



PLACER COUNTY

FY 2014-15 Proposed Budget

June 3, 2014

David Boesch
County Executive Officer



FY 2014-15 Proposed Budget

It is requested that the Board receive updates and provide any necessary direction on following:

- Adopt FY 2014-15 Interim Spending Plan
 - FY 2014-15 Proposed Budget
 - FY 2014-15 Proposed Budgets for Lighting Districts, County Services Areas and Sewer Maintenance Districts
- Accept FY 2014-15 Multi-Year Capital Plan
- Introduce FY 2014-15 Personnel Allocation Ordinance
- Approve early purchase of equipment on Master Fixed Asset List
- Adopt a resolution approving revisions to the Budget and Financial Policy
- Approach to carryover fund balance
- Hear a presentation on departmental program inventories and provide related direction to staff on preparation of the FY 2014-15 Final Budget



FY 2014-15 Proposed Budget - Budget Development -

Economy – Proceed with “Cautious Optimism”

Overarching economic drivers considered with budget development:

- Improving property values
- Sales tax collections continue to improve
- Modest uptick in development activity
- Declining unemployment – 6.1% (April 2014) vs. 7.3% last year
- State’s budget surplus...
- CalPERS Retirement cost increases imminent
- Health care costs

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FY 2014-15 Proposed Budget - Budget Development -

Sustainability – Forward Thinking Budget Development

Progress demonstrating focus on long-term sustainability:

- Budget and Financial Policy
- Multi-Year Budget Framework – Anticipated revenues and expenditures
 - General Fund - Public Safety Fund - Other Funds
- Increased transparency – Cost alignment / Approach to capital
- Continued implementation of Priority Based Budgeting concept

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FY 2014-15 Proposed Budget - Budget Development -

Recent Accomplishments

Budget development builds upon FY 2013-14 accomplishments:

- Continued focus on priorities and communication
- Phased opening of South Placer Adult Correctional Facility
- Upgraded County issuer credit rating – AA+
- Infrastructure and Capital planning and funding
- Phased transition to Priority Based Budgeting concept



FY 2014-15 Proposed Budget - Budget Development -

Budget Document Updates / What's New?

Budget document contains following:

- Updated "Spotlight on Critical Issues"
- Updated departmental cost alignment
- Countywide Program and Services Inventory **-NEW-**
- Multi-year Capital Plan Supplement **-NEW-**



FY 2014-15 Proposed Budget - Countywide Budget -

Net Budget					
Fund	FY 2013-14 Final Budget	FY 2014-15 Dept Submitted Base	FY 2014-15 Department Requested	FY 2014-15 CEO Recommended	\$ Change FY 2014-15 Recommended to FY 2013-14
General Fund	\$ 381,509,209	\$ 383,763,307	\$ 389,457,163	\$ 393,369,178	\$ 11,859,969
Public Safety Fund	146,444,761	148,405,012	151,401,887	149,010,901	2,566,140
Road Fund	80,927,157	66,232,411	67,235,411	67,305,762	(13,621,395)
Capital Projects Fund	72,641,795	154,956,434	154,956,434	155,379,792	82,737,997
Other Funds	29,860,490	26,761,317	26,984,997	26,793,445	(3,067,045)
Provision to Reserves	9,465,930	0	0	606,493	(8,859,437)
All Operating Funds	\$ 720,849,342	\$ 780,118,481	\$ 790,035,892	\$ 792,465,571	\$ 71,616,229

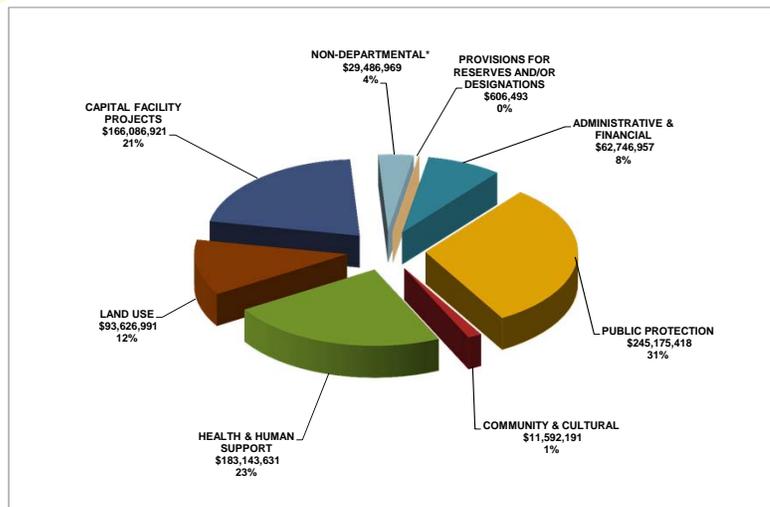
FY 2014-15 Recommended Operating Budget - \$792.5 million

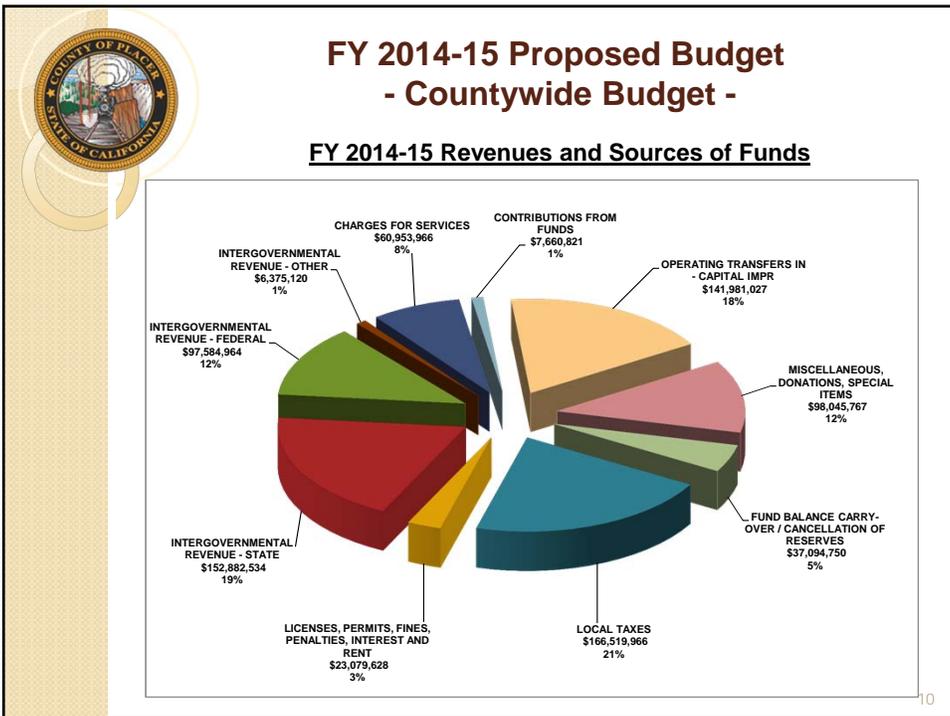
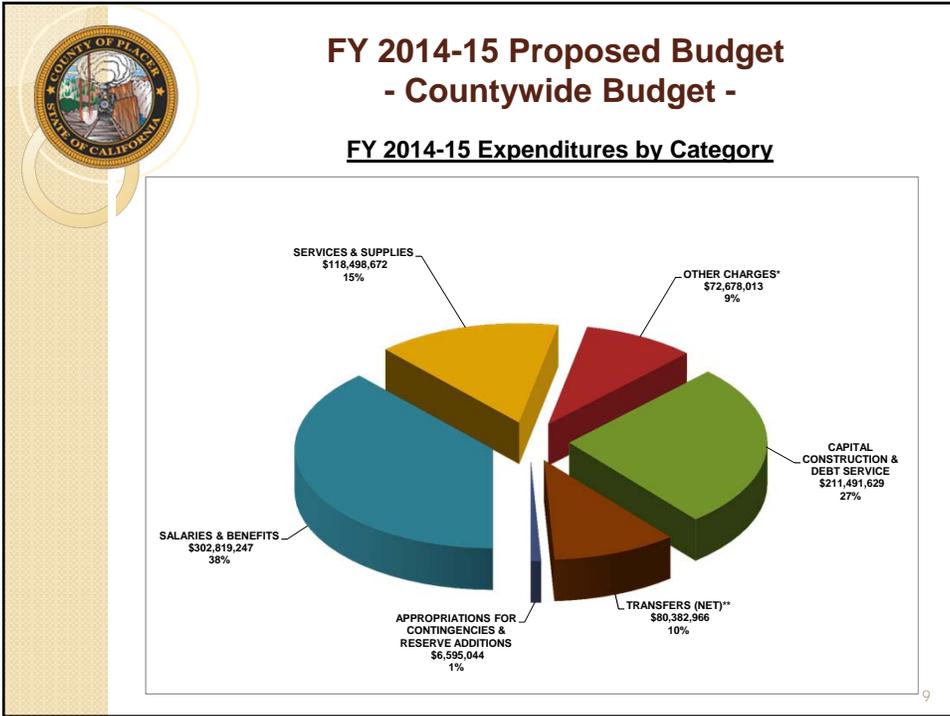
- General Fund +\$11.9 million (3.1%)
- Public Safety Fund +\$2.6 million (1.8%)
- Infrastructure Funds +\$69.1 million (45.0%)



FY 2014-15 Proposed Budget - Countywide Budget -

FY 2014-15 Expenditures by Function







FY 2014-15 Proposed Budget - Countywide Budget -

FY 2014-15 Recommended Funded Positions

Fund	Final Budget FY 2013-14	Proposed Budget FY 2014-15	# Change	% Change
Operating Funds				
General Fund (100)	1,398	1,427	29	2.1%
Housing Authority Fund (103)	2	2	-	0.0%
Public Safety Fund (110)	747	740	(7)	-0.9%
Public Ways & Facilities Fund (120)	114	112	(2)	-1.8%
Capital Projects Fund (140)	12	12	-	0.0%
County Library Fund (160)	37	38	1	2.7%
Subtotal Funded Positions	2,310	2,331	21	0.9%
Internal Service/Enterprise Funds				
Central Services/Telecommunications	28	28	-	0.0%
Risk Management (WC/GL)	12	12	-	0.0%
Dewitt Development	7	-	(7)	-100.0%
Environmental Utilities	68	67	(1)	-1.5%
Food Services	13	13	-	0.0%
Placer County Transit	24	24	-	0.0%
TART	17	17	-	0.0%
Fleet Operations	24	24	-	0.0%
Subtotal Funded Positions	193	185	(8)	-4.1%
Total Funded Positions:	2,503	2,516	13	0.5%

Countywide Allocations
 FY 2013-14 – 2,798 FTE
 FY 2014-15 – 2,796 FTE

Funded Position Changes

General Fund

- HHS 20.0 FTE
- CDRA 7.5 FTE
- Prop Mgmt 7.0 FTE
- Fac. Svcs (6.0) FTE
- Treas/Tax Coll 3.0 FTE
- Position shifts in CEO

Public Safety Fund

- Sheriff (7.0) FTE

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FY 2014-15 Proposed Budget - Countywide Budget -

Prioritized Recommended Supplemental Requests*

➤ Placer County Conservation Plan (CDRA)	\$ 525,000
➤ Sunset Industrial Area Plan Update (CDRA)	\$ 500,000
➤ Tahoe Basin Community Plan Update (CDRA)	\$ 318,000
➤ Extra Help Victim Witness Advocate / Investigator (DA)	\$ 54,732
➤ In-Car Camera Lease Costs (Sheriff)	\$ 74,500
➤ Personal Computer replacement (Sheriff)	\$ 20,000

* - Not related to funded position requests

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FY 2014-15 Proposed Budget - Special Districts Budget -

Special Districts Proposed Budget

192 Special Districts and County Service Area (CSA) Zones:

- Total Proposed Budget - \$34.1 million
 - Proposed Budget lower by \$15.3 million compared to FY 2013-14
 - Changes primarily due to timing of large capital projects
 - SMD 3 / Folsom Lake – lower by \$8.8 million
 - Dry Creek Park – lower by \$1.8 million
- Final Budget technical adjustments typically reflect changes to reserves

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FY 2014-15 Proposed Budget - Countywide Budget -

Additional Budget Development Considerations

Phased Approach to Priority Based Budgeting:

Communication:

- Organizational fiscal health - *ONGOING*
- Budgetary priorities and challenges - *ONGOING*

Performance Measures:

- Development of Program Inventory – *FY 2014-15 PROPOSED BUDGET*
- Alignment of costs to programs – *DURING FY 2014-15*
- Development of performance measures to gauge programs' compelling public value consistent with known priorities – *DURING FY 2014-15*

Priority Based Budgeting:

- Development of budget considering prioritized distribution of resources to programs – *FY 2015-16 PROPOSED BUDGET*

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FY 2014-15 Proposed Budget - Countywide Budget -

Additional Budget Development Considerations

Multi-Year Capital Plan:

Completion of a comprehensive Capital and Infrastructure Plan encompassing:

- Detailed information for capital and infrastructure projects recommended in Proposed Budget
- Projects previously presented with the Capital Facilities Financing Plan
- Presentation of project detail by County System and Project Category
- Each project accompanied by a "Project Briefing"
- Project assessment and priority criteria developed for applicable projects as reviewed by the Infrastructure Investment Committee

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FY 2014-15 Proposed Budget - Countywide Budget -

Additional Budget Development Considerations

Recommended Budget and Financial Policy Additions:

Pension Policy:

- Implementation of GASB Statement No. 68 required by June 30, 2015
- Requires financial statement note disclosures related to accounting measurement of pension liability
- Pension Policy delineates information required in annual note disclosures

Middle Fork Project Revenue Policy:

- Establishes a Middle Fork Project (MFP) Trust Fund into which County's share of annual MFP net revenues will be deposited
- MFP net revenues recommended for appropriation through annual budget process as source of funds for current and future capital and infrastructure projects

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FY 2014-15 Proposed Budget - Countywide Budget -

Additional Budget Development Considerations

Approach to Carryover Fund Balance:

Designate unassigned carryover fund balance from FY 2013-14 for the following purposes:

1. General Fund reserve pursuant to Budget and Financial Policy
2. Infrastructure priorities pursuant to Budget and Financial Policy
3. Other one-time or Board identified priorities for FY 2014-15

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FY 2014-15 Proposed Budget - Countywide Budget -

Next Steps - Development of Final Budget – September 9, 2014

Technical Changes to Proposed Budget

- > True-up of Carryover Fund Balance based on final year-end close
- > Consideration of recommended final budget adjustments
- > Consideration of any additional Carryover Fund Balances pursuant to Board direction

Update of Multi-Year Budget Framework

- > To include final results for FY 2013-14 and updated projections through FY 2019-20

Evaluation Update – OPEB and Retirement Funding

- > Review of OPEB and Retirement Plan funding status
- > Consideration of pre-funding alternatives consistent with preferred results

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