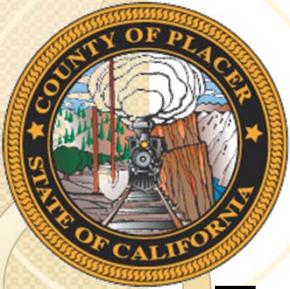
✓ Expenditures

- Increased contributions to Public Safety
 - ✓ Phased approach to opening SPACF
- Contribution to Roads, Capital Improvements, and HHS generally flat next several years
- Approx 40% GF cost increases covered – remaining costs absorbed through FY 2016-17
 - ✓ 100% GF cost increases covered FY 2017-18, FY 2018-19



Budget Development

- ✓ **Adheres to Multi-year Budget Framework, FY 2013-14 discussions**
- ✓ **Sustainability of County operations**
 - **General Fund**
 - **Public Safety Fund**
 - ✓ **SPACF phased opening**
 - **Library Fund**
- ✓ **Priority Based Budgeting**
 - **Priorities, transparency/communication, results**



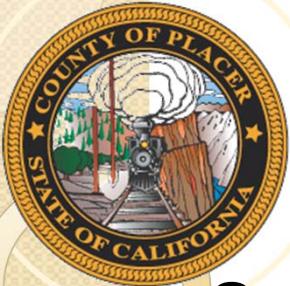
Recent Accomplishments

- ✓ **Focus on Priorities and Communication**
 - Identify priorities; Clear/open communication
- ✓ **Phased Opening of South Placer Adult Correctional Facility**
 - 80-bed increase, 2014 opening
- ✓ **Multi-year Budget Framework**
 - Long-term sustainability of operations
- ✓ **Comprehensive Infrastructure Planning**
 - Prioritize projects, develop funding framework
 - Sustainable service levels, econ development



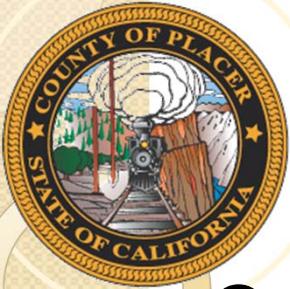
What's New with the Budget?

- ✓ **Focus on communication**
- ✓ **Spotlight on Critical Issues**
- ✓ **County Profile**
- ✓ **Department Narratives**
- ✓ **Usability**



Spotlight on Critical Issues

- ✓ **Sustainability of operations**
 - Balancing priorities, revenues, risks
- ✓ **Priority Based Budgeting**
 - Focus on communication
- ✓ **Infrastructure**
 - Comprehensive planning, funding framework
- ✓ **Economic development**
 - Spur recovery, better meet community needs
- ✓ **South Placer Adult Correctional Facility**
 - Phased opening plan
- ✓ **Employee Engagement**
 - Motivated employees, innovative service delivery



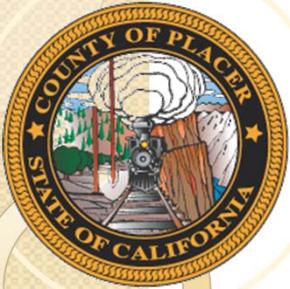
FY 2013-14 Proposed Budget

✓ Countywide Budget

- \$690.5 million -- \$39.7 million lower than FY 2012-13
- Meets core service priorities
- Consistent with multi-year budget framework

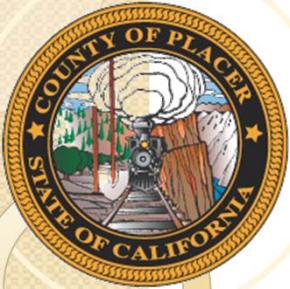
✓ Special Districts

- \$33.2 million total among 192 districts/CSAs
 - ✓ \$16.0 million decrease from FY 2012-13
- Adjustments likely at Final Budget following FY 2012-13 year-end

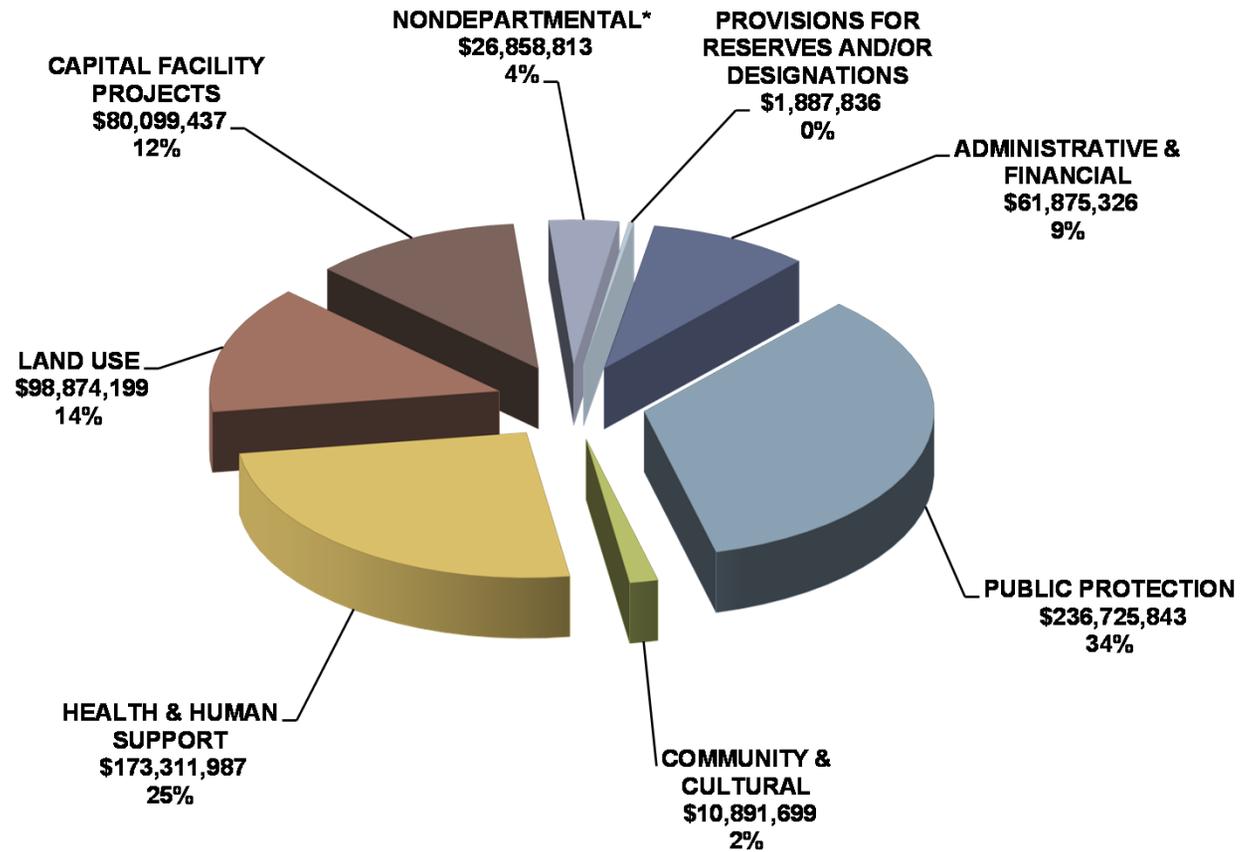


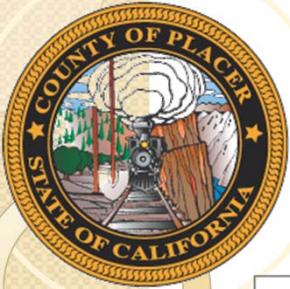
Budget Comparisons

Net Budget					
Fund	FY 2012-13 Final Budget	FY 2013-14 Dept Submitted Base	FY 2013-14 Department Requested	FY 2013-14 CEO Recommended	\$ Change FY 2013-14 Recommended to FY 2012-13
General Fund	\$ 364,295,280	\$ 370,327,354	\$ 374,323,674	\$ 372,232,605	\$ 7,937,325
Public Safety Fund	140,881,437	139,875,738	154,554,681	144,511,158	3,629,721
Road Fund	120,720,650	74,795,760	75,835,760	75,785,128	(44,935,522)
Capital Projects Fund	66,735,979	69,456,668	69,456,668	69,427,664	2,691,685
Other Funds	28,279,530	26,835,338	27,147,196	26,680,749	(1,598,781)
Provision to Reserves	9,278,338	0	0	1,887,836	(7,390,502)
All Operating Funds	\$ 730,191,214	\$ 681,290,858	\$ 701,317,979	\$ 690,525,140	\$ (39,666,074)

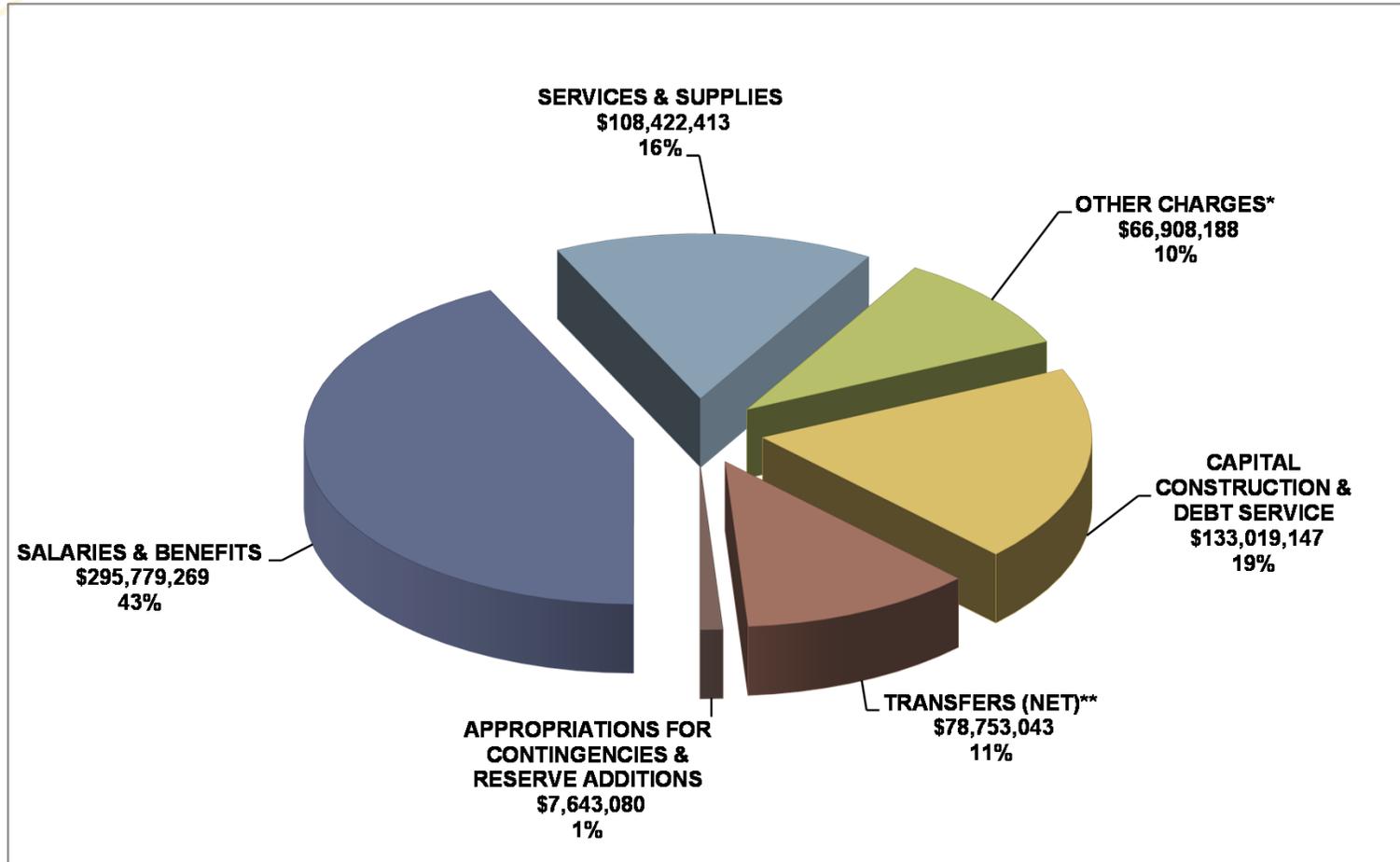


Expenditures by Function



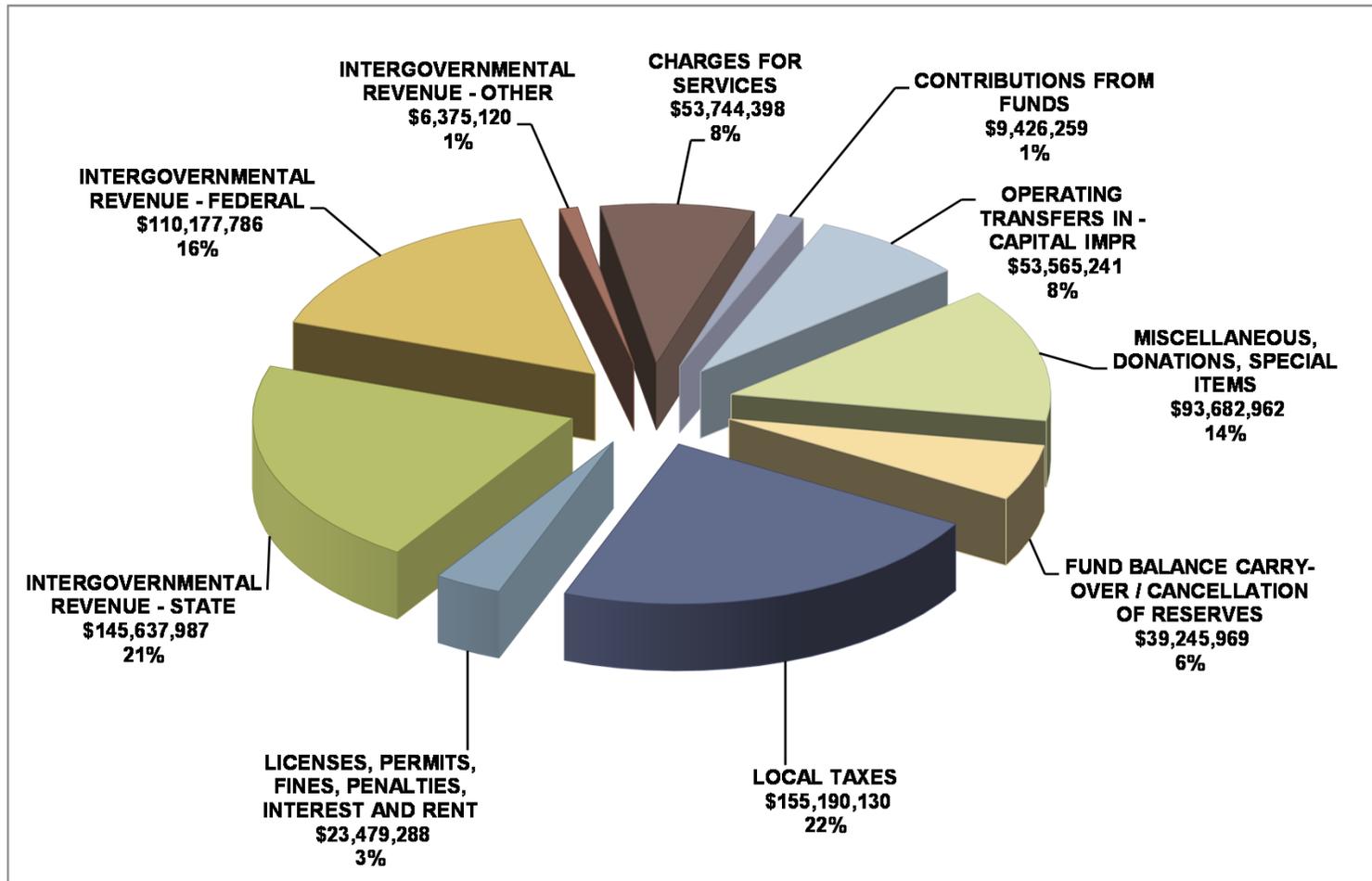


Expenditures by Category





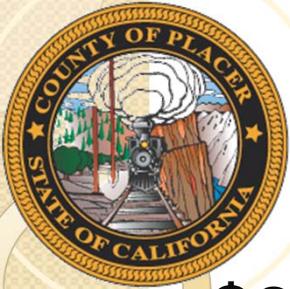
Revenues and Sources of Funds





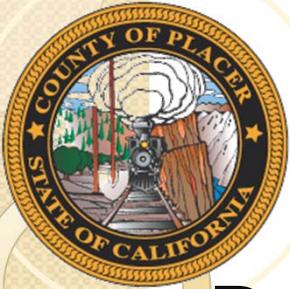
Significant Changes & Cost Drivers

- ✓ Approach to multi-year infrastructure projects
- ✓ OPEB – Good news!
 - Draft actuarial = far lower unfunded liability
 - Savings reflected in all budgets
- ✓ PERS Contribution Rates
- ✓ Health Insurance
- ✓ Funded Positions 2,451 (↑ 47)
 - Public Safety (↑ 32), General Fund (↑ 12), other funds (↑ 3)
- ✓ SPACF
- ✓ Prioritized Supplemental Requests



Special Districts

- ✓ **\$33.2 million total - includes 192 Districts and CSA Zones governed by the Board**
- ✓ **Changes due to:**
 - **Timing of large capital projects:**
 - **SMD 1 \$6.4 million decrease from FY 2012-13**
 - **Dry Creek Park \$2.1 million increase over FY 2012-13**
 - **Revised payment approach to facility costs, South Placer Wastewater Authority:**
 - **\$5.9 million decrease from FY 2012-13**
- ✓ **Final Budget typically adjusts budgets and reserves after year-end close**



Budget and Financial Policy

- ✓ **Board adopted policy to guide budget**
 - **1-time revenues for 1-time costs**
 - **Generally conservative approach to revenues/expenditures**
 - **Position for future economic changes**
 - ✓ **Sufficient reserves, strategic approach to new revs**
 - ✓ **Focus on cost efficient innovation**
 - **Revisions for consideration**
 - ✓ **Align to County Budget Act**
 - ✓ **Approach to service costs/savings on Capital Projects**
 - ✓ **Methodology for Future Occurrences Reserve**



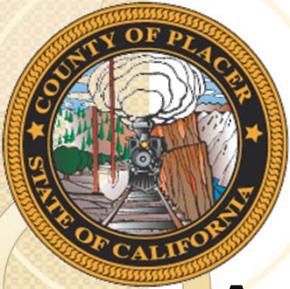
Approach to Carryover Fund Balance

- ✓ **Comply with GASB 54 – classification of fund balance**
- ✓ **Align with Budget and Financial Policy**
- ✓ **Designate unanticipated carryover fund balance to:**
 - **Reserves**
 - **Infrastructure**
 - **Other one-time Board priorities**



Next Steps

- ✓ **Ongoing Infrastructure Planning**
- ✓ **FY 2012-13 year end**
- ✓ **August Budget Workshops**
- ✓ **Final Budget**
 - **Public Hearing**
 - **Final Adoption**



Requested Actions

- ✓ **Adopt FY 2013-14 Proposed County Budget.**
- ✓ **Adopt FY 2013-14 Proposed Budgets for Lighting Districts, County Service Area Zones (CSAs), and Sewer Maintenance Districts governed by your Board.**
- ✓ **Approve early purchase of equipment on the Master Fixed Asset List.**
- ✓ **Adopt revisions to the Budget and Financial policy.**
- ✓ **Designate unanticipated fund balance.**



THANK YOU!